

CHARACTERISTICS OF DIRECT MARKETING ALTERNATIVES

by Deborah Young¹

Farming is more competitive today than ever. One popular marketing option which allows farmers to

receive a higher return for their crops is direct marketing. Instead of paying packers, shippers, and brokers to market their crops, direct marketing allows farmers to sell directly to consumers. Some of the benefits include cash sales, immediate payment, and more control over prices. Barriers that farmers may encounter include insurance liabilities and zoning restrictions. Use the following chart to help you decide which marketing method best suits your operation.

Characteristic	Pick-Your-Own	Roadside Market	Farmer's Market
INVESTMENT	less capital investment: need containers, ladders, locational signs, parking, building or stand	need building or stand, parking, containers, signs, scales, coolers, etc.	very little capital invest- ment: rent parking or building space, containers, scales, bags, etc.
GROWER LIABILITY	high liability insurance: liable for accidents	liable for accidents; need liability insurance	need liability insurance unless covered by market
OTHER COSTS	need labor for field supervisors and check- out stand; field site transportation; advertising and promotion costs	need sales labor; advertising and promotion costs; some storage, packaging, and handling costs; may need to purchase additional produce	need sales labor; stall or sales fees; display costs; transportation, storage, packaging, and handling costs; no advertising and promotion costs
PRICING	large sales per customer; no transportation costs; no sales or broker fees	fairly large sales per customer; limited ability to sell large volumes; no transportation costs; sales or broker fees	smaller sales per customer; direct competition from other growers no
QUALITY	no grading; can sell whatever customers pick; freshness	can classify and sell more than one grade; can sell seconds; spoilage	highest quality needed
BARRIERS TO ENTRY	limited demand; limited crops; short season; location	limited demand; location; road access; marketing management; zoning	municipal restrictions; conflicting goals of organizers; marketing management
SPECIAL ADVANTAGES	average value of purchase per customer may be higher than at other direct marketing outlets	can be expanded to meet needs of producer; can be tailored to customer's tastes and preferences	potential for large number of customers; low overhead; advertising done by organization
SPECIAL DISADVANTAGES	affected by weather; damage to field, trees, plants; location may be critical	affected by weather; location may be critical	time consuming; must transport produce; do not have as much control over promotion

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FROM:

Direct Farm Marketing and Tourism Handbook.

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DIRECT FARM MARKETING OPTIONS

by Russell Tronstad¹

Direct farm marketing has the obvious advantage in that you can increase the value of your product by eliminating (e.g., broker fees, packaging) or taking over common “middlemen” services. There are several approaches to direct farm marketing and all have pros and cons. One exclusive approach such as a fresh tomato delivery service to restaurants or a combination of direct and wholesale marketing (e.g., U-pick and sell to brokers in peak harvest) may best fit your firm’s goals. Market advantages and disadvantages to some of the more common direct farm marketing methods are discussed below. Issues related to U-pick, roadside marketing, farmers’ markets, and restaurant marketing are discussed in more detail in the Direct Marketing Alternatives section.

Delivery Service

Running a delivery service brings top dollar for your produce and probably adds more “value-added” than any other direct marketing alternative. But the per pound marketing costs can add up in a hurry with low volume deliveries, time on the road, and vehicle expenses. Interviews with potential buyers should be conducted and researched carefully before making the “delivery service decision.” In looking for delivery markets, try to pick out retailers that are out of the ordinary and sell in the upper price range. Price is not a major concern to the exotic restaurants in

town that are charging \$20 a plate for dinner. Supermarkets that are upscale, advertise for freshness, and carry unusual produce are good candidates as well. Price elasticity of demand is very elastic for these retailers. That is, if prices increase the decrease in quantity demanded will be very small. These retailers are mainly interested in the uniqueness of your product, good quality, and a reliable hassle free year round supply.

Recognize that a good portion of your produce won’t be fit for the delivery service market. If weather or insect problems cause a crop quality or volume failure, try to secure other supplies or offer heavy discounts to your buyers for reduced quality. In order to make a delivery service work you might need a mix of products to help cover delivery expenses. A mix can often improve your bargaining position as well. If a buyer wants your baby corn but doesn’t want your leaf lettuce you might say, “no leaf lettuce no baby corn.” Terms are commonly on a verbal agreement with payment received after delivery on a regular billing schedule.

Running a delivery service requires lots of time and energy in developing relationships with your buyers. If you have the desire to run a year round business, service your clients with personal care, and the ability to keep delivery costs reasonable, the personal and financial rewards of direct marketing through a delivery service can be rather handsome.

U-pick

U-pick has the obvious advantage in that you don’t have to pay a large crew of seasonal workers to harvest your crop and you can generally receive a price that is above what brokers will pay. But there are hidden marketing costs associated

with using an untrained and independent workforce. You will need good supervisory help that can train people to identify which fruit is ripe to pick, and prevent crop injury when harvesting. Customer safety, and ensuring that theft is not a problem is another task added to a U-pick. Crops that are hardy to foot traffic, very perishable, and easy to identify when ripe like blackberries, blueberries, raspberries, and strawberries are popular U-pick items. These crops also have very labor intensive picking and post-harvest requirements of washing, sorting, packaging, and storage requirements that are eliminated with a U-pick.

A U-pick opportunity allows individuals to get out in the fields and fully absorb the countryside atmosphere. This is a part of the rural experience and overall product that many individuals are looking for. Consumers also know that their produce is fresh so they are often willing to pay the same price as they would for produce already picked. Do some primary research by asking potential and current customers about whether they would like to learn harvest basics and if they like to get their hands dirty. Some do and some don't.

Cut flowers are an upcoming U-pick item. Identifying "ripeness" is generally not a problem and many individuals like to pick and choose their own variety of flowers for a bouquet. Flowers can also make your farm more attractive and improve on the rural experience — they might even be used in identifying your product position (e.g., Flower Farms U-pick Produce).

A marketing risk associated with a U-pick is that your crop may be ready for harvest this week-end but a major rain storm is coming in. If you had workers ready to go, you could probably pick a good portion of your crop before the storm and place it in storage for a few days. A cloudy day could be enough to turn away all the fair weather fans and half the regulars yet an extra nice day could cause such a large turnout that you have a stampede. To

build a solid base of U-pick workers you might consider offering a discount or the "first pick" to individuals that have gone through any "harvest training" and return later in the season or next year. If individuals are bumped lower on the priority pole when they don't show up one year, they might be enticed to make the drive and pick if rain showers are forecasted for the first harvest day scheduled.

Rent a Row or Tree

With rent a row or rent a tree farming, the customer buys at the beginning of the season before production decisions are made. Then the farmer provides all the labor and inputs necessary to grow the crop, and the customer does the harvesting at the end of the year. The market risk of having a bunch of U-pickers fail to show because the day is cloudy has been eliminated and the renter takes all the risk of crop failure from a hail storm. A written contract should be given that states quality and quantity risks are assumed by the renter, if the weather is good (poor) the customer benefits (assumes the loss).

Keeping track of the cultural practices not allowed or requested and who is renting what can be a headache for the grower. These costs and activities may prohibit this form of direct marketing for many growers. Most of these customers like to visit the farm during the year so if you have hiking trails, picnic tables, and natural beauty surrounding your farm this is a definite plus. This type of access can also bring headaches to the farmer unless customer access is restricted. Having your property open for "public access" and dealing with the public doesn't fit in line with the "low-pressure life-style" many farmers have chosen. But not all rent programs have to include public access. Sometimes companies will rent an apple tree or trees and then plan their company picnic when the apples are ready to pick. These relationships can be attractive for growers that like to keep "public access" lower.

Community Supported Agriculture

Community Supported Agriculture (CSA) operates much like rent a tree or rent a row in that the farmer receives monies for "shares" before the growing season and CSA members accept all quality and quantity production risks. CSA members act as "shareholders" rather than renters of a tree or row. Organization structure is somewhat like a cooperative where the farmer is growing for the coop. Production practices are the same for the whole field and produce is divided up throughout the year as crops mature. CSA arrangements and agreements depend on the consensus of the "community" or shareholders. Members generally reach a consensus on varieties planted, and primary production decisions (e.g., organic or conventional) by voting their "shares." Some may be arranged so that the farmer delivers produce while others may be arranged so that members harvest the crop. Finding a group of homogeneous consumers is key to making a new CSA effort successful. Share prices are generally set to cover all production costs, farmer wages, and a return to ownership costs like land "rent." The average price anticipated for produce should be competitive with supermarket prices. CSA tries to meet all or most of the produce needs of the consumer throughout the growing season and possibly some produce for winter storage.

According to Robyn Van En, one of the originators of CSA, 400 CSA projects are currently in operation in the US. By the year 2000, the number is expected to exceed 1,000. CSA appears to work best for areas that are near urban consumers that want to "link-up" with the countryside. People skills are a must for CSA. People management and organizational skills will be needed for group meetings, similar to "town hall" type meetings. You will have to be able to explain production from planting through harvest and meet people on a regular basis. But the individuals you meet from one season to the next will hopefully be the same, allowing for long-lasting relationships.

Mail Order

A mail order business offers the opportunity for receiving premium prices without dealing face-to-face with the public, if you don't have people skills. But products must be storable, ship well, and have a high price tag relative to their weight. Seeds are a classic example for a business that thrives through mail order. Other products like nuts, dried fruits, dried flowers, and processed jams and jellies have been successful mail order items. Location is a mute point for mail order since the cost of shipping is generally the same for isolated rural areas as downtown metro. Just as people skills are crucial for CSA, organization of records, promptness, and detail are crucial personality traits for the direct mail order marketer.

