

Factors to Consider When Marketing Hay

by Dan Undersander

Introduction

Many hay growers simply sell hay. They are selling a commodity to low bidders rather than developing a market for a product. Bringing factors other than price into the market such as forage quality, consideration of customer needs, prompt delivery, steady supply, and appreciation of business can increase value and salability of product. If price is the only determining factor, someone is always waiting in the sidelines to undercut your price. Marketing rather than selling hay will greatly increase sales and price for a valued product with service.

What are some guidelines to follow when selling hay?

Following are specific suggestions to improve marketing:

1) Determine Buyer's Real Interests

What kind of hay does buyer want, what type of animal is the individual feeding?

Is quality determined by forage analysis, leafiness or other?

Is presence of grass a desired or not?

Other traits important, e.g., lack of dust, color, small bales.

2) Define Terms of Pricing

What is the point of sale?

Is the price at your barn or stack, loaded on buyer's truck, delivered on your truck, or something else?

Will you accept a counter offer?

3) Tonnage to be purchased

What is the contracted amount?

Is all hay to be delivered at one time or over some period of time?

4) Effective Date of Price

How long is the price good for? One month? One week?

5) Payment Terms

What are the payment terms?

Payment on delivery, one month after delivery, something else?

What payment type do you want? Cash, cashier's check, etc.

6) Considerations if you are delivering

What is access to site where hay will be stored, can your truck get there?

Are you expected to unload and stack, other?

How much help will buyer provide?

When will buyer be present (to help, or provide access, or to pay)?

7) Follow up with your customers

Call the buyer after delivery and ask how your product is being accepted.

Is there any room for improvement?

This may be the difference between a single sale and several years of business. If a customer is satisfied and you have more hay to sell, ask if customer knows of other potential buyers.

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