

# Don't Sell Yourself Short:

## Pricing Strategically

March 7, 2026

NOFA Connecticut

THE CARROT PROJECT PRESENTS

# Who we are

The Carrot Project combines on-the-ground programs serving food and farm entrepreneurs, with research, collaboration, and advocacy creating transformational change on farms, across our New England region, and at a national scale. We do this by providing information, training, skill-building, and capital, within a carefully crafted ecosystem of support.

## Our Vision

The Carrot Project envisions a just and resilient farm and food system, where successful farms and agricultural businesses are increasing in number and racial diversity, and are contributing to New England's economic, environmental, and social well-being.

We address the most important gaps at the intersections of financial security, racial and economic justice, financial barriers to farmland access, and farmers' ability to weather major disruptions.



# The Carrot Project Offers

- Business Advising & Coaching
- Training
- Loans & Capital Readiness

## Who can work with us?

- Our programs serve start-up, early-stage, expanding, and established farm and food businesses, from those accessing land for the first time through those engaged in a farm transition.

Nice to meet you. I'm Sherlene Rodriguez.



Business Advisor,  
In Training



TA Provider & Educator -  
Organic Certification,  
Farm to School,  
Homesteader





**Nice to meet you! I'm Cian Dalzell.**



**Farmer**



**Consultant**



**Nerd**



# AGENDA

- Pricing Strategy
- Cost of Production
- Breakeven Point
- Competition Audit
- Margins
- Communication



# How do folks price now?



I PRICE LIKE THE  
COMPETITION



I KNOW MY COSTS



I GUESS

Item	Case Size	CoP	Breakeven	Distributor	W.Retailer	W.Restaurant	Low Direct	per lb	Med Direct	per lb	High Direct	per lb
Zucchini/Squash	20	27.67	32.67	35.00	42.00	60.00	80.00	4.00	100.00	5.00	120.00	6.00
Winter Squash	40	45.80	50.80	52.00	55.00	60.00	80.00	2.00	100.00	2.50	120.00	3.00
Slicing Tomatoes	20	35.84	40.84	43.75	53.00	75.00	100.00	5.00	120.00	6.00	140.00	7.00
Cherry Tomatoes	12	24.40	29.40	31.50	38.00	55.00	72.00	6.00	72.00	6.00	84.00	7.00
Heirloom Tomatoes	15	31.75	36.75	39.38	47.00	68.00	90.00	6.00	120.00	8.00	150.00	10.00
Ripe Bell Peppers	30	56.26	61.26	65.63	78.00	115.00	150.00	5.00	180.00	6.00	210.00	7.00
Lunchbox Peppers	12	24.40	29.40	31.50	38.00	54.00	72.00	6.00	72.00	6.00	84.00	7.00
Green Peppers	30	44.01	49.01	52.50	63.00	90.00	120.00	4.00	150.00	5.00	150.00	5.00
Eggplant	30	68.51	73.51	78.75	90.00	120.00	180.00	6.00	210.00	7.00	240.00	8.00
Cabbage	50	35.84	40.84	44.00	54.00	75.00	100.00	2.00	125.00	2.50	150.00	3.00
Cut Greens	3	4.80	9.80	10.50	13.00	18.00	24.00	8.00	30.00	10.00	36.00	12.00
Bunched Greens	24	34.20	39.20	42.00	50.40	72.00	96.00	4.00	108.00	4.50	120.00	5.00

# Pricing Strategy

- Setting up a **system** for setting prices and **documenting** reasons
- Is expected to be updated as conditions change
- Uses financial framing to inform farmer decisions
- Pricing Strategy  $\neq$  Price List

# Pricing Strategy Includes

- Farm Goals
- Mission
- Cost of Production
- Margin goals by product and market
- Affordability by product and market
- Competitiveness by product and market
- Price Lists by market
- Review or update schedule and accountability

