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Eight Questions About Farmers Markets
by
Stuart Plattner
EIGHT QUESTIONS ABOUT FARMERS MARKETS

1. **What are Farmers Markets?**

Farmers markets are public marketplaces (places where many small, independent firms offer goods for immediate sale), in which most or all of the vendors are farmers. A public market may also be a municipal market (owned and operated by a municipality); a curb or courthouse square market (located periodically along a public street or in a town square); a terminal market (associated with a shipping-receiving terminal); or a shipping-point market (located at the point of origin for some important goods). Public, Farmers, Municipal, Curb, and Courthouse Square markets may be wholesale or retail and often combine both functions. Terminal and shipping point markets are usually wholesale in nature. These neat types are not always met with in reality. For example Union Market, in St. Louis, is owned by the city and leased to a private corporation consisting of the tenants of the market, who operate this public market as a privately owned corporation. In the first quarter of this century there were many such privately-owned public markets in cities in the United States.
2. Are Farmers the Only Sellers of Produce in Farmers Markets?

This is a statistical question of the relative proportions of farmers (those vendors who grow all or practically all of the produce they sell or who buy relatively small quantities from their farmer-neighbors for resale along with their own produce); merchants (those vendors who sell produce bought at wholesale); and merchant-farmers (those vendors who grow some significant part of what they sell, in addition to purchasing produce at wholesale for retail sale).

At Soulard Market, in St. Louis, Missouri, 29 of the 87 regular firms, who rent stalls on an annual basis, were farmers; 35 were produce merchants; 7 merchant-farmers; and 16 dealt in foodstuffs other than produce (Eckstein and Plattner 1978). In the Eastern Farmers Market in Detroit 329 farmers and 45 merchants were listed as annual renters, although the source does not specify how many of the farmers were wholesalers (the majority, from the text) or retailers. The merchants were all retailers and rented 91 of a total of 414 stalls, or 22% (DeWeese 1974). The state of California recently began licensing Farmers Markets (Sommer 1979). As of 1978 there were 15 "certified" Farmers Markets, of which three were public markets open all year. Consumers at these markets were presumably assured by the state that they were buying produce grown by the vendor. In general "Farmers Markets" in urban areas are misnamed and contain significant numbers of merchants and merchant-farmers as well as farmers. Thus shoppers at Farmers Markets may expect to buy produce from farmers, merchant-farmers, and from merchants.
3. Is "Home-Grown" Produce Sold at Farmers Markets Better than Supermarket Produce?

The conventional wisdom is that home-grown produce is superior to shipped-in produce. The usual image is of hard-as-rock green supermarket tomatoes that are chemically ripened ("gassed") as compared with sweet, juicy deep red Farmers Market tomatoes. Professor R. Sommer of the University of California-Davis did a careful comparison of the taste and appearance of tomatoes and bell peppers purchased from local Farmers Markets and supermarkets (Sommer, Knight and Sommer, 1979). In a double-blind experimental situation tasters evaluated supermarket tomatoes as better looking but not significantly different in taste than Farmers Market tomatoes. Farmers Market green peppers were preferred over supermarket specimens. This finding may not be replicable in other locations or seasons, as the test was done during the height of the tomato harvest in the center of a region of large scale tomato production. Supermarkets there had access to commercial quantities of higher quality tomatoes than are available to supermarkets in other locations. The same tomatoes may be shipped to other locations, but will suffer from handling; or they may be picked green and ripened on demand.

In fieldwork at Soulard Market I have heard shoppers denigrate the flavor of local produce, such as melons ("they are just not as sweet as California melons because the soil here isn't as good") on the same day that others preferred the same item home-grown ("they have a better flavor than those supermarket ones"). In general shoppers agree that home-grown produce is fresher, tastier, and more variable than chain
store produce. How much of this may be self-delusion will have to await more double-blind experimental studies.

