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Contents

Summary	1
Background and Research Methods	3
Profile of Survey Respondents	7
Farmers Market Industry Overview	8
Trends in Farmers Market Sales	17
Outreach to Customers	39
Vendor Characteristics	41
Operational Issues at Farmers Markets	50
Implications of Analysis for Market Managers	78
Appendix 1: Regional Definitions	80
Appendix 2: Rural-Urban Continuum Codes	81
Appendix 3: Survey Questionnaire	82
Appendix 4: Distribution of All Farmers Markets, by Sales Categories and Rural-Urban Continuum Codes	92
Appendix 5: Comparison of Markets Less than 5 Years Old, by Characteristics	93
Appendix 6: Market and Vendor Characteristics for Markets: Open Less than 7 Months, Open 7 Months or More, and Year-Round Markets	96
Glossary	100

Figures

Figure 1. Distribution of farmers markets, population distribution versus survey distribution, by region	8
Figure 2. Percentage of farmers markets, by average years of operation	9
Figure 3. Distribution of farmers markets, by age and region	10
Figure 4. Average and median number of vendors per farmers market, by region	11
Figure 5. Distribution of number of vendors at farmers markets, by region, in percent	12
Figure 6. Distribution of annual vendor sales at farmers markets, by region	13
Figure 7. Percent of seasonal and year-round markets, by region	14
Figure 8. Average months of operation, by region	15
Figure 9. Distribution of seasonal farmers markets, by months of operation and region	16
Figure 10. Average annual sales per market, by region	17
Figure 11. Percentage of market vendors that sold only their own products, by region	18
Figure 12. Average monthly sales at farmers markets, by region (all markets)	19
Figure 13. Distribution of monthly sales at all farmers markets, by region and sales category of market	20
Figure 14. Percentage of retail sales at farmers markets	21
Figure 15. Average monthly sales, by region (seasonal markets)	23
Figure 16. Distribution of monthly sales of seasonal markets, by region, in percent	24
Figure 17. Number of months in operation, seasonal markets	25
Figure 18. Percentage of U.S. farmers markets selling selected products	27
Figure 19. Percentage of U.S. vendors selling selected products at farmers markets	28

Figure 20. Percentage of farmers markets that sell organically labeled products, by region	29
Figure 21. Distribution of organically labeled products sold at U.S. farmers markets	31
Figure 22. Distribution of vendors selling organically labeled products at farmers markets	31
Figure 23. Percentage of farmers markets that sold specially labeled products (other than organic), by region	32
Figure 24. Farmers markets that sold specially labeled products (other than organic), by product type and region	33
Figure 25. Top ranked attributes of customers who shopped at farmers markets, by region	34
Figure 26. Average weekly customer counts of seasonal farmers markets, by region	35
Figure 27. Weekly customer counts at seasonal farmers markets, by region and size of customer traffic	36
Figure 28. Percentage of seasonal markets, by rural-urban continuum code and region	37
Figure 29. Distance traveled by customers of farmers markets, by region	38
Figure 30. Types of advertising used by markets, in percent	39
Figure 31. Manager ranking of advertising method importance, in percent	40
Figure 32. Distance traveled by vendors, by region	45
Figure 33. Regional distribution of vendors, by race	47
Figure 34. Regional distribution of Hispanic and Non-Hispanic vendors	48
Figure 35. Market managers' perception of product supply versus customer demand, in percent	49
Figure 36. Who develops rules at farmers markets, in percent	50
Figure 37. Restrictions at U.S. farmers markets, in percent	51
Figure 38. Percentage of vendors at farmers markets that sold only what they produced	51
Figure 39. Distribution of vendors that sold only their own products, by region	52
Figure 40. Percentage of self-sustaining farmers markets, by age of market	53

Figure 41. Markets' use of fee types, in percent	54
Figure 42. Percentage of non-sustaining markets, by funding source and age	55
Figure 43. Paid employees versus volunteers at farmers markets, by region	56
Figure 44. Number of paid employees versus volunteers, by region	57
Figure 45. Average annual salary of market managers, by region	58
Figure 46. Farmers market monthly sales at markets with paid managers, unpaid managers, and all markets	59
Figure 47. Farmers market monthly sales at markets with paid managers, unpaid managers, and year-round markets	60
Figure 48. Distribution of seasonal farmers markets with paid and unpaid managers, by sales categories, in percent	61
Figure 49. Distribution of year-round farmers markets with paid and unpaid managers, in percent	61
Figure 50. Top operational concerns of farmers markets, by region	64
Figure 51. Marketing assistance needs of farmers markets, by region	65
Figure 52. Women, Infants, and Children's Farmers Market Nutrition Program participation, by region, in percent	67
Figure 53. Average monthly value of farmers markets' Women, Infants, and Children's Farmers Market Nutrition Program sales, by region	67
Figure 54. Senior Farmers Market Nutrition Program participation, by region, in percent	68
Figure 55. Average monthly value of Senior Farmers Market Nutrition Program sales, by region	69
Figure 56. Farmers markets utilizing electronic benefits transfer program, by region, in percent	70
Figure 57. Average monthly value of electronic benefits transfer sales at farmers markets, by region	70
Figure 58. Farmers market participation in food gleaning, by region	71
Figure 59. Average value of food gleaned from farmers markets per month, by region	72
Figure 60. Distribution of farmers markets, by number of vendors and years of operation, in percent	75

Tables

Table 1. Comparison of markets less than 5 years old, by selected characteristics	22
Table 2. Market and vendor characteristics for markets: open less than 7 months, open 7 months or more, and year-round markets	26
Table 3. Farmers markets that sold organic products compared with markets that did not sell organic products	30
Table 4. Average monthly sales per vendor, by region	42
Table 5. Average annual sales per vendor, by region	43
Table 6. Average monthly sales per vendor, by number of vendors	43
Table 7. Monthly sales per vendor, by age of market	44
Table 8. Farmers market monthly sales at markets with paid and unpaid managers	62
Table 9. Monthly sales and distribution of sales at farmers markets, by years of operation and market sales level	73
Table 10. Number of vendors, customers, and sales, by years in operation (all markets)	74
Table 11. Comparison of markets less than 5 years old, by monthly sales and degree of urbanicity	76
Table 12. Comparison of markets open less than 7 months versus year-round markets, by degree of urbanicity	77



Summary

Our latest analysis of the U.S. farmers market industry shows the sector continues to experience brisk growth, but that many newer farmers markets have not yet been able to generate the sales volume enjoyed by older farmers markets, raising questions as to whether current levels of industry growth can be sustained over time. Between the year 2000, when AMS conducted its first comprehensive national survey of farmers markets, and the end of 2005, the number of farmers markets in the United States increased 43 percent, from 2,863 to 4,093, an average growth rate of 8.6 percent a year. As a result of the massive expansion in the number of farmers markets since 2000, nearly 30 percent of all seasonal markets are less than 5 years old and most still appear to be establishing themselves economically. Managers of these young markets reported monthly sales only half the national average of all markets. They also reported fewer vendors (22 compared with a national average of 31) and fewer customers per week (430 compared with a national average of 959).

The large percentage of young markets explains in part why the growth in the number of farmers markets is not mirrored by a corresponding growth in sales. Total farmers market sales in 2005 are estimated to have slightly exceeded \$1 billion, compared with \$888 million in 2000, an average annual growth rate of 2.5 percent. To ensure the scope of the study included only markets engaged primarily in direct-to-consumer retail sales, it was restricted to farmers markets that relied on direct sales to consumers for 51 percent or more of their revenue, a restriction that may have resulted in a conservative overall sales estimate.

Despite some slippage in the volume of sales per market site between 2000 and 2005, the number of farmers participating in farmers markets still appears to have increased significantly. The average number of vendors per market, weighted for regional differences, increased from 27 in 2000 to 31 in 2005. Market managers reported in 2005 that 25.1 percent of vendors used their farmers market as the only outlet for their farm products.

It is interesting to note that the percentage of minority vendors at farmers markets was higher than the percentage of minority farmers in the general farming population. More than 11 percent of vendors at farmers markets were reported to belong to minority groups, compared with 4.8 percent in the general farming population, as reported in the 2002 Census of Agriculture.¹ The disparity is particularly striking considering that the Far West region, which features more ethnic diversity in the farming population than the rest of the country (Figure 33), was somewhat underrepresented in our 2005 survey. Farmers markets appear to represent a particularly important marketing channel for minority growers, perhaps because of the low cost of market entry or the volume of product needed to participate, or because the specialized merchandise they grow lends itself well to direct sales outlets.

The average number of customers at farmers markets per week declined slightly from 1,055 customers per week, reported in 2000, to 959 customers per week, reported by managers in 2005. Nevertheless, the decline in the average number of customers was somewhat offset by the 43 percent growth in the number of farmers markets between 2000 and 2005.

1. *2002 Census of Agriculture, Volume 1, Chapter 2: State Level Data.*



Seasonal farmers markets remain the predominant market type in the United States. Approximately 88 percent of respondents reported they operated seasonal markets, open, on average, 4.5 months per year. As might be expected, seasonal markets that were open for 6 or fewer months per year attracted fewer vendors and generated less revenue than farmers markets open 7 months or more. Markets open 6 months or less reported an average of 25 vendors, with sales of \$20,770 per month, and serving 565 customers weekly. Markets open 7 months or more reported an average of 51 vendors, with \$57,290 in monthly market sales and serving 942 customers weekly. Year-round markets reported more than three times the sales of markets operating 6 months or less, had more than twice the number of vendors, and slightly more than six times the number of weekly customers. On the other hand, seasonal farmers markets that operated for 7 or more months performed similarly to markets that were open 12 months per year. Year-round markets reported an average of 58 vendors, had monthly market sales of \$69,497, and served 3,578 customers weekly.

Location appears to be a critical factor in market performance. Most market managers reporting high monthly sales were in densely populated urban areas. This observation is based on the rural-urban continuum code² for the locations of markets that responded to the survey. The most successful farmers markets in terms of sales were located on the coasts. The Far West and Mid-Atlantic regions reported average monthly sales of at least twice that of other regions—\$56,742 and \$41,452 respectively. The sales of the remaining regions clustered around \$23,000 a month. The number of customers per week, as reported by region, somewhat mirrored monthly sales per market regionally. The Far West and Mid-Atlantic regions were again the top two regions, reporting 1,964 and 974 customers per week respectively. The North Central Region was a close third, reporting 856 customers weekly, and the remaining regions around 700 customers per week.

Markets that sold organic products³ reported larger numbers of weekly customers, larger number of vendors, and larger monthly market sales at their markets. Both seasonal and year-round markets that sold organic products performed better than markets that did not. Seasonal markets that sold organic products reported average monthly market sales of \$34,715 and 854 customers per week. Seasonal markets that didn't sell organic products reported \$11,812 in monthly market sales and served 394 customers per week. Similar results were reported by year-round markets—those that sold organic products reported monthly market sales of \$92,349 and 4,344 customers weekly; those that did not reported \$41,584 and 2,590 customers. Seventy-one percent of markets that sold organic products were located in urban areas, compared with only 55 percent of markets that did not.⁴ These relationships held true for markets that sold organic products regionally, except for the Northeast region that reported markets without organic products were more often located in urban areas than markets that sold organic products. However, in spite of this one inconsistency, Northeast markets that sold organic products had more customers and vendors, and higher monthly market sales than markets in other regions across the Nation.

Government programs had varying degrees of impact on vendor sales at farmers markets. The Women, Infants, and Children Farmers Market Nutrition Program (WIC FMNP) had the largest effect, showing average monthly sales of \$1,744 nationwide and 61 percent participation. Senior Farmers Market Nutrition program (SFMNP) average sales were \$1,004 per month and 45 percent of markets reported they accepted SFMNP vouchers. The average Supplemental Nutrition Assistance Program (SNAP)⁵ sales, which utilize electronic benefits transfer (EBT), were a distant third at \$279 a month and only 7 percent of markets reported accepting EBT cards. Clearly the WIC FMNP had the greatest impact on vendor sales, both nationwide and regionally.

2. Rural-urban continuum codes are defined in Appendix 2: Rural-Urban Continuum Codes.

3. Organic foods at farmers markets means that the products were labeled organic. The survey did not ask whether the organic foods sold were USDA "certified organic" products.

4. Urban areas are defined as counties with a rural-urban continuum code between 1 and 3. Counties outside of metro areas have rural-urban continuum codes between 4 and 9.

5. Formally titled the Food Stamp Program.

Background and Research Methods

To achieve the most accurate survey results possible, the Agricultural Marketing Service's Marketing Services Division (MSD) staff attempted to reach each farmers market manager listed in the USDA National Farmers Market Directory to verify contact information and update it as necessary prior to embarking on the 2006 National Farmers Market Survey. The Directory was used as the initial source of contact information for farmers market managers because it was the most comprehensive national listing of farmers markets available. In addition to calling market managers, each State's farmers market representative was contacted by e-mail and asked to provide an updated listing for the farmers markets in the State. The resulting updated database, containing contact information for 3,575 markets, was the primary distribution list for this survey.

Through a cooperative agreement with Michigan State University, East Lansing, MI, MSD staff developed a Web-based survey instrument to capture responses from farmers market managers efficiently and effectively. Market managers were invited by e-mail to complete the survey questionnaire, either on-line or by mail. AMS provided market identification numbers and passwords to prevent the possibility of double counting, and respondents were allowed access to the survey website only if they furnished a unique identification number and password. The survey website also allowed market managers not contacted by letter to register their markets and obtain identification numbers and passwords allowing them to participate in the survey. As a result, an additional 168 farmers markets not on the original master list were registered on the survey website. A total of 3,743 farmers market managers were invited to participate in the national survey, representing 85.4 percent of the 4,385 farmers markets in the U.S. during the 2005 season. The effort we made to update the farmers market contact list is illustrated by the highly successful survey response rate of 34.5 percent (1,292 usable responses out of a total of 3,743).

Data Cleaning

Sales data reported by market managers were trimmed slightly to enable information reported by these markets to be combined with other markets without unduly skewing average sales figures. Eighteen farmers markets that reported exceptionally low annual sales figures were assigned minimum annual sales volumes of \$1,000; at the upper end, annual sales were capped at \$4 million for 6 markets that reported exceptionally high sales figures.

What Is a Farmers Market?

For the purposes of this survey, a farmers market is defined as a retail outlet in which two or more vendors sell agricultural products directly to customers through a common marketing channel. Markets included in this study were in business during the 2005 season and conducted at least 51 percent of their retail sales directly with consumers. Including food markets that generate most of their revenue from wholesale sales to intermediaries within the scope of our study, even if engaged in some degree of direct-to-consumer selling, would have produced an inaccurate gauge of the economic impact of farmers markets.



Response Bias

A response bias survey was developed and disseminated to farmers market managers not responding to the survey. The results of the non-response survey were intended to identify bias in our sample pool. The non-response survey was mailed to 1,000 non-respondents with the expectation that at least 100 questionnaires would be returned, yet we received 239. The respondents to the non-response survey were asked:

- How many years has your market been open?
- Is your market manager a paid employee?
- How many vendors did your market have in 2005?
- How many customers attended your market weekly?
- What were the annual sales of your market in 2005?
- Which of the following statements about your market was most true in 2005?
 - We had more demand than supply – we need more vendors
 - During 2005 our supply exceeded demand – we needed more customers
 - Supply and demand of products were roughly equal in 2005

Respondents to the non-response survey didn't display many obvious differences from the respondents to the original survey.

However, one group that was underrepresented in the survey were individuals who managed two or more farmers markets. The response rate for managers of multiple markets was only 10.3 percent. Our efforts to account for the increased paperwork burden faced by managers of multiple markets by redirecting the survey to a secondary point of contact proved largely unsuccessful. Out of the 965 managers of multiple markets in the population listed on our contact sheet, only 99 responded to the survey—10.3 percent, compared with an average response rate of 34.5 percent. Many of them—7.7 percent of all managers—were in California, a State that reported 57 percent of its markets had managers with two or more markets. The relative unwillingness of this group of managers to participate in the survey resulted in an overall underrepresentation of the Far West region.

Development of the National Farmers Market Survey Questionnaire

The farmers market manager survey questionnaire was developed by MSD staff with feedback solicited from MSU faculty and nine key stakeholders in the U.S. farmers market industry, representing various fields of expertise and a variety of perspectives and viewpoints. Reviewers were asked to critique the survey to ensure we included all relevant issues. All suggestions from the reviewers were incorporated into the survey. A copy of the survey may be found in Appendix 3.

U.S. Office of Management and Budget's Clearance of Survey Questionnaire

All Federal Government survey questionnaires are required to be reviewed and approved by the U.S. Office of Management and Budget (OMB). Survey questionnaires must comply with the Paperwork Reduction Act,⁶ and staff must obtain approval from OMB's information collection review process. The Paperwork Reduction Act was created to ensure that the Federal Government does not place an unnecessary or undue burden on the time and resources of the public in responding to information collection. To comply with this requirement, the survey questionnaire was reviewed by OMB representatives to ensure that the information being collected was important to the public, that the collection of information would not duplicate research that was already being carried out elsewhere, and that recognized and accepted survey research methods would be applied. As part of the review process, five market managers were asked to fill out the draft survey and record the time needed to answer the questionnaire. The average completion time was 19 minutes.

MSD published a notice in the *Federal Register*, Friday, June 3, 2005, announcing its intent to survey the farmers market sector, and invited the public to submit comments during the subsequent 60-day period. Only one comment was received. The notice was published in Vol. 70, No. 106 of the *Federal Register*. OMB approved our information collection.

E-mail Invitation to Farmers Market Managers

Unlike the 2000 national farmers markets survey conducted by MSD, the 2006 survey was administered primarily via the Internet. On May 2, 2006, farmers market managers were invited via e-mail to participate in the on-line USDA survey of farmers market managers. In the invitation letter, MSD encouraged each manager to complete the survey and contact other farmers market managers, encouraging them to participate in the survey. In subsequent weeks, managers that had not responded to the survey were sent a reminder e-mail asking them to participate. This phase of the information collection process closed July 7, 2006.

Letter Invitation to Farmers Market Managers

Three weeks after the initial e-mail invitation to market managers, a printed questionnaire was mailed to market managers who had not yet responded to the web-based survey. Included in the mailing was a cover letter describing the survey, its rationale, and why their participation was so important. Managers receiving questionnaires by surface mail were encouraged to access USDA's national farmers market survey electronically using the login identification numbers and passwords provided in the invitation letters. Some managers receiving the paper invitation and survey by mail completed the questionnaire on-line; others mailed the completed survey in the prepaid self-addressed envelope included with the survey questionnaire and invitation letter. Returned hard copies of the survey instrument were entered into the survey database by MSU researchers using the survey website as the data input screen.

6. More information regarding the Paperwork Reduction Act may be found at <<http://www.archives.gov/federal-register/laws/paperwork-reduction>>.



Survey Response Rate

The farmers market community was generally supportive of USDA's national survey of farmers markets. MSD invited 3,575 market managers to participate in the survey. To boost the response rate as much as possible, MSD also e-mailed invitations to farmers market representatives in each State, asking them to encourage their farmers market managers to participate. Influential market managers from each region who had participated in the survey were also contacted and asked to provide testimonial letters about the survey, which MSD then included in subsequent correspondence with market managers and State representatives. As a result, an additional 168 markets not on the initial distribution list reported their market data on the survey website after learning about the website from colleagues. By the time the information collection process ended, 3,743 farmers market managers had been contacted. Of this number, 1,292 managers returned usable surveys, a response rate of 34.5 percent.⁷ With a response rate of this magnitude, we believe the findings of this survey provide a reasonably comprehensive and accurate picture of recent developments at U.S. farmers markets.

Preventing Duplication

To avoid analyzing duplicate data from individual markets, whenever a market manager requested an identification number and password, a researcher at MSU compared his or her market name and contact information with information already entered into the database. If a questionnaire already had been completed from that market, an identification number and password were not issued and the person requesting the identification number and password was notified that a survey for that market had already been completed. Surveys received by surface mail were also screened to remove duplicates; when duplicates were identified, the appropriate individuals were contacted to resolve the issue and information removed or merged into an existing entry as needed.

7. "Usable" refers to respondents that answered more than the preliminary contact information.

Profile of Survey Respondents

Farmers markets continue to be a thriving segment of the U.S. agricultural economy. Between 2000 and 2005, the number of farmers markets in the United States increased by 43 percent, from 2,863 to 4,093—representing an annual increase of nearly 9 percent.⁸ This indicates that the growth rate of farmers markets, while still brisk, is slowing. As the result of this brisk growth rate, sales at farmers markets increased from \$888 million in 2000 to \$1 billion for 2005.⁹ Because of the massive expansion in the number of farmers markets created between 2000 and 2005, a sizable percentage of surveyed markets (nearly 30 percent of all seasonal markets) were less than 5 years old and may have still been establishing themselves economically. As younger markets tend to have fewer sales than older markets, this may help explain why overall farmers market revenues did not grow as rapidly as the number of markets. Our survey data shows that national average revenues per market in 2005 were \$31,923 for each month of operation compared with \$15,078 per month for markets less than 5 years old.

Furthermore, the farmers markets sector remains heavily predominated by seasonal markets, which also curtails overall sales growth. Almost 88 percent of the managers responding to our survey reported their markets operate only part of the year, and 90.8 percent of seasonal markets operate 6 months or less. As one might expect, there is a sizable difference between sales volumes of markets that operate 6 months or less a year and those that operate more than 6 months a year. Markets open more than 6 months a year had average monthly sales of \$57,290 in 2005, while markets that operate fewer than 6 months a year averaged only \$20,770 a month. Proximity to densely populated urban centers and number of years in operation also are associated with higher sales volumes. This is described in more detail in “Influence of Population Density on Market Performance” on page 76.

Sales also appear to be enhanced by growing consumer participation in government food assistance programs, the Women, Infants, and Children Farmers Market Nutrition Program (WIC FMNP) and the Senior Farmers Market Nutrition Program (SFMNP). Both programs are designed to increase the availability of fresh fruits and vegetables to households at risk for food insecurity, while boosting sales of fresh fruits and vegetables. Sixty-one percent of managers reported their markets accepted WIC FMNP vouchers in 2005. USDA's national study of farmers markets conducted in 2000 reported 58 percent of surveyed farmers markets participated in WIC FMNP. In 2005, farmers market managers reported an average monthly sales per market of \$1,744, and the 45 percent who said their market accepted SFMNP vouchers, reported an average of \$1,004. Given that average sales per market amounted to \$31,923 in 2005, WIC FMNP and SFMNP vouchers clearly contribute to farmers market sales, especially in areas where recipients of Federal nutrition benefits constitute a sizable proportion of neighborhood residents.

8. The number of farmers markets in 2008 is estimated at 4,685 markets, an increase of 14.5 percent since 2005, at an annual increase of 4.8 percent a year.

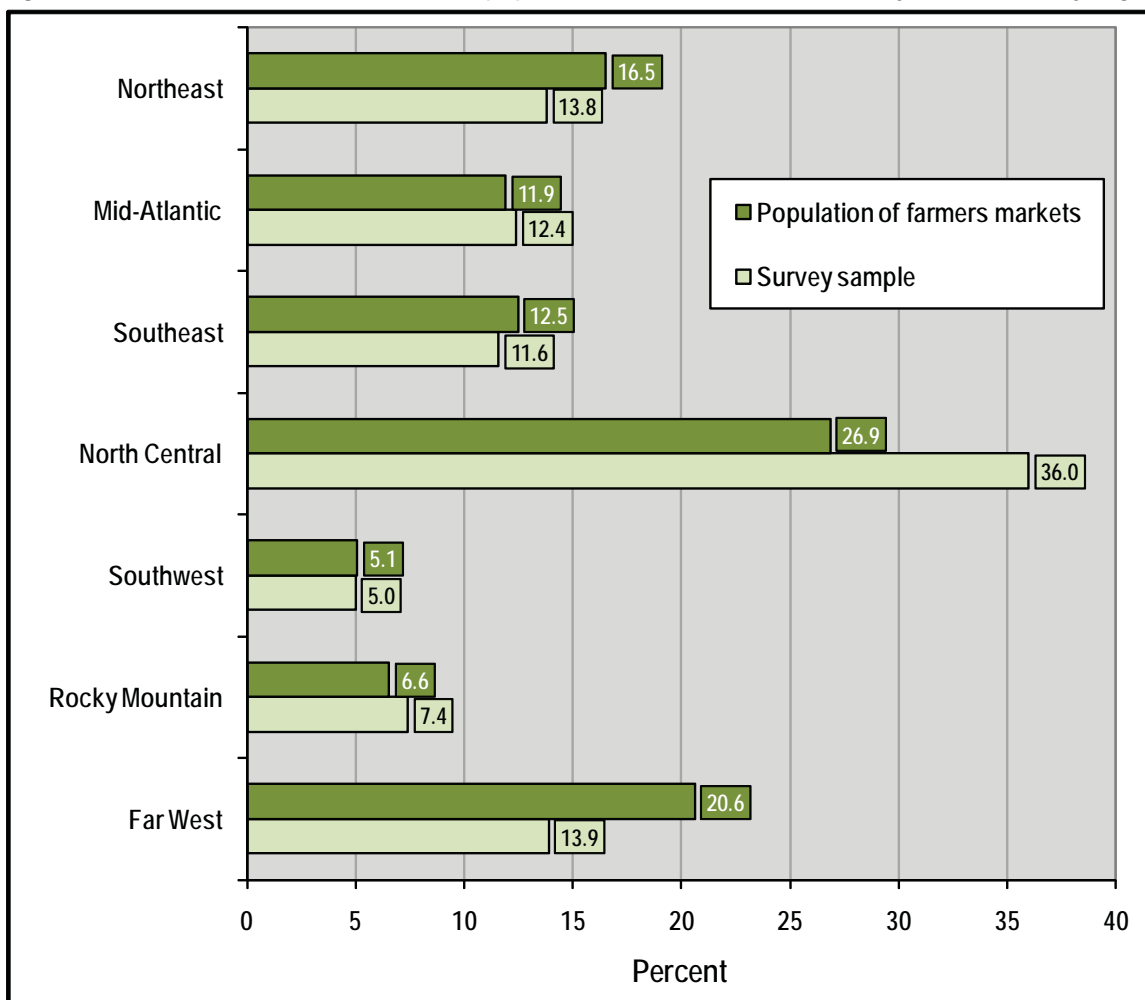
9. Annual sales at farmers markets were weighted by the number of markets in each region.

Farmers Market Industry Overview

Markets were grouped into seven regions: the Far West, Rocky Mountain, Southwest, North Central, Southeast, Mid-Atlantic, and Northeast (definitions of these regions can be found in Appendix 1: Regional Definitions). The only major divergence between the regional distribution of survey respondents and the regional distribution of farmers markets in the United States (based on data found in the AMS National Directory of Farmers Markets) was a 9 percent overrepresentation of markets in the North Central region and a 7 percent underrepresentation in the Far West region. Consequently, we believe our survey sample represents a fairly accurate representation of the national farmers market industry as a whole.

Survey response rates from the Far West region appear to have been hampered by the large number of managers in that region who oversee multiple markets. Market managers were asked to complete a separate survey for each market managed. Because of the additional time commitment required to prepare surveys, only 99 managers of multiple markets—slightly more than one in ten—completed this task, compared with the more typical response rate of one in three from managers of single markets. As most managers of multiple markets are in California, we surmise that this contributed in part to the relatively low rate of survey responses from market managers in the Far West region.

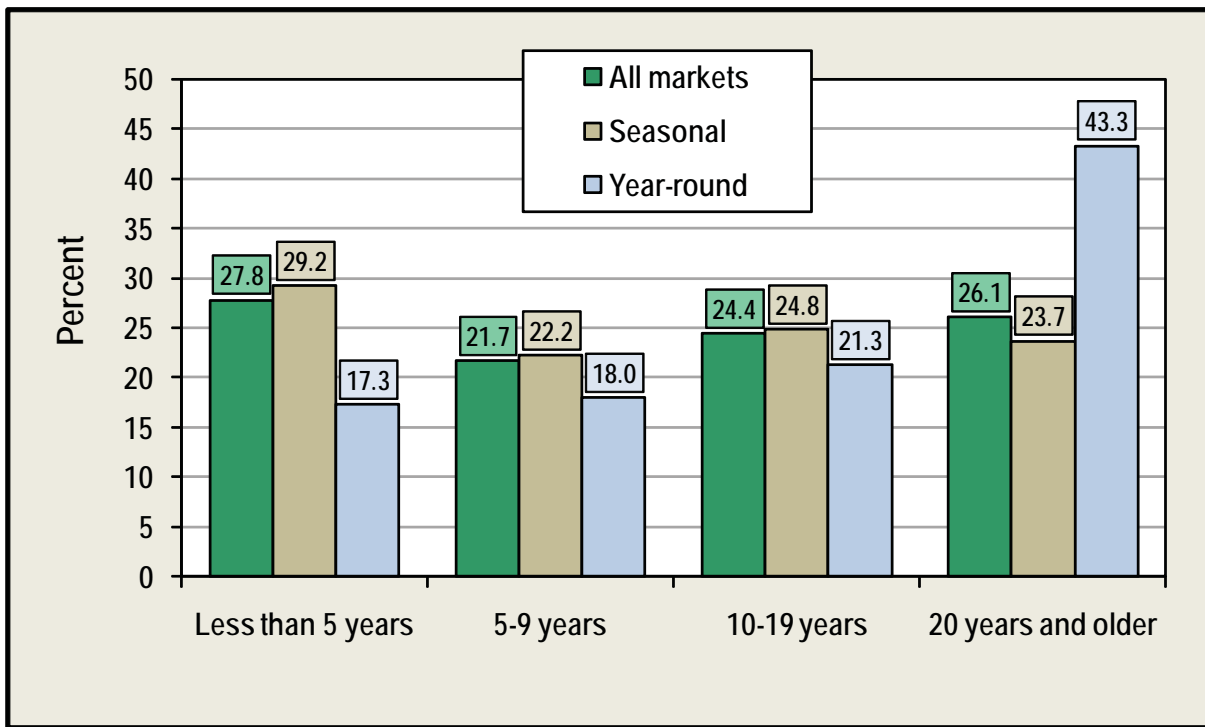
Figure 1. Distribution of farmers markets, population distribution versus survey distribution, by region



Age of Markets

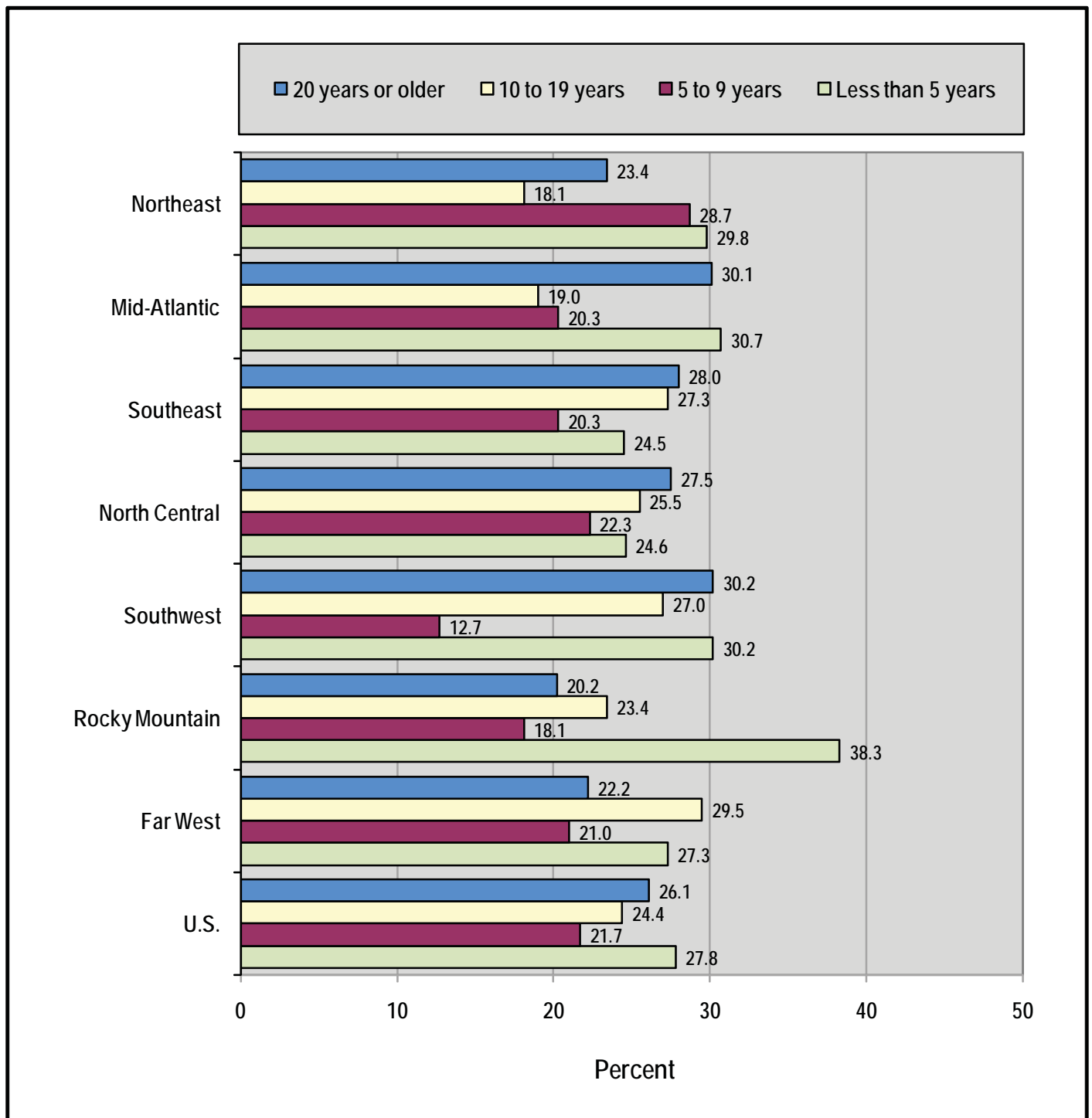
The farmers markets included in the survey had been in operation for an average of 15 years. However, the number is skewed by the 3.5 percent of markets in operation for 50 years or longer; indeed, 14 respondents reported they had been operating for 100 years or more, the oldest for 254 years. Because of these long-running historic markets, a more realistic median age of 10 years may be a closer approximation of actual industry trends. Year-round markets tended to be considerably older than seasonal markets; 43.3 percent of year-round markets were 20 years or older versus 23.7 percent of seasonal markets in the same age category (Figure 2).

Figure 2. Percentage of farmers markets, by average years of operation



In every region of the country, a significant portion of surveyed farmers markets had been established within the previous 5 years, ranging from one-fourth to almost 40 percent of regional totals, suggesting that farmers market growth is a national phenomenon. Leading the pack is the Rocky Mountain region, where managers reported that 38 percent of their markets had been created less than 5 years ago (Figure 3). Because the Rocky Mountain region contains the second lowest number of farmers markets in the country, the recent aggressive growth in this region may reflect that the region had been underserved by direct marketing outlets compared with other locations.

Figure 3. Distribution of farmers markets, by age and region



Vendor Participation

The average number of vendors at individual farmers markets nationwide in 2005 was 31, ranging from a high of 51 in the Far West region to a low of 18 in the Northeast. The median number of vendors per market ranged from a low of 12 vendors in the Northeast and Mid-Atlantic regions to a high of 35 in the Far West region (Figure 4), while the North Central, Mid-Atlantic, and Northeastern regions reported similar median and mean numbers. This shows a fairly narrow distribution of responses for other regions, such as the Far West, Rocky Mountain and Southwest regions, which had mean numbers of vendors much higher than the median. Consequently, the “typical number” in the Far West, Rocky Mountain, and Southwest regions may be more accurately described by the median than the mean. Figure 4 illustrates the differences in vendor participation of markets by region. Farmers markets in the Far West and Rocky Mountain regions typically boasted 25 or more vendors at each market site, while farmers markets in the Northeast, Mid-Atlantic, and Southwest regions had fewer, with no more than 15 vendors per market site. By contrast, markets in the North Central and Southeast regions typically featured around 20 vendors per market, the middle of the range nationally.

