

A Farmer's Guide to a Pick-Your-Own-Operation

PICK
your
OWN





Acknowledgments

This publication was funded, in part, by the Tennessee Department of Agriculture and through the United States Department of Agriculture's Specialty Crop Block Grant, administered by the Tennessee Department of Agriculture.

The authors would like to thank the following people for their generous contributions to this publication:

Nancy Edwards, Valley Home Farm, Wartrace

Bill Forgie, Forgie's Fruit Farm, Lewisburg

Henry Jones, Jones Orchard, Millington

David Webb, Berry Ridge Farm, Livingston

Beth Westbrook, Fall Branch Christmas Tree Farm, Fall Branch

Kim Giorgio, UT Center for Profitable Agriculture

Rob Holland, UT Center for Profitable Agriculture

Alan Galloway, UT Extension

David Lockwood, UT Extension

Annette Wszelaki, UT Institute of Agriculture

Tiffany Howard, Tennessee Farm Bureau Federation (formerly)

Wanda Russell, UT Institute of Agriculture (retired)

Jean Hulsey, UT Institute of Agriculture



A FARMER'S GUIDE TO A PICK-YOUR-OWN-OPERATION

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Revised September 2014

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INTRODUCTION

A pick-your-own operation is a farm where customers may go to pick, cut or choose their own product out of the field. Also called u-pick, cut-your-own or choose-your-own, this type of enterprise is a frequent direct marketing channel choice for farms growing berries, tree fruit, pumpkins and Christmas trees. Other crops such as beans and flowers may also be offered through this method.

Pick-your-own (PYO) formally emerged in the United States when prices for some fruit and vegetable crops hit low levels in the 1930s and 1940s.¹ Prices for some crops failed to cover the cost of harvest labor and containers, prompting some producers to allow customers to come to the fields to pick their own product for purchase. An increase in “rural recreation,” as people drove to the countryside from the cities for leisure, also influenced the popularity of PYO marketing.

From U-Pick orchards to school farm tours where students chose their own pumpkins, PYOs played a prominent part in the growth of agritourism beginning in the 1960s and continues to do so today. PYO operations have recently benefited from food industry trends including 1) consumers seeking a greater sense of connection to their food; and 2) perception of self-harvested crops as affordable and high-quality.

Advantages of PYO operations for farmers include the reduced need for product harvest and handling labor, lower equipment costs, the opportunity for larger transactions per customer and the potential to sell lower-quality products. Disadvantages may include the need for an excellent location or superior advertising, liability and other risks of having customers on the farm, the need for customer supervision and the potential for crop damage from improper harvesting.

Farmers interested in starting a PYO operation should carefully analyze their potential in such a venture based on their particular resources and market situation. Producers who decide to move forward with a PYO should spend time planning for the management and operation of the enterprise by developing thorough written business and marketing plans. This publication provides information that may be helpful to farmers considering the development of a PYO operation and issues that should be addressed in written plans. Topics discussed in this publication include:

- » Characteristics of Common PYO Crops
- » Examples of PYO Operations in Tennessee
- » Is a PYO a Good Marketing Channel Choice?
- » PYO Planning and Operation
- » Additional Resources

¹Lloyd, Renee, Daniel S. Tilley, James R. Nelson. “Should I Grow Fruits and Vegetables? Pick Your Own Markets.” ag.arizona.edu/AREC/pubs/dmkt/Upick-ShouldIgrow.pdf

CHARACTERISTICS OF COMMON PYO CROPS

Not all crops are suitable for PYO operations. Tree fruit such as apples (semi-dwarf and dwarf trees), cherries and peaches are often popular for pick-your-own. Berries including strawberries, blueberries, blackberries and raspberries are also PYO favorites. Fall and winter present opportunities with pumpkins and Christmas trees. Beans, flowers and other specialty fruits are available at times by pick-your-own.

It may be helpful to producers to understand some basic characteristics of each of these crops, which are summarized in Table 1. Estimated establishment time, needs for supplemental harvest labor, typical harvest timeframe and general market notes for Tennessee are included in the table.

Crop	Estimated Establishment Time*	Supplemental Harvest Labor	Harvest Timeframe	General Market Notes for TN
Tree Fruit				
Apples, Pears	>5 years (3-4 years for dwarf and semi-dwarf)	Less needed for smaller trees	Late summer through fall	Traditionally most popular PYO fall orchard crops
Peaches	3-4 years	Some may be required	Summer	Crop quality highly influenced by weather
Cherries	>5 years	Supplemental picking may be required	Early summer	Few commercial plantings established
Specialty Tree Fruit and Berries (currants/gooseberries, pawpaw, etc.)	Varies	Crop maturity may be more difficult for customers to determine	Various	More consumer education may be required for minor crops
Berries				
Blackberries	>2 years	Supplemental harvest labor usually required to “clean up” PYO berry crops	Summer	Thornless and sweeter varieties popular
Blueberries	>3 years		Late spring to summer	Harvest begins after strawberries
Raspberries	>2 years		Summer, late-summer/fall (primocane-bearing varieties)	Specialty (black and golden) varieties offer potential niches
Strawberries	<1 year (plasticulture) >1 year (matted row)		Early spring	Very popular but more difficult to pick
Other Crops				
Beans	<1 year	Supplemental labor usually required	Spring-fall	Bean plants may be more easily damaged
Pumpkins	<1 year	Popular PYO crop. Operators may cut from vines.	Late summer/fall	Popular crop for school tours
Christmas Trees	Varieties differ; usually 5-7 years or longer	Operators may perform cutting services	Winter	Check proximity of other operations
Flowers	Various	Arranging or packaging may be needed	Late spring to fall	Rarely used as stand-alone PYO crop
*Establishment times vary according to techniques and sites. Some raspberry varieties and plasticulture strawberry production can decrease time to harvest. Some producers follow strawberries with a crop of pumpkins.				

EXAMPLES OF PYO OPERATIONS IN TENNESSEE

Tennessee has several PYO operations providing a variety of products to customers across the state. To aid in the development of this publication, five operators were asked to share some information about their farms and lessons they have learned while marketing through a PYO. This section contains a short summary of each enterprise and a map (Figure 1) showing the general location of each operation.

