



Marketing Plan

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Executive Summary

This marketing plan for Stensland Family Farms is designed to accomplish the following objectives:

Market Stensland Family Farms to Home Chef
Increase Awareness of Stensland Family Farms and Their High Quality Product
Create More Accessibility to Stensland Products

A large component of the plan is to market Stensland to Home Chef, a fresh food delivery service that provides fresh products and recipes for customers. Home Chef provides meals to consumers across the country who focus on fresh, organic, food and lifestyles. Home Chef is the best delivery service option for Stensland because Home Chef is the closest geographically, located in Chicago, and has the most options for dairy usage. They would be a great fit because they hold the same values of wanting to provide customers with fresh, healthy, organic products. Stensland will market themselves by providing samples and testimonials to Home Chef to prove that they would be successful business partners. The six-month action plan will begin on June 1, 2017, when Stensland begins the creation of their promotional video and Youtube channel. On July 1, Stensland will send a flash drive that includes the promotional videos, along with a sample brochure, to Erik Jensen at Home Chef. Stensland will make a phone call to Home Chef one week later to make sure the package was received. On August 1, Stensland will send the sample box of products along with a personal letter. Again, one week later, Stensland will call to make sure the package arrived, along with discussing Home Chef's questions, concerns, or reviews of the products. On August 15, Stensland will send Jensen the annual financial reports and an invitation to come visit the farm in Larchwood, IA. A phone call will be made a week later to determine the travel plans for Home Chef to travel to the farm. Once Home Chef and Stensland have made an agreement, Stensland will need to re-evaluate their capital and make new goals for production and growth, likely around September 1. The budget for this six-month action plan is \$1,832. The goal and likely outcome is for Stensland Family Farms' products to be implemented in Home Chef delivery boxes by November 1, 2017.

Stensland will also need to continue to market in the local area of Sioux Falls and to previous customers to maintain business, but this could also benefit Home Chef. Stensland will send a press release and monthly e-newsletters to customers to keep up with the latest news regarding Stensland. Stensland can also grow with Home Chef by entering their dessert products. With Stensland providing exposure to Home Chef in the Sioux Falls market, Home Chef could see increase sales from this area. The Home Chef delivery service is a great option for Stensland because it allows Stensland to provide its high-quality products to customers around the country, while still being able to continue their strong, locally-owned family business.

Overview of Stensland Family Farms

Mission Statement

Stensland Family Farm's mission is to inspire people to care about where their food comes from and how it is made by producing local farm fresh food that tastes delicious.

Product Description

Stensland Family Farms's milk produces bottled milk, butter, ice cream, aged cheese and cheese curds. The flavors of cheese curds are white cheddar, garden medley, ranch, garlic, raspberry chipotle, and taco. All products are produced at the Creamery on the Stensland Family Farm. All of the milk used in the products is single sourced, providing a high-quality, organic, non GMO, and hormone free product.

The cows used at Stensland eat a high forage diet from non-GMO crops that Stensland grows and do not receive any growth hormone. The health and well-being of the cows contributes to the well-being and quality of the products Stensland produces. The cows are milked robotically around the clock and at the cow's convenience. All Stensland products are produced at the Creamery on the Stensland Family Farm. Stensland's process involves low-temp vat pasteurization, keeping the milk closer to its natural-state. Stensland's process and values create a product that consumers can trust.

Desired Image / Goals

Stensland Family Farms desires to share their family story and dairy products with more people across the country. Stensland's goal is to produce local farm fresh food to provide customers with a high-quality, fresh, organic product. Stensland desires to enter the fresh food delivery market with Home Chef, located in Chicago. Stensland and Home Chef share similar goals in that both want to provide a fresh, organic product that consumers can trust. Stensland's goal is to continue to create quality, organic dairy products to consumers across the country, while maintaining the values that their family has held on to for over 100 years.

Distribution Channels / Supply Chain

Currently, customers can find Stensland Family Farm products in their storefront, at the Creamery, and in local grocery stores that carry their same values. Local businesses also buy Stensland products to use in their restaurants and businesses. Stensland's Creamery is currently only working at five percent capacity, with ample opportunities for growth. Prospective customers can browse Stensland's website and social media pages to learn more, or they can book a tour of the farm.

