

Roadside Marketing of Agricultural Products by Ohio Farmers

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ROADSIDE MARKETING OF AGRICULTURAL PRODUCTS BY OHIO FARMERS

C. W. HAUCK AND H. M. HERSCHLER

INTRODUCTION

In the more populous sections of Ohio many farmers sell all or part of their produce direct to consumers at roadside retail markets. During the summer and fall months this constitutes an important and rapidly growing outlet for Ohio-grown farm products. Practically all of this development in roadside marketing in this State has occurred since 1915, and three-fourths of the markets now in existence in Ohio were started in the 6 years 1927 to 1932, inclusive.

The phenomenal growth of roadside retailing of fruits, vegetables, poultry products, and dairy products in certain areas of this State and other states has been due partly to the diversity of agricultural products grown, partly to the increase in mileage of improved highways and in motor vehicle registration, and partly to the nature and density of the population. Since 1920, Ohio's population has increased almost 16 per cent, and 85 per cent of the State's population of six and two-thirds millions in 1931 was non-agricultural. These people are consumers rather than producers of food; the local demand for food products is large in proportion to the local supply.

Facilities for reaching nearby sources of supply are good and are constantly being improved. Since 1920, the mileage of improved highways in Ohio has increased 45 per cent and the registrations of motor vehicles have grown 177 per cent. Most Ohio farms are located only a few miles or a few hours from the cities where the farm products are consumed.

Despite unfavorable economic conditions (or it may be partly because of them), more roadside markets were operated in Ohio in 1931 and 1932 than ever before. A survey of 2600 miles of typical Ohio highways in the late summer of 1932, reported in detail herein, revealed that, on the average, approximately two such markets were being operated to each 3 miles of road, that the total number in Ohio was not far from 10,000, and that estimated annual sales aggregated almost \$5,000,000.

Although roadside retailing of farm products provides a means of selling direct to the consumer whereby the producer may secure all of the price paid by the ultimate buyer and at the same time enjoy low selling costs, it can be considered only as supplementing, rather than replacing, the older agencies of food distribution. The long established and highly organized system of distribution of perishables is essential. Many producers prefer to follow these well defined channels of sale rather than to make the adjustments in their farm management practices and selling methods which would be necessary in order to sell at the roadside. On the other hand, there are many districts in Ohio where buyers are numerous and where a large and continuous demand exists for fresh produce of good quality. In such districts opportunities for roadside marketing are abundant.

The current study was undertaken to secure reliable information about this important business in Ohio¹. In the following pages are reported certain facts dealing with the number, types, and location of markets, the products sold, volume of sales, overhead and operating costs, influence of certain factors upon success, and other pertinent information.

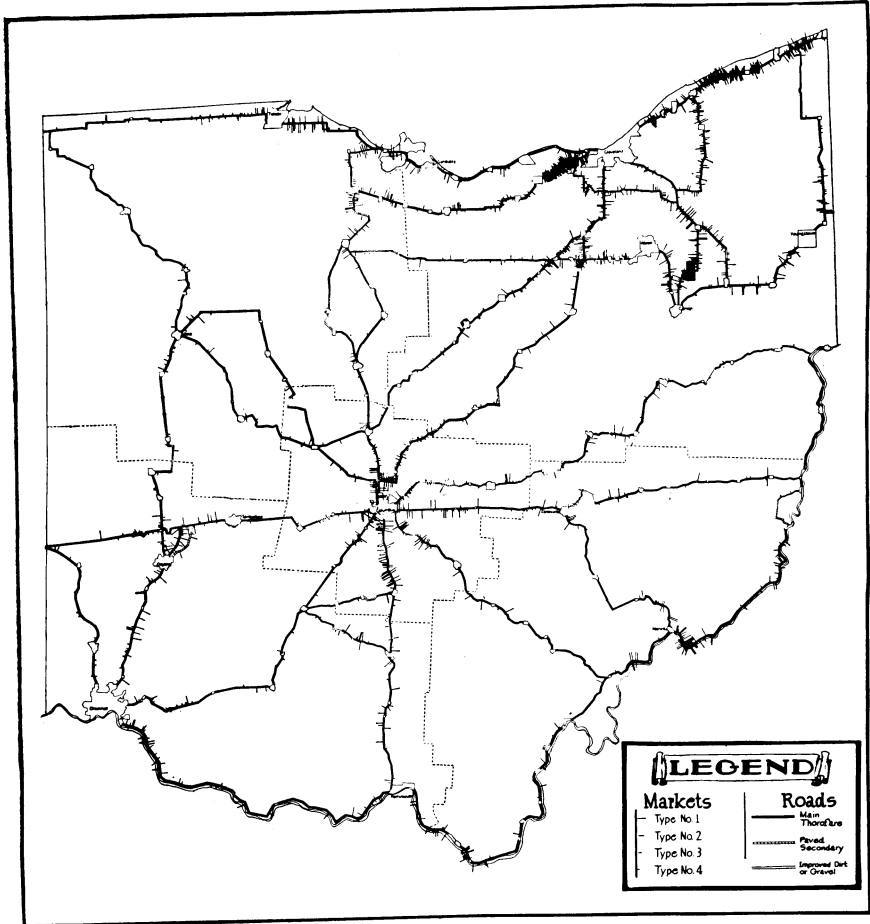


Fig. 1.—Distribution of 1731 roadside markets on 2604 miles of highway in Ohio, 1932

NUMBER AND LOCATION OF ROADSIDE MARKETS IN OHIO

In the late summer of 1932 there were 1731 roadside markets operating on 2604 miles of typical highways surveyed throughout Ohio, or approximately two in each 3 miles. As will be noted by reference to Figure 1 and Table 1,

¹Grateful acknowledgment is hereby made to all market owners and others who furnished data used in this study. Assistance in collecting certain phases of the data used herein was rendered by A. M. Burdge, R. G. Farnsworth, and R. A. Johnson.

the greatest concentration occurred in northeastern Ohio, with 913 markets in 786 miles of highway, or more than one to each mile. The central part of the State ranked second, with 285 markets in 361 miles. Other sections ranked about equally, with only one-half as many markets per mile as in central Ohio and less than one-third as many per mile as in northeastern Ohio. To facilitate comparison, the State was districted as shown by the broken lines in Figure 1.

TABLE 1.—Distribution of Roadside Markets on 2604 Miles of Road in Ohio, 1932

	Section of Ohio					Total	Pct. of total
	North-east	Central	North-west	South-west	South-east		
Miles of road surveyed:							
Type 1	514.0	274.3	345.2	491.4	375.4	2000.3	76.8
Type 2	250.3	79.2	153.1	12.9	36.9	532.4	20.4
Type 3	21.7	7.8	3.1	8.6	30.3	71.5	2.8
Total	786.0	361.3	501.4	512.9	442.6	2604.2	100.0
No. of markets:							
Type 1	139	68	22	33	42	304	17.6
Type 2	116	38	34	32	31	251	13.6
Type 3	283	47	66	27	36	459	26.1
Type 4	375	132	66	99	45	717	42.7
Total	913	285	188	191	154	1731	100.0
Av. distance between markets (miles)	0.861	1.268	2.667	2.685	2.874	1.504	

These markets represented all degrees of permanence and stability. They ranged from various kinds of first-class buildings, well planned, well located, and well equipped, down to nondescript shacks patched up out of scrap lumber, sheet metal, packing cases, and used canvas. Many of them consisted of nothing more than a display of goods by the roadway or of a sign calling attention to offerings, such as "eggs" or "berries" or "apples", supposedly available somewhere out of sight but with no produce actually on display.

For purposes of comparison, in this study, roadside markets have been divided arbitrarily into four classifications and will be considered throughout the following report as first-, second-, third-, and fourth-class markets. See Figure 2. In the first group are all markets with permanent and more or less substantial buildings. In the second group are those where the building or other shelter is temporary or portable. The third group is composed of markets having no buildings or other shelters but consisting only of more or less elaborate displays of goods visible from the highway. In the fourth group are those having no separate market buildings or visible displays but relying solely upon one or more advertising signs to attract customers.

Roads have been grouped into three classes. The first class includes main trunk highways, all hard surfaced. The second class consists of secondary highways, hard surfaced or gravel. The third class includes earth, cinder, and other minor roads.

There were 1722 of these markets operating on 2532.7 miles of high-type (first- and second-class) roads. There are 14,530.44 miles of high-type roads

in Ohio², and, if these conditions are representative of this entire mileage, there were not far from 10,000 markets operating in Ohio in 1932. Approximately 5800 of these were of the first three classes.

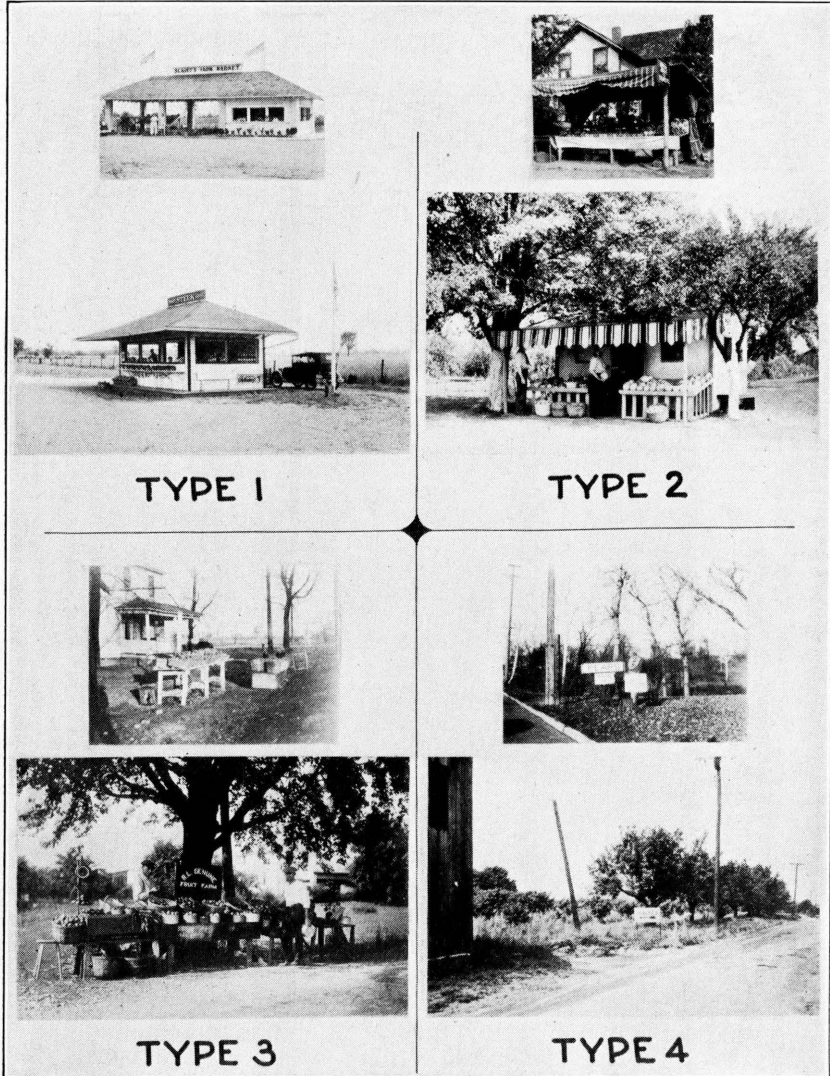


Fig. 2.—Types of roadside markets

This calculation leaves out of consideration all of the low-type roads in the State, of which there are 63,147.65 miles. Some markets are located on roads of this sort, but they are few and mainly of the fourth class.

²Ohio Department of Highways, December 31, 1931.

