



Farmers' Market Manager Perspectives on Season Extension Potential

Kynda Curtis, Associate Professor and Extension Specialist, Department of Applied Economics
Voravee Chakreeyarat, Graduate Research Assistant, Department of Applied Economics
Irvin Yeager, Graduate Student, Department of Applied Economics

Introduction

Farmers' markets are a viable direct marketing method, where local produce vendors sell their products directly to local consumers. Farmers' market managers play a vital role in the success of these vendor-consumer networks. Successful farmers' markets may generate increased revenue streams for small farmers due to effective marketing practices and joint marketing efficiencies. Often direct markets are considered a complementary distribution avenue to grocery stores for consumers (Stagl, 2002).

A short local growing season for some small farms leads to a short sales season and limited product variety. Local produce vendors have a limited time to raise and sell crops, based on the different variety of cool and warm season produce. Although a number of season extension techniques (row cover, high tunnels, etc.) assist growers in expanding their inventory, local producers still need supportive market outlets. Extending the farmers' market season can provide additional opportunities to distribute locally grown produce (Conner et al., 2009).

This publication aims to inform local growers about consumer preferences, produce vendor needs and abilities, and produce options during the extended season from the farmers' market manager viewpoint. In particular, market manager experiences can guide local growers who are interested in extending their produce season. This factsheet presents results of a farmers' market manager survey describing farmers' market characteristics, obstacles to season extension, and the potential for produce sales.

A sample of 18 farmers' market managers completed an online survey in the fall of 2011 in Utah, Idaho, and Nevada. Nearly 60% of managers open their markets for 3 to 5 months in the regular season, while a few have markets that are open less than 3 months. Table 1 provides an overview of the manager respondent market characteristics.

Perceptions of Consumers

Farmers' market location can greatly influence profitability (Govindasamy, 2002; Tubene et al., 2002), such as permanent facilities or tent constructions in a parking lot which is open seasonally or throughout the year. According to the manager survey results, over half of the managers

preferred (61%) indoor markets for extended season sales. Yet only 46% of managers know of suitable indoor market locations.

Table 1. Manager Market Characteristics

	Description	Percentage
Farmers Market Season Length	< 2 months	6%
	2-3 Months	6%
	3-4 Months	28%
	4-5 Months	28%
	5-6 Months	0%
	6-7 Months	22%
	7+ Months	5%
	N/A	5%
Market Size	< 20 Vendors	44%
	20-50 Vendors	44%
	51-100 Vendors	0%
	101-200 Vendors	12%
	> 200 Vendors	0%
Concentration of Produce Vendors	< 20%	11%
	20% - 40%	22%
	41% - 60%	22%
	61% - 80%	11%
	> 80%	34%
Potential Premiums	Organic	61%
	Local	61%
	Natural	56%
	Availability	67%
	Other	28%
	N/A	17%

Direct market consumers expect higher quality from farmers’ markets than from grocery store outlets. Therefore, a number of studies have shown that these consumers are willing to pay a price premium for higher quality. Missouri food buyers were willing to pay higher price on produce with higher quality and freshness (Brown, 2003). Ohio consumers were willing to pay an additional \$1.17 per quart for locally grown strawberries (Darby et al., 2006). In Arizona, buyers were willing to pay an extra \$0.10 per pound for locally-grown carrots and \$0.18 per pound for spinach when the items were labeled as “Arizona Grown” (Nganje et al., 2011). According to our market manager surveys, 65% of the managers felt that customers were willing to pay premiums during extended seasons, especially for off-season produce availability, organic, and locally produce items. Figure 2 shows the results.

Perceptions of Produce Vendors

Since market managers have close contact with consumers, they can provide valuable insight into the type of produce needed to meet demand. According to this study, 34% percent of managers reported that most vendors are selling fruit, vegetables, and herbs (over 80% of vendors). The managers reported that the primary marketing venues of their vendors were farmers’ market, farm stands, Community Support Agriculture (CSA) programs, and grocery stores, respectively. The majority of the produce sold is labeled as locally grown. Market managers were asked to rate the produce items that local producer vendors could provide during an extended season. Figure 2 shows the results.

Previous studies show that tomatoes and cucumbers have early season premiums while summer squash, potatoes, and carrots receive premiums in the late season. Mainly cool season crops were suggested by managers. Sixty-one percent of managers suggested winter squash, followed by lettuce and greens (55%), apples (55%), onions (55%), potatoes (55%), pumpkins (50%), herbs (44%), and carrots (39%). Many fruits, such as cherries and strawberries, and warm season crops, such as tomatoes and peppers, were discouraged (22%).

Other Related Factors

Three additional factors in the success of a market included: the marketing knowledge of managers, a specific market extension period, and profitability. According to the managers surveyed, 19% of the respondents requested more information regarding market promotion, 17% requested information on vendor recruitment and 17% on special promotional ideas. Additionally, information on vendor management and electronic payment techniques were valued by the market managers.