Figure 4. Average and median number of vendors per farmers market, by region

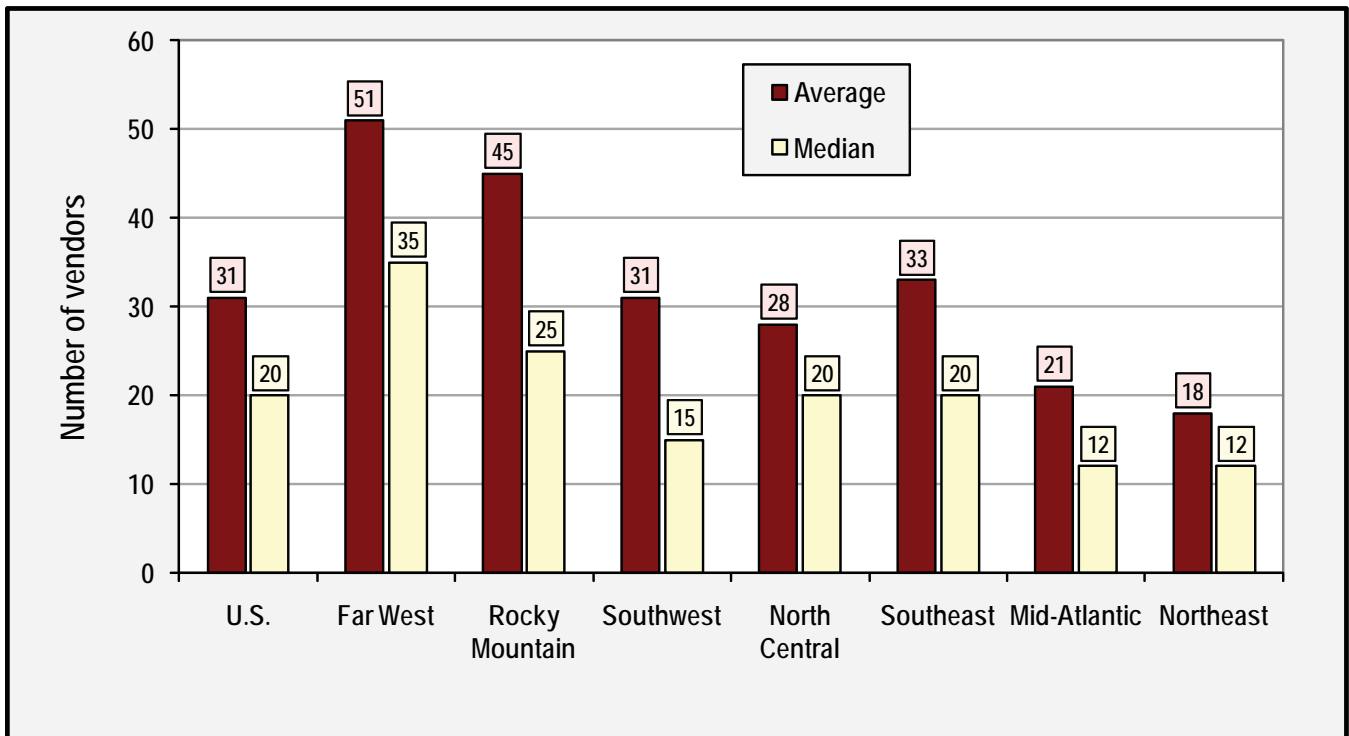


Figure 5. Distribution of number of vendors at farmers markets, by region, in percent

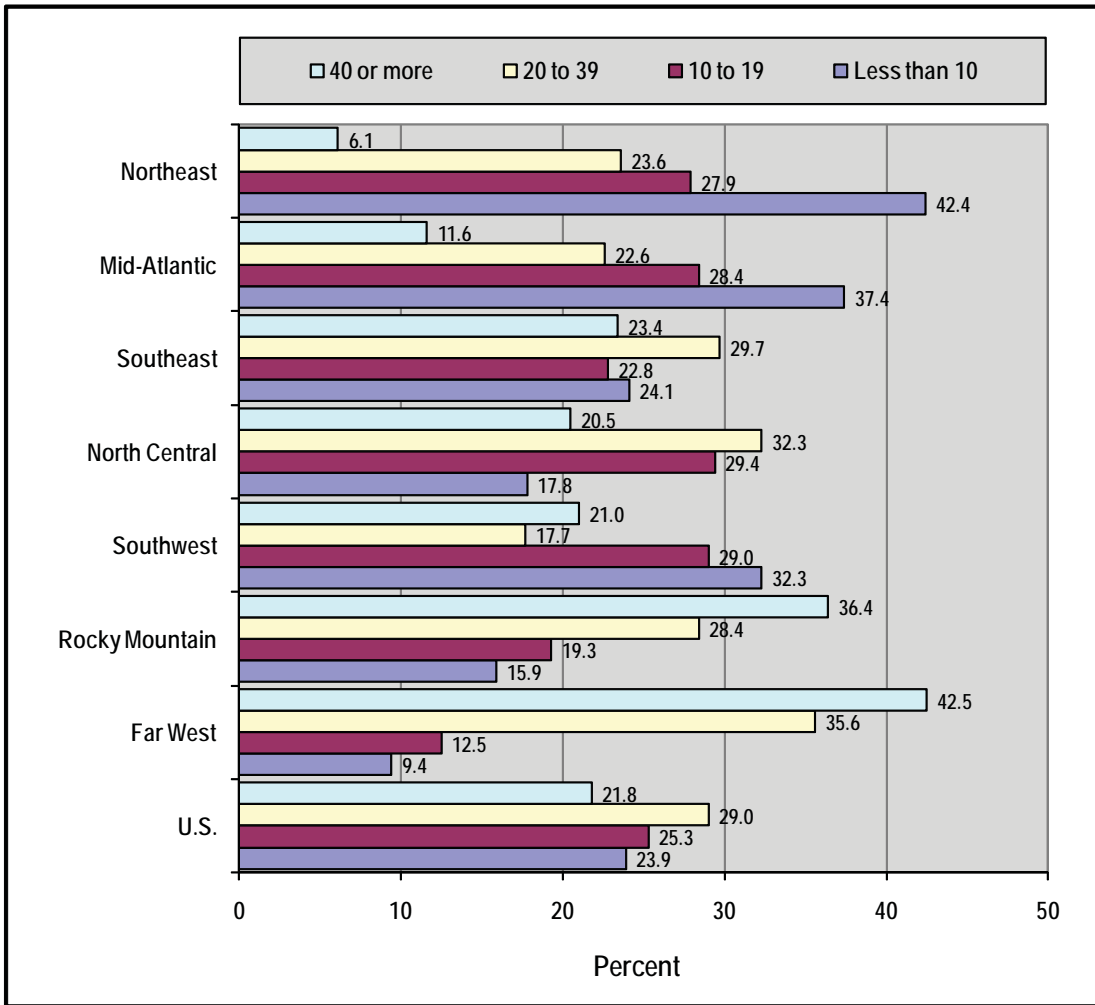
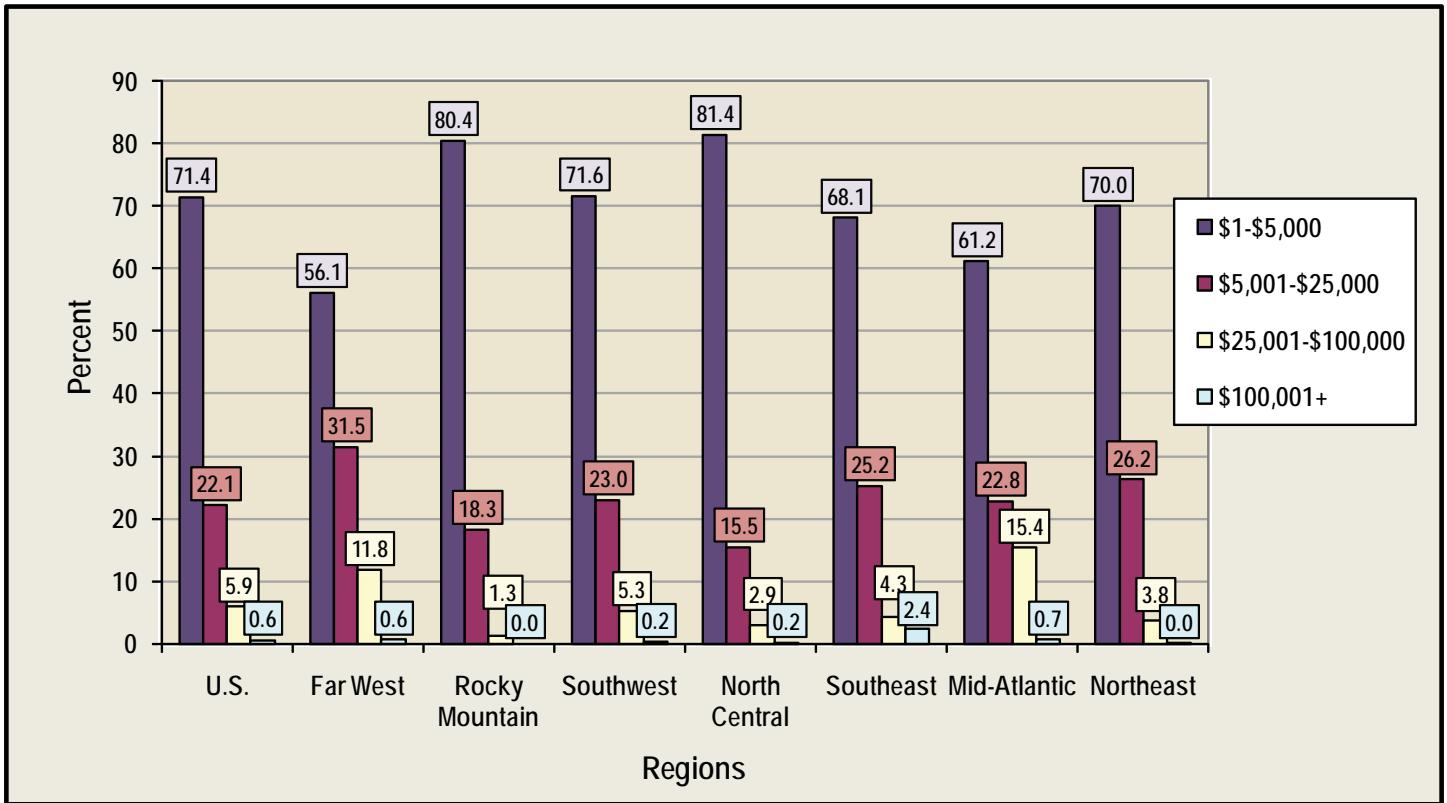


Figure 5 illustrates that surveyed markets in the Far West and Rocky Mountain regions had a large percentage of markets with many vendors. Almost 43 percent of markets in the Far West region had 40 or more vendors and almost 36 percent of Far West markets reported markets with 20 to 39 vendors. The Rocky Mountain region also reported high concentrations of markets with large numbers of vendors. More than one-third of markets in the Rocky Mountain region had 40 or more vendors. In contrast, the Northeast region reported 6 percent of its markets had 40 or more vendors, and most in the Northeast region (42 percent) had 10 or fewer vendors per market.

Vendor Income

Regardless of location, managers reported that most of their farm vendors earned \$5,000 or less each from sales at their markets in 2005. However, the survey data revealed isolated pockets of significant income generation from farmers markets. In the Far West and Mid-Atlantic regions, managers reported that almost 12 percent and slightly more than 15 percent of the vendors at their markets earned gross incomes of between \$25,000 and \$100,000 in 2005. These two regions reported the largest pockets of vendors with this level of sales. In contrast, the lowest average annual vendor sales were reported by managers in the North Central and Rocky Mountain regions (Figure 6), both regions reporting more than 80 percent of vendors at their markets had annual sales between \$1,000 and \$5,000.

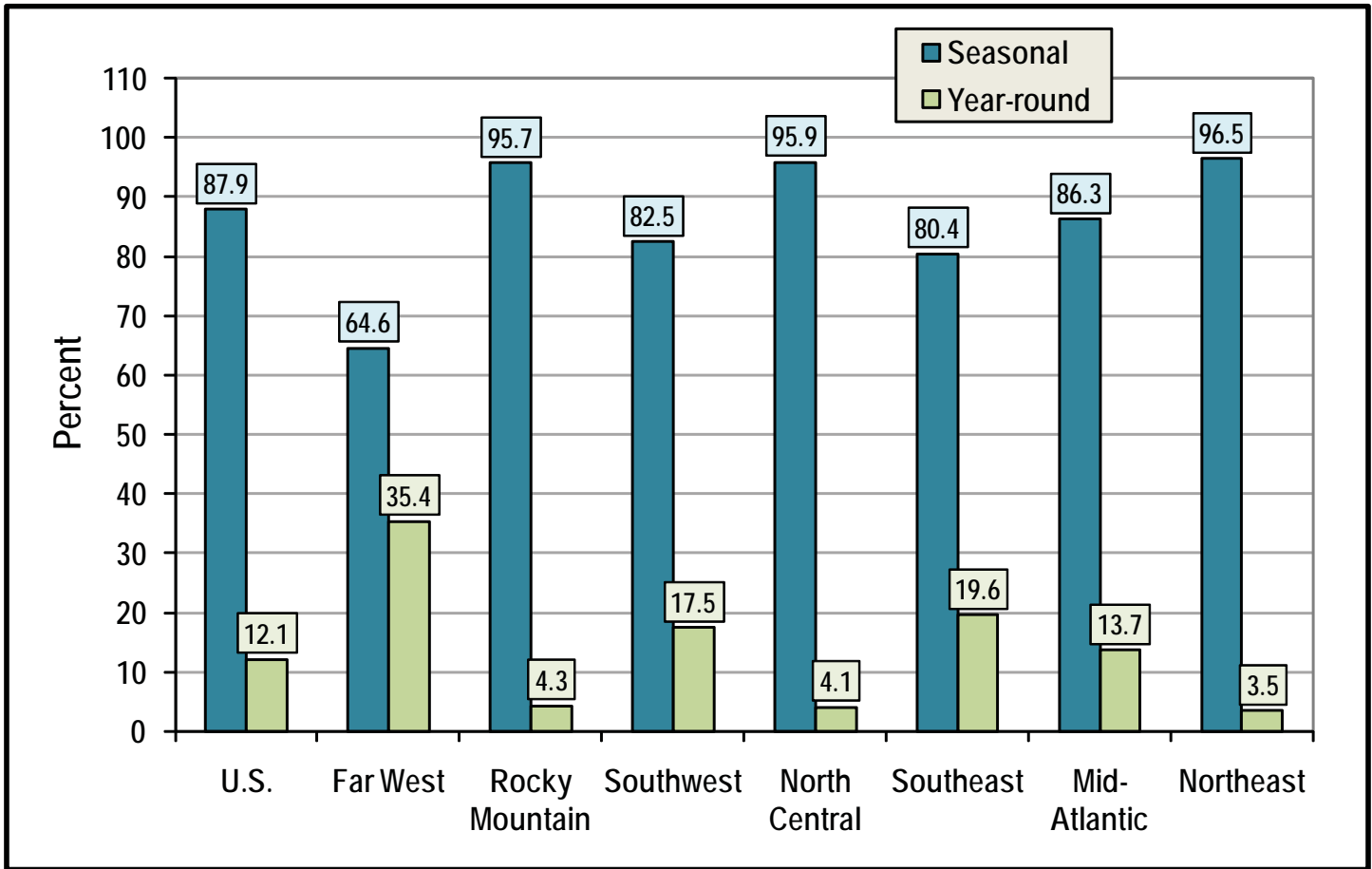
Figure 6. Distribution of annual vendor sales at farmers markets, by region



Dominance of Seasonal Markets

Seasonal markets remained the dominant type of farmers market in every part of the country in 2005, accounting for 88 percent of all farmers market in operation. The highest percentage of seasonal markets was reported by managers in the Northeast region (96.5), followed closely by the North Central region (95.9) and the Rocky Mountain region, with the lowest percentage (64.6) reported for the Far West region (Figure 7). On the whole, seasonal markets tended to be younger than year-round markets; 29.2 percent had been operating for 5 years or fewer, compared with only 17.3 percent of year-round markets.

Figure 7. Percentage of seasonal and year-round markets, by region



Months of Operation at Seasonal Markets

Seasonal markets nationwide were open an average of 4.5 months a year in 2005, ranging from a low of 3.92 months in the Rocky Mountain region to a high of 4.9 months in the Far West (Figure 8). As shown in Figure 9, although the largest segment of seasonal farmers markets across the Nation was open between 4 and 6 months per year, seasonal markets in regions with warmer climates and longer growing seasons (such as the Far West, Southwest, and Southeast) tended to be open longer than those in colder regions. Far West regional markets accounted for 13.9 percent of surveyed markets, and representing 17 percent of surveyed markets open for 7 months or more. Southeast markets were 5 percent of surveyed markets and accounted for 7 percent of markets open 7 months or more. Markets in the Southeast reported the largest difference, represented 11.6 percent of surveyed markets with 28 percent open 7 months or more.

Markets in the Mid-Atlantic region also were well represented among markets open 7 months or more. Mid-Atlantic markets represented 12.4 percent of surveyed markets and account for 20.0 percent of markets open for 7 months or more. It appears that in spite of the region's colder climate, vendors extended their season to take advantage of a marketing opportunity.

Figure 8. Average months of operation, by region

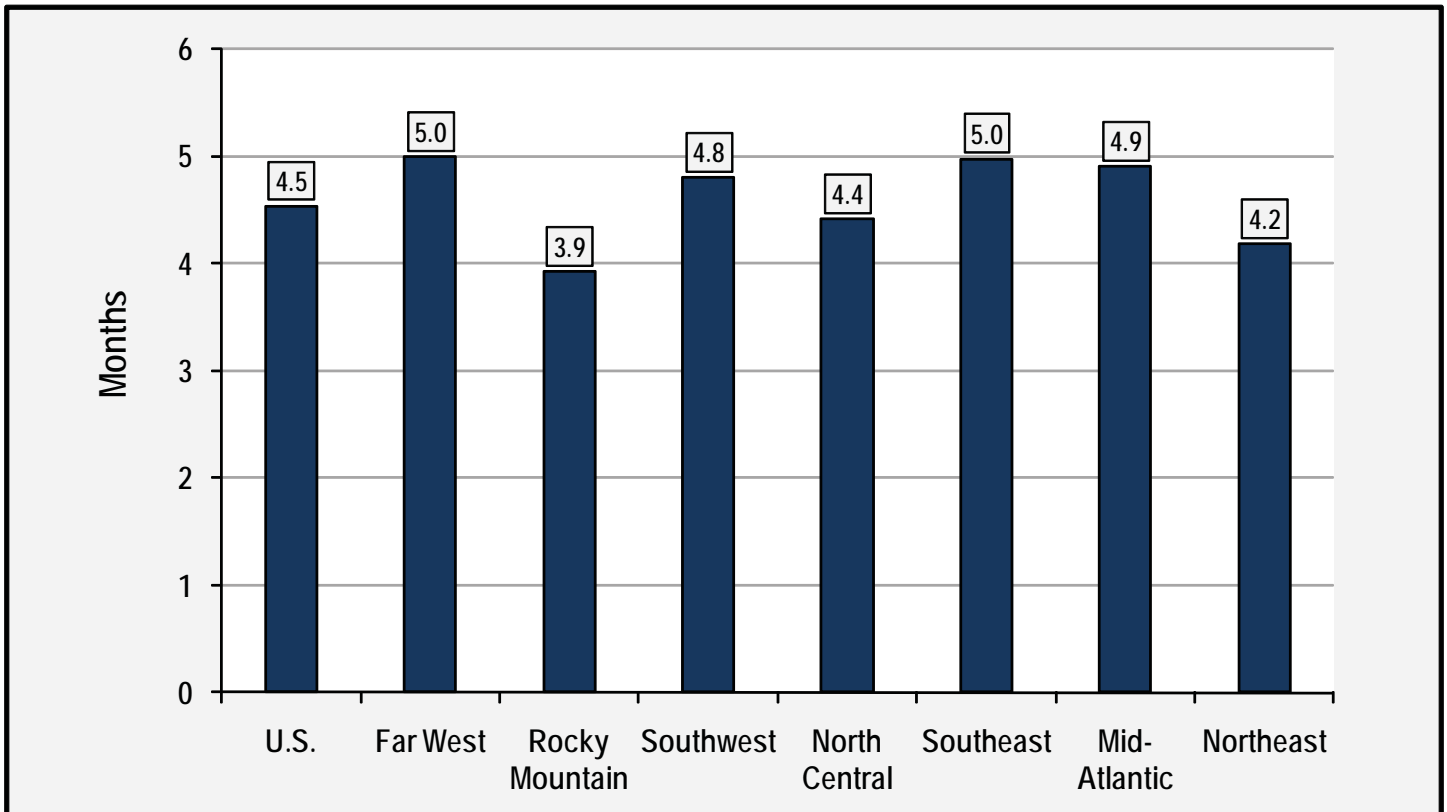
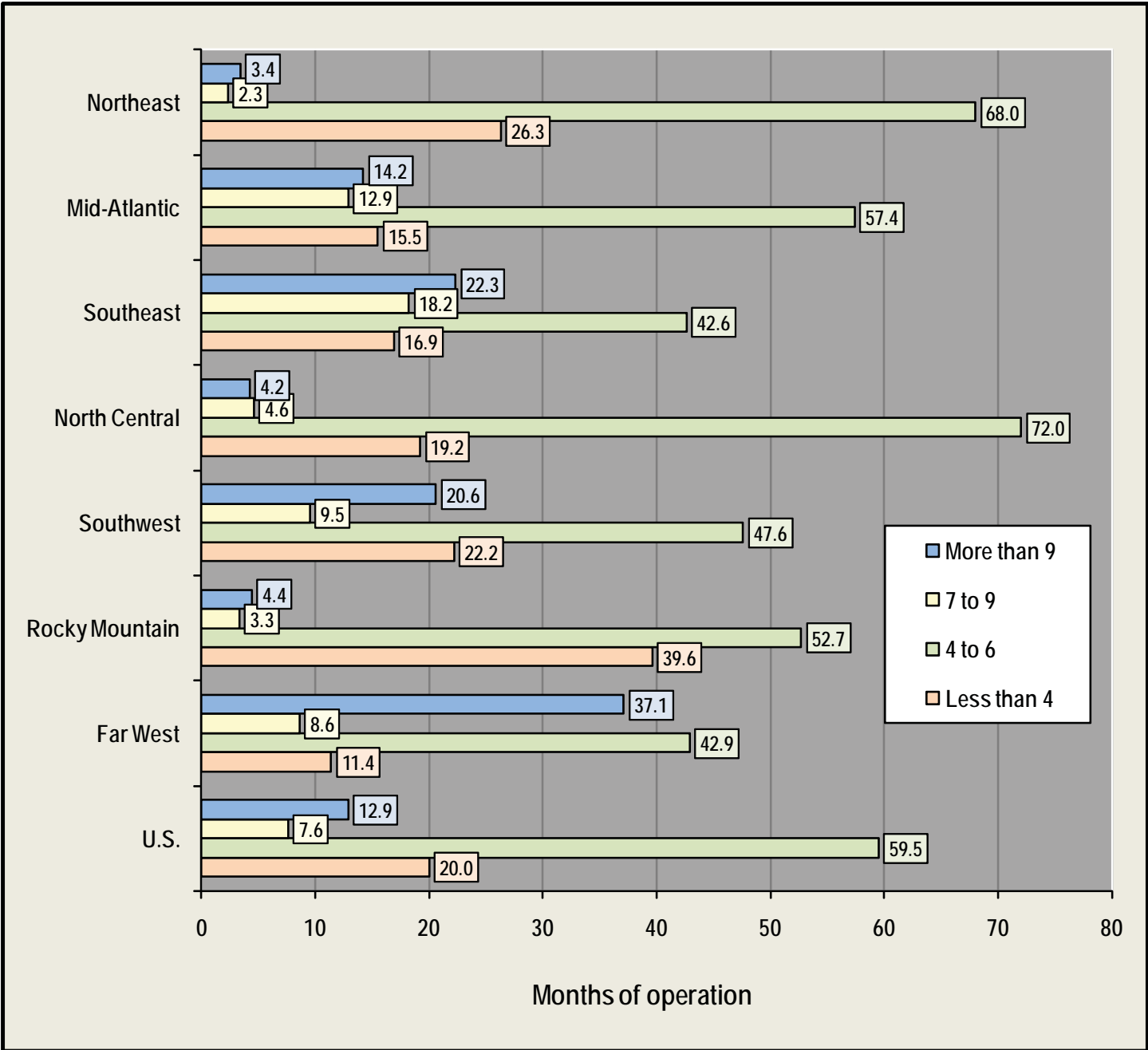


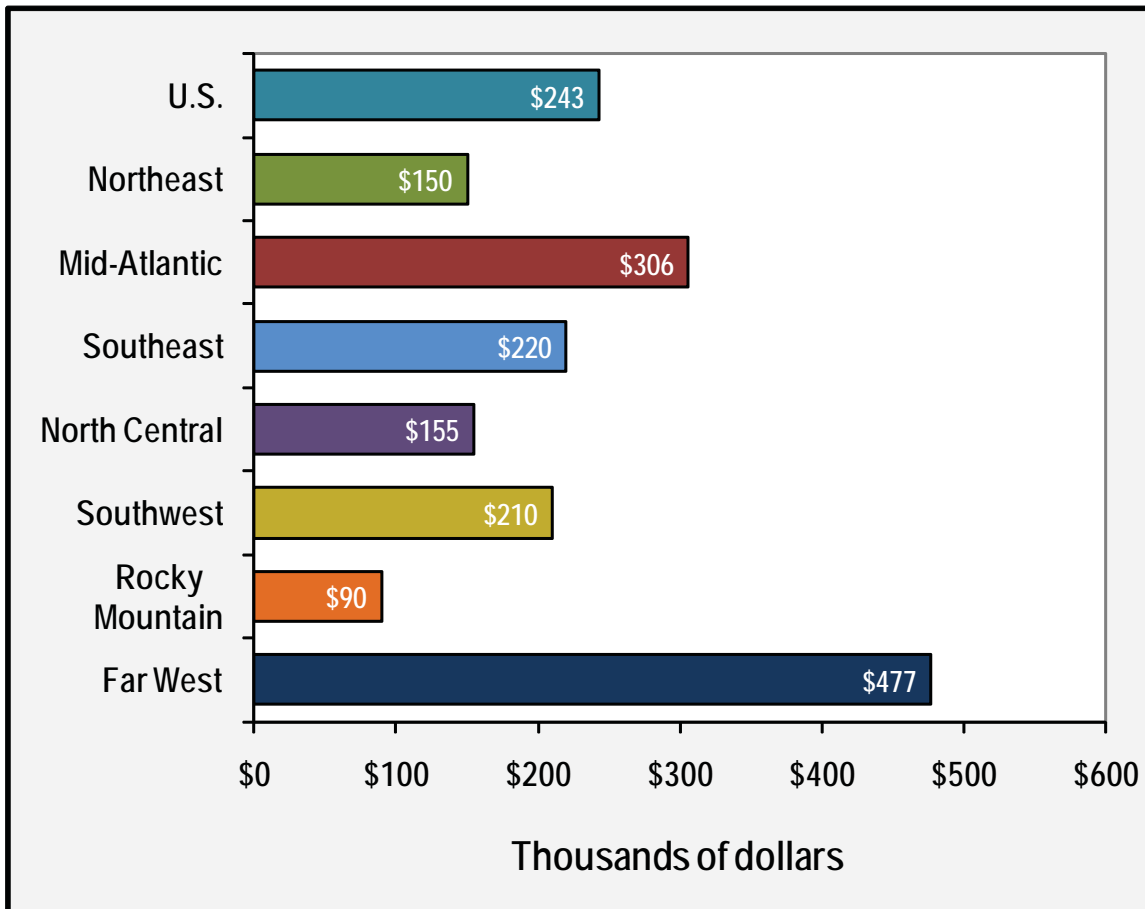
Figure 9. Distribution of seasonal farmers markets, by months of operation and region



Trends in Farmers Market Sales

Average annual sales at farmers markets across the United States were \$242,581 in 2005, and median annual sales were \$40,000. This disparity reflects the extreme variability in sales per market across regions. Sales can be influenced by such variables as size, location, and duration of operation. The disparity reflects the extreme variability in sales per market across regions. Figure 10 illustrates how annual sales varied across regions, with the highest annual sales per market of \$476,733 in the Far West. In contrast, the lowest level of annual sales occurred in the Rocky Mountain region, averaging \$90,169 per market.

Figure 10. Average annual sales per market, by region

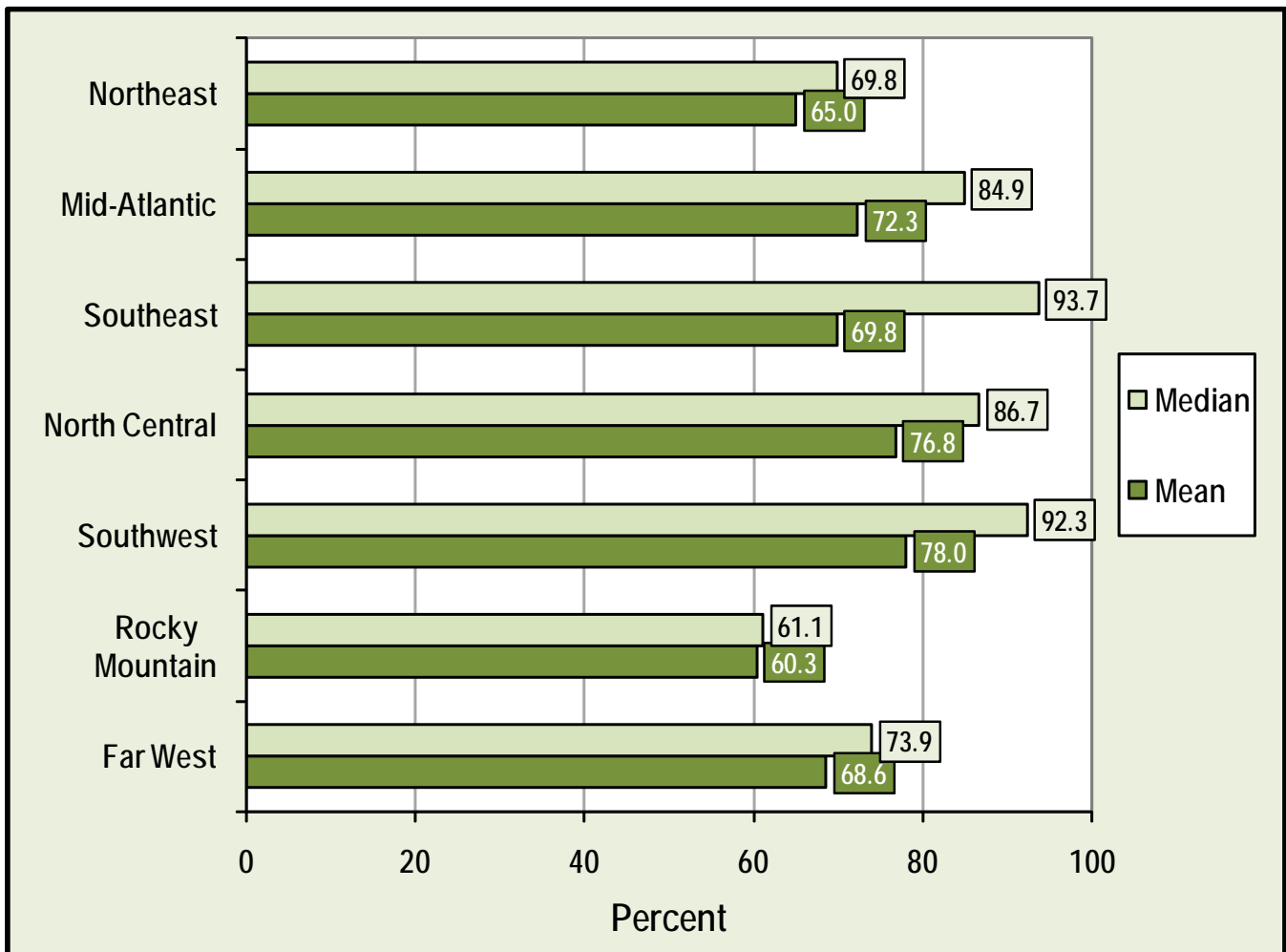


Source of Goods Sold

Market managers reported that large percentages of vendors grew the products they sold. Nationally, an average of 71.6 percent of vendors at markets sold only what they produced; the median percentage reported was 80.6 percent. Consequently, most vendors at farmers markets were able to capture the entire value of the consumers' food expenditures. The median number of vendors selling only their own products varied from a high of 78 percent in the Southwest region to a low of 60.3 percent in the Rocky Mountain region. Figure 11 illustrates how the percentage of producer only sales varied by region. For each region, the median percentage of vendors selling their own farm products exceeded the mean, implying the average was lowered by the small number of markets reporting an unusually low percentage of vendors selling their own products. Therefore, the median percentage may be a more accurate reflection of the relative dominance of farmers selling their own agricultural goods at farmers market establishments.

Vendors' use of farmers markets as their primary marketing channel appears to have declined slightly since the 2000 survey of the farmers market sector. In 2000, managers reported that 28.5 percent of their vendors used their markets as their sole marketing outlets. In 2005, managers reported that 25.2 percent of vendors used their market as their sole marketing outlets. Nevertheless, farmers markets clearly remain an important marketing channel for participating vendors.

Figure 11. Percentage of market vendors that sold only their own products, by region



Monthly Sales

The use of annual sales as a performance indicator can give misleading results because some markets make all their sales in just a few summer months, and others are open for 12 months. Therefore, monthly sales per market were calculated to account for variation in the length of time a market was open per year. Monthly sales can be compared across markets in the same region and across regions without bias. Average monthly sales at farmers markets nationwide were \$31,923 in 2005, and varied widely by region from a high of \$56,742 in the Far West to a low of \$21,018 in the Southeast (Figure 12). Markets were grouped into four sales categories so the regional concentration of farmers markets with similar sales volumes could be observed (Figure 13). The Far West region contained the largest concentration of farmers markets with monthly sales of \$23,000 or more (45.5 percent). It also featured the lowest concentration of farmers markets with fewer than \$2,500 in monthly sales (12.5 percent). In contrast, farmers market managers from the Southwest, North Central, and Southeastern regions reported that more than a third of their markets generated \$2,500 or less in monthly revenues.

Figure 12. Average monthly sales at farmers markets, by region (all markets)

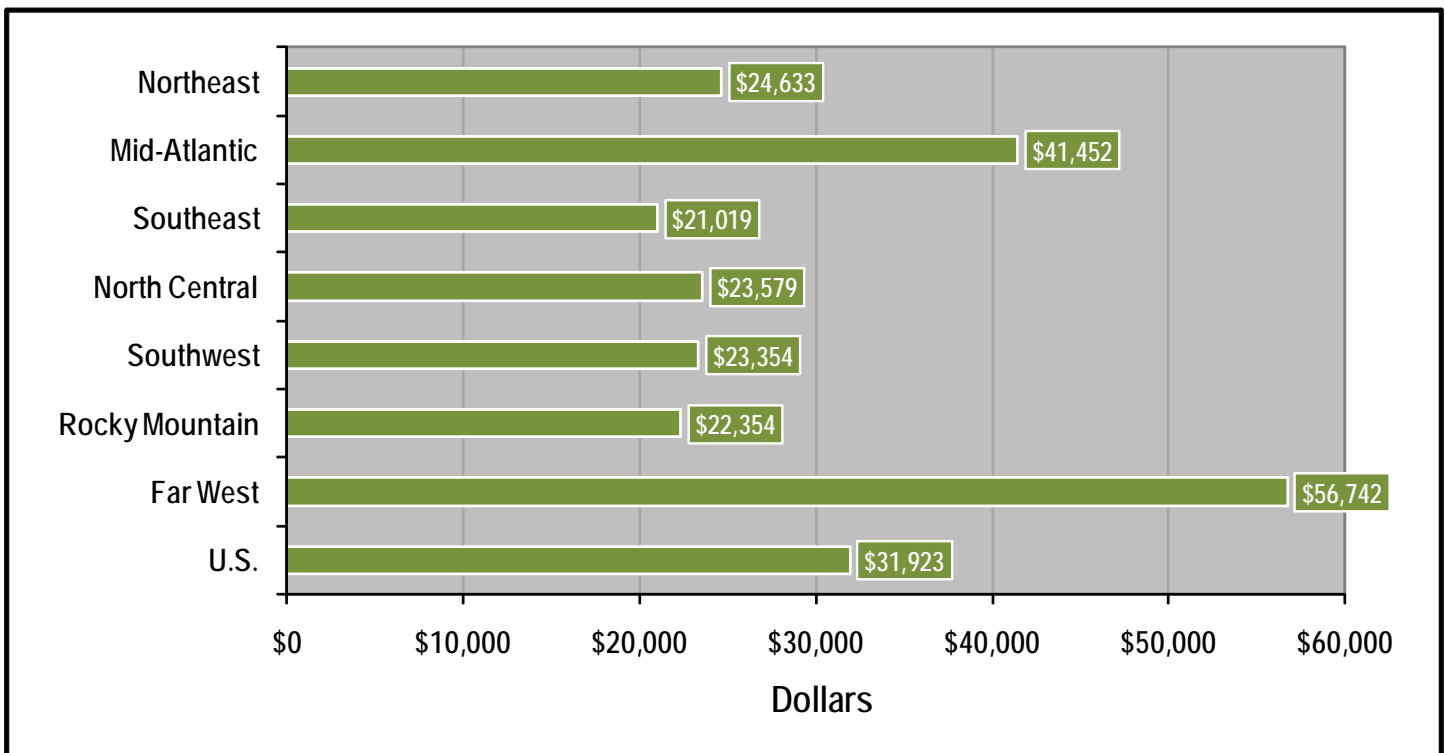
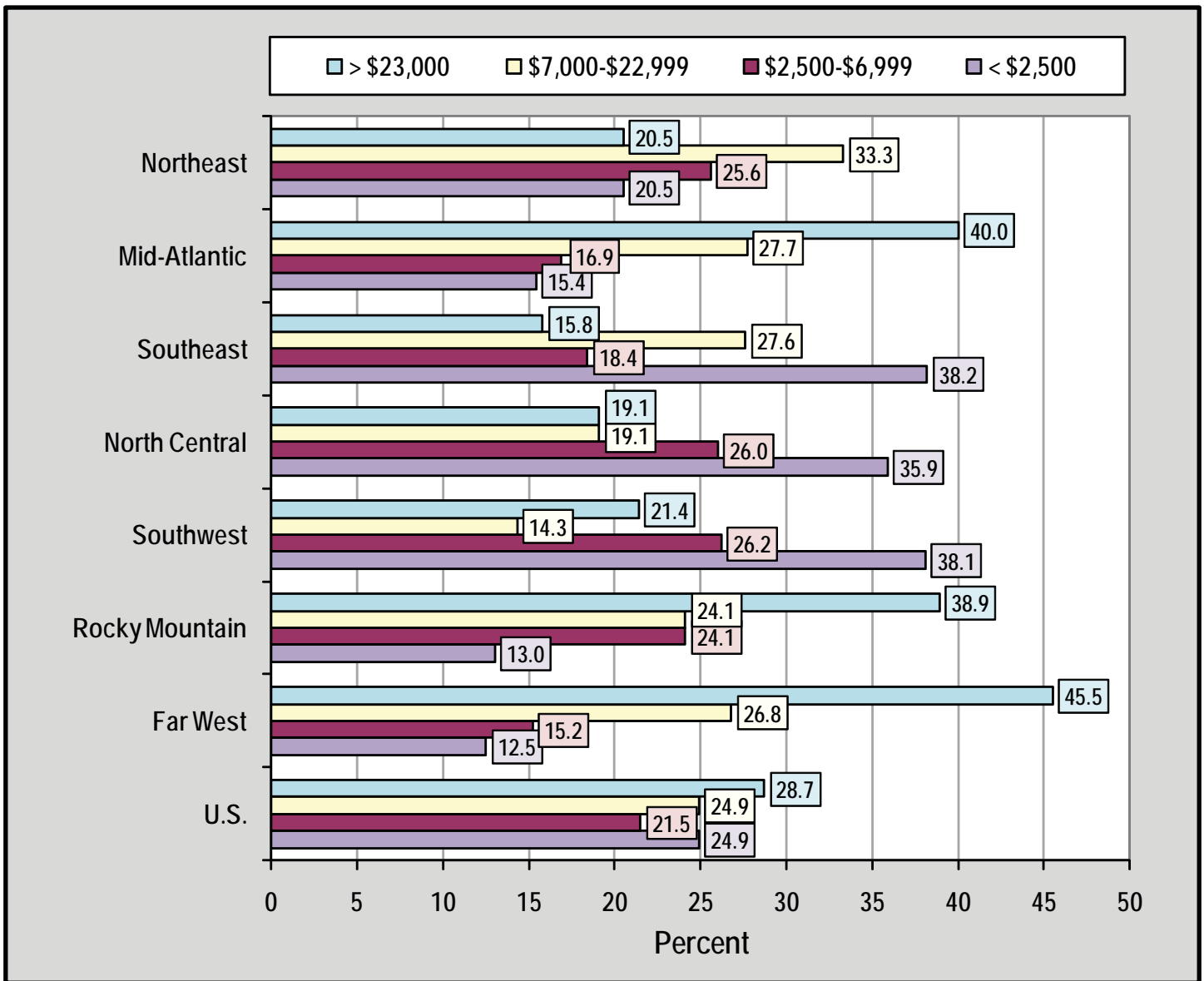


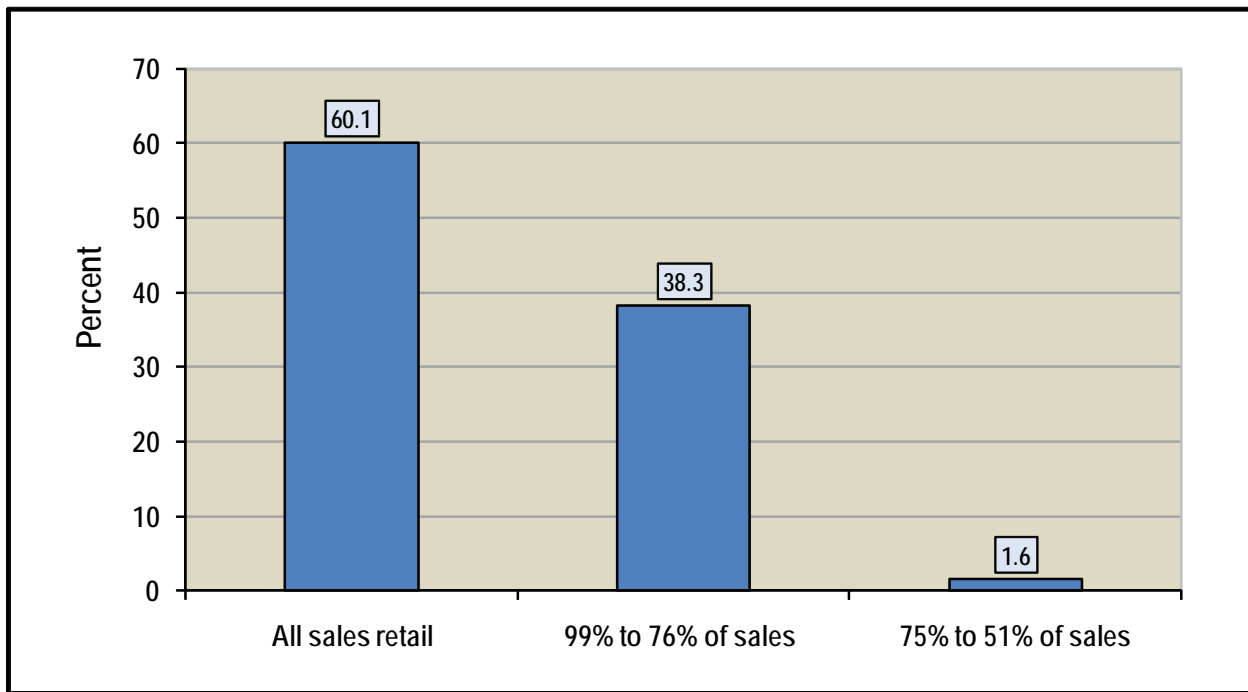
Figure 13. Distribution of monthly sales at all farmers markets, by region and sales category of market



Retail and Wholesale Sales at Farmers Markets

Most of the farmers market managers in our survey (60.1 percent) reported that all their sales were directly to final consumers. An additional 38.3 percent of managers reported direct-to-consumer transactions constituted 76 to 99 percent of all sales, and 1.6 percent reported direct sales levels between 51 and 75 percent. As stated previously (in “What Is a Farmers Market?” on page 3), farmers markets were excluded from our study if fewer than 51 percent of total retail sales derived from direct-to-consumer sales.

