

# Local Food production: Know your market options

Fact Sheet series for the  
Small Rural Landholder

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## The Issue

*There is an ever-increasing trend towards small rural land ownership, especially on the peri-urban fringe around larger metropolitan or regional centres.*

*These landholders are highly motivated and want to undertake some type of agricultural production system on their property.*

*This may include a mix of horticultural and livestock enterprises which may be on a semi-commercial scale due to off-farm income or business interests.*

*However, this is NOT to dismiss these enterprises as just hobbies.*

*Professional enterprise management and marketing are encouraged to demonstrate that regardless of small property scales – collectively there are significant contributions to the local food economy to be made.*



Many smaller rural landholders are highly motivated to undertake some level of food production on their property. Although it may be on a smaller scale than deemed “commercially” significant, this does not exclude these producers from being legitimate contributors to local food supply chains and deriving some level of on-farm income.

Consumer demands for increased transparency around how food is grown i.e. provenance, farming methods and inputs, animal welfare and post-harvest handling (distribution & storage processes) are growing.

There are great advantages for smaller producers to seek out local market options and ensure their goods have not moved far from where they are grown to where they are sold and showcase authentic provenance.

Many market options exist for sale of local products. Some well-used pathways for local food sales include:

- Farmgate
- U-pick
- Farmers markets
- Cooperative ventures
- Wholesale & Retail
- On-line sales
- Community food groups

## **Key considerations**

Many new rural landholders underestimate the amount of time and energy required to undertake commercially viable seasonal agricultural production activities. Having a well-defined understanding of the level of energy and time you want to commit to your agricultural production enterprise and appropriate market strategy is important.

For example, many people also work off-farm and may be restricted to certain

times and days to focus on selling produce. Therefore, you need to think through what market options work best when hours or days are limited. Some examples of various market options considerations include:

### **Farmers markets**

Farmers markets have always been seen as an “incubator” to test the market place and get feedback on products, especially prior to investment in upscaling a business. However, some people have personal or family commitments on weekends, when many farmer or community markets are held, so it may not suit to pursue those avenues given the long hours involved. It is important to assess the amount of income versus time and logistics commitment invested.

### **Farmgate & U-Pick**

Farmgate and U-Pick models are popular and convenient options where food does not have to move far between producer and consumer.

There are numerous types of farmgate set-ups such as seasonal produce stands and honesty boxes through to walk-in premises with a selection of local produce sourced from the farm or adjoining properties.

U-Pick tends to be popular for seasonal fruits such as cherries and berries. The consumer may pay a standard entry fee and, depending on the amount of produce they have picked (\$/kilo or punnet), other associated costs per volume.

People need to decide if they want the public venturing on their property throughout the day and often unaccompanied. If not then Farmgate or U-Pick may not be appropriate methods for consumer sales.

#### What can you do?

*It is important to determine what type of market options best suits your lifestyle or business needs.*

*Assessing the most suitable and flexible options should be fully explored.*

*Once this has been identified, a plan to develop this part of the business can progress with more clarity.*

*There are numerous local food movements establishing across regional areas. These groups are a great starting point to help you:*

1. *See what types of food production systems are thriving in your area;*
2. *Understand the range of local market options;*
3. *Connect into a network of like-minded people who can provide guidance and experience.*



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#### Wholesale & Retail

Identifying wholesale options may suit some people who want to ensure they can sell their volume of produce at a set price or over a seasonal contract. Supply relationships with retailers are encouraged to provide locally sourced and seasonally available produce.

The amount of production may also be limited due to the size of operation and seasonal availability. Therefore, estimates of availability will ensure a consistent and stable supply period can meet seasonal demands and consumer expectations.

#### Cooperative branding and marketing

This option is also increasing in its popularity. A group of growers form a cooperative marketing group based on enterprise type & quality specifications. On-farm management tasks are sometimes contracted to a third party to oversee consistency of seasonal quality. Meat, olives, wine and a range of fruit and vegetables are bulked and branded to reflect local provenance underpinned by stable supply.

#### On-Line sales

There are numerous businesses offering on-line ordering, payment and delivery. This medium for marketing and sales is a beneficial tool to reduce the "remote" factor from regional areas. It can link businesses to a wider consumer appeal and offset the risks of more localised reliance on sales especially in seasonal economic downturns e.g. Drought etc.



#### Community Food Groups

##### • Grow Lightly

Grow Lightly works to encourage people to grow food, and eat food sourced locally, mainly in South and West Gippsland. For close to ten years it has been supplying weekly bags of fresh organic fruit and vegetables, using a network of volunteers to pack and distribute bags to Gippsland households.

##### • Mornington Peninsula Produce (MPP)

A regional provenance brand developed specifically for producers of fresh local produce within the geographical boundary of the Mornington Peninsula Shire. Information can be found at [www.mppproduce.com.au](http://www.mppproduce.com.au)

##### • Southern Gippsland Food Map

Supported by South Gippsland and Bass Coast Shire Councils, it aims to support a strong regional food economy by showcasing local businesses. Search [www.southerngippsland.dibble.com.au](http://www.southerngippsland.dibble.com.au)

#### Other relevant groups

##### • Victorian Farmers Market Association (V.F.M.A)

This organisation supports local farmers to supply fresh and local grown produce from VFMA Accredited Farmers Markets. [www.vfma.org.au](http://www.vfma.org.au)

##### • Open Food Network

The Open Food Network helps food producers reach new markets, find new food suppliers and build new networks. [www.openfoodnetwork.org](http://www.openfoodnetwork.org)

##### • Sustain

Sustain works together with governments, the community-health sector, research institutions and other key food-system stakeholders to support the development of food systems that are fair, connected, healthy and sustainable. [www.circlesoffood.org](http://www.circlesoffood.org)

#### Disclaimer: Bass Coast Landcare Network (BCLN)

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