



# The University of Georgia

**Center for Agribusiness and Economic Development  
College of Agricultural and Environmental Sciences**

## Georgia's Farmers Markets

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**DRAFT**

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## Introduction

In the summer of 2007, the Center for Agribusiness and Economic Development conducted a survey among Georgia's farmers markets. A total of 82 farmers markets across Georgia were mailed a survey in July of 2007. These farmers markets represented both community markets and State Farmers Markets.

A total of 20 surveys were returned after a second bailout in August of 2007. Eight surveys were returned undeliverable. Additional research on these undeliverable markets did not reveal an alternative address so these markets were assumed to be non-functioning. Given there are only twenty respondents, the results need to be interpreted with caution.

## Years of Operation

The majority of the respondents indicated that their farmers market has been in operation for five years or less. Additionally, one-quarter of the markets have been in operation for 25 years or more. The mean tenure for the markets was 14.6 years and the median is 5.5.

These figures are consistent with the rise of local farmers markets that have been developing across Georgia.

<b>Years of Market Operation</b>	
<b>Years</b>	<b>Percentage (n=20)</b>
1 to 5 years	50%
6 to 10 years	15%
11-15 years	10%
15 to 25 years	0%
>25 years	25%
Mean	14.6 years
Median	5.5 years

### 2006 Customer Traffic

The customer traffic among the various farmers markets differs significantly. A few of the smaller markets reported only have 10 customers per week on average and only 100 for the year. Again, a few of these markets are in their first or second year of operation and just getting established.

Some of the larger markets host 40,000 or more visitors annually. These are the larger state farmers markets in Valdosta and Augusta. However, a number of these non-state operated farmers markets attract over 1,000 visitors per year.

On average, the respondents attract 10,000 visitors to the farmers markets per year. However, given the significant difference in the state farmers markets and the locally run markets the median (1,500) offers more insight into the number of visitors a local market might expect to attract.

<b>Number of Customers Visiting Farmers Market in 2006</b>	
<b>Weekly Average</b>	<b>Yearly Total</b>
10	100
30	350
25	460
50	1,000
100	1,000
200	1,000
100	1,250
100	1,500
100	1500
400	4,000
200	5,200
250	6,000
800	18,400
700	50,000
1,300	67,000
<b>Mean 291</b>	<b>10,584</b>
<b>Median 100</b>	<b>1,500</b>

### Producers and Vendors

The number of producers and/or vendors at each of the farmers markets varies significantly, from seven to 200. Attracting vendors is a problem that a number of smaller farmers markets face. Conversations with smaller markets reveal that they are having difficult times in locating producers to patron their markets. This hurts attendance as visitors expect to find fresh produce.

One interesting point is that nearly all of the vendors at the smaller markets only sell produce they produce themselves. The larger markets are more likely to have vendors that sell their products as well as products from other sources.

The vendors apparently sell their products at more than one outlet. On average, just over one-third of the vendors sell exclusively at the survey respondent's market. The mean number of vendors that sell exclusively at one market is noticeably lower at 27%.

<b>Producers/Vendors in 2006</b>	<b>Only self produced products</b>	<b>Only Outlet For Vendor in 2006</b>
7	100%	0%
10	100%	10%
10	100%	0%
15	40%	20%
16	100%	63%
18	100%	6%
20	75%	50%
20	0%	0%
28	93%	86%
30	100%	67%
35	31%	100%
35	11%	3%
37	100%	76%
40	100%	70%
41	100%	44%
73	82%	27%
200	25%	10%
<b>Mean</b> 37	74%	37%
<b>Median</b> 28	100%	27%

Farmers markets draw producers from a broad area but not as far as might be expected. The farmers market respondents were asked how far their vendors traveled to participate in the market. Approximately one-third of the vendors are from the immediate area, within 10 miles of the market. A similar percentage are farther out, 11-20 miles. Interestingly, only seven percent of the vendors are located more than 50 miles from the markets.

