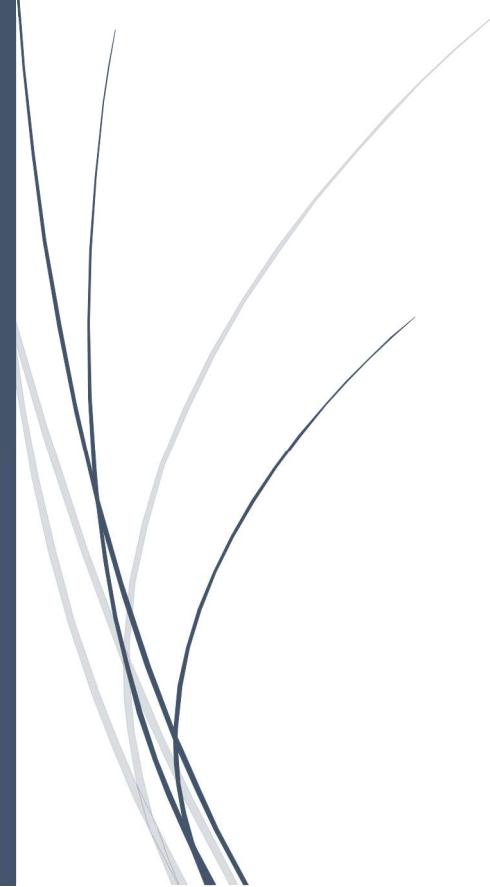




2/28/2020

# *Growth & Evolution of Farmers Market*

In United States



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SECTION 03

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## Introduction

Farmers markets are an integral part of the urban/farm linkage and have continued to rise in popularity, mostly due to the growing consumer interest in obtaining fresh products directly from the farm. Direct marketing of farm products through farmers markets continues to be an important sales outlet for agricultural producers nationwide. As of now there are 8,771<sup>1</sup> farmers market listed in the USDA's National Farmers Market Directory. Let us look at the important factors which has contributed for the growth in the farmers market across the Nation.

### Benefits of farmers Market

It connects consumers with where and how their food is grown, creates new economic opportunities for producers, and draws young people back to rural communities.

It fosters appreciation for America's farms and ranches and marketing opportunities for farmers, ranchers, chefs, and local food businesses.

It connects schools and our Nation's children with fresh, healthy food, and it helps increase healthy food access in rural and urban communities across the country.

### Distribution of the Farmer Markets Across US

By dividing the 52 states and territories into seven following regions, consisting of the respective states<sup>2</sup>

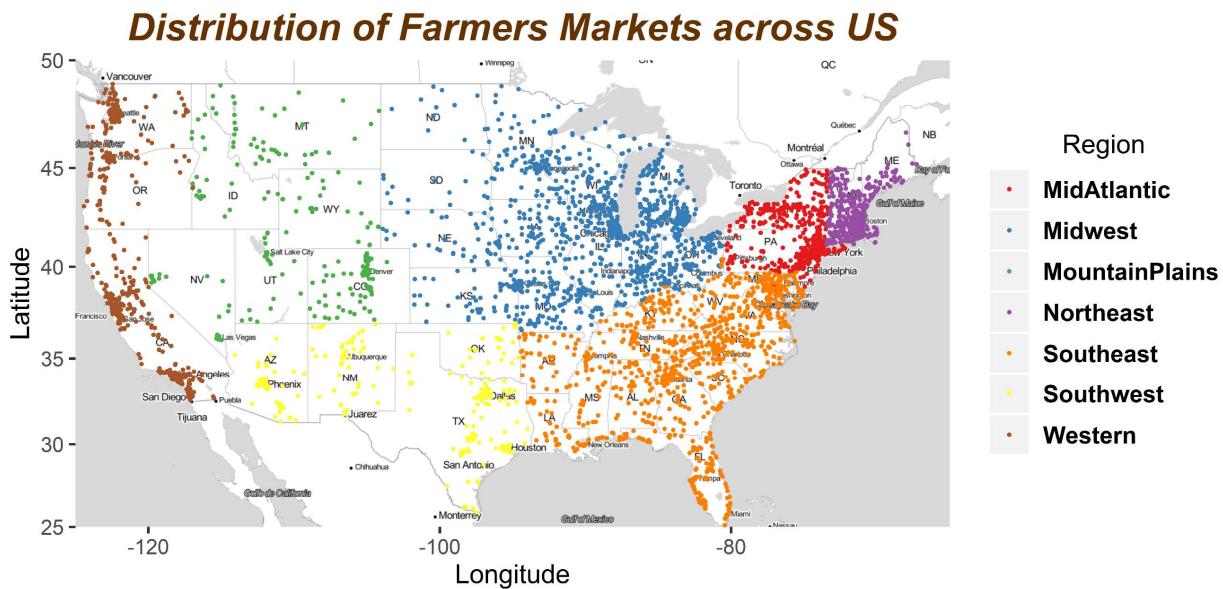
1. MidAtlantic: - Pennsylvania, New York, New Jersey, District of Columbia.
2. Mountain Plains: -Montana, Idaho, Colorado, Utah, Wyoming, Nevada.
3. Western: - California, Oregon, Washington, Alaska, Hawaii, Virgin Islands, Puerto Rico.
4. Midwest: - Michigan, North Dakota, South Dakota, Iowa, Minnesota, Kansas, Nebraska, Ohio, Indiana, Illinois, Wisconsin, Missouri.
5. Northeast: - Maine, Rhode Island, Vermont, Connecticut, New Hampshire, Massachusetts.
6. Southwest: - Texas, Arizona, New Mexico, Oklahoma.
7. Southeast: - Virginia, West Virginia, Kentucky, Delaware, Maryland, North Carolina, South Carolina, Tennessee, Arkansas, Louisiana, Florida, Georgia, Alabama, Mississippi.

The below Map shows the distribution of the registered farmers market across the Nation based grouped based on region. We can observe the markets are clustered on few regions when compared to other regions. This clustering can be attributed to the effects of funding from federal government and other non-profit organizations.<sup>3</sup>

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<sup>1</sup> <https://www.ams.usda.gov/services/local-regional/farmers-markets-and-direct-consumer-marketing>

<sup>2</sup> States are divided into regions based on various online sources, for representative purpose only.