Although the market potential is unlimited for the mail order marketer, finding and building a mailing list is not easy. Mail order experts calculate that the mailing list is 40 to 60 percent responsible for the success or failure of a mail order business (Gibson). If you are patient, you can start small with little capital and wait for your business to grow. Most mail order businesses start as a sideline and then expand. Guestbooks and other "in-house" lists are a good starting point for a mailing list. Buying or renting a mailing list from others usually gives a response rate of less than 1 percent, even with fancy glossy catalogs. In-house lists often have a response rate of 10 to 20 percent (Gibson). Thus, if you acquire a new customer it is important to add them to your mailing list and monitor their sales activity along with all other customers. Computerized records are a must for a mail order marketer. Graphic design and layout skills are also a big plus for a mail order business. Your sales literature will need to be very catchy and attractive.

In order to justify mailing expenses, each order should be at least \$25. Postage could easily double or triple the price of a \$5 item and most shoppers will buy elsewhere, even if they value their time and like the ease of shopping mail order. To

lower per unit mailing costs you will probably have to offer a variety of products. Variety can be added by making variations on your main product too. For example, if you are selling almonds offer honey roasted almonds in addition to just plain almonds. "Package deals" that work as gifts are particularly popular around Christmas. Many Christmas gifts need to be mailed anyway, and most see mail order as a hassle free shopping solution for buying Christmas presents.

Farmers' Market

Farmers' markets are appealing in that each grower can specialize in production and not be as involved with marketing activities as the other direct marketing alternatives. But the grower takes all the production and price risk and transports her product to the consumer. A farmers' market emulates many of the characteristics of a competitive market with numerous buyers and sellers gathered at a central location. Prices must be competitive with what other growers are offering but are still generally above wholesale prices. Growers have cash in hand on the day and can sell odd-sized or oversized products that would be rejected in the wholesale market. Some farmers' markets (e.g., Sonoma California) operate so that all produce brought in must be sold by the end of the day. Thus, if you are willing to wait an hour or so before closing you may get a real bargain or go home empty. This type of atmosphere and bustling of the crowd is what draws many people to farmers' markets. According to an informal American Vegetable Grower survey, farmers' markets have almost doubled in the last five years. Bob Chorney, executive director of Farmers' Markets Ontario, Brighton, ON said: "People come for the freshness and stay for the fun."

Most established farmers' markets have individuals hired that oversee the organization, rules and regulations, and promotion for all growers. Growers are charged a membership fee for the entire season or

pay on a one time basis as space is available. Promotion expenses of farmers' markets are spread over all growers so that per unit advertising costs are generally low. And if your area has a well established thriving farmers' market, you can plug into an established reputation if you're a grower starting out. One-on-one personal skills are required while at the farmer's market since many customers may want to know how your product was grown and why it is so great. If you have an established farmers' market to plug into and want a "private lifestyle" on the farm without customers on your land and you only grow a couple of crops, the farmer's market is probably for you.

Roadside Stands

The success of roadside marketing largely hinges on location and cheap labor. A visible location is needed to attract customers. Labor expenses can add up real quick with somebody always "manning the stand." A variety of products helps to draw more consumers, but it also helps to have a specialty. Appearance, freshness, nutritional value, price, and locally grown are important for roadside stand marketing. A roadside market is definitely more of a convenient store shop for produce than a farmers' market, but customer interaction is still important. Catchy sign skills are important for getting the customer to stop. Then one-on-one personal skills are needed for selling your produce and in bringing your customers back. As phrased by Gibson, "Repeat customers — happy and satisfied customers — are the key to success in a roadside market." Staying in-tune with a suggestion box and customer conversation can help in building a base of repeat customers. Regular hours and consistently friendly service are a part of bringing your customers back again and again too.

Capital requirements for a roadside stand can vary from almost nothing to an elaborate store. Thus, a roadside stand can be a good way to get started if you have

access to a good location and have several produce items to sell. Regulations for selling on a roadside market will vary depending on location (on-farm or off-farm, city or countryside) so it is important to contact local and county authorities before establishing a roadside stand (see section on "Legal Structure" for further information). With a farmers' market, an executive director may be on board to take care of issues like zoning, licenses, health permits, food stamps, and sanitary

requirements. But these issues must be explored by the entrepreneur for the roadside marketer. The legal rules and regulations are much greater when produce leaves the farm than when it is sold on the farm, and especially when it keeps its "original form."

Gibson, Eric Sell What You Sow: The Grower's Guide to Successful Produce Marketing, New World Publishing, 1994, p. 98.

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**A GUIDE TO STARTING,
OPERATING, AND SELLING IN**

FARMERS MARKETS

by Charles Marr and Karen Gast

There is a growing interest in farmers markets or community markets. The term "farmers market" is often used since it describes the direct selling to the consumer by the producer (or farmer). But, this marketing system could also be described as a community market since there are additional advantages to the community that such a market provides. Sponsorship or establishment of these markets has come from communities, grower or producer groups, civic organizations, community service agencies, extension or educational programs, or private citizens.

Starting A Farmers Market

Advantages and Disadvantages

A major advantage of the farmers market is that it provides an effective marketing system for the producer or farmer. The producers are often part-time, retired, or hobby gardeners looking to supplement their incomes. The farmers market allows an opportunity for a "mix" of vendors operating side by side in the market. Consumers benefit by receiving fresh, high quality products and the opportunity to directly interact with the producer. Many people look forward to market day and this interaction at the farmers market. There is an advantage to the community when customers are brought to the business district, taxes and fees add to the local

business income, and a feeling of community activity results. Chambers of commerce and economic development officers recognize the enhancement to the community that such business activity provides.

Some of the problems that may arise include: 1) the location for the market is often in a public parking area which may interfere with other businesses in the area, 2) some existing businesses may resent the competition, 3) leadership to start or continue a market may be lacking, and 4) squabbles or disagreements among participants may interfere with continued operation of the market.

Markets are successful when there is cooperation, involvement, and communication among three essential groups: 1) the community or sponsoring group, 2) the producers or farmers, and 3) customers and others who support the local market.



Buyer-seller interaction adds to the appeal of a farmers market.

Initial Organization

A farmers market is typically initiated when civic-minded individuals recognize the potential benefits for both their community and producers located in or nearby the community. Usually, volunteers “start the ball rolling.” It can be advantageous to invite producers from other farmers markets to an organizational meeting. The local Cooperative Extension office can be of help in providing information. Most markets begin in an open-air location with minimal costs or expenses. Local chambers of commerce and economic development councils can provide support and assistance. Media representatives can assist in alerting both producers and consumers of progress with the market establishment.

Vendors or Sellers

For a market to be successful there must be successful vendors or sellers. In general the more vendors that participate the more appeal the market has and the more customers will begin to come to the market. It is important for vendors to realize that others are not necessarily their competition, but are necessary for the market to be successful. When establishing a market, there needs to be an initial list or organizational meeting of the vendors to discuss operation of the market. Some markets can be successful with three to five vendors but most vendors believe that ten or more make for a more successful market. A rule of thumb that some markets have followed is that one vendor can be supported by 800 residents—so a community of 2,000 could support a farmers market with about three vendors. However, a successful farmers market will attract customers from a larger trade area so it is difficult to predict how many vendors could be supported in any given area. Initial publicity should attempt to identify all possible vendors that may want to participate. From that response, a determination can be made of: 1) whether there is enough interest to establish a market, 2) possible organiza-

tion of the vendors or sellers, and 3) operational procedures for the market.

Location and Facilities

A market location that is visible, accessible, with adequate parking nearby and room for expansion should be considered. Space that is leased or rented will require a fee charged to the vendors. For that reason, most markets begin in “free” space such as a vacant lot, a public parking area, a town square, a church or a community center, or a vacant private parking area. Community officials can allow the use of public areas and can determine any local ordinances that may prevent market operation. The possibility of using privately owned land can be explored with the owner. Insurance or zoning regulations may prevent use of such space for a market.

Market customers appreciate easy access to, and adequate space for, nearby parking. This should include a safe entry with good visibility of the parking area. The size of the parking area will be determined by the size of the market and number of vendors. The parking area should be distinguished from the selling area and cars restricted from the area where vendors are located. Temporary barricades or traffic “cones” can be used to separate these areas.

Vendor space will vary with the size of the display that the vendor plans to establish. Many vendors sell from the back of trucks or vans, so spaces that are at least 15 feet wide are suggested. Some markets have smaller, half spaces available for vendors who sell from a small table or display rack.

The decision on where individual vendors are located in the selling area can be determined by the market manager on the basis of presenting an attractive mix of products throughout the market. Other markets assign vendors a “permanent” space for the season. Many markets operate on a “first come” basis for deter-

mining space assignments. Customers may associate locations and vendors, so appreciate some type of consistent pattern of locating specific vendors.

Most markets do not provide any facilities for selling products. The vendors are expected to provide their own tables, racks, shelter covers, and similar facilities. Some farmers markets provide a cart for transporting heavy items that can be shared by vendors. Access to garbage disposal facilities is important since there is often defective produce to discard as well as other trash. Access to electricity and water may be desirable but is seldom available in the public areas where farmers markets are traditionally located.

Operating a Farmers Market

Details of market operations should be prepared well in advance of the start of the market and made available to any potential vendors so the “rules and regulations” are well understood before the opening of the market. It is usually best if these can be summarized in written form. A local advisory group or organization of vendors should review the rules of operation and make modifications as necessary. The following topics should be addressed in the rules of market operation:

■ Management and leadership.

Some markets utilize a “market master or manager” to oversee the operation of the market; others operate with an elected advisory or management group to oversee operation of the market and alter rules and regulations as necessary. Some individual hired or elected, should be designated as a source of information, arbitrator of problems or disputes, and decision maker throughout the year. There should be an opportunity for all vendors and other interested community leaders to meet and discuss ideas, elect or appoint leaders or officers, and express opinions.



Well-kept displays indicate high quality products.

■ **Hours of operation.** Hours and days of operation should be agreeable to vendors, local businesses, and customers. Start the market when a good supply of produce can be assured and stop when the good supply is no longer available. Many markets start in late May to early June and operate until mid to late October. If most vendors have only summer vegetables a late June to mid-September operation may be best. Most markets operate on Saturday mornings, but other weekdays can be used. Some operate on selected evenings when businesses may be open. It is best to start on a once per week basis and expand days of operation later.

