Pennsylvania Farmers Markets:

Summary Results of 2011 Season Technical Assistance Needs, Food Safety, and Market Performance

Pennsylvania Farmers Markets

The Commonwealth of Pennsylvania has a deep, rich history with direct-to-consumer farm markets. As early as the 1700's, local producers were vending their farm products directly to consumers. Descriptions of preparing raw products and value-added wares, loading the wagon, and spending the day at market is found in many daily journals. In 2007, Pennsylvania was ranked number three nationally for dollar value of direct sales to consumers by the U.S. Census of Agriculture (USDA NASS, 2009). Through personal experience, we know that Pennsylvania's reputation as a leader in this specialized agricultural arena is internationally recognized. The opportunity for consumers to connect directly with farmers continues to thrive and expand in Pennsylvania. Farmers Markets are a significant and growing component of this farmer-consumer connection.

The urban nature of Pennsylvania has been suggested as one reason for the dramatic success of direct-to-consumer farm marketing. Pennsylvania is becoming increasingly urbanized, with only four of the 67 counties with no urban populations (Pennsylvania State Data Center, 2012). Nearly 80 percent of the State's population lives in an urban area. Penn State Extension has worked closely with the important direct-to-consumer segment of the farm sector over the past several decades. From evaluating needs, designing and delivering educational programs, organizational support and advocacy, the work of Extension is ingrained in the success of our state's Farmers markets. As Farmers markets continue to grow nationally (over 7,100 by mid-2011) and become more popular (USDA AMS, 2011), more focused needs assessments are needed. Generalizing from the ever-popular on-farm marketing documentation did not necessarily identify needs. While many of the educational needs on Farmers market managers and vendors are similar to other target audiences of Extension—exploring for unique attributes seems appropriate. This report provides summary results from one of those efforts.

About the Survey of Pennsylvania Farmers Market

A survey of Farmers markets in Pennsylvania was implemented in February and March of 2012. The survey included approximately 25 questions intended to study information and technical assistance needs on the part of the markets, as well as characteristics of the markets that may define success. Some basic information about the markets was also collected. The survey covered the 2011 season for all markets. In addition, a portion of the survey of Pennsylvania farmers markets examined how Pennsylvania's Act 106, and food safety issues in general, affected the markets during the 2011 season.

The survey was developed by a research team (listed below) from Penn State. The survey was implemented primarily on-line using surveymonkey.com, and was most often sent to the market manager of the market. Two organizations were running multiple markets, and staff from these organizations were asked to fill out the survey using an excel spreadsheet as this was the most efficient way for them to answer the survey. We developed the list of markets in Pennsylvania using an email listserv of market managers already in use by Penn State Extension. The Penn State list of market managers has been developed over several years of direct educational programming for this audience and through an active farmers market managers listserv. This list was crosschecked with a list of markets on-line at USDA Agricultural Marketing Service (AMS) website, at the Pennsylvania Department of Agriculture, and through other various websites.

A raffle for one of four gift certificates worth $50 was included as an incentive. The survey was open for approximately three weeks during February and March of 2012. Of the 194 markets identified[1], 94 surveys were completed, for a response rate of 48 percent.

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[1] USDA AMS identifies 260 markets in Pennsylvania. However, contact information was not accessible for many, and in some cases the market listed was not a Farmers market.

Characteristics of Market

Demographic information was gathered regarding the Farmers markets and the respondent market managers to inform analysis of market performance, technical assistance needs, and food safety concerns. Survey respondents had been managing markets for an average of eight years, although the median length of time was four years (table 1). Most markets surveyed had started less than 5 years before 2011 (median of 4 years), although some markets had been in existence for over 200 years. Although some markets ran year round, the average length for the market season was 27 weeks, with markets running an average of a little over 1 day per week when open. Respondents reported an estimated 567 customers per market day (314 was the median), and an average of 11.5 vendors per market day.

