Increasing the Supply of Georgia-Grown Produce
FY 2011

The main goal of this research was to generate ideas on how to increase the supply of locally grown produce based on observations that state market stalls were empty and that farmer representation was limited. Initially barriers to farmer participation (logistics, cooler access, regulations, low financial return, etc.) and opportunities (as offered by markets themselves as venues for sales) were considered. Research strategies involved assessments of the existing literature published in trade and peer-reviewed research sources, interviews, market visits, and online surveys of farmers and market managers. More data are needed to fully explore this issue, but a picture has emerged of farmers with limited mobility and consumers with little motivation to seek out fresh produce. Farmers' excitement about markets is attenuated by the distance they need to travel, the cost of market participation, and the lack of eager customers who value what they produce. Results from this study have already spurred major paradigm-changing decisions at the Georgia Department of Agriculture.

FINAL REPORT

STRATEGY BRIEF 1

STRATEGY BRIEF 2

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Final Report
Federal State Marketing Improvement Program (FSMIP)
Learning from Farmers and Market Personnel

August 1, 2014

The Public Performance and Management Group

State of Georgia funds for this project were matched with Federal funds under the Federal-State Marketing Improvement Program of the Agricultural Marketing Service, U.S. Department of Agriculture.

Georgia State University | Andrew Young School of Policy Studies

INTRODUCTION

Demand for fresh local food is growing throughout Georgia. However, many consumers believe the terms fresh and local have lost all meaning. The concern that started this research was that farmer engagement with consumers in Georgia was limited and contrary to both consumer interests and national trends. As we stated in our first research briefing, "We have empty market stalls at state-supported markets and a population that frequently consumes processed foods shipped into the state while healthy produce is already growing here." (*Please see attached, **Strategy Brief One**.)* We wanted to look beyond the hype and learn more about the state of the relationship between producers and consumers.

The concept of *civic agriculture* resonated with us, based on the assumption that direct sales were not the work of a typical farmer. The crop mix would be different in many cases, as would the degree of interest in customer interactions. Thomas Lyson presented *civic agriculture* as a distinctive shift away from commodity agriculture—a movement toward different values, goals, and practices. The idealism is appealing. In a state defined by sprawl, commodity farming, and declining health, thriving civic farmers able to provide healthy food to urban populations appears essential to realizing a better future. *Our bottom line for this project's research was that farmer commitment to market participation was lacking, and we wanted to identify state actions that could increase farmer commitment to direct market sales.*

OUR PROPOSAL

Our initial proposal established a set of broad goals, which were part of a collaborative effort with the Georgia Department of Agriculture.

Goals and Objectives

Elements of the Georgia Department of Agriculture's vision include the following goals:

1. Increase the economic vitality of Georgia
2. Improve the health of Georgia residents
3. Create a sustainable agriculture system in Georgia
4. Build a bridge between urban and rural populations of Georgia

Accordingly, the Department's Markets Division has adopted these priorities:

1. Increase utilization of the State Farmers' Market, as well as non-profit and community farmers' markets to increase the sale of locally grown produce
2. Increase the availability of healthy food to Georgia's populations
3. Implement new marketing and distribution strategies for locally grown produce

Using these state goals and priorities as a basis, the proposed project is designed to achieve the following objectives:

1. Identify opportunities and constraints to the supply and distribution of locally grown produce
2. Create a distribution model that utilizes the network of farmers' markets to increase the sale of locally grown produce
3. Disseminate project findings and outcomes to key stakeholders throughout Georgia and other states

We will discuss these goals more directly in other sections of this report, but we can certainly say that there has been a vast shift in the level of market activity during the period when this project was active. National trends are a major factor, of course, but this project addressed a timely issue and efforts from the State of Georgia have certainly contributed.

OUR ISSUE, PROBLEM AND APPROACH

The main goal of this research effort was to generate ideas on how to increase the supply of locally grown produce, based on observations that state market stalls were empty and that farmer representation was limited. Our initial thoughts stressed barriers to farmer participation (logistics, cooler access, regulations, low financial return, etc.) and opportunities (as offered by markets themselves as venues for sales). Research strategies involved assessments of the existing literature published in trade and peer-reviewed research sources, interviews, market visits, and online surveys of farmers and market managers.

Our surveys addressed the practicalities of market sales and incorporated assumptions about civic agriculture, the economics of direct consumer sales, market best practices, and the dynamics of urban environments. Our vision was that these different analytical perspectives could aid the development of market improvement and outreach strategies capable of enhancing the supply of market produce. We saw trial and error as an inevitable part of this effort, but we also sought to develop a level of knowledge about the market environment that would facilitate strategic thinking. As we noted in our second briefing, "Strategic thinking begins with a systems perspective (a model of an organization, issue, or problem) and is intent driven; connects the past, present, and future; welcomes intelligent opportunism; and is hypothesis driven.[1] *(Please see attached, **Strategy Brief 2**.)* Hypotheses typically involve "What if?" Or, "If then?" Scenarios can help explore different possibilities." [2]

While perhaps far removed from the day-to-day management of markets and small farming operations, we sought to apply common concepts from business, government, and policy analysis to very broad problems. Collecting the views of those involved was just an element of the process, because those fully engaged in their own personal responsibilities may or may not know what actions might advance the broader goals of produce availability and support the development of what the CDC calls healthy places. What we know about critical thinking suggests that ideas may well begin in the minds of individuals, but an engaged team is best assessing the value of those ideas.[3]

Our Research Approach

Our research efforts built upon the knowledge and connections of the Markets Division of the Georgia Department of Agriculture, and we sought study participants using publications such as GDA's *Farmers and Consumers Market Bulletin*. We present our surveys here because they give a sense of what we say is important and illustrate our efforts to give our work an empirical foundation.

Surveying Farmers

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[1] Liedtka, J. M. (1998). Strategic thinking: can it be taught? *Long Range Planning*, 31(1), 120-129.
[2] Schoemaker, P. J. (1995). Scenario planning: a tool for strategic thinking. *Sloan Management Review*, 36, 25-25.
[3] Kahneman, D., Lovallo, D., & Sibony, O. (2011). Before You Make That Big Decision. *Harvard Business Review*, 89(6), 50-60.

Demographics

1) What is the name of the county where your farm is located?

2) What is the name of the city closest to your farm?

3) How far from your farm is the nearest city? (Estimated number of miles)

miles

4) How large is your farm? (Estimated number of acres)

acres

5) Counting yourself, do you have any full-time employees on your farm?

- Yes
- No

6) Do you have more than 5 full-time (non-family) employees?

- Yes
- No

7) What were your major cash crops for the past three years? (Check all that apply)

- Pecans
- Berries
- Melons
- Leafy Greens
- Other Fruits and/or vegetables
- Other Organic fruits and/or vegetables
- Poultry
- Sheep and/or goats
- Pigs
- Cattle
- Eggs
- Dairy
- Nuts
- Peanut
- Other (please specify)

If you selected other, please specify:

Market Perspectives

8) Do you sell farm produce directly to customers at one or more STATE farmers markets (either wholesale, retail, or direct to consumers)?

- Yes
- No

9) What percentage of your sales at STATE farmers markets would you say is direct to customer?

percent

10) Which of the following STATE farmers' markets do you sell your farm produce directly to? (Choose all the apply)

- Moultrie Farmers Market
- Atlanta Farmers Market (Forest Park)
- Cordele Farmers Market
- Cairo Farmers Market
- Macon Farmers Market
- Augusta Farmers Market
- Valdosta Farmers Market
- Thomasville Farmers Market
- Savannah Farmers Market
- Other (please specify)

If you selected other, please specify:

11) Which STATE market have you invested the most time in *as a vendor*.

12) Please rate the following items for the STATE market *where you have invested the most time as a vendor*

	Poor	Weak	Adequate	Good	Excellent
Effective social media presence					
Location (proximity from my location)					
Location (proximity to customers)					
Diversity of products					
Facilities for me and my products					
Predictable number of customers					
Functional and effective website					
Appealing amenities and attractions					
Promotions and advertising					
Number of vendors					
Parking					

13) What could you recommend that would improve the appeal of this market for selling your farm products?

14) Do you sell farm produce directly to customers at one or more NON-STATE farmers markets?

- Yes
- No

Market Reinvention

23) Focusing on STATE farmers markets specifically, which of the follow actions would encourage you to invest more time and resources in producing products and selling directly to consumers at state markets? Please choose an answer for each action.

	Yes, this would increase my investment	No, this would not increase my investment
More social media and Internet presence for market produce in Georgia	○	○
One or more indoor markets	○	○
Reduced fees at a market already accessible to you	○	○
Better customer amenities at a market already near you	○	○
Opening a new state market in a highly populated area of Atlanta	○	○
Better storage and/or processing facilities at a market already accessible to you	○	○
A new market, nearer to my farm	○	○
A Grown in Georgia campaign focused on market produce	○	○

24) How important are the following barriers or challenges to advancing local food and agriculture in Georgia? Please rank the following from 1 (most important) to 10 (least important), using each item only once.

1) Choose One
2) Choose One
3) Choose One
4) Choose One
5) Choose One
6) Choose One
7) Choose One
8) Choose One
9) Choose One
10) Choose One

25) Do you have any additional ideas for increasing the availability of Georgia grown fruits and vegetables directly to consumers? We would appreciate your feedback.

26) Would you be willing to participate in a follow-up interview within the next two months?

○ No thank you. ○ Yes, please feel free to contact me.

27) If you agreed to be contacted, please enter your contact information below.

Email address
Format: name@service

Please enter your telephone number
Format: 999-999-9999

Surveying Market Managers

Demographics

1) What is your name?

2) What is the name of the market you manage?

3) Do you manage this market full time?

○ Yes
○ No

4) What is the city nearest the market you manage?

5) What is the approximate distance to the nearest city from your market?

miles

6) Approximately how many customers visited your market in 2012?

Market Characteristics

7) Do you identify farmers who sell their own produce at your market?

- Yes
- No

8) Approximately how many individual farmers (or their representatives) sold at your market in 2013?

9) Is this market a farmer/producer-only market?

- Yes
- No

10) Are certified organic products sold at this market?

- Yes
- No

11) How do you charge farmers to sell their own produce at your market?

- Variable based on sales
- Flat fee per market space
- Flat fee per market day
- Flat fee per season
- Other (please specify)

If you selected other, please specify:

12) What is your market fee for farmers *who sell their own produce* at your market?

$

13) Please indicate the payment methods accepted at the market you manage. (Choose all that apply.)

- Credit Card
- WIC Cash Value Vouchers
- Supplemental Nutrition Assistance Program (SNAP)
- WIC Farmers Market Nutrition Program (WIC-FMNP)
- Senior Farmers Market Nutrition Program (SFMNP)
- Wholesome Wave
- Other (please specify)

If you selected other, please specify:

14) Which of the sources listed below does your market rely on for funding to cover operating expenses? (Please check all that apply.)

- The market receives no outside funding
- For-profit organizations
- Non-profit private organizations
- State of Georgia
- Local government
- Other (please specify)

If you selected other, please specify:

15) Which of products listed below are sold at your market? (Please check all that apply.)

- Fruits/Vegetables
- Meat/Fish
- Poultry/Eggs
- Art/Crafts
- Honey
- Artisanal or Gourmet Food Items
- Flowers/Plants
- Baked Goods (bread, pies, etc.)
- Other (please specify)

If you selected other, please specify:

16) Please rate how well your market provides the services listed below.

	Poor	Weak	Adequate	Good	Excellent	Not Applicable
Facilities for producers						
Location (proximity to customers)						
Location (proximity to producers)						
Predictable number of customers						
Number of producer vendors						
Diversity of products						
Effective promotions and advertising						
Adequate and affordable parking						
Appealing amenities and attractions						
Functional and effective website						
Effective social media presence						

17) What do you believe the Georgia Department of Agriculture could do to help you improve your market.

Orientation and Capacity

18) Do you believe there is something unique and valuable about direct linkages between farmers and consumers?

- Yes
- No

19) Do you believe that helping farmers build relationships with the consumers who purchase their products is an important market responsibility?

- Yes
- No

20) What are some of the unique/special qualities about the market you manage that increase the success of individual producers?