■ **Products.** Generally, products consist of fresh fruits and vegetables, eggs, honey, flowers, other home-produced items, and, in some markets, crafts and related items. Some markets limit sales to only “homegrown” items, produced by the seller. Others may allow some “shipped in” items if local products are not available at that time of year. Some markets restrict vendors to a certain geographic area and discourage outside “peddlers” from selling in the market. The appeal of the market is greatest if the vendors are local producers while some outside items are often needed to supplement a good display of produce.

■ Containers, weights and measures. Sellers usually provide their own containers; however, some markets make bulk supplies of sacks, bags, and boxes available for vendors to purchase. Products offered for sale by weight should use a certified scale. Information on the types of scales to use and certification of scales can be obtained from the Kansas Division of Weights and Measures (address listed later). Items sold by the piece, box, bag, or other units can be sold and priced accordingly.

■ Stall fees. Expenses in insurance, employing market managers, publicity, bookkeeping, notices and mailings, and facilities purchases usually require some type of fee for the vendors in a farmers market. Fees should be reasonable for expected expenses and encourage, rather than discourage, vendors.

Fees may be charged on a "flat rate" basis or graduated based on sales volume. Some markets offer a lower fee for small space vendors. Fees for a season-long vendor may be less than for an occasional vendor. Lower fees may be charged for organization or association members with higher fees for "outside" vendors or peddlers. Fees may be associated with a "permanent" stall for the season. In establishing a new market, a proposed budget of expenses, expected vendors, and duration of the market can be used to determine a fair stall charge. Fees can be adjusted in subsequent years.

■ Clean-up. Vendors are usually responsible for cleaning up the market area and leaving it clean. Most customers expect that vendors of food items will present displays of sound, healthful items in a clean atmosphere. Sloppy "housekeeping" results in a poor reputation for the entire market.

■ Local regulations. Local zoning and health regulations should be explored prior to the establishment of the market. City or community governmental

units can provide information on any local ordinances that are in effect to limit specific market operations.

■ Sales tax collection. Each seller is responsible for sales tax on products sold. Some markets collect sales taxes and report sales on behalf of the entire market while others require vendors to account for their own sales taxes. Taxes can be added to the price of produce or included in the selling price. Vendors should be aware of the tax rate to be charged.

■ Insurance. Injuries may occur at a farmers market. Farmers markets that operate on private land should check with the land owner for insurance limitations. Many farmers markets purchase group insurance on behalf of the market vendors. Individual sellers should check their farm or personal insurance policies concerning coverage of sales in a farmers market situation. Insurance costs will vary depending on coverage, community, and market size.

Advertising and Promotion

For a market to be successful an effort must be made to inform customers and potential vendors that a market is or will be in operation.

Local editors, area reporters, radio or TV stations, community development and civic groups, and other local leaders should be informed and involved in promoting the benefits of a farmers market to the community. Local merchants may assist in advertising when they see that a farmers market can bring additional customers into the business district. This type of "free" publicity can be invaluable in stimulating interest in the market.

Additional advertising can be effective in reminding customers of products available each week. Newspaper and radio ads, posters, and fliers can be used through the year. All vendors should

remember that customers are potential advertisers so reminding customers to “come back,” “tell your friends,” “see you next week” and “we’re glad you shopped here” are effective forms of advertising.

Some markets have special feature days, contests, demonstrations, craftsmen or artisans, or information that can be featured in advertising to attract customers. Information about the crops, varieties, storage or preparation suggestions, recipes and other printed materials may be useful in building customer appreciation with an associated advertising benefit.

Selling in a Farmers Market

1. Using the Market Outlet Effectively

A farmers market is an opportunity for the large or small producer to sell directly to the public. It provides a way to market your products that benefits consumers in a direct way. There are several things that must be considered when marketing in this way:

■ “Atmosphere” of the market.

Most customers participate in a farmers market for the experience that it provides, in addition to purchasing food or related items. You must convince them that you have a high quality, nutritious, flavorful, product at a reasonable price.

■ Don’t lose the “people touch.”

A friendly greeting, a thank you, and taking time to visit with customers is what this type of market offers that is different from many others. Keep the people touch with your customers.

■ Involve the family. Many vendors make marketing a family project. Children learn valuable experience in making change, responding to customer questions, providing personal service—carrying heavy items to cars—and keeping displays filled and attractive.

■ Keep your displays neat and your image positive. Take time to restock your displays and discard defective items. Many markets require the seller to be identified with a sign or logo. Most people relate to who you are and where you are from.

■ Your competitors are *not* your enemy. During each market session there may be other vendors selling products similar to yours in competition with you. *Competition* is a natural part of any marketing process. There must be competition to make the market large, diverse and active. Numerous vendors make the market larger and potentially more prosperous. Each seller needs to assess his or her abilities to compete and coexist alongside others. In a successful market many “competitors” can each reach an effective part of the total market sales.

■ Build loyalty. In successful marketing it is important that you attempt to build a reputation among your customers so they will return in future weeks and years, tell their friends about you, and allow you to expand your offerings. A friendly greeting and expressing your appreciation for their purchases can help build that customer loyalty. Offering to replace defective merchandise can also build loyalty, as can providing helpful information about the produce you are selling. Most people will not take advantage of you, and they appreciate your emphasis on quality and customer service.

■ Rome was not built in a day. This old adage emphasizes that successful marketing takes time. Establishing yourself in a market, so that you and your products are recognized, cannot be accomplished overnight. *A set of written records will allow you to compare the growth of your operation from week to week and year to year.* Everyone must start somewhere and everyone who sells in a farmers market had to “pay their dues” by getting their operation started.

2. Pricing and Merchandising Strategies

There is probably no single aspect of selling in a farmers market that causes more discussion, and often more problems, than prices and selling strategies. Each seller must determine his or her approach to pricing and merchandising. The following comments describe some important considerations.

■ Know your production costs.

Costs are the basis for pricing. You must have some general idea of what it costs you to produce. Remember to include all types of costs including land, equipment, supplies, labor, equipment operation and depreciation, marketing costs, and transportation in calculating what it costs to produce an item. Each producer will have slightly different production costs, depending on the operation. For this reason, there may be differences in prices among growers based on their production systems.

■ Don't forget marketing costs.

Many growers forget that costs are involved in marketing including transportation, advertising, containers, signs, stall fees, insurance, and the time spent in the market. Your actual costs need to include these expenses as well.

■ Know the demand. It is essential that you have some estimate of what the demand for certain products may be in any given week. Some types of produce such as sweetcorn, tomatoes, or muskmelons will be sold in large quantities while other minor vegetables will not be in as great a demand. The supply that you have may not correspond to the demand. You can, however, by creative displays, suggestions, advertising, and marketing "hustle," increase the demand for any product. Some techniques for building demand include:

- stress the advantages of your product;
- avoid over-packaging or encourage

all types of purchases by multiple types of packaging;

- creative display techniques;
- offer point of sale or "tag on" sales suggestions;
- give samples;
- use "attention getters;"
- know your product and information about it;
- encourage the customer to buy more for canning, freezing, later use, etc.

■ Price your produce fairly. Pricing your product so you make a return above your production and marketing costs, based on the demand for your product, is important. Don't apologize for your prices. Take a positive attitude. Always emphasize the quality and value that come with your product. You can offer a lower price for quantity purchases to encourage volume buying. You may also want to consider price "lining"—offering several levels of quality for different prices. You also should know your competition and realize that customers will be making comparisons of your product with others. Your prices must be somewhere in line with your competitors or you may not be able to exist in the market.

At the end of each market session you should evaluate your pricing strategies and determine what you will do next week. Most customers won't understand a constantly changing price strategy, so the key is to make only minor changes as you go along. Customers will always remember if you try to raise prices but seldom comment if prices are lowered. There always will be some customers that will complain about prices no matter where they may be set. Carefully evaluating your operation may reveal that the reason customers are not purchasing from your stall may be because of factors other than your prices.

3. Suggestions for Signs

Signs are an effective way of communicating in farmers markets. Signs can not only communicate information but also give identity and recognition to your operation as well. It is suggested that each vendor in a market have a sign or logo that clearly identifies the operation. Some suggestions for using signs are:

■ Make sure signs are readable.

Use large enough letters to be easily read from a distance of 5 to 6 feet, where most customers view your stall. Signs to identify your operation may need to be large enough to be read for 20 to 30 feet down a market aisle. For price signs, 3/4 to 1 inch letters or numbers are sufficient. Larger name signs should have 2 to 3 inch letters.

■ Sources of lettering. A wide variety of lettering materials, from stencils, plastic or vinyl lettering, to paste-on letters, are available that provide quality results with minimal expense. A permanent marker can be used on cards for pricing signs as products change through the season.

■ Use signs to add color. One of the most attractive features of a farmers market display is the variety of colors that farm products offer. Colorful signs can add to the variety and interest. Usually light background with dark lettering is preferred, but colors other than white could be used.

■ Keep it simple. Use as few words as possible to communicate your message. Use abbreviations such as lb., \$, ¢, /, when possible.

■ Signs to indicate varieties or quality. Most customers like to know the varieties or quality features of your products. "Great for freezing" or "low in calories" are phrases that help to sell your products. Identifying varieties can ensure repeat customers for that variety next week if they are satisfied.

4. Display

An attractive display is important in selling produce. You can differentiate your operation from others in the quality and uniqueness of your display.

Use contrasting colors and place different colored commodities together for contrast. Use backgrounds or table covers that contrast with the produce but are not gaudy or overpowering. Make sure your produce is clean, neatly arranged and regularly inspected for defective items.

Keep your displays full, as customers will be encouraged to buy when displays are fuller. Make sure all prices are easy to see but do not interfere with the view of the produce. Having the products at a reachable height and distance from the customer is important. Avoid distractions for those who want to "browse" or look over your displays. Keep used boxes, trash, and defective items out of sight.

