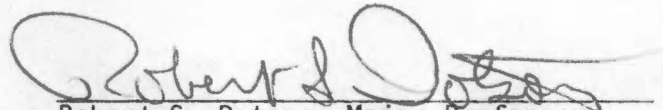
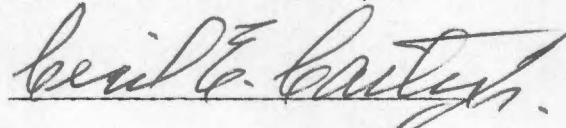
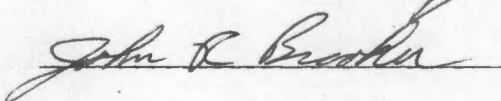


To the Graduate Council:

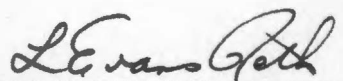
I am submitting herewith a thesis written by Jon Traunfeld entitled "Direct Marketing in East Tennessee: A Study of the Bradley County Farmers' Market." I have examined the final copy of this thesis for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Master of Science, with a major in Agricultural Extension.


Robert S. Dotson, Major Professor

We have read this thesis
and recommend its acceptance:

Accepted for the Council:


Vice Chancellor
Graduate Studies and Research

**DIRECT MARKETING IN EAST TENNESSEE: A STUDY OF THE
BRADLEY COUNTY FARMERS' MARKET**

**A Thesis
Presented for the
Master of Science
Degree
The University of Tennessee, Knoxville**

Jon Traunfeld

August 1982

3062984

ACKNOWLEDGMENTS

The author wishes to express his gratitude to Dr. Robert S. Dotson for his patience in guiding this study to completion and for serving as committee chairman.

Dr. John Brooker and Dr. Cecil E. Carter, Jr., are also owed a debt of gratitude for serving on the thesis committee.

Without the cooperation of the Bradley County Extension Service, especially Mr. Bill Hale and Ms. Judy Smith, and the farmer market participants, this study would not have been possible. It is to them that this thesis is dedicated.

ABSTRACT

The purposes of this study were to analyze the growth, structure and operation of the Bradley County Farmers' Market and to determine the factors contributing to the Market's success. Grower and consumer surveys were used to profile participants and isolate problems and suggestions for market improvement.

The Market's success was attributed to a wide range of factors: (1) technical assistance provided by the Extension Service, (2) a growing middle-class population in Cleveland, (3) preference by residents for fresh, locally-grown products, (4) a large number of retired, part-time and small-scale farmers in the area and (5) the location and special qualities of the market grounds and nearby canning facilities.

Although the Bradley County Farmers' Market appears to have reached a sales plateau, it has the potential to expand through an increase in product variety and an extension of the growing season through new cultural practices. The market's simple structure and quick success suggest that it may be used as a model for other towns in the state.

TABLE OF CONTENTS

CHAPTER	PAGE
I. INTRODUCTION TO THE STUDY.	1
Purposes of the Study.	1
Methodology.	2
II. BACKGROUND TO THE STUDY.	4
Trends Within the Fresh Fruit and Vegetable Industry . .	4
Production and Marketing Trends in Tennessee	5
III. DIRECT MARKETING: CONCEPTS AND OVERVIEW	9
Types of Direct Markets.	9
Types of Farmers' Markets.	11
Benefits of Farmers' Markets for Producers	12
Benefits of Farmers' Markets for Consumers	14
Growth and Importance of Farmers' Markets.	16
Farmers' Markets in Tennessee.	18
IV. THE BRADLEY COUNTY FARMERS' MARKET: BEGINNINGS.	21
Introduction	21
Background Information	22
Market Initiation.	23
V. MARKET STRUCTURE	26
Introduction	26
The Extension Service and Market Structure	27
Farmer Participation and Market Structure.	29
VI. MARKET OPERATIONS.	33
Education.	33
Publicity.	33
Rules and Regulations.	34
Management	35
Quality and Variety.	37
Pricing.	38
VII. MARKET PROBLEMS.	41
VIII. GROWER PROFILE	44
IX. CONSUMER PROFILE	53

CHAPTER	PAGE
X. MARKET GROWTH	55
XI. THE BRADLEY COUNTY COMMUNITY CANNERY.	68
Introduction.	68
History	68
Operations.	69
Education and Utilization	70
XII. SUMMARY AND IMPLICATIONS	74
Major Findings of the Study	74
Implications.	76
Recommendations	79
BIBLIOGRAPHY	81
APPENDIXES	85
A. 1978 BRADLEY COUNTY FARMERS' MARKET SURVEY--CONSUMERS. .	86
B. 1978 BRADLEY COUNTY FARMERS' MARKET SURVEY--GROWERS. . .	87
C. 1978 BRADLEY COUNTY FARMERS' MARKET.	88
VITA	89

