

KNOWLEDGE EXCHANGE PARTNER

VOLUME 12 | ISSUE 8 | AUGUST 2018

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Direct to Consumers: A look at Farmers' Markets in the Northeast

According to the USDA's Agricultural Marketing Service (AMS), there are more than 1,600 farmers' markets in the Northeast.¹

Farmers' markets are located in all U.S. states and territories, but they are most concentrated on the east and west coasts. Of the 8,742 markets on the USDA list, 19 percent of them are located in the Northeast.

While farmers' markets have existed for a long time, the most rapid growth occurred in the 20-year period from 1994-2014, during which the number of markets increased more than five-fold; from 1,755 in 1994 to 8,268 in 2014. While the number of markets has leveled off since then, they remain a key link between farms and consumers both in rural and urban communities.

In 2014, USDA/AMS surveyed nearly 1,400 market managers across the U.S. about the prior years' activities and found a number of interesting takeaways:

- **Fruits and vegetables are the heart of the farmers' market**, and organics have a strong presence. Virtually all surveyed markets (99 percent) sold locally grown fruits or vegetables. Two-thirds (66 percent) also indicated that they had at least one USDA-certified organic vendor. While produce remains the staple of most farmers'

Northeast Farmers' Markets

Connecticut	156
Maine	98
Massachusetts	327
New Hampshire	96
New Jersey	151
New York	673
Rhode Island	36
Vermont	92
Total	1,629

Figure 1: USDA/NASS

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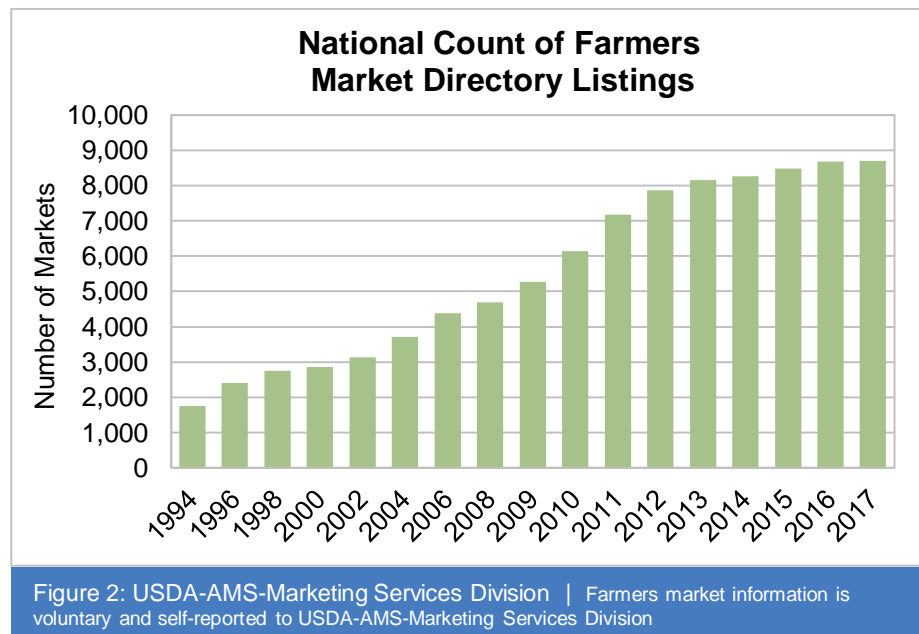
¹ USDA/AMS, *Local Food Directories*, *National Farmers Market Directory* July 26, 2018

markets, many have expanded with vendors offering meat, dairy, honey, maple syrup products and prepared foods while some add local arts, crafts and even entertainment.

- **Consumer demand, as of the 2014 survey, remained robust.** Nearly two-thirds reported increased customer traffic and annual sales at their markets between 2012 and 2013. More recent data, however, suggests that traffic counts and spending has leveled off (and may even be declining at some markets) as farmers' markets trend toward maturity. We continue to look at this trend later in this article.
- **Web and mobile-based technologies, along with social media, are important for market promotion and customer retention.** Most market managers surveyed (84 percent) used website and social media outlets to reach their customers. About half used e-newsletters.
- **Volunteers are critical to farmers' markets.** Seventy-five percent of markets used volunteers to perform some operational activities, and nearly half of market managers were volunteers.
- **Access to State and Federal nutrition assistance programs** is widespread and growing. Nearly three-quarters of markets have at least one vendor accepting nutrition assistance benefits as payment.
- **Farmers' markets help educate the public on nutrition.** In addition to the focus on fresh fruits and vegetables, most markets (81 percent) featured programs to encourage healthy eating, such as offering nutrition education, distributing recipe cards or hosting cooking demonstrations.

