

Is E-Commerce Right For Your Farm?



**Community Alliance
with Family Farmers**

“Is e-commerce right for my farm?”

E-commerce is all the rage, and from its growth projections, it looks like it's here to stay. Farm businesses are unique from many other businesses using e-commerce: most products are perishable, and most farmers are serving a regional community, and usually operate with tight budgets & limited sales time. It's a far cry from businesses who are just shipping t-shirts across the world!

So is e-commerce right for your farm? CAFF created this guide to help you think through that decision and select a platform that is the appropriate fit for your business. Click below to take the online quiz, flip to page 6 to learn about the various options, and come up with a plan!

STEP 1

Take the quiz & find out!



Quiz: <https://caff.org/is-ecommerce-right-for-my-farm>

Note: This guide is not all-encompassing (there are books written on the subject and we'd be happy to make a recommendation!) This resource will likely become outdated soon, as the suggested platforms evolve: e.g. one site is no longer free or another site has dramatically increased their capabilities, etc.

What's involved in online sales



Inventory management and order fulfillment

- Update inventory
- Track orders
- Delivery or pick-up
- Shipping labels



Pricing and shipping

- Unit pricing or per pd?
- Variable weights?
- Shipping plug-ins



Product Display

- Visuals/photography
- Updating products



Website

- Web host
- Domain
- Site builder

(Many hosts double as DIY builders and domain registrars.)



Mobile Compatibility

(Also called Responsiveness, this is usually built into a platform's site building tools)



Marketing Tools

- Search Engine Optimization (SEO)
- Contact forms
- Email marketing services (e.g. *mailchimp, Squarespace, ConvertKit, MailerLite*)



Management tools

- Analytics
- Integration (e.g., *Quickbooks*)



Payment Methods and Security

- Credit card fees
- SSL certificate
- Third party processors and integration (e.g. *paypal, stripe, square*)



Shopping cart functionality

- Integration with payment gateways
- tax calculations



Online store

- Same domain or third party

Tips for beginners

- **Credit card processing fees** can't be avoided. Plan for approximately 3% of sales but don't be scared to ask your customers to contribute to these fees for credit card sales, especially for your regulars who love supporting you.
- **It is becoming more difficult to use payment apps for free for the sale of goods and services**, e.g. Venmo allows free transactions between family and friends but they are required to report sales of over \$20,000 for the calendar year to the IRS. A new requirement that would make the threshold \$600 was scheduled to be implemented for 2023 but it was delayed.
- **Learning curve:** Keep realistic expectations with adopting a new system, especially a virtual one! It will take more time on the computer; expect glitches, and be patient with the learning curve.
- **Selling online does not mean less time with customers.** It will probably be more time because you're in a much larger, virtual marketplace, and people can more easily reach you to ask questions (and maybe with complaints too!) and may have higher expectations on responses.
- **Test before you launch.** Before launching your store, ask friends to run test orders to make sure everything is working right!



Great Resources for farmers

- Farmer ratings of the most-used e-commerce platforms: <https://www.csinnovationnetwork.org/ecommerce-report>
- CAFF's Small Farm Tech Hub: www.caff.org/TechHub
- Business support from the SBA with online tutorials (how to price products, how to file for EIN, etc) <https://ociesmallbusiness.org/programs/ca-shop-small/>



Typical path of development for small farm e-commerce

1. Adopt a point-of-sale system that is trusted by customers

2. Expand to pre-orders with in-person pick up or local delivery

3. Add online shipping option

Note: weight, per unit pricing, regional shipping zones, and perishability of products are all important factors to consider before adopting shipping.



STEP

2

Pick the kind of e-commerce that is right for you

Based on your responses to our quiz questions (taken electronically via the link on page two) we will provide a recommendation out of the six options listed below.

1 MINIMALIST

Hold off on building your own store, and work through another vendor.

Options:

- Consider selling through a third party who aggregates from other producers.
Examples: **Gather Flora**, **Harvestly**, **CalOSBA**, **Udemy**, local food hub, a larger producer in your community,
- Partner with another farm that has an online store: see if they can add you as a vendor and sell your products on your behalf for a small cut of sales.
- Educate yourself. Check with your local library system, Small Business Association Chapter, or community college on free or affordable classes related to business management, e.g. Udemy online classes, Excel for beginners, how to use social media, how to build websites, etc.



The **Small Farm Tech Hub at CAFF** provides free 1:1 support for California operators seeking to access or expand their use of web-based technologies including e-commerce, social media, marketing, and more! From e-commerce platforms to point of sale systems to basic online marketing tips we have you covered! Browse our collection of resources for farmers, markets and other local food professionals. You can also get connected with others through online, interactive groups and gain knowledge from the farming community.

