

Growing Portland's Farmers Markets

Portland Farmers Markets/ Direct-Market Economic Analysis

Executive Summary

Introduction

There's a collective smile on the face of the whole city – courtesy of Portland's farmers markets. The markets have become an integral part of our lives – we look forward to market day! Portland's farmers markets sneak into our conversations, are featured in frequent news stories, and their images are even hijacked to promote unrelated businesses. Every week, thousands of us go to market.

Portland's farmers markets contribute so much more to the community than merely new spots to shop. They inspire local food writers and chefs, who link fresh market ingredients to personalized recipes and meals. Chefs troll the markets to search for unusual ingredients and meet growers. Some restaurants “brand” their dishes with the growers' names, to signal local supply and sources that denote quality.



All of this has happened in over less than twenty years. Portland's first farmers market opened in 1991 with just 13 vendors. Steadily, that market (now Portland's largest) built a loyal following and others sprang up across the city. Now, it's difficult to recall what life was like without our favorite market.

At the center of this exciting trend is attention to food. Portland has become renowned for its food culture, and many more customers are seeking fresh, local ingredients that fit with a healthy diet and lifestyle. Portlanders are willing to spend a bit more for food. The farmers markets offer a convenient and entertaining way to partake in this quest for “fresh” and “local.”

Supporting the migration toward locally sourced food are a burgeoning band of mostly small growers and producers, stretching across the fertile Willamette Valley and beyond. Some use organic farming methods, and some do not. Some specialize in one or two crops, while others plant dozens of varieties. Together, these growers supply Portland's markets, plus 22 others in the metro area and 24 more markets spread across the Willamette Valley. And these suppliers of locally grown products increasingly utilize many other direct-market channels, too.

Despite all of the public attention, adulation, and adoption of farmers markets by Portlanders as “institutions,” most of the 14 markets operating in 2007 are young and fragile. Only three of the markets have full-time staff. New markets continue to emerge – but some others fail.

Farmers markets build community. As markets become such an essential part of our community life, what steps must be taken to secure their future? Can the markets continue to grow and will agricultural supply keep up with the demand? How do farmers markets contribute to the economy and are new markets needed? Will loyal market customers allocate a greater share of their food budgets to “buy local” at the farmers market, and will new customers continue to find their way to the markets?

City of Portland Study

In collaboration with leadership of local farmers market organizations, the City of Portland has commissioned a study to address the future for Portland's markets. The *Portland Farmers Markets/Direct-Market Economic Analysis*, sponsored by the Office of Sustainable Development and Portland Development Commission, seeks answers to the most pressing questions about the forces of supply and demand that will shape the future for the city's farmers markets.

This analysis offers the most comprehensive look to date into the current (2007) status of Portland's markets. The investigation also presents comparisons with other farmers market operations across the nation, highlighting their similarities and differences with Portland's market system.

The study's goal is to present information that becomes a useful tool for City policymakers, market managers and others as they consider "where do we go from here?"

Results

Highlights of key findings from the multi-faceted analysis of Portland's farmers markets:

Current Condition

Portland's farmers markets are flourishing, enjoying a pattern of steady growth – more markets, more market days, more customers, a wider array of products, higher per-customer sales year after year, yielding increased vendor receipts. A few successful vendors are taking in more than \$10,000 per market day. Sales from Portland's 14 markets totaled \$11.2 million in 2007 and sales are continuing to rise faster than population growth – so Portland's farmers markets are gaining market share.

Market Share

The current market share of Portland's farmers markets is estimated at three percent of annual countywide consumer purchases of vegetables and fruit. Despite the seasonal nature of most markets, the impact of Portland's farmers markets is being felt in the marketplace – and there's still plenty of room for growth.

Supply of Farmers

There is an adequate supply of farmers to sustain market growth. Nearly half of the growers supplying Portland's markets with fresh products are located within thirty miles of Portland, and over 90 percent are within 100 miles – most of them coming from the Willamette Valley. There is still enormous productive potential in this large, fertile area, combined with the small and mid-sized farmers who supply farmers markets. But constraints such as scarce farm labor, cost of land and uncertain fuel prices may limit market growth potential.

Longer Season

The first and best opportunity to grow Portland's farmers markets is by lengthening the market season. All signs point to success. Surveys confirm that market customers are ready to extend their participation, and the markets that have lengthened their seasons have profited. Many farmers are taking steps to extend their growing seasons, using greenhouses and other methods.

Underserved Areas

The existing markets cover most of the city – but some underserved areas remain. Three market-deficient areas have been identified: Outer Southeast Portland, Cully-Concordia (Northeast) and St. Johns (North). Suitable candidate sites have been identified for farmers markets in two of these areas, and a grassroots market formation effort is active in St. Johns. The underserved areas have lower income populations, and new farmers markets may find conditions there more challenging than in other neighborhoods.

New Markets

While there's still room for new farmers markets, they will likely be different from today's markets. Most of the seasoned farmers who currently supply Portland's markets aren't planning to pioneer new markets. New, less experienced growers will be counted on to serve the emerging markets. The new farmers markets will likely be smaller – at least initially – and they may need help getting started. Results from farmers markets across the nation suggest that small is not so beautiful. Small markets often lack “anchor tenants” – the major produce vendors – and thus struggle to sustain themselves.

Direct-Market Channels

Farmers markets are linked to other direct-market channels. Farmers markets are often the first direct-market option attempted by growers, but surveys confirm that experienced farmers now use three or more channels to market their products. To thrive, growers must connect the farmers markets to other marketing channels – restaurant and institutional sales, wholesale distribution, internet sales, subscription agriculture, etc.

Economic Benefits

Portland's economy benefits from farmers markets. The collective impact of Portland's farmers markets on the region's economy is estimated to be over \$17.1 million for 2007. Farmers markets and their vendors capture and recycle locally virtually every customer dollar, multiplying those dollars right here at home. Equivalent purchases in a traditional grocery store would yield only about \$5 million in benefits to the region's economy.

Peer Cities

The structure of Portland's farmers market system is different from peer communities. Portland's successful farmers market system has evolved as a network of 14 independently run markets. In other communities with similar-sized farmers market systems, multiple markets are typically operated by city government or a large umbrella organization. This alternative arrangement results in larger, more stable market management structures, with better paid, longer tenured staff.

Competition

Portland's markets face growing competition. Farmers markets are no longer a metro area phenomenon. There are reportedly already 24 farmers markets elsewhere in the Willamette Valley and 100 markets now statewide. New markets are opening every year. Since many of the leading growers serving Portland come from beyond the Portland metro area, some farmers may eventually be drawn to these Valley markets that are closer to home. Farmers markets also compete for growers' attention with other attractive direct-market channels. Portland's markets will be challenged to work harder in the future to stay competitive in attracting the best vendors.

City Role

To nurture and sustain Portland's farmers markets, City government may need to play a bigger role. In most peer communities, government agencies are more proactive in taking steps to support their local markets. In Portland, the most critical priority is assuring the markets secure permanent sites. It would also be helpful to designate a person in City government to serve as a liaison and contact point for farmers markets.

The accompanying report – *Growing Portland's Farmers Markets* – further details findings of the Portland Farmers Markets/Direct Market Economic Analysis.