

Leesburg Farmers Market

Georgia producers have faced unfavorable weather, hence lower yields in addition to the low prices associated with almost all commodities for the last four years. In response, many producers have been searching for alternative uses of their land in hopes of generating additional revenues.

Vegetable production in the South-central region of Georgia proves to be a successful alternative venture for many producers. The switch to vegetable production from row cropping appears easy due the infrastructure and lay out of the land. Most of the switched land already has irrigation processes in place and similar equipment. One big issue associated with large-scale vegetable production is its labor-intensive nature during planting and harvesting. Both of these tasks require numerous hands, which presently are tough to come by in Georgia. Georgia's migrant labor is underpowered and quickly moving.

The smaller vegetable producer may not face the same labor problems as the larger produces but face other problems like difficulty in marketing. Many of Georgia's vegetable processors, wholesalers, retailers, and distributors tend to purchase in large quantities. As a result small farmers are unable to produce the quantities desired by these consumers. Fortunately, Georgia's population prefers to purchase Georgia grown and local and state grown fruits and vegetables to the commercial store brands given similar quantity and price. Consumer preference for Georgia grown produce provides a marketing opportunity to small farmers. One such opportunity is selling direct to the consumer at a farmers market.

Marketing

Farmers markets have been an institution in Georgia since the 1950's, providing local products and a market for producers to sell their goods. Farmers markets are scattered throughout the landscape but all have similarities surrounding the 4 P's of marketing, place, promotion, product, and price.

Product

A product may be something tangible, such as organic vegetables, or something intangible such as a service. When you go to the store, certain items stand out from the others because consumers recognize or relate to a product. This distinguishable difference can elevate a commodity to a product. An example of how farmers market can exemplify a product is advertising and promoting the product as "locally grown". Thus giving the good an identity to the local people and community. Distinguishing yourself from similar products can potentially attract consumers from competing products and allow the creation of a brand name. Adding value to your commodity through processing or packaging will also transform the commodity into a product. Further processing of commodities is one method of increasing farm income. A good way for the potential

users of the farmers market is by packaging or producing jellies, jams, chow chow, relishes, and stewed tomatoes.

Promotion

Promotion generally comes to mind when people think of marketing, even though there are three other aspects of the marketing equation. Promotion is a very important part of marketing, and begins as soon as the seller has contact with potential consumers. A relationship is started, between the buyer and the seller. At this point, the buyer starts formulating their opinion of the business and the product. One of the most powerful promotional tools is word of mouth. When satisfied consumers talk about their experience with a product, it generates positive promotion. Remember, customers will tell more people about your unsatisfactory service than your satisfactory service, so it is very important to have satisfied happy customers. This is true for all business including farmers market by offering good quality produce by a personable sales person. Many producers do not have the experience dealing with customers on a one to one relationship. However, the county extension office can offer advice on salesmanship and stewardship to the producer wishing to improve their skills.

Place

Place is considered the point of purchase, be it a street address, a catalog or a website. Place can be a location near the attracted demographic, a high traffic area or next to a complimentary shop. Place is important, because if buyers have to search too hard to find your product they may settle for a substitute product.

