

Featured Guest Interviews

Darby Simpson (simpsonfamilyfarm.com, grassfedlife.co)

[00:00:00] **Diego Footer:** Today's episode is all about how to sell more meat for more money. These are simple, easy to use ideas that you can put in place on your farm right now. Welcome to Grassfed Life. I'm your host Diego, DIEGO. The new year is here and hopefully this show and some of the resources that we offer at Grassfed Life will help you on your farm in 2021 and beyond.

[00:00:30] You can expect podcast episodes for the next few months every other week. And if you want to learn more about starting a livestock-based business, check out some of the courses that we have to offer by going to Grassfed Life.co or using the link below. We have a whole variety of courses ranging from sales and marketing to raising pigs to raising chickens.

[00:00:53] There are all different levels of courses from beginner to more advanced, so there's something for everyone at every price range. Get your livestock business started on the right foot and learn more using the link below.

[00:01:10] Today's episode is focused highly on sales. While most people love the field work, they don't actually love the selling. So today, Darby's going to share simple ideas that he's used on his farm in the past to sell meat.

[00:01:27] We're going to talk about how to market meat, how to communicate its value, and how to handle customer interactions. There's a lot in here. It's a very practical episode, and I hope it helps. So let's jump right into it. Selling meat with farmer Darby Simpson.

[00:01:45] You know, we're at the time of year where people are thinking about starting a new business. Maybe that's a new business enterprise, maybe that's a brand-new business, meaning they don't have a business at all, and they're looking to start one.

[00:01:57] We're also at a time of year where I think a lot of farmers are looking back at what 2018 looked like, what went well, what didn't, how they can make some changes for 2019, and today we'll hopefully help all those people potentially make some changes or at least get some ideas out there, stirring. And we want to focus in on ways to sell meat because compared to vege, I think meat is always a lot more difficult to sell.

[00:02:23] At least that's my impression from talking to you and several other producers. When it comes to selling meat, in general, very high up 30,000 foot view. What do you think the biggest difficulty is?

[00:02:35] **Darby Simpson:** Well, there's definitely a much larger premium over what you can purchase in a grocery store and what you can purchase meat from me for.

[00:02:42] That's definitely the truth with any kind of poultry, whether we're talking about chicken or Turkey or duck, there's a huge premium. There's a pretty good premium over pork. And now with grass-fed beef, a hundred percent grass-fed beef, that gap has started to narrow and we're even almost on par. But by and large, like it's just way more expensive than what you see in a grocery store.

[00:03:16] Versus when we're talking about vege, I mean, while there's definitely a premium, there's just not as big of a gap between let's say, local, chemical-free vege at the farmer's market versus a certified organic vegetable that you'd find in a grocery store. So I think that's part of it.

[00:03:38] I think the other part of it is for a lot of people, like they still just—it's weird to buy meat out of a cooler from a guy with a pickup truck in a high school parking lot on a Saturday morning, you know? There's just something that's a little unique about that if they've never done it before.

[00:03:57] So getting people to put their foot in the water for the first time can often entail a pretty long conversation. If it's new to them or if they're really educated, either way, they're probably going to have a lot of questions. I always joke, the vege guys, somebody walks up and says, Hey, are you chemical free?

[00:04:18] And they're like, yep. And they're like, okay. I'll take two of this and three of that. And one of those, and some of these over here, and 38 seconds later, the transaction's done because I've got all this gorgeous, colorful, beautiful produce up on a table, they've just said it's basically functionally organic.

[00:04:20] It's just a whole lot easier to make that sale versus my stuff. It's frozen. It's in a cooler. You can't see it. I've got to explain it. I got to answer lots of questions because it's a living, breathing animal. So those are really the two big hurdles that you face when get out there and start trying to retail this stuff.

[00:04:38] **Diego Footer:** And the fact that you can't display it I think creates a big problem. The fact that people aren't used to buying it at a farmer's market. I think that's another issue that anybody listening to this wanting to sell meat is just going to have to overcome.

[00:04:52] And the bigger issue maybe, and we've heard this on the podcast in the past with people like Kelly Bush, is maybe a farmer's market just isn't even going to work. Either the farmer's markets in your area are full, they can't take any more meat vendors.

[00:05:06] Because from talking to you and other producers, it seems like farmer's markets are a little more exclusive in terms of meat vendors than they are vege vendors. There could be 15 vege vendors, but there's only one person selling grass-fed beef.

[00:05:18] Or the market just doesn't do enough traffic, so they can't do enough sales volume to sustain their business. I think Kelly was mentioning something like, if he does three or \$400 at a farmer's market on a Saturday, like that's just not going to cut it.

[00:05:32] It's not going to support the business, which means then, you need to get creative and either find other ways to sell meat or do that and find other ways to sell meat. And that's where this episode is going to go is, what are the other ways that are possible out there to start moving meat, and how should people be thinking about market streams if they're starting a business?

[00:05:58] So let's start there, that'll be the question. If somebody's thinking about starting a business this year, do you go all-in on farmer's markets and say, Hey, I'm going to focus all my efforts there? Or do you have a couple income streams that you try and target your very first year right out of the gate and just deal with some of the sacrifices of trying to do multiple things at once, meaning you can't put as much effort into all of them equally?

[00:06:27] **Darby Simpson:** Yeah, so a lot of that is going to depend on first of all, do you have the time to go to a farmer's market and do a farmer's market well?

[00:06:34] Because as you and I have talked about in the past, and I talk a lot about this in the online course, like a four-hour farmer's market is probably an eight to 10-hour investment of your time. So for a lot of people, particularly if they're still working that off-farm, full-time job, doing a farmer's market just from a contextual time standpoint may not be an option.

[00:07:01] Now I think that if you live in an area where you can get into a good farmer's market, again, we've talked a lot about that, how to assess a farmer's market, there's, again, in the course, there's a whole module on assessing your market and defining what your market is.

[00:07:20] I still think it's worthwhile to go to a farmer's market, but even if you can get into a great farmer's market and have great sales, I think you want alternative income streams. And there's a lot of people that have demonstrated a lot of very unique ways to go about selling product.

[00:07:40] Luke Groce, who's been on the podcast a couple of times, he's got a really strong meat CSA program that he runs. Now for me, that's not really something I was ever very interested in, that really boils down more to my personality. I just I don't want to manage all that.

