

Considerations for Tennessee's Farmers Markets



Center For Profitable Agriculture

A University of Tennessee - Farm Bureau Partnership

Megan L. Bruch
Marketing Specialist

Overview



Market trends, implications, challenges and potential



Differentiating farmers markets from grocery stores



Recruiting vendors to farmers markets



Market Trends, Implications, Challenges and Potential

Adapted from Warner, Brent and Ed Mahoney.
“Evolution of Farm Markets and Agricultural
Tourism: Potential and Challenge.” 2006
NAFDMA Conference. Austin, TX.

Trend #1

Trend	North Americans are aware and concerned about who grows, processes and retails their food. They are concerned about sustaining local food systems and keeping farms in their local area.
Implications	Preserving local food systems is valued by consumers.
Challenge	Educating consumers about advantages of locally grown, processed and retailed food. Incorporating message/position in marketing.
Potential	Positioning – competitive advantage Increased willingness to pay, loyalty

Trend #2

Trend	By 2020, there will be 50 million more food consumers in the U.S. and food spending is projected to increase by 26%+, with the greatest increase due to enhanced quality and convenience (not quantity).
Implications	The % spent on consumer-oriented, value-added products and experiences will grow. Consumers will likely spend more on expensive fresh foods, healthy and prepared foods and dining out.
Challenge	Competition will be significant. Important to develop loyal customers. Make use of competitive advantages (quality, local, experience, etc.) and not on price.
Potential	Gain market share and loyal consumers.

Trend #3

Trend	The aging of our population (median age by 2030 = 42, 20% of population over 65), combined with desire to stay healthy and fit as persons age, will increase demand for farm market products and tourism experiences including fruits, vegys, nostalgia and “things to do” with others.
Implications	Seniors have disposable income and like new and nostalgic experiences. Looking for part-time jobs.
Challenge	Avoiding stereotyping the market. Providing products, packaging, access and service expected.
Potential	Considerable sized market with significant purchasing power Potential labor force

Trend #4

Trend	Consumers' changing lifestyles have increased the importance of convenience in the food they eat and recreation/tourism they participate in. They want local and healthy, but they want it their way and on their schedule.
Implications	Understand “convenience” and “healthy” from the perspective of each target audience. Create more convenient products, marketing, distribution, services and experiences.
Challenge	Not becoming like other food retailers. Not diminishing other values customers seek from locally produced food and tourism.
Potential	Convenience and health add value.

Trend #5

Trend	On average, households are smaller, wealthier, and more likely to have a female employed. In 64%, both parents employed. About 1/3 are one person households and 30% are women. 68% of women in single households are employed.
Implications	Moving away from preparing food eaten at home. Away-from-home food purchases increasing (50% by 2012).
Challenge	Trend likely to continue and reduce growth of at-home prepared food spending.
Potential	Develop and market convenient-to-prepare and healthy foods. Educate consumers on simple meal preparation.

Value Propositions for Farmers Markets

- Quality
- Health
- Convenience
- Sustainability (food systems)
- Education
- Relationships
- Experiences



Differentiating farmers markets from grocery stores



Farmers Market/Grocery Store Comparison

- Farmers Market
 - Quality
 - Convenience
 - Sustainability (food systems)
 - Education
 - Relationships
 - Experiences
- Grocery Store
 - Convenient
 - Location
 - 24/7
 - One-stop shopping
 - Predictable
 - Year-round supply
 - Product Variety

Differentiating Farmers Markets



- Utilize value propositions/ competitive advantages to develop market identity
- Must deliver

Differentiating Farmers Markets

- Quality of products
 - Fresh product
 - Variety of products
 - Appealing displays
 - Sampling

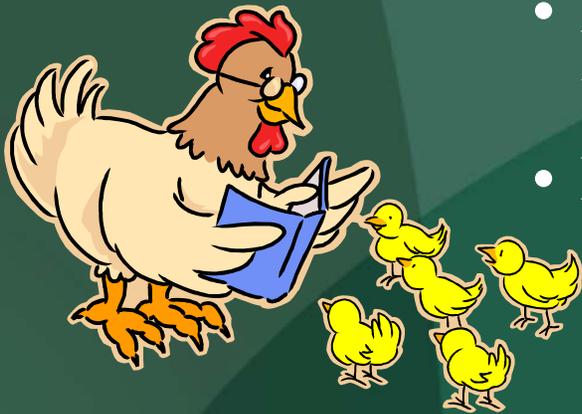


Differentiating Farmers Markets

- Convenience
 - Hours/days of operation convenient for customers
 - Parking available close to market
 - Restroom facilities available
 - Easy to move around market and find products looking for
 - Recipes

Differentiating Farmers Markets

- Sustainable Food Systems
 - Tell the story
 - Encourage vendors to create photo displays of operation
 - Develop press releases highlighting vendors
 - Develop a farmer wall of fame at market



