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Table of Contents

	Page
I. Executive Summary	1
Key Findings	1
General Grower Characteristics	2
Types of Crops Produced.....	2
Value Added Production.....	2
Limiting Factors for Growers.....	3
Approaches to Selling.....	3
Attitudes Toward Farmers Markets.....	3
II. Introduction	4
III. General Description of Growers and their Farms	5
Crops and Livestock Grown	5
Location, Size and Tenure of Farms	5
Farming Experience.....	6
IV. Supplying Farmers Markets	7
Distance to Markets	7
Supply Channels.....	7
Farmers' Expansion Plans	8
Crops Grown for Processing.....	9
Labor	9
Immigrant and Emerging Farmers	10
V. Farmer Views on Farmers Markets.....	11
How Growers Choose Farmers Markets.....	11
Sales Volume.....	11
Serving New Farmers Markets.....	11
Ways to Improve Markets	12
Bringing Non-Participating Farmers to Farmers Markets.....	12
V. Final Thoughts	14
Appendices.....	15
Appendix A: Survey Participants	
Appendix B: Discussion Guide	

I. Executive Summary

The following presents a summary of key findings and highlights offered in interviews held in March 2008 with 52 farmers and agricultural producers. The interviews were conducted as part of the Portland Farmers Markets / Direct-Market Economic Analysis, commissioned by the City of Portland. More detailed responses are presented in later sections of this report.

Key Findings

Key findings from the interviews conducted with 52 farmers/producers to discuss Portland's farmers markets:

- 1. Together, these farms represent a diverse mix of the region's producers.** Everything about their operations varies: land base, range and types of crops / livestock / products / herbs produced and processed, methods of production (style of open field production vs. greenhouse and hoop house), organic / certified / uncertain / uncertified / conventional, ability / desire to expand, age / experience, financial capacity, emphasis of market channels.
- 2. The larger, more productive farms are more distant from Portland's markets.** A number of vegetable and fruit farms are located within 30-35 miles, but tend to be the smaller operations. The larger farms with more opportunity to expand are more commonly located farther away, 75 to 100 miles or more.
- 3. Expansion plans and abilities vary widely among the growers.** Two-thirds of farms say they plan to expand, most often by cultivating more of their own land, leasing or buying additional acreage, or intensifying production on their site. One-third of growers have no plans to expand.
- 4. There is a general concern about labor supply.** Labor is a limiting factor for many market participants. Small farms are often limited to "their own labor" – i.e., family and friends. Those growers who hire labor are emphasizing the retention of their workers, giving them full-time work, offering housing and/or paid benefits.
- 5. Growers are supportive of farmers markets and are ready to "stick with them."** At the same time, they continually reassess and consider re-directing their participation for the future, keeping their options open and on the lookout for better farmers markets or other direct-sales channels. Established growers have the luxury of being choosy and the bigger farms will observe new markets initially until they have been proven.
- 6. Farmers offer for sale most of the products they produce at farmers markets,** but those who also run a CSA provide the very widest array of crops to CSA members.
- 7. These farmers are a "creative class."** The growers / producers serving farmers markets constantly experiment, trying new crops and also using increasingly diversified direct-market outlets.
- 8. Most growers do NOT see their future as dependent upon more Portland markets.** Growers know the increased demand in the marketplace for fresh, local and organic food sales is a strong trend. While they like and support Portland's farmers markets and don't discourage new markets, they will weigh the many options available.
- 9. Growers want more advertising and promotion of farmers markets to draw more customers.** Growers are looking for as many buyers as possible that pay profitable prices. They also know there is great variation in the market management, and managers are increasingly looked upon to publicize and constantly improve the markets as keys to success.

General Grower Characteristics

Farmers who sell in Portland area farmers markets defy general description. The diversity of the farms in the survey is quite astonishing in many respects. From the crops and animal products generated, to their cultivation techniques, sales channels emphasized, and size of operations there are wide differences among the producers. The farms and nurseries surveyed range in size from less than one acre to 160 acres. Some farms are self-contained on a single parcel of land owned by the grower. Others are using leased land, and in a few cases are farming land at several locations. Some farms produce crops only by open field cultivation; others are making extensive use of greenhouses to propagate seedlings for early plantings, to intensify their production or extend their seasonal offerings year-round. Some growers are young and new to farming; others have farmed for over 30 years, some with a legacy following one or more generations who have worked the same family farm. A few interviewees are approaching retirement and are planning to make a transition out of farming.

Most survey participants devote all of their time (or a substantial percentage) to farming. However, some very small farmers who have a passion for growing are farming in their “free” time while pursuing another career, or have transitioned to farming in their retirement years.