2 USE FREE WEBSITES OR SOCIAL MEDIA

The most simple option for farmers looking to have an online presence. Provide customers with a way to learn about your business and contact you for placing orders.

Who's it for: Farms with limited time and money to pay for online services and hosting platforms. This is a great way to get started and launch an online presence for finding new customers or building relationships with existing customers.

Examples and options:

- **Social media:** You can create a free profile via Facebook, Instagram, NextDoor, etc. Focusing on one platform that carries more of your customers is a strategic option. Instagram is widely used among millennials, Facebook is more used by Gen X, and NextDoor is an ultra-local platform that works by neighborhoods and zip codes.

TIP: Social media sites do offer built-in e-commerce options, but their fees may be higher than other platforms, e.g. Instagram charges 5% on shipped orders. Always be careful with websites soliciting you for any paid services.

- **List your business on Google with a free Business Profile.** Google's search engine is a great way to connect with current and new customers online. Make sure your contact information is up to date and you know how to sign into your account. There are many folks in your neighborhood who could be saying to their smartphone, "Hey Google - find a farm near me!" This is a great way to highlight your farm to your community.
- **Create a simple, free website.** Examples include Google Sites, Carrd, Strikingly and make sure to clearly communicate how customers can get in touch with you.

TIP: Give customers clear instructions for how to contact you to place an order—and be sure you can readily respond to them. For example, if you don't check email often but read texts or Instagram messages every hour, your webpage should say, "please text me to place an order!"

TIP If you already have a website, check out the ecommerce option your host platform offers. It may be a great fit, especially if you can keep your "products" simple and easy to fulfill.



3 SELL THROUGH YOUR WEBSITE WITH A POINT-OF-SALE (POS) SYSTEM

How it works: Customers use a contact form on your website (these can be added using google forms, a Wordpress plug-in, etc.) to submit an order by email. You use a point of sale option for payment.

What's POS? Accounting software and many banks provide point of sale options for their clients. If you are new to selling online and think that you can manage orders manually for each one of your customers, this may be a good way to get started! If you're an existing customer, you'll have fewer accounts to manage and your funds will be deposited immediately.

Examples and options:

- **US Bank** uses talech Mobile for one of their POS options. This POS has a \$0 software fee, use your own smartphone, unlimited users, supports up to 100 products, basic order management, card reader available. Credit card processing fees are competitive.
- **Quickbooks** allows you to send invoices to customers who can pay via **PayPal, Venmo, Apple Pay®**, credit, debit, or ACH bank payments.
- You can get creative with [Google forms](#) linked to your website

4 CREATE A "STORE" ON A THIRD PARTY SITE

How it works: You create a "store" or "shop" on an e-commerce platform. These options allow customers to buy your products for pick-up, delivery, or shipping. You can link your store through your other sites or social media. Shipping adds additional layers of complexity and requires careful consideration.

Who it's for: You want to launch an online store quickly. This option usually takes less time than creating your own e-commerce store.

TIP: Research the percentage of sales fees and how taxes are collected (or not collected) before deciding on a third party host for an online shop. Learn what point of sale system (Square, Stripe, Paypal, etc) the platform uses and if you can connect your existing account for receiving payments.

Examples and options: some free or low cost simple e-commerce platforms to consider.

GENERAL/NOT TAILORED TO FARMS

- [Etsy](#)
- [Fourthwall](#)
- [Ebay](#)
- [CA Shop Small](#)

TAILORED TO FARMS

- [EatFromFarms](#) - \$15/month (use their web hosting or integrate store into your website)
- [GrownBy](#) - low cost options, especially for CSAs. Created by farmers for farmers.
- [AirMart](#) - free or monthly subscription.
- [Tend](#) is releasing 2.0 which connects to SquareUp for customers to place orders.

5 CREATE YOUR OWN E-COMMERCE WEBSITE

How it works: Your website has an integrated online store

Who it's for: You want to sell and manage sales through your website, and you have a clear understanding of what inventory you want to sell online. This option will require more time to set up than creating a shop on a 3rd party platform (option listed above).

Many website hosts offer e-commerce options for a monthly fee. If you have an existing website (example: you already use Squarespace) we recommend looking into adding ecommerce to keep all of your systems in one place to help with account management.

