

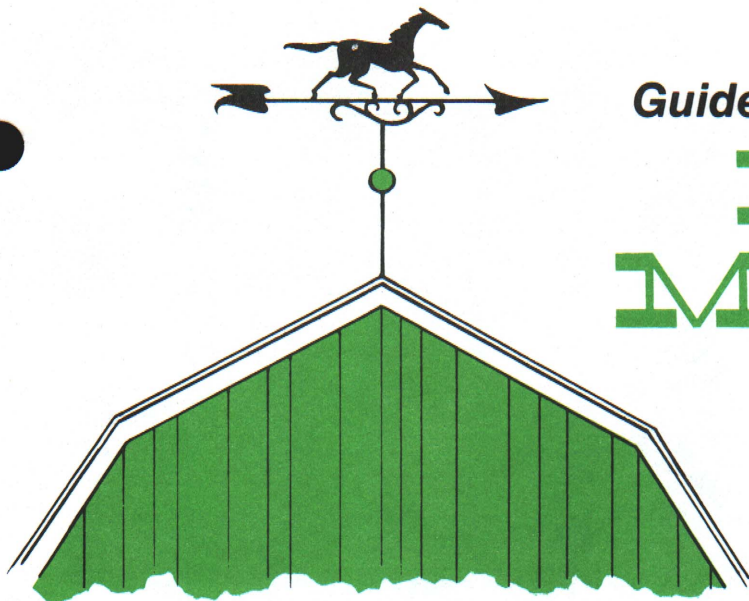
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Roadside Marketing for Beginners
Michigan State University
Cooperative Extension Service
Glen G. Antle, District Extension Marketing Agent
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8 pages

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FARMING KNOW-HOW

Guidelines to Better Family Farming

Roadside Marketing

for Beginners

COOPERATIVE EXTENSION SERVICE
Michigan State University

EXTENSION BULLETIN E-1145 SF-13 JANUARY 1978

By Glen G. Antle
District Extension Marketing Agent

Small-volume and part-time farmers often find direct-to-consumer sales their most profitable market. Some large-scale operations likewise utilize direct selling either by pick-your-own or at a farm market. The reason, of course, is more money to the grower. This publication is intended primarily for persons who are considering roadside marketing or those who have had relatively little experience in this business. On the back page is a list of reference material for those who want to go into the subject in more detail. To increase your knowledge of roadside marketing and pick-your-own, it is wise to attend the state and area meetings held each year in Michigan, Indiana, Ohio, Wisconsin and other states also have excellent annual meetings for farm market operators. The speakers on these programs, displays in exhibit areas and the chance to visit with other market and pick-your-own operators make these meetings well worth the time and effort.

Roadside marketing is "the chance to do your own thing." There is no set pattern or format that you must follow. Sound business and marketing principles are, however, a must for a successful operation. These, of course, include honesty, reliability, courtesy and supplying items consumers want and/or need. You do not have to sell at giveaway prices—but consumers must consider your products "a good value." Premium quality strawberries at \$1 per quart may be "a good value" to a quality-conscious person. At the same time lower grade strawberries at 60 cents per quart may go unsold.

In this publication, guidelines are given that can be helpful in developing a direct-to-consumer sales

business. It is in concise form without going into all the possible alternatives. Only basic information is given. These should be used as "guidelines" rather than specific directions on "how to do."

For many consumers, the main attractions of farm markets are the individuality and down-on-the-farm atmosphere. It takes time and experience to blend your talents and the products you have into consumer wants or needs and "the right market personality." The reward for success is a profitable, interesting and challenging facet of your farming enterprise or a separate business.





Personality

Personality of the individual operating or working in the market is **the one most important item** in the success of selling farm produce direct to consumers. —You must be prompt and courteous when customers arrive. —Greet buyers with a smile and a cheery manner as well as some appropriate pleasant comment. —Avoid controversial subjects—such as politics—when visiting with customers. —Dress neatly but not fancy. —Know your products, how to store and care for them and some of the common uses. —Know fruit and vegetable varieties and which ones are best for freezing or canning. Have sample copies, or if possible, a supply of consumer marketing pamphlets to give out, or tell consumers to get these at Cooperative Extension offices. —Be honest, helpful and well informed. —Be able to intelligently discuss the produce you have for sale. It will pay off in satisfied customers and repeat business. In most locations, two out of three sales will be someone who may buy from you again.

