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Farmer-to-Consumer Marketing

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Farmer-to-consumer marketing, sometimes called direct marketing, generally refers to sales by farmers through roadside stands, farmers' markets, and at pick-your-own (PYO) farms.

The Farmer-to-Consumer Direct Marketing Act, passed in October 1976, was designed to support and promote direct marketing activities. It instructs the USDA to conduct annual surveys of direct marketing activities throughout the Nation. However, limited funds kept the first study to six States—Indiana, Michigan, New Jersey, North Carolina, Ohio, and Pennsylvania. These States were selected because of the availability of sampling lists and the importance of direct marketing to their agricultural economies. The initial survey was completed in December 1978.

Michigan was the leader in direct market sales with nearly \$76 million, followed by Pennsylvania, Ohio, Indiana, New Jersey, and North Carolina. Michigan also had the largest number of growers involved in direct marketing—over 23,000 in 1978.

Floral and nursery products were major items in 1978 direct marketings. Michigan led with over \$22 million in direct sales; Ohio ranked second with over \$17 million.

Pennsylvania led with over \$10,000 in average sales per grower. New Jersey ranked second, with \$5,658 per direct marketer, followed in order by Ohio, Indiana, Michigan, and North Carolina.

Among fruits sold by direct marketing, apples led the way and Michigan was again the leader with nearly \$11 million in sales. Strawberries, along with peaches and nectarines, were the next most popular fruit marketed directly from farmer to consumer.

Sweet corn was by far the most popular vegetable sold directly from farmer to consumer. Pennsylvania and Michigan each had slightly over \$2 million in direct sales of sweet



corn in 1978. New Jersey, a very close third in corn sales, led the six-State grouping in direct tomato sales with nearly \$1.5 million. Tomatoes were the second most popular vegetable to be marketed directly from farmer to consumer.

Pennsylvania was unique among the six States surveyed in having the only significant amount of dairy products sold directly to consumers—nearly \$27 million. This is accounted for by Pennsylvania's tradition of direct sales of fluid milk and other dairy products through "milk juggers." These independent producer-retailers market their State-inspected products at their own retail outlets. Over 250 such operations were licensed to do business in Pennsylvania as of January 1979.

North Carolina moved a wide variety of commodities directly to consumers during the 1978 marketing year. North Carolina was the only State in

the survey to report direct sales of pecans, okra, lima beans, green peas, and "salad greens."

Sixty-four percent of farms in New Jersey used direct marketing, and direct sales accounted for almost 8 percent of gross cash farm receipts. Michigan ranked second in relative importance of direct marketing to farm sales—36 percent of the farms sold directly to consumers and direct sales represented almost 4 percent of gross cash receipts.

A companion mail survey of direct marketing activity among farmer cooperatives is currently underway. More than one-third of the cooperatives have already responded to the survey which began in May 1979. Based on the responses for nearly 350 cooperatives, about 22 percent are involved in direct marketing. In relation to total goods marketed, however, the quantities appear to be small. □

Farmer-to-Consumer Sales, 1978

	Indiana	Michigan	New Jersey	North Carolina	Ohio	Pennsylvania
Fruits and Nuts:						
Apples	\$3,716,873	\$10,598,647	\$2,749,414	\$966,959	\$3,480,701	\$5,874,280
Strawberries	625,678	4,230,835	1,471,609	1,862,603	2,853,514	2,324,533
Other berries	812,288	1,470,498	513,665	333,815	446,685	178,281
Peaches and nectarines	1,102,353	1,674,755	1,411,581	994,075	410,736	2,376,518
Cherries	—	669,327	16,372	—	44,736	316,849
Grapes	—	162,262	30,849	267,719	191,465	132,460
Pears	98,058	384,656	53,776	—	113,416	305,568
Plums	—	213,210	—	—	—	89,415
Misc. fruit and nuts ¹	74,343	36,231	5,716	39,506	16,709	24,226
Total fruit and nut sales	6,479,274	19,440,421	6,252,982	4,464,677	7,557,332	11,622,130
Average fruit sale per farmer	5,501	3,058	8,997	1,563	11,114	12,551
No. of farmers selling	1,178	6,358	695	2,858	680	926
Vegetables and Melons:						
Sweet corn	1,251,579	2,190,426	1,849,475	202,905	1,679,650	2,326,075
Melons	567,605	191,591	178,134	259,786	526,433	414,604
Cabbage, cauliflower and sim.	354,121	403,953	142,213	105,885	71,556	194,424
Tomatoes	571,985	596,074	1,484,737	265,220	380,157	680,109
Green beans	505,808	293,837	179,893	281,651	93,831	170,844
Peppers	169,503	57,255	111,271	—	158,846	127,063
Potatoes (white)	195,977	545,633	121,962	—	377,353	731,451
Pumpkins	109,857	37,872	28,969	—	43,143	135,138
Squash	225,204	223,936	158,238	36,806	52,353	117,975
Cucumbers	104,750	108,470	104,279	52,462	34,715	164,357
Asparagus	—	209,479	—	—	—	—
Sweet potatoes	—	—	25,112	122,804	—	—
Green peas	—	—	—	403,743	—	—
Misc. vegetables ¹	1,149,855	3,659,835	255,522	249,791	51,611	149,769
Total vegetable sales	5,306,244	8,518,361	4,678,953	1,981,053	3,469,648	5,211,809
Average vegetable sales per farmer	\$2,324	\$1,247	\$4,754	\$350	\$7,593	\$2,348
No. of farmers selling	2,245	6,831	1,023	5,665	457	2,220
Other products:						
Floral and nursery products	\$11,047,968	\$22,293,604	\$12,453,421	\$11,781,868	\$17,105,282	\$11,788,492
Livestock, poul. and prod.	304,020	1,111,641	1,261,799	330,029	1,161,512	8,783,612
Christmas trees and forest products	473,279	677,444	423,797	448,717	863,489	351,843
Honey and syrups	189,214	599,300	71,504	109,549	366,442	238,913
Processed fruit products	194,673	1,926,679	652,621	—	293,490	117,011
Dairy products	—	—	—	—	—	26,916,912
Other misc. products ¹	8,847,720	21,400,626	1,864,144	881,736	3,854,190	356,879
Total other products sales	21,056,781	48,009,294	16,723,821	13,551,899	23,644,405	51,724,623
Average sales of other products	\$4,304	\$3,566	\$4,828	\$2,941	\$3,804	\$13,250
No. of farmers selling	4,892	13,466	3,464	4,609	6,216	3,904
Total direct sales all products:	\$32,842,299	\$75,968,076	\$27,655,756	\$19,997,629	\$34,671,385	\$68,558,562
Total farmers selling direct	6,939	23,591	4,888	11,730	6,949	6,650
Average sales per farmer	\$4,733	\$3,220	\$5,658	\$1,705	\$4,989	\$10,310
Total number farms in State	90,000	65,000	7,600	100,000	98,000	61,000
Number farms selling direct	6,939	23,591	4,888	11,730	6,949	6,650
Percent selling direct	7.6	36.3	64.3	11.7	7.1	10.9
Percent cash receipts derived from D.M.	1.0	3.7	7.7	.6	1.1	3.2

¹The commodities in the misc. and other misc. category included those where 50 percent or more of the estimate was realized from 10 or fewer reports. Because of the rarity of reported sales, the value represented by the expanded sales of these items may over or under represent the actual income from the

sales of these specific items directly to the consumer. However, the total value of all sales direct to consumer are aggregated across all commodities which reduces the effect of the individual commodity variability and results in a reliable total.