LIST OF TABLES

TABLE	PAGE
1. Bradley County Farmers' Market--Perceived Farmer Problems Problems and Suggestions for Improvement, 1978.	42
2. Bradley County Farmers' Market--Farmer Survey: Participa- tion, Location and Distance Travelled, 1978	45
3. Bradley County Farmers' Market--Farmer Survey: Tenure Status and Sources of Income, 1978.	46
4. Bradley County Farmers' Market--Farmer Survey: Vegetable Acreage, Market Income, 1978.	47
5. Bradley County Farmers' Market--Farmer Survey: Time Spent at Market by Participants, 1978 ,	48
6. Bradley County Farmers' Market--Farmer Survey: Products sold by Participants, 1978.	49
7. Bradley County Farmers' Market--Farmer Survey: Utilization of other Markets by Participants, 1974-78	52
8. Bradley County Farmers' Market--Consumer Survey, August 1978	54
9. Bradley County Farmers' Market--Gross Sales and Farmer Participation, 1977-1981.	56
10. Bradley County Farmers' Market--Sales Categories, 1977-1981	57
11. Bradley County Farmers' Market--Sales and Participation by Sales Day, 1977-1981	58
12. Bradley County Farmers' Market--Sales Breakdown by Months, 1977-1981	59
13. Bradley County Community Cannery--Numbers of Participants and Jars Processed, 1976-1981	72

LIST OF FIGURES

FIGURE	PAGE
1. Bradley County Farmers' Market--Number of Participants Selling Over \$150, 1981 Season	60
2. Bradley County Farmers' Market--Number of Participants Selling \$100-\$150, 1981 Season	61
3. Bradley County Farmers' Market--Number of Participants Selling \$50-\$100, 1981 Season	62
4. Bradley County Farmers' Market--Comparison of Average Participant Sales Through Time, 1981 Season	63
5. Bradley County Farmers' Market--Comparison of Daily Total Gross Sales Through Time, 1981 Season	64
6. Bradley County Farmers' Market--Comparison of Market Partici- pation by Farmers Through Time, 1981 Season	65

CHAPTER I

INTRODUCTION TO THE STUDY

Limited-resource vegetable growers in Tennessee face a wide range of difficulties in marketing their produce. Production efficiency and fruit quality are often variable and volume is typically insufficient to attract large buyers. Local marketing opportunities are further limited by the dependence of in-state chains and wholesalers on out-of-state produce. Consequently, many growers are forced to rely on a "hit or miss" marketing approach; they spend a great deal of time seeking and securing reliable outlets.

Direct marketing to the public offers fruit and vegetable growers several benefits, including generally higher prices and a degree of market control. A number of fresh fruit and vegetable growers across the state have carved out lucrative marketing niches via roadside stands and pick-your-own operations. Only recently, however, have farmers' markets become attractive outlets for large numbers of farmers. As viable market alternatives which show signs of becoming permanent outlets in many communities, farmers' markets deserve closer examination.

A. PURPOSES OF THE STUDY

The primary goal of this descriptive case study was to isolate some of the important factors which contributed to the success of the Bradley County Farmers' Market (BCFM) in Cleveland, Tennessee.

Hopefully, this study will enable farmers, Extension Service personnel and other interested groups to better determine the potential for such markets in other parts of the state.

The specific objectives of the thesis were as follows:

1. To provide meaningful background information, including a discussion of trends within the fresh fruit and vegetable industry and an overview of national direct marketing trends and statistics.
2. To discuss vegetable production and marketing in Tennessee, with a focus on direct marketing activities.
3. To document the history, organization, operation and goals of BCFM.
4. To examine BCFM's growth and general importance for area producers and consumers.
5. To identify success factors, recurring problems and possible solutions.

B. METHODOLOGY

A case study approach was deemed the most appropriate method of analyzing BCFM. Surveys of growers and consumers form the study's informational base. The data collection instruments (see Appendixes A and B) for consumers and producers were developed with the aid of the thesis committee and were administered during August 1978. Personal visits and correspondence with former Bradley County Extension Leader William Hale, and later, with the Acting Leader, Judy Smith, during the period 1978-1981, provided additional information. Extensive

use was made of BCFM records compiled over the most recent seven-year period of the market's life. Data for some months in certain years were not available for the study.