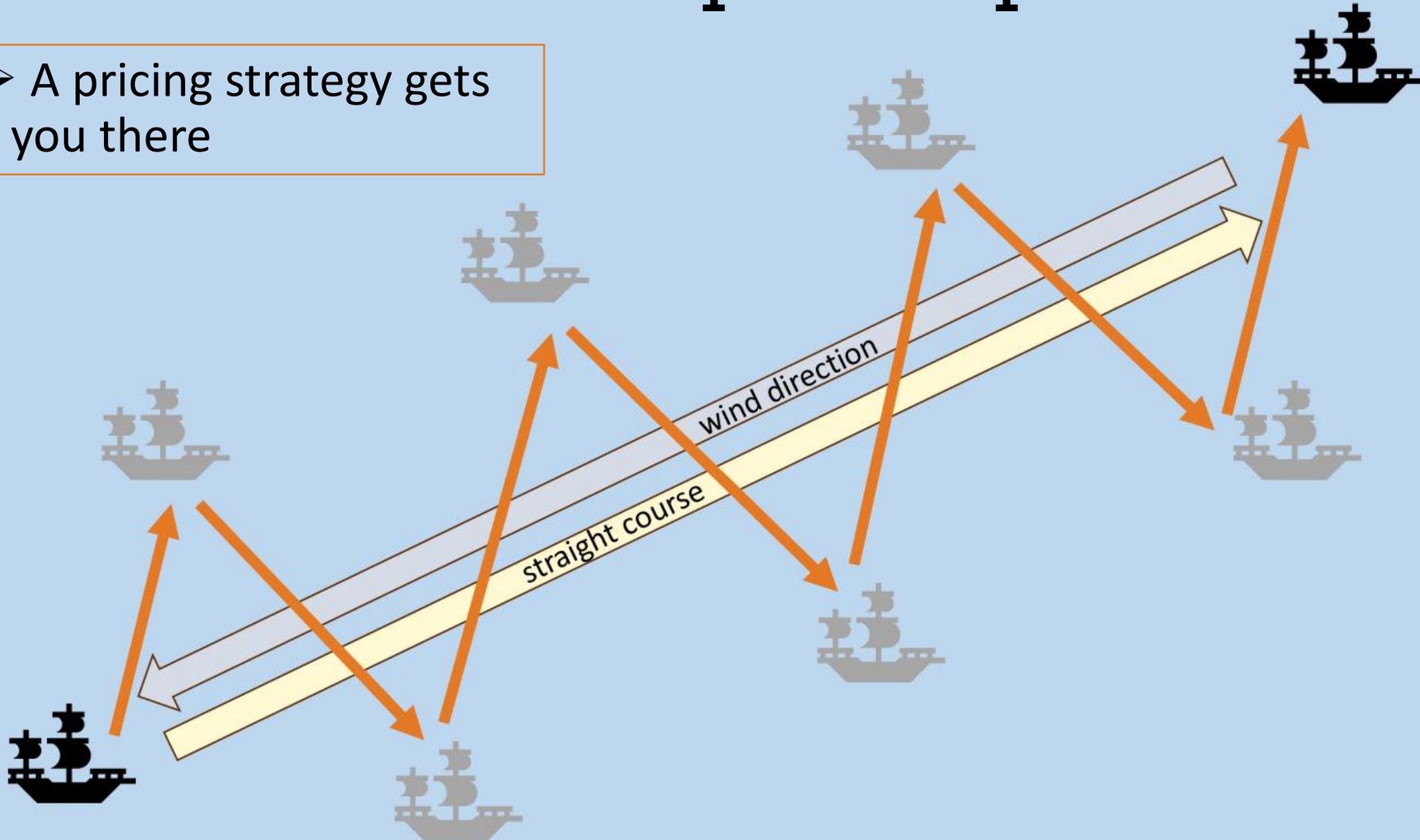
# “No Money, No Mission”

- Mission-driven mindset can include added costs
- Revenue must cover **all** costs

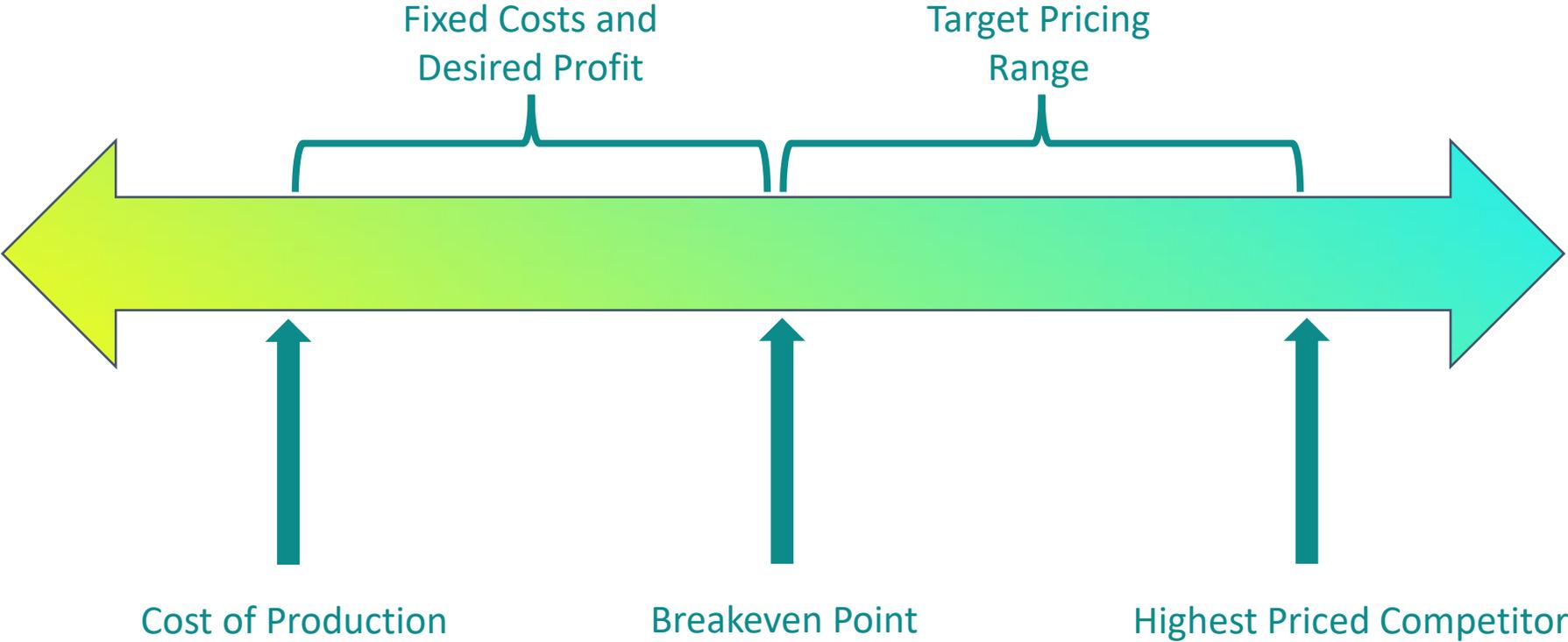


# All Farms Goals Require Capital

➤ A pricing strategy gets you there



# How to Price In Target Range



# What to Determine?

- Cost of Production
- Breakeven Point
- Prices in your Market
- Highest Priced Competitor



Competition Audit



# Cost of Production

What did it cost to produce that revenue?