Table 1: Descriptive characteristics of respondent markets and managers

Aspect	N	Mean	Median
Years Market Run	93	15	4
Weeks Per Year Run	94	27	25
Days Per Week (When Open)	94	1	1
Customers Per Market Day	72	567	314
Number of Vendors (farmers and other)	92	12	8
Years Managed Any Market (respondent)	93	8	4

Over three-quarters (77 percent) of the market managers reported that the market had a **"producers-only" policy**, or a policy that restricted selling at market to only those vendors who sell farm products that they produce. Of those that responded that they did not have a producers-only policy, many had some restrictions on the amount of produce that a farmer can sell that was not from his/her own farm, and restrictions on where it needed to come from (usually a local source). It may well be that because the majority of respondent markets were in an urban setting, the market's consumers may be interested in the "buy local" trends, impacting the decision of these community Farmers markets to establish producer-only restrictions.

Information about the market's operating budgets was also obtained (table 2). Financial support for markets from sources other than market vendors may indicate not only the value placed on community Farmers markets but also the tenuous fiscal status of some markets. The majority of operating budgets (an average of 59 percent) is accounted for by producer or vendor fees, while another 24 percent is accounted for by grants. Other sources of funding made up a small percentage of the respondent markets' operating budgets.

Table 2: Sources of Operating Budgets of Respondent Markets		
Sources	**Average**	**St. Dev.**
Producer or vendor fees	59	35
City/county/municipal government agency	2	8
Donations from the public	2	6
Grants	24	32
Trade or business associations	0.5	4
Non-profit organizations	2	11
State government agencies	1	2
Fundraising events	2	10
Other sources	6	18
N=93		

Urban markets made up the majority of responding markets (89 percent) (table 3). When asked about the nearest farmers market from their market, most (45 percent) answered that the nearest market was 1 mile to less than 5 miles away. Twenty-seven percent said it was 5 miles or more and 29 percent reported less than a mile away.

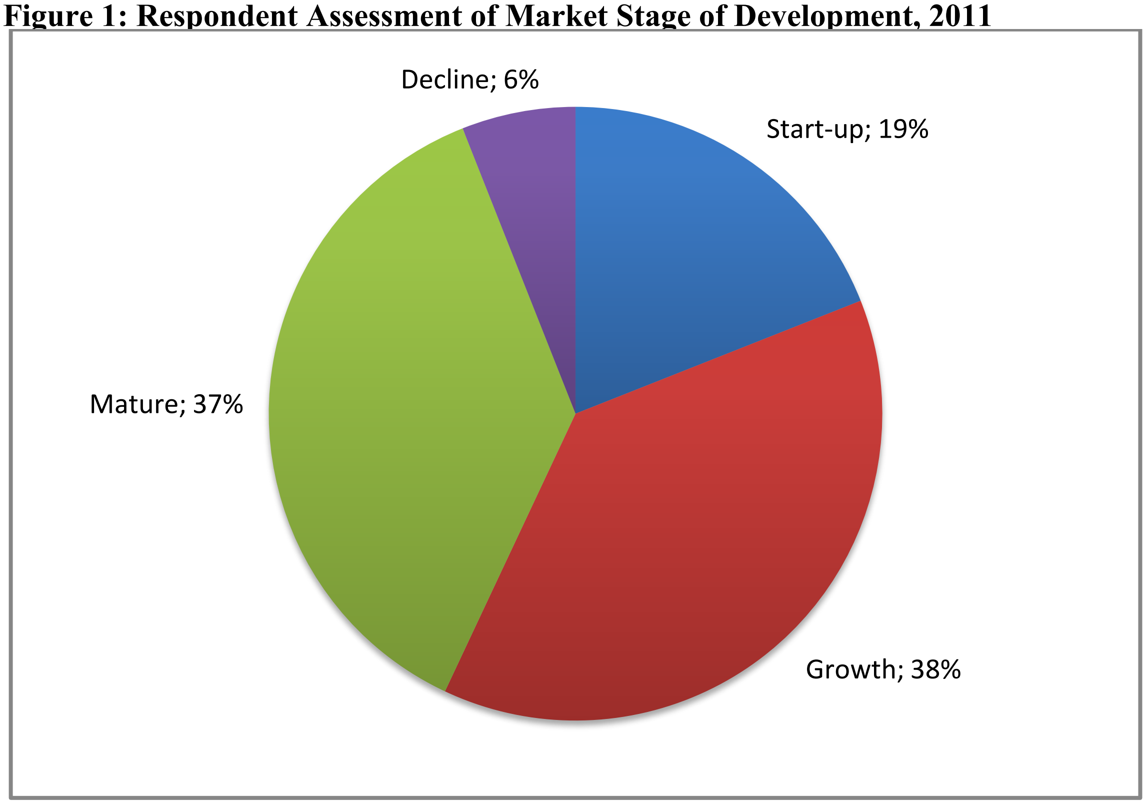
Table 3: Geography & Distance to Nearest Market	
Geography	**Percent**
Urban	89
Suburban	4
Rural	6
Distance	
Less than ½ mile	10
½ to less than 1 mile	19
1 mile to less than 5 miles	45
5-10 miles	19
More than 10 miles	8
N= 91; Note: Geography categories based on 2006 RUCA codes; collapsed to 3 categories.	

