



Market Channel Chart

Market Channel	Disadvantage	Advantage
Roadside Stand/Farm Gate Sales	<ul style="list-style-type: none"> • Relying on word of mouth or drive-bys 	<ul style="list-style-type: none"> • Low overhead • Expansion from a roadside stand to a farm store or a u-pick is relatively simple
U-Pick	<ul style="list-style-type: none"> • Risk of damage to produce or plants • Long hours • Weather • Must let customers know when harvest is ready 	<ul style="list-style-type: none"> • Reduced seasonal harvest labour • Elimination of transportation, processing, packaging & storage costs
Farm Store/ Farm Retail	<ul style="list-style-type: none"> • Higher operating costs, including facility costs • Possible zoning and planning restrictions • Parking limitations 	<ul style="list-style-type: none"> • Permanent structure • Opportunity for family or local employment • Opportunity for additional profit centres within the store, i.e. bakery, food service
Farmers' Market	<ul style="list-style-type: none"> • Need to transport products to market • Limited consumer volume per site • Weather impacts customer traffic • Food safety concerns 	<ul style="list-style-type: none"> • Minimal marketing, packaging, advertising and promotional costs • Established market base • Test market new products
Pocket Markets	<ul style="list-style-type: none"> • Small customer base • Limited product mix 	<ul style="list-style-type: none"> • Very mobile • Less bureaucratic • Extends your season or offers another sales outlet
Community Support Agriculture (CSA)	<ul style="list-style-type: none"> • Increased management requirements • Increased time necessary to identify and develop customer base • Most time spent educating and communicating with customers 	<ul style="list-style-type: none"> • Risk shared • Crop pre-sold before growing season starts – working capital is created at planting time • Reduced labour cost • Crop waste is reduced through market driven production
Buying Club/Home delivery	<ul style="list-style-type: none"> • Increased labour costs to ensure product is harvested at specific times • Increased delivery and equipment costs e.g. coolers 	<ul style="list-style-type: none"> • Same as CSA except for labour

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Ag Tourism	<ul style="list-style-type: none"> Increased costs - capital, labour, insurance, licenses and permits, promotion and marketing Large time commitment Upgrading and changing of activities, programs and facilities Compliance with municipal and provincial regulations 	<ul style="list-style-type: none"> Tap into new markets Drive retail sales Increase the likelihood of farm succession
Selling into Restaurants	<ul style="list-style-type: none"> Most practical if near large urban centre Consistency: quality & quantity Frequent delivery required Selling the whole animal 	<ul style="list-style-type: none"> Steady market throughout the production season Personal contact with buyer Flexibility in the products grown Potential of brand name recognition
Selling Direct to Institutions	<ul style="list-style-type: none"> Being able to produce enough if starting out Cost constraints of institutions 	<ul style="list-style-type: none"> Steady market throughout the production season
Selling Direct to Retail	<ul style="list-style-type: none"> May need to stay with independents Efforts by retailer to cut costs Challenge of negotiating price Can you produce enough? 	<ul style="list-style-type: none"> Potential to reach larger target audience Possible contract in place prior to planting
Internet Sales	<ul style="list-style-type: none"> Logistics Costs Regulatory issues if shipping outside Alberta 	<ul style="list-style-type: none"> Your location doesn't matter Open 24/7, rain or shine
Selling Wholesale	<ul style="list-style-type: none"> Selecting a broker Having enough product Being a "price taker" 	<ul style="list-style-type: none"> Can focus on being the grower