Figure 14. Percentage of retail sales at farmers markets



Sales at Seasonal Markets

Nationwide, the average annual sales volume at seasonal markets was \$135,500 in 2005, with year-round markets generating an average of \$833,958 apiece, more than six times as great. Monthly sales figures were calculated again to remove the bias created by analyzing annual sales data for markets that were in operation over different periods of time. Though the gap between sales volumes at seasonal and year-round markets narrowed considerably if average monthly sales figures were compared, the volume of sales generated at year-round markets still exceeded sales at seasonal markets (\$70,292 per month against \$28,836).

Managers of seasonal markets in the Far West region reported \$55,257 per month, the highest average for any reason. The lowest average sales were reported by the Southwest region, with an average of \$13,119 per month (Figure 15). The Far West, Rocky Mountain, and Mid-Atlantic regions had the largest concentration of markets with sales of \$23,000 or greater, and the Southwest, Southeast, and North Central had the largest concentration of markets with monthly sales at or below \$2,500 (Figure 16).

Unlike most regions, where older markets have greater sales volumes, younger seasonal markets in the Rocky Mountain and Far West regions are doing unusually well financially, compared with markets of similar age elsewhere in the country. Even though seasonal farmers markets in the Rocky Mountain and Far West regions represented only 10.4 and 13.9 percent of seasonal markets less than 5 years old in 2005, they accounted for 20.0 and 24.0 percent of seasonal markets that generated monthly sales of \$23,000 or more (Table 1).

Table 1. Comparison of markets less than 5 years old, by selected characteristics

Monthly Sales					
Percent of market, by region	U.S.	Less than \$2,500	\$2,500 to \$6,999	\$7,000 to \$22,999	\$23,000 or greater
Far West	13.9	14.3	16.7	26.7	24.0
Rocky Mountain	10.4	6.1	11.1	6.7	20.0
Southwest	5.5	12.2	13.9	2.2	8.0
North Central	31.6	26.5	30.6	13.3	12.0
Southeast	10.1	18.4	2.8	11.1	8.0
Mid-Atlantic	13.6	4.1	13.9	20.0	12.0
Northeast	14.8	18.4	11.1	20.0	16.0

Figure 15. Average monthly sales, by region (seasonal markets)

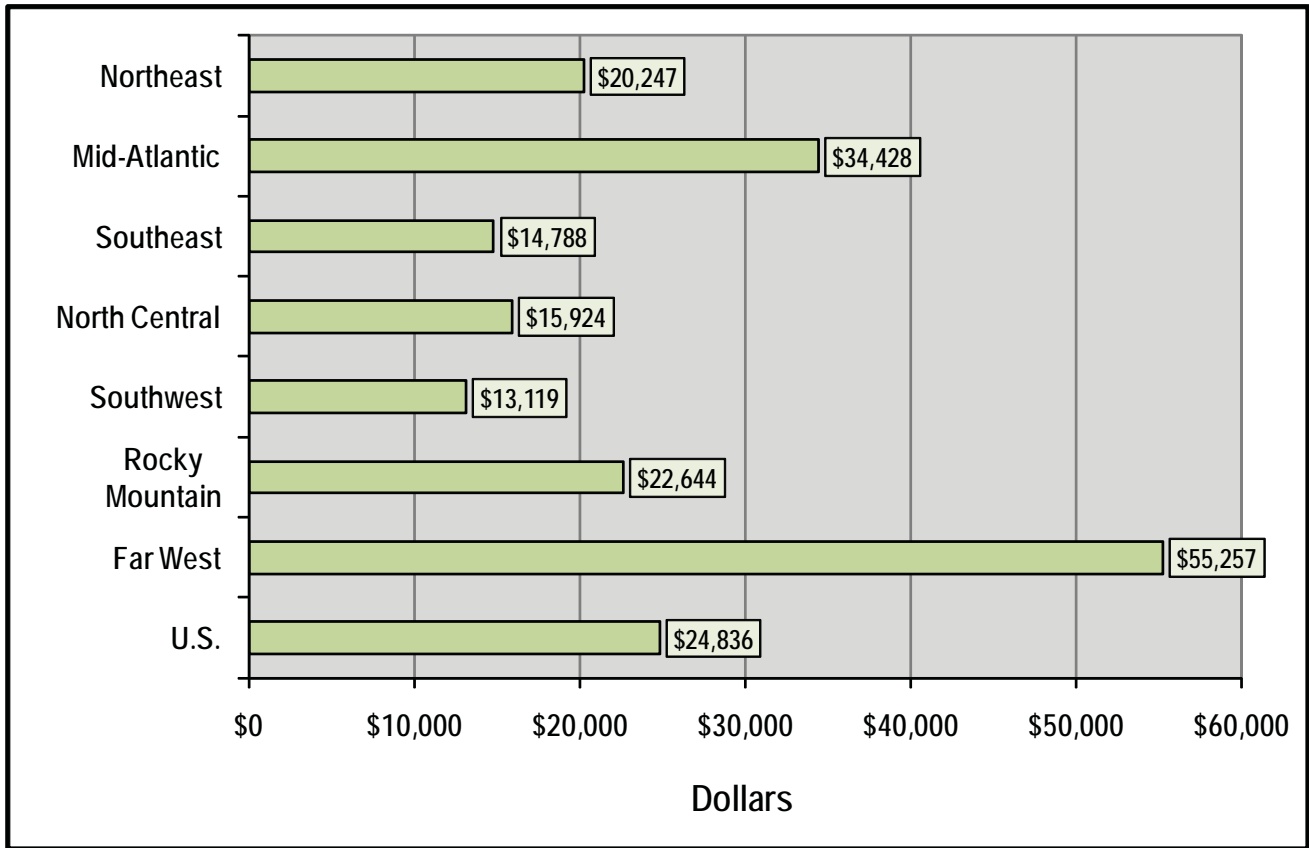


Figure 16. Distribution of monthly sales of seasonal markets, by region, in percent

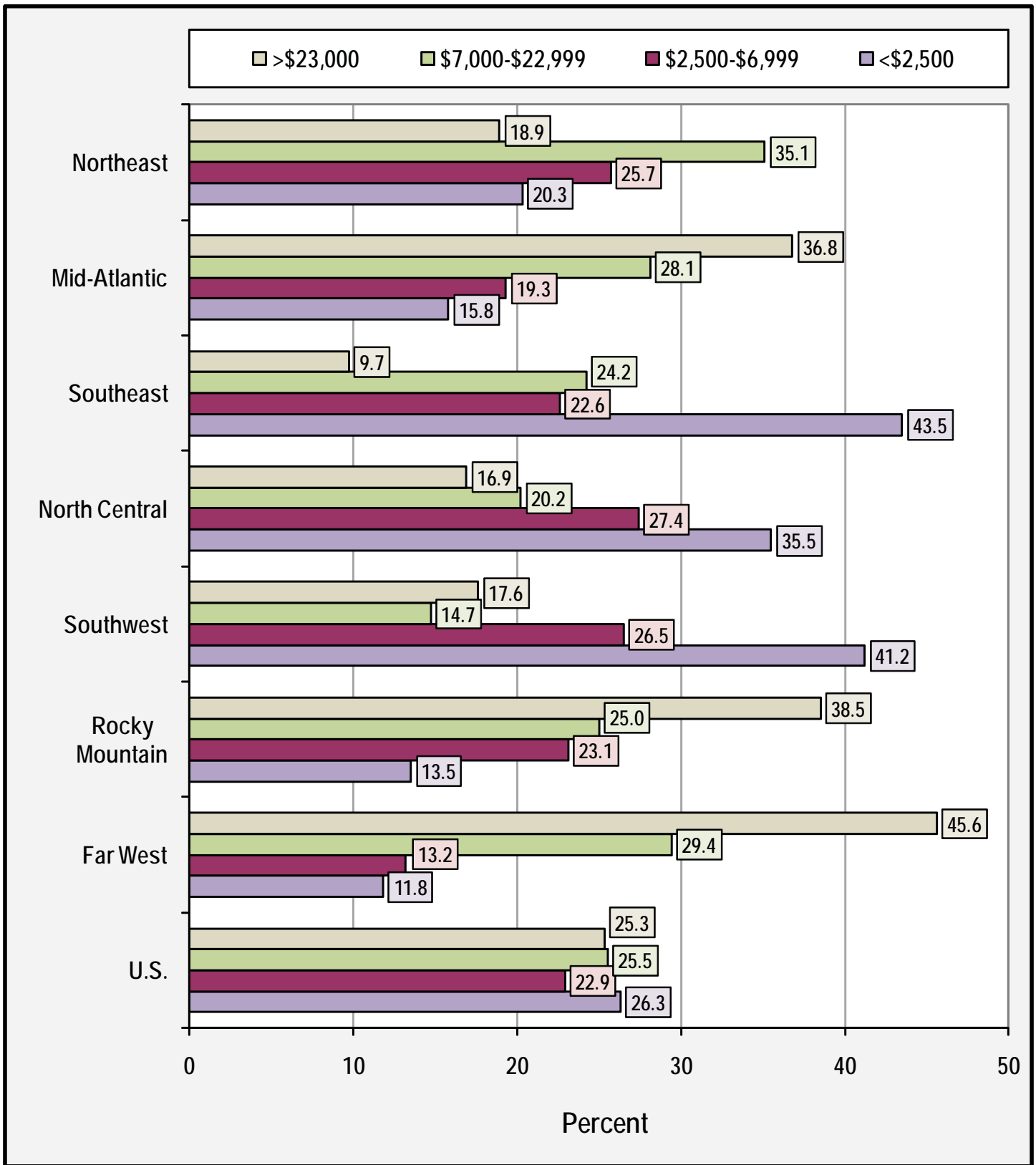
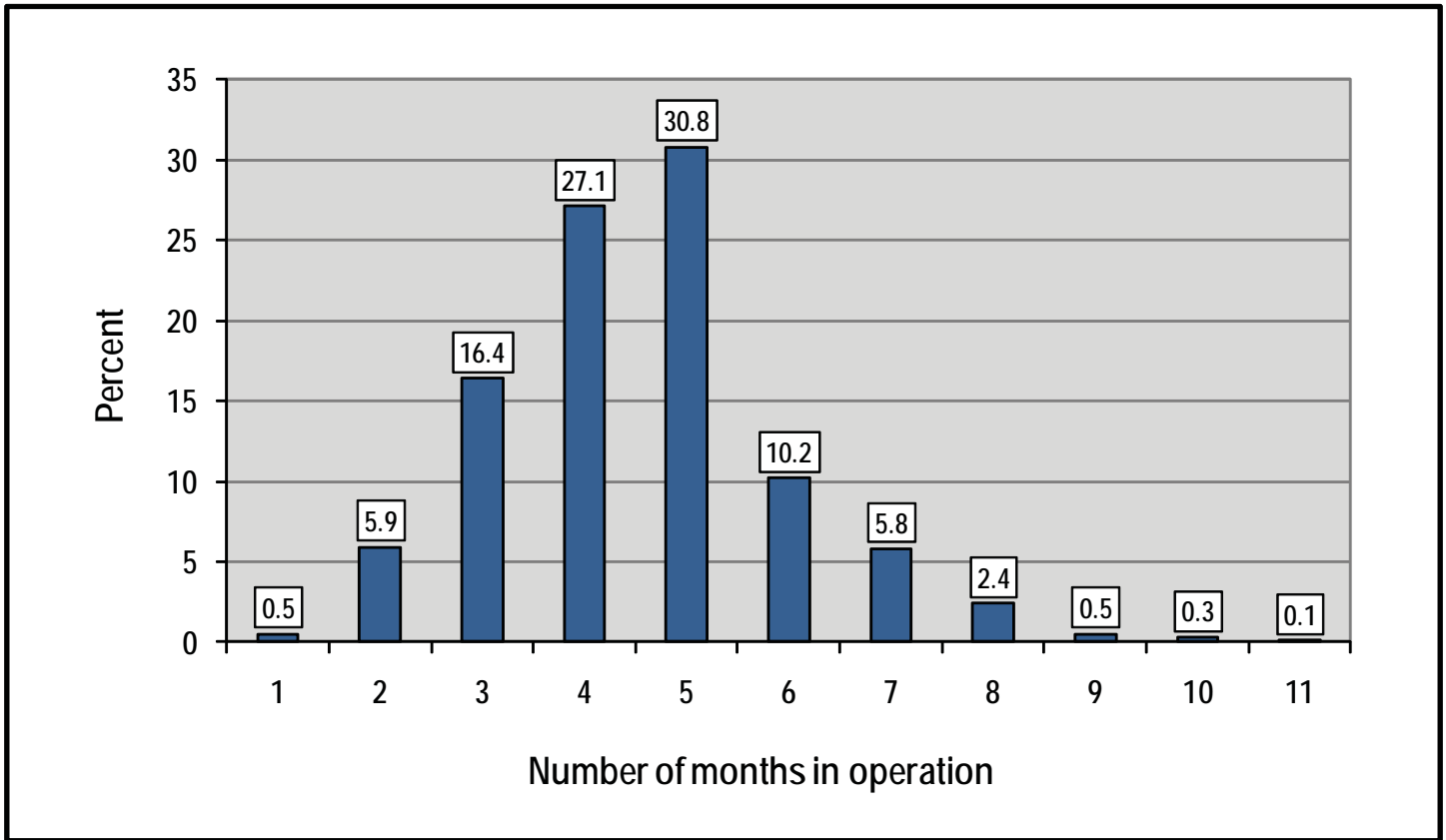


Figure 17. Number of months in operation, seasonal markets



When examining the sales potential of seasonal markets, it is useful to observe the similarities between the sales profiles of seasonal markets open for 7 months and those of year-round markets. Monthly sales of markets open 7 months or more are almost triple those of markets open for 6 months or less (Table 2), and the average number of vendors reported by managers of seasonal markets in operation for 7 months or more (51) is similar to the number reported by managers of year-round markets (58).

Table 2. Market and vendor characteristics for markets: open less than 7 months, open 7 months or more, and year-round markets

	U.S.	Markets open less than 7 months	Markets open for 7 months or more	Markets open year-round
Average monthly sales				
Mean	\$31,923	\$20,770	\$57,290	\$69,497
Median	\$8,333	\$6,250	\$20,000	\$20,833
Average monthly sales, grouped (in percent)				
Less than \$2,500	24.9	26.9	20.8	18.2
\$2,500 - \$6,999	21.5	24.7	9.4	13.6
\$7,000 - \$22,999	24.9	25.7	22.6	21.6
More than \$23,000	28.7	22.5	47.6	46.6

Product Characteristics

As one might expect, the most popular category of farm products sold at farmers markets in 2005 was “fresh fruits and vegetables.” Nearly 92 percent of managers reported selling fresh fruits and vegetables at their markets, and more than 75 percent reported that their markets sold “herbs and flowers” and “honey, nuts, and preserves” (Figure 18).

The dominance of fresh produce also could be seen in the mix of market vendors. Fresh produce, fruit, and vegetable vendors comprised 45 percent of farmers market vendors nationwide in 2005 (Figure 19), followed by vendors selling “herbs and flowers” (15.4 percent), “honey, nuts, or preserves” (8.8 percent), “baked goods” (8.6 percent), and “crafts or woodworking” (8.3 percent). Even though sizable numbers of market managers reported that their markets offered meat and dairy products for sale, the actual number of farmers specializing in these commodity categories at farmers markets appears to be quite limited—only about 3 percent of vendors were reported to sell meat and poultry, and only 1.5 percent were reported to sell milk and dairy products.

Figure 18. Percentage of U.S. farmers markets selling selected products

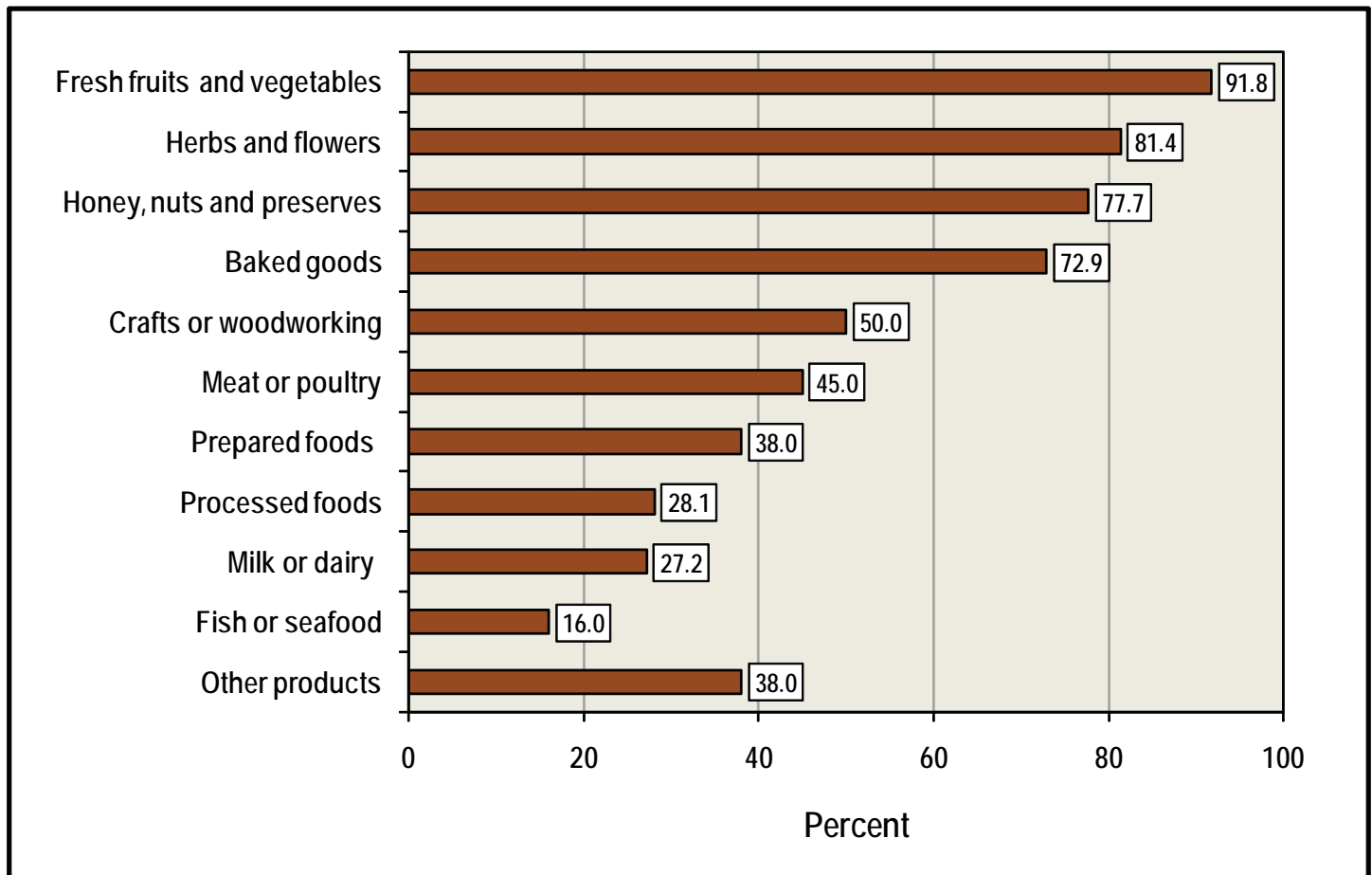
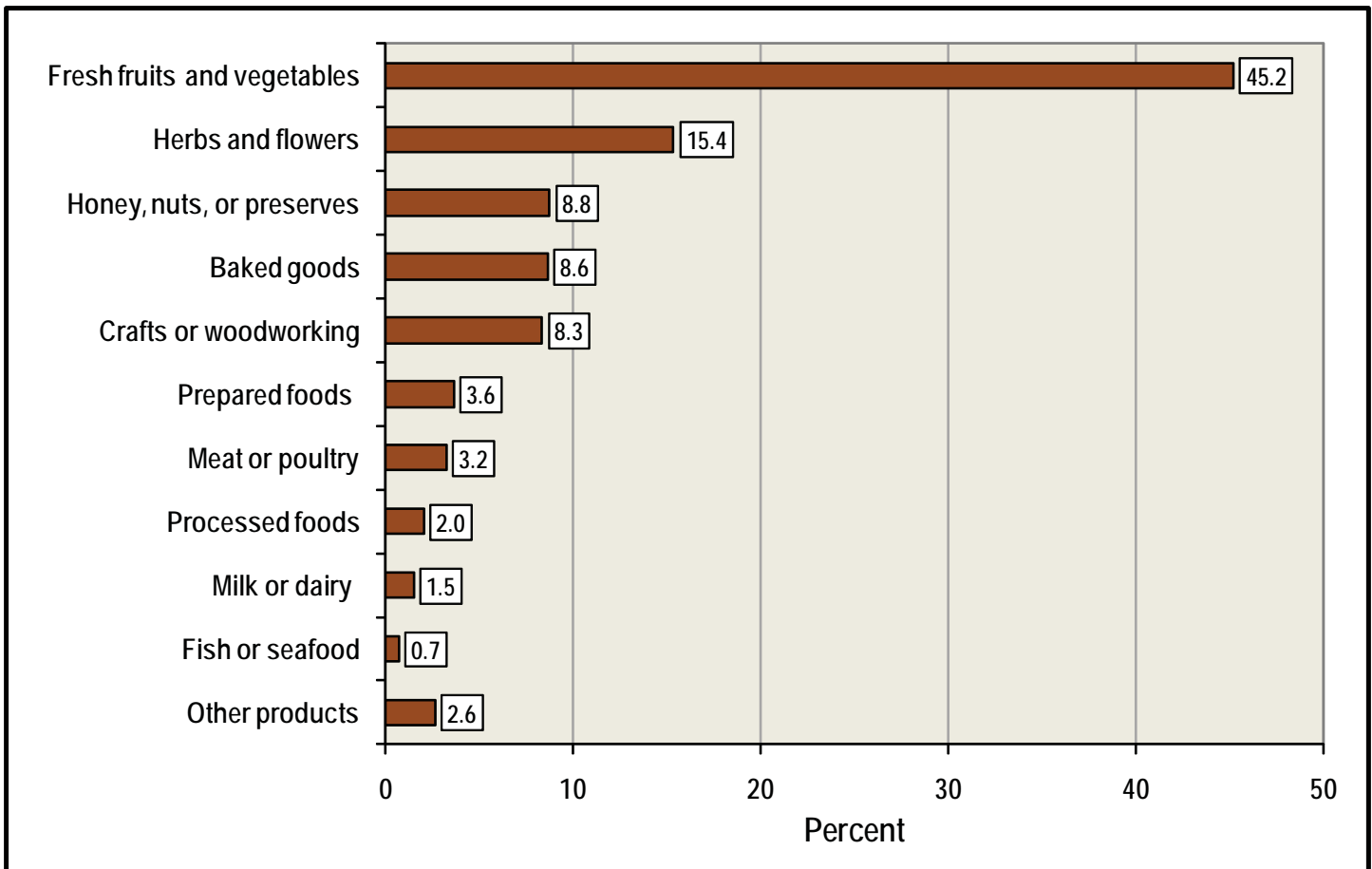


Figure 19. Percentage of U.S. vendors selling selected products at farmers markets

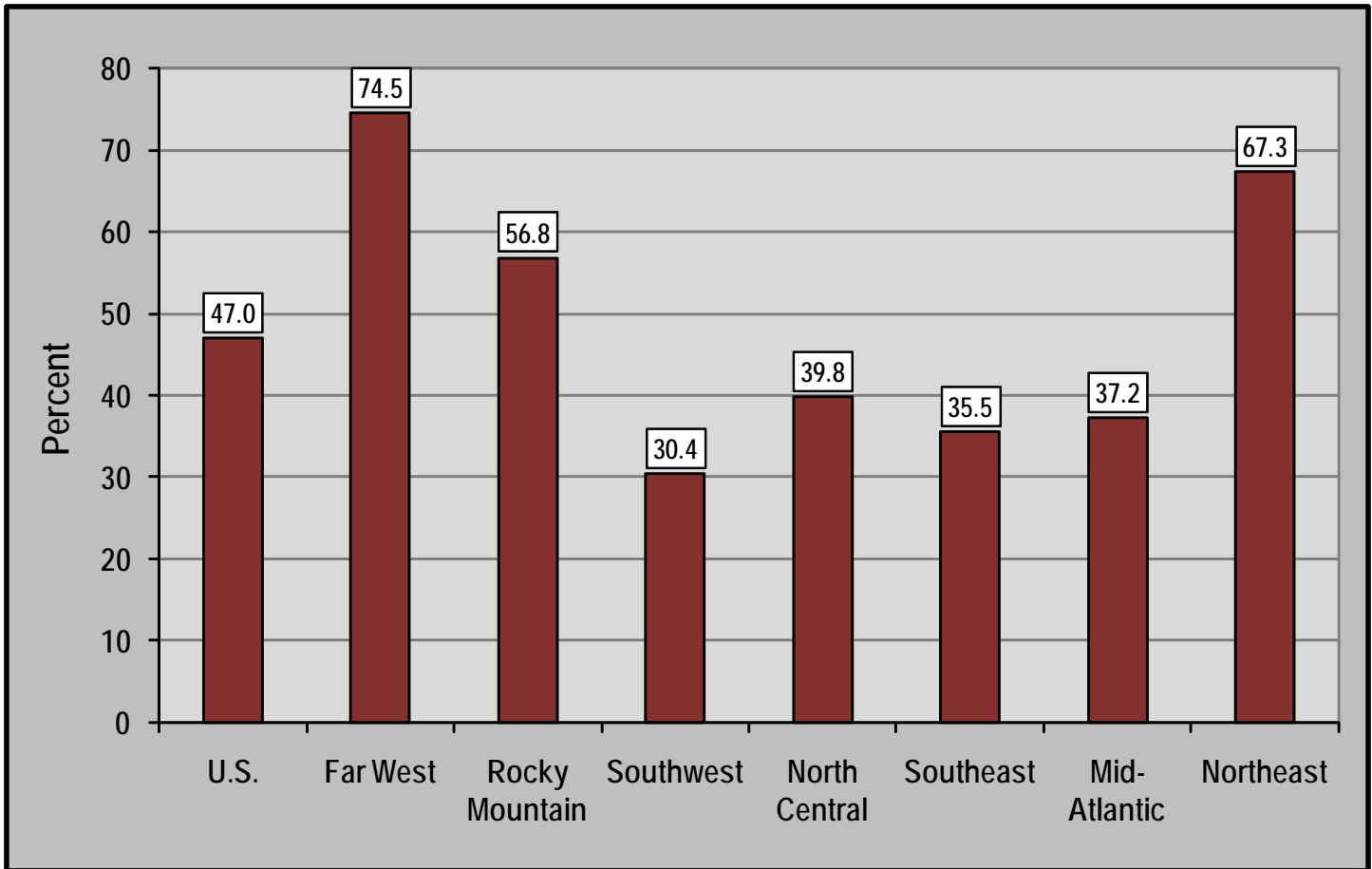


Product Labeling at Farmers Markets

Organically Labeled Products

Organically labeled products were sold at farmers markets across the country, but were considerably more prevalent in the Far West and Northeast regions. Market managers reported that 47.0 percent of markets nationwide sold at least some types of organically labeled products; their availability varied across regions from a high of 74.5 percent in the Far West region to a low of 30.4 percent in the Southwest region (Figure 20). Product availability still appeared to be heavily concentrated in the Far West, Northeast, and Rocky Mountain regions; in the rest of the country, fewer than 40 percent of markets sold organically labeled items. Year-round markets sold organically labeled products more often than seasonal markets—57 percent compared with only 40 percent of seasonal markets. Most likely, the reason year-round markets more frequently sold organically labeled product is because they served more customers.

Figure 20. Percentage of farmers markets that sell organically labeled products, by region



Markets that sold organically labeled products reported more customers per week, more vendors, and larger monthly sales. However, their superior performance may have been influenced as much by their location in densely populated urban areas as by their product offerings. Seventy-one percent of farmers markets that sold organic products were located in urban areas¹⁰ compared with 55.3 percent of markets that didn't offer organic products. Furthermore, a greater percentage of the markets were located in regions of the country, such as the Far West and Northeast, that experience higher than average farmers markets sales volumes (Table 3). Each market responding to the survey was assigned a rural-urban continuum code based on the county in which the market was located. (Rural-urban continuum codes were developed originally by the Office of Management and Budget and were later expanded by USDA's Economic Research Service. Each county in the Nation is assigned a code to describe its degree of rurality¹¹ or urbanicity.)

10. Urban means that the market was located in a location that had a rural-to-urban continuum code of 1, 2 or 3. Rural-to-Urban continuum code is defined in Appendix 2: Rural-Urban Continuum Codes.

11. <<http://www.ers.usda.gov/Data/RuralUrbanContinuumCodes>>

Table 3. Farmers markets that sold organic products compared with markets that did not sell organic products

	All U.S. farmers markets	Markets that sold organic products	Markets that did not sell organic products
Customers per week	959	1,422	569
Average number of vendors	31	41	23
Monthly market sales	\$31,923	\$45,826	\$14,813

The top three product categories sold by farmers markets carrying organically labeled products, illustrated in Figure 19, are “fresh fruit and vegetables” (91.4 percent), “herbs and flowers” (46.3 percent), and “meat and poultry” (30.1 percent). Participation rates of vendors selling organically labeled items followed similar patterns (Figure 20); the three highest concentrations of organic vendors at farmers markets were vendors of organically labeled “fresh fruits and vegetables” (60.2 percent), “herbs and flowers” (16.7 percent), and “meat and poultry” (9.3 percent). Unlike the prevailing trend at most farmers markets, those offering organically labeled products seem to include more meat, poultry, and dairy products as part of their overall merchandise mix, suggesting that farmers market consumers may prefer organically produced varieties of these items. The widespread use of organic labels and other labeling claims on meat and dairy products at farmers markets, such as “hormone-free,” “antibiotic-free,” “pasture-raised,” and “free range,” discussed in the next section, suggests farmers market consumers want to be informed about the methods used to produce their meat and dairy purchases.

Figure 21. Distribution of organically labeled products sold at U.S. farmers markets¹²

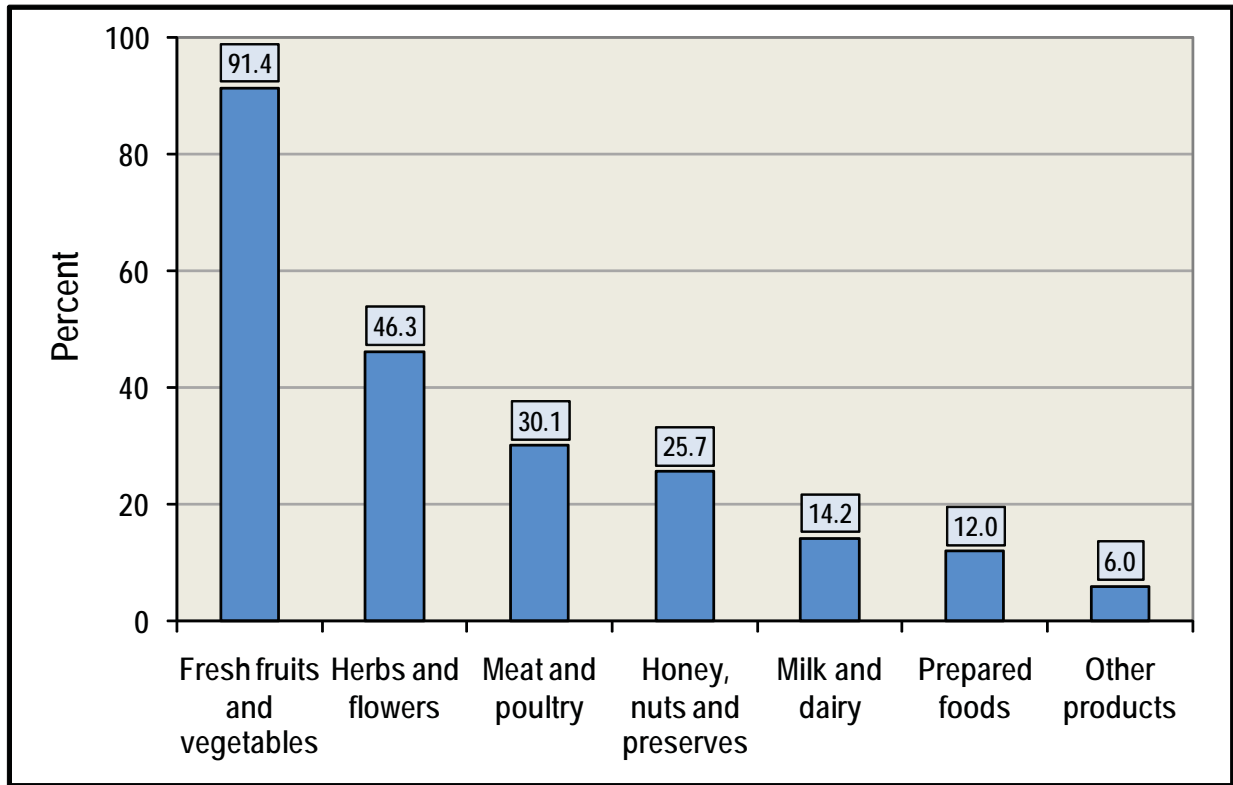
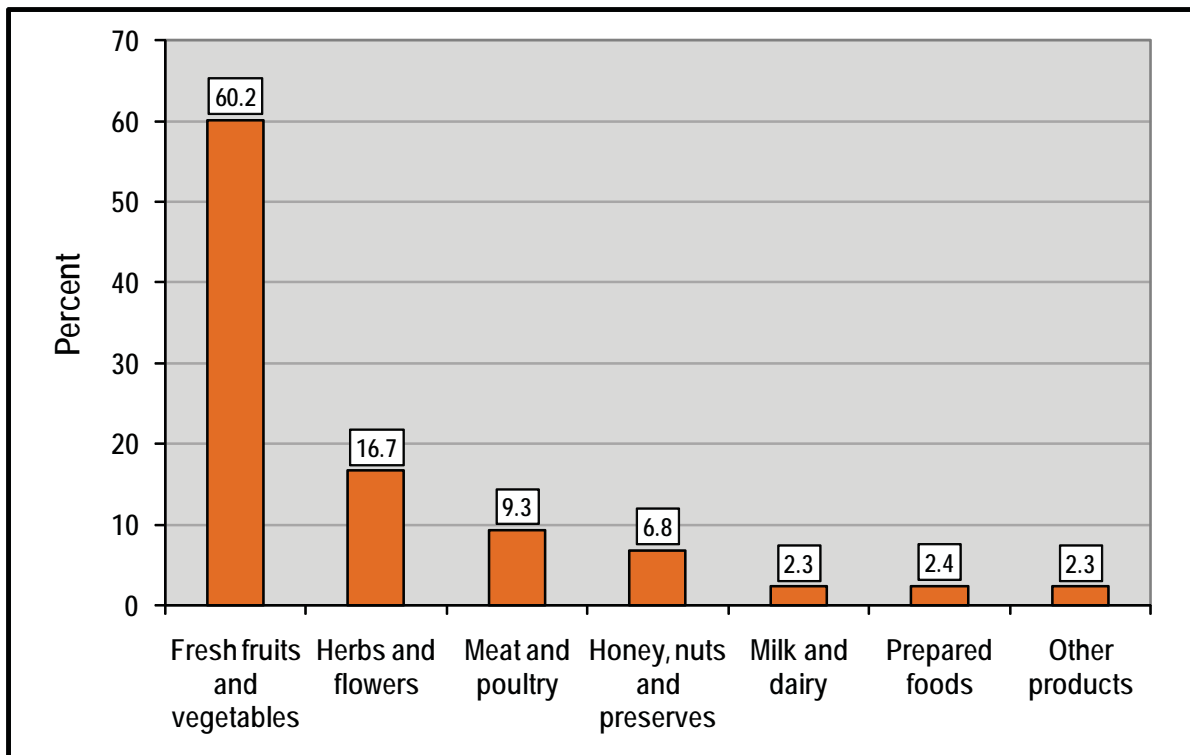


Figure 22. Distribution of vendors selling organically labeled products at farmers markets



12. Only markets that reported sales of organically labeled products were included.

Other Label Claims

In addition to organic label claims, farmers market vendors frequently displayed a variety of such specialty label claims as “locally grown” to advertise their merchandise. Sixty-nine percent of surveyed managers reported that vendors at their markets used specialty labels, ranging from a low of 51.3 percent in the Southeast region to a high of 78.8 percent in the Rocky Mountain region (Figure 23). The most popular specialty label claim across the country was “locally grown,” with nearly 90 percent of all managers in every part of the country reporting their vendors used the phrase as a labeling claim (Figure 24). Other popular label claims included “pesticide-free” or “chemical-free” (at nearly half of surveyed farmers markets) and “natural” (also at nearly half of surveyed farmers markets). Label claims related to the absence of pesticides and chemicals were particularly popular in the Far West and Rocky Mountain regions, while labels claiming merchandise is “natural” were popular in the North Central region.