## Farmers Market Promotion Program

Administered by USDA's Agricultural Marketing Service (AMS), is one of the USDA grant programs supporting the farmers markets. Since 2006, FMPP has helped communities establish farmers markets, community supported agriculture (CSA) enterprises, road-side stands, and agritourism in all 50 States and U.S. territories.

# History of the Farmers Market Promotion Program

FMPP was initially established by congress in the farm security and rural investment act of 2002 (farm bill) through an amendment of the farmer to consumer Direct Marketing of 1976<sup>4</sup>. The main purpose of this program is to award grants that helps the consumption of and access locally produced agricultural products and develop new market opportunities for farm and ranch operations participating in the direct farmer to consumer marketing outlets.

FMPP Grants

FMPP has awarded 879 grants for over \$58 Million since the 2008 farm bill, the results of these grants investment include:<sup>3</sup>

- Increase in sales.
  - More customer traffic, improved infrastructure.

<sup>3</sup> The Map of United States is restricted within a fixed coordinate for proper representation.

<sup>4</sup> <https://www.ams.usda.gov/sites/default/files/media/FMPP2016Highlights.pdf>

- Increase in new farmer & vendor selling at markets.

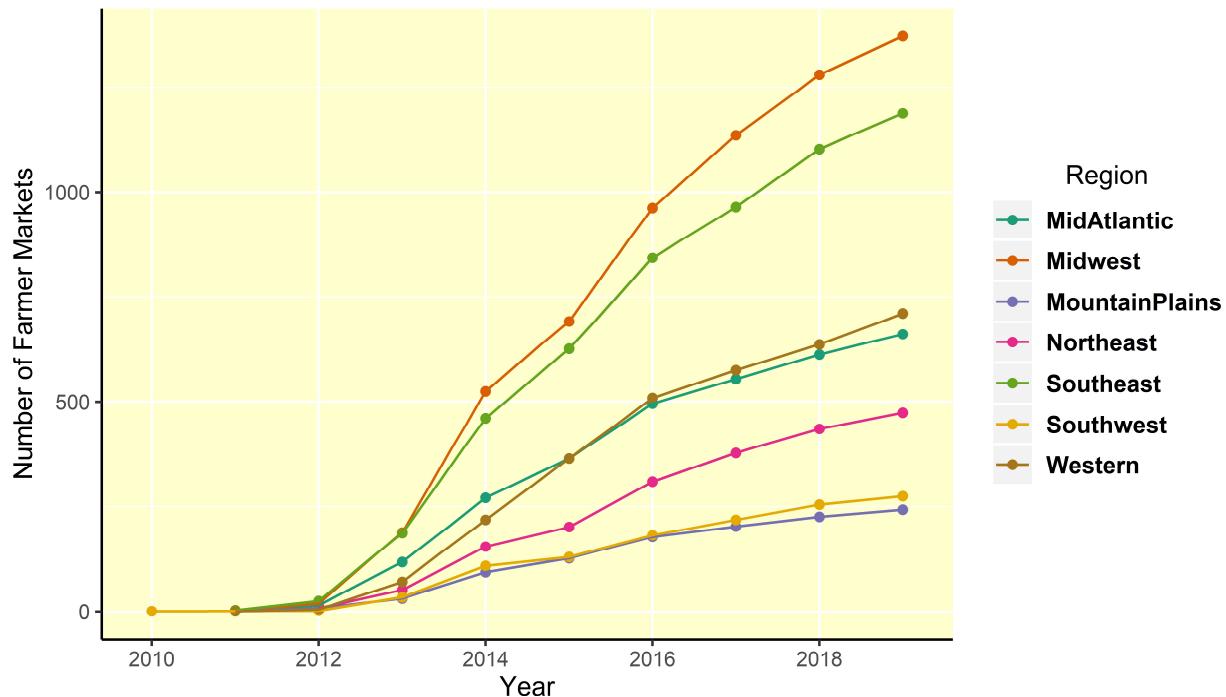
With increasing demand for local foods and need for improvement of local food system FMPP was reauthorized in both 2008 and 2014 farm bills. Today FMPP has award amount for two grant tiers,

1. Capacity Building (min:50,000 max:250,000)
2. Community Development training and technical assistance (min:250,000 max:500,000)

The Applicants from western region received 20% of the total awards with highest amount of funding over \$12 Million. Southeast region received 19% of the total award with second highest amount of funding over \$10.6 Million. Midwest Region received 19% of the total award.<sup>5</sup>

Based on the grants below plot shows the detailed growth of number of farmers market over different regions,

### ***Growth of Farmers market in different Regions***



### **Effects of FMPP Grant**

The value of local food purchased directly from farmers by consumers doubled between 1992 and 2012, with sales hitting \$1.4 billion in 2012.

Total funding was increased from \$10 Million to 30 Million per fiscal year, with \$15 Million for FMPP projects and 15 Million for LFPP Projects (Local Food Promotion Program). Since 2014 the LFPP has awarded \$24.6 Million to 350 Projects.<sup>6</sup>

<sup>5</sup> <https://www.ams.usda.gov/sites/default/files/media/FMPP2016Highlights.pdf>