Types of Crops Produced

The growers selected for interviews reflect the range of products in farmers markets. The main products grown by survey participants are fresh market vegetables and fruits. Other foods produced by growers in the survey group include beef, chicken, pork, lamb, buffalo, elk, ducks, fish, eggs, cow and goat cheese, milk, honey, mushrooms, cut flowers and bulbs, ornamental plants, culinary herbs, vegetable starts, grain, decorative gourds, and organic compost. Growers who follow organic practices – but are not certified as organic producers – are included in the survey sample, as are growers who offer pesticide free products. A few growers in the survey follow conventional production practices.

There is a clear emphasis among the growers in the region that principally serve Portland farmers markets to emphasize fresh, organic vegetable production. These farmers usually grow a wide selection of vegetable varieties and typically also raise fruit crops. It is common for these growers to have over 30 types of vegetables and fruits in their product mix, and sometimes the selection is much larger. A few fruit and vegetable producers also raise livestock for meat or egg production.

Value Added Production

Because they use environmentally friendly and sustainable production – practices including no pesticides, organic certified, and bio-dynamic principles – some growers view their entire product range as “value added” production. They also select specialty crops for the marketplace, developing heirloom plants and other little known varieties as a way to distinguish their crops in the market. Packaging, handling and distribution are also principal ways that growers add value to their plant or animal production.

Some growers interviewed directly transform their products by way of conventional food processing. Examples include cheeses, sausages, jerky products, jams, salsas, vegetable sauces, and meat. One grower has on-farm poultry meat processing.

The growers who supply farmers markets are production innovators. They often say that each growing season brings the chance to try new varieties or new crops. Farmers market growers believe they have customers who want the staples of fresh vegetables and fruits, but also seek new or slightly different foods. Introducing new crops is a way, too, for growers to continually challenge and educate themselves about the foods they grow.

Limiting Factors for Growers

Labor is often named by growers as a key limitation. Many smaller growers have an effective cap on how much they can produce because of their desire to avoid the need for hired workers. Other farmers recruit interns or accept unpaid interns who are drawn to this work to learn the key practices of organic and sustainable farming. Some farmers emphasize maintaining a stable workforce, and provide worker housing and other benefits.

Approaches to Selling

Farmers almost invariably use many different methods to sell their products. One in five farmers surveyed sell 80 percent or more of their crops and livestock products at farmers markets, and these tend to be smaller growers. Many small growers say they get their best prices by selling at farmers markets, particularly in comparison to prices they receive from wholesalers. About half of all growers sell between 20 and 60 percent of their products at farmers markets.

Many farmers have adopted the Community Supported Agriculture (CSA) model and most find this direct-sales channel complements sales in farmers markets. Significant direct sales are also made to wholesale fresh produce distributors, especially by the medium to larger growers. Another common approach of the farmers / producers interviewed is to sell directly to restaurants and retailers. A small number of growers use brokers or sell via the internet.

Attitudes Toward Farmers Markets

Most of the farmers surveyed believe in the importance and unique role of farmers markets and are very dedicated to participate in them. Many growers report starting direct-sales by selling at farmers markets. While the farmers add other marketing methods over time, few have left the farmers market channel.

Participants say demand for organic, high quality produce is expanding and this is giving niche growers the opportunity to find the sales channels with the highest prices. Growers are seeking consistent sales at profitable levels, and know they have more choices for where and how they sell. New options include emerging farmers markets in more western Oregon communities, and also retail grocery stores, restaurants, schools, and other food purveyors that offer more high quality, healthful local food choices. Most growers surveyed confirm they will continue to look to farmers markets as a key sales outlet, yet they will also be very choosy about selecting the specific farmers markets best suited for their participation.

Growers who do not sell in farmers markets have many reasons for looking elsewhere for sales. Among the reasons are temporary, transitional factors that will change and bring a few back to the farmers markets. However, there is also a small group of producers who say that farmers markets are not for them – “too much hassle.” Most of these farmers are unlikely to be dissuaded. However, marketing education could create converts, helping some growers see ways for farmers market sales to complement the other channels they use to sell their products.

II. Introduction

The City of Portland supports the development of farmers markets to enhance the lives of its residents and promote local agriculture. To evaluate the potential to expand Portland's existing farmers markets and start new ones, Portland's Office of Sustainable Development (OSD) and partner agencies have commissioned a *Portland Farmers Markets / Direct Market Economic Analysis*.

To complete the study OSD, in partnership with Portland Development Commission, retained a consultant team known as the *Farmers Market Collaborative* led by Barney and Worth, Inc. with consulting partners Globalwise Inc., Farmers' Markets America, and Bonnie Gee Yosick LLC. One central issue is the capacity of local agricultural producers to expand the supply of products for farmers markets. In the early stages of the study, Globalwise led the consultant team in conducting interviews with farmers and producers who currently supply Portland area farmers markets (along with a few farmers who don't sell in the markets). Interviews were conducted in March 2008 by Globalwise, assisted by Barney & Worth and community volunteers Elizabeth Schwartz and Sarah LoGiudice. The volunteers' efforts are gratefully acknowledged.

A total of 52 growers (56 persons) were interviewed. Participants and discussion questions appear in the appendices.

