

## Pricing Processed Food Products

The purpose of this factsheet series is to help producers and processors understand the key elements needed to manage a business. The factsheets also discuss some of the essential components used to develop a business plan and assess the profitability of a business venture.

What should I charge for my dilled carrots, wild blueberry jelly or samosas? All business owners grapple with pricing. It's an important question since business success relies on your ability to make a profit. To find the right price for your food product, you need to strike a balance between product costs, the attitude of your target customer and the competition.

Pricing need not be an onerous task filled with many unknowns. Take some time to research the following six management questions.

- How much does it cost to make my product?
- What is my break-even point?
- What are my profit goals?
- How will I market my product?
- What price range do my competitors charge?
- What is the customer demand for my product or service?

**Note: Use the pricing worksheet on page 9 to find the best price for your processed foods.**

### How much does it cost to make my product?

Use your cost records to calculate complete product costs. A product cost is a subtotal of all the money you spend to make, package, promote and distribute the food products, combined with the costs to operate the business. A good set of business books will make this step much easier and more complete. Once you know the complete product cost and the volume produced, you can figure how much it costs to make each unit.

Be sure you include all costs in your product cost subtotal. If you plan to use a retailer or distributor, remember a typical margin over your price is 40 per cent. For example, you have found a specialty store retailer who is interested in stocking your sage jelly. The store requires a 40 per cent margin and will price the jelly at \$2.49 per jar. Can you cover your costs and make a profit at \$1.49 per jar?

The formula to calculate selling price:

$$\begin{aligned} \text{Selling price} &= \text{cost} \times \text{factor} \\ \$1.49 \times 1.667 &= \$2.49 \end{aligned}$$

The factor used in the formula can be found in the Mark-up Equivalency Table on page 2. Use the margin column to find 40 per cent, then look across to the factor column to 1.667.

*Pricing need not be an onerous task filled with many unknowns.*

When you know the selling price and the margin you can calculate your price by using the following formula:

$$\text{selling price} \div \text{factor} = \text{cost (or price)}$$

$$\$2.49 \div 1.667 = \$1.49$$

Mark-up Equivalency Table		
Margin %	Mark-up %	Factor
30.0	42.9	1.429
31.0	45.0	1.450
32.0	47.1	1.471
33.0	49.3	1.493
34.0	51.5	1.515
35.0	53.9	1.539
36.0	56.3	1.563
37.0	58.8	1.588
38.0	61.3	1.613
39.0	64.0	1.640
40.0	66.7	1.667
41.0	70.0	1.700
42.0	72.4	1.724
43.0	75.4	1.754
44.0	78.5	1.785
45.0	81.8	1.818
46.0	85.2	1.852
47.0	88.7	1.887
48.0	92.3	1.923
49.0	95.9	1.959
50.0	100.0	2.000
60.0	150.0	2.500

*Entrepreneurship Facilitator's Manual, Second Edition 1995, Module 4.4, Price the Product, page 15.*

Product costs include both variable and fixed costs. Most of your expenses will fall into three categories: materials, labour costs and overhead.

## Materials

Include all material and supply costs, such as raw ingredients and packaging, used to make your processed food products. Material expenses are variable costs. Each time you spend money to make a product you increase your variable costs. To identify variable costs, look to see which costs keep pace with the amount you produce. When you make twice as many samosas in your commercial kitchen, your variable costs will double.

### Example:

A processor of dilled carrots would include the costs for jars, carrots, seasonings, vinegar, labels and the shipping costs in the materials cost group.

## Labour costs

The amount you pay the people who make your food product should be added to labour costs. Remember to include a cost for your own labour. If you are unsure how much time you spend working on production activities, keep track for one week in your daytime calendar. Labour costs for machine operators and any people who prepare the food product, package or prepare it for shipping should be included in this section. Most labour costs are variable costs since they change with the number of units made.

## Overhead

Business expenses such as facility and equipment expenses, insurance, utility costs, depreciation and salaries for management are overhead costs. You could also be paid for your management activities, as well as your labour. If you can't directly trace a cost to labour or materials, it likely belongs in overhead. All overhead costs are fixed costs. Fixed costs are a part of operating a business. They can't be tied to the number of units produced as they are the same whether 10 or 10,000 are produced. You have to pay your fixed costs whether or not you sell anything.

### Example:

Liability insurance protects your business if someone is injured while visiting your place of business or by consuming your product. This insurance is an overhead cost.