Location

The second most important consideration in roadside selling is location. The ideal location is on a well-improved road within a few miles of where middle class working people live. Directions to your market should be easy to give and simple to follow. In the northern parts of Michigan, where the resort population is sometimes a substantial part of the total during the summer season, convenience for this trade is a consideration. Locations along main roads in vacation areas may mean an added potential.

Several studies have shown that a location on the right-hand side of the road will increase sales when people are returning home from a drive or from work. You must have parking off the roadway. Parking on road shoulders is illegal in most locations. The danger of injury to property and persons parking on roadways makes this a “no no.”

More people mean greater demand for farm-fresh produce. In Southern Illinois, pick-your-own strawberry sales potential appears to be about one acre of strawberries for each 1,000 people that live within 30 miles of the grower. Studies and surveys in the late 1960s have shown that customer frequency at markets beyond 25 miles drops rapidly. As fuel costs increase, the above figure is likely to be substantially reduced. When families buy sizable quantities of fresh produce for home canning or freezing, these distances do not apply. It is not unusual for a volume user who makes one or two buying trips a year to travel 100 miles or more to buy farm-fresh produce.

Buildings and Parking

You will need some sort of protection for personnel and products. A farm wagon with a colorful canopy over a large, flat rack sometimes works well. It can be towed to a machine shed or barn when not on display. Colorful tents are also sometimes attractive and work well for short-season products like sweet cherries, cantaloupe, etc. A barn or machine shed can often be painted and remodeled into an attractive sales place. A farmstead setting and “easy off and on” the road access are desirable features. A graveled or grassy area that is well drained and smooth is needed for parking. A paved lot is ideal but not essential for a beginning business. For any stand, you need parking for at least three cars. One rule of thumb is to provide one parking space for each \$50 a day business.

Size Up the Situation

Size up the situation for your area and for you and your family. A roadside stand may be the answer to marketing your extra produce. A market might become an important part of, or the major enterprise for, the family. Successful markets often grow into a major summer activity or a year-round business.

This kind of business is not suited to every family or to many locations. Objectives in trying roadside marketing vary from disposing of extra garden produce or making some pin money to selling big volumes of produce. Likewise, facilities vary from a card table and some tomatoes, with a tin can for customers to leave money in, to an air-conditioned

supermarket with paved parking lot. The objective of the individual or family involved largely determines the size and kind of business that develops. Obviously the big supermarket operation requires a much better location, more financing and more business training and experience.

Grow Into the Business

It is better to start in a relatively small way and increase the business size as conditions warrant. The extra expense of remodeling or expanding building or parking facilities is well justified when needed. Customers like to see improvements. A temporary stand or a business started in a garage lets you try direct-to-consumer selling with a relatively small financial risk. Remember, not everyone or all locations are suited to retail selling. Most successful farm markets or pick-your-own places are family-run. You are, in effect, making employment for family members. One measure of success is when the business makes enough profit to equal the going wage rate for family labor. By starting small you can try different produce items and expand production or purchase extra needed volume of the faster-moving items. A big volume item in one place may not sell nearly as well at another location.

Selling by Weight

This is generally preferable for such items as tomatoes, snap beans, apples, cherries, grapes and most items sold in small or medium volume lots. Selling by weight assures giving the customer full value for the price. It also avoids controversy about overfilling containers.

If you sell products by weight, **scales must be of an approved kind and checked every year.** Michigan Department of Agriculture, Grades and Standards Division, Lewis Cass Building, Lansing, MI 48913, checks and approves scales. You may ask for this service at one of the seven regional offices or by inquiring at the Lansing office. The Lansing telephone number is (517) 373-1054.

Selling by Volume or Count

This is a common practice and often preferred for certain items. When products such as apples, pears and potatoes are sold in bushel or half-bushel units, these are most often handled as volume sales rather than by weight. Products such as squash, pumpkins, cantaloupe and watermelon are most often sold for so much each. Sweet corn is usually sold by the dozen, half dozen or individual ear.

Products and Pricing

Locally grown items have the greatest appeal, but you do not have to grow all you sell. If you carry a good variety of products, it may be impractical to grow everything. Whether you grow it or not, the product must be fresh and of good quality to attract and hold customers. People buy from roadside markets largely because the produce is better or because they think it is better. A price somewhat lower than supermarket retail levels is an added attraction but not enough to bring customers back if the quality is not good. Check out prices in your area, at retail stores and other roadside stands. Your prices should be in line but they do not have to be the lowest. A good reply to a customer comment that another place has it cheaper is, "I'm sure he knows what his products are worth." Make adjustments when customers have a legitimate complaint. It is cheaper than complaints passed on to other customers. It is a good idea to feature some item like strawberries, sweet corn, melons, etc.

