

California's certified farmers' markets have grown rapidly during the past five years. There were 12 certified markets in 1978, 34 in 1980, and 68 in 1982, some operating year-round. The program began in 1977, when the California Department of Food and Agriculture established regulations relaxing the packaging, grading, and container requirements on produce sold at markets at which sellers certified that they or a family member have grown or raised the items being sold. These are not "flea markets," in which seconds or culls from the wholesale market are sold. That practice is prohibited by market regulations. Major goals of the program are to increase sales outlets for small local growers and to bring lower prices to the consumer.

One reason for the expansion of the program has been its popular appeal, not only to small farmers and consumers, but also to city officials and business people concerned with the health of the town center. In many parts of the country, downtown merchants are strong supporters of farmers' markets. More than 90 percent of the farm-community markets in Illinois are sponsored by a chamber of commerce or downtown merchants' association. The consensus is that farmers' markets are good for business. They reverse the trend for shopping in the suburbs by bringing people into the central city.

One of the most impressive success stories occurred in 1973 in Syracuse, New York, where the Chamber of Commerce assisted in beginning the Dutin Farmers' Market. City officials agreed to close off a street block every Tuesday from late spring through fall. By the middle of the first summer, more than 60 farmers were selling at the market. A traffic count the following year showed more than 12,000 visitors on a typical summer Tuesday. Downtown merchants reported increases in store sales of 8 to 14 percent on Tuesdays, and the market had a snowball effect on improvements in the immediate area. The city offered a free bus tour of the downtown district, ending at the market. The parks department put picnic tables on a small lawn adjoining the market for people to sit down and snack. At election time, political candidates set up tables, because they found the market a good place to meet potential voters. The farmers' market in Yuma, Arizona, was specifically situated in an old section of town to revitalize a stagnating business district. "It's a way to get people back to that part of town," declared Ron Canham, Rural Development specialist for

Farmers' markets are good for downtown

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They can help revitalize declining city center shopping areas

the Cooperative Extension Service in Yuma.

Initially, some downtown retailers may be apprehensive about the effect of a farmers' market on their own businesses. In Wilkes-Barre, Pennsylvania, Diane Drier of the Community Development Office overcame these fears by pointing out that farmers' markets do not sell such items as canned goods, frozen goods, and meats. In San Luis Obispo, California, the Saturday market is held on the parking lot of a local supermarket. This develops goodwill for the supermarket, as well as customers who shop at the supermarket for things other than the seasonal fruits and vegetables available from local growers.

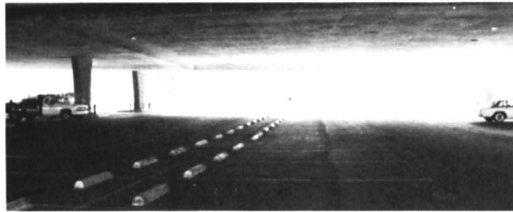
There has been little attempt to systematically document the effects of farmers' markets on the surrounding area. In what ways do farmers' markets affect their neighborhoods? Do local merchants see an effect on retail volume, and do they try to capitalize on the presence of the market through special sales? Can a city use a farmers' market to try to reverse a downtown decline?

We looked about for established farmers' markets in downtown areas, operated when nearby stores were open. Visits to seven potential research sites produced interesting bits of information. A member of the Tracy downtown im-

provement district considered the farmers' market "the greatest thing for getting people down on a repetitive basis — making a habit of shopping downtown." In Modesto, the County Library, which is on the street where the market is held, matches its used book sales to the day and time that the market is open. Library staff said they thought that the farmers' market increased book sales and possibly also regular book circulation. A Modesto merchant near the market scheduled sales intended to appeal to market customers. From these early visits, two mid-week markets that operated when nearby stores were open were selected for detailed study: the Wednesday morning market in Tracy and the Saturday market in Stockton. We interviewed city officials, downtown merchants, farmers, and customers at each market during the summer of 1981.

Tracy

According to city officials, downtown Tracy had been hurt by outward growth, peripheral competition, and a lack of drawing power. The town center possessed only one major department store, which had been dwarfed by the increase in population. Attempts to get additional major chain stores to locate downtown had been unsuccessful. A



Farmers' market in Tracy highlights urban-rural contrast. Some stores have sales on market days to lure strolling shoppers. Above: During-and-after views of Stockton farmers' market.

large mall in nearby North Stockton drained business away from the central district. The Downtown Improvement District regarded the farmers' market as one positive force in bringing people back into the downtown area.

In the summer of 1981, the Tracy market was in its third year, with approximately 20 growers in attendance. We interviewed 30 customers, 10 farmers, and 10 merchants. Of the customers, more than half considered themselves to be regular customers. Two-thirds had come an average distance of 2½ miles to the market; the rest had come less than a mile. Except for one person who came on foot, all had come in automobiles. The average amount spent at the market by customers was \$7 with a range between \$2 and \$25.

Half of the respondents typically shopped outside the downtown area for their groceries. Two-thirds would not have come downtown on that Wednesday if not for the farmers' market. Since an estimated 800 people were at the market on that particular day, the market probably generated an extra 500 people visiting the downtown area. More than half of these customers expected to tie in the trip with other shopping, and they expected to spend an average of \$26 each at places downtown other than the farmers' market.

