

Pick-your-own (U-pick) Marketing

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Overview

A roadside farm market is sometimes distinguished from a roadside stand by its location and hours. The term “roadside farm market” generally refers to markets located in permanent facilities at the farm or food manufacturing location, and these markets are typically open most of the year. By contrast, a roadside stand is a more general term for markets that may be located off the farm and are usually seasonal in operation.

Some marketing considerations for roadside farm markets are similar to those for Pick-Your-Own and roadside stands, but there are also many issues unique to establishing a more permanent retail facility. This publication focuses on roadside farm markets from the standpoint of a farm owner who has been using other direct market channels and is considering adding a roadside farm market. Areas discussed include business planning and capital investment, location, liability and risk management, merchandising and advertising, and labor management.



Business Planning and Capital Investment

A working business plan is a key part of successful farm marketing enterprises at every scale. Considerable planning is required before opening a roadside farm market because of its permanent nature and the fact that it serves clientele for most of the year.

Producers interested in opening a roadside farm market can benefit from business planning workshops such as those offered through local Small Business Development Centers. Investment in outside consultants or experts, especially those with expertise in direct farm marketing, may also be appropriate. If hiring a consultant or business development professional, producers should check references and ask to see examples of past projects.

A free business plan writing resource for agricultural marketers is available through the University of Minnesota Center for Financial Management. Resources like this can help rural business owners write, review, and improve their business plan and avoid long-term investments in marketing efforts that may not be feasible.

Roadside farm markets may also require significant capital investment. Producers will benefit from seeking financial professionals who either understand the nature of the farm business or are willing to learn about direct agricultural marketing.

Key Questions for Business Planning and Capital Investment

- Do I have an updated business plan, including a marketing plan?
- Can I explain my business to someone unfamiliar with farms and farming?
- Have I developed detailed, realistic, and conservative financial pro forma statements for my enterprise?
- Am I willing to develop a detailed business plan before I start building my new facility?
- Do I have potential designs for my facility incorporating retail sales area, storage (including cold storage), and restrooms?
- Do I know what zoning or building codes will apply to my roadside market?
- Do I have sufficient parking for my market?

The publication notes that producers should be able to answer “yes” to all of these questions, while also recognizing that they represent only a few of the many issues that may arise during development.

Location

A roadside farm market is a retail business, and location is one of the most important considerations for any retail business. Many retailers, including roadside farm markets, have failed because of poor location despite having sound business ideas. Zoning considerations may also affect some roadside farm market locations.



Customers who decide to visit on-farm markets most frequently cite location as a major factor in that decision. Markets that are easily accessible from well-traveled roads have an inherent advantage. Adequate signage and good publicity are necessary to maintain a steady flow of customer traffic, and ease of access, including road conditions and turning movements, is also important for a startup retail business.

Key Considerations Regarding Location

- Do I know how close my site is to traffic flow, including the volume of traffic passing by my site?
- Is my location easily accessible?
- Will road, parking, and/or farm entrance upgrades be necessary for my roadside farm market?
- Do I know how long it will take to receive approval and to install signage necessary to directing traffic to my operation?

- Have I researched the necessary licenses, permits, and zoning approvals for my new facility?
- How much regular traffic does my location receive and is this a feasible level for a retail market?
- What is the nearby population of potential customers?
- Who is the potential competition and how close are similar markets?

Key Differences Between Roadside Farm Markets and Roadside Stands

Feature	Roadside Farm Markets	Roadside Stands
Location	On the farm or food manufacturing site	Near any road or byway
Structure	Permanent	Semi-permanent or mobile
Hours	Most of the year	Seasonal

Liability and Risk Management

Assessing potential liability and managing risk with appropriate tools, such as insurance, are crucial considerations for a roadside farm market. In addition to general liability concerns, roadside farm markets should also consider product liability insurance for products the business grows or processes. These issues are best evaluated with guidance from an insurance or risk management professional.

Addressing liability concerns before establishing a roadside farm market may also save money later. Construction and design details implemented early to address risks can reduce the time and expense involved in redesigning or remodeling the facility after opening.



Key Considerations Regarding Liability and Risk Management

- Have I identified specific areas of risk at my location, such as farm ponds, packing and production areas, farm lanes traveled by machinery, or livestock?
- Do I have a relationship with risk management professionals who can help me identify the cost and scope of my insurance needs?
- Will additional product liability insurance be required?
- Could a new business organization, such as a partnership or LLC, better help me manage the new risks incurred from establishing a roadside farm market?
- What other risks, in addition to liability, may be incurred as the result of my roadside farm market?