Growers were asked to describe their farm operations and plans for future production, and to share their experiences in marketing through farmers markets and all other channels they use to sell their products. Participants were invited to share their views on how to improve farmers markets in the Portland area and enhance the growers' interest in supplying new farmers markets. The observations, insights and suggestions offered by the participants contribute to a better understanding of conditions at the production level in agriculture. This information also helps confirm the capacity of the region's agricultural base to supply Portland's farmers markets.

To ensure diversity of the sample, participants were drawn from a number of sources: farm vendors who are selling at Portland area farmers markets; growers contacted by the consultant team at grower and buyer meetings held during the course of the study; growers listed in the 2007-2008 *Ecotrust Guide to Local and Seasonal Products*; farmers identified from directories and Internet sources such as CSA member listings and local product guides; and additional growers recommended by the interviewees. This approach yielded a representative cross-section of the region's growers who supply farmers markets. This is not a scientifically drawn sample, but provides a good source of information to assess the conditions facing producers currently selling in the farmers markets, and others who have that potential.

III. General Description of Growers and their Farms

Crops and Livestock Grown

The farmers / producers selected for interviews reflect the broad diversity of growers who have crops suitable for farmers markets. The consultant team interviewed a relatively large and diverse group of growers from across the region that supply Portland's farmers markets. An effort was also made to locate and include growers who do not sell in farmers markets, in order to evaluate the potential to attract them to participate in the future. Out of 52 interviewees, nine are not currently selling in farmers markets. Reasons for not selling at farmers markets include: the farms are in a start-up mode and are using informal marketing techniques such as on-farm sales; they believe that other marketing channels are more profitable; or they conclude the labor cost or amount of labor needed to serve farmers markets is too high.

The crops grown by growers interviewed include: fresh vegetables; fresh fruits; animals for meat production or other animal products such as eggs, milk and honey; fish and shellfish; nursery crops and starter plants for home gardeners; cut flowers and bulbs; and culinary herbs. Growers range from very small micro-enterprises to large and well established producers. Growers were also selected from geographic areas that represent the farm locations that currently supply Portland's farmers markets.

The main crops grown for farmers markets are fresh vegetables, followed by fresh fruits. It is common for individual growers to produce 30 or more vegetable crops, plus have three or more small fruits such as strawberries, raspberries, blackberries or blueberries. One grower says he raises 32 vegetable crops and over 200 varieties. Another grower reports growing 80 different vegetables, fruits and herbs. The farmers who supply farmers markets also experiment readily with different crops to add to their crop mix. Some are also producing a wide range of fruits and some have added even more diversity with livestock. Generally, as farm size increases there is a tendency to be somewhat more specialized – but all of the farmers surveyed practice highly diverse crop production.

Most growers over 50 acres in size – the larger and more established farms – use third-party certification of their organic growing techniques. There is a counter-trend among the smaller and newer farmers to follow sustainable and green practices but to forego the certification. Some say they are “90 percent no spray,” or use bio-dynamic or natural production practices. These growers emphasize “locally grown” and rely on their direct relationships with customers to communicate the value and integrity of their production methods. Reasons for not certifying their farm as organic include the certification cost, the time and paperwork investment required to meet the standards, as well as disagreement over the national organic standards embodied in the certification process. Several food crop producers are conventional growers, but they are a small minority among the producers interviewed.

Location, Size and Tenure of Farms

The growers in this survey are principally located within 100 miles of Portland. Fourteen surveyed farms are in Clackamas, Multnomah, and Washington counties. Most the remaining farms in the interview group are from Benton, Yamhill, Marion, Lane and Linn counties. Two farms are located in Central Oregon and three farms are in Southwest Washington.

Eleven of the 52 farms operate on less than five acres, with three of these operating on one acre or less. There are thirteen more farms in the 5 to 20 acre size class, eleven are between 21 and 40 acres, six in the 41 to 60 acre category and nine operate with over 60 acres. The largest farm is 160 acres.

Portland Farmers Markets Survey Participants' Farm Size*		
Acres		# Farms
<1		3
1	– 5	8
6	– 20	13
21	– 40	11
41	– 60	6
60+		9
Total		50

* 50 out of 52 survey participants responded to this question.

The farms in the survey include micro-farms who lease small greenhouses, and start-up farms operating on one acre or less. However most of the growers operate on land in their ownership, or they have a combination of owned and leased land. Many have reserved a portion of their land in keeping with bio-dynamic and sustainable practices so that crops are rotated and land is “rested.” Some growers also have land that they consider too fragile for crop production. A significant proportion of farmers say that under the right conditions they could expand production by either adding land they own to crop production, or by leasing adjacent parcels. A few farmers are planning to buy additional land. However, as discussed elsewhere in the report, the problem with access to farm labor is a serious impediment to expansion for many farmers.

