



WHAT YOU NEED TO KNOW ABOUT SELLING IN FARMERS MARKETS

PART 1: Farmers Markets and its benefits

Allan Pinto and Ariana Torres

Farmers markets continue to grow in number and locations. According to the United States Department of Agriculture-Agricultural Marketing Service (USDA-AMS), there are currently 8,702 farmers markets in the United States, an increase of almost 400 percent since 1994 (USDA-AMS, 2017). The USDA-AMS directory of farmers markets reported 191 farmers markets in Indiana by August 2017: 129 summer and 62 winter markets. Indiana farmers markets vastly differ in size: markets may occupy a few stalls to several city blocks. For example, the Broad Ripple Farmers Market is an 80-vendor market in Indianapolis and is considered one of the biggest farmers market in Indiana.

Depending on the location, summer market season is anytime between mid-March until mid-November, while the winter season tends to be between November and March. Winter and summer markets offer vastly different produce choices. Winter markets usually offer less produce and the majority of the sales are spinach, kale, microgreens, potatoes and sweet potatoes, mushrooms, and squash. On the other hand, summer markets tend to offer a wide variety of greens, vegetables, fruits, and other specialty crops. Data collected by the [Horticulture Business pricing reports website](#) shows that Indiana farmers markets can sell anything from 13 fruits and vegetables (Warrick County Farmers Markets) to over 40 crops (Bloomington Community Center Farmers Market). The wide variety of fruits and vegetables of these locally sourced outlets highlight the local economy and gastronomy.

Farmers markets benefits

Farmers markets are much more than just a place to sell produce; they offer important benefits to farmers, buyers, and communities across the United States. Farmers markets provide a venue for communities to socialize, revitalize downtown districts, and help educate people to make healthier food choices.

Farmers markets are attractive outlets for locally grown flowers, ornamentals, and edible crops. These markets tend to serve as the primary outlet for smaller and part-time operations or as a complementary outlet for medium- and large-size growers who want to expand their sales (Feenstra et al., 2003). According to a study by Brown et al. (2007), there are two common groups of farmers market vendors: part-time and retired farmers. Part-time farmers tend to report lower sales value (which also represents a lower share of their household income) compared to full-time farmers. Feenstra et al. (2003)

found almost 80 percent of vendors reported that farmers markets provided the greatest opportunity to develop their business as compared with other market outlets. By selling directly to consumers, farmers are able to gain a higher share of the consumer's dollar, improve their cash flow, and travel shorter distances (which reduces costs in transportation, handling, refrigeration, and storage). Farmers indicate that these markets help them improve skills in customer relations, merchandising, and pricing; they also increase their business self-confidence (Brown, 2002).

For consumers, quality and value are among the most important attributes when purchasing produce at farmers markets. Consumers prefer these markets because they are able to buy fresh, locally grown, sold-by-grower, and seasonal produce (Egan, 2002). Andreatta and Wickliffe (2002) surveyed farmers markets costumers. They found that respondents prefer farmers markets due to the availability fresh produce (88 percent) and local products (64 percent). The same study found that main disadvantages of farmers markets are distance to markets (23 percent), seasonal variation (14 percent), and hours of operation (12 percent). Kezis et al. (1998) found similar customer characteristics in surveys they conducted similar in Maine, Virginia, and Delaware.

The growth and popularity of farmers markets offer important opportunities for fruit and vegetable farmers in Indiana. Farmers markets help to connect farmers and consumers and provide important economic benefits to growers (Torres and Marshall, 2016). Although Indiana farmers can take advantage of the economic opportunities of selling directly to consumers, farmers face a dearth of marketing information to help them choose how to price and market their products.

This article is the first of a series of articles providing information to farmers selling at farmers markets or other local outlets. This publication illustrates the main characteristics of farmers markets and the benefits of selling produce direct to consumers. Farmers can find more information about pricing strategies and more on the [Purdue Extension Horticulture Business website](#).

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