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Growing Farmers Markets in Northern New York: Improving Community Development, Food Access, and Farm Returns

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What is the Issue?

Consumer interest in local foods has increased sharply in recent years prompting substantial changes in food supply chains. The increased use of direct marketing channels by producers, such as farmers markets, is providing an important market mechanism linking farmers and consumers. Farmers markets have also attracted the attention of policymakers concerned about consumers' ability to access affordable nutritious diets, particularly in lower-income rural areas where there is less incentive for food retailers to provide a wide assortment of food products.

While the value of *total* farm sales sold through direct marketing channels is relatively small (less than 2% in NYS), expanding in this area can contribute significantly to overall returns for particular producers and benefit local economies. The value of direct farm sales per capita and existence of community farmers markets is considerably higher in rural areas (around \$18 per capita) -- indicative of areas with prioritized community development objectives towards increasing local foods availability and stronger connections to agriculture.

Farmers markets are one approach to expanding food supply chains and increasing access to local food. Farmers Market Nutrition Programs operate in nearly all states providing federal income subsidies to low-income and nutritionally-at-risk families to increase consumption of local fresh fruits and vegetables. Additional public programs are becoming available at state and local levels as well. For example, the Healthy Foods/Healthy Communities Initiative in NYS is coordinating revolving loan funds and matching grants programs to support the establishment of farmers markets

Assessing Farmers Market Vendor Performance

Based on recent research in a six-county region of Northern New York (NNY), we identified several factors driving the performance of farmer market vendors, yielding valuable planning information to farmers and managers of farmers markets. In addition, we provide policy recommendations for community leaders and policy makers. A conceptual framework for our approach is outlined in Figure 1.

Vendor performance is measured in both objective (financial) and subjective (satisfaction) dimensions. This distinction is important; some vendors may utilize farmers markets as a way to advertise their farm/products available through other channels, while others may simply appreciate the opportunity to interact with customers and/or promote particular forms of production. Improved vendor performance is expected to enhance the overall economic sustainability of the markets they participate in, thereby, improving food access and strengthening the social capital of rural communities.

Improving Farmers Market Viability

We offer four inter-related planning recommendations when considering private strategy and public policy interventions.

Larger, centrally located markets. Centrally located regional/multi-community markets can increase customer traffic and support higher vendor recruitment with larger product assortments. Site selection is critical and can benefit from public and

private stakeholder input and municipal investments in market amenities. Larger markets increase managerial responsibilities, so vendor-controlled organizations, such as farmers markets cooperatives, may provide an improved governance structure to support a wider diversity of stakeholders. The availability of credit/debit card readers at these markets can also increase purchasing convenience.

Target variety in products and vendors. Wider product assortments can support a one-stop-shopping environment, improve consumer convenience, and increase customer traffic. "Variety" should consider the balance between organic and conventional products, food and non-food vendors, and fresh and processed foods. Attracting full-time farmers with larger product supplies and potentially lower unit production costs may offset deficiencies in other local food supply chains. Establishing formal vendor policies that reflect a need for a variety of vendors may help facilitate larger commitments from existing vendors.

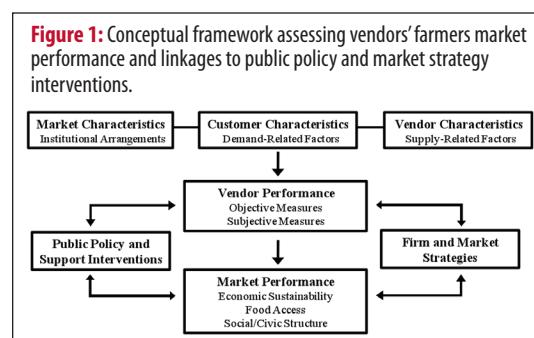
Increased attention to marketing. Vendors report greater satisfaction at relatively newer markets - more established markets need to develop new and innovative market features or activities. Integrating farmers markets with community events can facilitate social and civic structure improvements. Market directors should consider adopting strategies utilized by food retailers (e.g., coupons) or pairing promotions across vendors (e.g., wine, bread, and cheese specials) to improve customer traffic and support repeat purchases, perhaps with municipal financial support. Policies directed to strengthen entrepreneurship and marketing skills among vendors, particularly those with less experience, is increasingly important and existing federal programs can be better utilized for these purposes (e.g., value-added producer grants and farmer market promotion programs).

Reducing cost burdens to underserved residents. Increasing the use of federal nutrition benefits, such as SNAP (Supplemental Nutrition Assistance Program), by lower-income customers at farmers markets should be encouraged and would support

higher sales. The recently initiated Healthy Incentives Pilot Program in Hampden County, MA (with funding from the 2008 U.S. Farm Bill) is a promising effort, where for every dollar participants spend on fruits and vegetables using their SNAP cards, 30 cents are added to their benefit balance. Given vendor preferences to participate in fewer and larger farmers markets, alternative transportation and bussing services or travel subsidies to markets for lower-income residents will likely be needed. Such services add to the attractions of a market's amenities while reducing travel cost burdens.

Looking Ahead

Farmers markets are drawing increasing attention from consumers and policy makers as an affordable source of local fresh and nutritious foods in rural communities, as well as a mechanism to increase local farm sales and support broader economic development. The success of community farmers markets and their vendors requires considerable planning, management and marketing experience, and involvement by all participating stakeholders. To what extent can local farmers/vendors and rural community leaders sustainably address a void in rural food systems unmet by grocery retailers? The answer depends on whether market channel diversification into farmers markets can improve overall farm performance, while also addressing community development goals to substantiate public investment.



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