Farm Name	Berry Ridge Farms
Owners	David and Diana Webb
Location	Overtown County, 11 miles from Cookeville and 9 miles from Livingston on Hwy. 111.
Products	Blackberries, blueberries and raspberries
Market Channels	PYO and on-farm retail of pre-picked fruit
Year Started	1994
Size of Operation	4 acres
Varieties	Blueberries – Duke, Sierra, Toro, Nelson and Bluecrop
Why PYO?	When the Webbs first began growing blueberries, they quickly realized that a few bushes produced more than they could consume, so they started selling to church members, neighbors and friends. They noticed a strong and continued interest in their fresh products in the local community and soon began to consider expanding production. The Webbs decided to plant more blueberry, raspberry and blackberry bushes. Before they knew it, a few bushes became 100, and they were operating a full-fledged, pick-your-own and pre-picked berry business. Approaching retirement from his full-time job, David realized he would soon have the time necessary to devote to increased production and marketing efforts. The Webbs are happy with the current size of their operation and are not inclined to increase production.

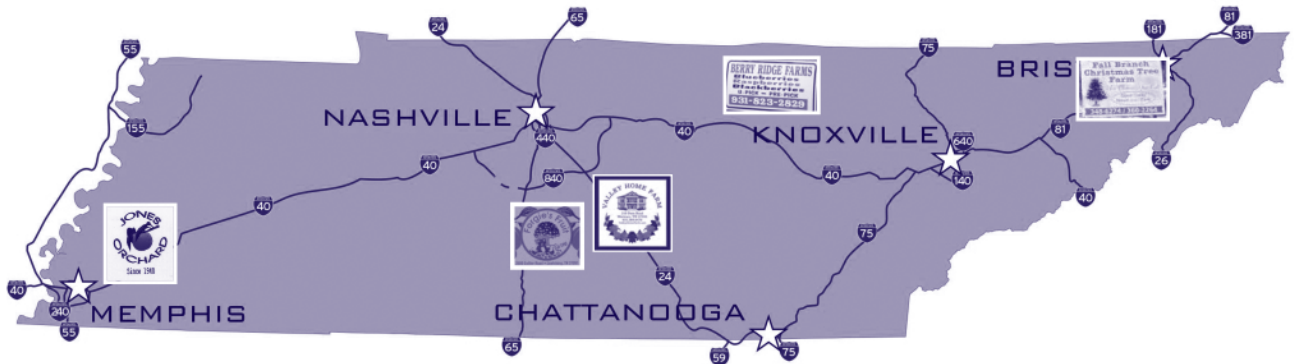
Farm Name	Jones Orchard
Owners	Lee, Juanita and Henry Jones
Location	10 miles north of Memphis in Millington
Products	Peaches, apples, blackberries, plums, blueberries, pears, nectarines, strawberries, pumpkin patch, corn maze, jams, jellies, relishes, vegetables, home-cooked meals
Market Channels	PYO, on-farm retail markets, farmers markets, roadside stands
Year Started	Jones Orchard was founded by the late HL Jones in 1940. Lee Jones has been growing peaches on the farm for almost five decades.
Size of Operation	100 acres of peaches, 10 acres of blackberries, 3 acres of strawberries, 5 acres of pears, 5 acres of pumpkins, 5 acres of plums and 5 acres of nectarines. All are available for pick-your-own.
Varieties	Peaches – Redhaven, White Nectar, Loring, Harrow Beauty, Elberta, Redskin, Georgia Belle, Indian Cling, Flavorich, Surecrop, Garnet Beauty, Contender, White Lightning, Legend, Sun Prince, Parade and Autumn Prince. Nectarines – Karla Rose and Red Gold. Strawberries – Sweet Charlie, Camarosa, Chandler and Camino Real. Plums – Methley and Byron Gold. Pears – Keiffer. Apples – Arkansas Black.
Why PYO?	Many customers enjoy picking their own fruit for the experience and the ultimate in quality and freshness. Labor cost savings are also beneficial.
Website	www.jonesorchard.com

Farm Name	Forgie's Fruit Farm
Owners	Bill and Vicki Forgie
Location	Lewisburg, Marshall County. Less than 5 miles from Interstate 65 Exit 32. Approximately 50 miles south of Nashville.
Products	Peaches, sweet cherries, honey, vegetables
Market Channels	PYO (80% of sales) and on-farm retail of pre-picked (20%)
Year Started	First planting in 1994. First sales in 1998.
Size of Operation	Currently 850 peach trees in 7 varieties and 500 sweet cherry trees in 6 varieties.
Varieties	Peaches – Harvester, Red Haven, Sun High, Loring, Contender, Flaming Fury and Sugar Giant
Why PYO?	The Forgies like PYO because of the cost savings on labor. They also have many loyal customers who pass other orchards to be able to pick their own fruit.
Website	forgiefruitfarm.com

Farm Name	Valley Home Farm
Owners	The Potts Family
Location	Wartrace, Bedford County. 50 miles southeast of Nashville.
Products	Pick-your-own and pre-picked strawberries and blueberries. Farm-baked strawberry cakes, strawberry bread. Farm-made jams, strawberry honey pops, strawberry ice cream and local honey.
Market Channels	PYO, on-farm retail of pre-picked strawberries and value-added products
Year Started	1998
Size of Operation	3 acres strawberries. 6 acres blueberries. 40 colonies of honeybees
Varieties	Strawberries – Chandler and Sweet Charlie. Blueberries – 5 varieties of Northern Highbush
Why PYO?	The Potts family chose PYO because they felt that direct marketing was the path they should take to serve their customers and the farm's profitability goals.
Website	valleyhomefarm.com

Farm Name	Fall Branch Christmas Tree Farm
Owners	Beth and Bobby Westbrook
Location	Fall Branch, Washington County
Products	Christmas trees and hand-made wreaths and other greenery.
Market Channels	Choose-and-cut
Year Started	Planted first seedlings in 2001
Size of Operation	Approximately 5,000 trees on 11 acres
Varieties	Trees – Fraser Fir, Canaan Fir, Leyland Cypress, White Pine, Virginia Pine, Carolina Sapphire and Norway Spruce.
Why PYO?	Bobby and Beth Westbrook remember Christmases of their past, when a real tree was a happy part of their family Christmas celebration. It is that family memory that they would like to provide for customers.
Website	fallbranchchristmastreefarm.com

Figure 1. Locations of Example Tennessee PYO Operations



IS A PYO A GOOD MARKETING CHANNEL CHOICE?