SWOT Analysis

Strengths

1. Local, Family-Owned Dairy Farm

Stensland Family Farm is located in Larchwood, IA, 18 miles southeast of Sioux Falls, SD, a rapidly growing area. The Stensland Family Farm was founded over 100 years ago by Tobias Stensland, in 1915. In 1955, his son, Arthur, began the dairy, with only 12 cows. Now, the dairy includes over 200 cows and a creamery on the farm to produce the milk, cheese, and ice cream. The farm also includes 1500 acres of organic cropland. The farm has stayed in the family as Art's son, Doug, and Doug's three sons, Justin, Jason, and Kyle, all run the dairy. Doug's wife, Mona, and their daughter Leah are also involved in the operation.

2. Treatment and Milking of the Cows

The Stensland family prides themselves on treating their cows in the most humane way possible. The cows eat from the organic, non-GMO crops that the family grows along with flax seed to boost immunity, so that the cows are receiving the best, balanced diet possible. The cows are milked by 3 robotic milkers. The milkers work around the clock and at the cow's convenience. The cows choose when they want to begin the milking process. The collars the cows wear provide the family with their information, including weight, temperature, activity, and rumination. The family also does not use any types of growth hormone. Each stall for the cows includes a waterbed with sawdust, a grooming station, and a scraping system to clean the stalls at all times. The treatment, cleanliness, and milking process all contribute to the well-being of the cows, to better the product for the consumer.

3. Whole, Natural, Organic Products

The process of the Stensland family is low-temp vat pasteurization, which means that the milk is heated to the appropriate temperature, but closer to its natural state. The process is more labor intensive and costs more, but it does create a better, more enhanced product. The milk is also homogenized and single sourced. The high-quality milk is used to create all the Stensland products - milk, cheese curds, and homemade ice cream, which are all non-GMO and have no hormones. All products are made locally at the creamery on the family farm.

4. Infrastructure to Grow

Right now, the creamery at the Stensland family farm is only working to 5% capacity. The farm has the ability to increase their production for fresh box companies.

Weaknesses

1. Lacking Approach for Expansion

Stensland Family Farms is a fairly new company, when it comes to its creamery products. Right now, they do not have a marketing strategy or an approach for how to market their products and mission. This also includes marketing their products to local grocery stores. Without this plan and strategy, local stores are fearful or unaware of Stensland's products.

2. Lacking Capital for Expansion

The Stensland Family Farm just started its large production and creamery in the last 6 months. The creamery and Sioux Falls shop just opened up and have had little time to produce profits. The family may lack the capital to increase its production so quickly, along with any other costs of supplying for fresh box companies.

3. Location

Stensland Family Farms is located in the upper Midwest in a rural area. Many fresh box companies are located and have the greatest audience in larger metropolitan areas. The process and price for shipping fresh products from a distant location could turn off the fresh box companies.

Opportunities

1. Change in Connotation of Full Fat Dairy

Consumers are beginning to look at introducing more healthy fats into their diets. Dairy products are a great source for these healthy fats. Recent research has also shown the positive effects of drinking full-fat dairy products, like lowering chances for obesity and diabetes.

2. Societal Organic Trend

Stensland Family Farms uses all locally sourced and organic ingredients. Society, especially the younger generations, is becoming more health conscious and see the benefit in limiting chemicals and buying locally. The trend of farm to table is becoming popular, as people are appealed by the thought of their food being fresh, with little to no intermediaries.

3. Healthy, Portable Options

For a family on the go, Stensland Family Farms offers quick and easy snacks for kids of all ages. Cheese curds offer a delicious, wholesome snack parents can take with them on the go. The portability of the cheese curds would also be an option for the fresh boxes. Its portability would be good for transportation and would offer a good snack option for those boxes.

4. New Flavors

Cheese is a way for consumers to expand their palate. Stensland offers five

great flavors of cheese - white cheddar, garlic, ranch, raspberry chipotle, and taco. They also have a variety of unique ice cream and milk flavors. Most importantly, the products have their fresh, enriched natural flavors from their low-vat pasteurization process.

Threats

1. Allergies to Dairy Products and Decrease in Consumption

Allergies to dairy and lactose intolerance has been on the rise in recent years. There has been a nationwide increase in dairy intolerances or choosing to not consume dairy for health reasons. This puts a negative connotation on dairy and poses a threat to the whole dairy industry. Research shows a decline in milk consumption since 1975. In more recent years, less people are consuming dairy milk and choosing to drink soy or almond milk. The combination of these two consumption trends pose a threat for milk producers.

2. Possibility of New Competitors

While the fresh, locally grown, farm to table trend is increasing across the nation, there are a few companies who are true to this and hold the same values as Stensland. With the increase comes the chance of new competitors that would threaten Stensland Family Farms. A company similar to Stensland Family Farms exists in Kansas City, Missouri called Shatto Milk Company. Shatto offers similar products to Stensland Family Farms with similar values and quality of products. More and more companies are trying to hop into this organic trend and reaching this growing group of consumers.