21) How important are the following barriers or challenges to advancing local food and agriculture in Georgia? Please rank each item on a scale of 1 to 5, where 1 = Not Important and 5 = Very Important

	1 - Not Important	2	3	4	5 - Very Important
Lack of Public Interest					
Lack of consumer education on reasons to buy local food					
Consumer belief that local foods are not cost competitive					
Grocery stores are not interested in promoting local foods					
Lack of a market able to draw large numbers					
Limited supply of local produce					
Lack of local distribution networks					
Lack of state/local funding					
Restrictive processing regulations					
Lack of accessible farmers markets					
People are unwilling/unmotivated to eat seasonally					

22) Would you be willing to participate in a follow-up interview within the next two months?

- No thank you.
- Yes, please feel free to contact me.

23) If you agreed to be contacted, please enter your contact information below.

Email address
Format: name@service

Please enter your telephone number
Format: 999-999-9999

CONTRIBUTION OF PUBLIC OR PRIVATE AGENCY PARTNERS

We used information from many local sources to develop our research plan and developing a conceptual understanding of our research problem, but the primary partnership was between the Public Management and Performance Group at Georgia State University and the Markets Division of the Georgia Department of Agriculture. The value of this relationship is obvious considering the goals of this research, and avoiding other alliances helped preserve our objectivity.

RESULTS, CONCLUSIONS AND LESSONS LEARNED

This effort produced three kinds of results: perspectives of farmers, perspectives of market managers, and the synthesis of this content with the existing knowledge about markets, community design, and the contributions of fresh produce to good health. Unfortunately, we had an extremely low level of response from both farmers and market managers to our online surveys; therefore, we received permission from USDA to a grant time extension on two separate occasions. Even with this extra time, the response to our surveys was very low and disappointing.

The Farmer Perspective

Our interviews with farmers took two basic forms: open-ended discussions that addressed topics of mutual interest and completion of our online survey (either whole, or in part). *The fact that only 11 farmers completed at least part of an online survey* needs further discussion, but our accumulated knowledge gives us a farmer perspective of a sort, though we cannot generalize to the entire population. We learned quite a bit from the farmers who we did interact with.

Two sets of farmer survey items are particularly relevant to our core research goals. One set asked about the challenges to advancing local food and agriculture in Georgia, and had farmers rate ideas for improving state markets. The challenges we listed on the first item included the following options:

- Lack of public interest
- Lack of consumer education on reasons to buy local
- Consumers believe that local foods are not cost competitive
- Grocery stores not interested in promoting local foods
- Farmers markets not interested in promoting local foods
- Lack of local distribution networks
- Lack of state/local funding
- Restrictive processing regulations
- Lack of accessible farmers markets
- People are unwilling/unmotivated to eat seasonally

Lack of consumer education received 33 percent of the six valid responses and beliefs about costs, restrictive processing regulations, lack of accessible markets, and the lack of seasonal eaters each received one response (16.7%). The recommendations for improving state markets are displayed in Figure 1.

Figure 1: What would increase your state market investment? (6 responses)

As Figure 1 shows, all six respondents supported better customer amenities at a market near them, reduced fees at an accessible market, and more social media presence. Opening a new state market in Atlanta was the least desirable option for this group. As a whole, we see these responses reflecting economics of the small farmer and the “the politics of place.” Farmers are not typically in the food distribution business. Commodity farmers link to distributors through quantity; small farmers must make other arrangements which often depends upon happenstance or the unique opportunities available in a particular place. Farms themselves are not mobile, so place matters more to farming than most occupations.

As we say above, we do not currently have the number of responses needed for any sort of generalizations; but these findings are consistent with our one-on-one discussions. Many farmers want to sell products at nearby locations with lower fees and better customer outreach. Others have had specific experiences that resonate with them, such as a bad experience selling a processed food or selling produce from another farmer at a state market.

The Market Manager Perspective

Our contacts with market managers included broad-based discussions conducted one-on-one, telephone surveys, and responses to our online survey. As was the case with the farmers, getting completed surveys was difficult, but the small number of responses we did get was valuable. For example, relative to the social media investments wanted by some farmer respondents, the market managers expressed strong interest in connecting farmers with markets. Ideas suggested included having meet-and-greet events for farmers and market managers and creating an online exchange for farmers and market managers.

In contrast with the farmers, the market managers had a somewhat different take on the challenges to advancing local food and agriculture in Georgia. Half of our respondents agreed on three possible barriers to successful farm/market collaboration: the lack of consumer education, consumer beliefs that local foods cost more, and the lack of state and local funding. The responses from the farmers and market managers do vary on these identical items, but both sets of respondents identified common issues: consumers were not motivated to seek out market produce and markets were not achieving their full potential.

The market managers were also asked what they did at their markets to increase sales and what they thought the Georgia Department of Agriculture could do. Their own markets succeeded with demonstrations, education programs, unique products, featured vendors promoted on their Facebook page, and holiday events; state requests tended to focus on funding for promotion, awareness, and training.

Concurrent Project Activities and Results

During the course of this research the Georgia Department of Agriculture took several steps to promote direct to consumer sales of Georgia Agricultural Products:

- Launch of the Georgia Grown program in 2012. This program helps to identify locally grown products sold at farmers markets, retail stores, restaurants, and cafeterias. www.GeorgiaGrown.com
- The Department of Agriculture has hosted more than a dozen Georgia Grown Farmer Showcases at the State Farmers Markets throughout Georgia. These events created a special opportunity for Georgia Consumers to meet farmers, learn about products grown in Georgia, and purchase local products.

CONCLUSIONS

Reflecting back on our research, our initial concern was the low levels of participation at existing markets, but conditions have changed. Consumer supported agriculture (CSA) options are spreading and community markets are growing in popularity. We have no data on whether access to local produce is displacing processed food, but the local markets are certainly attracting attention. Thus, it might appear that the problem we sought to address has been addressed by market forces; and future research will go into how to support this trend and maximize its benefits.

The big picture presents Georgia with a set of surmountable problems that stem from a mismatch between farmers and the most populated areas of Georgia. This study did not produce the data needed to fully explore this issue, but a picture has emerged of farmers with limited mobility and consumers with little motivation to seek out fresh produce. The farmers' excitement about markets is attenuated by the distance they need to travel, the cost of market participation, and the lack of eager customers who value what they produce.

We hope that such efforts take this big picture into account and consider the possibilities for agriculture as one element of healthy urban design. The politics of place create pressures for broadly dispersed investment, but the pursuit of healthy places demands greater density and walkability. The Forest Park State Market is a 10-mile drive from the Atlanta Curb Market. The state market offers 150 acres of farm products and no transit access, while the curb market has very limited produce options in the heart of Atlanta and will soon be connected to the Atlanta street car and the larger MARTA transit system of buses and trains. The Forest Park market has an excellent location for trucks that transport commodity goods, but it is not a good location for consumers. Therefore, future resources should be utilized to improve the Forest Park State Farmers Market as a wholesale market with an interest in regional distribution, while the Atlanta Curb Market can focus resources on fostering direct to consumer sales of locally grown agricultural products.

Atlanta is a large metropolitan area and suffers from some of the worst sprawl in the nation. This is a way of life that appears to be widely preferred. Yet, enlightened state policy makers can certainly see the benefits of establishing an urban alternative, as has the City of Atlanta. The streetcar development[4] along with the rapidly developing Atlanta Beltline[5] have attracted stimulated investments of over $1.5 billion in new investment, and the Beltline has brought many of thousands of people out onto the streets. Strikingly, the City of Atlanta was recently ranked 8th for walkable urbanism in the nation.[6] Fresh market produce already plays a role in the development of these walkable areas. Research by us and others show that market success hinges in large part on place. While many questions remain about how to best get farmers into the city, there is little question that place-making can draw the customers. The linking of the Beltline with the Atlanta Curb Market is a great example of using transportation to foster the availability of local produce to Georgia's urban consumer.

The status quo is a hard sell. Just by appearances, urbanization and the growing demand for fresh produce has left Georgia behind. This is partly due to the challenges of providing options to a large state and a sprawling metropolitan area. *As remedies, we recommend that the state consider the potential role of markets in place-making efforts that may help guide Georgia toward a more dynamic future, in addition to addressing the current concerns of farmers and market managers.*

LESSONS LEARNED

The surveys we developed for this project gave interesting results, but what we have now amounts to a respectable pre-test, and this is not enough to effectively guide future state policy. The low response rate reveals some realities about the direct-sale climate in Georgia. Most community farmers market managers are part-time and short on time. Even a short survey is a great burden. At least this is what we get from our interviews and survey responses.

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[4] Atlanta Forward. "Streetcar Boom." See, http://blogs.ajc.com/atlanta-forward/2014/03/17/streetcar-boom/

[5] Atlanta Beltline. "A Catalyst for Economic Growth and Renewal." See, http://beltline.org/progress/progress/economic-development-progress/

[6] Atlanta Magazine's Daily Agenda. "Atlanta Ranks No. 8 for Walkable Areas." See, http://www.atlantamagazine.com/agenda/2014/06/17/study-atlanta-ranks-no-8-for-walkable-areas

We must also wonder how much more needs to be done to build bridges between the state, the farmers, and the markets. Does a survey strike potential respondents as pointless? The lack of responses suggests something is wrong. Hundreds of responses would be a reasonable expectation, given the size of the population. *Thus, our biggest lesson is that surveying this population likely requires an intensive effort to identify and manage possible stakeholders. Therefore, the Georgia Department of Agriculture will continue collecting this data to expand upon the foundation created by this research.*

CURRENT OR FUTURE BENEFITS & RECOMMENDATIONS FOR FUTURE RESEARCH

We drew on the popular ideas of Gary Sinek in our second briefing, ***Strategy Brief Two***. Sinek argues that people make purchasing decisions based on the beliefs that sellers project. As he says in his Ted Talk, "People do not buy what you do. They buy why you do it."[7] There remains several benefits of this research and potential for future research.

This research project developed a well-designed survey and survey process, which will continue to collect data from farmers and market managers. Furthermore, this survey will be disseminated to other states through the National Association of Agriculture Marketing Officials (NAMO) as well as the Southern Association of State Departments of Agriculture (SASDA) with the hope that other states can use this survey as a template and can gather further evidence identifying the barriers to direct to consumer sales of agricultural products.

Results from this study have already spurred major paradigm changing decisions at the Georgia Department of Agriculture:

- At the Atlanta State Farmers Market in Forrest Park, the Department of Agriculture will remove many of the under-utilized direct to consumer sales areas and replace them with new state-of-the-art wholesale produce distribution facilities. These new facilities will allow for improved consolidation of Georgia's fresh produce and more efficient distribution throughout the region.

[7] Sinek, Simon (2010) "How Great Leaders Inspire Action." See, http://blog.ted.com/2010/05/04/how_great_leade/.

- The Sweet Auburn Curb Market has attracted new vendors that specialize in the sale of local Georgia Grown products directly to consumers. One such company, Destiny Organics, is actually a wholesale company at the Forest Park Farmers Market that has realized the growing demand and benefits of direct-to-consumer sales and decided to add it to their business.
- In June of 2014, the State of Georgia held its first ever Farmers Market Week to celebrate the great number of community farmers markets throughout the state. This helped market these growing markets and improve the direct to consumer sales.
- In July of 2014, the Georgia Grown program launched the Georgia Grown Locator web app. This new mobile enabled online tool helps consumers find locations throughout Georgia to purchase Georgia Grown products. www.GeorgiaGrown.com/Locator

BENEFICIARIES

- 141 Community Farmers Markets in Georgia
- 45 Food Distributors currently operating on Georgia State Farmers Markets
- More than 500 farmers currently selling direct to the consumer throughout Georgia
- Over 100,000 consumers that shopped at a farmers market in Georgia

ADDITIONAL INFORMATION

To access **Strategy Brief One** and **Strategy Brief Two**, please click on the following link: https://onedrive.live.com/redir?resid=A0CD3BABA6AF3CC7!21762&authkey=!AFC-lHaZ_U6zRnI&ithint=folder%2cdocx

GA Grown Website Address: www.GeorgiaGrown.com

Georgia State University; Public Performance and Management Group Website Address: www.ppmgsu.org

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Strategy Brief One

Increasing the Supply of Georgia-Grown Produce

March 2013

The Public Performance and Management Group

State of Georgia funds for this project were matched with Federal funds under the Federal-State Marketing Improvement Program of the Agricultural Marketing Service, U.S. Department of Agriculture.