Number of Miles Producers Traveled to Farmers Market					
	<b>0-10 miles</b>	<b>11-20 miles</b>	<b>21-50 miles</b>	<b>51-100 miles</b>	<b>101 mile or more</b>
	6%	0%	83%	11%	0%
	10%	20%	70%	0%	0%
	15%	35%	50%	0%	0%
	20%	40%	30%	10%	0%
	25%	35%	15%	25%	0%
	30%	50%	20%	0%	0%
	30%	40%	57%	0%	0%
	35%	55%	10%	0%	0%
	40%	20%	0%	0%	0%
	45%	45%	10%	0%	0%
	50%	50%	0%	0%	0%
	50%	25%	25%	0%	0%
	50%	50%	0%	0%	0%
	60%	40%	0%	0%	0%
	70%	10%	20%	0%	0%
	0%	0%	20%	70%	10%
	0%	50%	49%	1%	0%
<b>Mean</b>	<b>32%</b>	<b>33%</b>	<b>27%</b>	<b>7%</b>	<b>1%</b>
<b>Median</b>	<b>30%</b>	<b>40%</b>	<b>20%</b>	<b>0%</b>	<b>0%</b>

The data suggest that the larger markets, those servicing thousands of people annually have to rely on vendors from greater distances than those that service smaller numbers of visitors. The location of the market also impacts the distance vendors travel. The markets in heavily populated areas are more likely to rely on vendors from outside the area than are markets located in less populated areas.

The respondents were asked to provide their markets 2006 sales figures. Only 8 of the 20 markets that responded to the survey provided this information. As a result, these results should be interpreted with caution. However, the data does provide some useful information. The larger the reported revenue, the more likely the market is to sell a significant percentage of its product in the wholesale market. For example, the two largest markets (sales over two million dollars) move most of their product via the wholesale market.

<b>Total Sales 2006</b>	<b>Retail %</b>	<b>Wholesale %</b>
Under 20,000	100	0
40,000	100	0
67,000	100	0
115,000	99	1
150,000	100	0
250,000	90	10
300,000	90	10
2,000,000	20	80
292,415,272	15	85
N/A	100	0
N/A	100	0
N/A	100	0
N/A	100	0
N/A	100	0
N/A	98	2
N/A	80	20
N/A	100	0
N/A	90	10
Mean \$ 36,917,159	82.39%	12.11%
Median \$ 200,000	99.5%	10%

The majority of the smaller, community based markets move the bulk of their products through retail channels.

The farmers markets have varying degrees of organizational structure. About one-half of the markets have an annual meeting. The markets rely on a variety of people and organizations to help with the decision making process. A quarter of the markets rely on the markets board of directors and market managers to make decisions impacting the operation of the market. Only 16% rely solely on its membership to make decisions regarding the operation of the market.

A similar percentage of the markets have by-laws in place. The by-laws are important to address potential vendor issues that may arise. For example, what about selling produce purchased from someone but is still local? What about trucking in produce from other areas or selling cheap items imported from Asia. These are issues that have come up in the past across various markets in Georgia.

<b>Farmers Market Organization</b>	
<b>Annual Meeting</b>	<b>Percent (n=19)</b>
Yes	42%
No	58%
<b>Market Decision Made by:</b>	<b>Percent (n=19)</b>
Board of Directors, Managers	26%
Manager	21%
Advisory/ steering committee	16%
Members	16%
Manager; Extension office	5%
Manager; Advisory/ steering committee	5%
Downtown Dev. Authority board and staff	5%
Members; manager; advisory/ steering committee	5%
<b>By Laws:</b>	<b>Percent (n=19)</b>
Yes	47%
No	53%

### Membership Criteria

Just over half of the reporting markets have membership criteria for participation in the farmers market. Those markets that have a criteria in place have simple qualifications. The emphasis is on local production of produce and to discourage or eliminate pin-hooking which is purchasing produce from another source and reselling at a local market. . More information is available in the following table.

<b>Markets with Membership Criteria</b>	
<b>Membership Criteria</b>	<b>Percent (n=19)</b>
Yes	56%
No	44%
<b>Membership Criteria</b>	
Must be in county or adjacent county to be a member - 20%	Yes; Members must reside in 13 county area including resident county; members must also agree to only sell items they grow or produce - 10%
locally grown/locally made - 20%	Yes; must be Georgia made, grown or produced; no arts and crafts - 10%
Georgia Grown; Georgia Made; Specific criteria for display area and cover - 10%	Yes; must vend for at least one year to have voting rights the next year - 10%
Ga. Dept. of Ag. Regulations by state law - 10%	Yes; produce must be grown with organic methods - 10%

## Participation Requirements

The majority of the responding markets indicated that the market only allows producers to sell the products that they produce and not to resell products grown elsewhere. However, the exception is selling products that are grown outside the local area.

