

UNIVERSITY OF MISSOURI COLLEGE OF AGRICULTURE  
AGRICULTURAL EXPERIMENT STATION  
COLUMBIA, MISSOURI

CIRCULAR 143

APRIL, 1926

# Direct-to-Consumer Marketing of Farm Products

F. L. THOMSEN

The experience of many farmers in Missouri and throughout the country indicates that direct-to-consumer marketing of some farm products is both practicable and profitable. The coming of good roads has revived interest in the subject in this state.

Missouri in 1920 had 1,586,633 consumers living in 63 cities and towns of more than 2500 population, in addition to the rural and village population. This potential market is at least equal to that of other states which have developed direct marketing to a greater extent. The impression is widespread that location near a large city is essential for profitable direct marketing, but experience indicates this to be erroneous. In one Missouri county seven farmers successfully using this method average ten miles from the nearest large town.

Because the gross receipts from direct marketing are usually small as compared to those from principal crops or livestock, and because this method can be applied to only a comparatively few minor products, its real value in adding to the cash income of the farm has often been overlooked. When even a fifty dollar net cash addition to the farmer's income is compared to the \$590.55 average labor income\* of Missouri farmers the importance of developing direct marketing to its fullest extent is better realized.

## ADVANTAGES OF DIRECT MARKETING

The advantages of direct marketing may be briefly summarized as follows: First, on practically all farms there is a surplus of those products produced primarily for home consumption, such as fruits and vegetables, which is too small in quantity to warrant marketing through regular channels. These surpluses are sometimes even allowed to go to waste. Direct marketing is usually the only way to turn such products into cash.

Second, specialization in the production and marketing of farm products has been carried to such extremes in some sections that importation of farm products which could more economically be produced locally is necessitated. Those who are awake to the opportunity which this condition affords will find a ready and very profitable local market for the products in question, even if not located near large centers of population.

Third, for those farms which specialize in the production of commodities, such as eggs and fruit, which do not require processing, a direct-to-consumer

\*This is the average labor income of farmers reporting to the College of Agriculture in 1925. It only approximately represents the State as a whole.

trade can often be built up which will prove considerably more profitable than regular marketing outlets. In such cases direct marketing is a main rather than a side issue.

Fourth, favorable location, availability of family help during the summer, or other special conditions may make a roadside stand a paying proposition. Few people realize what large sums can be taken in during a season in this way.

The county agent of Greene County states that several hundred farmers in that section are selling part of their products direct to consumers, mainly by means of roadside stands. In St. Charles County a number of men are using several kinds of direct marketing to advantage. A one-acre home orchard is reported to have brought \$369 net profit to its owner, who marketed his apples in this manner.

Among the products which can be marketed direct to consumers are: Sweet corn, onions, rhubarb, asparagus, radishes, lettuce, peas, beans, cabbage, watermelons, musk melons, canteloupes, Irish potatoes, sweet potatoes, strawberries, raspberries, blackberries, tomatoes, peaches, pears, cherries, apples, plums, grapes, honey, eggs, poultry, farm butter, cottage cheese, cider, nuts, preserves, and meat products.

### TYPES OF DIRECT MARKETING

As one county agent states, direct marketing as usually carried on is "too much of a hit-or-miss proposition." Haphazard methods of selling generally prove unsatisfactory. To get the most out of direct marketing it is necessary to know what methods have brought the best results elsewhere under similar conditions, and to follow some definite plan based on these experiences of others. The roads are full of melon stands run as a past-time by children; but real, intelligent efforts to market direct to consumers have been comparatively few, and usually successful.

The types of direct marketing are: (1) roadside stands; (2) "in the field" or "pick it yourself" marketing, (3) personal delivery to consumers or retail stores, and (4) delivery by parcel post and express.

Of these, all are familiar except possibly the "pick it yourself" system. Under this plan, consumers drive to the farm, often bringing their own containers, and do their own "harvesting." This does away with one of the main objections to direct marketing, namely, too much time taken from regular farm work. One farm advertised the sale of twenty acres of potatoes, dug by machine. People came from the city and towns, had the fun of picking them up, and saved considerable in comparison to the store price; while the farm owner received more than the wholesale price. Small and large fruits, such as grapes, berries, apples, etc., and vegetables can be disposed of in this way to advantage.

The conditions determining the best type to follow are: kind and quantity of products to be sold, and season ready for market; location with reference to centers of population and condition of roads; availability of family help; and local customs and competition.

**Roadside Marketing.**—If there is enough ordinary transient traffic to warrant the erection of a stand, and some member of the family not otherwise engaged is available, roadside marketing will usually prove most satisfactory.

The location of the stand must be chosen with particular care, keeping in mind four things: parking space, visibility from a long distance on the road, attractiveness of surroundings, and convenience to the house or fields. These points are too often neglected. If the farm has no particular name, choose one as attractive as possible, and use it on a neat sign erected near the stand. It is also desirable to place signs a few hundred feet down the road in each direction, in order to give motorists time to slow down for an easy stop. While these features will produce results far greater in proportion than the effort necessary in putting them in practice, a large majority of farmers wishing to sell direct are content with an illegible sign scrawled on the gate post.