Farming Experience

The farming experience (in years) by the survey participants is widely disbursed. Eleven farmers (22 percent) report they have less than five years of experience. Fifteen (31 percent) report 5 to 10 years of farming experience. The remaining growers (almost 50 percent) have 11 to 40 years of farming history. Only 13 growers (26 percent) have 21 years or more of farming experience.

Many growers started farming in their 30s or 40s. It is not safe to assume that growers with relatively short experience will be farming for a long time into the future. Yet these farms are primarily family operations, so it is very possible that the next generation is growing up on the farms now and will be in a position to carry on.

On the topic of experience, it is also clear that there is a thriving formal and informal internship path for this farmer population. Some farms actively encourage people to learn on the job at their farm. More than one is proud that they have “graduated” farm workers who have then started their own farms.

IV. Supplying Farmers Markets

Distance to Markets

Most respondents who currently attend farmers markets offer information on the maximum distance (one way) they would travel to attend a farmers market. Fifteen percent (six growers) say they would go 30 miles or less; about 30 percent (11 growers) say they would travel 31 to 50 miles; 18 percent (10 growers) said they would go 51-100 miles; 18 percent (seven growers) say they would go 101-150 miles; and 10 percent (four growers) say they would travel over 150 miles. The maximum distance mentioned for travel is 180 miles. In making these estimates, many growers say that this “longest travel distance” would be reserved for “exceptional markets” – which means the growers can anticipate reliably high sales volume with the highest prices.

These numbers need interpretation. As a general rule, the smaller the farm the less distance they are willing to travel to markets. Small farms typically have less production to sell and their products can be sold more easily at nearby farmers markets. Smaller farms also have less specialized trucking and handling equipment than larger farms. The owners of the smaller farms are also more likely to be going to the markets themselves, so their opportunity cost of travel is higher. It is also clear that the highest value products – cheeses, meat and seafood products – are often among the products transported the furthest. Finally, some of the larger farms are able to consolidate their deliveries so when their truck goes 150 miles they are often delivering to the farmers market as well as to restaurants and institutional customers, making CSA drop-off deliveries, etc.

Several growers equate their answers to travel time. They measure time like a commuter would clock time in transit: the slower the traffic speed, the shorter the distance they are willing to go. One grower says that they look at markets as total time away from the farm; in other words, hours in travel to and from the market plus the hours at the market. This grower is very sensitive to total market hours. A busy three-hour market is much preferred to a market open for four hours. Market access, set-up and take down time are also factors.

Supply Channels

One of the more significant and consistent findings is that most growers already have very diversified sets of marketing channels. The more established farms typically have three or four direct marketing channels for selling their products. Almost no growers want to further specialize and narrow their marketing options; only about one-fifth of farms are highly dependent on farmers markets for 80% or more of their sales.

Portland Farmers Markets Survey Participants Farmers Market Sales as Percentage of Total Sales*

% of Total Sales	% of Participants
<20%	8%
20% – 39%	22%
40% – 59%	27%
60% – 79%	19%
80% +	20%

*37 of 52 survey participants answered this question.

There is a tendency for smaller farms to sell a higher percentage of their products at the farmers markets. Many farmers also report that their first direct-sales were at farmers markets, and nearly all of these have continued to serve farmers market as they grow or diversify.

The most frequent direct-market paths that growers use to reach consumers are CSA sales and restaurant sales. Larger farms often add sales to wholesale distributors and direct sales to retail groceries.

CSA sales are a central part of the marketing strategy for many growers surveyed. Fresh produce growers of all sizes are heavily involved in selling their food products to subscribers. Using the early season payments from subscribers saves farmers the cost of borrowing for their operating expenses, and spreads the risks of low crop production to be shared by customers. This direct-market method is high on the priority list for many growers. CSA marketing is evolving as a reliable means of reaching customers and its growth may be somewhat competitive with farmers markets. The growers who sell using their CSA outlet usually commit to providing the widest range of vegetables and fruits that they grow to their subscribing members. Most growers feel that they have more flexibility in selecting the range of crops / products they take to farmers markets compared to the crops they provide to CSA members.

Some of the larger leading growers who sell in farmers markets have evolved very sophisticated marketing programs. There are several wholesale fresh produce distributors in Portland and beyond that sell and feature organic products, and these specialty food distributors have become regular customers for some of the farms surveyed. Wholesalers are volume sellers, so their prices are lower than growers receive when selling directly to retail or institutional customers. Wholesalers serve a function for larger growers of helping move a perishable product when an overabundant supply is ready for market. Larger growers can also use wholesalers to help expand their overall sales volume. Distribution of organic fresh produce is clearly expanding and competition is emerging for consistent supplies of high quality, locally grown organic produce – from distributors to retail food stores or by marketing directly to restaurants, schools and other institutions. Small and medium size farmers often report they avoid wholesale distributors because they can earn higher prices through their own direct-market efforts. Some specialty wholesalers are gaining premium prices however, and are also able to pay growers more than commodity-level prices. Growers are alert to the demand (premium pricing) and the costs of producing and supplying these alternative markets. There is competition for the limited supply of organic and high quality natural food products in all of western Oregon.