Product cost is an important first step in setting product price. It tells you the minimum amount your product can be priced for. You need to know your product price before you can calculate how many units you must sell to break even. The break-even point is where there is neither a loss nor a profit from the sale of your products.

Once you know product cost, you can use customer and competitor analysis to further refine your product price. The pricing worksheet attached to this factsheet walks you through this process.

Refer to *The Essentials of Pricing and Methods to Price Your Product* for background information.

**Activity:**

Prepare a list of all your business expenses and list them on the worksheet provided. Follow the worksheet to calculate your product cost.

## What is my break-even point?

A good product price strikes a balance between costs, volume and profits. You can use a break-even calculation to see whether costs are covered by a certain price and volume.

Break-even analysis can also help you analyze how a price change affects your business. From the worksheet, you can find out how much of your product you have to sell to cover your product costs. If you can't sell enough to cover all of your costs, you have to adjust your selling price or reduce your expenses.

To earn a profit, you must add it to the break-even point. The break-even calculation tells you where total revenue equals total cost. If you set price or volume below the break-even point, you will lose money each time you sell your product. Price or volume above the break-even point will ensure profits.

To calculate the break-even point, you must know your fixed costs, variable costs and unit contribution margin. We have identified fixed and variable costs in the cost section. To calculate contribution margin, you subtract variable costs from the price. Use contribution margin to experiment with various prices before you settle on a final food product price.

Contribution margin is a quick way to figure how much fixed costs each unit can carry.

$$\text{Unit contribution margin} = \text{unit sales price} - \text{unit variable cost}$$

**Example:**

Happy Cheese Company produces a spiced Camembert cheese for \$1.20 per 100 gram variable cost and sells it to a wholesaler for \$2.00 per 100 gram.

$$\text{Unit contribution margin} \\ \$2.00 - \$1.20 = \$0.80$$

This means each Camembert cheese produced can pay \$0.80 fixed costs for the company to break even.

$$\text{Break-even point in units} = \frac{\text{fixed costs}}{\text{unit contribution margin}}$$

**Example:**

Happy Cheese Company has \$1,000 in fixed costs for the spiced Camembert cheese.

$$\text{Break-even in units} = \frac{\$1,000}{\$0.80} = 1,250$$

To make no profit, but cover all the costs at \$2.00 per 100 gram, Happy Cheese Company must sell 1,250 of its 100 gram packages of cheese.

To achieve a target profit or target operating income for the business, use the following formula:

$$N = \frac{\text{fixed costs} + \text{target profit}}{\text{unit contribution margin}}$$

**Example:**

Happy Cheese Company wants to generate \$1,000 target profit.

$$N = \frac{\$1,000 + \$1,000}{\$0.80} = \frac{\$2,000}{\$0.80} = 2,500 \text{ 100 gram pks.}$$

To earn \$1,000 profit for the business, Happy Cheese Company needs to sell 2,500 of its 100 gram packages of cheese.

## What are my profit goals?

Every business needs profit goals to set direction and to ensure the business not only survives, but thrives. To set a profit goal, you must consider cash flow needs, product position and family member business goals.

Profit goals project how much profit your food processing business should earn. You can set your profit goals as a percentage above the product cost subtotal or set a total profit figure for the entire business. A profit goal guides decisions on the amount of product you make and the price you charge.

The product position of your food products should be linked to profit goals. Product position describes how target customers view your products. Do your customers at the farmers' market think your chutney is high quality, unique and worth the extra trip? If so, you can charge more for your chutney. This perspective affects the amount of profit you can earn.

**Example:**

Happy Cheese Company is in its second year of operation. It plans to expand its marketing strategy next year. A profit goal for 1999 is to earn \$1,000 monthly.

# How will I market my product(s)?

## Direct marketing

People who sell their products directly to the consumer are direct marketing. To ensure success in direct marketing, you need to do some research. You need to research how your product compares to the competition, the demand for your food product and the unique benefits.

There are many types of direct marketing:

### Farmers' markets

A farmers' market is a focal point where producers and processors gather on a regular basis to offer home-grown produce, agricultural and home-crafted products to sell directly to consumers. All Alberta-approved farmers' markets operate under rules and regulations implemented by Alberta Agriculture and Rural Development. Individual farmers' markets may also have additional rules and regulations. The theme is "Make It, Bake It or Grow It."

For marketing, advantages of using farmers' markets are direct contact with a larger, regular and loyal customer base, lower marketing and overhead costs, greater income and a market to test new products. The disadvantages are extra time away from the food processing business, possible low sales volume and the costs to transport product to the farmers' market.