PYO operations are not right for every producer and situation. A less-than-ideal market match is not a guarantee of failure, but it makes it more challenging to create a successful venture. To help producers determine if a PYO is a good marketing channel choice for them, they should especially consider factors relating to their own characteristics, time, location, market potential and financial analysis.

OPERATOR CHARACTERISTICS

Farmers each have different skills and resources, some of which are better-suited to certain market channels than others. Features of successful PYO operators include the willingness and ability to:

- » Welcome the public on the farm
- » Start small and grow with experience and sales
- » Produce quality products
- » Utilize season-extension techniques to offer products over a longer time period
- » Manage costs effectively
- » Train and manage labor
- » Manage farm safety and liability risk
- » Provide excellent customer service; anticipate and meet the needs of customers
- » Promote the operation effectively
- » Communicate effectively with customers and potential customers
- » Build relationships and loyalty with customers
- » Supervise customers
- » Commit to a long-term venture
- » Be willing to accept higher levels of crop damage

LOCATION

The farm itself is a factor that should be considered when determining if a PYO is a good marketing channel choice. Population in surrounding areas, ease of access and zoning are all important factors related to location of a PYO operation.

Population

Success at PYO is enhanced with a substantial population base from which to draw customers. Although national data indicate that typical PYO customers will not travel more than 30-40 miles to a PYO farm, some PYO operators report customers traveling a farther distance when combining PYO with local tourism, recreation and other activities.

While proximity to population and ease of access are key for PYO enterprises, some farms have developed successful PYO enterprises in more rural areas. While these PYO farms may not typically move the same volume of product as farms located nearer population centers, smaller PYO plots may provide ways to complement existing direct marketing activities or provide supplemental income for landowners.

Characteristics of successful PYO farms located farther away from population centers include those offering unique and/or multiple products, exceptional service and a distinctive experience that is “worth the drive.”² Advertising and promotion are also particularly important for operations that are located “off the beaten path.”

Ease of access

Even if a farm is located near a population center, the ease of access to the farm can enhance or impede PYO marketing. Good roads, adequate on-site parking and clean and family-friendly facilities are all important aspects of PYO location. Customers will also need to be able to easily access fields and facilities, including restroom or port-a-johns, easily at the farm. Specific tips about farm design and customer traffic flow are offered in the next section.

Lessons from Tennessee PYO Operators – Operator Characteristics

Bill Forgie of Forgie’s Fruit Farm says that for “a person that is easily stressed with customers in the orchard, pick-your-own probably wouldn’t be a good option.” Customers may not treat your trees with the same care you would, and they waste much more product.

“The first thing I ask people calling me about planting berries for U-Pick,” says David Webb, “is how old are you?”

“I’ve heard from people over 70 that want to plant a berry patch for U-pick,” says David Webb. “I started this 12 or 13 years ago (when he was in his early 50s), and I don’t plan to be planting any more berries when I’m 70!”

Webb, 64, realizes that many crops associated with PYO success take time to establish. He and his wife, Diana, grow raspberry and blackberry varieties requiring at least two years of growth after planting before they are ready for harvest. The most successful blueberry planting at their Berry Ridge Farm, near Livingston, took two years just for pre-plant soil preparation. Three additional years of growth were required before the first blueberry harvest. “We’ll pull all the flowers off the first couple years,” Webb says, forgoing any early fruit “to establish the plants better.”

² *Pick-Your-Own (U-Pick) Marketing*. University of Kentucky Crop Diversification & Biofuel Research & Education Center. www.uky.edu/Ag/CDBREC/marketing/pyo.pdf

Zoning & Codes

Zoning and codes regulations often place specific limitations on requirements on which types of activities and structures may be conducted or built on property. Farmers planning PYO operations as well as other farm retail and agritourism activities should consult the local codes and zoning authorities to determine if and how regulations may impact their plans.

Lessons from Tennessee PYO Operators – Location

Whether located near a major metropolitan area or closer to the country, successful PYO operators in Tennessee say location is key.

“We’re 10 miles north of Memphis,” says Henry Jones of Millington, where his family operates Jones Orchard. They sell a variety of PYO strawberries, blackberries, peaches and pumpkins, as well as pre-picked and value-added products. Their location proved an asset when the Jones family decided to incorporate more value-added and PYO marketing to the 100-acre peach orchard they have operated since the 1940s.

Bill Forgie, who sells PYO peaches and cherries at Forgie’s Fruit Farm near Lewisburg, finds customers willing to drive from the Nashville metro area. “We were asked to start selling at the Franklin Farmers Market, about 40 miles from the farm, and we got a lot of customers willing to try coming out to the farm. We were also surprised at the number of our existing PYO customers that were shopping at the farmers market,” he says.

Nancy Potts Edwards, who operates Valley Home Farm along with her sisters and brother near Wartrace, says that their location 50 miles southeast of Nashville attracts PYO strawberry customers. “We’re just 10 minutes from I-24,” she notes.

David Webb’s Berry Ridge Farm near Livingston, about 100 miles from both Nashville and Knoxville, is located a stone’s throw from Highway 111. “The highway has about 39,000 vehicles a day [traveling on it],” he says. “They talk about location, location, location—we’ve got it.” Webb also benefits from tourism traffic as he sells some of his four acres of berries each year to travelers bound for Dale Hollow Lake in Kentucky. “They see what we have on their way up and come back to pick,” he says.

Other aspects of location may benefit PYO producers. Bobby and Beth Westbrook operate Fall Branch Christmas Tree Farm, between Kingsport and Johnson City in northeast Tennessee. Beth says their location provided an unexpected advantage. “A lot of the trees sold around here come from North Carolina,” she says. “People liked finding they could buy a Tennessee tree.”

But Henry Jones, near Memphis, notes that there are some things that even a prime location will not help. For example, he observes, “If it’s a hot summer, (PYO) customers are not going to come out as much.”

MARKET POTENTIAL

Farmers and other business owners often have the philosophy of, “If we build it (grow it or offer it), they will come (and buy it).” That is not necessarily the case, as many entrepreneurs have found after investing time and financial resources in a venture. Producers interested in a PYO should analyze whether or not market potential exists before developing the enterprise.