Sales to restaurants and other institutions strongly interest farmers. Usually the growers have a narrow range of fresh produce crops they sell through these channels. Growers remark that there are real challenges because of the small volume/high cost of delivering to most restaurants – and chefs are very particular about quality. These factors have led some farmers to discontinue their restaurant sales. However, growing numbers of buyers from restaurants, universities, and K-12 public schools are seeking the foods of local growers. Some chefs also shop at the farmers markets, and consolidated deliveries are being made to restaurants/institutions by some farmers when they go to certain farmers markets.

The farmers surveyed are much less likely to operate a farm store than use the other direct marketing methods discussed here. Having a high traffic location is a key need and this is not often the case at the more rural farm locations. However, there is a trend for more farmers to sell to other farmers with farm stands and/or sell their seasonal produce to local retail food markets. Smaller, specialty local retailers can more easily deal with direct deliveries from local growers than can the large supermarket chains.

Growers also show their creativity in other smaller and innovating marketing distribution channels. Less common but still effective marketing techniques used by growers in our survey include: sales to food processors, sometimes retaining ownership of the product and selling it under the farm's brand; Internet sales; and sales to home delivery businesses.

Farmers' Expansion Plans

One of the positive survey findings for Portland farmers markets is that two-thirds of the growers surveyed do have expansion plans. The growers are considering expansion in different ways. Some growers are

planning to add land already in their ownership for cultivation or livestock production. Others plan to lease more land for production, or partner with other farmers for expansion. Growers say they will expand as their managerial time, farm labor and capital permit. Another group of growers are considering expanding by adding new crops on their existing land base and by intensifying production. Greater production per unit of land area can be accomplished by adding greenhouses or hoop houses, or in some cases by double cropping (planting two crops in one year on the same land).

About one-third of the growers say they are uncertain or do not plan to expand production. Generally these growers are smaller in size, and/or are newer growers with more limited experience and fewer resources.

Many growers say they will expand to meet the current fast growing demand for fresh, local and organic food. However, they must balance many priorities and practical considerations. A significant number of farmers interviewed want to remain principally reliant on their own family labor. These farmers usually have much more modest plans to add land or intensify production than others who are already expanding, relying on hired labor and have a track record of sales growth and market expansion.

Crops Grown for Processing

Some of the farmers in the survey “are their own processor.” These include: goat dairies that produce cheese; poultry producers who process and package their meat birds; hog and beef producers who make their own sausage and jerky; fruit growers who dry the fruit or make cider; and vegetable growers who make barbeque and other tomato-based sauces in commercial kitchens. There are indications that some growers want to expand these types of product lines as they get more inquiries from retailers who want local processed foods. All of these products are also well suited for selling alongside fresh produce at farmers markets. Indeed many of these products are already displayed prominently and sold at the markets – and they are particularly well suited to the extended season markets.

There is also a group of growers who raise crops specifically for sale to local processors. Typically, the smallest farmers show the least interest in directing their production to processors as they generally want to focus on fresh crop production and marketing. However, many of the medium size and larger growers do sell products to processors and they and other growers express interest in seeing this direct-market channel grow. Their motivation seems to be the need to manage variability in supply quantity and quality. For example, if a grower has several acres in tomatoes and the quality is lower than their standard for fresh crop sales, or the weather brings a flush of production that cannot be accommodated in their fresh market outlets, they can send this production to processors. This is easier if the grower has an on-going relationship with the processor(s). Some growers are also creating their own brands with custom processing of jam, salsa, pickles and other products.

Even with this interest in processing, growers as a whole still emphasize fresh market sales. One grower’s response is illustrative of the thinking as demand for fresh local products increases and growers deal with the realities of scarce resources. This grower, an experienced and larger scale operator, is eliminating the organic crops they have grown in the past for processors because the grower wants to direct their scarce labor to the highest income crops they produce – the fresh market crops and grain crops. Specialty grain crops are perhaps not as high value as vegetables and fruits, but they are premium priced and require minimal labor to grow and harvest.

Labor

The cost and expected shortage of labor is a major concern for about one in five growers surveyed. Many small and medium size family farms want to limit their labor needs to be fulfilled by their own family members. This approach limits their growth potential. Many farms send a driver from the farm (it may be the owner, but in many cases a hired crew member goes to the markets) and operates the farmers market booth, perhaps supplemented by hired “market day” local staff. The labor problem is more severe for the farm crew but some have also had a problem getting trustworthy and qualified local market sales staff.

If there is an immigration crackdown as proposed at the federal level, growers are concerned much of their valued staff will vanish. Even under the current circumstances, farm workers are harder to attract to local farm jobs and labor rates are rising. Some local residents supplement the larger immigrant population by working on farms to gain knowledge with the goal of operating their own farm in the future. In any event, labor is one of the most constraining factors that could limit local farmers' ability to grow, harvest and handle the perishable crops that are destined for Portland's farmers markets.