Georgia State University | Andrew Young School of Policy Studies

This briefing is a first step toward developing a series of strategies that can strengthen the production and distribution systems providing fresh-grown produce for consumers in Georgia. As a starting point, we view agricultural production, distribution, and sales as a complex system that is worthy of study from a range of perspectives. Our agricultural system is a modern miracle, but the dominant business model has weaknesses that have becoming increasingly apparent. We are at a point where Georgia should be reviewing additional modes of growing and/or distributing food.

National trends stress the importance of fresh produce, a more varied diet, and the development of closer relationships with food producers, but the vastness of US suburban development presents a huge challenge. Many now search for authentic experiences and recognize the negative impacts of sprawl, but solutions are not going to come easily. There are good reasons to experiment with modes of production and distribution, however. There is now an opportunity to build better relationships between urban and rural Georgia, stimulate the development of a civic farmer culture, and enhance the health and economic development of those living in Georgia cities and metros. All can benefit from these changes, and they need not come at the expense of our existing strengths.

What we assume in undertaking this effort is that a firm foundation for improved farm-consumer relationships already exists. We do have a thriving agriculture industry in Georgia, and there is a demand for fresh market produce in many urban locations around the state. However, the existing distribution system does not appear to be meeting our needs. We have empty market stalls at state supported markets and a population that frequently consumes processed foods shipped into the state while much healthy produce is already growing here.

Changes are already unfolding, of course: individuals, communities, governments, and nonprofit organizations are actively engaging food-to-table issues, but we are only just beginning to think of food as a major public policy issue. This research explores the question of whether there is more that decision-makers can do to support a loosely organized movement seeking little more than good health, the enjoyment of food, and economic development.

Our Work Plan

This first briefing is our first take on concepts and issues that will help shape the policy environment for the production and distribution of fresh farm produce over the next few years. In order to shape this ongoing research, we are also looking for data sources, performance measures, outcome indicators, and benchmarks useful for developing farm–consumer linkages in the state of Georgia.

Our primary questions at this point concern the lessons that Georgia can learn from initiatives elsewhere and the degree of benefit Georgia farmers and consumers could expect from new farm to consumer initiatives. As noted above, this briefing is a first step in a longer process. Next steps will include personal interviews and a survey of Georgia farmers that our Public Policy and Management (PPM) team will conduct over roughly the next year. Our second briefing will report findings from our personal interviews and focus on our survey plans in more depth, and our third and final briefing will summarize the work of this entire project and present our recommendations.

We do not begin this process with the hope of boldly proclaiming solutions. Progress on this issue will come from widespread involvement and not polemics. We hope to start an ongoing discussion that can lead to identifying solutions that work for a range of stakeholders. Constant communication with professionals in the Georgia Department of Agriculture, market managers, farmers, and others will help us to arrive at plausible recommendations. We believe that the development of strategies also involves experimentation and progress assessments. That is to say, a process of trial and error is needed to get us where we need to go. Please let us know if you have ideas that can help to improve this effort!

Important Social and Industry Developments

Developing strategies requires an understanding of relevant environmental conditions. Our goal here is not to provide a produce encyclopedia but to focus on those issues that appear to affect the supply or demand for fresh farm produce by the consuming public. This is a living document. We will distribute these ideas as widely as possible for feedback and additions so that we can benefit as much as possible from the ideas of others.

Culture and Media

The wisdom of efforts to refine our food distribution systems depends in part on prevailing culture and media influences. Our ongoing research does focus on supply, but supply and demand issues are sometimes hard to separate. We cannot presume that there is currently an unlimited demand for fresh produce, for example. Efforts to boost supply might also seek to spur demand, and support from the First Lady for healthy food provides an example of how this might unfold. On February 9, 2010, First Lady Michelle Obama announced the beginning of a campaign aiming to end childhood obesity "within a generation so that children born today will reach adulthood at a healthy weight."[1] The campaign christened *Let's Move* targets obesity directly and touches on a variety of food-related issues. The First Lady actually has a garden to produce food, but she is also active in getting people to appreciate and eat the fresh food she grows.

> *"The physical and emotional health of an entire generation and the economic health and security of our nation is at stake."*
>
> *- First Lady Michelle Obama at the Let's Move! Launch on February 9, 2010.*

[1] The White House (February 9, 2010). "First Lady Michelle Obama Launches Let's Move: America's Move to Raise a Healthier Generation of Kids" See, http://www.letsmove.gov/.

Research from the Centers for Disease Control and Prevention supports the efforts of Michelle Obama and others who seek to make the U.S. a healthier and fitter nation. The CDC tracked the growth rate of obesity from 1985 to 2010 and found that there was a dramatic increase between 1990 and 2010.[2] Further, the CDC also emphasizes the importance of healthy places, and the availability of fresh produce is certainly one element of a healthy community design.[3] These highly publicized events and commitments heighten awareness in ways that might help other initiatives to flourish.

Declining Health in the United States

Regular increases in life expectancy became routine for decades, but this trend has ended. In the case of some U.S. citizens, life expectancy is rolling back. We learned just this week that white women without a high school degree lost five years of life expectancy between 1990 and 2008, for example.[4] This particular decline might be a statistical fluke due to the corresponding drop in the population of women without a high school degree, but our international life expectancy ranking of 50 certainly fails to impress. As the CIA notes on the ratings page, "Life expectancy at birth is also a measure of overall quality of life in a country and summarizes the mortality at all ages."[5] Of course, we are also a world leader in obesity, again according to the CIA World Fact Book. Our obesity rate is near 34 percent, which is well above Canada, twice as high as Australia, and nearly three times the rate in Germany, Denmark, and Sweden.

A debate rages on about the causes of our life expectancy and health woes, but the discussion always revolves back to our dietary habits. There is no need for us to make the point here; anyone reading this report knows that there are weaknesses in the U.S. diet (like too much fast food and sugar). Against this background, Georgia is certainly not a model state. A 2009 report by the CDC gives a good perspective on how both the nation and the state of Georgia perform. Less than 15 percent of the nation meets the CDC standard for the consumption of fruits and vegetables. In Georgia, less than 14 percent of adults and less than eight percent of adolescents meet this standard. In addition, these data show that Georgia has the least number of farmers markets by population in the nation.[6]

[2] Centers for Disease Control and Prevention (2012). *Overweight and Obesity*. See, http://www.cdc.gov/obesity/data/adult.html.
[3] *Healthy Places.* See, http://www.cdc.gov/healthyplaces/about.htm
[4] Olshansky, S., Antonucci, T., Berkman, L., Binstock, R. H., Boersch-Supan, A., Cacioppo, J. T., & Rowe, J. (2012). Differences In Life Expectancy Due To Race And Educational Differences Are Widening, And Many May Not Catch Up. *Health Affairs*, *31*(8), 1803-1813.
[5] Central Intelligence Agency (2012). *The World Fact Book, Life Expectancy at Birth*. See, https://www.cia.gov/library/publications/the-world-factbook/rankorder/2102rank.html
[6] Centers for Disease Control and Prevention (2009). *State Indicator Report on Fruits and Vegetables, 2009.* See, http://www.cdc.gov/nutrition/downloads/StateIndicatorReport2009.pdf

The Organic Food Movement

Organically grown food has also brought renewed attention to the quality and healthfulness of our diet. The interest in organic food developed in part from public concerns about the safety of food produced by industrial farms and reliance on pesticides and genetic modification. Informed consumers not only wanted to know what went into the growing of the products but also where they were grown. Information about a product is easier to track when the supply chain is short. Thus, many consider local foods healthier than food from large chains. The term "organic" is also frequently associated with "sustainability," as both movements gained momentum during the same period and espouse much the same philosophies.[7]

The Rise of Civic Agriculture

The concept of civic agriculture offers an interesting and potentially important take on the economics of farming and the motivations of individual farmers. For starters, the national preeminence of commodity agriculture is a given. There are established international markets for common agricultural products, and the commodity farmers adhere to a scientific process that aims to increase crop yields, achieve mass production, and benefit from economies of scale. The evolution of mechanized farming methods continues to develop today with heavier reliance on new technologies, such as global positioning systems. Despite the success of commodity agriculture, there are those who argue that the economics of commodity production are becoming increasing less favorable.[8] Globalization has increased competition.[9]

Largely in response to the distance mechanized agriculture created between people and the production of food, new alternatives have begun to flourish in the shadows of an industry often called the world's breadbasket using labels such as sustainability, organic, local, and just simply fresh. Sociologist Thomas Lyson coined the term "civic agriculture" to describe this distinctive shift away from commodity agriculture toward different values, goals, and practices.[10]

Although it is not good science at this point to generalize about these new farmers, academic writers do describe them as entrepreneurial in some respects and more focused on community engagement. Although concerns for sustainability are woven into civic agriculture, the commitment to active "food citizenship" sets civic agriculture apart from other agricultural eras.[11] Research by Lyson did show increases in farmers selling directly

[7] Indeed one of the main tenets of true "organic" is its focus on natural and sustainable growing methods; thus, one is inseparable from the other.
[8] Cocheo, S. 2002. "Disappearing harvest?" American Bankers Association. *ABA Banking Journal*, 94(11), 41-50+.
[9] Henderson, J. R. 2004. "Globalization Forces Rural America to Blaze a New Trail." *Bank News*, 104(4), 44-45.
[10] Lyson, T. 2004. "Civic agriculture: Reconnecting farm, food, and community." Medford, MA: Tufts University Press/University Press of New England.
[11] Ibid.

to the public[12] and other limited research confirms there is an attitudinal component to civic farming.[13]

A related development is the rise of community-supported agriculture arrangements (CSAs), where individuals agree to support a farm operation in exchange for a sense of ownership and a share of the farm production. The community support helps to cover the costs of operating the farm, contributes capital, and provides risk sharing for the quality and quantity of the results. A CSA is a form of direct collaboration between farmers and members of a community.[14]

Hints at Changing Life Styles in the United States

What we do know is that past decades have seen a continued trend toward urban living that has changed human settlement patterns around the world. The US has followed this same pattern, though with less density than most parts of the world. That said, there is some evidence of an accelerated move to cities in the United States. This is even leading to a rebirth of cities previously devastated by suburbanization or a decline in manufacturing. As the recent debate over the Tax Improvement Act (TIA) in Georgia demonstrated, many residents of the state want to spend less time in their cars; however, this may just be the start of more radical changes arising from the combined forces of rising gasoline prices and generational changes.

Many who study demography see shifts in the demand for housing, for example, and some predict the "end of sprawl."[15] A Brookings Institute Report earlier in the summer announced, "[...]the first time in more than nine decades, the major cities of the nation's largest metropolitan areas grew faster than their combined suburbs."[16] A *USA Today* analysis showed, "Group commuting—riding buses, trains, subways or sharing cars or vans—rose from 2005 to 2011 in more than a third of 342 metropolitan areas." In addition, two-thirds of the metro areas studied showed increases in the number of residents using public transit.[17] At the polemic end of the scale, there are some predictions of future challenges. "Global warming will be a Fait Accompli in 30 years, and

[12] Lyson, T. A. and A. Guptill. 2004. "Commodity Agriculture, Civic Agriculture and the Future of U.S. Farming." *Rural Sociology* 69(3): 370-385.
[13] Bittermann, V. 2007. "Civic agriculture: An Analysis of Citizen and Community Engagement in Vermont's Food System." Tufts University). MA: Tufts University Press/University Press of New England.

[14] USDA National Agricultural Library (2012). *Alternative Farming Systems Information Center, Community Supported Agriculture*. See, http://www.nal.usda.gov/afsic/pubs/csa/csa.shtml
[15] Karp, J. 2008. "Currents: Suburbs A Mile Too Far for Some; Demographic Changes, High Gasoline Prices May Hasten Demand for Urban Living." *Wall Street Journal,* Jun 17, A.18.
[16] Frey, William H. 2012. "Demographic Reversal: Cities Thrive, Suburbs Sputter." SERIES: State of Metropolitan America, Number 56 of 56. *Brookings Institution.* See, http://www.brookings.edu/research/opinions/2012/06/29-cities-suburbs-frey.
[17] Nasser, Haya El and Paul Overberg and. 2012. "Fewer of Us Commute Solo." *USA TODAY*, Sep 20, A.1.<

so these urban Americans will raise their own food, in fields and on rooftops, and build structures to withstand everything from hurricane winds to Formosan termites."[18]

Our ongoing financial crisis certainly clouds any effort to predict the future, but recent trends have started an aggressive debate about how we will or should live in the United States. In addition, there are economic factors that may transcend preferences, such as the cost of fuel, untenable commute times, and environmental concerns. These issues do matter on the time scales of state decision-making.

