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Successful Farmers Markets

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Farmer's markets continue to grow in numbers internationally but some have struggled or floundered after initial establishment. This paper is based on observations, discussions, literature and information from farmers' market websites. The factors that contribute to successful farmers markets include, provision of staples and market mix, market governance including authenticity, professional market staff, market promotion, market education, community partnerships and start up capital. Examples and insights are provided on how market managers have tackled the challenges of their markets in addressing known deficiencies.

Introduction

A farmer's market is defined by Coster & Kennon (2005) as "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."

In Australia, new generation farmers' markets started in 2004 and now number at least 120 with continuing growth. Farmer's markets are also popular internationally with the USA growing from 340 in 1970 to 5274 in 2009 (USDA 2009), the United Kingdom has nearly 500 farmers markets (Umberger 2007) and New Zealand has fifty. Farmers' markets are also being established in Europe.

Despite the hype and rapid growth in numbers not all farmers markets have been successful. (Sneed & Fairhurst 2010) This paper examines factors that have been important for their success or the absence of which has led the markets to falter or struggle.

The main factors that are responsible for a markets success are:

1. provision of staples and market mix
2. market frequency
3. market governance including authenticity

4. professional market staff
5. market promotion
6. community partnerships
7. market education
8. start up capital
9. market monitoring
10. committed vendors

Provision of staples & market mix

Farmers' markets must be able to supply the basic staples of vegetables, fruit, meat and grains that would normally be consumed in a particular community. The staples will vary over the season and will be different in different locations. For example rice, will be an important staple in an Italian market where as potatoes and carrots are essential for a winter market in Southern Australia. If the markets cannot provide the staples, shoppers will have to shop elsewhere and in doing so will probably decide to undertake the majority of their shopping in the alternative location. The staples are important drawcard to bring the customers to the market weekly. Non staples that are purchased on an irregular basis will not attract regular shoppers. Many markets aim for 50% of the stalls to be providing staples with Crescent City Market aiming for 40% staples and another 20% for meat and dairy. (Crescent Market website 2010)

It is critical to have a diversity of products so that the customers can have a varied diet, which and allows the market to attract more clients. Once the staples have been provided it is then important to try to increase the diversity of product and this should be the main aim in the market mix rather than just adding more stalls.

It is essential that the staples are at a fair market price and a price in-keeping with the expectations of the local communities. If the basics are too expensive, then many customers will be kept from the market due to price considerations. Successful markets cater for all, not just the rich, and this must be reflected in the pricing.

This has been a significant difficulty for many new markets as the growers of staples are no longer around. In many cases, mentoring & others forms of education and advice have been provided by the markets to potential new growers so that they can grow the staples & supply the local farmers market.

Market frequency

Farmers markets are generally weekly in Australia and New Zealand. This is important in the process to convert people to shopping at farmers' markets. People will often shop weekly for groceries with additional purchases of perishables and forgotten items during the week. Ideally farmers' markets would also have a second smaller market which allowed consumers to buy additional perishables such as milk, bread and short shelf life fruit & vegetables. A frequency of more than a week will not be a problem if there are other farmers markets in close proximity. In Britain, the Stroud Farmers market changed from fortnightly to weekly in

2006 and this increased the momentum of the whole market with stalls selling more on a weekly basis than they did on a fortnight basis. Supply has increased as an issue with the staples often sold out by 11am, even though the number of suppliers has increased.

Market frequency is also important for the producers of perishables which mainly sell through farmers' markets as they need these outlets to sell their fresh produce. Produce is picked in the day or days preceding the market and is available as fresh produce. If it is not sold it will not hold for weeks, which leads to greater wastage.

Market Governance

Farmers markets are often run by communities and they need the purpose of the market, the constitution and market rules clearly established. The market rules will outline the expectations of the parties and outline the procedures to be followed when the expectations are not met.

Farmers markets generally have more reasons for existing than that of just being a collection of farm stalls. The objectives can include education of customers, the maintenance of local production, maintenance of unique local produce and procedures, the development of community, providing local employment and many others.

The market rules will generally only allow local producers and value adders (producers of food that has been processed e.g. bread, jams & oils) to have stalls and they must only sell what they produce.

