

IDEAS ON DIRECT MARKETING OF FRESH PRODUCE

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In recent years there has been increasing home-owner interest in growing gardens and attempting to market surplus garden products. In addition, some enterprising individuals grow large amounts of produce for commercial sales. There are separate and joint forms of direct marketing for both groups.

BACKGROUND PROCEDURES

There may be a situation where the gardener has a bumper crop of zucchini summer squash or cucumbers, a supply far beyond the family's ability to consume or preserve. A shaded area and card table by the side of a busy road may be an adequate method for sales.

For those who plan to sell directly to the public, a constant supply of quality produce is the first requirement to consider after the basics of the garden operation. What one can sell in a given area may be influenced by what other distant or local people **plan to grow and sell**. Some form of communication and planning is necessary to prevent oversupply and increase profits.

TYPES OF DIRECT MARKETING

There are four distinct types of direct marketing. Each requires a slightly different type of organization and coordination. These methods are pick-your-own, roadside stands, farmers' markets and regional marketing networks.

The "pick-your-own" type operation is quite successful for producers who:

- want to reduce labor
- have a large production base capable of sufficient yield
- are able to bear the costs of bruised or damaged plants or trees

Apples and strawberries are frequently produced and marketed in this fashion, but in some areas of the U.S., tomatoes, cucumbers and melons are marketed on a pick-your-own basis.

A great deal of grower organization and coordination is necessary for this type of direct marketing. Some form of general public notice about accessibility and type of crop is all that is necessary to bring in potential consumers. The consumer is usually more interested in fresh produce than the display or social contact.

Roadside stands are successful forms of direct marketing for producers who:

- have a large supply and variety of produce
- are able to sustain a quality yield throughout the season and store the produce properly
- have sufficient time to provide labor on both production and sales

In some areas of the country, roadside stands in country and suburban areas are very successful. In the northeast, and particularly in Ohio and Illinois, these have become a very large source of fresh produce of all kinds.

Some grower organization and coordination are suggested. Several growers may join for the purposes of stabilizing the production of marketable produce and providing labor for the sales function. The sales facility should be located on a high traffic route. This might require a more continuous physical facility maintenance and in some cases a formal rental agreement for a season.

Roadside vendors need to be aware of consumer preference. Roadside market studies in Ohio indicate that the display of quality vegetables and fruits is very important. Another important consumer consideration is accessibility from the road. Sufficient

and safe parking, distant from the main road are desirable. A gravel driveway is a consideration for areas with rain and wet soil problems.

Farmers' markets are the newest direct marketing facilities to emerge in many states. They are based upon the farmers' traditional right to sell his produce in a town square. The farmers' markets are successful modes of direct marketing for producers who:

- have lesser amounts and varieties of produce
- have a flexible, sequential plan of production for a smaller land base
- have a limited time to produce and market their produce

A good deal of social organization and cooperation are necessary to make a successful farmers' market. (More is discussed about this topic in a following section.)

Another important consideration for this form of direct marketing is consumer preference. Studies of farmers' market consumers in Missouri indicate that:

Consumers are more interested in produce display and produce freshness than in price.

Consumers are very interested in the social experience of shopping at a leisurely pace.

Consumers' preference for shopping at farmers' markets is much higher than shopping at a supermarket, probably because of the social contact with the vendor and the experience of directly selecting a desired quantity of quality produce.

Regional marketing networks have been developed in recent years and are frequently linked to an urban demand sector. This form of direct marketing is successful for those who:

- have stable, large acreages of produce that is able to be harvested and shipped within a shortened time frame
- are able to provide for the seasonal labor demand with either their own manpower or hired labor
- are unwilling to develop their own clientele or to concern themselves with direct consumer preference
- are willing to work on a contract

On the East and West Coasts, this form of direct marketing is becoming more prevalent than other forms of marketing. A loosely structured organization is necessary to put producers in contact with produce buyers. But the produce buyer sets the terms of the contract and must be concerned with quantity, quality and consumer preference.

Of the four types of direct marketing, the farmers' market is most difficult to develop, yet it is the one that shows the most promise. The difficulty in developing this form of direct marketing is based upon the need to understand and anticipate consumer

interest and project this interest over the years. Some form of committee must be organized to contact a **wide diversity** of types of producers who may be able to develop products. Included in this diversity of producers may be bee-keepers, craft item producers, specialty gardeners, leather-workers, wood-workers and a variety of other specialties.