Differentiating Farmers Markets

- Experience
 - Ambiance
 - Personal relationships
 - Events (food preparation demonstrations, live music, festivals)
 - Excellent customer service



Recruiting vendors to farmers markets

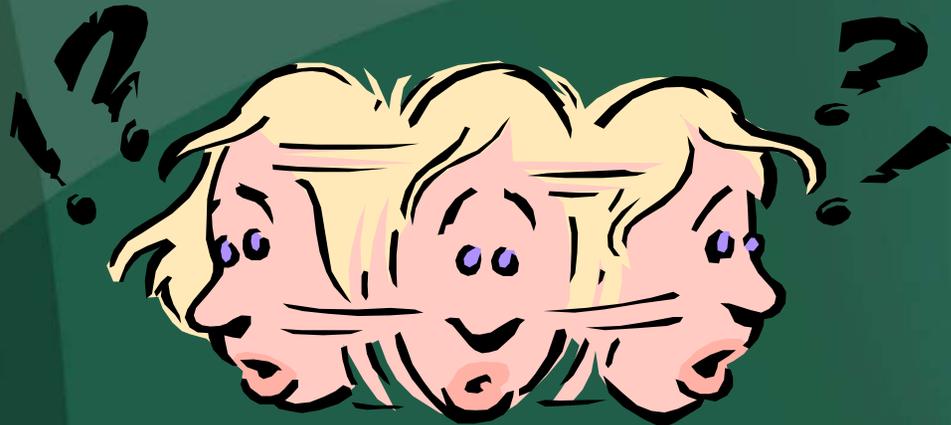
Adapted from Wambles, Don. State of Alabama
Farmers Market Authority. *Farmers Market
Development Manual*. Available on-line at
<http://www.fma.state.al.us/>.

Recruiting Vendors to Farmers Markets

- Vendors imperative to farmers market success
- Management should treat as customers

Recruiting Vendors to Farmers Markets

- Who is responsible?
 - Market steering committee
 - Existing vendors
 - Supporting groups/organizations



Recruiting Vendors to Farmers Markets

- How go about it?
 - Contact those currently growing and selling through other outlets (wholesale, road-side stand, on-farm market, CSA)
 - Contact farmers markets vendors in other towns (who may need additional hours/days/locations)
 - Encourage existing vendors to promote market
 - Issue press releases



Recruiting Vendors to Farmers Markets

- When?
 - New Markets: as early as possible before season
 - Existing: continuous
 - Invite farmers to visit during the season



What Farmers/Vendors Expect of the Market

- A buying crowd
- Advertise, promote and operate the market
- Representation in decision-making
- Fair, reasonable and consistent management
- Convenience in marketing product



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How Market Managers Can Help

- Make rules clear and enforce
- Involve farmers in steering committee
 - Representative selected from vendors
- Involve vendors in promotions/events
 - Donations of time (mostly in off-season), product, money
- Offer seminars and workshops
 - Merchandising

How Market Managers Can Help



Communicate, Communicate, Communicate

Summary



Trends affecting farmers markets

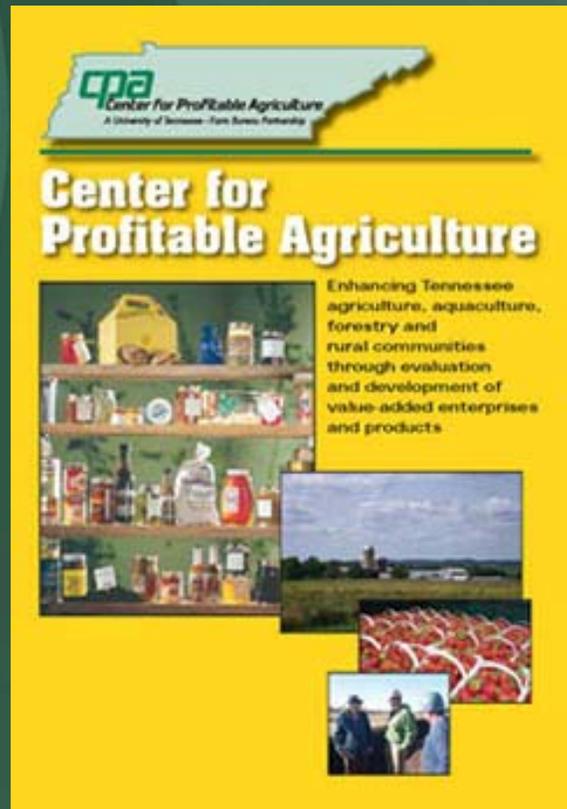


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Contacting the Center



Center for Profitable Agriculture

P. O. Box 1819

Spring Hill, TN 37174

(931)486-2777

cpa@utk.edu

<http://cpa.utk.edu>