3. Food Recall

All food producers are susceptible to food recall, especially fresh food producers. Dairy is especially sensitive to recalls since its products are extremely fresh and have strict requirements to maintain its integrity. Stensland faces this same threat, but their pasteurization and homogenization process, and the extra steps they take in their products helps them to counteract this threat.

Market Analysis

Target Market

The target market for Stensland is the families and individuals who care about the food they consume. The market that is searching for organic, fresh, locally produced products is whom Stensland is trying to reach. That includes those who see a multi-generational family organization such as Stensland and can relate to it on many levels, with the Sioux Falls community being rural based. The market of fresh boxes includes those who desire a diet with healthy, non-GMO, local products - a market that Stensland can supply. The market could also include those who are looking for an expansion of the normal dairy products. Stensland provides a variety of unique flavors in their milk, cheese, and ice cream products.

Target Location

The target location encompasses Sioux Falls and its surrounding area. Stensland is looking to stay within a 100-mile radius in terms of placing products in stores, in order to maintain their values and mission. Stensland would look to expand that radius for fresh boxes to provide quality fresh ingredients to a larger audience.

Customer Location

The customer location consists mainly of the southeastern part of South Dakota and the very northwestern part of Iowa. The farm and creamery themselves are located in Larchwood, Iowa. Stensland has a retail store located in Sioux Falls and many of their products can be found in grocery stores around Sioux Falls. The fresh boxes that could include Stensland products would include a portion of the upper Midwest.

Marketing Environment

Stensland is the only family dairy farm that has started their own product line in southeastern South Dakota and northwestern Iowa. In the Sioux Falls market, Stensland does not have competition. Their closest competitor, who holds many of the same values, comes from Kansas City. Stensland has had success in the Sioux Falls market in its short time span and expects to increase their consumer base and the availability of their products in local grocery stores. The lack of fresh ingredient suppliers willing to provide to fresh box companies gives the Stensland's an advantage in the environment. Internally Stensland's Family Farms is a small company establishing its roots. Due to its early stages, they have not developed an approach for marketing outside of the Sioux Falls area. Externally, they face an environment that is looking for fresh, organic products, but that is straying away from dairy products.

There are a few companies that source their dairy products to the fresh food boxes. Home Chef is one of the options and a great option for Stensland. Home Chef possesses many of the core values that Stensland operates by- such as farm to table, sustainability and non-GMO. The location of Stensland's farm limits its ability to maintain the farm to table and fresh values due to the distance the food has to travel. Home Chef has a location in Chicago, Illinois which is convenient and helps keep the products as fresh as possible. The company ships about 70,000 meals per week including dairy free options. Stensland would have to reevaluate their capital in order to

achieve this level of production, however, they have the room to grow. Home Chef is one of the only fresh food box companies that provides the most recipes containing dairy, however, dairy use is still minimal. Due to the lower levels of dairy included in the fresh box options, there is a window of opportunity for Stensland to enter the market. However, this is contingent on the company's desire to add more dairy to their boxes or if dairy is limited because the companies have done an evaluation on the value of cheese to their customers. Another option for Stensland to consider would be the continuation of their presence in local Hy Vee stores that offer a home delivery option. This strategy would best incorporate Stensland's value of remaining local and appealing to a geographic/demographic with a high dairy diet. This would also allow customers the choice of quantity of product and more options for consumption. This option also increases room for growth into consumers' homes with their array of other products.

Marketing Strategy

Marketing Objective

Stensland Family Farm is becoming well known in the Sioux Falls and Larchwood areas, but is unknown outside of that area. The main marketing objective for Stensland is to reach outside of their local market, by joining the fresh food delivery service. This includes putting Stensland dairy products in Home Chef's weekly home delivery service. Stensland's goal is to share their high-quality products and family story with others across the country.

Time Frame and Expenditure Level

The marketing efforts will begin on June 1 and last for six months, until November 1. The plan will require a budget of less than \$2000. Deviations from these dates and budget can be deemed acceptable if they are justified and needed to complete the plan.

Measurement of Results

The success of the marketing strategy will be evaluated through Stensland and Home Chef's business agreement and if Stensland products are introduced into Home Chef's delivery service.