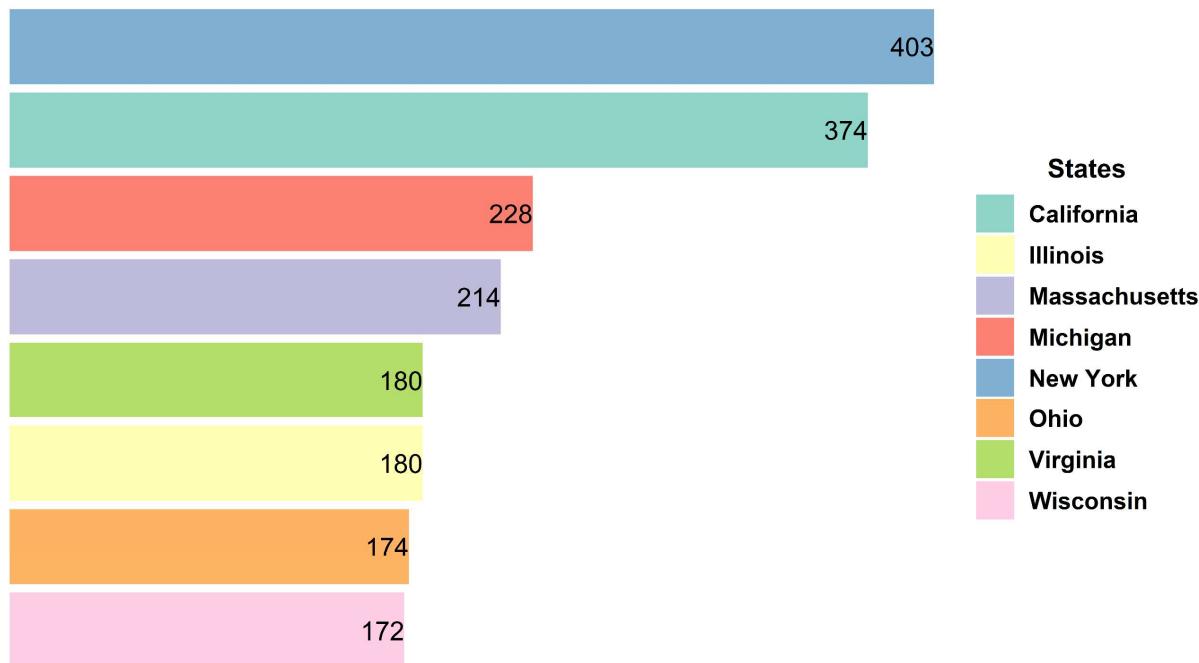
<sup>6</sup> <https://www.ams.usda.gov/sites/default/files/media/FMPP2016Report.pdf>

Provide training for local farmers, ranchers & farmer market managers on market management, food supply & business skills and advice.

With the support from FMPP MIFFS (Michigan Food & Farming Systems) and MIFMA (Michigan Farmer Market Association) organized training sessions that provided 115 market managers and farmers technical assistance.

Based on the grants received by different regions<sup>7</sup>, New York and California have shown the maximum increase in the establishment of new farmers market in the last decade. The following bar plot shows the top 8 states in terms of number of markets opened over the last decade. From the year wise funding information, it is clear that the states with more funding have shown significant growth.

### ***Top 8 States with maximum Markets***



### **Evolution Organic Markets**

Organic food is food produced by methods that comply with the standards of organic farming<sup>8</sup>. Demand for organic foods is primarily driven by consumer concerns for personal health and the environment. The term “organic” refers to the way agricultural products are grown and processed. While the regulations vary from country to country, in the U.S., organic crops must be grown without the use of synthetic pesticides, bioengineered genes (GMOs), petroleum-based fertilizers, and sewage sludge-based fertilizers.<sup>9</sup>

<sup>7</sup> <https://www.ams.usda.gov/services/grants/fmpp/awards>

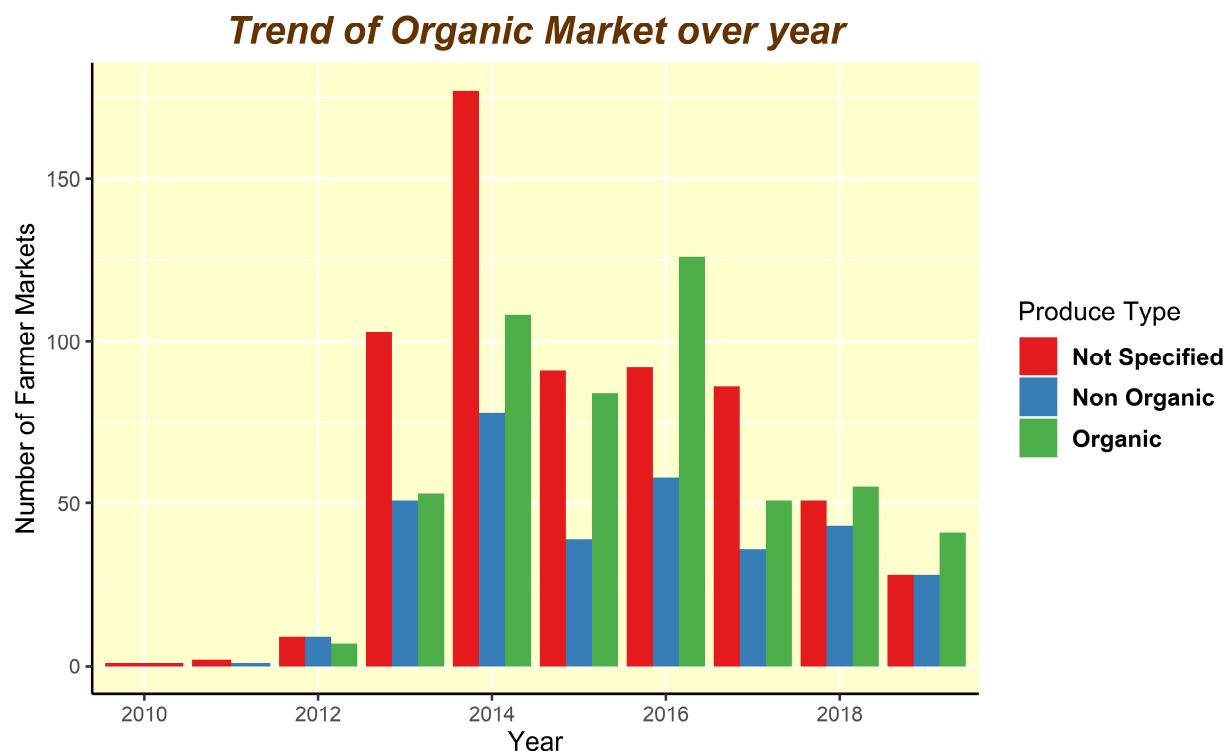
<sup>8</sup> [https://en.wikipedia.org/wiki/Organic\\_food](https://en.wikipedia.org/wiki/Organic_food)

<sup>9</sup> <https://www.helpguide.org/articles/healthy-eating/organic-foods.htm>