### Trade shows or trade fairs

A trade show is an efficient way to market your food product to the hospitality and food service industry. It's also a great way to network with firms specializing in equipment, financing, training, quality control and promotion. ARFEX is an annual trade show alternating between Edmonton and Calgary. The trade show is sponsored by the Alberta Restaurant and Food Service Association (ARFA).

A trade fair provides feedback from industry experts and an opportunity to market products to the wholesale gift marketplace. Uniquely Prairie is a four-day show, held in Edmonton during August in conjunction with the Alberta Gift Show. Written feedback is given to all participants in Uniquely Prairie. Comments are made by experts in merchandising and marketing who rate products on design, workmanship and saleability. Products with a judge's recommendation are given space in a special creative arts display space where they receive extra information and coaching on display management.

## Gift baskets and mail order sales

This type of direct marketing works best for non-perishable products such as dried fruits and vegetables, preserves, flavored vinegars, spices and candies. The main advantages of gift basket and mail order sales are they aren't location dependent, they appeal to a new customer base and they provide collaboration opportunities with other food processors to create unique product combinations.

## Food service or door-to-door sales

When you take your processed food products to people's homes, retail businesses, institutions and restaurants, you are in the door-to-door sales business. You can also work with a worthwhile charity to sell your food product to help raise funds. Business owners like this type of direct marketing as it has low overhead costs, easy entry and exit, and no location requirements. The disadvantages include legal restrictions, licensing requirements and image problems related to quality.

## Farm-gate sales

If your farm has plenty of parking space and is easy to get to, it may be ideal to encourage customers to come to the farm. To offer on-farm sales, you need a cash register, weigh scale and perhaps a cooler, depending on your product. On-farm sales offer lots of flexibility on length of season, size, hours of operation and product mix.

The advantages of farm-gate sales are on-site location, a broad range of products, year-round employment and additional income. The disadvantages include extra capital for buildings, finding and keeping reliable food product suppliers and the need for a good location. Check to be sure you comply with municipal or provincial regulations regarding zoning, health, safety and primary and secondary highway road allowance right-of-way boundaries.

Other types of direct marketing you could use to sell food products include home parties, a web page and telephone selling.

## Indirect marketing

When you use an indirect market, you place one or several market channels between your food product and the customer. You may decide to use an indirect marketer for the following reasons: less time commitment, an expanded customer base and lower capital requirements. Examples of indirect market channels are wholesalers, retailers, institutional buyers and brokers.

## **Wholesaler**

A wholesaler pays for your food product and owns the goods. Most wholesalers have invested in buildings and capital. They are able to store large volumes of food products and may even repackage goods to meet the needs of various customers. The wholesaler earns income by reselling your food products in mixed lots or smaller quantities to retailers or institutions.

**Example:** Happy Cheese Company is a new business and has decided to use a wholesaler, so it can focus on producing high quality Camembert products.

## **Retailer**

Some retailers buy food products directly from you and sell them to the consumer. This practice is very common among small one-store retailers or very large retailers who have invested in storage facilities and transportation. Specialty retail shops are a good example of a small retail operation as they prefer unique, locally made products. Use several types of retailers to diversify your food product portfolio and to expand your sales.

## **Institutional or food service buyers**

Examples of institutions that might buy your food products are schools, hospitals, hotels, nursing homes and military bases. The larger institutions often find it more cost effective to buy directly from food processors and absorb the transportation costs, rather than purchase from wholesalers.

## **Broker**

A food broker provides an expert sales force, local representation and stable sales costs. Some of the tasks a broker can do for your business include representing your product, visiting stores regularly, monitoring product sales, handling complaints, pulling product or rushing unplanned orders. Many brokers also handle any special promotions or displays you request and monitor competitor activity. Fees for brokers range from three to 10 per cent (commission). The commission fee is negotiated along with fees for special services such as the planning of promotions or data collection.

To find a broker, ask five or six retailers which brokers they use and why they like them. When you interview a food broker, take along some facts such as a product description, suggested retail price, shelf life, the type of packaging used and the amount you can supply. Plan to discuss fees, major clients, experience with the product category and the five largest retailer accounts they handle. You need to know if the broker has a conflict between your product and other products they currently market.

For more information on food brokers refer to Alberta Agriculture and Rural Development's factsheet *Food Brokers*, Agdex 845-5.

## **International marketing options**

Most business advisors recommend that you have a good domestic customer base before you consider marketing internationally. However, you may decide to develop a product exclusively for an international market. You may also know someone who has detailed knowledge of a foreign market and is prepared to help with the groundwork.