Market Performance

Information about market performance was gathered in numerous ways, including market sales and assessments by the managers as to the market's performance on specific topics. The average sales per market day reported were $3,824 (standard deviation of $6,734, N=64). In another study undertaken (Berry and Moyer, in press), average sales per market day in Pennsylvania were identified ranging from $12,250 and $34,000**.** This variation could be partially attributed to differences when market managers or consumers are being queried for dollar sales amounts. Forty-four market managers reported having federal nutrition benefit sales (i.e., SNAP, WIC FMNP, or Senior FMNP), estimating 21 percent (median of 13 percent) of all market sales was accounted for by federal nutrition benefit sales. Recent research

When asked to characterize the stage of development of their market, market managers generally reported being in the middle two stages (fig 1): growth markets accounted for 38 percent of market and mature markets accounted for 37 percent of markets. Almost a fifth reported being start-up markets, while only 6 percent said the market was in decline.

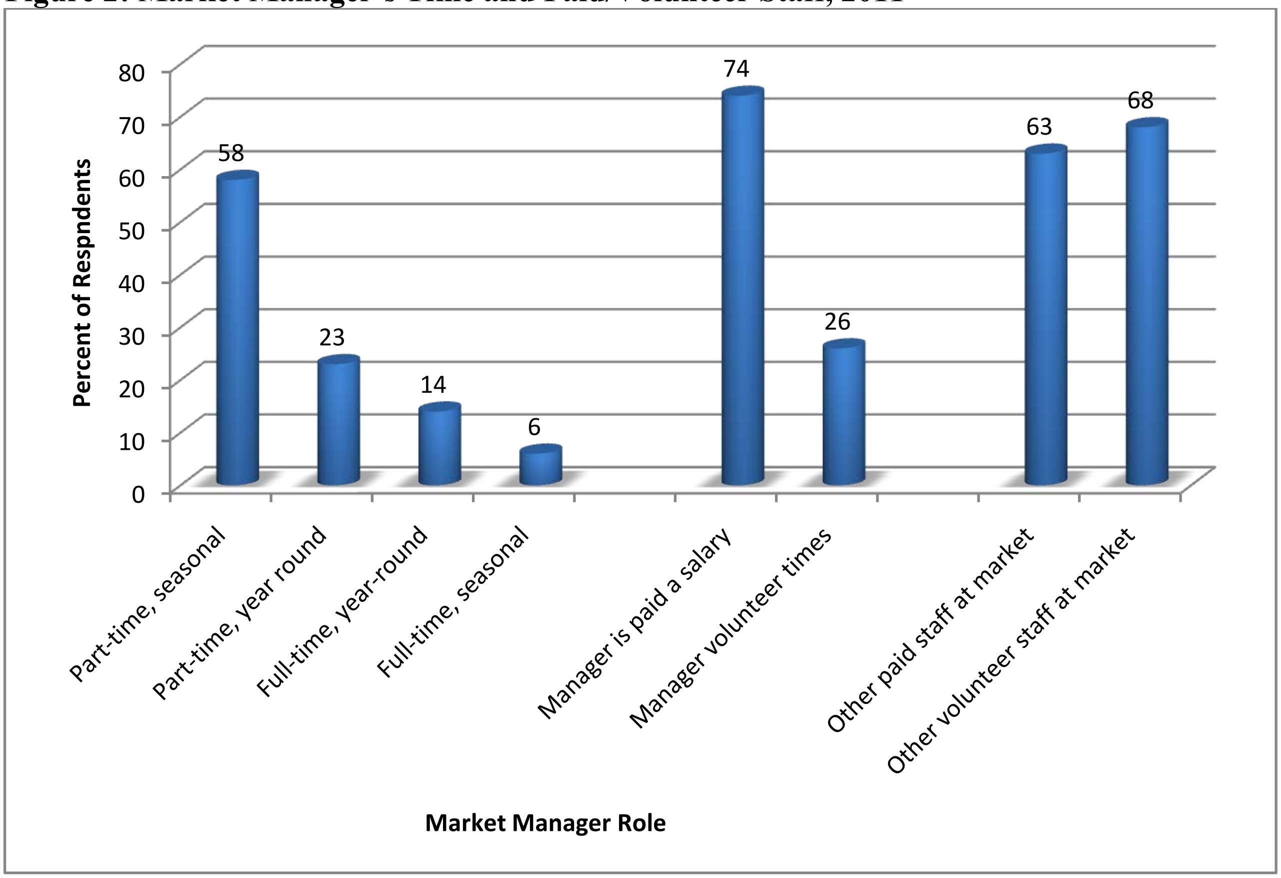
Figure 1: Respondent Assessment of Market Stage of Development, 2011



N=93

Information about the market managers' time and other paid or volunteer staff was gathered (figure 2) to study the connection between market performance and the management capacity of the markets. The majority of market managers (58 percent) were working part-time in a seasonal capacity, while almost a quarter (23 percent) of managers were working full-time seasonally. Only a fifth were working full-time either year-round or seasonally. About three-quarters of the market managers were paid. A majority of respondents also noted that there were other paid staff (63 percent) or volunteers (68 percent) at the market. Farmers markets in Pennsylvania appear to have a significant reliance on professional and community volunteerism. Personal observation by some of the authors over the last several years suggest that a maturation of this industry segment has occurred, with a shift to a higher percentage of paid support staff.