The greater density of roadside markets was found, as expected, on first- and second-class roads. Very little development in this industry has taken place on poorly surfaced or little traveled roads. Occasional markets exist along roads of minor importance carrying little traffic, but, for the most part, the markets so located are of the fourth class and report small sales. Obviously, good roads providing easy accessibility have played an important role in promoting the growth of roadside marketing in Ohio. It may be expected that, as the system of third-class roads is improved, more traffic will be diverted into localities now more or less inaccessible, and in many such localities roadside markets may increase in number and in volume of business transacted.

TABLE 2.—Location of 1731 Roadside Markets by Types of Road in Ohio, 1932

	Type of road			Total
	1	2	3	
Miles surveyed	2000.3	532.4	71.5	2604.2
No. of markets:				
Type 1	233	71	0	304
Type 2	223	27	1	251
Type 3	326	132	1	459
Type 4	560	150	7	717
Total	1342	380	9	1731
A v. distance between markets (miles)	1.491	1.401	7.944	1.504

The greatest concentration of roadside markets occurs within a distance of 5 miles from the corporation limits of the various centers of population in the State. Thirty-eight per cent of the 1731 markets recorded in this study was located within 5 miles of the nearest municipality of 5000 population or more. Sixty-six per cent, or two-thirds, was within 10 miles.

TABLE 3.—Distances from Nearest Municipality of 1731 Roadside Markets in Ohio, 1932

Number of markets	Distance* in miles			Total
	5 or less	5.1 to 10	More than 10	
Type 1:				
Number	145	78	81	304
Per cent	47.7	25.7	26.6	100.0
Type 2:				
Number	119	64	68	251
Per cent	47.4	25.5	27.1	100.0
Type 3:				
Number	173	140	146	459
Per cent	37.7	30.5	31.8	100.0
Type 4:				
Number	217	206	294	717
Per cent	30.3	28.7	41.0	100.0
Total:				
Number	654	488	589	1731
Per cent	37.8	28.2	34.0	100.0

*Measured from nearest corporation limits of nearest municipality of 5000 population or more.

It will be noted that the better classes of markets tend to concentrate near municipalities and that those of the lower classes appear in greater numbers at greater distances. Keener competition near cities appears to stimulate market operators to erect better buildings and to make more attractive displays of goods. Apparently, many farmers located at considerable distances from the nearest municipalities are content to have their roadside sales limited to such customers as may be attracted by signs rather than displays of goods. Indications are that this method usually furnishes so little business that it is practiced to a relatively small degree in more competitive areas.

In this connection several instances have been found where market operators have changed location to points on more heavily traveled roads or to points nearer cities and, upon making such changes, have improved their buildings and displays. In general, it may be said that on main traveled trunk highways, where much of the traffic moves rapidly and is of a transient nature, markets of the fourth class attract very little trade.

There are districts in Ohio where roadside marketing has reached an advanced stage of development. There are others where conditions seem just as favorable but as yet have induced practically no marketing of this type. It has been observed frequently that the establishment of one or more successful markets in a given locality is soon followed by others, leading eventually to a high degree of concentration and competition; doubtless, the promotion of roadside marketing in certain favorably located sections of the State where it is not yet developed awaits only the local leadership of enterprising individuals.

Many experienced operators have said that in locating a new venture of this sort they would choose, other factors being equal, a district in which roadside marketing had already become rather concentrated. Their reasoning is that in an undeveloped area the pioneer market operator would be confronted with the task of changing the buying practices of consumers; whereas, in an area previously developed, his task would be the easier one of attracting a reasonable share of the trade already existing in that area. Furthermore, it could be expected with certainty that, as soon as the pioneer venture demonstrated its success, competition in that vicinity would rapidly become as keen as in any other region.

It should be kept in mind, of course, that any marketing enterprise in a competitive area can succeed only as it offers goods or services or prices that are at least as attractive to buyers as those offered by competitors. A poor market among good ones has little chance. Therefore, in those sections where many high-class roadside markets already exist, a new venture can succeed only by adoption of alert merchandising methods.

Retail produce markets located within corporation limits of cities, towns, and villages were not included in this study. Many of those obviously were not farmers' markets. Even among those in the open country, a small number was found to be operated by others than farmers. Two hundred and ninety-two market operators, selected at random in various parts of the State, were interviewed for the purpose of learning what proportion of them were growers of the products they offered for sale and what proportion were not. Detailed results are recorded in Table 4.

It was found that 93 per cent was operated by farmers and 7 per cent by non-farmers. It was noted, also, that among the better classes of markets

larger percentages were owned by non-farmers than among the markets of the poorer classes. It seems clear that when dealers are attracted to this industry they are prone to establish good markets.

This industry is mainly of recent origin in Ohio. More than three-fourths of the roadside markets doing business in this State in 1932 were established during the last 6 years. Dates of establishment of 291 markets of all types doing business in various parts of Ohio were reported as follows: 77 per cent began operations in the years from 1927 to 1932, inclusive; 53 per cent was started in the 3 years 1930, 1931, and 1932; and 24 per cent in 1932 alone. Two of these markets were opened as early as 1903, one in 1905, and one in 1906, with gradually increasing numbers during the years that followed. In no single year prior to 1927, however, did the number of new markets exceed 3½ per cent of the total doing business in 1932.

TABLE 4.—Ownership of 292 Roadside Markets in Ohio, 1932

Type of market	Markets reporting				
	Operated by farmers		Operated by non-farmers		Total
	<i>Number</i>	<i>Per cent</i>	<i>Number</i>	<i>Per cent</i>		Number
1.....	61	91.0	6	9.0	67
2.....	62	89.9	7	10.1	69
3.....	79	95.2	4	4.8	83
4.....	71	97.3	2	2.7	73
Total.....	273	93.5	19	6.5	292

A given locality with a large number of residents who have neither facilities nor opportunity for producing their own food supplies obviously furnishes more direct retailing opportunities for nearby producers than one where such residents are few. On the other hand, if these opportunities are already being exploited by so many producers (and others) as to overcrowd the field, then the likelihood of expansion might be even less than in some other locality with smaller population and fewer markets.

A rough measure, therefore, of the relative likelihood of further expansion of this industry in various parts of Ohio, insofar as it may be determined from a consideration of only two factors, may be obtained from a comparison of the density of non-agricultural population and the density of roadside markets. It should be emphasized at this point that these comparisons are made for large areas only, that within each of these areas extremes of conditions may be found, and that the success of a retailing enterprise in any given locality is dependent upon many factors besides the two here considered.

In Table 6 these two factors are set forth for each of the five sections into which the State was districted for convenience in this study (See Figure 1). The five areas are arranged in this table from the top down in order of what may be termed their present "saturation" with roadside markets, as indicated by their respective ratios of non-agricultural population density to market density. Their relative possibilities for expansion, therefore, are in the opposite order; that is to say, the section having the smallest present saturation may be deemed to be most likely to witness further growth of roadside retailing. It will be noted that southwestern Ohio, with fairly large non-agricultural population and few markets, seems to present the greatest opportunity, and southeastern Ohio the least.

TABLE 5.—Dates of Establishment of 291 Roadside Markets in Ohio Doing Business in 1932

Year	Number of markets reporting					Per cent of total	
	Type 1	Type 2	Type 3	Type 4	Total	Annual	Cumulative
1932	11	31	17	11	70	24.06	24.06
1931	6	12	9	12	39	13.40	37.46
1930	8	7	16	16	47	16.15	53.61
1929	3	7	7	5	22	7.56	61.17
1928	5	4	8	9	26	8.94	70.11
1927	5	2	8	5	20	6.88	76.99
1926	6	1	2	2	11	3.78	80.77
1925	2	1	3	3	9	3.09	83.86
1924	3	1	3	1	8	2.75	86.61
1923	1	.....	1	3	5	1.72	88.33
1922	6	.....	1	.....	7	2.41	90.74
1921	1	.....	3	1	5	1.72	92.46
1920	2	.....	1	.....	3	1.03	93.49
1919	2	.....	2	.....	4	1.37	94.86
1918	1	2	1	.....	4	1.37	96.23
1917	.....	.....	1	1	3	1.03	96.23
1916	1	.....	.....	.....	1	0.34	97.26
1915	1	.....	.....	.....	1	0.34	97.60
1914	.....	.....	.....	.....	.....	.....	97.60
1913	1	1	.....	.....	2	0.69	98.29
1912	1	.....	.....	.....	1	0.34	98.63
1911	.....	.....	.....	.....	.....	.....	98.63
1910	.....	.....	.....	.....	.....	.....	98.63
1909	.....	.....	.....	.....	.....	.....	98.63
1908	.....	.....	.....	.....	.....	.....	98.63
1907	.....	.....	.....	.....	.....	.....	98.63
1906	.....	.....	.....	1	1	0.34	98.97
1905	.....	.....	.....	1	1	0.34	99.31
1904	.....	.....	.....	.....	.....	.....	99.31
1903	.....	.....	.....	2	2	0.69	100.00
Total	66	69	83	73	291	100.00	.....

TABLE 6.—Relationship of Density of Non-agricultural Population to Density of Roadside Markets in Ohio, by Sections

Section of state	No. of counties	No. of persons*	No. of square miles	Miles of road surveyed 1932	No. of markets †	Persons per square mile*	Markets per mile	Density ratio ‡
Southeastern	15	358,317	7,008	442.6	109	51	0.246	482
Northeastern	25	2,332,864	11,737	786.0	538	199	0.684	344
Central	7	471,089	3,559	361.3	153	132	0.423	320
Northwestern	23	776,405	9,893	501.4	122	78	0.243	312
Southwestern	18	1,295,478	8,543	512.9	92	152	0.179	118
Total	88	5,642,427	40,740	2604.2	1014	138	0.389	282

*Urban and rural non-farm population only, U. S. Bureau of the Census, 1930.

†Exclusive of Type-4 markets.

‡Markets per mile divided by persons per square mile.

MARKET STANDS AND EQUIPMENT

The market buildings and equipment used by operators of roadside produce markets vary widely in amount, in value, and in fitness for the business. Relatively few markets have what may be considered ideal equipment and ideal stands. The owner usually provides only the minimum requirements for the particular kind of business being done; the average investment, therefore, is low. Many operators report no cash whatever invested in their markets. In such cases, the building and all equipment were constructed of used or waste materials without hired labor.

The value of buildings and equipment of 210 markets in Ohio in 1932 is shown in Table 7. It will be seen that the investment in these items averaged less than \$85 per market. Markets of the fourth class have not been included in this tabulation as, clearly, no special building or equipment is needed by farmers in this group for making sales. Their only retail marketing facilities consist of a sign, usually home-made or furnished gratis by some agency as a joint advertising medium, and perhaps some weighing device, usually household scales or other all-purpose balances used generally about the farm. Investments directly chargeable to their roadside marketing activities, therefore, are negligible.

TABLE 7.—Value of Buildings and Equipment of 210 Roadside Markets in Ohio, 1932

	Type of market			
	1	2	3	Total
Buildings only:				
Number reporting.....	51	69	.....	120
Total value.....	\$ 12,055.00	\$ 663.00	.....	\$ 12,718.00
Av. value.....	\$ 236.37	\$ 9.61	.....	\$ 105.98
Equipment only:				
Number reporting.....	51	69	83	203
Total value.....	\$ 1,231.00	\$ 147.50	\$ 89.50	\$ 1,468.00
Av. value.....	\$ 24.14	\$ 2.14	\$ 1.08	\$ 7.23
Buildings and equipment combined:				
Number reporting.....	7	.....	.....	7
Total value.....	\$ 3,600.00	.....	.....	\$ 3,600.00
Av. value.....	\$ 514.29	.....	.....	\$ 514.29
Total number reporting.....	58	69	83	210
Total value buildings and equipment.....	\$ 16,886.00	\$ 810.50	\$ 89.50	\$ 17,786.00
Av. value buildings and equipment....	\$ 291.14	\$ 11.75	\$ 1.08	\$ 84.70

The greatest amount invested in buildings by any of the 120 owners reporting buildings separately was \$4000, this representing the cost of a sales room and storage house combined. The most expensive building erected exclusively for sales purposes cost \$1200. This, of course, was a market of the first class. The most expensive structure among markets of the second class, a temporary or portable building, cost \$108.