CHAPTER II

BACKGROUND TO THE STUDY

A. TRENDS WITHIN THE FRESH FRUIT AND VEGETABLE INDUSTRY

Since World War II, few agricultural sectors have changed as rapidly as the fresh produce industry. On the production end, technological advances and a variety of economic forces have led to a concentration of production on fewer and fewer farms. Specialized areas comprised of large-scale operations, have largely supplanted local truck farming and marketing. The portion of the total value of fresh vegetables produced on Class I farms (gross sales over \$40,000) increased from 82.6 percent in 1969 to 93 percent in 1979 (24:36).^{*} The cost-price squeeze affecting American farmers has been especially painful to fruit and vegetable growers. On a per acre basis these producers use more agrichemicals and fuel than their grain-growing counterparts. Fresh market prices for fruits and vegetables have risen more slowly than prices for inputs (25, 26, 27, 32:6b).

On the marketing end, open terminal markets involving large numbers of buyers and sellers have lost much ground to direct shipping point purchases by retail chains. The growing marginality of many wholesale, auction and farmers' markets and the continuing decline in buyer numbers have weakened competitive price-setting mechanisms. At

^{*}Numbers in parentheses refer to numbered references in the Bibliography; those after the colon are page numbers.

the same time, the marketing power and prerogatives of many vegetable farmers have been limited. This is reflected in the general inability of farmers to pass on escalating production costs or control off-farm marketing activities.

The constellation of production and marketing relationships required to supply Americans with a year-round supply of fresh produce, carries a large price tag. In 1980, vegetable growers received only 28 percent of the retail value of fresh vegetables; while U.S. farmers as a whole receive 42 percent of the retail food dollar (28:33, 40). With vegetables, the remaining portion is paid for packaging, cooling, transportation, advertising, wages and profits.

These costs have the potential to drastically alter production and marketing patterns in the industry. Large growers and shippers in California, for example, are faced with increased transportation, packaging, water and labor costs. Thus, they are finding it increasingly difficult to compete with local producers, particularly in markets east of the Mississippi River during the summer months. In the 1980's, according to The Packer, "retailers will work more closely with, and buy more produce from local and regional growers" (9:43-45). These developments, coupled with the growing public preference for locally grown produce could help Tennessee farmers rejuvenate and expand their industry.

B. PRODUCTION AND MARKETING TRENDS IN TENNESSEE

The production and marketing of fresh produce in Tennessee is extremely variable in relation to acreage, crops and markets. The

unifying characteristic of this industry, from Jackson to Newport, has been its historic instability. This section will briefly describe the fresh produce industry as it has developed in Tennessee.

In 1981 Tennessee growers produced approximately 20,000 acres of vegetables, or 5 percent of the national total (25). Fresh market tomatoes, the State's chief crop, accounted for 7.5 percent of the national summer season acreage in 1980 (25). Most of Tennessee's vegetable acreage is harvested between June and October, with the peak occurring from July 10-August 20. The total number of vegetable-producing farms in Tennessee declined 3 percent between 1969 and 1979. Total farm numbers increased 3.5 percent during the same period (29:6-10, 17, 22).

These statistics give no indication of the continuous production area shifts which have plagued Tennessee producers for more than half a century. The vast majority of these shifts have led to a reduction in state production. For example, the number of processing plants declined from 78 in 1926 to 21 in 1967. By 1979 there were only seven plants operated by five firms (11:1-9). In addition, the mobility and market power of the processing firms have also contributed to keeping contracting growers in a relatively insecure position.

Growers who produce for the fresh market have fared little better. Since the 1920's, significant production areas planted in apples, strawberries, green beans, tomatoes and sweet potatoes flourished and died out. Most areas lost their industries to out-of-state areas which possessed greater competitive advantages. Some of these advantages were natural (e.g., longer growing season, more

level land) and others have been economic and technological (e.g., cheap labor, the development of mechanical harvesters).

The few sustaining fresh market shipping points in the state are fairly specialized, and dependent on migrant labor and long-distance markets (e.g., the tomato industries in Cocke County and along Walden's Ridge). Although these production areas are fairly large, they are still considered "fill-in" shipping points by many buyers and lack the stability to provide farmers a fair return on a consistent basis. Some producers situated outside of these production areas have developed the skills and facilities to pack and ship their own produce; however, most vegetable farmers have continued to compete individually for sales to in-state wholesalers and retailers.