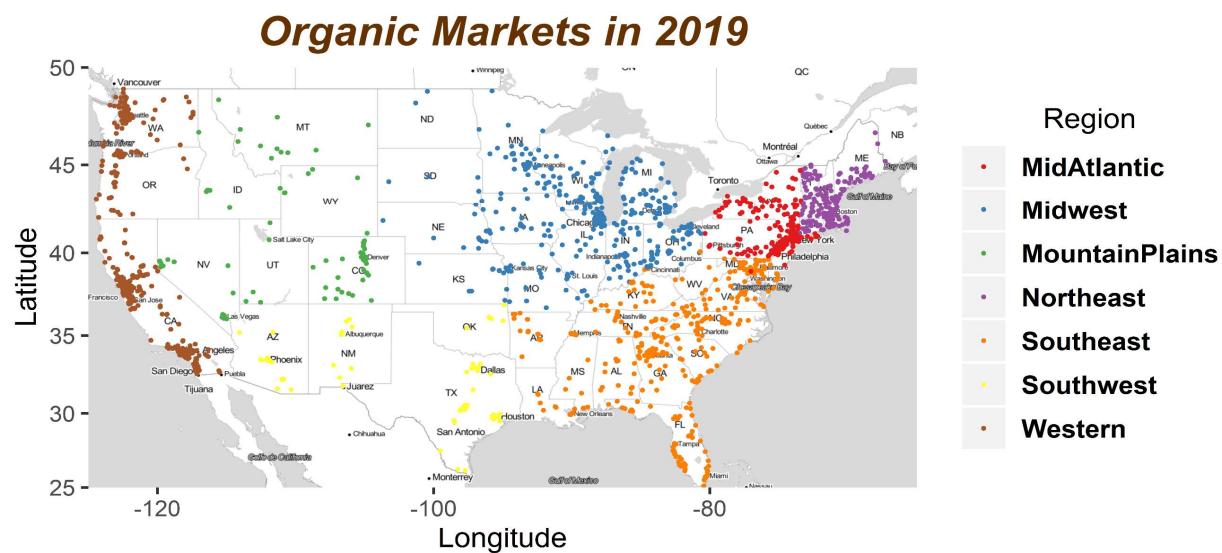
Organic livestock raised for meat, eggs, and dairy products must have access to the outdoors and be given organic feed. They may not be given antibiotics, growth hormones, or any animal by-products.

### Growth of organic markets

Looking at the bar plot of farmer markets established from 2010, we can observe the number of markets which distinguish themselves as organic market have started to grow consistently.



## Geographical Distribution of Organic Markets



The above chart shows the number of organic farms across US from the year 2013 and 2019. We can clearly see significant growth in the number of organic markets all over the Nation.

## Payment Methods

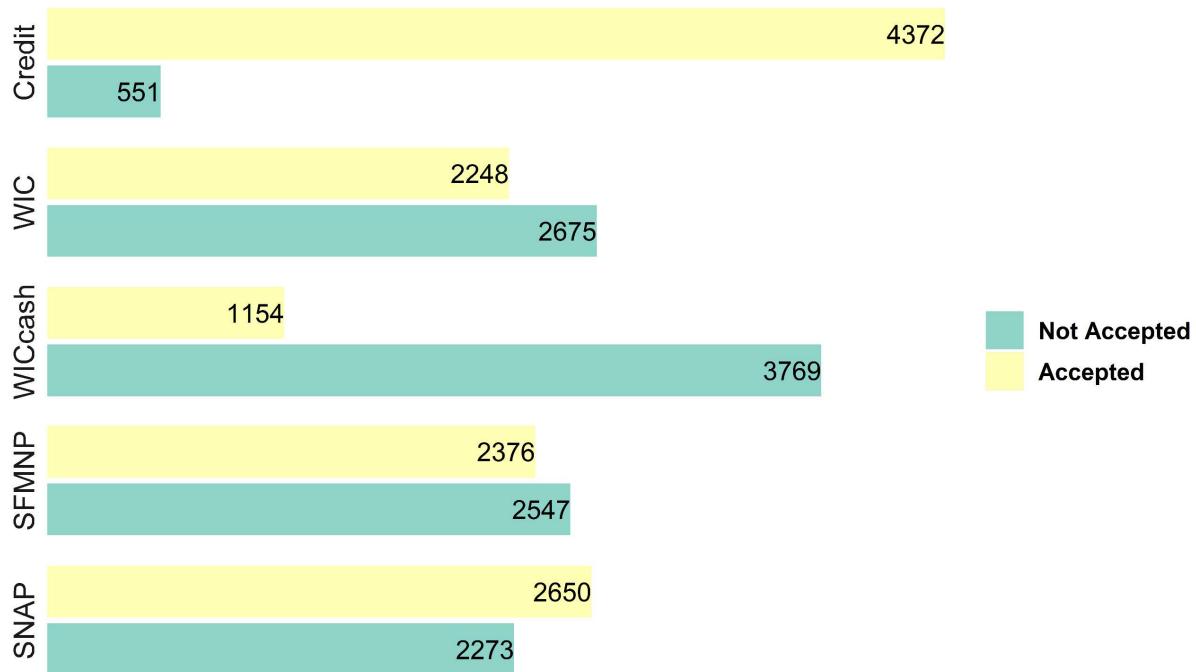
Different Modes of Payment methods available in Farmer Market

- Credit card
- Supplemental Nutrition Assistance Program
- Seniors Farmers' Market Nutrition Program
- WIC

Electronic Benefits Transfer (EBT) is an electronic system that allows a recipient to authorize transfer of their government benefits from a Federal account to a retailer account to pay for products received. EBT is used in all 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam. EBT has been implemented in all States since June of 2004.

Shows the number of markets which accepts each of the payment option.