4. **Is Produce at Farmers Markets Cheaper than Supermarket Produce?**

I compared a market basket of 24 fruits and vegetables in quantities that could have been bought for a week's consumption by a small family. The items surveyed were shipped-in as well as home-grown produce. Comparing prices at Soulard Market and an average of six local chain-stores on June 10, 1978, the basket cost $10.51 at the supermarkets and $6.78 at Soulard Market (Plattner 1978). Repeating the comparison a year later, on June 21, 1979, the cost was $9.87 at the supermarkets and $6.23 at the public market (Plattner 1979). Aside from the startling fact that produce prices had actually declined in 1978-1979, the comparison showed that the chain store prices were consistently 55 - 60% higher than the public market prices. Supermarket - public market price comparisons reported in the literature range from 23% higher (in Seattle) to 71% higher (in California) (Sommer 1979). Thus prices in public markets are definitely cheaper than chain-store prices.

5. **Are Farmers Markets Economic Anachronisms?**

The decline in the number of small family farms in the United States shows no signs of abating. Children of existing farmer-vendors seem in general uninterested in following their parents' arduous work schedule on the market, with few but important exceptions. But since many "Farmers Markets" contain significant numbers of merchants we may see the positive function such markets play in the national produce economy (Plattner 1978a). Briefly, public markets serve as a safety
valve for the controlled shipment-storage produce industry. When
shipments go astray, fall out, are mishandled, or appear in uneconomical-
ly small quantities, the flexibility provided by retail public markets
staffed by self-sacrificing family labor converts otherwise lost produce
into valuable goods. The crucial variables here are the volume of
"fall-outs" from the mass-distribution system and the level of self-
exploitation allowed by market vendors. If the produce distribution
system never broke down there would be no incentive for large-scale
shippers to deal with the petty brokers who sell to public market
retailers. If the opportunity costs of the labor that runs public
market firms were to increase, then fewer individuals would find it
profitable to put up with irregular hours, difficult working conditions
and sporadic income with little security. Conversely, worsening econo-
ic conditions make the irregular economy of the public marketplace
more attractive to persons with no other opportunity of making compara-
ble incomes. And ultimately a strong demand for the variable and
assorted produce in public markets will usually call forth a supply of
vendors.

6. Would Consumers Benefit From the Elimination of Middlemen from
   Public Markets?

   Merchants in public markets can provide high-quality inexpensive
produce. They also can provide low-quality expensive produce, just as
farmers could. The real question is whether middlemen charge more for
comparable produce than farmers in the same market. In a comparison
of 19 items sold by farmers and merchants in Soulard Market during the
summer of 1978 I found farmers' prices higher for seven items,
merchants' prices higher for three and no significant difference for nine items (Table I). Thus the data do not support the idea that merchants sell at higher prices than farmers in the same market. (Of course, both are cheaper than supermarket prices, as discussed in question 4).

I questioned farmers about the role of merchants. A typical response was:

"Yes, its good to have merchants as well as farmers. People can get anything they want. Merchants kinda fill in. They go down to the (wholesale) market and get things we farmers can't produce. Farmers now, we are seasonal. I think that's good. That makes this a complete market, a better market. If this was strictly a farmers market we would have everything here in season. Now, I don't raise no bananas or oranges. If people wanted that, they wouldn't come down here."

And another:

"Its better to have merchants with the farmers. If it was just farmers we would all have the same thing. I'll tell you I'd rather have them for competition than farmers. The farmer gets panicky and cuts the price faster'n hell. The merchant can't do that, he has to make his profit.

The relationship between farmers and merchants at Soulard Market is basically cooperative. This does not mean that there is no friction or hostility. Each criticises the stereotype of the other:

(German-American Farmer): "Them damn Dagoes! They sell junk! It drives the customers away!"
(Italian-American Merchant): "Them damn Dutchmen! They only come in the summer! If it wasn't for us merchants freezing our butts in the winter this market would die!"

Both statements have grains of truth in them. When rotten produce appears on the market it is on a merchant's, not a farmer's stand. In fact one or two merchants specialize in selling "distressed" produce at rock bottom prices (they are known as "clean-up" firms because they dispose of all the left-over items from certain wholesale firms each week). This upsets other vendors only if the produce is truly rotten ("stinks") or if it is dishonestly presented as of standard quality. And the survival of the market as a major food outlet hinges on the habitual patronage of a large number of steady customers who attend regularly all year long. If the market were to close down during the winter not all of these steady patrons would return each spring.