The largest investment in equipment in any of the 203 markets reporting equipment separately was \$200. Equipment in markets of the second class did not exceed \$75, and in markets of the third class, \$10.

Typical buildings and displays used in this business are shown in Figure 2. Just as there is little uniformity in the cost of these structures, so also is there no standard or generally accepted practice in design and layout. Individual preferences and financial resources determine the type and size of structure to be erected. Among the many markets in Ohio may be found all degrees of attractiveness, both of building and display and of setting and surroundings. Among them are all degrees of visibility to approaching motorists. Among them, too, are all degrees of suitability for the purpose for which they were erected. Doubtless, a greater volume of business would be done if the ideal were approached more closely by more of these markets.

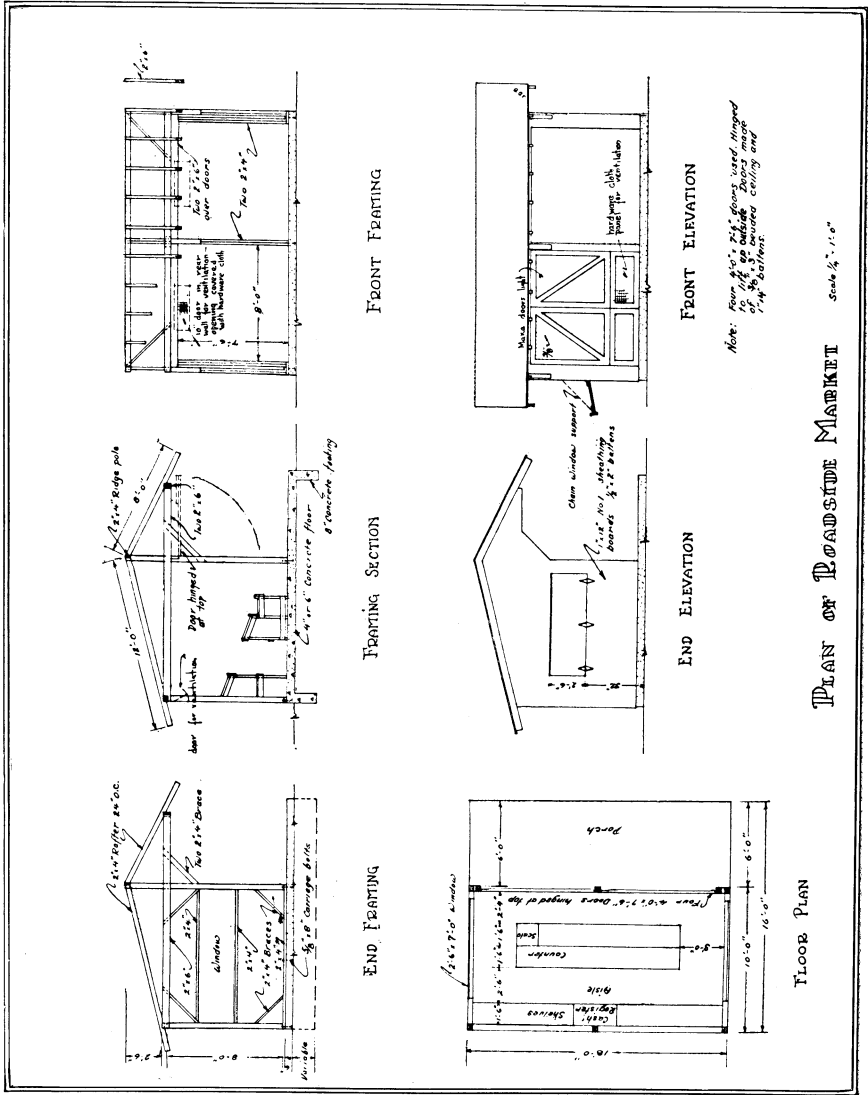


Fig. 3.—A building of moderate cost suitable for roadside retailing

The design presented in Figure 3 has been recommended as suitable for a permanent market of medium cost. This is a unit building and may be constructed with as many units as necessary in order to secure the required capacity and frontage. It may also be bolted together in sections and used as a portable building if desired. If erected in a suitable location, this building will give a high degree of visibility and accessibility to the offerings of the market. It affords a maximum of sheltered area; selling operations may be carried on in it and around it with convenience and dispatch; it may be closed and locked securely and easily, and it may be opened for business without undue shifting of goods. Many larger and more expensive buildings are less well adapted to the business of roadside retailing. This design was prepared by the Department of Agricultural Engineering, of the Ohio State University, in collaboration with the Department of Rural Economics, of the Ohio Agricultural Experiment Station.

TABLE 8.—Equipment Used in 205 Roadside Markets in Ohio, 1932

	Number of markets reporting				Per cent of total
	Class 1	Class 2	Class 3	Total	
Reports received.....	53	69	83	205	100.0
Kinds of equipment:					
Bagging machines.....	2	0	0	2	1.0
Cash registers.....	8	0	1	9	4.4
Cider presses.....	1	0	0	1	0.5
Display bins or racks.....	28	27	17	72	35.1
Glass show cases.....	3	0	0	3	1.5
Heating equipment.....	2	0	0	2	1.0
Lighting, electric.....	41	25	15	81	39.5
Lighting, other.....	1	1	0	2	1.0
Refrigerator.....	9	0	0	9	4.4
Telephone.....	1	0	0	1	0.5
Weighing devices.....	38	16	7	61	29.8

The kinds of equipment used in roadside markets are as variable as the market buildings. In Table 8 are recorded the amounts and kinds used in 205 of these markets. It will be noted that the only equipment employed in many markets was display bins or racks, weighing devices, and electric lights. About two-thirds did not even have these. Less than 30 per cent was equipped with any kind of scales. About 40 per cent used electric lights; only one market in 205 was equipped with flood lighting. Glass show cases, cash registers, refrigerators, and other more expensive items of equipment are considered as non-essentials by most operators. This, obviously, is a small-investment business.

Abundant parking space with easy access for customers' vehicles is an important factor in roadside retailing, and yet many markets are established with little or no provision for the parking of buyers' cars. More than 87 per cent of 279 markets of all classes surveyed in Ohio in 1932 had parking areas for not more than five cars; 43 per cent had no parking area whatever. Among the better class markets these deficiencies were not so pronounced; yet 29 per cent of those in the first three classes had no parking area. Very few provided sufficient parking space to prevent traffic congestion during peak periods. The parking capacities of these markets are shown in detail in Table 9.

TABLE 9.—Capacity of Parking Areas of 279 Roadside Markets in Ohio, 1932

Type of market	No. of markets reporting capacity of parking areas					Largest capacity recorded
	No parking area	1 to 5 cars	6 to 10 cars	More than 10 cars	Total	
	<i>Mkts.</i>	<i>Mkts.</i>	<i>Mkts.</i>	<i>Mkts.</i>	<i>Mkts.</i>	<i>Cars</i>
1.....	2	25	20	7	54	50
2.....	19	47	3	0	69	10
3.....	39	40	3	1	83	20
4.....	60	12	1	0	73	10
Total.....	120	124	27	8	279	50
Per cent of total.....	43.0	44.4	9.7	2.9	100.0	.....

The relationship between capacity of parking area and volume of business is shown strikingly in the records of 197 markets of all classes visited in 1932. These records are summarized in Table 10.

It will be noted that the average volume of business increased as the capacity of the parking area increased and that these increases in sales were much more pronounced when the capacity rose to six cars or more.

TABLE 10.—Parking Capacity and Volume of Business of 197 Roadside Markets in Ohio

	No. of markets	Volume of business, 1931	
		Total	Average
No parking area.....	97	<i>Dollars</i> 33,970	<i>Dollars</i> 350
Capacity 1 to 5 cars.....	79	35,754	453
Capacity 6 to 10 cars.....	16	17,779	1111
Capacity more than 10 cars.....	5	24,200	4840

Exceptions were found, of course, where a large volume of business was being done with little area provided for customers' vehicles and others where small returns accompanied large parking capacity. Abundant parking space alone cannot assure large receipts; nevertheless, this factor is important enough to merit thoughtful planning on the part of operators. Customers will stop more readily if provision is made for the safety of vehicles and passengers. Wide, easy approaches to the parking area are desirable so that cars may leave moving traffic gradually and be brought to a stop slowly. A firm, well drained surface should be provided underfoot that will remain clean and serviceable in all weather conditions. It is desirable to provide some space immediately in front of the market for customers desiring curb service and an area at the sides or rear for those who prefer to leave their cars.

VOLUME OF BUSINESS

Records are not at hand to show the total volume of sales made at Ohio roadside produce markets. Judging from sales in 1931 reported by 208 markets (Table 11), it has been estimated that aggregate sales in that year may have been in the neighborhood of \$5,000,000.

Most of the business transacted at these markets is of a retail nature and sales are made for cash. Credit transactions are negligible.

Of the 208 markets mentioned above, only 14 reported any wholesale business. The total wholesale business of these 14 markets was \$2471, or an average of \$177 each. Nine of these 14 were Type-1 markets, and these nine markets transacted \$2200 of the total wholesale business. The wholesale transactions of farmers operating Type-4 markets were considered as a separate venture and were not included in Table 11.

TABLE 11.—Wholesale and Retail Sales of 208 Roadside Markets in Ohio, 1931

Volume of sales	Type of market				Total
	1	2	3	4	
Number of markets	47	35	65	61	208
Retail:					
Total (dollars)	81,622	10,554	21,965	9,590	123,731
Average (dollars)	1,737	302	338	157	595
Wholesale:					
Total (dollars)	2,200	150	121	0	2,471
Average (dollars)	46	4	2	0	12
Total:					
Total (dollars)	83,822	10,704	22,086	9,590	126,202
Average (dollars)	1,783	306	340	157	607
Per cent of total:					
Retail	97.4	98.7	99.4	100.0	98.0
Wholesale	2.6	1.3	0.6	0.0	2.0
Total	100.0	100.0	100.0	100.0	100.0

In Table 12 these markets have been grouped according to their gross cash incomes in 1931.

TABLE 12.—Sales Incomes of 208 Roadside Markets in Ohio, 1931

Volume of sales	Type of market				Total
	1	2	3	4	
<i>Dollars</i>	<i>No.</i>	<i>No.</i>	<i>No.</i>	<i>No.</i>	<i>No.</i>
1000 or more	25	3	5	1	34
500-999	9	4	3	2	18
Less than 500	13	28	57	58	156
Total	47	35	65	61	208

The type of market bears a distinct relationship to the volume of sales. Although wide variations existed in the gross sales of Type-1 markets, in general they reported far more business than any other type. Forty-seven markets in this class reported sales ranging from \$40 to \$12,475 in 1931, averaging \$1737; whereas the next highest average was \$338, reported by 65 markets of the third class. Type-2 and Type-3 markets averaged about the same in gross sales, but it should be pointed out that the average for Type-3 markets was influenced by two which reported unusually high figures of \$3000 and \$5000, respectively. Type-4 markets consistently showed the lowest volume of business. Twenty-three, or 39 per cent, of the Type-4 markets reporting sold less than \$100 worth of goods each.

Markets located on well traveled roads reported higher average gross revenues than those on roads carrying less traffic. Markets located at road intersections likewise reported higher average gross sales than others. Accessibility to a greater number of prospective customers was thus reflected in larger sales.

TABLE 13.—Retail Business of 196 Roadside Markets in Ohio, 1931, by Road Locations

	Type of market				Total
	1	2	3	4	
On first-class roads:					
Number of markets	19	11	31	37	98
Average business (dollars)	1763	475	455	137	591
On second-class roads:					
Number of markets	16	24	34	24	98
Average business (dollars)	1400	222	231	188	409
At road intersections:					
Number of markets	6	3	5	3	17
Average business (dollars)	2283	142	140	117	893
Not at road intersections:					
Number of markets	29	32	60	58	179
Average business (dollars)	1455	317	387	159	463

The side of the road upon which the market is located seems to have some bearing on the volume of business done. The right side of the road, approaching the nearest municipality, yielded higher average returns than the left side, particularly among the higher types of markets and on the better classes of roads. This matter will be discussed further in a later section dealing with patronage.

