

Location and Facilities for On-farm Sales

Location

A good location is essential for the success of your farm-direct marketing business. Your farm's location helps determine what kind(s) of farm-direct marketing will work best for you.

On-farm enterprises

On-farm, direct-sales operations tend to be more successful when they are within a few miles of a city, town, or resort. As suburban and exurban populations grow, so does the opportunity to establish a direct-marketing operation that attracts regular commuters. On-farm direct marketing, such as a roadside stand, U-pick operation, tourism, or seasonal event, is more likely to succeed if your location has many of these key characteristics:

- On a well-traveled road near population centers or recreation areas, such as a state park or bike path
- Farm or signs are visible from a road
- Safe entry and exit to your property not constrained by sharp curves, hill crests, high-speed highways, and other hazards
- On the “correct” side of a road leading into or out of town
- Easy access to all the utilities you need
- Near other farm-direct marketing businesses

Many customers stop at a roadside farm stand on impulse because the stand or products look interesting. Thus, adequate space for a good flow of traffic is especially important if impulse buying is a big share of sales. A group of stands in one area can create a “cluster effect” that attracts more customers—each stand complements the others if the number of buyers and sellers is balanced. Several farm-direct businesses could work together to jointly promote the cluster.

Where traffic flow and location are not ideal, consider more specialized operations, such as U-pick or seasonal on-farm events (for example, a corn maze or farm-to-plate dinner). Agritourism events, such as farm tours or farm stays, can also work for farms that are off the beaten path. The bottom line is that although all on-farm marketing would benefit from high-quality location and traffic flow, those features are not essential for success. Through advertising and promotion, U-pick or agritourism operators can attract customers who enjoy the rural landscape and on-farm amenities.

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The Farm-direct Marketing Set

A farm-direct marketing business provides both attractive opportunities and unique challenges to farm families. The farm-direct marketing series of Extension publications offers information about establishing and developing a range of farm-direct enterprises.

Other publications available in the series are:

- An Overview and Introduction (PNW 201)
- Costs and Enterprise Selection (PNW 202)
- Merchandising and Pricing Strategies (PNW 203)
- Personnel Management (PNW 205)
- Financial Management (PNW 206)
- Legal Guide to Farm-direct Marketing (PNW 680)
- Food Safety and Product Quality (PNW 687)

To learn more, consider one of the online courses offered by Oregon State University, Washington State University, and University of Idaho:

In Oregon—Growing Farms: Successful Whole Farm Management <https://pace.oregonstate.edu/catalog/growing-farms-successful-whole-farm-management>

In Washington—Cultivating Success™ Sustainable Small Farms Education Program: <http://cultivatinguccess.wsu.edu>

In Idaho—Cultivating Success™ Sustainable Small Farms Education Program: www.cultivatinguccess.org

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Off-site enterprises

Off-site direct marketing is also a good option for some farmers. If your farm is very remote from a town or city, farmers markets are a good option because you can bring your products to the customers. Many communities now have regular farmers markets, or you could start a CSA (Community Supported Agriculture) business in which customers buy a “share” or “subscription” to your farm products for delivery to a central location. Selling directly to retail, restaurants, and institutions is also an outlet for farm products.

Many farmers now use a combination of marketing channels that reinforce one another. In this case, you can use a farmers market booth or a CSA to build name recognition and draw customers to an on-farm store or U-pick operation. As you evaluate off-farm sites, remember that you will have extra expense for renting space, transporting products, and staffing.

Site Selection

If you decide to use an on-farm method of direct marketing, the next choice is where on the farm to host your customers. There are two major considerations: convenience for the customer and convenience for you.

For the customer’s convenience, the facility should be easily visible from the roadway. Visibility is influenced by such features as a long, level stretch of road and a location on the outside of a broad curve or near the top of a long hill. Site selection is also influenced by whether there is parking nearby.

Many potential customers will drive past a direct-sales operation if the turnoff is the least bit dangerous or difficult. One solution is to build a wide shoulder lane. However, check the right-of-way and other regulations with state or local agencies before making physical changes on public roads to improve the entrance to your business.

For your own convenience, the best site may be near your farm buildings. Lights and water may be a necessity at a farm stand, or at a U-pick or event entrance or checkout point, and extending utilities from existing farm buildings is a lower-cost way to service your farm stand or U-pick office. With your operation so close, you may not need to be at your farm stand continuously. If you don’t want to be bothered at certain hours, you can post business hours near the entrance to your parking lot.

Many producers have had success using an honor and self-service system when the stand is near their home. Theft of product and money are always a concern, but many operators with stands close to their homes report few losses.

Parking

Parking is an important part of on-farm direct marketing. Plan carefully for easy entry and exit by customers. The ideal, of course, is to have wide, smooth approaches from the road to the parking area’s driveway. Approaches should be free of obstructions that would hide other cars arriving or leaving. Sometimes a small island separating an entrance and exit helps to safely direct traffic flow. The number of parking spaces needed is related to expected business volume.