Farmers should conduct a market analysis to determine if a potentially profitable market exists for their PYO. Producers should be able to investigate and answer the following questions to help them determine whether there is market potential for a PYO:

- » Is there a need in the marketplace for a (or another) PYO? Are there customers interested in picking their own product?
- » Can these customers be identified and reached through promotional efforts?
- » How much product is a typical PYO customer likely to purchase a year?
- » Which types of promotional efforts are likely to be needed and how much will they cost?
- » How much are customers willing to pay for a PYO product?
- » What other sources of local products currently exist?
- » What are the characteristics, strengths and weaknesses of competition (other PYOs and other sources of similar products)?
- » What other opportunities or threats, such as regulations, exist in the marketplace that may affect PYO sales?
- » Is the producer likely to be able to produce at a cost low enough and sell enough product at a price high enough to generate a positive net return/profit?

TIME

Developing a successful PYO market takes time. Time is instrumental in developing crop maturity and production expertise as well as developing a market for PYO products.

Common Characteristics of PYO Customers

A 2008 study by North Carolina State University researchers indicated that PYO customers share some similar characteristics. According to the study, typical PYO customers:

- » Are motivated by freshness, quality, price and the experience of visiting the farm
- » Have higher income and education levels than the average of the population
- » Travel 20-25 miles from the farm
- » Typically average around 50 years in age
- » Attend the farm in groups of two or more
- » Frequently bring children

The researchers found that PYO strawberry and muscadine customer characteristics could vary between different regions in North Carolina, however. Their study contained an important recommendation for PYO market development: “These results suggest that farmers interested in starting PYO operations should analyze carefully the characteristics of their local markets rather than relying only on national or state market trends.”

Source: Carlos E. Carpio, Michael K. Wohlgenant, and Charles D. Safley. “Relative Importance of Factors Affecting Customer’s Decisions to Buy Pick-Your-Own Versus Preharvested Fruit at North Carolina Farms.” *Journal of Agricultural and Applied Economics*, 40,3(December 2008):983-997.

Lessons from a Tennessee PYO Operator – Time

Bill and Vicki Forgie planted 350 peach trees in 1994 at their Marshall County farm, where they had just moved for Bill's work. Having since doubled their peach planting and establishing 500 sweet cherry trees, Bill Forgie says that they have grown and learned along with their plantings.

"I would recommend anybody planting an orchard to plan on it taking a while. Start out small and grow with it," he says.

Crop Maturity and Production Expertise

Many crops utilized for PYO marketing are perennial crops requiring lengthy, multiyear establishment periods. Tree fruit like apples and peaches, as well as Christmas trees, could take more than five years to establish. Strawberries, a common PYO crop, are planted a year before harvest in the matted row production system. In addition, considerable site preparation may be required before planting or to make a PYO site more accessible to the public. All the preparation and crop maturity takes time. Refer to Table 1 for Characteristics of Common PYO Crops.

Like other farm enterprises, producers should also budget time for obtaining information by research or attending various educational

events focusing on their chosen crops. Producers should also generate financial projections accounting for the possibilities of disease and other crop setbacks that could prolong the period until a perennial crop is profitable.

Having adequate time can also guard against the ups and downs of producing perennial crops. A bramble virus, for example, can decimate a planting. Plant replacement costs and an additional delay until harvest can result while new plants are established. Many PYO operators say that they started out with a small planting. The production experience gained as the crop matures is an asset to the producer when expanding additional plantings.

Market Development

Time also aids market development, especially the long-term development of a faithful PYO customer base. Taking time to ease into the market, and growing as the crop matures, helps the producer mature into his or her PYO market as more crop volume is produced.

FINANCIAL ANALYSIS

Before deciding to produce and market products through any market channel, producers should evaluate the potential profitability of the venture. This includes estimating potential revenues and subtracting estimated costs associated with the enterprise.

When estimating revenues from PYO products, producers should consider how much product is likely to be produced, the number of customers they may expect to visit, the typical amount of product customers will likely purchase and the estimated price of the products. The potential income from the sale of non-PYO products should also be estimated.

Producers often concentrate mostly on production expenses when estimating costs. In addition to estimating the cost of producing crops for PYO, producers should estimate other

costs likely to be incurred by the enterprise. Although not intended as a complete list of all possible expenses, the following is a list of some possible expenses a PYO operation may incur:

- » Ingredients, packaging and labels for value-added products
- » Concession stand and/or retail store inventory
- » Check-in area facility – tent, pavilion, shed, building
- » Cash registers, calculators and other office supplies
- » Tables or shelves for product display or storage
- » Coolers for product storage
- » Concession stand equipment
- » Specialty equipment needed for PYO customer transport
- » Specialty equipment needed for PYO product packaging (such as a tree shaker)
- » Grounds maintenance equipment
- » Gravel for driveway or parking lot
- » Fencing materials
- » Legal-for-trade scale for weighing items sold by the pound
- » Trash cans and bags
- » Toilet paper, paper towels, hand soap, etc.
- » Port-a-john rental and maintenance fees
- » Picking containers and product packaging materials
- » Wagons or sleds to transport product
- » Vehicle repair, maintenance and fuel
- » Benches and/or picnic tables
- » Business license and taxes (check with your city/county clerk to determine if this is needed)
- » Health Department permit for concessions
- » Tennessee Department of Agriculture Regulatory Services permit for food manufacturing
- » Tennessee Department of Agriculture Regulatory Services permit for scales
- » Liability insurance
- » Property or vehicle insurance not covered under a farm policy
- » Professional services of attorney and/or accountant
- » Staff uniforms
- » Utilities such as water, sewer, electrical and/or gas service
- » Phone and phone service
- » Computer and Internet service
- » Wages for PYO employees
- » Worker's compensation insurance (if needed)
- » Payroll taxes
- » Self-employment taxes
- » Marketing – This may include signage on and off the farm, logo development, website development, design and printing of brochures or other materials, business cards, postage for direct mailings, advertising, etc.

PYO PLANNING AND OPERATION

If producers determine a PYO may be a potentially successful marketing channel for them, it is important that they develop a thorough plan for how to operate the venture. Planning and operating a PYO is not a simple task, as multiple aspects must be considered. When planning for a PYO, producers should remember to take into account what is reasonable to accomplish based on the resources available and the needs and expectations of potential customers.

