

**SHOULD I GROW FRUITS
AND VEGETABLES?**

ROADSIDE STANDS

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Roadside stands or markets are a type of direct marketing system where a grower establishes a selling place (stand) near a roadway and sells produce directly to consumers. Often a stand is located on a farm or orchard. Produce sold in a roadside stand may be grown exclusively on the farm or may be purchased from outside sources. A roadside stand may be open only during harvest periods or throughout the year, depending on produce supply sources. A roadside stand may be operated from a year-round permanent structure or a truck, trailer, or tent during the harvest period. Generally, a permanent, year-round roadside produce business is referred to as a roadside market. Market produce is supplied by the grower/operator and/or by purchases from off-farm sources (often other area growers).

The purpose of this fact sheet is to discuss the important establishment factors for a roadside stand. Some of the areas to be considered are producers and consumers use of the market, location needs, display characteristics, and legal considerations. This publication is an overview of strategies that have worked for some producers in Oklahoma and other states.

Producers use roadside stands for several reasons: to help supplement their incomes, to provide employment for family members, and to dispose of extra produce. Large volume stands require producers to possess more management

skills and to select locations that can accommodate larger businesses. Producers should remember it may take several years for a roadside stand to show a profit. Besides possible financial benefits from establishing an outlet for produce, producers may also enjoy the customer exchange process, receive a sense of personal pride and independence from the operation, and gain satisfaction from growing and selling quality crops.

Consumers shop at roadside stands in order to purchase fresh, flavorful, high quality produce in a convenient, friendly atmosphere at a reasonable price. Besides quality and price levels, other factors that draw people to roadside stands are convenience, advertising, and recreation. Some problems consumers experience shopping at roadside markets are the distance to the market, heavy traffic, variable quality, and inconvenience caused by out-of-stock produce. If producers can solve or minimize these problems then repeat customers may be established for a market.

Sales potential. When producers consider the sales potential for their stand, they should consider: the number of potential customers, the competing businesses in the area, and the traffic flow. Some population factors growers should consider are age, income levels, family size, ethnic or racial mix, and information on travelers (i.e., Is traffic local residents or tourists? Where are drivers going? What time of day is the heaviest traffic?, etc.). Some common roadside stand patron characteristics are as follows:

- distance travelled is usually less than 15 miles;
- shopping frequency is at least twice a month;
- average shopper is middle aged, from a two person, middle income household; and

- shoppers usually learn about a stand from driving by or from satisfied customers.

Producers should consider the number of similar businesses in the area and how they compare to their operations. Producers should consider the level of customer interest and whether it is great enough to support several stands. Often several markets can benefit from the competition and operate profitably in the same approximate area.

In order for several stands to operate in close proximity, there must be a traffic flow to generate sufficient income for the various stands. As long as traffic moves slowly, sales may increase as the number of cars that pass the stand increase. However, there is an inverse relationship between sales and the speed of the passing traffic.

Hours of operation. The business hours that a roadside stand keeps greatly depend on the operator and the amount of produce that is available for direct sale. Some roadside stands operate seven days per week for 8 to 10 hours per day, year round. However, some stands are only open Friday, Saturday, and Sunday for 5 to 8 hours from June to late October. The highest customer traffic occurs on weekends, particularly on Saturdays.

Location. The location of a roadside stand can greatly influence its profitability. Some variables to consider when evaluating sites are the traffic count on the road, number of people in the area, per capita income, distance from customers, distance from competitors, and produce offered. The more successful stand sites are located near customers and are easily visible from the road. If a stand is close to a city, then the average weekly sales may be higher than if the stand was in a more rural area, especially if the road is a busy, main thoroughfare to and from the city or town. However, in higher population areas, consumers will travel a shorter distance to a stand (approximately

a 15 minute boundary for travel time to the market). Roadside stands are generally more successful if the average highway speed is 47 miles per hour or less, and if they are located on a straight road where the stand may be seen from the road.

Off-road parking is essential for the safety of customers and users of the highway. A frontage road is not necessary but the stand should have a safe, easy entrance that is visible from the road. The stand should also have adjacent parking spaces. The parking lot should be a well drained grassy or graveled area. If the stand is generating a large amount of traffic, then traffic flow directions may be needed to assist in orderly parking.