Merchandising and Advertising

Merchandising refers to the manner in which products are presented for sale.

Advertising refers to the means by which a business notifies existing and potential customers that products are available. Advances in graphic design and information technology have created an environment in which farm marketers increasingly need professional and market-savvy merchandising and advertising. Fortunately, a variety of tools are available to help address these challenges.

A marketing plan is part of the business plan and should serve as a roadmap for developing a successful roadside farm market. Identifying the target customer and evaluating the best media choices for attracting those customers should begin well before the market opens.

One common challenge for roadside farm market operators is maintaining a consistent and diverse product supply throughout the year. Many on-farm markets address this challenge by offering less-perishable value-added foods with longer shelf life than fresh produce. Other options include non-perishable decorative and gift items. Some markets include a certified kitchen and offer fresh or prepared foods, while others partner with other producers to broaden product options. Understanding the market as a retail business that requires a diverse product mix, and adjusting that mix based on customer preferences, is essential for long-term success.

Key Considerations for Merchandising and Advertising

- Have I identified the target customer at my roadside farm market?
- Do I have expertise in advertising or access to advertising professionals?
- Am I willing to utilize social media and other electronic marketing tools to grow my customer base?

- Do I understand basic ideas behind developing my roadside farm market into a local brand positioned for long-term success?
- Am I aware of state or regional tourism associations that could encourage my efforts?
- What kinds of branding, logo development, and/or packaging am I planning for my product? Is there a realistic cost estimate for the merchandising supplies I believe I will need?
- Do I have sufficient product offerings for year-round sales?
- Do I understand my projected sales volumes by month and understand how to incorporate different product mixes that may change by season?

Certified Roadside Farm Market Program

Many farm markets in Kentucky participate in the Kentucky Farm Bureau Certified Roadside Farm Market Program. Participating markets do not have to be open year-round, but they must have established hours of operation. The program is available to members of the Kentucky Farm Bureau Federation and provides collective advertising, promotional items, educational tour opportunities, and other marketing benefits. For more information, the publication directs readers to contact the Kentucky Farm Bureau at roadside@kyfb.com.

Labor Management

Like a Pick-Your-Own operation, a roadside farm market must keep consistent hours in order to succeed over the long term. These hours often require hiring full-time, part-time, and seasonal employees. Labor is a major expense category in a retail business, and building a dependable base of qualified employees is essential for long-term success. Administrative tasks associated with employees, such as payroll and training, may also represent unexpected time commitments for new roadside farm market operators. Above all, employees must have strong people skills and interact well with customers.

Key Questions for Roadside Farm Market Labor Management

- Am I prepared to keep my market open according to typical retail hours or hours that best suit my target customers?
- How will I manage labor costs?
- Do I have a plan for interviewing, hiring, and training new employees?

Selected Resources

- Certified Roadside Farm Market Program (Kentucky Farm Bureau)
<https://www.kyfb.com/federation/roadside-farm-markets/>
- *Promotion and Advertising for Kentucky's Direct Markets*, ID-106 (University of Kentucky, 1991)
<http://www.ca.uky.edu/agc/pubs/id/id106/id106.htm>
- AgPlan (University of Minnesota)
<https://agplan.umn.edu>
- *Developing a Roadside Farm Market* (Pennsylvania State University)
<https://extension.psu.edu/developing-a-roadside-farm-market>
- *Direct Marketing* (ATTRA, 2016)
<https://attra.ncat.org/attra-pub/summaries/summary.php?pub=263>
- *Choosing Direct Marketing Channels for Agricultural Products* (University of Tennessee, 2010)
<https://utextension.tennessee.edu/publications/Documents/PB1796.pdf>
- *A General Guide to Pricing for Direct Farm Marketers and Value-Added Entrepreneurs* (University of Tennessee Extension, 2011)
<https://utextension.tennessee.edu/publications/Documents/PB1803.pdf>
- *Making the Most of the Market: Merchandising Considerations for Direct Farm Marketers* (University of Tennessee Extension, 2010)
<https://utextension.tennessee.edu/publications/Documents/PB1794.pdf>
- Penn State Ag Marketing – *Layout and Design for Retail Agricultural Businesses*
<https://extension.psu.edu/layout-and-design-for-retail-agricultural-businesses>
- Small Business Development Centers (SBDC)
<https://www.sba.gov/tools/local-assistance/sbdc?leavingSBA=http://americassbdc.org/>

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http://www.uky.edu/ccd/sites/www.uky.edu/ccd/files/Roadside_Markets.pdf

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