Thus, these customers would actually spend more money at other downtown businesses than at the farmers' market itself. Another benefit of the market was its effect on people's impression of downtown Tracy — described as a more positive image by more than half of the customers interviewed.

The farmers were all from the Stockton-Tracy area, traveling an average of 28 miles. All considered themselves regular sellers at the market, and all had at least one other outlet for their produce in addition to the Tracy market. Very few of the farmers expected to tie the trip in with other activities. There simply wasn't any time, considering that they had to get up very early to pick and pack their produce and drive to the market before 8:00 a.m., and then return home to work on their crops during the busy summer season. The farmers expected to spend an average of \$3.50 on items outside the farmers' market while downtown — most often for lunch or snacks after the market.

The presence of the market improved the farmers' image of downtown. Almost half reported being previously unfamiliar with the downtown area and now liking it. These impressions may have a long-range positive impact. The farmers might now visit downtown Tracy instead of going somewhere else to

shop, because they have seen stores that they had not been aware of before, and now feel more comfortable being there.

All ten retailers surveyed were aware of the presence of the market; six of them believed that the market affected their business. Four felt that the market brought more people into their store. Two merchants gave negative responses relating to the touchy topic of downtown parking. They felt that the market generated traffic to the point where their regular customers couldn't park in front of the store. Eight of the merchants reported that the additional people downtown for the market made the area seem more lively and friendly.

Stockton

Stockton has experienced a heavy northern growth, which has drained off a portion of downtown retail sales to new shopping malls in the north. A federal urban design team sponsored by Housing and Urban Development (HUD), which evaluated downtown Stockton in 1981, concluded that a farmers' market would "have the potential to provide a positive focus for the interaction of many different segments of the Stockton community."

On a Saturday in August 1981, we interviewed 30 customers, 14 farmers, and 9 retailers in nearby stores. Over 85 percent of the customers interviewed traveled 12 miles or more to reach the market. Almost 90 percent reported that they ordinarily shopped outside the downtown area for their groceries. They expected to spend an average of \$10.50 at the market. Of those surveyed, 83 percent would not have come downtown on Saturday if not for the market. A third had tied in the trip with other activities, including shopping and dining. The amount that these people expected to spend at places downtown other than the farmers' market averaged \$14.50 — again, more money with other merchants than at the farmers' market. More than a third of those surveyed felt that the market had given them a more favorable image of downtown; no one felt it had worsened their impressions.

The farmers were all from the Stockton-Tracy area, traveling an average of 12 miles. All were regular sellers at the market and had at least one other outlet for their produce. More than two-thirds of the farmers tied the trip to the Stockton market in with other activities. Farmers expected to spend an average of \$20.50 on items outside the market for meals or miscellaneous shopping. The market had a very positive impact on the farmers' impressions of down-

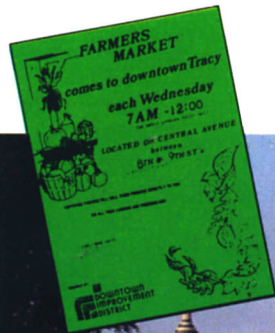
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The Tracy, California, farmers' market fronts on one of that city's main business streets, drawing customers downtown.

town, which now seemed a more pleasant place, friendlier, and more populous. It seems likely that in the future farmers will be more likely to shop there on non-market days and to convey these good feelings to other prospective shoppers.

The nine merchants interviewed were all aware of the market; about half reported that it affected their business, and the rest felt that it did not. Retailers were divided as to whether it had a positive or negative effect. None had made any efforts to capture the market crowd: none had timed any sales to coincide with the farmers' market or changed their window displays to lure people. Most of the merchants felt that the market had improved the image of downtown.

The positive effects of the farmers' markets can be seen in their (1) bringing additional people downtown, (2) having a direct economic impact, and (3) caus-

ing favorable attitudes. The fact that 70 percent of customers surveyed at the two markets did not usually shop in the downtown area for their groceries indicates the markets' drawing power. Almost the same percentage would not otherwise have been downtown on that particular day. Almost 45 percent of the two groups of respondents linked their visits to the markets with other activities, and these customers spent an average of a little under \$20 downtown. For the total sample, the average amount spent downtown was \$8.54. Although this is not a large amount on an individual basis, it is mostly money that would not otherwise have been spent downtown at all. In addition, farmers selling at the markets spent an average of \$9 downtown — also money drawn to the area by the market.

The positive impressions reported by customers and farmers, and lack of negative responses, may have a long-term

favorable effect on the economic and social health of the central business district.

Downtown retailers were more mixed in their opinions concerning effects on their businesses, although only one of them did not like the market's presence. The majority felt that the market improved the downtown area.

It was surprising that most merchants had made little attempt to capture market customers with sales or changes in window displays. Our survey may have had some positive effect in this regard. More than two-thirds felt that the potential existed for increased sales, if they could just link up with the market in some way. Possibilities suggested included special market-day sales and displays by local stores at the market. It is definitely in the interests of the farmers' markets to develop and maintain goodwill among local merchants.

Store owners selling produce reported some drop in sales on market day. This is probably to be expected, but it could be compensated for by special "farmers' market day sales" on complementary items unavailable at the market: shortcake mixes or pastry shells during the strawberry season; ground lamb with free ratatouille recipes during the season for tomatoes, eggplant, and bell peppers; and food-preservation supplies. Some creative thought could turn the extra congestion on market day into a positive factor for all the merchants in the area.

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