TABLE 14.—Retail Business of 196 Roadside Markets in Ohio, 1931, by Side of Road Occupied

Side of road occupied*	Type of market				Total
	1	2	3	4	
On first-class roads:					
Right—Number of markets	12	8	18	15	53
Average business (dollars)	2060	384	407	123	775
Left—Number of markets	7	3	13	22	45
Average business (dollars)	1252	717	209	147	375
On second-class roads:					
Right—Number of markets	10	14	16	15	55
Average business (dollars)	1530	225	197	88	417
Left—Number of markets	6	10	18	9	43
Average business (dollars)	1184	218	261	354	399
On all roads combined:					
Right—Number of markets	22	22	34	30	108
Average business (dollars)	1818	283	428	106	592
Left—Number of markets	13	13	31	31	88
Average business (dollars)	1221	333	239	207	386

*Approaching nearest municipality of 5000 population or more.

The relationship of each of four factors to the volume of business done is shown graphically in Figure 4³. These charts are based on the records set forth in Tables 15 to 18, inclusive.

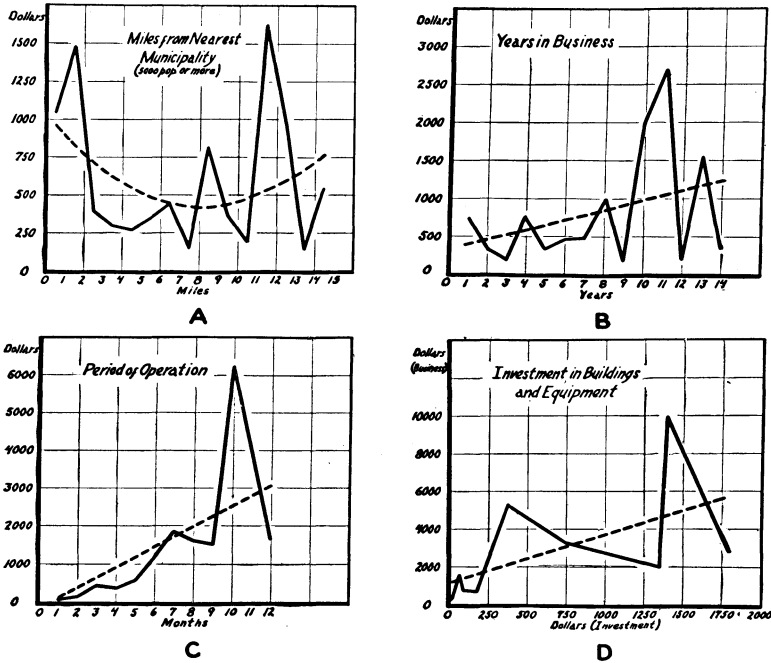


Fig. 4.—Relationship of volume of business to various factors

Markets located just beyond the city limits transacted more business on the average than those located a few miles away, although at distances greater than 10 miles from the nearest municipality the average business again increased, due to larger unit sales (Figure 4 a). Average sales likewise increased with the number of years in operation each year (Figure 4 c)⁴. The relation between volume of business and investment in buildings and equipment is not so pronounced (Figure 4 d). Investment amounted to very little except in the case of Type-1 markets, but with this type there was a distinct relation between well equipped, up-to-date markets and a better-than-average volume of sales. With other types, the investment was very slight in any case and, in general, had little relationship to the volume of business transacted.

³Coefficients of correlation have been computed for each of the paired factors shown in Figure 4. Values for these correlation coefficients were .678 for the relation between volume of business and years in business, .661 for volume of business and period of operation, and .428 for the volume of business and investment in buildings and equipment. The value of the index of correlation was .355 for the relationship between the volume of business and number of miles from the nearest municipality.

Lines of regression for these same relationships were plotted from the following equations:

Location	.....y = 432.37	- 10.62 x	+ 9.466 x ²
Years in business	.....y = 32.59 x	+ 799.64	
Period of operation	.....y = 141.52 x	+ 1533.15	
Investment	.....y = 2.53 x	+ 1137.72	

⁴Type-4 markets were excluded from calculations of the period of operation.

TABLE 15.—Average Volume of Business in 1931 of 167 Roadside Markets in Ohio Grouped According to Distances from Consuming Centers

Distance from consuming center	Markets	Total business	Average business
<i>Miles</i>	<i>No.</i>	<i>Dollars</i>	<i>Dollars</i>
Less than 1 mile.....	14	14,650	1046.42
1-1.9.....	13	19,254	1481.07
2-2.9.....	13	5,150	394.61
3-3.9.....	18	5,320	295.55
4-4.9.....	14	3,820	272.85
5-5.9.....	11	3,825	347.72
6-6.9.....	15	6,765	451.00
7-7.9.....	10	1,600	160.00
8-8.9.....	15	12,435	829.00
9-9.9.....	6	2,225	370.83
10-10.9.....	8	1,500	187.50
11-11.9.....	11	18,304	1664.00
12-12.9.....	5	4,725	945.00
13-13.9.....	5	730	146.00
14-14.9.....	9	4,875	541.66

TABLE 16.—Average Volume of Business in 1931 of 196 Roadside Markets in Ohio by Age Groups

Year of establishment	Markets	Total volume of business	Av. volume of business
	<i>No.</i>	<i>Dollars</i>	<i>Dollars</i>
1931.....	35	25,715	734.71
1930.....	47	15,744	334.97
1929.....	21	3,915	186.42
1928.....	26	19,765	760.19
1927.....	19	6,325	332.89
1926.....	10	4,550	455.00
1925.....	8	3,630	478.75
1924.....	7	6,782	968.85
1923.....	5	905	181.00
1922.....	5	10,150	2030.00
1921.....	4	10,600	2650.00
1920.....	1	200	200.00
1919.....	4	6,150	1537.50
1918.....	4	1,375	343.75

TABLE 17.—Average Volume of Business in 1931 of 147 Roadside Markets* in Ohio Grouped According to Season of Operation

Season of operation	Markets	Total volume of business	Av. volume of business
<i>Months</i>	<i>No.</i>	<i>Dollars</i>	<i>Dollars</i>
1.....	1	25	25.00
2.....	30	3,304	110.13
3.....	19	7,890	415.26
4.....	23	8,850	384.78
5.....	14	7,945	567.50
6.....	13	15,525	1194.23
7.....	5	9,325	1865.00
8.....	6	9,700	1616.66
9.....	4	6,054	1513.50
10.....	2	12,500	6250.00
11.....	0	0	0.00
12.....	30	49,423	1647.43

*Type-4 markets not included.

Average capacity of the parking area for customers' cars bore a direct relationship to the average volume of business. This relation has been discussed in the preceding section dealing with market stands and equipment.

Some markets handled specialized lines; that is, products which are closely related, as fruits or vegetables, or poultry and eggs, or others. Others offered diversified lines of two or more such groups of products. The latter outnumbered the former three to one, the degree of diversification being more pronounced in the higher type markets.

TABLE 18.—Average Amount of Business Transacted in 1931 at 205 Roadside Markets in Ohio Grouped According to Amount of Investment

Amount of investment in buildings and equipment	Markets	Total volume of business in 1931	Av. volume of business
<i>Dollars</i>	<i>No.</i>	<i>Dollars</i>	<i>Dollars</i>
0-	121	28,455	235.16
1- 25.....	42	14,244	339.14
26- 50.....	11	9,078	825.27
51- 75.....	7	10,950	1,564.28
76- 100.....	4	2,929	732.25
101- 250.....	10	6,650	665.00
251- 500.....	4	21,275	5,318.75
501-1000.....	3	10,025	3,341.66
1350.....	1	2,000	2,000.00
1400.....	1	10,000	10,000.00
1800.....	1	2,800	2,800.00

Markets handling diversified lines of produce averaged higher gross returns in 1931 than those handling specialized lines (Table 19). Of 25 Type-1 markets reporting sales of \$1000 or more in 1931, only two handled specialized lines. Of seven Type-2 markets and eight Type-3 markets reporting sales of \$500 or more, only one of each type handled a specialized line. Type-1 markets showed the greatest degree of diversification, and 33 per cent of these handled four or more classes of products. Of the 34 markets reporting annual sales of \$1000 or more, only two handled one class of products exclusively, 10 handled two classes, 11 handled three classes, and 11 handled four or more classes. Clearly, the more successful operators tended to diversify their offerings.

TABLE 19.—Retail Business of 208 Roadside Markets in Ohio, 1931, by Groups, According to Lines of Products Offered for Sale

	Type of market				Total
	1	2	3	4	
Specialized lines:					
Number of markets	3	8	19	26	86
Per cent of total	6.3	22.9	29.2	42.6	26.9
Average business (dollars).....	1135	188	154	153	211
Diversified lines:					
Number of markets	44	27	46	35	152
Per cent of total	93.7	77.1	71.8	57.4	73.1
Average business (dollars).....	1778	335	414	160	736

One hundred and ten market operators questioned regarding their annual gross cash revenues from this source replied almost unanimously that returns were lower in 1931 than in the years just preceding, due mainly to price declines and, in some cases, also to increased competition. Although this

inquiry was made before the end of the 1932 season, all the evidence indicated that further decreases were to be expected when final returns were in for that year. These decreases existed despite the fact that some of these markets reported larger volumes of goods sold. Fifteen reported that the quantities sold in 1931 were greater, 35 about the same, 43 less, and 17 much less than in the years immediately preceding.

This declining tendency was confirmed by the receipts reported by three large roadside markets operated by retail dealers in Ohio. Their receipts are recorded in Table 20.

TABLE 20.—Gross Retail Sales of Three Dealers' Roadside Markets in Ohio

Year	Market "A"	Market "B"	Market "C"
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
1924.....	5,872		
1925.....	10,907		
1926.....	18,830		
1927.....	16,947	7,840	
1928.....	15,994	11,000	
1929.....	14,403	16,675	11,052
1930.....	12,760	14,700	6,707
1931.....	6,400	5,400	5,559

Daily and individual sales of farmers' roadside markets of the better class are indicated in Table 21. These sales records were taken for a period of one week at the height of the 1931 season in six typical markets in central and northern Ohio. They include retail sales only.

TABLE 21.—Daily Retail Sales of Six Farmers' Roadside Markets in One Week, 1931

Day of week	Mar- ket "A"	Mar- ket "B"	Mar- ket "C"	Mar- ket "D"	Mar- ket "E"	Mar- ket "F"	Total	Per cent	No. of pat- rons	Av. sale
Monday.....	\$57.20	\$26.46	\$29.70	\$27.35	\$39.80	\$18.50	\$199.01	16.3	173	\$1.15
Tuesday.....	53.69	9.29	19.00	13.68	24.70	16.60	136.96	11.2	135	1.01
Wednesday.....	49.10	31.98	12.00	15.40	3.60	25.30	137.38	11.2	160	0.86
Thursday.....	34.81	17.93	24.00	17.56	7.45	57.84	159.59	13.1	157	1.02
Friday.....	39.30	24.57	18.45	18.30	9.40	2.15	112.17	9.2	134	0.84
Saturday.....	63.95	28.78	12.25	20.30	23.50	19.45	168.23	13.8	177	0.95
Sunday.....	101.15	76.47	13.85	21.10	57.52	37.10	307.19	25.2	402	0.76
Total.....	399.20	215.48	129.25	133.69	165.97	176.94	1220.53	100.0	1338	0.91

It will be noted that one-fourth of the average weekly income was received on Sunday, and that Saturday and Sunday together produced almost 40 per cent. Monday likewise accounted for a large part of the weekly business. It has been observed that customers on Monday frequently buy in larger quantities than at other times. This matter will be discussed further in a later section dealing with patronage.