Make sure your products are fresh by misting with water regularly or by storing them in insulated cartons prior to display. Some of these cartons can be used as display cartons with the tops removed. Consider packaging products in sacks or boxes and not allowing customers to take your display containers. Some highly perishable items may only be offered for sale if displayed on ice or water containers. If you use such containers, make sure that excess water does not drip onto your other displays or cause a hazard in the aisle of the market where customers may slip or get their clothes soiled.

Conclusion

Farmers or community markets offer unique opportunities to foster community involvement and economic development. They offer a market outlet for horticultural crops sold by persons supplementing their incomes via excess garden produce or farmers who have diversified their farm operations to include horticultural crops.

A market gets diverse members of the community working together for a common goal which will benefit all parties involved. For a market to be successful, it will require good planning, community enthusiasm and commitment, and high quality produce.

Additional Help

For more information on growing fruit and vegetable products in Arizona, contact your local University of Arizona County Extension Office or the Plant Sciences Department, The University of Arizona, Forbes 303C, Tucson, Arizona 85721. Telephone: (602) 621-1945.

For more information on marketing of agricultural products and services available to producers, contact the Arizona Department of Agriculture, Commodities Promotion and Development, 1688 West Adams, Phoenix, Arizona 85007. Telephone: (602) 542-0978.

For more information on scales, scale inspection, and regulations regarding weights and measures contact the Arizona Weights and Measures Department, 1951 West North Lane, Phoenix, Arizona 85007. Telephone: (602) 255-5211.

For information on health regulations regarding products that must be handled in sanitary conditions or products that must be handled in certain ways for sale in a farmers market, contact your local county health department or the Arizona Health Services Department, 1740 West Adams St., Phoenix, Arizona 85007. Telephone: (602) 255-1000.

For information on regulations on local zoning ordinances or other restrictions that may apply to the operation of a farmers market in a community, contact the local city or county government.

For more information on sales tax, registration procedures for filling tax receipts, and tax rates, contact the Arizona Revenue Department, 1600 West Monroe, Phoenix, Arizona 85007. Telephone: (602) 255-5673.

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FROM:

Cooperative Extension Service, Kansas State University,
Manhattan, Kansas, December 1991.

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SHOULD I GROW FRUITS AND VEGETABLES?

PICK-YOUR-OWN MARKETS

*by Renee M. Lloyd,
Daniel S. Tilley, James R. Nelson*

Introduction

Pick-your-own or U-pick operations (PYOs) are a type of direct marketing system where consumers harvest fruits and vegetables themselves. U-pick is often preferred by consumers who like to select fresher, higher quality, vine ripened produce at lower prices. Also, many consumers enjoy picking produce themselves as a recreational event or outing. PYOs can serve as an additional selling method for producers who use other direct and non-direct marketing alternatives.

Pick-your-own operations became popular in the 1930's and 40's. During the depression and after World War II, fruit and vegetable market prices were low and producers could not generate enough income to cover container and commission costs. Also, at this time there was a low supply of paid pickers, so many producers opened their fields to consumers to come and pick the crop. During the 1940's in North Carolina, PYOs were used to supplement tobacco producers' incomes. Since the 1940's, PYOs have been organized for a variety of reasons: scarcity of pickers or containers, overproduction, weather-damaged crops, and mature crops. PYOs provide producers with a marketing alternative that may supplement other marketing strategies while possibly reducing harvesting costs and increasing producers' net returns.

Producers should realize that PYOs require the producer to work very long hours, to do a variety of different jobs, and to deal with various types of people pleasantly. Producers should be prepared to face the realities (they are providing customers with a service) of a U-pick operation.

Some areas that are very important to the success of PYOs are crop diversity, quality, and advertising and promotion. U-pick operations are often more successful if they provide a variety of produce. This is especially true if there are a large number of similar operations in an area. In order to encourage repeat sales and goodwill, it is important that PYOs consistently provide high quality produce. Advertising and promotion are critical to PYO success since consumers learn about an operation's existence and about what produce is available from these efforts. These and other topics related to PYOs are discussed in this article.

Crop Diversification/Field Layout

As in any type of direct marketing system, the potential customer must be identified. Producers should evaluate the buying habits, tastes and preferences, market distance, and income levels of area consumers. The level of competition in the area can also dictate the crops and services producers provide. Producers should identify the number of similar farmers in the area and the type of crops they produce and services offered. Producers can reduce competition by planting crops at different times. Planting crops that are harvested at various times can help prolong the harvest season and possibly increase the number of customers that use the operation's service. Also, special services or products can be added to an operation to gain market share. Some examples are recipes, plants, flowers, seeds, herbs, and homemade crafts.

Long season and early season crops can be ideal for U-pick operations, especially if there are a large number of operations in a proposed area. Producers can provide several varieties of one crop (i.e., peppers, strawberries) to diversify their operations and encourage greater varieties of customers and to increase customer satisfaction. If there are any specific ethnic groups in the area, different crops and/or varieties can increase sales especially if a producer can develop a reputation as a source of the desired produce.

Field layout and spray timing of crops are important issues for PYO operations since customers may wander to an area of an operation that has been recently sprayed or planted. Also, chemical application for some crops may drift on harvestable crops that are within the vicinity of the spraying

and cause potential health problems.

Figure 1 shows two example field layouts for PYOs. Existing enterprises can also dictate how the field layout is arranged.

Quality

High quality produce is important to the PYO operation. The quality of the produce influences several other factors in the operation such as the number of customers that patronize the PYO, the price levels set for the produce, and the amount of word-of-mouth advertising generated. Producers should remember that high quality is

important to customers but they also appreciate honesty about the quality of the produce available. Producers may be able to gain credibility and goodwill by honestly representing and explaining the quality level of their produce. The quality level may mean the difference in repeat sales, volume, and profit levels for the operation.

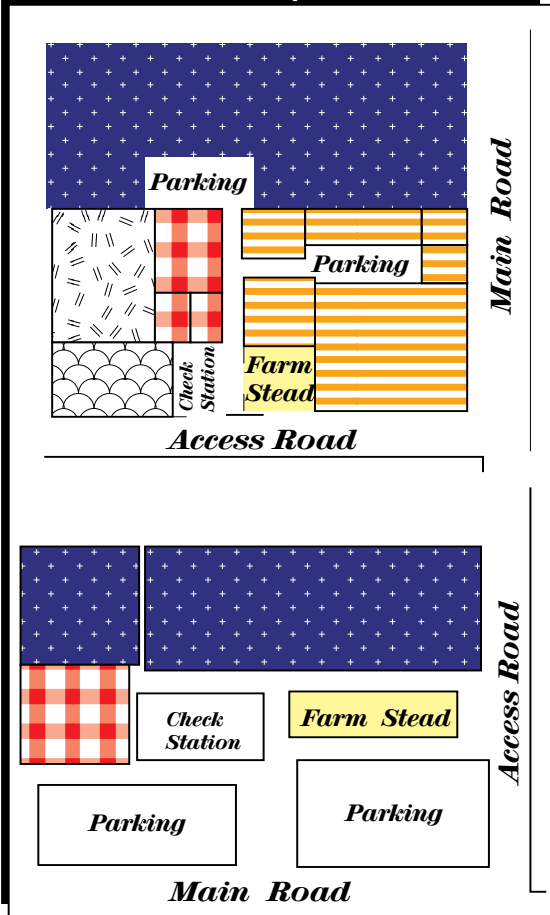
Advertising and Promotion

U-pick advertising plans can be as simple as a roadside sign or billboard or as complex as a mailing flyer. Probably the best form of advertising and promotion for a U-pick market is word-of-mouth advertising from satisfied customers. However, until a PYO has developed a reputation for high quality produce at a convenient location for reasonable prices, other forms of advertising will be required. Local newspapers ads and roadside signs are the most common forms of PYO advertisements. Also, local radio spots or direct mailings can be used. Advertisements should include the location, business hours, working days, types of produce, and any special, unique services that a PYO operation provides. It is not necessary to include price in ads unless there is some type of special. Local radio spots and direct mailing are especially helpful for advertising current popular produce in season and market specials. Mailing lists for the market area can be obtained through organizations' churches, or local social groups if producers do not already have their own listing of customers.

Signs

Signs can serve as advertisements and information sources for U-pick customers. For advertisements, signs should be placed on a busy road near the U-pick site. Signs should direct customers to the farm and enhance customers' need for the fruits or vegetables that are offered. The most popular crops should be mentioned along with the directions to the site. Once at the U-pick site, signs should explain parking, pricing, minimal quantities, hours and days of

Figure 1. Examples of field layouts for PYO operations



operation, volume discounts, containers, and settlements of disputes.

Both advertisement and site signs should be neat and readable in bright, attractive colors. The use of different colors for important key words can emphasize their importance. Also, the use of symbols can make signs easier to read, especially on roadsides. Zoning regulations should be checked concerning roadside signs and also for the PYO access area.

Promotion. PYOs can be promoted at county fairs or craft shows, or through local media channels. A booth at local events such as county fairs or craft shows can help consumers become aware of a U-pick operation's existence. At the booths; flyers, recipes, free samples, and contests can be used for promotion. Contests for various amounts of free produce can be a way to develop a mailing list. News articles especially in a small town weekly or free advertising newspapers can be a good promotional tool. Many times local papers are interested in human interest or new business stories in the area.

General Management Concerns

Pricing. Producers can use competitors' prices as a yardstick for setting their own prices. Competitors' prices that could be used are other U-pick operations, local grocery stores, farmer's markets, roadside stands, or wholesalers. Price levels should reflect quality of produce, picking conditions, distance to the market, services offered, and other advantages and disadvantages that the operation offers. Producers should also consider their production costs, expected sales, and yields when setting price levels.