Intergovernmental Changes and Initiatives

A complex web of policies links agricultural production and distribution to our intergovernmental system, and this affects a myriad of programs at the federal, state, and local levels. The list is too long to cover here, but here are some of the most relevant developments:

- The federal government created the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) in 1972 to increase access to nutritious foods for low-income women, infants, and children.[19] Increased political awareness of the importance of access to nutritious foods has increased the priority of the WIC program. As of 2012, the federal government awarded more than $5 billion in food grants, compared to $3 billion for 2000.[20] Georgia's share in 2012 is $224 million, which is up from just $82 million in 2000.[21]
- The Supplemental Nutrition Assistance Program (SNAP), traditionally known as the Food Stamp Program, traces its historical roots back to 1939 and seeks to improve health through nutrition education and improved access to more healthful foods.[22] The Farm Bill increased commitment to federal food assistance programs by $10 billion, and it created a pilot program called the Healthy Incentives Program (HIP), which launched in November of 2011. The main goal of the HIP program is to induce low-income recipients of SNAP credit to purchase healthier foods. The pilot offers a 30 percent credit rebate for purchasing specific fruits and vegetables.[23]
- Many states have created Food Policy Councils to help address the improvement and expansion of local food systems. Some states and institutions are even offering

[18] Hampson, Rick. 2012. "City Living Will Feel Like a Blast from the Past the Modern Metropolis has Become a Monster." *USA TODAY*, Sep 14, F.1.

[19] United States Department of Agriculture: Food & Nutrition Service (2012). About WIC. See, http://www.fns.usda.gov/wic/aboutwic/mission.htm.

[20] USDA: Food & Nutrition Service, Women Infants and Children (2012). *Summary of FY2012 Grants.* See,http://www.fns.usda.gov/wic/fundingandprogramdata/grants2012.htm.

[21] USDA: Food & Nutrition Service, Women Infants and Children (2012). *Summary of FY2012 Grants.* See, http://www.fns.usda.gov/wic/fundingandprogramdata/grants2012.htm.

[22] USDA: Food & Nutrition Service, Supplemental Nutrition Assistance Program. *A Short History of SNAP*. (2012). See, http://www.fns.usda.gov/snap/rules/Legislation/about.htm.

[23] USDA (2011). Healthy Incentives Program: 2011 Report to Congress. See, http://www.fns.usda.gov/snap/hip/docs/2011_HIP_report.pdf.

grants for the creation of farmers markets. The Kentucky Farmers Markets Infrastructure Competitive Grant Program of 2012 is an example of a strategic state grant. It offered funding for the construction or expansion of market facilities.[24]

- Many urban centers, such as Chicago, Detroit, Washington D.C, Denver, and Atlanta, are amending their zoning codes to reduce red tape and promote urban agriculture.[25]
- The Parks & People Foundation helps promote community gardens in Baltimore by helping buy plants, tools and other things at a local level,[26] illustrating the growing role of nonprofit organizations in the enhancement of local food systems.

The Market Phenomenon

Farmer's markets are an important part of the produce delivery system because they offer accessibility to customers and farmers, a destination for social activity, and a variety of products, and facilities. Markets as local institutions were in free fall for nearly a century as the nation rode a wave of industrialization, suburbanization, and the rise of commodity farming and processed foods, but they appear to be in the midst of a major rebound. Between 1994 and 2009, the number of operating markets increased by more than 300 percent from 1,755 to 5,274.[27] Other alternative forms of direct-to-consumer approaches have also blossomed. From 2001 to 2005, the number of community-supported agriculture associations increased from 400 to 1,144.[28] The number of Farm-to-School programs increased dramatically from 400 programs in 2004 to 2,095 programs in 2009.[29]

Georgia leaders took note of the growing importance of markets, and they laid plans to construct a $3 million Georgia Market Center in the late 1980s. The State of Georgia, the City of Atlanta, Fulton County, the Georgia Department of Agriculture, and the Atlanta Economic Development Corporation sponsored the project.[30] The plans were ambitious; they projected 150 to 250 vendors a day and included a restaurant, fresh produce, and crafts. New construction would have connected to a remodeled version of the existing Atlanta Municipal Market. Unfortunately, though, this effort was never successfully completed.

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[24] Governor's Office of Agricultural Policy, Kentucky (2012). *2012 Farmers' Markets Infrastructure Competitive Grant Program*. See, http://agpolicy.ky.gov/funds/award_programs_farmersmarkets.shtml.

[25] Goldstein, M., et al., (2011). "Urban Agriculture: A sixteen city survey of agriculture practices across the country." Turner Environmental Law Clinic, Emory Law School. See, http://www.georgiaorganics.org/Advocacy/urbanagreport.pdf

[26] Parks & People Foundation Brochure (2012). See, http://parksandpeople.org/files/resources/2445_2562_Brochure.pdf

[27] Martinez, S., et al., (May, 2010). "Local Food Systems: Concepts, Impacts, and Issues." *U.S. Department of Agriculture, Economic Research Service*. Economic Research Report Number 97. See, http://www.ers.usda.gov/media/122868/err97_1_.pdf.

[28] Ibid.

[29] Ibid.

[30] Georgia Commissioner of Agriculture, Market Bulletin. March, 23 1988, pp. 1 and 16.

This kind of leadership would not be unprecedented for the State of Georgia, which has invested in state-run markets for many years. The largest of the current nine markets[31] was opened in 1959, and it is one of the largest of its kind in the world (at 150 acres).[32] These markets serve farmers, commodity brokers, and the public.

Drivers of Market Success

Although researchers have not established a precise formula for market success, there have been studies identifying the common characteristics of successful markets. Many of these characteristics correspond with known market challenges. Efforts to identify possible drivers of success may help highlight successful state contributions.

Utilizing Technology

Farmers markets typically operate as cash-heavy businesses, but this may no longer be an effective business model in today's technology-laden world. A study published in the *American Journal of Public Health* examined the effects of providing wireless point-of-sale (POS) terminals to vendors at farmers markets.[33] The study showed a significant increase in sales in 4 out of 5 of the pilot markets.[34]

The usage of EBT cards also increased with the implementation of the wireless POS terminals, a fact that is of some note because it increases access to healthful foods to low-income families. "Only 0.01% of all SNAP benefits were redeemed at farmers' markets" in 2010.[35] Implementation of wireless POS terminals could help "[improve] the financial stability and accessibility of farmers' markets."[36] The study also showed that a sales increase over ten weeks in 3 of the 5 markets" would more than cover the cost of wireless" POS provisions.[37]

Markets can also leverage technology to enhance their connections to local communities and advertise themselves. The island of Montreal has provided an interactive map listing the markets by neighborhood; the map also informs the public about market hours and products sold.[38] With the ubiquity of smart phones and the new advertising market of mobile applications, market visibility and information could be widely disseminated at little to no cost.

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[31] Two of these 9 markets are unstaffed.

[32] Georgia Commissioner of Agriculture, *General Information on Atlanta State Farmers Market*. See, http://agr.georgia.gov/Data/Sites/1/media/ag_marketing/state_farmers_market/files/factsb.pdf

[33] The study was actually looking at how to increase EBT sales at farmers markets; it showed increased general sales above and beyond the increases in EBT sales.

[34] M, P. Ohri-Vachaspati, et al. (2012). "Implementation of Wireless Terminals at Farmers' Markets: Impact on SNAP Redemption and Overall Sales." *American Journal of Public Health* 102(7): e53-55 (all quotes taken from page e53).

[35] Ibid. (All quotes taken from page e53).

[36] Ibid. (All quotes taken from page e53).

[37] Ibid. (All quotes taken from page e53).

[38] See, http://www.marches-de-quartiers.ca/.

Product Diversity

Another driver of market success is product diversity and the exploitation of niche markets, especially the organics market. "Smaller niche-market food producers have good reason to be optimistic in today's marketplace. Increased demand for specialty food products [...] is creating new marketing opportunities for food producers and processors that can offer innovative merchandise designed to meet the specific needs and preferences of particular consumer segments."[39] Offering a wide range of niche products can enhance market diversity and attract more customers. This starts a cycle that can produce robust sales and market growth.[40]

Product diversity can also take the form of added-value products or convenience items, but products such as jellies and jams or those that are canned, jarred, or pickled, can require compliance with statutory regulations regarding preparation, packaging, labeling and in some instances zoning. The applicable regulations frequently traverse different levels of government, federal, state, county and municipal and can be difficult to anticipate.[41]

Market managers should seek to overcome these challenges, however; successful markets celebrate food in a range of forms. Shoppers have quicker ways to get food in most cases, and markets must enhance the quality of the shopping experience to compete.

Offering convenience items is one way markets can stay in step with time-conscious consumers, and this is increasingly important in today's fast-paced world. Supercenters and wholesale club stores have increased their market share from 0.4 percent in 1986 to 17.9 percent in 2006 by providing customers a wide variety of food and household items.[42] Stand-alone markets are a luxury for consumers who value their time.

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[39] Tropp, D., Ragland, E., & Barham, J. (July 2008). *The Dynamics of Change in the U.S. Food Marketing Environment*. U.S Department of Agriculture, Agricultural Marketing Service, Agriculture Handbook 728-3.

[40] Farmers' Markets America, (2008). Portland Farmers Markets/Direct-Market Economic Analysis: Characteristics of Successful Farmers Markets. Retrieved August 13. 2012 from http://www.docstoc.com/docs/27035223/Portland-Farmers-MarketsDirect-Market-Economic-Analysis

[41] Recognizing this, the state of Georgia has exempted certain products from inspection and licensing requirements including: jams, jellies, cakes, cookies, breads, pies, honey and fresh produce. To qualify for these exemptions, products must be sold directly to consumers and occur at events: sponsored by a political subdivision of the state, a tax exempt or non-profit organization; lasting 120 hours or less; when sponsored by such is an authorized event. For more details see: http://agr.georgia.gov/Data/Sites/1/ag_Consumer%20Protection/Administration/files/Food%20Products%20Sold%20at%20Events%20Sponsored%20by%20Non-Profits%20Guidelines.pdf.

[42] Farmers' Markets America, (2008). Portland Farmers Markets/Direct-Market Economic Analysis: Characteristics of Successful Farmers Markets. Retrieved August 13. 2012 from http://www.docstoc.com/docs/27035223/Portland-Farmers-MarketsDirect-Market-Economic-Analysis

Location

The importance of location is obvious, but market enthusiasts may not have an objective view on location options. Community visionaries are often essential to the developments of new markets, but these individuals may also sow the seeds of later difficulties by pressing for sub-optimal locations that just happen to be in their own part of town. Thus, decisions about market placement may not always receive an appropriate level of scrutiny.

Ideal market locations should have convenient access with easy traffic flow and ample parking. Proximity to public transportation for markets in urban settings also contributes to market success. The island of Montreal has a network of more than 40 markets with renovated market stalls located adjacent to metro stops.[43] Chicago's weekly farmers market in Daley Plaza is conveniently located next to a metro station, and the location of Seattle's famous Pike Place Market is described by walkscore.com as a "walker's paradise."[44] Small informal neighborhood markets might thrive on neighborhood spirit, but bigger projects need reliable access within an urban community in order to attract a high number of consumers.

"That's how the fruit vendor got me.

"I stopped to try a strawberry, and he explained that his father grows the produce and he, the operator, sells it. His father uses natural methods rather than pesticides on the food, which was a plus. And most importantly, the price was right. A bundle of strawberries sold for $2, whereas Ralph's sells a box for $1.50.

"Most of [the prices are] pretty comparable," said Raul Arteaga, one of the fruit vendors. "There are obviously stores sometimes that have specials and things like that that we can't compete with. However, everything here is picked fresh, daily."

Danielle Nisimov, "Farmers Market Offers Unique Experience," *Daily Trojan*, March 10, 2012.

