Popularity has spawned diversity — and rules — at certified farmers’ markets

Kathleen Peck  □  Ronald E. Voss  □  James I. Grieshop  □  Joan Wright  □  Martha Stiles

As a result of the dramatically increasing popularity of farmers' markets, some markets have reached capacity and have been obliged to establish policies about who has priority to sell. Small, part-time, hobby farmers feel particularly vulnerable as rules are established. The best way for them to go: Reserve market space far in advance and offer unique produce.

Farmers’ markets have become so popular in California that they now number 184, compared with 15 in 1978. They range from small markets with five to ten growers to sophisticated operations in large cities with hundreds of growers and total annual market sales in the millions. Their popularity has its down side; as markets become more successful, moregrowers want to participate, and as more participate, they find themselves forced to compete for sales space, particularly in the larger, busier markets.

The markets’ popularity has grown because consumers have become increasingly interested in nutrition, food and environmental safety, and the use of agricultural practices that support these concepts. Farmers’ markets have become an established part of many California communities, affording everyone an opportunity to socialize with neighbors and local farmers. They are a very pleasant way to shop.

Farmers’ markets usually occupy a finite area within a city or town on a specific day at specific hours. Limited space is available for growers, and at popular markets during summer months, stall space is at a premium. This has resulted in many markets establishing stall space priority rules, reservations, point-and-credit systems for tracking sellers’ attendance, and waiting lists for future stall vacancies.

In extreme cases, excluded growers/vendors have filed lawsuits against farmers’ market governing boards, arguing that stall space priority rules violate the constitutional rights of participants in public functions and constitute illegal restriction of trade. An undercurrent of dissatisfaction is expressed by some small and/or seasonal growers who feel excluded from farmers’ markets due to a combination of factors: fees, rules and regulations, reservations, and competition from larger more diversified growers.

Originally, some farmers’ markets in California were started as a way to introduce rare and unusual fruits to consumers. One of the early efforts involved kiwifruit, now a staple of the produce industry. Rare and unusual fruits and vegetables are most often grown by part-time, hobby farms with gross sales of less than $2,500 per year. These are defined as “mini-farms.”

With popularity, rules and regulations at farmers’ markets have also increased. Do these policies and rules tend to exclude the small, part-time market participant and limit the introduction of new products to consumers? To answer these questions and to learn more about the operation of certified farmers’ markets, a survey was conducted in the summer of 1992. One specific purpose was to identify factors restricting and encouraging mini-farmer participation in farmers’ markets.

Methods

In early summer 1992, California had 184 certified farmers’ markets. (“Certified” markets are those inspected and approved by state and local governments.) Markets at a single location, open on different days, were considered separate markets for the purposes of this study. A questionnaire was mailed to a randomly selected sample of market managers of one-half (92) of these markets. Of those mailed, 48 were completed and returned, a 52% response rate. Topics surveyed included (1) general background information about the manager and market, (2) fees paid by growers to participate, (3) policies and rules for reserving space at the market, (4) perceived restrictions to growers’ participation in the market, (5) reasons why, if ever, growers were turned away from the market, (6) incentives used by the market to encourage participation, and (7) the managers’ opinions as to the three most important factors limiting grower participation in the market and the three most important factors encouraging participation.

Results

This survey revealed the common and diverse characteristics of farmers’ markets and, when compared to a 1990 study by the California Department of Food and Agriculture (CDFA), indicated their continued growth and popularity.

One-half of California’s markets have been in existence for less than 5 years; 20% are 10 or more years old. From 1979 to 1989 the number of markets grew rapidly, 35 to 40% each year; in the last 3 years (1990-1992), growth has been 10 to 15% each year. The average number of stalls per market has increased from 33 in 1990 to 43 in 1992. The average number of growers participating at each mar-
ket day during the busy months (April-
November) has increased from 24 to 33.
Thus, farmers’ markets have increased in
both number and size. The range in size is
equally striking. Nearly one-third of the
markets gross less than $30,000 annually,
but several gross in excess of $1 million;
the average is about $200,000. Many mar-
tkets did not specify gross sales and many
said they did not know. Slightly more than
one-half are located in urban areas (50,000
or more people); the rest of the markets
are located in rural areas. An average of
10% of the stalls are rented to nonfarming
enterprises; more than one-third of the
markets rent only to farming enterprises; a
small minority (5%) rent more than half
their stalls to nonfarmers.

Essentially all markets charge a weekly
fee for participation. One-third of the
markets charge a flat rate stall fee, ranging
from $5 to $35 and averaging $17 per stall
per week; the other two-thirds charge a
percentage of gross weekly sales ranging
from 4 to 10% (average 6%). Markets with
flat rate fees have fewer of the smaller,
part-time growers participating. In addi-
tion, one-half of the markets charge an an-
nual membership fee, averaging $20 per
year and ranging from $10 to $40. Two-
thirds of the markets are located in coun-
ties that also charge a fee, most of which is
a certificate transferable to other counties;
these fees average $30 annually.

Farmer makeup varies greatly among
markets. One-half of the markets, based on
this random sample statewide survey,
consist of 10% or fewer of small, part-time,
hobby growers; another 15% of the mar-
tkets have 10 to 25% part-time, hobby
growers. Only 10% of the markets consist
of 90% or more of these growers. Thus,
while part-time, hobby farmers are a sig-
nificant component of many farmers’ mar-
tkets, the majority of participants are small-
scale farmers with a greater diversification
and volume of produce than the smaller,
part-time, hobby farmers.