Price

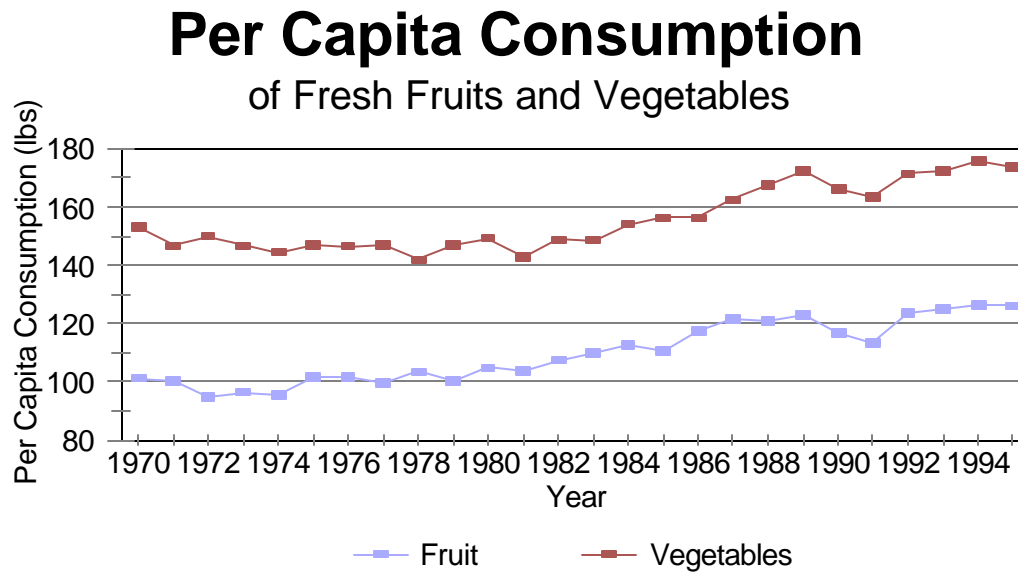
Product pricing is an art more than a science. It is important to set prices so that there is no money left on the table but at the same time not so high that it hurts sales. Prices should be set based on the equilibrium of supply and demand. If the prices are too high people will look for substitute products and if prices are too low, consumption will be greater than the supply, creating a shortage. Prices can be modified based on a value-added aspect; consumers may be willing to pay a premium for fresh, locally produced products. The farmers market producers should price their goods according to the local vegetable market taking into consideration the prices other producers in the area have been receiving for their goods.

Market Trends

Currently, Americans are consuming more fruits and vegetables than any other time in recent history, figure 1. This is reflected in the 4.9% increase in retail sales of produce in 1997. As consumers are demanding more fruits and vegetables, their tastes have changed from purchasing pre-cut and packaged produce to purchasing fresh, quality produce.

The results of a 1997 HealthFocus¹ Trend survey indicate that product “freshness” has become more important than less fat, convenience, price or other product considerations. People have also been tying themselves closer to their communities and regions. Preferring to buy locally grown produce over imported produce based on price alone. However, quality still sells regardless of location grown.

Chart 1: Per Capita Consumption of Fresh Fruit and Vegetables, Source USDA.



Market Potential

To establish an estimate of the potential local fruit and vegetable market the total population residing with a 20, 25, 30 mile radius from the proposed farmers market location was obtained and multiplied by the USDA’s per capita consumption data of fresh fruit and vegetables. The following tables show the total estimated consumption of fruits and vegetables for the Leesburg area. These consumption figures represent the total market potential, 100% of the market share.

¹The NPD Group's National Eating Trends Service’s *The Report on Eating Patterns of Baby Boomers*

Table 1. Fresh Fruit Potential in the Leesburg Area

Local Market Potential by Distance from Leesburg

| Miles from Leesburg | Population 1998 | 1995 Per Capita Consumption (lbs) | Total Market Potential (lbs) | Grocery Share (lbs) |
|---------------------|-----------------|-----------------------------------|------------------------------|---------------------|
| 20 miles | 140,332 | 126.1 | 17,695,865 | 15,926,279 |
| 25 miles | 173,588 | 126.1 | 21,889,447 | 19,700,502 |
| 30 miles | 210,277 | 126.1 | 26,515,930 | 23,864,337 |

Table 2. Fresh Vegetable Potential in the Leesburg Area

Local Market Potential by Distance from Leesburg

| Miles from Leesburg | Population 1998 | 1995 Per Capita Consumption (lbs) | Total Market Potential (lbs) | Grocery Share (lbs) |
|---------------------|-----------------|-----------------------------------|------------------------------|---------------------|
| 20 miles | 140,332 | 173.5 | 24,347,602 | 21,912,842 |
| 25 miles | 173,588 | 173.5 | 30,117,518 | 27,105,766 |
| 30 miles | 210,277 | 173.5 | 36,483,060 | 32,834,754 |

It is important to keep in mind that when reviewing these figures, approximately 90% of all produce purchases are made through grocery stores. This means the farmers market will need to attract customers from the supermarkets in order to be successful.

