

Farmer-to-Consumer Direct Marketing, Selected States, 1979-80

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INTRODUCTION

Direct farmer-to-consumer marketing includes any method by which farmers sell their products directly to consumers. This study covers the extent of direct farmer-to-consumer marketing of farm products in selected States during 1979 and 1980. Results contained in this report are based on surveys of approximately 350 direct-marketing farmers per State (or per sampling unit). ^{1/} The surveys were conducted under provisions of the Farmer-to-Consumer Direct-Marketing Act of 1976 during December 1979 and March 1980 and primarily covered the 1979 marketing season. This is the second report based on systematic surveys conducted by the Economic Research Service to monitor the extent of direct marketing as required by the act.

There are both economic advantages and disadvantages in farmer-to-consumer direct marketing. Farmers can increase their incomes by obtaining higher prices, reducing costs, or putting underemployed resources to better use. Consumers benefit from lower per-unit prices and higher quality products.

A prime disadvantage to farmers is that the total volume of product in a given area that can be sold during a specified time period is limited by the number of consumers in the area. Since many agricultural products are highly perishable and must be consumed quickly, the local demand may be insufficient to absorb local supplies. With pick-your-own methods, there is risk from adverse weather and insufficient number of customers, especially during critical periods of maturity. There is also risk associated with consumer injuries while on farmers' property, as well as possible damage to crops and property by consumers while on the farmers' land.

^{1/} Some States were grouped with others to arrive at valid estimates for areas with small numbers of farmers. Specifically, Maryland and Delaware were treated as one State, as were Connecticut, Massachusetts, and Rhode Island (hereafter called the southern New England States), and Maine, New Hampshire, and Vermont (hereafter called the northern New England States) for estimating the total value of direct sales and similar tabulations.