PRODUCTS SOLD

A great variety of products is offered to the public at roadside retail markets, chiefly fresh fruits and vegetables and poultry products. Nearly 30 kinds of fresh vegetables and 20 kinds of fresh fruits were observed at the 292 markets visited. In addition, many miscellaneous commodities are offered,

including dairy products, fresh and smoked meats, honey and beeswax, maple products, cider, vinegar, and fruit butters, flowers and nursery stock, home canned and baked goods, and ice cream and candies.

Sixteen per cent of the markets visited handled vegetables only, 4 per cent fruits only, and 22 per cent fruits and vegetables only, making a total of 42 per cent specializing solely in these products. Nearly 80 per cent handled vegetables and nearly 60 per cent handled fruits, either exclusively or in connection with other lines. Poultry and eggs were offered at slightly less than one-half of the markets studied.

TABLE 22.—Products Handled by 292 Roadside Markets in Ohio, 1932

Class of products sold	Type of market									
	1 (67 markets)		2 (69 markets)		3 (83 markets)		4 (73 markets)		Total (292 markets)	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Vegetables.....	59	88.0	67	97.1	72	86.7	35	47.9	233	79.8
Fruit.....	59	88.0	45	65.2	52	62.6	16	22.0	172	58.9
Poultry and eggs	33	49.3	21	31.9	27	32.5	58	79.4	139	47.6
Miscellaneous....	29	43.3	5	7.2	17	20.5	18	24.7	69	23.6

Local production practices greatly influence roadside market offerings; most markets display only those commodities produced in the vicinity. Not all, however, are home-grown or home-made. Citrus fruits and California grapes, for example, though not produced in this State, are offered for sale at some markets as are also other commodities which, though grown at certain seasons in Ohio, are not in season in this State during the entire period in which displayed. Watermelons are commonly offered at roadside markets before they are ripe any place in Ohio.

Most Ohio roadside market operators produce all or nearly all of the goods they sell. Of those operators interviewed, 215, or 73.6 per cent, sold nothing except goods of their own production. Those who bought some goods, but not more than one-fourth of their offerings, (36 markets) comprised an additional 12.3 per cent. Only eight, or 2.8 per cent, produced none of the products they sold. Although 19 were reported as non-farmers (Table 4), 11 of these offered some home-made products at their markets. Ten sold goods for others on commission, the proportions of their total volume ranging from 5 to 100 per cent.

The handling of shipped-in products, condemned by some as unethical, may be and often is good business practice. Supplementing home-grown goods with a line of commodities grown elsewhere enables many a market operator to expand his business. Providing quality and freshness are not sacrificed, total revenues often can be increased by handling a more complete line of goods and by lengthening the season during which the market is open for business. Many market operators accomplish the same end to a degree by purchasing products grown on nearby farms but will not offer goods produced in distant states.

The purchase of limited quantities of goods for re-sale is defended by many successful roadside vendors. In the first place, it enables them to offer better assortments and varieties of goods than if they are restricted entirely to

goods of their own production. The quantities of various items displayed and the proportions of various grades and sizes may be adjusted more closely to requirements. Furthermore, at times many products can be purchased at less cost and with smaller investment than if grown. Restriction to home-grown products exclusively limits opportunities for profits on goods which may sell readily but cannot be supplied by the marketer at the time from his own production. If the selling of goods purchased can be made to add to the profits from the selling of home-grown goods and at the same time satisfy customers' demands over a longer season, it would seem to be as desirable a merchandising practice in this business as in any other.

Varieties offered are numerous and often little known. Varieties of fruits and vegetables usually considered as non-commercial are found frequently in small lots in roadside markets; that is, varieties which do not meet present-day requirements of the wholesale market or of city retailers.

In general, quality requirements have not been as exacting in roadside selling as in other and less direct channels of distribution. Some orchardists and market gardeners, for example, use their markets solely to dispose of inferior grades which cannot be sold with profit, if at all, through wholesale outlets. It does not follow that only poor quality and ungraded produce is handled at roadside markets. Many enterprising marketers offer high quality goods, and it may be said that this business is gradually attaining higher standards.

At many markets only one grade of a given product is offered, but as a rule the more successful merchants display two or more grades. Limited displays of inferior grades were found even in markets catering especially to a discriminating clientele. Even though practically no demand exists at such markets for low-grade goods, the inferior product shown, although given little prominence in the display, served as a basis for comparison of quality and price. These marketers reported that increased sales due to the customers' ability to make such comparisons more than compensated for any small losses due to deterioration and subsequent destruction of unsold, low-grade offerings.

Not all roadside markets can succeed with a high quality appeal alone. Not all locations will furnish enough buyers for select grades to make the enterprise profitable. Buyers seem to fall into three general groups: first, those who insist upon fancy quality and are not repelled by high prices if the goods are satisfactory; second, those who demand fair to good quality at reasonable prices; and third, those who buy entirely on a price basis and will accept inferior quality without question if the price is low enough. The great majority of roadside buying is done by the second class.

The value of extensive and neatly arranged displays in attracting customers is not universally appreciated. It has been observed that better than average business is enjoyed by marketers with larger than average displays. Extensive displays, of course, may cause considerable work in opening and closing the market and greater losses from deterioration of unsold produce. The ratio of losses to sales, however, may decrease with an increase in the size of the display, if the management is skillful and if increased sales resulting from the larger display permit more rapid turnover of stock.

Large packages designed primarily for shipment or for sales in wholesale quantities are not in general favor in this business. Many sales are made from bulk displays and are delivered to customers' cars either without containers or in paper bags. In fact, paper and textile bags in sizes up to one

bushel capacity are used to some extent even for heavy commodities such as apples and potatoes. The development of paper-board and textile containers and newer types of wooden packages for roadside retailing has been stimulated by a demand for cheap containers which will not damage clothing or automobile upholstery.

PERIOD OF OPERATION

Roadside marketing is a highly seasonal business in Ohio. The products sold are chiefly perishable and are available from local sources for relatively short periods. Cold and disagreeable weather during several months of the year increases the risks of loss from deterioration of goods and discourages automobile travel. During those months buyers seek other sources of supply. The principal season opens early in the summer and continues through the harvest season and early winter, a period of not more than 6 months.

Most Type-4 markets operate the year around; that is, sales are made at any time when the farmer has produce to offer and customers can be attracted. Of 73 Type-4 markets studied, 60 were of this nature. The other three types of markets, involving usually some trouble and expense when in operation, reflect more accurately the seasonal nature of this business. Of 207 markets of the first three types, 38 were reported as being open 12 months each year, three were open 10 or 11 months, 18 were open 7 to 9 months, 38 were open 5 or 6 months, 70 were open 2 to 4 months, and 40 were open less than 2 months. Twelve markets established in 1932 furnished no data on period of operation. One hundred and forty-eight, or 71.5 per cent, of the markets of the first three types, were open 6 months or less.

The seasonal nature of the business is illustrated by two typical regions in Ohio, each of which was surveyed twice during the summer of 1932.

A trunk highway traversing the Ottawa County fruit district was surveyed first on July 14 and again at the height of the peach season on September 10. On the latter date, the number of markets had increased from 15 to 30, or 100 per cent. The main highway between Columbus and Portsmouth traverses a region where large quantities of sweet corn and melons are grown. A survey of this highway was made on July 15. When repeated August 17, during the harvesting season for these crops, an increase from 27 to 72, or 167 per cent, was noted. Later, many of those appearing at the height of the season were discontinued. Clearly, many roadside markets are established only temporarily during the harvesting period.

All Type-4 markets accepted business any day of the week. Of 217 markets of the first three types, 190, or 87.6 per cent, were open 7 days each week, 15 were open 6 days, five less than 6 days, and seven for varying numbers of days from week to week. Two markets furnished no data on the number of days they were open for business.

The percentage of markets open 7 days each week is probably greater than in earlier years; a considerable number of marketers who are opposed to Sunday selling for one reason or another reported that they have found it necessary in the last year or two to sell on Sundays in order to meet competition. Most markets report larger sales on Sunday than on any other day. Markets located near cities occasionally do well on Monday, but others usually report small sales on Monday.

Only one of the 73 Type-4 markets reported any particular hours for doing business. Of the other three types, 203 reported opening and closing hours. Sixty-nine of these opened before 8:00 A. M., 69 at 8:00 or 9:00 A. M., 41 from 10:00 A. M. until noon, 12 did not open until afternoon, and 12 reported being open 24 hours a day. Eleven of these were Type-3 markets, which remained open because of the difficulty and time required in dismantling the display and storing the goods at night and replacing the display each morning.

Only four of these 203 markets closed regularly before dark, 113 closed at dark, and 74 remained open later. Traffic later than 9:00 o'clock produces practically no sales, so that most markets close not later than 9:00 or 10:00 P. M.

Artificial lighting was necessary in those which remained open in the evenings. In most cases the light used was quite inadequate, both in the amount and kind, either to attract favorable attention or to permit customers to inspect the produce thoroughly. Eighty-one markets were equipped with electric lights and two with other types, but flood lights were installed at only one market.

COSTS AND EXPENSES

This has been shown to be a business usually requiring little investment. Locations, likewise, are such as would command only small rentals as a rule. Overhead charges of roadside markets, therefore, are not large. However, interest on investment, insurance, depreciation, and rent (when they are not direct expense) are seldom determined with accuracy and, therefore, are not often charged directly against the market enterprise. Nevertheless, the amount of rent or taxes or other overhead expense of the farm that should properly be apportioned to marketing operations certainly ought to be considered as carefully by roadside merchants as by others and, along with operating expenses and cost of goods sold, should be deducted from gross sales before net profit is reckoned.

Of 292 market operators interviewed, only five charged any rent directly against their markets, although many of them were farming on rented land and their markets were located on these rented farms. Four of these were charging amounts varying from \$5 to \$15 per month as rent; whereas the other was charging 2 per cent of gross sales. Since three of the five started in business in 1932, they are not included in Table 23.

Operating costs also were small, varying with the type of market and with the kinds of produce sold. Costs reported, exclusive of labor, ranged from practically nothing up to about 14 per cent of the gross sales, with Type-1 markets showing the largest percentages and Type-4 markets the smallest. Those selling products requiring package expense reported higher operating costs than those selling in bulk. Operating costs were reported by only two Type-4 markets; in both cases, they were for local advertising and were negligible. Type-4 markets are not included in Table 23.

Labor expense was seldom charged against the marketing enterprise. In most cases marketing labor was not paid labor but was furnished by the farmer and members of his family. Where paid labor was necessary, this was the largest single item of operating costs. Only five markets reported any expense for hired market labor, and, although four others employed some paid labor, time at the market was not accounted for separately from general farm labor.

