

Farmers' markets harvest new business

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Something fresh is growing in Indiana. The number of farmers' markets in the state has increased at double the rate of other U.S. states; between 1994 and 2004 the number of farmers' markets in Indiana increased by an impressive 222%. Researchers at Purdue have published an insightful study that identifies the reasons behind this unprecedented growth.

Christa Hofmann, Jennifer Dennis, and Maria Marshall from the Department of Agricultural Economics at Purdue University published their findings in a recent issue of [HortScience](#). "Although Indiana's farmers' markets have grown at twice the rate of the nation's markets, the factors that influence participation in such markets were unknown. The purpose of our study was to examine factors that influence vendor and [customer](#) participation at Indiana's farmers' markets", explained Dennis.

For the 2006 study, an Internet and mail census was sent to market masters (the person identified as being responsible for the daily operation and supervision of a farmers' market) to assess operational procedures and factors that influence both customer and vendor participation in the market.

According to the study, paying fees and the number of customers present at markets were the two variables that had a significant, positive influence on vendor participation. The fees vendors paid to take part in farmers' markets was a factor, but rarely was the fee high enough to discourage participation in the market. In fact, the amount of the fee could be perceived to add to the sophistication of the market because

markets that charge more often have more money budgeted for advertising and promotion.

The most important factors to customers included: the presence of WIC (Women Infant & Children Farmers' Market Nutrition Program), the number of products available, cooking demonstrations, and the number of vendors. Notably, the study results showed that when WIC vouchers were accepted at a market the number of customers increased by 20.

"For every one additional product type available at the market, the number of customers increased by 20 per week when all other variables are held constant", remarked Dennis.

Among other notable outcomes, the study found that concession stands at farmers' markets increased the number of customers by 110 per week. Music, however, was not an attractive option for consumers; the number of customers decreased by almost 200 per week at markets that offered live music. "These findings could indicate that customers attend the market to shop, not to be entertained", the researchers explained.

The research also produced this pointer for farmer's market managers who want to increase customer traffic—add a cooking demonstration. Markets that offered cooking demos attracted up to 200 more customers per week.

More information: The complete study and abstract are available on the ASHS *HortScience* electronic journal web site:

hortsci.ashspublications.org/c ... nt/abstract/44/3/712

Source: American Society for Horticultural Science

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