

GROWING FARMERS' MARKETS; WHAT ARE THE FACTORS THAT IMPACT ON PARTICIPATION BY LOCAL PRODUCERS?

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ABSTRACT

This paper covers the early findings of a study which aims to investigate the barriers to participation in farmers' markets by the wider farming community in South Australia (SA) with a particular focus on small to medium sized producers. While there exists a body of work internationally on farmers' markets, research within Australia has so far been very limited. The study introduces the findings of a baseline survey in which behaviour is understood as a function of attitudes including perceptions held, social factors such as peer influence, internal factors including willingness to change and external factors such as cost, market conditions and policy settings.

Key words: farmers' market, survey, participation

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INTRODUCTION

This paper presents the early findings of a study which aims to investigate the barriers to participation in farmers' markets by the wider farming community in South Australia (SA) with a particular focus on small to medium sized producers. While the experiences and motivations of farmers participating in markets outside Australia have been studied (Brie, 2005; Coster & Kennon, 2005) there has been very little research conducted in Australia or internationally on raw food producers who remain outside the farmers' market community. Yet this group is critical to farmers' markets which rely fundamentally on consumers doing their weekly shop for fresh food. It appears, however, that it is the raw food producers who are the hardest to attract to the markets (Page, 2011). The reasons remain unclear and are largely unaddressed in the literature. This study aims to address this knowledge gap initially through structured interviews and by means of a baseline survey of key stake holders, that is, local rural producers in South Australia (SA). This paper reports on the early findings of the base line study.

BACKGROUND

The significance of this study is reflected in the Australian Federal Government first national food plan (DAFF, 2011) which recognised the significance of the informal components of the nation's food service sector as represented in particular by farmers' markets (DAFF, 2011). Government support for this form of food retailing is growing, as it understands the strategic importance of ensuring competition through the provision of alternative venues for fresh produce (DAFF, 2011). This study is also significant in light of recent comment by social observers such as Brett (2011) who have identified a widening gap between rural and urban societies in Australia. Brett suggests that rural Australia faces the threat of abandonment by cities with its contribution to the nation dismissed and its historic purposes forgotten (2011). Yet the federal food plan recognizes that the city still depends on rural Australia for a great deal of its sustenance; economically, environmentally and socially and that, in this context, farmers' markets can act as important points of contact between city and country, creating support for and interest in the rural sector (McEachern et al, 2010).

The Adelaide Hills, Barossa Valley and Riverland regions of South Australia (SA) have been selected as case studies for the project. Two of these farming regions, the Adelaide Hills and the Barossa Valley which adjoin Metropolitan Adelaide, the state capital of SA, are considered particularly vulnerable to urban development and have been proposed for World Heritage listing as "Active Farming Areas" (Page, 2012). This listing is seen as a means of protecting rural land values in zones where farm holdings and land titles are historically small and residential subdivision pressures are high. However the viability of farmers in these zones could be considerably advanced through direct selling to urban consumers by means of farmers' markets. At the same time existing farmers' markets in metropolitan Adelaide, with a population of 1.2 million, struggle to find suppliers while local councils and community groups are eager to establish more outlets (Page, 2012). This study proposes to identify how this might be achieved.

LITERATURE

To date most of the research into farmers' markets has focused on consumer characteristics and values (Page, 2011) and on the benefits to consumers. Such benefits are primarily related to the purchase of high quality fresh food produce as summarised in the definition of farmers' markets below

A predominantly fresh food market that operates regularly within a community, at a focal public location that provides a suitable environment for farmers and food producers to sell farm origin and associated value added processed food products directly to customers.

(Coster & Kennon , 2005 pp vi)

Other consumer and community benefits have included the promotion of healthy eating, the development of safe and vibrant public spaces (Francis & Griffith, 2011), more sustainable communities (King, 2008) and the revitalization of neighbourhoods (Tiemann, 2008). Farmers' markets and direct selling are also promoted as more equitable food systems in countries such as the US (Jones & Bhatia, 2012), India (Singla et al, 2011; Kumar et al, 2011) and China (Liu et al, 2012). In Australia, new generation farmers' markets started in 2004 and now number at least 170 with continuing growth. Farmers markets are also popular internationally with the USA growing from 340 in 1970 to 3000 in 2001 (Brown, 2002) and in 2013 number over 7,100 with over 1000 markets created in the past year alone. The United Kingdom has some 550 farmers markets (Umberger, 2007) and New Zealand has over 50. In Australia markets are generally located in regional towns or small towns close to a significant regional population.

