

Reading Cancels 1999 Fair

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"We're looking at moving 80,000 yards of material, working mostly with volunteers," said David Souders, Reading Fair president. "We looked at it, and whatever we did, the site wasn't going to be right."

"We felt that if there was any risk we couldn't have it right for this year then we should hold off a year. And that's our plan, holding it in 2000."

The new site is county land adjacent to the existing Berks County 4-H and Agriculture Center, located near the Berks County Prison, and the U.S. Army Corps of Engineers offices at Blue Marsh Dam.

He said that the Reading Fair received a state grant for work done, and that materials have already been purchased for a pole barn that is ready to go as soon as the ground is graded off and prepared.

Souders said they also received two bids for 1999-2000 for supplying power, water, doing grading, and also for the construction of roadways.

"We're going ahead with construction of the fairgrounds," Souder said.

For years the Reading Fair had been held at the Fairgrounds Square Mall, but more recently had to be moved because of mall expansion.

It was then held at the Kutztown Fairgrounds, but attendance dropped, and organizers figured it was because of the distance of travel from Reading.

All the while, and for some

years, county land adjacent to the county Agricultural and 4-H Center was considered for use as a fairgrounds site. This year it was to move there.

According to Souders, rather than hold an incomplete fair and risk having attendees go away with an unpleasant experience, it was decided to wait a year.

"First impressions are lasting impressions," Souders said, adding that the wait will be worth it.

Despite the lack of an overall Reading Fair, some events associated with the Reading Fair are to continue, regardless.

The Fair organization intends to hold its annual closed banquet recognizing the county's outstanding farm family and four outstanding agricultural youth (two from 4-H and two from FFA).

In addition, two competitions are to be held: the Hershey Cake Contest and the Apple Pie Competition.

The decision to hold off on the fair for this year was made just in time to prevent unnecessary printing of premium books.

That also means that those who wish to compete in either the Hershey Cake or Apple Pie Contest need entry forms.

Those who competed last year in the two cooking contests are to automatically receive entry forms. Others interested in competing should call (610) 370-3473.

In addition, the county 4-H Livestock Club was to have held its annual roundup event and sale in conjunction with the Reading Fair. The Roundup is to be held instead at the Kutztown Fairgrounds.

That's not all.

Setting Retail Prices

JOHN BERRY
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One area of concern for farm marketers often is trying to find a method for setting retail prices.

Pricing is not a science. You must understand your costs, your consumer and your competition.

Be prepared to be flexible in determining a markup.

Even though there is no official fair this year, there is to be a fundraising event at the Boscov's Mall in Mt. Penn in Reading.

It's to be called the "Reading Fair Carnival Fundraiser," and be held in the parking lot of the mall.

According to Souders, it will highlight about 15 midway rides, some foods, and free entertainment, with the majority of proceeds raised to go toward the start-up of the new Reading Fairgrounds.

He said the carnival, to be held Sept. 20-25, is to be comparable in size to a church-style carnival.

In addition, much of the carnival is to involve donations.

"Local fire police are to help with traffic," he said. "Anything there, music, etc., will be people donating time," he said. "That will help to put money in the coffers. It's costly, even with free help, to get a fair kicked off."

It is the second time in recent history that the fair has been cancelled. It was cancelled in 1979 because of construction of the Fairgrounds Square Mall.

Pricing strategies also involve choosing whether to position your product as premium, competitive, or bargain.

Customers will generally be willing to pay more for higher quality and additional service.

Selling price must cover the cost of production, cost of selling, other operating costs, and provide a margin of profit.

Costs fall into two categories — fixed (overhead), and variable (direct labor and material).

Fixed costs occur if production or marketing takes place or not.

Variable costs are related to production and marketing taking place.

Calculating variable costs is often viewed as easier than the equally important task of trying to properly allocate fixed costs over the items sold.

Examples of fixed costs are such things as insurance, salaries, mortgage, interest payments, and licenses.

Examples of variable costs are such things as ingredients, labels, containers, labor, boxes, freight, promotion, and bad debt.

New business owners often do not include a cost for their own labor when determining price. As the business grows and someone is hired to replace the owner's labor, a sharp rise in the cost occurs as the cost of hired labor is added into the pricing formula.

Always include profit and cost of labor when determining a retail pricing strategy.

Consumers buy on the basis of value, for a price. How much the customer is willing to pay depends on quality, competition, and how strongly the customer feels about wanting or needing your product. The customer has to be able to justify the price paid.

What the competition getting?

Assume a retailer bought product from a distributor with typical profit margins along the way.

RETAIL PRICE: \$1.00

(minus retailer margin)

-40 %

(minus distributor margin)

-25 %

(minus processor's margin)

-15 %

**original product
wholesale cost**

= 38 cents

What's my price?

The quick way to retail pricing is: **ADD** all fixed and variable costs; **DIVIDE** this by the amount that will be sold.

This figure is the break-even price. Profit needs to be included somewhere in the calculations.

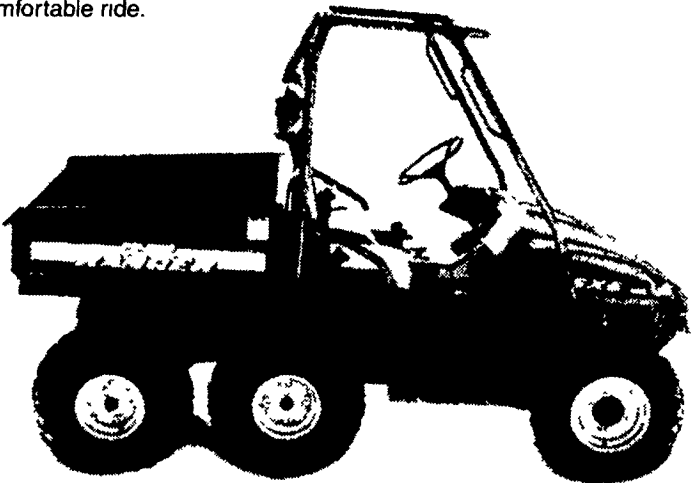
In reality, it is seldom easy to arrive at a retail pricing method that can be uniformly applied to all products.

If you choose a pricing method, or if you price by the seat of your pants, remember, the idea is to make a profit.

Track income and expenses weekly to quickly assess whether modification of your strategy is required.

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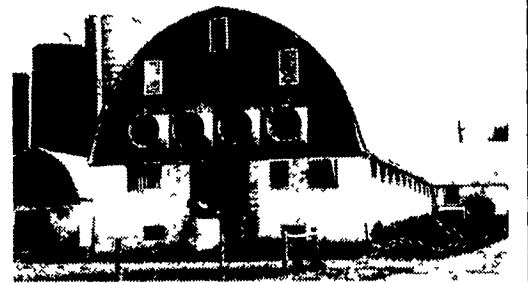
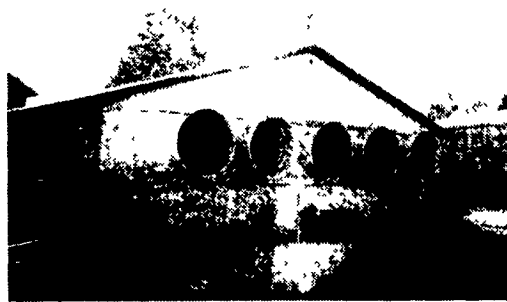
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