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Growing Farmers' Markets: What are the Factors that Impact on Participation by Local Producers?



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Impact on Participation
by Local Producers?

FRESH
LOCAL
PRODUCE

A chalkboard sign with the words "FRESH LOCAL PRODUCE" written in white chalk. The sign is positioned in the foreground, slightly to the right. The background is a dark, monochromatic blue-tinted image of various fresh produce items, including several potatoes, a cinnamon stick, and other vegetables, all arranged in baskets or containers. The overall scene is dimly lit, emphasizing the textures and colors of the food.

Report for Royal Institution of Chartered Surveyors

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Executive Summary



This paper presents the findings of a study which aims to investigate the barriers to participation in farmers' markets by the wider farming community in South Australia (SA) with a particular focus on small to medium sized primary producers. While the experiences and motivations of farmers participating in markets outside Australia have been studied (Brie, 2005; Coster & Kennon, 2005) there has been very little research conducted in Australia or internationally on raw food producers who remain outside the farmers' market community. Yet this group is critical to farmers' markets which rely fundamentally on consumers doing their weekly shop for fresh food. It appears, however, that it is the raw food producers who are the hardest to attract to the markets (Page, 2011). The reasons remain unclear and are largely unaddressed in the literature. This study aims to address this knowledge gap initially through structured interviews and by means of a baseline survey of key stake holders, that is, local rural producers in South Australia (SA). This paper reports on the findings of the base line study.

The research methodology that has been adopted is a survey of small to medium sized farmers in three case study areas, the Adelaide Hills, the Barossa Valley and the Riverland, SA using a paper based questionnaire. This survey aimed to investigate the barriers to participation in farmers' markets by the wider farming community in South Australia (SA) with a particular focus on small to medium sized producers. The questions have been derived after initial meetings with the Agricultural Bureau of SA (ABSA) and the Advisory Board of Agriculture for SA. Within the three areas the survey adopted a cross sectional design in order to capture producers of different size operations and a diversity of land uses as there are likely to be different issues for fruit growers as against grain growers, livestock or wine producers.

Both descriptive and multivariate analysis has been undertaken in an effort to rank and summarize the factors which inhibit participation by producers in farmers' markets.

Five key dimensions are identified as underlying the survey results and these are used to group producers into three clusters. Finally differences between farmers within each cluster groups are identified.

Some 200 surveys were distributed during a series of Agricultural Bureau of SA (ABSA) meetings with 71 surveys completed; a success rate of over 35% which reflects the cooperation of the respective local Agricultural Bureau groups and the benefits of speaking directly to would be participants about the survey. These 71 respondents, of which 93% were male represent about 2.1 % of the farming community in SA (ABARE, 2010). On average land holders spent over 80% (81.6%) of their time as primary producers, achieved 61.1% of their income from farming, had spent over 32 years in primary production and had lived for almost 30 years on the same property. In the main the sample represents an older, stable farming population with substantial years of experience in primary production. Vine growers represented almost 50% of the survey participants as response from the grape growing region of the Riverland was particularly high. However tests of difference have not indicated any significant bias in results. As such land use is strongly represented by wine growers (48.5%) with about some 39.7% represented by sheep or cattle producers; only 4% were primarily cereal growers.

The top ten items which were cited as most important in the decision not to become a stall holder (Table 1) were primarily focused on external and farm related rather than social factors. Farmer market management issues such as form filling, volume of regulations and bureaucracy were cited as important constraints to participation. Also important were internal factors such as the volume and regularity of the farmers produce and the uncertainty of profit making as a result perceived inadequate or unseasonal production particularly if paying for extra staff at weekends. However farmers did not exhibit any strong negative perceptions about farmers markets per se. In the



main they did not consider them a fad and the fact that few farmers in the region were involved in farmers markets appeared not to be an important constraint.

The findings in this survey suggest that the recognised benefits of farmers' markets to producers (Conner et al, 2011; RIRDC, 2014) still seem some way from being accepted by the farmers reported in this study. Farmers are not against the concept of farmers' markets per se and do not appear to be under any social peer pressure to avoid them. However they remain unconvinced that given their farm size, volume of produce and regularity of supply that they are likely to make a profit. This runs contrary to the 40% to 80% return on product suggested by Coster and Kennon (2005). In the main they are also time poor and spending precious weekends behind a stall does not hold much attraction. There are issues around help, management of staff, transport and transport cost which also play their part in detracting from participation.

The attitudes of producers to farmer markets very much reflects their personal circumstances with regard to level of income derived from farming, whether they are full or part time farmers, their family commitments and farm size. In line with earlier studies (Brie, 2005) issues associated with regulations, policies and costs are a serious deterrent. As Brie (2005) has commented other methods of direct selling such as farm gate and shed door sales available seven days a week and often at very competitive prices may have greater appeal given their ease of set up, the absence of additional paperwork or transport requirements and greater flexibility in terms of staffing. This study supports this finding in that form filling and adherence to regulations as well as the length of time taken and the distance required to take produce to market appear to be important deterrents to participation. As mentioned in the comments from producers existing regulations around farmers' markets which restrict the number of producers assigned to a product are a disincentive,

while producers who own larger farms do not necessarily have a need to sell small quantities of produce on a regular basis. Also mentioned in the comments are the quarantine restrictions faced by vine growers which are associated with transporting their produce as well as restrictions on selling outside official channels.

This survey would appear to support earlier studies which suggest that larger producers in particular are less motivated to sell through farmers markets (Balfour Consulting, 2010) while older farmers may appear disinterested in ventures requiring new investment (ABARE, 2010). Also producers who only work part time on the farm are likely to be particularly time poor and given the increasing complexity of farm management in Australia (Kingwell, 2011), could be significantly deterred by the pressure of providing a regular and sufficient supply of produce.

Coster & Kennon (2005) have suggested that the move to direct sales is a major commitment for producers. Brie (2005) proposes that 'very few traditional farmers have been able to make the attitudinal change to switch to direct marketing'. However this survey does not suggest any ingrained resistance to farmers markets. Rather farmers in Australia who already face complex decision making processes in terms of farm management need to be strongly convinced of the merits of any new venture for it to be received or adopted.

Significant and useful suggestions to increase participation have come out of the survey and match the main disincentives of regulation, cost and time. Producers would be interested in a trial periods at a market given that costly infrastructure was supplied, hearing from existing stallholders with mentoring over a period on how to get established as a supplier. In line with the challenges attached to production, producers would also be keen on training in how to supply a market regularly and in marketing.

Key Findings

Barriers to participation in Farmers' Markets by Local Producers

1. **Farmer Market Regulation** – excessive bureaucracy and form filling.
2. **Farmer Market Cost** – perceived high cost of market insurance and stall fees.
3. **Farmer Market Supply** – difficulties attached to a regular and sufficient supply of produce.
4. **Farmer Market Participation** – extra time commitment and need for more staff.
5. Issues in participation are not the same for every farmer
 - Older, experienced farmers on medium sized to large farms have issues with farmer market regulation, farmer market cost and farmer market supply requirements all on an equal basis.
 - Part time producers on smaller farms, with less experience are particularly concerned about farmer market supply requirements.
 - Full time, younger farmers with family commitments on medium sized farms are particularly concerned about farmer market regulation and farmer market cost.
6. Producer comments allude to stretched time commitments, restrictive market regulations and practices, limitations on produce type and for older farmers, lack of interest in new ventures.

Incentives to encourage participation in Farmers' Markets by Local Producers

1. Provision of market infrastructure for a trial period.
2. More information on how farmers' markets operate.
3. Training in how to supply produce to a farmers market regularly.



1.0 Introduction

This report presents the findings of a study which investigates the barriers to participation in farmers' markets by the wider farming community in South Australia (SA) with a particular focus on small to medium sized producers. While the experiences and motivations of farmers participating in markets in and outside Australia have been studied (Brie 2005; Coster & Kennon 2005; Fielke & Bardsley 2013) there has been very little research conducted in Australia or internationally on raw food producers who remain outside the farmers' market community. Yet this group is critical to farmers' markets which rely fundamentally on consumers doing their weekly shop for fresh food. It appears, however, that it is the raw food producers who are the hardest to attract to the markets (Page, 2011). The reasons remain unclear and are largely unaddressed in the literature. This study aims to address this knowledge gap by means of a baseline survey of key stake holders that is, local rural producers in South Australia (SA).