Action Plan

Objectives

1. Market Stensland Family Farms to Home Chef

- Create a promotional video sharing Stensland Family Farm's story
- Provide statistics for Stensland Farm's success in the local market
- Send sample box to Home Chef

Stensland Family Farms will create a promotional video that will share the story of Stensland Family Farms. The video will be produced by Wholly Cowen, a local videography business. Megan and Phil, the owners of Wholly Cowen, specialize in videos for corporations or documentaries that make them a good fit for this venture. The video will be four minutes long and includes tours of the farm and creamery, the production process for products, footage from the storefront, and personal interviews with family members, workers, and local businesses that use and sell the products. This video and another series of videos demonstrating the values of Stensland will be published to a YouTube channel with Leah Stensland in charge of the YouTube account. In addition to the primary video being published on YouTube, Stensland will include the video on a flash drive in the promotional box to Erik Jensen at Home Chef. This video will provide Home Chef with an accurate representation of who Stensland Family Farms is, the quality of their products, and why they would be a great option for Home Chef. More importantly, the videos create a personal relationship between the producers, the distributors and the consumers.

Stensland is growing rapidly in the Sioux Falls area, with products being supplied at local grocery stores as well as their Sioux Falls storefront. Stensland has been expanding its product line to fit the demand from consumers. Stensland will send a report data regarding annual sales. This report would also include a list of restaurants that Stensland supplies to. This report will demonstrate how successful they have been and how local restaurants and businesses use their products. The data will also represent how they have room to grow and have the ability to take on production for a fresh food delivery service. This data will express how successful Stensland is in the fresh, organic market and that the demand for Stensland's unique line of products is high.

Stensland will create a sample box of their products to send to Home Chef in Chicago, along with the videos, data, and a letter stating why Stensland products would be a great contribution to the regular meal delivery line-up. This box will be sent to Erik Jensen, the VP of Product. The sample box will include a small tub of all the flavors of cheese curds. The box will have recipe ideas for Home Chef to share with customers on how to use Stensland Family Farm cheese curds to create a delicious meal. It will be sent to Chicago because it is the closest distributor, allowing for Home Chef and Stensland to provide a local, fresh, quality product to consumers in the Midwest.

The timeline for reaching Home Chef is 6 months. On June 1, Stensland will start creating the promotional video along with its YouTube channel. On July 1, Stensland will send the video, on a flash drive, and a sample brochure to Erik Jensen at Home Chef to begin the process of marketing to Home Chef. A phone call will follow

one week later, to make sure Home Chef received the envelope. On August 1, Stensland will send a refrigerated sample box to Jensen, that includes the six flavors of cheese curds, and three flavors of ice cream, along with a personal letter and recipes. One week later, Stensland will call Jensen to discuss Home Chef's questions, concerns, or reviews of the products. Two weeks later, on August 15, Stensland will send their annual financial and growth reports, along with an invitation for Home Chef to come visit the farm in Larchwood, IA. One week later, Stensland will contact Home Chef via telephone/e-mail to make travel plans for Home Chef to travel to the dairy farm. Once Home Chef and Stensland have made an agreement to put Stensland products in the fresh delivery boxes, estimated date of September 1, Stensland will re-evaluate their capital and make new goals for production and growth. By November 1, Stensland will be producing products for Home Chef delivery boxes.

2. Increasing awareness of a high quality product and Stensland Farms

- Press release
- Weekly newsletters

Press releases are a quick, efficient, and effective way to get news out and to market to a large group of people. Not to mention, it's fairly inexpensive to produce. Image drives interest. Stensland will draft and submit a press release for publication. This press release will remain in the Sioux Falls area, such as KELO and KSFY. Leah will make a call to the news stations for a follow up on the press release. The initial press release will include who, what, when, where, why and how. Stensland's story, how they got to where they are now, products and services offered, and foreseen advancements.

Similar to press releases, newsletters are fantastic ways to stay on top of recent changes, trends, and news. Stensland will develop a newsletter that will be drafted and distributed monthly. This will include new innovations, statistics, customer reviews, graphics and pictures, and a look ahead at what's to come. This will not only keep the community informed, but keep the name Stensland in the public domain. Receiving monthly news content will allow Stensland to maintain relevance to customers and clients and prevent them from dwindling or fading out as some companies do.

3. Accessibility to products

- Work with Home Chef to use Stensland's products in their fresh boxes in order to make their cheese more accessible to people around the country
- Develop a plan to use Stensland's products in a new way
- Room to grow further- Home Chef does have dessert options

Working with Home Chef will make Stensland's cheese curds more accessible to people outside of the 100-mile radius to whom Stensland is marketing currently. Home Chef is the closest fresh food box company to the farm, keeping their value of locality intact. Home Chef also works to support local farms to keep them alive and well in the industry. The farm does not currently have the means to source its products cross country, so working with Home Chef is the best way to increase their reach.