The problems of Tennessee's produce industry are exacerbated by the predominance of small-scale producers. In 1978 25 percent of the State's vegetable farms had gross sales under \$2,500 (29:17-25). Small-scale growers have special problems in marketing their produce and gaining access to credit and information. Several studies conducted in Tennessee indicate that Tennessee produce buyers do not believe that growers are currently able to produce the consistent large-volume of high quality produce they desire (2:13-17, 15:8). A recent University of California study indicated that small vegetable farms received lower prices than their larger counterparts (13:2-5).

The pattern of importing fresh fruits and vegetables during the summer months while shipping much of the State's production to other areas, makes Tennessee a net produce importer from June through October. It has been suggested that 1,800 acres of tomatoes would satisfy the

state's annual needs. Although Tennessee farmers produce over 4,500 of fresh market tomatoes annually, the State's food industry continues to import the majority of summer tomatoes from California and elsewhere (20:14). In 1979, only 3 percent of the total volume of fresh fruits and vegetables unloaded in Knoxville was purchased from in-state producers (7:3).

Most observers agree that Tennessee produce farmers face increasing challenges and opportunities in the future. Although it is difficult to quantify at this point, there are indications that Tennessee buyers are taking a much closer look at "home-grown" produce and are beginning to work more with growers on improving grading and packing practices. Extension Service personnel have played a vital role in recent years in bringing farmers and buyers closer together. Furthermore, a group of professional workers from the Tennessee Department of Agriculture, Agricultural Marketing Project, The University of Tennessee and Tennessee Valley Authority, have begun to meet regularly to plan strategies for promoting and expanding Tennessee's fruit and vegetable production.

CHAPTER III

DIRECT MARKETING: CONCEPTS AND OVERVIEW

The information presented thus far offers a partial explanation for the recent flourishing of direct market activities. For many small and hard-pressed farmers, direct outlets are dependable and relatively lucrative. The other important factor is the growing preference by the public for fresh, locally-grown farm products. The high costs associated with the conventional marketing of fresh produce have also contributed to consumer interest in direct markets. After comparing different types of direct outlets, this chapter will move on to a discussion of the benefits accruing to local farmers and consumers. The section will close with an examination of statistics which reflect the growth of direct marketing on the state and national level.

A. TYPES OF DIRECT MARKETS

Direct marketing takes three forms: pick-your-own operations (PYO), roadside stands (RSS) and farmers' markets (FM). The common denominator is the direct sale of farm products (mostly fruits and vegetables) to the public. The differences between the three types makes it clear that farmers' markets offer the greatest benefits to the most producers and have the potential for the widest application. A comparison of the three shows that:

1. The success of FM's usually depends on the collective action of farmers along with the involvement of public officials, Extension

staff and consumer and farmer groups. PYO's and RSS's are typically single or multiple family enterprises.

2. The marketing risks of FM's are spread thinly; the operation and success of the market is not dependent on a single grower. Responsibilities for market operation, such as bookkeeping, publicity and complaints are often shared. Furthermore, FM's are often organized and operated by public agencies or the farmers themselves. In these cases, farmer/participants are usually involved in making decisions concerning the market. PYO's and RSS's, on the other hand, must take full responsibility for all their marketing activities in addition to bearing investment risks.

3. FM's are fairly permanent institutions, open for business on appointed days at specific hours and offering a wide variety of "home-grown" produce. Fewer PYO's or RSS's exhibit the same degree of permanence or variety. FM's are usually located within town or city limits. It has been suggested that the rural location of PYO's and RSS's is proving to be somewhat disadvantageous as a result of higher gasoline prices (19:25).

4. FM's provide some degree of social cohesion to the urban communities in which they are located. Furthermore, consumers enjoy the fair-like atmosphere of FM's (12). Growers who operated in an isolated, independent fashion, have an opportunity at FM's to exchange information and develop a sense of solidarity with other producers.

5. Prices at FM's are very competitive, falling somewhere between wholesale and retail levels. The same is usually true for PYO's and RSS's; however, these operators can more easily maintain

high prices. The presence of a large number of both producers and buyers at the FM's helps to create an internal, competitive pricing mechanism.

Certain commodities, such as tree fruits and small fruits, lend themselves nicely to PYO and RSS operations. However, only a limited number of producers in Tennessee may have the location, resources and business acumen to successfully establish these types of outlets. For the majority of small-scale and part-time producers, particularly those located on an urban fringe, FM's appear to be a more appropriate and profitable way of marketing farm products.