Product Handling

Anticipate the amount of a product you will need for one day and have it available. Fresh picked, vine ripened produce is your greatest advantage. The extra flavor and eating enjoyment of farm fresh is what you have to sell. Capitalize on this advantage and make sure your products are farm fresh. When a product loses its "just picked" freshness, put it into a larger container and mark it as a "canner's special," at a reduced price. Make no secret of the fact that the best is at your regular price. Always keep leafy vegetables, such as various greens, cabbage, lettuce, broccoli, etc., moist. A fine spray of water several times a day helps. Sometimes a bed of crushed ice also works well. Protect all produce from direct sunlight and wind. USDA Handbook #66,



The Commercial Storage of Fruits, Vegetables and Florist and Nursery Stocks, is for sale by the Superintendent of Documents, U.S. Government Printing Office. (See listing on back page.) This publication is the recognized guide to proper storage and handling of produce items. It will be well worth your investment whether you own and operate a market or work for someone else. A chart-type guide for best storage and hold conditions for fresh fruits and vegetables is at the back of this pamphlet.

Signs and Advertising

They are necessary to direct people to your market. Place first signs at least ¼ mile from the market. Keep the message simple. Use only a few words, such as, "Fruits — Vegetables ¼ Mile." Use large, block-style print. Letters must be a foot high to read 300 feet away. People only have time to read a half dozen words at 60 miles per hour in this distance. Always check with highway or county road commissions before putting signs near roadways. It will save you trouble and the expense of moving signs that do not conform to regulations.

Classified advertisements in weekly or daily newspapers that cover your area are usually helpful. If you have a large supply of a perishable item like strawberries that need moving fast, then some 30-second or one-minute spot radio announcements often pay off. Two or three a day for a few days usually brings customers. It is usually advisable to state price of products that you are featuring or pushing when advertising a special.

Numerous tests on legibility of signs in different colors have been made from fast moving vehicles. Color combinations are listed below in the order of their visibility and legibility at a distance.

1. Black on yellow
2. Black on orange
3. Yellow-orange on navy blue
4. Bottle green on white
5. Scarlet-red on white
6. Black on white
7. Navy blue on white
8. White on navy blue
9. Yellow-orange on black
10. White on black
11. White on bottle green
12. White on scarlet-red
13. White on purple
14. Purple on white
15. Navy blue on yellow
16. Navy blue on orange
17. Yellow on black
18. Scarlet-red on yellow
19. Yellow on navy blue
20. Purple on yellow



Distance You Can Read	Letter Height	No. of Words at Various Speeds			
		30	40	50	60
Feet	Inches				
50	1¾	4	2	1	0
100	3½	8	5	4	3
200	7	15	11	8	6
300	11	22	16	13	10
400	14	30	22	17	14
500	17½	38	28	22	18

Letters should be made using lines at least 1/5 as wide as the letter height. For example, letters 11" in height should be about 2¼" wide. This assumes the reader gives full attention to the sign, has normal visual acuity (20:20) and is able to read and comprehend at the rate of 200 words per minute. Use posted speed limits as a guide to the speeds at which motorists travel unless more accurate information is available.

Advance Sign Locations for Various Speed Zones

Speed Limit (m.p.h.)	Distance from Advance Sign to Market*
30	2/10 mile
40	1/4 mile
50	3/10 mile
60	4/10 mile

*Based upon a decision time of 20 seconds plus reaction times and braking distances for a car in good condition on a dry, paved highway.

Legal Considerations

The following considerations, of legal or semi-legal nature, may or may not affect a farm market. For assistance on which, if any, apply to your situation and for more information, contact your County Cooperative Extension Service Office.

1. Work permits for employees under 18.
2. Workmen's Compensation.
3. Minimum Wage laws.
- *4. Civil Rights laws.
5. Income tax withholding.
- *6. Occupational Safety and Health Act (OSHA).