TABLE 23.—Costs Reported by 135 Roadside Markets in Ohio, 1931

	Expense item						
	Hired labor	Rent	Advertising	Lights	Packages	Labels	Insurance
Type-1 Markets (35):							
Number reporting expenditure.....	5	2	6	3	27	1	3
Number reporting no expenditure.....	30	33	29	32	8	34	32
Total amount expended.....	\$ 1,950.00	\$ 330.00	\$ 209.00	\$ 136.00	\$ 1,891.00	\$ 7.00	\$ 58.00
Av. exp. per market of those reporting expenditures.....	\$ 390.00	\$ 165.00	\$ 34.83	\$ 45.34	\$ 70.04	\$ 7.00	\$ 19.34
Gross sales of markets reporting expenditures.....	\$24,075.00	\$13,575.00	\$28,900.00	\$23,175.00	\$64,950.00	\$48,500.00	\$19,975.00
Expense expressed in % of gross sales.....	8.10	2.43	.72	.58	3.03	.08	.29
Type-2 Markets (35):							
Number reporting expenditure.....	.....	.....	.....	.....	9	.....	.....
Number reporting no expenditure.....	35	35	35	35	26	35	35
Total amount expended.....	.....	.....	.....	.....	\$ 202.00	.....	.....
Av. exp. per market of those reporting expenditures.....	.....	.....	.....	.....	\$ 22.50	.....	.....
Gross sales of markets reporting expenditures.....	.....	.....	.....	.....	\$ 5,850.00	.....	.....
Expense expressed in % of gross sales.....	.....	.....	.....	.....	3.45	.....	.....
Type-3 Markets (65):							
Number reporting expenditure.....	.....	.....	1	.....	4	.....	.....
Number reporting no expenditure.....	65	65	64	65	61	65	65
Total amount expended.....	.....	.....	\$ 15.00	.....	\$ 535.00	.....	.....
Av. exp. per market of those reporting expenditures.....	.....	.....	\$ 15.00	.....	\$ 134.00	.....	.....
Gross sales of markets reporting expenditures.....	.....	.....	\$ 400.00	.....	\$ 5,600.00	.....	.....
Expense expressed in % of gross sales.....	.....	.....	3.75	.....	9.55	.....	.....

Advertising is not used extensively in this business. Most roadside market advertising consists of brief notices in the classified columns of newspapers at times when a large crop of some perishable product must be sold within a short time. A number of enterprising roadside merchants have used direct mail advertising with success, sending notices to all customers when particular crops are ready for sale. Costs for advertising ranged from \$5 to \$100 per year. Of the six Type-1 markets reporting advertising costs and gross sales for 1931, the average expenditure was only \$0.007 for every dollar of sales. No Type-2 markets and only one Type-3 market reported any advertising expense. Most market operators rely not upon printed advertising but upon the melon field or the orchard behind the market and upon their display of goods to attract customers.

Cost of lighting in most cases is not kept separate from other farm and home lighting. Three Type-1 markets, where light expense was recorded separately, reported an average of \$45 a year for this item, or about 0.6 of one per cent of gross sales.

The cost of packages varied greatly. No less than eight of the 35 Type-1 markets reported no expense whatever for packages; that is, the operators used salvaged packages of various sorts or else sold products that needed no packages. Of the other 27 markets of this type, three had package expenses as high as \$300 each. The average package expense for the 27 Type-1 markets was 3 cents for each dollar of sales.

Of 35 Type-2 markets 26 reported no package expense, and of 65 Type-3 markets 61 had no package expense. The average expense of the four Type-3 markets was considerably overweighted by one of the four which reported an expense of 20 per cent for packages.

Only one market reported label expense. Several had used labels in former years but had discontinued them in 1931 and 1932 in order to reduce expenses.

Only three marketers carried insurance on their market buildings and equipment separate from that on other farm buildings. Annual premiums varied from \$5 to \$35 and averaged about three-tenths of a cent per dollar of sales.

Several instances were found where producers of fruits and vegetables and honey were having part or all of their output sold by others at roadside markets. Goods were graded and packed by the owners and delivered by them to the markets ready for sale. Unsold produce was returned to the owners at their expense. Fifteen per cent of the gross returns for the produce sold was deducted by the seller. This was considered to be enough to cover all necessary selling expense and give some margin of profit.

Since practically all roadside retail sales are for cash and thus no losses are incurred through uncollectible accounts, since delivery and other service expenses are avoided, and since overhead and operating charges are low, this type of retailing of foodstuffs costs less than traditional methods. Many Ohio farmers who are fortunately located are obtaining a larger part of the consumers' dollar by this means than is possible through other less direct selling methods.

PRICES

Prices asked at roadside markets often vary more widely than in other types of food retailing. Roadside marketers disagree as to the proper basis for price setting.

Some believe that the customer should be given the benefit of whatever transportation or delivery costs are saved (since transportation is provided by the buyer), and for this reason they establish their prices at some point below prevailing retail levels. In several extreme cases quotations have been found to be even below prevailing wholesale prices.

Other marketers maintain that freshness of the produce offsets all transportation costs incurred by the customer, and, therefore, they sell at retail levels or even higher. Many successful operators charge what the traffic will bear on the theory that the prices asked can readily be adjusted up or down to correspond with whatever demand develops. They are primarily concerned with setting prices at levels that will move all the produce offered at the largest possible return rather than with saving transportation costs for their customers. In fact, it has been observed that these costs are seldom taken into account by buyers, since most purchasing at these country markets is done as an incident to trips taken for other business or for pleasure.

The greater number appear to follow no reasonable or consistent principle in setting prices. They either follow the lead of some neighboring competitor or charge some habitual price without regard to changes in supply and demand.

In substantially the same locality in central Ohio in 1932 prices for eggs in roadside markets were found to vary in the same day from 20 to 28 cents per dozen; tomatoes from 15 to 25 cents per 20-pound basket; green corn from 10 to 15 cents a dozen; potatoes from 20 to 25 cents a peck; and plums from 25 to 40 cents a peck. In one locality in northern Ohio prices for peaches ranged from \$1.25 to \$1.75 a bushel; apples from 10 to 20 cents a peck; broilers from 20 to 28 cents a pound; and pears from 25 to 40 cents a bushel. Some differences in grade and condition were evident, but such wide variations in price could not be accounted for by quality alone.

Prices of some products varied with more consistency; to illustrate, egg prices near Cleveland and Cincinnati usually varied inversely with the distances of the markets from the nearest city. This inverse relationship appears to exist to some degree for a long distance from both Cleveland and Cincinnati but does not hold true for Columbus. Egg prices were found to be lower at country markets in central Ohio than in either the Cincinnati or Cleveland areas. Several roadside merchants on north and south trunk highways in central Ohio reported that some of their egg customers are residents of Cincinnati or Cleveland who buy from them on their way home to save the difference in price. A series of egg prices recorded on one day at markets located on State Highway No. 3 between Columbus and Cleveland revealed fairly regular and consistent price advances from 18 cents a dozen near Columbus to 28 cents a dozen near Cleveland.

A series of green corn prices recorded on the same day along the same highway showed similar results. Prices advanced from 10 cents a dozen near Columbus to 15 cents near Cleveland. With potatoes and tomatoes, however, different conditions were found. Prices ranged back and forth from 60 to 75 cents a bushel for tomatoes and from 55 to 75 cents a bushel for potatoes, with no apparent relationship between price and locality.

Of 277 markets reporting their methods of price setting, 69, or 25 per cent, set prices at the retail level prevailing either in independent or in chain stores in nearby cities or towns. Twelve, or 4 per cent, definitely charged higher-than-retail prices. One hundred and thirty-four, or 48 per cent, charged prices lower than prevailing retail levels. The remaining 62 used various methods which do not permit their inclusion clearly in any one of these three groups. The methods of price setting employed by these 277 merchants are given in detail in Table 24.

TABLE 24.—Methods of Price Setting at 277 Ohio Roadside Markets

Method	Type of market				Total	
	1	2	3	4	No.	Pct.
Between wholesale and retail levels.....	No.	No.	No.	No.	No.	Pct.
At independent retail level.....	20	31	35	26	112	40.4
To meet competition.....	10	13	15	21	59	21.3
At wholesale level.....	1	12	10	7	30	10.8
What traffic will bear.....	4	3	8	0	15	5.4
Above retail level.....	5	1	5	3	14	5.1
At chain retail level.....	2	1	3	6	12	4.3
Cost plus mark-up.....	4	2	2	2	10	3.6
By customer.....	3	3	1	2	9	3.3
Under wholesale level.....	0	1	2	3	6	2.2
At a level to sell all produced.....	0	0	2	3	5	1.8
Under chain store level.....	1	2	0	0	3	1.1
	2	0	0	0	2	.7
Total.....	52	69	83	73	277	100.0

In some situations or with certain products roadside marketers often depart from their avowed system of price setting in order to charge what the traffic will bear. For example, two markets in northern Ohio, using Cleveland wholesale quotations primarily as a basis for pricing, were found to be offering pink tomatoes at 5 cents a quart basket and red tomatoes at 8 cents or two baskets for 15. Cleveland wholesale quotations on that day were: "Reds 25¢ per ½ bu.; pinks 30 @ 35¢ per ½ bu." These two marketers stated that their customers preferred red tomatoes and were willing to pay more for them, and prices were adjusted accordingly.

Buyers at roadside markets seem more willing to pay the retail price or more for poultry and eggs than for any other class of products. Of the 12 markets selling at higher-than-retail prices six sold poultry and eggs exclusively, and three sold eggs in conjunction with fruits and vegetables. Of the 59 selling at the retail level of independent stores, 13 sold poultry and eggs exclusively and 19 sold these products along with other lines. Honey and dairy products likewise are usually salable at roadside markets at retail prices with little objection from buyers.

Vegetables and fruits seem more difficult to sell at retail or premium prices. Nevertheless, some markets have developed a good trade in these products at regular retail prices or higher. Twenty of the markets studied were selling fruits and vegetables at retail prices, and three were selling them at higher than retail.

In some situations not only can premium prices be charged for a fancy product but must be if a profitable trade is to be developed. To illustrate, an Ohio farmer located near a town of 5000 started a roadside retail market in 1930. He priced his produce at retail levels prevailing in the nearby town. Eggs moved slowly at these prices. Lowering the price 2 cents a dozen failed

to increase egg sales. In a spirit of experimentation he arbitrarily advanced the price to a point 6 cents above the retail level, and sales increased sharply. He has since continued to exact premium prices and has successfully built up a thriving business.

Four products sold commonly at roadside markets in Ohio were priced at numerous markets in several localities for a period of 14 days. Nearby wholesale and retail quotations on these same products were compared with the roadside market prices, comparisons being made only between prices as of the same date. One hundred and three roadside market prices of eggs were recorded, 65 of green corn, 65 of tomatoes, and 41 of potatoes. These comparisons are shown in Table 25.

TABLE 25.—Comparison of 274 Roadside Market Prices for Four Products with Nearby Wholesale and Retail Quotations, 1932

Level of roadside-market prices	No. of prices recorded					Per cent
	Eggs	Green corn	Toma-toes	Pota-toes	Total	
Above retail level	20	10	0	4	34	12.4
At retail level	9	16	9	10	44	16.1
Between wholesale and retail level	70	27	26	19	142	51.8
At wholesale level	4	11	26	6	47	17.1
Below wholesale level	0	1	4	2	7	2.6
Total	103	65	65	41	274	100.0

An attempt in 1932 to standardize the prices asked at roadside markets in one small locality in Ohio met with promising success. The agricultural agent in a northern Ohio county, recognizing the wide and apparently unjustified range in quotations, inaugurated a market news service during a few weeks at the height of the season. One to three times each week he visited about 20 markets located along a well-traveled highway within a few miles of the county seat. At each of these markets he secured quotations on all products offered. These prices then were tabulated, and a mimeographed report showing all quotations was returned on the same day to each market cooperating.

This undertaking resulted promptly in a much higher degree of uniformity in prices and several operators increased their returns through price advances. These had been selling at prices below the market before the price surveys revealed to them what competitors were getting.

Too little use of available market information is made by roadside marketers. Wholesale quotations and other data indicating the level and general trend of the market on leading commodities can usually be obtained by radio. Daily reports of the wholesale market in the larger cities can be secured without charge from the Market News Service of the U. S. Bureau of Agricultural Economics in those cities. Daily newspapers often carry reports of local wholesale and retail sales. Newspaper advertising furnishes other important guides to local retail prices.