Produce may be sold by weight, volume, or count. The simplest method for calculating prices is to **sell by** volume. However, producers must provide the containers for the customers so correct

volumes can be measured. Even with the specific containers correct volumes are not guaranteed, some pickers will over fill the containers which may result in a significant amount of fruit obtained at no charge. **Pricing by weight** can eliminate the container problem but requires more time and labor. When pricing by weight, the containers must first be weighed prior to picking and the weight recorded. Filled containers must be reweighed after picking and the produce weight calculated. A scale, pen, and roll of masking tape should be all of the equipment needed for this process. Even with a weight pricing system, it may be necessary to provide some containers since all consumers will not bring their own. Charges for containers are appropriate in these instances. **Count pricing** is a simple method that prices produce on a per item basis. However, count pricing obviously cannot be used for all types of fresh produce (i.e., blueberries). No matter what pricing method is selected, it is recommended that the price be rounded to the nearest nickel or dime for easy price calculation. Also, the pricing method or need for containers should be mentioned on signs and other forms of advertising.

Facilities. Parking facilities are critical to U-pick operations. If at all possible, **parking** should be within reasonable walking distance of the production site for customers of all ages. If parking is not available near the site, then safe transportation should be provided to the fields. Signs should instruct drivers how to park their vehicles. Many times signs alone are not enough to direct orderly parking at PYOs, particularly on high customer traffic days. Therefore, parking attendants may be needed to direct customers and assist them to the check in area and answer general questions about the operation.

The **check station** should be located so it can be seen from the parking area. The station should separate the parking area from the fields in order to discourage "free" produce. If possible, it should be located where people must

pass by on the way to and from the fields. Usually the check station is in an existing building or if in the field, a tent or the back of a truck. The check station should serve as an area to instruct customers, to collect money, and to sell harvested produce. Also, the check area can serve as a storage area for customers' produce while they are still picking in the fields. Field supervisors can write the customer's last name on the filled containers and take them to the check station where they can be stored in alphabetical order until the customer is finished picking.

Rules of the operation should be posted at the check station. Rules should include operation practices such as provision of containers (by consumers or by producer), hours, and prices. It should be remembered when establishing operational rules that too many rules may discourage customers who come to the U-pick for a recreational outing.

The check station also should provide information on the location of the picking sites and about whether or not transportation is provided to the site. The check station's attendants should provide information on what areas of the field are available to pick and what crop varieties are available.

Optional facilities can increase the customer services that the U-pick provides and also increase the goodwill of the firm. The facilities could help differentiate one PYO from another and increase the competitive edge. Some optional facilities that can be provided are restrooms, play areas for children, designated picking areas for children, picnic tables, water coolers, and shady resting areas.

Containers. Containers can pose a problem for some producers — should producers or consumers provide them. Producers would need to supply a variety of containers that would be appropriate for the produce they have for sale. Some producers design their own specialized containers. The containers se-

lected should be sturdy, should avoid bruising the produce, and should not hold such large quantities that consumers cannot easily carry them. The PYO can have their name, logo, and map to the farm printed on the containers for a minimal charge. The printed information encourages repeat sales and a discount could be offered to consumers if the boxes are used repeatedly or returned.

If consumers bring their own container, a greater amount of time is spent with each customer weighing in the containers and then weighing the produce after picking. Therefore, the check-in and checkout process is slowed down but it provides a fair pricing system for producer and consumer. Also, some consumers will not bring containers with them, and it will be necessary for the PYO operator to have some type of containers available for their use. No matter what container system is chosen, a sign and any advertisement should explain the container policy.

Labor. The amount of labor needed for the U-pick operation depends on the services offered, length of growing season, distance to the site, and type of containers. Most operations will need people for field supervisors and check station operators. If the farm offers only one crop throughout the growing season then two or three people could supervise the entire operation. If the operation offers more crops or services, then other employees may be necessary. Besides the field supervisors and check station operators, baby sitters or play ground helpers, container distributors, and transportation operators might be needed. Often high school students can provide the supplemental labor that is needed for a PYO. The amount of labor will vary with the services provided.

If possible, it is a good idea to have employees wear some type of similar clothing to identify them as workers. Some examples are t-shirts, caps, or bandanas with the U-pick logo or farm name on them. Identifying attire can help

customers easily recognize the employees and receive the needed assistance.

Even though it is expected that most of the produce will be harvested by the customers, some harvesting may have to be done by the operator. Some customers will not be able to pick the produce for various reasons, so some harvested produce may be made available to sell to these customers at a higher price. Also, a sufficient number of customers may not come to pick all the crop when it is ripe so some of it may need to be sold through other market channels. A field supervisor or driver who picks while also helping customers may be all the harvest labor required.

Liability. Producers increase their liability by inviting the public to come on their property to pick produce. Generally, producers should be concerned about the safety of children and older people who are more likely to be involved in an accident.

Producers should contact their insurance agent when they consider a U-pick operation and have their policy appropriately adjusted. Producers can also take their own measures to insure customer safety and reduce their level of liability. Ladders used to pick tree crops can be especially dangerous and increase liability. To reduce liability, dwarf trees

can be planted and producers can pick the top portion of the trees to reduce the temptation of customers to climb the trees. Rules on picking and climbing should be clearly stated. Other ways producers can increase the level of safety are to fence dangerous areas, to keep chemicals and machinery locked up or away from the public area, and to keep animals tied or penned away from production sites.

Summary

Table 1 lists the advantages and disadvantages for U-pick producers and consumers. General advantages for producers are cash received at the time of the sale, no middleman concerns, and reduced labor requirements. Potential disadvantages are increased non-harvest labor, long working hours, and potential liability. Consumers like the selection of fresh, high quality produce at a reasonable price but must spend time to reach the farm and harvest the produce.

PYOs offer producers an additional marketing outlet that provides the opportunity to sell produce directly to consumers, to reduce harvesting costs, and to sell produce that is mature, over-produced, or weather-damaged. Consumers have the opportunity to select their own produce at lower prices and to visit the production site.

Table 1. Producer and Consumer Advantages and Disadvantages Associated with PYO Operations

Advantages for producers are:	Disadvantages for producers are:
<p>Reduced harvest labor requirements</p> <p>Elimination of most grading, packing and storing</p> <p>Reduced container costs if customer provides them</p> <p>Cash in hand</p> <p>No middlemen</p> <p>No labor housing</p> <p>Potential to sell lower quality produce</p> <p>More stable prices</p>	<p>Liabile for accidents</p> <p>Long hours</p> <p>Getting customers to picking site</p> <p>Matching volumes to number of pickers</p> <p>Loss of total yield</p> <p>Dealing with all types of people</p> <p>Inability to sell all the crop at one time</p>
Advantages for consumers are:	Disadvantages for consumers are:
<p>Field fresh produce</p> <p>Select own produce</p> <p>Larger quantities possibly available</p> <p>Lower prices</p> <p>Recreational/educational experience</p> <p>Sense of accomplishment satisfaction</p>	<p>Takes time, labor, and transportation</p> <p>Required to put in own input for lower prices</p>

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Cooperative Extension Service, Division of Agriculture,
Oklahoma State University, *OSU Extension Facts*, No.
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**SHOULD I GROW FRUITS
AND VEGETABLES?**

ROADSIDE STANDS

*by Renee M. Lloyd,
James R. Nelson, Daniel S. Tilley*

Roadside stands or markets are a type of direct marketing system where a grower establishes a selling place (stand) near a roadway and sells produce directly to consumers. Often a stand is located on a farm or orchard. Produce sold in a roadside stand may be grown exclusively on the farm or may be purchased from outside sources. A roadside stand may be open only during harvest periods or throughout the year, depending on produce supply sources. A roadside stand may be operated from a year-round permanent structure or a truck, trailer, or tent during the harvest period. Generally, a permanent, year-round roadside produce business is referred to as a roadside market. Market produce is supplied by the grower/operator and/or by purchases from off-farm sources (often other area growers).

The purpose of this fact sheet is to discuss the important establishment factors for a roadside stand. Some of the areas to be considered are producers and consumers use of the market, location needs, display characteristics, and legal considerations. This publication is an overview of strategies that have worked for some producers in Oklahoma and other states.

Producers use roadside stands for several reasons: to help supplement their incomes, to provide employment for family members, and to dispose of extra produce. Large volume stands require producers to possess more management

skills and to select locations that can accommodate larger businesses. Producers should remember it may take several years for a roadside stand to show a profit. Besides possible financial benefits from establishing an outlet for produce, producers may also enjoy the customer exchange process, receive a sense of personal pride and independence from the operation, and gain satisfaction from growing and selling quality crops.

Consumers shop at roadside stands in order to purchase fresh, flavorful, high quality produce in a convenient, friendly atmosphere at a reasonable price. Besides quality and price levels, other factors that draw people to roadside stands are convenience, advertising, and recreation. Some problems consumers experience shopping at roadside markets are the distance to the market, heavy traffic, variable quality, and inconvenience caused by out-of-stock produce. If producers can solve or minimize these problems then repeat customers may be established for a market.

Sales potential. When producers consider the sales potential for their stand, they should consider: the number of potential customers, the competing businesses in the area, and the traffic flow. Some population factors growers should consider are age, income levels, family size, ethnic or racial mix, and information on travelers (i.e., Is traffic local residents or tourists? Where are drivers going? What time of day is the heaviest traffic?, etc.). Some common roadside stand patron characteristics are as follows:

- distance travelled is usually less than 15 miles;
- shopping frequency is at least twice a month;
- average shopper is middle aged, from a two person, middle income household; and

- shoppers usually learn about a stand from driving by or from satisfied customers.

Producers should consider the number of similar businesses in the area and how they compare to their operations. Producers should consider the level of customer interest and whether it is great enough to support several stands. Often several markets can benefit from the competition and operate profitably in the same approximate area.

In order for several stands to operate in close proximity, there must be a traffic flow to generate sufficient income for the various stands. As long as traffic moves slowly, sales may increase as the number of cars that pass the stand increase. However, there is an inverse relationship between sales and the speed of the passing traffic.

Hours of operation. The business hours that a roadside stand keeps greatly depend on the operator and the amount of produce that is available for direct sale. Some roadside stands operate seven days per week for 8 to 10 hours per day, year round. However, some stands are only open Friday, Saturday, and Sunday for 5 to 8 hours from June to late October. The highest customer traffic occurs on weekends, particularly on Saturdays.