Market rules regarding participation
are continually changing; in the last 2
years, one-fourth of the markets have
added market-mix restrictions; other re-
strictions are related to state direct mar-
keting laws, to fees and/or to grower
partnerships.

Table 1 lists the percentages of markets
using different policies, or criteria, for re-
serving space at farmers’ markets. The
most prevalent criteria are unusual prod-
cuts that will provide variety, short-season
products, advance reservations and regu-
lar attendance. Table 2 lists the relative im-
portance of factors perceived to restrict
grower participation at farmers’ markets.
These are factors from the market man-
ger perspective only, and do not consider
grower concerns, such as storage facilities,
transportation and distance to market.
Three-fourths of the markets indicated
that they must turn away growers; the rea-
sons and relative importance are listed in
table 3. The data in all three of these tables
clearly indicate that market mix is the fac-
tor that both limits and encourages grower
participation in farmers’ markets. Larger
markets tend to reserve space for growers
with unusual products or with products
that enhance market mix. A part-time
market participant may experience diffi-
culties in obtaining space unless his or her
produce or products differ from the rest
of regular participants.

Space limitations and reservation rules,
based on seniority and other point sys-
tems, also determine who is permitted to
sell at farmers’ markets. The 1990 CDFA
study indicated a 73% occupancy rate at
farmers’ markets; this 1992 study indi-
cated a 77% occupancy rate. “Lack of
space” was consistently mentioned in a
survey of 164 part-time farm fruit
growers in California, of whom 44%
re-
sponded. In response to this high occu-
pancy rate and limited stall space, particu-
larly those in urban areas with more than
20 growers per market, markets have been
developing a system of reserving space ac-
cording to seniority and attendance. Se-
riion is based on numbers of years of
participation in the market, which ensures
a grower not only weekly stall space but
also increasingly better stall locations
within the market. Most markets use a
credit or point system to keep track of sell-
ers’ attendance. In the desirable, high
gross, sales markets, this system favors
participation by farmers with larger vol-
ume and/or more diversification in pro-
duce. Markets with a low percentage of
small growers and with larger gross sales
are most often urban markets which must
restrict participation because of space limi-
tations. Smaller markets have a higher per-
centage of small, part-time hobby growers,
and often have fewer space restrictions
than their larger, urban counterparts.

While numerous market restrictions
confront smaller growers, many markets
also offer incentives for them. More than
half of the markets reserve space for un-
usual or short-season products; one-third
of the markets reserve space for backyard
growers, and one-fifth of the markets offer
reduced fees for these growers. Only 10% of
the markets indicated that they do not
encourage part-time farmers in some way.

Conclusions
As the popularity of California’s certi-
fied farmers’ markets continues to increase
among both growers and consumers, re-
strictions on grower participation are
likely to become more severe. Foremost
among restricting factors is the “market
mix” or the fact that many growers have
too much of the same product, at the same
time. Market space and the related factors
of reservation and seniority rules are also
restrictive. Noncompliance and a general
misunderstanding of city, county, state
and individual farmers’ market rules,
regulations and fees are also a problem for
part-time hobby growers/marketers.

Growers successful at marketing
through farmers’ markets either have a di-
verse mix of produce/products or they
produce something that contributes to
overall market mix; they have sufficient
and continuous supplies throughout the
season or year; and they participate in the

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| TABLE 1. California farmers’ markets criteria for
<table>
<thead>
<tr>
<th>reserving stall space</th>
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<tbody>
<tr>
<td>Policy or criterion for priority</td>
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<tr>
<td>Unusual product contributing to more market mix</td>
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<td>Short season products</td>
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<td>Advance reservations or waiting list</td>
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<td>Regular attendance during busy season</td>
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<td>Regular attendance plus point or credit system</td>
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<td>Nonprofit and community groups</td>
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<tr>
<td>Market mix of grower</td>
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<td>Full time, professional farmers</td>
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<td>Growers share space or sell on alternate weeks</td>
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<table>
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<tr>
<th>TABLE 2. Factors restricting grower participation at California farmers’ markets</th>
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<tbody>
<tr>
<td>Factor</td>
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<tr>
<td>-----------------------------</td>
</tr>
<tr>
<td>Same product as regular attendees</td>
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<tr>
<td>Sporadic attendance</td>
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<tr>
<td>Reservation and seniority rules</td>
</tr>
<tr>
<td>Insufficient space</td>
</tr>
<tr>
<td>Small display</td>
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<tr>
<td>Prices too high</td>
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<tr>
<td>Hobby gardeners, not full time</td>
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<tr>
<td>Stall fees</td>
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<tr>
<td>County fees</td>
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<tr>
<td>Other fees</td>
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</tbody>
</table>

*Rating scale: 4.0 = very important in all markets; 0 = never important.

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<tr>
<th>TABLE 3. Reasons farmers are denied stall space at California farmers’ markets</th>
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<tbody>
<tr>
<td>Reason</td>
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<tr>
<td>-----------------------------</td>
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<tr>
<td>Product or market mix same as others</td>
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<tr>
<td>Insufficient stall space</td>
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<tr>
<td>Can’t/doesn’t comply with rules or pay fees</td>
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<tr>
<td>Did not request space in advance</td>
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<tr>
<td>Inconsistent attendance</td>
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<tr>
<td>Pricing habits (too high or too low)</td>
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<tr>
<td>Hobby gardeners, not full time</td>
</tr>
</tbody>
</table>

*Rating Scale: 4 = very important in all markets; 0 = never important.
Farmers' markets such as this one at Davis offer organic and specialty produce.

market regularly. A small, part-time or hobby grower can be successful by offering unusual, quality products that will add to overall market mix and by reserving stall space as far in advance as possible.

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