There are some good reasons to consider an international market. Provided your food product is priced properly, an expanded market should increase profits. International markets offer a larger and more diverse market base, can extend the life cycle of your food products and can give you more security through diversifying into different global economies. It's crucial for you to develop a market focus if you are considering an international market.

Marketing internationally also has major risks. You need to consider the costs of foreign currency exchanges, cultural differences and the need for additional market research. International marketing is a long-term commitment requiring up-front capital and patience.

It's a good idea to prepare a short list of countries you are interested in exporting your food product to. Before you select an international market, remember to research trade barriers, tariffs and taxes, market size, the degree of competition both domestically and from foreign operations, the distribution network and political issues.

For more information on international marketing of food products or how to connect with an international food broker, contact:

- Food Beverage Canada  
#201, 17904 - 105 Avenue  
Edmonton, AB T5S 2H5  
Phone: 780-486-9679  
Fax: 780-484-0985  
Toll Free in Canada: 1-800-493-9767  
[www.foodbeveragecanada.com/](http://www.foodbeveragecanada.com/)
- Alberta Food Processors Association  
Suite 100W 4760-72 Ave. SE  
Calgary, Alberta T2C 3Z2  
Phone: 403-201-3657  
Fax: 403-201-2513  
Email: [info@afpa.com](mailto:info@afpa.com)  
[www.afpa.com](http://www.afpa.com)

## Advantages and Disadvantages of Marketing Methods

### Advantages

Direct Marketing	<ul style="list-style-type: none"><li>– lower marketing costs, larger customer base and increased income potential</li><li>– able to earn more profit on products you sell</li><li>– a market to test new products</li><li>– direct contact with customer</li></ul>
Indirect Marketing	<ul style="list-style-type: none"><li>– some indirect sellers are more cost effective and efficient due to economies of scale</li><li>– buyers and sellers are linked together very efficiently</li><li>– some types of indirect sellers take responsibility for marketing your product</li></ul>
International Marketing	<ul style="list-style-type: none"><li>– expanded markets can increase profits</li><li>– can increase and diversify your customer base</li><li>– less chance of sharp sales decline if selling to many different economies</li></ul>

### Disadvantages

Direct Marketing	<ul style="list-style-type: none"><li>– additional time required to sell products</li><li>– may need additional capital for buildings</li><li>– if transporting products to customers will have extra costs</li><li>– need to comply with legal restrictions and licensing requirements</li></ul>
Indirect Marketing	<ul style="list-style-type: none"><li>– adds an extra cost to your product</li><li>– lose contact with the customer if you sell through indirect channels only</li><li>– you may find there are few indirect sellers interested in distributing your product</li></ul>
International Marketing	<ul style="list-style-type: none"><li>– need to manage foreign currency exchange, cultural differences and additional market research</li><li>– need patience to invest capital and wait for return on investment</li></ul>

## What price range do my competitors charge?

When you research competitors, you are taking an industry focus. An industry focus goes beyond considering your costs of production. It's comparing your business products and strategies to those of your competitors. The more you know, the better decisions you can make about products, price and strategy.

- **Step 1 – Prepare a main competitor list**  
It's important to narrow down the competitive field to main competitors; otherwise, the price range may be too large and inappropriate to your business. To learn more about competitors, you can conduct a secondary data search or ask customers or suppliers for their opinions.
- **Step 2 – Analyze the main competitors**  
Ask customers how they feel about the competition. Tour competitors' businesses to learn how products are priced, packaged and distributed. Find out how competitors have reacted to price changes in the past. Prepare a list of the strengths and weaknesses of your business. Compare it to your main competitors.
- **Step 3 – Welcome customer complaints**  
Make it easy for customers to tell you what needs improving. Customers will tell you how your price compares and what you can improve. Once you ask customers what you can improve, be sure you take steps to correct the problems or customers will feel they were ignored. Include your customers in market research as they are often well informed.
- **Step 4 – Assess if new competition will enter your market**  
Most industries are open to new entrants, and you should expect more competition. Constantly check with customers, suppliers and your competition to see if they have heard of any new businesses. A quick scan of trade journals such as *Specialty Foods*, *Gourmet Retailer*, *Prepared Foods* or *Canadian Grocer* will help you discover new businesses similar to your own.
- **Step 5 – Discover where the competition is selling**  
You need to find out which stores purchase goods from the competition, and why. Try to find out if the competition offers other types of reductions or price cuts to buyers.
- **Step 6 – Observe trade show activity**  
If your competitor sells through trade shows, assess how their prices and sales volumes compare to yours.