Farmers and merchants alike realize that the existence of the other makes the market more attractive to consumers. This is probably typical of public markets in general. Legislation restricting the type of vendor merely limits the assortment of produce available and decreases the potential number of shoppers who would patronize the market.

7. Why are Produce Merchants Often Ethnically Italian?

Produce merchants in the Eastern United States are ethnically Italian far more than their presence in the population would suggest. Twenty-four of 35 produce merchant firms at Soulard Market and a majority of the wholesale produce brokers in the Produce Row market
are Italian (Eckstein and Plattner, 1978). DeWeese (1974) reports the same Italian presence at the Detroit Farmers Market, in accord with reports about the Baltimore city markets (Nichols 1979) and the Kansas City Farmers Market (Pickens N.D.). Among Italian produce merchants Sicilians clearly outnumber Northern Italians. I hypothesize that early Sicilian and Southern Italian immigrants to the United States followed the hallowed tradition of immigrants everywhere and became itinerant peddlers to make a living in their new city. Whereas the Eastern European immigrants went into dry-goods as well as produce peddling, both of which required little capital, the Southern Italians' sub-tropical heritage gave them a familiarity with exotic new foods such as citrus fruits and bananas. The Italians developed an early means of controlling the ripening of bananas, in "banana basements", which gave them a competitive edge over other groups in the produce trade. (For the equation of Italian dealers and banana imports in the early part of this century see King 1913:119). This allowed them to establish a strong presence in the growing wholesale markets, edging out other ethnic groups. Once established, the existing Italian produce firms preferred to deal with retail firms drawn from the huge numbers of Italian immigrants. Newcomers used the existing ghetto networks to get jobs, a process which insured the continued presence of Italians in the produce industry. This hypothesis would be controverted if evidence were found that early Italian peddlers dealt with local rather than exotic produce, or if banana imports had significantly increased before heavy Italian immigration, or if other immigrant groups were found to have had "banana basements" before the Italians.
8. **Has the Structure of Farmers Markets Remained Unchanged for the Last Century?**

Urban public marketplaces grew along with city populations during the previous hundred years. Up to the 1930's public markets flourished; by the 1950's chain stores were clearly more important; and by the 1960's the decay of the inner cities in the Eastern United States had almost dealt the death blow to public markets suffering from the decline in local farm families. Shoppers from the suburbs chose not to travel to grimy inner city markets where they faced potential street violence to shop from a reduced number of vendors. The recent resurgence of interest in inner cities has benefited well-known public markets, such as Pike Place market in Seattle and Quincy Market in Boston. These two have been the beneficiaries of huge public works projects to reclaim decayed central city neighborhoods.

Precise data on market vendors at Soulard Market from 1930 through 1975 reveals an increase, and then a decline in vendors (Table 2). (Byrne & Plattner 1979). The market peaked in the 1940's and has declined since then. Less than half the farmers remain, while merchants have decreased less precipitously. DeWeese reports less than 329 annual renters at the Detroit Eastern Farmers Market where there were 832 in 1924 (DeWeese 1974).

Vendors have changed their operations to deal with changes in their customers. Most Soulard Vendors accept food stamps and recognize that sales in the first week of the month, when government checks arrive, will be heavier than otherwise. Farm families who have been on the market for five generations now specialize in selling soul food
(various sorts of greens) to Black shoppers, who have replaced the Eastern European shoppers of previous years.