[00:07:58] It takes a lot of time to manage that. I'm sure that Luke's rebuttal would be well, it takes a whole lot of time to go to the farmer's markets that you guys go to, and he's right. But I enjoy doing farmer's markets and when we got started, we were able to get into some really good markets.

[00:08:12] Now, a couple of them, we had to apply, more than one year. We didn't get into all of them right away. We tried some that didn't work. We tried some that did work. But for us, farmer's markets have been a huge, huge portion of our business. As have bulk sales, selling half pigs, whole pigs, half cows, whole cows.

[00:08:29] And we have found a lot of those customers through the farmer's market. So again, even if farmer's markets aren't part of your long-term strategy, I think if you can go do one in the near term, you're wise to do cause you're gonna find some great long-term bulk customers, and I've yet to meet a farmer out there that won't sell a half cow or a whole pig and be really, really happy about it.

[00:08:52] And it just gives you a lot of exposure. It gets your name out there. And for us, farmer's markets and bulk sales, like that's been roughly 80% of our business for our farm. So those are the two big chunks, but we've done a lot of unique things over the past few years to fill in the cracks, if you will, some ways to have alternate streams of income coming into the farm.

[00:09:17] And some things I've come up with on my own. Some things we've borrowed some ideas from some other people. But there's just a lot of unique ways you can sell stuff and again, if you can manage it, and if you've got the product or in time, when you have the product, I think you want to diversify.

[00:09:34] Now in the beginning, again, if you can't go to a farmer's market, then maybe you focus on these first and you have farmer's markets later, if that's part of your overall strategy.

[0009:41] **Diego Footer:** Yeah. I think the great thing about a farmer's market is that it's an easy option. But the worst thing about a farmer's market is it's an easy option. You apply, you sign up, you get in, you show up, you didn't really have to do anything creativity-wise, or to find an edge.

[00:10:01] Like you're let into the market, you set up your stall, and I've never worked a farmer's market, but I've been to enough farmer's markets now around the country to realize like, there's definitely a small portion of market vendors that get it.

[00:10:18] And they kind of have the total package, and I think to succeed at a farmer's market, you have to have a unique blend of an outgoing, engaging, friendly, warm personality and a design aesthetic. So you can have both working for you. You need to set your booth up in a way that is attractive, highlights your product in the right way, including all the signage, everything that goes with it, and then be able to have the personality or the people at your booth to match the level of that display.

[00:10:49] And I see people that have a great display, but they're just sitting there, and I see people that are super engaging, but their display just looks flat. And I think that's why a lot of people may struggle some at farmer's markets, even on the vege side is, I don't know how many people try and put time into how can we really differentiate ourselves?

[00:11:10] How can we really try and stand out against other vendors within our competitive category versus just doing what's easy and showing up and setting up a display? Because people, if they're at the market, you said this, they're already sifted, they're filtered down, they want to buy this type of product from these type of people.

[00:11:33] How do you get them to stop at your booth? How do you make your booth attractive? And that goes back to that total package of personality and design aesthetic, and that's gonna require some time. And some people just, they're not that person. And we've heard that at the in-person workshops.

[00:11:50] **Darby Simpson:** Yeah, exactly. Generally speaking, females do much, much better with sales at farmer's markets. I think if you're selling bread or pastries, or even vege to some extent, like you can get away with sending hired help.

[00:12:07] But if you're selling meat, and the farmer's not in the stand, like you're going to have a really hard time with sales because people want to meet and talk with the farmer. And that's important if we're talking about honey, if we're talking about vegetables, if we're talking about apples or locally-pressed apple cider.

[00:12:31] But man, it is super important with meats, and you're right. You've got to have the aesthetics, you've got to have the personality and frankly, what we've learned and what I've heard from other farmers who do meat is you've got to have a farmer in the booth to represent. Now if you're on vacation and you send somebody for a week, no big deal, but you know.

[00:12:53] Day in and day out, you've got to represent your own stuff in the stall at the farmer's market. And again, for a lot of people, maybe they don't have the time to do that. Maybe they don't have markets near them that are worthwhile that they're going to go do those.

[00:13:08] And so you've got to start to look at alternative sales models, and frankly, this, what we're going to talk about now, I guess, that's what we started with. We didn't start out doing farmers markets. We kind of backed into them, if you will.

[00:13:21] **Diego Footer:** And any time it comes to sales, the very base principle here is you're trying to provide something that the customer wants. So whether that's engaging with a customer at a farmer's market or doing a CSA or a bulk sales program, you're providing what they want. And I talk a lot about this in the modules that I do in the course.

[00:13:42] And understanding what they want, it may sound like, obvious, and you may think you know what they want, but you might not actually know what they want. And listening is a big part of this when you engage with people online, at a farmer's market, on social media and hearing what they want.

[00:14:00] Because I think when it comes to meat, it's expensive. It's not cheap. Like, nobody's taken a flyer and impulse buying \$20 a pound grass-fed beef steaks. They're buying that for the result they're going to get from that steak. Maybe that's they want to impress somebody at a fancy dinner. Maybe that's they want to eat what they deemed to be the healthiest meat.

[00:14:28] Maybe they see that as is the optimum fuel for their body. But really understanding who your customer is and what result they're trying to get from your product is where this all starts. So Darby's going to go through all the models he's tried and some ideas he has, but if you just blindly copy those and shotgun apply those to your customer base, they might not work.

[00:14:54] And then you'll say, Hey, well, these don't work. But your customer may be different. They may want different things. So I think this all really starts from who are they? What do they want from your product? And then what's the best way to deliver that want to them, both in terms of product and the convenience mechanism of getting them that product itself?

[00:15:22] **Darby Simpson:** Right. So, one of the—one of the first components we added, once we started doing farmer's markets, and I started farming full-time. And I was around more, we could take on more, and this goes back to, oh boy, I think 2011.

[00:15:36] Now I started farming full-time in 2010 and started on the side all the way back in 2007. So I've been around for a while. We're headed into our 12th season here in 2019. But one of the first things we did in 2011 was we started offering—and now we had built up a large email list. So let me preface this. We built, had email lists through the farmer's market.