1.1 Background

The significance of this study is reflected in the Australian Federal Government first national food plan (DAFF, 2011) which recognised the significance of the informal components of the nation's food service sector as represented in particular by farmers' markets (DAFF, 2011). Government support for this form of food retailing is has grown, as it understands the strategic importance of ensuring competition through the provision of alternative venues for fresh produce (DAFF, 2011). The study is also significant in light of recent comment by social observers such as Brett (2011) who have identified a widening gap between rural and urban societies in Australia. Brett suggests that rural Australia faces the threat of

abandonment by cities with its contribution to the nation dismissed and its historic purposes forgotten (2011). Yet the federal food plan recognizes that the city still depends on rural Australia for a great deal of its sustenance; economically, environmentally and socially and that, in this context, farmers' markets can act as important points of contact between city and country, creating support for and interest in the rural sector (McEachern et al 2010). As such farmers' markets have a potential role to support food security, through the perseveration of farmland and thus to regional and local economic development as well as making a contribution to health and well-being, through access to healthy and nutritious food.

The Adelaide Hills, Barossa Valley and Riverland regions of South Australia (SA) have been selected as case studies for the project. Two of these farming regions, the Adelaide Hills and the Barossa Valley which adjoin Metropolitan Adelaide, the state capital of SA, are considered particularly vulnerable to urban development and have been proposed for World Heritage listing as "Active Farming Areas" (Page, 2012). This listing is seen as a means of protecting rural land values in zones where farm holdings and land titles are historically small and residential subdivision pressures are high. The viability of farmers in peri-urban areas could be considerably advanced through direct selling to urban consumers by means of farmers' markets. At the same time, existing farmers' markets in metropolitan Adelaide, with a population of 1.2 million, struggle to find suppliers while local councils and community groups are eager to establish more outlets (Page, 2012). This study proposes to identify the main issues in attracting more producers to farmers' markets.



Image source: Allen.G/shutterstock.com

2.0 Literature

In the past, the study of farmers' markets has mainly focused on consumer characteristics and values (Page, 2011) and on the benefits to consumers. The research has broadened as farmers' markets have expanded and now includes aspects such as understanding the benefits to small farms, their role within sustainable agriculture and food systems, the design of and planning for market space, linkage to state and federal policies, direct marketing, retail spaces and their contribution to community resilience. The focus of the following literature review is predominantly on aspects of closest relevance to this study, which is research that provides context for agriculture in Australia and helps in understanding those aspects that influence and may potentially restrict participation in farmers' markets by primary producers.

2.1 Farmers markets as part of agriculture and agricultural food systems

The Australian Farmers' Market Charter outlines the aims of farmers' markets as being to:

- *Preserve farmland and sustainable agriculture;*
- *Support and stimulate the profitable trading, viability and business growth of independent primary producers, hobby farmers, community and home gardeners and associated produce value adders;*
- *Provide customers with regular supplies of fresh food and access to improved nutrition, and*
- *Contribute to the economic, social and health capital of the host community*

(Johns, 2010)

The potential role of farmers' markets is, therefore, diverse and supports food security, sustainable agriculture, local and regional economic development, community development and health and well-being. The direct marketing and selling approach of farmers' markets also provides an important linkage between rural and urban communities. Farmers' markets have been recognised in the Australian Federal Government's first national food plan as being an informal part of the food sector (DAFF, 2011) and in the US there is a policy linkage to health, nutrition and well-being (Hamilton 2005). Governments have also recognised the benefits of reduced food miles as an important component of reducing transport costs. The contribution of food education to counter major health issues such as obesity, heart disease and diabetes has also been recognised (Balfour Consulting, 2010).

One of the key features of farmers' markets is the direct selling of produce. This is not a new process (Fielke & Bardsley, 2012) and it is estimated that Australian farmers' market's annual turnover is \$40 million with a factored economic impact of \$80 million across Australia (Brie, 2005). There are, however, other options for direct selling. In the UK, it has been shown that, even though farmers' markets are growing in numbers, farm shops and farm gates generate greater income for organic growers than farmers' markets (Brie, 2005). Fielke & Bardsley (2012) contend that Australian agriculture is struggling with social, ecological and economic risk and that farmers' markets offer a way for some farmers to transition 'into a more sustainable agri-food system'. A recent national study (RIRDC, 2014) of stallholders has identified that farmers' markets can be viewed as an important in facilitating or enabling a range of services to farmers, market vendors, consumers and communities.

Coster & Kennon (2005) have identified three categories of farmers' market vendors. Those that achieve more than 20% of overall sales at the farmers' market and considered the markets to be strategically important for their business. The second category use the farmers' markets as an opportunity to showcase their produce to the local community. The final category of vendor had actually 'outgrown' farmers' markets and no longer supplied them. This category was described as one of the successes of the farmers' markets concept; these are producers which recognise the contribution of their involvement in farmers' markets to their ongoing marketing and business development (Coster & Kennon, 2005).

A wide range of non-value added products able to be supplied by producers has been identified. These include vegetables, fish and seafood, fruit, meat (lamb, beef, chicken), eggs, small goods, dairy, oils, olives, pulses and grains, honey, nuts and spices. Coster & Kennon (2005) found that the average distance travelled to market varies depending on the settlement type of the market: with vendors travelling 22 km, 44 km and 114 km to urban, regional and metropolitan markets respectively (Coster & Kennon, 2005, p. 23). Distance to market is known to be a potential deterrent. A survey of three South Australian farmers' markets (Adelaide, Willunga and Berri – purposefully chosen to include an urban, peri-urban and rural market) found that 83% of stalls were from properties under 51 ha in area and 52% of respondents identified as small-scale peri-urban producers: suggests that vendors at farmers' markets are mostly small-scale producers from peri-urban properties (Fielke & Bardsley, 2012).

2.2 Growth in farmers' markets

In Australia, new generation farmers' markets started in 2004 and now number at least 170 with ongoing growth in number (Page, 2011). As of 2010, 150 farmers' markets were officially recognised by the Australia Farmers' Market Association (Fielke & Bardsley, 2012). Farmers markets are also popular internationally. In the US they have grown from 340 in 1970, 1,755 in 1994, 3000 in 2001, 6,132 in 2010 and in 2013 number over 7,100 with over 1000 markets created in the past year alone (Brown, 2002; Fielke & Bardsley, 2012). The United Kingdom has some 550 farmers markets (Umberger, 2007) and New Zealand has over 50. In Australia, markets are generally located in regional towns or small towns close to a significant regional population. While farmers' markets exhibit variations, the essence of their operations is to match demand and supply and as such there is ongoing work 'to build up one or the other to ensure that the wants and needs of both are continually met' (Balfour Consulting, 2010). An indicator of the stability and attainment of 'critical mass' is suggested to be a market's ability to afford a full-time market manager, to undertake regular promotion and to communicate with seasonal and year-round vendors (Balfour Consulting, 2010).

2.3 Community and consumer benefits

Community and consumer benefits are suggested in the definition of farmers' markets:

A predominantly fresh food market that operates regularly within a community, at a focal public location that provides a suitable environment for farmers and food producers to sell farm origin and associated value added processed food products directly to customers.

(Coster & Kennon, 2005)

Other studies, however, have shown that the benefits are varied and complex. Community benefits ascribed to farmers' markets have included the promotion of healthy eating (RIRDC, 2014), the development of safe and vibrant public spaces (Francis & Griffith, 2011; Coster & Kennon, 2005), more sustainable communities (King, 2008; RIRDC, 2014), the revitalization of neighbourhoods (Tiemann, 2008), the potential to support low-income areas (Coster & Kennon, 2005) and the additional pride a community has from having a farmers' market operate in their town (Cameron & de Vries, 2006; Coster & Kennon, 2005). Farmers' markets also fulfil an important role in educating customers about products in terms of seasonality, appearance and more sustainable production processes (Coster & Kennon, 2005).

Farmers' markets and direct selling are also promoted as more equitable food systems in countries such as the US (Jones & Bhatia, 2012), India (Singla et al, 2011; Kumar et al, 2011) and China (Liu et al, 2012). A UK study suggests that farmers' markets help maintain the employment base in rural areas and bring in income (Brie, 2005). One of the most successful Australian farmers markets – the Willunga farmers' Market in SA – has been credited with creating new business opportunities in the town and an estimated injection of \$1 million a year into the local economy. The town of Willunga has subsequently attracted artistic events and food events and created a local sustainable food production newsletter. In the US, farmers' markets have a clear role as part of government welfare – using coupons and stamps to support low income families or supporting food recovery organisations to distribute food (Brie, 2005). In New Zealand the focus has been on providing superior products and creating happier shopping experiences (Brie, 2005). Farmers' markets also attract both local and international tourists because of their colourfulness while providing all purchasers with the opportunity to buy food closer to its origin thereby reducing costs attached to transport of produce and packaging (RIRDC, 2014).