Farmers planning to market through a PYO should consider:

- » Complementary products, attractions or market channels
- » Operation layout/design
- » Production planning
- » Parking and customer flow
- » Product packaging and transport
- » Additional customer comfort considerations
- » Hours/days of operation
- » Labor needs and employee training
- » Liability and risk management
- » Food safety for edible PYO products
- » Pricing
- » Payment options
- » Promotion
- » Communicating with and supervising customers on the farm
- » Addressing theft
- » Evaluating the PYO experience

COMPLEMENTARY PRODUCTS, ATTRACTIONS OR MARKET CHANNELS

PYO marketing may provide a foundation for potential business growth and expansion. Producers may consider adding new crops to extend the time of year when the operation is open or offer pre-picked or complementary products or services in an on-farm retail market. Listening to customer or staff recommendations will often give producers ideas on what to consider adding to the farm.

PYO operations often have an on-farm retail market with some pre-picked product for sale for customers who do not have the time, ability or desire to pick their own product. Value-added products, such as jams and other preserves, are methods to utilize surplus or lower-quality fruit and add products to the mix in the retail market. Complementary products such as pumpkin carving kits, Christmas tree stands or additional decorations such

as straw bales or tree ornaments may also increase sales. A PYO pumpkin operation may consider adding apples to start the season earlier or Christmas trees to extend the season.

School tours are also conducted at many PYO farms. Pumpkin farms, fruit farms and Christmas tree farms are all popular school tour destinations. Producers will need to consider their availability during the school day, how to address potential liability concerns, and consider how tours might affect their existing business both positively and negatively. School tours may be helpful in promoting the PYO operation as well. Producers could send information with teachers to give students to take home.

Adding complementary products and services may involve additional regulations. For example, producers with concession stands selling products other than pre-packaged items will need to work with their local county health department to meet food service requirements and obtain a food service permit. Farmers making value-added food products such as jams and jellies or baked goods for off-site consumption will need to work with the Tennessee Department of Agriculture, Regulatory Services, Food and Dairy staff to obtain the appropriate food manufacturing certification, inspection and/or permit. Sales of products other than those raised and sold by the farmer may require the operator to collect and remit sales tax.

OPERATION LAYOUT/DESIGN

The layout or design of the operation can greatly enhance or detract from a PYO experience for both the customer and the operator. An effective layout will decrease confusion and frustration. It will also enhance the experience of customers with the ambiance and cleanliness of the operation.

Factors that producers should consider in laying out the design of the operation may include:

- » Types and number of expected vehicles entering and exiting the operation
- » Number of expected customers and characteristics that may impact operation and facility design
- » Adequate space and effective flow of vehicle and pedestrian traffic in the parking lot
- » Flow of customers among parking lot, customer check-in, picking containers, fields, retail sales area, checkout, etc.
- » Distance from parking lot to customer check-in and farthest picking areas
- » Placement of restroom facilities
- » Placement of concession facilities
- » Farm traffic flow such as hayrides or other vehicles carrying customers to and from the fields or other areas of the farm, vehicles transporting product or conducting other farm facilities

- » Areas where customers should not go such as farm equipment or supply storage areas and places where other safety concerns may exist
- » Other activities on the farm such as agricultural production or agritourism activities
- » Plans for future expansion

PRODUCTION PLANNING

Whether Christmas trees or berries, pick-your-own crops typically involve long-term establishment periods. Since a perennial crop's location is difficult to change after planting, careful planning and site preparation can help manage headaches later.

Sites for annual or biennial crops, such as pumpkins and strawberries, are more easily adjusted.

These two crops also work well together. Some PYO operators have found that planting pumpkins after strawberry harvest helps create a more constant PYO customer pattern on their farm for a given year.

Producers should always keep the customer perception and experience in mind when planning their PYO enterprise. Extra time or some minor inconveniences taken during planting and site preparation may help a producer more easily manage crowds of customers later.

PARKING AND CUSTOMER FLOW

Parking and customer flow require careful consideration. Parking areas should be clearly marked, and directional signs should be used to guide customers to the proper parking areas. After parking, clearly marked paths should help keep consumers out of incoming traffic. Many PYO farms offer transportation (in golf carts, wagons, etc.) to and from parking or customer check-in areas and fields.

Check-in stations may be used when PYO customers arrive at the farm. At check-in, customers receive containers and instructions on pricing and picking. This may be a single location or, particularly on larger farms, customers may be able to check in at numerous locations. The check-in also gives farm personnel an opportunity to direct consumers to the appropriate PYO location.

Lessons from a Tennessee PYO Operator – Production Planning

One tip offered by PYO operators is to plant early-maturing varieties in places that are natural first stops for customers. While directions from staff, signs and roping off areas not yet to be picked help, customers may still be tempted to pick the first fruit they see.

David Webb learned this when he planted his first blueberries on a hillside. He planted earlier-maturing varieties, Duke, Sierra and Toro, at the top. He planted later-maturing varieties, Nelson and Bluecrop, at the bottom. Pickers heading up the hill are tempted to pick the varieties beginning to mature instead of picking the earlier-maturing varieties at the top. "But I should have planted the earlier-ripening varieties at the bottom of the hill," says Webb. "It's hard to tell customers to go around and up to the top."

For operations where theft is a concern, a good customer flow plan can decrease the opportunity by smoothly channeling customers through the checkout area(s) before exiting the farm. Producers may also decide to use golf carts, ATVs or larger wagons to help transport products from the field to the check-out area. This aids the customer, and it can help ensure that the products are stopped for payment before leaving the farm.

Successful PYO operations typically use signage effectively to communicate with customers. Prominent, easily-read signs help direct customers and provide picking instructions. On-farm signage, combined with personal direction and rope or fencing, will ensure that customers are properly guided around the farm.

PRODUCT PACKAGING AND TRANSPORT

Producers also need to consider how customers will move products from the field to checkout and from checkout to their vehicles and homes. PYO farms often offer customers the use of various kinds of carriers, buckets, baskets, wagons and even sleds for Christmas trees. The purchase of these tools and supplies should be factored into a PYO's startup and operation costs.

The type of packaging and transport will, of course, depend upon the type of product sold as well as the amount of product typically purchased at the PYO. The size of the product, as well as how fragile it is, should be considered when choosing packaging and transport items. More fragile berries, like raspberries, for example, should be picked into small, shallow containers. Blueberries, on the other hand, are not as fragile and can be picked into deeper buckets and packaged for transport by customers in plastic bags.

Helping customers transport heavy crops – like large pumpkins – is key to making the PYO experience more enjoyable. Transport for Christmas trees, either by vehicle or sled, is important for choose-and-cut farms. Christmas tree farms can enhance their customer's experience by making the Christmas tree as easy to transport away from the farm as possible. Shaking the tree, preparing the trunk to fit into a Christmas tree stand and netting the tree for transport are important aspects of choose-and-cut marketing. Such labor and materials should be calculated into the tree's price.