The literature on farmers' markets indicates that consumers have a number of motivations for attending. These include the quality of food and the environmental attributes (Guthrie et al, 2006) with special interest in food production practices and safety issues. The ability to talk directly to the grower about their production practices increases the consumers' confidence in the food as well increasing their understanding of production issues (Cameron & Guthrie, 2006). Consumers have previously looked for certified organic/biodynamic food at farmer's markets as this has been perceived to provide food quality and safety. However, the focus has shifted to include interest in seeking local produce (low food miles) that is produced sustainably (Brookman, 2009). Farmers' markets also attract both local and international tourists because of their colourfulness, though in most cases it is only the 'value adders' who achieve any sales from the tourists. Cameron and de Vries (2006) reported on the additional pride a community had from having a farmers' market operate in their town.

A number of benefits to producers are also recognised (Conner et al, 2011). Farmers who participate in farmers' markets can manage a 40% to 80% return on their product (Coster & Kennon, 2005) while those distributing through supermarkets generally receive only between 10% and 20% of the retail price. Without the 'middleman', farmers can recover costs that would otherwise be lost to transport, handling distribution and labelling (Andreatta & Wickliffe, 2002). Farmers' markets can act also as business incubators and provide an opportunity for small scale producers to sell when they are often too small to sell at wholesale markets and much too small to deal with supermarkets (Page, 2010). Importantly for the sector as a whole, farmers' markets are seen as important for protecting and enhancing rural land use and land values (ICMA, 2006), fostering rural communities, facilitating rural business creation and creating new employment opportunities (Morales, 2011).

The conceptual framework used in this study for exploring the decision making of producers is that discussed by Garforth and Rehman (2006) and Defra (2008). Within this framework the intention to adopt a particular behaviour is understood as a function of attitudes including perceptions held, social factors such as peer influence, internal factors including willingness to change and external factors such as cost, market conditions and policy settings.

METHODOLOGY

The research methodology that has been adopted for this study is a survey of small to medium sized farmers in three case study areas, the Adelaide Hills, the Barossa Valley and the Riverland, SA using a paper based questionnaire and a small number of face to face interviews. This survey aims to investigate the barriers to participation in farmers' markets by the wider farming community in South Australia (SA) with a particular focus on small to medium sized producers. The questions have been derived after initial meetings with the Agricultural Bureau of SA (ABSA) and the Advisory Board of Agriculture for SA. Within the three areas the survey has adopted a cross sectional design in order to capture producers of different size operations and a diversity of land uses as there are likely to be different issues for fruit growers as against grain growers, livestock or wine producers.

Farmers have been contacted through their membership of the local branch of ABSA which is a non-political organisation with 78 operating branches in SA that meets regularly to exchange ideas and to keep up to date with the latest developments in agriculture. All of the ABSA branches sampled have been within 2 to 3 hours return driving time of Metropolitan Adelaide (approximately 250 kms). Ten ABSA branches within the Adelaide Hills and the Barossa Valley will be surveyed including Longwood (17.5kms), Clarendon (21kms), Meadows (32kms), Mt Barker (34kms), Gumeracha (36kms) Rowland Flat (48kms), Tanunda (55kms), Angaston (62kms), Light Pass (63 kms) and Koonunga (70kms) as well as 2 ABSA branches which represent the Riverland region of SA. These branches represent a variety of growing regions and producers.

According to the ABS Agricultural Census (ABS, 2009) there are about 3000 agricultural business in the Statistical Division (SD) of Outer Adelaide. ABARE conducts an annual survey of the 135,996 farming establishments in Australia based on a survey of approximately 1500 farms or about 1% of the farming population (ABARE, 2010). This project is in the process of surveying at least 80 farmers, that is, about 2.5% of the SA farming population, and to conduct 10 face to face interviews. Previous surveys distributed through the ASBA have achieved a 50% return rate (Peck & McDonald, 2001). As such we aim to distribute up to 180 surveys over the course of the study that is 15 to each of 12 ABSA branches, where possible to farmers who do not participate in farmers' markets. It is hoped to also conduct one face to face interview with a member of each branch who does not participate in farmers' markets.

Each ABSA has been contacted directly either in person or by phone to arrange for the project team to address a selection of branch meetings in order to explain the project and to distribute the questionnaire to members for later collection. The questionnaire has been designed to take about 15 to 20 minutes to complete. It includes mainly closed questions with tick boxes plus a small number of opened ended questions. Most of the closed questions sought a response measured along a Likert scale of not at all important to very important.

