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Review of farmers' markets

Abdul Rahman Saili*, Maria Fay Rola-Rubzen and Peter J Batt

Curtin University of Technology, Perth, Western Australia

Abstract

Purpose of review: The popularity of farmers' markets is increasing, yet little is understood about their contribution in developing social or economic benefits for the farmers who use them. This paper reviews the literature on farmers' markets and the contributions that they make, not only to the rural community but also the urban centres within which they operate, and the various challenges associated with their operation.

Main findings: Although there are many advantages of farmers' markets, the review identifies a clear gap in the research literature relating to the potential impact of farmers' markets on urban areas and tourism. While most studies have been undertaken in developed countries, research in developing countries is equally if not more important, given the potential role of farmers' markets in enhancing the economic wellbeing of smallholder producers.

Directions for future research: Future research should guide policy makers by providing more evidence on the economic impact of farmers' markets and the potential for tourism and urban development.

Keywords: farmers' market; direct marketing; linking farmers to market

*Correspondence to: Abdul Rahman Saili, Curtin University of Technology, Muresk Institute, GPO Box U1987, Perth 6845, Australia. email: a.saili@postgrad.curtin.edu.au

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Introduction

Farmers' markets are an urban phenomenon worldwide. They are one of the forms of direct marketing to consumers by small agricultural producers. According to Prince [cited in 1**], this form of marketing has gradually died down in developed countries, but is emerging again with renewed vigour. Some researchers claim that the re-emergence of this type of market is a reflection of the transition of our economic system to one of decentralised marketing [2*]. This re-emergence may also indicate that there are certain functions farmers' markets provide that cannot be performed by other marketing channels, such as the direct contact between the producer and end consumer, direct information exchange and price attractiveness. Farmers' markets also provide broad economic, social and environmental benefits to the communities in which they operate.

Farmers' markets vary greatly in terms of their physical shape, form, operation and product mix, but generally assume characteristics determined by the social, political and economic factors particular to their location. Farmers' markets, which are sometimes referred to as farmers tailgate markets, curb markets, weekend markets or Sunday markets, have a long history in human civilisation. They are one of

Table 1. Characteristics of various types of markets.

Character	Municipal market	Public market	Farmer's market
Places/sites/buildings	Government owned	May be privately owned	May be privately owned
Space or stalls	For rent	For rent	For rent
Renter	Any vendor	Any vendor	Mostly farmers

the world's oldest institutions and were common during Roman times. Farmers' markets have evolved and changed over time especially after the recent renaissance of farmers' markets in the world. Many rules and regulations have been introduced to make farmers' markets more structured and systematic. However, this has also resulted in changes in the nature of farmers' markets that abound in the world today.

Definition and types of farmers' markets

There are many definitions of farmers' markets, reflecting the changes in the structure and management of the marketing system [3**, 4*, 5**, 6**, 7**, 8**]. Pyle [8**] defined farmers' markets as similar to public markets except for the fact that most of the sellers are farmers. This definition is very general in that while it is mentioned that most of the sellers are supposed to be farmers, it implies that not all vendors are necessarily farmers. Billing [3**] defined farmers' markets as one in which farmers, growers and producers from a local area are present in person to sell their own products directly to the public. All of the product sold should be grown, reared, caught, brewed, pickled, baked, smoked or processed by the stallholder. In this particular instance, farmers' markets are defined as purely producer farmer vendors and the product offered must be local. Coster [1**] described a farmers' market 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 consumers.

Although several terminologies have been used loosely to refer to farmers' markets, some authors prefer to distinguish farmers' markets from other types of markets. For example, Pyle [8**] claimed that municipal and public markets are different from farmers' markets as such. In particular, there are differences in terms of the place or site, the space or stall and the renters of the space (Table 1). Pyle [8**] characterises municipal markets as usually government owned whereas farmers' markets and public markets may be privately owned. However, the most distinguishing characteristic is that the stall renters (also the sellers) in farmers' markets are mostly farmers. Similarly, Billing [3**] considers flea markets and farmers' markets as two different entities. According to Billing, vendors at flea markets are often itinerant, travelling in from other centres to sell their goods such as jewellery, second hand and home made clothes, books, plants

and food, usually at prices lower than consumers can buy them elsewhere.

Sommer, Wing and Aitkens [7**] classify tailgate and curb markets as a form of farmers' markets. For example, Asheville Tailgate Market in Western North Carolina, sells fresh farm produce and food. Greensboro Farmers' Curb Market, which is one of the oldest markets in North Carolina, also offers fresh fruits and vegetables directly from the farmers who grow them. Customers can also find dairy products, home-baked goods, fresh-cut flowers, potted and bedding plants, and hand-crafted items. On the other hand, Brown [9**] maintains that although other markets such as public or municipal markets, terminal markets, farm shops, farm stands, curb or tailgate markets, flea markets and swap meets, may at times be called farmers' markets, they may not, in the true sense, be authentic farmers' markets. To be a true farmers' market, some, if not all, of the vendors must be producers who sell their own products. Wann, Cake, Elliot and Burdette [cited in 9**] grouped farmers' markets based on the sales function of the market such as wholesale or retail markets, amongst others (Table 2).

