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Marketing Modules Series

Marketing Module 7: Placement/Distribution Example

Direct Marketing - Farmers Markets



Photo: Syracuse , NY Regional Market
<http://activerain.com/blogsviw/114413/syracuse-at-its-best-regional-market-farmer-s-market>

Selling directly to the end consumer means:

- Better control of how products are sold
- Faster reaction to market and consumer changes
- Faster and cheaper distribution than through intermediaries
- Sellers have to take on most of the marketing and distribution functions, BUT
- Can take a higher share of the channel revenues!!

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Complete Marketing Modules Series available at: <http://hortmgt.gomez.dyson.cornell.edu/Marketing-Modules.html>

Farmers Markets Flourishing in the U.S.

- Farmers Markets are not new in the U.S. but they declined in popularity with the advent of modern-day agriculture and grocery retail business
- Today Farmers Markets are flourishing throughout the country due to the benefits that they present to both consumers and growers



Photo: Parkville, MO Farmers Market
<http://www.parkvillemo.net/parkvillemo/1066.pms>



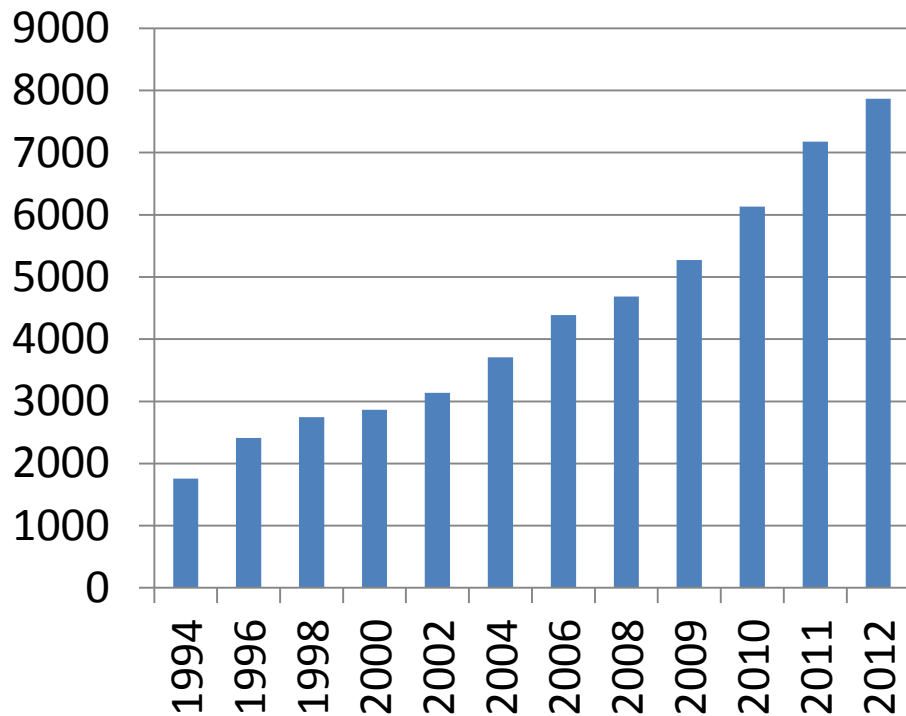
Photo: Chicago Farmers Markets
http://www.explorechicago.org/city/en/supporting_narrative/events___special_events/events/mose/neighborhood_farmers.html



Photo: Chico, CA Certified Farmers Market
<http://www.northvalley.net/farmersmarket/>

Farmers Markets Growth

Number of Operating Farmers Markets in the U.S.



Source: USDA-AMS Marketing Services Division



Photo: Union Square NY City Farmers Market
<http://www.urban75.org/photos/newyork/ny169.html>

Within the past 18 years the number of operating Farmers Markets throughout the U.S. has increased 4.5 times going from 1,755 in 1994 to 7,864 in 2012

Farmers Markets Sales



Photo: Raleigh NC State Farmers Market
http://www.consultwebs.com/farmers_market/

Revenues at Farmers Markets are tough to gauge because many vendors operate on a cash basis but data from the latest National Farmer Market Managers survey from 2005 indicated total sales were slightly over \$1 billion, up from \$888 million in 2000

Who Benefits from Farmers Markets?

Small/Medium-sized Farm Operations

**Farmers Markets are
a source of income:**

- According to USDA's latest National Farmers Market Survey, more than 25% of vendors in 2005 derived their sole source of income from Farmers Markets
- For others, they constitute an additional revenue source
- And for some small-scale farmers they create the opportunity of converting a hobby or part-time activity into earned income



Photo: Union Square NY City Farmers Market
<http://veggiegirivegan.blogspot.com/2009/08/new-york-city-revisited-part-3-union.html>

Who Benefits from Farmers Markets?

Consumers

Farmers Markets allow consumers to:

- Have access to locally produced farm food which they perceive as having better value and nutrition
- Feel more secure knowing the source of their food
- Personally interact with the individuals that grow the food they eat



Photo: Advocates for Urban Agriculture Chicago
auachicago.wordpress.com/

What do Consumers Look For at Farmers Markets?

- Freshness
- High quality
- Fair pricing
- Locally-grown foods
- Organic products
- Safer foods (less risk of food-borne illnesses)
- Support the local agriculture
- Pleasant social interaction with farmers and other shoppers
- Some appreciate having direct contact with farmers that use ecologically friendly agricultural techniques



Photo: Raleigh NC State Farmers Market
http://www.consultwebs.com/farmers_market/

Who Benefits from Farmers Markets?

The Community at Large

- Farmers Markets also provide easier access to fresh nutritious foods in many urban communities where they are scarce through:
 - WIC Farmers Market Nutritious Program
 - Seniors Farmers Market Nutrition Program



Photo: Raleigh NC State Farmers Market
http://www.consultwebs.com/farmers_market/

What are the Key Opportunities for Farmers Selling Directly to Consumers?

First and foremost:

It's a profit opportunity!

- At Farmers Markets vendors get 100% of the retail price and most times in cash
- When selling through a store, farmers give up 30-50% of the retail price
- When selling to a distributor farmers give up 50-70% of the retail price



Photo: Raleigh NC State Farmers Market
http://www.consultwebs.com/farmers_market/

What are Other Key Opportunities for Farmers Selling Directly to Consumers?



Photo: Farmers Market Oceanside, FL
<http://tcollier4480.webs.com/apps/photos/photo?photoid=20713368>

Other Key Opportunities are:

- Benefit from consumer's desire and perception of locally grown produce
- Preserve their products' optimal quality
- Promote own products
- Educate consumers on the uses and benefits of the products sold
- Identify market opportunities: learn first hand what the clients want
- Develop own Public Relations!



Photo: North County Farmers Market Association Inc.
http://www.northcountymarket.com/mediagallery/IMG_1266.jpg



Photo: Northside Farmers Market, Pittsburg, PA
http://connect.sierraclub.org/post/Groups/Fans_of_the_Farmers_Market/photos/img3474.html