A few medium and larger farm operators say they do not have labor problems. They attribute this to several factors: they have organized their farm and workload so they can offer year-round jobs, not seasonal work; the pay is better than average wages or they offer extra benefits such as worker housing; and they treat their workers with respect and offer them better positions as they advance.

Immigrant and Emerging Farmers

A very small number of immigrant farmers (two) were included among the interviewees. There are relatively few immigrant and refugee farmers in the Portland area but opportunities exist for more of them to expand sales in farmers markets and especially to meet the traditional food needs of other immigrants and refugees in Portland and surrounding areas as well as the desire in the general population for "new," fresh ethnic foods.

Mercy Corps Northwest has established the *New American Agriculture Project* to assist immigrants and others with donated seeds, hands-on grower education, business planning support, loans and access to land. Zenger Farm also has a program to nurture immigrant farmers. Farmers markets play a role in opening an initial market outlet for their products. Markets such as Lents International Farmers Market and others can accommodate the farmers' need to start their marketing program and also meet the expanding demand of consumers who seek these unique and fresh products in the farmers markets.

V. Farmer Views on Farmers Markets

How Growers Choose Farmers Markets

The level of customer demand is the main factor that drives decisions of farmers to choose which markets they attend. One grower sums it up: “People spend money at these markets” (the four where he participates). Another grower remarks that she goes to Portland area markets because the prices customers are willing to pay in the city exceed the prices small town residents will pay. Other growers point to customer counts, their careful review of the OSU rapid market assessments, and discussions with market managers as tools they use to evaluate demand. Another way growers talk about demand is the “buzz” or “atmosphere” that is being created in the market space, with activities and advertising/promotion. Most farmers want a lot of customers in the market and a fast pace that encourages buying and selling. A host of secondary reasons are also mentioned. Farmers who starting selling years ago in the markets say they have a loyal customer following and they are not likely to leave.

Otherwise, a set of very practical considerations also determines the degree of “fit” for each grower. The distance travelled, the day of week/time of day and total operating hours affect a farmer’s scheduling of harvesting, trucking, and labor needs. Some chose a certain farmers market to coordinate harvesting with their CSA or delivery to other market channels. Easy unloading, loading and parking at the markets are also important. One grower says he would need double the sales in a Portland market (\$2,000 per day) versus \$1,000 in Corvallis to have equivalent net income after considering expenses. To this grower, distance to the market is very important.

The length of the market season is also a factor. For example, Hillsdale Farmers Market is chosen by many in part because of the extended selling period. Some producers are prepared – or are getting prepared – for near year-round sales. Other growers are adamant that they need the winter break and they will not be looking for markets of more than 28 or 30 weeks.

Also farmers increasingly see themselves in a “sellers market”: there are more and better farmers markets to choose from every year. The farmers have indicated that as more mid-week and weekend markets are opening (or improving) in places like Salem, Corvallis, Eugene and Cannon Beach, they are looking at these opportunities because some are closer to their farms than Portland. College towns, the state capital, and the coastal cities have higher income residents, too, and the local fresh food demand factor is improving there as well as in Portland.

Sales Volume

Participants were asked what minimum sales they need to achieve at farmers markets. Not surprisingly, the range is wide. At the low end, two new and small farm owners say they are seeking from \$100 to \$300 in the slowest part of the season. However, most growers expect a minimum of \$500 to \$1,000 per day. The biggest growers in the largest markets are seeking \$2,000 or more. It is very likely that given the travel distance/expense, the number of staff, and market fees, that the well positioned growers with multi-booth areas expect gross revenues of well over \$2,000 per day on most market days. Some of the growers say that if a market does not exceed an average of \$1,500 very quickly, they will drop it after one year. Other growers are hesitant to quickly drop a market because they know that markets can be impacted by weather and many other factors.

Serving New Farmers Markets

When discussing new markets, the most experienced participants realize that most farmers markets take two years or longer to approach their potential. Some growers candidly say they would watch a new Portland market before stepping in at start-up. As one veteran states, “We have already paid our dues.”

Some growers view themselves or others as “anchor” participants. The term is used to mean they are better known and their consistent participation in a market is a draw for customers. Whether this is an

attraction for gaining a customer base may be a worthwhile consideration by market managers when setting up new markets.

Growers surveyed see market demand growing rapidly, and know they have many choices for where they sell. One well established farmer reports their gross sales increased 30 percent per year over the last two years. There is not a sense that more farmers markets in Portland are necessary for growers to succeed. This is not to say they would ignore a new market, but they will thoughtfully assess opportunities before going into new and unknown farmers markets. Recent failed farmers markets in Portland and elsewhere are well known and add to the sense of caution.

Again, the limited supply of labor is a reason given by some growers as a constraint that might inhibit them from going into a new farmers market.