Location. The location of a roadside stand can greatly influence its profitability. Some variables to consider when evaluating sites are the traffic count on the road, number of people in the area, per capita income, distance from customers, distance from competitors, and produce offered. The more successful stand sites are located near customers and are easily visible from the road. If a stand is close to a city, then the average weekly sales may be higher than if the stand was in a more rural area, especially if the road is a busy, main thoroughfare to and from the city or town. However, in higher population areas, consumers will travel a shorter distance to a stand (approximately

a 15 minute boundary for travel time to the market). Roadside stands are generally more successful if the average highway speed is 47 miles per hour or less, and if they are located on a straight road where the stand may be seen from the road.

Off-road parking is essential for the safety of customers and users of the highway. A frontage road is not necessary but the stand should have a safe, easy entrance that is visible from the road. The stand should also have adjacent parking spaces. The parking lot should be a well drained grassy or graveled area. If the stand is generating a large amount of traffic, then traffic flow directions may be needed to assist in orderly parking.

Facilities, buildings, and equipment. The facilities used to house a roadside stand do not need to be elaborate but should serve operational needs. Besides the sales area for the produce, the facilities should provide protection for produce, employees, and customers. Essential facilities for the market are a sales area, parking spaces, and roadway access. Some optional facilities are a cool storage area, restrooms, playground, and a picnic area.

Buildings used for a market may be new or converted buildings. Buildings that can be converted to a roadside market are barns, one-room schoolhouses, or sheds. The main purpose of the building is to protect the produce and customers from the weather. When building a structure, producers should consider the expected sales levels, the length of the season, and types of produce to be sold. From these factors, growers can determine the size of the building, the appropriate building design, and needed construction materials.

After evaluation of their market expectations, growers may find that in some cases no permanent roadside stand structure is needed. If the grower only has one or two items to sell, a temporary stand or a simple pole shed type facility might be

quite adequate. A temporary roadside stand could simply be a canopy covering a hay rack or truck. Irrespective of the structure used, it is important to keep the rural image with a colorful creative stand.

The amount of **equipment** can vary with the type of stand. The only necessary pieces of equipment for a roadside stand are a money box or a cash register and a produce display. Other equipment that might also be included are scales, an ice machine, and accent lighting fixtures. Depending on the market type and services, some specialized equipment might be needed which includes a pallet jack, forklift, shopping carts, oven, meat slicer, cider press, juice machine, and other equipment for the market's special products.

Source of Produce. The source of produce depends on the grower's choice of market type. Growers may specialize in one product or sell a variety of goods. The produce may be entirely grown by the market operator, purchased from other area growers, or purchased from wholesalers. Some markets sell one, superior quality product during the harvest season. However, some growers, who specialize in a single product, do sell small volumes of other products. Multiple product stands expose consumers to more produce which can result in increased sales. Depending on the stand, the length of the growing season, and off-farm produce purchase; multi-product roadside stands generally offer 6 to 7 products. In either type of stand, consistent, high quality produce is necessary to establish repeat sales. At roadside stands, high demand crops usually are sweet corn, tomatoes, green beans, cucumbers, onions, peppers, pumpkins (especially in October) and, in certain areas of the country, apples, peaches, pecans, potatoes, blueberries, and strawberries.

Displays and Produce Handling. Producers should handle and display their fruits and vegetables to generate impulse purchases and to main-

tain produce quality. Stands design and lay out can greatly influence display methods. Location of produce can influence the sales level of all products, since many sales are impulsive. High demand, popular produce should be placed so customers walk past other produce. Some general practices to help maintain produce quality and create attractive displays are to avoid direct sunlight and excess air movement, to keep leafy vegetables moist by spraying or displaying on a bed of ice, to keep displays full, and to display produce at an easy to reach level.

The type of display can also have an influence on the quality of the produce. Produce may be displayed in bulk or in prepackaged form. Bulk displays allow customers to choose their own items and encourage large volume sales. The problem with bulk displays is produce may become damaged with continuous customer handling, which may create mixed produce quality. Inconsistent quality or bruised produce can decrease sales volume and price. Produce may be prepackaged to maintain freshness and reduce shrink; to allow advance preparation; to efficiently handle small fruits and vegetables; to enhance appearance; to allow for quicker shopping; and to maintain neater displays. However, prepackaged produce may impair the farm image of the roadside stand and deprive customers of their selection process.

Pricing. Produce at roadside stands like at other direct markets (pick-your-own and farmers' markets) may be priced by weight, count, or volume with competitors' prices used as guidelines. If produce is sold by weight, then state inspected and approved scales are needed to verify the weight of produce sold. Selling by weight assures consumers and producers that they receive full dollar value for the produce. For some types of produce, such as sweet corn, the count price system is more practical and easier to control. The volume system works well for crops that lend themselves to packaging such as small fruits or items sold in large volumes (i.e., bushels).

Producers should use signs with the prices listed in units so customers are charged the same amount for their produce. It is a good idea to price produce with 5 and 10 cent intervals to maintain the farm image and ease of calculation.

Advertising and promotion.

Advertisements should make customers aware of what produce is available, hours of business operation, and the location of the stand. The best form of advertising for roadside markets is word-of-mouth advertising from satisfied customers. Some other forms of advertising that can be used until the stand has a large number of satisfied customers are signs, container labels, newspapers, flyers, and radio. The stand may provide information on canning, freezing, fresh storage, processing, recipes and cooking ideas. Much of this information may be obtained through the county Cooperative Extension Service home economist.

Signs are the most common form of advertising used by roadside stand operators. Signs should be placed far enough from the stand that drivers have time to make the turn into the market. Usually, signs are placed at the market site and also at least one-quarter mile from the stand in either direction. The signs should be simple and easy to read with only a few words in bright colors. The farm name, distance to the market, and perhaps a picture of the produce may be the only information needed on signs. For reading ease,

letters used on signs should be 1/5 as wide as they are high. Information about sign readability is presented in Table 1.

Newspaper advertising may only be necessary when sales levels are low and more customers are needed to move produce, when the stand opens, or when new produce comes in-season. Ads can be run in the classified section or in a display format. The classified ads are generally less expensive and reach consumers who use produce for canning or freezing. Display advertisements are often used to catch customers attention and announce special events at the stand.

Promotion techniques for roadside stands can be individually or community based planned activities. Producers can use forms of goodwill such as friendly, courteous service, volume price discounts, or superior quality produce. Some planned community activities that can help promote a stand are tours, bulletins and leaflets, giveaways, produce or monetary donations or discount coupons passed out at community service organization activities (i.e., barbecues, ice cream socials), exhibits at craft shows and fairs, and sponsorship of community events or teams.

Labor and personnel management. Principal labor sources for most roadside stands are growers and their families. The type of additional labor needed to operate a stand is generally seasonal, sales positions. The off-farm individuals usually hired for this work are homemakers, students, teachers, friends, relatives and retirees.

Hired individuals do not needed to be professionally trained sales people, but they should be friendly, helpful, alert, and courteous.

The manager of a stand should be able to plan, organize, direct, coordinate, and control the entire op-

Table 1. Example distances and words read at various speeds with recommended letters heights and widths.

Distance (feet)	Letter Width (inches)	Letter Height (inches)	Number of Words at Speed:			
			30	40	50	60
			(Miles Per Hour)			
50	3/8	1 3/4	4	2	1	0
100	3/4	3 1/2	8	5	4	3
200	1 3/8	7	15	11	8	6
300	2 3/16	11	22	16	13	10
400	2 7/8	14	30	22	17	14
500	3 1/2	17 1/2	38	28	22	18

eration and its employees. Managers should have some type of merchandising and customer relations skills in order to have a successful roadside stand.

A friendly, helpful atmosphere is one of the most important characteristics that a roadside stand must possess to gain repeat customers. Workers should be courteous and helpful to the customers when they first arrive at the stand. Workers should be able to distinguish the differences between the stand's various fruits and vegetables, intelligently discuss produce varieties, and be honest about produce quality.

Legal considerations. There are many legal regulations and restrictions with which a roadside stand operator may need to comply. At the state level, health permits, licenses, sales taxes, weight and measure requirements, sanitary requirements, and zoning and right-of-way regulations need to be checked for each individual operation. These same legal considerations should be checked at the local level. Another area that should be considered is insurance requirements that will be necessary for the stand to cover accident liability and product liability.

Records. Market managers need to keep daily records to explain operation practices, for financial information needed for taxes, for analyzing sales performance, and to provide a guide for

changing operational practices. Some areas for which records should be kept include sales volumes, gross margins, labor and other input costs, and cash flow.

Concluding remarks. To help make a roadside stand successful, growers should try to follow some of these suggestions for market improvement:

- roadside signs should be placed far enough from the market to attract customers and to provide enough time for them to stop safely at the stand;
- overripe produce should not be offered for sale unless it is marked and displayed as such;
- if possible, place the stand on or near the farm or orchard to create a farm atmosphere;
- post prices clearly so all customers are treated fairly and equally;
- home grown produce generally increases sales and the percentage of repeat customers; and
- a pleasant personality with a strong emphasis on courtesy, honesty, and integrity are helpful in dealing with the public.

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RUNNING A ROADSIDE STAND

Some helpful tips

Experience goes a long way, and third generation roadside stand operator Nita Gizdich of Watsonville, Calif., has been asked to share her expertise at various seminars and farm conferences, such as the National Farmers' Direct Marketing Conference. "A lot of farmers want to know if they should start a roadside operation", says Nita. "I say if you're within five or six miles of a main highway, why not?"

Proximity to a major metropolitan area is not so vital as it once was, explains Nita. "The way people are today, they want to come to the farm, and it doesn't seem to make too much difference how far away it is. Today a woman called wanting pumpkins, and I suggested a place near her. She said: 'Oh no, I want to go out to a farm.' So I suggested another place, 15 miles away from her, and that was fine."