Facilities, buildings, and equipment. The facilities used to house a roadside stand do not need to be elaborate but should serve operational needs. Besides the sales area for the produce, the facilities should provide protection for produce, employees, and customers. Essential facilities for the market are a sales area, parking spaces, and roadway access. Some optional facilities are a cool storage area, restrooms, playground, and a picnic area.

Buildings used for a market may be new or converted buildings. Buildings that can be converted to a roadside market are barns, one-room schoolhouses, or sheds. The main purpose of the building is to protect the produce and customers from the weather. When building a structure, producers should consider the expected sales levels, the length of the season, and types of produce to be sold. From these factors, growers can determine the size of the building, the appropriate building design, and needed construction materials.

After evaluation of their market expectations, growers may find that in some cases no permanent roadside stand structure is needed. If the grower only has one or two items to sell, a temporary stand or a simple pole shed type facility might be

quite adequate. A temporary roadside stand could simply be a canopy covering a hay rack or truck. Irrespective of the structure used, it is important to keep the rural image with a colorful creative stand.

The amount of **equipment** can vary with the type of stand. The only necessary pieces of equipment for a roadside stand are a money box or a cash register and a produce display. Other equipment that might also be included are scales, an ice machine, and accent lighting fixtures. Depending on the market type and services, some specialized equipment might be needed which includes a pallet jack, forklift, shopping carts, oven, meat slicer, cider press, juice machine, and other equipment for the market's special products.

Source of Produce. The source of produce depends on the grower's choice of market type. Growers may specialize in one product or sell a variety of goods. The produce may be entirely grown by the market operator, purchased from other area growers, or purchased from wholesalers. Some markets sell one, superior quality product during the harvest season. However, some growers, who specialize in a single product, do sell small volumes of other products. Multiple product stands expose consumers to more produce which can result in increased sales. Depending on the stand, the length of the growing season, and off-farm produce purchase; multi-product roadside stands generally offer 6 to 7 products. In either type of stand, consistent, high quality produce is necessary to establish repeat sales. At roadside stands, high demand crops usually are sweet corn, tomatoes, green beans, cucumbers, onions, peppers, pumpkins (especially in October) and, in certain areas of the country, apples, peaches, pecans, potatoes, blueberries, and strawberries.

Displays and Produce Handling. Producers should handle and display their fruits and vegetables to generate impulse purchases and to main-

tain produce quality. Stands design and lay out can greatly influence display methods. Location of produce can influence the sales level of all products, since many sales are impulsive. High demand, popular produce should be placed so customers walk past other produce. Some general practices to help maintain produce quality and create attractive displays are to avoid direct sunlight and excess air movement, to keep leafy vegetables moist by spraying or displaying on a bed of ice, to keep displays full, and to display produce at an easy to reach level.

The type of display can also have an influence on the quality of the produce. Produce may be displayed in bulk or in prepackaged form. Bulk displays allow customers to choose their own items and encourage large volume sales. The problem with bulk displays is produce may become damaged with continuous customer handling, which may create mixed produce quality. Inconsistent quality or bruised produce can decrease sales volume and price. Produce may be prepackaged to maintain freshness and reduce shrink; to allow advance preparation; to efficiently handle small fruits and vegetables; to enhance appearance; to allow for quicker shopping; and to maintain neater displays. However, prepackaged produce may impair the farm image of the roadside stand and deprive customers of their selection process.

Pricing. Produce at roadside stands like at other direct markets (pick-your-own and farmers' markets) may be priced by weight, count, or volume with competitors' prices used as guidelines. If produce is sold by weight, then state inspected and approved scales are needed to verify the weight of produce sold. Selling by weight assures consumers and producers that they receive full dollar value for the produce. For some types of produce, such as sweet corn, the count price system is more practical and easier to control. The volume system works well for crops that lend themselves to packaging such as small fruits or items sold in large volumes (i.e., bushels).

Producers should use signs with the prices listed in units so customers are charged the same amount for their produce. It is a good idea to price produce with 5 and 10 cent intervals to maintain the farm image and ease of calculation.

Advertising and promotion.

