### SHOULD I GROW FRUITS AND VEGETABLES?

## PICK-YOUR-OWN MARKETS

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#### Introduction

Rick-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 Upick operation.

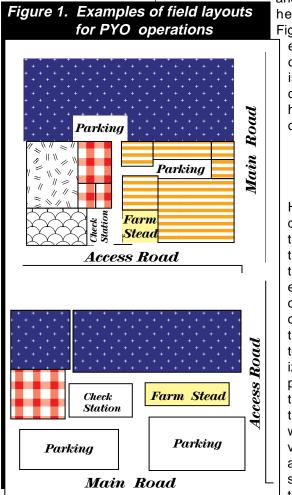
Some areas that are very important to the success of PYOs are crop diversity, quality, and advertising and promotion. U-pick operations are often more successful if they provide a variety of produce. This is especially true if there are a large number of similar operations in an area. In order to encourage 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

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 Upick 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.

<u>Containers.</u> 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 selected 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 Upick 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.

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

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

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