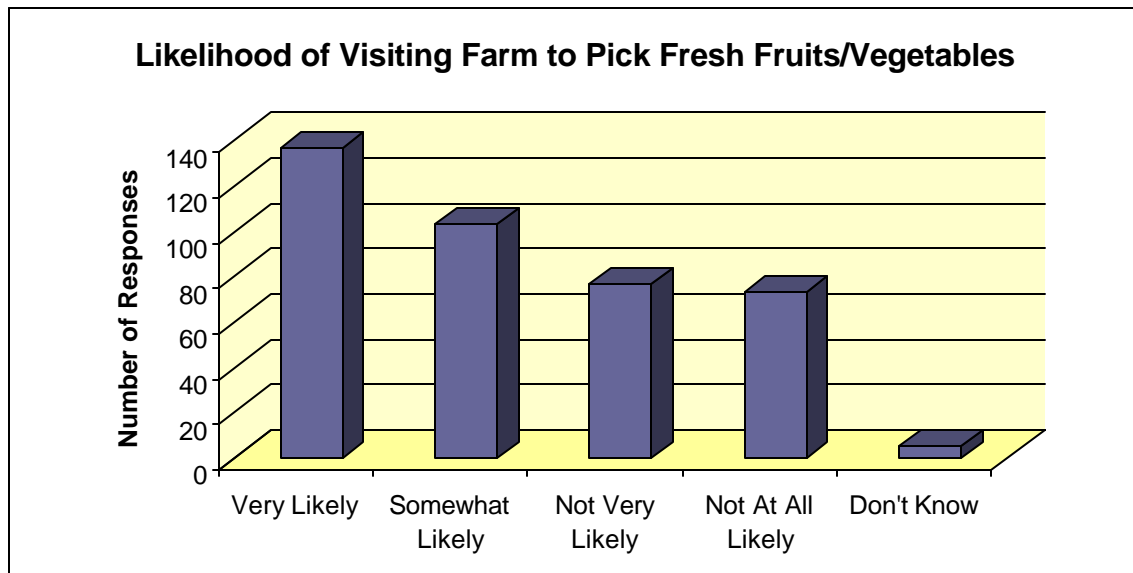
Market Location

Research conducted by the Agriculture and Applied Economics Department at the University of Georgia shows the general public views and attitudes towards recreational farming. This research was done via a phone survey through Georgia's Phone Survey Center. The results yielded valuable information helping to understand people's attitudes and behavior recreational farm activities.

One question the survey addressed was the likelihood of visiting a farm to pick fresh fruit or vegetables. In lieu of having data on peoples willingness to visit a farmers market the response to this question is used to estimate how many people would be willing to shop at a farmers market. Assuming that people who patron pick your own places would also desire fresh fruit or vegetables already picked and locally grown being sold at the farmers market. The results indicated that over 60% of the respondents, 140 people would be willing to use a pick you place. Thus, 60% of the area's population could be expected to visit the farmers market.

Table 3 and Chart 2: Likelihood of Visiting Farm to Pick Fresh Fruit and Vegetables, Source Center for Agribusiness and Economic Development at The University of Georgia

| Likelihood of Visiting Farm to Pick Fresh Fruit/Vegetables | | |
|---|----------------------|-----------------------|
| <u>Response</u> | <u>Number</u> | <u>Percent</u> |
| Very Likely | 137 | 34.68% |
| Somewhat Likely | 103 | 26.08% |
| Not Very Likely | 77 | 19.49% |
| Not At All Likely | 73 | 18.48% |
| Don't Know | 5 | 1.27% |
| | 395 | |