The responding markets suggest that limiting products to locally grown items and allowing produce grown outside the area do not limit the range of produce available at the market. At the same time, the markets manage the product mix to ensure that they are not oversupplied with one type of product.

Antidotal evidence suggests that limiting produce sales to locally grown severely restricts the products available to customers. The CAED has worked with a number of markets across the state and one of the concerns is the availability of fresh produce. The lack of produce negatively impacts the market as visitors become discouraged and eventually go elsewhere.

<b>Participation Requirements</b>	<b>Percent (n=18)</b>
Sell only what is produced	Percent
Yes	72%
No	28%
Allowed to resell farm products	Percent
Yes	41%
No	59%
Can sell farm products grown outside the local area	Percent
Yes	44%
No	56%
Range of items is limited	Percent
Yes	67%
No	33%
Product mix controlled by limiting producers of same commodity	Percent
Yes	12%
No	82%
Both	6%

Approximately half of the farmers markets surveyed indicated that have a permanent structure. Many of the smaller markets around the state are held in areas provided by the community or on the premisses of area businesses.

The farmers markets appear to have a very thin operating budget operating on less than \$100. One-third of the markets surveyed have no operating budget at all. Twenty-one percent reported an operating budget between \$4,000 and \$5,000 dollars annually. The average operating budget is \$22,000 but this takes into account the large, state run facilities.

<b>Farmers Market Facility Business Facility and Operating Budget</b>	
<b>Permanent Facility</b>	<b>Percentage (n=19)</b>
Yes	47%
No	53%
<b>Estimated operating budget in 2007</b>	<b>Percentage (n=14)</b>
\$0	36%
\$100	14%
\$1,500	7%
\$1,800	7%
\$4,000-\$6,000	21%
\$25,000-\$30,000	14%
Mean	\$ 22,329
Median	\$100

The number of farmers markets that have liability insurance are about split down the middle. Those farmers markets that have liability insurance were asked what types of insurance they had. Most, 56% of the markets reported having general liability insurance with 11% reporting various other sources of insurance.

Surprisingly, 79% of the markets indicated that they do not require vendors to carry liability insurance. Those that do require vendors to have insurance require them to carry either personal, vehicle or product liability insurance.

<b>Liability Insurance and Vendor Requirements</b>	
<b>Liability insurance</b>	<b>Percentage (n=19)</b>
Yes	47%
No	53%
<b>Types</b>	<b>Percentage (n=9)</b>
<b>General Liability for Commercial Property only</b>	11%
General Liability	56%
General and Site liability	11%
Municipality Provides Coverage	11%
Site Liability	11%
<b>Vendors Required to Carry liability</b>	<b>Percentage (n=19)</b>
Yes	21%
No	79%
<b>Types</b>	<b>Percentage (n=4)</b>
Product Liability	50%
Personal Liability	25%
Vehicle Liability	25%

The farmers markets were asked if they accepted food stamps. Two-thirds of the markets do not accept food stamps. A similar number of the farmers markets do not participate in the Women and Infant Children Program. Over half of the markets indicated they have been contacted about participating in the Women and Infant Childrens program.

<b>Redeem Food Stamps</b>	<b>Percentage (n=19)</b>
Yes	32%
No	68%
<b>Participate in the Women and Infant Children (WIC) Program</b>	<b>Percentage (n=19)</b>
Yes	37%
No	63%
<b>Contacted by a person to provide info on WIC</b>	<b>Percent (n=16)</b>
Yes	56%
No	44%

**Finance Sources**

One important factor in operating a farmers market is a stable sources of revenue. The responding farmers markets have utilized a variety of funding sources to start and maintain their markets. The most frequently mentioned source of revenue is producer/vendor fees as reported by 27% of the markets.

The survey reveals that a number of the markets do not rely on a sole source for financing but generate income from both vendor fees and support from local, state or even the federal governments. The support obtained from government entities ranges from both direct financial support like local municipalities support to securing state and federal grant money.

