Henry A. Wallace Center for
Agricultural & Environmental Policy

# Producer-Only Farmers' Markets in the Mid-Atlantic Region

*A Survey of Market Managers*

Lydia Oberholtzer and Shelly Grow

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**Arlington, Virginia**

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SMALL FARM SUCCESS PROJECT

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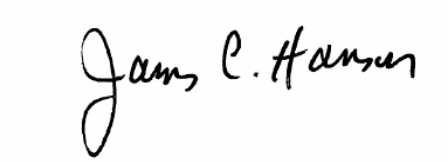
# *Foreword*

In today's world of bigger businesses, identical chain stores in every mall in America, and products increasingly sourced from overseas, farmers' markets are a refreshing change. Throughout the United States, they are increasing at a rapid rate. Local farmers benefit from the higher prices that come from selling directly to consumers. They can avoid the middle person and capture a greater portion of the food dollar in the marketing chain. In addition, farmers develop a loyal following of customers who provide helpful feedback on new or favorite crops. Consumers benefit from the freshness. They can eat fruits and vegetables picked within the last 24 hours, not seven days ago and shipped across the nation, or the world. Also, with today's concern about genetically modified organisms and pesticides, consumers can know the farmers who produce their food. The agricultural production information that a farmer can provide "over the tailgate" to his or her customers can go a long way in relieving their concerns.

The many benefits of farmers' markets do not guarantee a successful enterprise, however. Lydia Oberholtzer and Shelly Grow have done an excellent job of collecting data on the operations and organization of farmers' markets in parts of the Mid-Atlantic region, and identifying the key challenges and opportunities these kinds of direct marketing outlets present. In particular, they examine the role of producer-only markets where farmers can sell only food and other items produced on their farms. This type of farmers' market is particularly important in the Mid-Atlantic, where farmers are increasingly scarce and consumers are plentiful. By studying this report, those working with farmers' markets can help to ensure better and more efficient operation of producer-only farmers' markets, and help to enhance the survival of our local farms and the supply of fresh fruits and vegetables they produce.



Jim Hanson
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# *List of Acronyms*

| | |
|---|---|
| AMS | Agricultural Marketing Service |
| CSA | Community Supported Agriculture |
| CSREES | Cooperative State Research, Education, and Extension Service |
| ERS | Economic Research Service |
| FMNP | Farmers' Market Nutrition Programs |
| FNS | Food and Nutrition Service |
| IFAFS | Initiative for Future Agriculture and Food Systems |
| SFMNP | Senior Farmers' Market Nutrition Program |
| MASS | Maryland Agricultural Statistics Service |
| MDA | Maryland Department of Agriculture |
| MSB | Marketing Services Branch |
| NASS | National Agricultural Statistics Service |
| PASA | Pennsylvania Association for Sustainable Agriculture |
| PDA | Pennsylvania Department of Agriculture |
| USDA | United States Department of Agriculture |
| WIC | Women, Infants, and Children |

**CHAPTER ONE**

# *Project Background*

This report was prepared for the Small Farm Success Project[1], with funding from the U.S. Department of Agriculture's Initiative for Future Agriculture and Food Systems (IFAFS) program. The project is a collaborative effort by educators, researchers, and others affiliated with University of Maryland Cooperative Extension, Future Harvest–Chesapeake Alliance for Sustainable Agriculture (CASA), Pennsylvania Association for Sustainable Agriculture (PASA), USDA Agricultural Research Service (ARS), Henry A. Wallace Center for Agricultural & Environmental Policy at Winrock International, Accokeek Foundation, and Pennsylvania State University. The Small Farm Success Project focuses on supporting and expanding marketing opportunities for small-scale farmers in the Mid-Atlantic region. Farmers' markets are one marketing vehicle that can enhance the success and viability of small farms.

As part of the Small Farm Success Project, the Wallace Center conducted research on farmers' markets in portions of the Mid-Atlantic region, including a survey of producer-only markets in southeastern Pennsylvania[2], Maryland, and Washington, D.C., the region in which the Small Farm Success Project has been most active. The objectives of the survey were to: (1) collect and analyze data on the organization and operation of producer-only farmers' markets in the Mid-Atlantic; and (2) identify key challenges and opportunities for these markets. We focused on the market manager as the entry point for examining the characteristics of producer-only markets. The purpose of the study was to extend the existing base of knowledge on farmers' markets in the Mid-Atlantic region, and on producer-only markets in particular, since both have thus far received little research attention.

[1] More information about this project can be found at http://www.smallfarmsuccess.info.

[2] Southeastern Pennsylvania in this study encompasses the 10 counties that extend out from Philadelphia, including Berks, Bucks, Chester, Delaware, Lancaster, Lebanon, Lehigh, Montgomery, Northhampton, and Philadelphia counties.

CHAPTER TWO

# *Farmers' Markets and Context*

## *General Background*

Over the past few decades, farmers' markets in the United States have increased rapidly in terms of numbers and sales. They serve as a significant direct marketing channel for many farmers, especially small-scale farmers, and provide an important place for community members to obtain fresh produce and to gather. There are many definitions of what constitutes a "farmers' market." However, common characteristics that are generally understood by those developing and promoting these kinds of marketing outlets are contained in the following definition: farmers selling agricultural products they raise or create to individual customers at a temporary location on a periodical and/or recurrent basis during the local growing season (Brown, 2001; Hamilton, 2002). Farmers' markets can range from "small markets held once a week with a few vendors to large weekend events with hundreds of vendors and crowds in the thousands" (Hamilton, 2002, p. 1).

In 1970 about 340 farmers' markets operated within the U.S. This number increased dramatically after the passage of Public Law 94-463, the Farmer-to-Consumer Direct Marketing Act of 1976. Public Law 94-463 made direct marketing a legitimate activity of the U.S. Department of Agriculture's (USDA) Cooperative Extension Service, allowing county agents to work with farmers and community members to organize markets (Brown, 2001). USDA's Agricultural Marketing Service (AMS) lists 3,155 farmers' markets across the nation in its online directory (USDA AMS, 2003a). This number represents an increase of 800 percent since 1970, and an increase of 80 percent since 1994, when the directory listed 1,755 markets (Payne, 2002). According to a USDA survey completed in 2000, more than 66,000 farmers serve over 2.7 million customers per week at the nation's farmers' markets. Retail sales for reporting farmers' markets in 2000 were $888 million (Payne, 2002).

The increase in farmers' market numbers has resulted, in part, from changes in consumer preferences (Abel et al., 1999; Jolly, 1999). Surveys indicate that, over the past two decades, consumers have become increasingly interested in healthier diets, improved flavor in foods, preserving local agriculture and open space, and supporting the "family farm" (Jolly, 1999). Consumers also perceive produce quality, freshness, and taste to be better at farmers' markets than at supermarkets (Jolly, 1999). At some popular markets, consumer demand is outpacing the supply of farmers (Hu, 2002).

Farmers, especially small-scale producers, gain many economic advantages by selling at farmers' markets (Bachmann, 2002; Feenstra et al., 2003). From a national survey of farmers' markets in 2000, USDA found that more than 19,000 farmers are using farmers' markets exclusively to sell their products (Payne, 2002). Gross returns to producers from sales at farmers' markets are often 200–250 percent higher than from sales to wholesalers and distributors (Abel et al., 1999). Farmers' markets are also a good way for farmers to develop entrepreneurial and business skills, expand their business, and build a customer base (Bachmann, 2002; Feenstra et al., 2003; Lyson et al., 1995). Using a survey of farmer vendors in New York, Hilchey and colleagues (1995) found that 86 percent of the respondents either did not have a business before they started selling at a farmers' market, or they had started on a small scale at their residence. Vendors see the markets as a way to overcome a number of barriers; the benefits they report include low costs in starting and operating a business at a farmers' market, reduced overhead costs, market manager expertise in marketing, information sharing, and social support from fellow vendors.

In addition, farmers' markets offer important community benefits. The markets can increase access by local residents to fresh fruits and vegetables in urban areas where full service supermarkets are often scarce (Abel et al., 1999; Lyson et al., 1995). Depending on location, they can help local businesses by bringing customers to an area and drawing tourists. Farmers' markets offer a way to nurture local economic development and provide opportunities for farmers and consumers "to come together to solidify bonds of local identity and solidarity" (Lyson et al., 1995, p. 112). Communities often seek to develop farmers' markets as a way to preserve regional farmland and open space, and to enhance the vibrancy of a community. As described by Corum and colleagues (2001, p. x), the markets are "planned for quality"—quality produce, activities, and relationships.

Farmers' markets take on different characteristics and definitions across the country. Brown (2001) provides a useful account of the history and the changing definition of farmers' markets over the past 50 years, and offers recommendations for classifying markets in the future. Hamilton (2002, p. 3–4) describes how

markets may differ geographically in terms of definition:

*In the south, there are many state-run "farmers' markets," where farmers sell to customers but which also function as terminal markets where farmers can sell large quantities of produce at wholesale. These markets are publicly owned and run by state employees. In the northeast, it is not uncommon to find produce markets and grocery stores using the term "farmers' market" in their name even though no farmer can be found. In many large cities, there are year-round public markets where farm goods are sold along with local foods, crafts and other products. The world famous Pike's Place Farmers' Market in Seattle is a good example.*

*…[in] Pennsylvania, the term ["farmers' market"] can be used by anyone. For example, the Quakertown Farmers' Market and Flea Market uses the name, but the [market] rules show the market is largely a flea market with no emphasis placed on farmers actually being vendors or locally grown food being a main attraction.*

Few states define the term "farmers' market" by law. Two exceptions are California and Maine. In California, legislation has given legal status to farmers' markets by codifying the terms and conditions of certification, including who can sell at farmers' markets and prohibitions on the resale of produce. It includes inspection of vendors to verify that farmers actually grow or are capable of producing what they sell (Jolly, 2002). According to state law in Maine, a farmers' market is a "building, structure or place used by 2 or more farmers for the direct sale of farm and food products to consumers …" (Hamilton, 2002, p. 4). In addition, a person may not sell farm and food products at a designated farmers' market unless at least 75 percent of the product offered was grown or processed by that person or under his or her direction. The remaining 25 percent must have been purchased directly from another farmer (Hamilton, 2002).