Advertisements should make customers aware of what produce is available, hours of business operation, and the location of the stand. The best form of advertising for roadside markets is word-of-mouth advertising from satisfied customers. Some other forms of advertising that can be used until the stand has a large number of satisfied customers are signs, container labels, newspapers, flyers, and radio. The stand may provide information on canning, freezing, fresh storage, processing, recipes and cooking ideas. Much of this information may be obtained through the county Cooperative Extension Service home economist.

Signs are the most common form of advertising used by roadside stand operators. Signs should be placed far enough from the stand that drivers have time to make the turn into the market. Usually, signs are placed at the market site and also at least one-quarter mile from the stand in either direction. The signs should be simple and easy to read with only a few words in bright colors. The farm name, distance to the market, and perhaps a picture of the produce may be the only information needed on signs. For reading ease,

letters used on signs should be 1/5 as wide as they are high. Information about sign readability is presented in Table 1.

Newspaper advertising may only be necessary when sales levels are low and more customers are needed to move produce, when the stand opens, or when new produce comes in-season. Ads can be run in the classified section or in a display format. The classified ads are generally less expensive and reach consumers who use produce for canning or freezing. Display advertisements are often used to catch customers attention and announce special events at the stand.

Promotion techniques for roadside stands can be individually or community based planned activities. Producers can use forms of goodwill such as friendly, courteous service, volume price discounts, or superior quality produce. Some planned community activities that can help promote a stand are tours, bulletins and leaflets, giveaways, produce or monetary donations or discount coupons passed out at community service organization activities (i.e., barbecues, ice cream socials), exhibits at craft shows and fairs, and sponsorship of community events or teams.

Labor and personnel management. Principal labor sources for most roadside stands are growers and their families. The type of additional labor needed to operate a stand is generally seasonal, sales positions. The off-farm individuals usually hired for this work are homemakers, students, teachers, friends, relatives and retirees.

Hired individuals do not needed to be professionally trained sales people, but they should be friendly, helpful, alert, and courteous.

The manager of a stand should be able to plan, organize, direct, coordinate, and control the entire op-

Table 1. Example distances and words read at various speeds with recommended letters heights and widths.

Distance (feet)	Letter Width (inches)	Letter Height (inches)	Number of Words at Speed:			
			30	40	50	60
			(Miles Per Hour)			
50	3/8	1 3/4	4	2	1	0
100	3/4	3 1/2	8	5	4	3
200	1 3/8	7	15	11	8	6
300	2 3/16	11	22	16	13	10
400	2 7/8	14	30	22	17	14
500	3 1/2	17 1/2	38	28	22	18

eration and its employees. Managers should have some type of merchandising and customer relations skills in order to have a successful roadside stand.

A friendly, helpful atmosphere is one of the most important characteristics that a roadside stand must possess to gain repeat customers. Workers should be courteous and helpful to the customers when they first arrive at the stand. Workers should be able to distinguish the differences between the stand's various fruits and vegetables, intelligently discuss produce varieties, and be honest about produce quality.

Legal considerations. There are many legal regulations and restrictions with which a roadside stand operator may need to comply. At the state level, health permits, licenses, sales taxes, weight and measure requirements, sanitary requirements, and zoning and right-of-way regulations need to be checked for each individual operation. These same legal considerations should be checked at the local level. Another area that should be considered is insurance requirements that will be necessary for the stand to cover accident liability and product liability.

Records. Market managers need to keep daily records to explain operation practices, for financial information needed for taxes, for analyzing sales performance, and to provide a guide for

changing operational practices. Some areas for which records should be kept include sales volumes, gross margins, labor and other input costs, and cash flow.

Concluding remarks. To help make a roadside stand successful, growers should try to follow some of these suggestions for market improvement:

- roadside signs should be placed far enough from the market to attract customers and to provide enough time for them to stop safely at the stand;
- overripe produce should not be offered for sale unless it is marked and displayed as such;
- if possible, place the stand on or near the farm or orchard to create a farm atmosphere;
- post prices clearly so all customers are treated fairly and equally;
- home grown produce generally increases sales and the percentage of repeat customers; and
- a pleasant personality with a strong emphasis on courtesy, honesty, and integrity are helpful in dealing with the public.

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