# Calculating Cost of Production

- Crop to Field
  - Direct Expenses
  - Labor Expenses
- Field to Market Readiness
  - Packaging
  - Labor

# Cost of Production: Zucchini

Crop to Field	Time	Per Bed Cost
Amendments		\$40
Seeds		\$20
Soil		\$5
Time in Greenhouse		\$15
Bed Prep	0.5 hours	\$10
Seeding	0.5 hours	\$10
Transplanting	1 hour	\$20
Weeding	2 hours	\$30

+

**\$150**

150' beds  
1 row per bed  
18" spacing

# Cost of Production: Zucchini

Harvest to Market Readiness	Time	Per Bed Cost
Boxes		\$45
Harvest	4 hours	\$80
Prep	0.5 hours	\$10
Packaging	0.5 hours	\$10
Handling	1 hour	\$20
		<b>+</b>
		<b>\$165</b>

Harvested:  
325 lb

Cases:  
20 lb  
15 cases





# Cost of Production: Zucchini

- Sales have to cover all costs (ideally with buffer)
- Costs differ by yield
- Yield differs by variety, succession, weather, etc.
- Data with all variables noted and covered is impossible

What level of data gathering and crunching will be the **most meaningful** for your farm?

# Zucchini Cost of Production

Per Case	2023	2024	2025	Average
First Succession	21.00	37.20	23.00	<b>27.07</b>
Second Succession	25.40	38.00	35.00	<b>32.80</b>
Third Succession	20.40	22.40	26.60	<b>23.13</b>
<b>Annual Average</b>	<b>22.27</b>	<b>32.53</b>	<b>28.20</b>	<b>27.67</b>
				<b>Total Average</b>

# Questions?

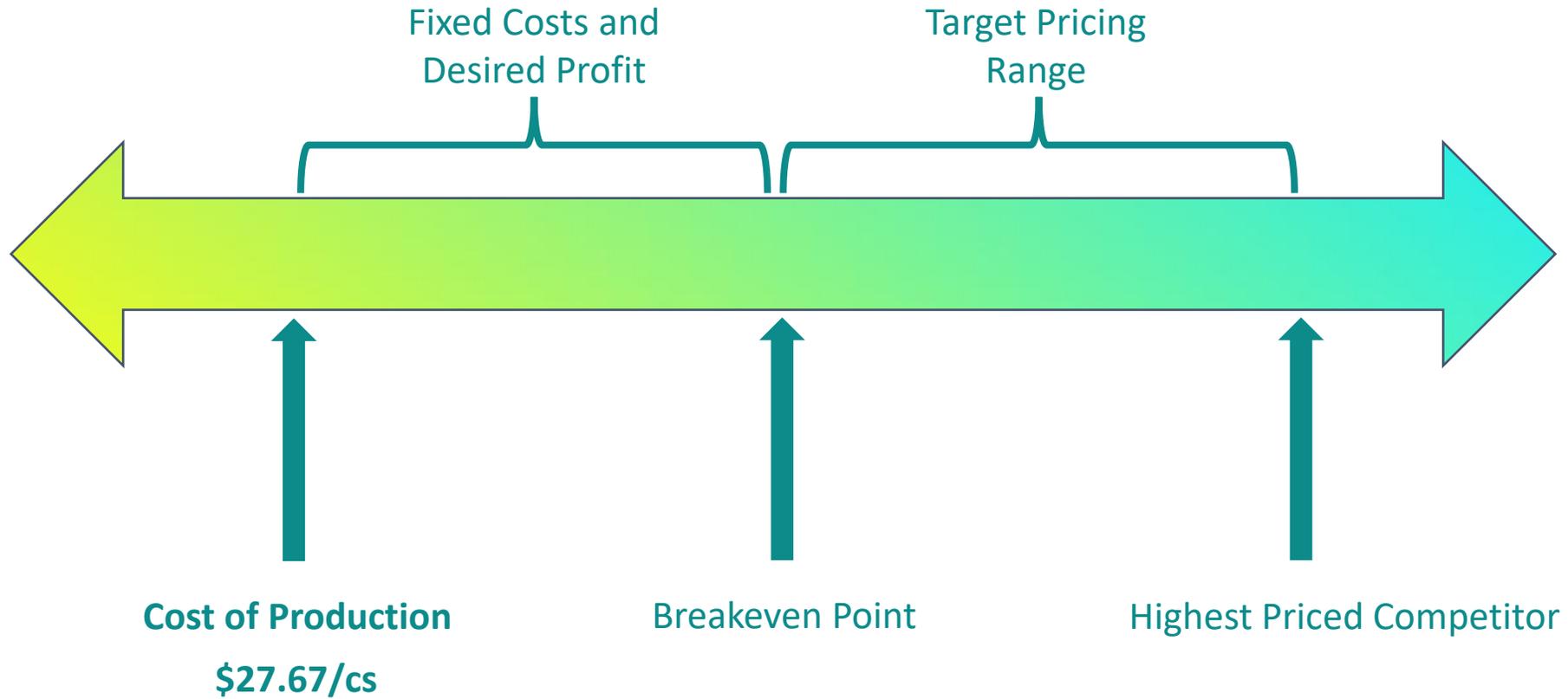


# Some Guidelines

- Use the numbers you have (2025)
- Projected numbers provide a good stand in
- A good spreadsheet can be updated regularly
- Rotating among crops annually makes it easier
- Grouping similar crops makes it easier



# How to Price In Target Range



# Breakeven Point

The point at which each product price balances between being able to be a reasonable part of the product selection for a financially viable farm.