### *Producer-Only Farmers' Markets*

The term "producer-only" farmers' market, as it is used currently, was uncommon until recently (Brown, 2001). In general, it means that the vendors[3] produce the goods that they sell directly to retail customers. This type of market differs from those in which individuals (farmers or non-farmers) can also resell goods produced locally or otherwise, or sell to wholesale customers. The majority of farmers' markets in the U.S. are producer-only. Almost three-quarters of the farmers' markets in the 2000 USDA survey reported that they are producer-only, which USDA defines as markets in which the vendors must grow at least some of the product sold (Payne, 2002).

Typically, producer-only farmers' markets have specific rules governing the producer-only status. Some have rules specifying what types of food and other products can be sold, and some may allow any product to be sold at the market as long as it is grown or crafted by the vendor. Others have rules allowing vendors to sell products obtained from other sources (which may also be specified), as long as these products do not exceed a certain percentage of a vendor's display (Hamilton, 2002).

Producer-only markets provide a number of benefits to vendors and their customers (Center for Rural Pennsylvania, 2002; Corum et al., 2001). Customers are assured that they are purchasing food items and other goods directly from the farm operator, and because of the connection to local farms it is more likely that the community, farm organizations, and local businesses will support the farmers' market. Because vendors are not "dumping" their products and creating intense price competition, as can happen with resellers and wholesalers, there is less conflict among vendors over prices. There is also an educational component as farmers inform the public about seasonal production and crop failures.

On the other hand, there may be enforcement problems with the producer-only rules, which can be time consuming for the market manager and can result in conflicts among vendors, managers, and customers (Jolly, 2002). In addition, "consumer-focused" markets (often markets that allow resellers and wholesalers) typically offer more variety than can be grown locally, and may operate in areas where it is difficult to maintain a base of local producers (Corum et al., 2001).

### *National Policy and Programs*

Because farmers' markets are a simple form of economic activity, they have not required much government investment or support to grow (Hamilton,

[3] We use the term "vendor" throughout this document to represent the farmer or producer who sells at a farmers' market. We do this to be consistent with the language from the survey and with other studies of farmers' markets. We have made the distinction in the text when the term refers to someone other than a farmer, such as a wholesaler or reseller.

2002). There are a few national programs, however, that support farmers' markets. Of these, USDA's Farmers' Market Nutrition Program (FMNP), started in 1992, is critical to the success of many farmers' markets. Nationally, 58 percent of markets participate in USDA's Women, Infants, and Children (WIC) FMNP (Payne, 2002), which provides coupons to WIC participants to purchase products at the markets. The program has two goals: "To provide fresh, nutritious, unprepared, locally grown fruits and vegetables, from farmers' markets to WIC participants who are at nutritional risk; and to expand consumers' awareness and use of farmers' markets" (USDA FNS, 2002a). In fiscal year (FY) 2002, 13,176 farmers and 1,911 farmers' markets were authorized to accept FMNP coupons, resulting in over $20.8 million in revenue for participating farmers. Over 2 million WIC recipients took part in the program. In FY 2003, Congress provided $25 million for the WIC FMNP. The program currently operates in 35 states, 5 Indian tribal organizations, and the District of Columbia, Guam, and Puerto Rico (USDA FNS, 2002a; USDA FNS, 2003a).

Additional federal support for farmers' markets is provided by USDA's Senior Farmers' Market Nutrition Program (SFMNP), established by the agency as a pilot program for 2001 and 2002. The program, which targets low-income seniors, was expected to reach 400,000 individuals in 2002 (Harrison and Daniel, 2002) and to expand further in 2003, the first year that it was fully authorized. The purpose of SFMNP, much like that of WIC FMNP, is to provide low-income seniors with fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers' markets, roadside stands, and community supported agriculture (CSA) farms. In 2002, the program operated in 32 states, 3 Indian tribal organizations, and the District of Columbia (Harrison and Daniel, 2002). In FY 2002, the program was appropriated $10 million from USDA's Commodity Assistance Programs account (USDA FNS, 2002b); in FY 2003, $16.7 million was available ($15 million from Consolidated Appropriations Resolution of 2003 and $1.7 million from unspent SFMNP 2002 funds) (USDA FNS, 2003b).

The 2002 Farm Bill (officially the Farm Security and Rural Investment Act of 2002) authorized the Farmers' Market Promotion Program. To be administered by USDA AMS, this new program will provide grants to agricultural cooperatives, local governments, non-profit organizations, economic development corporations, and other eligible entities, in order to establish, expand, and promote local farmers' markets and other forms of direct farmer-to-consumer markets. However, no appropriations were provided for the program in FY 2003, and none are included in the FY 2004 spending bills currently before Congress.

The Agricultural Marketing Service of USDA is the federal contact point for farmers' markets. The agency sponsors several markets in Washington, D.C., and in Kansas City, Missouri, and has encouraged other federal agencies to host markets (e.g., Department of Transportation and Department of Labor). AMS compiles a national list of farmers' markets (USDA AMS, 2003a) and carries out some case studies and surveys of farmers' markets. The Marketing Services Branch (MSB) of AMS focuses on four types of markets, including farmers' markets. MSB plans and designs market facilities, processes, and methods in cooperation with state, local, and tribal governments, universities, farmer groups, and private enterprises. This assistance is available through collaborative efforts with project participants in the form of cooperative agreements. MSB also provides technical assistance, information, and data to assist in the development of feasibility studies of farmers' markets (USDA AMS, 2003b).

In addition to these programs, support for the nation's farmers' markets is provided by the Community Food Projects Competitive Grants Program, administered by USDA's Cooperative State Research, Education, and Extension Service (http://www.reeusda.gov/crgam/cfp/community.htm). This program was established by the 1996 Farm Bill (officially the Federal Agriculture Improvement and Reform Act or FAIR), and since 1996 has funded projects that support farmers' markets.

At the state level, most states have a staff person, at minimum, in state government (often at the State Department of Agriculture) who is responsible for advising and supporting farmers' markets within the state. Some states (e.g., California) have larger programs to assist farmers' markets (Hamilton, 2002).

### *Research and Analysis of Farmers' Markets*

There was an initial flood of research on farmers' markets following the passage of Public Law 94-463 in 1976. There have also been many practical materials written on starting and/or running a farmers' market (e.g., Center for Rural Pennsylvania, 2002; Corum et al., 2001), many of which are listed in USDA's *Farmer Direct Marketing Bibliography* (Klotz, 2001) and in Bachman's (2002) information sheet on farmers' markets.

Numerous studies of vendors and consumers have been completed since 1970 (Brown, 2002). These studies typically provide demographic profiles of farmers and their customers, and examine the reasons why farmers sell at farmers' markets, and why consumers choose to shop at farmers' markets. Brown (2002) provides a useful summary of many of these types of inquiries. Only a few studies of U.S. farmers' markets have examined the role of the market manager and have surveyed them in any way (e.g., Feenstra et al., 2003; Govindasamy et al., 1998; Payne, 2002).

Brown (2002) notes that there have been no comprehensive quantitative studies of farmers' markets done in recent years that measure the economic effects of farmers' markets. Portions of this research have been accomplished, however. For example, several recent studies have analyzed, in part, the economic and community impact of farmers' markets (Cummings et al., 1998; Lev and Stephenson, 1998). In addition, there is growing interest in the topic of entrepreneurship among many people, in both the private and public sectors. Feenstra and colleagues (2003) report the findings of a three-state survey (California, Iowa, and New York) focused on the effects of farmers' markets on entrepreneurship. This study finds evidence that small-scale farmers are using multiple marketing channels to diversify.

### *Agriculture and Farmers' Markets in the Study Area*

Like many other places in the United States, urban development and population growth in the Mid-Atlantic region are fueling farmland conversion. Two of the states included in our study, Pennsylvania and Maryland, have experienced considerable farmland loss over the last decade. Farm numbers in Maryland declined by 18.2 percent, and farmland acreage by 10 percent, from 1987 to 1997. During the same period, Pennsylvania's farm numbers fell by 11.8 percent and farmland acreage by 8 percent. By comparison, the national average was 8 percent and 3 percent, respectively (USDA NASS, 1999). Furthermore, 2 of the top 20 threatened agricultural areas (based on market value of agricultural production, development pressure, and land quality), as rated by the American Farmland Trust, include parts of southeastern Pennsylvania and Maryland: the Northern Piedmont region is ranked number 2 and the Mid-Atlantic Coastal Plain is ranked number 9 in this analysis (Sorensen et al., 1997).

Despite the loss of farmland, the value of agricultural products sold has increased from 1987 to 1997 in Maryland and Pennsylvania. The value for all agricultural products sold in Maryland increased from $989 million to $1.3 billion from 1987 to 1997, with per farm values increasing from $66,937 to $108,580 during this period. Direct sales made up $7.4 million in 1992 and $8.7 million in 1997 (these data were not collected in 1987). In Pennsylvania, the value for all agricultural products sold increased from $3 billion in 1987 to $4 billion in 1997. Per farm values increased from $59,701 in 1987 to $87,942 in 1997. Direct sales increased from $35.8 million in 1992 to $48.7 million in 1997 (USDA NASS, 1999).

Agriculture is Maryland's number one industry, contributing almost $18 billion to the state's economy (MASS and MDA, 2003). The top five commodities by cash receipts for Maryland in 2001 were broilers, greenhouse, dairy, corn, and soybeans (USDA ERS, 2003a). Maryland ranks eighth, right behind California, in the average value of crops produced per acre of land (Shelsby, 1999). Overall, agricultural products in Maryland vary considerably because of the geographic diversity in the state. As Hanson (1998) illustrates, "At the risk of over-simplifying, the Eastern Shore has poultry and grain crops, southern Maryland has tobacco, western Maryland has tree fruits, all counties that border Pennsylvania have dairy, and farmers within a two-hour drive of Washington and Baltimore raise fresh vegetables and nursery products."

Agriculture is also Pennsylvania's number one industry. The state's top five commodities by cash receipts in 2001 were dairy, cattle and calves, mushrooms/agaricus, greenhouse/nursery, and chicken eggs (USDA ERS, 2003b). Southeastern Pennsylvania dominates the state's agricultural production and value, despite heavy development pressure (Berry, 2003). In 1999, the 10 counties in southeastern Pennsylvania that are the focus of this research produced 48 percent of the state's cash receipts for agricultural output (PDA, 2001). The top three counties in the state, in terms of agricultural production, are Chester, Berks, and Lancaster counties, all located within the southeastern corner (PDA, 2001). In addition, the area provides one-third of the state's dairy production, and all of the mushroom production (found in just two southeastern counties) (PDA, 2001). Farm-based enterprises in southeastern Pennsylvania are diverse in size and product, including significant numbers of agricultural entertainment enterprises (Berry, 2003).