Growers were asked whether they would consider adding different farmers markets than they currently attend. Participants are nearly evenly split between whether or not to add one or more markets, or stay in the current markets with no expansion. The larger farms are more actively contemplating a shift in market participation and some of these are considering adding new markets while keeping all existing markets. But most who expect to change markets are planning to drop certain markets in order to add others.

Ways to Improve Farmers Markets

Growers appreciate having access to Portland area consumers through farmers markets, and for the most part they compliment managers and boards regarding market operations. A few growers can offer no ideas on how to improve the markets, but most offer constructive suggestions.

Several farmers market vendors voice the opinion that there is need for grower advisory committees to give more input and contribute farmers' perspective to the markets. These participants would like to offer more focused input on promotional ideas for the markets, methods to improve consumer education, farmers' views on the ideal vendor mix in markets, and infrastructure improvements.

There is some concern among farmers that markets can be sited too close to each other. The concern is that this would bring excessive competition and undermine the profitability of the farms that markets are trying to nurture. Within a given market, farmers often talk about having just the right mix of vendors without bringing in too many similar products. Farmers also want the markets to be sited where they have the maximum advantage to draw "real shoppers" and minimize the browsers. Also recommended is better signage to ensure that every passerby knows about the market. Farmers agree, too, there can never be enough consumer education, and that print and electronic media for promotional purposes should be used to better effect.

Some specific recommendations from growers for market managers are: 1) Create lists of pre-screened prospective employees that farmers can hire at the start of each market year; 2) Offer sliding scale fees for a few new vendors each year to help jumpstart their sales in the markets; 3) Offer WIC and Oregon Trail coupons in the markets; and 4) Test and develop a permanent, year-round covered market.

Bringing Non-Participating Farmers to Farmers Markets

The survey included nine farmers who do not sell at farmers markets. In three cases, these growers are in a transitional phase where they are just getting established or relocated. Their absence is short-term and they expect to soon join or return to farmers markets.

The remaining six farmers have no intention of selling at farmers markets. Two of these growers say their weekly market sales fluctuated too much in the past, and left them with unsold products. Another grower reports that they are merging with a partner. Together they vastly expanded their CSA marketing program, which now takes all of their production. Another large grower has always emphasized sales to

wholesale distributors. This market channel offers volume sales without the labor cost of going to farmers markets. The last two growers say that their primary sales channels (one is CSA, the other is direct restaurant sales) offer revenue advantages with less labor compared to farmers markets. All six of these growers hold the view that farmers markets are not advantageous to their operations, and they are unlikely to change their minds.

VI. Final Thoughts

Further observations and advice from the survey respondents:

The performance of Portland farmers markets need to improve as a whole because other markets outside of Portland (in Western Oregon) are getting stronger and gaining attention from growers who want to limit the distance they go to serve a market.

“As an experienced participant in farmers markets, I can pick and choose the ones I attend. It would be better to stabilize the existing Portland markets instead of starting new ones. If you do start new markets, be prepared for them to begin slowly and build gradually unless you have everything just right.”

Farmers markets really do support local farms because they are still the place new farmers get started: “Without them it would be difficult and time consuming to establish my own customer base.”

An indescribable feeling that has to be there for a market to be successful and it can not be “constructed” by a board and farmers market staff. Part of it is community participation and for any new market the neighborhood needs to fully invest in the market if it is going to really thrive. Some amenity and infrastructure factors are very important such as grass, shade/cover, nearby parking and some buffers from the sights and distracting sounds of the city.

“You must have a strong and fair manager who enforces a limited and reasonable set of rules.”

Labor is a serious constraint and more strict enforcement of immigration law is a deep concern. Some small farms intend to stay small and rely mainly or exclusively on their own labor (family members and other) – not hired labor. If this trend plays out, there are some serious limits on the ability of local farmers to serve more farmers markets.

Market boards and managers focus too much energy on creating an event out of the market rather than focusing on the needs of the farmers and their customers.

To have a successful market you must have 20-30 vendors. Too many markets in the area means that farmers have to go to more markets to make the same amount that they would previously make at one busy market. “I want the markets busy; don’t disperse the crowd too much.”

“The farmers market is a long day with no assurances of any sales. CSA and wholesale works better because I do not have to stand around and staff the booth and there are less fuel costs.”

“I find the best profits come from farmers markets. I would like to create better venues for vendor input into the market.”

“We could not have gotten started without farmers markets. They accounted for 90% of our sales in the early years—it was huge!!!”