Examples

There are a TON of options for paid e-commerce platforms. CAFF doesn't recommend any one of them in particular. From farmers, we've heard of these the most:

- **Squarespace:** Nice designs, easy to use. Selling farm goods usually requires some creative thinking and workarounds.
- **Wordpress:** Lots of plug-in and template options. A web developer can customize your site exactly how you want it. WooCommerce is the ecommerce platform Wordpress uses. It is free but requires a hands-on approach or hiring a consultant.
- **Shopify:** More advanced than Squarespace with a ton of plug-in options and integrations. Not as visually appealing. Also takes creative thinking and crowdsourcing of what plug-ins will best do the job for the need. Tend 2.0 has added an option to connect sales to a Shopify store.
- **Open Food Network:** A not-for-profit, open-source e-commerce platform. This is a great option for businesses looking to participate in the open-source community.

6 CREATE AN ADVANCED E-COMMERCE SITE

How it works: Your website has its own online store with powerful capabilities.

Who it's for: Your business has a large amount of consistent sales (+\$200,000 gross annual sales) or you have a lot of unique buyers. A platform that is dependable with managing a high volume of orders and customers is key to avoid any future headaches around data-consolidation, inventory management, or lost sales. These platforms are more expensive at \$60-\$400/month but can be worth it to keep sales moving and customers happy.

Options:

Look into specialized ecommerce software for your business. Consider hiring a consultant if you have the funds and staff to help run the online store.

Examples:

- **Farmigo** for a large amount of CSA customers
- **LocalFoodMarketplace** for multi-farm producers, e.g. Food Hubs, farmers markets, farm aggregator, etc.
- **LocalLine** offers a wide range of rates & plans for producers planning to expand. Used by CSA farms and farms who aggregate from other producers.
- **GrazeCart** for meat producers
- Platforms like **Shopify** and **Wordpress** can serve as advanced options but require purchasing additional plug-ins, hiring a developer, etc.

“It was definitely a process to get our Shopify store up and going. It works well but there is a learning curve. You don't realize how many details there are for getting things online: having good photos with descriptions, figuring out packaging, etc. I'm happy with my choice though. It is pretty user friendly, especially once you get comfortable with the format. It's been at least 80 hours over a two year period but we've now brought in 100 new customers. It's a process and there is always something to work on. It's never done! But that's kind of life right?”

— Maurie Hobbs, French Ranch Farms





STEP

3

Create your e-commerce business strategy

Know your goals and motivations, and create a plan. Why are you adding ecommerce? Do you have existing customers and adding the store will make it easier for them to pay you, or do you want to find new customers and expand your reach? Are you eager to combine sales and inventory data? Create a simple ecommerce plan. The Small Farm Tech Hub at CAFF has resources to help!

Understand your audience: Online customers may have different preferences and expectations than your existing customers. Define who your target audience is to better connect with them.

Make a marketing plan. Adding an e-commerce option doesn't necessarily deliver more sales. You'll need to market your online store to make the most of it.

- Communicate regularly with customers (1-2x/month) to maintain & increase sales.
- Check with your website host and/or ecommerce provider to see if email marketing is included. Many providers now carry this service for a small extra charge and it is one of the most important marketing strategies for a farmer.
- Learn strategies for social media engagement, increasing average customer orders, customer retention, etc.
- Consider adding discounts and promo codes for new customers or referrals from existing customers.

Review and respond to how your customers shop: Online stores provide a valuable opportunity to track analytics: who is visiting what sites, what products have the most views, etc. Use this to inform marketing and inventory decisions.

Evaluate the results: Write out your expectations for how the online store will help you with your business and review from time to time. Does e-commerce help keep you better organized or less organized? Has it saved you time or has it added an unexpected burden? Have your sales increased? Have you gained new customers that keep coming back? At what point would you be willing to drop an online store if you aren't seeing results?



“ Adding an online store gave us more marketing potential and legitimacy with our customers. A secondary benefit that wasn’t intentional was streamlining a few business management tasks, like sending email reminders to our customers for their CSA pick-up and automatically collecting everyone’s contact information. But adding an online store hasn’t necessarily saved us time. Our customers still like to call us with lots of questions and updates!”

Alyssa Brodsky, Ranchito Milky Way

Community Alliance with Family Farmers

Our mission is to build sustainable food and farming systems through policy advocacy and on-the-ground programs that create more resilient family farms, communities, and ecosystems.

This resource was created by the Small Farm Tech Hub at Community Alliance with Family Farmers (CAFF). Visit www.caff.org/TechHub for more information and to access additional resources.

Funding for this E-Commerce Decision Tree Resource was made possible by the U.S. Department of Agriculture’s (USDA) Agricultural Marketing Service through grant 21FMPPCA1007. Its contents are solely the responsibility of the authors and do not necessarily represent the official views of the USDA.