**If you start your business on a small scale using family labor, you will not likely be affected by the above items, except numbers 4 and 6. Reasonable safety practices and fair treatment of your customers will usually avoid problems in this area.*

Grading and Labeling

These requirements vary somewhat depending on the fruit, vegetable or other farm product being sold. In general, a fruit or vegetable display or the sales container should bear the proper Michigan or U.S. grade. A marking of Unclassified can be used instead of the grade marking if the product meets at least minimum standards for human consumption. Many fruits and vegetables which you grow, when sold directly to consumers, are exempt from grade marking requirements. Michigan residents should contact the Michigan Department of Agriculture Foods and Standards Division, Lewis Cass Building, P.O. Box 30017, Lansing, Michigan 48909, or one of the seven district offices for details on grading and marking products offered for sale. Grader's manuals that give the U.S. and Michigan requirements in simplified form can be obtained through County Cooperative Extension Service Offices. They are available for apples, grapes, and tomatoes. If help is needed in grading other crops, ask your local Extension Service Agent for this assistance. There is no charge for this help.

Licenses

Vegetable plants or other annuals (live only one year), including most bedding plants, do not require a nursery license or inspection for production or sale. Perennials (live more than one year), including woody shrubs, fruit trees, vines, bushes, etc., require a license for production or sale. The Michigan Department of Agriculture, Plant Industry Division, should be contacted if nursery inspection or license is needed. They will answer questions as to fees charged and other requirements. Check with local authorities, county or city, for needed merchant or vendor license.

Sales Tax

In Michigan, you do not have to charge sales tax on food items such as fruits, vegetables, drinks, etc., that are not intended for consumption at your place of business. A single bottle of soft drink, one apple, one hamburger, a piece of pie, etc., *to be eaten at point of sale* is subject to the 4% Michigan Sales Tax. Prepared foods such as potato salad and other delicatessen items along with garden supplies and nursery products are also taxable items, where sold retail. For sales tax permit, a one dollar fee is charged and you must file a report at the end of each month. Obtain a sales tax permit from the Department of Treasury, Lansing, Michigan 48904, or one of the nine district offices around the state.

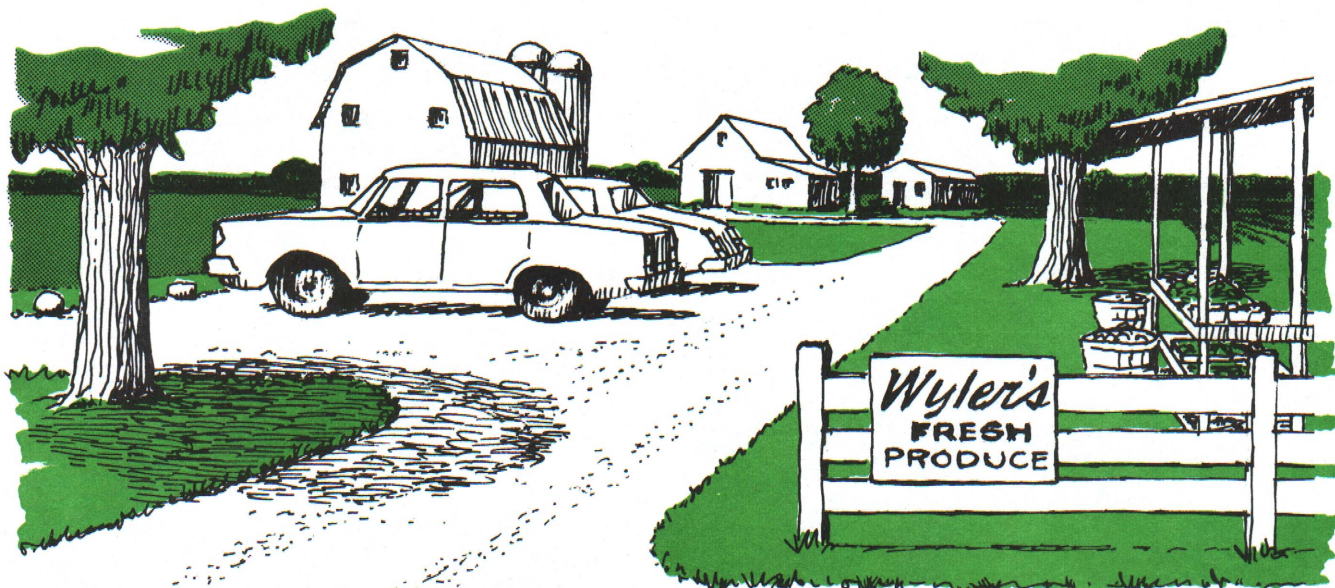
Zoning and Road Restrictions

Check local zoning ordinances for restrictions on roadside selling. Your County Road Commission, if you plan on locating on a county road, can issue a permit for entry and exit to your stand. If it is a state highway, check with the division supervisor for your area. If you use an existing driveway and your stand is well back of right-of-way limits, then no permit is ordinarily needed from road authorities.



