Hot Peppers and Parking Lot Peaches:
Evaluating Farmers' Markets in Low Income Communities

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Executive Summary

This report, Hot Peppers and Parking Lot Peaches: Evaluating Farmers' Markets in Low Income Communities, explores a breadth of issues associated with farmers' markets in low income communities. It examines barriers associated with fruit and vegetable consumption, including cooking habits and shopping preferences. It presents a series of case studies of eight farmers' markets, some more successful than others, enumerating general characteristics of successful farmers' markets serving low income communities. The third chapter discusses policy barriers and opportunities, focusing on the advent of electronic benefits transfer (EBT), the implementation of the Farmers' Market Nutrition Program (FMNP), and the possibilities for establishing off-farm stands in California. The report concludes with a set of policy recommendations. Following are some of the report's key findings and recommendations:

Consumer Preferences
- Low income people face many barriers in obtaining a healthy and nutritious diet. Many of these, such as lack of time available for cooking are similar to those faced by middle income individuals. Other barriers, such as price considerations, lack of transportation and food access are unique to low income communities.

Guidelines for Successful Low Income Market Operation
- Low income markets generally need to be subsidized. These subsidies may take the form of Farmers' Market Nutrition Program coupons, or the patronage of middle income consumers. Market organizers may also subsidize low income market management with proceeds from wealthier markets.
- Community organizing is an essential component of any successful market in a low income community. Providing the community with a sense of ownership is key to institutionalizing the market.
- Low income market should tailor their product mix to focus on basic foods at affordable prices.
- Farmers should consider hiring sales staff from the neighborhood, especially in cases where they do not speak the prevailing language of the market's consumers.
- Transportation may prove to be a significant barrier for market operation. Market organizers should consider developing transit programs to increase the market's trade area.

Policy Barriers and Opportunities

Electronic Benefits Transfer
- The lack of a farmer-friendly Electronic Benefits Transfer system has reduced low income persons' access to healthy produce at farmers' markets. It also threatens to reduce the income of tens of thousands of farmers. The Food and Nutrition Service should subsidize the capi-
tal costs of equipment for markets; fund demonstration programs using diverse technologies, and publish their experiences in a report; and fund community groups to conduct outreach to food stamp recipients.

- The California legislature should fund a demonstration program in high and low volume markets using different technologies.

Farmers’ Market Nutrition Program

- Congress should authorize the Farmers’ Market Nutrition Program under a separate identifiable appropriation from WIC to ensure the program’s funding stability.
- Congress should also reduce the state match from 30% to 15% to encourage program expansion to new states, and within existing states.
- California should appropriate a minimum of $400,000 from general funds for the FMNP for FY 1999-2000.

USDA Policies

- With USDA policies on farmers’ markets not always synchronized, the department should conduct an inter-agency review of all policies and programs related to farmers’ markets, and promulgate a cross-agency directive to support their development and operation, with particular emphasis on low income consumers. This action should take place within the framework of a larger department-wide community food security initiative.
- The House Agriculture Appropriations Committee should authorize the development of an Office of Community Food Security within USDA. One of the goals of this new office would be to promote direct marketing in low income communities.

Farmstands

- Off-farm stands in urban areas provide an important method of improving access to healthy fruits and vegetables in low income communities. The California legislature should exempt off-farm stands operated by a non-profit organization in food access deficient areas from standard pack regulations.
Introduction

For Marion Kalb, executive director of Southland Farmers' Market Association, one of the leading farmers' market organizers in the country, the failure of the Van Nuys Market in the San Fernando Valley was a seminal moment. Its poor performance befuddled her. The Valley held wide open territory for farmers' markets in contrast to the over-marketed Westside. They had done everything correctly in organizing this market: lots of community outreach, an impressive amount of media coverage, many festival events to draw people, a prime location with plenty of parking and good visibility, support from the city, adequate seed funding, and two very dedicated organizers. Why hadn't the primarily low-income Latino residents come out and patronize the market?

Van Nuys wasn't the first farmers' market serving low income communities in Los Angeles to have gone under. Before it, came a long string of markets no longer in existence—Koreatown, Highland Park, Pacoima, East LA. Those remaining markets such as Adams & Vermont and Gardena still hung in after 20 years, but their sales had remained flat for years. With Southland helping to organize highly successful markets throughout middle class and upper middle class neighborhoods, it began to appear that the original intention of farmers' markets in Los Angeles -- to improve access to food in poor communities -- was no longer viable. Marion noted that "we aren't quite sure anymore how to organize farmers' markets in low income communities."

*Hot Peppers & Parking Lot Peaches* is an attempt to address this puzzle, and provide some guidelines for low income market operation and development. As the City of Los Angeles is poised, through its new food policy council, to provide Southland with tens of thousands of dollars for new markets as part of a larger food security effort, this issue becomes all the more salient. While this report does focus on the special circumstances of Los Angeles and California as a whole, it remains as general as possible, intended to benefit market organizers nationwide.

In addition to the dilemmas of market organizing in Los Angeles, this report should be situated in the context of a general boom of direct marketing at the national level. USDA reports that the number of farmers' markets has increased almost 50% since 1994. Within low income communities, the emergence of the community food security movement and the funding provided by the USDA Community Food Projects program have helped to re-energize direct marketing projects.

*Hot Peppers & Parking Lot Peaches* was conducted over the course of almost two years, from Spring, 1997 to Winter, 1998. Research included interviews with many leading direct marketing organizers, bureaucrats, market managers, farmers, and consumers. Finally, the research included a review of the primary literature available on farmers' markets and low
income consumer dietary and shopping preferences.

Hot Peppers & Parking Lot Peaches is divided into four chapters. Chapter One, Consumer Preferences and Farmers’ Markets reviews current literature on the dietary and shopping preferences of low income people, with particular emphasis on California residents. This chapter situates these preferences within the context of inner city communities with generally poor access to quality produce. It also reviews the results of two studies which reveal shoppers perceptions of farmers’ markets, and the implications of these factors for markets.

Chapter Two, Farmers’ Markets Case Studies, contains case studies of eight low income farmers’ markets, of varying degrees of success. These case studies reflect different types of markets: unsuccessful markets, mixed income markets, markets serving solely low income neighborhoods, and markets dependent on Farmers’ Market Nutrition Program (FMNP) coupons. We present characteristics of successful low income markets along with general guidelines for market organizers. The chapter concludes with a brief presentation of alternative direct marketing strategies.

Chapter Three, Policy Barriers and Opportunities, examines federal and state openings and obstacles for low income markets. It focuses on the conversion of food stamp benefits to Electronic Benefits Transfer (EBT) and the FMNP. This chapter also reviews other USDA initiatives related to farmers’ markets as well as California law regarding farm stands.

The final section details the report’s policy and programmatic recommendations to promote direct marketing in low income communities.

Farmers’ markets in low income areas are a critical component of assuring community food security. It is our hope that this report will contribute toward the development of a coherent set of policies at the state and federal levels. In addition, the report can serve to provide market organizers with general guidelines for developing and operating successful direct marketing efforts.
Chapter 1: Consumer Preferences and Farmers’ Markets

Farmers’ markets depend upon the patronage of individuals for their success. Many factors determine whether an individual will shop at a farmers’ market. These factors include eating habits and shopping preferences, access, knowledge and resources. This chapter examines broad based changes in the American diet due to larger societal transformations, with particular emphasis on produce consumption. Low income consumer shopping habits are examined along with a review of survey data on consumer perception of farmers’ markets in two California locations. The chapter concludes with a discussion of what these consumer patterns mean for farmers’ markets.

Consumer choice
A number of different factors affect demand for farmers’ market produce. These include produce consumption rates, the diversity, quality, and price of produce available through other sources, and societal trends that have changed the underlying role of food in the household. A variety of factors, including culture, price, income, education and access, affect dietary practices (Ashman).

Generally, demand for farmers’ market produce is subject to larger societal trends in the consumption of fruits and vegetables. Federal recommendations suggest the consumption of 5 “servings” of fruits and vegetables per day (servings vary by item). Dietary studies have shown that the vast majority of Americans do not consume produce at these recommended levels. By way of example, fruit is one of the most underconsumed of the five food groups (DHS, 1997). In California, two thirds of adults do not eat the suggested 5 servings per day, with one third eating less than two servings per day (DHS).

Ethnicity and income levels appear to affect consumption levels of fruits and vegetables, although the data is admittedly mixed. Among various ethnic groups, in 1995, California Latino adults reported consuming the highest quantity of fruits and vegetables, estimated at 4.7 servings/day, followed by whites at 3.9 servings, and African-Americans at 3.0 servings (DHS, 1997). In California, counter to what might be expected, persons in the lowest household income level, under $15,000, consumed 4.5 servings as compared to 4.0-4.3 for other income levels in 1995. Similarly, a study of low income Berkeley consumers found that the “desire for fresh produce is relatively income-indifferent.” National data indicates however that the median daily fruit and vegetable consumption is 3.1 servings for the lowest income group as compared to 3.7 for the highest income group (Treiman). In a 1993 California dietary practices survey, there was a statistically significant correlation between increased income and increased produce consumption, with individuals in the upper income level of $50,000+ consuming substantially more produce (3.9 servings) than those in the lowest income strata (3.3 servings). Fresh
fruit consumption for households with incomes under $10,000 was 96% of the national average, and fresh vegetable consumption 105% (Alwitt).

Ethnic and cultural traditions also appear to be an important factor in food choice and meal preparation, especially for Latino and African-American households. Focus group research has found that Latinas express much satisfaction and pride in their cooking, and value their cultural traditions in food choices and meal preparation. Family members also have great sway over food choice and cooking methods, reacting negatively when new foods or cooking methods are introduced (FNS).

Barriers to fruit and vegetable consumption tend to be both externally oriented and taste-oriented (DHS, 1998; Treiman). The obstacles most frequently cited include not being in the habit of eating produce, perishability, cost of fruits out of season, cost, time, and skills associated with preparation of vegetables, reluctance of family members to try new foods, and difficulty in getting produce at work and at restaurants (DHS, 1998). Treiman’s research cites taste and preference for other foods as a major barrier to fruit and vegetable consumption (Treiman).

Low income women frequently cite cost as a barrier to increased produce consumption. It was an obstacle for 40% of adults with an annual household income less than $15,000 (DHS, 1998). In one study of WIC recipients in Maryland, Reicks found that women perceived fresh produce as expensive, and would have to give up other foods to buy them (Reicks in Treiman). Low income households may be risk-averse in trying new kinds of produce; financial constraints underlie concerns about waste and spoilage associated with purchasing new foods (Treiman). Cash flow limitations may also result in households purchasing produce at the beginning of the month, but not toward the end of the month as money runs out.

Food preparation
In addition to cost, habit and knowledge of produce preparation may be a barrier to consumption. The expanding numbers of women working away from the home, increased reliance on restaurants and availability of new services, as well as a decline in cooking skills affect food preparation and consequently food choice. Goodman and Redclift in their book *Refashioning Nature: Food, Ecology, and Culture* argue that the increasing numbers of women in the work force over the past few decades has been met by industry with new kitchen technologies, such as microwaves, and new types of processed convenience foods. This convergence has led to changes in the cultural expectations of the role of food in the home, as well as changes in gender roles. With women away at work, households have less time for shopping and cooking, resulting in faster simpler meals at home, “with the kitchen increasingly used during the week for assembling pre-prepared food items, rather than cooking from scratch” (DHS, 1998). The increased availability of services formerly conducted
at home, such as prepared meals for sale at supermarkets has also reduced the demand for fresh vegetables.

One fascinating intersection between consumers’ need for convenience food and interest in healthy eating is the rise of prepared salads in a bag. These pre-washed pre-cut greens and vegetables have been the fastest growing segment in the produce section of supermarkets, with substantial product differentiation taking place over the past few years. Bagged salads can be seen as a compromise between consumers’ knowledge that eating salads are healthy and a lack of interest in or time to prepare a “real” salad.

The convenience culture can be seen as a by-product of societal changes, but it also leads to declining cooking skills. Anecdotal evidence abounds to support food and nutrition advocates’ claims that “no one knows how to cook anymore.” For example, Farmers’ Market Nutrition Program coupons, valid for all produce, are more often redeemed for fruits than for vegetables, ostensibly because fruits rarely require cooking (Manetta). With both parents working outside the home and limited food preparation occurring, children may not be learning cooking basics. The phasing-out of home economics classes at junior high schools may have contributed to this decline (Voichick). In California, the number of people claiming not to know how to fix fruits and vegetables has increased from one quarter to one third between 1995 and 1997, according to the state’s dietary practices survey. Latino adults, men, and adults with less than a high school education all were less likely to know how to fix fruits and vegetables than other demographic groups (DHS, 1998). In focus groups of WIC recipients, Treiman found that most participants spend “little time cooking on a day-to-day basis,” preferring to eat convenience foods, hot dogs, or sandwiches (Treiman).

Moreover, an increased patronage of restaurants, and especially fast food establishments has exacerbated low fruit and vegetable consumption, reducing demand for farmers’ market produce. Forty percent of California adults said they had eaten out on the previous day, although those with lower income levels were the least likely to eat out. Eating at fast food restaurants particularly resulted in a decline in fruit and vegetable consumption, with those eating fast food consuming one less serving per day than those who didn’t. For low income adults, those eating fast food had particularly low produce consumption rates of only 2.4 servings per day (DHS, 1998).

One symbol of the way restaurants have come to fill an important cultural function has been the rise of “home-style cooking” chains such as Boston Market. These take-out oriented restaurants, typically located in middle class communities, market the staples of home cooking, such as mashed potatoes, turkey, and macaroni and cheese as nostalgic comfort foods. As a surfeit for the real thing, their popularity attests to consumer
interest in meals prepared from scratch, like mom or grandma used to make, combined with increased disposable income and reduced time availability for cooking.