PATRONAGE

Patrons of roadside markets are drawn from all classes of consumers; 1744 families living in 10 representative residential districts of Columbus were interviewed in 1932 to learn the sources of their food supplies. The areas

TABLE 26.—Sources of Food Supplies of 1744 Columbus Families

Residential district	No. of families interviewed	Number of persons		Value of food supplies per annum							
		Total	Per family	From retail stores	From city markets	From peddlers	From own garden or farm	From roadside markets	Total	Per family	Per person
Wealthy:				<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
E.....	100	430	4.3	71,505	14,730	1,090	230	725	88,280	882.80	205.30
I.....	98	328	3.3	97,828	2,722	4,604	.....	1,006	106,160	1083.27	323.66
Total.....	198	758	3.8	169,333	17,452	5,694	230	1,731	194,440	982.02	256.52
Per cent.....				87.1	9.0	2.9	0.1	0.9	100.0		
Medium:											
A.....	198	807	4.0	93,013	7,844	114	1,168	1,739	103,878	524.64	128.72
B.....	171	621	3.6	79,985	2,460	1,770	690	760	85,665	500.96	137.95
C.....	200	771	3.9	86,246	12,399	6,110	2,230	724	107,709	538.55	139.70
G.....	198	806	4.1	75,162	18,751	166	706	1,180	95,965	484.67	119.06
H.....	179	708	4.0	72,495	1,970	590	1,540	850	77,445	432.65	109.39
J.....	200	685	3.4	95,035	7,085	2,045	625	1,205	105,995	529.98	154.74
Total.....	1,146	4,398	3.8	501,936	50,509	10,795	6,959	6,458	576,657	503.19	131.12
Per cent.....				87.1	8.7	1.9	1.2	1.1	100.0		
Poor:											
D.....	200	908	4.6	44,616	17,593	2,180	502	125	65,016	325.08	71.60
F.....	200	969	4.8	60,535	6,920	775	2,295	250	70,775	353.88	73.04
Total.....	400	1,877	4.7	105,151	24,513	2,955	2,797	375	135,791	339.48	72.34
Per cent.....				77.3	18.1	2.2	2.1	0.3	100.0		
Grand total	1,744	7,033	4.0	776,420	92,474	19,444	9,986	8,564	906,888	520.01	128.95
Per cent.....				85.6	10.2	2.1	1.1	1.0	100.0		

surveyed and the number of families interviewed were apportioned to correspond roughly with the elements comprising the population of Columbus. The families were interviewed at random within the 10 areas selected.

It was discovered that each of these areas furnished some consumers who do part of their buying at roadside markets, although less than one-fourth of the 1744 families, and in poorer sections of the city only one family in eight, patronized such markets. Wealthy residential areas furnished the largest percentage of buyers and the largest purchases per family, but the largest total purchases were made by residents of the medium-class districts owing to the much larger number of people living in such areas.

Sources and values of food supplies reported by these families are recorded in Table 26.

Only about one per cent of the total annual value of the food supplies of these families was secured from roadside produce markets, but, since this consisted almost wholly of fresh fruits and vegetables and poultry products, it may be seen that these markets constituted rather important sources of supply of these commodities. Three hundred and seventy families bought \$8564 worth of foodstuffs annually in this manner, an average of more than \$23 each, or just short of 4 per cent of the total value of their food supplies.

TABLE 27.—Purchases at Roadside Markets by 370 Columbus Families

Residential district	No. of families interviewed	Families reporting roadside purchases		Value of annual food supplies of families reporting roadside purchases			
				Total supplies	Purchases from roadside markets		A v. per family from roadside markets
		No.	Pct. of total	Dollars	Dollars	Pct. of total	Dollars
Wealthy:							
E	100	35	35.0	31,110	725	2.3	20.72
I	98	22	22.4	25,564	1,006	3.9	45.73
Total	198	57	28.8	56,674	1,731	3.1	30.37
Medium:							
A	198	48	24.2	26,120	1,739	6.7	36.23
B	171	57	33.3	27,330	760	2.8	13.33
C	200	48	24.0	26,035	724	2.8	15.08
G	198	34	17.2	16,399	1,180	7.2	34.71
H	179	44	24.6	20,435	850	4.2	19.32
J	200	57	28.5	33,765	1,205	3.5	20.44
Total	1,146	288	25.1	150,084	6,458	4.3	22.42
Poor:							
D	200	9	4.5	2,537	125	4.9	13.89
F	200	16	8.0	7,620	250	3.3	15.63
Total	400	25	6.3	10,157	375	3.7	15.00
Grand Total	1,744	370	21.2	216,915	8,564	3.9	23.15

Three-fourths of the families reporting purchases at roadside markets bought only when it was convenient or incidental to business or pleasure trips into the country. They made no special efforts to obtain supplies from this type of market, and they were just as likely to patronize one market as another. Only one-fourth reported buying more or less regularly at certain definite roadside stands. Almost all of these patronized stands not farther than 10 miles from their homes, and the majority drove not more than 5 miles. Obviously, locations near centers of population attract greater repeat patronage than more distant ones.

It was noted also that two-thirds of the buyers who patronized roadside markets had no preference for dealing with farmers. These consumers were just as ready to buy from non-farmers or dealers as from bona fide producers. Their interest in securing fresh produce of good quality, at reasonable prices, and with the least inconvenience overshadowed all other factors in determining where their food purchases were made. Almost all the remaining customers of roadside markets expressed a preference for dealing with farmers, either in the hope of obtaining fresher produce or of eliminating part of the middleman's margin. An occasional buyer preferred to buy from non-farmers' stands, stating that these dealers usually offered a wider selection and better display of goods and were more business-like in their dealings than farmers.

**TABLE 28.—Distances Traveled and Buying Preferences Expressed
by 370 Columbus Patrons of Roadside Markets**

Distance usually traveled	Patrons reporting		Preference for dealing with farmers or others	Patrons reporting	
	<i>Miles</i>	No.		<i>Pct. of total</i>	No.	Pct. of total
5 or less.....	67	75.28	None.....	240	64.87
6-10.....	13	14.61	For farmers.....	128	34.59
More than 10.....	9	10.11	For others.....	2	0.54
Total.....		100.00	.....	.....	.....
Total special trips.....	89	24.05	.....	.....	.....
Incidental trips.....	281	75.95	.....	.....	.....
Total.....	370	100.00	Total.....	370	100.00

In addition to the 370 customers whose preferences are recorded in Table 28, 102 patrons were interviewed at selected roadside markets in central Ohio. Although the markets where these interviews took place were all operated by farmers, not one of these customers indicated any prejudice against dealing with those who buy for re-sale instead of producing the goods offered. These patrons were interested primarily in getting fresh goods of high quality at reasonable prices. Some dealers pose as farmers, though it is doubtful if many of their customers are misled. In any event, it seems to make little difference.

Buyers and sellers alike, doubtless, are justified in condemning as impostors those who represent their produce as home-grown when in reality it has been imported from distant communities or secured from carlot or truck receipts in nearby city markets. Yet, if no deception is intended and the goods are sold for what they are and on their merit in quality and price, it would seem that this type of country market has just as much right to existence as one where the products offered for sale were grown by the proprietor himself. The establishment of roadside country markets by retailers has been denounced by some farmers on the grounds that this industry ought to be reserved for bona fide producers and that they should be free from competition from dealers. It has been observed, however, that competition among farmers is in many cases as keen as that existing between farmers and dealers.

Moreover, the right to establish a retail market place by anyone who cares to risk his capital can hardly be denied merely because the site selected is outside, rather than within, the corporation limits of a municipality. Economic justification for its existence and the ethics employed in its operation would appear to be worthier tests of its desirability.

In fact, it is not necessary for a roadside retailer to represent himself as a producer in order to win trade. Many of these dealers in Ohio make no pretense of being growers of the goods they sell and yet they do a thriving business. They are recognized as dealers by those who buy from them. Their methods are business-like, they carry an attractive line of goods, and they are good salesmen; as a result, they frequently do much more business than bona fide producers in the immediate neighborhood. Many farmers would do well to take a page from the book of these successful retailers.

The 370 patrons interviewed in Columbus were asked their reasons for patronizing roadside produce markets. Their replies are tabulated in Table 29. Since some gave more than one reason, the number of replies exceeds the number of persons interviewed; 448 replies were recorded.

TABLE 29.—Reasons for Patronizing Roadside Markets Offered by 370 Columbus Patrons

Reason	No. of replies	Pct. of total	Reason	No. of replies	Pct. of total
Fresher goods	222	49.5	Cleanliness	3	0.7
Convenient service	99	22.0	Neatness	3	0.7
Better quality	36	8.0	Home-grown	3	0.7
Attractive appearance	34	7.7	To buy from friends	1	0.2
Cheaper	31	7.0	Honest weight	1	0.2
Better selection	10	2.2			
To buy quantities	5	1.1	Total	448	100.0

It is obvious that freshness of the produce offered far outranks all other appeals in attracting customers. Doubtless, the replies "better quality" and "attractive appearance" indicate much the same reasoning on the part of buyers as "fresher goods". Convenience in being served at these open markets also ranks high in drawing trade. It is significant that only 7 per cent of the replies indicated a desire to save money. Cheapness apparently is not the primary factor in the minds of many customers. Those proprietors who rely principally upon the appeal of low price are overlooking other elements with far greater drawing power.

Markets on heavily traveled thoroughfares draw most of their business from the nearest traffic lane, due to these motorists being able to stop and buy without crossing the roadway. The hazards of threading through moving cars to reach the market discourages prospective customers from the opposite lane of traffic. On typical trunk highways in central Ohio and in northern Ohio, a traffic count for a period of one week at each of two prominent markets ("A" and "C" in Table 30⁵) revealed that less than 30 per cent of the patrons came from the opposite traffic lane. At three markets with equally attractive and diversified displays ("B", "D", and "E" in Table 30⁶) located on secondary roads in the same areas which carried less than one-third as much traffic, this characteristic was not so pronounced; 38 to 54 per cent of the patrons during a similar period crossed to the market from the opposite side. These same tendencies are apparent at many markets. The side of the road selected for locating a market would appear, therefore, to exert greater influence on its success if the road is a main thoroughfare than if the road is less heavily traveled.

⁵"A" on right and "C" on left side of road approaching nearest municipality.

⁶"B" on left and "D" and "E" on right side of road approaching nearest municipality.

Although the volume of traffic on main highways usually exceeds that on secondary roads, nevertheless the proportion that can be attracted to roadside markets is smaller. It will be noted that higher percentages of the total traffic stopped at markets "B", "D", and "E" than at markets "A" and "C". However, the larger number of patrons attracted by the markets in the more prominent locations should not be overlooked.

TABLE 30.—Patrons at Five Typical Roadside Markets in Central and Northern Ohio for One Week, 1931

Market	Vehicles passing (traffic)			Vehicles stopping					
	Near lane No.	Far lane No.	Total No.	Near lane		Far lane		Total	
				No.	Pct. of total	No.	Pct. of total	No.	Pct. of traffic
"A"***	21,356	21,349	42,705	821	80.0	206	20.0	1,027	2.4
"B"†	2,840	3,087	5,927	296	61.9	182	38.1	478	8.1
"C"***	12,251	10,180	22,431	328	72.7	123	27.3	451	2.0
"D"†	3,925	3,896	7,821	198	52.0	183	48.0	381	4.8
"E"†	3,925	3,896	7,821	256	45.9	302	54.1	558	7.1
Total.....	44,297	42,408	86,705	1,899	65.6	996	34.4	2,895	3.3

* "A" on right and "C" on left side of road approaching nearest municipality.

† "B" on left and "D" and "E" on right side of road approaching nearest municipality.

Of the 2895 patrons at these five markets, more than one-third of the total for the week stopped on Sunday. Saturday and Sunday together accounted for almost 50 per cent. Farmers and others who conduct these types of markets clearly are permitting considerable business to escape them if for any reason they do not operate continuously over the week-end.