Social Security Tax

This does not apply to family members under 21 years of age paid wages for work in a family owned business. Other employees need to earn \$150 a year or work 20 or more days during a year to be covered. A concise, easy-to-read explanation of the rate of deduction from employees' pay, matching amount contributed by employer, etc., is available from the Center for Rural Manpower and Public Affairs at Michigan State University. You can get an up-to-date copy from your county Cooperative Extension Service office. The above mentioned fact sheet also gives a wealth of other information you may need regarding laws, rules and regulations pertaining to hired labor. You can get any needed forms and information on social security tax payment from the U.S. Department of Treasury, Bureau of Internal Revenue, Federal Building, Lansing, Michigan 48933, or one of the district offices near where you live.



Planning and Management Help

This is available for anyone wanting to start direct-to-consumer sales of farm produce. Contact your County Cooperative Extension Service Office.

Personnel in the county assisted by Michigan State University Marketing staff can assist in selection of crops to grow, handling and preparation for sale, market design, parking arrangements and other items. Soil and site selection for fruits and vegetables, the best varieties, insect and disease control, fertilizer and irrigation and other needs is also help you can get from the Cooperative Extension Service. If you are not acquainted with personnel in your county office, stop in.

Accidents

You are liable for accidents on the premises for almost any cause. Check with your home insurance agent for details and possible added premiums when selling produce direct-to-consumers. Injuries or claimed injuries caused by products you sell can also cause legal problems. Be sure your insurance covers this aspect of the business.

Sanitary Requirements

The Michigan Department of Agriculture Food and Standards Division will advise you on sanitary requirements for roadside markets. Permanent type stands ordinarily require toilet and hand washing facilities that are separate from the product preparation area. You do not have to furnish restroom facilities for the general public.

Profitable, Interesting Experiences

These are rewards from ventures in this business. It is different from growing and selling produce items wholesale. Expect some problems and disappointments. You will also have some rewarding experiences. It requires initiative, ability and stick-to-it qualities. Business is built over time. Don't expect instant success. A second or third year may be required to really get going. You'll learn a lot from this kind of marketing that will be valuable in other lines of business. Visit roadside markets and ask questions to learn how other people plan and manage the business. Most market operators will point out features of their business or location that are good

and perhaps some not so good. If you can work in a market for a while before starting your own, it will usually be a valuable experience.

Develop Your Own Style

Almost every market operator handles his business in a different manner. Methods and activities should be developed to best serve the kind of trade and the products sold. For example, in a resort area where families have summer homes, bedding plants, shrubs, trees, garden tools, fertilizer, spray materials, etc., may be good items. In other resort areas where persons live in motels, hotels or campgrounds these items would likely not sell. The kind of trade you serve and the kind and amount of produce items you grow or can purchase locally are important factors. A certain amount of stocking different products along with observing things persons buy frequently at other places can be one guide. Hours of the day and days of the week you are open should be planned to serve the peak traffic periods. It takes some experience in market operation and usually two or more years in one location to learn the best items and the management style that fits you and the area best.

The Extra Bonus

New ideas and innovations come along continually in this business. Keeping up to date is an interesting and usually pleasant part of the operation. Most market operators appear to thoroughly enjoy the social and business relations they develop. Many of these persons say they would not operate a roadside market if it were not for the pleasant associations they have with their customers and other market operators. Money made from the business alone is not enough to justify the extra time and effort needed to make the market a success. The combination of a profitable business and one you really like is certainly a fortunate situation. For those who have the outgoing personality, the skills and desire for this kind of business, the rewards can be "the good life." To those who do not like meeting and working with people, this kind of business is not usually satisfactory.

Good luck!