In many cases, the best sales strategy is sell food directly in residential neighborhoods, but such plans often conflict with zoning or permitting issues. In Atlanta, for example, sales of fruits and vegetables are prohibited in most residential districts.[45] Sellers need permits in approved locations. Lack of a vending permit is a common charge (code, 30-1481) in the Atlanta Municipal Court. A health department food service permit is not need to sell fruits, vegetables, and nuts in shells in Atlanta. Actual farmers markets are allowed outdoors on private property with a special administrative permit, though there is a lot size requirement.[46]

[43] O'Neil, D., (2005). "Ten Qualities of Successful Public Markets." Project for Public Spaces. Retrieved August, 2012. See, http://www.pps.org/reference/tencharacteristics-2/.

[44] The Pike Place Walking Score was 97 overall and 100 for Transit access. Retrieved December 13. 2012 from http://www.walkscore.com/place/pike-place-market-seattle.

[45] Goldstein, M.; Bellis, Jennifer; Morse, Sarah, Myers, Amelial and Ura, Elizabeth. Urban Agriculture: A Sixteen City Survey of Urban Agriculture Practices Across the Country. Turner Environmental Law Clinic. Retrieved January 13, 2013. See, http://georgiaorganics.org/wp-content/themes/GeorgiaOrganics/Downloads/SiteMoveOver/urbanagreport.pdf.

[46] Ibid.

Markets as a Destination

Successful markets need to offer a unique shopping experience. Going to a supermarket is shopping; traveling further ought to produce some surprises. Many markets are open to nature, and others are woven into the fabric of interesting city streetscapes.
The Farmers Market Coalition asks why consumers should drive to the farmers market when supermarkets offer local and organic options. The Coalition answers:

> "Shopping at a farmers market is a wholly unique experience that benefits farmers and producers directly (they go home with a greater share of the retail price than they would by selling wholesale, where the margins are, well, just that– marginal), offering you more unique products, more heirloom varieties, and more opportunities to build relationships and learn about healthy eating. Farmers markets are a community experience, where you can meet your neighbors, friends, and farmers, and where more of your dollar will stay in the community."[47]

"As I talk to farmers across the country, regardless of what they produce or where, they all share one common challenge: how to best move product from the farm to the marketplace. This is especially crucial for small and midsize farmers who may not have enough capital to own their own trucks, their own refrigeration units, or their own warehouse space. They might not have the resources to develop sophisticated distribution routes, build effective marketing campaigns or network with regional buyers and customers."
— USDA Deputy Secretary Kathleen Merrigan, April 2011

Developing successful markets requires creativity and perhaps also the luck of a unique location and/or a supportive community. Those seeking to create a new market--or revitalize an existing market--need to take an objective look at their location options or situation and make objective business choices.

Good Management and Vendor Support

While the research on market failures is far from rich, the existing research highlights some problem areas, such as a small number of vendors, a shortage of typical market foods, such as fruits and vegetables, revenue shortfalls, low pay for key staff, and high management turnover.[48] A study of why markets close by Oregon State University found that market failures were most likely to occur in year one and nearly all failures occurred within the first four years.[49] The study also noted extremely high manager turnover rates,

[47] Farmers Market Coalition (2012). About FMC. *Farmers Market Q&*A. See, http://farmersmarketcoalition.org/joinus/faq

[48] Aimee Brown, "Farmers' Markets Growing in Popularity But Not All Succeed." See, http://www.nifa.usda.gov/newsroom/impact/2007/lgu/12144_farmers_markets.html

[49] Garry Stephanson, Larry Lev, and Linda Brewer (July 2008). "When Things Don't Work: Some Insights into Why Farmers' Markets Close." Special Report 1073-E: University of Oregon Extension Service.

which says quite a bit about current market dynamics.[50] Change and the stress of learning new jobs appear common.

Markets in the Oregon study followed a common practice of raising revenues by charging stall fees, so attracting and keeping vendors becomes an important management responsibility, and this gives larger markets a major advantage. The larger markets have more vendors, charge higher rates, and the larger markets pay managers better. This is all basic math, but the implications for market success may be easily overlooked. A key conclusion of this study was "The amount of market administrative revenue and the labor resources it can provide are closely tied to the size of farmers' markets."[51]

Food Hubs

Most may see markets as a great opportunity for farmers, but this is only true when farmers have considerable investment capital, access to a premium location and the time and talents needed to build relationships with local customers and distributors. This is the core challenge of the local food movement: making connections between producers and consumers and markets are unlikely to offer a holistic solution. The farmers make the food, but they lack the massive distribution networks of the dominant food producers. Further, absent the development of currently unforeseen networks, effective distribution systems will always be out of reach for the small and mid-sized farmers struggling with both a low overhead and seasonal products.

Food hubs may offer at least a partial solution to food distribution challenges. They may be stepping-stones to the development of better linkages between farm producers and city and metro residents, and there are a number of resources available on how to get a food hub started, such as the Regional Food Hub Guide developed by the USDA.[52] Rural Cooperatives published another useful resource.[53]

A preliminary USDA study of 72 food hubs across the nation found that entrepreneurs often took the lead in creating hubs (40 percent). The study also found that 60 percent of the food hubs received government funding to begin operations and that the most common food hub services were distribution, aggregation, wholesale prices for consumers, product storage and retail sales.[54]

Food hubs can also be a springboard for other produce initiatives, such as providing food for hospitals, schools, and retailers. Typical food hub services are production, aggregation,

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[50] Ibid.

[51] Ibid, p. 9.

[52] See, Barham, James, Debra Tropp, Kathleen Enterline, Jeff Farbman, John Fisk, and Stacia Kiraly. *Regional Food Hub Resource Guide*. U.S. Department of Agriculture, Agricultural Marketing Service. Washington, DC. April 2012. See, http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5097957

[53] James Matson, Martha Sullins, and Chris Cook: "Keys to Success for Food Hubs." *Rural Cooperatives*, 78(3), 2011. See, http://search.proquest.com.ezproxy.gsu.edu/docview/874207652/fulltextPDF/139546FAEB9E8E4063/4?accountid=11226.

[54] Jim Barham, *Regional Food Hubs: Understanding the scope and scale of food hub operations*. USDA Agricultural Marketing Service. See, http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5090409

marketing, and distribution. According to *Governing Magazine*, food hubs in metropolitan areas provide a level of food security by assuring the availability of locally grown food supplies.[55]

Food Hub Development Efforts

One example of a food hub operating in Georgia is The Turnip Truck.[56] The mission of The Turnip Truck in Georgia focuses on the restaurant industry. The company provides produce, dairy products, and supplies for chefs and restaurants in Metro Atlanta. Its focus is narrower than many food hubs in the nation, but they provide farmers with access to a market eager for premium farm products.

Other food hubs active in Georgia aggregate products from multiple farms for distribution that is not limited to a local scale. White Oak Pastures operating out of Bluffton, Georgia, distributes grass-fed beef to Publix and Whole Foods store in Georgia, as well as selling to at least ten other states including Pennsylvania, New Jersey, Maryland and Ohio.[57] [58] They also have an online component. Bowersville Family Farms operating out of Elbert and surrounding counties distributes grape tomatoes all across the Southeast.[59] According to a 2012 survey by the Georgia Sustainable Agriculture Consortium, there are currently eight food hubs in operation in Georgia, with another eleven projects in various phases of planning.[60]

Michigan is an example of a state that has carefully studied the food hub option. A study by Michigan State University found that the farming industry there could produce another $211 million in receipts by growing more fruits and vegetables and selling them to state residents.[61] The study also concluded that Michigan food hubs could create as many as 1,700 additional jobs. This summer The Kresge Foundation awarded $450,000 to the Center for Regional Food Systems at Michigan State University to lead a hub development effort in Michigan for the next three years.[62]

A feasibility study for the Southern Wisconsin Food Hub argued that growers could benefit from the significantly higher market value of fresh market crops by converting acreage from

[55] Tom Arrandale (May 2012). "Striving to Relocalize Food Production." *Governing Magazine*. See, http://www.governing.com/topics/energy-env/col-striving-relocalize-food-production.html.
[56] See, http://www.turniptruckatlanta.com/
[57] Melancon, J.M. (October 8, 2012). "Georgia's network of food hubs connect local farmers, markets." PhysOrg. See, http://phys.org/news/2012-10-georgia-network-food-hubs-local.html.
[58] Beechuck, M., Gaskin, J., & Munden-Dixon, K. (2012). Food Hubs in Georgia: A baseline survey. University of Georgia. Georgia Sustainable Agriculture Consortium. See, http://www.caes.uga.edu/topics/sustainag/gsac/documents/GAFoodHubfinalreport12-20-2012.pdf.
[59] Ibid
[60] The survey suggests that this list is not comprehensive, and that there may be other food hub projects in the making.
[61] Tom Arrandale, "Striving to Relocalize Food Production." *Governing Magazine*, May 29, 2012 , See: http://www.governing.com/topics/energy-env/col-striving-relocalize-food-production.html.
[62] See, http://www.anrcom.msu.edu/anrcom/news/item/the_kresge_foundation

commodity crops. The study also states, “Initial estimates of sales per acre for fresh market vegetables ranged from $5,000-$10,000 (vs). $950 on average for commodity crops.”[63]

It should be noted that while food hubs seem to be ideal for providing market access to small farmers, it may not be as ideal for providing direct sales to consumers. Limited resources and capital make expansion difficult and risky, and the largest market for growing food hubs seems to be “the institutional sector, due to its size and consistent demand.”[64]

The Role of the State

Neil Hamilton identified two possible state goals for developing markets: "To expand the number and success of farmers markets and to utilize the markets to further other economic development goals, such as the marketing of state identified food,"[65] and it is hard to understate the importance of either of these objectives in our current economy. Successful markets thrive at the core of most prosperous urban centers. The Mercat de la Baqueria located right off La Rambla in Barcelona is a classic example of a renowned market that helps energize an entertainment district, and it ranked as the number one shopping attraction in that city by Trip Advisor. Then there is the Pike Place Market in Seattle, which TripAdvisor currently ranks as the number seven attraction in that city out of 216.[66] This market takes the traditional shopping experience to another level by promoting a high level of consumer-vendor interaction. At Pike Place Market, fish flying through the air transforms the basic transactional space into one of vibrant action.

Consider how one Austin writer describes the charms of Houston:

> “Houston boasts many enticing attractions and activities—from its world-class museums and the Johnson Space Center, to cheering at the Astros and Texans games or dining on exquisite cuisines from the corners of the globe—there’s a lot to see and do. And now, a collection of burgeoning farmers markets and food artisans spotlighting local culinary treasures have been added to the list, giving lovers of food, community and culture even more reasons for a road trip.”[67]

Other cities have approached food issues with the same enthusiasm as Austin, but each in their own way. Toronto is another example, but they have focused more on food as a social/equity issue. They adopted a Food Charter that focuses on food security that makes 13 specific

[63] Dane County Planning and Development Department. (September, 2011). *Southern Wisconsin Food Hub Feasibility Study.* See, http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5097196

[64] Beechuck, M., Gaskin, J., & Munden-Dixon, K. (2012). Food Hubs in Georgia: A baseline survey. University of Georgia. Georgia Sustainable Agriculture Consortium. See, http://www.caes.uga.edu/topics/sustainag/gsac/documents/GAFoodHubfinalreport12-20-2012.pdf

[65] Hamilton, Neil D. (October, 2005). “Farmers Market Policy: An Inventory of Federal, State, and Local Examples.” Drake University. See, http://www.pps.org/pdf/FarmersMarketPolicyPaperFINAL.pdf.

[66] http://www.tripadvisor.com/Attractions-g60878-Activities-Seattle_Washington.html

[67] Willis, Kristi. (2012) “To Market in Houston.” *Edible Austin*. See, http://www.edibleaustin.com/content/editorial/editorial/1088?task=view

commitments. Food access is an important part of food security, as is support for community gardens, the protection of local agriculture, an improved civic culture, and increasing the availability of healthy foods.[68] The effort in Toronto has deeper foundations, however. In 2008, the Canadian Province of Ontario forged an alliance known as Sustain Ontario, focused on increasing the availability of healthy food and supporting local sustainable agriculture.[69]

We mentioned food security briefly above, but this possible state contribution merits additional attention. The City of Toronto includes food planning in their emergency planning measures and seeks to identify how much of the needed food gets produced, processed, and stored locally. The existing farmers markets and the associated distribution systems serve a dual purpose by also serving as emergency food distribution centers.[70] Communities that rely on regular shipments of food shipped across long distances are taking a risk of unthinkable proportions. The term "Food Secure City" is taking on new importance in these days of weather instability and resource interdependency.