### ***Number of Markets accepting different Payment Types***

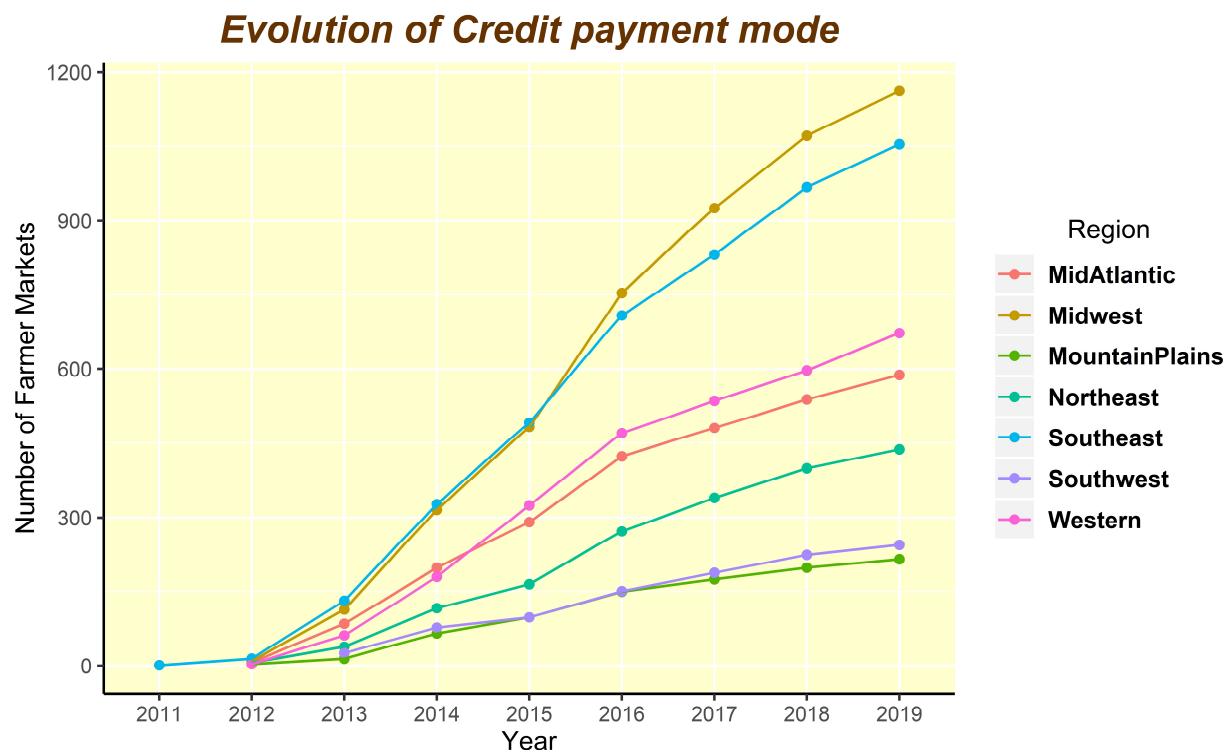


### Credit Card

It's a well-documented fact that taking credit and debit cards increases sales. It's true in case farmer markets as well. In earlier years it required an expensive credit card terminal, or wireless card readers. Now, new mobile technology is expanding the possibilities for vendors everywhere to process credit and

debit card payments on an iPhone or other smart phone. It's not yet trouble-free, new options are arriving frequently to make mobile payments more enticing.<sup>10</sup>

From 2011 almost all the newly registered markets the credit card payment is like the default option second only to cash. The plot of credit card accepting farmers markets across the nation also shows the same.



#### [Supplemental Nutrition Assistance Program](#)

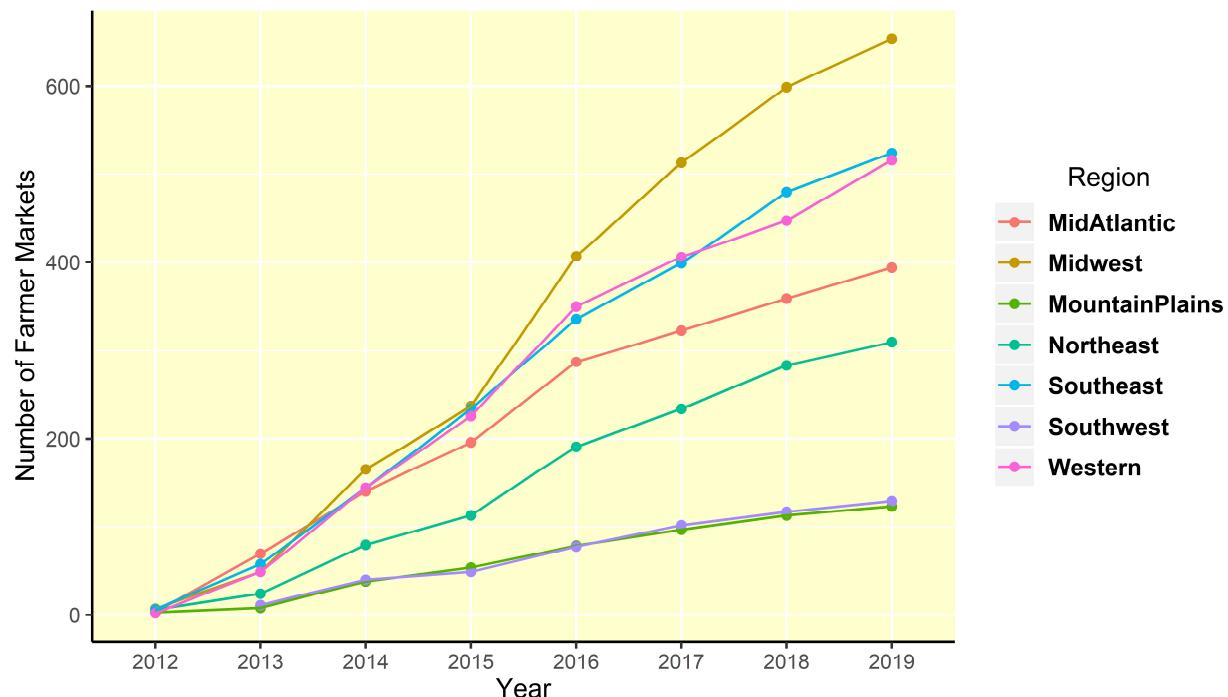
The Aim of SNAP is to provide nutrition benefits to supplement the food budget of needy families so they can purchase healthy food and move towards self-sufficiency.<sup>11</sup> America's Direct Marketing Farmers and Farmers' Markets (DMFs/FMs) are great sources of fresh fruits, vegetables, and other healthy foods. FNS is committed to expanding access to these foods by SNAP recipients while supporting economic opportunities for farmers and producers. More than 3,500 DMFs/FMs are able to accept SNAP EBT payments.