ADDITIONAL CUSTOMER COMFORT CONSIDERATIONS

Providing for customer comfort at the farm is essential to making the PYO experience positive.

Lessons from a Tennessee PYO Operator – Product Packaging and Transport

Orchards often provide baskets for picking with paper or plastic liners. “We encourage people to take extra baskets and not to fill them so full because it’s easier on the peaches and cherries,” says Bill Forgie. “It’s all sold by the pound, so it doesn’t cost them any more.” The cost of an extra liner or two, says Forgie, is worth preserving the fruit quality. And each container has his farm’s information printed on it — so providing his own packaging helps reinforce the brand.

“They put the blueberries in a bucket, we put them in a grocery bag, they’re off the floor and out the door!” says David Webb, Berry Ridge Farm.

Lessons from a Tennessee PYO Operator – Additional Customer Comfort Considerations

Some PYO operators provide complimentary refreshments to help enhance customer experiences and build goodwill. For example, some choose-and-cut Christmas tree farms offer free hot chocolate, cider and coffee to help ward off the chill and help create lasting memories. “We even keep a bonfire going so the kids can roast marshmallows,” says Beth Westbrook of Fall Branch Christmas Tree Farm.

Customers who are at ease and who can take care of their needs will likely stay at the farm longer and, therefore, may spend more money while they are there. Considerations for customer comfort may include providing:

- » Access to clean restroom facilities
- » Shelter from weather conditions
- » Access to drinking water or other refreshments (complimentary or through concessions)
- » Seating

PYO farms may provide a broad range of customer comforts. Some may choose to offer basic essentials such as port-a-johns,

bottled water for sale at the check-in stand, some areas of shade and a few benches. Other farms choose to offer fully-functional restrooms, expanded concessions and even on-farm restaurants or cafes, pavilions or buildings for shade or bonfires or heaters for heat.

HOURS/DAYS OF OPERATION

Successful PYO operations follow these guidelines when establishing hours of operation:

- » Select hours of operation convenient to potential customers
- » Communicate times of operation clearly through multiple channels
- » Be open at regular, posted times if at all possible
- » Communicate weather or condition-related closings and product availability promptly through multiple channels

PYO farms are popular weekend and evening destinations. Committing to consistent weekend hours is essential to growing a PYO enterprise. Some PYO farms keep long Friday and Saturday hours while maintaining shorter Sunday hours. Other PYO farms have been successful by staying open from Tuesday through Saturday. Still other farms maintain long hours through the entire weekend. Producers will need to decide on hours appropriate for both their target consumers and their lifestyle.

Whatever hours are decided upon, it is important that the producer keeps the posted and advertised hours as much as possible. These hours should be consistent across all advertising and media, including websites and social media. Since PYO customers often increase by word of mouth, few things may discourage potential customers more than arriving at a farm only to find the advertised hours of operation are not in effect.

Producers should realize that PYO farms may be listed on third-party websites, such as state departments of agriculture and sites like localharvest.org and pickyourown.org. While

these sites can offer a producer free advertising, it is the producer's responsibility to ensure that the farm's information is kept updated and hours of operation are current.

LABOR NEEDS AND EMPLOYEE TRAINING

Labor needs and costs are important for PYO operations to consider and evaluate. Many producers underestimate the amount of labor and related costs needed for a PYO operation. It is important for PYO farmers to manage labor effectively so they get the most out of employee time and expense and to make sure employees provide excellent customer service through training and performance evaluation.

Typically, someone is needed to greet customers, provide information and direction, and answer questions. More people may be needed to transport customers and products to and from the fields and/or parking lot. Another person may be needed in the field to guide customers, demonstrate picking techniques, answer questions or provide security. Cashiers are likely needed to ring up purchases and take payment.

In some cases, operations may need personnel to operate the concession stand, help direct customers in the parking lot or conduct other farm activities. Additional labor may also be needed to pick or "clean up" product that was passed over by customers in the fields. This product can be sold as pre-picked at on-farm retail markets or farmers markets or made into value-added products. PYO operations may also require someone to answer customer phone calls and conduct marketing activities such as updating website and social media postings.

In addition to paying wages, producers should consider labor regulations and associated costs. The type and size of operation, the nature of an employee's job and/or number of employees may all impact the particular regulations that will apply. Some of the employment regulations that may be applicable include the Fair Labor Standards Act, Child Labor Act, Occupational Safety and Health, Worker's Compensation, Unemployment Insurance Taxes and Income Tax Withholding.

Producers should also consider training necessary for employees. An employee handbook may be helpful in communicating expectations and information employees may need to know. Topics for training and/or an employee handbook, for example, may include information about the farm and the products offered, customer service policies and expectations, answers to commonly asked questions, what to do in case of emergencies, how to document accidents, employee dress code, how to operate equipment or technology. Scheduling time and developing a teaching plan for the training will also be helpful.

LIABILITY AND RISK MANAGEMENT

While many types of risk exist in business, PYO operators are frequently concerned most about the safety and positive experience of visitors at their farm, as well as potential liability to their operation. Producers should evaluate potential risks and develop risk management strategies such as developing safety plans and procedures and purchasing liability insurance as needed. Producers should also consider liability concerns before planting, as planting

Lessons from a Tennessee PYO Operator – Liability and Risk Management

Careful planning and common sense, say PYO producers, go far in managing the risks that your property may present. “You use signage, precautions, monitoring, follow-up on any problems, and have good insurance coverage,” says Nancy Potts Edwards. “And it (liability) will still be constantly on your mind.”

Liability insurance coverage is a must. Bill Forgie, of Forgie’s Fruit Farm, says that producers need to be proactive in managing potential liability risks. One way that he does this is to guide customers to pick on level terrain, away from trees on the farm’s hills, when hills may be slippery from rain.

Forgie says that PYO operators should expect higher insurance costs as their operation grows. His insurance costs doubled after new construction and expansion of his on-farm market, but he says the increased cost is worth the peace of mind. “You simply have to have insurance,” he says.