Griffin and Frongillo [10] classify farmers' markets based on location, ie, urban, small metropolitan or rural farmers' markets. They also identified several different types of farmers who may participate in the market: (1) vendors-growers – full time; (2) vendors-growers – part time; (3) vendors-growers – backyard gardeners; and (4) non-growers – produce dealers.

According to Brown [9**], research into farmers' markets is hindered by the lack of consistency in classification, by incomplete descriptions of market characteristics and by lost data. Moreover, the definition of a farmers' market often influences how the market develops and how its character is shaped, because this will define the rules of engagement – who is in and who is out.

For the purpose of research and policy making, it appears that the definition of a farmers' market cannot be too rigid. There is a great diversity of farmers' markets all over the world and their uniqueness makes the market more interesting. Besides that, the definition of farmers' markets changes overtime with the influence of market regulation. For example, some local authorities recognise producer-only farmers and as such, only producers are allowed to sell in the market. Hence,

Table 2. Characteristics of various types of markets based on sales function.

Type of farmers' market	Characteristic		
	Location	Facilities	Trading
Farmers' city wholesale markets	Urban areas	Permanent buildings served by rail or highway links	Sell to dealers or agents
Farmers' wholesale shipping point markets	Rural areas with poor access to urban markets	Usually a shed or building	Sold or auctioned to dealers
Farmers' retail markets and farm women's markets	Urban areas	Indoors with tables rather than in sheds with stalls	Sell direct to the consumer

they define farmers' markets based on their rules and regulations. For the purpose of this paper, a farmers' market is defined as a venue where most of the vendors are producers who sell agricultural and other related products to the end-user. Farmers' markets can be further classified into two broad groups – mixed and producer-only farmers' markets.

Advantages of farmers' markets

Farmers' markets can provide a mutually beneficial solution for both consumers and producers. Most authors agree that one of the strengths of farmers' markets is the benefit it brings to the consumers. Consumers shopping at farmers' markets gain economically through price savings without necessarily compromising quality [3**, 11**, 12**, 13**, 14**]. They generally enjoy cheap products due to the elimination of a long supply chain, with the added advantage of fresh products, often with superior taste. For example, fruit sold in supermarkets is often harvested at an immature stage which will detrimentally affect the taste of the fruit. Farmers' markets also offer different varieties including exotic and traditional products, organically grown produce and ethnic foods, which are not ordinarily found in supermarkets. In developing countries, farmers' markets are the best source of unique products such as ferns and plants, wild honey, wild orchids, traditional herbs (used as medicine) and fruits from the jungle.

Farmers' markets are also beneficial for producers. While consumers enjoy a good bargain, farmers or producers often make higher profit margins through the elimination of multiple market intermediaries [11**, 12**, 13**]. Farmers are free to set their own price and have greater control over profitability.

Farmers' markets also act as incubators for farm, food and cottage businesses [15**, 16*]. They can also provide a good platform for farmers to gain and improve their business confidence [15**], as well as their marketing and business expertise [10**, 12**]. These skills are very important especially in developing countries because most farmers are not

well educated. In developed countries, farmers can easily read marketing books to improve their knowledge while using farmers' markets as a training ground to apply these skills. However, for many farmers in developing countries, the first hand experience of participating in farmers' markets serves as the only means of learning the necessary marketing and business skills.

Many researchers applaud the resurgence of farmers' markets due to their environmental benefits [11**, 15**, 16*]. According to these authors, farmers' markets incur fewer "food miles" compared with modern retail formats. When delivering to supermarkets, the products have to be transported from the production area to a central distribution point (usually in a capital city) from which the produce is then dispersed to regional centres before being marketed to consumers. In contrast, produce in farmers' markets is sold directly to consumers, hence reducing vehicle pollution [16*] as a result of a shortened transport chain.

Farmers' markets often provide less packaging, processing and refrigeration [11**, 15**]. They also offer a good platform for consumers to learn about product flavour and environmentally sustainable growing practices. It is also a popular channel for selling organic products and less intensively produced food, although these products are now becoming more readily available in supermarkets.

Finally, farmers' markets also link rural and urban people [13**, 15**]. They reconnect people with food and its sources and is a great resource for healthy foods [3**, 11**, 12**, 15**, 17*]. Farmers' markets allow not only the rich to buy, but all types of consumers have access to healthy and fresh products, thereby reducing any income inequalities in terms of access to food [12**].

Disadvantages of farmers' markets

The main weakness of farmers' markets is the time required for farmers not only in selling the produce, but also in loading, travelling to the market, unloading, setting up and then

doing the reverse at the end of the day [18**, 19**]. Given the time required in going to market, not unexpectedly, the question that is often raised is when do farmers find the time to grow anything? For this reason, regular periodic markets (for example, twice a week) are favoured by some, compared with permanent farmers' markets that are open every day of the week. In the biggest and most popular farmers' markets, the majority of the people working the stands are employees and not the farmers themselves [20**].