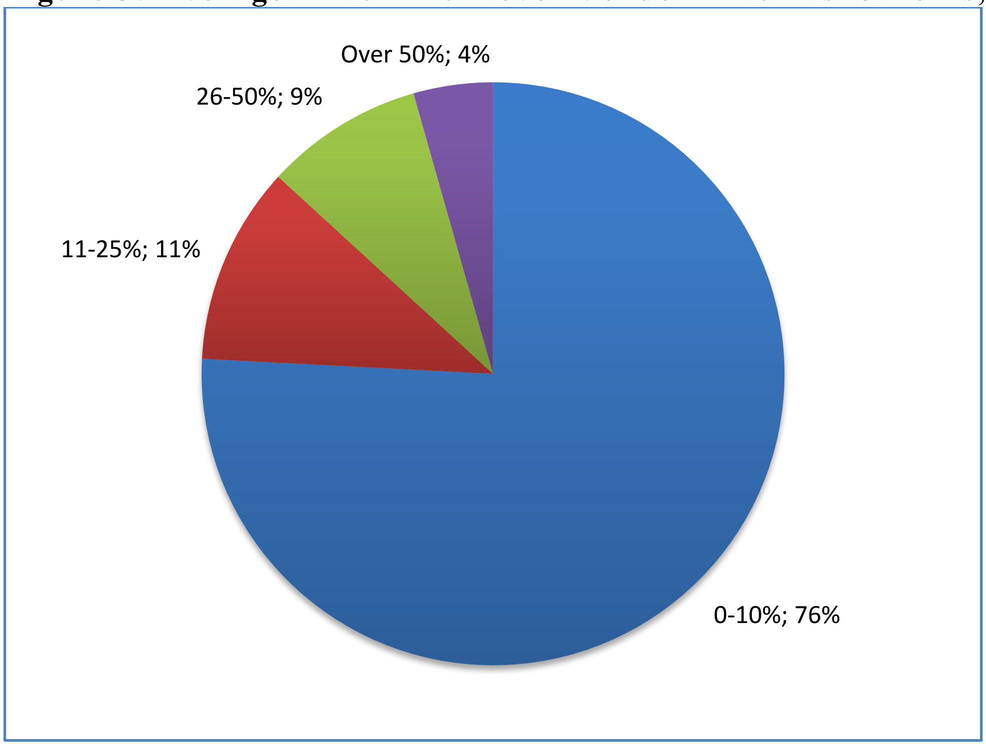
Figure 2: Market Manager's Time and Paid/Volunteer Staff, 2011



N=88

Approximately 57 percent of the respondents reported having a waitlist of vendors interested in attending the market. We also studied average annual turnover rates for the last 5 years (figure 3). Few markets in the respondent pool seem to be having vendor retention problems, with the majority (76 percent) reporting only a 0-10 percent turn over from year to year. On the other hand, 13 percent reported over a 25 percent turnover rate from year to year, suggesting problems with vendor retention in these markets.

Figure 3: Average Annual Turnover Vendor Rate Past 5 Years, 2011



N=94

Technical Assistance and Information Needs

Respondents were asked to rate the performance of the market on a number of aspects important to overall success. Market managers rated most of the topics relatively successful. Table 4 is sorted by those aspects rating the highest as successful or very successful. Thus, market managers rated management of the market the most successful of all aspects (with 77 percent rating it successful or very successful). However, market managers tended not to rate management as “very successful.” Community support of the market and level of sales also were highly rated. Those rated as needing the most improvement were level of sales per vendor/producer and number of customers.