How Does Georgia Rank?

Exact percentages of local food consumed in Georgia are not available, given the complexities of modern food production and distribution, but one interesting study estimated the maximum food capacity of each state and concluded that Georgia had the capacity to provide only 39.3 percent of local food needs.[71] The U.S. average local food maximum was 51 percent. These calculations compare available data on overall production and consumption, and the range of food produced in each state is a critical factor. The farm production in some states is a better match with what residents consume. Another data source, the Strolling of the Heifers 2012 Locavore Index offers a simple ranking based on the number of farmers markets and CSAs per capita. Vermont, Iowa, and Montana take the top spots while Georgia is down at 44. Our southern neighbor Florida is dead last.[72]

Does Georgia currently possess the capacity to provide fresh food for the state? The answer to this question is certainly yes, but there appear to be limits when it comes to providing fresh substitutes for existing commodity products. The current commodity/export model might have created a serious vulnerability by creating powerful incentives for foods best able to compete as exports, rather than putting fresh food on Georgia tables. Farming is a powerful economic engine in the state, but greater diversification in food production is not a threat. Producing more crops for local consumption may actually help farmers by creating a new market for their products. Some current commodity farmers might be open to considering other alternatives.

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[68] Toronto's Food Charter. See, http://www.toronto.ca/food_hunger/pdf/food_charter.pdf.

[69] Sustain Ontario, See, http://sustainontario.com/about/about.

[70] Lauren Baker, "Toronto's Food Strategy Unveiled," *Sustain Ontario: The Alliance for Healthy food and Farming*. See, http://sustainontario.com/2010/02/16/1038/blog/news/food-in-the-news/torontos-food-strategy-unveiled.

[71] Timmons, D., Q. Wang, et al. (August, 2008). "Local Foods: Estimating Capacity." Volume 46, Number 5. *Journal of Extension 2008*. Retrieved July 15, 2012. See, http://www.joe.org/joe/2008october/a7.php.

[72] Strolling of the Heifers (2012). "Vermont tops Strolling of the Heifers Locavore Index; state tops nation in local food availability." See, http://www.strollingoftheheifers.com/component/content/article/181-locavore-index-2012.

What Can Georgia Do?

Perhaps most importantly, the state can provide a measure of creative leadership. Progress is a team effort. This is not new to Georgia, and the development of state markets and past efforts to place a destination market in downtown Atlanta illustrates the kind of cooperative effort that this state can muster. When it comes to fostering the development of farmers markets, the state cannot change the market price for farm goods, but it may be possible to help farmers produce better returns and also improve the quality of life in the state.

Apart from leadership, state food policy touches a wide range of important issues. For example, what products can we meaningfully identify as Georgia-grown food? The Georgia Grown effort that is already in place is noteworthy, but the current focus is on commodities. The commodity focus makes sense as a first step given the agricultural focus of the state, but the planned consumer effort can also make an important contribution.

This makes sense given the current agricultural focus in this state, but this strategy is not going to create any consumer excitement for many of the products grown in our own state.

Some states have embraced the local food movement. For example, in response to their recent top Locavore rating, the former Vermont Secretary of Agriculture stated, "Vermont's position at the top of the Index shows the strength of Vermont's commitment to innovation and entrepreneurship in local agriculture."[73] Other states also promote local food and agricultural products, such as "Iowa Grown," "Choose Iowa," "Jersey Fresh," "SC Grown," and more. The science is lacking to support these efforts, however. One study focusing on preserves and tomatoes in the Mid-Atlantic States did find a willingness to pay more for foods from markets, though there were variations across states and products.[74] In addition, for most states in this study, consumers considered a product local if it was grown or processed somewhere in their county or within 100 miles. As noted, there is no deep knowledge on local food promotions, but this one study does identify some interesting nuances that are worthy of note. Not all marketing strategies will be equally effective, and the term local has limited relevance.

Conclusions and Implications for Strategy

Our long-term goal is to recommend possible strategies to strengthen relationships between farm producers and consumers in the state of Georgia, and we are in the preliminary stages of this effort. It does not appear that we are a national leader in this area at the present time. Nor does it appear that Georgia consumers are achieving maximum benefit from agricultural producers in the state. That said, the extent of the possibilities are not fully known at this point.

[74] Bernard, John C., "Willingness to Pay for Locally Grown, Organic and Natural Foods: Implications for Producers and State-Sponsored Agricultural Marketing Programs." Department of Food and Resource Economics, University of Delaware (2008). See, http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5095566.

Next Steps

To date we have focused on compiling existing information. Our next step will be to learn directly from farmers in Georgia. Additional issues include:

- We need a better understanding of Georgia's capacity for producing fresh produce for direct sales. Are there possible interventions that would spur supply or alter the mix of agricultural products?
- What definition of local food best suits Georgia? Distance is a key variable in local food discussions. How well does agricultural production match state and population concentrations?
- Are farmers aware of Food Hubs as a distribution option? Is there a consensus view on the value of food hubs? What would maximize the value of food hubs to producers?
- How do farmers perceive the value of the existing state markets for direct sales? What would maximize the value of state markets to producers?
- What can we learn about the current business model followed by small and mid-sized farmers in Georgia? Would direct consumer sales appeal to them? Are there specific barriers that limit the appeal of direct sales? Possible issues could be a simple lack of markets or the lack of traffic at the markets that currently exist.
- What kinds of interactions do farmers have with current markets? Are market opportunities widely known? Is working with these markets a pleasant experience? Do farmers see these markets as offering the prospect of a good financial return?
- Is Georgia moving toward developing a culture of civic farming? Could such a trend be encouraged in some way? What kinds of relationships do farmers develop with customers, for example? Do farmers perceive a civic role for themselves? Are there any initiatives in the cities, states, or neighborhoods that might serve as models for other areas?
- What are the farmer perceptions of state and local policies and incentives for direct sales?
- Who is currently selling at local farmers markets? Do farms selling directly differ from those that do not?

Our Next Step: Feedback!

The answers will come from aggregating and analyzing what we learn from farmers in the state. We will be reaching out to farmers in different ways, but we welcome direct contact. Please see the contact information at the end of this report.

The Research Team

The Public Performance and Management Group (PPM) is affiliated with the Department of Public Management and Policy in the Andrew Young School of Policy Studies, and we seek opportunities to contribute objective and balanced information that can improve the quality of public decisions.

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Strategy Brief Two
Learning from Farmers and Market Personnel

March 2013

The Public Performance and Management Group

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Georgia State University
Andrew Young School of Policy Studies

The goal of this briefing is to take a research perspective on knowledge about the relationship between farmers and farmers markets. We will focus on the methods used by other studies, assess their relevance to our work, and lay out our own research plan. We developed our plan based on past research and from interviews with farmers, market personnel, and policy leaders.

This work builds on the ideas and concepts developed in our first briefing, which explore and elaborate on the basic fact that what we eat in the USA is a national crisis. Of course, we hear about new crises every day in our media rich culture, but few things could be worse than literally killing ourselves eating unhealthy foods while our agricultural output tops the world for many commodities and we are the top exporter of agricultural products in the world by a wide margin.[1] Likewise, despite unprecedented medical advances, we are facing the real prospect of a life expectancy downgrade.[2] We are not being knocked off the top of the life-expectancy heap—we are moving further down.[3] In addition, our obesity rate is nearing 34 percent according to the CIA World Fact book, which is well above Canada, twice as high as Australia, and nearly three times the rate in Germany, Denmark, and Sweden.[4]

Our take in our first briefing was not entirely negative as there is evidence of positive change. We cited the leadership of our First Lady,[5] growing interest in sustainability and organic food,[6] a rising interest in denser urban living[7] and preliminary efforts to document the rise of what some researchers are calling civic farmers.[8] Of course, there is also the farmers market phenomenon: between 1994 and 2009, the number of operating markets increased by more than 300 percent from 1,755 to 5,274.[9] Other elements of this growing interest in local produce include the growth in community-supported agriculture associations (from 400 to 1,144)[10] and a similar increase in the number of Farm-to-School programs, growing from 400 programs in 2004 to 2,095 programs in 2009.[11]

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[1] Investopedia, 2004. "Top Agricultural Producing Countries," July 12, 2012. See, http://www.investopedia.com/financial-edge/0712/top-agricultural-producing-countries.aspx#axzz2H37fUl2c.

[2] Olshansky, S., Antonucci, T., Berkman, L., Binstock, R. H., Boersch-Supan, A., Cacioppo, J. T., & Rowe, J. (2012). Differences In Life Expectancy Due To Race And Educational Differences Are Widening, And Many May Not Catch Up. *Health Affairs*, *31*(8), 1803-1813.

[3] Central Intelligence Agency (2012). *The World Fact Book, Life Expectancy at Birth*. See, https://www.cia.gov/library/publications/the-world-factbook/rankorder/2102rank.html.

[4] Central Intelligence Agency (2012). See, https://www.cia.gov/library/.

[5] The White House (February 9, 2010). "First Lady Michelle Obama Launches Let's Move: America's Move to Raise a Healthier Generation of Kids" See, http://www.letsmove.gov/.

[6] Indeed one of the main tenets of true "organic" is its focus on natural and sustainable growing methods; thus, one is inseparable from the other.

[7] Karp, J. 2008. "Currents: Suburbs A Mile Too Far for Some; Demographic Changes, High Gasoline Prices May Hasten Demand for Urban Living." *Wall Street Journal,* Jun 17, A.18.

[8] Lyson, T. 2004. "Civic agriculture: Reconnecting farm, food, and community." Medford, MA: Tufts University Press/University Press of New England.

[9] Martinez, S., et al., (May, 2010). "Local Food Systems: Concepts, Impacts, and Issues." *U.S. Department of Agriculture, Economic Research Service*. Economic Research Report Number 97. See, http://www.ers.usda.gov/media/122868/err97_1_.pdf.

[10] Ibid.

[11] Ibid.

Taken alone, the positive developments only astound relative to progress over time. Some positive changes have occurred rapidly, but they fall far short of making any sort of national turn-around. The fast food nation endures. There is now a foundation to build upon, however, and some states, cities, and neighborhoods are achieving dramatic changes. We hope this research will help to make the State of Georgia one of these national leaders.

Our Research Objective

Our research bottom line is that state farmers markets in Georgia have not attracted a satisfactory number of active farmer vendors, which has raised many questions about the relationship between farmers and produce consumers in the state. We are investigating this problem, and we hope that some viable action strategies will result that can better serve both farmers and consumers.[12]

A previous assessment done by the State of Georgia found three areas that could impede the supply of locally grown produce through farmers markets: infrastructure, economics, and regulations. With respect to infrastructure, many farmers are limited in their ability to bring large loads of produce to the markets because of the lack of cooler space to store their perishable items for an extended period. In addition, the distribution networks available for small farmers to move produce to urban areas is limited. Economically, farmers must balance the costs associated with selling produce directly to consumers and the constant pressure to offer competitive prices. As for regulations, there are various legal and permitting issues associated with buying directly from farmers, such as sales tax and local options sales tax.

The Markets Division of the Georgia Department of Agriculture has the following goals:

1. Increase utilization of State Farmers markets, as well as non-profit and community farmers markets to increase the sale of locally grown produce;
2. Increase the availability of healthy food to Georgians; and
3. Implement new marketing and distribution strategies for locally grown produce.

We wish to support the efforts of the Markets Division, and this research will stick closely to their goals. Thus, we will focus primarily on identifying factors attenuating the supply and distribution of locally grown produce and seek out opportunities to expand the supply, using the existing state market network if possible.

