

# **MEC - Retail Vision & Guidelines**

By Christopher J. Patton, MA, MBA and Founding Director

Minnesota Elderberry Cooperative (MEC) intends to function as a dependable, primary connection between the independent elderberry grower and the marketplace, but it will not be an exclusive vehicle for the marketing and distribution of elderberry products. MEC should serve as the foundation or core factor in an elderberry producer's marketing plan. As a predictable customer of the grower's elderberry production, MEC will provide a financial planning base for operating a commercial elderberry farm by guaranteed purchase of a specified volume of each member's qualified elderberry yield according to a specific membership structure and product quality process yet to be developed.

One way to think of the future elderberry industry in Minnesota is to think of MEC as a tree trunk that connects and supports many branches. Besides sharing important information, the members' cooperation will provide financial benefits through shared production resources and marketing efforts. The resulting economies of scale should provide MEC elderberry ingredients and products with collective competitive advantage at better prices to growers and better value to customers, but not to the exclusion of each grower's value-added elderberry products or alternative sale of elderberries or elderflowers as autonomously desired, designed and sold.

In addition to a dependable buyer of their production, individual elderberry growers will benefit from joining efforts in cooperative marketing of primary elderberry products and ingredients. The establishment, maintenance and guarantee of high quality standards, such as Certified Organic, on a broad scale will better enable independent farmers to compete against much larger food and beverage companies in the increasing global marketplace. To that end our first objective must be to establish deep customer relationships locally and regionally – both with retailers and the ultimate consumers. As increase in elderberry production is realized, expansion into wholesale ingredient sales and marketing will evolve regionally, nationally and, eventually perhaps, internationally.

For all of the above to take place, emphasis on collective marketing of a shared elderberry brand remains critical. The shared brand participation and marketing provides the opportunity for farmers to retain control of the elderberry crop's quality definition, process and pricing in the face of a wide-open global market. Here is what one respected marketing textbook has to say about the role of marketing in the early stages of an industry's development:

Even entrepreneurial start-ups appear to benefit from a strong customer orientation. One recent study of start-ups in Japan and the United States found that new firms that focused on marketing first, rather than lowering costs or advancing technology, were less likely to be brought down by competitors as their product-markets developed. (p. 37, Marketing Management: A Strategic Decision-Making Approach, Seventh Edition, by Mullins, Walker, McGraw-Hill, 2010.)

## **Cooperating Independent Farmer-Marketers**

MEC will likely follow River Hills Harvest's (RHH) policy of granting full retail status to its farmer-growers, which enables them to purchase RHH at wholesale prices for resale. Successful farming cannot be separated from successful marketing. RHH provides farmers with the opportunity to market premium elderberry juice products along with their own produce and/or their own value added elderberry products.

The whole cooperative will benefit from local ties between each retail outlet's customers and the local elderberry farmer. Local farmers will provide the faces to the public when demonstrating cooperative products as well as their own. This may take place at the retail store or at their roadside stand. Regardless, some important guidelines need to be followed on what to say and how to represent the benefits of elderberry to the customer.

## **Retail Sales Practices & Guidance**

MEC and other elderberry cooperatives will logically support disciplined academic research into the health and general nutritive benefits of elderberry, its various properties and how it addresses certain unhealthy

conditions and/or illnesses. Most of this kind of research to date has focused on European *Sambucus nigra*, but an increasing number of articles are being published about the unique characteristics and potential or demonstrated health benefits of North American, *Sambucus canadensis*, black elderberry. MEC has posted some of these articles on its "Elderberry for Health & Nutrition" page.

According to federal law, care must be taken in relating the results of academic research, which apply to elderberry juice, extracts, powder or tinctures generally, but not to specific products. More care needs to be taken within a public retail context than on your farm, but good habits are the best policy. Natural foods retailers have recommended reading the Natural Products Association's **Dietary Supplement Claims Handbook**. A link is provided here.

The bottom line seems to be that you can talk about the journal's researched results and/or traditional use of elderberry in general rather freely if accurately representing such material. Give the references to the customer. Provide links for them and encourage them to do their own research, to make their own decisions and to consult with their physician(s), if they face a specific illness or symptom. A farmer or retailer is not permitted to diagnose and illness or health condition. Neither can we claim particular benefits to a particular product.

However, a retailer or a farmer can separately discuss the quality and quantity of elderberry in any product separately, as well as any companion ingredients. Thus, the fact that elderberry possesses medical research demonstrated antiviral and anti-inflammatory properties is permitted, but those properties have not been demonstrated for any particular product, such as RHH's elderberry juice. But RHH elderberry juice is 100% cool processed, *Sambucus canadensis* elderberry juice.

The law permits consumers, and the ethical retailer or farmer-marketer encourages them, to make their own conclusions. We have everything to gain for them to do their own research and make educated evaluations of what is best for their needs and wellbeing. Every responsible person should do so because each of us differ a bit in how our bodies react to good foods or juices of any kind. Therein lies the safety and marketing competitive advantage to an honestly superior quality process and grade of elderberry ingredients and products in all of their potential forms.

In the spirit of cooperation, the reader may be assured that this vision and document will change as time passes and others join in the conversation.