

MARKETING SMALL FRUIT . . . POINTS TO PONDER

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This is the first in a series of small fruit articles on marketing, harvesting, postharvest handling and storage of small fruit. Whether you wholesale, retail, or U-pick, it is important to do your homework before the berry harvest. Although harvest here in New York is still some months away, it's not too soon to begin getting ready. Below are some points to ponder on small fruit marketing whether you are a first time small fruit grower or a veteran producer.



DON'T PICK A SINGLE BERRY UNTIL YOU HAVE A MARKET FOR THEM.

Seriously, the very perishable nature of small fruits requires immediate sale and use of fruit for maximum quality and customer satisfaction. Price and reputation depend largely on quality. Once damaged, a reputation is hard to repair! So, think quality in every aspect of your operation!

No matter how you choose to market your small fruit, customer contacts should begin well in advance of the harvest season... Take time to inform and educate potential customers about your product, when and how much of it will be available and its quality. This type of investment can yield great returns and seldom results in mad scrambles to sell fruit before it rots or dropping prices below the profit margin to get fruit to move!

Fresh Market or Processing?

The first marketing decision to be made is what purpose your crop will be sold for – fresh market or processing. Table 1 below compares production and marketing variables relative to fresh and processing fruit. There are advantages and disadvantages to both. It is advisable to evaluate your farm resources, location, and personality before deciding to produce fresh market or processing small fruit.

Table 1. Production and marketing variables: fresh market vs. processing fruit

	Fresh Market	Processing
Fruit quality requirements	Very high standards	Less stringent standards
Harvest	Hand harvested	Machine harvested
Profit margins	Usually higher	Usually lower
Middlemen and commissions	None	Often must be paid
Customer liability	Yes*	No*
Location	Near significant population centers.	Anywhere with readily available transportation

* refers to liability in terms of on farm-related injuries and accidents; does not include potential food safety problems; in those instances, both grower and/or processor may be held liable.

Wholesale or Direct Market?

The next decision involves whether you will market the fruit yourself (direct market) or through others (wholesale/retail).

Wholesale/Retail

Wholesale markets typically include retailers, such as supermarket chains, food manufacturers, or institutions (colleges, hospitals, prisons, schools, businesses etc.). Traditional areas for large wholesale small fruit markets in the northeast include New York City, Boston, and Philadelphia. These markets need relatively large quantities of small fruit for their businesses; most of this fruit comes from larger producers or grower/marketing cooperatives.



Many small fruit wholesale growers participate in marketing cooperatives. Pooled production allows them to meet the needs of large buyers and makes most efficient use of promotion and advertising dollars. Cooperatives may be large or small in terms of grower cooperators. Is there a small fruit cooperative operating in your area or region? Are they taking new members? What do they require of participants? If not, investigate the possibility of beginning a cooperative with other interested small fruit growers near by.

Direct Market

These small fruit markets include PYO (Pick Your Own), roadside or on-farm sales and farmers markets. While these marketing venues may bring larger returns than wholesale or processing markets, it also may require longer hours, particularly on week-ends.



PYO-Location, Location, Location!

One of the key points for success in a PYO operation is location. Your operation should be located on an improved road or heavily traveled route near a population center. In general, one acre PYO berries requires population of 1,000 within 30 mile radius. In general, customers will not travel more than 25-30 miles to make a PYO farm visit unless similar operations in the area are few or agritourism experiences are also available on farm.

Successful PYOs provide a pleasant experience, high quality berries, and prices competitive with local stores. PYO operators should be good with people, friendly, open, honest, courteous, and well-informed about their products. PYO farms need to be easy to find, neat and well kept, with parking is adequate to handle even the largest crowd. Most of all, a PYO operation needs to have the consistent crops needed to build reliable customer base.

Take time also to educate consumers about postharvest handling of your product to maintain its quality after purchase. Be sure to include information/instructions in good agricultural practices and provide washing stations for fruit to be consumed on the way home.

Roadside Stand – A Trip to the Farm

National averages for travel to roadside stands are reported to be between 40 and 60 miles. People want to visit the farm; travel distance is no longer as critical a component in farm stand success as in the past. However, the further the stand is located off a well-traveled road, the more important it becomes to offer a wider variety of products, and the greater effort needs to be made to create interest and attract repeat business.

Another key aspect is layout, especially as it concerns traffic flow. For example, a single lane exit/entrance road may create major traffic jams and delays during peak sales periods. Make it as easy as possible for the customer to get in and out of the operation. Be sure to provide adequate parking as well. Don't forget to make the operation handicap accessible.

In terms of display, packaging, or pricing, make it as easy as possible for the customer to buy. Arrange displays so all goods are easily accessible and prices are visible and legible. Offer products in small, medium, and larger quantities. Provide shopping baskets, bags or other packaging as needed. Consider using small pull handle wagons or carts to help customers transport bulky or heavy purchases to the checkout. Avoid the department store checkout line! Maintain that on-the-farm feeling by offering several separate sales areas, in the stand itself, outside counters, in the bakery, etc. Create a relaxed, authentic atmosphere, and be sure to allow lots of space for customer browsing and movement.



