

REGENERATIVE AGRICULTURE

...Marketing opportunity or not?



This project is supported by South Coast Natural Resource Management, through funding from the Australian Government's National Landcare Program

Background to the Report

Over recent years there has been a growing demand for unique and innovative food products including “Local Origin” products as consumers have become more interested in who, how and where their food is produced, including produce that comes from regenerative agricultural system. Regenerative agriculture farming management aims to restore landscapes function and deliver suitable production, improved natural resources base, healthy nutrient cycling, increased biodiversity and resilience to change. The South Coast region has the potential to turn some of these food and beverages into iconic products and effective marketing is a critical component in every successful food and beverage business. But in most cases the key factors in developing marketing messages to realise the market potential of these products, especially produces from regenerative agriculture system are not addressed enough.

As a result of this demand, on Friday 7th June 2019, South Coast Natural Resource Management held a half day workshop at Oranje Tractor Wine in Albany as part of an initiative to evaluate the marketing opportunities for regenerative agriculture in the Great Southern Region. Prior to the workshop Dr Kanako Tomita from the South Coast Natural Resource Management team carried out a number of case studies in the region which were used in the workshop.

The case studies were based on Irongate Wagyu, who have the brand “Futari” (Wagyu Beef), Wendy and Peter Bradshaw’s farm in West Tambellup, Elixir Honey and Oranje Tractor Wine. These farms are established regenerative farms who each have a different focus on marketing

The workshop was co-sponsored by GrowSafe, and led by John Stanley from John Stanley Associates. Although the workshop was designed for a maximum of 20 delegates, 30 delegates from broadacre farmers to small producers attended the workshop.

This report and strategic plan is a follow up to the workshop and is intended to further the discussion and start the journey of developing a marketing strategy for Regenerative Agriculture in the region.

Author: John Stanley
John Stanley Associates

Email: john@johnstanley.com.au
Web: www.johnstanley.com.au

REGENERATIVE MARKETING

... The Future

... A Confused Consumer

Consumers globally are becoming more aware of the food they eat and the effect on their health. They are getting mixed messages in the marketplace and hence many are confused. They are seeing more pollution, a decline in pollinators and are being presented with the challenges of climate change on the environment.

Many consumers are becoming interested in the vegan diet. The UK now has Veganuary month in January. The number of Vegans in the UK in 2016 was 540,000, it is now 3.5 million. The reasons stated for this shift are awareness of health, care for the environment and animal welfare.

As a result of the shift in consumer perceptions and expectations, large organisations around the world are seeing this as a marketing opportunity.

For example, Waitrose in the UK is introducing a trial on “Refill and Bring Your Own Container ” scheme to reduce waste.

“

You’re about to start seeing the term Regenerative Agriculture when you scan packages of Cheerio’s and boxed Mac and Cheese in the grocery aisles.

It’s either clever marketing or a fix for climate change in a single stroke, either way, if you’re looking for the next big foodie buzzword, this is it.”

Nathaniel Johnson (The Grist, 12 March 2019^{*1})

”

More and more consumers are asking for products to be “**Natural.**”

The “**Natural**” tag provides the perfect link for marketing products from regenerative agricultural systems.

What does that mean?

In their view it is natural, unprocessed, organic, grown and fresh with no colouring, no preservatives, no added chemicals or no artificial ingredients and with less sugar, less packaging, no false claims and less chemical ingredients.

REGENERATIVE AGRICULTURE

... A confusing place

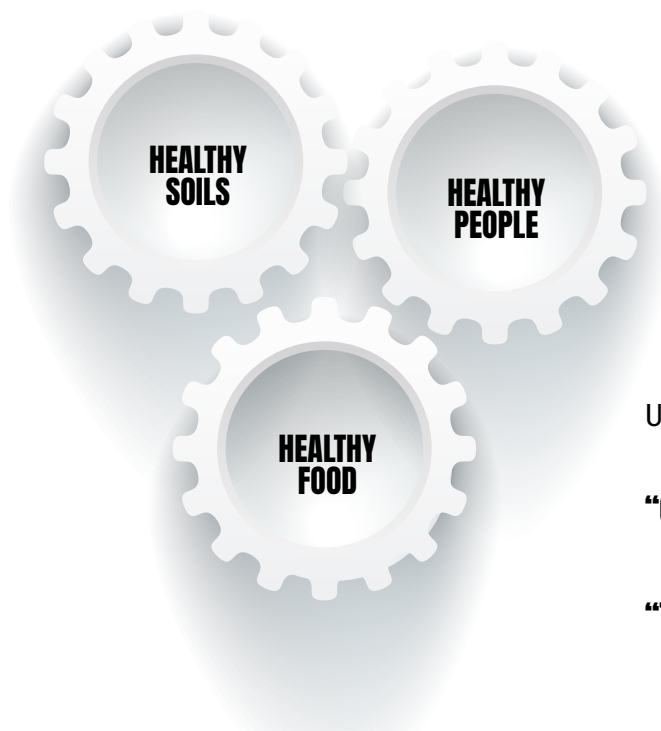
Many farmers over the last 70 years have focused on practices that are based on animal and plant production systems that are based on monocultures using chemical controls.