One of the goals for farmers in these areas is to remain competitive through high-value agricultural enterprises and alternative marketing strategies (Shelsby, 1999; Tubene, 2002). Increasingly, farmers are marketing

their products directly to the region's expanding urban and suburban populations. Many are choosing to sell through farmers' markets and other direct marketing alternatives rather than through wholesale marketing channels (Hanson, 1998). In a study of the Northeast's food system (which includes statistics for Pennsylvania and Maryland) direct marketing was noted as a natural fit for farmers in the region, with its large consumer population and many urban-fringe farms, making the producer–consumer relationship accessible (Ruhf et al., 2002). In fact, a recent study suggests that a focus on alternative crops and alternative marketing mechanisms (e.g., direct marketing) may have played a role in reducing the rate of farmland loss in the Mid-Atlantic (Maryland Center for Agro-Ecology, 2002).

Tony Evans, farmers' market coordinator for the Maryland Department of Agriculture (MDA), told us that Maryland saw a "renaissance of farmers' markets" in the 1970s and 1980s, with new markets established in key places such as Baltimore City and Takoma Park, Maryland (Evans, 2002). These facilities were created in the spirit of community development, and subsequently spurred other communities to initiate their own markets. The MDA helped start and promote farmers' markets across the state starting in the early 1990s. It is the state support, mainly of producer-only markets, that has fueled the increase in Maryland markets from 20 in 1990 to 74 in 2002, with a farmers' market in every county in 2002 (Evans, 2002). Even though Maryland has seen a large increase in markets, not all are successful. Some of the main challenges in Maryland include recruitment of farmers for young and less popular markets, and finding suitable locations for markets (Beaudette, 2002; Evans, 2002).

Establishing farmers' markets in the District of Columbia has been relatively difficult due to a lack of support from the city government, according to Ann Yonkers, co-director of FreshFarm Markets, an organization active in creating farmers' markets in the city. Particularly burdensome, both financially and time-wise, is the process to secure locations to host the markets and to obtain the necessary permits to use city space (Yonkers, 2003). Organizers of markets in the District struggle with these issues despite strong support by local citizens organizations, businesses, and politicians. Some groups have tried to work around the city process by opening their markets on National Park Service property, for example. Yonkers believes that the city should lend more support in developing and maintaining farmers' markets; one way to do this would be to bring together stakeholders, negotiate new codes and procedures, and make the process more transparent. Despite the obstacles, the number of markets in DC is increasing. USDA's online directory lists 25 markets for 2003 in the District of Columbia, up from 12 in 2001 (USDA AMS, 2003a).

Individuals, non-profit organizations, the Pennsylvania Department of Agriculture (PDA), and Penn State Cooperative Extension are working to increase the number of farmers' markets in southeastern Pennsylvania, despite many challenges (Berry, 2003; Pitz, 2003). The southeastern portion of the state includes Philadelphia and many smaller cities, and there are many efforts underway in center-city Philadelphia, and in smaller cities and suburban locales across the 10-county area, to enhance market development. The PDA's role in supporting and developing farmers' markets in the state centers on the agency's "Simply Delicious" campaign, which promotes Pennsylvania agriculture through a number of advertising methods and media avenues, including point-of-purchase materials (Nagurny, 2003; Pitz, 2003). PDA also produces fliers for WIC and SFMNP coupon recipients to help them identify participating farmers' markets. For urban farmers' markets in southeastern Pennsylvania, the challenges mentioned by those we interviewed include recruiting farmers, site location (including permitting processes), and improving vendors' marketing skills. There is a high demand for farmers' markets in suburban areas in the state, where communities have embraced their development, although farmer recruitment has been a major difficulty (Berry, 2003).

**CHAPTER THREE**

# *Study Approach*

The farmers' market manager survey was developed to gather data on a number of aspects of farmers' markets in the study area, including: (1) basic operational data, such as market location, days of operation, products sold, and services provided; (2) market manager profiles; (3) vendor information; (4) issues surrounding producer-only rules; and (5) issues surrounding farmers' markets and the community, and with entrepreneurship; and (6) challenges and limitations of the market, as perceived by the market manager. To compile the first draft of the questionnaire, several published surveys of market managers and vendors were reviewed (Estes, 1985; Gillespie, 1998; Govindasamy et al., 1998; UC SAREP, 1999). The draft survey was pre-tested on two farmers' market managers over the telephone. A final survey was developed for use and was distributed via regular or electronic mail during the period of October 2001 to January 2002. The final survey can be found in Appendix A. Phone and in-person interviews were also completed with key informants during 2002 and early 2003 to supplement the survey data and to provide historical background about farmers' markets in the area, since little is written on the subject.

We used a number of sources to identify producer-only farmers' markets in the study area. For markets in southeastern Pennsylvania, a list of producer-only markets covering a 10-county area in the southeastern corner of the state was obtained from the organization Farm to City[4]. We phoned each market manager to confirm the market's status as producer-only, and then sent a survey to him or her. For markets in Maryland and Washington, D.C., various lists, including the USDA's online national directory of farmers' markets, were first consulted to identify existing farmers' markets. Phone calls were then made to each of the farmers' markets. Surveys were sent to those managers who identified their market as producer-only[5].
We sent surveys to 19 producer-only markets in southeastern Pennsylvania that were identified in Farm to City's list of 68 farmers' markets in the 10-county area. We received completed surveys from 12 of them (a 63 percent response rate). From the list of 62 farmers' markets in Maryland, we sent surveys to 34 markets that were producer-only; we received completed surveys from 27 of them (a 79 percent response rate). For the Washington, D.C., area, we sent surveys to 4 producer-only markets (out of a list of 14 total markets), and all of them were returned. Overall, 43 surveys were returned by market managers from producer-only farmers' markets in the study area, for a 75 percent response rate (see Table 1).

[4] Farm to City is an organization that connects farmers to markets in the Philadelphia area through CSA farms and farmers' markets (see http://www.greenworks.tv/csa/). The producer-only farmers' market list was developed as part of work performed for the Rodale Institute's Project entitled "Regenerating Small Family Farms: Combining Education, Research and Marketing," supported by USDA CSREES under Agreement No. 00-52101-9707.

[5] We contacted all farmers' markets on our lists. However, many could not be reached by phone or electronic mail, despite repeated attempts, or existing contact information was incorrect. Therefore, there are likely to be producer-only farmers' markets in the study area that we were not able to identify and survey.

**Table 1: Survey Response Rate by Location**

| State/City | Number of markets identified | Number identified as producer-only | Number of surveys returned | Response rate |
|---|---|---|---|---|
| Southeastern Pennsylvania | 68 | 19 | 12 | 63% |
| Maryland | 62 | 34 | 27 | 79% |
| Washington, D.C. | 14 | 4 | 4 | 100% |
| All locations | 144 | 57 | 43 | 75% |

The survey data were entered into SPSS for analysis. The survey results presented in Chapter 4 are primarily descriptive statistics. A correlation analysis was completed with many of the variables. The data from that analysis are recorded in Appendix C, and the narrative examining those correlations found to be significant is in the results section. We treat the individual market as the unit of analysis. Thus, each market, whether large or small, has the same weight in the data analysis. Although we have not done so here, weights could be assigned as a function of the size of the market and the results would look different.

There are a number of limitations placed on research of farmers' markets, and quantitative studies are especially difficult because of the complexity of the interactions to be found at these marketing outlets (Brown, 2002). Some of these impediments have affected our data collection and analysis.

We discuss our study's limitations as a way to describe what we were not seeking to accomplish with our survey. First, we did not compare the findings for producer-only markets with other types of farmers' markets in the study area. This affects our sample geographically. As described earlier, producer-only markets are predominant in Maryland, whereas southeastern Pennsylvania has a number of markets that contain wholesalers and resellers. Thus, our sample is heavily weighted towards Maryland farmers' markets. Because of the study's focus on producer-only, we assume that the size and some of the other characteristics of the markets surveyed will vary from the results of other surveys that include markets that are not defined as producer-only. Nonetheless, we have made some comparisons to other surveys of market managers in our discussion of the results.

Secondly, we allowed the market managers to self-identify their markets as producer-only. We provided a general meaning of the term, but did not probe into the details of the producer-only rule in each of the markets. There were two good reasons for this. First, simply defining the term seemed to be an onerous task, especially when it came to craft and value-added products. On the other hand, the term seemed to be generally understood by the managers contacted, even if there was variation in implementation. Because we did not develop a strict definition, however, and did not verify the rules used by the markets that were included in our survey, it is likely that our sample of markets includes some percentage that allow the sale of goods that are not produced directly by the farmer, or that permit some craft or other non-food items that other producer-only markets would not allow.

CHAPTER FOUR

# Survey Results and Discussion

### *Overview of Market Operations*

Lyson and colleagues (1995) describe farmers' markets as organizationally flexible: "They accommodate diverse personal motivations, products, and organizational strategies. They allow producers to enter and leave easily, while enduring as an organization" (p. 109). As a result, farmers' markets take on many different operational structures. While recognizing that this characterization is true for the markets in our sample as well, we felt it is useful nonetheless to provide a general overview of their operations, and to compare our results to other studies of farmers' markets in the U.S.

By the 2001 season, the average (mean) number of growing seasons (years) in operation for farmers' markets in the study area was 8.2 years, with a minimum of 1 year and a maximum of 28 years (Table 2). This figure is far below the 2000 national average of 15.1 years (Payne, 2002). Markets in Maryland had operated for an average of 10.7 years, compared to 4.1 years for southeastern Pennsylvania markets and 3.4 years for markets in the District of Columbia. See Table 3 for a comparison of these results with four prior surveys of U.S. farmers' markets.