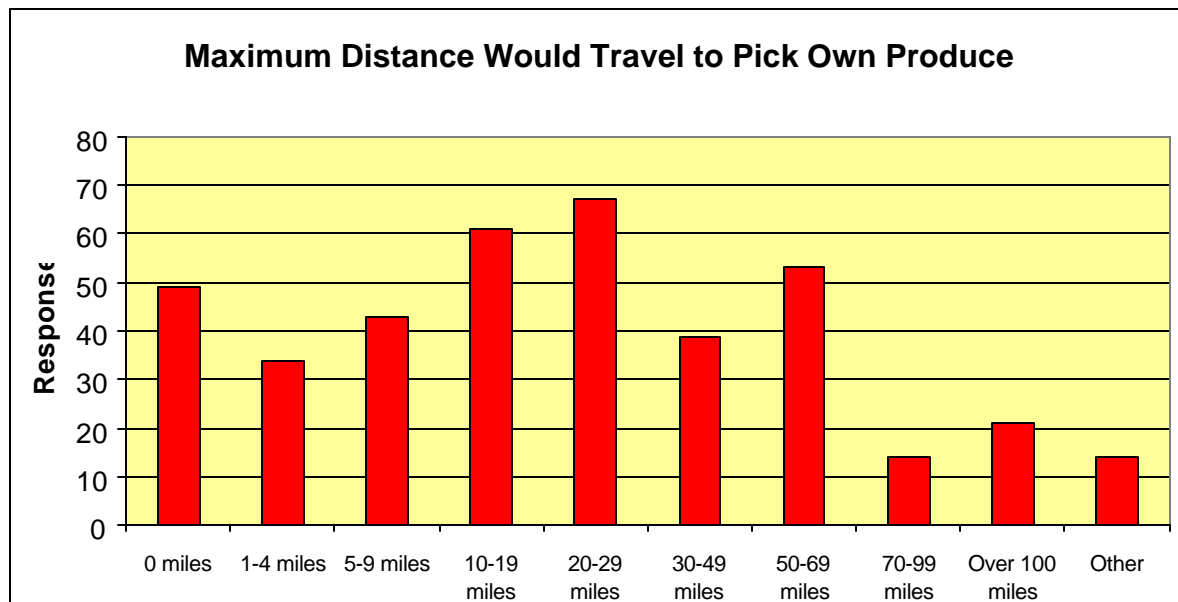


The survey also investigated the distance people are willing to travel to pick your own produce locations. The results of this question used are an estimate of an underlying question all farmers markets face, which is “How far would a person travel to a farmers market?”

The following charts display results for the question regarding how far will people travel to visit a farmers market.

Table 4 and Chart 3: Maximum Distance Would Travel to Pick Your Own Produce, Source Center for Agribusiness and Economic Development at The University of Georgia.

| Maximum Distance Would Travel to Pick Your Own Produce | | |
|---|---------------|----------------|
| <u>Response</u> | <u>Number</u> | <u>Percent</u> |
| 0 miles | 49 | 12.41% |
| 1-4 miles | 34 | 8.61% |
| 5-9 miles | 43 | 10.89% |
| 10-19 miles | 61 | 15.44% |
| 20-29 miles | 67 | 16.96% |
| 30-49 miles | 39 | 9.87% |
| 50-69 miles | 53 | 13.42% |
| 70-99 miles | 14 | 3.54% |
| Over 100 miles | 21 | 5.32% |
| Other | 14 | 3.54% |
| | 395 | |



About one-third of the survey group indicated they would be willing to travel 20 miles or less to visit a pick your own produce establishment. However, 13% said they would travel up to 70 miles to pick fresh produce. Assuming this clientele is similar to those who would use a farmers market, one can infer that the majority of the respondents would be willing to travel to shop at an area farmers market. This is important because when

combined to the consumption data for the surrounding area it enables one to derive a more realistic estimate of the market potential. If people are consuming fresh fruit and vegetables to the extent estimated by the USDA, and these people are willing to travel for these goods, there appears to be a market for an area farmers market.

Conclusions from this study allow the farmers market to estimate their potential market and provide location specifications. The farmers market would need to find a suitable location close to the population that is willing to purchase fresh fruit and vegetables. One idea is to find a concentration of people often associated with using pick your own places and locate within the 30 mile range to this concentration. Studies done by the University of Wisconsin show this type of consumer to have the following qualities.