Market Produce Accelerators

Given what we report above and in our first briefing, we assume from the start that the State of Georgia can improve the availability of market produce, possibly substantially, which leads to a search for factors and circumstances that could accelerate the availability of fresh farm produce. The hope is that our research will expand our knowledge of what drives availability of, but we start from an existing knowledge base suggesting the following possibilities:

- The vibrancy of markets as a place to showcase products and enhance the desirability of fresh produce as a consumer product;
- Whether markets meet management best practices;
- Whether farmers possess both the commitment and the capacity for direct consumer sales and facilitate those transactions;
- The desirability of other outlets for farmers producing products suitable for direct sales; and
- The business case for direct sales.

The Essential Role of Farmers Markets

While our primary focus is on the supply side, we cannot ignore the fact that markets themselves are an essential element of the distribution chain, both because they provide access to produce and because they help to brand the products. Food is a lifestyle product, and fast food and prepared foods fit how many live in the USA, whether for better or worse. Popularizing fresh produce and building a connection with farm culture is going to require upgrading the fresh food brand. The Golden Circle identified by Simon Sinek provides a good explanation of what markets must do to succeed.[13]

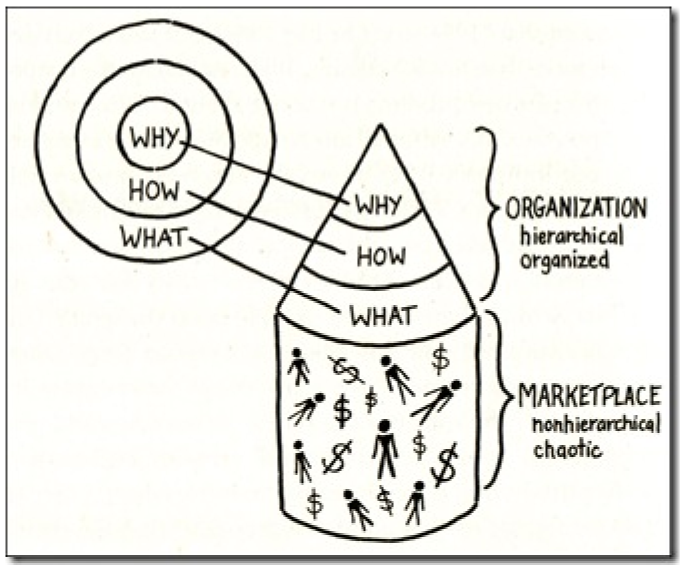

Figure 1: Sinek's Golden Circle (from Jim Harris and the OCDQ Blog)

Sinek argues that people make purchasing decisions based on the beliefs that sellers project. As he says in his Ted Talk, "People do not buy what you do. They buy why you do it."[14] Powerful beliefs certainly drive the current interest in food that is fresh, local, sustainable and organic, but most consumers are probably not getting a clear message. Markets can help by offering an experience reinforcing the values and beliefs associated with the production and distribution of fresh produce. Branding discussions are now cliche, but generations of families have now been driving to the grocery store and stocking up on mostly processed food. Widespread change is not going to arise from wishful thinking.

[13] Sinek, Simon (2009). *Start With Why: How Great Leaders Inspire Everyone to Take Action*. Penguin.
[14] Sinek, Simon (2010) "How Great Leaders Inspire Action." See, http://blog.ted.com/2010/05/04/how_great_leade/.

However, building commitments to market shopping are especially difficult because shopping patterns are well established, across generations in many cases. Such patterns are hard to break. Research on human judgment suggests that intuitive thinking (system one) controls many routine decisions[15] and it is prone to bias.[16] Yes, sticking with the status quo is easier, but the workings of the intuitive mind convince us that the status quo is better[17] even when this is not the case. Thus, effective farmers market strategies must provoke thought. Simply being a good or even better option is not enough. Potential customers need to weigh the facts with their rational (system two) abilities as if shopping were a novel experience.

Farmers Market Best Practices

Many contemporary efforts to improve organizational performance focus on established best practices. These best practices may derive from serious empirical research, but mostly they come from comparisons with other organizations that have achieved a widely acknowledged level of success, and this aspirational approach is the source of much existing wisdom concerning farmers markets. This literature raises a number of issues that may be relevant to the success of markets in Georgia:

- **Transaction Capacity:** Ease of payment transactions is a factor in market success. Wireless point of sale capacity appears to be essential.
- **Online Support:** Information on the Internet about markets and market products is important, especially when organized and aggregated according to consumer needs.
- **Available Foods:** Successful markets offer a diverse array of products. Unique items can also be a draw. Markets and their supporters must be proactive about reducing regulatory issues limiting market offerings. The availability of convenience foods can also accelerate market activity.
- **Market Locations:** Market accessibility is important, as is transit access. Good walk scores would also be an important indicator. Unique market locations can enhance the shopping experience.
- **Community Networks:** Good community relationships are important. Integrating markets their communities can establish as important destinations.
- **Market Revenues:** markets need adequate revenues to function effectively. Consistent management on-site at least half-time is important. Revenue stability is also important.

[15] Kahneman, D. (2003). Maps of Bounded Rationality: Psychology for Behavioral Economics. *The American Economic Review, 93*(5), 1449-1475.
[16] Kahneman, D., Lovallo, D., & Sibony, O. (2011). Before You Make That Big Decision. [Article]. Harvard Business Review, 89(6), 50-60.
[17] Eidelman, Scott, and Christian S. Crandall. "A psychological advantage for the status quo." Social and psychological bases of ideology and system justification (2009): 85-106.

Farmer Commitment and Capacity

At this point, we know the least about farmers themselves because many appear to assume farmers will arrive automatically if a market is built. Success depends at least in part upon a rational business case that fits the individual commitments of farmers and their capacity.

This is not a sure thing in Georgia as the Atlanta metro area is just a bit smaller than the State of Massachusetts. The driving time and transportation costs are considerable, and they are unwanted additions to the other challenges of operating a small business. Farmers willing to tackle this challenge need a real sense of mission.

Sociologist Thomas Lyson coined the term "civic agriculture" to describe this distinctive shift away from commodity agriculture that was signified by the adoption of different values, goals, and practices.[18] Is there any evidence that there is such a shift toward civic farming underway in Georgia? If present, are these interests being expressed through market affiliations, CSAs, or in some other way? Lyson's research revealed increases in farmers selling directly to the public[19] and other limited research confirms there is an attitudinal component to civic farming.[20] It is certainly possible that civic farmers are the key to the success of farmers markets in Georgia, and their perspectives would be very important.

As we noted in our first briefing, it is also possible that Georgia commodity farmers in the state will be looking for additional or alternate revenue sources. Despite the historical success of commodity agriculture, there are those who argue that the economics of commodity production are becoming less favorable[21] due to increasing global competition.[22]

A related development is the rise of community-supported agriculture arrangements (CSAs), where individuals agree to help support a farm operation in exchange for a sense of ownership and a share of the farm production. The community support helps to cover the costs of operating a farm, contributes capital, and provides risk sharing for the quality and quantity of the results. A CSA is a form of direct collaboration between farmers and members of a community.[23]

[18] Lyson, T. 2004. "Civic agriculture: Reconnecting farm, food, and community." Medford, MA: Tufts University Press/University Press of New England.
[19] Lyson, T. A. and A. Guptill. 2004. "Commodity Agriculture, Civic Agriculture and the Future of U.S. Farming." *Rural Sociology* 69(3): 370-385.
[20] Bittermann, V. 2007. "Civic agriculture: An Analysis of Citizen and Community Engagement in Vermont's Food System." Tufts University). MA: Tufts University Press/University Press of New England.
[21] Cocheo, S. 2002. "Disappearing harvest?" American Bankers Association. *ABA Banking Journal*, 94(11), 41-50+.
[22] Henderson, J. R. 2004. "Globalization Forces Rural America to Blaze a New Trail." *Bank News*, 104(4), 44-45.
[23] USDA National Agricultural Library (2012). *Alternative Farming Systems Information Center, Community Supported Agriculture*. See, http://www.nal.usda.gov/afsic/pubs/csa/csa.shtml

Commercial opportunities

Other than consuming or leaving their crops in the field, farmers have a number of sales options. They might sell directly to restaurants, to other farmers, to a broker, direct to customers online, to a food hub, or elsewhere. Food hubs may well be a break-through strategy for linking farmers to urban populations because hubs can aid distribution, product preparation, and marketing. However, as with brokers and other options, food hubs may break the farmer/consumer relationship.

Direct Consumer Sales as a Business Proposition

We can obviously learn the most from farmers who are "informed" about the challenges of direct consumer sales. These might be farmers with the civic orientation, or they could be farmers who have explored alternative markets for their products. They could help us answer questions about public demand, the willingness of consumers to pay, the desirability of the existing state markets in Georgia, novel ideas about the barriers to direct sale, and direct insight into the state and local policies impacting direct sales to consumers.

- Have you altered your crop mix to satisfy public demand?
- How have transportation realities impacted your business model?
- Have you had experience with markets operated by the state of Georgia? Do these markets offer a good place for doing business? Why or why not?
- Which existing markets best suit your needs, and why?
- Are there specific barriers that limit the appeal of direct sales?
- What are the farmer perceptions of state and local policies and incentives for direct sales?

Our Research Method

This project will collect data from farmers and market managers using in-person interviews and online surveys. We used snowball sampling methods to identify subjects for the ongoing in-person interviews, building on an initial list provided by the Georgia Department of Agriculture.

A System Perspective

This research proposes the development of strategies and methods driven by a sense of purpose.[24] The development and application of strategies often involves trial and error, but strategic thinking can help to generate synthesis, intuition, and creativity. Prescriptions to "think strategically" are common, but contemporary strategic thinking does possess depth and methods. Strategic thinking begins with a systems perspective (a model of an organization, issue, or problem) and is intent driven; connects the past, present, and future; welcomes

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[24] Montgomery, C. A. (2012). How Strategists Lead Retrieved January 10, 2013, from https://www.mckinseyquarterly.com/Strategy/Strategic_Thinking/How_strategists_lead_2993.

intelligent opportunism; and is hypothesis driven.[25] Hypotheses typically involve "What if?" Or, "If then?" Scenarios can help explore different possibilities.[26] Our job as a research team will be to help empower this kind of process with data and ideas. What we know about critical thinking suggests that ideas may well begin in the minds of individuals, but an engaged team is best assessing the value of those ideas.[27]

Online Survey Design

Our interviews are an important source of information, but the bulk of our work is based upon data collected by two online surveys (one for farmers and one for market managers). Researchers have surveyed these populations before, and we will build from these past efforts. However, this is not an effort to replicate past work. Our choice of items is based on the market accelerators we have identified in the literature and through our interviews.

Our surveys will be pretested before use. In addition to a social science analysis of the survey data we collect, we will also focus on the development of a system model of the production side of farm production with possible strategies and scenarios.

Our Survey Method

The Markets Division of the Georgia Department of Agriculture will provide market manager contacts, and we will derive a farmer mailing list from the records for a new Georgia agricultural sales tax exemption, known as GATE. The GATE program began in January, and it exempts the sales tax on agricultural equipment and production materials used to produce commodities.[28] Farmers only need to produce $2,500 per year in agricultural products to participate in this program, and more than 20,000 farmers have registered to participate. Most of these registered farmers have email addresses. Two major advantages of the GATE data are that all applicants are producers (or intended producers) by definition and the ability to contact a significant portion of Georgia farmers. Applicants are producers (or intended producers) by definition and the ability to contact a significant portion of Georgia farmers.

[25] Liedtka, J. M. (1998). Strategic thinking: can it be taught? Long Range Planning, 31(1), 120-129.
[26] Schoemaker, P. J. (1995). Scenario planning: a tool for strategic thinking. Sloan Management Review, 36, 25-25.
[27] Kahneman, D., Lovallo, D., & Sibony, O. (2011).
[28] Hollis, Paul. (2012) "Georgia Sales Tax Exemption." Southeast Farm Press. November, 30. See, http://southeastfarmpress.com/equipment/georgia-sales-tax-exemption-boost-state-s-farmers

FARMERS/PRODUCERS SURVEY

Hello. Strengthening the production and distribution systems for providing fresh grown produce to consumers in Georgia is an important goal, and this survey was created to help bring this about. We will be surveying both farmer/producers and market managers. We request some demographic information for classification purposes, but no respondents are required to identify themselves. Aggregate findings will be reported directly to the Georgia Department of Agriculture and shared with the United States Department of Agriculture.

Below are definitions of terms used within this survey.