[00:16:00] We started offering free home delivery to areas that were close to home, and what we did is we would do these home deliveries. Now, if we had enough of them, we might schedule a whole day where I would just go to deliveries, and there were times that happened.

[00:16:18] But over the years, what we've tried to do is we really try and stack those quote-unquote 'free' home deliveries with other trips, right? So if we're driving, 30 minutes to go to Costco to get a few things, it's in a big urban area, we'll take an order there. Our boys take classes in an area that's about 30 minutes north of us in a very populated area.

[00:16:42] And a lot of times, my wife, she will take one of the boys to a class, drop him off. She might run and take a couple of delivery orders someplace, go to the bank, deposit all the funds from the weekend sales at the farmer's market, and then go back and pick the kid up and come back home.

[00:17:00] So we've really tried to make that work for us and our customers. And offering them that free home delivery because this isn't an area where we don't—we don't do farmer's markets in this area. We used to, but we haven't done farmer's markets in that area since 2010.

[00:17:15] They're 25, 30 minutes from the farm. Some people like to drive out here, and we do make ourselves available. When they fill out that online order form through the website, they can select free home delivery, or they can select that they want to pick it up at the farm.

[00:17:29] Now, we do make sure that we've got a minimum order. And when we first started doing this, we said the minimum or was 50 bucks. But what we saw was people would all the time put in orders that were 75 or a \$100, up to \$200. We tend to get people who are going to stock up when they use this service.

[00:17:50] They're busy, oftentimes they're professionals. They don't have time to go to the farmer's market. They don't have time to drive out to the farm. So they might buy a hundred, \$200 worth of stuff at a time. Now, over the years we've raised that in 2018, we had that set at 75.

[00:18:05] Going into 2019, we're basically kicking around like, Hey, orders over \$99, so basically a hundred bucks on up, we'll qualify for free delivery, just because we value our time. And really, the stuff we sell is not cheap. Let's face it, it's expensive. So spending a hundred bucks on it is not that hard to do.

[00:18:23] But this is something that's worked pretty well. And now, this is really hard to gauge how many dollars per month has this brought in between delivery and people picking stuff up on the farm, but I can tell you like, base minimum that we've seen has been five, 600 bucks a month.

[00:18:43] I'd say it probably averages close to a thousand dollars a month. But we've had months where it's 1500 or \$2,000, right, where we just happen to get a whole bunch of orders. And we've got people come into the farm or lots of delivery orders or whatever. But it really...it doesn't take a whole lot of extra time because we're either home, we can pull that order and meet them here. Or we're gonna—we're going to drop it off to them on a day and time that works for both of us.

[00:19:11] **Diego Footer:** Maybe you'll disagree with this. I think delivery is becoming a prerequisite for sales, especially in this space. I think if we look ahead a few years, all small farms, or a lot of small farms, the ones doing well, are going to have to offer delivery free or charge, it doesn't matter.

[00:19:31] Because I think that's just the way society is moving. Right before we got on this podcast, I needed an extra mouse for my computer. I go on Amazon. I order it. It's here in two days. Like I'm not going to drive to Fry's. I'm not going to drive the Best Buy when I can order sitting right here where I'm recording this, Amazon is ruining it for all of us.

[00:19:53] And then you have the box programs, where you cook meals or the meat box that just show up, and you have these other national distributors of grass-fed meat products. So I think as a small local producer, you really got to consider this and look at the economics. And I think it's worth trying for a few months, if you're thinking about doing any sort of online

sales or bulk sales program, and then assessing, well, are we losing money on this versus saying, it's going to cost too much. We don't have the time. I'm not going to do it.

[00:20:30] I'm more like, you do it. We run the numbers. You say, Hey, this could make sense. You do it, and then you assess. Luke Groce has gone to delivering his meat I know via somebody. There's all these Uber drivers out there, Lyft drivers that do this type of stuff. Max Becker is somebody who's done this on the vege side.

[00:20:48] He contracts out all his delivery, and he builds that into the price of the product. You have Primal Pastures doing that out here at Pasturebird. So I think convenience is something any of these models have to provide, whether that's making a drop at a place where that person already is or bringing it to them.

[00:21:12] But I know for sure like, that's a major factor of why a lot of people don't buy meat or why they don't go to a farmer's market. It's just limited time, so delivery is one way to get that product to them. And I think you could figure out some ways in your area, depending on how you structure your pricing, and maybe there's a charge, maybe it's free, where it works out.

[00:21:36] But I just question, like if more farmers offered free delivery or delivery for a nominal charge, five bucks on a hundred dollar order, would they do more sales? And my gut says you do a lot more sales because it just makes it easy. It shows up.

[00:21:49] **Darby Simpson:** Yeah. I think in a nutshell, I agree with pretty much everything you said. I think... I would stop just short of saying this is absolutely 100% required, but I think you're probably silly not to at least look at it and try it and do it on a scale that works for you. Like it has to fit contextually.

[00:22:12] And something I've talked a lot about in the course is if you live really, really far away from a good farmer's market, a big city, like I personally, if you tell me, Hey, it's two and a half hours each direction to get to a phenomenal farmer's market. Like, we don't need to discuss that. You just need to go do it.

[00:22:19] If you can get in there, and that's going to be a big portion of your sales, like you need to go do that farmer's market. And I think what you have to do is—and maybe you contract this out, maybe you do it yourself or whatever, but let's assume we've got a husband and wife team that can make this tick.

[00:22:46] And you go to the farmer's market, you drop everything off, you get it all set up. Let's just say that, you know, the wife is the outgoing personality. So she's going to stay and do the farmer's market from eight to 12. And from eight to 12, the husband is running around, dropping off delivery orders, restaurant orders, orders to stores, buying clubs, all these other things we're going to talk about.

[00:23:08] Like, there's a window to do that, to function stack it, to make it work in your life. But you're right. Farmer's markets are not a convenient way to go shop for food. You're asking someone to get up on a Saturday morning, which is probably their day off and go out into a parking lot.

[00:23:26] It may be hot. It may be raining. It might be snowing. I've done many farmer's markets in snow and ice, outside, in the elements and people still come and shop. You know, it's not a convenient way to buy food. So to reach that next tier of customer, you've got to remove the hurdles. But you have to remove the hurdles in a way that works for you, works for your farm, works for your life. And that's why you can't just copy and paste what somebody else is doing.