B. TYPES OF FARMERS' MARKETS

There are two basic types of farmers' markets in the U. S. (6, 8, 10). The first type is usually located within or nearby a terminal market district. At these markets, seller and buyer characteristics may vary a great deal. Some sellers market only what they grow to individual consumers as well as to retailers, jobbers and wholesalers. Other farmer/sellers purchase shipped-in produce on the terminal market which they resell along with their "home-grown" items. Many sellers buy produce directly off farmers' trucks. For the grower these are usually "last choice" transactions and often involve the sale of lower grade products. This type of farmers' market offers the producer the options of selling directly to the public at retail prices and selling larger quantities at lower prices to market buyers. These farmers' markets are often well-established institutions and are operated on a public and private basis. Sellers typically pay a daily stall fee (6, 8).

In Tennessee, the Western Avenue Market in Knoxville, the Nashville Farmers' Market and the Shelby County Farmers' Market, are all examples of farmers' markets which include sales to both wholesalers and consumers. The markets are all 30 or more years old and continue to be important outlets for local produce. However, all have declined significantly in the last ten years due to the changes in the marketing system described in Chapter II of this study. Also, it is not clear that a significant increase in local production in Tennessee will revitalize these markets.

The second type of farmers' market is a much more recent development. They are usually located within urban or suburban communities and are set up strictly for the sale of locally grown farm products to the public. The organization and operation of this type of market is carried out by farmers and their organizations, churches and consumer groups or Extension personnel. While both of the above markets are important in Tennessee, this study is concerned primarily with the latter.

C. BENEFITS OF FARMERS' MARKETS FOR PRODUCERS

The popularity of farmers' markets among producers can be viewed from two different perspectives. On the one hand they represent a "last resort"; a grim reminder of the small farm's marginality and the exclusion of many growers from the conventional marketing system. On the other hand, farmers' markets represent progressive marketing alternatives which directly link farmers and consumers for their mutual benefit.

In another light, farmers' markets are an extension of the farmer's operation; small, but meaningful examples of how farmers can begin to extend control over their products past the farm gate. Agricultural economist David Vail has examined farmers' markets in his recent studies. He notes there are

. . . . Indications that the small farmers are beginning to recognize the survival value of getting into functions beyond the production of food, and doing it cooperatively rather than atomistically. The attempt to secure a place in the market through direct links to consumers runs counter to the dominant trend in American food distribution, toward a greater number of intermediaries between the grower and the eater and toward the absorption of a larger fraction of the retail dollar in distribution, processing and monopoly profits (31:5-6).

In short, by reducing, eliminating or taking over the middleman functions of grading, packaging, transporting and advertising, growers may extend control over their products past the farm gate and thereby earn a larger portion of the retail dollar.

Farmers' markets also enable producers to:

1. Sell a small volume of a large variety of farm products. Producers often supply consumers with much-demanded varieties of different fruits and vegetables which are unavailable in supermarkets.
2. Better synchronize field work, harvesting and marketing.
3. Set prices in line with other producers; a price that exceeds the cost of production.
4. Sell unpackaged and lower grades of produce.
5. Socialize and exchange information with other producers.
6. Develop the marketing and organizational skills necessary to build larger cooperative outlets.

Clearly, farmers' markets are best suited to the needs of small-scale, part-time growers located within a reasonable distance of a town or city. However, in an extensive study of the Shelby County Farmers' Market in Memphis, Tennessee, economist John Brooker (6:13-21) found that one-half of the interviewed participants derived their entire income from the market. Interestingly, 75 percent of those interviewed were classified as full-time farmers. Other reports concur that many moderate sized commercial fruit and vegetable growers frequent the nation's farmers' markets. Nonetheless, many medium- and large-scale growers are locked into a single marketing channel and cannot readily justify spending five to twenty hours per week selling produce by the pound. If sufficient farm labor is available and consumer demand strong, larger growers often do find it profitable to use farmers' markets as secondary or tertiary outlets. Direct marketing for those growers may be most feasible early in the harvest when prices are high but volume is insufficient to market through conventional channels.

D. BENEFITS OF FARMERS' MARKETS FOR CONSUMERS

It should not be assumed that farmers' markets are developing only in response to producer needs. Inflationary food prices and changing food habits and attitudes on the part of many Americans have been equally important factors in the revival of direct marketing. Furthermore, several food activists and family farm advocacy organizations have helped to promote policies and legislation supporting direct marketing activities.