If given adequate support in the form of parking areas, security and rehabilitation of physical plants, public markets will repay sympathetic municipal governments with valuable services to poor and middle class alike. There is no doubt that consumers appreciate fresh produce in a wide assortment at a cheap price, and that is precisely what public markets are able to provide.
Table 1
Average Prices of Fresh Produce at Soulard Market

<table>
<thead>
<tr>
<th>Item</th>
<th>Farmers</th>
<th></th>
<th>Merchants</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Observations</td>
<td>Price (SD)</td>
<td>N</td>
</tr>
<tr>
<td>Bell Peppers/ea</td>
<td>124</td>
<td>.14 (.07)</td>
<td>205</td>
<td>.15 (.06)</td>
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<tr>
<td>Tomatoes/lb</td>
<td>245</td>
<td>.27 (.11)</td>
<td>334</td>
<td>.30 (.09)</td>
</tr>
<tr>
<td>Apples/lb</td>
<td>10</td>
<td>.28 (.09)</td>
<td>173</td>
<td>.37 (.15)</td>
</tr>
<tr>
<td>Cabbage/hd³</td>
<td>60</td>
<td>.44 (.11)</td>
<td>79</td>
<td>.43 (.12)</td>
</tr>
<tr>
<td>Carrots/lb</td>
<td>18</td>
<td>.26 (.05)</td>
<td>134</td>
<td>.27 (.06)</td>
</tr>
<tr>
<td>Yellow Onions/lb</td>
<td>35</td>
<td>.22 (.05)</td>
<td>213</td>
<td>.18 (.04)</td>
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<tr>
<td>Red Potatoes/lb</td>
<td>22</td>
<td>.15 (.03)</td>
<td>201</td>
<td>.12 (.03)</td>
</tr>
<tr>
<td>White Potatoes/lb</td>
<td>82</td>
<td>.17 (.04)</td>
<td>176</td>
<td>.13 (.05)</td>
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<tr>
<td>Squash/ea³</td>
<td>174</td>
<td>.25 (.11)</td>
<td>18</td>
<td>.23 (.12)</td>
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<tr>
<td>Eggplant/ea³</td>
<td>45</td>
<td>.30 (.11)</td>
<td>56</td>
<td>.41 (.12)</td>
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<td>Peaches/1b</td>
<td>31</td>
<td>.38 (.07)</td>
<td>352</td>
<td>.38 (.10)</td>
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<td>Greens/1b</td>
<td>62</td>
<td>.30 (.05)</td>
<td>42</td>
<td>.30 (.23)</td>
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<tr>
<td>Cantaloup/ea³</td>
<td>43</td>
<td>.55 (.17)</td>
<td>263</td>
<td>.60 (.15)</td>
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<tr>
<td>Plums/1b</td>
<td>10</td>
<td>.57 (.11)</td>
<td>165</td>
<td>.49 (.17)</td>
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<tr>
<td>Green Beas/1b</td>
<td>125</td>
<td>.52 (.10)</td>
<td>110</td>
<td>.49 (.09)</td>
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<tr>
<td>Celery/st³</td>
<td>11</td>
<td>.39 (.12)</td>
<td>150</td>
<td>.39 (.08)</td>
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<tr>
<td>Corn/ea</td>
<td>37</td>
<td>.10 (.05)</td>
<td>207</td>
<td>.11 (.04)</td>
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<tr>
<td>Cucumbers³</td>
<td>160</td>
<td>.16 (.09)</td>
<td>168</td>
<td>.18 (.08)</td>
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<tr>
<td>Green Onions</td>
<td>31</td>
<td>.31 (.06)</td>
<td>107</td>
<td>.22 (.04)</td>
</tr>
</tbody>
</table>

1. Data is from summer 1978. Prices are in pennies by the typical selling unit (pounds, pieces, etc.).
2. An "observation" represents the selling price of that item by one firm in one market week.
3. Items which can vary significantly in size, not controlled for in the price data.
Table 2


<table>
<thead>
<tr>
<th>ECONOMIC TYPE</th>
<th>1930</th>
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<th>1960</th>
<th>1975</th>
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<td>FARMER</td>
<td>60</td>
<td>86</td>
<td>63</td>
<td>43</td>
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<tr>
<td>PR. MERCHANT</td>
<td>36</td>
<td>53</td>
<td>70</td>
<td>48</td>
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<tr>
<td>COMBINATION</td>
<td>8</td>
<td>10</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>OTHER</td>
<td>6</td>
<td>9</td>
<td>9</td>
<td>14</td>
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<tr>
<td>TOTAL</td>
<td>110</td>
<td>158</td>
<td>151</td>
<td>109</td>
</tr>
</tbody>
</table>
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NOTES

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