Covers the share of non-production expenses that each unit must cover, plus any additional \$ as assigned.

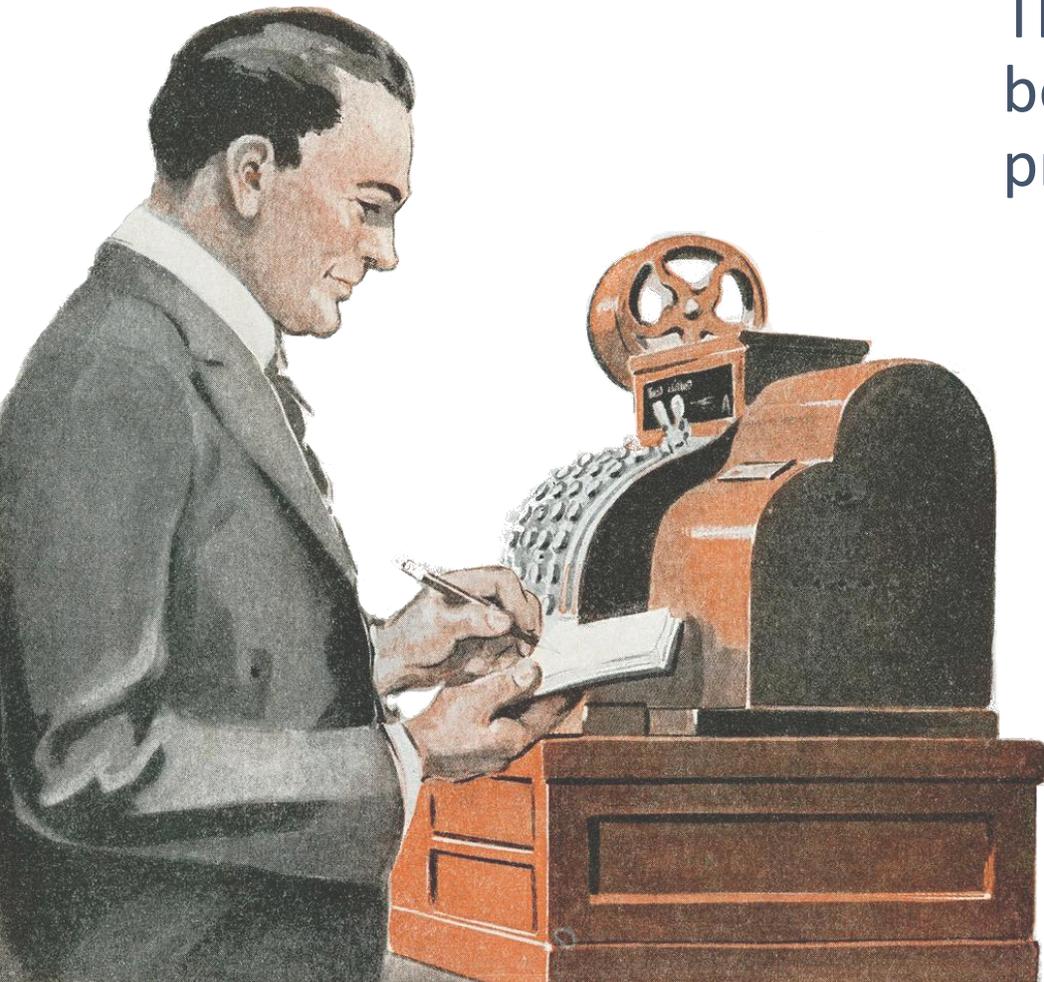


Image: Saturday Evening Post

# Farm-Wide Breakeven

Farm Fixed Costs (projected)	\$40,000
Amount debt service	+ <u>\$10,000</u>
Total to be used in Breakeven	\$50,000

Total Cases Sold (projected)	10,000
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Share of Fixed Costs per Case	\$5
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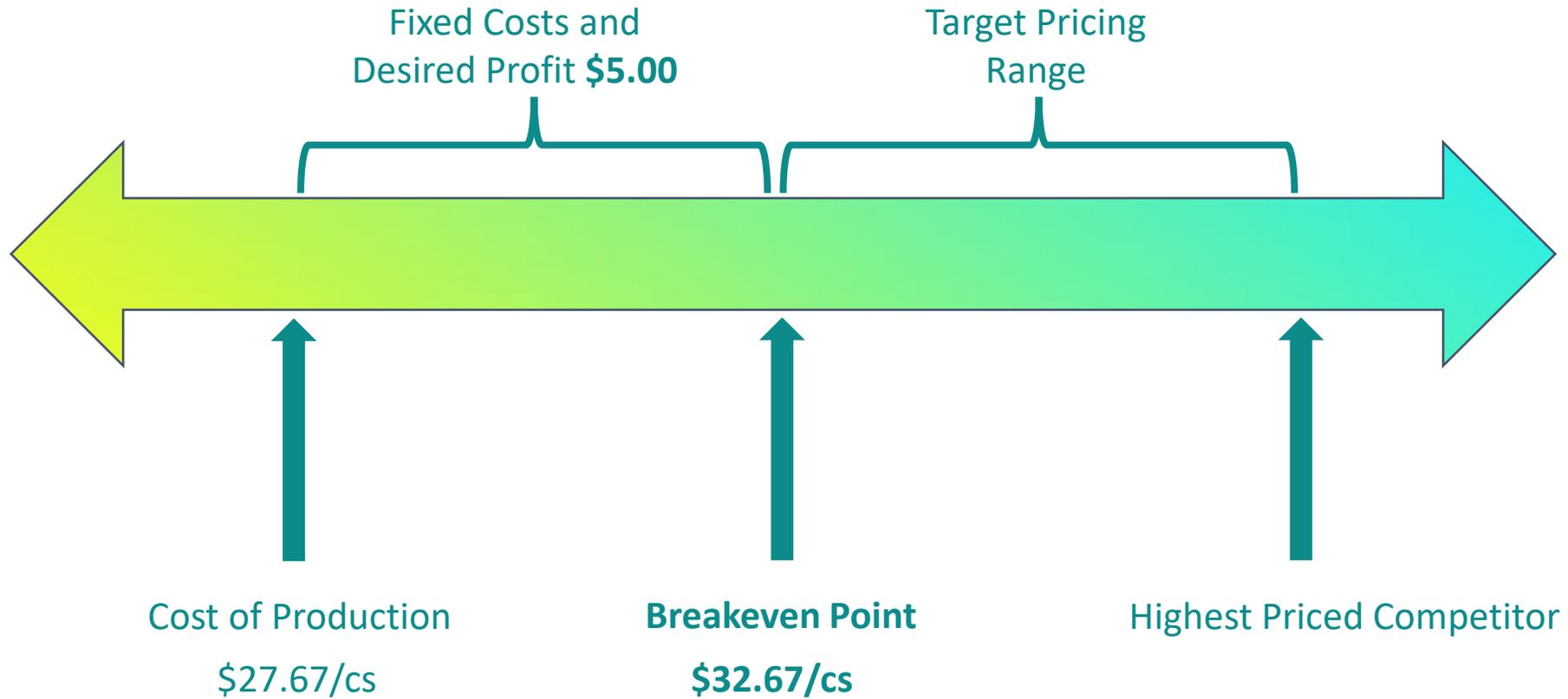