Figure 23. Percentage of farmers markets that sold specially labeled products (other than organic), by region

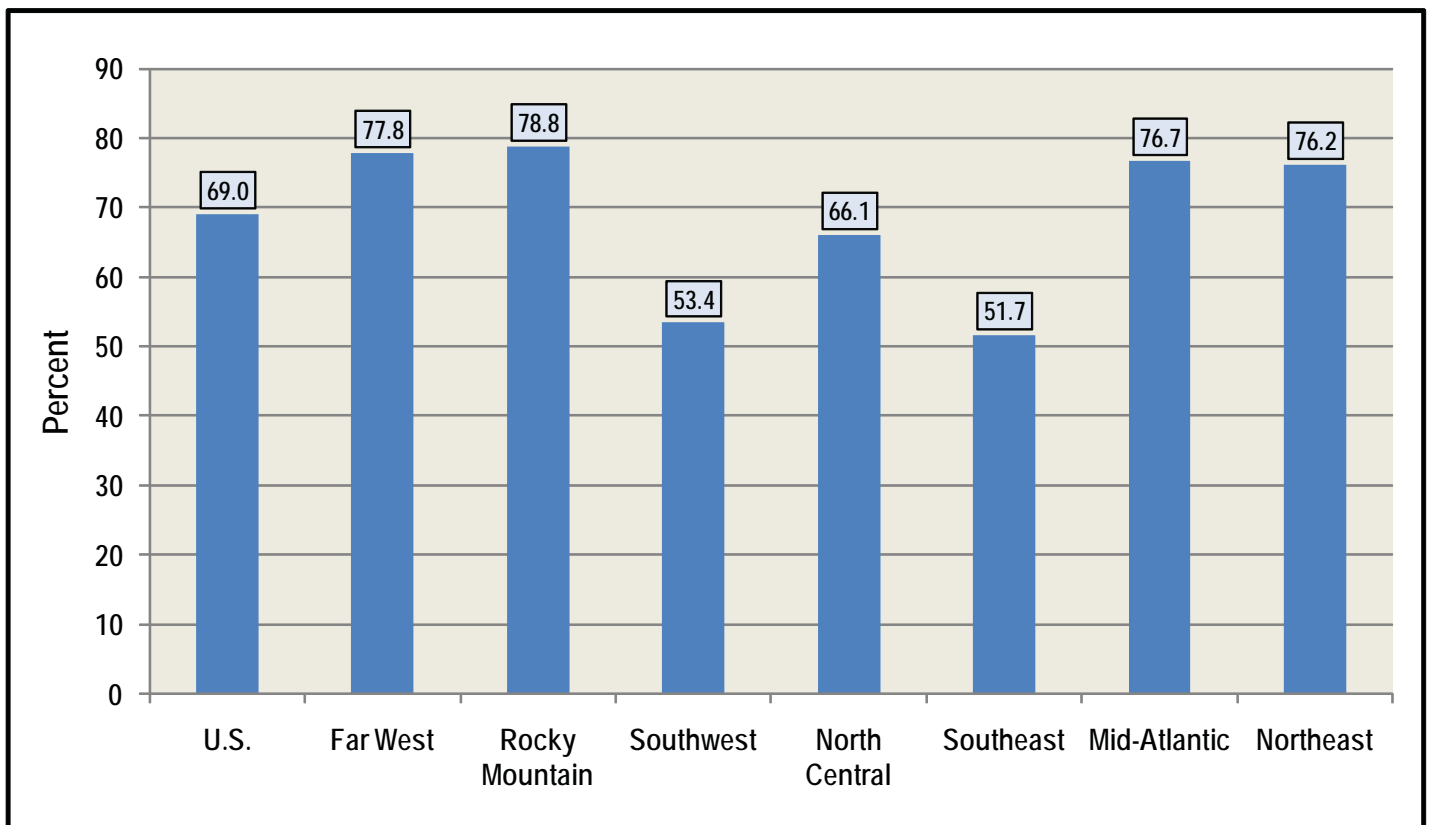
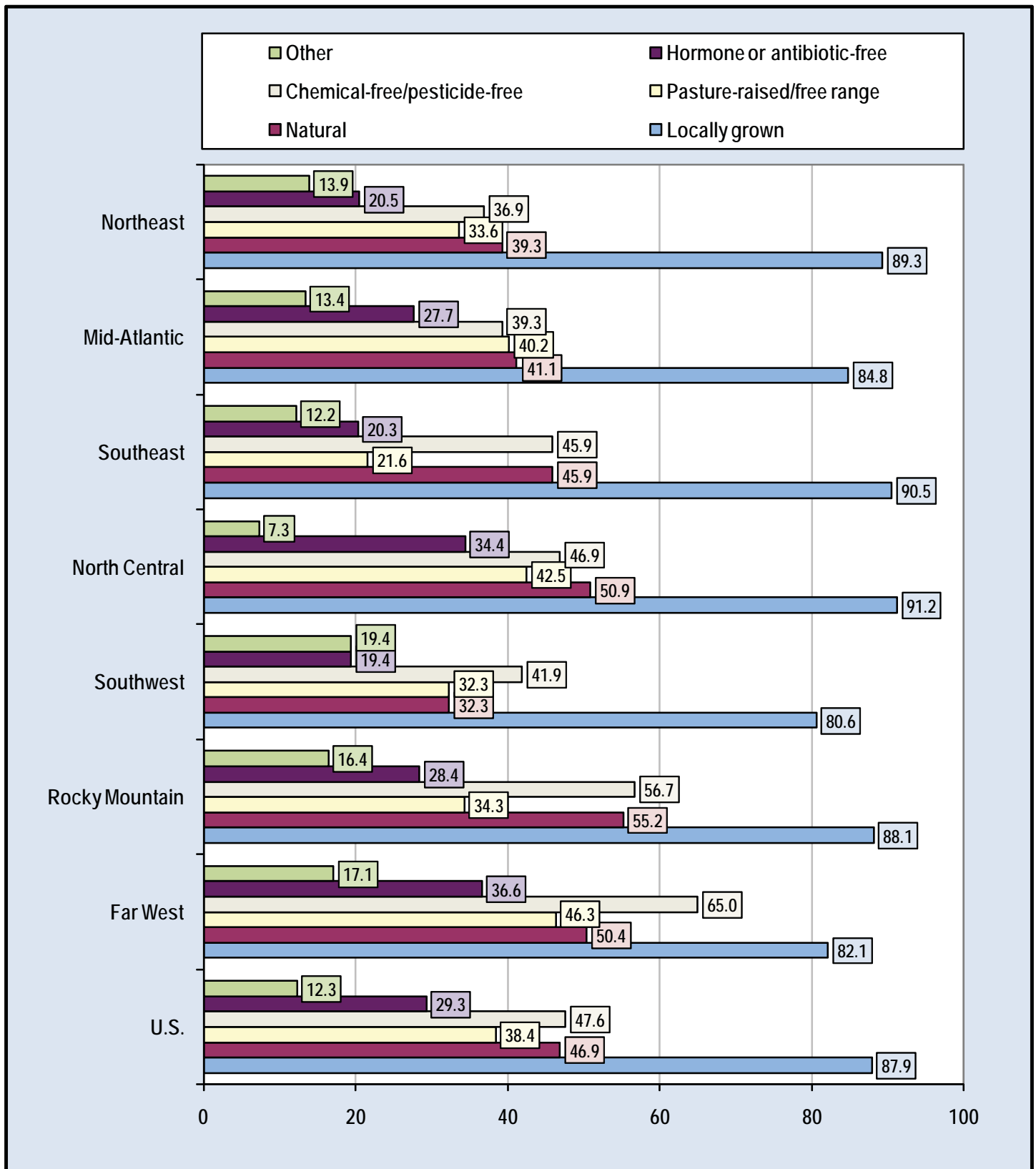


Figure 24. Farmers markets that sold specially labeled products (other than organic), by product type and region

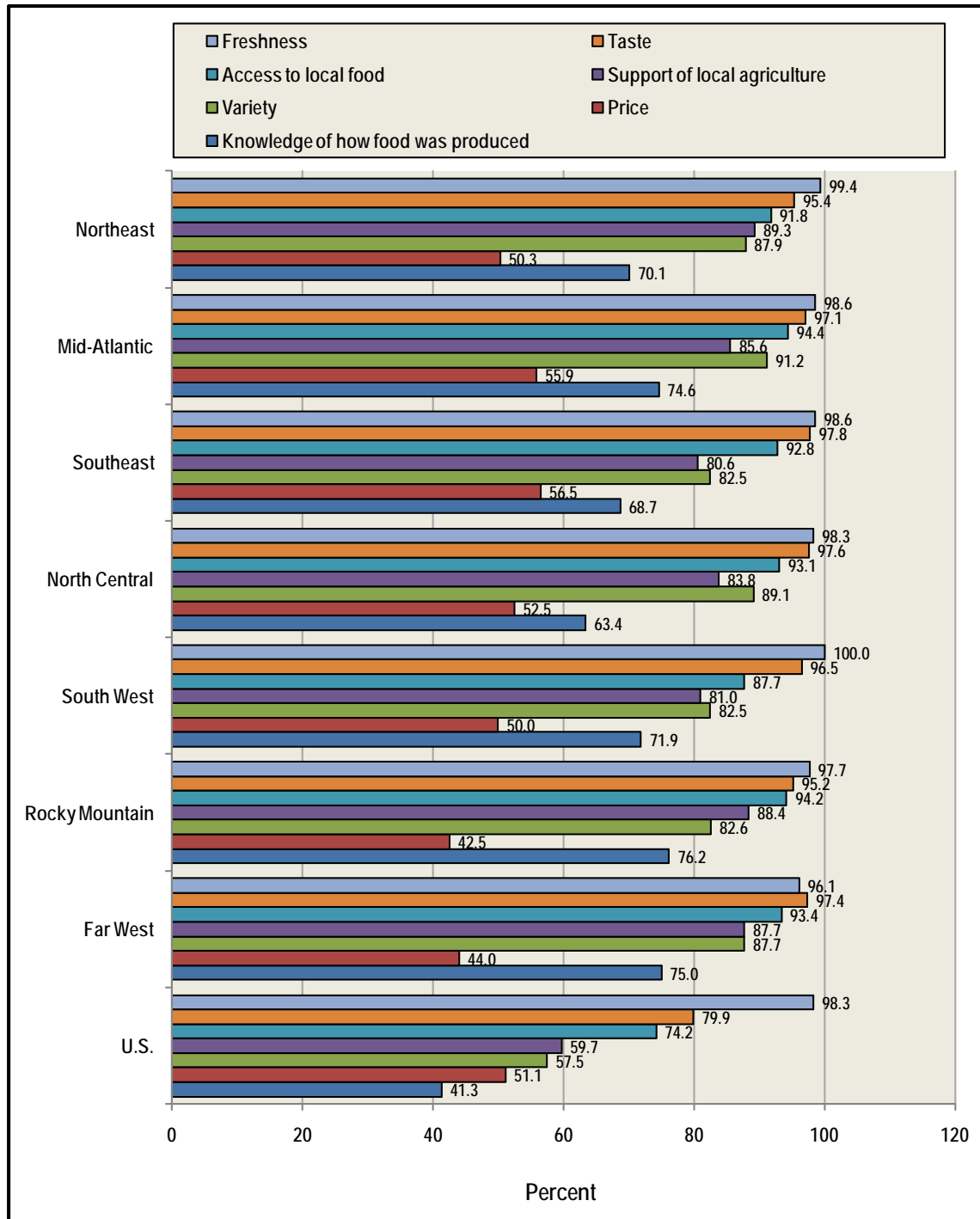


Customer Characteristics

Why Customers Shop at Farmers Markets

Market managers were asked to rank the top three reasons they believe their customers shopped at their farmers markets. Freshness, taste, and access to local food were the top three reported by managers, with price ranking a distant sixth. Figure 25 depicts the percentage of managers that reported each motivating factor as either important, very important, or extremely important.

Figure 25. Top ranked attributes of customers who shopped at farmers markets, by region



Weekly Number of Customers at Markets

The average number of customers reported at all farmers markets was 959 per week. Year-round markets reported an average of 3,622 customers per week, higher than seasonal markets, which caused the average customer counts at all markets to be skewed upward. In comparison, managers of seasonal farmers markets reported an average 601 customer visits per week.

Because most markets across the Nation reported they were seasonal and there were only 87 year-round markets that responded to the survey, we limit regional breakdowns to seasonal markets. The region with the largest number of customers per week at seasonal markets was 1,379, reported by markets in the Far West region, a number much higher than any other region (Figure 26). This result was somewhat surprising, as only 59.5 percent of farmers markets in the Far West region were located in urban areas, as measured by rural-urban continuum codes, suggesting that location in densely populated areas may not be crucial for market success. Another example, Figure 28, shows that the Mid-Atlantic region has the largest percentage of markets in urban areas, but Figure 26 shows its weekly customer counts fall in the middle range. Population density may not be the sole determinant of farmers markets performance.

To gain a better perspective of typical customer traffic at markets on a region basis, weekly customer visits were grouped into four ranges: fewer than 100 customers, 100-199 customers, 200-599 customers, and 600 or more customers (Figure 27). The resulting analysis reveals that seasonal farmers markets in the Far West typically attract far more customers per week than markets in other regions of the country. More than half the seasonal farmers markets in the Far West averaged 600 or more customers per week; at the other end of the spectrum, more than half the markets in the Southeast and Southwest regions had fewer than 100 customer visits per week, while markets in other regions of the country most frequently served between 100 and 199 customers per week. Given the limited average levels of customer turnout in so many parts of the country, it is not surprising to learn that “targeting customers” remains a high priority for farmers market managers in terms of desired marketing assistance (see Figure 51 on page 65), as customer patronage of seasonal farmers markets remains highly concentrated in a few key geographic locations.

Figure 26. Average weekly customer counts of seasonal farmers markets, by region

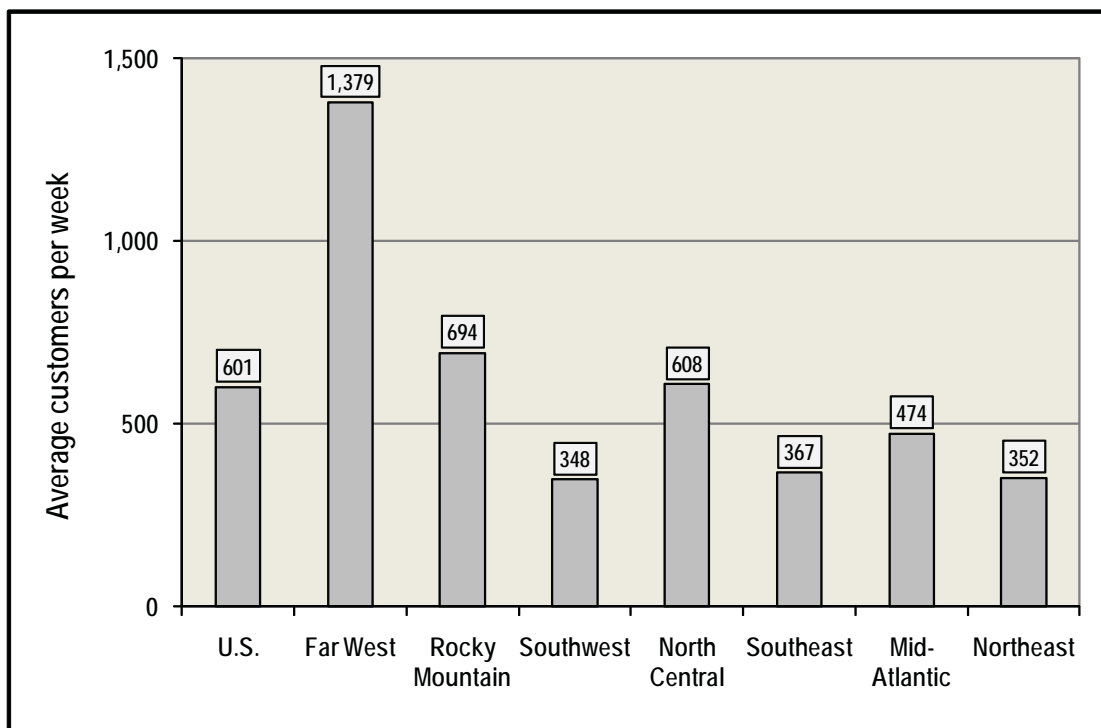


Figure 27. Weekly customer counts at seasonal farmers markets, by region and size of customer traffic

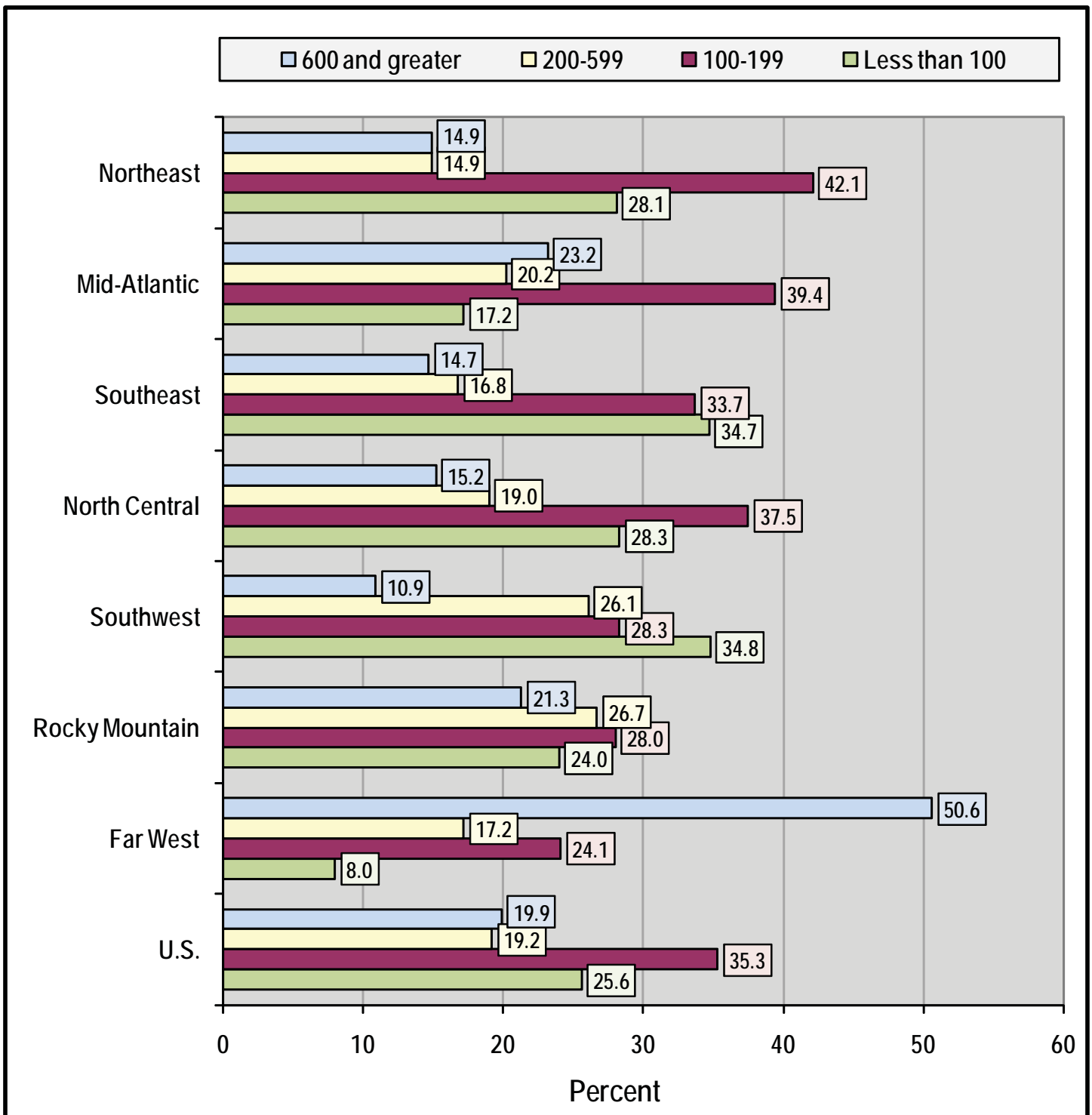
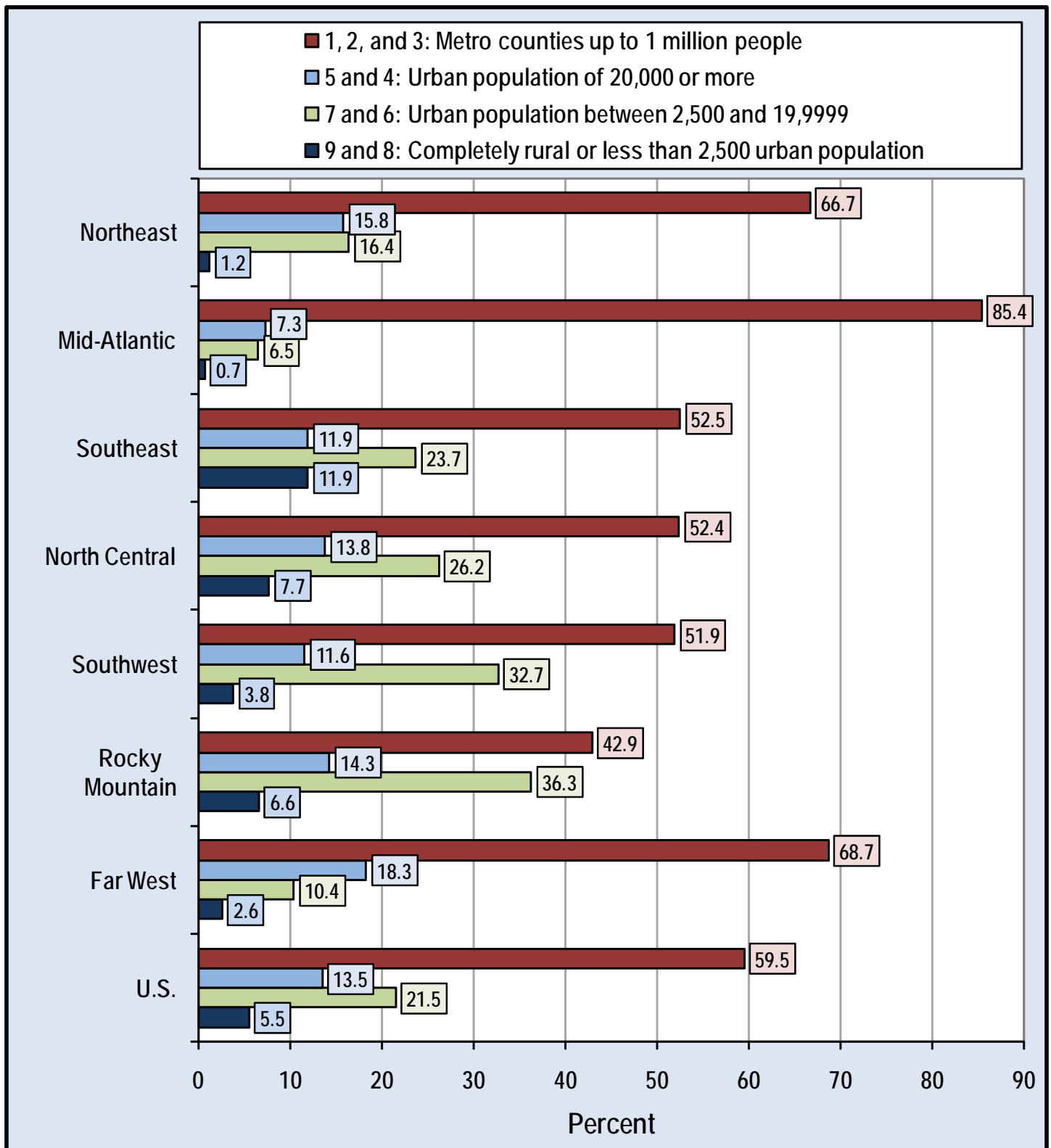


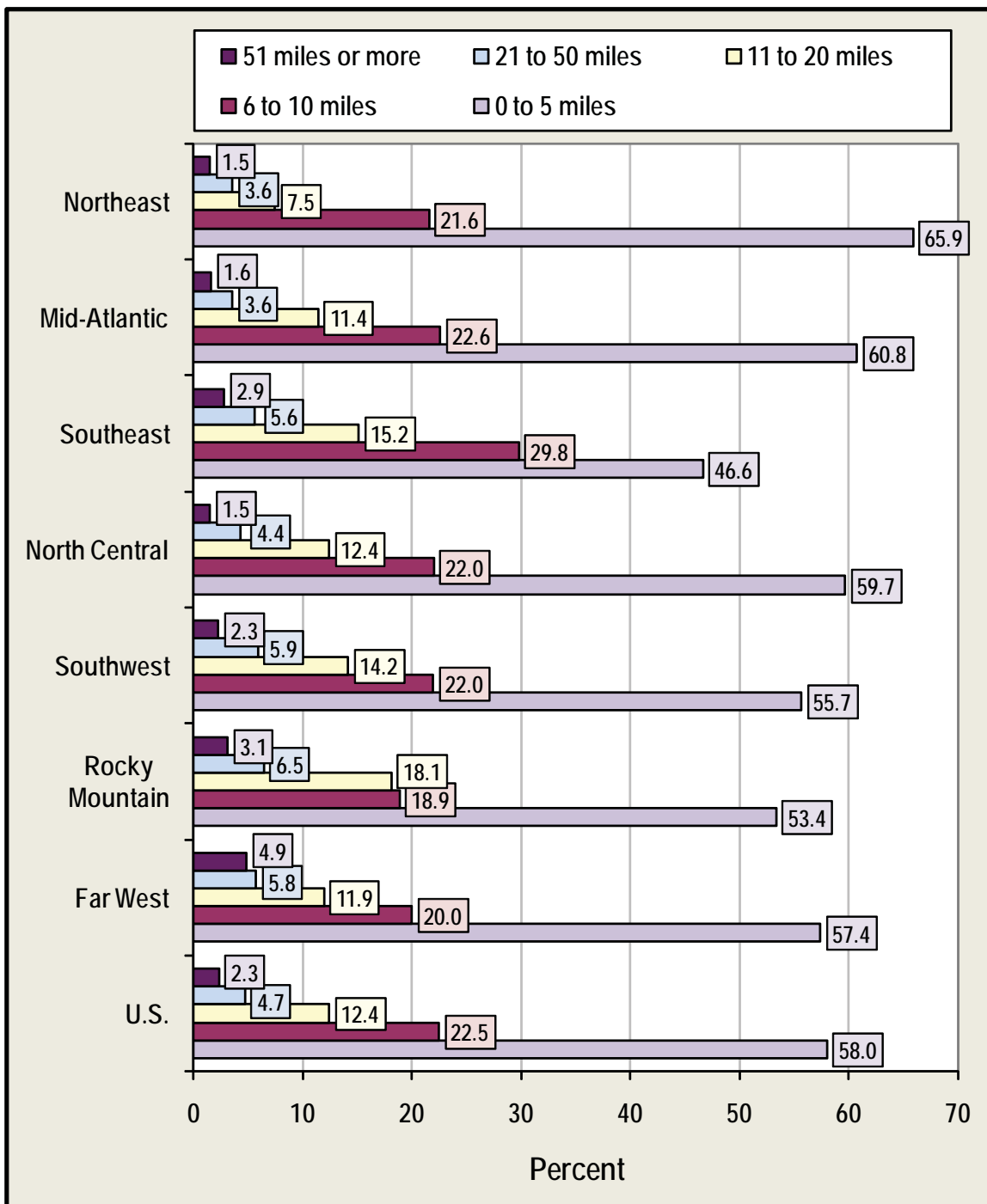
Figure 28. Percentage of seasonal markets, by rural-urban continuum code and region



Distance Traveled by Customers

As a general rule, customers were willing to travel only a limited distance to patronize farmers markets, underscoring the important link between market location and market performance. Surveyed managers reported that, on average, more than half their market's customers (58 percent) traveled 5 miles or less to reach the market, and that more than 80 percent of their market's customers traveled 10 miles or less (Figure 29). A similar pattern of behavior can be seen in most regions of the country, with the majority of market customers traveling 5 miles or less. The only exception was in the Southeast region, where a slight majority of market customers traveled more than 5 miles to visit farmers markets.

Figure 29. Distance traveled by customers of farmers markets, by region



Outreach to Customers

Advertising Methods

Signs/banners and newspaper advertising were the two promotional methods most frequently used by farmers market managers nationwide, with more than 80 percent of surveyed managers reporting they use these methods to attract customers (Figure 30). On average, farmers markets nationwide spent \$3,566 on advertising in 2005. It is important to note, however, that this average is probably inflated by a handful of well-established markets that spent upwards of \$100,000 on advertising. Perhaps a more typical and realistic estimate of annual advertising expenditures is the median figure of \$500 per year, accounting for approximately one-third of reported annual median operating expenses at farmers markets.

Managers were asked to rank the importance of each type of advertising method on a Likert scale from 1 to 5, with 1 representing “not important” to 5 representing “extremely important.” The two advertising methods rated most important by market managers were signs/banners and newspapers, with brochures/flyers in third place (Figure 31). Nearly 25 percent of surveyed managers gave the highest possible ranking, “extremely important,” to signs/banners for advertising the market to the public.

Figure 30. Types of advertising used by markets, in percent

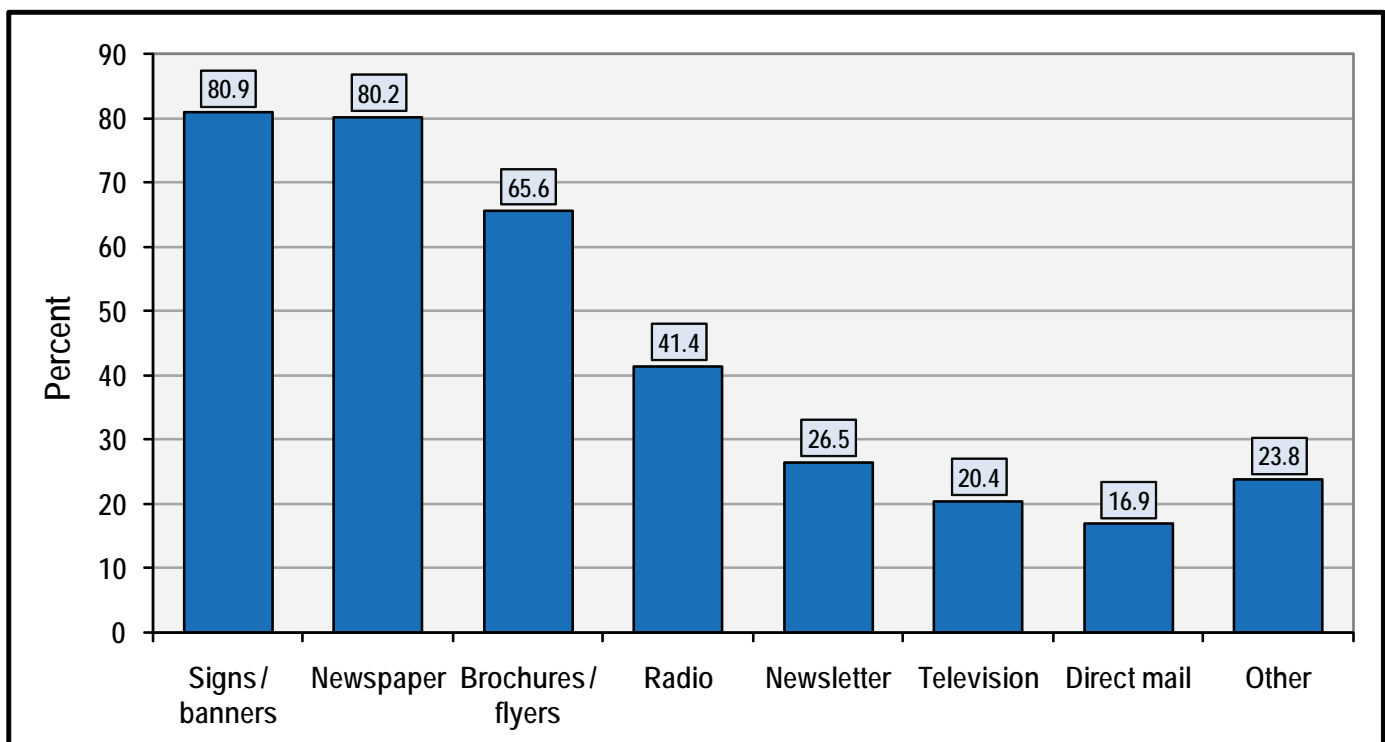
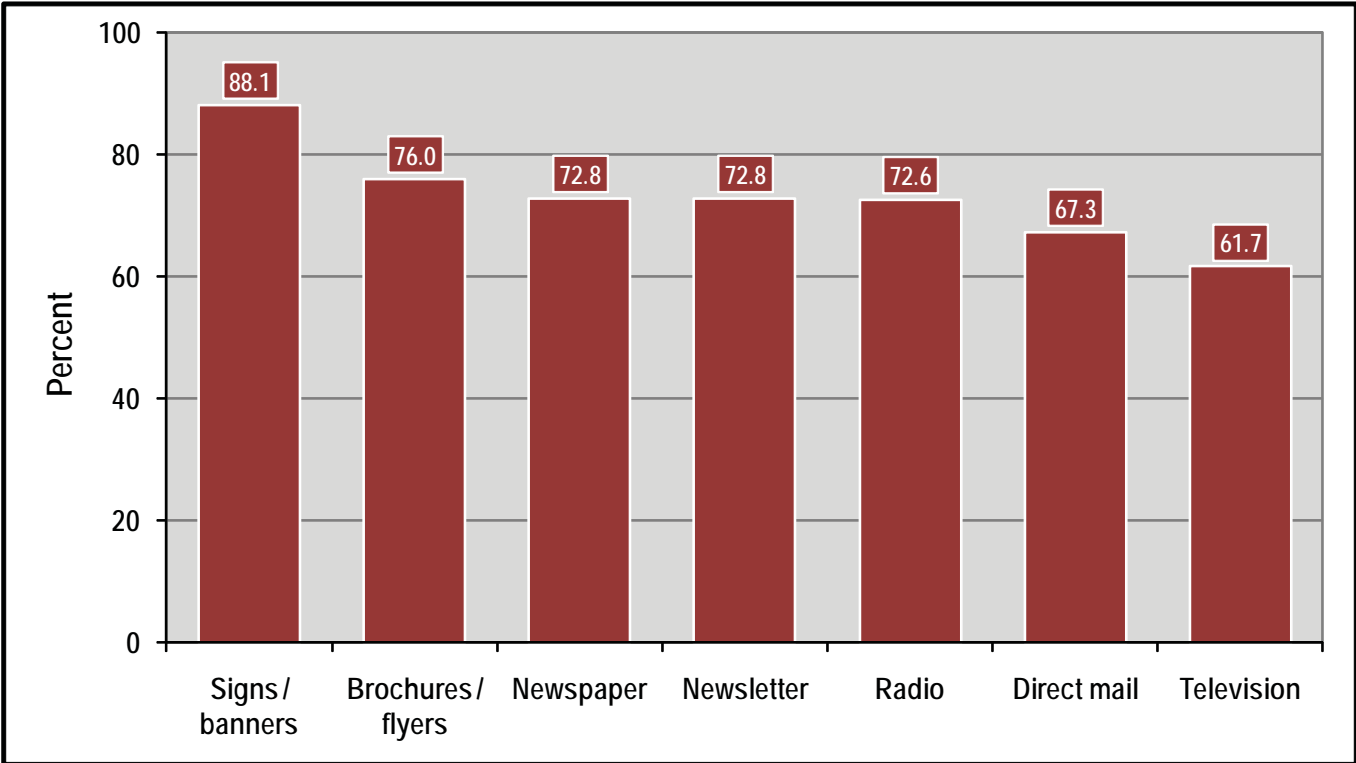


Figure 31. Manager ranking of advertising method importance, in percent¹³



Use of Market Research on Customer Preferences

Managers were asked if they conducted periodic consumer surveys to learn the needs and preferences of their customers. Only 27.6 percent of surveyed managers conducted surveys, suggesting that market managers may need to devote greater effort to obtaining feedback from market patrons (though the nature of direct-to-consumer marketing fosters better communication between buyers and seller than other sales channels).

13. The graph summarizes the percentage of managers that ranked the advertising method as either effective, very effective, or extremely important.

Vendor Characteristics

Average Sales per Vendor at Farmers Markets

Nationally, the annual average sales volume per vendor was \$7,035, ranging from a low of \$2,349 in the Rocky Mountain region to a high of \$17,017 in the Mid-Atlantic region. The large swing in the magnitude of annual sales per vendor between these regions is because a few markets had significantly large value sales and few vendors. The median sales per vendor is a more representative view of annual sales per vendor across regions. Annual median sales per vendor nationally were \$2,222. The median sales per vendor regionally ranged from a high of \$5,552 in the Mid-Atlantic region to a low of \$1,200 in the North Central region (Table 5).

Monthly sales per vendor allow more equitable comparisons among markets within and across regions because the length of time a market operates during a year doesn't influence the magnitude of vendor sales. The average monthly sales of vendors in 2005 was \$1,070 per month, ranging from a low of \$607 in the Rocky Mountain region to a high of \$2,187 in the Mid-Atlantic region¹⁴ (Table 4).

Even with monthly vendor sales factored in, there are still large variations among vendors at markets. Therefore, as discussed earlier, the median sales figure gives a more representative view of vendors' monthly sales. Nationally, the median monthly sales of vendors was \$468, ranging from a high of \$875 in the Mid-Atlantic region to a low of \$245 in the Southwest region. Vendors at smaller markets earned higher revenue than vendors at larger markets, presumably because there was less competition for customers (Table 6). However, when the market size reached 40 or more vendors, the negative impact of competition appeared outweighed by increased sales volume from greater customer traffic.

14. Vendor average monthly sales figures were calculated by dividing average monthly market sales by the average number of vendors reported by market managers. The number of vendors reported by market managers was the number of unique vendors that used their market. The number of times a particular vendor sold products at a given farmers market is unknown.