### Example:

Happy Cheese Company identified two main competitors: Multi Cheese Company and Smoothie Camembert Cheese Company. They learned of their strengths and weaknesses through their own customer comments and in-store research.

Turn to the worksheet on page 9 to see how Happy Cheese Company assesses its competitors and to perform your own competitor assessment. Be sure to include a price range based on the prices charged by competitors.

# What is the customer demand for my product or service?

When you review the factors that can affect the customer demand for your food product, you are taking a market focus. Demand level describes how badly the customer wants your food product and what they will pay. To assess the demand, you need to know the size and nature of your customer base and the customer's feelings about price. The more you know about your customer group, the easier it is to design product price.

To learn more about the demand for your food product(s), you will need to answer many questions such as the following:

- How many buyers are there and where do they live?
- How old are my customers, how much do they earn and what is their education level?
- What size and type of family does my customer have?
- How does my customer like to spend money?
- What do my customers do in their spare time?
- Does my customer believe price indicates the quality of a product?
- How can I be better than the competition?

Research will help you find the answers to these questions. There are two types of market research: primary data and secondary data.

**Primary data** provides original, tailored information about the wants and values of your customers. Target customers are asked carefully worded and sequenced sets of questions. The answers are analyzed to find out more about customer attitudes towards new products, pricing, packaging, distribution and marketing. Most business owners find they must hire a market research professional to design the primary data questionnaire and to interpret the data.

To conduct informal primary research on your food products, start by listening to your customers. Question your customers about pricing, service, quality and new food products. Invite your customers to fill out customer comment cards or brief questionnaire forms. Use this information to evaluate customer attitudes towards your food products and prices. Primary research asks target customers for their opinions and ideas. You can also tailor primary research to learn more about your competition and what target customers like most about your competition.

More elaborate primary research includes written surveys, telephone interviews, focus groups or person-to-person customer interviews. To learn more about how to do primary research, you can research the subject, hire

business students, talk to business owners who have done primary research or contact the Alberta Ag-Info Centre at 310-FARM (3276), Alberta Agriculture and Rural Development (AARD).

**Secondary data** uses existing materials and research. It's more general, but can often give you insight into customer characteristics and typical prices for some processed foods. To keep costs down, you can conduct your own secondary data search. Most secondary research can be found in public libraries, over the internet, through publicly funded business development centres or at AARD offices with internet access.

All research projects should begin with a secondary data search. To learn more about target customers and their attitudes toward pricing, you can check Statistics Canada, the Business Development Bank of Canada (BDC), Dun and Bradstreet reports, trade magazines, government newsletters and the internet.

There are many types of trade magazines that can provide information, intelligence and contacts in the food processing industry. Some of the trade magazines of interest to the food processing sector are: *Food Processing*, *Bakers Journal*, *Canadian Food and Drug*, *Canadian Grocer*, *Canadian Hotel and Restaurant*, *Food in Canada*, *Specialty Foods*, *Gourmet Retailer*, *Prepared Foods*, and *Food and Drug Packaging News*.

Turn to the worksheet on page 9 to review a brief example of a demand assessment for Happy Cheese Company.

Understanding how to price your processed food product is an essential step in developing your business. You must continually monitor your price including your costs of production, your competition and your customer. You must also be prepared to make adjustments. In competitive businesses, the successful product is the one that can change quickly and continue to operate profitably.

## Glossary

**Break-even point** – the point where total revenue equals total costs.

**Broker** – someone who provides producers with an expert sales force, local representation at the retail level and a stable sales cost.

**Contribution margin** – calculated by subtracting variable costs from price – a quick way to figure how much fixed costs each unit you produce can carry.

**Direct marketing** – a method where producers sell their products directly to the consumer.

**Fixed costs** – are usually overhead costs or the costs you incur to operate the business.

**Indirect marketing** – placing one or more market channels between your product and the customer.

**Labour costs** – the amount you pay the people who make your products including benefits, worker's compensation, etc.

**Market channels** – using one or several businesses to distribute products from the producer to the consumer.

**Materials costs** – the value of all the material or supply costs used to make your product.

**Middleman** – an industry term for an indirect marketer such as a broker or wholesaler.

**Overhead costs** – includes office expenses, insurance, utility costs, depreciation and salaries for management.

**Product cost** – a subtotal of the costs incurred to make, package, promote, distribute the products and operate the business.

