

SELL SMARTER, NOT HARDER: IMPROVING YOUR WHOLESALE STRATEGY: PART I

Key Take-Aways:

- Why this topic?
 - Market access for small & mid-size farmers is changing & confusing
 - Consolidation in the market means power is with the buyer, even though buyers want to source more from small & mid-size farms
 - Define what farmers can do to increase sales in a high-pressure marketplace
- Definitions:
 - Wholesale: sale of specialty crops, meat, dry goods, or value-added foods to restaurants, distributors, grocery stores, e-commerce companies, food manufacturers, and box-based community projects.
 - These tips will work best for those selling a half pallet to a truckload of product at a time.
 - Value chain coordination: using a creative set of tools to link buyers to suppliers.
- Case Studies: Tips for what works & what doesn't when reaching out to a wholesale buyer
 - What to do
 - Send short email with key information
 - Learn as much as you can about who does the buying and if there are constraints, such as limitation to specific distributors only or special programs focusing on local buying
 - If possible, get an introduction from a mutual contact
 - Ask what a buyer is looking for
 - Target exact needs
 - Contact at the beginning of the quarter when staff have more time
 - What to avoid
 - Long emails with too much information about yourself & your mission
 - Don't automatically assume that your high-volume crop is most desirable for a buyer because price is low, find out more
- Things to assess about a buyer:
 - Food system knowledge (general)
 - Regional/Local experience & expertise
 - Defined sustainability goals/targets related to procurement
 - Ability to change or create new supply chains

- Ability to flex rules & make things happen
- Has budget to source locally
- Demonstrated ability to form lasting supplier relationships (trust)
- Pro small supplier mandate (or awareness)

- Good Questions to ask:
 - What is your target margin? – then work backwards to see if the pricing structure can work for you
 - How often do you add new suppliers? – learn about what timing works best, if they have a long approval process, if the buying team can get creative or flexible
 - Who else supplies this product for you?
 - What distributors do you work with? – model transparency, scan for dock/complexity constraints
 - What kinds of products are you hunting for? - Sometimes this can open up other opportunities for you!

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