Shopping Habits
In addition to dietary practices, food shopping preferences represent another important element shaping patronage of farmers’ markets. Many factors affect food shopping habits including community resources such as type, affordability, and proximity of food outlets; transportation; as well as more personal preferences, including cultural variables, home storage capacity, and personal time resources.

Low income consumers tend to be more constrained in their food shopping choices than middle income consumers, because of more limited transportation resources combined with fewer retail options. Numerous studies have indicated a dearth of supermarkets in low income urban communities across the country (Cotterill & Franklin). Without nearby supermarkets, poor consumers often need to travel outside their neighborhood, which may be especially expensive or time-consuming given lower than average rates of vehicle ownership. Public transportation can also prove inconvenient, given the fact that bus routes are not typically designed around food shopping (Ashman; Gottlieb & Fisher). Auto-less consumers may also depend on high-priced corner stores with a poor selection of healthy foods, such as produce. For these transit-dependent individuals, the most important variable in choosing where to shop is often proximity rather than quality or selection (Ashman).

In addition to inconvenience and poor selection, the poor often face higher prices at chain supermarkets. Prices in inner city supermarkets have been found to be higher than their suburban counterparts as well (Ashman; The Poor Pay More). In Los Angeles, however, farmers’ markets also compete with many forms of informal sector vending, such as swap meets (flea markets), street vendors, and produce trucks. Price and quality vary greatly, but generally these vendors carry inferior quality produce at very cheap prices. By way of example, tomatoes at one swap meet near the LA Regional Food Bank were 8 lbs. for $1 this summer. (Felipe at Watts Family Garden).

Frequency of shopping is an important variable that affects patronage of weekly farmers’ markets. In focus groups conducted in 1997 with low income women in Fresno, San Jose, and Los Angeles, Regino Chavez reports that most women shop every other week, although some do shop weekly or monthly. California Department of Health Services asserts that 78% of their respondents—of all income levels—shop once a week. This frequency appears to be an important threshold for fruit and vegetable consumption for low income individuals, with those shopping less frequently eating less produce (DHS, 1998).
Perception of Farmers’ Markets
As farmers’ markets compete with other food retail outlets for consumers’ food dollars, it is important to examine those factors that do draw people to markets. The most frequently cited factors are freshness and quality followed by price (Ashman; Lawson). Surveys of Farmers’ Market Nutrition Program participants found that 54% rated the produce found at farmers’ markets of higher quality than at local supermarkets (NAFMNP).

In Berkeley, price was an important factor at all income levels (Lawson). Lower income consumers surveyed in Los Angeles appeared more interested in the basics of quality and price as compared to middle class consumers who more often cited “atmosphere”, “variety of produce”, and “buying from the farmer” (Ashman). In Berkeley and Los Angeles, both middle and lower income consumers were interested in organically grown produce; 78% of shoppers at low income markets said that they would be willing to spend more for organically grown produce. This data is questionable however as many respondents confused organics with meaning better quality (Ashman). It also does not explore how much more they would be willing to pay.

The majority of respondents in both locales arrived at the market by automobile (60% in Berkeley and 75% in LA), although a significant percentage did come by foot. In the LA markets, 20% of lower income respondents did not own a car (Ashman). The average shopper lives within two to three miles of the market. In Berkeley, the impression is one of busy consumers with little time for shopping, with a significant percentage coming to the market from work (Lawson).

Implications for farmers’ markets
Low income people face many barriers in obtaining a healthy and nutritious diet. Many of these, such as time and lack of cooking skills are similar to those faced by middle income individuals. Other barriers, such as price considerations, lack of transportation and food access are unique to low income communities. Because of these barriers, community groups should take a more active role in addressing produce consumption as a public health concern, in order to empower individuals to meet their potential with the benefit of a healthy diet. Farmers’ markets can play an integral role in providing nutrition education and access to healthy foods. For example:

• Markets can help to foster cooking skills through recipe distribution, cooking demonstrations, and other similar activities. Nutrition education programs, such as EFNEP, should foster linkages with markets, perhaps providing coupon support.

• Markets serving low income people should consider weekend or evening hours of operation, to accomodate the needs of working
people.

- Markets should consider promotions or other programs that tailor to the monthly cash flow fluctuations of the community.

- Markets should consider developing transit programs to help bring those auto-less shoppers to and from the market as a way of increasing sales.

The next chapter will review many of these issues in more detail, and present guidelines for action by market organizers and managers.
Chapter 2: Farmers’ Markets Case Studies

Introduction
This chapter explores many of the core issues facing farmers’ markets serving low income individuals. Its purpose is to provide market organizers and managers with guidelines for developing and operating successful direct marketing efforts with low income communities. After evaluating eight farmers’ markets, varying in degrees of success, several themes have emerged regarding the characteristics that determine a successful market serving a low income clientele. Those themes are elaborated at the end of the chapter.

“Success” is a difficult concept to describe in this context. Rather than define some markets as successes and others as failures, it is more accurate to envision success in terms of a continuum. Factors to be accounted for in this “success-line” include longevity, sales figures, and whether the market meets the needs of the farmers and the community.

The markets, described in case studies below, are located on the East Coast and California. Each market was chosen for a specific criteria:

- Van Nuys, Alvarado and Berkeley as examples of markets that were less than successful in varying degrees;
- Richmond and Pasadena as models of well-established community-based markets serving almost entirely a low income population;
- Heart of the City in San Francisco as a “fringe” market with a mixed-income customer base;
- The Greenmarkets in New York City, primarily Poe Park in the Bronx and Washington Heights in Manhattan, as examples of markets heavily dependent on WIC FMNP coupons, and
- Waverley Market in Baltimore as a mixed-income market with a substantial portion of sales coming from FMNP coupons.

The sample is focused on areas with high density, such as New York and San Francisco, and on California, and as such may not describe the full diversity of farmers’ markets or agriculture around the country.

Extensive in-person and phone interviews were conducted from Summer, 1997- Summer, 1998 with farmers, market managers, and other organizers. All of the markets were visited with the exception of the defunct Alvarado and Van Nuys markets. In these cases, the author had to rely upon the memory and records of the market managers and organizers.

A summary discussion of issues facing low income markets, as well as general guidelines for starting and operating such a market follows the case studies. It continues with a brief exploration of other direct marketing options, as alternatives to farmers’ market development.
Less than Successful Farmers’ Markets

Case Study Number One: An Issue of Price
Van Nuys Certified Farmers’ Market
Los Angeles, CA

In the offices of Southland Farmers’ Market Association, a map of the 30-odd farmers’ markets in LA County hangs on the wall. While the Westside is dense with colored pins marking the three Santa Monica markets, the markets in Venice, Culver City, West Hollywood, Beverly Hills, and Westwood, the much larger San Fernando Valley appears conspicuously empty. The Valley, generally perceived as a suburban enclave, has bewildered farmers’ market organizers. Given its large population, huge expanse, and favorable demographics, it should have many more markets than it does. The lack of markets is not because of a lack of interest on the part of organizers. One of the first markets in Southern California opened in the low income area of Pacoima in the eastern edge of the Valley in 1980s, only to close a few years later. More recently in 1995, a market opened and closed the same season in the neighborhood of Van Nuys. Van Nuys is located in the heart of the Valley, with the 405 freeway dividing it into a poorer immigrant neighborhood on the east, and a wealthier community on the west.

Marie Tolbert had a vision to open a market in Van Nuys, where she works at the Volunteer Center of the San Fernando Valley. She had patronized the Adams/Vermont market near downtown LA on numerous occasions and thought that a farmers’ market would benefit the community by improving access to fresh produce.

In 1992, she began working on the market by building support for her idea. She contacted the wife of Rep. Howard Berman (a liberal Democrat representing the area) who shared her interest in farmers’ markets. Their collaboration eventually ruptured when they disagreed about the day of the market. Marie wanted Saturday, but Mrs. Berman did not want to hold the market on the Sabbath.

With the Volunteer Center paying for Marie’s time starting in October, 1994, she sent out letters to churches and other agencies, and met with homeowner groups and the chamber of commerce. Despite a low turnout at these meetings, attendees were enthused about the new market. Through the Valley Interfaith Council, they invited churches to meetings, which in turn agreed to help the market by placing notices in their newsletters.

Marie, along with Cambria Smith, a young employee of the Volunteer Center, enlisted the help of Marion Kalb and Mark Wall of Southland Farmers’ Market Association. Southland Farmers’ Market Association, based in Los Angeles, is one of the nation’s premier organizations developing farmers’ markets. Marion provided Marie with “state-of-the-art” advice on starting a market, especially emphasizing the need for the community to “invite” the market.
Perhaps most importantly, Southland provided Marie with free labor. For six months, four or five AmeriCorps volunteers, locally sponsored by Interfaith Hunger Coalition, worked in the community, leafleting, talking with community groups and churches, and building support for the market. As Marion noted, “we did everything by the book, using a community organizing method. It should have worked.”

The market opened on a Saturday in April, 1995 at the Van Nuys City Hall. It was an excellent location: well known, highly visible, with lots of parking, on a heavily transited street. The City had been very helpful in allowing the market to use the parking lot, and paying for security guards so that shoppers could use City Hall bathrooms while it was closed. They also waived the fees for hanging banners.

On opening day, sales totaled $5,700, a respectable showing for the dozen or so farmers that attended. Part of the reason for this good start, Marie believes, was the amount of press that they had received. Their clipbook overflows with articles from local “throwaway” papers and the LA Times. They also distributed numerous leaflets and aired public service announcements on local radio stations.

Soon, however, sales began to decline. The number of customers dwindled, and when they did come, it was more often to look rather than to buy. In response, Marie and Cambria tried to arrest the slide through additional publicity. They held multiple festivals—Thai, Mexican, Pilipino, calypso bands, cooking demonstrations, arts demonstrations—anything that they thought would appeal to the community and would bring in shoppers. Shortly, Marie and Cambria found themselves working more than full time on the market.

The market lasted only six months, closing by the end of the summer before the winter rains arrived. (A separate market opened the next spring on the other side of the 405 freeway, to cater to more upscale customers).

In analyzing its short life-span, Marie pointed to a few important obstacles, including apprehension about the neighborhood’s safety and high prices. Unlike other successful low income markets, the Van Nuys Market was unable to attract middle class Anglos from surrounding communities, who could have subsidized the market in its infancy. The market may have been, to some degree, a casualty of Van Nuys’ reputation as gang territory. Price also proved to be a very serious barrier. Marie and Cambria were very conscious of this issue, encouraging farmers to keep their prices low. Although many farmers did reduce their prices from their other markets, customers often complained about the cost and variety of the produce. Many asked for tropical fruits not grown (and hence not sold in farmers’ markets) in the state. The local supermarkets were able to sell their produce at much lower prices and more conveniently than the farmers ever could. (By way of example, the Jons supermarket just down the street from the market site, had outrageously low produce...
The diets and resources of the community were well-served by the conventional marketplace’s low cost globally-sourced food.

prices, such as 8 bunches of green onions for $1; 4 mangoes for $1; and watermelon at 7 cents/lb.). Likewise, the truck vendors, who purchase from wholesale markets and sell at the doorstep, meet the community’s needs in an affordable, convenient, and culturally appropriate manner.

By the end of the process, significant labor and capital resources had been invested into the market. Despite their incredible dedication, energy, resources, and expertise, the market organizers were unable to overcome two fundamental barriers. First, with a supermarket a few blocks away, the diets and resources of the community were well-served by the conventional marketplace’s low cost globally-sourced food. Second, the community never truly assumed ownership of the project despite the substantial organizing dedicated to this purpose.
Case Study Number Two: Never Got Off the Ground
Alvarado Certified Farmers' Market
Los Angeles, CA

Gathered around their pickup at the Villa Parke farmers' market, Betty Hamilton and Gretchen Sterling reluctantly reflect on the failed Alvarado Market, located in the largely Central American immigrant Pico Union neighborhood — one of the poorest and densest communities in Los Angeles. Betty shakes her head, "I knew it was wrong from the start."

Over the years, Betty and Gretchen had a long-running conversation with one of their customers, "Dr. J.," a Sri Lankan physician, about opening a farmers' market in the Pico Union neighborhood, where he operated a clinic. Having practiced in the neighborhood for a long time, Dr. J wanted to give back to the community by starting a market in his parking lot. The three of them approached the Central American Resource Center (CARECEN). CARECEN, a non-profit with a rich history of struggle on behalf of the hundreds of thousands of refugees of the civil wars in Guatemala, El Salvador, and Nicaragua, applied for and obtained funding from Oxfam America's USA program to help start and staff the market.

The three partners divvied up the work. Betty and Gretchen were hired as consultants to recruit farmers and to complete the state certification process and all permits. CARECEN was to do the outreach and publicity to the community. Dr. J. provided his parking lot as the market site, and his staff also conducted outreach to the patients.

The market opened one Sunday in the Spring of 1996 to incredible fanfare. Performers, representatives from many embassies (located nearby), the press, and 30 farmers were present for the opening. Despite the impressive celebration, the opening day was a complete bust. The public didn't show up. There were more dignitaries than customers. This was the first opening day in 18 years of organizing markets that Betty had known to go flat. It bombed despite copious signage in the neighborhood, leafleting of the clinic's patients, free space for the farmers, and the fact that the market carried culturally appropriate products at affordable prices. The market never rebounded from its abysmal start. It hemorrhaged for 10 Sundays, and dwindled to only three or four farmers, at which point it was put out of its misery.

The market had a number of basic problems. These include:

- Dr. J's parking lot was less than ideal as a market site, located on a side street with little foot traffic, and no visibility from major thoroughfares. While the market organizers had recognized this fact, they had hoped that the traffic generated by the clinic would make up for this deficiency. Unfortunately, it never did.