For many people, escalating retail produce prices are sufficient inducement to seek locally grown produce. Although claims of 70 percent savings at farmers' markets are not uncommon, most studies estimate cost savings at 20-35 percent (3:1-10; 10:13, 17:25-31). The current popularity of "soft" salad vegetables and the increasing public awareness of the importance of fresh foods are also helping to boost farmer market popularity. The national yearly per capita consumption rate of vegetables is 100 pounds, with vegetables accounting for 45 percent of the total (18:9). This figure should increase in the near future according to the United Fresh Fruit and Vegetable Association. They note that

. . . there is a growing disenchantment with artificial food flavors, extenders and preservatives used in processed foods.
. . . consumers are more health and weight conscious and fresh produce meets this demand better (18:9).

The popularity of farmers' markets can also be viewed as a public response to immature, poor-tasting, store-bought produce, impersonal supermarket shopping and a concern with small farm survival. These less tangible factors are often more important than the cost saving advantages in attracting people to farmers' markets. In his 1976 study, Brooker (6:35) found that consumers rated the "quality" and "quantity" of produce higher than "prices paid" as reasons for patronizing the Shelby County Farmers' Market. Likewise, Dr. Richard Gomez, the University of New Mexico, found this to be the case at the large farmers' market he helped organize in Las Cruces. He reported that

. . . at first people came here looking for a bargain, but they didn't find it in the prices. They found it in the fresh fruits and vegetables on sale and in their communication

with the producer. Here the consumer can talk to the farmer--haggle a bit and even trade recipes. It's neighbourly (12:155).

E. GROWTH AND IMPORTANCE OF FARMERS' MARKETS

U. S. farmers, particularly those growing fruits and vegetables, have been making direct sales to the public since the beginnings of American agriculture (9:13). As more complex marketing systems developed, these direct sales accounted for a declining percentage of total sales. The past ten years has seen an escalation and coordination of direct marketing activities; today, farmers' markets often have the support of the Extension Service, public agencies, consumer, farm and church groups and state and federal legislation.

Two USDA surveys recently became available which help quantify the resurgence of direct marketing in the U. S. Researchers (5:8) estimated that in 1978 60,000 farmers in six targeted states (New Jersey, North Carolina, Indiana, Michigan, Pennsylvania and Ohio) earned \$260 million in direct sales. Almost all of these growers were involved in fruit and vegetable production. The projected total for the entire nation was 250,000 farmers earning over \$1 billion. It is estimated that direct sales accounted for only 2 percent of total U. S. farm receipts in 1978 (23:62). Another USDA study (16) conducted in 1976 surveyed 541 farmers' markets in 41 states; one-fourth of the markets were located in the Southeast. Estimates from 1979 (16) suggested that there were about 780 farmers' markets operating in the U. S. that year; a 44 percent increase in three years.

It would be impossible to list all the agencies and organizations that have actively promoted farmers' markets in the U. S. Often the initiative comes from within a particular urban community. On the national level, several groups have lobbied for direct marketing legislation. The fruit of these efforts, the Farmer-Consumer Direct Marketing Act of 1976, granted \$4.5 million over a three-year period to eight states for direct marketing projects (23, 30).

Despite miniscule appropriations, a strong opposition developed to the bill. Speaking to the annual meeting of the Texas Citrus and Vegetable Growers and Shippers Association in 1978, Jack Van Eerden insisted that the direct marketing bill was "the kind of legislation which could seriously hamper the U. S. marketing system with regard to produce" (4:17a). The major concern was not that the bill was inflationary or bound with red tape, but rather that the direct marketing concept ran counter and posed a perceived threat to the established marketing system. The United Fresh Fruit and Vegetable Association, an important lobbying group for the industry, went so far as to claim that "the farmer's business is that of growing fresh fruits and vegetables. The farmer does not have time to market his produce" (23). The American Farm Bureau Federation also opposed the bill on the grounds that it would duplicate direct marketing programs already established by Farm Bureau affiliates. Yet the Georgia Farm Bureau, an aggressive leader in promoting direct sales by farmers, vigorously supported the bill (23). Finally, Don Paarlberg, then Chief Economist for the USDA, agreed with the bill's intent but asserted [with little evidence] that the USDA was already getting the job done (23).