**Product life cycle** – a pattern that varies with the industry, product, technology and market, where a product is introduced, grows, matures and declines in sales.

**Product position** – describes what target customers think about your product.

**Secondary data search** – the use of existing reference materials and research to learn more about customer characteristics, the competition and potential demand for your product.

**Variable costs** – includes the ingredients and materials used to produce a product for sale – increases proportionally to an increase in the number produced.

**Wholesalers** – firm that buys products from producers and processors to sell to food retailers and foodservice. The main functions are to purchase, transport, assemble, store and distribute.

## References

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### Prepared by

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### For more information

Alberta Ag-Info Centre  
Call toll free: 310-FARM (3276)

Website: [www.agriculture.alberta.ca](http://www.agriculture.alberta.ca)



## Pricing Processed Food Products Worksheet: Know Your Costs and Market Assessment

Date	June 98 - Example	Date:
<b>Product Name</b>	<b>Spiced Camembert cheese Happy Cheese Company</b>	<b>Your Product: Your Company:</b>
<b>Product Cost</b> materials cost per unit (raw ingredients, packages) labour cost per unit (your own and hired) Total variable costs per unit overhead cost (equipment and facilities, etc.) Total fixed costs Currently selling price	\$0.80 per 100 gram  \$0.40 per 100 gram \$1.20 per 100 gram \$1,000 \$1,000 \$2.00 per 100 gram package	
<b>Break-even Price</b> Current selling price - unit variable cost = unit contribution margin Break-even point in units = $\frac{\text{fixed costs}}{\text{unit contribution margin}}$	$2.00 - \$1.20 = \$0.80 \text{ per } 100 \text{ gram}$  $\frac{\$1,000}{\$0.80} = 1,250 \text{ } 100 \text{ gram packages}$	
<b>Profit Goals</b> Develop a profit goal for the business  Target Profit $N = \# \text{ of units required to make a profit}$ $N = \frac{\text{fixed costs} + \text{target profit}}{\text{unit contribution margin}}$	To generate \$1,000 profit monthly from the business in 1998  $N = \frac{\$1,000 + \$1,000}{\$0.80} = 2,500 \text{ } 100 \text{ gram packages}$	
<b>Marketing of Products</b> Direct Marketing Options - Farmers' markets - On-farm sales - Community shared agriculture - Mail-order - Foodservice or door-to-door Indirect Marketing Options - Wholesaler - Retailer - Institutional buyer - Broker International Marketing Options - Countries Target Price Range - Direct - Indirect - International	I plan to sell to a wholesaler for \$2.00 per 100 gram package        ✓          \$2.00 per gram	

*continued*

<p><b>Competitor Pricing (industry focus)</b></p> <p><i>Main Competitor A</i></p> <p>Strengths</p> <p>Weaknesses</p> <p>Price range</p> <p><i>Main Competitor B</i></p> <p>Strengths</p> <p>Weaknesses</p> <p>Price range</p>	<p><i>Multi Cheese Company</i></p> <ul style="list-style-type: none"> <li>- broad product list. Use both direct and indirect marketing, strong speciality market image</li> <li>- higher prices, smaller volume</li> <li>- \$6.00 to \$6.80 per unit (retail)</li> </ul> <p><i>Smoothie Camembert Cheese Company</i></p> <ul style="list-style-type: none"> <li>- strong speciality market image</li> <li>- low volumes, narrow product range</li> <li>- \$6.00 to \$6,80 per unit (retail)</li> </ul>	
<p><b>Demand Level (market focus)</b></p> <p>Nature of customer base</p> <p>Wants, needs and feelings of customer base</p> <p>Secondary data-search findings</p>	<ul style="list-style-type: none"> <li>- upscale urban consumers who shop at local shops or large deli's</li> <li>- mature customer, 40 plus with secondary education who enjoys entertaining, eating away from home and experiencing food from a variety of ethnic cultures</li> <li>- associates price with quality</li> <li>- nice packaging since viewed as speciality item</li> <li>- convenient small size for smaller families or couples</li> <li>- trend to cheese course during a gourmet meal with make speciality cheeses more common</li> <li>- consumers want easy to prepare meal solutions – cheese is easy, nutritious and very tasty</li> <li>- customers want variety in their food and meals. Camembert cheese adds a new flavor and texture to meals.</li> </ul>	

**Note:** This is a small example of demand level (market-focused) assessment. Refer to the questions on page 7 for more details on preparing a demand assessment.