[00:23:56] **Diego Footer:** Exactly. And keep this in mind again, for your context, for your population density. I'm speaking here from Southern California. I mean, there 's 20 million people within four hours I can access if I needed to.

[00:24:07] It might be very different for somebody in a very rural area, but this idea of overcoming obstacles, this is going to apply to any model that we do. And if you think about any model of selling meat, I mean, what are some of the obstacles you have?

[00:24:21] Well, I got to get the meat somehow. So if I have to go pick it up at a farmer's market, that's an obstacle. How can that be overcome? Well, price is potentially an obstacle on some of this when you do compare it against grocery store pricing. Well, you overcome that by finding the people who don't care about price, or you make it solve their problems.

[00:24:29] So they're paying to have a problem solved or to get the result that they want. Another could be, I gotta buy too much meat. I get a box where I don't know what's in it. Another might be, I don't know how to deal with any of these cuts.

[00:24:56] So all these little nuances within the process, all these models have to somehow solve and/or attack in a different way. And you've learned this over the years of simplifying it down and communicating it where you're not just buying a whole share of beef or half share of beef for a thousand dollars plus. It's, do you want to get grass-fed beef for 9.99 a pound?

[00:25:22] So as Darby runs through these models, think about, what are the obstacles in your context with your market? What would people potentially say about them? What are the negatives of them, and then how can you manipulate those negatives? Not in a sleazy way, but in a legitimate way to solve the buyer's problem, because that's what we're all trying to do here is solve somebody's problem by providing a product to them delivered in a way to them that makes their life better, easier, et cetera.

[00:25:53] **Darby Simpson:** Right, exactly. Exactly. And that's the great part about looking at somebody else's model and having one of those *aha* light bulb moments, right, where you—it dawns on you that, Hey, you know what, my wife's dad lives in the city. We've got some customers there. He's retired, he'd probably be willing to help us out.

[00:26:17] Maybe I could pay him to do my deliveries. Maybe I could buy a chest freezer, put it in their garage. Pre-pack all the deliveries, I can send an electronic invoice. He doesn't have to collect any money. And maybe he could run those out, and deliver them during the week.

[00:26:32] And we'll pay him an a la carte delivery fee that the customer's going to pay. I mean, there are so many unique solutions of ways to get your products into people's hands. It's really, really endless. And everybody's model is going to look different. It's the same, but it's different.

[00:26:51] Something else we've done, and this comes right out of what we just got done talking about, was having people order online. They'd put in this order, and every once in a while, we'd see a name pop up. And we'd see it come through on email and you'd see such and such name. You're like, oh boy, this is probably going to be a four or \$500 order because we don't hear from them very often.

[00:27:17] But every time we do like, \$300 is light and sometimes it's five, 600 bucks. You know, Brandy and I had a conversation one day. It's like, how—like, we need to get these people—we hear from them so randomly. We'll hear from him every three to six months. Like, they're great customers, they love our stuff, but we hear from them so infrequently.

[00:27:36] So basically, what I devise and I—I'm sure I'm basically copied somebody else's idea without knowing it, but what I did was I put together what we call a frequent buyer program. And basically, what this is is it's kind of like a rewards program.

[00:27:52] So what we did is we went out and we said, Hey, if you'll sign up for a share, which is a hundred dollars a month, and you can get as many shares as you want, we'll give you a 10% discount on anything you purchase.

[00:28:07] But what that did was it got these infrequent buyers who this was really targeted at to sign up and send us money on the first of every month, and we do all this electronically. I'll send them an electronic invoice. Some of them have got their cards set to pay automatically.

[00:28:22] Some of them will go in and do it manually, but it got us connected on a regular basis with customers that we were hearing from infrequently. You know, because maybe they forgot, they get busy, whatever. We gave them a 10% bonus to basically shop with us.

[00:28:42] So what that looks like is okay, you signed up for three months at a hundred dollars a month. So you're going to send us \$300. You get \$330 in space credits, but it gave us some invoiceable money at the beginning of every month, which we had never had before.

[00:29:00] And we actually started doing this—it's been about a year and a half ago. This would've been back in like May of 2017. We came up with this and looking back over about the last 18 months, this program has brought in almost \$9,000.

[00:29:18] It's about 500 bucks a month is what it has brought in. And that doesn't sound like a lot, but when you start figuring out ways, well, this is \$500 a month and delivering on farm sales or 500 to a thousand dollars a month, and all of a sudden, you go from struggling to having some margin financially in your business account.

[00:29:44] And that's always, always a good thing. And if you have a bad farmer's market, you know, the last weekend of the month, maybe it's rainy and your markets stink. Well, then the first of the month rolls around and boom, you've got—we've had as much as like \$1,200 in invoices that we'd send out, and that sure is a nice chunk of change.

[00:30:04] Now, the trade-off is, again, you're giving that 10% away, we're sending an electronic invoice, so we gotta pay for that processing fee. It's about 12 and a half percent. That's about what we give stores and restaurants, which we'll get to here in a little bit. So I looked at it like, you know what?

[00:30:24] This is money we're not bringing in. I'm willing to give this kind of a discount to a restaurant. If they spend \$300, this person's willing to spend \$300, it gets them coming back more frequently. Oftentimes, they'll go over their space credits.

[00:30:36] At which point they can take as much as they want, but anything over their space credit limit, they have to pay full retail price for. And it's just been a great way for us to get connected and stay connected with the customers on a more regular basis.

[00:30:50] **Diego Footer:** And on average, how much time would you say you're spending a week on that, averaged out year-round?

[00:30:57] **Darby Simpson:** Oh gosh. Less than 30 minutes a week. It's basically putting everything into a spreadsheet. Now I'm not... I'm not counting, going and pulling their order, right? Because like, if I sell something, I got to go pull the order regardless. I'm talking about, I send out the invoice, we use Square.

[00:31:13] You can go to squareup.co if you want more information on online payment processing and processing payments at the farmer's market, I'm not affiliated with them. I don't get anything from them, but we've been using them for eight years now.