A web based survey was not considered viable at this stage as most rural producers in South Australia only have dial up access to the internet and as such would experience difficulty in opening small attachments or inputting data. This would significantly impact on the response rate to the survey. Many rural research agencies (ABS, 2009; ABARE, 2010) still use face to face interview as a means of survey. The team is of the opinion that for this study face to face interviews, coupled with a paper survey which has been presented and explained directly to groups of farmers, would elicit the best response. It is hoped that the more qualitative output arrived at through the interviews will help to inform and confirm the quantitative findings of the survey.

The survey instrument has been structured to reflect the conceptual framework discussed by Garforth and Rehman (2006) and Defra (2008) in that questions aim to identify attitudes including perceptions held about the functioning, advantages and viability of farmers' markets; social factors such as peer influence; internal factors such as management styles and willingness to change and finally external factors such as cost, market conditions, time commitment or bureaucracy. The survey also identifies the characteristics of participants and non-participants in terms of household, location, size and producer type.

This paper reports on the findings of the first 25 farmers who have so far participated in the survey. These represent about .75% of the farming community in SA (ABARE, 2010). Face to face interviews which offer the opportunity for a broader based discussion of issues such as local/state government support, regulatory support, more education and more research, as well as the full data set, will be reported in a later paper.

RESULTS

The sample of producers that is reported on in this study shows a spread of land uses which include vines, sheep, cattle, cereal, fruit and citrus (Figure 1). As producers of staple and main stream farm produce these are exactly the types of producer that farmer's markets find hard to attract. The sample is dominated by vine growers as most of the sampling so far has been conducted in the Riverland. A spread of farm size is also represented (Figure 2). This is considered important as the regularity and volume of supply may be impacted by farm size.

Figure 1

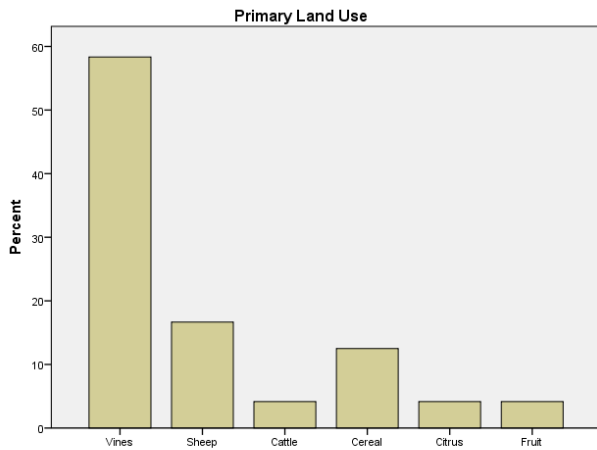
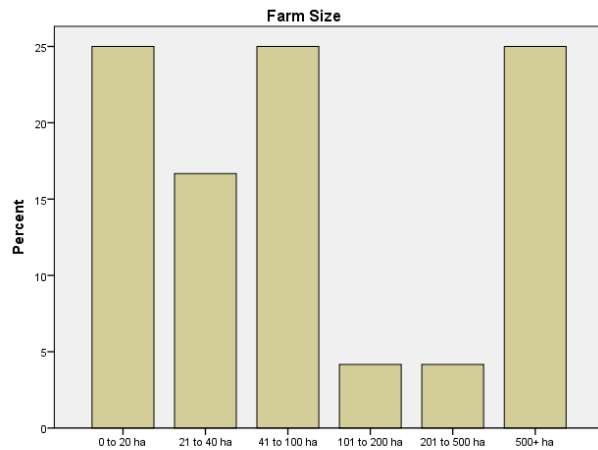


Figure 2



None of the 25 producers sampled so far were stall holders. The top ten items which were cited as most important in the decision not to become a stall holder (Table 1) were mainly focused on internal factors such as the volume and regularity of the farmers’ produce and the uncertainty of profit making as a result of perceived inadequate or unseasonal production. Other internal factors with regard to time and staffing were also important. There was mention of external market factors such as high insurance and rent fees as well as too much form filling. However farmers did not exhibit any negative perceptions about farmers’ markets. They did not consider them a fad and the fact that few farmers in the region were involved in farmers’ markets did not seem to matter. It very much came down to a business decision which was made easier by the perceived complexity and cost of the market rules and regulations.