The Gizdich Ranch's average customer comes from about 60 miles away, which is in line with the national average of a 40 - 60 mile radius for roadside stands. Most of the Gizdiches' customers are from San Jose or Bay Area, dropping by on their way back from the beach. The farther you are off a well-traveled road, Nita cautions, the more variety you need to offer, to create interest in your farm and attract customers for repeat visits. "We know one farm that offers just a few specialty items, but they are on a highly-travelled highway. Where we are, we need more kinds of attractions."

Something Nita has learned from experience about farm stand layout is the importance of traffic flow: make it easy for the customer to get in and out. Before the Gizdiches made an exit road through a corner orchard, customers had to exit on the same one-lane road they came in, creating headache traffic jams. Another layout tip is to spread your sales areas out. At the Gizdich ranch, customers are making purchases at the pie shop, or the sales room, etc. "People don't want to come out to the country and be all bunched up like in a department store."

Customer Satisfaction

In all aspects of merchandising, whether display, pricing or packaging, make it as easy and convenient as possible for the customer to buy. If the customer has to pick up a heavy box, or go get an attendant to get it because it's up too high, a sale may be lost. Nita favors hand-carried baskets over shopping carts, feeling that carts take too much space. Attendants are ready to help carry the customers' box to the checkstand: "As soon as we see a customer looking at one of our 40 lb. boxes, we offer to help."

Prices at the Gizdich Ranch are set for the year, so that customers can be notified by mail for roadside stand and U-Pick prices. Prices can be lowered, of course, for specials—it's a lot easier to lower prices than to raise them. Except for the U-Pick, all pricing at the Gizdich Ranch is by the count, or by the box or container, so as to save time. For the same reason, there is no price dickering. Especially at the stop-and-go types of roadside stands, Nita emphasizes, make it convenient for the customer by pricing by the container—strawberries, for example, might be in pre-wrapped containers, ready to take out.

The biggest advertisement for the Gizdich Farm, is word-of-mouth, the intangible "extra" that seems to make businesses sink or swim. One way to show customers that you've got quality is to let them sample it. "We'll hand out samples of our juice," says Nita, "and the customers say: 'Oh, that tastes so good—we'll take a gallon'." In addition, boxes in the sales room will say 'Sample One', and contain samples of the nine apple varieties offered by the ranch. "People walk in here with no idea of which kind of apple they'd like to buy," says Nita. "Sampling lets them find out."

By the same token, Nita looks for sales people who enjoy talking to people. "People want you to sell them," she says. "They may not know a lot about some of the produce you offer, but if you can explain what it is and how they can use it, they'll end up buying. After we explain the varieties of apples and how they're used, for example, they may end up buying one kind for eating, others for cooking."

Besides the constant feedback Nita gets from talking and listening to customers, she sometimes does more formal surveys, such as asking each customer if they saw a recent ad. One survey revealed that almost no one had seen an ad placed in a major metropolitan newspaper. "The larger the newspaper, the worse it is for our ad," concludes Nita "it just gets lost." The ads in smaller, local newspapers seemed to draw well.

Farm Festival

At a recent farm conference, Nita gave a seminar entitled "How To Design a Farm Festival For Expansion of Your Clientele." If you feel you're too small to hold a festival yourself, she told her audience, get together with two or three other farm families. One may raise strawberries, another apples, while another does pottery etc., so that together you can have a "Country Farm" festival.

Picking up a tip from an East Coast grower, Nita got together with some neighboring farms, and notified the media shortly before pick-yourself strawberry time that they were planting the whip-cream out amongst the strawberries, which would be ready to harvest in two weeks. The media loved it, and came out to take pictures of the farmers putting whip-cream on the strawberry plants. Customers loved it too, and were given little cups of whipped cream and shortcake as they came up to the U-Pick checkstand with their strawberries. Customers were given also red, strawberry-shaped balloons, stamped with the farm logo. "This is a way not only to have a fun and festive time with customers, but to get the media out and advertise the farm," says Nita.

"Have a theme", advises Nita, and she gives the example of a farm which arranged a Halloween Pumpkin festival around different "story book areas", such as a haunted house, the witch and big black cat. While Halloween-pumpkin festivals are probably the most popular of seasonal festivals, Nita emphasizes that other harvest festivals are nice, too—if you raise grapes, make it a grape harvest festival. California's largest single festival just miles away from the Gizdich Ranch, is the Gilroy Garlic Festival, which draws thousands of people each year to sample the hundreds of garlic recipes.

Make the festival special by offering the customer something. If it's sweet corn time, have a sweet corn roast—give the city dweller a special reason to come out to the farm. Vary it each year—"next year we'll have square dancers"—so that they'll want to come back each year.

The advantage of having a harvest festival Nita explains, is that they generate new customers. Studies show that about 20% of roadside stand or farm-attraction customers are lost each year; some move away, or pass away, go down the

road to Farmer Joe's, or just plain missed the festival this year. Farm festivals serve as a constant replacement for that 20%.

At the Gizdich Ranch's Apple Butter Festival customers often are surprised to find all the different attractions that the farm offers in addition to the apple-butter. "They'll see the ad for the apple-butter and come out just for that," says

Nita, "and then discover the antique shop, saying: 'Oh, I didn't know you had this here!'

Repeat business, according to Nita Gizdich, depends on your product and how you treat the people. "Our customers get a lot of smiles and hello's when they come here, whether we know them or not," she says. "Smiles go a long ways these days."

FROM:

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SELLING TO RESTAURANTS

by Eric Gibson

*This article is excerpted from
a new book by Eric Gibson,
"Sell What You Sow: A Guide to
Successful Produce Marketing."*

In many of today's top restaurants, diners are facing dishes made with fruits and vegetables they've never seen before. The sorbet is made with prickly pear; the salad is a symphony of edible flowers; and greens have foreign names like mizuna and radicchio.

The flood of new produce items has given top-notch chefs a whole new palette. Chefs are increasingly willing to buy directly from growers in order to find field-ripened vegetables and tree-ripened fruits that are difficult to purchase from distributors and purveyors.

Although many restaurants buy directly from growers hoping to get a lower price, white-linen restaurant chefs often pay top-dollar for hard-to-find, quality produce. Ina Chun, a specialty grower and distributor with her company, Ocean Resources near Graton, California, says: "Chefs can't find a good tomato through brokers. Bring them a great-tasting tomato, and you've got a real 'in'." Selling to restaurants, Chun adds, represents the "state of the

art" in growing: "It's an incredible feeling to grow all this great produce and know you're getting it to where it's really appreciated."

Restaurant concerns are for freshness and quality; price; consistency and reliability of supply and delivery; and for specialty produce not available in wholesale markets.

Chefs stress that they welcome sales calls from farmers, but are rarely approached. As one chef said: "We are in the yellow pages; the farmers are not, so it is up to them to contact us."

Advantages of Selling to Restaurants Include:

- *Steady market* throughout the production season. If you can establish a solid relationship with a restaurant, you can peg a price on a product and stay with it.
- *Top-dollar* for your product. A minimum of 10% over wholesale terminal prices for standard items at mainstream restaurants; much more from upper scale restaurants for specialty items that they can't get wholesale.
- *Personal contact* with the owners, manager or chef allows greater flexibility in products grown. Dealing with creative chefs gives you a marketing edge in your other marketing outlets.
- *Brand Recognition:* Restaurants like to emphasize their locally-grown produce, so they often mention the names of their farm suppliers on the menu.

Disadvantages in Selling to Restaurants:

Since restaurants have limited cooler space, they require frequent deliveries, and accept only limited volume per delivery. This means more restaurants to deliver to, more invoices and paperwork, and lots of time away from growing.

Product liability insurance may be required by state law and/or the individual buyer you are selling to. The premium could outweigh the profits. Check with your State Department of Agriculture regarding required insurance in selling to restaurants.

What to Grow

Quality is generally a top priority with restaurants. Never compromise on quality. Separate the seconds, identify them as #2's, and sell them for a lower price. Restaurants can use seconds in salsa, pizza, and salads.

Concentrate on specialty items that restaurants can't get from traditional distributors, or for which you can offer premium freshness and quality. Use sequential plantings and choose varieties to make sure you have a steady supply all season. Stay in constant communication with buyers as to what's up and coming, so they can plan ahead, and you can move your crops when they're harvested.

Researching the Market

Make a list of all the restaurants that can be easily served from your location, say within a 50-mile radius, or are along a delivery route in a city an hour or two drive away. Look in the Yellow Pages, or dining guide surveys in newspapers, or restaurant guidebooks in libraries or bookstores. Find contacts also in restaurant association trade and food shows. Look for restaurants which feature natural foods, regional specialties or unique cui-

sine, fresh vegetables, specialty salads, and homemade soups.

Start lining up prospective restaurant buyers as much as a year in advance. Call first and arrange for an appointment, as visitors to the kitchen are not welcome during rush hours (2 to 4 p.m. is generally a slow period, between lunch and dinner). Ask to speak to the executive chef.

Find out if the restaurant buys locally, what crops they might be interested in buying, and as much as possible about how the restaurant operates. Find out the quantities they use per week, how often they order, payment terms and the prices they pay, and some of their preferences for packaging, grading and delivery.

Determine the products you can supply the restaurant that are different, fresher, or better than those presently being purchased. Give the buyer a reason to buy from you; let him know how your products and services are different or better. Stress the special varieties or each-day delivery you offer, for example, or the freshness, uniqueness, vine-ripened flavor, extra care, and personal service of your products. Bring samples and a cutting board with you; make sure they taste your great produce. Also, leave a fact sheet listing your products, the various types and varieties, and availabilities and prices.

Payment and Pricing

Discuss payment up front; some restaurants are notorious for not paying their bills. Be very cautious in extending credit, especially to small restaurants, or restaurants that are new to the market. Ask them to fill out a credit application, and ask for references of other farmers they deal with.