A common hazard when picking fruit is insect stings. Allergic reactions to stings can be life-threatening, but first-aid prevention is easily accessible. At David Webb’s PYO berry farm in Livingston, first-aid supplies for stings abound. “We keep the (sting first-aid) on the golf cart, at the shed, close to the field,” he says. “Especially later in the season, when some fruit might fall on the ground (and attract bees), you have to be careful.”

layout, and even variety selection, may have insurance implications. Planting near hazards such as farm ponds or plantings of varieties that require ladders for effective harvest could potentially affect an insurer’s willingness to underwrite liability insurance.

Tennessee law may limit a farm’s liability when engaging in PYO and related agritourism activities. Producers can access a summary of the relevant law in the publication *Liability and Agritourism: Implications of Tennessee’s 2009 Legislation* utextension.tennessee.edu/publications/Documents/PB1787.pdf

Additional resources about risk assessment and management as well as farm safety may be accessed on-line at ag.tennessee.edu/cpa.

FOOD SAFETY FOR EDIBLE PYO PRODUCTS

Customers picking their own products can carry and spread pathogens, resulting in food safety risks from PYO crops. Producers can help promote food safety for edible PYO products through a number of practices, including (but not limited to):

- » Encouraging hand-washing before and after picking
- » Providing clean restrooms and hand-washing stations
- » Limiting wild and domestic animal access to PYO fields
- » Always using only clean straw or mulch (never used animal bedding) in between PYO rows

Producers can evaluate how their PYO operation meets recommended food safety standards by downloading *Food Safety Begins on the Farm: A Grower Self-Assessment of Food Safety Risks*. This checklist, developed by Cornell

University, is available on the Web at:
www.gaps.cornell.edu/educationalmaterials.html.

PRICING

Setting prices for pick-your-own crops can be challenging for producers. Producers often base prices on a single factor or resort to the equivalent of picking a price out of a hat. Pricing, however, should consider many factors, including:

- » Cost of production
- » Customer demographics, values and preferences
- » Competition characteristics and prices
- » Business goals

Often, farms charge less for PYO products than pre-picked products because customers provide the labor to harvest the crops. Other farmers charge the same for PYO and pre-picked because their customers value the experience of being able to pick their own products. In addition, customers often decrease crop yields by leaving products in the field or damaging plants. Farmers may also discount prices for purchases of large quantities of PYO products.

A common mistake involves setting the price too low, underestimating the value consumers place on the freshness and quality of produce and the experience of harvesting. Raising prices may also prove tricky. Producers should anticipate future price increases when selecting a starting price. For example, there is less of a psychological barrier in moving from a price of \$2.00 to \$2.15 than in moving from \$1.90 to \$2.05.

Pricing is a difficult yet vital task for PYO producers. More detailed information on pricing may be found in UT Extension Publication PB1803, *A General Guide to Pricing for Direct Farm Marketers and Value-Added Agricultural Entrepreneurs*. The publication may be accessed online at utextension.tennessee.edu/publications/Documents/PB1803.pdf

If products are priced by the pound, a permitted, legal-for-trade scale will be needed. Producers can contact the Tennessee Department of Agriculture, Regulatory Services, Weights and Measures staff for specifications and permitting information.

PAYMENT OPTIONS

Producers need to consider which form of payments will be accepted at the farm. While cash is typically the preferred method, many customers are less likely to carry much if any cash in today's age of electronic payment options. The ability to accept debit or credit cards may increase sales as customers' spending will not be limited to the amount of cash in their pocket. Producers should investigate available options and expected costs to accept electronic payment at the farm to help determine if it is a viable option for their situation.

Lessons from Tennessee PYO Operators – Pricing

Christmas trees may offer unique pricing challenges as some consumers want trees smaller than are typically cut. “We put a minimum price of \$35 for any tree,” says Beth Westbrook of Fall Branch Christmas Tree Farm, where the prices generally increase per foot for trees 6 feet and taller. “If someone wants to cut a 2- or 3-foot tree, they can pay the minimum price,” she says.

Whatever payment options are decided upon, PYO operators should effectively communicate types of payment accepted from customers, especially if limited options are offered. Knowing ATM locations close to the farm and being able to provide directions to those locations may also be helpful for some customers.

Lessons from Tennessee PYO Operators – Promotion

Producers emphasize that having a good product is some of the best advertising. “When the peaches are really good, they tell everybody,” says Bill Forgie. “And if the peaches aren’t as sweet because of the weather, they also tell everybody.”

Beth Westbrook of Fall Branch Christmas Tree Farm credits one advertising expense at a local event as a great investment in developing their customer base.

“The Women’s Expo in Kingsport is the third weekend in October,” she says. “It is a big event in the region. I took two trees and set up there the first three years. It was kind of pricey, but I got a lot of response out of it.” Appearances at other Christmas craft shows also highlighted Fall Branch Christmas Tree Farm trees and wreaths.

Beth also advises PYO marketers to contact their local media and let them know you have a human interest story for them. “Invite the media out to your farm to see all you have to offer. We have had many wonderful articles in the Johnson City Press and Kingsport Times News over the last five years, and we let them know how much we appreciate them and what they do for the local farmers in our area.”

Now, Beth says business increases mainly by word of mouth, through their professionally designed website and by mentions on social media.

PROMOTION

Promotion is an important component of a marketing plan for any business, including PYO enterprises. There are many options for promotion and likely a limited marketing budget. It is important that producers try to understand how potential customers are most likely to learn about new products and services and make purchasing decisions. This may be different for various PYO products or for customers in different geographic areas. There are some promotion techniques that are likely beneficial to most if not all PYO operators, however.

For most PYO operators, weather and crop shortages may present times when the business needs to be closed unexpectedly. Producers should develop methods to communicate these closings and encourage customers to check before traveling to the farm. Website and social media postings, as well as phone or voice mail messages, can help immediately communicate this information to consumers planning to visit the farm.

Word-of-mouth is often the way in which customers find businesses. Successful PYO operators report that word-of-mouth advertising is best, especially when satisfied customers bring friends and family with them on a return visit. Customers with ties to specific ethnic or religious communities may be more likely to bring additional PYO customers with them on a return visit. PYO operators can encourage positive word-of-mouth referrals by asking customers to share information about the business with their friends. Producers may provide business cards or brochures to customers to give to friends or ask them to share something about the farm via social media, for example.

These days some sort of Internet presence is a must. Whether it is an independent website, a listing on a directory or a social media site, every business should be on-line in some way if not using multiple methods.