Regenerative Agricultural practices use alternative production systems, but for many consumers, the techniques and words used are confusing.

Permaculture, Holistic, Food Forests, Biodynamic are words often used.

Regenerative Agriculture is an approach to food and farming systems which aims to regenerate the top soil, increase biodiversity, improve the water cycle, enhance the ecosystem and support biosequestration. Although these are worthy goals the consumers need a simple message they can understand.

The working group came up with a marketing explanation.

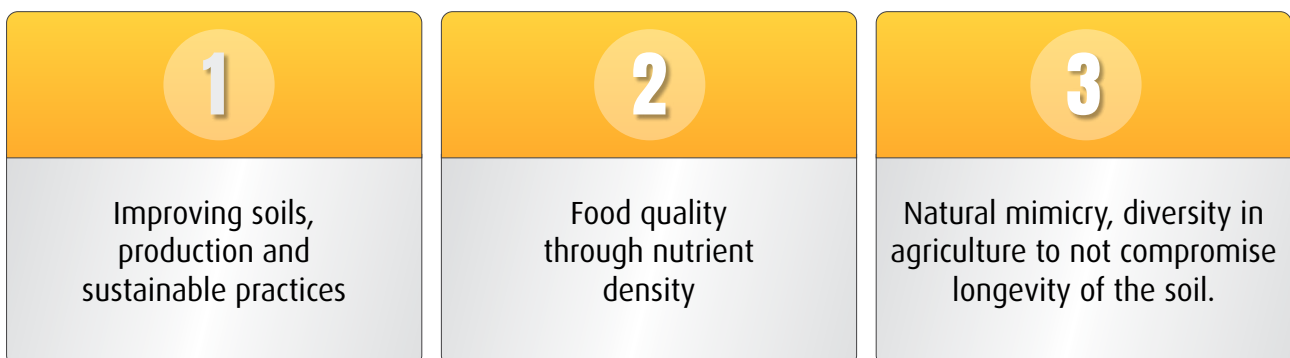


Under this, suggested slogans could include:

“Growing food in a way that saves the world”

“The way to grow food to save the world”

The three key pillars behind this are:



IRONGATE WAGYU | Two People's Bay, WA

The consumer looking for the finest wagyu quality beef need go no further than "Futari" a brand developed by Irongate Wagyu who have a farm at Two Peoples Bay.

The brand promotion is based on the cleanliness of the environment.

"This idyllic corner of WA is widely recognised as a uniquely clean, biodiverse and unspoiled natural environment. The pure clean rainfall and fresh winds blow in from the Southern Ocean to feed the fertile pastures. Our grasses are cultivated sustainably using the GrowSafe bio-active soil system to create natural nutrition rich soils with less chemicals and fertilizers which leads to healthier cattle and better tasting beef."

Michael Gilmour





WENDY & PETER BRADSHAW | West Tambellup, WA

Wendy and Peter have farmed in West Tambellup for 43 years, mainly focused on sheep and grain and now cattle. They changed their farming methods to holistic farming in 1998 with the aim of improving the sustainability and resilience of their soil.

Like all farmers TIME is the limiting factor when it comes to marketing. One of Wendy's passions is to build the insect population on the farm. Monoculture is devastating for insects and poly cropping is one of the ways forward.

They see a great opportunity for marketing in a biological way especially if they incorporate things like diversity, polyculture, maximizing ground cover and capture carbon so that microbes do well.

"I'm keen to develop a school curriculum where school children visit the farm and are taken on a regenerative agricultural journey. **It starts with the schools.**"

Wendy Bradshaw

REGENERATIVE MARKETING

... An Opportunity for the Great Southern region

Does the Great Southern region have a marketing opportunity when it comes to Regenerative Agriculture? This was a question asked of the workshop.

The answer is a definite **YES**

The Key Marketing Advantages are:

- Clean air
- The Great Southern is a biodiversity hotspot with amazing pristine coastline and hinterland.
- Geographical isolation, but with a strong sense of community and collaborative catchment groups.
- Diversity of products grown in the region by small landowners as well as broad acre.
- Local ports.
- Indigenous history and entrepreneurs.
- Strict biosecurity/food safety/quality and food labelling.

The group were concerned about the forest burning which should be planned in consideration, as it can impact on clean, green, biodiverse farmland.

Genetically modified (GM) food is also identified as a concern to be considered and Regenerative agriculture can use the "GM free" as a marketing opportunity.

ELIXIR HONEY | Denmark, WA

Elixir Honey moved to Denmark 10 years ago and was the first company outside of the USA to produce raw honey. They now export to Singapore, Japan and the UAE. The key to their success in marketing has been building relationships and have developed their marketing strategy on the 6 P's of Marketing:

PEOPLE Be enthusiastic and put the needs of your customer first

PRODUCT Your packaging is your silent ambassador (Paul Rand) and be an innovator

PRICE Turnover is vanity and profit is sanity. Look at bottom up with accuracy and top down doing surveys

PROMOTION Look at the consumer experience and focus on tastings, stick to your knitting

PLACE Know your market and the size of your market and then choose your distribution channels

PERFORMANCE Always know how you are performing

"Spending as much time choosing what not to do and take risks not chances" Romy Surtees



REGENERATIVE MARKETING

... An Opportunity to grow your Business

A large proportion of the workshop focused on marketing techniques and that most of the marketing taking place was being carried out from outside the sector and was influencing market perception.