Set a price for the year so farm stand or PYO customers may be notified by mail. Prices may be lowered for specials, if desired. Pricing and packaging by count, box, or container saves time for both you and the consumer.

Keep the experience fresh by shaking up the routine periodically to keep interest high, repeat customers coming back for more, and new customers coming in. Create colorful, eye-catching displays, being sure to include related products in the display. Set up recipe displays with ingredients and pictures of the finished product. Offer samples whenever possible. Employ friendly, approachable sales people to stand by to assist with purchases, answer questions and suggest uses for a particular product.

Studies indicate approximately 20% of roadside stand customers are lost annually due to various types of attrition; they move away, are deceased, select another stand, etc. An annual farm festival of some type serves as a venue for replacing that lost 20%. If your operation is too small to hold a festival of its own, join with other farms in your area. Have a festival theme, basing promotional items, displays, and advertising around the theme.

For more information, see “Roadside Stand Marketing of Fruits and Vegetables” (reference at the end of the article), an excellent 40 page resource for more information on this topic.

Farmers' Markets- A Social Affair

Farmer's markets have been around for centuries, and served as a medium for farmers to sell their produce directly to consumers. They provided a colorful and festive occasion for local residents to meet and interact on a regular basis. As our country became more industrialized, farmers' markets were replaced by produce brokers and supermarkets. A resurgence of farmers' markets has occurred over the past 2 decades and they have regained their popularity in recent years.

Often there are local and regional markets to choose from. What are some questions to ask when considering a particular farmers' market?

- ♥ Membership fees and responsibilities
- ♥ Hours, days, months of operation
- ♥ Rules for sales
 - Producers-only
 - Non-farm produce
 - Value-added products, arts and crafts
 - Containers, weights and measures
 - Pricing
 - Penalties for infractions
- ♥ Space assignments

A farmers' market is only as successful as its vendors. Successful vendors have displays that are well-organized, neat, and eye-catching. Displays should offer only the highest quality small fruit for sale at fair market prices. Offering samples and providing recipes or information on preparation is often a good selling point. Encourage purchases by providing friendly, courteous, respectful service.

Advertising

Word-of-mouth continues to be the most effective advertising, in both a positive and *negative* sense! Satisfied customers are more likely to recommend you to family and friends, and make repeat visits. Unsatisfied customers, however, may actually hurt your business, as people are more likely to complain than compliment. Product quality, exceptional service and enjoyable experience are critical to having satisfied customers. This is summed up in a simple formula: 20% of customers account for 80% of business; it is important to have a loyal repeat customer base.

There is no "silver bullet" when it comes to advertising. Be creative and utilize all local venues for direct and indirect marketing: publicity in the form of newspaper articles/features; direct advertising through newspaper ads, on radio or TV; direct mailing pieces or e-mail notices; websites; road or billboard signage etc.

A Word about Pricing

Fair pricing is essential to successful marketing and to a profitable business. Product pricing should be fair to both the consumer (getting good value), and the producer (returning a positive revenue). Know how much it costs to produce your fruit, then set your price high enough to realize a good profit without cheating the customer or being too far above the competition.

Reducing prices to undercut the competition may cause more harm than good. Often any increase in customers or sales volume generated by such a strategy does not compensate for lowered prices. If competitors lower their prices in response, it may result in selling at break even prices or lower in order to compete for business.

Pricing above the competition sends the message your products are superior to theirs. Superior products can command higher prices and still leave the customer feeling they in effect got a bargain. A word of caution- be sure what consumers are paying for is what they are getting!






Evaluating the Success of Your Marketing Strategy

Were you able to sell all of your berries at a price that yielded good return? Are you getting repeat business? Is your business growing? Marketing strategies are just that, strategies. What may work for the person in the next county may or may not work for you. Don't be afraid to add, subtract, or modify marketing ideas as needed to get the best returns for your operation.

Talk to and listen to your customers. Ask where they heard about your product or operation. Were you recommended to them by someone they know? Did they see your ad in the local paper? Did they hear your 30 second spot on the local radio station? See your sign from the road? Google your web site or find you listed in the directory of your state or regional group or organization (i.e. the New York Berry Grower's Association county by county listing of berry farms)?

Keep records of what did or did not work in terms of marketing. Note at season or annual trends. Record things like variety/product preferences, timings of best sales, marketing ideas and strategies, associated costs, amount of effort required, volume of sales generated, and so on.

To Sum It Up

-  To produce a quality product, think quality in every aspect of your operation.
-  Don't pick a single berry until all the fruit is sold.
-  Take time to educate consumers.
-  Price fairly.
-  Evaluate your success.

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