Table 4. Average monthly sales per vendor, by region

	U.S.	Far West	Rocky Mountain	SW	North Central	SE	Mid-Atlantic	NE
Monthly sales per vendor (all markets)								
Mean	\$1,070	\$1,075	\$607	\$781	\$571	\$927	\$2,187	\$1,612
Median	\$468	\$694	\$447	\$245	\$268	\$300	\$875	\$594
Customers per week	959	1,964	699	731	856	680	974	655
Monthly sales per vendor (seasonal markets)								
Mean	\$1,021	\$1,127	\$620	\$684	\$535	\$520	\$2,284	\$1,671
Median	\$450	\$691	\$447	\$175	\$257	\$280	\$875	\$594
Customers per week	601	1,379	694	348	608	367	474	352

Table 5. Average annual sales per vendor, by region

	U.S.	Far West	Rocky Mountain	SW	North Central	SE	Mid-Atlantic	NE
Annual sales per vendor (all markets)								
Mean	\$7,035	\$8,056	\$2,349	\$5,293	\$3,527	\$7,794	\$17,017	\$6,676
Median	\$2,222	\$4,644	\$1,787	\$2,016	\$1,200	\$1,842	\$5,552	\$2,727
Annual sales per vendor (seasonal markets)								
Mean	\$5,452	\$5,963	\$2,287	\$3,203	\$2,933	\$2,329	\$16,662	\$6,653
Median	\$1,878	\$3,226	\$1,697	\$1,000	\$1,176	\$1,176	\$5,500	\$2,690

Table 6. Average monthly sales per vendor, by number of vendors

	Number of vendors per market				
	All	2-9	10-19	20-39	40 or more
Monthly sales per vendor (all markets)					
Mean	\$1,070	\$1,517	\$951	\$803	\$1,010
Median	\$468	\$500	\$391	\$325	\$750
Customers per week	959	80	371	572	2,818
Monthly sales per vendor (seasonal markets)					
Mean	\$1,021	\$1,439	\$954	\$739	\$893
Median	\$450	\$500	\$384	\$329	\$655
Customers per week	601	151	338	483	1,684

Influence of Age of Market on Vendor Sales

Average monthly sales per vendor were lowest at the youngest tier of farmers markets, which can be expected of start-up businesses (Table 7). However, rather than climbing in a linear fashion over time, monthly sales volume per vendor seemed to sag at markets that were between 10 and 19 years old, possibly because of increased competition among vendors for customers. At farmers markets 20 years old or older, however, vendor income once again seemed to recover, suggesting farmers markets 20 years old and older may offer attributes attractive to customers, such as wider product selection and variety, or convenience and accessible locations.

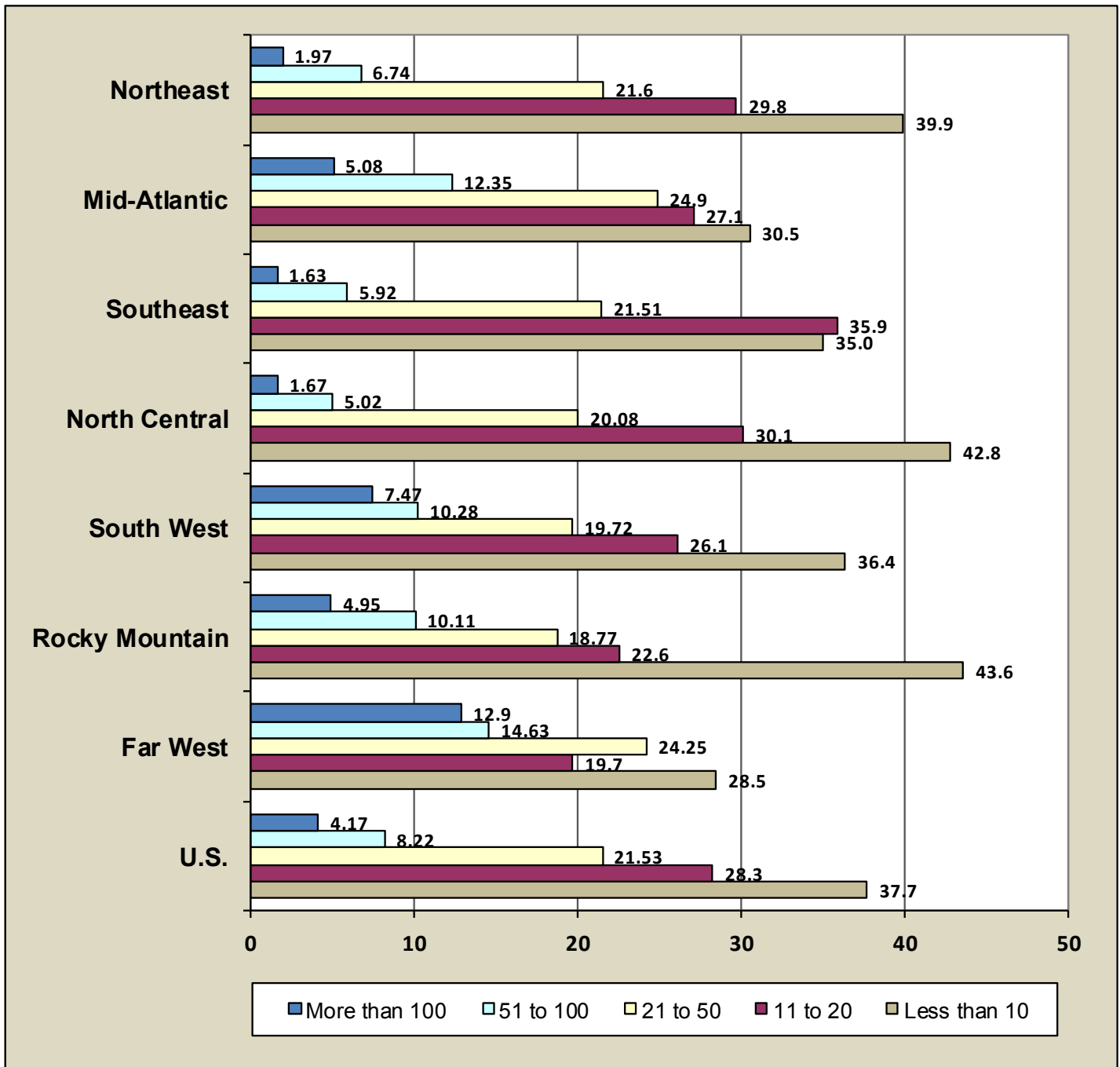
Table 7. Monthly sales per vendor, by age of market

	Years of market operation				
	All	0-4	5-9	10-19	20 or more
Monthly sales per vendor (all markets)					
Average	\$1,070	\$766	\$1,227	\$920	\$1,469
Median	\$468	\$403	\$469	\$417	\$667
Customers per week	959	430	558	985	1,944
Monthly sales per vendor (seasonal markets)					
Average	\$1,021	\$826	\$1,253	\$865	\$1,276
Median	\$450	\$487	\$487	\$368	\$575
Customers per week	600	417	466	835	789

Vendor Transportation

Vendors at farmers markets generally stayed fairly close to their farm operation. On average across the country, farmers market managers reported that 37.7 percent of vendors at their markets traveled less than 10 miles to sell at their markets, and an additional 28.3 percent traveled between 11 and 20 miles (Figure 32.)

Figure 32. Percent Distribution of Vendors, by Distance Traveled and Region





Race and Ethnicity of Vendors

The vast majority of farmers market vendors in 2005 were White (89.9 percent) and non-Hispanic (91.2 percent). However, a large representation of Hispanic farmers was reported in the Far West region, with 29.7 percent, followed by 17.7 percent in the Rocky Mountain region, and 9.5 percent in the Southwest. Managers in other regions reported between 3 to 5 percent of their vendors were of Hispanic heritage (Figure 34).

Asian and Black vendors, representing 4.7 and 4.4 percent of all vendors, were located primarily in two regions—the Far West and the Mid-Atlantic. While Asian vendors represented 18.4 percent in the Far West region, outside of the Far West, the participation of Asian vendors was low, from 1.0 percent in the Northeast region to 4.4 percent in the North Central region. Black vendors were most prevalent in the Southeast, where 18.0 percent of vendors were reported to be Black; outside of the Southeast, Black participation at farmers markets was limited, from a high of 4.5 percent in the Mid-Atlantic to a low of 1.1 percent in the North Central region. The racial composition of farmers market vendors can be seen in Figure 33.

Figure 33. Regional distribution of vendors, by race

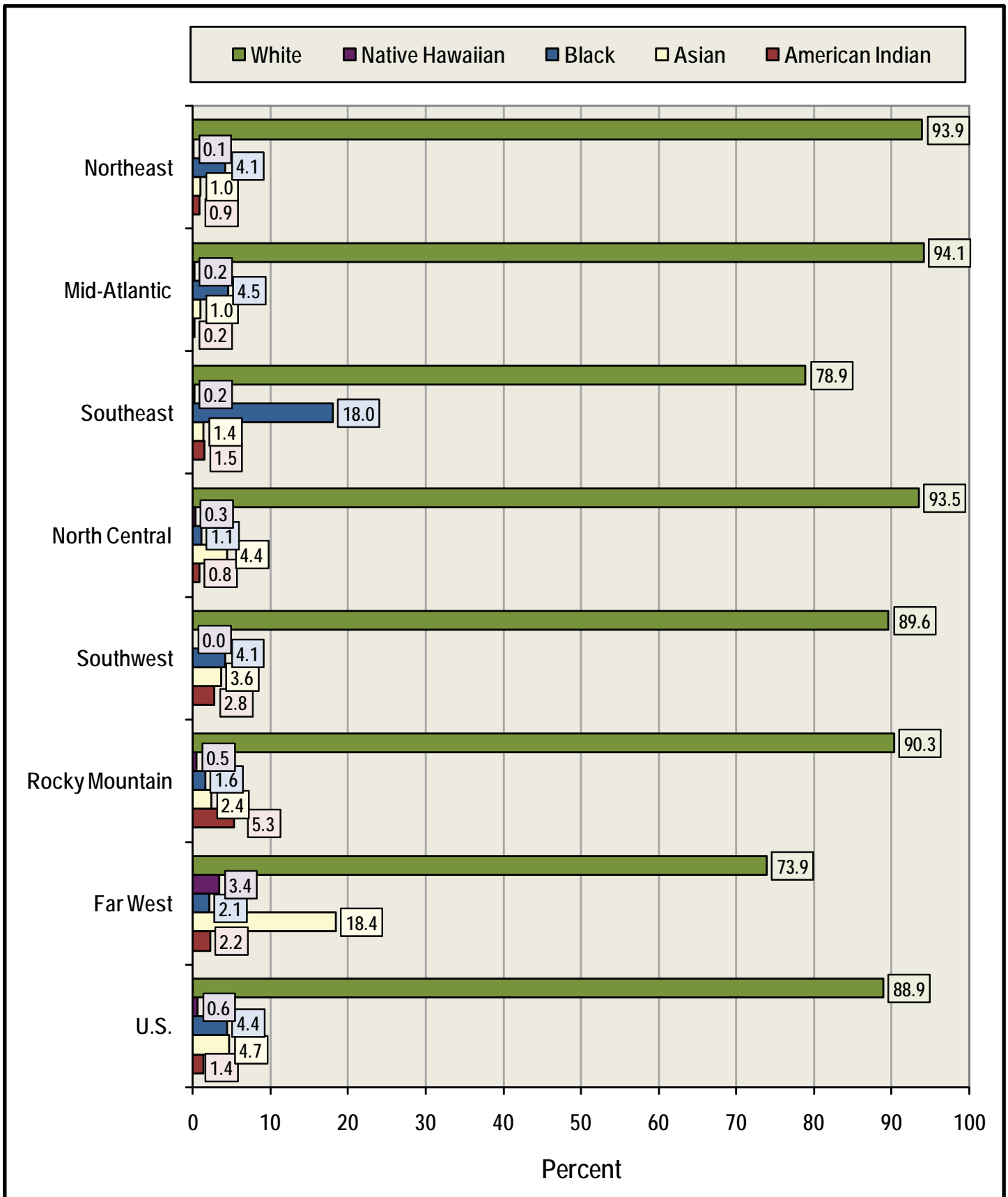
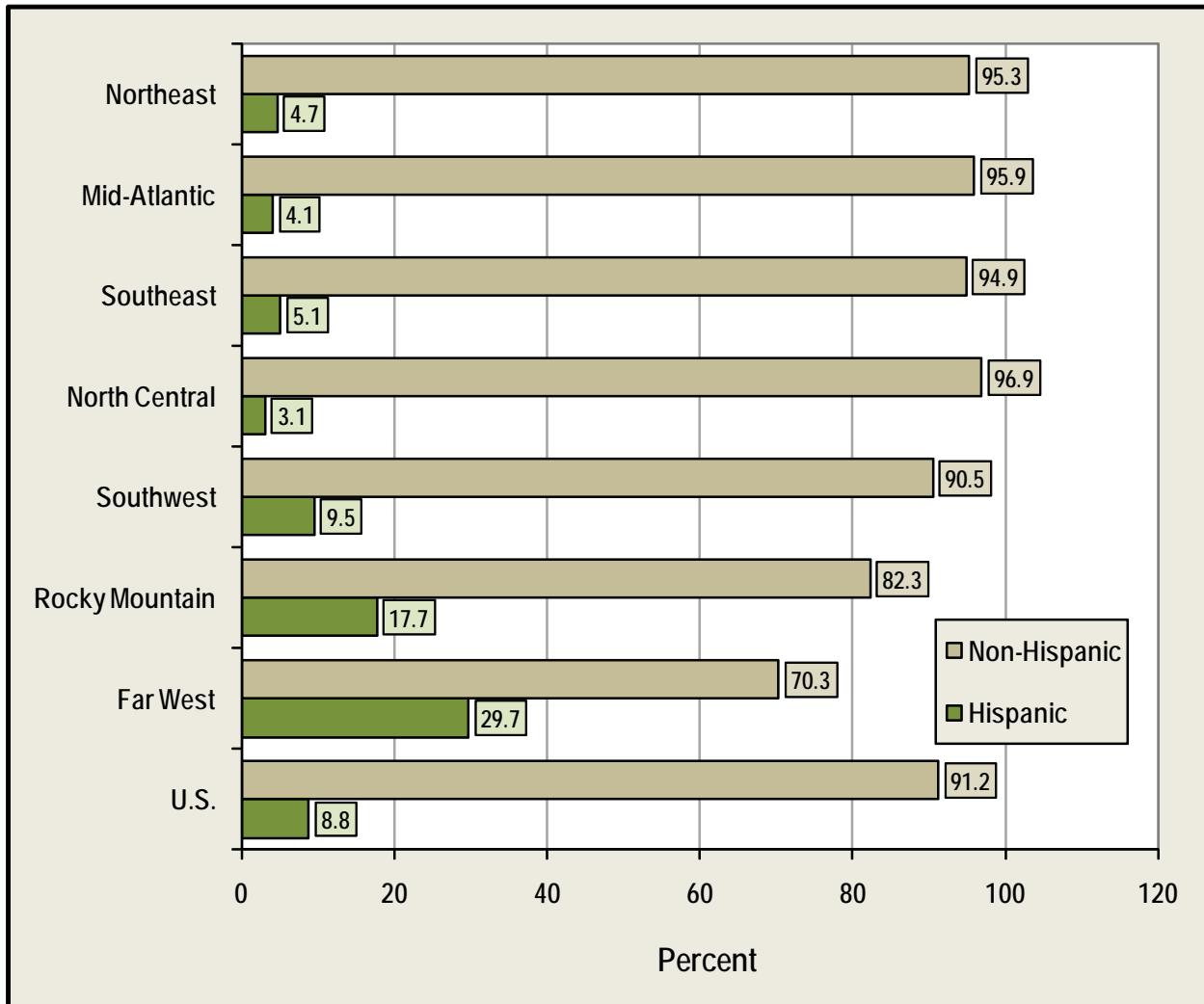


Figure 34. Distribution of Hispanic and Non-Hispanic vendors

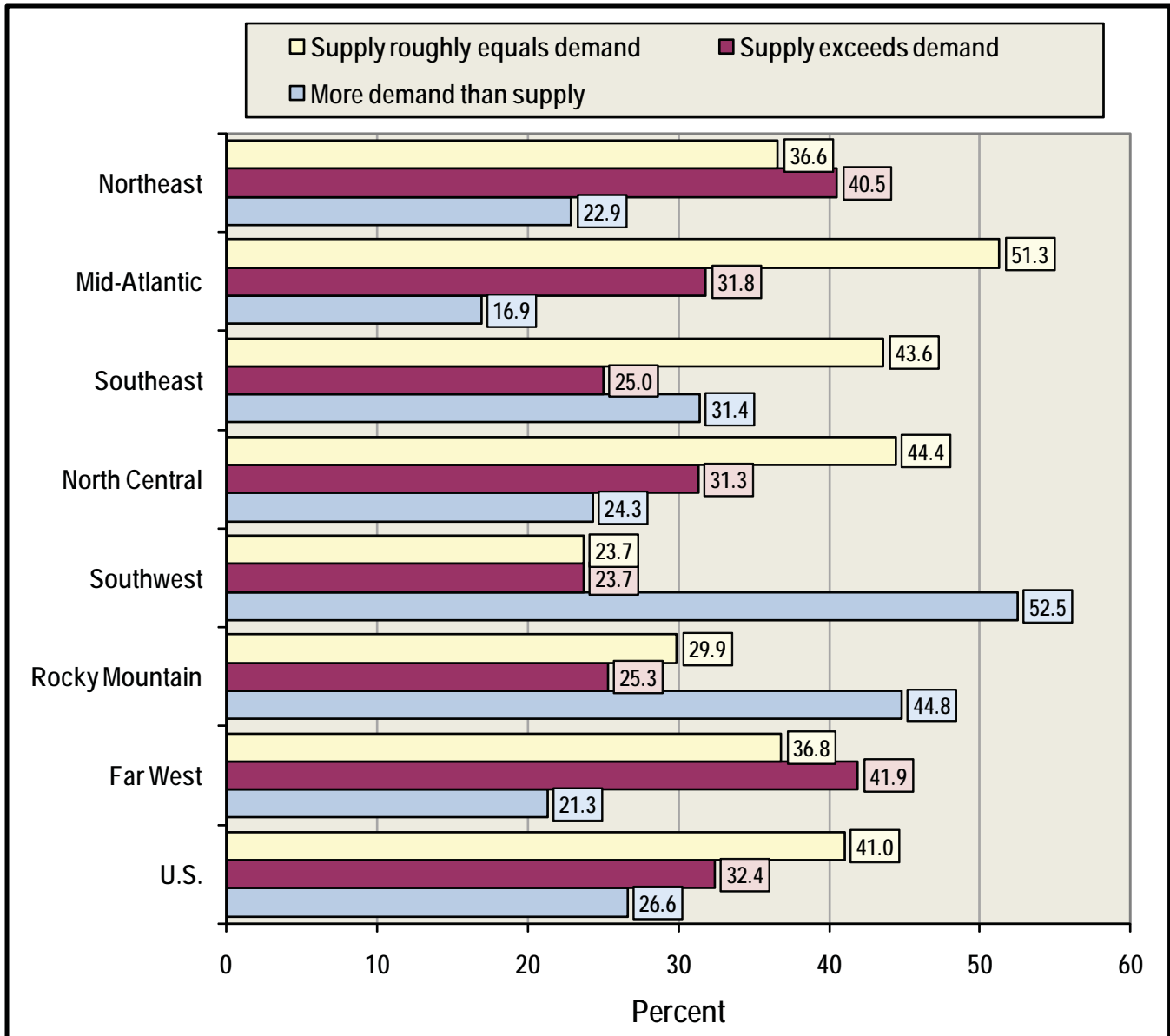


Balance of Vendor Supply and Customer Demand at Farmers Markets

Market managers were asked to evaluate the balance between customer demand for products and the supply of products available at their market. Nationally, 41 percent of managers reported demand and supply were roughly equal; 32.4 percent reported they needed more customers (i.e., supply exceeded demand); and 26.6 percent of managers reported that more vendors were needed (i.e., demand exceeded supply). Figure 35 illustrates the balance of supply and demand reported by market managers on a regional basis.

The highest percentage of managers in the Mid-Atlantic, North Central, and Southeast regions reported that supply roughly equaled demand, comprising 51.3 percent of managers in the Mid-Atlantic region, 44.4 percent in the North Central region, and 43.6 percent in the Southeast region. However, in the Southwest and Rocky Mountain regions, the highest percentage of managers reported demand exceeded supply—52.5 percent of managers in the Southwest region and 44.8 percent of managers in the Rocky Mountain region. Managers in the Far West and Northeast regions reported that supply exceeded demand—41.9 percent in the Far West and 40.5 percent in the Northeast region.

Figure 35. Market managers' perception of product supply versus customer demand, in percent



Operational Issues at Farmers Markets



Physical Characteristics of Farmers Markets

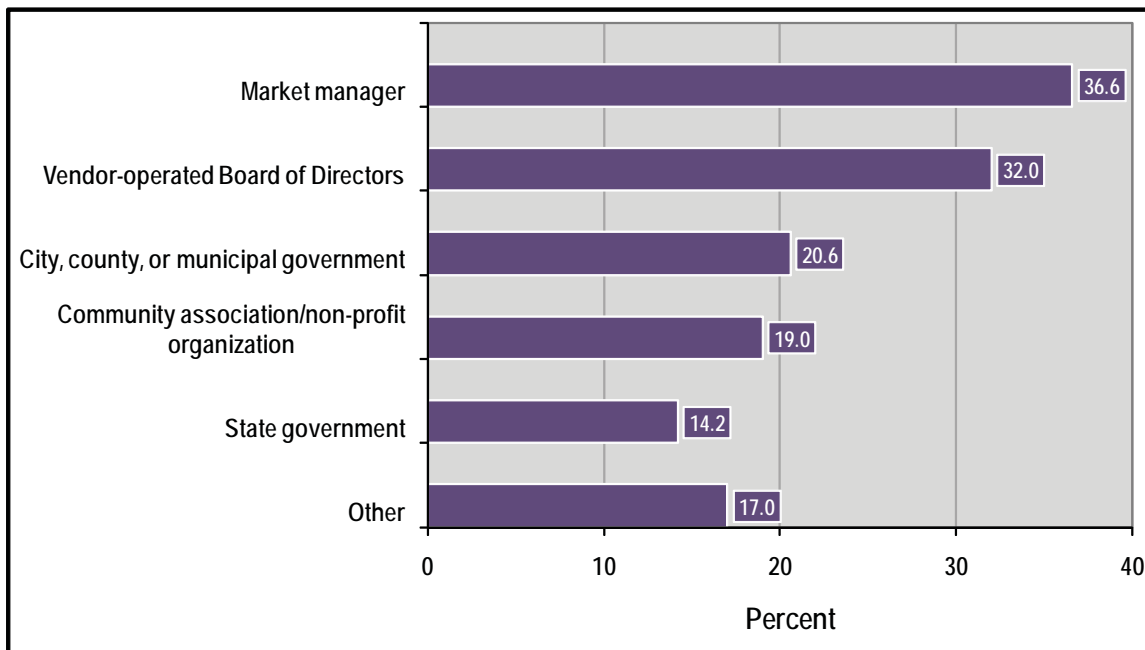
Given that farmers markets in the United States are mostly seasonal operations, it is not surprising that more than two-thirds of surveyed markets operate in temporary facilities. Of the 32.3 percent of markets that operate permanent facilities, the majority own their place of business; 52.9 percent own the facility that houses their market, and 47.1 percent rent space.

The average size of farmers markets nationwide in 2005 was 48,857 square feet, similar to the footprint of a medium-sized retail grocery store, ranging from a low of 20 square feet to a high of 3.4 million square feet.

Who Makes the Rules at Farmers Markets?

Although rules governing farmers markets may originate from many sources, more than two-thirds of surveyed managers reported that either the market manager or their vendor-operated board of directors was responsible for creating market rules and bylaws (Figure 36). The most prevalent rule-making body at markets was the market manager (36.6 percent), followed closely by a vendor-operated board of directors (32.0 percent).

Figure 36. Who develops rules at farmers markets, in percent*



*Totals do not equal 100 percent; respondents were given the opportunity to supply multiple choices.

Restrictions at Farmers Markets

Farmers markets often impose restrictions on their vendors to maintain the integrity of the products sold at their markets. The most common restriction is a requirement that vendors may sell only agricultural products they produced. Sixty-three percent of surveyed managers reported their markets enforced such producer-only sales restrictions (Figure 37). In keeping with this policy, the overwhelming majority—nearly 72 percent—of vendors in 2005 were reported to be producers selling goods they had grown and/or produced themselves, ranging from a peak of 78 percent in the Southwest to a low of 60.3 percent in the Rocky Mountain region (Figure 38).

Figure 37. Restrictions at U.S. farmers markets, in percent

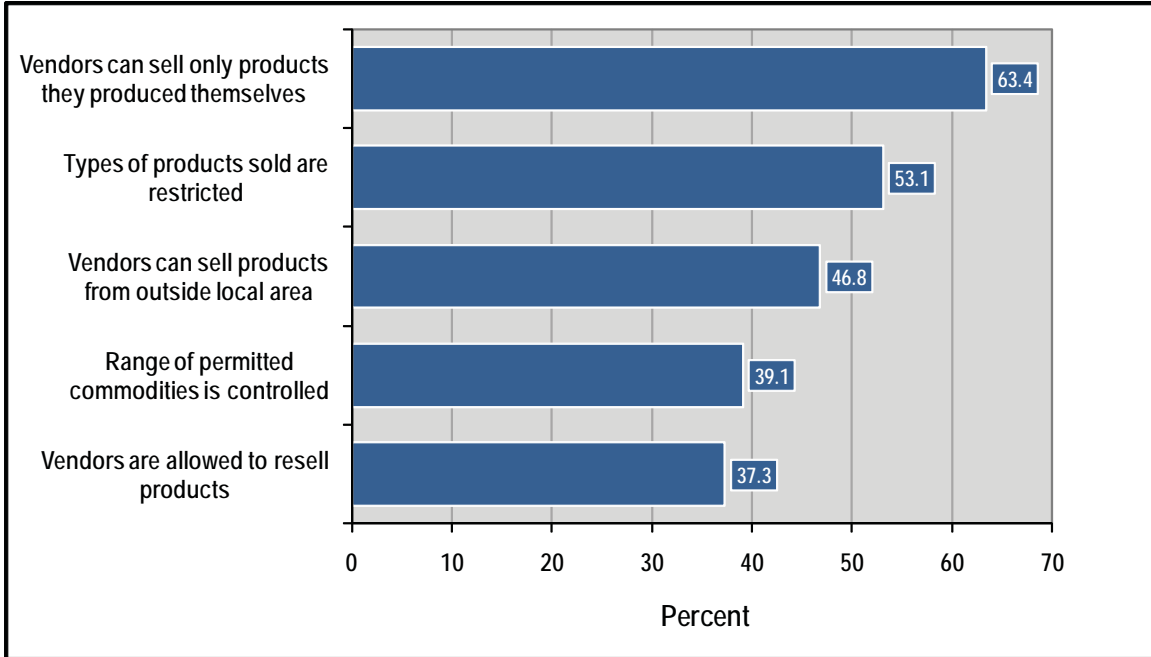


Figure 38. Percentage of vendors at farmers markets that sold only what they produced

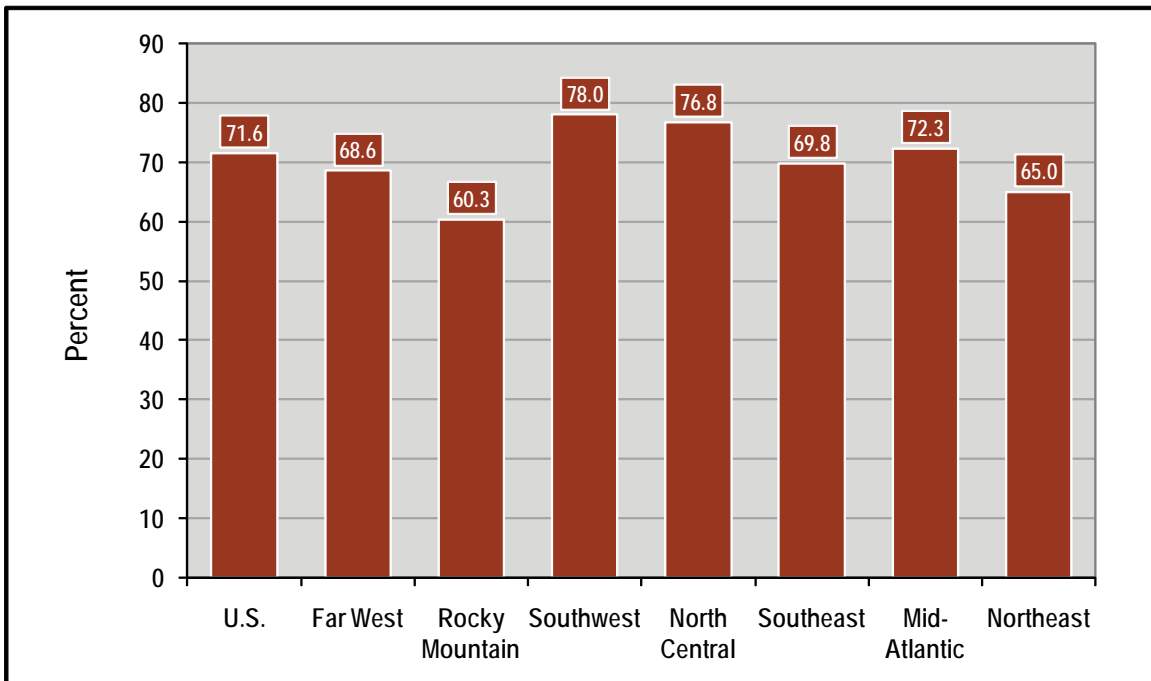
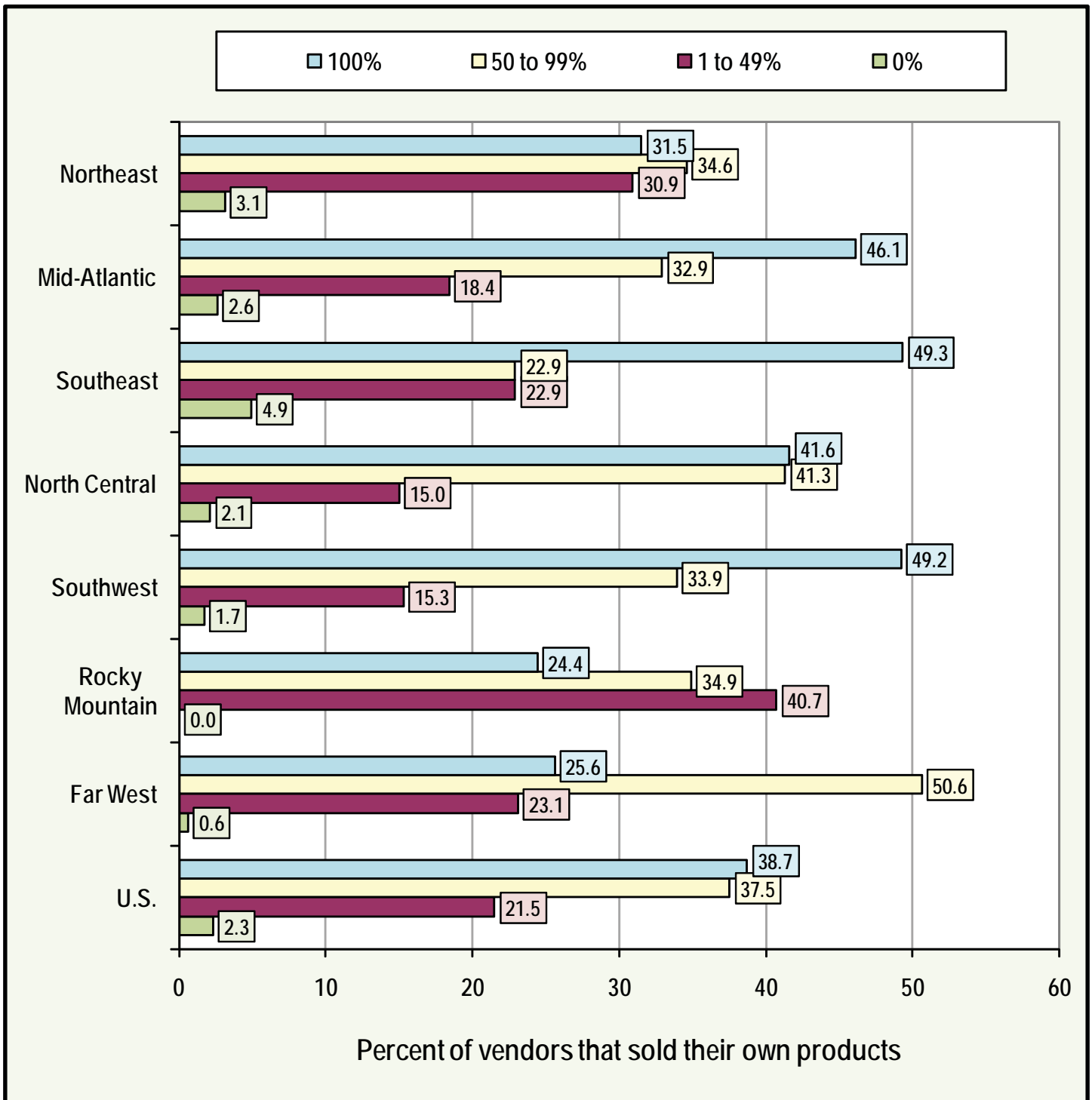


Figure 39. Distribution of vendors that sold only their own products, by region



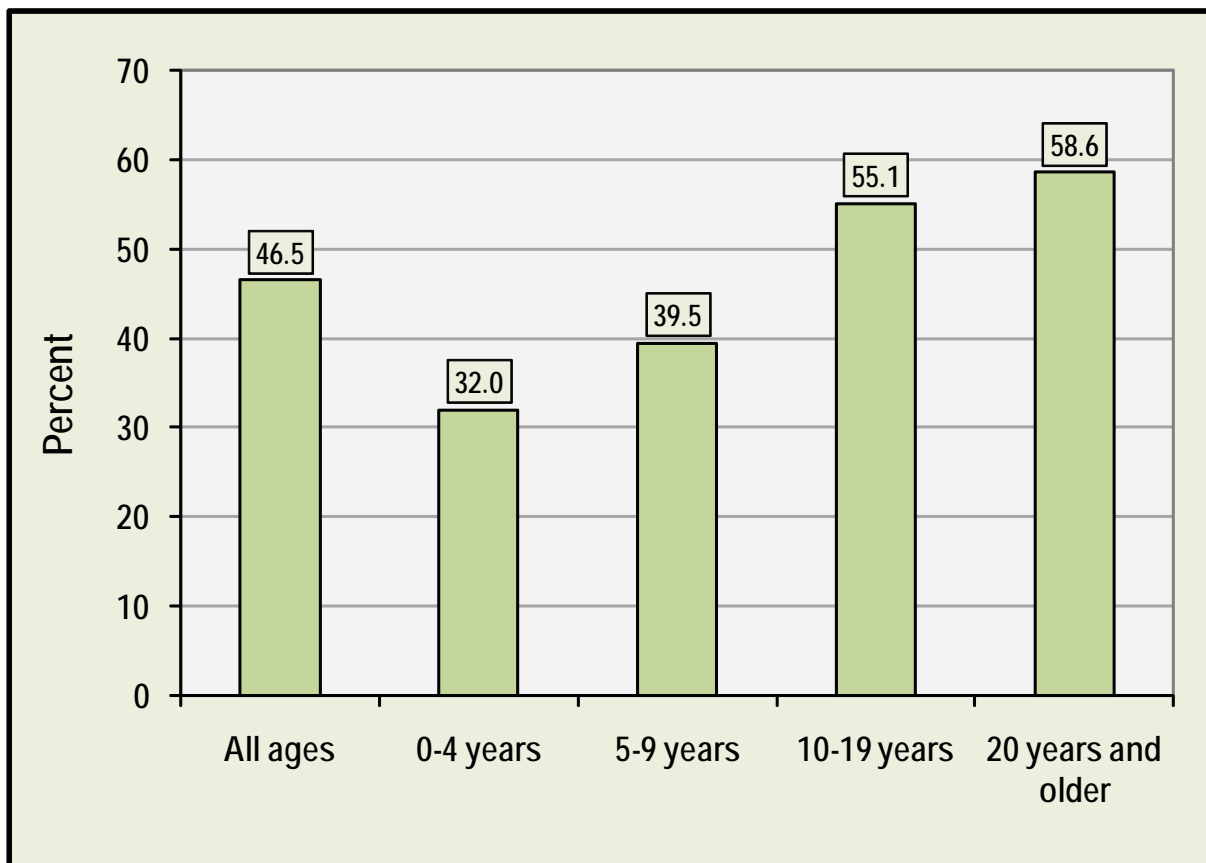
Other common restrictions at farmers markets included controls on the types of product categories that could be sold at markets, restrictions on selling products produced outside the local area, and controls on the number of vendors allowed to sell a certain type of product. Markets selling organically labeled products tended to report controls more frequently on the number of vendors allowed to sell similar types of products at individual markets.

Market Self-Sufficiency

The majority of farmers markets appear to be well on the road to financial self-sufficiency. Nearly half (46.5 percent) of surveyed market managers reported their markets were economically self-sufficient and depended exclusively on vendor fees to pay the market's operating expenses (Figure 40). As one might expect, farmers markets that have been in business longer tend to be more financially secure than younger markets; only 32 percent of markets fewer than 5 years old consider themselves to be economically self-sufficient, compared with 59 percent of markets in business 20 years or longer.