[00:31:26] We started with them back in 2011. They just make it very easy. You know, it's pretty easy to go in there, duplicate the invoice from last month and say, Hey, this is month two of three. I get into my spreadsheet. You've got X space credits left. I always put that in the notes.

[00:31:44] It's pretty fast and simple. So I'd say... I'd say 30 minutes a week, maybe 45 minutes a week where I'm inputting numbers into the spreadsheet to track how much they've spent and sending out those invoices.

[00:31:56] **Diego Footer:** So that's really not that much in the grand scheme of things. If you think about a lot of these models and you compare it against the farmer's market, which might be an 8-10 hour day weekly like, given.

[00:32:08] And let's say, you're comparing this against the model you just mentioned. Say that takes half an hour, but say even pulling the orders, it takes you another half an hour each week. You're an hour into it each week versus eight to 10 hours at a farmer's market.

[00:32:23] Like, those types of trade-offs work. And obviously there's going to be some initial work that goes into that in setting it up. But general, like everything, like setting up a website or social media account, any of that, there's a big lump of work at the beginning.

[00:32:37] And then it gets easier over time. And I think this is the time of the year when you think about doing that big lumpy work because you're not going to want to do it in the middle of July or in October when you're in the final crunch and turkeys are on pasture and everything else is happening.

[00:32:55] So, if you want to set up these programs, if you want to start reaching out to an email list and getting your feelers out, use this time now in January, February, March, when you're sitting around. I mean, that's what this time is for on the farm.

[00:33:06] **Darby Simpson:** Yeah, exactly. And I think, and this is something I'm going to be investigating for 2019. I'm pretty sure that Square now has like a gift card. So basically, you can give people one of these cards and load it. And then you can just swipe that if they come to the farmer's market or they come to the farm to take the credits off of it.

[00:33:27] So it can actually really improve the efficiency. If they've got that in their possession, they've already spent the money. Like, they're going to use it. They're going to come see you. And again, that's what this—for us, that's what this program was designed to do. So I think there are ways with technology to make it even faster and more efficient than what I'm doing currently.

[00:33:49] And I think that they rolled that out honestly, probably about a year ago. And I just haven't taken the time to look into it, but I know a couple other vendors are using it. And again, it's just, it's kind of like a rewards program to reward people to come and shop with you on a weekly basis.

[00:34:05] **Diego Footer:** Yeah. There's one program that Ben Grimes uses. It's called Credibles, C R E D I B L E S. You can check them out, but it's similar. You can allow pre-pay and offer bonuses for pre-pay through your store, your market.

[00:34:25] And people don't need a card. They don't need any of that other stuff. It's all tracked through Credible's online. And he was showing me that when we were out there recording the pastured poultry processing course with him, but that was another system that made...

[00:34:41] That was another piece of technology that made implementing this type of buying program easier. The bonus for him was he could collect a bunch of money up front to get the cash flow income, give a little bit of a discount to reward that people giving him money upfront, and it made it easy because it was a third-party site.

[00:35:01] So that kind of outsourced the credibility and trust of buyers to a third party where, well, they may think, I don't know this farmer, I'm kind of new. I don't want to give them \$500 out of the gate, but if it's run through a site like Credibles or Square, it might make things seem a little more legit when the buyer may be a little suspicious upfront.

[00:35:20] **Darby Simpson:** Yeah. I think that's a really neat way to attack that. I think... I think something else that Ben does, and I'm 99% sure he does this, I think with like pre-orders for the farmer's market—which we have people pre-order for the farmer's market as well—I think if they'll pre-order like, within 24 hours before the market or something, he gives them a discount as well to pre-shop, right?

[00:35:42] Because then they're committed to come to the market and he knows, Hey, I got to pack extra of these items because Sue is going to stop by the market today and pick these up for sure.

[00:35:52] **Diego Footer:** Yeah, and one thing I know he did was in areas where he needed cashflow would be say, normally, you join his buying program and you get a 10% bonus just like you have. You spend a hundred bucks, you get an extra 10 bucks.

[00:36:05] He might say, Hey, between now and Saturday, if you deposit any money, you get an extra five or 10% bonus, so instead of getting an extra \$10, you get an extra \$5 or you get an extra \$10 on top of that. It's just a quick bonus.

[00:36:20] But the nice thing about this is he's not keeping track of this in Excel or on some spreadsheet. Credibles is doing it, and it's a linkable, clickable thing. So you can easily post it on social media, email it out to a list, and you're not getting lost in it.

[00:36:38] Customers can log in and see their balance. So there's never any confusion of, he said, she said, how many credits did you have? There's transparency there, which is another part of any of these models. You need to think about if customers have questions, if they have disputes, if they're not sure how it works, like, are you providing solutions where they can clearly understand the program.

[00:36:59] And they understand all the nuances of everything involved, and there's not room for interpretation in there, 'cause you don't want somebody to buy in, and then they thought one thing, but it's really something else. And then they get upset and then they don't come back. And it defeats the whole purpose.

[00:37:15] **Darby Simpson:** Yeah. Yeah, exactly. And I think what I just heard you say is that Ben's in the digital age and I'm still analog.

[00:37:23] **Diego Footer:** You might be a little bit.

[00:37:24] **Darby Simpson:** Yeah. That's okay. He's younger than me. So I'm analog, I'm old school, yeah.

[00:37:28] And something else we've done and we've talked many times about how we've always structured our bulk buying program for our chickens. We call it chicken CSA. I'm not going to go into the details of that here.

[00:37:40] But long story made short, every time we have customers come pick up fresh, whole chickens for the bulk program, we had to be here. We had to be available. We were set up for three to four hours and a couple of years into that, these check-in customers would come down, and we're not hard pushy salespeople.

[00:38:00] It's just not my style. It's definitely not my wife's style, but eventually people was asking, Hey, do you have any bacon in the freezer? Yeah. Can I get a couple of packages while I'm here? Yeah, I'll sure. We finally got it through our thick heads that people might want to buy stuff beyond their fresh chickens when they came down to the farm.

[00:38:20] So we basically took a hybrid approach to setting up like we were at a farmer's market, but on the farm. So anytime we have a group of people coming down and for us, it's mostly been the chicken CSA, but there've been times when we've had a group from Weston A Price come down.