Drivers seldom use parking space efficiently unless spaces are clearly marked. If possible, mark individual parking places with logs, poles, chalk, or rope. On

Agritourism, U-pick, CSAs, and other innovative farm-direct marketing ideas can be a great source of additional revenue, but they require careful planning. You must consider legal and regulatory issues such as zoning, insurance, and liability. See the PNW Extension publication *Legal Guide to Farm-direct Marketing* (PNW 680) to evaluate whether these options are right for you.

blacktop surfaces, painted lines 3 to 4 inches wide reduce confusion. On gravel or other uneven surfaces, you could also paint or apply chalk but it must be re-applied as needed depending on weather and frequency of use. Once a parking design is established, most customers will park accordingly.

These general rules may help you plan your parking arrangement:

- Allow about 15 parking spaces for each 100 cars expected daily.
- Allow about 4 square feet of parking space for each square foot of market area.
- Parallel parking spaces, if provided, should be 22 feet long by 10 feet wide.
- Diagonal parking is easier to use than parallel parking but requires more space. Angle spaces at 90, 60, or 45 degrees.

Many problems arise from improperly prepared and surfaced parking lots. Good drainage prevents potholes, ruts, and corduroyed surfaces. Use water, gravel, calcium chloride, or commercial products to control dust. Blacktopping may be the most practical choice in the long run.

Facilities

Size and type of operation are the two main factors to consider when planning facilities. Most farm direct businesses start out small and expand as customers and volume increase. Starting out on a small scale lets you:

- Learn whether farm-direct marketing suits your temperament and way of life
- See how direct marketing fits into your farm operation, or what changes in farm products or practices may be needed to satisfy your consumers' preferences and ensure their safety and comfort
- Keep your investment down, to minimize losses should you decide to give up direct sales
- Test alternate sites for your stands or markets to find out which attract customers best and which are most accessible to your fields, packing houses, or cooler

Roadside stand or market

Visit other direct-marketing facilities to get ideas. Ask for the advice of a reputable architect or store layout consultant before you build. It may save you time and money in the long run.

You may find that an existing barn, shed, or packing house can be converted to a roadside stand for less money than building something new. Also, unless properly designed, a new building may not provide the "on-the-farm" atmosphere important to attracting customers.

If you decide to build, your stand or market's design depends on how much volume your business handles and the types of products you sell. The design should include a sales room, a preparation area, and a walk-in refrigeration area to hold foods at proper temperatures, if necessary. See the PNW Extension publication *Farm-direct Marketing: Food Safety and Product Quality* (PNW 687) regarding food safety for different products. Anticipate your current and future needs for electricity, water, drains, and expansion. Facility expansion can be very expensive if not planned for up front.

An existing barn, shed, or packing house can be converted to a roadside stand for less money than building something new. Also, unless you take great care, a new building may destroy the "on-the-farm" atmosphere important to attracting customers.

When you are ready, other building design elements to consider include:

- Customer convenience and safety
- Ease of operation and labor requirements
- Sanitary facilities
- Storage requirements
- Construction cost
- Appearance (an attractive farm image)
- All-weather operation
- Ease in altering or relocating displays

Display equipment does not have to be elaborate, but it should allow you and your customers to easily see the merchandise. Containers and shelves should be easy to clean. Devote some quality time and analysis to choosing the type of equipment that fits your particular needs and budget. Some options to consider:

- **Dry racks.** These are the most common because they are easy to install and require minimal maintenance. They are probably the least expensive, but they also do the poorest job of keeping perishable produce looking attractive. Only the so-called “hardware items” (potatoes, turnips, rutabagas, and produce that sells quickly) will really work on dry racks.
- **Wet produce racks.** These are used to display hardier produce items. They keep perishables attractive by sprinkling them regularly with water. Note that wet racks are not appropriate for most packaged produce items.
- **Ice produce racks.** These extend the shelf life of most perishables. A 2-inch layer of ice on a well-insulated, properly drained ice rack keeps produce in top condition in most weather. Sprinkling is still necessary. Ice is also used when storing perishable produce overnight.
- **Mechanically refrigerated produce cases.** Many roadside farm stand and market operators use these. They have most of the advantages of ice but require less labor to operate because you do not have to refill the ice, and they eliminate the hazard of ice and water on floors if ice is spilled. The installation cost may be high, however, and you must also consider the ongoing costs of electricity, maintenance, depreciation, etc. Wilted produce can be a problem unless you sprinkle regularly.

Give a lot of thought to traffic flow within the market. Displays, shelves, and racks can be arranged to guide consumers on a certain path, which should pass nearly all sales items in order to increase impulse buying. Traffic flow also makes it easier to direct customers to a central checkout station.

U-pick business

In a U-pick operation, the stand layout and display are much less complicated. However, your control and management of the product and customers is still very important.

Lay out and stake the fields or rope them off into blocks or rows to ensure an even and complete harvest. Have a way to direct customers to the areas that have ripe fruit. Customers also appreciate the opportunity to express a preference for a particular variety. Simple and polite instructions for picking are important (be sure to maintain a friendly tone). Check areas that have already been picked before sending more customers out to the fields.

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