- Community outreach was inadequate. The CARECEN staff person
While the neighborhood lacks chain supermarkets in the immediate vicinity, the community’s food needs are serviced by independent grocery stores and many produce vendors, on the streets, flea markets, and meandering through the neighborhoods in delivery trucks.

- The community did not show any visible interest in the market. It was the brainchild of the doctor, without any clear ownership by community members. Nor did local non-profits appear to be interested. At a meeting to gain their support, only three people showed up. While the neighborhood lacks chain supermarkets in the immediate vicinity, the community’s food needs are serviced by independent grocery stores and many produce vendors, found on the sidewalks, in swap meets (flea markets), and meandering through the neighborhoods in delivery trucks. Finally, Betty questioned the schedule for the market, as Sundays are typically set aside for family time.

The story of the Alvarado Market is one of a failure of basic market organizing: site selection, community outreach, and capable management. In defense of the organizers, Pico-Union has a reputation as an extremely difficult area in which to develop projects. Its population is highly transient, extremely poor, generally monolingual Spanish speakers, and contains an elevated percentage of new immigrants—both documented and undocumented. Introducing new shopping patterns as well as building customer trust, much less the long term loyalty needed to stabilize a market, is a difficult proposition in this area.
Situated under a freeway overpass near University Avenue, the Thursday Berkeley market never quite got off the ground. At the crossroads between West Berkeley, a low-income, racially mixed community of 6,000 and a gentrifying area near 4th Street, with bookstores and cafes, the market struggled through two seasons before closing at the end of the 1998 season.

Opened in the spring of 1997, the market was initiated through a grant proposal to the City for Community Development Block Grant (CDBG) by the Ecology Center — which runs the city’s two other markets— and the West Berkeley Neighborhood Development Corporation (WBNDC).

The market was as a “back-burner” issue for Penny Leff, coordinator of the Ecology Center’s farmers’ markets, when WBNDC mentioned their interest in starting a market. The Ecology Center’s interest in establishing a farmers’ market in West Berkeley was linked to its enthusiasm for community food security— increasing access to healthy foods in a community where such access was deficient. The only supermarket in the neighborhood is the Canned Foods store, which does not carry produce.

After receiving $12,500 from the Berkeley City Council for start-up costs, Penny and her colleagues began organizing the market. She went to neighborhood meetings to sell the idea. They sent a saturation mailing to the surrounding community. They made posters and distributed flyers around the neighborhood. They sent out surveys to all the block associations looking for potential sites (interestingly, while all of the block associations said that they wanted a market in West Berkeley, none was willing to offer a spot on their block because of the perceived hassles with parking).

Time pressures to find a site however, precluded sufficient community outreach. Eventually, with only one week notice, the city allowed the market to set up underneath a freeway overpass, replete with pigeons overhead. According to Penny, the location was “pretty grim.” The market did move later in the season to a site a few yards away. While out from under the birds, the location still was less than ideal. In addition, scarce parking presented a major problem and need.

Farmer selection and retention, prices, and crop mix were major issues. Market organizers debated the degree to which conventional or organic farmers should be recruited. Organic growers comprise the majority of the Ecology Center’s other two markets in downtown Berkeley, which serve a more middle-class customer base. As befits its name, the Ecology Center’s seeks to promote environmentally sustainable farming. Ecology Center staff viewed the West Berkeley market as a social justice extension of this goal, facilitating access to organic foods for low-income
individuals. In part because of time constraints and this vision, staff did not recruit conventional farmers who tailor to low income markets. Instead, much of the recruitment centered around the farmers who were already selling at their Tuesday and Saturday markets.

After farmers had been selected and recruited, farmer retention was somewhat problematic, but perhaps less so than in many other failing markets. The seasonality of crop production, combined with insufficient sales revenue led some farmers to drop out of the market. Interestingly, most of the small organic farmers stayed throughout the season.

Pricing was one of the fundamental problems of the market. With one-half of the farmers selling organically-grown produce, and from small farms, their prices tended to be higher than conventional growers, and supermarket prices. Penny Leff notes that many customers complained about the high prices, while others bought little or simply did not come back the next week. In response to this issue, Penny sent out a letter to the growers requesting that they bring their “seconds,” or cosmetically imperfect product to sell at a lower price. Some growers such as Frog Hollow did so. In general, however, many of the farmers maintained the same prices at which they sold in the Tuesday and Saturday markets. The low volume of the market (caused in part by the poor location) did not permit them to reduce their prices, as it did for other organic growers across the Bay at the Heart of the City market. Instead, some of the farmers took a loss by selling at the Thursday market. Although the Ecology Center deliberately did not recruit larger-scale producers who sell low-cost goods in high volume at other markets, the Thursday market’s low volume most likely would not have been conducive or attractive to these growers. In a sense, the market was caught in a Catch-22: to develop a high-volume market, the farmers would have to lower their price (as well as move to a better location), yet lowering their prices without a high volume was economically unfeasible.

Along with pricing, farmers did not adequately tailor product mix to the surrounding community’s needs. When there was an Asian farmer at the market, more Asian shoppers did attend, although the market admittedly had problems attracting the substantial Indian community from the neighborhood. Similarly, the market generally did not carry products suited to African-American and Latino diets.

As a result of all these factors and the commitment of middle-class Berkeley residents to farmers’ markets, the market began to attract more of the yuppie “4th Street crowd.” Undoubtedly, the money brought by these folks helped to subsidize the market and keep the farmers returning, yet it also caused the focus to shift away from the original intention of improving food access for the low income residents of the area.

Penny and her co-workers recognized the many unresolved issues with the market, and continued to make changes to improve the market. For
example, during the 1998 season they moved the market to the parking lot of the Canned Foods Supermarket parking lot. The location enjoyed more visibility and better parking. The Ecology Center received an additional $8,000 from the city for staff salaries for the year, but the changes were not enough to make the market successful.

There was little crossover between Canned Foods customers and the market. The market closed at the end of the 1998 season, and will not be reopened in the spring. Penny speculates that the small market base was the biggest problem. Southland figures that a 30-40,000 person market base is necessary to sustain a market, but the Thursday market had only about a 6,000 person market base. This explains the inability to generate a higher volume of sales, even with lower prices. Given that Berkeley has two other markets, the area has probably reached saturation. So the Ecology Center will be focusing on other ways to link farmers with consumers such as coop buying and CSA’s in the next year.

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Successful Markets

Case Study Number Four: Small and community-based
Richmond Certified Farmers’ Market
Richmond, CA

A couple of towns up the Bay from Berkeley, Richmond sits on the east side of the San Francisco Bay, a poor and racially diverse community, with over 50% African-Americans. Like many low-income communities across the country, Richmond has faced multiple threats to its residents’ health—high levels of exposure to toxic chemicals from the multiple oil refineries that dot the coast, as well as poor food access due to supermarket abandonment of the area.

The Richmond Farmers’ Market was started in 1984 precisely to address the issue of poor food access. According to Mary Otani, Pilipino activist in her late sixties, the market has its roots in the early 1970s, when many of the supermarkets closed their doors, leaving the residents without a full-service retail food outlet. In 1973, Mary, was on the Community Development Commission for the city and started a buying club, based on a thriving co-op with a cash and carry business. When Governor Brown signed legislation encouraging direct marketing in the late 1970s, a group of activists formed the Bay Area Marketing Group to develop farmers’ markets in low income communities. The Richmond Farmers’ Market developed as a logical outcome of the buying club, which formed the market’s nucleus.

Mary and others built wide community support for the market. They held a series of community meetings, and obtained the buy-in of the League of Women Voters, Greater Richmond Interfaith Program, Lao Family Community, and various senior groups. This coalition of consumer groups and co-ops provided much of the organizing assistance, and all of the money to cover insurance and other basics. They also got the help and expertise of the public sector. The California Department of Food and Agriculture Direct Marketing Office and UC Cooperative Extension provided technical assistance. The City was extremely supportive, providing all the mailings, meeting facilitation, signage, and free posters at bus stops.

When the market opened in an empty lot across from the library (next to city hall) with five farmers, it was mobbed. It turned into a big headache for the police, and the market was forced to find another site. With much political support, the organizers approached the library to request the use of the library parking lot and driveway. The librarian, Maria Contreras, supported their cause, and allowed the market to set up there on Friday afternoons. The library and market became further connected when Emma Clark, the library’s outreach coordinator, took on the project of printing and distributing recipes at the market.

At the time, Richmond was the only farmers’ market in western Contra
Costa County (now there are markets on two days in El Cerrito and one in Pinol). As a result, there existed enormous demand for its hard-to-find fresh produce. For example, when word got out that Asian farmers were coming to the market for the first time, the Asian community mobbed their trucks. Indians and Southeast Asians alike flocked there from the San Pablo area. The first time farmers brought in black-eyed peas, they sold out almost immediately to African-American customers, many of whom had migrated from the South and hadn’t seen fresh black-eyed peas in years.

While the market started as a food access program for the African-American population, it has since become, like many markets in California, very interracial. The Laotians apparently felt very comfortable with the open air market, and have frequented it heavily. Initially, there was a bit of tension, as they brought with them the tradition of bargaining, but soon both farmers and consumers became accustomed to each other’s customs.

Since 1984, the market has grown to 30 farmers, and now bustles with activity. The farmers clearly have been chosen based upon their ability to meet the needs of the community. There are few processed high-priced foods. Organic foods are not to be found here, in contrast to other Bay Area markets. Many of the stands sell ethnic crops, such as Asian vegetables and fish. One fundamental characteristic of this market, as with other Bay Area low-income markets, is the presence of various Asian growers. According to market manager, Kinene Barlow, many of these are Laotian Hmong — US allies in the Vietnam War — who have settled in the Central Valley, where they reconnect with their agricultural traditions. The market serves as a motor for economic development for these low-income farmers, as well as providing a source of culturally appropriate foods for Asian urban dwellers.

Not only has the market adapted itself to meet the community’s needs in terms of goods sold, it does so at prices that they can afford. Produce is very inexpensive for the most part, at times half the price of other Bay Area farmers’ markets. In recognition of the lower prices that farmers must charge, the market assesses very affordable stall fees — only $19 per week. While sales figures are not kept, Kinene estimates that the $2,000 a week in food stamps that the market receives represents about 1/3 of the market’s total sales. As a result of the farmer-friendly policies and strong sales, there has been little turn-over among the farmers.

The structure of the market has helped to stabilize it. A Board of Directors composed of farmers, community groups, and members at large governs the market as a non-profit organization, and decides larger policy issues. The resulting sense of community ownership has prevented clashes at the market, and provided for the continued market support. The market cultivates its community linkages through Neighborhood Councils, which help to conduct outreach, and through local food pan-
Every month the market donates $100 to a local food pantry, which in turn spends the cash at the market, and distributes the food to the hungry. This innovative approach has brought the market much goodwill, not to mention better diets for the poor.

While the market was started to address a food access crisis, and continues to meet the community’s need for culturally appropriate, affordable and fresh food, it has resulted in another fortunate outcome. Through its association status and Board, the market has enabled a dialogue to develop between consumers and growers, providing both with a stake in the operation of this vital community institution.
Case Study Number Five: Small and Community-Based
Pasadena Certified Farmers’ Market
Pasadena, CA

On a beautiful summer morning, Betty Hamilton and Gretchen Sterling stand out in the middle of Villa Parke, handing out slices of carrot cake to a seemingly never-ending flow of children, their faces just decorated by a clown nearby. They are celebrating the 17th birthday of the Pasadena Certified Farmers’ Market, which they started and have managed since 1980.

The Tuesday market is situated in a block-long field next to the Villa Parke Community Center among single family homes in a poor neighborhood of Pasadena. This used to be the lowest income census tract in Pasadena, with a large population of African-Americans, but recently has begun to gentrify, and like much of Los Angeles County has seen an influx of Latinos. The average income of community residents is $19,000 for a family of four, well under the $34,000 County median household income.

In 1980, Gretchen, who lives down the street from the market, was president of the Villa Parke Neighborhood Association. Betty was employed as a community organizer by the City’s Redevelopment Agency. Betty had heard of farmers’ markets through Interfaith Hunger Coalition’s newsletter, which had helped start the first farmers’ markets in Southern California in Gardena and in the West Adams area of Los Angeles. She thought markets would be an appropriate method to bolster the neighborhood’s sense of community as well as address its food access problems.

The market was a product of the collaboration of many different public and private partners. The city of Pasadena provided the space and paid Betty’s salary to organize the market. The Villa Parke Neighborhood Association, which started the market was actually an arm of the city. The anti-hunger group WHEAT loaned $500 in start-up money, while the Association of University Women also pitched in their support. Vance Corum, direct marketing coordinator for the state Department of Food and Agriculture, recruited farmers from the existing Gardena farmers’ market on the other side of LA.

Gretchen and Betty employed a very explicit community organizing model in starting the market. Rather than putting out paid advertising, they conducted lots of community outreach, working with local churches and other groups to build support for the market. Rather than waiting to gain city support for the market, they organized it, and invited city officials to the grand opening.

On opening day, some 3,000-5,000 people turned out, far above expectations. The first farmers’ market for miles, it attracted residents from distant areas, anxious to purchase fresh produce direct from the farmer. For many of the market patrons, this represented the first time that they had crossed over the 210 freeway into this neighborhood. Yet, unlike other low income neighborhoods, the neighborhood did not suffer from a bad
reputation, resulting in a general lack of fear among shoppers. The market started out relatively small, with about 20 farmers, and soon tripled in size (it's now about 15 to 25 farmers, depending on the season).

The market created traffic jams for the residential neighborhood. As a result, the city wanted to close down the market, but an overwhelming show of community support forced the city to reconsider.