2.4 Benefits for farmers' market vendors

A number of benefits to primary producers of participation in farmers' markets have been recognised (Conner et al, 2011). These are generally consistent across Australian and international studies and include profitability, education of customers, market research, skills learnt, ease and flexibility of making a sale, new outlets, psycho-social and pride and control (Brie, 2005).

The most popular benefit which has been identified is social, followed by cash sales, consumer feedback, supplementing income and product promotion. Other studies suggest promotional rewards, selling locally and the market as a social event as reasons to participate other than for profitability (Brie 2005; Coster & Kennon, 2005; Fielke & Bardsley, 2012). Indeed Fielke & Bardsley (2012) observe that the social nature of farmers' markets is in contrast to mainstream 'productivist' agricultural approaches. These social benefits are potentially more important for female stallholders. A study of societal changes in farming families showed that 'women's satisfaction with their lives is a better indicator of the potential success or otherwise of a farm enterprise than farm size or profitability' and that 'continuing attendance [at markets] is greatly influenced by quality of life and enjoyment' (Barr 2002 cited in Brie 2005, p. 24-25).

Coster & Kennon (2005) provide a classification of the main economic benefits as reported by market managers: immediate impacts (sales and confidence), new markets outside local area (other farmers markets, non-local sales for example restaurant or export), new local market outlets (other direct markets for example farm gate, food outlets, retail shops, new processor sales), new products (value adding or new crops), market intelligence (market exposure) and advertising (food and wine tours/groups). The RIRDC (2014) report that nearly 80% of stallholders confirm positive economic benefits from their participation in farmers' markets.

There is limited information on the impact of farmers' markets on vendors actual incomes as vendors are reluctant to discuss their sales (Brie 2005). However farmers who participate in farmers' markets can manage a 40% to 80% return on their product (Coster & Kennon, 2005) while those distributing through supermarkets generally receive only between 10% and 20% of the retail price with products such as lettuce returning as little as 5-10 per cent (Coster & Kennon, 2005). Without the 'middleman', farmers can recover costs that would otherwise be lost to transport, handling distribution and labelling (Andreatta & Wickliffe, 2002). Income for vendors is likely to be higher at urban markets compared to rural areas (Brie 2005). Farmers' markets are also unlikely to be the sole sales outlet for the farm. Australia and UK studies have shown that for many farmers' market vendors, their sales at farmers' markets are 25% or less of their produce (Brie, 2005; Coster & Kennon, 2005) which suggests that for

many farmers, markets are a supplement (Brie, 2005) with producers depending on other income streams. Coster & Kennon (2005) report that 86% of vendors expanded their sales within a two year period of being at a farmers' market (Coster & Kennon, 2005) with 66% of producers reporting farmers' markets had led to other opportunities (Fielke & Bardsley, 2012). Thus farmers' markets offer significant economic value to producers. Fielke & Bardsley (2012) also report that 76% of producers felt that markets had lived up to expectation while others went so far as to suggest that participation had allowed them to lead the life they wanted and to feel valued (Brie, 2005).

Farmers' markets can act also as business incubators (Coster & Kennon, 2005; RIRDC, 2014) and provide an opportunity for small scale producers to sell when they are often too small to sell at wholesale markets and much too small to deal with supermarkets (Page, 2010). Farmers' markets can provide a low risk environment to grow a new business or to test products and brands (RIRDC, 2014). For individuals farmers' markets may also help them manage transition at different stages of life (Coster & Kennon, 2005), for instance from full-time to part-time farming, part-time to full-time farming, city to rural living, traditional farming to direct marketing or employment to productive retirement. Coster & Kennon (2005) also suggest, however, that farmers' markets may have arrived too recently on the retailing scene in Australia for many growers to make such a change confidently.

For the agricultural sector as a whole, farmers' markets are seen as important for protecting and enhancing rural land use and land values (ICMA, 2006); increasing land under cultivation; changing farm operations, including changes to production systems, packaging, transport arrangements and produce quality (Coster & Kennon, 2005); facilitating rural business creation; and creating new employment opportunities (Morales, 2011). Of those surveyed by Fielke & Bardsley (2012) 70% of farmers who sold at farmers' markets had made a change to their land management practices, which included: different crops, husbandry practices, new harvesting/selection/storage practices and timing of operations. Another 49% felt that farmers' markets had helped to reduce risks to the farm: reduced economic risk; counters domination of large companies through empowerment to direct sell; alternative production supported by market-based approach.



2.5 Barriers to participation in farmers' markets

Although studies on producers not participating in farmers' markets are limited there has been some work done though. Those studies that have been undertaken agree that a key challenge for farmers' markets is attracting new producers with Coster & Kennon (2005) finding that 81% of markets needed more vendors. Studies such as those by Coster & Kennon (2005,) Balfour Consulting (2010), Johns (2010) and Page (2011) have recognised a number of barriers to attracting more producers. These have included farmers' markets fees, local government limitations on stall numbers and organic certification requirements. Other issues have included competition between farmers' markets which can cause loss of vendors, lack of product diversity and the pressure to produce a year-round product. Staff and family resourcing of stalls with the possible disruption to family life and extension of the working week have also been cited as issues along with the new skills required to interact with customers (Balfour Consulting, 2010). There may be particular start-up challenges for small producers with the requirement to maintain supply over 12 months along with the time needed to re-program production. In such studies suggestions for encouraging farmer involvement in markets have so far included working with grower organisations and promotion in rural media (Johns, 2010). This study aims to add to this current knowledge base by focusing exclusively on a cross section of primary producers in Australia who remain outside the farmer market sector.

3.0 Methodology



The research methodology that has been adopted for this study is a survey of small to medium sized farmers in three case study areas, the Adelaide Hills, the Barossa Valley and the Riverland, SA using a paper based questionnaire. The conceptual framework used for the survey is that discussed by Garforth & Rehman (2006) and Defra (2008). Within this framework the intention to adopt a particular behaviour is understood as a function of attitudes including perceptions held, social factors such as peer influence, internal factors including willingness to change and external factors such as cost, market conditions and policy settings. This survey aims to investigate the barriers to participation in farmers' markets by the wider farming community in South Australia (SA) with a particular focus on small to medium sized producers. The questions have been derived after initial meetings with the Agricultural Bureau of SA (ABSA) and the Advisory Board of Agriculture for SA.

Farmers were contacted through their membership of the local branch of ABSA which is a non-political organisation with 78 operating branches in SA that meets regularly to exchange ideas and to keep up to date with the latest developments in agriculture. All of the ABSA branches sampled were within 4 hours driving time of Metropolitan Adelaide (approximately 250 kms). ABSA branches within

the Adelaide Hills and the Barossa Valley were surveyed to include farms near the townships of Eden Valley (100kms), Clarendon (21kms), Meadows (32kms), Rowland Flat (48kms), Tanunda (55kms), Angaston (62kms), Yankalilla (72kms) and Lyndoch (50km) as well as two ABSA branches which represent the Riverland region of SA, Loxton (250 kms) and Barmera (226 kms). Within the three areas the survey aimed to adopt a cross sectional design in order to capture producers of different size operations and a diversity of land uses, as there are likely to be different issues for fruit growers compared with grain growers, livestock or wine producers.

According to the ABS Agricultural Census (ABS, 2009) there are about 3000 agricultural business in the Statistical Division (SD) of Outer Adelaide. ABARE conducts an annual survey of the 135,996 farming establishments in Australia based on a survey of approximately 1500 farms or about 1% of the farming population (ABARE, 2010). This study aimed to survey at least 80 farmers, that is, about 2.5% of the Outer Adelaide SD farming population. Previous surveys distributed through the ASBA have achieved a 50% return rate (Peck & McDonald, 2001). Based on this return rate 180 surveys would achieve an adequate sample.

Each ABSA was contacted directly either in person or by phone to arrange for a member of the project team to address a selection of branch meetings in order to explain the project and to distribute the questionnaire to members for later collection. The questionnaire was designed to take about 15 to 20 minutes to complete and included mainly closed questions with tick boxes plus a small number of opened ended questions. Most of the closed questions sought a response measured along a Likert scale of not at all important to very important. The survey also identified the characteristics of participants and non-participants in terms of age, household type, and education, length in time in farming, location and size of farm and land use type as well as existing stallholders.

A web based survey was not considered viable as most rural producers in South Australia only have dial up access to the internet and as such would experience difficulty in opening small attachments or inputting data. This would significantly impact on the response rate to the survey. Many rural research agencies (ABS, 2009; ABARE, 2010) still use face to face interview as a means of survey. The team was of the opinion that for this study face to face interviews, coupled with a paper survey which has been presented and explained directly to groups of farmers, would elicit the best response.