Stensland's main goal right now is to produce the best quality dairy products. This goal takes precedence over product development or using the product in a new

way. Working with Home Chef who specializes in designing new recipes will help to bring diversity to their products. The chefs at Home Chef specialize in creating new recipes with products that are sourced to them. This leaves room for the farmers to focus on producing the highest quality products, which is a value Stensland Farms hold so dear.

Home Chef is also working to enhance their dessert line and add more to it. This creates room for Stensland to increase its market share in the dessert fresh box market with the introduction of their ice cream. Home Chef is one of the only fresh box options that includes desserts. Although dessert availability is small, there is plenty of room to grow with Home Chef.

Budget Analysis

Expense	Description	Cost
Videography	Promotional Video to send to Home Chef	\$1,500.00
e-Newsletter	Information to Customers Monthly- Microsoft	\$100.00
Sample Box	Send to Home Chef to Sample Products	\$222.00
FedEx Box	Large Extended Duration Unit- Stays cold for 96 hours	\$155.00
Shipping	Over night shipping	\$5.00
Cheese curds	Five flavors	\$35.00
Ice Cream	Three flavors	\$27.00
Flash Drive	To include video on	\$10.00
Total		<u><u>\$1,832.00</u></u>

Videography

Megan and Phil of Wholly Cowen will work with Stensland Family Farms to create a promotional video to send to Home Chef. The videographers are based out of Sioux Falls, creating an easy partnership between the two businesses. The promotional video will provide a deeper look at the personal story of Stensland Family Farms with footage from the family, workers, and business partners. The video provides Home Chef with information to get to know Stensland better and decide if they would be a good fit.

Sample Box

The sample box will include a variety of Stensland's products in order for the team at Home Chef to make an educated decision based on the quality of the products Stensland provides. Included will be the six flavors of cheese curds Stensland currently

produces; White cheddar, garden medley, ranch, garlic, raspberry chipotle and taco curds. Ice cream will also be included in the package in order to give Home Chef a viable option to expand their dessert line. Due to their nature, the products must be shipped quickly and in a cold environment. FedEx offers the best options for fast, cold shipping but with a price. Also included in the box would be the promotional video on a flash drive in order for the team at Home Chef to get a feel for whom Stensland Family Farms is.

E-newsletter

The E-Newsletter will be created by Leah Moller, the head of marketing at Stensland. The newsletter will be issued monthly through their customer database. The newsletter will allow customers to stay up to date on all things involving Stensland Farms. The newsletter will include information on Stensland's partnership with Home Chef, and possible promotional opportunities for customers to save on Home Chef boxes and other Stensland products.

References

Interview with Mark Stensland, General Manager at Stensland Family Farms, February 17, 2017.

Email correspondence with Wholly Cowen, May 3, 2017

Wholly Cowen Website <http://www.whollycowen.com/>

Stensland Family Farms Website, <http://www.stenslandfamilyfarms.com>

Stensland Family Farms Facebook Page,
<https://www.facebook.com/stenslandfamilyfarms/>

Home Chef Website, <https://www.homechef.com>

For Immediate Release:

Stensland Family Farms, located approximately 30 miles southeast of Sioux Falls in Larchwood, Iowa, has been producing dairy products for over a century now. Established in 1915, the Stensland family legacy has stood the test of time and has produced a very successful multi-generational farm for dairy lovers throughout the Midwest.

Stensland is located on a 1,500-acre farm of organic cropland. Stensland's dairy herd consists of over 200 cows. The Stensland Family is committed to organic foods and treating milk cows humanely. Everything that is fed to the cows comes from non-GMO crops, and the cows are milked robotically around the clock and at their own convenience. Stensland's milk is non-homogenized and single sourced. Milk is not the only thing that Stensland produces. You can find an abundance of cheese curds with a multitude of flavors, aged cheese and homemade ice cream. Stensland's products and services have stretched beyond just the farm, and have now made their way into local stores. Stensland's fresh dairy products are sold both at the creamery in Larchwood as well as in Sioux Falls at their retail store located on 41st street. Stensland's products can also be found on the shelves at local Hy-Vee locations.

Stensland's growth doesn't stop there. The local dairy farm has been in close contact with Home Chef, a highly respected weekly meal delivery service located in Chicago. Stensland hopes to develop a partnership with Home Chef soon and begin integrating dairy products into Home Chef's delivery services.

For any questions about Stensland's products, the farm, or the production process contact Leah Moller at 605-271-0833.