The focus needs to be on Economic Values, Social Values and Environmental Values. This needs to take place in a crowded market place where everyone wants to get their story across to the consumer.

Companies such as Starbucks do this exceptionally well with 'The Last Ten Feet' story: "When you hold a bag of coffee, think about the journey the coffee spent, 9 months growing in sunshine. A farmer spent 56 hours raking so it would dry evenly. It has been roasted evenly and treated by a team member 3 times. It travelled 4,635 miles to get to your store."

Think of the story we could tell by focusing on the natural resources, care of the environment, production style and the role of nature in farming.

Oranje Tractor Wine | Albany, WA

The Oranje Tractor farm has been in Albany for 22 years, the grapes were planted in 1998 with wine produced from 2005.

Being operated by a family of two means that marketing has to fit into a busy day with a focus on unpaid marketing rather than paid marketing.

The aim is to get the message across about values and philosophy.

The key is the social media plan which is based on posting stories behind the product, the local environment, location and organic farming.

The farm does foraging tours that include lunch and wine pairing.

"We are not just selling wines. The big picture goal for Oranje Tractor is to get visitors to Albany and promote the region." *Murray Gomm.*





REGENERATIVE OPPORTUNITIES

... The Future for the Food Industry

Part of the workshop looked at the future of the industry and trends that we all need to be aware of.

These include:

Climate Labels

The Danish Government has already announced that a climate labeling system on food products will be launched in 2050 as part of its plan to become carbon neutral by 2050. The Government is proposing to work with supermarkets to place stickers on all food products. Other countries are considering doing the same and this will be an opportunity for regenerative farmers.

“The Future Food Report” commissioned by Salisbury Supermarkets in the UK was published in June 2019. The objective of this report was to forecast the trends in food consumption in the future.

“The rise of an ecologically aware generation, driven by health concerns and environmental determination.”

Food trends would include:

- **Sin Tax On Meat** (proposed in UN report to reduce meat consumption)
- **Scan on shop floor for journey of food**
- **Food tailored to individual needs**



REGENERATIVE AGRICULTURE

... Marketing Opportunity?

The answer is **YES** and the following marketing opportunities need to be explored.

- Health Rating on foods which is simple for the consumer to understand
- Phone scan rating on produce that shows the product journey and nutritional value
- Regenerative agriculture needs to work with existing like minded organisations to encourage
- We need national legislation
- Authentic / truthful statements are the key to communications
- We need research and development on packaging solutions for the future
- Simplify the complex message without allowing misinformation

Market and educate

The children...

develop educational programmes for children in partnership with schools.

The Consumer...

develop a relevant message for the end consumer.

The Farmer...

promote the benefits to make farming appealing to young people, plus profitable and accessible. This includes financial performance indicators as well as environmental indicators.

Remoteness makes marketing harder, but growing easier.



STRATEGIC MARKETING PLAN

John Stanley

Based on the workshop the strategic plan needs to consider the following priorities:

1

An educational program needs to be introduced to ensure all interested parties are talking the same language when talking about Regenerative Agriculture. At present there is confusion in the farming sector as well as with consumers on what is regenerative agriculture and what are the benefits to the planet, businesses and consumer. This conversation should start at a Government level and work down the communications chain and involve the interest groups in the industry.

2

Once a clear marketing definition for the industry has been clarified, the Southern region needs to develop a regenerative agriculture marketing strategy that promotes the benefits of the produce grown in the region to the market place

3

There is a need to carry out financial case studies to compare conventional and regenerative agricultural practices. The case studies need to focus not only on the financial aspects, but also the environmental aspects of agricultural practices.

4

Regenerative Agricultural products tend to be premium products and the benefits of such products needs to be communicated to the domestic and international marketplace.

5

The message needs to be communicated to a wide variety of potential consumers and children. A school training programme needs to be developed where regenerative farmers or industry paid staff work closely with local schools to educate the consumers of the future.

6

The sector needs to work closely with government on issues such as Health Ratings on food, Smartphone food scan ratings on produce technology and sustainable package solutions.

Acknowledgement

John Stanley and South Coast NRM would like to thank Michael Gilmour (Irongate Wagyu), Murray Gomm (Oranje Tractor Wine), Romy Surtees (Elixir Honey) and Wendy Bradshaw for their valuable information provide for the case studies and Nikki Poulish (Department of Primary Industries and Regional Development) and Justin Wolfgang (RegenWA, Perth NRM) for their valuable advice and support for this project.

This project was managed by Dr Kanako Tomita (South Coast NRM).

Graphic Design by Synergy Graphics (Albany, WA).

South Coast NRM

88-90 Stead Road, Albany, WA 6330

P: 08 9845 8537 F: 08 9845 8538

E: info@southcoastnrm.com.au

W: www.southcoastnrm.com.au