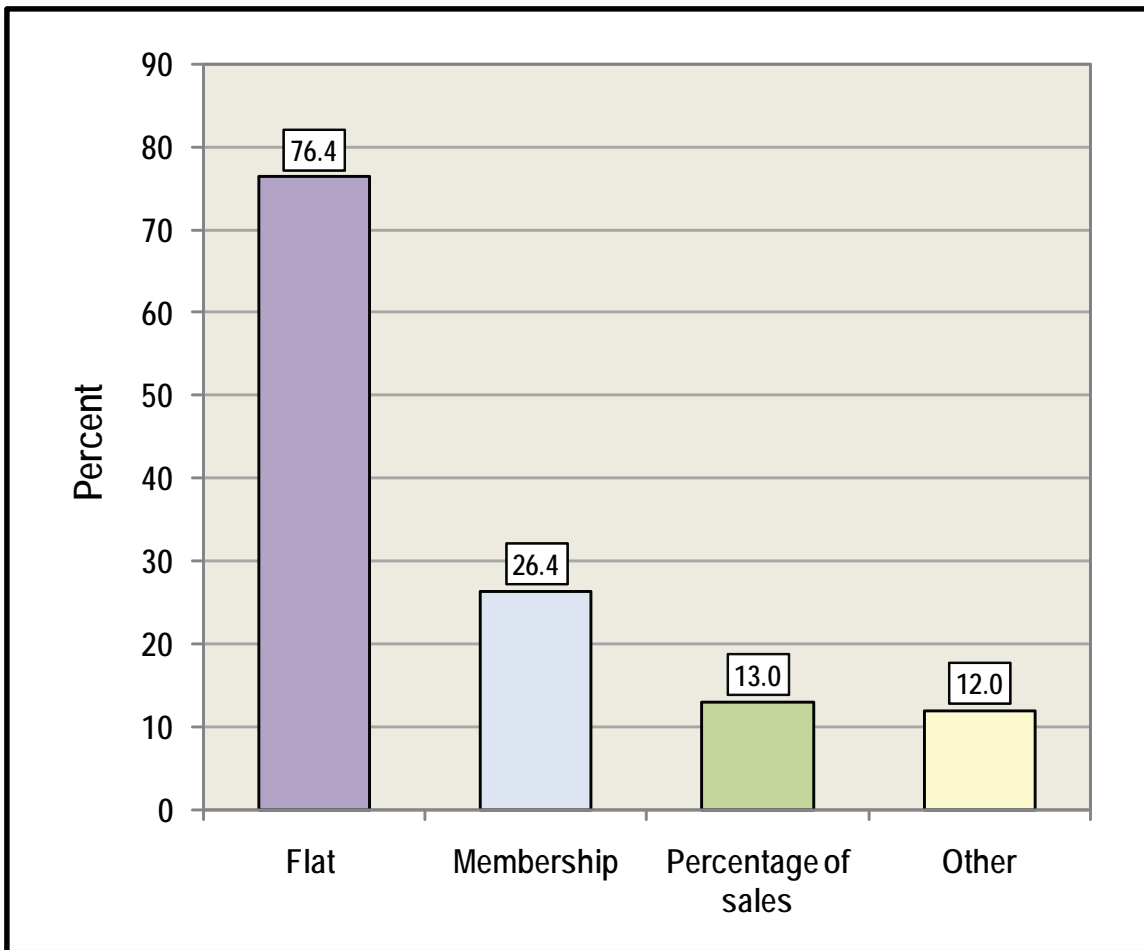
The top three funding sources for farmers markets that were not self-sufficient were vendor fees, city or county governments, and non-profit organizations. Younger markets reported greater dependence on external sources of funding than older markets; non-self-sufficient markets fewer than 5 years old derived only 40 percent of their budgets, on average, from vendor fees, while non-self-sufficient markets in business for 20 years or more were able to fund 57 percent of their budgets, on average, with vendor fees (Figure 40).

Figure 40. Percentage of self-sustaining farmers markets, by age of market



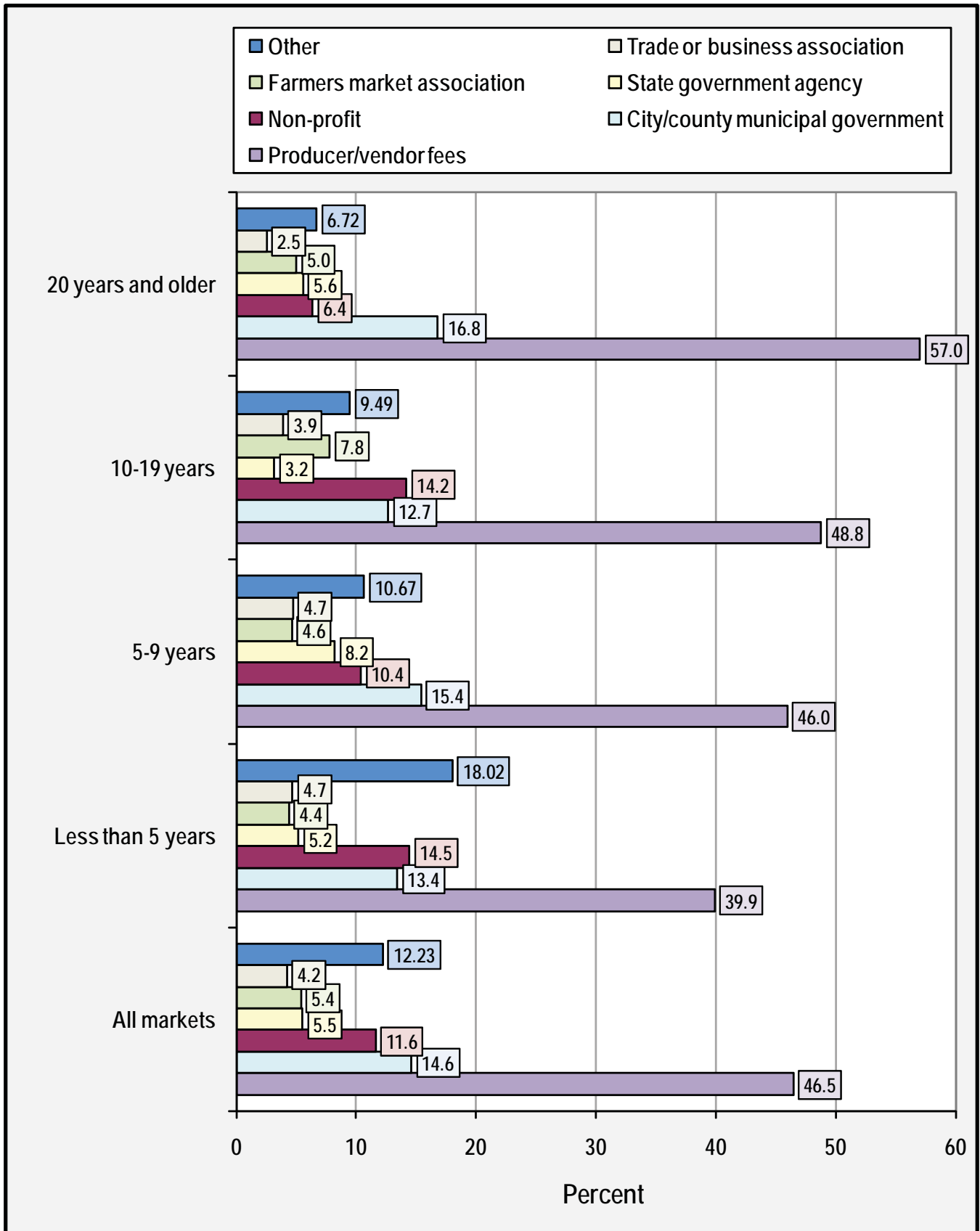
Given the apparent importance of vendor fees to market finances, it's not surprising the vast majority of markets nationwide charge vendors fees for selling privileges. Eighty-six percent of surveyed market managers charged participating vendors some type of fee at their markets. The top three fee types imposed by farmers markets were a flat fee (76.4 percent), a membership fee (26.4 percent), and a calculated fee based on a percentage of vendor sales (13 percent). The percentage use of types of fees can be seen in Figure 41.

Figure 41. Markets' use of fee types, in percent¹⁵



15. Some markets use a combination of fee type, so the sum of percentages exceeds 100 percent.

Figure 42. Percentage of non-sustaining markets, by funding source and age



Market Management

One distinguishing feature of the farmers markets industry is a continued heavy reliance on volunteer labor. Only 39 percent of surveyed market managers reported their markets hired paid managers, and only 22 percent reported hiring other paid employees to carry out market functions. The percentage of farmers markets with paid managers varied widely across regions, from a low of 27 percent in the Southwest region to a high of 65 percent in the Far West region (Figure 43).

Salaries of paid market managers varied considerably depending on market location. The nationwide average annual salary reported for paid market managers was \$14,323, ranging from a high of \$21,913 in the Mid-Atlantic region to a low of \$8,864 in the Rocky Mountain region (Figure 44).

Figure 43. Paid employees versus volunteers at farmers markets, by region

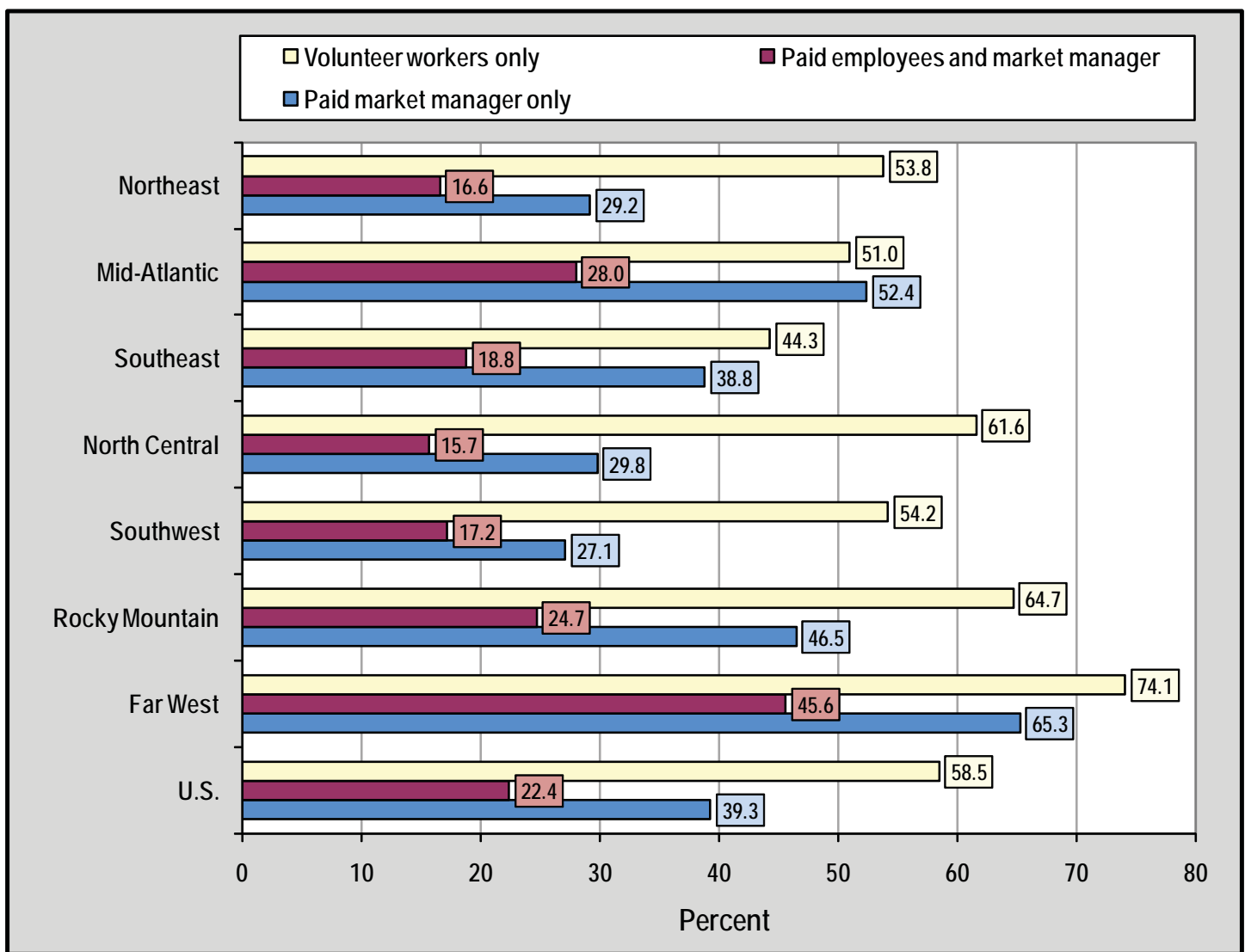


Figure 44. Number of paid employees versus volunteers, by region

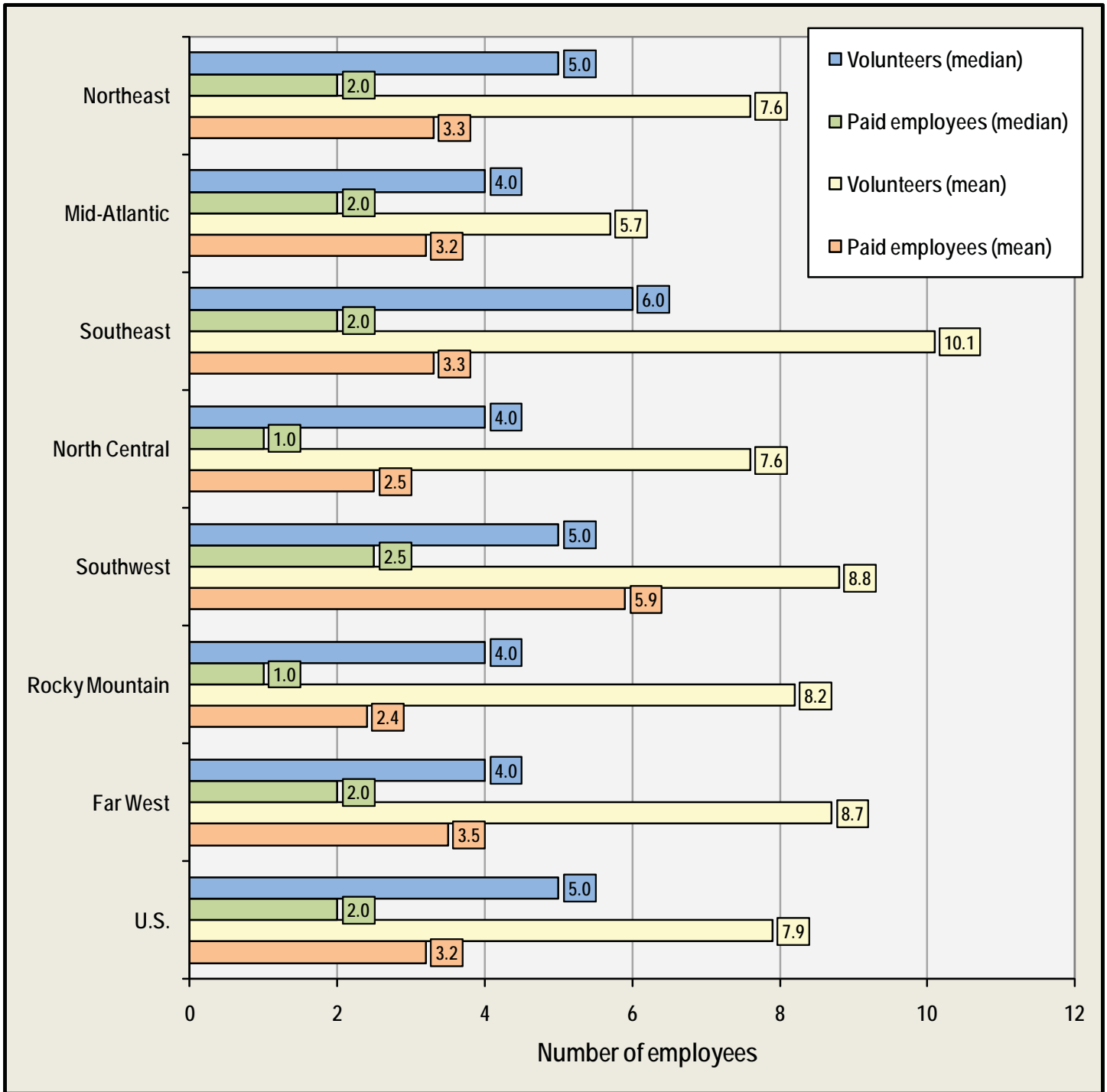
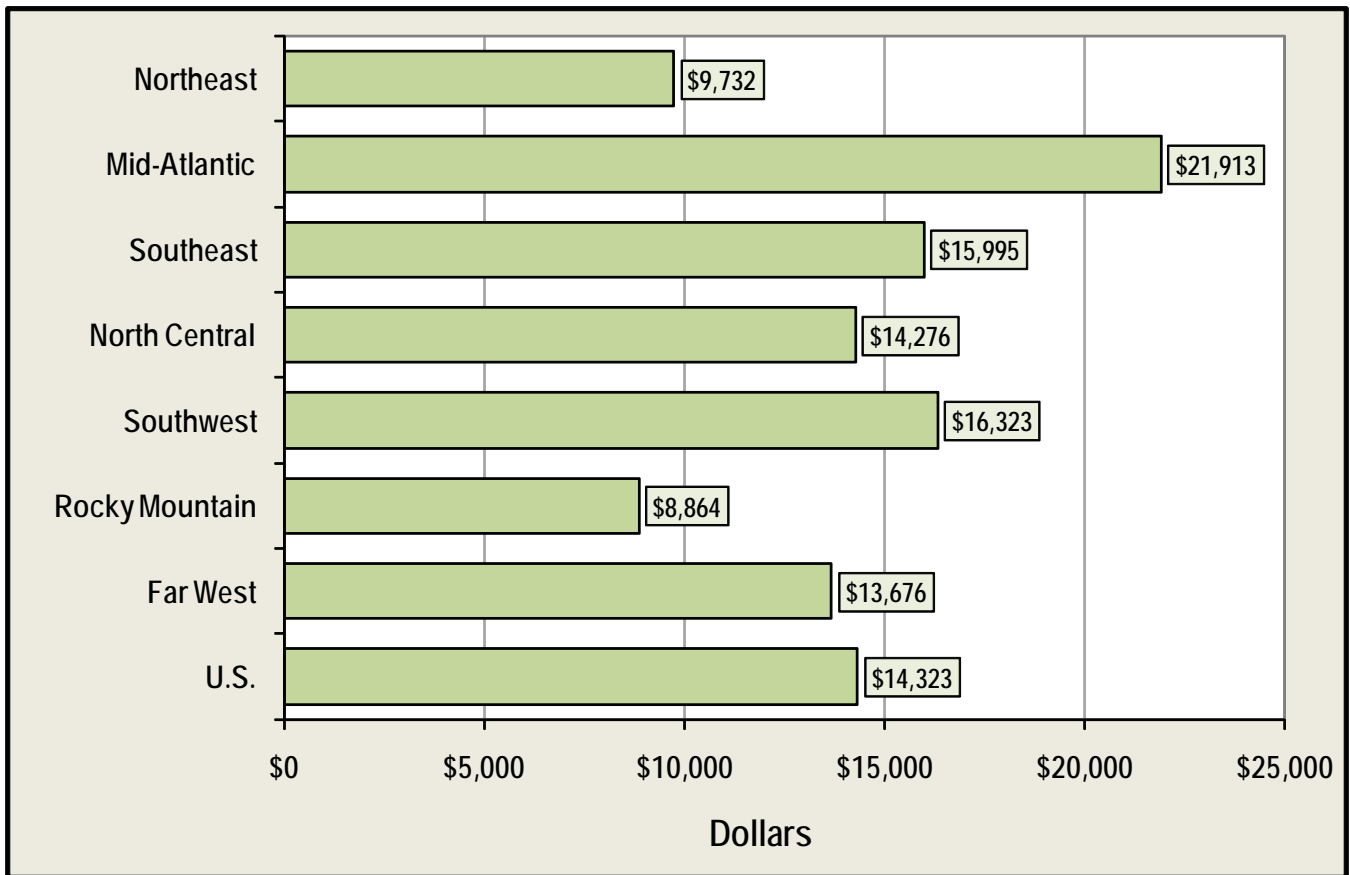


Figure 45. Average annual salary of market managers, by region



Differences Between Markets with Paid Managers and Unpaid Managers

Nationally, markets with paid management reported higher monthly market sales. Markets with paid managers reported average sales of \$56,375 per month and median sales of \$22,641 per month. Markets without paid managers reported average market sales of \$11,059 and median sales of \$4,000 per month (Figure 46). Both average and median sales of all markets with paid managers were five times that of markets without paid managers. However, just looking at average or median sales of markets that did and did not use paid management can conceal the sales levels at which markets hire paid management. To examine the data in more detail, we grouped the markets into four categories: markets with monthly sales of less than \$2,500 per month (24.9 percent of all markets), markets with monthly sales between \$2,500 to \$6,999 (21.5 percent), markets with monthly sales between \$7,000 and \$22,999 (24.9 percent), and markets with monthly sales of \$23,000 or higher (28.7 percent). The direct relationship between the annual sales levels of markets and the likelihood that a paid manager was retained to operate the market can be seen in Figures 48 and 49.

Comparison across these sales groups reveals the highest-tier markets used paid market managers more frequently. Seasonal markets with monthly market sales of \$23,000 or more reported 48.4 percent had paid managers, compared with 11.0 percent of market managers in the sales group without paid management. The next lower sales group (markets with \$7,000 to \$22,999 in monthly sales), reported about the same monthly sales from markets with and without paid management. This sales group appears to be the tipping point; the percentage of paid managers is roughly the same as the percentage of markets that did not have paid managers. Twenty-six percent had paid managers and 23.5 percent did not have paid managers in this sales group.

Seasonal markets with monthly sales in the bottom two tiers reported fewer paid managers. In the \$2,500 to \$6,999 monthly sales group, 16.8 percent reported having paid market managers and 27.1 percent reported they did not. In the less than \$2,500 per month sales group, 8.4 percent of managers reported paid managers and 38.6 percent of markets reported no paid managers. Seasonal and year-round markets displayed a similar pattern as all markets; they can be seen in Figures 48 and 49.

Figure 46. Farmers market monthly sales at markets with paid managers, unpaid managers, and all markets

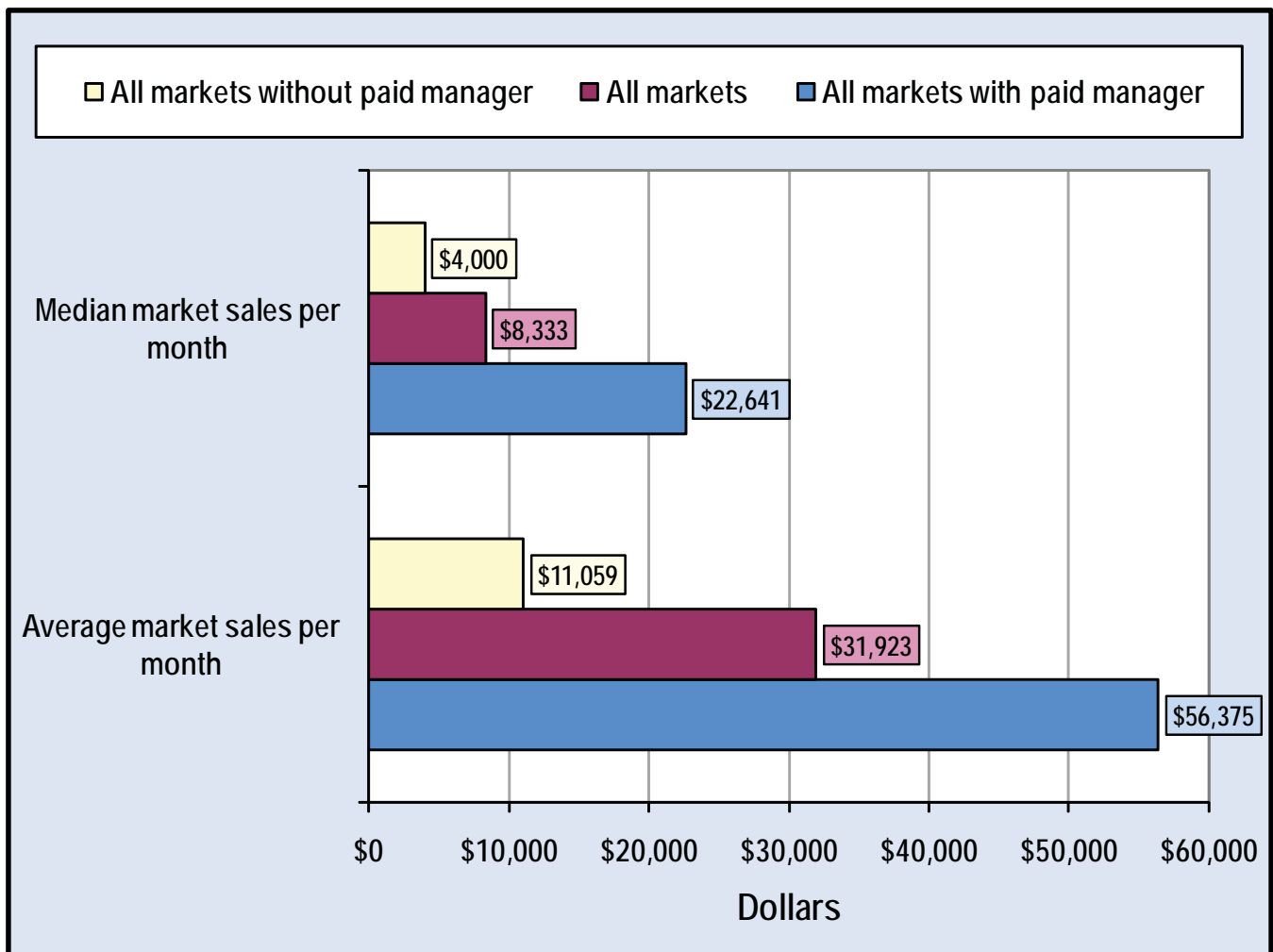


Figure 47. Farmers market monthly sales at markets with paid managers, unpaid managers, and year-round markets

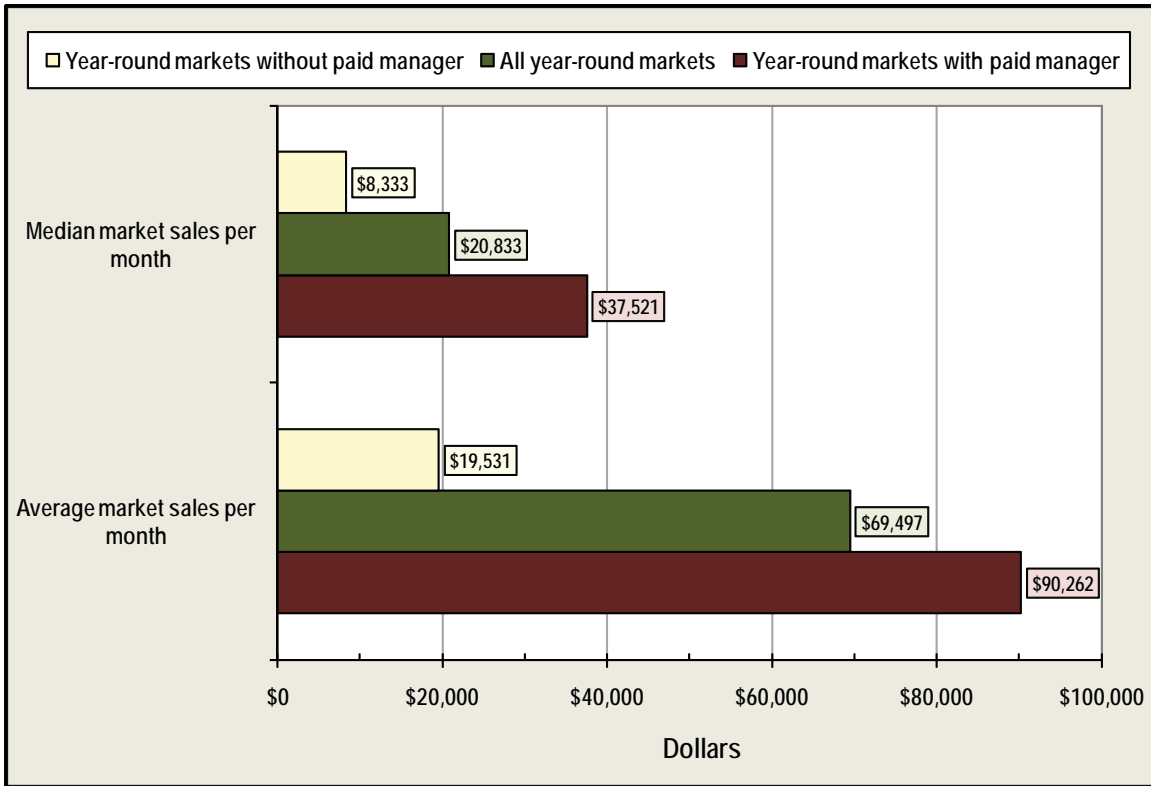


Figure 48. Distribution of seasonal farmers markets with paid and unpaid managers, by sales categories, in percent

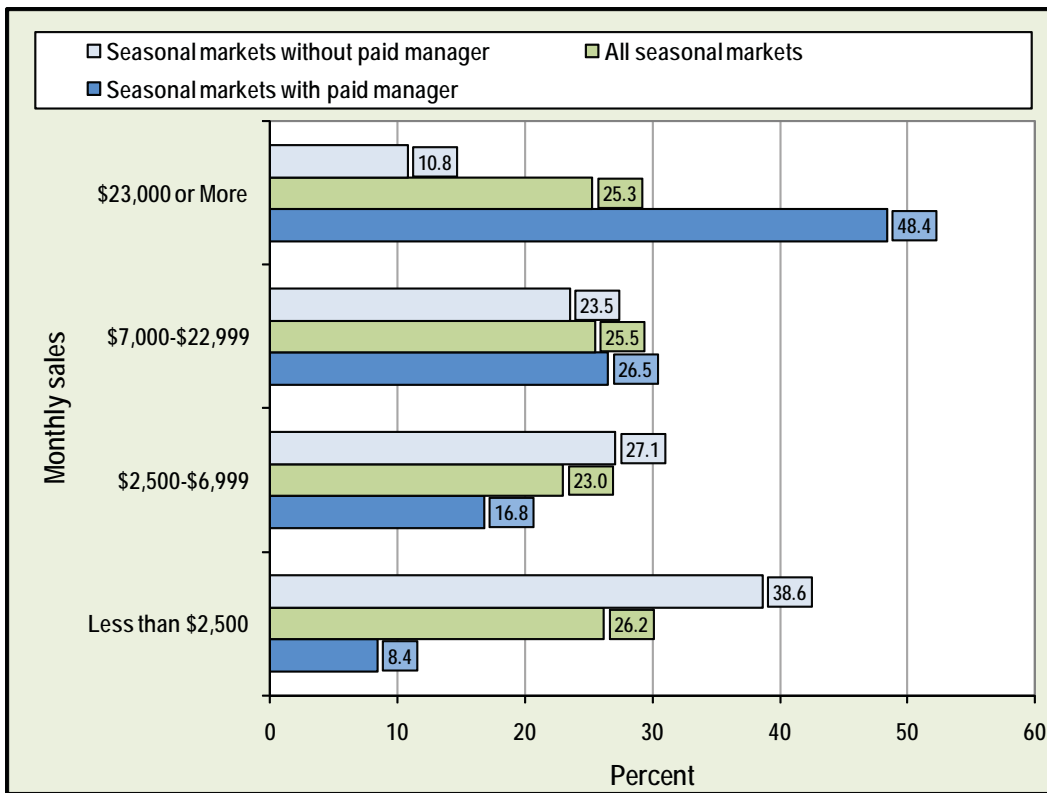


Figure 49. Distribution of year-round farmers markets with paid and unpaid managers, in percent

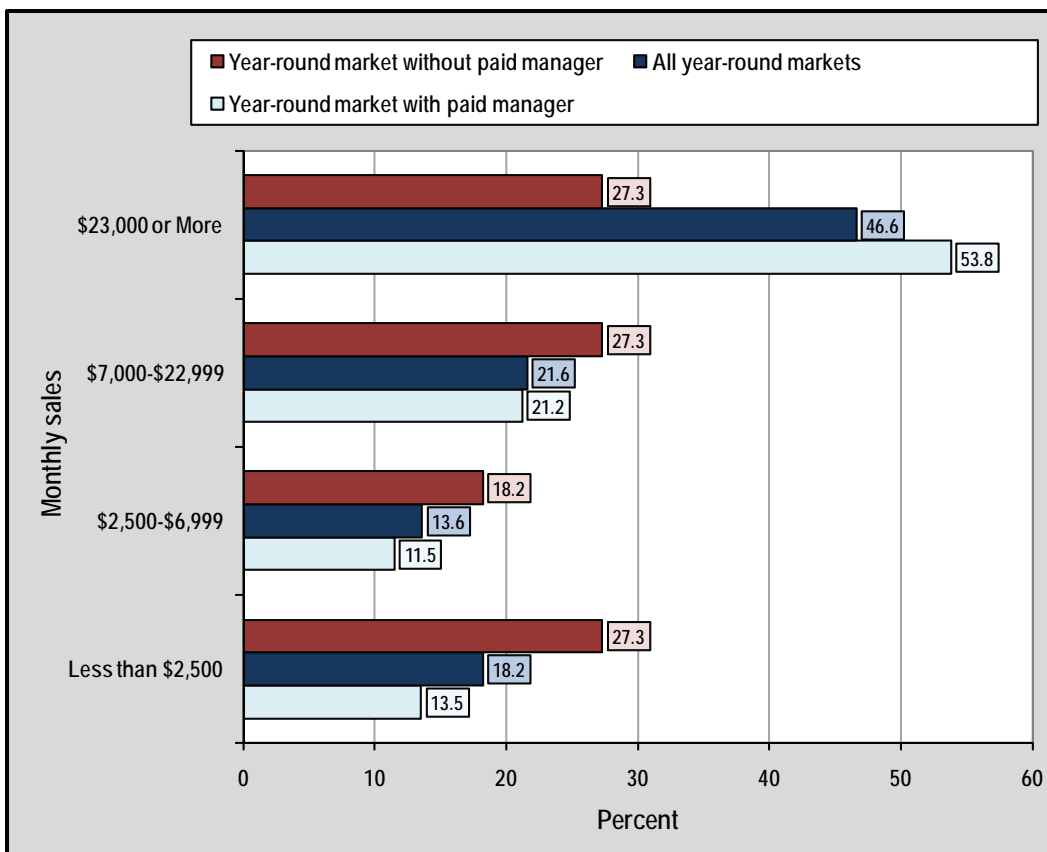



Table 8. Farmers market monthly sales at markets with paid and unpaid managers

	U.S.	Paid manager	Unpaid manager
Market sales per month (dollars)			
Mean	\$31,923	\$56,375	\$11,059
Median	\$8,333	\$22,641	\$4,000
Monthly sales by categories (percent)			
Less than \$2,500	24.9	9.7	37.8
\$2,500 to \$6,999	21.5	15.5	26.4
\$7,000 to \$22,999	24.9	25.1	23.7
More than \$23,000	28.7	49.8	12.0

Assistance Needs

Managers were asked to rank the relative importance of 11 issues that could improve the operation of their market. Farmers market managers across the country consistently reported the same top three priorities in terms of needed market improvements, regardless of the geographic location of the market. The top three operational issues reported in greatest need of improvement are support for market advertising/publicity, strategies for overcoming low customer attendance, and strategies for boosting vendor sales (Figure 50).

Market managers in the Far West and Mid-Atlantic regions list the same fourth and fifth most important operational concerns: availability of customer parking and business planning assistance, respectively. Restroom access and business planning assistance were the fourth and fifth operational concerns of managers in the Rocky Mountain and Southeast regions, respectively. In the Southwest and Northeast regions, managers had the same concerns as

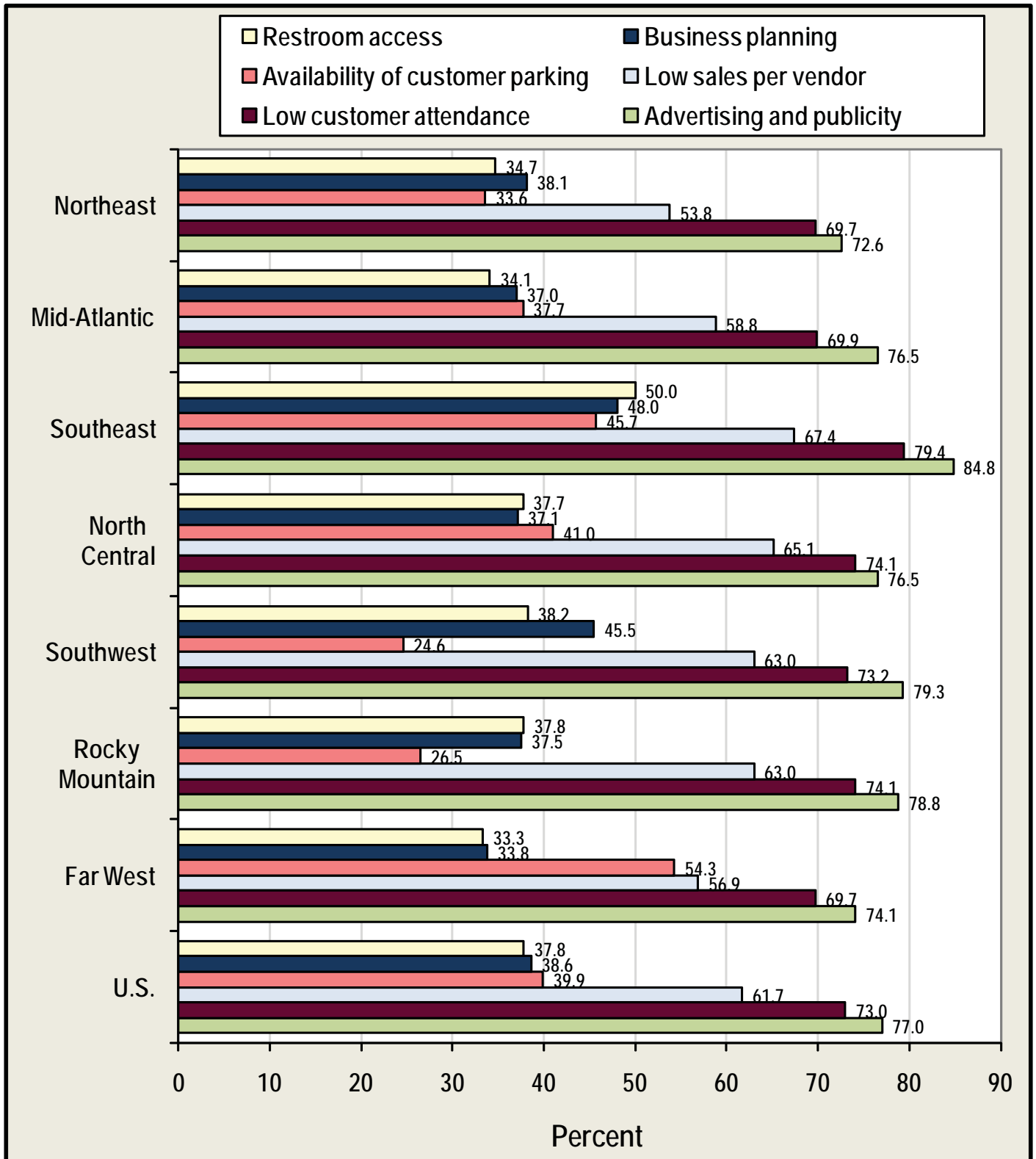


managers in the Rocky Mountain and Southeast regions but ranked them in the opposite order: business planning assistance was ranked fourth and restroom access was ranked fifth. Managers in the North Central region ranked availability of customer parking fourth and restroom access as fifth. All regions ranked business planning assistance either their fourth or fifth issue, except for market managers in the North Central region.