> ***Direct Sales*** involve farmers selling directly to consumers. This might be at a market stand, for example. In addition, many farmers sell shares in their farm production using the community supported agriculture (CSA) approach. We count mail order and phone sales as direct. Selling directly to a specific restaurant is also direct, but *selling to a broker or wholesaler is not a direct sale.*
>
> ***State Farmers Markets*** are markets that are owned and operated by the State of Georgia. We have nine of these markets in the state: Atlanta Farmers Market (Forest Park), Macon Farmers Market, Savannah Farmers Market, Thomasville Farmers Market, Cairo Farmers Market, Cordele Farmers Market, Moultrie Farmers Market, and the Valdosta Farmers Market.
>
> **Non-State Farmers Markets (aka “community markets”)** are often where farmers sell produce to their neighborhoods or in nearby towns. Local governments and/or nonprofit organizations often operate these markets.

Thanks for your help with this research effort!

Demographics

What is the name of the county where your farm is located? ________________

What is the nearest city? ________________

What is the distance to the nearest city in miles? ________________

Counting yourself, do you have any full-time employees on your farm? (yes or no)

Do you have more than 5 full-time (non-family) employees? (yes or no)

How big is your farm (in acres)? ________________

Your major cash crops in the last three years are (please check all that apply):

Fruits and/or vegetables	________
Organic fruits and/or vegetables	________
Poultry	________
Sheep and/or goats	________
Pigs	________
Cattle	________
Eggs	________
Dairy	________
Nuts	________

Other, please tell us __________________________

Market Perspectives

Do you sell farm produce directly to customers at one or more of the following STATE farmers markets?

Atlanta Farmers Market (Forest Park)	**(yes or no)**
Augusta Farmers Market	**(yes or no)**
Macon Farmers Market	**(yes or no)**
Savannah Farmers Market	**(yes or no)**
Thomasville Farmers Market	**(yes or no)**
Cairo Farmers Market	**(yes or no)**
Cordele Farmers Market	**(yes or no)**
Moultrie Farmers Market	**(yes or no)**
Valdosta Farmers Market	**(yes or no)**
Other, please tell us ________________________	

Please rate the STATE market *where you have invested the most time as a vender*:

Facilities for me and my products	(excellent, good, adequate, weak, poor)
Location (proximity to customers)	(excellent, good, adequate, weak, poor)
Location (proximity from my location)	(excellent, good, adequate, weak, poor)
Predictable number of customers	(excellent, good, adequate, weak, poor)
Number of vendors	(excellent, good, adequate, weak, poor)
Diversity of products	(excellent, good, adequate, weak, poor)
Promotions and advertising	(excellent, good, adequate, weak, poor)
Parking	(excellent, good, adequate, weak, poor)
Appealing amenities and attractions	(excellent, good, adequate, weak, poor)
Functional and effective website	(excellent, good, adequate, weak, poor)
Effective social media presence	(excellent, good, adequate, weak, poor)

Please name the STATE farmers market where you have spent the most time.

____

What could you recommend that would improve the appeal of this market for selling your farm products?

Do you sell farm produce directly to customers at one or more NON-STATE farmers markets? If so, what is the name of the non-state market where you have spent the most time?

____

Please rate the NON-STATE farmers market *where you have invested the most time as a vender* (if applicable):

Facilities for me and my products	(excellent, good, adequate, weak, poor)
Location (proximity to customers)	(excellent, good, adequate, weak, poor)
Location (proximity from my location)	(excellent, good, adequate, weak, poor)
Predictable number of customers	(excellent, good, adequate, weak, poor)
Number of vendors	(excellent, good, adequate, weak, poor)
Diversity of products	(excellent, good, adequate, weak, poor)
Promotions and advertising	(excellent, good, adequate, weak, poor)
Parking	(excellent, good, adequate, weak, poor)
Appealing amenities and attractions	(excellent, good, adequate, weak, poor)
Functional and effective website	(excellent, good, adequate, weak, poor)
Effective social media presence	(excellent, good, adequate, weak, poor)

What could you recommend that would improve the appeal of this market for selling your farm products?

Orientation and Capacity

Do you alter your product mix to enhance your direct sales? **(yes or no)**

Maintaining a relationship with consumers who purchase my produce is important to me. **(yes or no)**

Does your experience suggest the possibilities for direct consumers sales are increasing or decreasing in Georgia? **(increasing/decreasing)**

What proportion of your farm products sales are made directly to consumers by you, your family, or someone employed directly by you (choose the closest range)?

0%
0-10%
11-25%
26-50%
51-80%
81 to 100%

Please rate your overall level of satisfaction from selling agricultural products in the following ways:

In-Person Market Sales **(NA, great satisfaction, some, very little, none)**
On-Farm Stand **(NA, great satisfaction, some, very little, none)**
Online Orders **(NA, great satisfaction, some, very little, none)**
Phone Orders **(NA, great satisfaction, some, very little, none)**
Direct Sales to Specific Restaurants **(NA, great satisfaction, some, very little, none)**
CSA (Community Supported Agriculture) **(NA, great satisfaction, some, very little, none)**
Direct Sales to Specific Stores **(NA, great satisfaction, some, very little, none)**
Direct Sales to Schools or other Institutions **(NA, great satisfaction, some, very little, none)**
Sales to wholesalers **(NA, great satisfaction, some, very little, none)**
Sales to brokers **(NA, great satisfaction, some, very little, none)**
Sales to processors **(NA, great satisfaction, some, very little, none)**

Market Reinvention

Focusing on STATE farmers markets specifically, would the follow actions encourage you to invest more time and resources in producing products and selling directly to consumers at state markets?

A new market, nearer to my farm	(would increase my investment/would not)
One or more indoor markets	(would increase my investment/would not)
A Grown in Georgia campaign focused on market produce	(would increase my investment/would not)
More social media and Internet presence for market produce in Georgia	(would increase my investment/would not)
Opening a new state market in a highly populated area of Atlanta	(would increase my investment/would not)
Reduced fees at a market already accessible to you	(would increase my investment/would not)
Better storage and/or processing facilities at a market already accessible to you	(would increase my investment/would not)
Better customer amenities at a market already near you	(would increase my investment/would not)

How important are the following barriers or challenges to advancing local food and agriculture in Georgia? *Please rank the following from 1 (most important) to 10 (least important), using each number only once.*

Lack of public interest	____________
Lack of consumer education on reasons to buy local	____________
Consumers believe that local foods are not cost competitive	____________
Grocery stores not interested in promoting local foods	____________
Farmers markets not interested in promoting local foods	____________
Lack of local distribution networks	____________
Lack of state/local funding	____________
Restrictive processing regulations	____________
Lack of accessible farmers markets	____________
People are unwilling/unmotivated to eat seasonally	____________

Do you have any additional ideas for increasing the availability of Georgia grown fruits and vegetables **directly to consumers**?

Staying in Touch

Would you be willing to participate in a follow-up interview within the next month?

____ Yes, please feel free to contact me.

Contact info (phone and email): ____

____ No thanks.

Additional Information

You can learn more about this research project here: http://www.ppmgsu.org/cityfood.html.

The findings from this study will be posted on this site.

MARKET MANAGERS SURVEY

Hello. Strengthening the production and distribution systems for providing fresh grown produce to consumers in Georgia is an important goal, and this survey was created to help bring this about. We will be surveying both farmer/producers and market managers. We request some demographic information for classification purposes, but no individual respondents will be mentioned in our reports, nor will we discuss specific markets by name. Aggregate findings will be reported directly to the Georgia Department of Agriculture and shared with the United States Department of Agriculture.

What is your name? ____________________________________

Are you managing this market full-time? (yes or no)

Demographics

What is the name of the market you manage? ______________________________

What is the nearest city? _________________

What is the distance to the nearest city in miles? _________________

How many customers visited your market in 2012 (as best you know)? _________________

Market Characteristics

Do you identify farmers who sell their own produce at your market?
(yes or no)

If so, how many individual farmers (or their representatives) sold at your market on 2012? _________________

Is this market a farmer/producer-only market? ***(yes or no)***

Are certified organic products sold at this market? **(yes or no)**

How do you charge farmers to *sell their own produce at* your market?

Flat fee per season	☐
Flat fee per market day	☐
Flat fee per market space	☐
Variable based on sales	☐
Other, please tell us ______________________	

What is your market fee for farmers *selling their own produce*?

____

Does the market rely on outside funding to cover operating expenses? (Please check all that apply.)

Local government	◘
For-profit organizations	◘
Non-profit private organizations	◘
State of Georgia	◘
Other sources	◘
The market receives no outside funding	◘

What products are sold at this market? (Please check all that apply.)

Fruits/Vegetables	◘
Meat/Fish	◘
Poultry/Eggs	◘
Baked Goods (bread, pies, etc.)	◘
Honey	◘
Jam (and prepared foods)	◘
Flowers/Plants	◘
Art/Crafts	◘
Other, please tell us _______________________	

How well does this market meet the following objectives?

Facilities for producers	(excellent, good, adequate, weak, poor)
Location (proximity to customers)	(excellent, good, adequate, weak, poor)
Location (proximity to producers)	(excellent, good, adequate, weak, poor)
Predictable number of customers	(excellent, good, adequate, weak, poor)
Number of producer vendors	(excellent, good, adequate, weak, poor)
Diversity of products	(excellent, good, adequate, weak, poor)
Effective promotions and advertising	(excellent, good, adequate, weak, poor)
Adequate and affordable parking	(excellent, good, adequate, weak, poor)
Appealing amenities and attractions	(excellent, good, adequate, weak, poor)
Functional and effective website	(excellent, good, adequate, weak, poor)
Effective social media presence	(excellent, good, adequate, weak, poor)

Could the Georgia Department of Agriculture help you to perform better in any of these areas? **(yes or no)**

If yes, please explain what the *Georgia Department of Agriculture* could do to help you improve?

___

___

___

Please indicate the payment methods accepted at the market you manage.

Credit Card	☐
WIC Cash Value Vouchers	☐
Supplemental Nutrition Assistance Program (SNAP)	☐
WIC Farmers Market Nutrition Program (WIC-FMNP)	☐
Senior Farmers Market Nutrition Program (SFMNP)	☐
Wholesome Wave	☐
Other, please tell us ______________________	

Orientation and Capacity

Is there something unique and valuable about direct linkages between farmers and consumers? **(yes or no)**

Helping farmers build relationships with the consumers who purchase their products is an important market responsibility. **(yes or no)**

Is there anything unique or special this market does to increase the success of individual producers? If so, please explain.

___

___

___

How important are the following barriers or challenges to advancing local food and agriculture in Georgia? *Please rank the following from 1 (most important) to 10 (least important), using each number only once.*

Lack of public interest	____________
Lack of consumer education on reasons to buy local	____________
Consumers believe that local foods are not cost competitive	____________
Grocery stores not interested in promoting local foods	____________
Lack of a market able to draw large numbers	____________
Lack of local distribution networks	____________
Lack of state/local funding	____________
Restrictive processing regulations	____________
Lack of accessible farmers markets	____________
People are unwilling/unmotivated to eat seasonally	____________

Do you advertise within the *Farmers and Consumers Market Bulletin*? **(yes or no)**

Staying in Touch

Would you be willing to participate in a follow-up interview within the next month?

_____ Yes, please feel free to contact me.

Contact info (phone number and/or email):

____

_____ No thanks.

Additional Information

You can learn more about this research project here: http://www.ppmgsu.org/cityfood.html.

The findings from this study will be posted on this site.

The Research Team

The Public Performance and Management Group (PPM) is affiliated with the Department of Public Management and Policy in the Andrew Young School of Policy Studies, and we seek opportunities to contribute objective and balanced information that can improve the quality of public decisions.

Greg Streib is a Professor of Public Management and Policy at Georgia State University, specializing in public management and policy analysis. His research has addressed a variety of public management and policy issues, including strategic planning in government, pay-for-performance, health care cost reduction, welfare reform, satisfaction with state services, public procurement professionalization, performance measurement, and the implementation of E-governance initiatives.

David Sullivan is a graduate student pursuing his Master's degree in Public Administration at the Andrew Young School at Georgia State University. His concentration is management and finance.

Ben Hansen is a graduate student pursuing his Master's degree in Public Administration at the Andrew Young School at Georgia State University. His concentration is management and finance.

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