The 2014 Farm Bill authorized up to \$200 million for the development, implementation, and evaluation of up to 10 pilot projects designed to reduce dependency and increase work effort under the Supplemental Nutrition Assistance Program. These pilots will give USDA and states the opportunity to build on existing SNAP programs and test new strategies to determine the most effective ways to help SNAP recipients gain and retain employment that leads to self-sufficiency.

<sup>10</sup> Information from multiple websites.

<sup>11</sup> <https://www.fns.usda.gov/snap/supplemental-nutrition-assistance-program>

## ***Evolution of SNAP payment mode***



We can observe the Midwest region markets showing the maximum growth in incorporating the program in their markets followed by Southwest and Western regions both of which have a close resemblance in their growth.

### **Seniors Farmers' Market Nutrition Program**

The SFMNP awards grants to states, U.S. Territories and Federally recognized ITOs to provide low-income seniors with coupons that can be exchanged for eligible foods at farmers markets, roadside stands and community supported agriculture (CSA) programs. The purpose of the program is to provide fresh nutritious, unprepared, locally grown fruits, vegetables, herbs and honey to seniors. Low income seniors, generally defined as individuals who are at least 60 years old and who have household income of not more than 185% of the federal poverty income guidelines are the targeted recipients of the SFMNP benefits.<sup>12</sup>

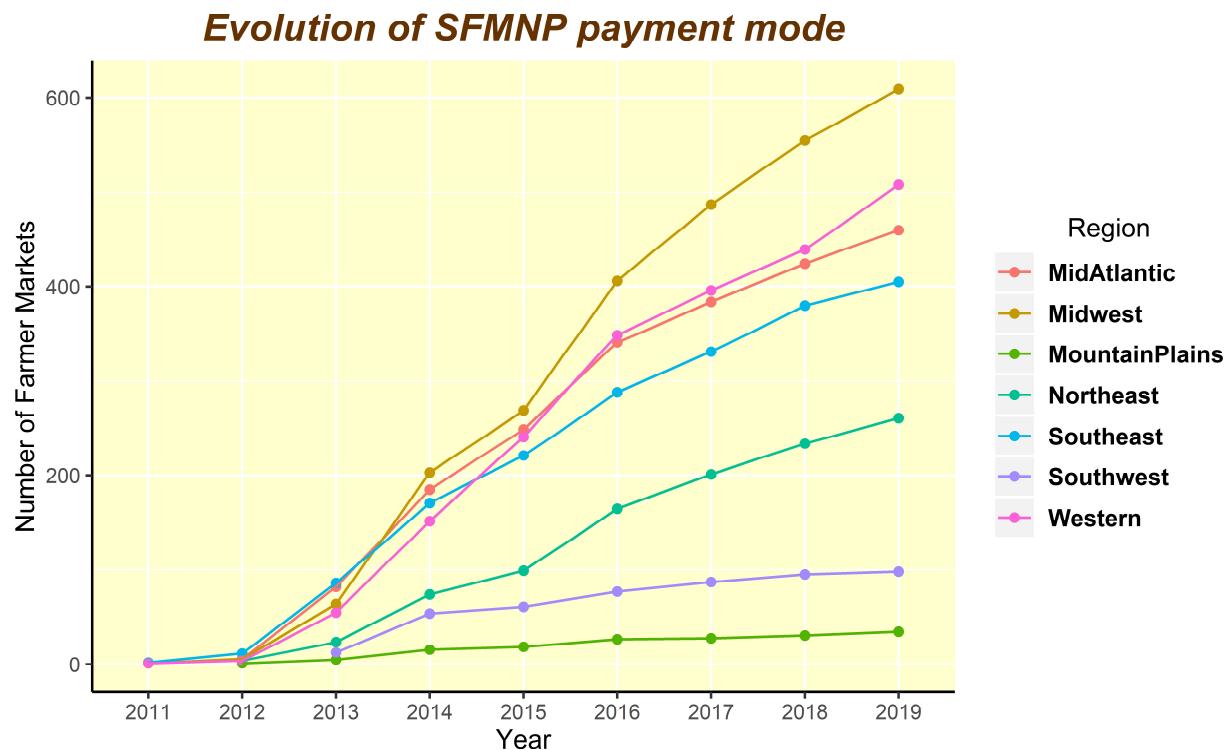
In Fiscal year 2017, 811,809 people received SFMNP benefits. For Fiscal year 2017, 52 state agencies, U.S territories and federally recognized ITOs received grants to operate this FMNP. In FY2017 19,449 farmers, 3,641 farmer markets and 2,541 roadside stands and 94 CSAs were authorized to accept FMNP checks and coupons.

The 2014 farm bill provided \$20.6 Million annually to operate the program through FY2018; however, a rescission of \$1.421 Million reduced the amount available in FY2017 to \$19.178 Million.

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<sup>12</sup> <https://fns-prod.azureedge.net/sites/default/files/sfmnp/SFMNPFactSheet.pdf>

In the following plot we could see majority of the regions accepting this payment method. The impact of the grants can be seen here as well. As the states with maximum grants Midwest and Western Regions has shown major growth followed by MidAtlantic and other regions.



### WIC Farmer's Market Nutrition Program

The FMNP that is associated with the special Supplement Nutrition Program for Women, Infants and children is generally known as WIC. The WIC program provides supplemental foods, health care referrals and nutrition education; including breastfeeding promotion and support at no cost to low-income pregnant, breastfeeding and non-breastfeeding postpartum women and to infants and children up to 5 years of age, who are found to be at nutritional risks.<sup>13</sup>

Women, infants over 4 months who are certified to receive WIC program benefits are eligible to participate in FMNP. For Fiscal year 2017, 49 state agencies, U.S territories and federally recognized ITOs received grants to operate this FMNP.