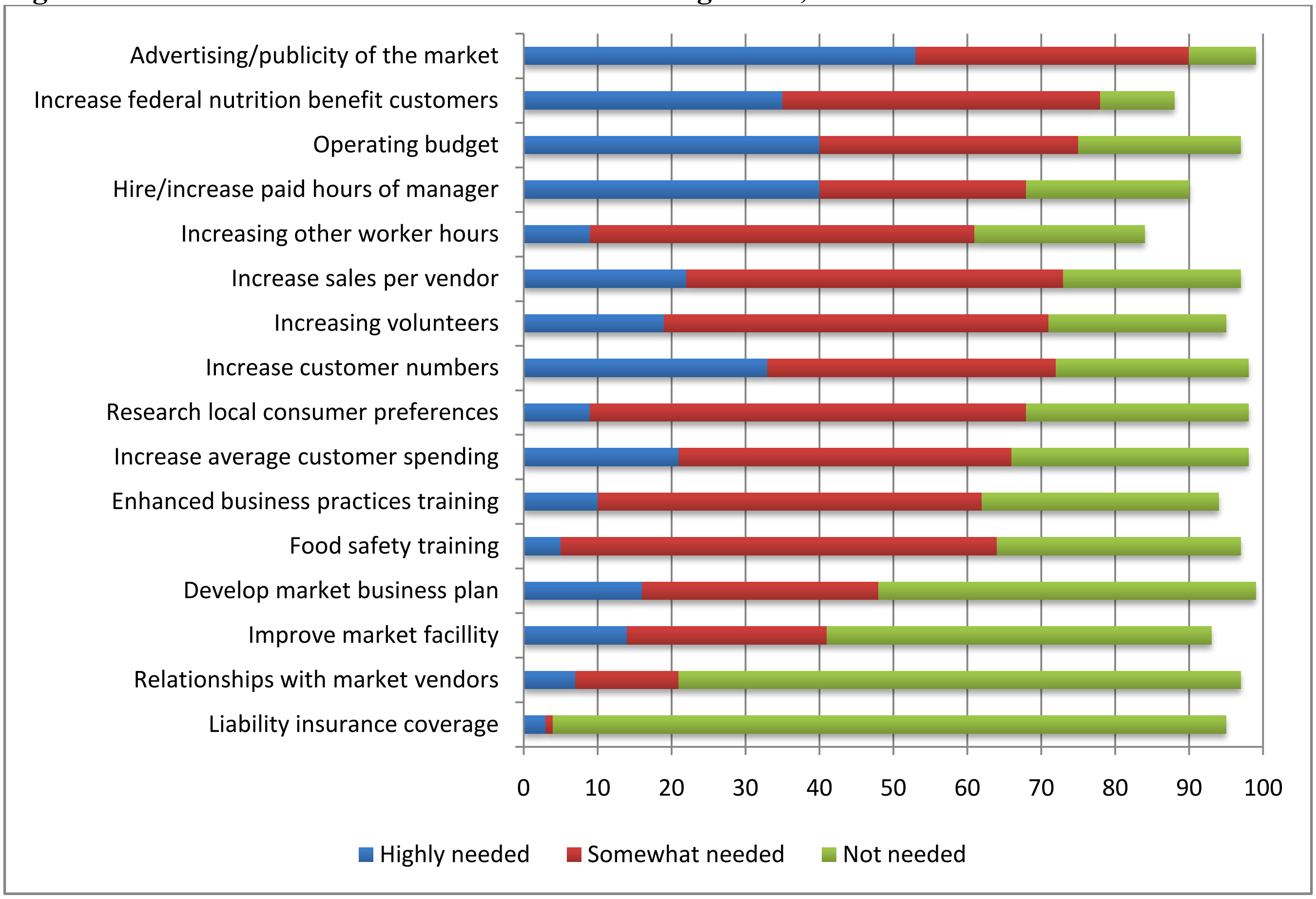
Table 4: Rating of Performance of Farmers Market in 2011

Aspect	Very Successful	Successful	Needs Improvement	Not Successful
	Percent of Respondents			
Management of the market	9	68	19	1
Community support of farmers market	28	37	32	3
Level of sales for entire market	21	43	28	9
Number of producers/vendors	17	44	32	3
Diversity of products offered	24	35	38	1
Level of sales per vendor/producer	17	41	32	8
Number of customers	17	34	41	7

N=94

Figure 4 provides information about the reported information and training needs on the part of farmers market in the study. Those needs that rose to the top of the list include assistance with advertising and publicity of the market, increasing federal nutrition benefit customers, operating budgets, and increasing the manager and other worker hours. Those lowest on the list included improving the market facility, relationship with vendors, and liability insurance coverage.

Figure 4: Farmers Market Information and Training Needs, 2011



N=94

Food Safety Issues

The Pennsylvania Act 106 of 2010 was designed to clarify and strengthen oversight of all food safety inspections in PA**.** Act 106 was enacted Nov. 23, 2010 and became effective Jan. 22, 2011. The previous law included language from two Acts and created some confusion in the marketplace**.** Act 106 provides clarified that anyone selling directly or indirectly to the public is a “retail food facility.” Under previous law, an entire farmers market would have to be closed if one vendor had food safety violations.