Appendix A

Portland Farmers Markets / Direct-Market Economic Analysis Interview Participants

Ron Baune	Rainyway Farm
Sophie Bello	GroundWorks Organics
Amy Benson	Square Peg Farm
Anne Berblinger	Gales Meadow Farm
Jeff and Cheryl Boden	West Union Garden
Aaron Bolster	Deep Roots Farm
Antony Boutard	Ayers Creek Farm
Zoe Bradbury	Groundswell Farm
Dave Brown	Mustard Seed Farm
Diane Burns	Snowman's Nursery
Rick Campos	Seki Farms
Ben Cunningham	NW Heritage Pork
Tom Denison	Denison Farm
Teresa Draper	Draper Girls Country Farm
Jonathan Ehmig	Highland Oak Farm
John Eveland	Gathering Together Farm
Jeff Falen	Persephone Farm
Mike and Susan Farley	Sundance Lavender Farm
John Fraley	Gus & Co. Farm
Tony Gaetz	Bare Mountain Flowers
Angel Garcia	
Carine Goldin	Goldin Cheese
Charlie Harris	Flamingo Ridge Organics
Vivki Hertel	Sun Gold Farm
Bonnie Hodge	Brookside Farm & Gardens
Dave Hoyle	Creative Growers
Lisa Jacobs	Organic Life Creamery
Sheila Jaillet	Growing Wild Farm
Cynthia Kapple	Midway Farms, LLC
David Knaus	Fresh Earth Gardens
Pierre Kolisch	Juniper Grove Farm
Katie Kulla	Oakhill Organics
Harry MacCormack	Sunbow Farm
Petrene Moreland	Sweet Briar Farms
Gretchen O'Brian	River Rock Nursery
Bill Osburn	Stonewall Banks Seafood
Chris Overbaugh	Winter Green Farm
Mike Paine	Gaining Ground Farm
Shari Raider	Savvie Island Organics
Andhi Reyna	Fern's Edge Goat Dairy
Jeff Rosenblad	Happy Harvest
Alan Rousseau	Pine Mountain Ranch
Tera Rutecki	Morning Sun Organics
Mike and Marsh Shadbolt	Cherry Country
Shari Sirkin	Dancing Roots Farm
Rick Steffen	Rick Steffen Farm
Dan Thall	Hood River Organic
Dan Turner	Wooden Bridge Farm
Kathy Unger	Unger Farm
Chris and Marven Winters	Winters Farm
John Witte	Tenino Farm
Chrissie Zaerpoor	KooKoolan Farm

Appendix B
Portland Farmers Markets/ Direct-Market Economic Analysis
Farmer/Producer Survey

1. Where is your farm located? (General location, distance to Portland)

2. How many acres do you farm (Approx acreage)? _____
 - a. General info – how long have you farmed?

 - b. Expansion/growth plans this year or in the near future?

3. What crops do you currently grow?

4. Are you planning to add new crops or expand into value added processing and marketing? Yes/No
If yes, explain _____

5. What market channels do you use to sell your crops?
 - a. Sell to wholesaler(s) / brokers _____ What crops

 - b. Sell on farm via CSA or U-Pick _____ What crops

 - c. Sell on farm via roadside stand/farm store _____ What crops

 - d. Sell at farmers market(s) _____ What crops

 - e. Sell to restaurants or food service distributors _____ What crops

 - f. Sell to others not included above _____ Explain

Other Comments

For farmers selling at farmers markets-----
(If interviewee is not selling at farmers markets, skip to question **13**)

6.a. What farmers markets do you sell at and why?

b. How many weeks do you sell in the market(s)? Would you like a longer season? (Explain)

c. What is the minimum sales volume (in dollars) that you need each day to stay involved in a farmers market? \$_____ per day

7. Do you plan to add more farmers markets or pursue expanded space at your current market?

Yes/No _____ Why or why not? _____

If yes have you decided which farmer markets to add, why have you chosen them?

8.a. How do you staff your farmers market stands? (Is that a challenge for you?) _____

b. How many staff per day?

c. What is the range of hourly wages that you pay for farmers market staff? \$_____ to \$_____ per hour

9. Are you considering expanding your marketing program with **other** (non-farmers markets) direct-market channels? Yes/No _____ Which direct market channel(s)? _____

Other Comments

10. How much of your production is currently sold at farmers markets versus other market channels? (Percentages and approximate volume in pounds of production)

11. What distance do you think is the farthest you would travel to sell at a farmers market? _____

12. What are the two most significant actions managers of farmers markets can do to increase your success in selling there?

(Skip to question **16**)

For farmers not selling at farmers markets-----

13. Have you previously sold at farmers markets? Yes/No _____ If you have, why did you stop? _____

14. If you have never sold at farmers markets what are the reason(s) you have not? _____

15.a. Do you know other farmers who are selling at farmers markets and what have you heard about their experience?

b. Would you have any interest in selling at a farmers market in the future? Yes / No?

Factors that would convince you to participate in the future: _____

Final questions for all respondents-----

16. Do you have general comments about your farming and marketing situation which we have not discussed? _____

17. Can you offer a single most important piece of advice to make farmers markets accessible/successful for farmers?

18. Are there other farmers, either currently selling at farmers markets or not, that you recommend we interview?

Thank you for your time and valuable input. If you want to learn more selling at Portland area farmers markets, we will be happy to forward your name to market managers in the Portland area. Yes/No _____ What is the best way to contact you?

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