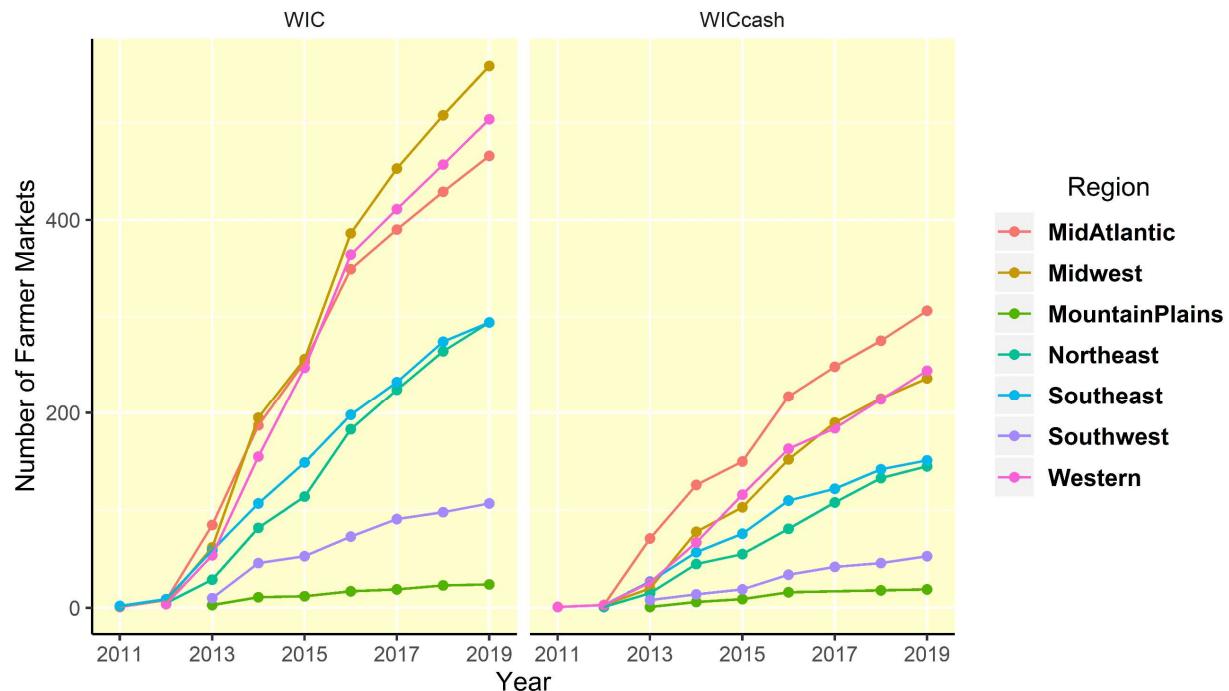
In FY2017 16,815 farmers, 3,312 farmer markets and 2,367 roadside stands were authorized to accept FMNP checks and coupons. \$18.548 Million was appropriated for the FMNP in the FY2019.

The WIC accepted both with member card and also as WICcash, the following plot shows the regional wise growth of number of farmer markets which accepts the above payment option. The Midwest region has the maximum number of markets which accepts this payment method followed by Western and Mid-Atlantic.

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<sup>13</sup> <https://fns-prod.azureedge.net/sites/default/files/fmnp/WICFMNPFactSheet.pdf>

## ***Evolution of WIC payment mode***



### Diversity of Products

Depending on the farmers' markets, a wide variety of products are available. Apart from locally grown vegetable and fruits: Poultry, lamb, goat, eggs, milk, cream, ice cream, butter, cheese, honey, syrup, jams, jellies, sauces, mushrooms, flowers, wool, wine, beer, breads, and pastries are some examples of vendor produced products sold at farmers' markets.<sup>14</sup>

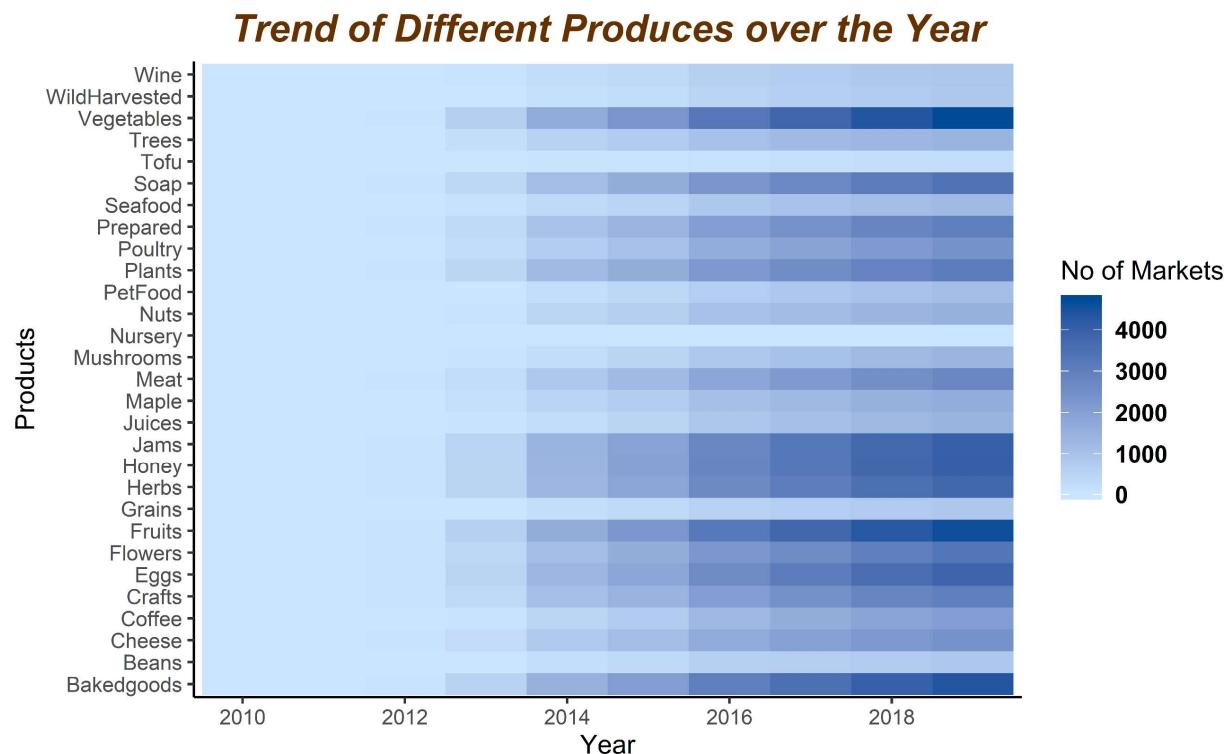
Ideally, farmers' markets produce and fruit are grown within a geographical region that is deemed local by the market's management. The term "local" is defined by the farmers' market and usually represents products grown within a given radius measured in miles. Many farmers' markets state that they are "producer only" markets, and that their vendors grow all products sold

A wide variety of beef and pork products are sold at farmers' markets in the United States. Typical beef products include steaks, ground beef, jerky, and various types of beef sausage. Typical pork products include sausage and bacon. Beef and pork products sold at farmers' market in the US, like those of any other beef/pork product that are sold to the public, must originate from livestock slaughtered in a government (federal or state) inspected slaughterhouse.