F. FARMERS' MARKETS IN TENNESSEE

Despite its comparatively low rank among vegetable producing states, Tennessee has a relatively large number of farmers' markets. Brooker's (8:3) research shows that there were 34 separate farmers' markets operating in the State in 1979. Ten of these were open more than one day per week. In the same year the Tennessee Department of Agriculture (22:4-5) estimated that 6,784 farmers (7.2 percent of the total number of producers) sold \$9.7 million in direct sales. Of these, 1,739 were vegetable growers earning \$2.5 million in direct sales. Approximately 14 percent of the State's total vegetable sales in 1979 were generated through direct marketing. However, total direct sales of farm products only amounted to .5 percent of total agricultural sales.

Successful farmers' markets are now situated across the state in large urban areas and fairly small towns. The dramatic increase in farmers' market numbers can be attributed, in large part, to the large number of small-scale producers located outside Tennessee's towns and cities, the preference Tennesseans display for locally-grown products and the desire of farmers to improve their marketing position. Furthermore, a great deal of Tennessee's production is too fragmented and small in volume to meet the demands of large volume buyers. As a consequence, many growers of small and medium size have come to rely rather heavily on direct market outlets.

The University of Tennessee has been instrumental in promoting and aiding in the development of several farmers' markets in the state. In almost all cases, the Extension Service has been active in providing

information and technical assistance to farmer participants. The Agricultural Marketing Project (AMP) is another major organization working with farmers' markets in the State. This non-profit, family farm organization has encouraged the establishment of 14 separate farmer market organizations whose members grossed over \$700,000 in direct sales in 1981.* This represents more than one-fourth of direct vegetable sales in the State. Headquartered in Nashville, AMP is a non-profit organization assisting small and moderate sized farms in Tennessee (32).

Direct markets are important outlets for approximately 7,000 producers in Tennessee. There seems to be room for additional expansion in direct marketing, particularly through farmers' markets (1, 2, 8). However, given the power of the conventional marketing system, it is doubtful that direct sales will increase at the pace observed in the 1970's. Even if federal, state and local government agencies and farmer organizations begin to actively promote direct marketing activities in the coming years, it is improbable that a large number of the State's fruit and vegetable growers could depend on direct outlets as primary or secondary outlets. For example, Leveen and Gustafson found that a ten-fold increase in direct sales in California would benefit less than 15 percent of all small farmers in that state.

*NOTE: This gross sale figure is based on the revenues generated by the 3%-4% assessment on gross sales charged by the various food fair organizations and collected by food fair market managers.

They concluded that:

. . . insofar as such (direct marketing) policies divert attention away from the real problem of finding ways of integrating the small farm into the conventional marketing system, they may actually hurt the prospects for small farm viability (13:1).

They suggested that more attention should be focused on small farm marketing cooperatives and marketing orders as ways of integrating small fruit and vegetable growers into the conventional marketing system.

CHAPTER IV

THE BRADLEY COUNTY FARMERS' MARKET: BEGINNINGS

A. INTRODUCTION

The Bradley County Farmers' Market (BCFM) was chosen for this study because (1) it had successfully met the needs of area farmers and consumers since 1974; (2) it was initiated as a joint effort involving a variety of county groups and agencies, and (3) it has increased farm income and precipitated similar direct market efforts in adjacent counties. Finally, the characteristics of BCFM give us clues to the feasibility of building a fresh produce industry in East Tennessee.

As noted in the previous chapter, there are two types of farmers' markets. At BCFM, local producers sell only home-grown produce to individual consumers. BCFM exemplifies, perhaps, the simplest structure and organization of any farmers' market. There is no incorporated organization, no Board of Directors or manager, few rules and no selling or commission charge. The Bradley County Extension Service (BCES) was primarily responsible for the market's development and continues to play a leading role. The author visited BCFM in August 1978 and conducted a survey of 16 grower and 16 consumer participants, as well as having a lengthy interview with former Extension Leader William Hale (14). Another visit was made in September 1981 to determine the market's development. Acting Extension Leader Judy Smith was interviewed at the time (21).

B. BACKGROUND INFORMATION

Cleveland is situated in the southeast corner of Tennessee, 22 miles northeast of Chattanooga and 85 miles southwest of Knoxville. The city has become a manufacturing and trade center over the past 20 years, with a current population of 31,500 (14). Several major industries, including wood, plastic and automotive firms, textile mills and stove foundries have located in Cleveland. This has led many county residents to leave farm work for factory jobs. Despite its industrial development, the county remains, essentially, rural; the majority of residents live on farms or in small communities. Typical of East Tennessee, Bradley County residents have maintained strong ties to the land.