Betty and Gretchen have worked to ensure that the community has a sense of ownership of the market. They have maintained close contact with the Community Center’s long-time director Serf Espinoza, who in turn has been a great asset in conducting outreach to the surrounding residents. They have held nutrition and cooking classes, as well as numerous events. When they first started making money on the market, they gave it away to local youth organizations, sponsored soccer teams, bought a wheelchair, and even took 50 local youth out to the shoe store and bought them new shoes. A few years ago, they turned control of the market over to the city with the condition that $3,000 in stall fees be given to the community center for the purchase of emergency food. Now, Betty and Gretchen manage the market as contractors to the city.

The market’s vendors sell a wide variety of products. While the majority is affordably priced fruits and vegetables, there are also flowers, bread, honey, and eggs. In a visit a few days before Thanksgiving, 1997, there were fuyu persimmons for $.50/lb; sweet potatoes and yams priced at 3 lbs for $2; nopales, squash, apples, grapes, and pecans — a big attraction among the older African-American consumers originally from the South. There is usually a space or two available for locals to sell their backyard produce, such as pineapple guavas or figs.

Betty and Gretchen explicitly link this market to the Victory Park market they manage for a wealthier set of consumers in an upscale part of Pasadena. The Victory Park market was established about a decade ago as a subsidy for the farmers who had been selling their product at low prices in Villa Parke. Farmers who wish to sell at the more lucrative market must also sell at Villa Parke. As a concession to the lower sales of the growers, stall fees are only 5% of sales at Villa Parke as compared to 6% in their other markets. Betty and Gretchen remain very loyal to the existing farmers in turn, not allowing in new farmers so as not to dilute sales. Many farmers have sold at both markets for over ten years.

Operating the Tuesday Villa Parke market as a community service, Betty and Gretchen consciously subsidize it with profits earned from the more lucrative Saturday market. They have one bank account for the two markets, not distinguishing the proceeds from each. With Villa Parke sales flat over the past few years, at about $6,000-$8,000 per week, they realize that subsidies are the “only way to survive for a low income market.”

When asked why this market has been able to withstand the test of time
to last 17 years—a veritable eon in Los Angeles—Betty credits the stability in the site and personnel and their community service perspective towards the market. But more important than these factors is the community support for the market. As she told me on several occasions, “This is their market.”
The influx of hundreds of thousands of dollars of FMNP coupons into NYC saved this market as well as enabled the development of numerous other markets.

Case Study Number Six: Subsidized Markets
Greenmarkets
New York, NY

Part I: Poe Park Market
On a gorgeous fall Tuesday in New York City, Ray Ramos, the self-styled “King of the Bronx,” rules over his crown jewel, the Poe Park Farmers’ Market. A 40-something Puerto Rican, Ray is an ex-cop who now manages most of the farmers’ markets in the Bronx.

Just a few blocks off Fordham Ave, a bustling thoroughfare in the Bronx, Poe Park is the largest market in the borough, with twelve farmers. The park itself is a small, oval, concrete, but pleasantly shaded island surrounded by streets in a very dense neighborhood. Although the nearby community is highly diverse, comprised of Puerto Ricans, Dominicans, African-Americans, and Asians, the market is primarily frequented by Latinos. Poe Park is located in the North Bronx, to where the poor move when they become a little better-off. The area used to be a very heavy drug market, but now, according to Ray, little drug dealing or gang activity now occurs. At least on Tuesdays, the market “cleans up” the area enough for families to feel safe enough to shop and loiter. It’s apparently secure enough during market times, that senior citizen centers will bring busloads of elderly persons to do their bi-weekly shopping.

Greenmarkets, a branch of the city-sponsored non-profit Council on the Environment, started the market in the mid-1980s with six farmers. Initially, Greenmarkets conducted a lot of outreach to churches, schools, and health groups, without a lot of success. Lacking community support, the market teetered on the verge of collapse, when the WIC Farmers Market Nutrition Program began. A federal program, the FMNP provides pregnant and nursing mothers and their infants $20 worth of coupons redeemable at farmers’ markets for fruit and vegetables. The influx of hundreds of thousands of dollars into NYC saved this market as well as enabled the development of numerous other markets. Today, the market continues to be a “coupon market,” with an estimated 70% of sales in FMNP vouchers.

Ray believes the coupons to be a mixed blessing. They provide the life-blood for the market, but create a monopoly situation in which the farmers have a virtually guaranteed income without having to compete with neighborhood stores. Consumers will not spend much of their cash at the market, because farmers keep their prices too high in comparison with the local greengrocer and supermarkets, thereby limiting the scope of the market to the amount of coupons turned in. This situation may result in the FMNP becoming more of an economic development program for local farmers than a food access or nutritional enhancement program. Ray thinks the farmers are shooting themselves in the foot. This analysis may be even more dead-on in smaller, “pocket markets” such as the one in front of Lincoln Hospital, where one farmer noted that 95% of his sales are in coupons.

The captive income that the FMNP generates — approximately $1.2
million in New York City during the summer months—has also provided Greenmarkets with the luxury (and unreplicability in non-FMNP states) of not having to do a lot of grassroots community organizing to build a support base. Because of this, Greenmarkets tend to operate with a lot of autonomy and in isolation from the communities which they serve. With Poe Park, as many other New York coupon markets, their greatest community connection often is with the local WIC clinic, which administers the FMNP.

Beyond the coupons, several other factors contribute to Poe Park’s success. First, farmers have hired local residents as sales staff. The presence of Spanish speaking locals has helped to build a direct relationship and loyalty among consumers to specific vendors. Likewise, the participation of a Black farmer has helped to bring in African-American customers. Second, while community groups have given the market a lukewarm response, there has not been active hostility to it, as with other Bronx farmers’ markets. Since the market is located on Parks Department land, the Community Boards do not have jurisdiction over it. The police have not bothered it, nor has the borough government. Perhaps the only initial resistance came from local businesses who were afraid it would reduce their sales. After a few years, businesses realized their sales figures increased on market days and so dropped their opposition. Third, Greenmarkets has been able to subsidize the management of the Poe Park market as well as other smaller markets with fees collected from larger more successful operations, such as Union Square Market.

Nevertheless, not everyone at Greenmarkets agrees on the role of low income markets. Totally dependent upon stall fees (it runs 25 markets with about $20 million in sales annually) for its operating budget, Greenmarkets feels the pressure to utilize its resources in a way that maximizes its return. This tension between the business and community service aspects of farmers’ market operation can be seen in the differing opinions held by Greenmarkets staff. Barry Benepe, long-time director and founder of Greenmarkets, believes that low-income communities simply don’t have the buying power to support markets. Tony Manetta, manager of all the markets, holds a personal belief that everyone should have equal access to food regardless of their income levels.

Part II: Washington Heights Market

The busiest low income market in New York lies at the corner of 175th and Broadway, on a closed-off street, in front of Reverend Ike’s famous revival church. In what was once a Jewish neighborhood in the shadow of the George Washington Bridge, but is now an impoverished African American and Dominican area, the Washington Heights Greenmarket bustles with throngs of shoppers on this September Thursday. Its 12 growers sell basic produce—lots of corn, apples, peaches, tomatoes, onions, potatoes, and the like—at competitive prices. The vast majority of sales are in WIC coupons, estimated at 60% to 95% of total sales. According to Tony Manetta, this market alone gathers over $800,000 in coupons annually. It makes up one corner of the so-called Golden Triangle, whose other two points are Poe Park and Lincoln Hospital markets.
and are linked by popular bus routes. Between these three markets, the vast majority of FMNP coupons are redeemed in New York. Despite the state-wide reduction in the coupon allotment from $20 to $18 recently, sales at the market have only increased over time.

The Washington Heights market was started in the mid 1980s in conjunction with Washington Heights Community Development Corporation. It was a bustling market before the FMNP program took hold, and has increased substantially since then. One important component of the market's success has been its ability to match farmers with consumers. While market manager Erik Erikson does not actively seek to convince farmers to keep their prices low, the growers that do sell here have been chosen deliberately because of their affordable prices. Greenmarkets operates under the principle of incorporating larger farmers (over 50 acres) with a high volume in low income markets, assuming that they will be able to sell at lower prices than smaller farmers with less volume. As a result, there are few farmers offering organically grown produce at coupon markets, as most of the organic farmers in the New York area tend to come from smaller, shoestring operations.

The market has maintained excellent relations with the neighborhood by promoting its role as a vehicle for community economic development. While Greenmarkets hasn't articulated a policy on this issue, it has made wise choices at this market. One such decision consisted of allowing street vendors to sell nearby. A flea market occupies the same space the other days of the week, serving as an economic development vehicle for local residents. By allowing the ice cream vendors and others to continue to sell nearby, the market has built up goodwill and avoided alienating the community. Similarly, Tony and Erik have collaborated with the local WIC offices to identify women with an interest in working, and connected them with farmers in need of assistance. Given that many of the shoppers are monolingual Spanish speakers, it is also absolutely imperative to have Spanish-speaking personnel at each stand. The WIC moms, many of them Spanish-speaking, have been able to help build loyalty and linkages to the community through their own personal contacts. Beyond this connection, the Washington Heights market, like Poe Park, has limited community outreach and publicity, flyerering each year only before the market starts.

The community manifested its support for the market several years ago when there were riots only a few blocks away. The police wanted to prevent the market from opening in the subsequent days, but the farmers insisted on coming anyway. The market remained untouched despite the state of uneasiness presiding over the neighborhood, and the potential for racial tensions.

The support for the market can also be seen in the rhetoric and actions of the local community board. As elected bodies, community boards hold substantial power over land use and other activities within their juris-
diction. The Washington Heights community board recently voted to support a boycott of all New York state agricultural products in response to conservative upstate legislators voting to lift rent control. Nevertheless, the community board has continued to sign the market's permit every year, possibly not making the connection, or more likely, recognizing the market's importance to the community.

The market's relationship with the city has also been very positive over the years. They have excellent assistance from NYPD, which has aggressively towed cars that block access. One cop in particular has "adopted" the market, and been very helpful in addressing the market's needs.

In a city where connections can make or break any venture, community and political support have been critical to the success of both the Poe Park market and the Washington Heights market.
Case Study Number Seven: Mixed Income Market
Waverly Farmers’ Market
Baltimore, MD

A few blocks from Johns Hopkins University, in a parking lot at the border of a low to moderate income African-American neighborhood, a poor Korean community, an affluent area, and a student neighborhood, the Waverly farmers’ market attracts a diverse crowd for its fruits and veggies. As Gerri Henchey, a long-time resident, anti-hunger activist, and market patron noted, “This is one of the few places in Baltimore that is so racially mixed.”

On a rainy September Saturday, the market bustled with an integrated crowd— one third African-American and the rest young and middle-aged hip-looking white people. Its 30 or so vendors were split between stands of very basic fruits and veggies at affordable prices, and other stands clearly tailored for shoppers with more disposable income or with tastes for natural foods. On the more upscale end, were vendors selling salad greens, designer organic produce, goat cheese, five dollar loaves of bread, and a barbecue operation making grilled porcini mushroom sandwiches, with a line fifteen deep. There were also numerous vendors with locally grown peaches, apples, tomatoes, yams, and other produce at moderate prices. Perhaps two of the most interesting stands were a Somali immigrant woman selling samosa-like and hush puppy-like fritters to a constant stream of African-Americans patrons, and an ex-welfare recipient who had just graduated from a class in entrepreneurialism and was selling BBQ tofu sandwiches— unfortunately without much luck on this particular day.

The market has been through some turmoil in recent years. Started 18 years ago, it has shrunk in physical space, as the city eliminated a half-block from the selling area to make room for parking. It has also declined in sales because new markets have opened nearby. The market was set up on a public street and parking lot. A few years ago the city of Baltimore decided to raise their rent from a few hundred dollars per year to $19,000/ year, as a means of recouping what they claimed to be lost parking revenue. Linda Forlifer argued that this was an entirely bogus figure, completely out of scale for the number of meters and amount of time that the market occurred. Such an increase in their rent would have forced the closure of the market. In response, the market organized their customers, who in turn raised hell at City Hall, and forced the City to back down. Since then, the City, apparently skittish from the political pressure, no longer even charges the market the old rent rates, but allows them the space for free.

The market also experienced significant problems and competition from street vendors selling products such as oranges and bananas that aren’t available at the farmers’ market. With the help of a city ordinance that bans such sales within 300 feet of a farmers’ market, the police chased away the street vendors. Similarly, the presence of panhandlers became a problem when they began to steal from the farmers and made the shopping experience unpleasant for many customers. The local Business Improvement District funded the hiring of a security guard who discouraged panhandling.
Waverley's product mix is a combination of deliberate consideration and a hands-off approach. The market actively recruited an African-American and a Korean farmer as a means of promoting the market among those populations. Unlike other farmers' markets, Waverley doesn't prevent the resale of items that are hard to grow in the surrounding area, including carrots, onions, and potatoes. This decision was consistent with a strategy for meeting the needs of the community. Beyond these actions, Waverly market managers don't control the products that farmers bring, as some markets do to reduce internal competition. Similarly, the manager, Linda Forlifer, takes a laissez-faire approach with the farmers' prices, declining to make any recommendations on what they should charge. As a result, some farmers specialize in lower priced goods, while others cater to the needs of the more affluent market patrons.

While sales figures are not available, the market has been very stable, with little turnover among the farmers since its inception in 1979. Linda Forlifer speculates that farmers don't want to leave because their sales have gone well. Although the advent of electronic benefits transfer (EBT) in Maryland has eliminated the market's ability to accept food stamps, Linda believes that there has not been a downswing in sales. WIC Farmers Market coupons, which are not affected by EBT, comprise a significant portion of sales during their peak distribution and usage—about $800-1,000 per week. Farmers have told her that the coupons have brought in more and different types of people than normally come. Farmers have said they enjoy meeting and talking with coupon users.

One of the most interesting facets of the Waverly market is its governance and management structure. Linda Forlifer as market manager, handles all permits and paperwork. Three other people work at the market as “market master,” to ensure its smooth operation. The market is established as a non-profit association, with a Board of Directors setting policy and hiring staff. Members of the community make up the Board, with one to two farmer representatives from the farmer advisory board. Board members visit each farm at least once a year to check up on the crops grown. This helps to cement the relationship between the Board and the growers, and has been very helpful for the market in general.

