

Marketing Fresh Vegetables

This fact sheet is one in the series Enterprise Guide for Southern Maryland, providing information about alternative agricultural enterprises for farmers.

Because of the declining tobacco market in Southern Maryland, many farmers are turning to alternative agricultural enterprises to supplement their incomes. One alternative that farmers could consider is growing vegetables. If you decide to choose this alternative, it is important to know how and when to sell your vegetables.

In your new enterprise, marketing will be your first and last management decision. This decision depends on your type of operation and on conditions such as:

- Farm size;
- Crop diversification;
- Labor availability and cost;
- Equipment needs;
- Packaging requirements;
- Location;
- Customer demand; and
- Potential profit.

Once you have determined these, decide on which type of market to enter: wholesale, retail or a combination of the two.

Wholesale Markets

Producers sell to a middleman. This person sells to the retailer, who then sells to the consumer. Potential wholesale markets include: wholesale food centers (Jessup, Maryland and D.C.), brokers, local food stores, food co-ops, restaurants and other area retail operators.

Selling at a wholesale market has its advantages and disadvantages.

Advantages

- No direct contact with the public;
- Reduced legal requirements (such as zoning restrictions, insurance and licenses);
- Farm location not a major concern; and
- Consumer advertising not needed.

Disadvantages

- Lower prices;
- Greater fluctuation in prices;
- Extra processing and packaging costs; and
- Transportation costs

Retail or Direct Markets

The grower sells directly to the consumer. Retail markets include: pick-your-own operations, tailgate or farmers' markets and roadside stands. These markets require quality produce sold in a "farm-fresh" atmosphere.

Retail market operators should enjoy dealing with the public. Their employees should be reliable and should also enjoy working with people. Many successful retail markets are family-run operations.

Retail markets should have liability insurance coverage. Invite the insurance agent to inspect your operation. This creates a good climate between you and the insurance company.

Marketing Guidelines

First, you will need to evaluate the potential sales and/or volume of produce your market will generate. Do this on a crop-by-crop basis; yields, as well as time and length of harvest, are different for each crop.

Second, to ensure a continuous supply of produce, stagger your plantings. You also may need to use a wholesale produce source to supplement your own production at certain times during the growing season. Some roadside stands and tailgaters specialize in a few items while others display a wider array of products.

Third, the market should be easy to find, accessible and convenient to potential customers. Provide adequate parking especially during peak business periods.

Fourth, fresh produce should be sheltered as much as possible. A colorful canopy over a farm wagon is attractive and keeps the sun off the produce. Design your buildings to accommodate customer movement. Also, make sure that your fresh produce display is pleasing to the eye.

Fifth, produce must be clean, "farm-fresh" and of good quality to command top prices. Market prices may depend on competition and supermarket prices. In any case, know your costs and set your prices to include a profit.

Sixth, if you sell by weight, your scales must meet the standards of the Maryland Department of Agriculture's Division of Weights and Measures. It is legal, and common practice, to sell by volume or count. Make sure that each container is a standard unit (such as pint, quart, bushel).

Seventh, you must comply with zoning ordinance and licensing requirements in your county. Check out these requirements with the appropriate county agency.

Eighth, use signs when you first start out. Even as your market develops repeat customers, signs should be maintained to attract new buyers. Signs should carry a short, legible and neat message. Include the name and type of market, traveling distance and/or directions.

Ninth, advertising in your local newspaper or on the radio is effective, especially for opening dates and

for featuring specials. Paid advertisements are most effective for short periods of time.

These are general guidelines. Soon enough, you will develop a style and personality that you can project into the market. Good basic planning with alternatives will keep your operation running smoothly. For more details and assistance contact your County Cooperative Extension Service Office.

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1988