**Table 2: Average Years in Operation by Location**

| Location | Mean | Minimum | Maximum | Total number of markets |
|---|---|---|---|---|
| Southeastern Pennsylvania | 4.1 | 1 | 20 | 12 |
| Maryland | 10.7 | 1 | 28 | 27 |
| Washington, D.C. | 3.4 | 1 | 5 | 4 |
| All locations | 8.2 | 1 | 28 | 43 |

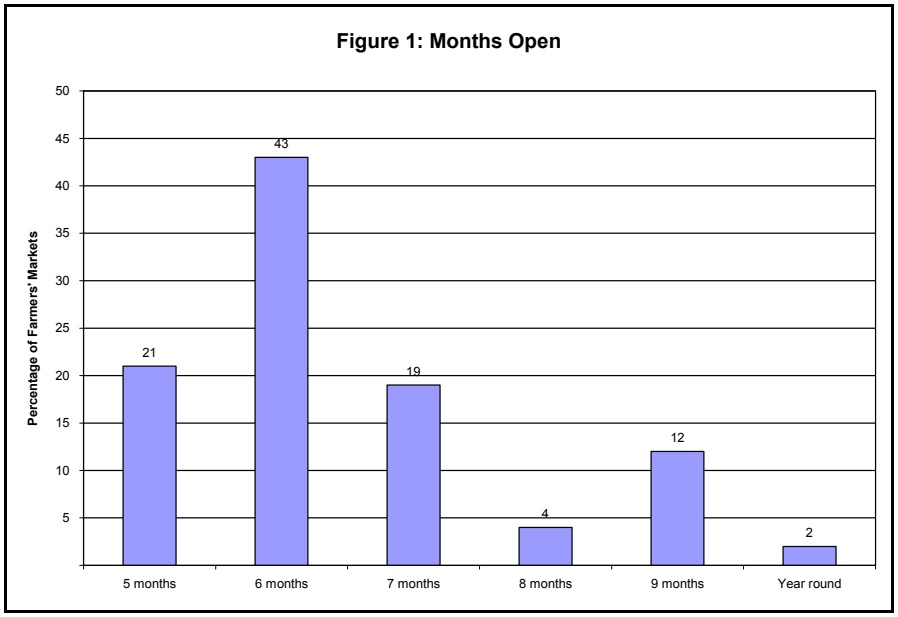
**Table 3: Comparison of Operational Characteristics from Mid-Atlantic and Other U.S. Surveys**

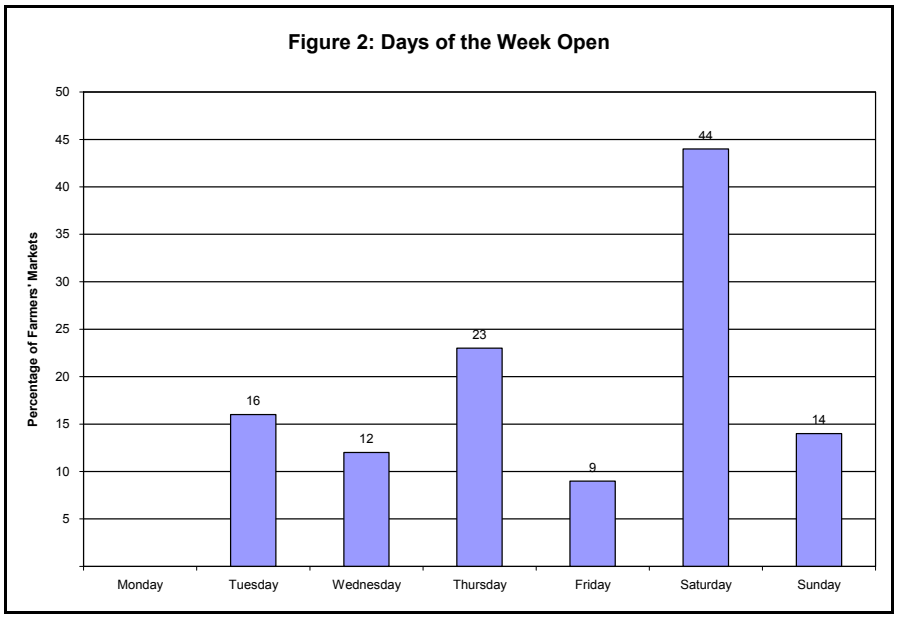
| Characteristic | Mid-Atlantic | National | California[b] | Iowa | Kansas |
|---|---|---|---|---|---|
| Average years in operation | 8.2 years | 15.1 years | 10 years | 15.4 years | 8.2 years |
| Customer numbers | 496 per market day | 1,055 weekly | 1,818 "peak season market size" | 600 on busiest market day; 94 on slowest market day | NA |
| Average number of days open per week | 1.2 | 1.8 | NA[c] | NA | 1.2 |
| Average number of vendors | 10.5 farmers; 6.5 "other vendors"[a] | 27 | 31 | 21 busiest market day; 6 slowest market day | 12.9 |

For national results, see Payne (2002); California results, Feenstra and Lewis (1999); Iowa results, Hinrichs (2001) and Hinrichs (2003); and Kansas results, Hughes and Mattson (1992).
[a] Other samples did not distinguish between farmers and other types of vendors.
[b] Sample included California certified farmers' markets in existence for at least 3 years, as well as proportional sampling of markets at random from three categories (rural, small towns, and metro areas).
[c] Not available.

Producer-only markets in the Mid-Atlantic region are primarily seasonal markets. The majority of the farmers' markets (83 percent) we surveyed are open for a total period of 5 to 7 months (Figure 1). Only one of the markets (2 percent) surveyed is open year-round. The majority (84 percent) of the markets open in May or June. The end dates for the markets are somewhat more variable with approximately 50 percent closing in October, 28 percent closing in November, and 19 percent in December.

Markets in the study area are open an average of 1.2 days. This number falls below the 2000 national average of 1.8 days (Table 3). As shown in Figure 2, Saturdays and Thursdays are the most popular market days, with 44 percent and 23 percent, respectively, of the markets we surveyed open on these days, followed by Tuesday (16 percent) and Sunday (14 percent). All markets are closed on Monday.



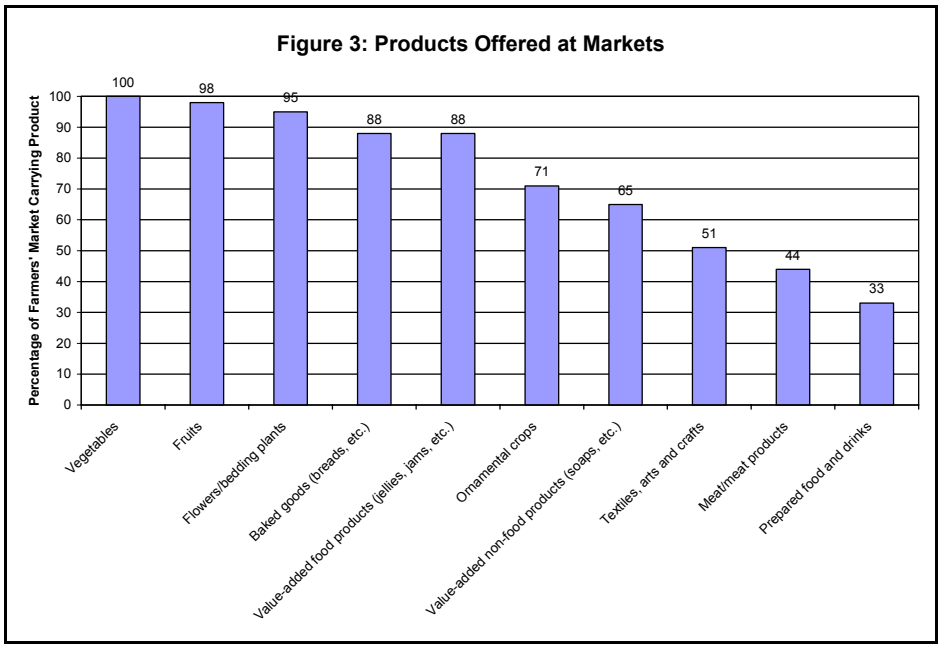
We asked managers to estimate the number of customers attending their markets each week; unfortunately, only 60 percent of the respondents answered this question, and in many cases they provided a range of numbers. In those instances, we took the average of the range. In the study area, the overall average number of customers per market was 496, with a minimum of 75 and a maximum of 1,950. This number falls well below the 2000 national average of 1,055, and a similar number found in a California survey (Table 3). It should be noted, however, that using these customer estimates can be problematic. Larry Lev, an Extension marketing economist from Oregon State University, told us that customer counts, usually based on manager estimates, are often inaccurate and underestimated (Lev, 2003). Lev and colleagues (2003) describe some ways of obtaining more accurate attendance counts.

Very few market managers were able to indicate the approximate value of all product sales at their farmers' market for FY 2000. The survey requested that the manager tell us if they do not keep records. Thirty-four of the 43 respondents (79 percent) noted that statistics are not kept on the value of product sales at the farmers' markets. According to Lev (2003), sales data are often difficult to obtain because of vendor opposition to gathering this information. Some techniques for obtaining accurate estimates of vendor sales are described by Lev and colleagues (2003).

In terms of financial support for the markets, over 80 percent of managers said they obtained some financial support from vendor fees; approximately a third of these received all their financial support from vendor fees. Very few managers reported collecting these fees based on a percentage of gross sales. Instead, most were instituted on a per day or per season basis (ranging from $3.00 to $50.00 per day and from $30 to $300 per season), or on a space basis. Some markets collected an annual application or a license fee from vendors, whiles others had no fees. In addition, one-third of the markets obtain some of their financial backing from non-profit organizations, 23 percent from public organizations (e.g., county government), and approximately 12 percent from for-profit organizations.

In terms of location, 50 percent of farmers' markets in the study were described by market managers as urban, 40 percent as suburban, and 10 percent as rural. There was no correlation between market location (urban/ suburban/rural) and either the state in which it resides or the number of years in operation (Appendix C). Most markets were specifically sited in parking lots, while a few operated on city streets or plazas. The average square footage occupied by vendors varied considerably. Many had as much room as they wanted, while others were limited to 150 to 300 square-foot areas.

Figure 3 illustrates the percentage of farmers' markets carrying specific types of products. Vegetables were sold at 100 percent of the markets. Fruits (98 percent), flowers and bedding plants (95 percent), baked goods (88 percent) and value-added foods (88 percent) were also sold at a majority of the markets. Fewer (though more than half) sold ornamental crops, value-added non-food products, or arts and crafts, while less than half sold meat products or prepared food and drinks.