The market also has a membership structure, with about 40 members which votes on the board and contributes funds. Despite the market's racially mixed clientele, the membership is almost all white, with only one African-American. According to a member and market master, the group has not made substantial efforts to recruit new members from the African-American community.

The market’s relationship with the surrounding community manifests itself through a number of factors. The market does attempt to support the efforts of other community groups, but it no longer advertises nor conducts outreach through neighborhood organizations given the stability in sales. The market sets aside a space for local groups to set up a
table. Recent tablers have included Friends of the Library, Habitat for Humanity, and the Charlottesville Centennial. More significantly, the market donates profits from stall fees (set at $10/week) in mini-grants to local churches, schools, and the library, in effect giving back to the community while gaining priceless publicity and goodwill.
Case Study Number Eight: Mixed Income Downtown Market
Heart of the City Farmers’ Market
San Francisco, CA

Located off the busy Market Street thoroughfare in a concrete plaza setting at the Civic Center in San Francisco’s Skid Row, the Heart of the City Farmers’ Market operates all day Wednesdays and Sundays. Immediately adjacent to the market, dozens of homeless people sit quietly on the benches, lay on the nearby patches of grass, wander the streets, or slug down bottles wrapped in brown paper bags, while dealers offer their wares to passerbys. While the neighborhood is seedy, the location for the market couldn’t be better. The exit for the BART subway that connects SF with the rest of the Bay Area and for the streetcars that traverse the city comes out smack in the middle of the market. Numerous bus lines from all over the city stop within a block or two of the market along Market Street.

Wednesdays and Sundays are very different days according to the farmers. On Wednesdays, office workers make their way down from nearby highrises during lunch hour to shop, while tourists meander through, especially during the peak summer season.

Heart of the City Market began in 1981, as a collaboration between the Market Street Development Project and the American Friends Service Committee (AFSC). Jan Hartsough, as staff of AFSC, was one of the original founders of the market. She had been helping to develop buying clubs in the Bay Area, purchasing produce from farmers who sold at the Alemany Market, which dates back to the 1940s. In 1979–1980, she became interested in starting a market in the Tenderloin. Jan visited the Southland markets in Los Angeles, and obtained $10,000 in funding from the state’s Direct Marketing Program. Jan’s primary rationale for establishing the market was to address the lack of food access in the community. AFSC had done a fairly extensive survey of the food resources in the area and found only a few mom and pop stores. While Chinatown with its famed greengrocers sits close by, the Tenderloin lacks good produce stores within comfortable walking distance. To the degree that the market has been able to provide an affordable source of quality produce to the Tenderloin’s residents, it has been quite successful.

Carl Adams, market co-manager comments that white collar workers help subsidize the market by providing a steady cashflow. Farmers call Wednesdays “Old Reliable,” a consistent sales day. Sundays are more of a family day, especially for the Asian households in the surrounding Tenderloin neighborhood, one of the poorest and most heavily immigrant communities in the city. On Sundays, food stamps comprise a significant portion of farmers’ sales. During a torrential downpour on a Sunday in January, farmers routinely brought Carl $300-$400 in food stamps for redemption, although admittedly many of those may have been saved over from their previous day’s sales at the Alemany Farmers’ Market.

With about 60 farmers during the summer—and about half that number during the rainy winter—Heart of the City looms impressive in its size and variety of goods. On one July day, there was not only the usual sum-
They don’t allow processed foods or bread, and limit the number of growers bringing in a certain item to avoid undue competition.

mer fruits and veggies, but also many stands of Asian crops, honey, eggs, dried fruit and nuts, multiple fish stands, and even one truck selling live chickens. Growers selling basic foods, with a handful of upscale stands, make up the bulk of the market.

Perhaps most striking about Heart of the City however, is its rock bottom prices. Here, produce competes with the cheapest Chinatown greengrocer or inner city supermarket, selling for less than half the price in even the low income markets of Los Angeles. Zucchini sells for 4 lbs/ $1; corn five for a dollar; onions 5 lbs/$1; fish $1-$3/lb; cucumbers 3 lbs/ $1; tomatoes 3 lbs for a dollar; and potatoes four lbs/dollar. Even organics are inexpensive. One stand sells nectarines and peaches - albeit smallish seconds— for 35 cents/lb. Given these prices, unsurprisingly, the surrounding low income community flocks to the market. It bustles with activity, a far cry from the three or four farmer “pocket markets” common to New York City.

Being community based has been an important element of Heart of the City’s success. In its initial phase, Heart of the City conducted a number of outreach activities, including a cookbook to introduce customers to Asian veggies, and a Senior nutrition education program with cooking demonstrations. Over the years the market has worked with numerous community groups, and was initially headquartered at the local “Y.” Heart of the City donates profits annually to local groups, including the Tenderloin Women’s Center, day care centers, and a college scholarship fund established for Vietnamese youth. Perhaps most importantly, community participation forms the basis for the market’s governance. As a non-profit, a Board of Directors, half of which are farmers and the other half community residents rules Heart of the City. This consumer-farmer board has included local business owners, shoppers, and representatives from local non-profit organizations. Jan Hartsough notes that having community representation on the Board has been very helpful in its operation. Community outreach had included advertisements in the Tenderloin Times and print coupons. Now, however the market pursues little publicity or flyer ing, relying instead on word of mouth.

Farmers have generally been satisfied with Heart of the City. According to Carl Adams, who co-manages with his wife Chris, there has been little farmer turnover. Sales have been very good over the past few years. Carl and Chris conduct little education with the farmers on prices, given their long tenure, but do control product mix. They don’t allow processed foods or bread, and limit the number of growers bringing in a certain item to avoid undue competition. As fish is a popular item with the Asian shoppers, they do allow Vietnamese fishmongers to supplement their sales with fish that they did not catch, as long as they are normally available in California waters.

Molino Creek Farm, an organic vegetable operation from the Santa Cruz area has been selling at Heart of the City for over 12 years. They typically
sell at more upscale markets such as Palo Alto, but continue to come to Heart of the City because it has been profitable for them. According to Mark, one of the partners in the farm, they have to work harder for the same amount of money at Heart of the City, with lots of small sales. The high volume that they sell offsets the low prices. They like to bring their surplus and cosmetically imperfect produce, and sell it cheaply. In July, they featured zucchini prominently in their stall. Other farmers such as Eggman’s Honey, run by a elder couple from the San Joaquin Valley come less frequently—every other week—but use the market to make wholesale contacts. The Eggmans sell large quantities of a special kind of honey to Yemeni shopkeepers, whose customers purchase it for its resemblance to a product from their home country.

With more than a dozen stalls featuring Asian vegetables, Heart of the City has been able to respond to the needs of the substantial Southeast Asian population. Not only does the market provide culturally appropriate foods, but it does so in a culturally sensitive way. The presence of Asian growers—primarily Lao, Hmong, and Vietnamese, has helped to bridge the language and cultural barriers, and facilitate the patronage of this communities.

Despite the market’s good standing with the community, its relationship with City Hall has been somewhat rocky. With the market located on public property, city government has been less than friendly. Problems have arisen over water usage, sanitation (the market now cleans up the plaza), as well as tenure itself. The construction of a new library nearby has reduced much of the available parking space, forcing the market to rent parking for the growers’ trucks. In one fundamental disagreement, the city/county (they’re identical in SF) government tried (unsuccessfully) to use Heart of the City to generate revenue for city coffers, as it does with the Alemany market, rather than to serve the community. Politics have also affected the market’s product mix. A nearby florist with connections in City Hall complained about the market affecting his business. As a result, the growers can only sell cut flowers not embellished in any way.

The presence of Asian growers, primarily Lao, Hmong, and Vietnamese, has helped to bridge the language and cultural barriers, and facilitate the patronage of these communities.
Alternative Marketing Strategies

Advocates may find that they can achieve their goals of supporting local farmers and improving food access through other direct marketing methods. Following is a brief synopsis of some programs that may serve as models for replication.

Box schemes
Box schemes, a term in common usage in Canada and the UK, refers to programs that sell consumers a box of food, commonly from local farms. Below are descriptions of the Madison Area CSA Coalition Partner Shares Program and the Market Basket Program in Los Angeles.

MACSAC Partner Shares
The Madison Area Community Supported Agriculture Coalition (MACSAC) is a coalition of farmers and community activists that promotes CSA in the Madison area. Its Partner Shares program was created to find ways to extend CSA to lower income households, for whom the full price of a share may be prohibitive. It operates as a partnership between MACSAC, the WI Rural Development Center and the Hunger Prevention Council of Dane County.

The Partner Shares program developed an assistance fund to provide financial scholarships to interested persons who could not afford the cost of a full share. During the 1997 season, Partner Shares subsidized 24.5 shares reaching approximately 125 people. Recipients were identified by social service agencies and community centers, and matched with farmers who had drop-off sites near the recipients. Farmers also modified the shares as needed to meet the requirements of the recipient. Recipients included groups as well as individuals, such as a women’s shelter, a Salvation Army meals program, a group meals program, a home for women with mental illnesses, and a community service provider for developmentally disabled adults.

Funding for the shares was raised through “farm-a-thons,” various community foundations, individual donations, and religious groups. Funding for staffing came from the University of Wisconsin’s Food System Partnership and state Hunger Prevention moneys.

Market Basket
Operated by Occidental College Community Food Security Project with assistance from Southland Farmers’ Market Association, the Los Angeles Market Basket program brings farm fresh produce to people who couldn’t otherwise make it to the farmers’ market. It works like a buying club or cooperative. Individuals order a basket through pre-schools, daycare centers or other community organizations. Twice a month, market basket staff purchases produce in bulk from an inner city farmers’ market, where farmers give a minimum 15% discount. Baskets of culturally-
appropriate foods are assembled by volunteers and distributed to subscribers. Typically the basket consists of two full shopping bags and is valued at $10-$12 at farmers' market prices. Consumers pay prices determined at each site, typically $5-$7.

Price and selection have been major barriers for the program. When one child care agency raised the price from $5 to $7 to ensure the program's sustainability in light of insecure grant funding, participation dropped from 150 to 50 baskets. Michelle Mascarenhas, project director, noted that while the cost of the basket itself may be a barrier for low income participants, the lack of selection of the program also reduced interest. "If people knew that they were going to get everything that they wanted, and didn't have to spend more money on produce during the week, price wouldn't be an issue." She has pointed out one of the fundamental problems of box schemes - and one of the benefits of farmers' markets: the relative ability to choose one's purchases.

Other program barriers include logistical details, such as transportation (although Occidental College has provided them usage of a van) and volunteer recruitment and coordination. For smaller organizations with less staff, coordinating the program can be difficult unless there is substantial community interest and involvement.

With a dual purpose of supporting farmers and improving food access in lower income neighborhoods, the program has run into dilemmas at times when farmers don't have quality product available. Michelle noted that normally farmers have been quite responsible about selling them high quality product. However, there have been times when nothing that they had was of adequate quality. In these cases, the program was faced with the dilemma of balancing the desires of the consumers with the wish to support the farmer.

The Market Basket is planning an expansion into new sites and a new farmers' market home base. Recognizing that a potential threat to the program's sustainability is its dependence on grant funding for staff coordination, they are looking to build up a middle income base to subsidize the rest of the program. The Organic Farm Express, which sought to link affluent consumers on the westside of Los Angeles with organic produce brought into the Santa Monica market, represented one attempt in this vein. This program operated for 3 months, but generated insufficient interest to even recoup enough revenues to pay for labor. Much more promising are plans to develop a new program at Occidental College, where 70 staff and faculty have already expressed interest in purchasing a basket.

Farm stands
Farm stands function like very small farmers' markets. They generally operate for a few hours a day one day a week in a public space. Farm stands may be a good option for neighborhoods that can not attract
enough farmers for a full scale market, or where there is not enough space for a farmers’ market.

Farmers’ Market Trust
The Farmers’ Market Trust in Philadelphia administers three farm stands in underserved, low income neighborhoods in the Philadelphia area. While the Trust provides technical assistance to all of the farm stands, they are run differently; two have farmers and one is run by a wholesale produce vendor that the Trust has contracted. In addition to providing produce, the farm stands have a health and nutrition component that includes cooking demonstrations, and health screenings for high blood pressure, etc.

Their Camden, NJ Farm Stand has been a successful venture due in large part to its location in the transit center of a low income neighborhood. The Camden Area Health and Education Center has trained six youth to help an area farmer with the farm stand. They assist in ordering, setup, customer service, breakdown and inventory. The farm stand accepts WIC vouchers and food stamps. In operation for two years, the farm stand is not viable as a stand alone venture, but the on-going staffing and administration subsidies from the Trust and the Center ensure that it will continue to serve the community.

The Chester Farm Stand is run by a wholesale produce vendor that the Trust hired. This option was chosen, because no farmers could be found for the stand. The Trust places an order with the vendor who works out of the Reading Terminal Market. He tries to buy locally grown produce as much as possible, but will bring in shipped produce to fill the order, if necessary. In its third year, the Chester Farm Stand sales dramatically increased this year thanks to state and federal subsidies. A new state subsidy provides $20-$25 dollars a week to senior citizens, and the WIC Farmers Market Nutrition Program has expanded in Pennsylvania this year. The increased sales mean that the Trust will be able to attract one or more farmers to sell at the stand next year.

The Trust has been largely successful with its farm stands and plans to open three more sites in the next year. Duane Perry of the Trust says “the biggest obstacle to the success of the farm stands is the fact that fewer and fewer families cook, so the demand for fresh produce is limited. I think this is a limiting factor for all farmers markets.” Other obstacles include the limited and often inconvenient times the stand is open, and the need to re-attract customers at the beginning of the produce season, from their winter shopping habits. Local city ordinances and zoning laws, which could be an obstacle for farm stands in some states, have not proven to be a problem for the Trust.