Discuss the need for a delivery charge on less-than-minimum orders, and the need for on-time payment. Ask what the

restaurant's normal billing schedule is. Two weeks, 30, 45 or 90 days is common; if you can live with that, accept it. Be sure that the restaurant lives up to its agreed-upon schedule. Offer an incentive for early payment, such as a 3% discount for payment within 10 days.

Consistent quality is often the key to keeping chefs from arguing too much over the price. But they will argue if the produce occasionally falls below top-quality.

Is it profitable? Take a close look at the distances for delivery, the volume of produce you are able to move through restaurant channels; the time you spend in making phone calls and deliveries, and finally, the comparative value of restaurants compared to other markets. Make sure you are making money!

Establishing a Working Relationship

Try to establish an on-going working relationship with the restaurant, either as supplier for a specified commodity or as their "restaurant garden" to supply a wide range of their needs. Try to get a written contract if possible; verbal agreements are more common. A contract or agreement may specify kinds of produce to be delivered; amounts and delivery times; price and terms; trucking fees and reliability. Make sure you are dealing with someone you can trust—you'd be left in the lurch if your restaurant pulled out on you!

Pinpoint your relationship with your restaurant buyer. Discuss delivery days and times, and find out who should sign off on your delivery. Figure out how much it takes to make a stop worthwhile; then establish a delivery charge for less than minimum orders. Small orders that don't even pay for delivery can kill your good business. Also let them know that you need X number of hours or days to place special orders. Request that orders be made by 5 PM the day before delivery.

When your first crops are ready to harvest, contact the restaurants you'll sell to, and confirm the date, time and quantity of delivery. Be prompt with deliveries and supply exactly what you've promised. Reliability is a must. If you don't show, it means panic in the kitchen and missing items on the menu. They may not buy from you again!

Keep in touch, and make it easy for the restaurant to reach you. An answering machine will allow them to call you for special orders. List what's available and then ask them to leave their order on the answering machine. If you have a FAX machine, fax them your price/availability list with check-offs for their order.

Service What You Sell

Chefs want information about how to store and handle the products, shelf life, and ways in which the product can be used. Some may also appreciate recipe suggestions.

Since affordable labor is one of the biggest problems faced by chefs, they are glad to buy food products in a semi-prepared form, such as pre-sliced vegetables, pre-peeled potatoes, pre-washed greens, or tomatoes and potatoes sorted according to size. The less time spent preparing produce in the kitchen, the better. Chefs use big tomatoes, for example, for slicing, and little tomatoes for salads.

Increasing the Order Size

One of the biggest challenges in selling to restaurants is in finding ways to increase the order size. Work your way "in" to a restaurant by growing small amounts of some obscure specialty item; then try to supply them with more items to fill out the orders. If you've got a restaurant that buys your mushrooms, for example, give them a free bag of your edible flowers, along with some suggestions on how to use them in salads.

Grower-Chef Relationships

One of the most enjoyable aspects of selling direct to restaurants is the ongoing dialogue with these food professionals. Feedback from chefs allows you to upgrade your products and services.

Always communicate if there is a problem. If you are short on a product, call the restaurant to let them know so they can cover themselves on the menu. If your products are frost damaged or insect damaged, for example, chefs still may be able to use the product, as long as the damage is cosmetic only. Discount the price and sell it as seconds.

Hold regular meetings with buyers to review and plan. Bob Cannard meets quarterly with the Chez Panisse management to talk about what he grew that was right, and what he grew too much or too little of. In addition to quantity and variety, the meetings decide how things are grown, picked and packaged. Salad greens for example, can be either plucked as small,

tender edibles, or allowed to mature for greater color, tone and texture.

Working with Other Growers

Some of the challenges of selling to restaurants—small volume time spent in selling and delivery, having enough variety to build up your accounts, etc.—can be overcome by working with other growers.

When Ina Chun and John Mero began selling edible flowers to restaurants in the Bay Area from their farm in northern Sonoma County, they soon found themselves “picking up” produce from neighboring farmers. Now their distribution services have become a major part of their business.

For more information, contact:

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FROM:

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THE FRESH CONNECTION KEEPS FARMERS AND CHEFS IN TOUCH

by Bonita Oehlke

The Massachusetts Department of Food and Agriculture developed The Fresh Connection newsletter to encourage chefs to buy direct from farmers.

The "Fresh Connection" newsletter is part of a new direct marketing promotional program at the Massachusetts Department of Food and Agriculture in Boston. The program is designed to help local growers find markets, and improve the communication between local producers and restaurant chefs.

"We are finding more and more growers who want to reach the restaurant market," says Janet Christensen, public information officer and editor of the newsletter.

Both growers and restaurants are featured in the newsletter, which is published six times each year. The Fresh Connection features products and the producers who are determined to start selling products or increase their sales to restaurants. Restaurants that feature regional cuisine and those wanting to contract or work with local growers are also highlighted in the newsletter.

The "What's Available Now" section of the newsletter lists producers with their products and provides contact information. A survey to identify producers interested in working with restaurants

and their crops was included in the initial newsletter last June. Brochures describing cider mills, farmstead cheese producers, egg producers, orchards and specialty gifts have also been included in newsletter mailings.

Of the newsletter's nearly 950 circulation, about 50% are producers and growers, 45% are chefs and about 5% are in media or education.

Besides the newsletter, the Fresh Connection program has helped coordinate food commodity representatives at state and national food shows for the restaurant and food service industry. The program also helped plan and staff special events to showcase Massachusetts food products. Participation in these events is funded by the department's bureau of markets.

"Restaurant chefs and food buyers are saying, 'find us the farmers'," says August Schumacher, Jr., Massachusetts Commissioner of Agriculture. "Quality and freshness are very important to de-

Photos: Diane Baedeker



The Massachusetts Department of Food and Agriculture's Fresh Connection newsletter is edited by Janet Christensen (standing), who is also a department public information officer. Bonita Oehlke is a writer and project coordinator for the newsletter.



Diane Baedeker is the Fresh Connection's graphic artist. This four-page newsletter is primarily sent to growers and restaurant operators. It mainly features stories on Massachusetts growers and also lists the growers' products and addresses.

veloping a working relationship with restaurants. By contracting ahead, growers may increase sales of traditional crops and diversify into specialty crops that command a premium price."

Restaurant Food Sales

Schumacher says food consumption patterns and the marketing environment have changed dramatically in recent years. "Today, up to 40% of all meals are eaten away from home," he says. "Many of our farmers are looking for new markets and want to serve the restaurant segment. And the chefs want quality, fresh products."

Pursuing the restaurant food dollar is worthwhile for growers in Massachusetts, considering the revenue this industry produces. Based on sales tax information for 1986, more than \$5 billion was generated in sales, according to Ray Murgia, president of the Massachusetts Restaurant Association.

"While growers tend to concentrate on the market with which they're most familiar, we hope that many of the traditional

roadside stand operators and growers, as well as smaller farmers, will see the potential sales value of the restaurant market," says Schumacher.

"There is no question that restaurants are willing to buy locally grown products. The only problem is that most of our fresh produce isn't available all year round. Although some of the nearly 1,000 roadside farmstands in Massachusetts are open year round, most supplement their own farm products during the winter with items from other states."

The idea for the Fresh Connection program occurred to Schumacher during a conversation with Walter Zuromski, local executive chef of The Charles Hotel in Cambridge.

This challenge, along with the chef's interest in using fresh, local products, prompted the selection of The Charles Hotel to hold a dinner in February 1986, featuring the state's outstanding foods.

The publicity generated from this event prompted several inquiries from other chefs who were searching for sources of local, fresh foods. At a subsequent meeting in

March, a few growers and chefs discussed ways to get together.

"We have great hopes that the Fresh Connection program will really expand and stimulate the exchange between growers and restaurants chefs," says Christensen. "It's the first time that we've aimed a major direct marketing promotional program towards restaurants."

Taft Farms, Inc.

A good example of selling products to restaurants can be found at Taft Farms, Inc., which is located near Great Barrington, Massachusetts. This roadside farm stand, which is open year round, was featured in the February 1986 issue of the Fresh Connection newsletter.

"Two years ago, about five to ten percent of my revenue came from sales to restaurants," says Danny Tawznsky, of Taft Farms, Inc. "Now, it's up to about forty to fifty percent."

His farm stand is 72 by 40 feet, including the prepping area. He farms 240 acres, producing mostly sweet corn, potatoes and green beans. He also raises strawberries and about 15 to 20 acres of "gourmet vegetables."

"I've always had a few restaurants buying from the farm stand," he says. He would sell a half or whole case lot at the wholesale rate, and retail quantities would be sold at the retail value minus a 10 to 12% discount.

At first, it was difficult for Tawznsky to sell retail to regular customers and wholesale to restaurants. "It seemed that the restaurant representatives would show up at my busiest time and require a lot of attention," he says.

Delivering the product helped solve that problem, although he says there are a few chefs who insist on stopping to pick out their products. "My wholesale business hinges on the delivery service," Tawznsky says. "If I stopped offering deliveries, my business would be cut by at least half."

Setting ground rules has made the deliveries run smoothly. "An order must be in by 10 a.m. for an early delivery so the routes can be established and organized," he says.

Tawznsky supplies 60 local restaurants. Some are open seasonally. "In the summer, the crowds are substantial," he says. "A few three- and four-star restaurants are included among his customers."

Tawznsky offers the following advice for working with the restaurant trade. "Restaurant chefs are really interested in quality," he says. "If you don't have it, forget it. Deliveries need to be on time, and you need an intimate knowledge of your product. If consistency in supply isn't possible, you need to have a knowledge of adequate substitutes."

Linking restaurants to producers, roadside farm stand and farmers markets will continue to be a priority of the Fresh Connection program. Eventually, the program will expand by working with restaurants, hotels and institutions which buy food products in large volumes.

Presently, the Massachusetts Department of Food and Agriculture is planning a seminar that would link growers with professors and students of culinary schools in the state. The newsletter will also contain a section featuring a local chef with recipes and menu ideas that feature the state's foods.

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