# Zucchini Breakeven Point

Per Case	2023	2024	2025	Average
First Succession	26.00	42.20	28.00	32.07
Second Succession	30.40	43.00	40.00	37.80
Third Succession	25.40	27.40	31.60	28.13
<b>Annual Average</b>	<b>27.27</b>	<b>37.53</b>	<b>33.20</b>	<b>32.67</b>
				<b>Total Average</b>

It's not worth it unless:  
Each case yields at least \$5 past cost

# How to Price In Target Range



# What to Determine?

- Cost of Production
- Breakeven Point

- Prices in your Market
- Highest Priced Competitor



Competition Audit

# Competition Audit

- Identify Competitors
  - Direct competitors – local farm; similar growing practices
  - Indirect competitors – not grown locally, different practices, retailers
- Collect Data
  - Location, Price, Price per unit, Attributes
- Create a Spreadsheet!



# Competition Audit

- Direct to Consumer or Retail Prices
  - Easiest to find
  - Harder to find attributes
- Wholesale Prices
  - Harder to find, can require a long-term strategy
  - May be shared in local or regional farmer groups
  - Can be estimated with some intel from buyers
- Distributor Prices
  - Lower than wholesale prices
  - More difficult to find or estimate

Photo credit: Cian

# Competition Audit: Zucchini

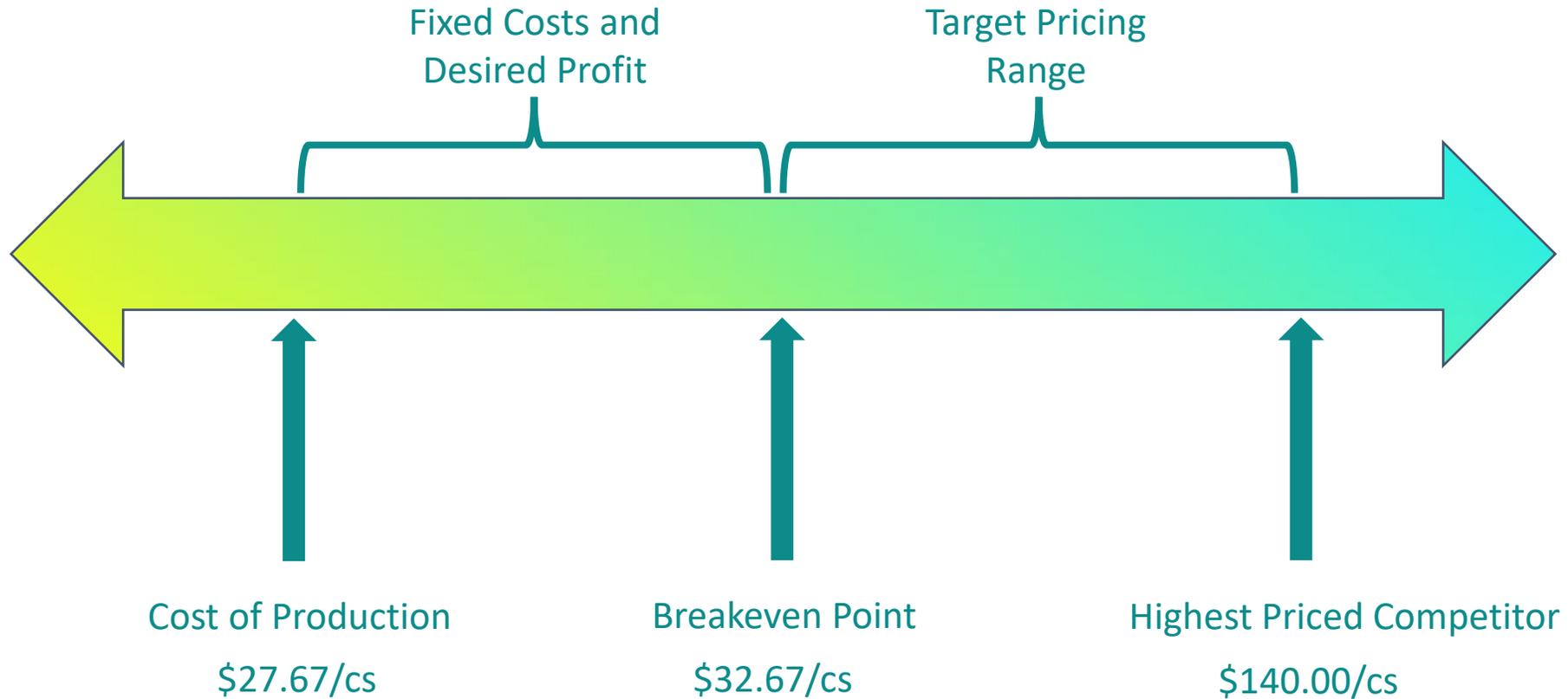
	Nearby Farm	Across Town Farm	Local Grocer	Some Supermarket	Other Supermarket
Price per pound	\$4.00	\$6.00	\$5.50	\$8.00 8oz packs	\$3.00
Local	✓	✓			
USA Grown			✓	✓	
Certified Organic		✓	✓	✓	
Non-GMO	✓				