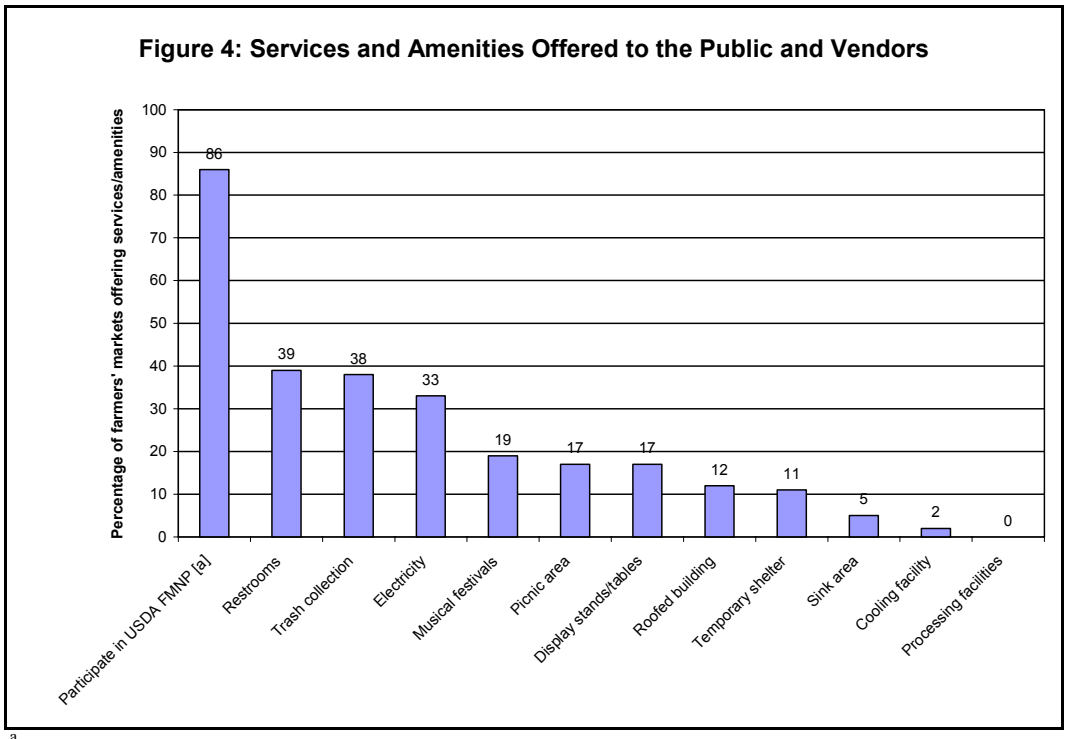


The types of services or amenities provided most often by the farmers' market to the public and/or vendors are identified in Figure 4. Eighty-six percent of survey respondents reported participating in FMNP by accepting WIC or SFMNP coupons. This figure compares to 58 percent participation in FMNP in the USDA's national study (Payne, 2002). A third or more reported offering restrooms (39 percent), trash collection (38 percent), or electricity (33 percent). Almost 1 in 5 offered musical festivals (19 percent), picnic areas (17 percent), or display stands/tables (17 percent). Approximately 23 percent offered some type of shelter, either a roofed building (12 percent) or temporary shelter (11 percent). Less than 1 in 10 offered a sink area (5 percent) or cooling facility (2 percent), and none offered processing facilities.

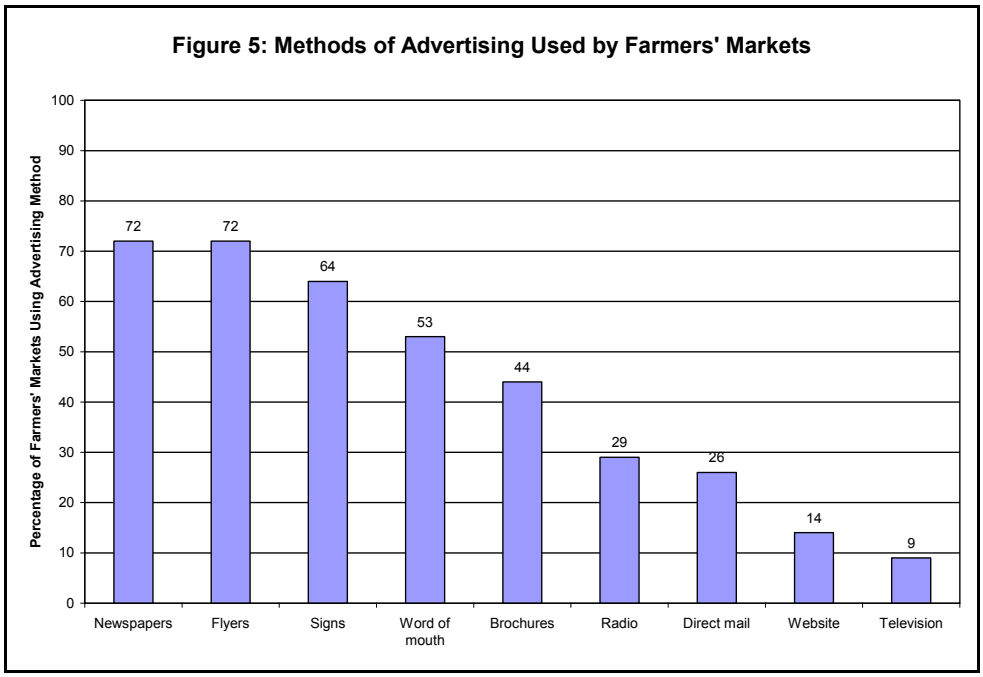
Very few organizers of farmers' markets in the study area had sponsored educational or training workshops for their vendors in the last few years. Ten percent had provided workshops on merchandising products; 5 percent on improving product/service quality; and 10 percent on general marketing techniques and specific techniques for farmers' markets including signage and displays. None had provided workshops on pricing or bookkeeping.

The managers were questioned about the type of advertising used to promote the farmers' market. Newspapers or flyers were used by 72 percent of respondents; signage (used by 64 percent), word of mouth (by 53 percent), and brochures (by 44 percent) were also important advertising methods. More than one quarter relied on radio (29 percent) or direct mail (26 percent); fewer relied on websites or television advertising (Figure 5).

Our survey did not ask managers to analyze the effectiveness of each of these methods. Readers who are interested in this topic will find a discussion of the advantages and disadvantages of many of these advertising techniques for farmers' markets in a useful overview from the Center for Rural Pennsylvania (2002).




[a] USDA's Farmers' Market Nutrition Programs (FMNP) include WIC and Senior FMNP.




### *Overview of Market Managers*

The manager is a key ingredient in the success of a farmers' market. Hamilton (2002) has listed at least 10 common responsibilities among market managers; however, like the operations of farmers' markets, there is a great deal of diversity in the manager's responsibilities from market to market. In some cases, the manager acts alone and is an employee of some entity; on the other end of the spectrum, a group of people (e.g., farmers) manages the operations of the market.

We asked the market managers to describe their employment status and provided a list of possible options. The majority (44 percent) were volunteers (often members of the association board overseeing the market), 24 percent were employed by local governments, 12 percent were self-employed, and 5 percent were employed by farmers (Table 4). Nineteen percent listed "other" employers, including four respondents who said they were employed by non-profit organizations and two who were employed by communities.

**Table 4: Employment Status of Market Manager**

| | Frequency | Percentage[a] |
|---|---|---|
| Volunteer | 19 | 44.2 |
| Employed by city, township, or county government | 10 | 23.8 |
| Other | 8 | 18.6 |
| Self-employed | 5 | 11.6 |
| Employed by farmers | 2 | 4.7 |

[a] The percentages add up to more than 100 percent because some managers answered for two categories.

Many of the survey respondents are experienced market managers with some previous farming experience. Nearly half (45 percent) had managed markets for more than 5 years, and 36 percent had 2–5 years of experience, while 19 percent had managed a farmers' market for less than 2 years (Table 5). Overall, 62 percent told us they had personal farming experience. These results contrast with a prior survey of farmers' market managers in New Jersey (Govindasamy et al., 1998). This study found that 58 percent had less than 2 years of experience and none had more than 5 years of experience; only 15 percent had farming experience.

**Table 5: Years of Experience as Market Manager**

| | |
|---|---|
| Less than 2 years | 19% |
| 2–5 years | 36% |
| More than 5 years | 45% |

In our study, Maryland markets were much more likely to have managers with experience in farming than those in southeastern Pennsylvania or Washington, D.C. (see the correlation matrix in Appendix C). Also, those markets considered "suburban" were much more likely to have managers with farming experience than those in either urban or rural areas. In addition, generally, as the number of years in operation for a market increases, so does the experience of the market manager; for example, none of the markets in the study area that had been operating for more than 4 years had managers with less than 2 years of experience.

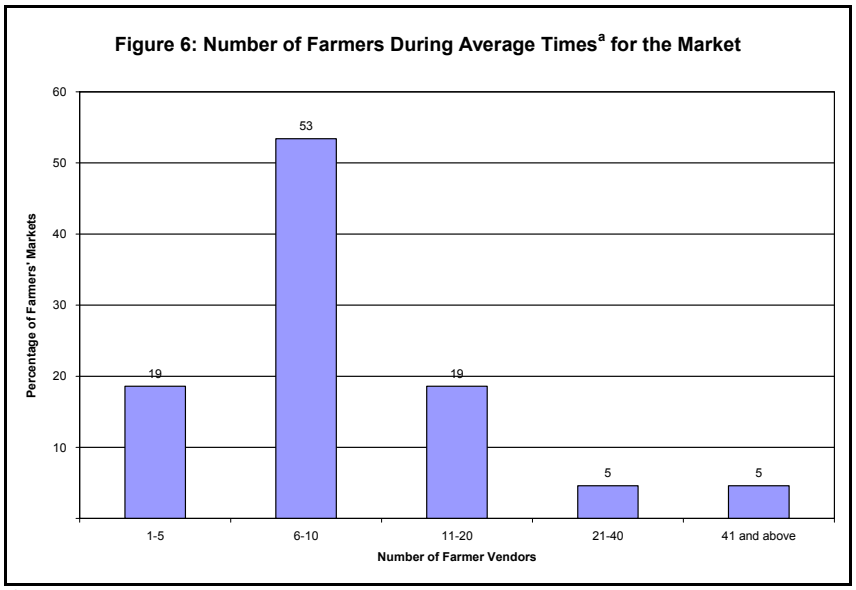
### *Overview of Vendors*

Recruitment of vendors in the study area was a concern raised by many of the key informants whom we interviewed. To explore this issue, our survey asked managers a number of questions about their market's vendors. Markets in our study included, on average, 10.5 farmer vendors, with the numbers ranging from 1 to 60. Vendors selling crafts, prepared food items, and other products averaged 6.5 per market, with the numbers ranging from 1 to 31 (Table 3). The majority of markets (53 percent) included 6–10 *farmer vendors* per market, while 19 percent included 11–20 farmer vendors and 19 percent included 1–5 farmer vendors. Only 10 percent of the markets hosted more than 20 farmers per market (Figure 6).