While the farmers' market trend has been enormously successful overall, there are some signs that the sector is starting to mature, and growth in number of markets and overall sales has begun to taper off.

One sign is that the sheer number of markets has grown to the point where most areas in the Northeast have one nearby. This has limited the potential for further growth, as additional markets tend to spread out the available farmers and customers more than it expands the overall pool.



In addition, some trends in food retailing may be eroding farmers' markets inherent advantage. Among those is a significant expansion in the marketing of local foods by both specialty food retailers (such as Whole Foods) and mainstream supermarkets, meaning that farmers' markets are not the only source for local foods.

One response to this trend is many farmers' market vendors are adopting best practices from retailers in marketing and merchandising their products. Chris Wayne, Director of FARMroots, GrowNYC, reports that farmers at the New York City Greenmarkets who have adopted some of these marketing techniques have seen

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a 17 percent increase in sales, on average. We featured an article from Mr. Wayne in our December 2017 *Knowledge Exchange Partner*, regarding some of these marketing strategies. [Click here to read.](#)

A significant boost to farmers' markets, as well as the consuming public, has been the expansion of incentive programs and the greater acceptance of food assistance programs such as the Supplemental Nutrition Assistance Program (SNAP) and SNAP for Women, Infants and Children (WIC). While programs vary by state or local jurisdiction, many areas have programs which can increase, often by double, food assistance benefits when spent at farmers' markets. This has both increased consumer demand and revenues at participating farmers' markets, as well as expanded local food access to a broader range of demographics and income levels.

However, there could be an issue with SNAP and Electronic Benefits Transfer card (EBT) acceptance at Northeast farmers' markets. The current vendor contract – which provides smartphone acceptance capabilities for farmers' markets – is expiring soon, and the new vendor may not provide such capability. The USDA has signaled their intention to resolve this issue, but has not yet announced a fix for the problem.

So far this year, reports from across the Northeast indicate that customer traffic is strong at most farmers' markets in the region. The weather has generally been cooperative for both growing and selling, and most market vendors report that sales have been brisk for raw produce, value-added and prepared foods. While the farmers' markets may be closing in on maturity, they continue to be a popular, vibrant part of many communities. They also provide a relatively unique opportunity for consumers to meet the farmer that grows or provides the products they buy, and for farmers to make the local food connection while getting a greater value for their products.

[SURVEY OF CONSUMER PURCHASING HABITS, NOW OPEN](#)

In response to slower growth at farmers' markets, the *Farmers Market Federation of New York*, in conjunction with Cornell University, is sponsoring research into consumers' food shopping habits and interests. The survey is live now, and will remain open through October 1; [click here to take the survey](#). They are interested in responses from all types of people, whether or not they shop at farmers' markets.

Northeast Farm Economy – Mid-year Update

In 2018, Farm Credit East projects net farm income to fall and come in somewhat below 2016 levels, due mainly to weak commodity prices. A significant factor in this decrease is milk prices, which are now rising, but were extremely low during the first half of the year. In addition, prices for grains and oilseeds remain weak. Relatively good performance is expected from the green industry, vegetables and ag retail, but this is outweighed by declines in the commodity sectors.

Our annual mid-year agricultural conditions report begins with an outlook on net farm income in Farm Credit East's seven-state territory. This year's report reviews the latest tariffs and trade disputes, which have left producers concerned about what the future holds. Input cost inflation for Northeast producers is also discussed. Finally, a summary of yearly progress is given for the dairy, cash field, timber, livestock, fruit, aquatic, greenhouse and vegetable industries.

To read the full report, [click here](#) for visit [FarmCreditEast.com](#).

CONTACT INFORMATION

We look forward to your questions about Knowledge Exchange Partner and your feedback:

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