TABLE 31.—Daily Patronage at Five Typical Roadside Markets in Central and Northern Ohio for One Week, 1931

Day of week	Number of vehicles stopping						
	"A"	"B"	"C"	"D"	"E"	Total	Per cent
Monday.....	124	44	48	19	33	268	9.3
Tuesday.....	128	57	48	30	48	311	10.7
Wednesday.....	136	54	39	28	45	302	10.4
Thursday.....	133	48	53	28	59	321	11.1
Friday.....	112	63	40	26	49	290	10.0
Saturday.....	124	71	81	67	87	430	14.9
Sunday.....	270	141	142	183	237	973	33.6
Total.....	1027	478	451	381	558	2895	100.0

In these five markets, all of which were kept open and illuminated after dark, it was found that late afternoon and early evening hours brought the most business. Over 61 per cent, or almost two-thirds, of the customers stopped between the hours of 3 and 8 P. M. Only 13 per cent stopped during the course of the entire morning from 8 A. M. until noon. The peak of the day's business was reached between 4 and 5 o'clock in the afternoon.

TABLE 32.—Hourly Patronage at Five Typical Roadside Markets in Central and Northern Ohio for One Week, 1931

Hour of day	Number of vehicles stopping						Per cent
	"A"	"B"	"C"	"D"	"E"	Total	
8-9 a. m.	15	0	0	1	12	28	1.0
9-10 a. m.	27	9	1	12	15	64	2.2
10-11 a. m.	43	18	22	18	40	141	4.9
11-12 a. m.	41	29	30	16	38	154	5.4
12-1 p. m.	37	12	33	19	29	130	4.5
1-2 p. m.	41	21	54	23	40	179	6.2
2-3 p. m.	51	41	40	37	52	221	7.6
3-4 p. m.	85	64	73	63	87	372	12.8
4-5 p. m.	112	93	78	84	102	469	16.2
5-6 p. m.	140	97	69	50	62	418	14.4
6-7 p. m.	125	57	38	18	37	275	9.5
7-8 p. m.	139	33	10	25	33	240	8.3
8-9 p. m.	100	4	1	10	7	122	4.2
9-10 p. m.	71	0	2	5	4	82	2.8
Total.....	1027	478	451	381	558	2895	100.0

ORGANIZED ROADSIDE MARKETING

From time to time considerable interest in cooperative roadside marketing has been manifested by farmers in certain sections of Ohio. Although opportunities for successful group undertakings seem plentiful, thus far there has been only small development in this field in this State. For a number of years one cooperative fruit organization with a full time manager has sold at the roadside a large part of the fruit produced by eight or 10 orchardists. Several other smaller markets in various parts of the State provide outlets for fruits and vegetables, home-baked and home-canned products, poultry, eggs, butter, etc., for groups of farmers and farm women.

The urge to cooperate in roadside marketing doubtless arises largely from the fact that many farmers are not located where they could hope to attract trade enough to justify the venture alone. By entering into an arrangement with others whereby a market may be established jointly in a favorable location, the enterprise offers greater possibilities. Of course, the usual problems of management, finance, standardization, pooling, etc., have to be solved in this type, as in other types of cooperative marketing.

Not all roadside market proprietors are good merchants. Not all of them maintain a high code of business ethics. Not all of them recognize the importance of repeat sales. Not all are well fitted, either by temperament or by training, to carry on this kind of retail business. Many of those recently engaging in it especially have chosen it only as a temporary means of livelihood or as a supplement to income during difficult times, with the intention of withdrawing to more remunerative or more satisfying labor as soon as opportunity arises.

Needless to say, those whose interest is not to some degree permanent cannot be expected to hold an enthusiastic, long-time point-of-view, without which a profitable and substantial roadside market business cannot be developed. There is, thus, a considerable proportion of the roadside markets in Ohio where standards are low—standards of buildings and surroundings, standards of quality of goods displayed, and standards of business ethics. A certain amount of unfair and fraudulent competition exists. At some stands

produce is misrepresented, or conditions are unsightly and unsanitary, or salespersons are unable to enlist the confidence of patrons in their integrity and reliability. Unpleasant experience with such a market repels buyers. Other roadside merchants suffer to a degree from unscrupulous and repulsive practices of competitors, insofar as these practices lower the good will of the buying public and discourage patronage. Transient trade especially is affected, since the transient customer is unable to distinguish at a glance the high-type, honestly-conducted market from the others.

Resentment against unfair and fraudulent competition has been outspoken in some quarters, no doubt with some justification. Governmental control has been proposed, and in some states official systems of inspection, licensing, and regulation are being tried. It remains to be seen whether such control can be made effective at reasonable cost. Thus far no state regulatory measures have been adopted in Ohio.

Nevertheless, the need exists in Ohio for some means of differentiating the worthy from the unworthy, some method whereby the prospective customer may know which markets may be patronized with safety and with assurance of securing honestly represented farm produce at fair prices.

In an effort to meet this need a group of Ohio farmers organized a statewide association of roadside market owners in August, 1932. This association was incorporated under the Farnsworth-Green Cooperative Act of the State of Ohio and is known as "Roadside Market Owners of Ohio, Inc." It is not a cooperative marketing organization. Each member operates his own market independently but agrees to abide by the regulations of the association. Membership is limited to residents of Ohio who are producers of farm products and who operate roadside or farm produce markets in season. Each applicant for membership must agree that not less than one-half of the total annual income from his market shall be derived from the sale of products produced by him. Each applicant must be approved by the board of directors, and membership is being carefully restricted to include only the most reliable and progressive farmer-merchants. The organization began functioning with an initial membership of 31, located in 13 counties in Ohio.

Its purposes are as follows:

1. To improve conditions under which farm products are sold at roadside or farm produce markets in Ohio;
2. To promote the sale of Ohio-grown products direct from producers to consumers;
3. To encourage such direct marketing on the basis of quality;
4. To provide means of differentiating between markets of members and those of non-members;
5. To improve the types of market buildings used by members;
6. To encourage the use of approved business practices among members;
7. To discourage unfair and fraudulent competition in this industry by attracting patronage away from unscrupulous competitors; and
8. To provide a recognized agency authorized to represent the better element among roadside market proprietors.

Control of the association is vested in a board of five directors elected by the members. Officers are named by the board. In each county a local committee, appointed by the board of directors, is entrusted with the duty of receiving and investigating applications for membership and complaints of violation of rules by members in that county.

The association has adopted a design and has registered it with the Secretary of State of Ohio in order to prevent its unauthorized use. To identify the markets of its members this design has been constructed in the form of standard, durable, weatherproof signs, and two of these are issued to each member for display at his stand. Each sign carries conspicuously the mark of approval of the organization and the identifying number of the member to whom it is issued. The signs are 20 inches wide and 28 inches high, of 18-gauge, rust-resisting sheet metal, with the design in ivory and dark green on one side only, finished in baked enamel, and with drill holes provided for mounting. They are attractive and readily visible from a considerable distance.

These signs are the property of the association. They are leased to the member, and they may be withdrawn by the organization, and his membership cancelled at any time upon proof that the member has violated any of the rules or regulations of the association or upon failure to pay the annual dues of the organization.

Dues are \$2.00 annually, payable in advance; the initial payment accompanying the application for membership is \$5.00. This amount includes the dues for the first year and the sign rental fee. This rental fee is paid only once.

Plans have been made by the board of directors for issuing a concise periodical circular to every member, containing suggestions on market or stand construction, layout of buildings and equipment, advertising and displays, sales ideas, etc. The board also contemplates offering at cost to members or groups of members small cuts of the standard design of the association for use in local and individual advertising, for printing on bags and other containers, price cards, etc. It is likely also that some cooperative buying of supplies and equipment may be undertaken. Some thought has been given to listing the wants and offerings of members in an effort to find an outlet for surplus stocks,



Fig. 5.—Facsimile of standard approval sign of the Ohio Association of Roadside Market Owners

including these listings as a department of the association's periodical circular. Current price information also is being considered as a feature of the service to be offered to members.

Ohio market owners have considered this method of self-imposed regulation to be preferable to any other method of control. Somewhat similar organizations are now functioning in several other states, and state licensing and registration of approved markets are reported in others.

SUMMARY

Direct retailing of farm products at roadside markets affords opportunity for many Ohio farmers to add to their cash incomes and to secure larger returns for the portion of their crops thus sold than if marketed through traditional channels. One thousand seven hundred and thirty-one roadside produce markets were in operation on 2604 miles of Ohio highways in the late summer of 1932, an average distance of only 1.5 miles between markets. Ninety-three per cent of these, all located outside of municipalities, was operated by farmers, either as primary or supplementary outlets.

It has been estimated that not far from 10,000 markets were operating in Ohio in 1932. Approximately 5800 of these consisted of more or less elaborate buildings or displays of goods. The remainder had no separate market buildings and no visible displays but relied solely upon one or more advertising signs to attract customers.

This business is mainly of recent origin. More than three-fourths of the markets studied in 1932 were established in the last 6 years. The number has increased greatly in the last 3 years. More than one-half were established in 1930, 1931, or 1932; 24 per cent was started in 1932 alone.

Investments in buildings and equipment were small, averaging less than \$85 for each of the markets studied. Volume of sales in 1931 ranged from less than \$100 to \$12,475. The average for first-class markets was \$1783.

Overhead and operating costs were small, varying with the type of market and with the kinds of produce sold. Few market operators kept accurate and complete records of expenses chargeable to their marketing enterprises.

Fresh fruits and vegetables and poultry products constitute the principal offerings of roadside markets. A wide variety of products suitable for sale direct to consumers is available in season. The markets offering the most diversified lines were usually the most successful.

The business is distinctly seasonal. About three-fourths of the markets studied were open not longer than 6 months each year. Most were open 7 days each week and transacted more business on Sunday than on any other day. Saturday and Sunday together furnished about 40 per cent of the total for the week.

The peak of the day's business usually was reached in the late afternoon hours. More than 60 per cent of the patrons of several typical markets stopped between the hours of 3 and 8 P. M. Morning hours furnished only 13 per cent of the patronage.

Patronage is drawn from all classes of consumers, but mainly from residents of medium-class districts. Study of the buying habits of 1744 Columbus families revealed that only one per cent of their food supplies was purchased

at roadside markets. Only 370 of these families, or 21 per cent, patronized these country markets at all. The purchases of the 370 families averaged \$23 annually.

Most of these patrons had no preference for dealing with farmers but were just as ready to patronize non-farmers if the produce was fresh and attractive and the prices reasonable. Freshness and high quality had far greater drawing power than low price.

Wide variation in prices asked indicates little uniformity in price-setting policies in this business. Some marketers quoted higher than retail prices; whereas others asked less than prevailing wholesale prices. About one-half set their prices between wholesale and retail levels.

With a return of favorable economic conditions this type of direct retailing by Ohio farmers seems likely to expand. In this State soil and climate are suitable for the production of a great variety of farm products commonly sold direct to consumers. Buyers are now purchasing only a fractional part of their requirements of fresh farm produce from roadside markets. Ohio's population is large and, in many parts of the State, is chiefly non-agricultural. Facilities of city consumers for reaching farmers' markets are good and have constantly improved in recent years; mileage of hard-surfaced highways and registrations of motor vehicles have grown each year. Improvements being made in buildings and equipment used in this business, together with growing merchandising experience and skill of these farmer-merchants, are gradually converting Ohio roadside markets into more attractive places to trade.

True, there are some sections of the State where these retail markets are already so numerous as to be quite unprofitable for all except the most skilled and where duplication of facilities has only added unnecessarily to the burden of wastefulness and inefficiency of distribution. Nevertheless, in other localities many opportunities remain for development by farmers, either as primary or as supplemental outlets for their products.

In many cases these opportunities involve changes in farmers' production practices—shifts from lines now grown to lines suitable for sale direct to consumers, or the addition of other varieties or other products maturing at different seasons to provide regular supplies over a long period.

Success in roadside marketing is influenced by much the same factors as any other type of food retailing; namely, location, design of the market and surroundings, kind and quality of products offered, volume of goods displayed, managerial ability and salesmanship of the operator, and others of less importance. Offering as it does a means of securing a larger share of the price paid by the ultimate consumer, it seems likely to gain in popularity among producers in favored locations.

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