Approximately 55 percent of the market managers surveyed indicated they have room to accommodate more vendors, while 45 percent said they are full. The correlation analysis (Appendix C) shows that those markets run by managers with more years of experience are more likely to be full. Comments by respondents regarding this issue demonstrate that market managers have more interest in diversifying products and expanding the market's customer base than in filling vendor vacancies. For example, as one manager stated, "Although I have space for more, I am hesitant to add more until the market is fully established and I know that the vendors are selling enough." Another noted, "I could squeeze in something special like an organic farmer or unique food vendor." Some market managers also told us that they increase vendor numbers based on specific consumer demand (e.g., adding a mushroom vendor or a prepared food vendor).

Over 85 percent of respondents reported that the number of vendors at their market over the last 3 years had either increased or stayed the same. Very few reported a decrease in the number of vendors. About a quarter reported having waiting lists, some for as long as 15 years. Again, many of the comments provided were about ensuring a diversity of products at the market when increasing the numbers of vendors. However, the survey results do not reveal information about turnover rates for vendors.

Although farmer recruitment did not seem to be a major issue for market managers in the study area, based on their responses to the survey questionnaire, our interviews with key informants and the findings from other studies demonstrate concern for this issue. Evans (2002) mentioned that there is likely a 10 percent loss of farmers at markets in Maryland each year, with some of this due to retirement. Lyson and colleagues (1995) cite similar numbers; in their study, 12–16 percent of vendors surveyed in three rural regions of New York planned to leave the markets within the following 2 years. Part of the concern from organizers is the rising age of farmers nationally and their pending retirement. Another problem for a number of farmers is having the time available to be physically at the market. Some markets have rules specifying that the farmer, or someone closely associated with the farm, must be present at the market stand. This is seen by some as an additional limitation for farmer recruitment (Hanson, 2003).




[a] We asked for vendor numbers at "peak" and at "average" times of the year, but there was very little variation between the two. Therefore, we report on average times.

### *Farmers' Market Policies and Rules*

Our survey also examined the producer-only focus of the market. As noted earlier, one of the critical concerns for producer-only markets is enforcement of the "producer-only"' rules. According to the managers, there were a number of ways in which the rules are enforced, and many of the markets we surveyed employed more than one way. Thirty-seven percent of managers used an application or contract that spells out the producer-only rule; two of these managers said that farmers must develop a plan every year that details what the farmers will sell. Approximately 47 percent said that they do farm inspections, either personally or by committee. Some managers do these inspections on a regular basis, while others carry them out only after receiving a complaint. Fourteen percent rely on personal contact with the farmers at the market to police the rule, approximately 10 percent rely on the "honor system," and 7 percent rely on customer or farmer complaints. Only a few market managers reported having difficulty enforcing their market's rule.

In terms of other market rules and regulations, 63 percent of the managers surveyed reported that they have "policies, rules, or restrictions on sellers or their products at market" in addition to the producer-only rule. The correlation analysis shows that urban markets were more likely than their suburban or rural counterparts to have additional market regulations for vendors (Appendix C). Of those with restrictions, 48 percent said that some type of product was limited. Crafts were the product noted most often, with some farmers' markets having very specific rules about them. One-third reported that vendors must come from a given distance, such as within 150 miles from the city (Washington, D.C.) or from within the county. Interestingly, one market manager reported that all food sold at the market had to be grown within the Chesapeake Bay watershed. Many managers also noted that those farmers listing their products as organic must be certified[6]. Other restrictions reported include limits on the time of day when vendors can sell, adhering to health codes, having to accept USDA WIC and Senior FMNP coupons, and restricting vendors from providing samples.

### *Entrepreneurship and Community Effects*

In order to examine issues related to entrepreneurship and farmers' markets in the study area, our survey included a number of questions similar to those used by Feenstra and colleagues (2003) in their inquiry of vendors and market managers in California, Iowa, and New York. We informed the managers responding to our survey that entrepreneurship resulting from vendor participation in the farmers' market could mean, for

[6] Our survey was conducted prior to October 2002, when the national organic standards went into effect. As of October 21, 2002, a farmer who "knowingly sells or labels as organic a product that is not produced and handled in accordance with the National Organic Program's regulations" faces civil penalties (USDA AMS, 2002).

example, that farmers had added value to an existing product, extended product lines, increased production, taken financial and other risks, or marketed cooperatively. Examples provided included expanding into other farmers' markets or developing CSAs, cooperatives, pick-your-own operations, roadside stands, and/or storefronts. Thirty-seven percent reported that their vendors had taken one or more of these steps in the prior 3 years. This figure compares to 50 percent in a New York study (Hilchey, 2001), and 64 percent in an Iowa study (Hinrichs, 2001). CSA farms and restaurant sales, as well as expansion of the farmers' product lines, were the ones most often mentioned by our respondents. A couple of market managers noted that some farms had been able to expand or focus exclusively on on-farm sales because of the larger customer base they had developed at the farmers' market; one farm had opened a commercial kitchen on-site as well.

Approximately 30 percent of the respondents told us that they were aware of local policies, programs, organizations, or other resources in their community that encourage or support entrepreneurship by their vendors. Two of the main sources of support listed were the county Extension office, which frequently offers marketing workshops to farmers, or the state's sustainable agriculture organization (in this case the Pennsylvania Association for Sustainable Agriculture or PASA, and Maryland's Future Harvest–CASA). The county agricultural development office and the Maryland Department of Agriculture were also mentioned.

On the flip side of this question, we asked market managers whether they were aware of any policies, programs, organizations, or other resources that discourage or serve as a deterrent to entrepreneurial activities by their vendors. Approximately 26 percent answered yes; high on the list of deterrents were food safety/health department regulations, especially regarding eggs, cheese, and meat. Also mentioned by our respondents were lack of access to meat processing plants and lack of access to capital.

Farmers' markets are often touted as having positive effects on communities, both economically and socially. However, as noted earlier in this report, there are limited studies and data on the actual impacts of these kinds of markets on communities. We tried to gain a sense of what the market managers in our study area considered to be the main effects of their market on the local community. The answers to this survey question were surprisingly similar among managers, and correspond well to the justifications offered by many for promoting and developing farmers' markets.

In our survey, market managers said that farmers' markets:

- Create a hub of social activity or bring life to a public space (17 managers mentioned);
- Bring freshly grown food to the community (16 managers mentioned);
- Foster a sense of community (12 managers mentioned);
- Provide positive economic impact or are good for local retail businesses (10 managers mentioned);
- Increase support of farms and are a good marketing outlet for farmers (6 managers mentioned);
- Provide a place for WIC and Senior FMNP customers to redeem their coupons for fresh produce (6 managers mentioned); and
- Increase awareness by customers of their food and where it comes from (4 managers mentioned).

### *Challenges Faced by Farmers' Markets and Their Managers*

A portion of our survey sought to examine the challenges faced by the farmers' markets and their managers in the study area. First, we asked managers whether rivalry among vendors is a problem at their market. Over 93 percent said it was "not a problem at all" or a "slight bit of a problem." Seven percent said it was "somewhat of a problem," and none said that it was a "very serious" problem. When asked for more detail about why it is or is not a problem at their market, there were a number of common answers. As to why it is not a problem at their market, managers answered specifically that: (1) they had a good mix of vendors/products; (2) there were good rules set out for the market; (3) there was a cooperative spirit among the vendors, either because this was the organizing principle for the market or the farmers worked together at other venues; and/or (4) the market manager did not allow "price wars." For those managers who noted that rivalry could be a problem, the main reasons offered included the personalities of the vendors, questions about the products some vendors were selling (i.e., whether they were actually grown by the farmer), and some concern about limited space. Interestingly, Evans (2002) has observed, from his work with farmers' markets in Maryland, that problems tend to arise among current and potential vendors as a market matures and becomes more profitable, because there is more at stake financially.

In our study, market managers reported few problems in the level of competitive tension between their farmers' market and other retail grocery outlets in the area. Close to 93 percent said that it was "not a

problem at all" or a "slight bit of a problem." Only 7 percent said it is a "very serious problem." Some noted collaboration among the farmers' market and nearby businesses (e.g., one farmers' market is located on a large retail block and those outlets "do good business on that day from sidewalk sales"). Of those responding that there was a "very serious problem," some remarked that the neighboring retail outlets are wary of the competition and one noted that these businesses were attempting to end the market. These results correspond well with studies by Govindasamy and colleagues (1998) and Sommer (1989). Cummings and colleagues (1998) also found that, in general, businesses operating near farmers' markets believed that market days generated considerably more customer traffic than non-market days.

We asked managers also if they could pinpoint any particular factors that might limit the successful operation or development of their farmers' market. This question was open-ended, with many market managers providing more than one answer. Most had something to say, sometimes very general. Those responses that were more specific and were reported more than once are listed below. These include:

- Space constraints or location issues for the market (mentioned 6 times)—related was the market's relationship with a private entity (such as a mall) for space, and concern whether it would continue (mentioned 2 times);
- Ensuring a good relationship with the city/borough/community and its officials (mentioned 6 times);
- Regulations (health, zoning, etc.) (mentioned 4 times);
- Parking (mentioned 3 times);
- Recruitment (or lack) of farmers (mentioned 2 times)—related to losing vendors due to farmland loss (mentioned once); and
- Funding (mentioned 2 times).

We asked managers to identify the major problems they were facing with respect to their role as market manager. As above, this was an open-ended question with market managers often citing more than one problem. Some of the problems cited here corresponded to those they identified above as factors limiting the success of their market; for instance, space and parking issues ranked high on both lists. A summary of the responses (those mentioned more than once) is below:

- Space constraints or location issues (mentioned 7 times)
- Public education/promotion of the market (mentioned 6 times)
- Parking (mentioned 5 times)
- Increasing the market's customer base (mentioned 4 times)
- Recruitment (or lack) of farmers (mentioned 3 times)
- Competition for FMNP from "non-farmer" vendors (mentioned 3 times)
- Visibility of the market (i.e., whether people could see the market at its location) (mentioned 2 times)
- Funding (mentioned 2 times)
- Keeping non-produce items out of the market (mentioned 2 times)
- Conflicts among farmers (mentioned 2 times)

Many of these same limitations and problems have been cited in other studies of farmers' markets. Parking and/or recruitment of farmers are often highlighted (Feenstra and Lewis, 1999; Govindasamy et al., 1998; Hinrichs, 2001). Corum and colleagues (2001) identify parking as the most critical factor that can limit a market's growth. Interestingly, problems with vendors (such as paying fees or tardiness) were not raised as often in our study as they tend to be in other studies.