[00:38:36] We've had Purdue University, which is the ag school in Indiana for those that don't know. We might do a tour for the Purdue extension or whatever it is. We would set up and be 'open' quote-unquote during those times because Hey, people are here and they might want to buy stuff.

[00:38:56] And particularly with the chicken CSA, like once we started doing that and then we expanded it further, we'd email our whole entire email list to say, Hey, come down to the farm today. You can get fresh chicken. Plus, we've got all these other items in stock. We'd link our online order form.

[00:39:14] Like we, minimum, would always do five to 600 bucks in business during that three to four hours that we had to be there anyway from people buying stuff. And there have been countless times we did 2000 to \$2,500.

[00:39:30] I'd say the, over the years, the average has probably been about a thousand to 1300 bucks during each one of those pickups. So again, it was a function stack thing. It was a hybrid approach to tacking on retail sales onto a bulk purchase function that has really worked well for us.

[00:39:50] And it always gave us a way to cashflow the chicken butchering, which is a huge expense. For us, at times, has been as high as 24, 2500 bucks. So having that extra cash come in the day you write the check for all that processing was always nice.

[00:40:09] Really, cashflow was the mother of necessity that kind of spurred that invention, if you will. But if you're doing any kind of agritourism or you're doing, I don't know, mommy's bringing their kids out for a pumpkin patch or to walk around and look at the animals, make yourself available.

[00:40:31] Make sure that they know that Hey, at the end of whatever the event is, if you'd like to purchase anything, we're open and available.

[00:40:40] **Diego Footer:** Yeah. It's a little Glengarry, Glen Ross always be closing a mentality there of when you have opportunities to sell, sell. Take advantage of them. If people come, if you're in front of people, make them aware.

[00:40:53] Because that's the whole hard part about any business is getting your product in front of people. And all these models are just ways to potentially do more transactions. And I think why a lot of farms and why a lot of businesses struggle is they're just not doing enough transactions to sustain their business and/or to sustain their business plus their livelihood.

[00:41:20] So the only way you can do more total income from the business, there's really three ways. You can increase the velocity of your transactions, do more transactions. You can sell more per transaction, either make more profit per transaction or just do bigger transactions, or you can sell more to past customers like bring back, repeat customers instead of adding new customers.

[00:41:49] What do you do to engage customers that are non-farmers market customers that you've sold to in the past to try and keep them aware of your brand active, get them to come back for something else?

[00:42:08] So if somebody signs up for our program and they don't repeat, do you do anything or do you follow up with those people anytime a new program is launched?

[00:42:18] **Darby Simpson:** I definitely follow up very stringently with my bulk customers. And I'll usually go back about two years now. It's 2019. So let's say that the last time somebody ordered was 2016, I will follow up with them in 17.

[00:42:34] I will have followed up with them in 18. This year, 2019. I'm probably gonna drop them. I, again, I've been accused of not being pushy enough when it comes to sales. And that's true of basically in anything we've done, like I'm just not a hard salesperson. I want it to be an organic purchase. I probably leave a lot of money on the table because of that.

[00:43:00] But if I haven't heard from him in a couple of years, like I'll quit bugging them. I don't want to be the guy that continually fills up their inbox if they're not interested. Same

thing with the frequent buyer program. I'll reach out people from time to time, maybe once or twice a year to see if I can get them on the hook, the people who use the online delivery form, pick up at the farm form.

[00:43:19] Occasionally, I'll go in, siphon off all the emails, download those, do a special email out to them like, Hey, purchase something this week for delivery or on-farm pickup and kinda like Ben does, get this bonus or whatever. So there are some unique ways that, that you can go about that.

[00:43:37] I think you should do that somewhat. I think you've gotta be careful, though. Like, you can spend so much time trying to market to people who might not any longer be interested that you might miss other opportunities.

[00:43:50] **Diego Footer:** I think there's a fine line there. You have to have a system like you do, but you can't go with nothing. So one danger in this episode is people hear models, and they come up with all these ideas of models that they're going to sell, but they don't think about all the downstream bandwidth and time required to deliver on those models and fulfill them, even if it's a half hour a week. That's fine.

[00:44:18] But if you do five things that require each half an hour a week, that's two and a half hours. Are you going to have the mental sanity and the time bandwidth to do that? Are you going to have the time to respond to people's questions about these models. Customer service call that.

[00:44:34] Are you going to have time to do the fulfillment, to do the delivery? Are you going to have time to update the website or send out regular emails as you need to? Those are areas that I'm guilty of this, too. I get excited about a topic. I think about the topic, you dive in, but then you forget about what that topic fully entails.

[00:44:56] So any of these models that you're putting forward, I think people should take some time also to map this out and say, okay, what's that required to start it up? Downstream, what's that required to do it reasonably well?

[00:45:09] And if that means you got to send out an email a week, you got to commit to sending out an email a week. And that means even in the worst time of year, you're sending out an email a week. Taking on too much means you're less likely to do it. So focus on the ones that you're more likely to do in full.

[00:45:28] **Darby Simpson:** Yeah. I think again, you've got to do what works for you. I'm probably less systematic than I should be—no, I am less systematic than I should be. But again, I think that kind of goes back to, it's not that I think about it or not that I can't make the time for it because I'm too busy. It's I have this guilt complex about bugging people.

[00:45:49] So I guess I personally would prefer to err on the side of caution. I just, I feel like it's so easy to run people off by over-marketing them. Our inboxes are just full all the time.

Your Instagram feed, your Facebook feed, like you're just constantly barraged with marketing. And I dunno, I just don't want to—I don't want to wear out my welcome, I guess?

[00:46:17] **Diego Footer:** What I would say to that though, is there's a reason you're overwhelmed and that's because it works. Like that, I get an email from Underarmour, like every day, and I'm not going to buy under Armour clothes every day, but there you have a multi-billion dollar company sending it out.

[00:46:35] Amazon's all up in your face with Prime Video, apps on your phone. Like, it's so competitive that I think you have to err on the side of staying relevant and staying in touch and risk pushing people away than not.

[00:46:56] Now that doesn't mean every email you send them is buy. It's the whole Gary Vaynerchuk jab, right hook, provide value, sell. But I think doing erring on the side of more contact is better than less. And I think at this point, people are used to it. If they're getting too many emails, they're gonna unsubscribe.