Stands are of two general kinds, temporary and permanent. The former may be easily put up, of boards laid across carpenters' trestles, or some similar materials. Permanent stands are designed to protect from the weather, and are only profitable when traffic conditions are very favorable. Sometimes, in order to obtain sufficient volume of business and save labor, a group of farmers living near one another combine their products for sale at one stand, with satisfactory results.

**Pick-It-Yourself Method.**—If the "pick-it-yourself" method is followed, it is necessary to have several neat signs, both on the highway, at the gate, and in the yard, informing customers of what is for sale, and directing them toward the field or orchard and place of paying. For those consumers who have not brought their own containers, cheap baskets or other receptacles, such as sacks, should be provided.

**Sales to Retail Stores.**—If the products are to be sold direct to retail stores, it is a good plan first to visit as many as possible and obtain a list of regular customers, calling them up on the telephone if possible before leaving the farm each time a trip is made, so that a definite schedule may be arranged and no time wasted. Store customers may also be obtained by means of want ads, which will be discussed later.

**Parcel Post and Express.**—If the parcel post is to be used, all possible information on methods of packing, etc., should be obtained before starting out. The U. S. Department of Agriculture has published several bulletins on this subject. If products are to be shipped to retail stores, information as to packing, rates, etc., can be obtained from the local express agent.

### GETTING IN TOUCH WITH CONSUMERS

One of the main difficulties in the way of direct marketing has been the lack of means for getting the farmer and consumer together. The consumer wants dependable, fresh farm products, but does not know where to look for them. The farmer has these products to sell, provided he can do so without an unprofitable expenditure of time and labor, and if he knows exactly who wants them.

Probably the most effective method of getting in touch with prospective customers is through the want-ad sections of daily newspapers. The merchant and city dweller have long recognized the value of this medium in getting in touch with one another at the least possible outlay of time and expense. The farmer is beginning to do so. While want-ads have been used more extensively by farmers in other states, several Missouri farmers report that results from their use here have been "most satisfactory."

If products are not available to sell regularly, and it is only desired to dispose of the surplus of a particular product, only a few insertions at a few

cents each are necessary. However, if various products are coming on the market constantly it is a good plan to run a steady ad, which, however, should have the copy changed often, so that customers will learn to look for something new.

In writing the ad it is desirable to get the assistance of the advertising people of the paper. It should, above all, be interesting, with a "farmy" touch to it—human interest. Before writing the ad, jot down the important things you wish to mention, then choose the most interesting point for the first sentence. Use short, snappy words, and finish up with some positive suggestion to get action. The advertisement should be sure to give a description of goods, price, and full directions as to location of farm. Several examples follow:

"Delicious grapes—pick 'em yourself at Sundown Farm. Best for jellies and jams. Bring your own container, save money, and have loads of fun. Four miles out on Highway Twelve—a pleasant drive."

"Get your winter's supply of potatoes now. Pick-em-up at Sundown Farm, four miles out on Highway Twelve. We furnish the sacks. Save ---- a bushel and enjoy an outing on a real farm."

"It's apple time at Sundown Farm. Bring the kids along for a good time. Take home a sack or two of apples. We're almost giving them away—only ---- a bushel. Four miles out on Highway Twelve."

"Our Plymouth Rocks are proud of the eggs they lay for you. Strictly fresh, prepaid by parcel post. Send ---- for ---- dozen. Fairview Farm, Rising Sun, Missouri."

"Mr. Grocer—please your customers and save money with Fairview Farm Products. We ship prepaid twice weekly. Eggs, poultry, and other farm products in season. Prices based on quotations in Produce News. Drop us a card for full particulars. Fairview Farm, Rising Sun, Missouri."

If direct marketing is to be successful on any large scale, prospective customers must have definite information in advance concerning the three w's—where to go for the things they want, when they can get them, and what products are available at what price. Want-ads inserted in the local papers a few days in advance constitute an easy, satisfactory and inexpensive means of informing consumers of these facts.

#### MUTUAL BENEFITS NECESSARY

Experience has shown conclusively that if direct marketing is to prove satisfactory both producer and consumer must gain something from the transaction. Some inducement in the way of extra value or higher quality must be offered to consumers to compensate the latter for their extra trouble. Because of the large price spread between farmer and consumer on perishable farm products this inducement is not hard to offer and still leave an extra amount for the producer. Non-uniform and poor quality products have sometimes proved to be a stumbling block. Products should be graded wherever possible, and success should not cause the farmer to become careless as to quality or raise prices unreasonably, as has sometimes happened. However, it is true that for various reasons the products to be sold direct may not be of as high quality as those which go through the usual trade channels. This, in reality, gives direct marketing an advantage, since it is often the only way in which such commodities can be profitably disposed of. Consumers buying at the farm will usually overlook small imperfections in order to obtain freshness and lower price.