This can lead to difficulties in ensuring that there is a sufficient range of staples to satisfy customer needs. Many markets will allow guest stalls from outside the region to attend to add produce not grown or no longer grown in the region. Many markets have had to provide education and other support to encourage farmers to produce staples no longer available locally.

Customers have been trained by the supermarkets over many decades to expect staples to be available all year round, importing them from other regions and countries. The demand by the customers for produce out of season can be reduced by providing education on the seasonality of produce and providing lists of what should be in season now.

There are often cases of reselling of staples by stallholders trying to satisfy customer needs and market managers will at times turn a blind eye to this practice. This does, however, create a credibility problem for markets as they are then similar to supermarkets.

If the produce is produced locally, but the farmer does not want to sell at the market, the market rules can be varied to allow the sale of another's' produce if it is clearly labelled as such. This way the provenance of the produce can be guaranteed as the producer would also be subject to authenticity procedures.

The authenticity of produce is not scrutinized by some markets as they do not want to discover the resale of produce. They would prefer to hide behind their own rules and sometimes have a conflict.

Often the drivers for authenticity are other stallholders who would normally produce the same produce or potential stallholders who have been kept out of markets by market managers indicating that the market already has that produce. It will be these producers who will complain to the market manager or the organizing committee. This can create difficulties as these complaints are often just interpreted as competitors being mischievous. Often the committee or market manager does not have the skills to determine the accuracy of the claims.

The auditing skills used in the organic certification or other integrated management systems have not been used by farmers' markets to ensure that the producer is producing the quantities they sell and producing them at the time they are selling.

When market managers find evidence of unauthorised reselling, then the stallholder is normally put on notice and if they reoffend they are expelled from the market. Many markets do not have good governance rules with respect of these situations, especially if the producer does not accept the committee or manager's decisions. It is essential that the principals of natural justice are built into the rules and these generally include some appeal mechanisms.

The overall structure of the committee can also ensure appropriate governance with committees consisting of producers, value adders, customers and community members less likely to be dominated by those with a vested interest.

Professional staff

Many markets start with volunteers and stallholders running the market as they cannot afford to employ staff to establish the market. This works initially and is often the only practical way to start a new market with limited start up finance. The problem in the medium term is that volunteer's burn out and volunteers who are not stallholders cannot be relied upon when the market requires volunteers at unsociable hours.

Staffing is required to setup the market infrastructure including signage, guiding stallholders to their location, managing the market on the day including ensuring safety of customers and stallholders and answering customer questions. This can be done a number of different people with arrange of skill sets that require strength to diplomacy.

Markets managed by professional staff have a focus on making the market a success and do not have a conflict with running their stall and running their business. They are employed for their market organisation and marketing skills. Market managers also need to develop relationship with the customers and potential sponsors.

Analysis of markets general shows that the market must be above 30 stalls to justify the employment of professional staff on a pro-rata basis. (Page 2010b)

Ensuring that professional staff make decisions within the market framework, removes the conflict of interest that occurs when stallholder market organizers make decisions on stalls that compete or potentially compete with them. Decisions may serve the individual but do not act in the interests of the market as a whole. This can prevent the market growing or maintaining its position. In Britain, the Mold Farmers Market lost market share as the stall holder organizers have prevented new stalls entering that produced staples that were different to theirs. This leads to consumers believing the market was boring and does not deliver diversity with many of the initial customers returning to the supermarkets.

Market Promotion

The successful farmers markets' promote their market by promoting their stall holders and seasonal produce. They contribute regularly to newspaper & magazine articles that provide stories that include information on the market. These markets normally refrain from using paid advertisements. The Stroud market was still able to successfully use this strategy after 10 years with the manager having a weekly newspaper article that promotes events at the market and fresh produce coming into season. The promotion of the market can be an issue with many stallholders wanting to see advertisements for the market, especially in times of poor trade.

Community partnerships

Community partnerships are important for markets to achieve their broader objectives and they are a means to promote the market. Community partnerships build the loyalty of customers. Markets develop partnerships in a number of ways and in some cases it is a community organization that develops the market. The Slow Food movement has developed Earth Markets (these are Farmers markets). In South Australia four farmers' markets have a membership model in which members obtain a ten percent discount for paying an annual membership fee. The members elect the management committee and by this have an input into the direction of their market. Other markets have memberships in which the members are provided with information and invited to special events, so as to create a loyalty to their market.