[00:47:16] But in reality also, I mean like your email list, it's a vehicle to sell. That's the only real business reason to do it. Otherwise, a business shouldn't have an email list, and if you can't sell through your list, why have it?

[00:47:32] It's not—you're not emailing personal context for that. So I'm with you, too. And I err on the side that you do, and I'm sure it costs me. And I'm trying to push myself more into the more aggressive side, which I think sometimes people denote with pushy-sleazy, but I don't, I just don't think that's the case.

[00:47:53] **Darby Simpson:** Yeah. For us like, I'll send the farm email list, I send two to three emails a month. I know a lot of people will tell me, Nope, you've got to send 52 a year. Not 30 or 32. But I guess I'm comfortable with what we're doing.

[00:48:10] Definitely when I get down near the end, if we—if we've got that one last pig to sell, or we've got a half cow we've got to move or whatever, then I'll definitely be more aggressive to meet a financial goal, but...

[00:48:24] **Diego Footer:** I think one thing people can do is if they're thinking about doing any of these models, and you're not totally comfortable on how you can market it and present it to people, go to some of these Home Chef or Hello Fresh sites and get on their email list and see what they're sending you. These are big companies that have venture capital funding behind them.

[00:48:49] See how frequently they're sending emails, see what they're saying and emails to entice you to buy. See how their sites are laid out. Doesn't mean copy them, but there's generally going to be some trends there.

[00:49:04] Like, it's obvious that they're trying to provide convenience and high quality and gourmet. And I think if you reverse engineer some of the conceptual stuff on their websites and in their emails, it might make it easier for people who aren't as salesy or as familiar with sales.

[00:49:23] And then you can say, I'm on the Whole Fresh email. It feels like I'm getting too many emails. Like, I feel a little bit invaded. Okay. If I'm going to send out an email to my customers, I need to do it at a lower rate than they do, but then maybe a try it at a higher rate, too and see, does that push yourself out of your comfort zone?

[00:49:42] Because maybe you're assuming one thing that if I send too much, people are going to drop off, but maybe they won't, maybe they will love it and maybe they'll buy more. And it's one of the things I don't think, until you fully try.

[00:49:54] **Darby Simpson:** Yeah. There's a lot of truth to that. This whole episode is about trial and error and seeing what's going to work for your farm, with customers in your region, and how they're used to buying stuff.

[00:50:06] **Diego Footer:** Along lines of trial and error, what are some other ideas that you've tried or haven't tried but you think might work to help stimulate some ideas for people?

[00:50:16] **Darby Simpson:** Now one thing we have done, and we've done it with some level of success. We actually killed it right at the end of 2018 due to—this was completely contextual on behalf of the person that was doing it was a buying club in an area where we used to do a farmer's market.

[00:50:30] We actually switched farmer's markets back in see 2016. We didn't want to leave those customers in that area hanging. So we formed what we called a buying club, and basically people would just put together an online order form, like they normally would. They'd select buying club.

[00:50:46] And then we would take a bunch of product up to someone's home and the packages that'll be divvied up. They would add everything together, coordinate with customers to come and pick those up and hand them out. And we didn't pay this person technically to do this for us, they wanted to help us out.

[00:51:06] We—what we did is we gave them a really handsome discount on anything they ordered. And that was something that honestly works pretty well. It ran its course. I know a lot of farms are like buying clubs are their main model.

[00:51:20] Like they do—like, buying clubs are to them what farmer's markets are to us, and they push a lot of stuff through those buying clubs. And again, if you live far away, and you want to go into the city one day a week and really make it count, that could definitely be an option for you.

[00:51:37] **Diego Footer:** Yeah, by 'buying club,' can you just give a brief definition of that on how that's different than say a bulk program or some of these other box programs?

[00:51:44] **Darby Simpson:** Yeah. So it's functionally, it's retail. And we'd have a couple of people who would sign up for the frequent buyer program so they could save 10% on those purchases, but it's essentially retail.

[00:51:57] It's just going to a person's home. It's akin to, if a veggie guy talks someone he knew into being a drop site for CSA boxes, you're doing all the marketing. Oftentimes you might be handling all the money. Maybe it's all done through electronic invoicing, but then you've got this third party who, in exchange for getting a discount on anything they personally purchase, they're willing to pass stuff out.

[00:52:22] And people might come over on Saturday afternoon, Friday evening, like whatever, it's more open window of time for people to pick stuff up.

[00:52:32] **Diego Footer:** And pricing is a big consideration in any of these models. You don't necessarily have to give a discount on any of these. And some of these models could dictate more of a premium.

[00:52:43] Like in the case of if you're doing delivery, you may price delivery into the price of the product, so that might cost a customer more per pound than it would be if they came and did it at a farmer's market.

[00:52:55] Conversely, maybe you have a bulk program. You want to offer a discount. You want to incentivize people into that program. And the only way you can figure out to incentivize them is give them a discount. And that's essentially your rate of interest on borrowing that money for them.

[00:53:14] When you think about pricing and any of these models, how do you think about retail versus when I'm at a discount?

[00:53:24] **Darby Simpson:** Our kind of our standard discount off of the retail prices is roughly 10. If we're going to do some kind of a push, it's 10%.

[00:53:35] If we're talking about stores and restaurants, which is something else we've done, again a little bit, not a ton, we typically offer them a 15% discount. Sometimes it's been high as 20, but really we stick to that 15.

[00:53:50] We do free delivery, but unless we can drop it off easily because we're going right past there, we tell them like, Hey, you've got to, based on where they're at, you might have to order 300, \$400 worth of stuff.

[00:54:05] Sure, they're only gonna make, 50, 60 bucks on that order, but if they want a premium local product in their store, and they want us telling people on social media and via

email that they're carrying our stuff, that's just how we've structured it. We can't give them a big use 40% discount.

[00:54:24] Now, on top of working with stores and restaurants, one thing we've done, particularly with one store that's worked really is consider this a bulk sale. Like you'd sell a whole pig to a family, but you're selling it to a store.

[00:54:39] We actually will discount it a little bit further. They then use our retail pricing at the processor. So no matter if people go buy pork chops for me at the farmer's market, or they buy them from this store, those pork chops are \$10 and 99 cents a pound. The bacon is \$12 and 99 cents a pound. The brats are 10 bucks a package.

