

A Shepherd's View of Direct Marketing

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One Shepherd's Opinion

- There are as many ways to sell lamb as there are shepherds
- Much depends on scale
- Much depends on if you want to make some extra cash or actually make a living
- If you want provocative - just ask a question



What is Border Springs Farm?

- Sheep Farm (600 ewes) with Heritage Turkeys (250/yr) and Heritage Chickens (breeding stock)
- Sell to the best chefs on the east coast
- Ship to chefs in over 13 states
- Have sold at Farmers' Markets, Grocery Stores, and Retail



What is Direct Marketing?

- Farmers' Markets
- Wholesale (Grocery Stores etc.)
- Restaurants
- Retail (Farmstand, Direct Shipping)



So you want a Second Job!

- I have never met a Farmer who has finished their "To Do List"
- Should only be considered if you really want a second job
- There are many "direct marketing options"
- Farmers' Markets, Wholesale, Restaurants, and Retail



Do You Have the Skills?

- Can you set a price? Do you know the market?
- Can you show passion for your product?
- How does it taste?
- Are you a craftsman, a salesperson, or both?
- Are you a logistics manager?
- It's all about people.



Lots of Models

- Hobby Farmer (false Economy)
- Full-time (to make a living from)
- Part of a co-op
- Aggregator



What is required?

- Liability Insurance
- Delivery vehicle (Reefer Truck)
- Shipping containers and packaging
- Invoicing, Payables, and Receivables, Inside Sales



Do you have a Butcher?

- Need a custom butcher
- Very few know how to cut lamb with the precision required by chefs
- Do you know the cuts and terminology of lamb? Must be able to speak the language of a butcher and a chef.



Cash Flow

- Instead of getting paid at the livestock auction...
- You transport to a butcher
- Let it hang a week
- Pay the butcher
- Deliver to a customer
- Wait to get paid - expect net 30



It's all about Logistics

- Farming is the easy part
- Logistics: scheduling your finishing of animals, slaughter, order sheets, cut-lists, deliveries, and shipping.
- The tire store, FedEx driver, and your butcher will be your best friends



Why Do It?

- Because you are called to it. Typically because you like sales and people, or are a foodie, or you want to see what happens to your animals.
- It can be very rewarding - both financially and professionally
- You have passion about being a shepherd and want to share it.



Why you should not do it...

- Cash flow really sucks!
- Restaurants are second only to farming in financial risk!
- You will take losses - butcher screws up, you lose product in shipping, chef changes their mind, restaurant closes...
- Retail customers are enormous time sinks for modest return
- Everyone wants racks - What to do with the rest of the animal?



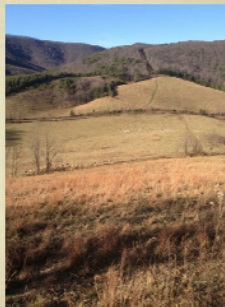
Biggest Challenges

- Finding Quality Custom Butchers
- "Farmies" or hobby farmers with a false economy
- Not-for-profits - again, false economy
- Number of hours in a day for so many multiple jobs.



Most Important Lesson

- Know when to say "No" to a sale.
- Almost all farmers who end up losing money in direct sales did so because they oversold meat off the back-bone and had too much hind-end inventory.



Support the American Lamb Board

- One of the first things any lamb direct marketer learns is that restaurants and grocery stores buy imported lamb because it is so much cheaper. Tell them the difference.
- Imported Lamb hurts all US shepherds.
- The ALB is helping shepherds tell our story and educating chefs and consumers
- American Shepherds have a great story and we need to share it.



Questions...