Analysis of the survey results adopted a standard approach to reporting of survey instruments (Veal, 2005; Malhotra, 2009) using descriptive and multivariate analysis which included ranking of items, and identification of

differences between groups using Analysis of Variance (ANOVA). Principal components analysis (PCA) has been used to summarize the survey responses and to identify any underlying structure (Hair et al, 1998). This multivariate technique is useful when attempting to identify sets of variables that are strongly aligned (Reed, 2001). Bundles of survey responses are brought together under a small set of factors, with each factor labelled in accordance with the original responses it has summarized best. Thus PCA is helpful both in summarizing large data sets and in identifying patterns within them. Participants in the survey have then been grouped or clustered together (Hair et al, 1998) based on their collective responses to the survey as identified through the PCA analysis. These clusters bring together respondents who hold similar views as represented by the 'scores' they have achieved through the PCA analysis. Farmers were clustered by means of hierarchical clustering based on Ward's method into one of three groups which reflected the scores individual farmers achieved across the factors. Three clusters were considered adequate given the sample size and each of these three clusters brought together producers whose attitudes to farmers markets adopted a similar pattern. Finally the characteristics of farmers within each cluster were determined and significant differences between the clusters identified using ANOVA. Thus the responses of producers have been summarized, producers have been grouped together according to this summary and any differences between the groups identified.



4.0 Results

4.1 Descriptive Analysis

Farmer Characteristics

Some 200 surveys were distributed during a series of Agricultural Bureau of SA (ABSA) meetings with 71 surveys completed; a success rate of over 35% which reflects the cooperation of the respective local Agricultural Bureau groups and the benefits of speaking directly to would be participants about the survey. These 71 respondents, of which 93% were male represent about 2.1 % of the farming community in SA (ABARE, 2010). On average land holders spent over 80% (81.6%) of their time as primary producers, achieved 61.1% of their income from farming, had spent over 32 years in primary production and had lived for almost 30 years on the same property.

The sample of producers showed a spread of land uses which include vines, sheep, cattle, cereal, fruit and citrus (Figure 1). As producers of staple and main stream farm produce these are exactly the types of producer that farmer's markets find hard to attract. Vine growers represent almost 50% of the survey participants as response from the grape growing region of the Riverland was particularly high. However tests of difference between vine growers and other producers did not indicate any significant bias in results. As such land use is strongly represented by wine growers (48.5%) with about some 39.7% represented by sheep or cattle producers; only 4% were primarily cereal growers. A range of other crops were produced but at much lower levels. These include nuts, citrus, dairy, poultry and flowers.