Tips on Starting a Farmers' Market

1. Organize a steering committee. A few dedicated people can generally agree what needs to be done. Help in organizing groups and forming committees can be obtained from the county extension agent, SCS committees or other groups. This early planning group is important for forming consensus about the market and widening the interest in the project.
2. Develop the scope of the market as it is fitted to the locale. There are set numbers of consumers needed to purchase regularly at a farmers' market. A study in Missouri located markets in towns as small as 600 people. The same study also noted that farmers' markets had the following characteristics:
 - Regularity - weekly during the summer
 - Fixed physical location
 - A mixture of produce and craft items for sale
 - A committee to take charge of management tasks
 - Local appeal through personal contacts and advertising
 - Direct producer - consumer interaction
 - Some opportunity for consumers to barter or negotiate price
3. Develop a listing of potential sellers. This may be a varied list of all types of producers interested in selling at a market. The County Extension Agent or Vocational Agriculture Instructor may know of farmers interested in growing crops. Contact with senior citizen groups, craft stores, homemaker groups or home economics teachers may give a list of crafts people. Investigate potential assistance from technical support groups. In Missouri almost three-fourths of all farmers' markets had some organizational support. Frequently these supportive agencies were Cooperative Extension, Farmers' Home Administration, Community Services Administration, Small Business Administration, local city councils, and local chambers of commerce. These organizations may be able to provide financial tips and secretarial help.
4. Investigate legal matters before any actual market development. Check local health regulations on sale and storage of fresh garden produce, retail

tax restrictions, license requirements and insurance liabilities.

5. Investigate potential market sites for:

- accessibility to main-traveled roads
- adequate parking for vendors and customers
- sufficient space for the size of market intended
- zoning regulations - if necessary
- suitable restrooms and drinking water
- shelter
- season of operation
- social composition of county or intended clientele

Some examples of successful sites in other states are:

- public and private parking lots
- county fairgrounds
- abandoned railroad stations
- older commercial buildings in towns
- church facilities
- municipal facilities
- on streets or malls

Process of Developing a Farmers' Market

Successful markets require planning and dedication. The stages that some farmer market committees said they experienced after they collected the basic leadership and information include:

1. Fall and winter activities - first year
 - expand a list of vendors
 - plan a monthly farmers' market in one site for first year
 - publicize the market days and benefits
2. Summer activities - first year
 - use local newspaper weekly if possible radio spots to discuss the market and what will be sold at the market
 - heighten interest in market by preparing door-prizes and brochures
 - be on hand during the market days to get feedback from consumers on what they like about the market and what might be changed.
3. Fall and winter - second year
 - evaluate the site and the consumers' likes and dislikes about the market
 - be able to discuss with producers what consumers would like to see available at the market in the future
4. Spring and summer - second year
 - establish a permanent farmer's market

- try to establish a market design or physical layout where consumers are able to leisurely walk around and view a wide variety of wares
- establish some minimal form of booth rental to pay for maintenance or cleanup costs.
- don't give up. . .many feel it takes three seasons before a farmer's market catches on!

Tips for Vendors

1. Pricing can be a problem. Markets could distribute a "suggested" price list. Many consumers feel that prices should be well below the supermarket rates. Vendors can justify their prices by the fresh picked quality of their produce and the fact that they need to pay booth rentals and all the money spent in the farmers' market stays in the area. Don't be afraid to approach the store price on items.
2. Vegetable display is very important. Consumers want to know how the crops were grown and different recipes for the crops. Personal dialogue and salesmanship are important for the consumers.
3. Many of the high income vendors in farmers' markets reported they tried to sell some craft item with their vegetable produce. These vendors reported about 20% better monthly incomes when craft items were sold.
4. Some vendors grew and sold organically grown produce. They marketed the produce as organic and received about a 10% increase in price. No one is certain of the market demand here in North Dakota.

Conclusion

Direct marketing of produce by farmers' markets, "pick-your-own", roadside stands or contracts presently accounts for little of the produce sold. But it has a prominent future. Consumers seem to enjoy the social context of a direct marketing facility by talking with producers and farmers. Over 90% of the consumers at the farmers' markets in Missouri said they heard about the markets from their friends and went to farmers' market on Saturday before visiting the supermarket for shopping. Also 95% of the consumers felt that direct marketing of produce should be given encouragement.