Market managers were also concerned with the profitability of season extension. In a similar study, it was found that extending a farmers’ market can generate \$448 in sales volume per vendor each week (Brown et al., 2007). Prior research has also shown that late fall and winter markets attract 91%

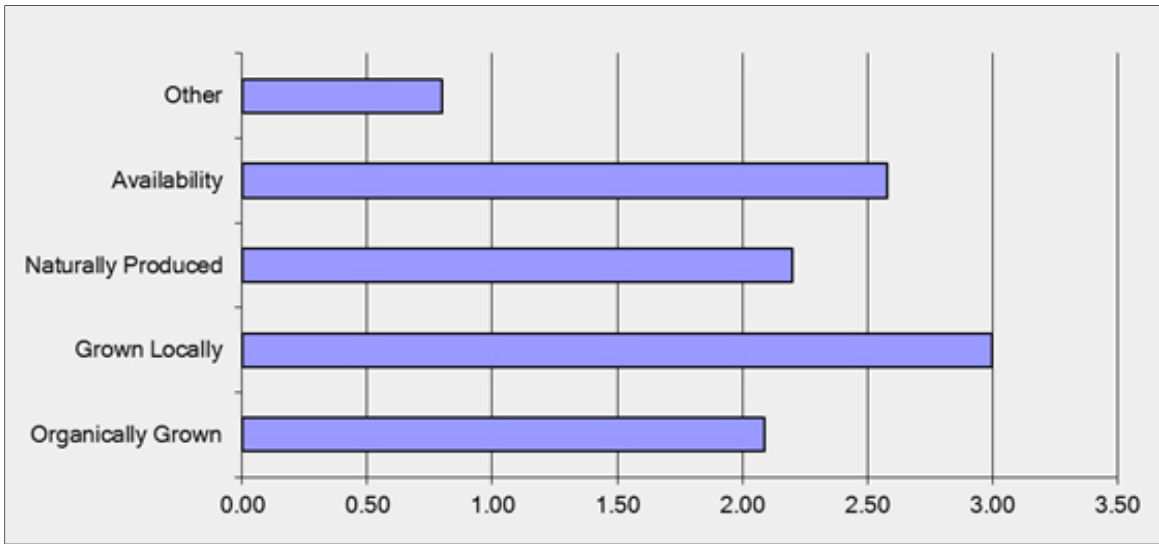


Figure 1. Potential Extended Season Product Premiums (Ranked from 1 to 5)