<b>Sources of Finance</b>	<b>Percent (n=15)</b>
Producer/ Vendor fees 100%	27%
NA/None	20%
City/ County municipal government agency; 100%	13%
State Government Agency	7%
Producer/ Vendor Fees (\$300); City/ County municipal government agency (\$1500) Vendor Fee is \$10 per year	7%
Producer/ Vendor fees 80%; Farmers Market Association 20%	7%
Producer/vendor fees (95%); fund raisers (5%)	7%
Producer Vendor Fees (15%); SARE Grant (85%)	7%
USDA RBEG 100%	7%
<b>Self Sustaining</b>	<b>Percent (n=16)</b>
Yes	75%
No	25%
<b>If not Self Sustaining, Sources of Income</b>	<b>Percent (n=4)</b>
SARE/USDA grant	50%
Line item in County Budget	25%
Reserve Treasury Funds	25%

Only four of the responding farmers markets indicated that they are not self sustaining. The four that are not self sustaining are relying on grants, reserve funds and local governments.

### **Business Patterns**

The farmers markets appear to be drawing new vendors to their markets. The survey revealed that over on-half of the markets reported their vendor base has been increasing. Only 6% or one of the markets reported that their market was losing vendors. The ability to attract qualified vendors has been a problem for many of the farmers markets. The inability to attract vendors sets of a vicious circle where lack of vendors discourage customers from visiting the market which leads to discouraged vendors. The inability to attract vendors is a major problem that can negatively

impact a market and lead to its demise as reported in the Covington Farmers Market.

<b>Vendor Base</b>	<b>Percent (n=16)</b>
Increasing	56%
Decreasing	6%
About the same	38%
<b>Customer Base</b>	<b>Percent (n=16)</b>
Increasing	75%
Decreasing	6%
About the same	19%

Even more encouraging for the markets and their vendors is the increasing customer base. Three-quarters of the farmers markets reported that they have experienced an increase in the number of customers visiting their markets. Current trends in purchasing locally grown food may be responsible for the increase in customer traffic. Only one market reported a decrease in customer traffic.

*Ability to purchase fresh produce; small town feel to the farmers market*

*All organic; chef demo every week; locally grown food; long-term farmers*

*Locally grown produce; handcrafted gift items; handmade soap; free range eggs; locally grown annuals and perennials.*

*Quality of product; many vendors to choose from; variety of products; social event on Saturday morning; additional shopping in Historic Marietta Square*

*Home grown products and variety of food*

#### *Customer Draw*

*In season we have stuff that the super markets don't stock like fresh okra, peas, butter beans, peanuts, local grapes, plums, cantaloupes. Fresh produce and lower prices.*

*Fresh, local produce; friendly atmosphere, social event*

*Fresh produce*

*Summer Fruits and Veg. quality; close; location in neat community; activities*

*Opportunity to purchase locally, carefully grown chemical free produce from the growers themselves. The setting which is shaded and relaxed with a café to purchase coffee and food.*

*Perceived Value and Quality of Products; Musical Entertainment; Atmosphere*

*Fact that the food is fresh, local and healthy*

*Fresh , local, buy from farmers*

*Fact that all produce is locally grown and all arts, crafts, etc are homemade location of market*

*Fresh, locally grown items; people know the farmers and the quality of their produce-returning customers and word-of-mouth advertising*