Public Markets
Public markets are defined as “a group of locally owned, primarily owner operated, private retail businesses leasing space in a shared facility with

Low vehicle ownership rates may reduce the size of market trade areas to a level in which its cumulative purchasing power may not be sufficient to keep the market afloat.
an emphasis on fresh foods and community services. Products sold include cereals and bakery products, meats, poultry, fish, and eggs, dairy products and fruits and vegetables” (Kindya and Perry). They differ from farmers’ markets in that they typically operate on a permanent basis and that vendors don’t have to be farmers or their employees. Goods sold are not necessarily locally produced. Nevertheless, public markets can increase access to fresh foods for low income communities, as well as benefit local growers. Some public markets, such as Seattle’s Pike Place market have an adjunct farmers’ market on certain days of the week.

The Farmers’ Market Trust report, Public Markets: Development and Management of Satellite Markets in Philadelphia, Pennsylvania explores the ways in which public markets can benefit low income communities in Philadelphia. One model is a system of satellite markets anchored by an established public market which could function similar to a chain of supermarkets. Such a system could save costs due to economies of scale and reduced administration. Smaller inner city markets, not always profitable on their own, could be subsidized by proceeds from more profitable central markets. Capital costs would however need to be absorbed possibly from public sector redevelopment funds.

Conclusions
Low-income markets have their own set of issues and problems in addition to those facing all farmers’ markets. Farmers’ markets are deliberately diverse in structure, regulation, composition, size, product, and purpose depending upon the jurisdiction in which they’re located, the climactic, cultural, and demographic characteristics of the host locale, and of course the nature of agriculture in the region. Nevertheless, at some level, a market remains a market— a place for transactions to occur between seller and buyer. Certain barriers appear common among low-income markets. These include:

- There exists a fundamental tension between farmers obtaining a fair price for their product and low income consumers’ ability to pay such a price. Small family farmers, the backbone of farmers’ markets, in recent years have faced escalating production costs but small increases in the prices they receive for their products. They generally can not afford to compete with the lowest cost supermarkets, which commonly set exceptionally low prices on produce as a loss leader to attract customers. On the consumer side, stagnating minimum wage levels and welfare benefits have rendered little disposable income for the poor, making cheap food a necessity. As a percentage of income, Americans pay substantially less for food than residents of most other industrialized nations.

- Low vehicle ownership rates may reduce the size of market trade areas to a level in which its cumulative purchasing power may not be sufficient to keep the market afloat. Additionally, monthly cash flow in poor communities tends to vary substantially, with food purchases
often declining drastically at the end of the month.

- Low income individuals generally have less time and resources, plus additional stresses that may impede their ability to shop at farmers’ markets. Many low income household members work multiple jobs and do not have the flexibility to shop at a market during a weekday. Additionally, limited transportation options common to many low income communities reduce an individual’s ability to get to the market, as well as the quantities of product that she may purchase and carry.

- While a market’s cultural diversity is a source of its strength, it may also present difficulties. Product mix must be culturally appropriate. Finding the farmers who grow these products may be problematic for market organizers. Likewise, hiring vendors who speak the same language as the community is an important step.

Types of Markets
This study looks at two broadly defined types of low-income markets: those in strictly low income areas, and “fringe markets,” and those that draw on both poor and wealthier customers. The market’s customer base—like its location—shapes to a large degree its characteristics.

In general, markets with primarily low income customers tend to be more difficult to operate profitably. In the Los Angeles basin, a number of these have come and gone: Pacoima, East LA, Van Nuys, Crenshaw, Koreatown, and Alvarado. Without the dollars provided by middle-income customers, sales volume tends to be too low for farmers to continue coming (Van Nuys, Alvarado). Subsidies such as the WIC Farmers’ Market Nutrition Program coupons (FMNP) significantly increase the community’s purchasing power. In New York City, for example, the FMNP provides $1.2 million/year in the form of $2 coupons distributed to pregnant women and nursing mothers, supporting the development and operation of numerous markets in locations where they otherwise could not exist.

Some successful markets with primarily low income shoppers, such as Richmond, Adams/Vermont in LA, and Pasadena are long established community institutions and rely on customer habit and loyalty to continue operating. They were started 10 to 20 years ago, when, because of less competition among farmers’ markets, it was easier to organize a new market. These markets’ sales appear to be largely flat over the past few years, failing to attract many new consumers.

Establishing farmers’ markets on the fringes of low income communities, or places where customers from diverse income levels will attend appears to have been successful in various places. Some examples of this strategy are Heart of the City in downtown San Francisco which draws both low income Asians, Latinos, and African-Americans from the nearby
Tenderloin district as well as office workers and occasional tourists; and the Waverly Market in Baltimore which is situated at the intersection of low income, student, and middle-income neighborhoods. The Pasadena market was originally such a fringe market, as it drew people from many of the surrounding wealthy hill communities, but with the opening of new markets tailored to a more upscale clientele, its customer base gradually dwindled to shoppers from the surrounding poor neighborhood.

This fringe area approach does have its drawbacks however. First, fringe locations serve only limited areas and residents, not reaching people living in core poor communities. Second, care must be taken to ensure that the market’s focus not be overaken by the wealth and interests of the richer clientele. In California, many middle income urbanites have taken to farmers’ markets readily. With some markets, such as the Hollywood Farmers’ Market, the support of the wealthier customers has overaken and displaced the original intent of market organizers to create a place for low income residents to gain access to fresh foods at affordable prices. Once the market becomes identified as a place for the “rich” and affordable basic foods are no longer available, it becomes difficult to reverse that image among the local low-income community. Instead, careful product mix, on-going outreach, and organizing should occur to ensure that low income customers feel that the market belongs to them as well.

Emerging Themes: General Guidelines for Successful Low Income Markets

Given the many barriers present, the challenges of organizing a market in a low income area are greater than in a wealthier community. The importance of following basic market organizing and management principles and having skilled staff is just as important in low income markets as in wealthier markets. While an exploration of these principles goes beyond the scope of this study, they include finding a visible, well-trafficked location with adequate parking, conducting sufficient outreach, knowing the needs of the community, good communication skills, good farmer recruitment, knowing how “to work” the political system, and having adequate funding to make it all happen. In addition, to fundamental marketing strategies, all of the successful markets studied, shared the following qualities.

Community-based

One fundamental conclusion of this report is that farmers’ markets can not be imposed from the outside (unless substantial subsidies are available such as with the FMNP) on a low-income area. While it may appear obvious that the market must be based in community support or it will fail, determining what is adequate community support, or what is community-based is far from clearcut. It raises issues such as who speaks for the community, and what are the constituencies that an organization (non-profit, school or church) represents. Just because a non-profit organization working in the community, such as a community development corporation is interested in establishing a farmers’ market, does not mean
that the market has community support. Measuring community support can be undertaken through such methods as surveys and focus groups, but also through gauging the support expressed at community meetings. Southland follows a rule of thumb that they must be invited into the community by a local group before they consider starting a market.

Similarly, when doing outreach, market organizers should consider employing a community organizing approach rather than a publicity-based strategy. This means building support for the market through community-based institutions, such as churches, schools, day-care centers, tenants associations, block clubs and non-profits rather than solely placing ads in the media. While advertising and leafleting are important tools to inform residents of the market, organizing through community groups may help to provide residents with a better sense of ownership of the market. Ultimately, as Pasadena market organizer Betty Hamilton suggests, low income markets will work when residents believe it “to be their market.”

Some of the more successful markets have developed as a vital part of the community. Local organizational representatives as well as consumers sit on the market’s board of directors. Profits from the market are redirected to the needy or to worthwhile causes, such as the local school or church. Being integrated into the community significantly enhances a market’s chances of success.

**Product Mix and Prices**

The raison d’être of the farmers’ market is the transaction. The market’s goods and the prices at which they are sold must be tailored to the needs of the community. Basic foods at affordable prices are the lifeblood of low income markets. Many low income markets shy away from more expensive processed foods, organically grown produce, and trendy products. Organic heirloom tomatoes may be popular at the more affluent markets, but basic conventionally grown tomatoes at one third the price may be what the community wants — and can afford — at lower income markets. Similarly, with ethnic groups such as Latinos, Asians, and African-Americans comprising the majority of urban low income communities in California, farmers’ markets in these areas should carry culturally appropriate foods, such as nopalies, collards, and Asian greens.

As with any farmers’ market transaction, personal interaction enhances the experience. The presence of ethnic farmers also appears to facilitate customer loyalty and increase sales. In the low income Bay Area markets for example, the presence of many Southeast Asian growers and customers is mutually beneficial, and enhances the stability of the market. Likewise, hiring community members, especially when the farmer does not speak his customers’ language, should be encouraged as a means of building bonds between the community and the market. Community members are much more likely to be comfortable buying from
someone who speaks their language or, even better, someone they know. Providing local residents with part-time work not only helps to recirculate some of the money within the neighborhood, but also makes the market a more vital and integral part of the community, with bonds forged to specific households.

Subsidies
It is generally not realistic to expect a low income market to carry its own weight financially, at least in the beginning organizing phase. Low fees generated by low sales may not be sufficient to pay for a market manager and operational costs. Ideally, the low income market should be considered as a community service by the host organization, or be subsidized by other more profitable markets as in the case of Pasadena and the NYC Greenmarkets.

Farmer Links
Farmers’ markets are a two-way street: they must work for both consumers and growers. Ultimately, a market will succeed if it works for the farmers. Making a fair profit on their labor may be problematic for farmers at low income markets. All too often farmers, whose livelihoods are on the line, are at the whim of market managers. Just as community participation and ownership in the market are important, so is farmer commitment. Involving farmers in the market’s operation through Farmer Advisory Boards for example, can provide the market with valuable information that enhances its operation. Similarly, institutionalizing personal links between farmers, and consumers through farm visits or a multi-party Board of Directors will strengthen the market.

Political Connections/Organizing Ability
The importance of political connections and the ability to navigate City Hall cannot be underestimated. More than one market has been done under by an inflexible bureaucracy or political in-fighting. (On the flip side, being associated with a specific political figure has its pitfalls when that person or party loses power or challenges a higher power. This played out with the Kilmer Park market in the Bronx, when the Bronx President decided to challenge Mayor Giuliani in the election). In virtually all the markets studied, problems arose with City Hall, which required either political connections or the ability to mobilize grassroots constituencies to fight new policies.

Options
When organizing a new farmers’ market in a low income community, organizers should first carefully consider their goals. Is the goal to improve food access in the community? Revitalize the neighborhood? Bring different ethnic groups together? Create a fun and festive place? The type of market that is developed should correspond to these goals. Some types of markets may match some goals better than others.

While this report does not consider all direct marketing or food security
options, such as community gardens, lobbying for new supermarkets or cooperative buying among mom and pop stores, we will present a number of potential options for market organizers to consider. These include:

**Supporting existing markets**

In many cities, there may be existing markets in low income areas. Most likely their sales could use a boost. Expanded outreach and organizing in the surrounding community could help to build these existing markets. Funding for this purpose may be solicited from community foundations or public sector funds, such as Community Development Block Grants. Also, paratransit services may be arranged to facilitate access to the market by transit-dependent residents, in essence broadening the market’s trade area.

**Coupons**

Providing coupons or vouchers to local residents to shop at the market represents another more costly strategy. In order for this program to have sufficient impact to either enhance existing markets or establish new ones, funding in the five to six figure range would be necessary. The best source of these funds is the national FMNP. California, for example, would be entitled to millions of dollars in FMNP funds if it were able to meet the 30% state match (and federal funds were available). Groups such as seniors and food pantry users have been provided coupons in various places around the country, with support from community foundations and anti-hunger programs.

**Mobile strategies**

For low income farmers’ markets in Los Angeles, truck vendors present healthy competition. Given the advantages of such mobile sources in communities with limited vehicle ownership, one possible avenue might be to establish a mobile farmstand/farmers’ market, with the produce purchased from certified farmers or certified farmers’ markets. Given the high capital and labor costs and potential degree of personal loyalty to existing vendors, this avenue would require good business planning and a demonstration project.

**Small markets**

Pocket markets, as they are referred to in New York, with two to five farmers may figure as another strategy for those low income communities unable to support a full blown twenty farmer market. Such markets require substantially lower sales to maintain farmer interest, and can be placed at closer intervals than full scale markets. This proximity may be more appropriate and attractive in low income communities where reduced rates of car ownership limit mobility. Smaller markets however, may not be able to generate sufficient revenue in stall fees to cover costs or manager salaries. They would have to be subsidized, most likely by other more successful markets or by grants or public funds. A critical mass of pocket markets could potentially cover staff salaries without outside subsidies.
Chapter 3: Policy Opportunities and Barriers

Introduction
Diverse programs and policies at all levels of government affect the operation of farmers’ markets. At the federal level, USDA operates the food stamp program and the WIC Farmers’ Market Nutrition Program which provide funds for lower income people to spend at markets. In addition, USDA operates a number of initiatives whose goals include the promotion of farmers’ markets. At the state level, departments of agriculture also play a role in regulating and promoting direct marketing. Locally, city and county departments of health and planning as well as fire departments regulate and in some states license farmers’ markets.

This section reviews policy opportunities and barriers to establishing and operating farmers’ markets in low income communities. Space constraints do not permit an in-depth discussion of those initiatives that support direct marketing in general. As municipal policies vary according to locale, we concentrate on federal and California state policies.

Electronic Benefits Transfer

Imagine if the government decided to phase out cash and force all monetary transactions to be completed electronically. States would be empowered to create their own monetary system. Think of all the logistical nightmares that would ensue. What if the states developed independent systems that didn’t mesh with each other? Would some economic sectors benefit and others lag behind? Would people be able to spend their money across state lines? The conversion of food stamp benefits from paper to a card-based system is a miniature version of this scenario.