[00:55:01] The store though they then realized that 35 to 40 because they're buying that pig at a big, huge discount and then retailing it piece by piece, just like I'm doing at the farmer's market. So that's another program we've used again, very limited, but it's been pretty successful.

[00:55:19] The one store that we've done with and that store, they are now up to ordering like one whole cow year and two to three whole pigs a year. That's a good relationship. They also retail our poultry. We give them a flat 15% discount on the poultry. That relationship with that one store has generated roughly, gosh, four to \$6,000 a year, again, roughly about \$500 a month.

[00:55:50] And we just, once you get enough of these little things going, you get the relationships established, you get the pricing established, they're really not that hard to manage. And they really start to add up in terms of sales.

[00:56:05] We've got one local restaurant we work with that we do. We literally drive past there every week, twice a week. Sometimes, they'll order a hundred dollars' worth of stuff. Sometimes it's \$300 worth of stuff. Sometimes it's three or four times a month. Sometimes it's once a month, but it's a function stack we're driving right past them.

[00:56:23] It's cool to be able to tell people in the local area like, Hey, you can enjoy us here. People see your name on the menu, that can always lead to something more.

[00:56:31] **Diego Footer:** And you're saying that bulk sales and farmer's markets are 80% of your business. At this stage, that role do these other models play, this 20%? Is this what enables the farm to grow? Is this what enables you all as a family to do different things?

[00:56:56] How do these a little, what might seem like small things that add up to that 20% play into the greater scheme that is the farm? Or maybe another way of asking is how would it look differently if you didn't have this 20%?

[00:57:12] **Darby Simpson:** So the bulk sales, that's a whole bunch of money at one time. We're taking deposits, and like last year in the month of October, I hauled off 16 cattle. Okay. 14 or

15 of those were sold as a half and quarter cows. So yeah, you have a whole bunch of money come in at one time.

[00:57:34] We'll have deposits come in here in a couple of months in March for people wanting to reserve orders again for this coming fall. So you've got these two peaks. Your farmer's markets happen all the time, but there are dips. It's rainy, it's cold. The market got canceled. You were sick.

[00:57:56] Basically, these other little things that we've put together, they smooth things out. It just like when you've got so many lines in the water, sure. You're not going to catch a big fish with these. A whole lot of little fish can make up for a big fish getting away.

[00:58:13] So if you have a really bad week at the farmer's market or you're sick and you can't go. Like these can bail you out. They have just allowed us to really smooth out our cash flow, fill in the gaps. And to just really just to have some margin in our business account.

[00:58:30] So for us, it's been good. And there is one last thing I want to mention. Something we've done really successfully every fall for the last three years is we'll do this bulk box. When you get into the end of November and December, and everybody's in the shopping mood.

[00:58:46] Everybody's in the cooking mood, you've got get togethers and family and something we've found that works really well for us, and this kind of gives us that last big chunk of cash at the end of the year, which then helps us maybe, maybe we get to pay off a piece of equipment or we're going to invest in some more infrastructure in the coming year is we've done these bulk boxes.

[00:59:09] And we'll call them like a holiday box. And we might offer two different ones. Like maybe one of them is 99 bucks and the other one's \$199. And we'll look at what we have in the freezer and what we're long on, and we'll design a box based on what do we need to move? And we'll put about a 20% discount on it from retail stuff, but I'm not gonna, I'm not gonna lie.

[00:59:30] That 20% is coming in the form of chicken frames and pork spareribs and some other stuff that maybe we're really, it's piled up. It's something we might have blown out of the freezer anyway. But it allows us to clean out the freezer and get that last big chunk of cash in.

[00:59:49] And I think that's something that a lot of people could find would work going into the end of October, November, December timeframe. I think he could probably do it other times a year, too. We've just been really experimented with it, but definitely headed into Christmas. Like, people dig that.

[01:00:04] Getting some steaks, that's what—it's hard to sell steaks in the winter where I live. This is a true, four-season climate. We'll put—if we're long on T-bone steaks, that's going to be

a pretty big chunk of what goes in that box from a retail standpoint. It helps us move stuff out of the freezer that otherwise might just sit there.

[01:00:21] **Diego Footer:** So a lot of good ideas in this one, I hope it really gets people thinking and gets them planning this time of year. I would say if you're somebody who's already farming, look at your sales models from last year, how do you think they went? Could you add another model on and should you really add another model on?

[01:00:40] And if you're new, you need to think about when you do produce that product, how are you eventually going to move it out there? And if you're dead set on one market stream, maybe that's a farmer's market, should you not be dead set on that one and maybe have several in mind?

[01:00:58] Now, we always talk about the production and people love their production, but that's only one side of the coin. And I think, in general, production is relatively easy. That's going to figure itself out. The animals want to live, but the sales side is what's going to make or break any business.

[01:01:16] And it's not just that you don't have sales. You don't have *enough* sales. Because not having enough is just as bad as having none.

[01:01:27] Between this episode, a lot of the modules that we cover in the course, I think there's a lot of good ideas here. And I boil this all down to solve problems for your customer, give customers the result that they want to see, and make their life easier through what you're selling.

[01:01:48] **Darby Simpson:** Yeah. And I would add, if you're raising a great-tasting premium product like we do here and you figure out a way to get that into their hands that work for them, whether that's buying a whole pig, buying a package of stuff from you at the farmer's market or at a local store or through one of these, you're in holiday boxes. Once they taste it, they're not going to forget it. And if you can stay connected with them, they will become repeat customers.

[01:02:18] **Diego Footer:** There you have a Darby Simpson on how to sell more meat for more money. I really hope that this episode helps. I hope you can use some of these ideas on your farm, implement them here over the winter, and use them to sell more product in the spring and throughout the summer.

[01:02:34] If you enjoyed this episode, be sure to check out the whole backlog of podcast episodes that we have here on Grassfed Life. And if you want to learn more from us, check out some of the courses that we have to offer at GrassfedLife.co or using the link below. From homestead level to farm level, there's a whole variety of courses at different price levels and for different skill levels. So check them out using the link below.

[01:03:02] Thanks for listening to this one. Until next time. Be nice. Be thankful and do the work.

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