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## FARM DIRECT MARKETING FROM A PRODUCER'S PERSPECTIVE

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The Eckert family farm operation began in 1837 when my great, great, great grandfather brought his family to Southern Illinois from Dietzenbach, Germany. The first 366-acre farm purchased in 1847 is still owned by our family.

As future generations came into the business, more farmland was purchased. Eckert enterprises from the 1950's – 1970's included a grocery store, cannery, slaughterhouse and packing plant. We were wholesale growers and packers of over 300,000 bushel of apples and 45,000 bushel of peaches. At our peak of production, we owned over 3,000 acres.

The challenges facing us then were not much different than those facing farmers today. As wholesale growers, we did not have control over the ultimate price of our product and were subject to farm labor shortages at harvest time. Therefore, in the 1960's, we researched a new direct marketing concept just beginning at the time called pick-your-own (PYO). We converted one of our wholesale farms into a pick-your-own farm in 1964 and a second location in 1968. At one time, we had five pick-your-own sites and now manage three pick-your-own retail farms plus our Country Store complex.

While the PYO concept was totally new to our area in 1964, we struggled in the early years to sell the crop direct to the customer. However, the conversion to pick your own helped ease our wholesaling pressure of finding a market for our products and dealing with a less than reliable labor source.

The PYO concept grew and became greatly successful because of tremendous customer acceptance and our access to the St. Louis, Missouri metropolitan population. Pick-Your-Own direct marketing attracted urban families to come to the country for a special experience. We offer quality, homegrown fruit at an attractive price generally below the grocery store retail. We now see families with three generations coming to our farms to continue their tradition of apple picking.

As our PYO sales grew in the 1970's and 80's, we began to sell off all of our remote wholesale apple production acreage and packing plant to allow us to focus on the retail business. We now own and operate our Country Store complex and three pick-your-own locations. Our total farm acreage now is approximately 1,200 acres. Our direct retail apple harvest is about 50,000 bushels and our peach harvest is 30,000 bushels.

The pick your own method of retailing allows us to set our own price and not be dependent on the wholesale market fluctuations thus improving our profit margins after harvest and giving us an immediate return on our crops.

Over the past 30 years, we have watched the changing family trends of reduced picking volumes. This change started to occur as more women entered the workforce and had less time to be at home canning, baking and cooking meals. Hence, the demand for large volumes of fruits by individual families has drastically been reduced.

To meet the needs of our changing customers, Eckert's as well as other direct farm marketers across North America are diversifying their businesses in order to keep the family farm viable. A major shift in emphasis for the direct farm retailer today has gone from "growing the crop" to "marketing the farm and the farm experience."

Our main farm & Country Store is now open 10 ½ months a year and our other two pick-your-own outlets are open for approximately three months. We currently have five family members and two spouses involved in managing the business and growing the crops. We permanently employ about 35 people and the number rises to over 300 during our busiest fall season. The crops we grow for public picking are strawberries, blackberries, peaches, apples, pumpkins and Christmas trees.

At Eckert farms we are approaching the direct marketing challenge in several ways and must often adjust our marketing plans based on the crop, the season of the year and each farm location. Here are some of the specific things we are doing to expand our direct farm sales.

1. We want to keep the customer on the farm longer by offering more retail variety and farm activities. (Our main farm location offers the following: Country store, gift shop, fudge counter, bakery, restaurant, custard shop, kids play area, petting farm, farm tours, special events and festivals.) We recognize that the longer a customer stays on the farm the more opportunity for an increased average sale per customer.

Our main farm hosts approximately 250,000 guests per year and our seasonal farms an additional 80,000 guests.

We breakdown our business into two operating companies. Eckert's Inc. is our retail business and Eckert Orchards handles the growing, retail harvest and pick-your-own. Eckert's Inc. further breaks down into departments with separate inventory, wage tracking and profit and loss statements.

2. We want to increase the average number of visits to the farm by our customers throughout the year by featuring a variety of events and activities. We offer the following activities for families with children: Easter egg hunt, craft classes, Mothers and Fathers day activities, gingerbread house making and breakfast with Santa. Our special events include craft shows, bike rides, antique tractor displays, and walks of the farm, featured food evenings and various crop-related themed activities.

Many of these events are partnered with local charitable and business groups.

The vast offerings of special events and festivals by Eckert's have put us in the local and regional tourism literature as a "farm destination." Because of our excellent regional name recognition and customer counts, we now have many groups coming to us wanting to partner and hold events on our farm.

3. In 1998, we converted one of our PYO farm locations into a Fun Farm where we added many family activities and entertainment along with our apple picking. We now charge a \$2.00 per person admission to enter this farm. We felt the improvements to the farm now justify an admission and will help fund future improvements that will allow us to stay competitive with other St. Louis family attractions.
4. Over the past five years our biggest area for growth has been our food service area which includes our restaurant, outdoor food stands, fudgery, bakery and custard shop. To meet this rising business demand, we expanded our restaurant facility in 1998 from 32 seats to 96 and now serve breakfast, lunch and dinner seven days a week. Future plans call for adding 42 more seats in 2000.

We have also begun to market our farm for family outings, company picnics and adult bus groups, which are a further extension of our improved food service facilities.

The retail diversification of Eckert's is intended to make us less weather and crop dependent while positioning us as a "unique destination and direct farm marketer." As the 5<sup>th</sup> and 6<sup>th</sup> generation family members are now involved in the business we are committed to provide not only the continuity of our business but to provide quality farm products and a quality farm experience for our guests.

We are not alone in this direct marketing endeavor. Eckert's is a member of the North American Farmers' Direct Marketing Association and we regularly attend their annual conferences to network with other farm owners who have embarked on this same direct marketing retail path. As past President of NAFDMA and a current board advisor, I see a strong future for our organization and for our members. Our membership not only includes established farm family businesses but we are also seeing many new entrepreneurs entering farm direct marketing. Some of our members are able to make their living from just a very active two-month fall season.

At our annual conferences we share our new and innovative retail and management ideas, listen to featured speakers and look ahead to what our customers will be wanting in the years to come. We want to keep our farms for future generations and provide a reasonable living for our families. Farmers don't always measure all of their rewards in bottom line profits yet with today's economic reality we must produce a reasonable return for our capital and assets.

I am optimistic that the trend of farm direct marketing will continue to grow and be recognized as an important use for our agricultural land.