Market managers were also asked to rank their highest priorities for market assistance. As with responses to the question about needed operational improvements, managers across the country expressed similar concerns. The leading marketing assistance need was support/funding for market advertising and publicity, followed closely by support/funding for local food promotion campaigns (Figure 51). Market managers in every region ranked market advertising and publicity assistance and local food promotions as either their top or second most important marketing assistance need. In the Southwest, North Central, and Southeast regions, market managers ranked assistance with market advertising and publicity as their top pick and local food promotion campaigns as their second most important marketing assistance need. Managers in the Far West, Rocky Mountain, Mid-Atlantic, and Northeast regions ranked local food promotion campaigns and assistance with market advertising and publicity as their first and second choices.

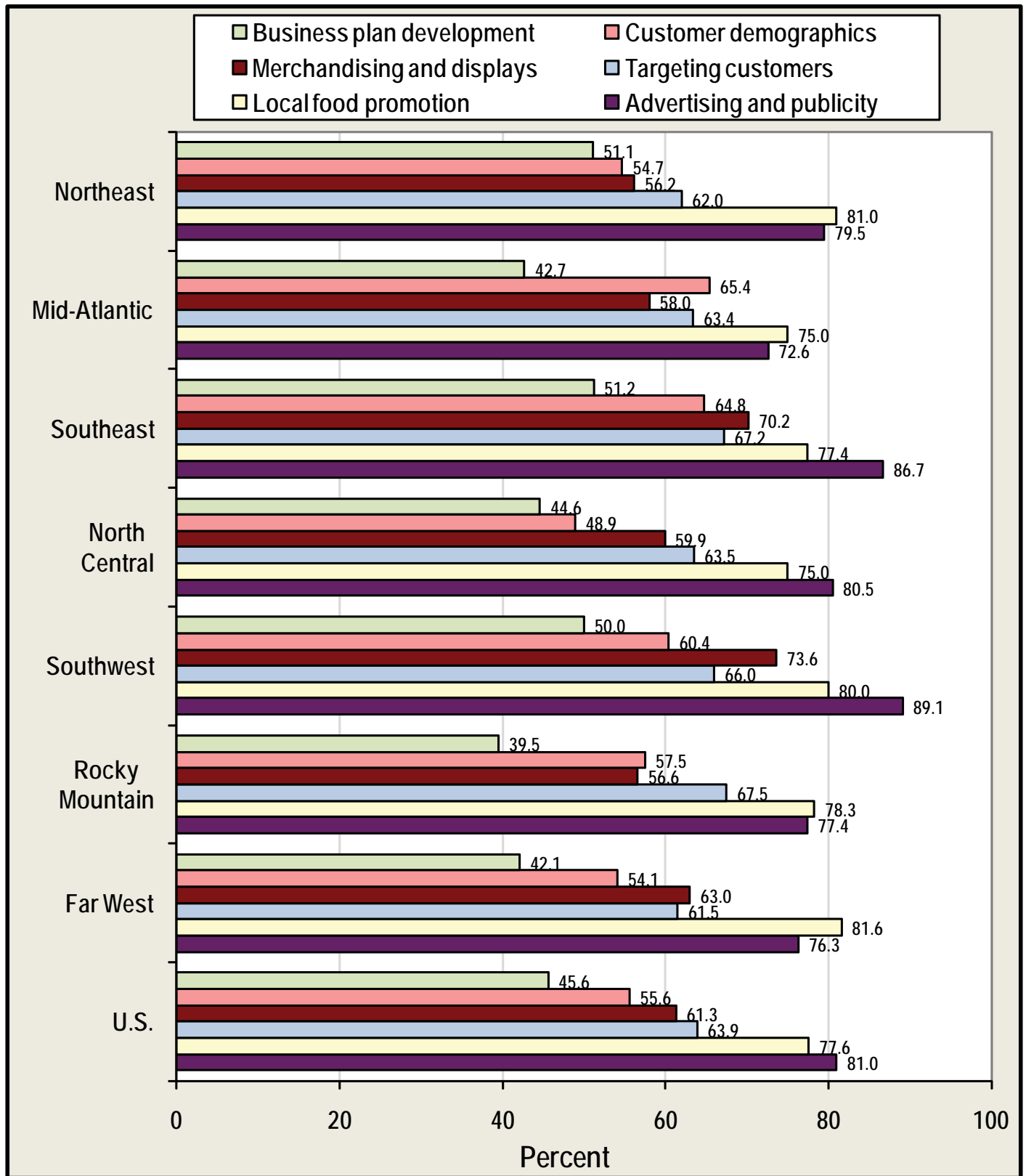
All regions except for the Mid-Atlantic region had targeting customers as their third or fourth priority for marketing assistance. In the Far West, Southwest, and Southeast regions market managers ranked merchandising and displays, targeting customers, and customer demographics as their third, fourth and fifth priorities for marketing assistance. Managers in the North Central and Northeast ranked their priorities very similarly, switching their third and fourth priority, ranking targeting customers, merchandising, and displays and customer demographics as their third, fourth, and fifth priorities. Rocky Mountain region market managers ranked targeting customers, customer demographics, and merchandising and displays as their third, fourth, and fifth priorities. Mid-Atlantic region market managers ranked customer demographics, merchandising and displays, and targeting customers as their third, fourth, and fifth priorities.

Figure 50. Top operational concerns of farmers markets, by region¹⁶



16. Respondents could select multiple issues. These figures represent the percentage of respondents who considered these issues important, very important, or extremely important.

Figure 51. Marketing assistance needs of farmers markets, by region¹⁷



17. Respondents could select multiple issues. These figures represent the percentage of respondents who consider these issues important, very important, or extremely important.

Participation in Federal Nutrition Programs

Many farmers markets participated in a variety of federally funded nutrition programs designed to enhance access to fresh fruits and vegetables for households at risk of food insecurity. Two of these programs, the Senior Farmers Market Nutrition program (SFMNP) and the Women, Infants, and Children Farmers Market Nutrition Program (WIC FMNP), provide vouchers—redeemable exclusively at farmers markets—to help subsidize purchases of fresh fruits and vegetables by low-income seniors and recipients of WIC benefits. Eligible participants in the WIC FMNP are women, infants (more than 4 months old), and children certified to receive WIC program benefits or who are on a waiting list for WIC certification. They may use their WIC FMNP coupons to purchase fresh, unprepared fruits, vegetables, and herbs. Because the number of allowable items can be restricted by each State, the range of available items varies, and may affect regional redemption levels. To qualify for WIC, applicants' income must be at or below 185 percent of the U.S. Poverty Income Guidelines.¹⁸

Participants in the SFMNP are low-income seniors, generally defined as individuals at least 60 years old with household incomes not to exceed 185 percent of the Federal poverty guidelines. (Some State agencies accept proof of participation or enrollment in another means-tested program, such as the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program), for SFMNP eligibility.¹⁹)

In addition to these two programs that specifically promote purchases of fresh fruits and vegetables at farmers markets, an increasing number of farmers markets are acquiring EBT capabilities (some used in combination with a debit/credit card terminal) that enables SNAP participants to use their benefits at farmers markets. To be eligible for SNAP benefits, households may have no more than \$2,000 in countable resources, such as a bank account (\$3,000 if at least one person in the household is age 60 or older or is disabled), and the gross monthly income of most households must be 130 percent or less of Federal poverty guidelines. Net monthly income must be 100 percent or less of Federal poverty guidelines. SNAP participants can buy food, except for hot foods or foods that can be eaten in the store.²⁰

While all these nutrition programs have had some positive influence on farmers markets sales, the degree of impact varies considerably by program. Managers reported the WIC FMNP program contributed more to vendor sales than any other federally funded nutrition program, reflecting that market participation rates in the WIC FMNP program exceed current participation rates in any other nutrition program. The participation rate of surveyed farmers markets in WIC FMNP reported in 2005 was 60.7 percent, ranging from a high of 87.9 percent in the Northeast region to a low of 35.8 percent in the Rocky Mountain region (Figure 52). Average monthly sales generated by WIC FMNP vouchers at each participating market site were \$1,744 per month, ranging from a high of \$2,528 per month in the Northeast region to a low of \$1,037 in the North Central region (Figure 53).

18. <<http://www.fns.usda.gov/wic/howtoapply/incomeguidelines.htm>>

19. <<http://www.fns.usda.gov/wic/SFMNP-Fact-Sheet.pdf>>

20. <<http://www.fns.usda.gov/fsp/faqs.htm#10>>

Figure 52. Women, Infants, and Children's Farmers Market Nutrition Program participation, by region, in percent

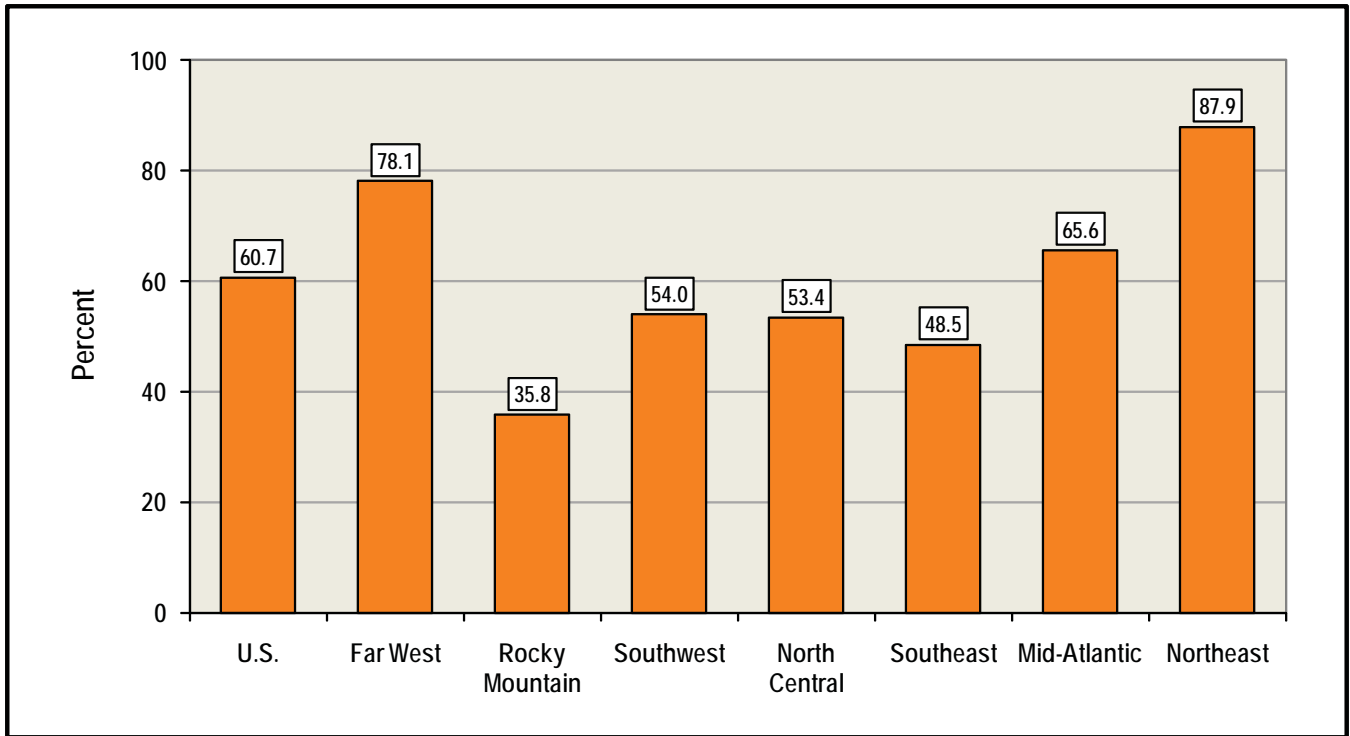
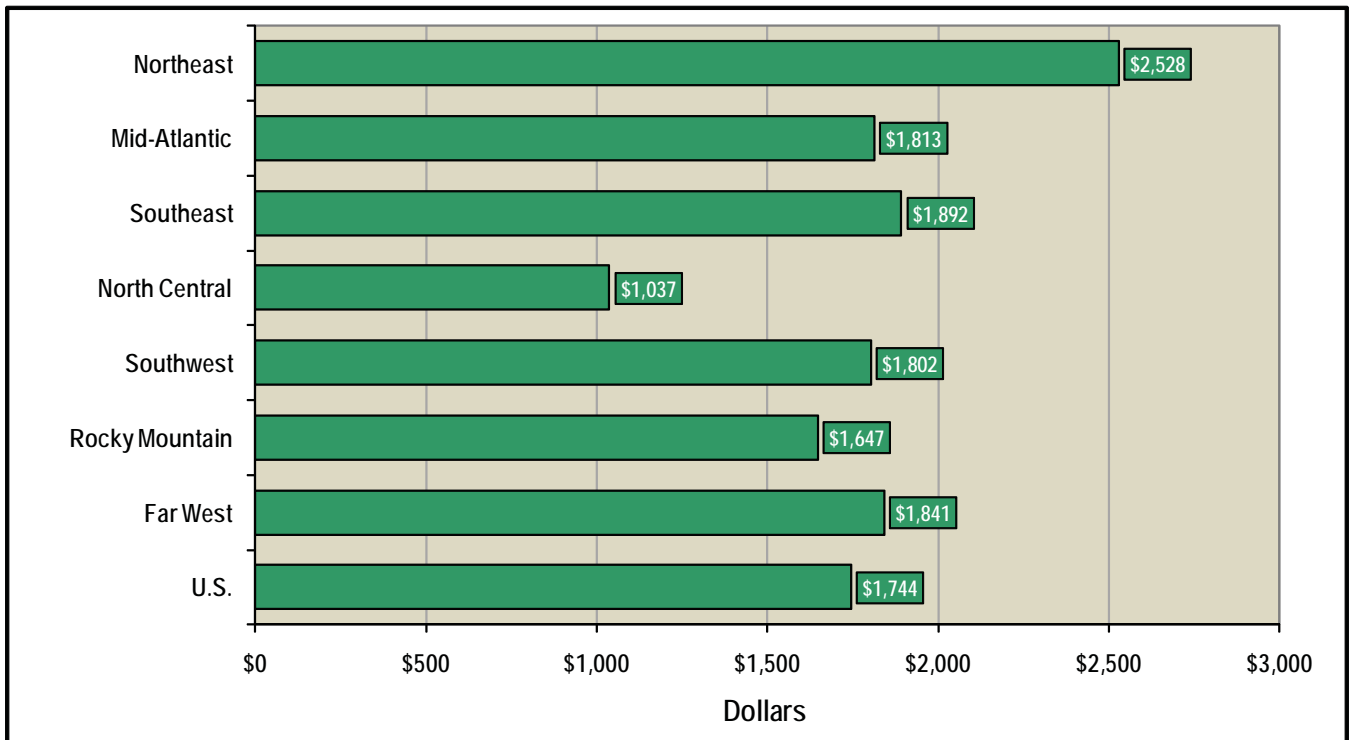


Figure 53. Average monthly value of farmers markets' Women, Infants, and Children's Farmers Market Nutrition Program sales, by region



The participation of surveyed farmers markets in the SFMNP during 2005 was 45.4 percent nationally, ranging from a high of 72.5 percent in the Far West region to a low of 10.7 percent in the Southwest region (Figure 54). Monthly sales from redeemed SFMNP vouchers averaged \$1,004 per market site, and varied across regions from a high of \$1,409 per month in the Southeast region to a low of \$583 in the Southwest region (Figure 55).

Figure 54. Senior Farmers Market Nutrition Program participation, by region, in percent

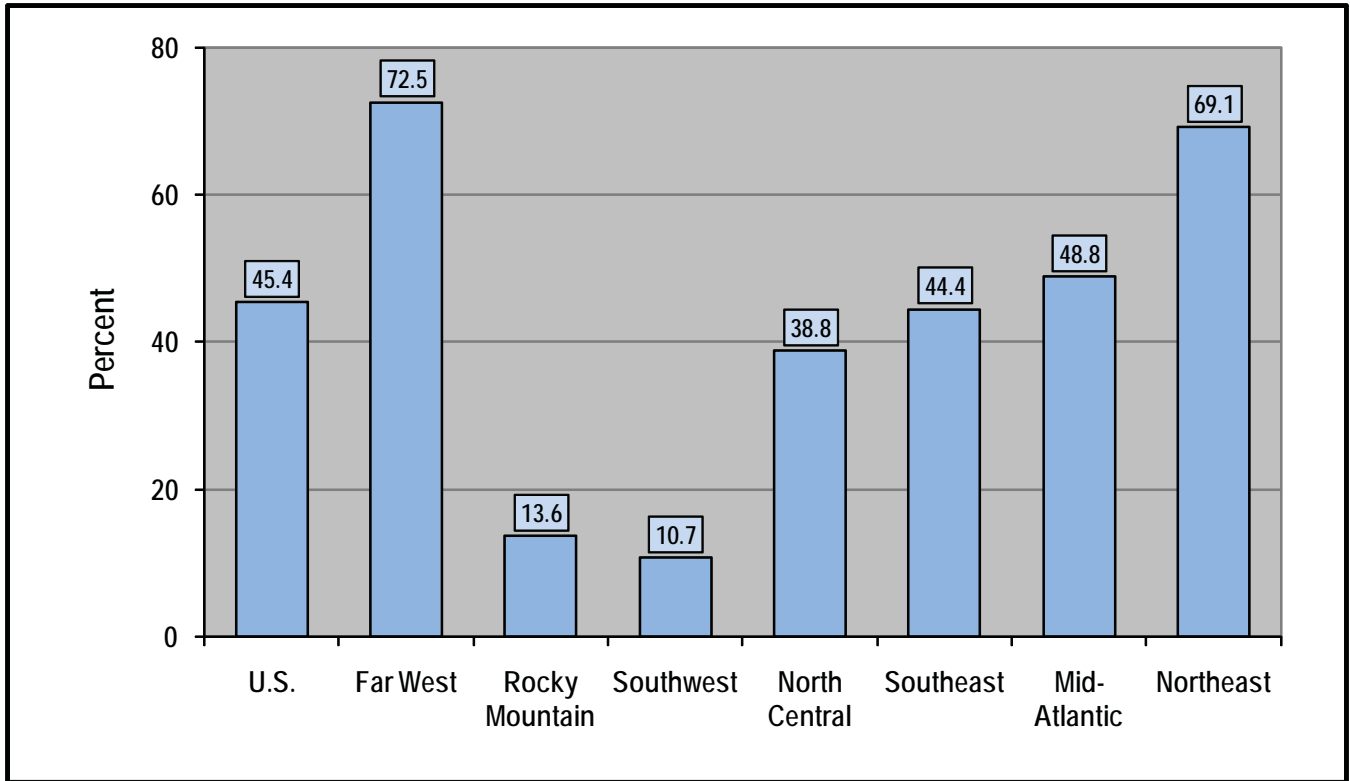
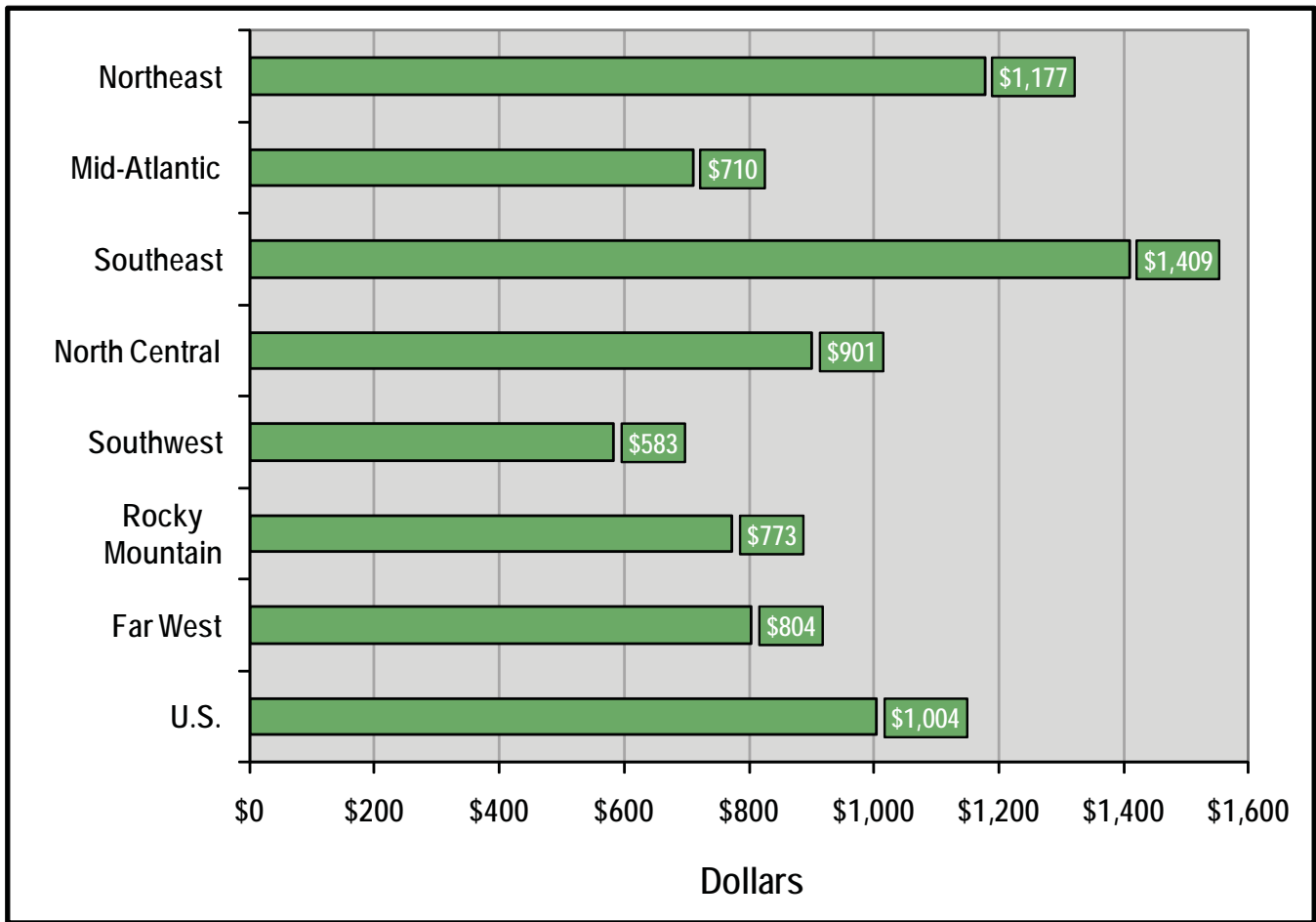


Figure 55. Average monthly value of Senior Farmers Market Nutrition Program sales, by region



Redemptions of food stamp nutrition benefits via EBT terminals in 2005 lagged far behind the level of participation in the WIC FMNP and SFMNP. Only 6.8 percent of surveyed market managers reported their market accepted food stamps for fresh food purchases, and on a regional basis, the use of EBT terminals to accept food stamps at farmers markets ranges from a low of zero in the Southwest region to a high of 15.9 percent in the Far West region (Figure 56). Consequently, average monthly market sales generated by food stamps averaged only \$279 per market site nationwide (Figure 57). The limited food stamp benefits via EBT terminals at farmers markets may reflect in part the rather steep investment cost required to acquire and install a wireless EBT terminal (in the range of \$1,000–\$1,500), the ongoing maintenance costs and transaction fees involved in operating the terminal, and the complex certification and training required. (To help farmers markets enhance their ability to redeem food stamp benefits, Congress recently authorized AMS to set aside 10 percent of Farmers Market Promotion Program funds to help markets acquire wireless EBT terminals.)

Figure 56. Farmers markets utilizing electronic benefits transfer program, by region, in percent

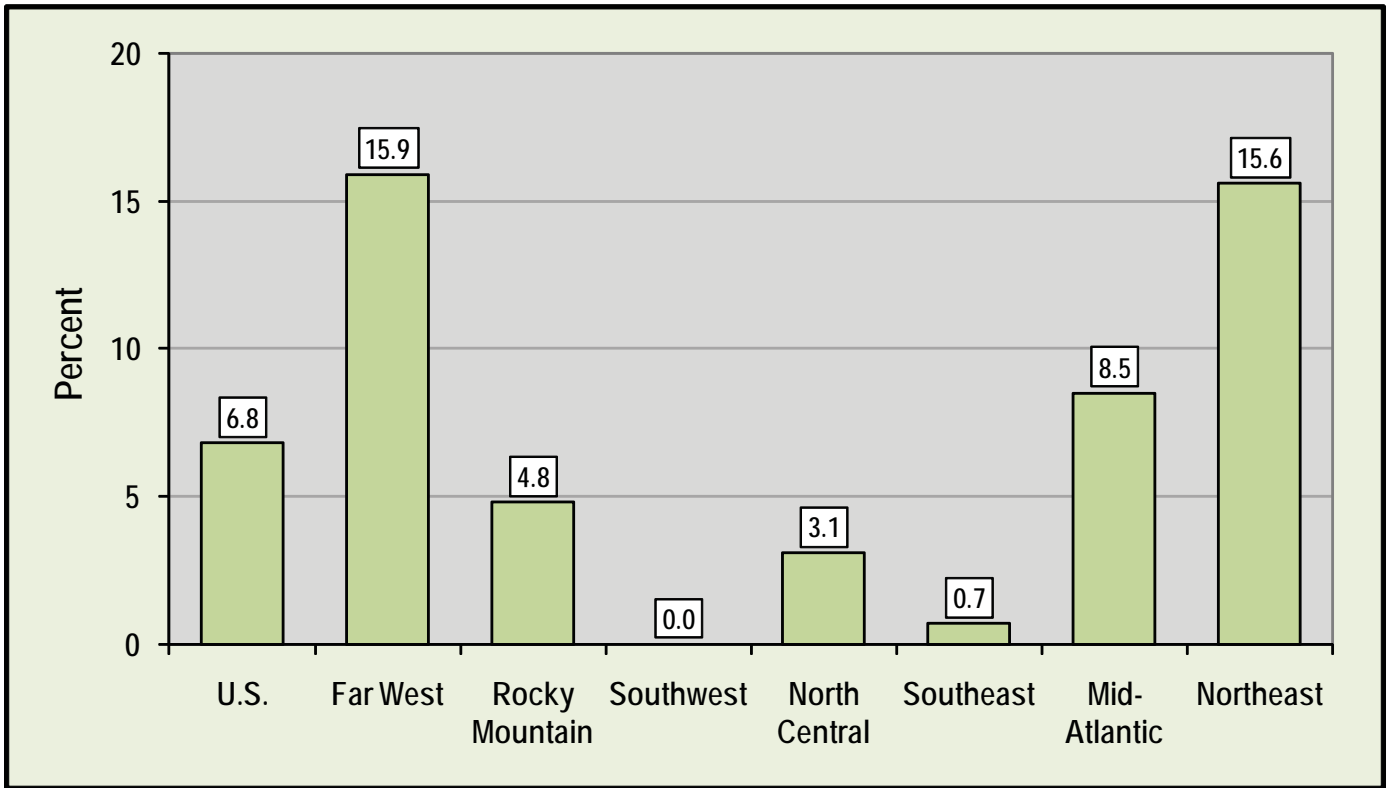
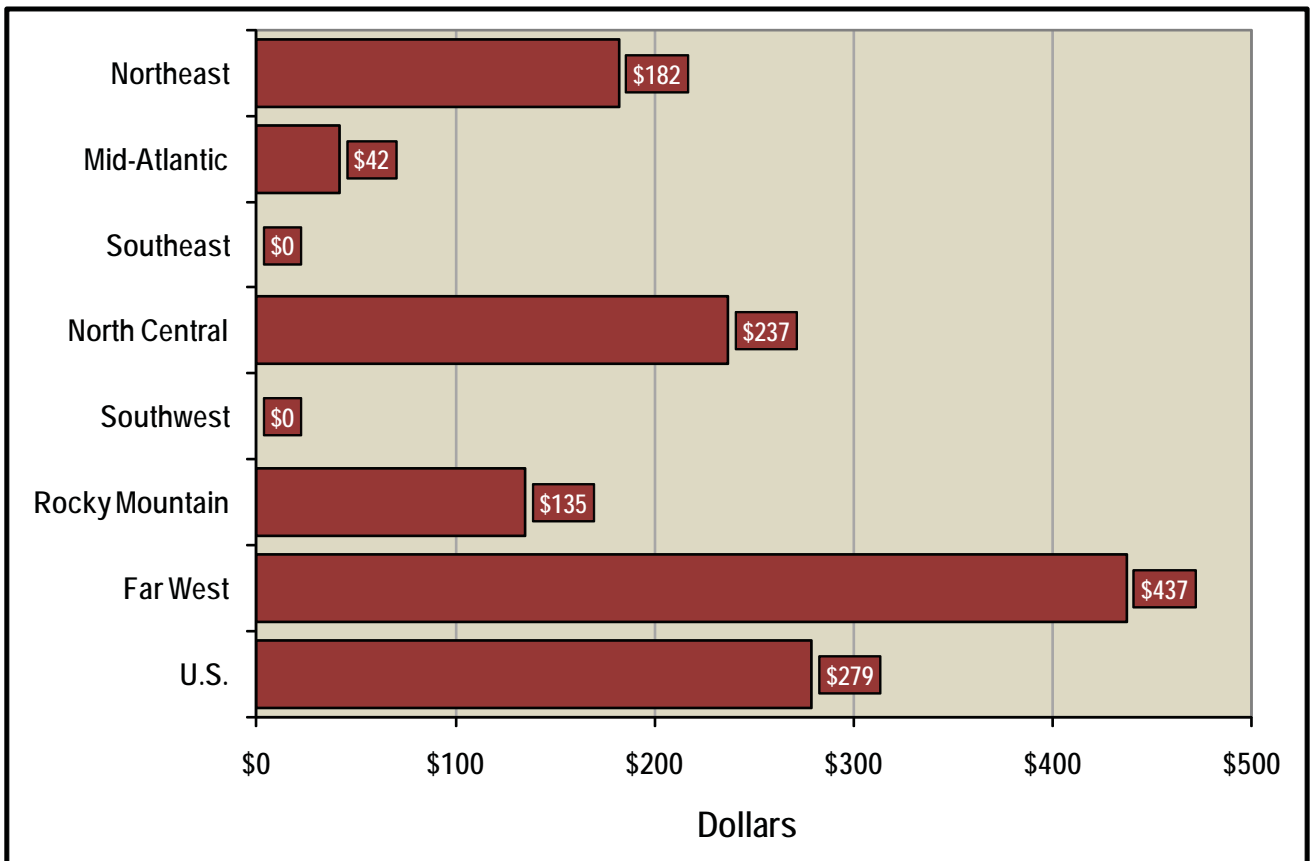


Figure 57. Average monthly value of electronic benefits transfer sales at farmers markets, by region



Gleaning at Farmers Markets

Market participation rates in gleaning or food donation programs averaged 23.9 percent nationally and ranged from a high of 42.1 percent in the Far West to a low of 14.0 percent in the Southeast (Figure 58). The average value of gleaned products was \$825 per month nationally and ranged from a high of \$2,239 in the Southeast region to a low of \$193 per month in the Rocky Mountain region (Figure 59).

Figure 58. Farmers market participation in food gleaning, by region

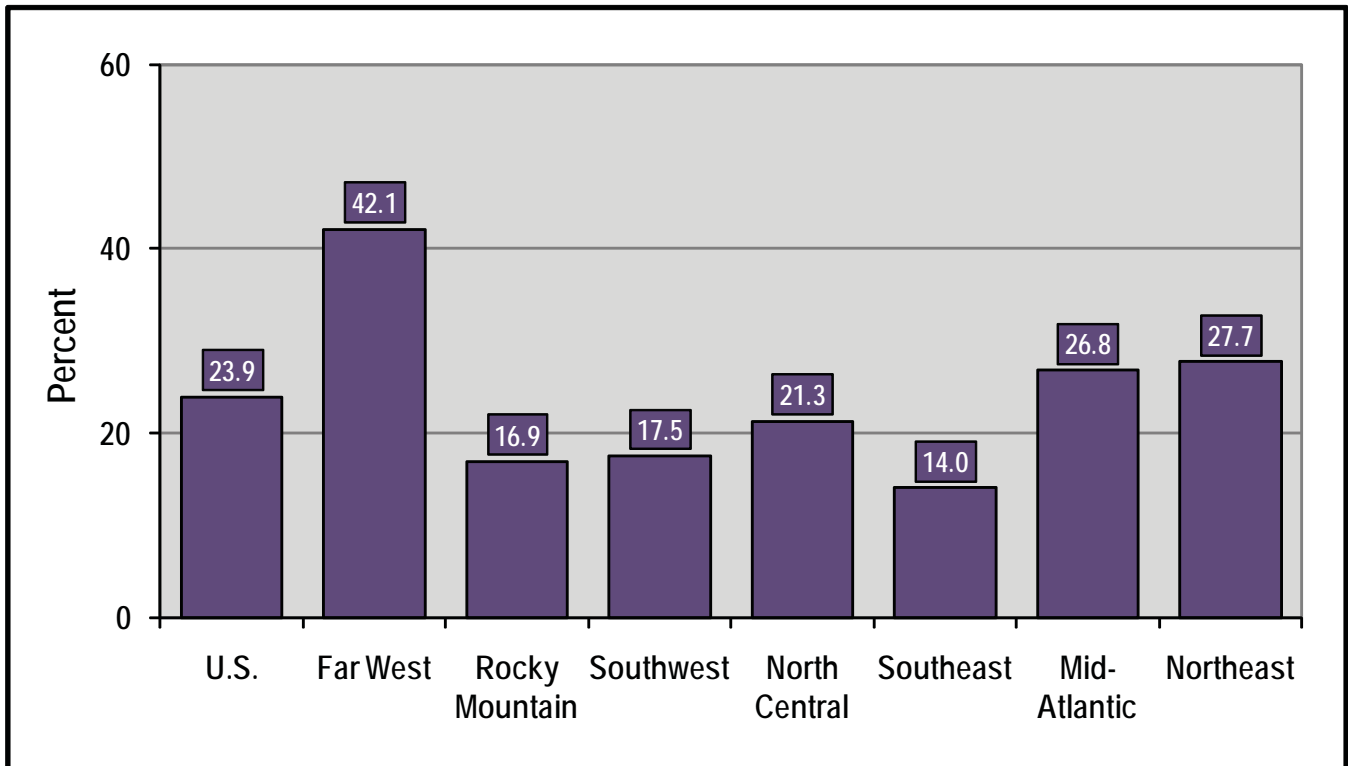
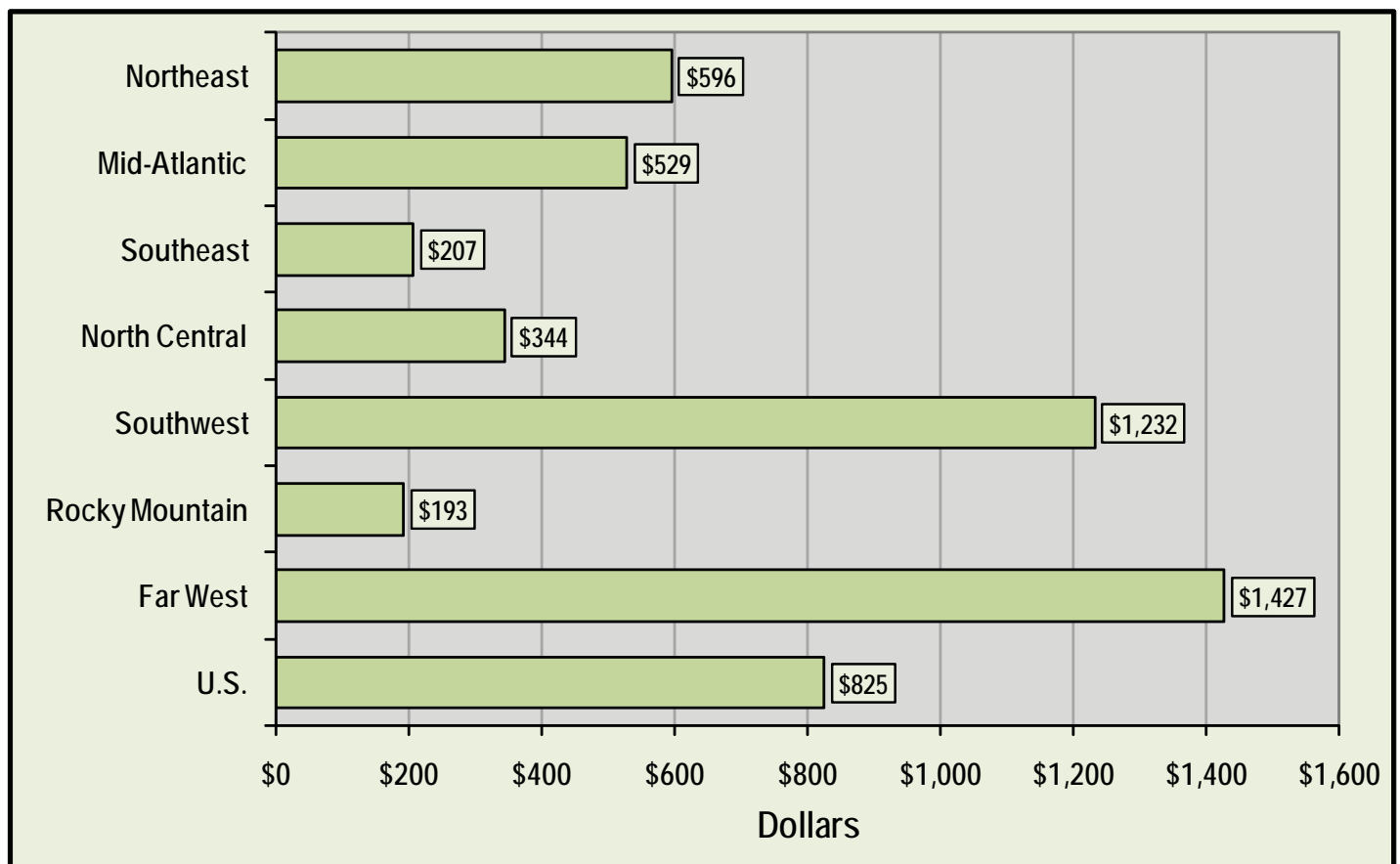


Figure 59. Average value of food gleaned from farmers markets per month, by region



Influence of Market Age on Market Performance

Young markets are just starting to establish themselves; they are becoming known in their communities and attempting to build clienteles. Sales of young markets vary greatly. The difference in sales levels of younger markets begs the question, how do young markets in these sales groups differ? Comparing the characteristics of young markets with monthly sales of less than \$2,500 a month to young markets selling “\$2,500 to \$6,999,” “\$7,000 to \$22,999,” and “\$23,000 and greater” may reveal strategies markets can use to enhance success. A comparison of young markets by sales categories can be seen in Table 9. By examining newly established markets across monthly sales categories, as shown in Appendix 5, we see that younger markets with higher level of sales:

- Conduct more consumer surveys and make greater efforts to know their customers.
- Offer more diversity in products, suggesting the importance of ample product assortment.
- Were more likely to have paid market managers.
- Tend to be in more densely populated urban areas.