Market location is a topic much discussed in the practical literature on farmers' markets, and Corum et al. (2001) provide a useful outline of the benefits of different types of locations. Visibility and accessibility are part of the mix in finding a successful site, but type of property is also important. The market managers we surveyed expressed an interest in receiving assistance with market location and siting from other resources in the area (i.e., Cooperative Extension, State Department of Agriculture). According to Abel and colleagues (1999), Extension educators are a good fit to "help connect farmers to community economic development officials to select a site that is best suited for everyone concerned." Evans (2002) told us that in setting up farmers' markets, he much prefers public over private property, with a public site and a permanent shelter being ideal. He said that the need for relocation of farmers' markets in Maryland has been a recurring problem, and markets on private property are the most vulnerable. Because he works throughout the state, he is able to investigate new sites as communities request farmers' markets in their areas. This allows him to set up a list of possible new locations for farmers' markets that must relocate.

Finally, to address some of the limitations and problems that the market managers identified, we asked them how their municipality/state institution/or other resource (i.e., non-profit organizations) could

best assist them in the operation of their farmers' market. Many useful specific suggestions were provided. The most common responses included help with:

- Promotion of the farmers' market (e.g., assistance with signage);
- Market location and operation (e.g., assistance in finding a permanent site, possibly with some type of shelter, or from the city in terms of providing electricity, toilets, etc.); and
- Funding.

Many comments noted the good relationships already underway; as market manager stated, "the support services the city provides makes it possible to run a quality operation in an urban setting." Hilchey and colleagues (1995) have developed a very useful list of the needs that could be fulfilled by public and private entities, including financing, education and training, facilities/ organizational development, regulatory assistance, and public relations. Many of these could relieve some of the problems faced by market managers in our study.

**CHAPTER FIVE**

# *Summary*

Farmers' markets have become a popular community marketplace in the Mid-Atlantic region, as farmers are looking to direct marketing channels to remain competitive and consumer demand rises in the many urban and suburban locales. Our survey of market managers focused on producer-only markets because of their potential to provide profitable markets for small-scale farms, as well as important amenities for communities across the region.

We found that producer-only markets in Maryland, southeastern Pennsylvania, and Washington, D.C., are almost exclusively seasonal operations and are located primarily in urban and suburban areas. They include both established and younger markets. Higher numbers of younger markets occur in southeastern Pennsylvania and Washington, D.C., than in Maryland. Younger markets face different challenges than their longer-running counterparts. We found, like Podell (2000), that young, newly established farmers' markets do not have the large customer bases needed to support participation by many farmers. Our analysis shows that the younger markets have fewer vendors, and those with fewer vendors have fewer customers.

The market manager is one of the most critical contributors to the success of a farmers' market. Our survey suggests that farmers in the study area may benefit from the expertise offered by the managers in the study area, since they have many years of experience both as market managers and as farmers. Unfortunately, however, the experience level of the manager also correlates with years of operation of his or her market. Thus, in many cases, the younger markets—those that could benefit a great deal from market manager experience—lack this advantage.

Vendor recruitment was cited as one of the most critical issues for farmers' markets by the key informants whom we interviewed. However, according to many of the market managers we surveyed, recruiting vendors was not identified as a major problem for their own market, and a quarter of the managers reported having waiting lists. More often, the responses included the sentiment that the market's customer base needed to be expanded before increasing vendor numbers, or that there was a need for a specific type of farmer and product. Although the recruitment issue did not reach a critical concern level for many market managers we surveyed, the fact that it was mentioned often by key informants is significant. It is an issue that is likely to be very important in the future, especially as organizers seek to expand farmers' markets in the area.

Farmers' markets are often promoted as a profitable business opportunity for small-scale and beginning farmers. Researchers have recently begun to examine this aspect of the markets more carefully. Our survey indicates that farmers in the study area are expanding their product lines and/or enterprises through their participation in the farmers' market. From the market manager's perspective, farmers' markets are also having positive social and economic effects on the communities in which they operate. These benefits range from providing fresh food for communities and increasing support for local farms, to creating a hub of social activity and bringing life to a public space. Very few of the producer-only markets we studied are facing competitive tensions with neighboring businesses, and most see their market as enhancing local commerce.

The challenges being faced by market managers in our study are similar to those of farmers' markets across the country. Space constraints, parking, and ensuring good relations with the community and/or local government were at the top of the list. Other important issues include promotion of the market, regulations, funding, and increasing the customer base.

The fact that farmers' markets in the study area are facing similar problems means that an infrastructure that assists managers in addressing these issues would be beneficial. For instance, a network of both established and younger farmers' markets would do much to help market managers and organizers learn from one another and to assist them in dealing with the challenges they usually face in isolation. This makes sense, particularly in the Mid-Atlantic, since many of the vendors market to customers in numerous places in the Philadelphia and Washington, D.C., corridor, and there are many issues of concern that cross state and city boundaries.

Currently there is a great deal of momentum around farmers' markets, including initiating new markets. With farmer participation stretched thin, as indicated by the concern for farmer recruitment, it is vital that other entities (e.g., non-governmental or governmental organizations) take lead roles in organizing and operating markets. Furthermore, there should also be greater emphasis placed on supporting and expanding existing markets, to help ensure their continued

success. According to Jolly (2002), the "farmers' market system has reached a level that demands higher levels of management, greater coordination and more effective governance. Some of the spontaneity may be lost in this process, but what may be gained is sustainability and high levels of customer satisfaction" (p. 5). Assistance can be provided in both the private and the public sectors. In Maryland, farmers' markets currently have strong public-sector support. Our work demonstrates that southeastern Pennsylvania (and Pennsylvania in general) and Washington, D.C., could benefit from more public-sector support of producer-only farmers' markets.

Our survey results, as well as interviews with key informants, show that differences in how the producer-only status is defined are problematic. Multiple definitions leave a substantial "gray area" for market managers, vendors, and consumers. One key aspect is defining value-added, craft, and other non-food products within the producer-only framework. Another relates to the differing percentages of allowable product that is not grown (or crafted) by the vendor him/herself. These examples are just two of the many challenges that arise when defining a market as producer-only. In the absence of a broad understanding of the characteristics that define a producer-only farmers' market, market managers and governing bodies must work to develop clear and specific market rules (including those surrounding the producer-only status), very early in the process of new market development, and must enforce them fairly to limit problems among vendors and with the public.

Lev (2003) notes that specific market and state-level data can improve and strengthen markets. However, much of the information needed to accomplish this (for example, accurate attendance counts and vendor sales) is not being collected in a systematic fashion. Practical research on farmers' markets in the region would be of value in demonstrating the benefits farmers' markets bring to Mid-Atlantic communities and in pinpointing the areas in which improvements are needed. Lev and colleagues (2003) offer some reliable and inexpensive approaches to make markets self-sufficient in some of this data collection. Providing training for farmers' markets and organizers in the use of these tools would be a useful first step towards this goal.

By all signs, producer-only farmers' markets in the Mid-Atlantic region are booming. There are many opportunities for farmers who want to take advantage of their proximity to urban and suburban customers, and for organizers who want to bring farmers' markets to their communities. Although there is much to celebrate in their collective success, there are also existing and potential problems to overcome for many individual markets. As organizers seek to develop and expand farmers' markets in the region, they must understand and address these problems in order to ensure their long-term survival.

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# *Appendix A*

## Farmers' Market Managers Survey

Sponsored by the Small Farm Success Project: A Partnership of the University of Maryland Extension; Future Harvest-CASA; Pennsylvania Association for Sustainable Agriculture (PASA); USDA Agricultural Research Service; Henry A. Wallace Center for Agricultural & Environmental Policy at Winrock International; and the Accokeek Foundation

**Market Name:**

**Market Address:**

**Market Manager's Name:**

**Address of Market Manager:**

**Phone Number:**

**E-mail:**

Thank you for participating in this study. This survey is part of a Mid-Atlantic local foods collaboration project that is conducting a study of farmers' markets in Maryland, southeastern Pennsylvania, and Washington D.C. The collaboration focuses on supporting and expanding marketing opportunities for small farmers in the region. In this study, we are conducting a survey of marketing managers of producer-only markets in the area to better understand the barriers and opportunities facing these farmers' markets.

We will tabulate and analyze the information and will provide you with a summary of our findings. We will develop a report from the results that we will share with local, state, and federal policy makers, extension, and other key players in hopes of increasing their understanding of the needs and benefits of farmers' markets.

You should know that your answers will be kept completely confidential. No information you provide will be released in association with your name or market without your permission. In addition, you are not required to answer any particular question.

We know that farmers' markets are very diverse, so not every question we ask will fit your market's situation. Therefore, please feel free to comment on any question or explain any answer.

**1. How many growing seasons (years) has your market operated (when was in initiated)?**

**2. Approximate value for all product sales at this farmers' market in FY 2000?**

**3. What are the start and end dates of your market each year?**

**4. What days is the farmers' market open?** (Circle all that apply)

M T W TH F Sat Sun

**5. What are the typical hours of operation for the market?**

**6. How many people do you estimate attend your market every week?**

**7. How would you describe yourself in your role as market manager (please check one)?**

Self-employed
Employed by farmers
Employed by the city or township
Volunteer
Other:_____

**8. How many weeks of the year are you employed?**

**9. How many hours do you work per week?**

**10. How many other employees does the market employ?**

_____ Full time (year round)
_____ Full time (seasonal)
_____ Part-time (year round)
_____ Part-time (seasonal)

Other: _____

**11. How many years have you managed a farmers' market? (please circle one)**

Less than 2 years  Between 2-5 years  More than 5 years

**12. Do you have farming experience yourself? (please circle)**

Yes  No

**13. Which of the following best describes the area in which your market is located? (please circle one)**

Urban  Suburban  Rural

**14. Where is your market located (e.g., parking lot, park, street that is closed, etc.)?**

**15. What is the average area (sq. ft) occupied by each vendor at the market and what is the total area available to vendors?**

**16. What is the normal number of vendors that you have at your market at peak and average times of the year? (Please break out by farmers, and other vendor types – crafts, food items)**

Peak times:_____

Average times: _____

**17. How do you enforce your producer-only rule and is it a problem?**

**18. Does your market have any policies, rules, or restrictions on the sellers or their products at the market (other than growers only)?**

YES NO

If Yes:
Some type of products limited – explain:

Vendors have to come from a given distance – explain:

Farmers who advertise organic must be certified – explain:

Other – Please explain:

**19. Is your market at full capacity or could you accommodate more vendors? (circle one)**

Full Room for more.