Electronic Benefits Transfer (EBT) was mandated by the federal government primarily as a means of saving costs inherent in the paper-based food stamp system through reducing printing and handling costs. While the government will potentially save money through diminishing food stamp fraud and abuse, and consumers will benefit from less stigma attached to debit card usage, the banking industry will also stand to gain substantially from reduced handling costs as well as through operational contracts. Eventually, all government benefits, including WIC and welfare will be placed on one card. Currently, 36 states employ EBT, with over half of national food stamp benefits delivered through this system (Nutrition Program Facts, EBT Fact Sheet). Its implementation, however, threatens the ability of low income consumers, for whom food stamps comprise a substantial source of funds for food purchases, to shop at farmers’ markets.

Food stamps comprise a significant portion of moneys spent by low
income individuals at farmers’ markets. The use of food stamps in farmers markets has reached an estimated $75-100 million per year (http://www.ams.usda.gov/farmersmarkets/facts.htm). For some farmers’ markets, food stamps comprise a majority of overall sales.

EBT works best for grocery stores whose infrastructure— a roof, phone lines, a point of sale terminal at the check-out counter— is well established. However, for those “non-traditional” vendors, such as farmers’ markets, who may be mobile or operate in conditions without such well developed infrastructure, the conversion to currently designed methods of EBT can be highly problematic and costly. It is ironic that farmers’ markets may suffer because of their lack of infrastructure. Precisely because farmers’ markets are not capital intensive relative to grocery stores, they have flourished in areas where supermarkets are lacking.

Despite USDA’s very public stance promoting farmers’ markets and interest in food access and healthy eating, the Department has failed to develop a viable method for farmers’ markets to make use of EBT cards. In the past, there has been little political will among USDA and the states to develop a farmer friendly EBT system. To its credit, however USDA has begun to move on this issue. Food and Nutrition Service Undersecretary, Shirley Watkins, ex-chair of the USDA Farmers’ Market Task Force, reportedly has made this issue a high priority. In contracting for a report on technological options, USDA did believe it was addressing this issue. Some critics claim that USDA did not properly frame this study, as it only explored on-line technologies, whereas the most promising options lie in off-line technologies.

Technological options
As the typical transaction at farmers’ markets differs greatly from supermarket transactions in their speed and small dollar amount, the nature of the EBT system that will work for them must differ from those that work best for supermarkets. Finding a technology that is extremely low cost and fast is perhaps the fundamental challenge for EBT developers. There currently exist various technological options for EBT. They center around different ways of communicating with the banking system to transfer funds from the consumer’s card to the grower’s bank account. Other options involve creating alternate currency. All options are generally more expensive and cumbersome for the vendor than the old-fashioned way of handing a vendor paper coupons in exchange for a bag of produce. In general, options vary from individual farmers each processing their own transactions to processing at a central place in the market with farmers collecting their funds afterwards. The cost for all options is substantial. A key unresolved issue remains whether the markets, farmers, banking system, or government will cover the capital and operating costs. To date, traditional vendors such as supermarkets have had to retrofit their equipment at considerable cost (Weinberg). The level of inconvenience— for both farmer and consumer— is also generally significant, more so for some options than others. Here’s a brief
look at each of the technologies with an explanation of their perceived drawbacks and benefits.

- **Hard Wire**
  Connecting farmers’ markets with phone lines and electricity to run standard terminals is one possibility. This would be especially problematic for farmers’ markets located outside without electricity or nearby phone lines, or in places with multiple uses. The primary drawback to hard wiring is the capital expense and impracticality. The benefit is the low cost of making each phone call. Another benefit of this system is that states are providing equipment to vendors.

- **Wireless**
  A variety of wireless technologies, such as satellite, cellular, and radio, exist. The wireless option has been tested in various pilot projects. The drawbacks of wireless methods are numerous, and the cost of equipping markets with terminals and wireless equipment substantial. For example, in a Maryland pilot project, each market had a terminal, which cost between $1,500 and $1,800. Equipping the 10% of non-traditional vendors might cost the same as equipping the 90% of “traditional” vendors (AMA Systems). The cost for each call could also be prohibitively expensive. Maryland’s study of cellular technology found that the average transaction cost was between $1.21 and $2.69. This is especially high with relation to the average purchase of $6.22 (HWADC). Processing each transaction—whether by cell or regular phone—would also be a major inconvenience for farmers selling at high volume fast-paced markets. The one or even two minutes needed for such a transaction would have serious implications on vendors’ staffing needs and their ability to conduct business in an efficient manner (AMA).

- **Off-line**
  Transactions could be conducted without any communications technology. Manual vouchers, perhaps akin to credit card slips, could be processed by a vendor and then authorized periodically, perhaps at the end of the day. Manual vouchers are currently available in supermarkets as a backup for EBT system failure. This method would reduce capital and transaction costs, but would incur more risk. Drawbacks to the off-line manual option include the time involved in filling out vouchers, as well as the risk to farmers of being “stiffed” in cases of fraudulent transactions or unintentional overages. AMA suggests that it might be cost-effective for the government to indemnify vendors for their risk, but this option may not be politically palatable if it appears to condone fraud.

- **Stored value cards**
  In this scenario, the EBT card, with existing magnetic stripe technologies or the newer “smart chip” in the card would be swiped through a handheld card-reader, or “smart wallet”. The information from the reader would then be uploaded and funds transferred to the vendor’s bank account. The EBT card could also be used to purchase a stored value card.
from a vending machine that could only be used in the market. These stored value cards would also be read by a vendor’s “smart wallet”. This technology has the potential of reducing transaction costs and time. Although capital costs can only be estimated, “smart wallets” could cost as little as $50-$100 per vendor. The primary drawback to this option is that it has not been implemented to date.

- Paper currency
Farms’ market currency could be issued by the market, with the EBT recipient purchasing it with their card. This scrip would be valid only at farms’ markets issuing it. This system would most likely not be favored by USDA, which is seeking to eliminate paper food stamps given their potential for fraud. This system would also be labor-intensive, requiring staffing by the market manager or another employee.

For farmers, their continued participation in the food stamp program has been jeopardized by EBT. Alabama, has experienced a 20% drop in the number of vendors accepting food stamps (AMA). One state (not-specified) saw a drop in food stamp benefits redeemed at farmers markets from $9600 in 1996 to $44 in mid-1997 (AMA).

There are other barriers aside from the technical ones. Many farmers may not be familiar with computers, or mistrustful of technology. Immigrant farmers and hired vendors with limited education may have limited exposure to computer technologies, and require substantial training. Farmer training appears as a key issue in ensuring the successful implementation of EBT.

Pilot Programs
In the absence of a strong federal initiative, several states have begun their own pilot programs to test various options. Credit should be given to USDA for authorizing a demonstration project in Hawaii.

Bob Lewis from the New York State Department of Agriculture and Markets is pursuing perhaps the most promising alternative. This option involves the use of stored value “farm cards” and a handheld battery-powered “electronic wallet”. With this system, a benefit recipient would use an EBT debit card to purchase the stored value farm card containing a fixed or variable amount from a community-based kiosk or ATM, located near the market. The farmer would place the farm card in a small, off-line terminal or “electronic wallet” which would debit the card and transfer the appropriate value from the customer’s card to the vendor’s card. This alternative has not yet been field tested, but might meet the needs of the high volume fast-paced markets of New York City (Lewis).

Currently the State of New York has issued a Request for Information for potential technologies. Depending on funding availability from USDA, a demonstration program could take place as early as Summer, 1999 when food stamp benefits are scheduled for conversion to EBT. This program
would be the first step in a larger implementation in the Northeast, where the NE Coalition of States has developed a task force on EBT and farmers’ markets. For California, with its large markets, some of which are heavily dependent on food stamps, the results of this proposed study could have significant ramifications in developing an EBT farmers’ market system.

A 1995 pilot program in Texas included the use of radio-based point of sale terminals to accept EBT cards. While the pilot program found this model technologically feasible, the price of the equipment was cost prohibitive for the scale of the farmers’ market. One of the primary findings of this program included the need to conduct outreach to food stamp recipients to inform them of their continued ability to redeem their benefits at farmers’ markets (Farmers’ Market Workgroup).

In Hawaii, a demonstration program involves a market manager distributing farmers’ market scrip. A benefit recipient purchases scrip with an EBT card, then use the vouchers in the same way as food stamp coupons. The vendor then turns in the scrip to the market manager who could then make an electronic transfer to the vendor’s account, or reimburses the farmer with a check. This option will only be viable if the market manager has a strong commitment to the program and is willing to complete all of the transactions required (Walker).

In New England, a group of states are trying out a system to bundle benefits on a “smart card,” with an electronic chip. This card would carry information about WIC, Head Start and Medicare benefits and could be used by an electronic wallet, similar to the device that can work with magnetic stripe EBT cards or stored value cards. While this option has many benefits, the dominant EBT infrastructure in the U.S. works solely with magnetic stripe cards, not with the new generation of smart cards. This technology has not been proposed to date for farmers’ markets, but does have potential. It differs from the NY proposal in that it uses a smart card rather than a debit card, and the consumer uses the card to purchase directly from the farmer rather than buying a second card.

**California**
California will be one of the last states to implement EBT, probably by 2002, at the close of the mandated period. San Bernardino and San Diego counties are currently conducting demonstration programs.

In July, 1998 the state Health and Welfare Agency Data Center published a survey of state farmers’ markets and the use of food stamps and feasibility of EBT in farmers’ markets (Health and Welfare Agency Data Center). The survey determined that a great diversity of markets exist around the state with regards to the amount of food stamps processed. Of the 107 markets responding to the survey (out of a total 350 in the state), 73% or 78 markets accept food stamps. Of these, 68 markets report less than $500 in food stamp sales per day. Only 13 markets redeem more than
10% of their total sales in food stamps. The study contends that the best technology for each market depends upon the market’s redemption level. For low volume markets, manual vouchers or a central site point of sale terminal may be best. For the 13 high volume markets, it does not suggest an appropriate technology, but hints that wireless may be the best approach.

Coming from a state agency, this report is promising in that it reflects a measure of political will to address this important issue. The report also notes that the state of California will request that EBT bidders propose alternative technology solutions that could be demonstrated in some of the more food stamp intensive markets. However, the report fails to address the issue of where funding will come from to pay for capital costs associated with EBT implementation at farmers’ markets.

**WIC Farmers Market Nutrition Program**

The WIC Farmers’ Market Nutrition Program (FMNP) started in 1992 and has been slowly but steadily expanding. For FY 1999, 33 states, Guam, the District of Columbia, and four Indian tribal organizations will participate. The FMNP reaches one million participants and 10,000 farmers. The program provides $10-20 in coupons for low income pregnant women and mothers with infants to spend on fruits and vegetables at farmers’ markets. Many who are familiar with FMNP recognize it as a highly beneficial and innovative nutrition program. The goals of the program include providing nutrition education through behavior change to low income women while supporting small farmers with additional income. FMNP coupon funds have been instrumental in the development and operation of new farmers’ markets in low income communities in many states, especially along the East Coast. Without such funds, it is unlikely that many markets could survive. Despite its virtues, the program faces some difficulties, both in implementation and in acceptance.

Legislative issues figure among the most significant obstacles. In 1998, the Congressional appropriation was $12 million, up 78% from the previous year. For FY 1999, Congress appropriated FMNP $15 million. However only $10 million of that is assured. Language in the legislation stipulates that the remaining $5 million can be used only if it is not needed to meet current WIC caseload. While the full $15 million funding is likely for 1999, the connection between FMNP funding and WIC caseload has left FMNP in a precarious position, subject to the yearly appropriations for WIC. While FMNP advocates stress their desire to maintain the program’s connection with WIC, they also put forth the need for it to have its own separate identifiable appropriation. In its FY 1999 budget, USDA did place FMNP funding under the Commodity Assistance Program, home to emergency food system funding, such as TEFAP and CSFP. The Agriculture Appropriations committee however rejected this change and left FMNP linked to the WIC line item. For their part, some WIC
advocates have seen FMNP as a minuscule diversion from the multi-billion dollar WIC program, and have withheld their full support. The National Association of WIC Directors is “strongly supportive of FMNP, but not at the risk of reducing WIC benefits and services” (National Association of WIC Directors).

The federal requirement for a 30% cash or in-kind funding match from states remains another obstacle for FMNP expansion. This match can be prohibitive, especially without a state appropriation. In its FY 1999 budget, USDA suggested lowering the match to 30% of administrative funds, which at 17% of total funds would mean in effect a 5% match. The House Agriculture Appropriations Committee rejected this change. Zy Weinberg, executive director of the National Association of Farmers’ Market Nutrition Programs (NAFMNP) suggested unofficially that a 15% match might be a fair compromise (Weinberg).

While WIC and FMNP funding are separate, WIC agencies do provide staff to administer FMNP efforts, with FMNP funds. Nevertheless, FMNP can be perceived as a diversion from their primary WIC duties. One WIC director speculated that the entire FMNP budget may not be spent this year, because the match and perceived extra work of the program will inhibit new states from joining the program.

In California, the FMNP has operated at a very low level, primarily because the state has not appropriated matching funds. The Wilson administration has vetoed proposed FNMP appropriations on various occasions, most recently in 1998. Nationally, NAFMNP and USDA officials have expressed their interest in substantially increasing the program’s funding in California, but have been unable to do so.

The program has operated somewhat informally, especially in its beginning stages. It was started and administered initially by Jody Fuji, an energetic and dedicated staffer to then Assemblyman Rusty Areias. The 30% match was provided by the markets themselves who were promised a “return on their investment,” commensurate with their contribution. USDA eventually disallowed this arrangement, stating that the program had to be open to all markets, regardless of their contribution for the match. Some market managers were dismayed by this ruling, as it removed the financial incentive for contributing toward the match.