# Competition Audit: Zucchini

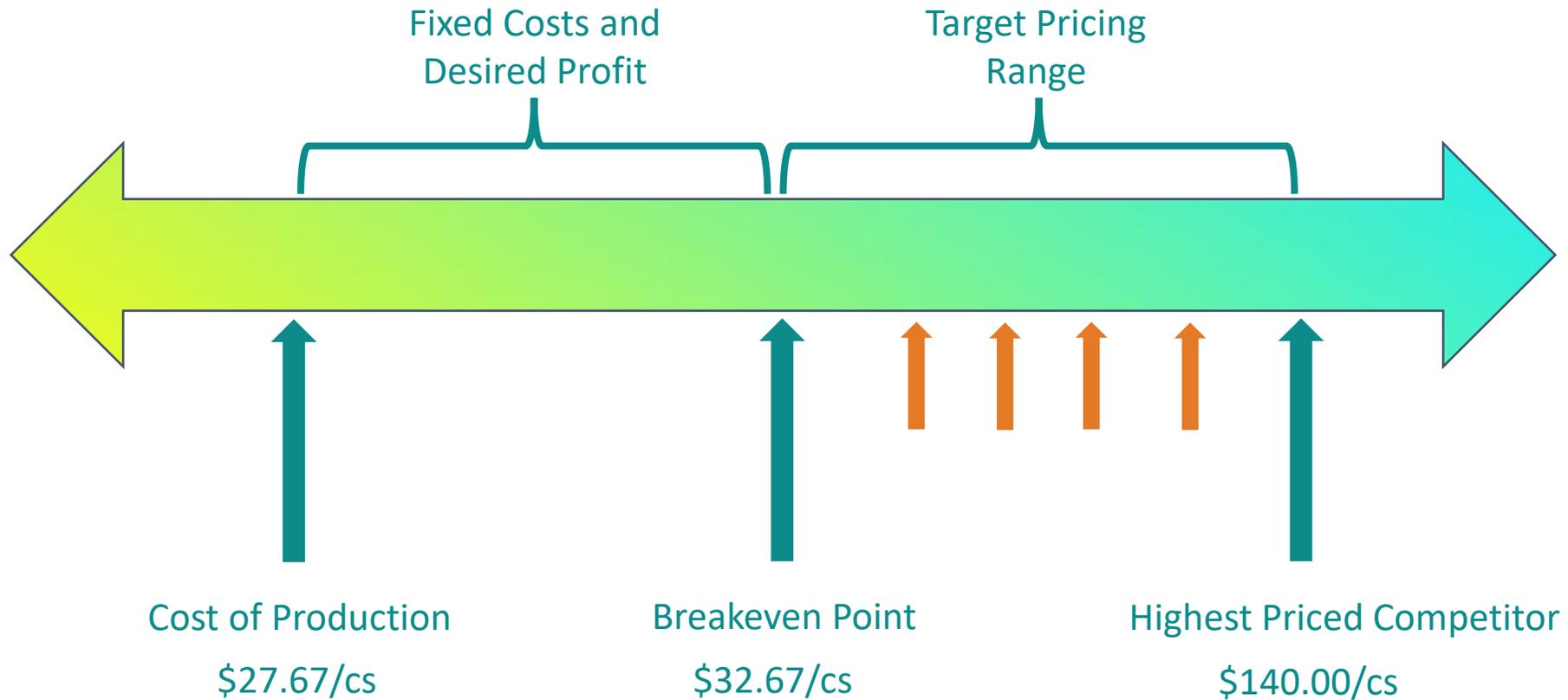
	Nearby Farm	Across Town Farm	Local Grocer	Some Supermarket	Other Supermarket
Price per pound	\$4.00	\$6.00	\$5.50	\$8.00 8oz packs	\$3.00
Local	✓	✓	+\$0.50	+\$0.50	+\$0.50
USA Grown			✓	✓	+\$0.50
Certified Organic		-\$1	-\$1	-\$1	
Non-GMO	✓				+\$1
<b>Scaled</b>	<b>\$4.00</b>	<b>\$5.00</b>	<b>\$5.00</b>	<b>\$7.50</b>	<b>\$5.00</b>



# How to Price In Target Range



# How to Price In Target Range



# Zucchini Tiered Pricing

	Case Price	Price Per Pound
Breakeven	\$32.67	\$1.63
Distributor	\$35.00	
Wholesale to Retailer	\$42.00	
Wholesale to Restaurant	\$60.00	\$3.00
Low Direct Market		\$4.00
Medium Direct Market		\$5.00
High Direct Market		\$6.00

# Zucchini Tiered Pricing

	Case Price	Price Per Pound
Breakeven	\$32.67	\$1.63
Distributor	\$35.00	\$1.75
Wholesale to Retailer	\$42.00	\$2.10
Wholesale to Restaurant	\$60.00	\$3.00
Low Direct Market	\$80.00	\$4.00
Medium Direct Market	\$100.00	\$5.00
High Direct Market	\$120.00	\$6.00



Questions?