If full, how long has it been full:_____
How long is your waiting list: _____
If room for more, how many and why: _____

**20. Over the last three years, has the number of your vendors (please circle one)**

Increased Decreased Stayed the same

If it has changed, can you tell us why?

**21. Keeping in mind that more than one choice may apply, which of the following choices best describes how vendors are involved in the decision making process regarding policies, dates of operation, etc. at your market (please circle one)?**

(a) Informally - through suggestions and conversations

(b) Anonymous voting and/or surveys

(c) Official market meetings involving both management and farmers

(d) Other: _____

**22. Please indicate fees charged to each vendor.**

$_____ per _____ or ____% of gross sales.

Other method (please explain): _____

**23. What percentage of financial support for the market comes from each of these sources?**

| Type of support | Percentage |
|---|---|
| | |
| Public organizations | |
| For-profit private organizations | |
| Non-profit private organizations | |
| Vendor fees | |
| Other sources | |

**24. Which of the following products are sold at your market (please circle all that apply)?**

(a) Vegetables

(b) Value-added non-food products (candles, soaps, etc.)

(c) Fruits

(d) Value-added food products (such as jellies and jams)

(e) Meat and meat products

(f) Ornamental crops

(g) Prepared food and drinks

(h) Baked goods (breads, etc.)

(i) Flowers/bedding plants

(j) Textiles, arts and crafts

(k) Others (please explain): _____

**25. How serious is rivalry between vendors a problem at your market (please circle one)?**

(a) Not at all a problem

(b) A slight bit of a problem

(c) Somewhat of a problem

(d) Very serious of a problem

**26. Why or why isn't rivalry a problem?**

**27. What is the level of competitive tension between the farmers' market and other retail grocer outlets in the area? (please circle one)**

(a) None

(b) A slight bit

(c) Somewhat of a problem

(d) Very serious of a problem

**28. What methods of advertising does your market use [examples: newspaper, radio, television, brochures, flyers, direct mail, signs, word of mouth]:**

**29. What services/amenities does your farmers' market provide to the public and vendors?**

| | | |
|---|---|---|
| (a) restroom | (b) picnic area | (c) roofed building |
| (d) musical festivals | (e) cooling facility | (f) electricity |
| (g) display stands/tables | (h) trash collection | (i) processing facilities for home users |
| (j) sink area | (k) ability to take EBT, food stamps, and WIC | (l) temporary shelter |

(n) Other (please explain): _____

**30. Has your market sponsored workshops or offered special information about pricing, merchandising products, improving quality, bookkeeping, or other topics of interest to vendors in the last few years (circle one)?**

YES NO

If yes, on what topics

**31. Entrepreneurship at a farmers' market could mean things like adding value to an existing product, extending product lines, increasing production, taking financial or other risks, or marketing cooperatively. Are you aware of local policies, programs, organizations, or other resources in your community that encourage or otherwise support entrepreneurship by your vendors?**

YES NO

(If YES) Please describe the resources/policies/programs with which you are familiar:

**32. Are you aware of local policies, programs, organizations, or other resources that exist in the community, which discourage or otherwise serve as a deterrent to entrepreneurial activities by your vendors?**

YES NO

(If YES) Please describe the deterrents:

**33. Are you aware of any current or former vendors at your market that have developed (or expanded) their food, farm, or craft for markets beyond the farmers' market within the last 3 years? For example, developing such enterprises as: other farmers' markets, CSAs, cooperatives, pick-your-own operations, roadside stands, and/or storefronts).**

YES NO

(If YES) How many? _____ Please give me some examples of these enterprises:

**34. What are the major problems you have as a farmers' market manager or that are facing your market?**

**35. What do you consider the main effects of your market on the local community?**

**36. Do you see any things which could or do particularly limit the successful operation or development of this farmers' market?**

**37. How do you believe that your municipality/state institution/or other outside resource can best assist you with the operation of your farmers' market?**

# *Appendix B*

**List of Farmers' Market Survey Respondents**

## Maryland

Anne Arundel County Farmers' Market, Inc.
Annapolis, MD

Baltimore Farmers' Market
Baltimore, MD 21201

Park Heights Community Farmers' Market
Baltimore, MD

Bel Air (Tuesday and Saturday)
Bel Air, MD

Twilight Market at Rockfield
Bel Air, MD

Berlin Farmers' Market
Berlin, MD

Bowie Farmers' Market
Bowie, MD

Chestertown Farmers' Market
Chestertown, MD

Allegany "Downtown Cumberland" Farmers' Market
Cumberland, MD

LaVale Country Club Farmers' Market
Cumberland, MD

Edgewood Farmers' Market
Edgewood, MD

Everedy Square and Shab Row Farmers' Market
Frederick, MD

West Frederick Farmers' Market
Frederick, MD

Frostburg Farmers' Market
Frostburg, MD

Havre de Grace Farmers' Market
Havre de Grace, MD

Kensington Farmers' Market
Kensington, MD

Laurel Farmers' Market
Laurel, MD

Ocean City Farmers' Market
Ocean City, MD

Piney Orchard Farmers' Market
Odenton, MD

Riverdale Park Farmers' Market
Riverdale, MD

Salisbury "Shore Fresh" Farmers' Market
Salisbury, MD

Silver Spring Farmers' Market
Silver Spring, MD

FreshFarm Market, St. Michaels
St. Michaels, MD

Towson Farmers' Market
Towson, MD

32nd Street Farmers' Market
Waverly, MD

Wheaton Farmers' Market
Wheaton, MD

## Southeastern Pennsylvania

Doylestown Farmers' Market
Doylestown, PA

Kennett Square Farmers' Market
Kennett Square, PA

Oxford Village Market
Oxford, PA

2nd and South Farmers' Market
Philadelphia, PA

Clark Park Farmers' Market
Philadelphia, PA

Cliveden Park Farmers' Market
Philadelphia, PA

Drew School Farmers' Market
Philadelphia, PA

South & Passyunk Farmers' Market
Philadelphia, PA

Ridge and Girard Farmers' Market
Philadelphia, PA

Plumsteadville Grange Farm Market
Plumsteadville, PA

Skippack Farmers' Market
Skippack, PA

West Chester Growers' Market
West Chester, PA

## Washington, DC

Anacostia Farmers' Market

Columbia Heights Community Marketplace

FreshFarm Market

U.S. Department of Transportation Farmers' Market

# Appendix C

| | | State of farmers' market (PA, WDC, MD) | Number of years in operation | Number of people attending the market each week | Years managing a farmers' market | Farming experience of market manager | Market location (urban, suburban, rural) | Farmer vendor numbers (average times) | Changes in vendor numbers (increased, decreased, stayed the same) | Market policies (other than producer only) |
|---|---|---|---|---|---|---|---|---|---|---|
| State of farmers' market (PA, WDC, MD) | Pearson Correlation | 1 | .173 | .274 | .166 | .390* | -.015 | .215 | -.087 | -.073 |
| | Sig. (2-tailed) | . | .268 | .185 | .294 | .011 | .926 | .166 | .603 | .648 |
| | N | 43 | 43 | 25 | 42 | 42 | 42 | 43 | 38 | 42 |
| Number of years in operation | Pearson Correlation | .173 | 1 | .112 | .451** | -.052 | -.113 | .620** | .224 | .022 |
| | Sig. (2-tailed) | .268 | . | .595 | .003 | .743 | .478 | .000 | .177 | .888 |
| | N | 43 | 43 | 25 | 42 | 42 | 42 | 43 | 38 | 42 |
| Number of people attending the market each week | Pearson Correlation | .274 | .112 | 1 | .070 | .202 | -.149 | .506** | -.100 | .355 |
| | Sig. (2-tailed) | .185 | .595 | . | .746 | .334 | .478 | .010 | .650 | .082 |
| | N | 25 | 25 | 25 | 24 | 25 | 25 | 25 | 23 | 25 |
| Years managing a farmers' market | Pearson Correlation | .166 | .451** | .070 | 1 | .163 | -.161 | .109 | .298 | .164 |
| | Sig. (2-tailed) | .294 | .003 | .746 | . | .307 | .314 | .491 | .073 | .306 |
| | N | 42 | 42 | 24 | 42 | 41 | 41 | 42 | 37 | 41 |
| Farming experience of market manager | Pearson Correlation | .390* | -.052 | .202 | .163 | 1 | .213 | .101 | .161 | -.193 |
| | Sig. (2-tailed) | .011 | .743 | .334 | .307 | . | .182 | .524 | .343 | .226 |
| | N | 42 | 42 | 25 | 41 | 42 | 41 | 42 | 37 | 41 |
| Market location (urban, surburban, rural) | Pearson Correlation | -.015 | -.113 | -.149 | -.161 | .213 | 1 | .053 | -.152 | -.373* |
| | Sig. (2-tailed) | .926 | .478 | .478 | .314 | .182 | . | .740 | .369 | .016 |
| | N | 42 | 42 | 25 | 41 | 41 | 42 | 42 | 37 | 41 |
| Farmer vendor numbers (average times) | Pearson Correlation | .215 | .620** | .506** | .109 | .101 | .053 | 1 | .055 | -.025 |
| | Sig. (2-tailed) | .166 | .000 | .010 | .491 | .524 | .740 | . | .743 | .875 |
| | N | 43 | 43 | 25 | 42 | 42 | 42 | 43 | 38 | 42 |
| Changes in vendor numbers (increased, decreased, stayed the same) | Pearson Correlation | -.087 | .224 | -.100 | .298 | .161 | -.152 | .055 | 1 | -.037 |
| | Sig. (2-tailed) | .603 | .177 | .650 | .073 | .343 | .369 | .743 | . | .829 |
| | N | 38 | 38 | 23 | 37 | 37 | 37 | 38 | 38 | 37 |
| Market policies (other than producer-only) | Pearson Correlation | -.073 | .022 | .355 | .164 | -.193 | -.373* | -.025 | -.037 | 1 |
| | Sig. (2-tailed) | .648 | .888 | .082 | .306 | .226 | .016 | .875 | .829 | . |
| | N | 42 | 42 | 25 | 41 | 41 | 41 | 42 | 37 | 42 |

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

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