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Marketing Channels Used by Small Tennessee Farmers

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Abstract

One of the key challenges that small farmers face is marketing their products. National and international markets are difficult to tap into for small farmers due to their inability to compete with large farm operators that dominate these markets. The objective of this study was to examine marketing channels used by small Tennessee Farmers.

A mail survey was sent to 250 selected small farmers in Tennessee. Ninety-two completed responses, representing about 37% response rate, were received. Over half of the farmers had off farm employment. Preliminary analysis showed that 40% used direct marketing; 23% wholesalers; 16% retailers; 14% cooperatives and 4% contract.

More educated farmers tended to avoid middlemen. Farmers operating animal enterprises appear to use middlemen more compared to crop producers. This may be due to feed and other costs involved in maintaining animals. Farmers working off farm tended to use middlemen due to time constraint. Farmers that took risk chose direct marketing reflecting their willingness to accept lower profit if sales do not go as planned. The use of cooperatives is limited indicating that its formation and growth is dependent on mutual trust among the members. The use of contract by a very small percent of farmers may be a reflection of the challenge that small farmers face in generating large volume of their products on a sustained basis which is usually demanded by buyers.

Keywords: Marketing Channels, Small farmers, Tennessee, mail survey, direct marketing