# Margin

The percentage of each dollar of revenue that is not part of cost of production.

Margin = 
$$\frac{\text{Price} - \text{Cost of Production}}{\text{Price}}$$



# Cost of Production as a %



You don't have the \$1 of Revenue to pay bills with



That 56¢ was spent in the producing of revenue



You have 44¢ left

# Zucchini Tiered Pricing

	Case Price	Price Per Pound	Margin (rounded)
Distributor	\$35.00	\$1.75	21%

- Does the distributor pick up?
- Cost of delivery: labor and use of vehicle
- Cost of maintaining relationship with distributor(s)

# Zucchini Tiered Pricing

	Case Price	Price Per Pound	Margin (rounded)
Wholesale to Retailer	\$42.00	\$2.10	34%
Wholesale to Restaurant	\$60.00	\$3.00	54%

- Cost of delivery: labor and use of vehicle
- Cost of maintaining relationship with Retailers
- Cost of providing regular updated price list to Retailers
  
- Costs can be calculated based on data and prorated, or estimated

# Zucchini Tiered Pricing

	Case Price	Price Per Pound	Margin (rounded)
Low Direct Market	\$80.00	\$4.00	65%

- Costs of going to market
  - Packing and unpacking vehicle
  - Materials (tent, tables, cloths)
  - Fees
  - Shrink
  - Use of vehicle
  - Labor costs
  - Displays
  - Processing fees (estimated)
- Costs of maintaining relationships related to market(s)

# Zucchini Tiered Pricing

	Case Price	Price Per Pound	Margin (rounded)
Medium Direct Market	\$100.00	\$5.00	72%
High Direct Market	\$120.00	\$6.00	77%

- Costs of going to market
  - Packing and unpacking vehicle
  - Materials (tent, tables, cloths)
  - Fees
  - Shrink
  - Use of vehicle
  - Labor costs
  - Displays
  - Processing fees (estimated)
- Costs of maintaining relationships related to market(s)
- **Additional margin based on market's ability to pay, distance, etc.**



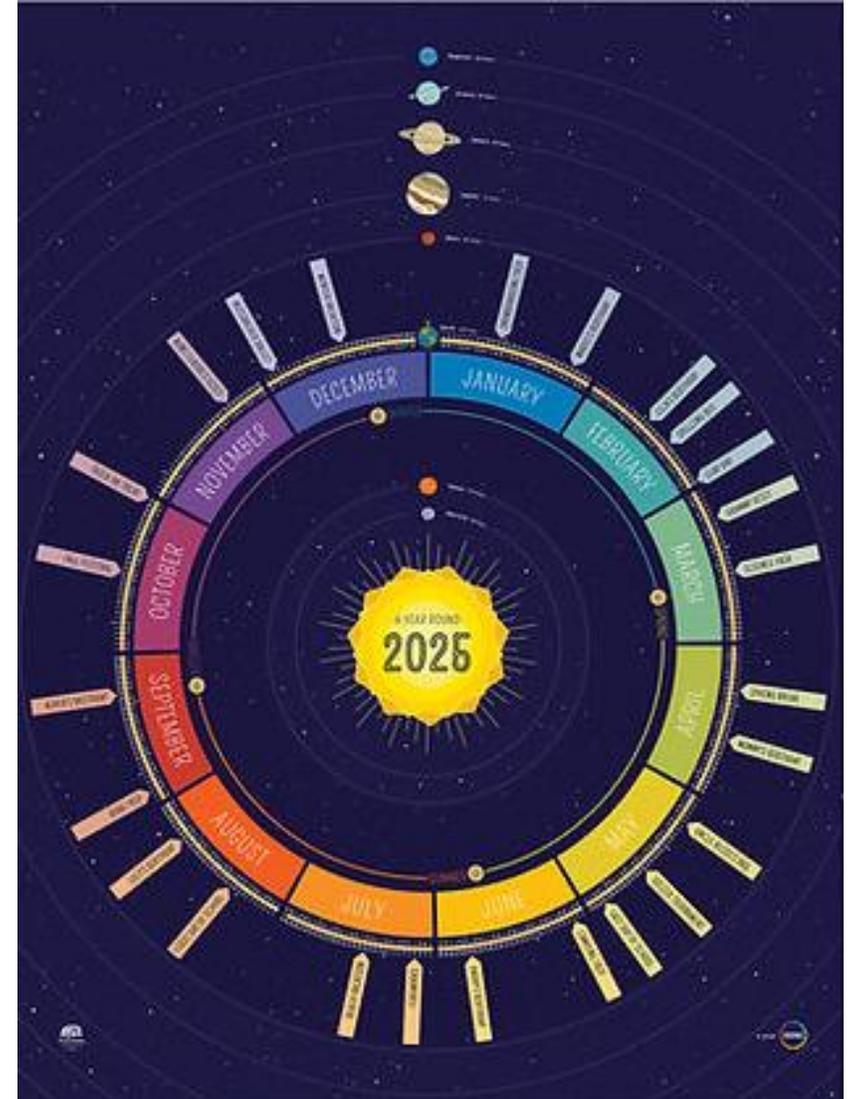
Questions?