Table 1

Reason for Decision not to be a Stall Holder	N	Mean How Important in Decision not to be a Stall Holder
I don’t have enough seasonal variety in my produce to supply a market regularly	16	2.38
I wouldn’t make enough profit to make it worth my time	16	2.31
I don’t produce enough market ready produce to supply a market regularly	17	2.29
I don’t want to pay for staff at the weekend	15	2.27
The insurance fees are too high	16	2.25
I don’t produce enough of one product to supply a market regularly	16	2.25
I have too many other commitments	17	2.24

I am too busy on the farm over the whole week to manage a stall	19	2.21
There is too much form filling	16	2.19
You need to comply with too many regulations	17	2.18
I am not convinced I could make money	16	2.13
The market rent fees are too high	16	2.06

Farmers were offered a reduced list of factors which impacted on their decision not to become a stall holder to rank between 1 and 10 (Table 2) from 1 as most important to 10 as least important. In the main the same factors came through except for the first, which suggested there were no viable markets within a reasonable travel distance. Apart from this concern the same issues of paperwork, cost of out lay, lack of help and doubt about profit taking were apparent. Farmers overall were still interested in the concept and time was not cited as a particular issue.

Table 2

Item impacting on Decision not to become a Stallholder	N	Mean of Ranking 1 to 10
No market near by	13	8.62
Too much paper work	13	7.31
Too much outlay	13	6.77
No help	13	6.00
Not profitable	14	5.57
Weekends don't suit	14	5.29
I don't produce enough product	16	4.94
I don't produce the right product	14	4.79
Not interested	15	4.13
No time	15	3.87

When tests for difference were conducted based first on size of property (Table 3) and second on age of producer (Table 4) a number of factors did appear to be significantly different across property size and age group. Holders of smaller properties appeared significantly more concerned that their farm was too small to be successful and that there were critical issues in producing enough to supply a market regularly. Larger farm holders were significantly concerned about the complexity of regulations around farmers' markets.

Table 3

Factor in Decision not to be a Stall Holder	F Test	Sig.	Farm Size associated with Greatest Difference
My farm is too small	4.311	0.022	0 to 20 hectares
I don't produce enough surplus to supply a market regularly	3.854	0.038	21 to 40 hectares
I don't produce enough of one product to supply a market regular	13.667	0.000	0 to 20 hectares
The economic conditions are not good for farmers	7.065	0.006	21 to 40 hectares
I don't understand the regulations	3.326	0.056	500+ hectares

In terms of age producers in the middle age band of 36 to 45 years appeared to be significantly more impacted by negative perceptions of farmers' markets as well as the need for more help. This may reflect their family status which in the main was made up of couples with primary aged children or younger.

Table 4

Factor in Decision not to be a Stall Holder	F Test	Sig.	Age Group associated with Greatest Difference
I've heard negative things about farmers markets	5.735	0.008	36 to 45 years
I don't have any family or associates that would be eligible to help with a stall	2.386	0.109	36 to 45 years
I would need help to take produce to the market	6.92	0.004	36 to 45 years
I don't like crowds	2.691	0.082	36 to 45 years
Kitchen Farm inspections are too invasive of your privacy	3.18	0.058	65+ years

Finally producers were asked to rank the items which might encourage them to become stall holders (Table 5) from 1 as most important to 10 as least important. Again internal factors such as the need for help was cited as were issues regarding information on how to make a profit and the need for training in marketing. The timing of farmer markets was also cited as an important support factor though this was not quoted as an issue in the decision not to become a stall holder. Overall the need for ongoing support with regard to farm practice and farm product appears to be more critical than assistance with the mechanics of running a stall.

Table 5

Support Item Required to become a Stall Holder	N	Mean of Ranking 1 to 10
Help in recruiting staff	8	9.75
Not on a weekend	11	6.91
Information on how to make a profit	11	6.27
A farmers market close by	10	6.20
Training in marketing	11	6.18
More family support	9	6.00
Training in how to supply a market regularly	11	5.82
Shadowing an existing stall holder	10	5.70
Coaching/mentoring over a period to get established as a supplier	9	5.44
A trial period at a farmers market with infrastructure supplied	10	5.30
Information on how farmers markets operate	11	4.55
Hearing from producers who use farmers markets	11	4.27

CONCLUSION

These initial findings suggest that the recognised benefits of farmers' markets to producers (Conner et al, 2011) still seem some way from being accepted by the farmers reported in this study. Farmers are not against the concept of farmers' markets and do not appear to be under any social peer pressure to avoid them. However they remained unconvinced that given their farm size, volume of produce and regularity of supply that they are likely to make a profit. This runs contrary to the 40% to 80% return on product suggested by Coster and Kennon (2005). Issues around help, transport, access and regulation also play their part in detracting from participation. Broader issues around facilitating rural business creation and generating employment (Morales, 2009) as well as the protection and enhancing of rural land use and land values (ICMA, 2006) will be raised in the structured interviews which will follow the completed survey stage of the study. Both the structured interviews and the full data set will be reported on in a later paper.

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