Figure 1

Primary Land Use

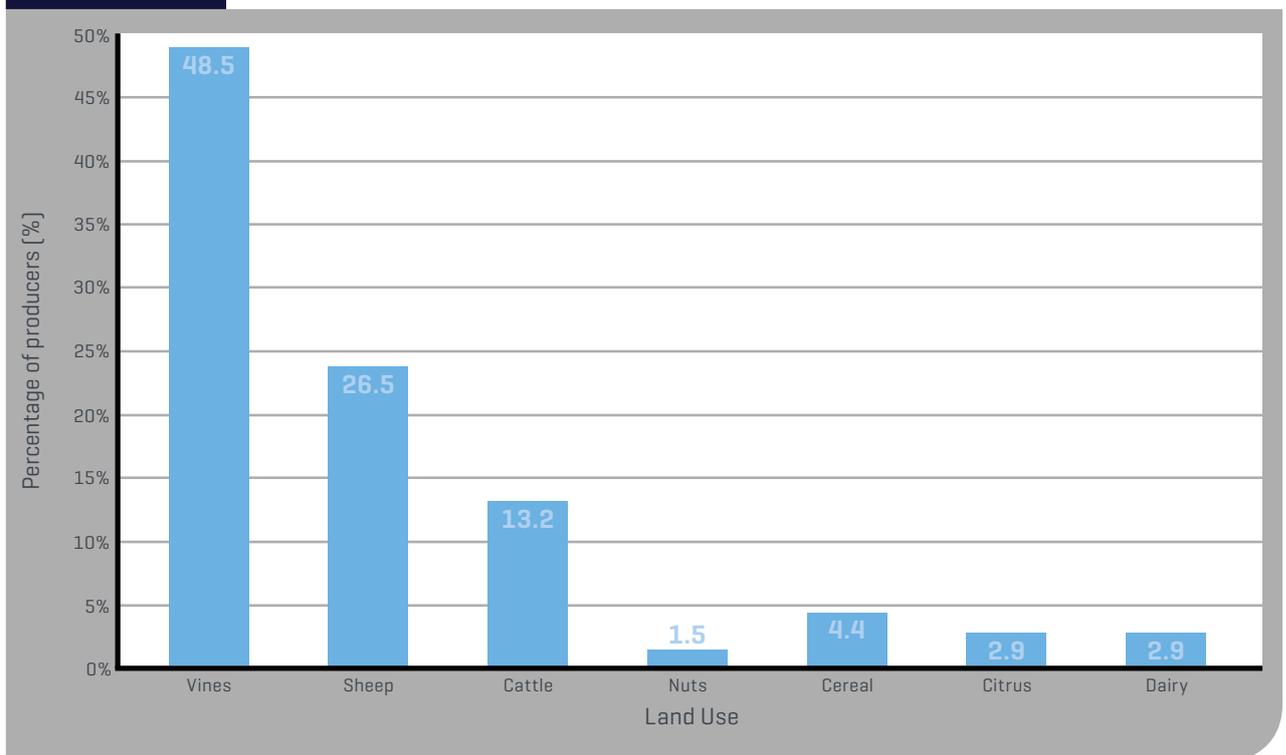


Figure 2 Size of Farm

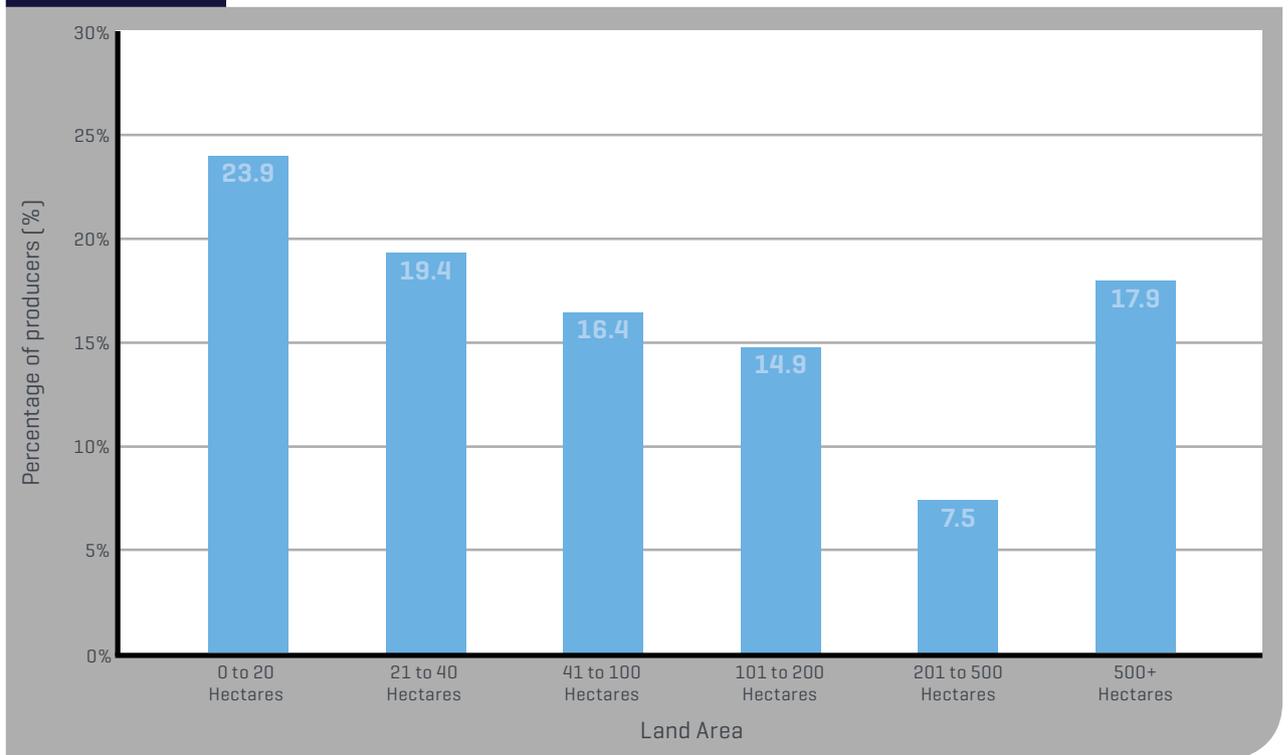
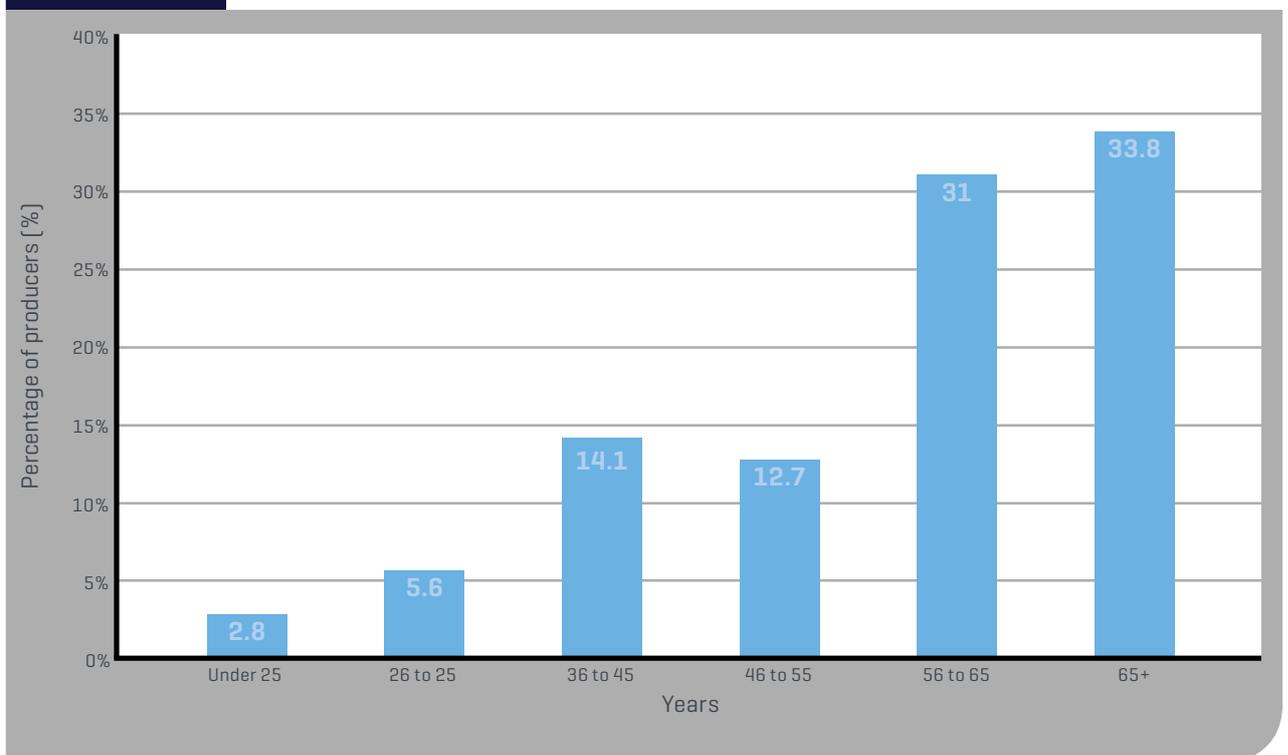


Figure 3 Age of Primary Producer



A spread of farm size was also represented (Figure 2). This is considered important as the regularity and volume of supply may be impacted by farm size. Almost a quarter of the properties (23.9%) were of small acreage (up to 20 hectares), while some 22.4% were between 100 and 500 hectares. Another 17.9% of the sample farmed much larger properties of at least 500 hectares.

The majority of producers, almost 65% were at least 55 years old, with 33.8% over 65 years (Figure 3). As such the sample represents an ageing population of primary producers much in line with published statistics and other studies (ABS, 2012; Deloitte, 2014) as well as reflecting the general ageing of the Australian population.

The majority of households (Figure 4), 48%, were couple only households, with 32% of them being couples with children, which is close to the Australian average of 30.7% of families. About one fifth were single households.

Some 32% of producers had high school as their highest level of educational attainment (Figure 5) while another 26% were university educated, somewhat higher than the Australian average of 14.3% (ABS, 2012). Almost 50% had some form of further education at diploma level or above.

As shown in Figure 6 and Figure 7, some 50% of farmers gained over 75% of their income from primary production, and over 72% spent at least 75% of their time farming. However almost 30% of those surveyed suggested that less than 25% of their income came from farming their property.

The majority of land producers were of long standing in farming production with 51% in farming for over 30 years and 32% for over 40 years (Figure 8).

A substantial number, some 31.8% had also been on the same property for over 40 years (Figure 9).

In summary the sample represents an older, stable farming population with substantial years of experience in primary production. As producers most were involved in vine growing, sheep or cattle working on properties that ranged in size from quite small to very large. There were only three existing stall holders among those surveyed (4%) though two of the three had been involved in farmer markets for over 5 years. Of the sample only 15.5% were involved in direct selling which included by means of phone, web, and email or shed door sales.

Figure 4 Household Type

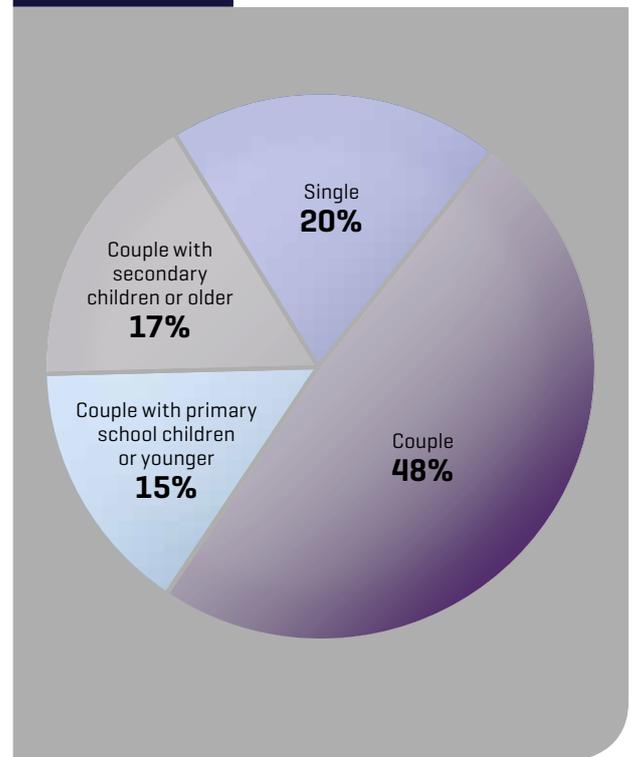
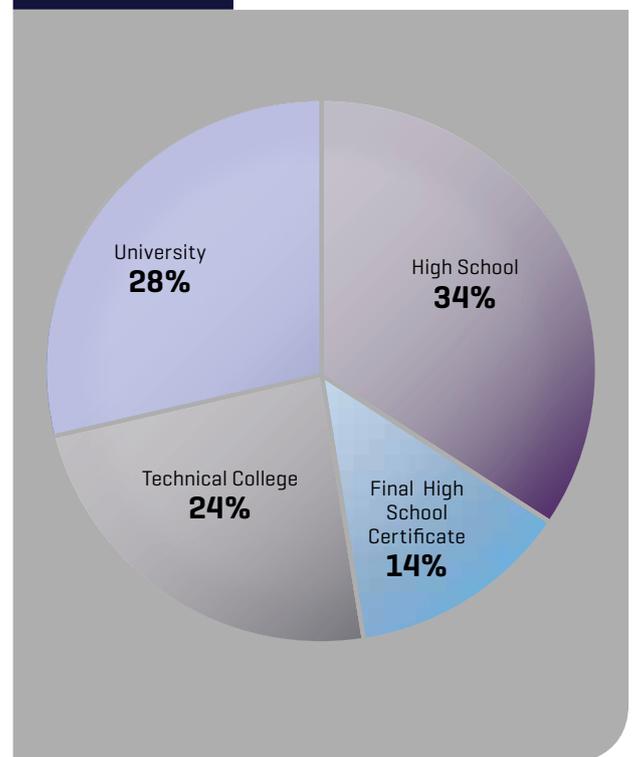