# Communication

- Marketing Plan
  - Do you have one? **Is it recent?**
  - Can you get one? **Funded? On what timeline?**
- What you can do in the meanwhile
  - Create a pattern or structure to follow
  - Document as you go
  - Focus on progress, not perfection

# Annual Pattern

- Ideally the same behavioral pattern each year
- Make a plan for each type of customer or each channel
- ‘Off Season’ patterns may be less frequent
- ‘In Season’ patterns likely more frequent



# Weekly Pattern: Wholesale

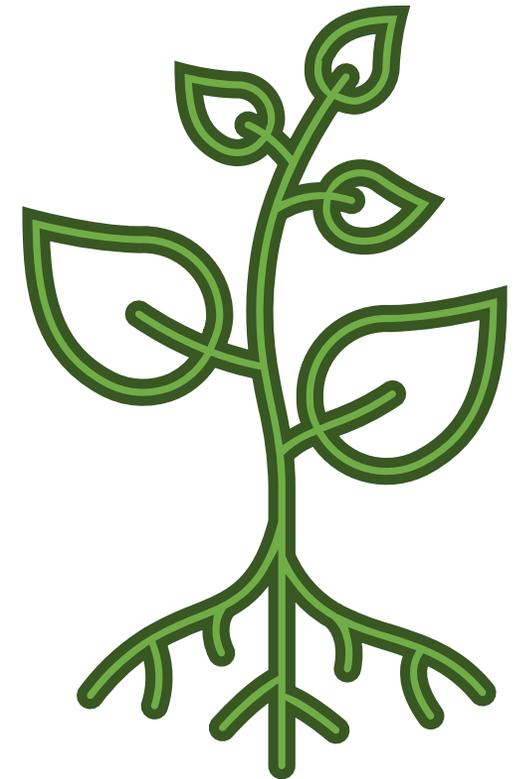
	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
AM	<p>Pricelists sent out to wholesale customers</p>	<p>7am deadline for Tue orders</p> <p>office staff assembles pick lists</p>	<p>office staff sends invoices</p>		<p>7 am deadline for Fri orders</p> <p>office staff assembles pick lists</p>	<p>office staff sends invoices</p>	
PM			<p>pickup available from noon</p> <p>deliveries 1-5pm</p>			<p>pickup available from noon</p> <p>deliveries 1-5pm</p>	

Contact wholesale accounts ahead of time a few times on the same pattern before you have a price list to send!

# Plan for Communication

- Who are you talking to?
- Where are they?
- How will they best see you?
- What do they need to know?
- What do you need them to do?
- When? On what basis?

Customer  
Channel  
Context  
Content  
Catalyst  
Cadence



# Plan for Communication: Retail Grocery

- Customer: Produce Manager or buyer
- Channel: e-mail (possibly text message)
- Context: reliable timeline of information for them to order
- Content: produce available, prices, delivery days/times, contact info
- Catalyst: direct instructions on ordering every single time.
- Cadence: likely once per week, maybe twice

Often placing orders in the morning, used to next day delivery.

# Plan for Communication: Restaurants

- Customer: Chef
- Channel: e-mail (possibly text message)
- Context: reliable timeline of information for them to order
- Content: produce available, prices, delivery days/times, contact info
- Catalyst: direct instructions on ordering every single time.
- Cadence: likely once per week, maybe twice)

Often placing orders in late morning or afternoon.  
Often closed Mon and or Tues.

# Communicating with Direct Customers

- Which customers want or need which information?
  - Regulars often want more detail
  - Occasional customers generally want quick answers
- FAQ for the staff
  - Most challenging as well as most common questions
  - How you want them to answer
  - Provide “scripts”

# FAQ:

- Why is this \$\_/lb? \*or\* Why is this so expensive?
  - Opt 1: It costs more to grow food now than it used to, especially in New England , but the flavor is well worth it!
  - Opt 2: The farm focuses on making decisions that are good for the soil health, the staff, and the community. The food is a little more expensive for it, but it's also a lot more delicious!
  - Opt 3: We had to raise some prices this year so that the farm has enough money to pay all of its bills and replace the barn roof/buy a walk-in cooler/invest in a new enterprise next year.

# Notes on Pricing

- Line pricing is easier for you and your customers
- Group similar items together and round to the same number for multiple groups if possible
  - I.E. all herbs priced the same, bunches scaled as appropriate
- Build in buffer where possible; round up
- Pricing too low leads to questions on quality
- Consistent pricing style
  - All ending in 9s or all ending in 0s

**Document your reasons!**

# One Big Product, Little Price Analyses

- Meat cost of production must be analyzed by whole animal
- Use tiers to group by perceived value
- Ground as base to build from (organs may be lower)
  - Group multiple cuts at higher prices with a gap between
  - Bacon or Filet Mignon will likely top the list
- Consider added costs for processing

**Document all your reasons!**



# Summary

- A Pricing Strategy includes documenting **what** prices are (by market) and **why**
- Determine or estimate production costs by bed or enterprise
- Track harvest to determine cost to produce based on yield
- Tier price lists with reasons documented
- Update your costs when you have new data

**Support is available! You don't have to do it alone!**



**KEEP IN TOUCH**

# Thank you!

Reach out any time.

### Farm Business Questions?

- Jeff Cole
- [jcole@thecarrotproject.org](mailto:jcole@thecarrotproject.org)
- 617.674.2371 x 9

### Follow along.



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### General Questions?

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- 617.674.2371
- [thecarrotproject.org](http://thecarrotproject.org)