Table 9. Monthly sales and distribution of sales at farmers markets, by years of operation and market sales level

	All markets	Less than 5 years old	5-9 years	10-19 years	20 years or older
Total monthly market sales					
Mean	\$31,923	\$15,078	\$26,886	\$29,292	\$58,269
Median	\$8,333	\$5,280	\$6,730	\$8,333	\$20,167
Average market sales per month (percent)					
Less than \$2,500	24.9	31.6	22.5	23.0	19.4
\$2,500 - \$6,999	21.5	23.2	27.9	21.6	13.9
\$7,000 - \$22,999	24.9	29.0	22.5	29.5	18.8
\$23,000 and higher	28.7	16.1	27.0	25.9	47.9

Established Markets versus Younger Markets

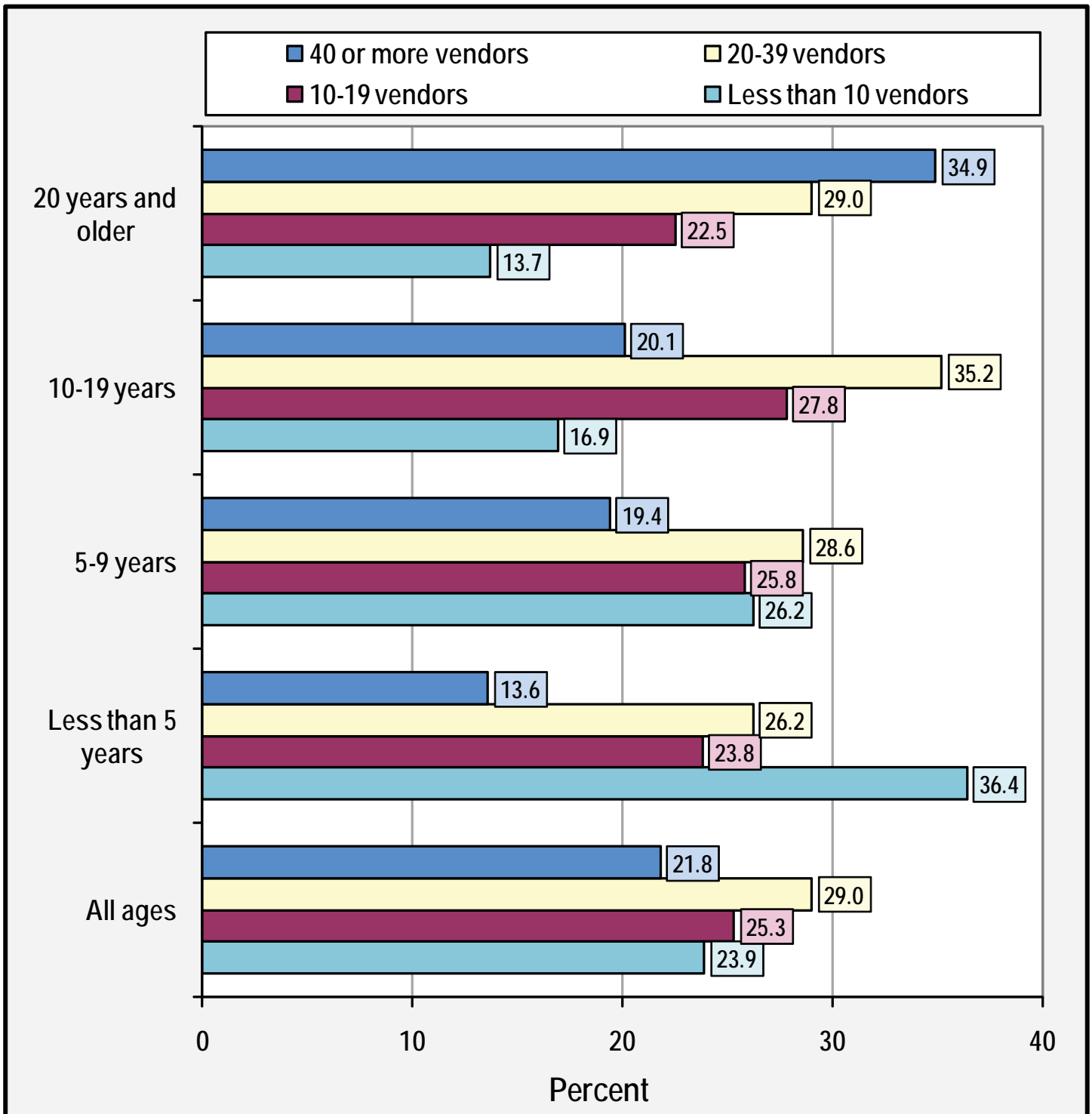
Monthly market sales reported by the most well-established markets in the survey population (markets operating for 20 years or more) were predictably higher than at much younger markets (markets operating for less than 5 years). Almost 32 percent of younger markets reported average monthly sales of less than \$2,500 a month, the dominant category for younger markets. In contrast, the most well established markets operating 20 years or more typically had monthly sales of \$23,000 or more; 47.9 percent of established markets were in this sales category (Table 9). As markets age, mean and median monthly market sales seem to increase in a linear fashion (Table 9). The number of vendors, average number of weekly customers and percentage of vendors with annual gross revenues of \$10,000 or more also appear to increase linearly as markets age (Table 10). It is important to keep in mind that at every age level the percentage of vendors with sales of more than \$10,000 is small. The percentage ranges from a low of 8.7 percent for markets that are less than 5 years old to a high of 23.3 percent for markets 20 years or older. Conversely, this means that while a few vendors are generating sales of more than \$10,000 a year per market, 85 percent of vendors at markets of all ages generate revenues of less than \$10,000 annually per market.

Table 10. Number of vendors, customers, and sales, by years in operation (all markets)

	All markets	Less than 5 years old	5-9 years	10-19 years	20 years or older
Average number of vendors	31	22	27	32	44
Average number of customers per week	959	430	558	985	1,944
Percentage of vendors that generate gross revenues of \$10,000 or more per year	15.0	8.7	13.7	17.0	23.3

Comparison of markets of different vendor size categories across age groupings gives a hint of how markets change as they age. It appears that markets tend to have more vendors as markets get older. Comparison of these four size groups can be seen in Figure 60. The largest size category of markets in the United States, regardless of market age, is the “20–39 vendor” category, but the number of vendors per market varies greatly in different age groups. Managers of markets in operation for less than 5 years reported that 36.4 percent of their markets had fewer than 10 vendors, while managers from markets in business between 5 and 9 years reported the most even distribution across all vendor size categories, ranging from “40 or more vendors” (19.4 percent) to “20–39 vendors” (28.6 percent). Markets in operation between 10 and 19 years generally fell into the “10–19 vendors” and the “20–39 vendors” categories, with 27.8 and 35.2 percent of markets corresponding to these categories, respectively. Markets in operation 20 years or more featured the largest percentage of markets with “20–39 vendors” or “40 vendors or more,” accounting for 29.0 and 34.9 percent of all markets in this age group, respectively.

Figure 60. Distribution of farmers markets, by number of vendors and years of operation, in percent



Influence of Population Density on Market Performance

Comparison of markets with strong sales to markets with weak sales suggests the population density of a location is an important influence in market performance. Young markets in densely populated areas consistently had better sales than those in less densely populated areas. Seventy-five percent of markets with sales between \$7,000 and \$22,999 and 92 percent of markets with sales of \$23,000 and greater were located in densely populated metropolitan counties, compared with 55 percent of markets with monthly sales of less than \$2,500 and 44 percent of markets with sales between \$2,500 and \$6,999 (Table 11).

Table 11. Comparison of markets less than 5 years old, by monthly sales and degree of urbanicity

Rural-urban continuum code	Monthly Sales				
	U.S.	Less than \$2,500	\$2,500 to \$6,999	\$7,000 to \$22,999	\$23,000 or greater
1	35.6	28.6	22.2	31.8	68.0
2	14.0	8.2	13.9	11.1	16.0
3	14.3	18.4	8.3	31.8	8.0
4	7.0	10.2	8.3	6.8	0.0
5	5.5	4.1	11.1	9.1	8.0
6	11.1	16.3	16.7	6.8	0.0
7	5.0	0.0	5.6	2.3	0.0
8	3.8	10.2	5.6	0.0	0.0
9	3.8	4.1	8.3	0.0	0.0

Densely populated market locations also appeared to influence whether vendors choose to extend their marketing season. Only 57.4 percent of markets open for less than 7 months were located in urban counties, yet 80 percent of markets open 7 months or more and 86.7 percent of year-round markets were in urban counties.²¹ Location appears to have a significant influence on the marketing decisions of vendors (Table 12).

Table 12. Comparison of markets open less than 7 months versus year-round markets, by degree of urbanicity

Rural-urban continuum code	U.S.	Markets open less than 7 months	Markets open 7 months or more	Markets open year-round
1	32.2	27.9	43.0	51.3
2	16.9	15.9	14.0	24.1
3	13.7	13.5	23.0	11.4
4	8.1	9.2	6.0	2.5
5	4.4	5.0	2.0	3.2
6	10.9	11.7	9.0	5.7
7	8.7	10.9	1.0	0.0
8	2.3	2.7	0.0	1.3
9	2.8	3.1	2.0	0.6

21. Urban counties have a rural-urban continuum code of 1, 2, or 3. See Appendix 2: Rural-Urban Continuum Codes for the definition of rural-urban continuum codes.

Implications of Analysis for Market Managers

Farmers markets continue to be an important and rapidly growing segment of the agricultural sector. Nevertheless, growth in farmers market numbers, although still increasing, is continuing at a slower pace. The reduction in the growth rate of farmers markets may indicate that farmers markets are approaching a saturation point. Newly established markets have not been able to generate the economic activity of older markets, raising questions about whether current levels of growth are sustainable.

There appear to be regional differences in the revenue potential of farmers markets. Vendors in the Far West, Mid-Atlantic, and Southeast regions had the largest percentage of vendors with sizable annual sales revenues, suggesting the most profitable farmers markets were located on the coasts. These regions reported 12.4 percent, 16.1 percent, and 6.7 percent of their vendors, respectively, had annual sales of \$25,000 or more. In comparison, the Rocky Mountain and North Central regions reported 1.2 percent and 2.9 percent of vendors had annual sales of \$25,000 or more. The national mean and median annual sales per vendor per market reported by market managers were \$7,035 and \$2,222, respectively. Market managers reported that 71.4 percent of vendors at their farmers markets had annual sales of \$5,000 or less per market, indicating only a few vendors at a given market have sizable annual sales revenues.


There may be ways organizers of new farmers markets can compensate for these trends. Market organizers may want to be more discriminating in their selection of locations for new markets. Organizers selecting a location for a new market should consider densely populated or heavily trafficked areas that would provide a sufficient number of customers for the new market without drawing customers from existing farmers markets. Our study found that markets with higher sales most frequently were located in densely populated, usually urban, areas. In addition, market managers reported that more than half of farmers market customers (58 percent) lived within 5 miles of the market, and 80 percent within 10 miles.

Another recommendation to organizers of new markets would be to make an active effort to know their customers. Young markets (those that have been in business 5 years or less) that conducted consumer surveys reported higher sales than other markets in the same age category, suggesting these markets did a better job of learning the needs and preferences of their customers. Young markets with higher sales levels also had more diversified product offerings and employed paid market managers more often. As new markets start to compete for customers, market managers may have to allocate resources to target and attract customers to their markets successfully.

The presence of organic products at farmers markets seems to operate as a driver of consumer spending, especially in urban locations. Customers in urban areas expressed a preference for organic products that boosted market sales. Furthermore, markets that sold organic products reported more customers per week, more vendors, and larger monthly sales. Seventy-one percent of farmers markets that sold organic products were located in urban areas²² compared with 55.3 percent of markets that didn't offer organic products.

Market organizers may also consider extending their marketing season to the longest timespan they can support. Markets that operated 7 months or more reported almost twice the number of vendors, almost 3 times the amount of sales revenue per month, and almost twice the number of customers per week, compared with markets open for 6 months or less. The higher level of performance of these markets may be due to the availability of fresh products

22. Urban means that the market was located in a location that had a rural-to-urban continuum code of 1, 2 or 3. Rural-to-urban continuum code is defined in Appendix 2: Rural-Urban Continuum Codes.



early and late in the growing season, which can command higher prices because fresh local products can't be found elsewhere, or by the availability of more value-added shelf-stable products. Markets open for longer portions of the year also seem to create stronger bonds with their customers, resulting in more customers incorporating market visits into their routine shopping patterns. It is interesting to note that as of December 2008, 747 of the 4,668 markets listed in the National Directory of Farmers Markets operated during winter months (October 1 through March 31). This represents 16 percent of all markets listed. Two hundred forty-one seasonal markets operated during winter months—about one-third of all markets operating in winter.

When extending your market season, you may find that incremental changes yield favorable results and cost less to operate than a year-round facility. Markets open 7 months or more reported an average of 51 vendors, \$57,290 in monthly market sales, and served 942 customers weekly. In comparison, year-round markets reported an average of 58 vendors, had monthly market sales of \$69,497, and served 3,578 customers weekly. Even though year-round markets reported 4 times the number of weekly customers than markets open 7 months or more, they reported only 13.7 percent more vendors and 21.3 percent greater sales revenue.

Establishing a successful farmers market requires careful planning and coordination between farmers and vendors to ensure a dependable supply of a variety of products, knowledge of local customer preferences, coordination with town and/or city leaders, advice from local extension agents, and the involvement of local business leaders. Markets should be convenient to their potential customers so trips to the market are easily incorporated into routine shopping patterns. Market managers should take advantage of direct contact with customers by actively seeking customer feedback and then reflect those preferences in the length of the market season, the days of operation, and the products offered. In addition, managers of markets should remain responsive to the needs and demands of customers and the community and be flexible, creative, and resourceful.



Appendix 1: Regional Definitions



Far West	Alaska, California, Hawaii, Nevada, Oregon, and Washington
Rocky Mountain	Arizona, Colorado, Idaho, New Mexico, Montana, Utah, and Wyoming
Southwest	Arkansas, Louisiana, Oklahoma, and Texas
North Central	Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin
Southeast	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee
Mid-Atlantic	Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia, and West Virginia
Northeast	Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont

Appendix 2: Rural-Urban Continuum Codes



Metro counties	
1	Counties in metro areas of 1 million population or more
2	Counties in metro areas of 250,000 to 1 million population
3	Counties in metro areas of fewer than 250,000 population
Non-metro counties	
4	Urban population of 20,000 or more, adjacent to a metro area
5	Urban population of 20,000 or more, not adjacent to a metro area
6	Urban population of 2,500 to 19,999, adjacent to a metro area
7	Urban population of 2,500 to 19,999, not adjacent to a metro area
8	Completely rural or less than 2,500 urban population, adjacent to a metro area
9	Completely rural or less than 2,500 urban population, not adjacent to a metro area

Appendix 3: Survey Questionnaire



U.S. DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
FARMERS MARKET QUESTIONNAIRE -- 2006

OMB 0581-0169

NAME OF MARKET _____

STREET ADDRESS
(including county) _____

MAILING ADDRESS
(if different from above) _____

NAME OF PERSON COMPLETING SURVEY _____

TITLE _____

DATE _____

TELEPHONE NUMBER
(including area code) _____

FACSIMILE NUMBER
(including area code) _____

E-MAIL ADDRESS _____

MARKET WEBSITE ADDRESS _____

PART 1 -- MARKET OPERATIONS

1. Including 2005, how many years has your market been in operation? _____ Years

___ Yes ___ No

2. Is your market open year-round?

If your answer to question 2 was no, what are your months of operation?

From _____ To _____

3. What was the total annual revenue from producer/vendor sales at your market in 2005? (Please estimate if you do not know the exact figure.) \$ _____



4. On average in 2005, what percentage of market sales were generated by the following types of market patrons?

Retail sales? (direct to consumers) _____ %

Wholesale sales? (restaurants, businesses, and/or institutions) + _____ %

100%

5. How many producers/vendors participated at your market in 2005?
(Do not count return visits)

6. Please indicate if the following products were sold at your market in 2005, and the number of producers/vendors who sold these products.

	Yes	No	Number of producers/vendors
Fresh fruits and vegetables	___	___	_____
Milk and/or dairy products	___	___	_____
Meat and/or poultry products	___	___	_____
Fish and/or seafood	___	___	_____
Herbs, flowers, and plants	___	___	_____
Honey, nuts, jams, jellies, and preserves	___	___	_____
Baked goods	___	___	_____
Prepared food (for immediate consumption)	___	___	_____
Other processed foods	___	___	_____
Crafts/woodworking	___	___	_____
Other (please specify): _____	___	___	_____

7. Were there any organically labeled items available at your market during 2005?

___ Yes ___ No

8. If your answer to question 7 was yes, please indicate whether the following organically labeled items were sold at your market in 2005, and the number of producers/vendors who sold these products.

	Yes	No	Number of producers/vendors
Organic fresh fruits and vegetables	___	___	_____
Organic milk and/or dairy products	___	___	_____
Organic meat and/or poultry products	___	___	_____
Organic herbs, flowers, and plants	___	___	_____
Organic honey, jams, and jellies	___	___	_____
Organic prepared food (for immediate consumption)	___	___	_____
Other organic processed foods	___	___	_____
Other (please specify): _____	___	___	_____

9. Do producers/vendors at your market use labels *other than organic* to sell products?

___ Yes ___ No

If yes, which of the following labels do they use?

- ___ Locally grown
- ___ Natural
- ___ Pasture-raised/free range
- ___ Chemical-free/pesticide-free
- ___ Hormone-free/antibiotic-free
- Other (please specify):

10. Please rank the top three most important reasons why you believe customers shopped at your market in 2005. (Please select three items, and rank them 1 to 3, with 1 being the most important.)

- ___ Price
- ___ Freshness and condition of product
- ___ Taste and texture of product
- ___ Support of local agriculture
- ___ Variety of products offered
- ___ Access to locally produced food
- ___ Ability to know how food products are produced
- ___ Other (please specify):



11. The following statements address market restrictions.

	Yes	No
Agricultural producers are allowed to sell farm products they produce themselves at your market.	___	___
Producers are allowed to resell other producers' farm products.	___	___
Producers can sell farm products from outside the local area.	___	___
The range of items that can be sold at your market (e.g., meat, eggs, fish/seafood) is limited.	___	___
Product mix at your market is controlled by limiting producers/vendors of the same community.	___	___

PART 2 -- MARKET MANAGEMENT

12. Does your market operate in a permanent facility? ___ Yes ___ No

13. How large was the total are of your market in 2005? (Include parking, administrative areas, retail sales, etc.)

Please select one of the units of measure below and fill in the blank.

_____ sq. ft. -or- _____ acres

14. What was your market's annual operating budget in 2005? \$ _____

15. Please check any of the following methods of advertising that your market currently uses. For each item that you check, please circle the appropriate number to indicate the effectiveness of that method.

	Not Effective			Very Effective	
___ Newspaper	1	2	3	4	5
___ Radio	1	2	3	4	5
___ Television	1	2	3	4	5
___ Brochures/flyers	1	2	3	4	5
___ Direct mail	1	2	3	4	5
___ Newsletter	1	2	3	4	5
___ Signs/banners on market day	1	2	3	4	5
___ Other (please specify): _____	1	2	3	4	5

16. How much did your market spend on advertising in 2005? \$ _____

17. Does your market conduct periodic customer surveys to assess customer preferences? Yes No

18. Was your market economically self-sustaining in 2005? (i.e., was market income sufficient to pay for all costs associated with operating the market) Yes No

19. How did your market finance its operations in 2005? (Please indicate the percentage provided by each funding source next to the appropriate label; the total percentage from all sources should add up to 100%)

- Producer/vendor fees
 - State government agency
 - City/county municipal government agency
 - Nonprofit organization
 - Farmer market association
 - Trade or business association (e.g., Chamber of Commerce)
 - Other (please specify): _____
- 100%

20. Are producers/vendors charged a fee to sell at your market? Yes No

If yes, please indicate the types of fees used by your market.

- Flat rate
- Percentage of sales
- Farm inspection fee
- Membership fee
- Other (please specify): _____

21. Is your market manager or the person who is in charge of your market a paid employee? Yes No

If yes, what is the annual salary of your market manager? \$ _____



22. Please indicate the work status of your market manager.

- Part-time seasonal
- Part-time year-round
- Full-time seasonal
- Full-time year-round

23. Including your market manager:

How many full-time seasonal workers does your market employ? _____

How many full-time year-round workers does your market employ? _____

How many part-time seasonal workers does your market employ? _____

How many part-time year-round workers does your market employ? _____

How many volunteers work at your market? _____

24. Who develops rules, regulations, and producer/vendor criteria for your market?

- State government agency
- City/county or municipal government agency
- Producer/vendor-operated Board of Directors
- Community association/non-profit organization
- Market manager
- Other (please specify): _____

25. Which of the following operational issues do you believe are in the greatest need of improvement as your market? (Please select three items and rank them 1-3, with 1 being the most important.)

- Customer number (low attendance)
- Low sales per producer/vendor
- Access to public restrooms
- Development of business plan for market
- Liability insurance coverage
- Parking for customers
- Tenant agreements/relationships with market tenants
- Utilities (e.g., electricity, water)
- Certified processing/kitchen facilities
- Advertising/publicity
- Waste management
- Other (please explain): _____

26. What types of market assistance do you believe would help your market's producers/vendors increase their sales to consumers? (Please select three items and rank them 1 to 3, with 1 being the most important.)

- Research on local customer demographics and preference
- Improvements in layout of facility
- Renovation of aging facility
- Training on how to better target consumers
- Training on business plan development
- Support/funding for producer/vendor advertising and publicity
- Training on merchandising/retail displays
- Support/funding for local food promotion campaigns
- Other (please explain): _____

PART 3 -- PRODUCER/VENDOR INFORMATION

27. How many producers/vendors at your market in 2005 only sold farm products they produced themselves? (Do not count return visits.) _____

28. How many producers/vendors used your market as their only outlet to sell farm products in 2005? (Do not count return visits.) _____



29. Please indicate the number of producers/vendors at your market in 2005, by level of annual sales. (The sum of these categories should equal your answer to question 5.)

\$1 - \$1,000	\$1,001 - \$5,000	\$5,001 - \$10,000	\$10,001 - \$25,000	\$25,001 - \$50,000	\$50,001 - \$100,000	\$100,001+
_____	_____	_____	_____	_____	_____	_____

30. What percentage of producers/vendors using your market traveled the following distances in 2005? (Your answers should equal 100%.)

0 - 10 Miles	11 - 20 Miles	21 - 50 Miles	51 - 100 Miles	101+ Miles
_____	_____	_____	_____	_____

31. Approximately what percentage of producers/vendors at your market in 2005 belonged to the following ethnicity and racial groups?

Ethnicity:

Hispanic or Latino	_____
Not Hispanic or Latino	_____
	100%

Race:

American Indian or Alaska Native	_____
Asian	_____
Black or African American	_____
Native Hawaiian or Other Pacific Islander	_____
White	_____
	100%

32. Which of the following statements about your market was MOST true in 2005?

- ___ We have more demand than supply (we need more producers/vendors)
- ___ We have more supply than demand (we need more customers)
- ___ Our supply and demand are roughly equal

The following questions pertain to nutrition-related issues:

33. Do producers/vendors at your market participate in the Women, Infants, and Children (WIC) Farmers Market Nutrition Program? Yes No

If yes, please indicate:

a) How many producers/vendors at your market participated in the WIC Farmers Market Nutrition Program in 2005? _____

b) What was the value of WIC Farmers Market Nutrition Program sales at your market in 2005? \$ _____

34. Do producers/vendors at your market participate in the Senior Farmers Market Nutrition Program? Yes No

If yes, please indicate:

a) How many producers/vendors at your market participated in the Senior Farmers Market Nutrition Program in 2005? _____

b) What was the value of Senior Farmers Market Nutrition Program sales at your market in 2005? \$ _____

35. Do producers/vendors at your market accept food stamps using electronic benefits? Transfer (EBT) technology? Yes No

If yes, please indicate:

a) How many producers/vendors at your market participated in EBT food stamp sales in 2005? _____

b) What was the value of EBT sales at your market in 2005? \$ _____

36. Does your market participate in a food "gleaning" or donation program? Yes No

If yes, please indicate:

a) How many pounds of food do you estimate that your market donated in 2005? _____

b) What is your estimate of the dollar value of the food that your market donated in 2005? \$ _____



PART 4 – CONSUMER INFORMATION

37. On average, how many customers patronized your market each week in 2005? _____

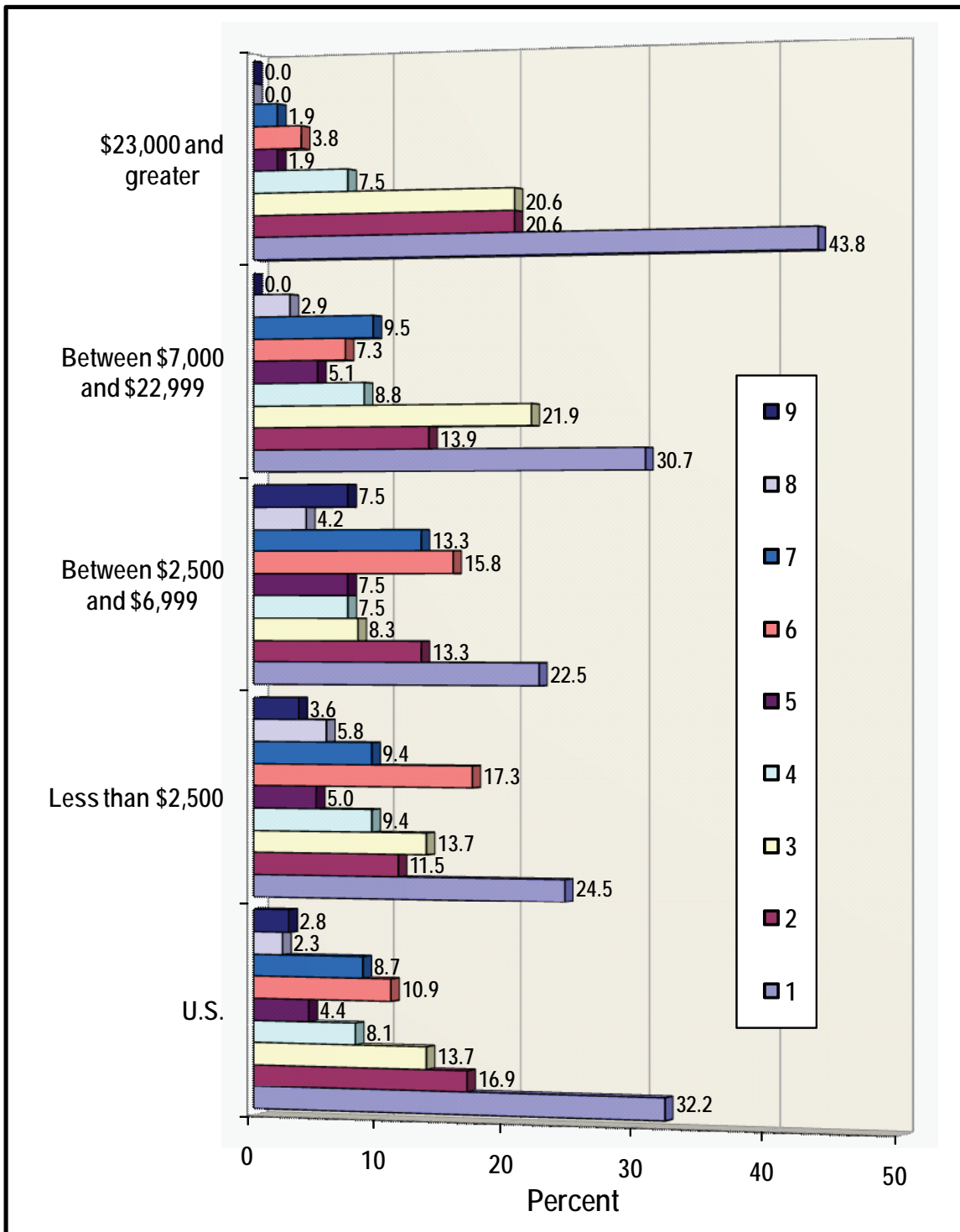
38. How far do customers typically travel to get to your market. (Please indicate the appropriate percentage for each distance category.)

- 0 - 5 Miles _____
 - 6 - 10 Miles _____
 - 11 - 20 Miles _____
 - 21 - 50 Miles _____
 - 51+ Miles _____
- 100%

39. Please list any additional comments you may have below.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information, unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0169. The time required to complete this information collection is estimated to average 19 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Appendix 4: Distribution of All Farmers Markets, by Sales Categories and Rural-Urban Continuum Codes



Appendix 5: Comparison of Markets Less than 5 Years Old, by Characteristics

Monthly Sales					
	U.S.	Less than \$2,500	\$2,500 to \$6,999	\$7,000 to \$22,999	\$23,000 or greater
Number of vendors using the market					
Mean	22.3	9.5	17.1	21.0	50.6
Median	15.0	5.0	14.0	19.5	42.0
Number of participating vendors, in percent					
Less than 10	36.4	69.4	31.4	17.5	8.0
10 to 19	23.8	20.4	31.4	32.5	28.0
20 to 39	26.2	6.1	34.3	45.0	12.0
40 or greater	13.6	4.1	2.9	5.0	52.0
Percentage of vendors that sold only what they produced					
Mean	69.7	79.0	70.1	62.4	62.2
Median	76.9	100.0	66.7	69.1	66.4
Percentage of vendors that sold only what they produce, in level of market participation					
0%	2.8	2.0	2.9	7.5	0.0
1 to 49%	20.5	12.2	8.6	27.5	25.0
50 to 99%	39.4	30.6	60.0	40.0	58.3
100%	37.3	55.1	28.6	25.0	16.7
Percentage of vendors that used the market as their sole sales outlet for farm products					
Mean	20.5	25.3	22.0	19.0	9.0
Median	8.3	13.3	16.7	10.8	2.5

Monthly Sales

	U.S.	Less than \$2,500	\$2,500 to \$6,999	\$7,000 to \$22,999	\$23,000 or greater
Distribution of individual vendor sales, by sale level of markets					
\$1 to \$1,000	50.0	71.9	46.4	30.7	15.4
\$1,000 to \$5,000	31.1	23.1	38.5	36.8	29.3
\$5,001 to \$10,000	10.2	4.4	9.6	20.5	22.2
\$10,001 to \$25,000	5.6	0.7	1.9	8.3	21.3
\$25,001 to \$50,000	1.9	0.0	3.5	0.6	7.5
\$50,001 to \$100,000	1.0	0.0	0.0	3.0	2.6
\$100,001 or Greater	0.2	0.0	0.0	0.0	1.7
Average number of weekly customers					
Mean	429.6	119.3	467.3	589.0	1,290.0
Median	200.0	67.5	150.0	300.0	938.5
Distribution of markets, by region					
Far West	13.9	14.3	16.7	26.7	24.0
Rocky Mountain	10.4	6.1	11.1	6.7	20.0
Southwest	5.5	12.2	13.9	2.2	8.0
North Central	31.6	26.5	30.6	13.3	12.0
Southeast	10.1	18.4	2.8	11.1	8.0
Mid-Atlantic	13.6	4.1	13.9	20.0	12.0
Northeast	14.8	18.4	11.1	20.0	16.0
Percentage of vendors selling product, by product type					
Fruits and vegetables	42.4	52.9	41.6	35.6	41.3
Milk and/or dairy	1.9	1.8	2.3	1.3	2.3
Meat and/or poultry	4.1	3.3	5.2	4.4	5.0
Fish and/or seafood	0.8	0.4	0.28	1.2	1.2
Herbs, flowers and plants	14.8	13.4	15.0	15.1	12.7
Honey, nuts, jams, jellies and preserves	9.1	9.1	7.3	9.3	8.5
Baked goods	9.1	6.7	11.4	10.4	7.0
Prepared foods	4.1	3.9	3.1	7.2	3.8
Processed foods	2.4	0.3	3.2	1.8	8.0
Crafts/woodworking	8.4	7.1	7.2	10.2	7.5
Other products	3.1	1.2	3.5	3.6	2.8

Monthly Sales

	U.S.	Less than \$2,500	\$2,500 to \$6,999	\$7,000 to \$22,999	\$23,000 or greater
Percentage product mix of market, measured by the concentration of fruit and vegetable vendors					
0% to 29%	34.2	17.8	31.4	43.6	39.1
30% to 44.99 %	27.6	33.3	34.3	35.9	13.0
45% to 59.99%	18.3	13.3	20.0	12.8	26.1
60% and greater	19.9	35.6	14.3	7.7	21.7
Monthly sales per vendor					
Mean	\$766	\$197	\$367	\$1,115	\$1,879
Median	\$403	\$125	\$286	\$688	\$1,531
Percentage of markets with a paid market manager					
	35.9	15.2	28.6	48.7	63.6
Average salary of market manager					
Mean	\$13,855	\$16,700	\$12,011	\$15,555	\$16,266
Median	\$5,727	\$9,500	\$5,000	\$7,613	\$13,231
Percentage of markets that conduct customer surveys					
	28.9	37.8	37.1	43.6	50.0
Operating budget of market					
Mean	\$10,801	\$3,800	\$3,860	\$21,144	\$25,217
Median	\$2,000	\$450	\$2,000	\$5,676	\$10,368
Percentage of year round markets					
	7.8	16.3	5.6	15.6	4.0
Rural-urban continuum code					
1	35.6	28.6	22.2	31.8	68.0
2	14.0	8.2	13.9	11.1	16.0
3	14.3	18.4	8.3	31.8	8.0
4	7.0	10.2	8.3	6.8	0.0
5	5.5	4.1	11.1	9.1	8.0
6	11.1	16.3	16.7	6.8	0.0
7	5.0	0.0	5.6	2.3	0.0
8	3.8	10.2	5.6	0.0	0.0
9	3.8	4.1	8.3	0.0	0.0

Appendix 6: Market and Vendor Characteristics for Markets: Open Less than 7 Months, Open 7 Months or More, and Year-Round Markets

	U.S.	Markets open less than 7 months	Markets open for 7 months or more	Markets open year-round
Years in operation				
Mean	14.9	12.4	18	29
Median	10.0	9.0	12	15
Years in operation, by age groups (in percent)				
0 - 4 years	27.8	29.6	24.5	17.8
5 - 9 years	21.7	22.5	19.4	17.8
10 -19 years	24.4	24.7	24.5	21.7
20 or more years	26.1	23.2	31.6	42.8
Average monthly sales				
Mean	\$31,923	\$20,770	\$57,290	\$69,497
Median	\$8,333	\$6,250	\$20,000	\$20,833
Average monthly sales, grouped (in percent)				
Less than \$2,500	24.9	26.9	20.8	18.2
\$2,500 - \$6,999	21.5	24.7	9.4	13.6
\$7,000 - \$22,999	24.9	25.7	22.6	21.6
\$23,000	28.7	22.5	47.6	46.6
Average number of vendors				
Mean	31	25	51	58
Median	20	18	30	35
Average number of vendors, grouped				
Less than 10	23.9	26.6	12.5	11.6
10-19	25.3	26.5	20.8	17.0
20-39	29.0	29.7	24.0	30.6
40 or more	21.8	17.2	42.7	40.8

	U.S.	Markets open less than 7 months	Markets open for 7 months or more	Markets open year-round
Vendor sales categories (in percent)				
\$1-\$1,000	44.2	49.2	28.6	26.0
\$1,001-\$5,000	27.2	29.2	24.7	18.4
\$5,001-\$10,000	13.6	13.0	19.5	14.0
\$10,001-\$25,000	8.5	6.1	13.7	19.0
\$25,001-\$50,000	4.1	2.2	5.7	11.8
\$50,001-\$100,000	1.8	0.2	6.8	7.3
\$100,001 and greater	0.6	0.0	0.9	3.4
Average number of weekly customers				
Mean	959	565	942	3,578
Median	200	200	450	1,000
Average number of weekly customers, grouped				
Less than 100	22.9	26.4	14.1	3.4
100-299	33.1	37.5	17.9	17.2
300-599	19.5	18.2	25.9	22.4
600 and greater	24.5	17.8	42.6	56.9
Percentage that conducted customer surveys				
	27.6	26.3	33.3	31.6
Percentage of markets that had paid manager				
	39.3	34.2	54.7	66.9

	U.S.	Markets open less than 7 months	Markets open for 7 months or more	Markets open year-round
Percent of markets by regions				
Far West	13.9	9.5	17.0	39.9
Rocky Mountain	7.4	8.4	3.0	2.5
Southwest	5.0	4.4	7.0	7.6
North Central	36.0	41.2	21.0	12.0
Southeast	11.6	8.8	28.0	20.3
Mid-Atlantic	12.4	11.3	20.0	13.9
Northeast	13.8	16.5	4.0	3.8
Average operating budget				
Mean	\$20,864	\$8,119	\$25,322	\$116,259
Median	\$2,000	\$1,500	\$9,250	\$28,000
Average operating budget, grouped				
Zero	10.4	11.2	5.7	6.9
\$1-\$599	20.3	22.9	8.6	6.9
\$600-\$2,499	22.2	24.6	18.6	3.9
\$2,500-\$9,999	22.8	25.1	17.1	12.7
\$10,000 and greater	24.2	16.2	50.0	69.6
Average advertising expense				
Mean	\$3,566	\$2,291	\$3,630	\$12,526
Median	\$500	\$500	\$1,500	\$2,200
Average advertising expense, grouped				
Zero	14.2	14.1	13.6	12.7
\$1-\$349	25.2	28.4	8.6	14.4
\$350-\$1,199	24.7	25.7	25.9	15.3
\$1,200-\$5,199	24.7	24.8	29.6	24.6
\$5,200 and greater	11.1	7.0	22.2	33.1

	U.S.	Markets open less than 7 months	Markets open for 7 months or more	Markets open year-round
Rural-urban continuum code				
1	32.2	27.9	43.0	51.3
2	16.9	15.9	14.0	24.1
3	13.7	13.5	23.0	11.4
4	8.1	9.2	6.0	2.5
5	4.4	5.0	2.0	3.2
6	10.9	11.7	9.0	5.7
7	8.7	10.9	1.0	0.0
8	2.3	2.7	0.0	1.3
9	2.8	3.1	2.0	0.6



Glossary



Average	In common use, the arithmetic mean.
Data trimming	The practice of ignoring atypical data in order to present a more accurate picture of the distribution. In most cases, a few extreme data points are ignored.
Distribution	The pattern of data points in an x-y coordinial plan.
Likert scale	A device for assigning units of analysis to categories of a variable. It is often used to measure the internal states of people's attitudes, emotions, and orientations.
Mean	A value computed by dividing the sum of a set of terms by the number of terms Commonly known as the average.
Median	The value that represents the point at which there are as many instances above as there are below. For example, the average of a group of persons earning 3, 4, 5, 8, and 10 dollars an hour is 6 dollars, whereas the median is 5 dollars.
Skewed data	An uneven distribution of data. When plotted, the data forms an asymmetrical pattern, with most of the data to one side of the center of the distribution.