This change meant that rather than licensing entire markets, the Pennsylvania Department of Agriculture (PDA) now requires that each vendor selling certain foods, such as animal products, at a farmers market be licensed individually starting in the 2011 market season. Many vendors do not need a license under the new rule. The exemptions to the licensing rule have not changed. Vendors selling baked goods, jams, jellies, pickled food products and many other products that meet salinity, temperature, and pH requirements do not need a license. Vendors selling raw, unprocessed fruits and vegetables only do not need a license. Vendors selling meat, eggs, or dairy products do need a license, as do those selling “ready-to-eat” foods. Common examples include lunch-fare such as chili, soups, or sandwiches or washed and chopped leafy greens sold as “salad”. Other washed and sliced fruits and veggies are also considered “ready-to-eat”.

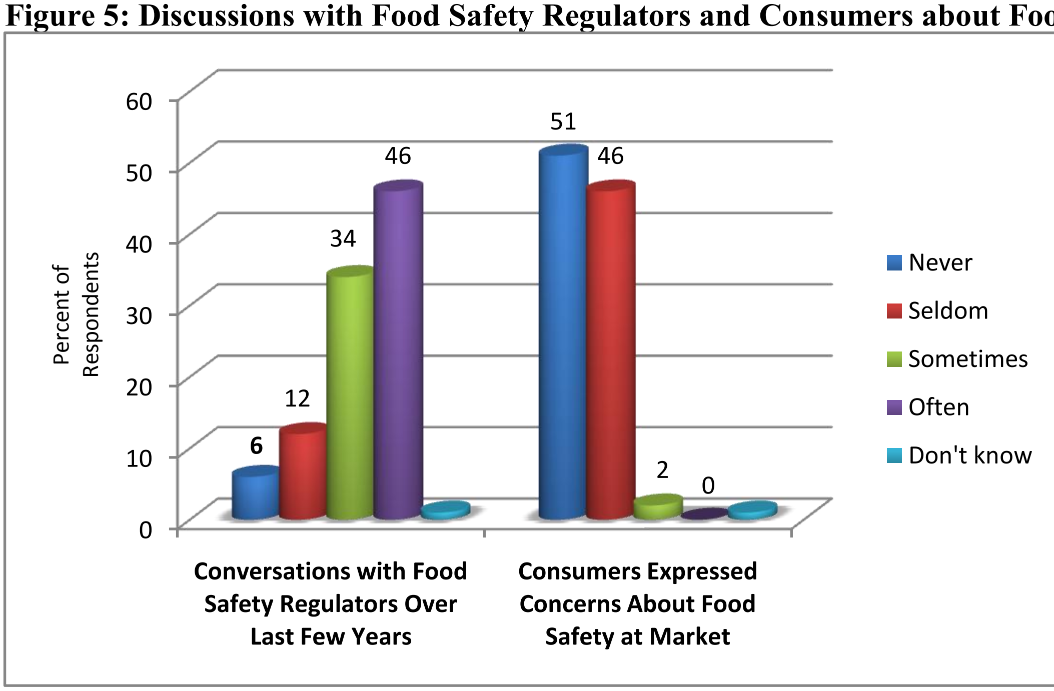
The survey of Pennsylvania farmers markets examined how Act 106, and food safety issues in general, affected the markets during the 2011 season. The vast majority of respondents to the survey (93 percent) were aware of Act 103. Many provided comments about how the Act impacted the market in 2011 (table 5). The most reported impact was none; in many cases when this was reported, the respondent noted that the inspector or State PDA office were helpful in working toward compliance. Other common responses were increased expenses for vendors and a loss of vendors or problems recruiting new vendors.

Table 5: Impacts of and Issues Surrounding PA Act 106 on Markets in 2011	
Aspect	**Number of Times Reported**
No problems or affect[1]	22
Increase in expense for vendors	8
Loss of vendors	6
Vendor recruitment (problems attracting new farmers)	6
Increase in management time/paperwork	3
Did pre-season planning or meetings	3
Were already operating under the standards	3
Vendors/market confusion; hard to know how to implement[1]	3
Vendor stopped selling product(s)	2
Act 106 not applicable to market	2
Initial concerns about compliance, but all resolved	1
Reduced expense for market (no license needed)	1

Note: Respondent's response can be counted in more than one aspect if multiple impacts or issues were reported.
[1]Organization that runs multiple market reported this aspect; this report was counted only once in this list, although the organization listed it for multiple markets.