The following figure, heatmap shows the different types of produces available based on the number of farmer Markets over the years. We can clearly observe Vegetables, Fruits and other locally produced food varieties such as Jams, Honey and Baked goods are sold at Maximum number of markets. Few of the items

<sup>14</sup> [https://en.wikipedia.org/wiki/Farmers%27\\_market](https://en.wikipedia.org/wiki/Farmers%27_market)

are rarely found in the Farmers Market such as Nursery items, Tofu etc., Different varieties of Meat and poultry food items are available too consistently in the markets.



## Social Media Impact

They say that one of the best ways to get to someone's heart is through his stomach. But which is the best way for a brand to make customers fall in love with their products? Answer, as you all were thinking is **Social Media**.<sup>15</sup> Social media is among the fastest growing marketing tools used by businesses and causes of every stripe, including farmers markets. It is also one of the fastest changing.

Social media influence over food shopping habits has been small compared to other industries, but nowadays every brand has their Community Managers working hard to increase the engagement and number of followers. With all the beauty farmers markets offer, posting photos and other visuals alone can speak volumes about your seasonal abundance.

Few of the platforms used for promotion of Farmers Market include,

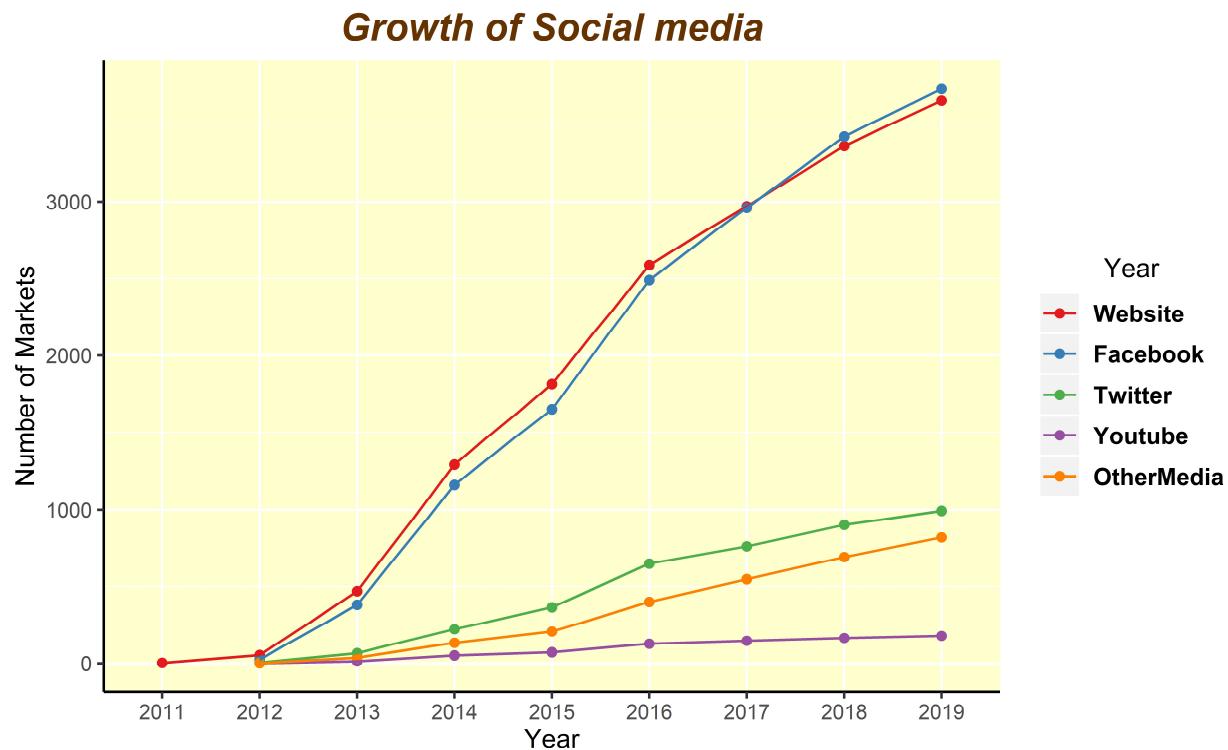
- Official Website of the Farmer Market
- Facebook
- Twitter
- YouTube
- Various other platforms such as Instagram etc.,

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<sup>15</sup> Information from Multiple websites

The influence of social media platform is vital for the growth of farmer markets. It builds Buzz about the market before Launch. Can be used to provides a location updates which helps to gather attraction. Helps the vendors to be in touch with other vendors and also with customers.

From the below plot we can see a significant number of markets have their own Facebook page, Website. Compared to other platforms the growth of Facebook is steady and shows a linear growth.



## Conclusions

AMS investments in local and regional food systems help farmers and ranchers take advantage of market opportunities, provide consumers with more choices, and create jobs in rural and urban communities. In the last 10 years, FMPP has awarded grants in all 50 States and U.S. territories, helping consumers learn more about local food and invest their food dollars right back into their own communities.<sup>16</sup>

FMPP supports critical retail outlets for America's small and medium-sized farmers and provides good entry opportunities for new and beginning farmers. An increased and consistent income helps farmers selling at markets achieve profitability and contributes to the overall success of the market.

## Notes:

- The Plots are drawn approximate values doesn't give the exact value of the Realtime.

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<sup>16</sup> <https://www.ams.usda.gov/sites/default/files/media/FMPP2016Report.pdf>

- The states are divided into 7 regions for representation.
- Plots are drawn under the assumption the start date in seasons column of the data present the actual date the market was started.  
i.e. 06/14/2017 to 08/30/2017 means on 14-June-2017 a particular market was started.