More recently, after a stint under the administration of the Department of Food and Agriculture, the program has been run by the state WIC branch, which has found creative ways to raise funds. Initially, it used fines from vendors (such as supermarkets) who had violated WIC regulations. In 1998, this pot of funds ran out, in part because WIC vendors “cleaned up their act” (Bramson). Forced to scurry for matching funds, Phyllis Bramson and others from the CA WIC Branch were able to raise $200,700 through contributions from farmers’ markets, and the in-kind support of dozens of farmers’ market managers, WIC staff, and others.

The entire FMNP budget may not be spent this year, because the 30% state match and perceived extra work of the program will inhibit new states from joining the program.
While the state’s inability to provide a match commensurate with its need has substantially hampered the expansion of the program, Jody Fujii, for one, believes that the match was not as much of an issue as the complete lack of political support from the Wilson administration (Fujii). She argued that a reasonable match level actually provides an incentive for states to pick up the program, because administrative time can be counted toward the state’s match, in turn providing for some funds for administrative overhead.

With a new Democratic administration coming into place, and the program situated in a supportive environment, the FMNP is poised to expand dramatically. Linnea Fallack of the California Department of Health Services says she is “certain that there are more opportunities for expanding the program.”

**Farm Stands**

Farm stands represent a viable alternative for selling farm fresh produce in food access deficient areas where establishing a farmers’ market may be difficult. On the East Coast, this approach is commonly used. In California however, there exist state policy barriers to this strategy.

For the purposes of clarity, a “farm stand” is defined as a produce stand run by a farm that stocks it with produce from their land. No reselling of other farm produce would constitute a direct market farm stand. Only farm stands which are located on or adjacent to the property where the produce originates are included in California Direct Marketing Regulations, and are exempt from standard pack requirements.

Presently, any farm or organization wishing to sell to the public through an off-farm stand, not as part of a certified farmers’ market (CFM), must operate as any retail food market would - obtaining a business license, zoning approval on private property or policy permit on public property, and health permits. Unlike a CFM or an on-farm stand, an off-farm stand is not included in the California state agricultural code direct marketing section and, therefore, is not exempt from “standard pack” requirements. “Standard pack” requirements include comprehensive grading, sizing, packing, labeling, and sanitation regulations for certifiable agricultural products permitted for sale in California. “Standard pack” compliance, paperwork and fees associated with non-exempt direct marketing licensing, as well as health permit compliance and fees, business license paperwork and fees, and lengthy zoning processes, act as significant barriers to small farms wishing to engage in off-farmstand operations (Dunnigan).

Some of the licensing fees associated with starting an off-farm stand could be reduced and standard pack requirement eliminated by partnering the off-farm stand operation with a sponsoring non-profit or government
agency and categorizing it as a farmers’ market. (This type of agency sponsorship is required of CFMs in order to qualify for standard pack exemptions. As well, CFMs typically have some or all business and health permit fees waived.)

**Other Policy Initiatives**

Within USDA, various other agencies play a role supporting farmers’ markets. These include the Agricultural Marketing Service, Cooperative State Research Education and Extension Service, and a soon to be formed Office of Community Food Security. Following is a brief description of the activities of each as related to farmers’ markets, and their potential for supporting direct marketing in low income areas.

**Agricultural Marketing Service (AMS)**
The goal of the AMS’ Wholesale and Alternative Marketing Program (WAM) is to “promote regional economic development and improve market access for the small to medium-sized farmer” ([http://www.ams.gov/tmd/markets/index.htm](http://www.ams.gov/tmd/markets/index.htm)). WAM provides technical assistance to state departments of agriculture and others on public and farmers’ market development. It also funds feasibility studies for market development. WAM also operates a number of programs related to farmers’ markets, including a bi-annual directory of farmers’ markets in the nation and a web site with publications, bibliographies, and links to other sites.

While WAM promotes farmers’ markets, its program’s mission is to serve farmers, not to provide benefits to consumers in general. Any benefits beyond extra income for small and medium producers are side benefits and are not generally pursued by the program. Fortunately, WAM program manager Arthur Burns is sympathetic to issues surrounding low income farmers’ markets.

AMS also operates the Federal State Marketing Improvement Program (FSMIP), a competitive grants program for state agencies to “conduct studies or develop innovative approaches related to the marketing of agricultural products” ([http://www.ams.usda.gov/tmd/fs mip97.htm](http://www.ams.usda.gov/tmd/fs mip97.htm)). In FY 1998, $1.2 million were distributed through FSMIP. While at least one grant went to support farmers’ markets, the majority of the funding has been directed toward alternative crop production and market development.

**Cooperative State Research, Education, and Extension Service**
CSREES operates a number of grant programs that currently do support or have the potential to promote farmers’ markets in low income communities.

Authorized as part of the 1996 Farm Bill, the Community Food Projects Program provides $2.5 million/ year in grant funds to non-profit agen-
cies for projects that meet the food needs of low income communities while promoting self-reliance. It is authorized, with dedicated funding, through the year 2002. Many of the 45 or so projects funded to date have included direct marketing of some kind. This innovative program needs increased visibility and funding to meet demand.

The Sustainable Agriculture Research and Education program also provides competitive grants for universities and non-profits engaged in sustainable agriculture work. As this program is administered at a regional level, the distribution of grants for farmers’ markets is uneven. Typically, however, the grants are geared toward production oriented research.

**Office of CFS**

USDA Secretary Dan Glickman has expressed a firm commitment to establishing a new Office of Community Food Security within the Research, Education, and Extension wing of USDA. This Office would oversee the Community Food Projects program and the development of farmers’ markets on federal property among many items. Plans include a policy coordination function to liaison with various USDA agencies and build a common USDA agenda for community food security. This new development holds significant promise to increase USDA support for direct marketing programs in low income areas. The Office of CFS is slated for inclusion in the FY 2000 budget, and must be approved by the House Agriculture Appropriations Committee. A budget allocation of roughly $900,000 is being discussed currently. (Mehr)

**Conclusion**

This section has focused on state and federal policy barriers and opportunities to low income farmers’ markets. Deliberately, we have not focused on local policies, related to health, licensing, zoning and fire department regulations, as these vary according to locale. The primary policy issues for farmers’ markets serving low income customers include the advent of EBT for food stamp benefits and the implementation of the Farmers’ Market Nutrition Program. The end of the report contains detailed policy recommendations.

The Farmers’ Market Nutrition Program forms a crucial link in ensuring access to healthy foods and nutrition education for a million people nationwide. Without the benefits it provides, thousands of farmers would suffer loss of income, and undoubtedly many markets would fold. The program is growing in terms of appeal, with two thirds of states now participating, and its appropriation almost doubled to $15 million. However, the FMNP remains vulnerable to the vagaries of WIC caseload, in light of its linked budgetary authorization. USDA and Congress need to recognize the importance of this program and honor it with a separate identifiable appropriation—its own line item.

With regards to EBT, as the nation moves away from a paper monetary system, those institutions grounded in the cash transaction suffer. Farm-
ers' markets look to be a clear loser in the conversion of food stamp benefits to electronic methods. None of the presented technological options promise to be as efficient and convenient as paper food stamps. All will be more expensive and cumbersome. There should be little doubt that it will become more difficult to redeem food stamp benefits at farmers' markets. Markets with low food stamp redemption levels may decide that it is not worth the hassle and potential capital costs for a small percentage of market sales. Only those markets with a large volume of food stamp sales may end up accepting EBT. Farmers, inconvenienced by the new technology, have begun to and most likely will continue to drop out of the food stamp program. Without aggressive outreach campaigns, consumers may not realize that their electronic benefits are still viable at farmers' markets. All of these factors result in a serious threat to community food security—diminishing the income for small farmers while reducing access to healthy foods for low income individuals.

The political will to address this issue appears to be lacking at both the federal and state levels. Paying for new technologies for farmers' markets continues to be a crucial question. USDA needs to show leadership on this matter. It has taken the first step by contracting for the technology feasibility study. Now, it needs to provide funding for markets to purchase terminals, for grassroots groups to conduct outreach to food stamp recipients, and for continued demonstration programs on diverse technologies and approaches. This might be one matter for the new USDA Office of Community Food Security to help coordinate with FNS.

At the state level, California should undertake a number of initiatives, including funding a demonstration study of EBT technologies at high volume and low volume food stamp markets; appropriate from General Funds a match for FY 1999-2000 for the FMNP commensurate with public need and federal funding availability; and exempt off-farm stands operated by non-profit organizations in low income areas from standard pack regulations.
Conclusion

This report has explored a breadth of issues associated with farmers’ markets in low income communities. It examined barriers associated with fruit and vegetable consumption, including cooking habits and shopping preferences. It presented a series of case studies of eight farmers’ markets, some more successful than others, enumerating general characteristics of successful farmers’ markets serving low income communities. The third chapter discussed policy barriers and opportunities, focusing on the advent of electronic benefits transfer (EBT), the implementation of the Farmers’ Market Nutrition Program (FMNP), and the possibilities for establishing off-farm stands in California. The report concluded with a set of policy recommendations.

The continued success and expansion of farmers’ markets in low income communities depends largely on a three part equation. On the consumer side, innovative forms of nutrition education can play a key role in encouraging greater consumption of fruits and vegetables. Consumer knowledge must be bolstered with increased resources, through FMNP coupons, continued eligibility of food stamps, and ultimately macro-economic policies, such as increases in the minimum age that allow for higher household food consumption. On the market manager end, new and continuing markets will require the basics for success for any farmers’ market, such as a good location and appropriate hours. They may also necessitate additional community outreach, and careful monitoring of pricing and product mix, among other elements. Support from community groups, such as social service agencies may also play a key role in building and strengthening markets as a community institution. Finally, markets will be dependent on larger economic forces that are driving many farmers to get big or to sell their land for suburban development. To the degree that farmers’ markets can provide an alternative outlet for their products, some family farmers will be able to resist the increasing corporatization and globalization of the food system.
Policy Recommendations

USDA has failed to articulate a coherent policy on farmers’ markets in low income communities. As a result, its many existing programs and policies often operate at cross-purposes, or minimally without coordination. For example, the Farmers’ Market Nutrition Program continues to expand into an increasing number of states, providing low income women and children access to healthy produce through vouchers redeemable at farmers’ markets. On the other hand, low income families are increasingly no longer able to redeem their other USDA-issued coupons (food stamps) at farmers’ markets, because FNS has not put adequate resources into developing a farmer-friendly EBT system. As part of the new community food security initiative planned for 1999, USDA should review at a department-wide level all policies and programs related to farmers’ markets, and promulgate a cross-agency directive to support their development and operation, with particular emphasis on low income consumers.

Electronic Benefits Transfer
As USDA has only recently begun to take the lead on developing farmer-friendly EBT systems, it will be especially important to study the various pilot programs taking place around the country, and prevent unnecessary duplication in research and development. The Food and Nutrition Service should play an active role to ensure that food stamp recipients can redeem their benefits at farmers’ markets. Specific recommendations include:

- FNS should subsidize the capital costs associated with providing farmers’ markets with EBT capability, given its commitment that the transfer to EBT not be a financial burden for vendors;
- FNS should fund demonstration programs of a variety of EBT technologies in different conditions, including high and low-volume food stamp markets;
- FNS should assemble a report of case studies of the various pilot programs around the country and compile a best practices guide. This study should explore technologies and strategies not covered in the report on technological alternatives. The report should be widely distributed through the internet, the agricultural marketing service, state departments of agriculture, farmers’ market associations, and other non-profit partners.
- In those areas with farmers’ market EBT systems in place, FNS should provide funding for community groups to conduct outreach to food stamp recipients about the new methods for redeeming food stamps and their continued eligibility at farmers’ markets;
- FNS should encourage and fund when necessary states to conduct trainings of market managers and farmers to use EBT technologies once they are adopted.
California

- In California, the state Department of Social Services should fund an EBT demonstration program at farmers’ markets with both high and low volume of food stamp usage to identify best technologies.

Farmers’ Market Nutrition Program

The FNS and the Commission on Small Farms recommend the expansion of the FMNP to all fifty states. In order for this to be possible, the program will require increased funding as well as its own separate identifiable appropriation. Specific recommendations follow:

- FMNP funding should be fully independent from funding based on maintaining WIC caseload and given its own identifiable line item in future budgets. FMNP authorization and appropriation should gradually increase to meet potential demand and to increase the number of states participating.

- In order to remove a potential barrier for program participation, the state match should be reduced to 15%.

California

- California should appropriate a minimum of $400,000 for matching funds for FY 1999-2000.

USDA Policies

- The House Agriculture Appropriations Committee should appropriate necessary funds for and approve the establishment of an Office of Community Food Security within USDA’s Research, Education, and Extension branch for FY 2000. This Office should take a lead role in coordinating USDA activities around direct marketing in low income communities.

- USDA should provide funding to state departments of agriculture by reactivating the Farmer to Consumer Direct Marketing Act to stimulate direct marketing activities. This program should be administered by the Agricultural Marketing Service.

- The Wholesale and Alternative Marketing Program of the Agricultural Marketing Services should expand its focus on farmers’ markets serving low income communities, and liason through a newly established Office of Community Food Security with other USDA agencies toward this purpose.

- The regional SARE programs should orient a portion of their funding toward food system or marketing-based activities.

Farm stands

- The California legislature should include an allowance for the Secretary of Agriculture to focus on certified farmers’ markets in low income communities.

- The Secretary of Agriculture should include off-farm stands sponsored by non-profit agencies in the direct marketing section of the
California Agricultural Code, exempted from standard pack, and waived from the majority of business and health permit fees in low income areas where residents have limited access to fresh produce, lower than average personal vehicle ownership, special dietary preferences or other barriers that reduce access to acceptable produce and that could be eliminated by the presence of an off-farm stand.
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