Approximately 38 percent of the market managers said their market has experienced some food safety issue at their market. Although 80 percent noted that they sometimes or often had conversations with food safety regulators (figure 5) over the last few years, few reported that consumers expressed concerns.

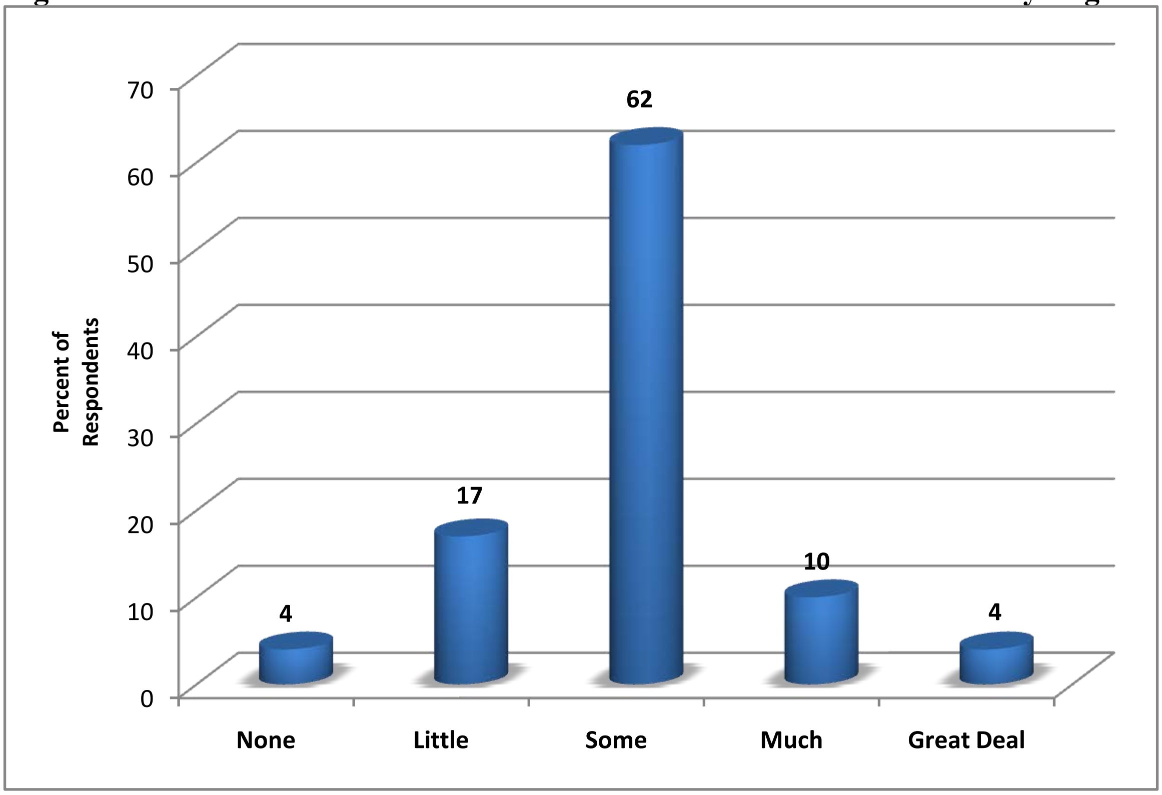
Figure 5: Discussions with Food Safety Regulators and Consumers about Food Safety



N=93

In line with what market managers reported about problems with Act 106, the majority (62 percent) noted that their market and vendors felt some pressure from food safety regulators, with only 10 percent reporting that they felt much pressure (figure 6). As noted previously, when asked about their technical assistance needs, 55 percent noted that technical assistance on food safety was somewhat needed, while another 5 percent felt it was highly needed.

Figure 6: Amount of Pressure Markets and Vendors Feel From Food Safety Regulators



N=93

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