- One-third (33%) reside in a city with a population of 50,000
- One-fourth are over 62 years old, and 43% are 26-45
- Nearly 60% are educated beyond high-school with 33% being college graduates
- Approximately half have vegetable or flower gardens at home
- Two-thirds (67%) have annual household incomes over \$25,000 and 20% have an annual household income in excess of \$50,000
- One-third of the customers spend between \$5 and \$10 per visit. One-fourth spend less than \$5 per visit and 10% spend over \$20 per visit.
- 55% of the patrons learned of the market through word-of-mouth
- Approximately 80% of customer resided within 40 miles of the market
- Tourists account for 12% of the customers
- 75% of the customers cite quality as a reason for visiting the market
- Just under one-half (47%) were concerned about the use of agri-chemicals in crop production and marketing

Most Popular Fresh Produce Products²Schwartz and James Hoskins. Ohio Department of Agriculture.

The following presents the most popular roadside stand products according to research conducted at Ohio State University. The survey respondents were asked which three items did they most often purchase at roadside stands, the results can be found in table 5. These results may not be directly applicable to Georgia but help provide a picture of consumer expectations to roadside stands and farmers markets.

² “Ohio Consumer Opinions of Roadside Markets and Farmers’ Markets,” Dr. Tim Rhodus, Janet

Table 5: Roadside Market Shopper, Source Rhodus, Schwartz, Hoskins, Ohio Department of Agriculture.

| Roadside Market Shoppers * (n=275) | |
|--|----------------|
| Item | Percent |
| Sweet Corn | 70% |
| Tomatoes | 66% |
| Melons | 30% |
| Apples | 18% |
| Beans | 16% |
| Peaches | 13% |
| Cucumbers | 12% |
| Bananas | 9% |
| Strawberries | 9% |
| Potatoes | 8% |
| Peppers | 7% |
| Lettuce | 4% |
| * "Ohio Consumer Opinions of Roadside Markets and Farmers' Markets," Dr. Tim Rhodus, Janet Schwartz and James Hoskins. Ohio Department of Agriculture. | |

In addition to fresh produce, the survey respondents were asked what other products the roadside stands they visit have to offer. Table 6 presents the "other" items commonly found at roadside stands. Again, these results are based on the Ohio State University research but the findings provide insight into products other roadside stands stock.

Table 6. Frequency of Roadside Market offering Different Items*

| Item | Percent |
|--|----------------|
| Flowers/Plants | 53% |
| Jellies/Jams | 41% |
| Juices/Beverages | 36% |
| Bakery items | 32% |
| Cheese products | 28% |
| Gift items | 16% |
| Meats | 15% |
| Arts/crafts | 13% |
| Bulk foods | 10% |
| * "Ohio Consumer Opinions of Roadside Markets and Farmers' Markets," Dr. Tim Rhodus, Janet Schwartz and James Hoskins. Ohio Department of Agriculture. | |

Concluding from the research done by Rhodus, Schwartz, and Hoskins, Georgia offers many of the products buyers wish to purchase from roadside stands and farmers markets.

Promotion of the Leesburg Farmers Market

Prior to construction of the farmers market, the business should start its marketing campaign. This builds awareness to the general public and gives the firms time to create distribution channels and successful marketing campaigns.

Marketing comes in many forms, television, newspaper, radio, fliers, and mailing promotions. Before any of these methods is used make sure the subscriber or listener demographics of the chosen method matches the target population (client).

Post Offices and other private firms can provide mailing list of the potential clients. These people need to be targeted the heaviest. A list of characteristics describing consumers most likely to purchase from roadside stands and farmers markets was provided earlier in the paper. These people are considered the farmers market target market.

Summary

Using the available research one can conclude that there is a market potential in the Leesburg area for an area farmers market. The population within the estimated “travel distance” is large enough to support the market. In addition, the products grown in the area are similar to those most often purchased at roadside stands.

Survey Responses (Leesburg Farmers Market Survey)

Based on the low response rate of the survey sent out to producers and potential buyers it has been suggested that careful consideration be taken prior to any construction. The survey indicated low participation of producers less than ten percent of the 300 surveys sent out responded as willing to grow vegetables or provide an item for sale at the market. This may be an indication of low producer participation. Also, ten or less people surveyed indicated they would purchase items from the farmers market.

A positive note is that most all the surveys agreed on the hours of operation. The most common response was Friday, Saturday, and Sunday. The hours varied but held the same theme of early morning through late afternoon.

The most common crops offered by those participating producers fell in the category of those vegetables most often purchased.