Figure 5 Education Level



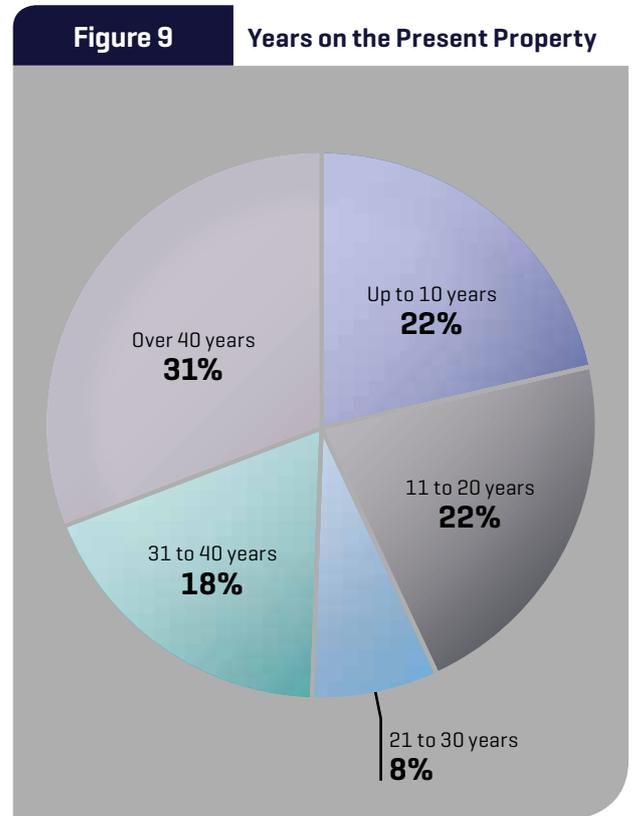
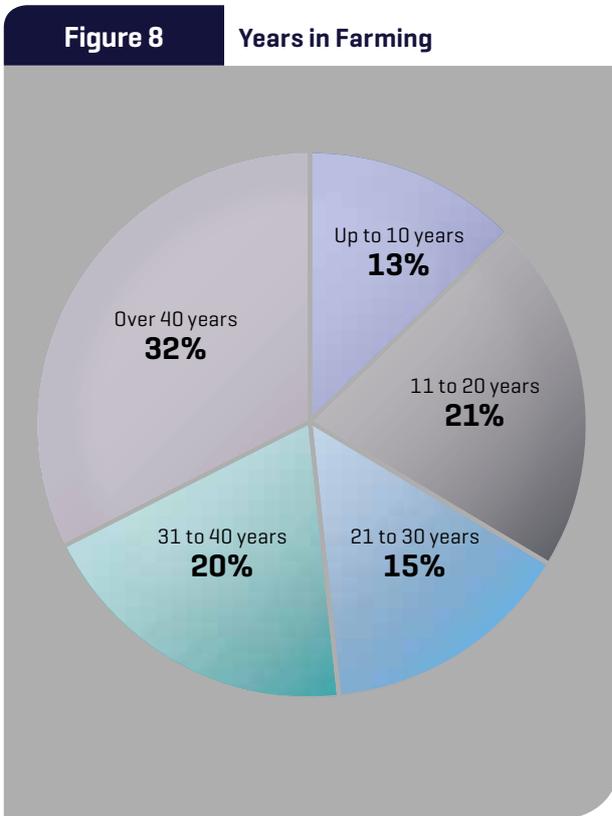
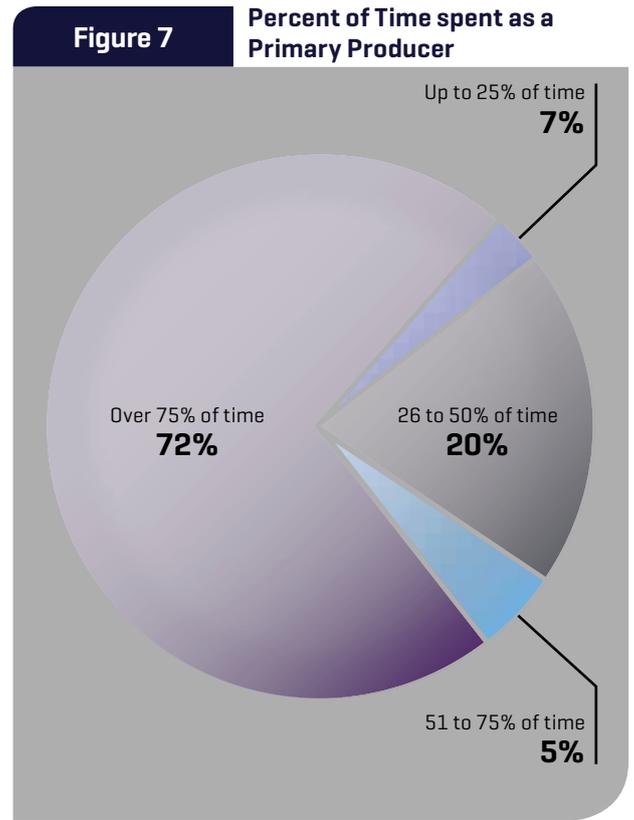
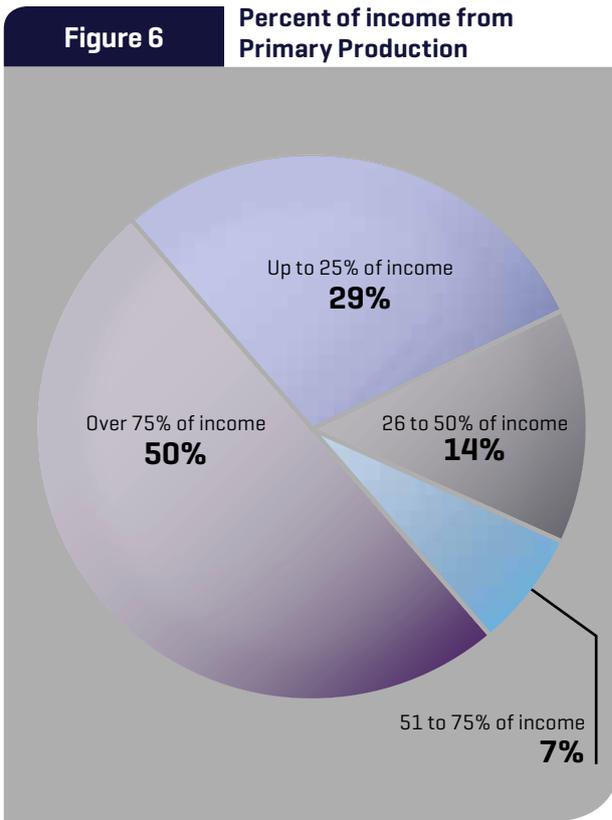


Table 1 Why are you not a Stallholder?

	Why are you not a Stallholder?	N	Mean Likert Score (1 - Really Not Important to 3 - Really Important)
1	The insurance fees are too high	40	2.38
2	I don't produce enough market ready produce to supply a market regularly	36	2.31
3	You need to comply with too many regulations	43	2.30
4	I don't produce enough of one product to supply a market regularly	40	2.30
5	I wouldn't make enough profit to make it worth my time	42	2.24
6	I don't want to pay for staff at the weekend	40	2.20
7	There is too much form filling	40	2.20
8	There is too much bureaucracy involved	40	2.20
9	I don't have enough seasonal variety in my produce to supply a market regularly	40	2.20
10	I don't produce enough surplus to supply a market regularly	34	2.18

The Decision not to participate in Farmers' Markets – Likert Scale

The top ten items which were cited as most important in the decision not to become a stall holder (Table 1) were primarily focused on external and farm related rather than social factors. Management issues around form filling, volume of regulations and bureaucracy were cited as important constraints to participation. Also important were internal factors such as the need to produce sufficient volume and regularity of product and the uncertainty of profit making given the perceived inadequate or unseasonal production particularly if paying for extra staff at weekends. However farmers did not exhibit any strong negative perceptions about farmers markets per se. In the main they did not consider them a fad and the fact that few farmers in the region were involved in farmers markets appeared not to be an important constraint. It very much came down to a business decision associated with the difficulty in meeting the demands of regular production, sufficient to cover costs, a decision made stronger by the perceived complexity and cost of farmers' market rules and regulations.

Table 2 What might encourage you to become a Stallholder?

	What might encourage you to become a stallholder?	N	Mean Rank [1 - Most Important to 10 - Least Important]
1	A trial period at a farmers market with infrastructure supplied	25	4.52
2	Information on how farmers markets operate	29	4.93
3	Training in how to supply produce regularly	30	5.03
4	Information on how to make a profit	26	5.15
5	Hearing from producers who use farmers markets	28	5.18
6	More family support	25	5.32
7	Training in marketing	26	5.38
8	Coaching/mentoring over a period to get established as a supplier	24	5.83
9	Not on a weekend	26	6
10	Shadowing an existing stall holder prior to commitment	25	6.04

Becoming a Stallholder – Ranking

Producers were asked to rank a number of items which might encourage them to become stall holders from 1 as most important to 10 as least important (Table 2). Information and hands on training were cited as items which would most encourage participation. In line with the main issues curtailing participation (Table 1) training and information on how to produce a regular supply as well as issues associated with family and weekend commitments were listed, though these were not as crucial as actual hands on training and hearing from existing stall holders.