Community partnerships also include interacting positively with the local community. The Macclesfield farmers market in South Australia was gradually shunned by the community in response to the drumming that occurred at the market. The drummers were learners and the sound was not appreciated by the community. The community stopped coming to the market and especially later in the day when the drumming was at its most intense.

Market education

Farmers' markets ensure their long term success by assisting their customers to learn how to use seasonal fruit and vegetables in a number of ways. It can be a challenge to make a product still desirable by a family after several months. Farmers' markets that provide cooking demonstrations and cooking lessons and stall holders providing cooking recipes all help in this manner. These are generally provided by stallholders that can cook or local chefs who are

committed to local food. Food regulations and safety issues make this difficult to implement in many markets.

The Earth Markets in Italy also provided food tastings in a similar fashion to wine tastings with the grower or cook explaining the production and the subtle taste differences that occur due to cooking, processing or growing/production method.

One common message from this is that quality local foods are often cheaper for the budget, despite at times higher initial costs. Quality foods eaten slowly tend to satisfy, rather than trigger an increased consumption through artificial sweetness or saltiness. Local fresh food keeps longer than produce which has had significant shelf life used before it gets into shops due to extended transportation times. The ability to buy in smaller quantities rather than prepacked bags, will also lead to customers utilising all their purchase rather than feeding the last to the recycling bin. Some markets also have education programs targeted at children through teaching children how to grow, maintain, pick and cook produce. This investment in future customers also often results in getting the adults involved and educating the parents as well. Farmers' markets can attract sponsors for this activity as community education on food is seen as an important way to reduce obesity.

Start up capital

The establishment of a farmers' market requires capital for market infrastructure, market promotion and market staffing. Infrastructure can include electricity outlets, tents, tables and umbrellas, market signage and any other work to bring the market site to required safety standards. Market promotion will include developing material for media, meeting people and promotion events and also some advertising. Professional staff are required to promote the market to potential stallholders, select stalls, audit stalls and to promote the market to customers. Many stallholders will require time to increase production for a new market and so the stallholders may need to know the start up date and their selection for the market four to six months before it starts. Successful markets have often had grants and loans to cover these. In the United States the Kellogg Foundation provided new markets with loans and some grants to expand their operation. Some local government have provided professional staffing or start up grants. A common feature of successful markets is that grants or loans were provided to help in their establishment or expansion after approving stage.

Market monitoring

Successful markets monitor their performance at each market. Some monitor the market takings of the stallholders and market rents are in some cases a percentage of the day's takings. Many markets believe they would never get reliable market takings information and their rents are based on site fee, record of numbers of customers coming through the main entrance and also the number of people within the market (or area of the market) at fixed times throughout the market. These figures are compared with previous periods and previous periods at the same time of the year. The counts are contextualised with information on weather and any special events relating to the date.

Committed vendors

Farmers' markets require vendors committed to supplying the whole year or for the full season of their crops. Successful markets have high attendance of stallholders selling in all weather conditions. Customers are discouraged when the market is smaller, or vendor's absence is not known in advance, especially if they planned to buy from the vendor or introduce a friend/colleague to the vendors stall.

Vendors play a significant role in a successful market with knowledge transfer to the customers and their interaction with the customers. The stalls that converse the most with customers are more likely to be the successful ones. (Gerbrands2010). Gerbrands also observed that overtime many vendors became more confident with customer interaction, increasing their interaction and their success.

Successful markets are more likely to have vendors committed to the farmers market cause as opposed those just trading to make a profit. The latter group are more likely to test the market rules and not work for the common good-they may pack-up early which looks negative for late arriving customers.

Vendors must however provide quality produce at fair prices and be responsive to customer needs.

Other factors

The markets success can be affected by other factors, including a run of bad weather on market day, internal politics of the management committee or stallholders and or the failure of the market organisers to adopt, adopt and keeping the market fresh.

Conclusion

Farmers' Markets success is influenced by all these factors and also community leaders' attitudes. At this stage Farmers' Markets are increasing in number and perceived to be a positive to include in public spaces. Despite farmers Markets having a very small market share, the supermarkets appear to be trying to also replicate an attitude of closeness to farmers.

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