Pricing Comparisons at Farmers Markets:
Understanding Value and Affordability
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Communicating Value at Farmers Markets
Why Farmers Markets?

The Food Trust’s Mission: Ensuring that everyone has access to affordable, nutritious food.

Farmers markets are valuable to a community because they:

- Create access to healthy food
- Connect urban and rural
- Revitalize Communities and become social hubs
The Food Trust in 2011

- Managed 26 farmers markets in Philadelphia
- 88% located in low or mixed-income communities
- Operated 628 market days
- Work with over 100 growers and producers
- Collaborate with over 200 community partners
- Over 400,000 customers served
Shop at The Food Trust's Farmers' Markets
At The Food Trust's farmers' markets you'll find the best of the region's produce, meats, dairy and artisanal foods. Our network of farmers' markets serves more than 125,000 customers in the Philadelphia area, helps sustain regional farms and accepts ACCESS card/food stamps — all part of our mission to ensure that everyone has access to affordable, nutritious food. Learn more about our efforts and how you can help at thefoodtrust.org.

Use your ACCESS card at farmers’ markets!
YOUR ACCESS CARD/FOOD STAMPS ARE WELCOME AT MORE THAN 25 PHILADELPHIA FARMERS’ MARKETS.
Call 311 or visit foodfitphilly.org/foodbucks for more information.

The Food Trust farmers markets accept:
- EBT (SNAP/foodstamps)
- FMNP coupons
- Philly Food Bucks

EBT sales have increased 300% in past 2 years
Farmers Market Shoppers

We surveyed a set of farmers markets located in communities of high need and found:

• 87% of customers felt prices at farmers markets were about the same or less expensive compared to food stores in their neighborhood

  • Among SNAP/foodstamp customers, 70% reported that prices are less expensive

• 52% of shoppers participated in SNAP, WIC, or FMNP program

• 72% of shoppers reported eating a greater variety of fruits and vegetables since coming to market
Why our customers love Farmers Markets

- Know who is growing your food
- Safe and inviting place to shop
- Community hub and a place to meet new and old neighbors
- A place to incubate local food businesses
- Market Manager as a resource
Hunting Park Farmers’ Market

- Previously known as a dangerous park
- Part of a Healthy Eating, Active Living project
- Residents brought cards welcoming the farmer on the first day
- Farmer also values the community
Farmers Markets: For the Food Elite or the Average Person?

A look into the affordability of farmers markets in the Southeast and Appalachia

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Farmers market’s increasing

• In Virginia, the number of farmers markets has more than doubled since 2005, from 88 to 186 (VDACS)

• Nationally, farmers markets have increased from 1,750 to 7,100 in less than 2 decades
  – Why such fast growth?
AMERICAN AGRICULTURE DIVIDED INTO MARKETING, FARMING AND INPUT SECTORS
Cornell University study (2003)

• Farmers markets serve as “incubators”: newer, younger entrepreneurs test products with low risk and capitalization – 83% of vendors started with less than $1000
Community Revitalization

National survey (Project for Public Spaces):

* More than 60% of FM customers only come to town on market days

* Of these, nearly 2/3 visit other nearby shops when in town for farmers market
Food and Health Expenditures as % of Household Income

% of Expenditure of Household Income

- Health Care
- Food
Does local food = Improved eating and health?

• New Orleans farmer market survey: 83% of customers stated that FM had *changed the way they shop* (Union of Concerned Scientists)

• Lower income shoppers who’d come to market because of incentive programs were *more likely to return to buy fruits and vegetables* (Racine), and *continue buying produce* at FM after incentives end (Shumacher)
Farmers markets are great, but…

…can ordinary people really afford to shop there?
Farmers Market Affordability

• SCALE study in 2011 put all of these farmers market benefits aside to answer the question:

  On price alone, are farmers markets affordable for ordinary folks, people on a budget, when compared with supermarkets?
Overall Conclusion

• On price alone, the vast majority of farmers markets in the Southeast and Appalachian region are at or below the prices of mainstream supermarkets, when considering a mix of everyday foods.
Methodology

• Study (Sept – Oct, 2011) considered:

  – 24 farmers markets in 19 communities in six states:

  Virginia, Tennessee, North Carolina, South Carolina, West Virginia and Kentucky
Three categories of communities:

• 1. Small towns, e.g. Jonesborough, TN, Abingdon, VA 15,000 or less

• 2. Small cities, e.g. Charleston, WVA, Asheville, NC 50,000 – 95,000

• 3. Mid-size cities, eg Richmond, VA, Lexington, KY 100,000 – 500,000
Local markets – open air or under roof
Supermarkets in Study

• Depended upon what was available nearby, but primarily used *mainstream supermarkets* (100% of time for conventional produce)
  – Kroger, Food Lion, Food City, Ingles

• Secondarily used *high-end markets* for comparison
  – Whole Foods, Earth Fare
What we compared

• “Everyday foods”

*Produce*: potatoes, beans, green bells, red bells, red tomatoes, cucumbers, zucchini, leaf lettuce, onions, sweet potatoes, butternut squash, cantaloupes, eggplant

*Protein*: eggs, ground beef, whole chicken, breakfast sausage or link sausage, pot roasts
Method of comparison

• Not “item by item”, but overall price of a week’s worth of everyday foods

  – For example: 1lb zucchini, 2 lbs potatoes, 1 dz eggs, 1 whole (4 lb) chicken
Median rather than mean price

• Every price for a given item was noted, then the **median** price calculated:
  
  • $1/lb  $1/lb  $1.25/lb  $2/lb  $2.50/lb
  (Mean price above would be $1.55/lb)

**Organic prices noted separately, using same procedure**
Supermarket prices

• Prices on comparable items collected at two supermarkets (special discounts not included)
  – Supermarket with lowest overall price for all the items considered was used for comparison
    • Supermarket 1: $32.50
    • **Supermarket 2: $29.75**
Comparability sought

- Quality
- Weight vs volume or count
- Free range eggs
- Grass-finished or pastured meats

– Comparability of meats was particularly difficult
Organic produce

• At farmers markets, included certified organic, Certified Naturally Grown and self identified organic

  – Vast majority of organic producers in these markets are not certified
What we did not consider

• Taste, freshness, health and nutrition, food miles, improved farmer incomes, etc

• Impact of EBT, WIC, SFMNP or double matching vouchers
Other studies have used broader definition of affordability

- Portland, Oregon study (Portland State and Portland Community Reinvestment Fund) compared farmers market prices to 3 “tiers” of supermarkets, and included impacts of SNAP matching funds
Study Conclusions

• In 74% of communities, farmers market produce (conventional) was less expensive than supermarket produce, on average by 22%
Study Conclusions

• Where organic produce was available at both farmers markets and supermarkets, it was less expensive at the farmers market 88% of the time.
Study Conclusions - Meats

• **Meats** as a group were **always more expensive at farmers markets** than at supermarket:
  – Comparing grass based @ FM with conventional @ SM – **47%** higher

  – Comparing grass based @ FM with comparable meats/eggs @ SM – **10%** higher
The “chicken effect”

• Most of the farmers market meats – ground beef, breakfast sausage, link sausage, beef roasts – were only slightly more expensive than conventionally raised meats at supermarkets

• Chickens, however, were far higher @ farmers markets, averaging $16 - $18 each vs $5.25 - $6 each
Study Conclusions

• **Overall cost**, including produce, meats and eggs:
  * Farmers markets were the **same price or less expensive** than supermarkets 74% of the time, for comparable items (avg12% less)

  * When comparing lowest available price – including FM grass-finished vs CAFO meats – farmers markets were more expensive 52% of the time
Relatively Consistent Trends

• 2010 study of 10 farmers markets in Vermont (Claro, for Northeast Organic Farming Association) - an *item-by-item produce* comparison with 10 supermarkets:

  – 4 of 12 items were cheaper at FMs
  – Another 6 of 12 were 10 – 20 % higher
  – Organic produce averaged 43% less
Additional studies

- Leopold Center study in Iowa, University of Seattle study in Seattle both found prices comparable or slightly lower, comparing farmers markets with supermarkets
Portland study

• 13 farmers markets in the Greater Portland area, comparing produce to discount (tier 1), mainstream (tier 2) and high end (tier 3) supermarkets:
  – 6 of 13 markets had comparable prices to tier 1 and 2 supermarkets
  – When $5 SNAP matching benefits were considered, 8 of 13 were comparable
Future investigation

• Need studies in other regions, in larger cities

• Focus some analysis on working, ordinary folks, ie not the well-off foodies, nor SNAP beneficiaries, but the large group of people in between: Do they shop at FMs? Barriers; potential incentives, etc
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Resources