4.2 Multivariate Analysis

Factor Analysis

Using a set of 50 variables from the survey and based on labels of importance attached to various items, PCA was carried out to identify the core factors that cumulatively help to explain the attitude of farmers to participation as a stall holder. KMO and Bartlett chi square and significance tests (Hair et al, 1998) indicated that the data set was suitable for this type for analysis (Table 3).

Based on the criteria of eigen values greater than one, eight factors were produced which summarise the reasons which influence participation in farmers' markets. Eight components represented at least 80% of the total

variance (Table 4) within the data which is considered quite adequate for the purposes of the analysis (Hair et al, 1998).

After rotation six factors were identified based on a summary of those survey variables with factor loadings greater than .5 were produced (Table 5). Factor scores for each participant were also calculated and standardized. These scores can be used to identify the nature and extent to which each factor is represented by an individual. Factor labels were given to six of the principle components produced by the multivariate analysis (Table 5). The substructure of attitudes which each component or factor has summarized is reflected in this label. The first factor is the most important in that it summarises the largest level of variance in the data, the second is next most important, the third next and so on.

Table 3 KMO & Bartlett Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.685
Bartlett's Test of Sphericity	Approx. Chi-Square	5245.828
	df	1326
	Sig.	.000

Table 4 Cumulative Variance Explained by Dimensions

Cumulative Variance Explained			
Dimension	Rotation Sums of Squared Loadings		
	Eigenvalue	% of Variance	Cumulative % of Variance
1	10.002	19.234	19.234
2	9.881	19.001	38.235
3	6.787	13.052	51.287
4	4.385	8.433	59.720
5	4.218	8.112	67.833
6	3.095	5.952	73.785
7	1.795	3.452	77.237
8	1.517	2.917	80.153

Extraction Method: Principal Component Analysis



The six factors produced in this analysis have been labelled as Factor 1 External Factor – Farmer Market Bureaucracy (based on the summary of variables representing attitudes to form filling, insurance fees, regulations, bureaucracy); Factor 2 Internal Factor – Staffing & Commitments (based on variables representing such items as requirement for extra help, weekend commitments, family commitments); Factor 3 External Factor – Farmer Market Costs (summarizing variables covering market rents, costs of outlay, competition, production requirements); Factor 4 Internal Factor Produce (based on regularity of supply, variety of supply, levels of production); Factor 5 Social Factor – Peers (based on variables reflecting the views held by peers) and Factor 6 Social Factor – Individual (based on individual lack of interest). These dimensions are in line with the conceptual framework of the study as discussed by Garforth and Rehman (2006) and Defra (2008). Within this framework the intention to adopt a particular behaviour is understood as a function of attitudes which reflect social, external and internal factors.

Thus the most important dimension to come out of the survey results was an external factor attendant to farmer market management issues with regard to form filling, policy and regulations. This dimension alone explained almost 20% of the variance in the data and agrees with the earlier Likert scores attached to items listed in Table 1. The next most important factor which explained a similar level of variance was associated with internal issues such as the requirement for extra help, existing weekend commitments and extra staff responsibilities. The third dimension related to costs and policies associated with participation in farmers' markets while the fourth dimension was aligned around farm production issue in terms of quality and the need for regularity of supply. These four factors summarized almost 60% of the variance within the survey responses.

Thus time poor producers, who may be already facing a series of controls within their own industry, find the extra work attached to market regulations and paperwork to be a serious deterrent. Secondly the proclivity of markets to be held at weekends also acts as an important impediment to participation by producers seeking some time off the job. The third most important factor also recognised costs not just of opportunity but also upfront fees and stall costs. In line with the earlier discussion production issues again surfaced in the fourth factor. Negative sentiments around direct selling and lack of interest came out as the fifth and sixth dimensions in the survey.

Table 5 Survey dimensions

Survey Dimensions/ Factors	1 External Factor – Farmer Market Bureaucracy	2 Internal Factor – Help & Commitments	3 External Factor – Farmer Market Costs	4 Internal Factor – Produce	5 Social Factor – Peers	6 Social Factor – Individual
% of Variance in Data explained by Dimension [Cumulative Variance explained 73.7%]	19.2%	19.0%	13.0%	8.4%	8.1%	6.0%
Survey variables which are strongly associated within the dimension	The insurance fees are too high	I don't have help that can be relied on every weekend	The market rent fees are too high	I don't produce enough market ready produce to supply a market regularly	I've heard negative things about farmers markets	I don't know enough about farmers markets
	There is too much bureaucracy involved	I don't want to spend my weekends in farm related activity	The costs of outlay in order to set up a stall are too high	I don't produce enough surplus to supply a market regularly	None of the local farmers around here are involved in farmers markets	My family are not interested in farmers markets
	You need to comply with too many regulations	I don't have anyone to help me staff a stall	The farmers market produce mix policy restricts my entry as a stallholder	I don't produce enough of one product to supply a market regularly	Farmers markets are only a fad	I'm not interested in farmers markets
	Kitchen Farm inspections are too invasive of your privacy	I don't have any family or associates that would be eligible to help on a stall	There is too much competition from existing stall holders	I don't have enough seasonal variety in my produce to supply a market regularly	I don't know anybody who is involved in farmers markets	
	I don't have the right transport to take produce to the market	I have too many other commitments	The distance required to travel to the nearest farmers market is too far	I would lose income if perishable produce is not sold out on market	I don't agree with direct selling	
	I don't understand the regulations	I don't like working with people	There are not enough regular local buyers to make a stall viable	I wouldn't make enough profit to make it worth my time		
	There is too much form filling	I don't want extra staff management responsibility		I am not convinced I could make money		
	I don't want to pay for staff at the weekend	The weekends don't suit my family				

Cluster Analysis

When farmers were clustered together into one of three groups based on the scores they achieved along each of the dimensions described above, there were 35 farmers brought together in Cluster 1, 10 farmers in Cluster 2 and 26 in Cluster 3 (Table 7). When tested for differences using ANOVA (Table 6) these groups of farmers could be distinguished most from each other in terms of Factors 1, 2 and 3 as indicated by a level of statistical significance greater than .05 ($p > .05$). This suggests we can reject the hypothesis that there is no significant difference between the groups with at least a 95% probability of being correct. The most distinguishing factors between the three groups of producers were their attitudes to farmer market bureaucracy (Factor 1), their views on farmer market costs such as outlay and fees (Factor 3) and their concerns over their ability to produce a reliable supply of produce (Factor 4).

Analysis of mean cluster scores (Table 6) for each dimension indicated that farmers in Cluster 1 and Cluster 2 were not over concerned about farmer market regulation and bureaucracy (Factor 1) where as producers in Cluster 3 were particularly concerned about this issue. In terms of costs associated with market participation and set up (Factor 3) the farmers in Cluster 3 also stood out as most concerned. On the other hand Group 2 farmers were most concerned about issues related to regularity of production (Factor 4). Therefore in summary, farmers in Cluster 3 stood out as particularly concerned about issues with regard to farmer market bureaucracy and market costs while farmers in the smallest cluster were most concerned about supplying enough produce and on a regular basis. Farmers in the largest group, Cluster 1 could not be significantly distinguished from the other two clusters and exhibited similar views to one or other cluster in terms of market bureaucracy, market costs or reliability of supply.

Table 6 ANOVA – Dimensions/Factors which are most significant in distinguishing between Farmer Clusters

Survey Dimension/Factor		Sig * > .05
1	External – Farmer Market Bureaucracy	.000*
2	Internal – Help & Commitment	.088
3	External – Farmer Market Costs	.023*
4	Internal – Produce	.000*
5	Social – Peers	.063
6	Social – Individual	.318

Table 7 Cluster Groups

Survey Dimension/Factor (Sig >.05)		Farmer Cluster Group	N	Mean Cluster Score on Dimension
1	External – Farmer Market Bureaucracy	1	35	-0.731
		2	10	0.113
		3	26	0.940
		Total	71	0.000
3	External – Farmer Market Costs	1	35	-0.242
		2	10	-0.254
		3	26	0.424
		Total	71	0.000
4	Internal – Produce	1	35	-0.349
		2	10	1.905
		3	26	-0.263
		Total	71	0.000

Farmer Cluster Characteristics

Next the average characteristics of each cluster were identified (Table 8). Cluster 1 represented farmers who were generally not educated beyond high school, of whom most were at least 65 years. Their farm income constituted at least 75% of their income and farming was their primary occupation. Their households were mainly couples only and most had been involved in farming production for at least 30 years, occupied an average farm size of 41 to 100 hectares and were primarily vine growers. This group was relatively indifferent to management issues but showed average levels of concern about costs and the need for a regular and sufficient supply of market produce.