SOURCES OF INFORMATION

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3. *Proceedings of Annual Roadside Marketing Conference—1977 and prior years*. Department of Agricultural Economics and Rural Sociology, The Ohio State University, Columbus, Ohio 43210.
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5. "Pick-Your-Own," Glen G. Antle, Extension miscellaneous publication. Michigan State University, East Lansing, Michigan 48824.
6. *Consumer Attitudes Toward Shopping and Roadside Markets*, Report No. 155, 1969, Mary Zehner and Maryann Beckman, Department of Agricultural Economics, Michigan State University, East Lansing, Michigan 48824.
7. *Proceedings of the Indiana Roadside Marketing Conference—1977 and prior years*. Horticulture Department, Purdue University, Lafayette, Indiana 47907.
8. *Principles of Layout for Retail Produce Operations*, Research Report 590, U.S.D.A. Agricultural Marketing Service. For sale by Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.
9. *The Commercial Storage of Fruits, Vegetables and Florist and Nursery Stocks—Agricultural Handbook No. 66*, U.S.D.A. Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.
10. *Production and Cost Information for Pick-Your-Own Fruit and Vegetable Growers*. Mimeograph, 1976, M. P. Kelsey and J. E. Motes, Department of Agricultural Economics, Michigan State University, East Lansing, Michigan 48824.

FRESH FRUITS AND VEGETABLES — HANDLING AND CARE

PRODUCE	Temperature Degrees F.	Relative Humidity Percent	Sell Quickly 1-2 Days	Refrigerate	Sprinkle	Special Notes
Apples	30-32	85-90		Helpful	No advantage	Avoid bruising
Asparagus	32	85-90	Yes	Profitable	No	To extend life, trim butts and stand in ice or shallow water; shake up to aerate.
Beans, Lima	32-40	85-90	Yes	Profitable		
Beans, Snap	40-50	85-90	Yes	Profitable	Yes	
Beets	32	85-90	Yes	Profitable	Yes	Moisten roots only
Berries	31-32	80-85	Yes	Helpful	No	Keep well ventilated
Broccoli	32-35	90-95	Yes	Profitable	Yes	Keep out of sun
Brussels Sprouts	32-35	90-95	Yes	Profitable	Yes	Remove yellow leaves
Cabbage	32	90-95		Helpful	Yes	
Cantaloupes	32-34	75-80	Yes	Helpful	No	
Carrots	32	85-90	Yes	Profitable	Yes	Moisten roots only
Cauliflower	32	85-90	Yes	Profitable	Yes	Do not sprinkle unless refrigerated
Celery	31-32	90-95	Yes	Profitable	Yes	Sharpen butt to pencil point
Cherries	31-32	80-85	Yes	Helpful	No	Keep well ventilated
Corn, Sweet	31-32	85-90	Yes	Profitable	Yes	Keep cold to keep sweet
Cucumbers	45-50	85-95		No	No advantage	
Eggplants	45-50	85-90	Yes	No	No advantage	Do not bruise; keep off ice
Grapes	30-31	85-90	Yes	Helpful	No	Keep well ventilated
Lettuce	32	90-95		Profitable	Yes	Avoid soaking with water
Onions, Dry	40-50	70-75		No	No	Remove loose hulls; keep dry
Onions, Green	32	85-90	Yes	Profitable	Yes	Keep well ventilated
Parsnips	32	90-95		Helpful	Yes	Moisten roots only
Peaches	31-32	80-85	Yes	Helpful if ripe	No	Ripen at room temperature
Pears	29-31	85-90	Yes	Helpful if ripe	No	Display in single or double layer on pads
Peas, Green	32	85-90	Yes	Profitable	Yes	Shake up to aerate; keep cold
Peppers	32	85-90	Yes	Profitable	Yes	
Plums	31-32	80-85	Yes	Helpful	No	Remove spoils
Potatoes	40-50	85-90		No	No	Keep out of sun to avoid greening
Radishes	32	90-95	Yes	Profitable	Yes	Keep water off tops; avoid packing
Rhubarb	32	90-95	Yes	Profitable	No	To revive, trim thin slice from butts; stand in cold water
Rutabagas	32	90-95		Helpful	No advantage	Should be waxed
Tomatoes, Ripe	40-50	80-85	Yes	Helpful	Yes	Sell quickly; refrigerate when necessary to hold
Turnips	32	90-95	Yes	Profitable	Yes	
Watermelons	36-40	75-85		Helpful	No	Cover cut melons with transparent film

NOTE: Keep all produce in shade. Direct sun can build temperatures to 120°F. or more in a matter of a few hours. Avoid excessive air movement over produce displays. A cool wind feels good to you but shortens produce shelf life by excessive drying action.