## Marketing

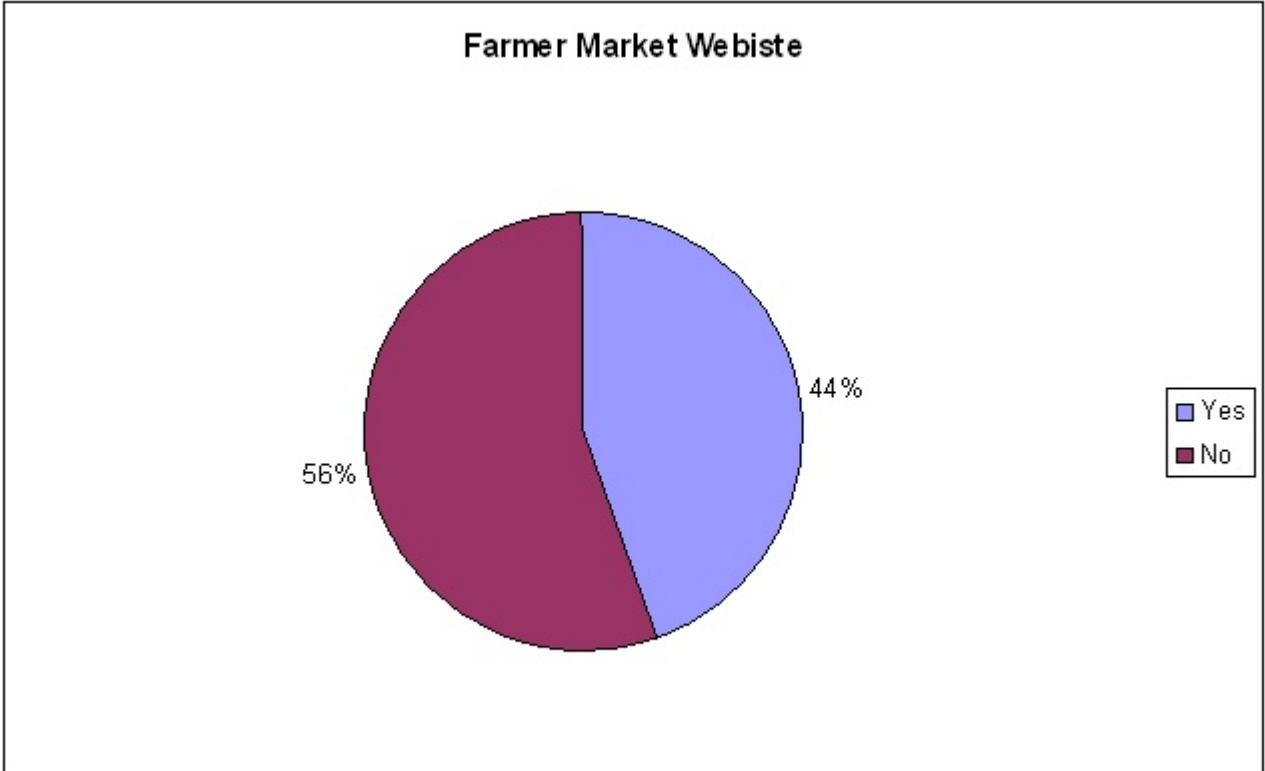
Attracting visitors to farmers markets is key to its success. If a market has qualified vendors, it has to spread the word to the community to attract customers. The survey asked respondents which types of marketing they employed. The results reveal that newspaper advertising is the most widely used marketing technique. Nearly all of the markets utilize newspaper advertising. The internet and signs were mentioned by over one-half of the responding farmers markets followed by community guide events and radio.

<b>Marketing Techniques</b>	<b>Percentage of Markets Using Media (n=18)</b>	<b>Percentage of Media Used from all Mentioned (n=66)</b>
Newspaper	94%	26%
Internet	56%	15%
Signs	56%	15%
Community Guide Events	44%	12%
Radio	33%	9%
Brochures	22%	6%
Magazines	17%	5%
Bill boards	11%	3%
Direct mail flyers	11%	3%
Televisions	11%	3%
Theater Markey	6%	2%
Email list	6%	2%

Only one of the markets indicated that they use email to market their operation. Given a market is able to collect email addresses from customers, the use of email as a reminder might be employed as a means of alerting customers to new produce or products that will be available on a given market day.

Interestingly, not all of the farmers markets have website. Just over one-half of the markets have website. This is an area that needs to be addressed. Communities are ever changing, new people moving in and moving out. When people are new to a community, they utilize the internet to

familiarize themselves with their community. The failure of a farmers market to have an online presence results in its failure to reach a large section of a community. In addition, a website provides valuable information to potential visitors, hours of operation, directions, events being held at the facility, etc..



**Summary**

Farmers markets in Georgia are doing well. There has been a significant increase in local, community based farmers markets all over the state. As a result, local producers have direct access to consumers and are able to capture a larger portion of the food marketing dollar. In turn, consumers are able to connect with the local agricultural community and interact with area farmers.

The farmers markets are key, according to communities like Augusta, Monticello and others to bringing people into the downtown areas on weekends and evenings. Local businesses are positively impacted by the markets as visitors shop, buy food and spend money in the local economy.

# The Center for Agribusiness and Economic Development



The Center for Agribusiness and Economic Development is a unit of the College of Agricultural and Environmental Sciences of the University of Georgia, combining the missions of research and extension. The Center has among its objectives:

- ▶ To provide feasibility and other short term studies for current or potential Georgia agribusiness firms and/or emerging food and fiber industries.
- ▶ To provide agricultural, natural resource, and demographic data for private and public decision makers.

To find out more, visit our Web site at: <http://www.caed.uga.edu/>  
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Dean and Director