The smallest group of farmers, Cluster 2, represented a younger, more highly educated set of farmers, the majority of which had spent no more than 20 years in farming and occupied smaller farms of some 21 to 40 hectares.

Households were primarily couples only, who had non farming occupations as their primary source of income. Their land uses were most commonly sheep and vines. This group, as part time producers were particularly concerned about issues relating to reliability and volume of production.

The final Cluster 3 represented farmers between the ages of 46 to 55 years, with a mix of educational backgrounds whose primary occupation was farming. Most were couples with children who had spent at least 20 years on farming. Their properties were on average 41 to 200 hectares with sheep and vines as their primary production. As family households and fulltime farmers this group is likely to be time poor and financially committed. They were significantly concerned about farmer market bureaucracy and farmer market costs.

Table 8 Cumulative Variance Explained by Dimensions

Farmer Cluster Average			
Survey Variable	Farmer Cluster 1	Farmer Cluster 2	Farmer Cluster 3
Age	65+ years	56 to 65 years	46 to 55 years
Education Level	High School	University	Technical
Household Type	Couple	Couple	Couple with Children
Primary Occupation	Farmer [full time producer]	Other [part time producer]	Farmer [full time producer]
% Income from Farming	>75%	up to 50%	up to 50%
Years in Farming	31 to 40 years	11 to 20 years	11 to 20 years
Years on Property	31 to 40 years	11 to 20 years	11 to 20 years
Farm Size	41 to 100 hectares	21 to 40 hectares	41 to 100 hectares
Primary Land Use	Vines	Sheep & Vines	Sheep & Vines
Dimension/Factor – Important to the Farmer Cluster	31 to 40 years	11 to 20 years	11 to 20 years
			11 to 20 years
N	35	10	26

Extraction Method: Principal Component Analysis

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5.0 Comments From Producers

Below are a number of comments from farmers from the open ended questions. In the main they support the earlier analysis in identifying that producers are not against the concept of farmers' markets, indeed some strongly advocate for them, rather a variety of factors preclude their participation at this time. These include social and internal factors, such as lifestyle, family and time of life as well as issues around farm productivity and market practice.

Table 9

Comments from producers

Key Issue	Comments from Producers
Farmers' markets are a good concept	I agree with the concept of farmers markets.
	Farmers markets are a good thing. New or interesting commodities could be worth researching – by whom? E.g. ABC Country Hour recently interviewed a grower producing silk worms (cocoons for export) in WA. Another talked on his production of capers at Mannum.
Unsuitable farm size & excessive time commitment concept	Primarily we are too big to dilute over time with farmer's markets. I firmly believe in their importance. Our produce is only available for approximately 4 months of the year (our core business at least).
	Farm is too large.
	Growing & managing the property and one of our size leaves little time. We can do it, but at what cost, working 12 hours 7 days a week?
Market regulations restrict participation	Experience has suggested there are limited sales opportunities and sales margins do not cover the cost of site fees.
	We cannot return with any unsold produce into the Riverland due to quarantine restrictions.
	There are existing regulations which prohibit wine growers from selling produce outside the system.
Limitations with regard to produce type and farming methods	Not applicable to wine growing industry.
	This is not applicable to our farming methods.
	Dry land farmers have little if any produce to direct sell to the community.
	Don't have produce to sell at farmers markets. If we all try to sell meat etc. the market is flooded and the bureaucracy involved in slaughter and handling is not worth the effort.
Lifestyle	Too old to take it on.
	Not relevant at my time of life.
	Not interested and too old.
	Farmer's markets do not interest me.
	My farm is essentially lifestyle – adjustment and share farming.

6.0 Conclusion



Image source: littleny/shutterstock.com

The findings in this survey suggest that the recognised benefits of farmers' markets to producers (Conner et al, 2011; RIRDC, 2014) still seem some way from being accepted by the farmers reported in this study. Farmers are not against the concept of farmers' markets per se and do not appear to be under any social peer pressure to avoid them. However they remain unconvinced that given their farm size, volume of produce and regularity of supply that they are likely to make a profit. This runs contrary to the 40% to 80% return on product suggested by Coster and Kennon (2005). In the main they are also time poor and spending precious weekends behind a stall does not hold much attraction. There are issues around help, management of staff, transport and transport cost which also play their part in detracting from participation.

The attitudes of producers to farmer markets very much reflect their personal circumstances with regard to level of income derived from farming, whether they are full or part time farmers, their family commitments and farm size. In line with earlier studies (Brie, 2005) issues

associated with regulations, policies and costs are a serious deterrent. As Brie (2005) has commented other methods of direct selling such as farm gate and shed door sales available seven days a week and often at very competitive prices may have greater appeal given their ease of set up, the absence of additional paperwork or transport requirements and greater flexibility in terms of staffing. This study supports this finding in that form filling and adherence to regulations as well as the length of time taken and the distance required to take produce to market appear to be important deterrents to participation. As mentioned in the comments from producers existing regulations around farmers' markets which restrict the number of producers assigned to a product are a disincentive, while producers who own larger farms do not necessarily have a need to sell small quantities of produce on a regular basis. Also mentioned in the comments are the quarantine restrictions faced by vine growers which are associated with transporting their produce as well as restrictions on selling outside official channels.



This survey would appear to support earlier studies which suggest that larger producers in particular are less motivated to sell through farmers markets (Balfour Consulting, 2010) while older farmers may appear disinterested in ventures requiring new investment (ABARE, 2010). Also producers who only work part time on the farm are likely to be particularly time poor and given the increasing complexity of farm management in Australia (Kingwell, 2011), could be significantly deterred by the pressure of providing a regular and sufficient supply of produce.

Coster & Kennon (2005) have suggested that the move to direct sales is a major commitment for producers. Brie (2005) proposes that 'very few traditional farmers have been able to make the attitudinal change to switch to direct marketing'. However this survey does not suggest any ingrained resistance to farmers markets. Rather farmers in Australia who already face complex decision making processes in terms of farm management need to be strongly convinced of the merits of any new venture for it to be received or adopted.

Significant and useful suggestions to increase participation have come out of the survey and match the main disincentives of regulation, cost and time. Producers would be interested in a trial periods at a market given that costly infrastructure was supplied, hearing from existing stallholders with mentoring over a period on how to get established as a supplier. In line with the challenges attached to production, producers would also be keen on training in how to supply a market regularly and in marketing.

7.0 Key Findings

Barriers to participation in Farmers' Markets by Local Producers

1. **Farmer Market Regulation** – excessive bureaucracy and form filling.
2. **Farmer Market Cost** – perceived high cost of market insurance and stall fees.
3. **Farmer Market Supply** – difficulties attached to a regular and sufficient supply of produce.
4. **Farmer Market Participation** – extra time commitment and need for more staff.
5. Issues in participation are not the same for every farmer
 - Older, experienced farmers on medium sized to large farms have issues with farmer market regulation, farmer market cost and farmer market supply requirements all on an equal basis.
 - Part time producers on smaller farms, with less experience are particularly concerned about farmer market supply requirements.
 - Full time, younger farmers with family commitments on medium sized farms are particularly concerned about farmer market regulation and farmer market cost.
6. Producer comments allude to stretched time commitments, restrictive market regulations and practices, limitations on produce type and for older farmers, lack of interest in new ventures.

Incentives to encourage participation in Farmers' Markets by Local Producers

1. Provision of market infrastructure for a trial period.
2. More information on how farmers' markets operate.
3. Training in how to supply produce to a farmers market regularly.



Image source: Allen.G/shutterstock.com

8.0 Acknowledgements

The authors wish to sincerely thank all those local producers who participated in the study. It represents the thoughts and views of some 71 farmers who gave of their time to answer a rather long list of questions. Farmers came from properties in South Australia near the local townships of Eden Valley, Clarendon, Meadows, Rowland Flat, Tanunda, Angaston, Yankalilla and Lyndoch as well as the Riverland region of Loxton and Barmera. We would also like to thank the various Agricultural Bureau of SA (ABSA) branches and members who were so helpful in facilitating the survey.

We thank you all.



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