Another weak characteristic of farmers' markets is the lack of packaging. Compared with supermarkets, the products are poorly presented and packaged. This is not usually a problem for local consumers, but if the target consumers are visitors who come from elsewhere, this may present a problem [19**]. For example, cottage industry products should be more presentable and better packaged because the usual target market are tourists who are often looking for gifts for their friends and families. Another weakness of farmers' markets is the competition among vendors [19**]. As there are many undifferentiated products, price competition is keen and vendors often need to employ more creative marketing strategies to win the customer.

Of growing concern among both consumers and government are the poor food sanitary conditions often found in many farmers' markets. In many developing countries, it is not unusual for fish and livestock to be slaughtered in the market itself and the lack of refrigeration has a significant detrimental impact not only on product quality, but also on food safety. The lack of any food safety training among the vendors significantly increases the potential risk of the product becoming contaminated.

The future of farmers' markets

In many ways, the future of farmers' markets look bright. The concept is as old as commerce itself and having survived for many centuries, there seems to be few reasons for it not to survive in the future. Many researchers point to the opportunities for farmers' markets to revitalise towns and public spaces [3**, 11**, 12**, 13**, 15**, 16*] as they offer an opportunity for local authorities and town planners to revitalise downtown areas. Not only do farmers' markets make the town more vibrant, but their presence may also reduce criminal elements in a particular area, transforming a previously dark area into a lively and vibrant zone. Developing farmers' markets can help the local economy by safeguarding local jobs [12**, 16*] and benefiting local traders [12**, 17*]. Visitors coming to farmers' markets usually visit the local shops as well, so that the influx of extra shoppers coming to the farmers' markets will also have flow-on effects for the local stores.

Farmers' markets can also boost local tourism [3**, 12**] in urban areas. It has the potential to generate regular, repeat visits from high spending visitors who are seeking quality food, which may be exotic or more unusual than the fresh produce found in their local shops [21**]. Likewise, farmers'

markets present a good platform and opportunity for the community to socialise and build social interaction not only between farmers and consumers, but also among consumers [3**, 10**, 11**, 13**, 15**, 17*]. It is not just a place to buy products, but also a point for people to meet and greet each other.

The growing interest of farmers in general (not only small-holder farmers, but also more established farmers) in diversifying their marketing channels by experimenting with new ways of marketing food is likely to be influenced by the future development of farmers' markets. Similarly, the growing number of part-time and hobby farmers may facilitate the ongoing development of farmers' markets as the most appropriate place for them to market their products.

Farmers' markets are likely to continue to be the most important avenue for marketing organic and biodynamic food. According to Brown [9**], farmers' markets were the most visible source of organic products until quite recently. Interest in organic food is increasing throughout the world [22**] as more consumers become more health conscious and aware of organic food. The price of organic produce is however high, due to the fact that organic production systems generate lower yields compared with conventionally grown crops. As the supply of organic food remains irregular, farmers' markets may very well provide the only means for organic producers to market their produce.

From a tourism perspective, farmers' markets can be an attraction for potential visitors. The growing trend worldwide is for such markets to be incorporated into the broader context of regional events and festivals [21**]. In the near future, with the full support of related organisations, farmers' markets can be part of a tourism strategy.

Problems and threats to the development of farmers' markets

One of the threats to the development of farmers' markets is space and location. In some cases, there are limited spaces [18**] and the vendor can only sell limited amounts and types of produce. Some farmers' markets are also situated at some distance from the consumers and in locations that are difficult to access. As pointed out by Gibson [18**] and the University of Florida [19**], this not only causes problems to the vendors, but also discourages consumers from visiting. Another threat is the time of operation of farmers' markets. Farmers' markets are operated differently all over the world. Certain markets are seasonal or operate only on certain days which may not necessarily suit the needs of consumers [19**]. More serious than this are the regulations that vendors often have to face to participate in farmers' markets. According to Gibson [18**], some vendors face numerous rules and bureaucratic policies that constrain their activity. While such rules may be perceived as threatening to the development of farmers' markets, they are necessary to facilitate a fair and open market.

Conclusions and future research

Farmers' markets are an exciting and important form of free enterprise. Farmers' markets have excellent potential for supporting sustainable development due to the myriad of economic and social benefits that they bring to society. However, for farmers' markets to be more than just a trend and for them to play a pivotal role in sustainable development, there is a need for more in-depth research in certain aspects. This review revealed that there is a dearth of information about farmers' markets in developing countries, its role, the rules of engagement and the impact on the community and the economy. In developing economies, the literature suggests that farmers' markets play a vital role in distributing fresh food, as many of the modern retail formats do not carry fresh produce.

More research is needed to gather empirical evidence on the impact of farmers' markets on the economy and community. In particular, there is a gap in the following areas which need to be researched further:

1. What is the potential of farmers' markets as a tourism product and how can it benefit all players?
2. How can farmers' markets become an urban regeneration tool and reduce crime in urban areas?
3. How can farmers, consumers and the local economy benefit from farmers' markets in developing countries?
4. What is the best policy and management approach for managing farmers' markets?

This literature review covers only the research available from internet sources, reports, unpublished theses and academic peer-review publications. Even although the available literature centres on developed countries such as the US, UK, Canada, Australia and New Zealand, the situation in developing countries should be taken into consideration.

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