Developing a list of customer contacts is an important part of direct farm marketing. Most PYO farms have a mailing list and use phone calls, direct mailing (like postcards) and/or email to communicate with customers. This may be especially helpful in informing previous customers when the business will open for the season and updating them on what is new at the farm this year. With e-mail, reminders or additional marketing messages may be sent regularly. Producers should be sure to tell customers how their contact information will be used and be careful not to overload customers with too many correspondences.

PYO operators should also be involved with groups or programs that may help in promotion. In Tennessee, the Pick Tennessee Products program; the Tennessee Agritourism Association; and tourism organizations at the local, regional and state levels may all be helpful in marketing. Operators can find additional resources on how to promote to customers at ag.tennessee.edu/cpa.

Road signs may be beneficial in promoting the business to people passing by or in guiding customers to the farm. Producers should check on local ordinances governing signage. The Tourist Oriented Directional Sign (TODS) program may be an opportunity for some PYO operators. More information is available on-line at www.tdot.state.tn.us/maintenance/TODSProgram.htm

COMMUNICATING WITH AND SUPERVISING CUSTOMERS ON THE FARM

Customers will require additional communication and supervision once they are on the farm. Communication and supervision will be important to help guide customers through the various parts of the farm, find the products they are looking for, prevent damage to your crops, limit customer confusion and prevent injury to customers and staff.

Some customers will be making their first trip to a PYO operation and others may visit the operation several times a year. Providing adequate information to help these customers feel comfortable will be valuable in giving them an enjoyable experience.

Signage may be a helpful tool in communicating with customers and reduce the number of questions directed to staff members. Directional signage can point customers to the various locations on the farm such as parking areas, customer check-in, concessions, retail market and restrooms. Informational signage may list the rules of the operation, varieties and prices of products and explain and/or illustrate proper harvest techniques to prevent crop damage.

Signage may also be used to identify varieties of product and indicate which product is available for harvest. Many operators post signs at the end of each row with variety name and/or a row number. Signage at the customer check-in point indicates which rows can be picked.

ADDRESSING THEFT

Many PYO operators have experienced little to no problem with theft. Unfortunately, other producers have been negatively affected by shoplifters.

While in-field sampling is often enjoyed by PYO customers and can help encourage sales, some customers seem to confuse PYO operations with an all-you-can-eat buffet. Operators may discourage eating in the field, especially to excess. Humor can be incorporated into signage addressing the topic to remind customers of appropriate etiquette in a non-offensive way.

Other customers try to get as much product out of the field and pay for as little product as possible. PYO operators have reported customers piling product in strollers, covering it with coats and trying to roll it out of the field and pass the check-out. Other customers fill their pockets or hide product under their clothing. Still others will stash containers full of product in their cars if they can get the vehicles close enough to the field.

PYO operators should be aware of the possibility of theft and try to mitigate it as much as possible. Designing the customer and traffic flow to limit opportunities for threat and training staff members to watch for issues that may arise may help decrease losses caused by theft.

EVALUATING THE PYO EXPERIENCE

Producers should develop methods to evaluate the PYO experience to help them determine how the operation can be improved, both from a customer perspective and from their own perspective. Producers should seek input throughout the season from customers and employees and take time to analyze how the venture is working.

Records may be kept throughout the season to provide data for analysis. Producers may want to track a variety of information across time, such as:

- » Number of customers
- » Total sales
- » Average sale per customer
- » Sales by product or product category
- » Expenses by category
- » Weather conditions that may have impacted number of customers
- » Timing and method of promotions
- » How customers are learning about the operation
- » Where customers are coming from
- » Injuries or accidents
- » Customer complaints or suggestions
- » Employee suggestions

Producers who have access to customer contact information may want to do an end-of-season survey. Surveys may be conducted by mail, phone or Internet. Surveys may include questions to help farmers assess:

- » Number of times customers visited this season
- » Where customers are from
- » Overall quality of products and services
- » Overall value for price
- » Suggestions for improvement
- » Likelihood that they will recommend the business to their friends
- » Likelihood that they will return next year

Producers can study the data to evaluate methods to better serve customers and meet business goals.

SUMMARY

Deciding whether to embark on a PYO operation takes careful consideration and planning. Producers should consider their own characteristics and experience, the location of their farm, market potential, crop characteristics and the estimated profit potential of the operation. Farmers interested in developing a PYO should develop thorough written business and marketing plans for the operation. During this process, they should take into account other products, services or market channels in which they may enter or already be involved. Farmers should consider the operation layout or design, production planning, traffic and customer flow, product packaging and transport, customer needs and comforts, days and hours of operation and labor needs. In addition, producers need to be concerned about liability and risk management, preventing theft, product pricing and payment options to accept. Promotion strategies, communicating and supervising customers and evaluating the experience from the customer and farmer point of view are also important aspects to consider and address in plans for a PYO operation.

ADDITIONAL RESOURCES

AVAILABLE FROM THE UNIVERSITY OF TENNESSEE EXTENSION CENTER FOR PROFITABLE AGRICULTURE

The Center for Profitable Agriculture has a multitude of publications available for download on their website at ag.tennessee.edu/cpa including:

Agritourism in Focus: A Guide for Tennessee Farmers

Choosing Direct Marketing Channels for Agricultural Products

A General Guide to Pricing for Direct Farm Marketers and Value-Added Agricultural Entrepreneurs

Liability and Agritourism: Implications of Tennessee's 2009 Legislation

ONLINE RESOURCES AVAILABLE FROM OTHER STATES

Food Safety Begins on the Farm: A Grower Self Assessment of Food Safety Risks – U-Pick Operations.

www.gaps.cornell.edu/educationalmaterials.html.

Lloyd, Renee, Daniel S. Tilley, James R. Nelson. *Should I Grow Fruits and Vegetables? Pick Your Own Markets.*

ag.arizona.edu/AREC/pubs/dmkt/Upick-ShouldIgrow.pdf

Pick-Your-Own (U-Pick) Marketing. University of Kentucky Crop Diversification and Biofuel Research and Education Center.

www.uky.edu/Ag/CDBREC/marketing/pyo.pdf

Skora, Rose. *Pick-Your-Own Operations and Farm Stands—Options for Your Business.* University of Wisconsin Cooperative Extension A3811-14.

learningstore.uwex.edu/Assets/pdfs/A3811-14.pdf

Fruit and Vegetable Marketing for Small-Scale and Part-Time Growers. Penn State Ag Alternatives.

agalternatives.aers.psu.edu/Publications/MarketingFruitAndVeggie.pdf





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