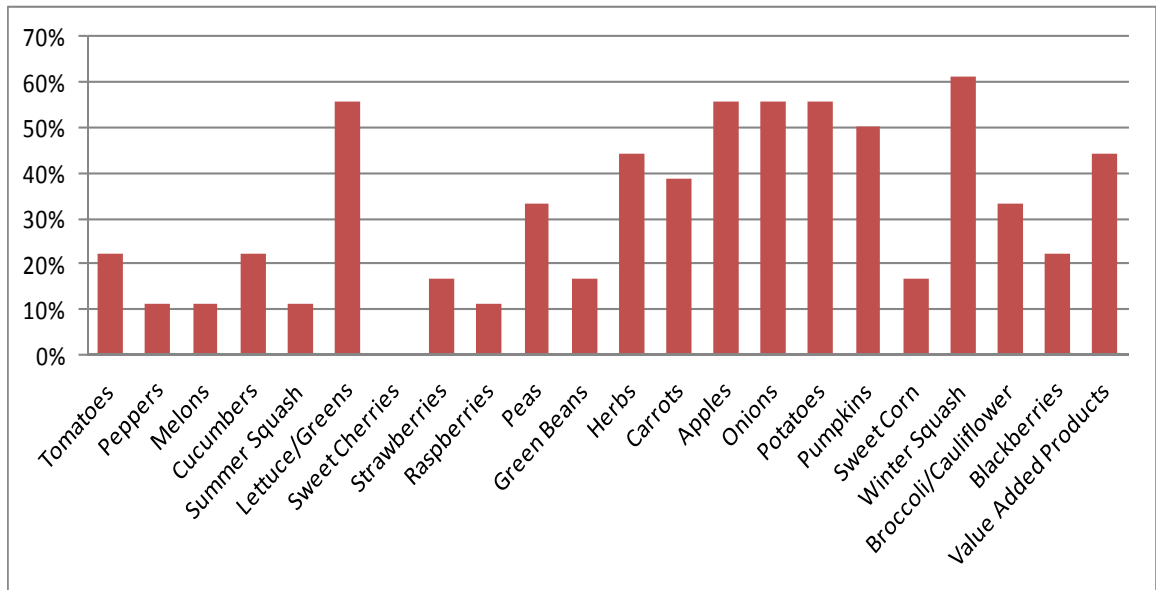


Figure 2. Suggested Products for Season Extension

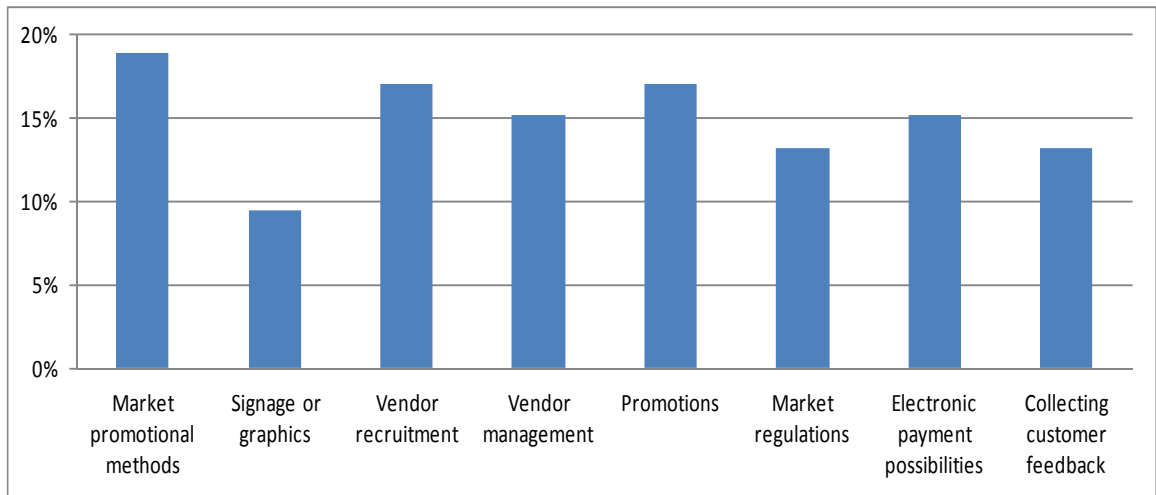


Figure 3. Market Manager Information Requests

of regular season farmers' market consumers and 69% of consumers will attend markets as early as January (Conner et al., 2009). According to our manager survey, over half reported that their vendors are interested in season extension and 22% of the managers expected customers to pay higher prices in an extended season.

Conclusions

Market managers play a vital role in the viability of extended season distribution channels. Through their interaction with vendors and consumers, they have suggested that market extension is a viable way to increase farm revenues. Managers suggested that indoor facilities, the right selection of produce, and appropriate premiums are important when considering season extension. They felt that cool season crops, such as winter squash, lettuce and greens, apples, onion, potatoes, and pumpkins are the most preferred. The revenue potential could help offset then production requirements needed for growers to produce in the off-season.

However, managers feel that additional knowledge is needed to be successful in the extended season. In particular, they need information on market management, vendor recruitment, specialty promotional ideas, and electronic payments

References

- Brown, C. 2003. Consumers' preferences for locally produced food: A study in southeast Missouri. *American Journal of Alternative Agriculture* 18(4):213-224.
- Brown, C., Gartin, S., McConnell, T., Boone, H., Miller, S., and Boone, D. 2007. The importance of farmers' markets for West Virginia direct marketers. *Renewable Agriculture and Food Systems* 22(1):20-29.
- Conner, D.S., Montri, A.D., Montri, D.N., and Hamm, M.W. 2009. Consumer demand for local produce at extended season farmers' markets: guiding farmer marketing strategies. *Renewable Agriculture and Food Systems* 24(4):251-259.
- Darby, K., Batte, M.T., Ernst, S., and Roe, B. 2006. Willingness to pay for locally produced foods: A customer intercept study of direct market and grocery store shoppers. *American Agricultural Economics Association, 2006 Annual Meeting*, July 23-26, Long Beach, CA
- Govindasamy, R. 2002. Farmers' markets: consumer trend, preferences, and characteristics. *Journal of Extension* 40(1).
- Nganje, W.E., Shaw Hughner, R., and Lee, N.E. 2011. State-Branded Programs and Consumer Preference for Locally Grown Produce. *Agricultural and Resource Economics Review* 40(1):20-32.
- Stagl, S. 2002. Local Organic Food Markets: Potentials and Limitations for Contributing to Sustainable Development. *Empirica* 29:145-162.
- Tubene, S. and Hanson, J. 2002. The Wholesale Produce Auction: An Alternative Marketing Strategy for Small Farms. *American Journal of Alternative Agriculture* 17(1):18-23.
- Brown, C. 2003. Consumers' preferences for locally produced food: A study in southeast Missouri.

Utah State University is committed to providing an environment free from harassment and other forms of illegal discrimination based on race, color, religion, sex, national origin, age (40 and older), disability, and veteran's status. USU's policy also prohibits discrimination on the basis of sexual orientation in employment and academic related practices and decisions.

Utah State University employees and students cannot, because of race, color, religion, sex, national origin, age, disability, or veteran's status, refuse to hire; discharge; promote; demote; terminate; discriminate in compensation; or discriminate regarding terms, privileges, or conditions of employment, against any person otherwise qualified. Employees and students also cannot discriminate in the classroom, residence halls, or in on/off campus, USU-sponsored events and activities.

This publication is issued in furtherance of Cooperative Extension work, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, Noelle E. Cockett, Vice President for Extension and Agriculture, Utah State University.