

Both farm stands and pick-your-own operations are a great way to connect with customers and ... your local community

Pick-Your-Own Operations and Farm Stands—Options for Your Business

Both farm stands and pick-your-own operations are a great way to connect with customers and make your products available to your community. As more and more people find the value of local, high quality products, demand will continue to grow.

Pick-your-own operations

While not as popular as years ago, these can still be a viable part of a direct marketing operation. In the past, people patronized pick-your-own operations mainly because they wanted quantities of fruits or vegetables for canning and freezing. But even though today's busy schedules mean that fewer people preserve their own food, the pick-your-own concept can still be a good option.

Keep in mind that what worked 30 years ago may not necessarily work today. Adding an entertainment component, for example, can provide a real boost to a pick-your-own operation. Why pay someone to harvest your crop if you can help your customer appreciate of the value in the "farm experience" and in harvesting their own food?

What to consider

There are some things to consider before starting a pick-your-own operation on your property. For example, ask yourself: Do you want people wandering all over your property? Do you enjoy working with people?

If you decide that close interaction with customers wandering through your fields sounds like a great way to grow a profitable business, you will need to invest in liability insurance. You'll also need to put some thought into where and how much parking might be necessary. Restrooms, while perhaps not essential, are worth thinking about—especially if you are going to be offering a variety of activities for customers to participate in.

Other considerations in a pick-your-own operation are how long you want the season to last, and which crops you want to make available. If you choose strawberries, you might also consider having customers come out in the fall and pick pumpkins.

When the public comes on your property on a regular basis, you may need to adjust the way you manage your crops. You'll put more thought into field layout and design

and the whens and hows of certain practices, such as pesticide use or manure spreading.



Other factors to consider

- **Labor requirements.** A pick-your-own operation will require more personnel, especially to take money and help customers in the field. As you develop your plan, think about where labor might come from, including family members to local people who can help out during a busy season.
- **Sales area.** A check-out station for people to weigh and pay for their products. Locating it in an area visible to the parking lot and if possible, between the fields and the parking lot will help avoid the temptation not to pay. The check-out station should also have containers, pricing information and a list of any rules for customers to observe on your property. Finally, consider offering other products at the check-out station, as well as storing products for customers until they are ready to leave.
- **Information sharing.** A phone and answering machine that provides hours of operation, products available and so forth will go a long way in helping your customer.
- **Activities.** What exactly will be available to customers? Will you have other activities besides letting them pick their own fruit or vegetables?
- **Operating hours.** When will you be open? Saturdays and Sundays are by far the busiest days for anyone offering a service to customers. A willingness to be open on the weekends may give your business a better chance at being successful.
- **Location.** Is your location close enough to a population that will support your business?

Farm or roadside stands

These are yet another option for selling directly to customers. They can be either permanent or temporary structures, and can be staffed or based on the honor system for payment.

A first step in determining if a farm stand is appropriate for you is to check with the municipality in which your stand will be located about any regulations or permits. You'll also want to check on food safety or health department regulations.

A real life example

A farmer operated an unstaffed farm stand for years along a busy corner in a town in the neighboring county. Without his knowledge, the landowner changed the rules and required that anyone selling food on property not owned by the county (including farm stands) had to obtain a permit and pay a fee. While the county had opened the proposed rule for discussion before it was finalized, the farmer, because he did not live in that county, was unaware of the changes and couldn't afford to pay the annual permit fee. He was forced to close his stand and lost out on significant sales from that busy corner.

Specific questions to ask in relation to farm stands are: What permits might be needed and are there any size, parking, bathroom and signage requirements? In most cases, if the structure is not considered "permanent," the regulations are few, if any. Some farmers who have gone through the system and done the "right thing"—including paying high permit fees and enduring a slow and cumbersome process—would advise against looking into the local rules and regulations. But it is in your best interest to be aware of any regulations or obstacles that you might face. Knowing and following the rules may be less painful than opening a farm stand, developing a clientele base and then being forced to shut down.

Important elements

- **Location, location, location.** While people might be willing to drive a couple of miles off a main highway to get to your farm stand, they generally won't be willing to go too far out of their way to reach your business.
- **Traffic speed.** While a location on a well-used road is important, another factor that can affect your success is how fast people are going as they drive by. Customers are more likely to stop if they aren't flying past your stand at more than 60 miles per hour. In fact, stands are more successful when the average road speed is less than 50 miles per hour.
- **Parking.** Not only is adequate parking important, safe parking is crucial. Parking lots should be well-drained and easy to access. Depending on how much traffic the stand gets, it may be necessary to place direction signs to help facilitate the flow of vehicles moving in and out.
- **Hours of operation.** There is no magic combination for determining when farm stands should be open. Some are open seven days a week from dawn to dusk during the growing season. Others are only open on the weekends. Evaluating who your customers are, when they will most likely stop by and what works for you personally will enter into determining your hours.
- **Products offered.** Much like the hours of operation, there is no magic in determining which products should be offered. Some stands are successful in offering one or two items (for example, pumpkins and squash) while others offer a wide variety of products. You may have to take into consideration where you are located and who your local competition is when making the determination of what to offer. If people are going to drive ten miles out of their way to stop at your stand, odds are they will want a wide variety of products from which to choose. It's important to keep in mind which products aren't conducive to a farm

stand, especially one that is not manned. Products that will spoil quickly or where the quality will decrease rapidly are not good choices for such a stand.

- **The stand itself.** Stands come in all shapes, sizes and forms. Some farmers use a building, others hay wagons, and others the back of a truck. Additionally, a stand can be as simple as a card table, a tent or even two sawhorses with a board on top, in addition to many other creative options. Depending on the amount of product you have, how important the stand is to the overall profitability of your business and what you currently have available to you will all play into the decision about what you use. There isn't a right or wrong way, but keep in mind that your customer may judge your products based on how appealing the stand itself is.

- **Pricing.** Pricing can be based on weight, count or volume. Keep your customer in mind when you decide which to use. If you won't be manning the stand, keeping scales available for the customer to weigh the product is a good practice. It may also be wise to keep the prices rounded so that adding the total purchase amount is easy for the customer. Proper signage announcing the pricing is very important. Finally, if your stand will not be manned, keep in mind that there will probably be some loss of product due to theft. While you can do some creative things to try to discourage theft (a big sign announcing that customers are being watched, or a video camera in place—even if it doesn't work), there will be without a doubt people who will steal your product. However, the good news is that most people will be honest and fair.

- **Signage.** Proper signage on the road leading up to the farm stand as well as at the stand itself will assist your customers, especially those making a split-second decision to stop. Many of us have traveled in South Dakota on the interstate to Wall, South Dakota and have noticed signs every couple of miles announcing that Wall Drug is ahead. While you don't need to go to that extreme in announcing your stand, it is wise to have signs in appropriate places so that potential customers don't need to turn around and drive back to your stand. Post the sign $\frac{1}{4}$ mile away from the stand in both directions and make it easy to read with at least a few words in bright colors.
- **Employees/labor.** The amount of labor you will need for your stand depends on whether or not you want someone always at the stand. The person attending your stand will be a direct reflection on your business so look for someone friendly, knowledgeable and honest to work with your customers.



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This project is supported in part by a USDA grant (Agricultural Entrepreneurship—Wisconsin) to the UW-Extension Emerging Agriculture Markets (EAM) Team

Direct Marketing in Wisconsin is a project of the Cooperative Extension Emerging Agricultural Markets team. For more information on the team's work and Wisconsin's new agricultural markets, visit uwex.edu/ces/agmarkets/. An EEO/AA

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