Farming is more competitive today than ever. One popular marketing option which allows farmers to receive a higher return for their crops is direct marketing. Instead of paying packers, shippers, and brokers to market their crops, direct marketing allows farmers to sell directly to consumers. Some of the benefits include cash sales, immediate payment, and more control over prices. Barriers that farmers may encounter include insurance liabilities and zoning restrictions. Use the following chart to help you decide which marketing method best suits your operation.

## Characteristics of Direct Marketing Alternatives

### by Deborah Young

**Pick-Your-Own**
- **Investment**: less capital investment; need containers, ladders, locational signs, parking, building or stand
- **Growth Liability**: high liability insurance: liable for accidents
- **Other Costs**: need labor for field supervisors and check-out stand; field site transportation; advertising and promotion costs
- **Pricing**: large sales per customer; no transportation costs; no sales or broker fees
- **Quality**: no grading; can sell whatever customers pick; freshness
- **Barrier to Entry**: limited demand; limited crops; short season; location
- **Special Advantages**: average value of purchase per customer may be higher than at other direct marketing outlets
- **Special Disadvantages**: affected by weather; damage to field, trees, plants; location may be critical

**Roadside Market**
- **Investment**: need building or stand, parking, containers, signs, scales, coolers, etc.
- **Growth Liability**: liable for accidents; need liability insurance
- **Other Costs**: need sales labor; advertising and promotion costs; some storage, packaging, and handling costs; may need to purchase additional produce
- **Pricing**: fairly large sales per customer; limited ability to sell large volumes; no transportation costs; sales or broker fees
- **Quality**: can classify and sell more than one grade; can sell seconds; spoilage
- **Barrier to Entry**: limited demand; location; road access; marketing management
- **Special Advantages**: can be expanded to meet needs of producer; can be tailored to customer’s tastes and preferences
- **Special Disadvantages**: affected by weather; location may be critical

**Farmer’s Market**
- **Investment**: very little capital investment: rent parking or building space, containers, scales, bags, etc.
- **Growth Liability**: need liability insurance unless covered by market
- **Other Costs**: need sales labor; stall or sales fees; display costs; transportation, storage, packaging, and handling costs; no advertising and promotion costs
- **Pricing**: smaller sales per customer; direct competition from other growers no
- **Quality**: highest quality needed
- **Barrier to Entry**: municipal restrictions; conflicting goals of organizers; marketing management
- **Special Advantages**: potential for large number of customers; low overhead; advertising done by organization
- **Special Disadvantages**: time consuming; must transport produce; do not have as much control over promotion
FROM:
Direct Farm Marketing and Tourism Handbook.

Disclaimer

Neither the issuing individual, originating unit, Arizona Cooperative Extension, nor the Arizona Board of Regents warrant or guarantee the use or results of this publication issued by Arizona Cooperative Extension and its cooperating Departments and Offices.

Any products, services, or organizations that are mentioned, shown, or indirectly implied in this publication do not imply endorsement by The University of Arizona.

Issued in furtherance of Cooperative Extension work, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, James Christenson, Director, Cooperative Extension, College of Agriculture, The University of Arizona.

The University of Arizona College of Agriculture is an Equal Opportunity employer authorized to provide research, educational information and other services only to individuals and institutions that function without regard to sex, race, religion, color, national origin, age, Vietnam Era Veteran’s status, or disability.