The Bradley County agricultural economy is fairly diversified; farm receipts from a variety of crop and livestock enterprises contribute to the County's economy. In 1978 there were 671 farms operating in the County, a 1 percent drop from 1974. Approximately 63 percent of all farms had gross annual farm sales over \$2,500. Broiler production, the County's leading agricultural enterprise, occurred on 95 farms in 1978 and generated \$12 million in gross receipts. In the same year, it was estimated that 22 farmers produced 48 acres of vegetables and melons; over 80 percent of these farms had gross sales over \$2,500 (27:232-236).

Through survey information and interviews, it became clear that there was a significant number of older farmers who had experience in truck cropping and selling produce in Chattanooga and elsewhere. Unlike most other East Tennessee counties, burley tobacco is not a major

source of farm income in Bradley County. Given this background information, four major factors contributing to the BCFM's success became apparent: (1) the large number of small-scale, part-time and retired farmers, (2) the lack of a central cash crop, (3) the experience of many county residents with truck farming and (4) the influx of higher paid "white collar" workers into the county.

C. MARKET INITIATION

The idea of developing a farmers' market in Cleveland had been broached before county officials in the early 1970's by members of the Junior Chamber of Commerce. A lack of interest by those officials prevented the idea from gaining acceptance. In early 1974 a few individuals suggested to the Agricultural Extension Committee that a farmers' market be established on the grounds of the Bradley County Show Area. This time there was greater interest in the idea. The economic and social conditions which contributed to this interest can be summarized as follows: (1) interest in farmers' markets was high throughout the U. S. at that time, (2) small farm problems were becoming more clearly defined within land grant universities, and (3) local produce growers lost some of their market outlets when large chains moved into Cleveland in the early 1970's and bought out the local grocers (14).

The Show Area, made available by the county, consists of 8.6 acres and was, at one time, part of the old county farm. The site contains a 110' x 110' metal tie barn, a 50' x 80' show area, parking

area and restroom facilities. A community cannery, to be discussed later, was built on the site in 1977. The location is off Peerless Road, less than one mile from an I-75 interchange and about ten minutes from downtown Cleveland. The site is wooded around the perimeter, providing a good deal of welcome shade in the summer. There are three roads which lead into the site; the newest road connects the market to the parking lot of a large shopping center. In addition, several factories are located in an industrial park north of the site. A more accessible, well-suited site would have been difficult to find.

The interest generated in developing a farmers' market led Hale to enlist the help of Dr. Alvin Rutledge, Vegetable Production Specialist at The University of Tennessee. Together they worked out a plan of action. A trip to the Morristown Farmers' Market in Hamblen County enabled Hale to formulate plans for a similar market in Cleveland.

By June 1974 contacts had been made with the County Judge, the Mayor of Cleveland and several business and civic leaders. All agreed that a farmers' market, of the type established in Morristown, should be very beneficial to the county. Business leaders felt that such a market could help to spur business activity and provide an additional attraction for company executives and "white collar" workers considering a move to Cleveland. It also was felt that the market should open at the earliest possible date. As a result of the demonstrated enthusiasm of local officials, a market feasibility study was deemed unnecessary.

On Friday, July 11, 1974 residents tuned into the daily Extension radio broadcast were asked to phone in their opinion on the

proposed market. At the same time, an article appeared in the Cleveland newspaper describing the advantages which a farmers' market would have for the county. The response was so great from farmers and non-farmers alike that Mr. Hale immediately began preparations for opening day. On July 27 opening-day ceremonies were held on the market site. The County Court members, Agricultural Extension Committee members and several representatives from The University of Tennessee were on hand to demonstrate their support for the market. Also on hand with produce to sell were 65-70 producers and a large number of eager consumers. Following this first successful day of operation, the Bradley County Farmers' Market was on its way to becoming an established institution in the county (14).

CHAPTER V

MARKET STRUCTURE

A. INTRODUCTION

The success of a farmers' market may be measured in many different ways; some measures are quantitative, others are qualitative. Too often, researchers measure success primarily in terms of sales figures and buyer and seller numbers. From the standpoint of market participants, however, success is also measured by sustainability. The long-term success of any farmers' market is strongly related to market structure and farmer participation in decision-making; factors which are not easily quantified. Comprehensive analyses of farmers' markets must include a careful examination of both economic factors and organizational relationships.

Professor David Vail (31:20-23) has developed a useful approach for examining farmers' markets. He proposes that there are two fundamental ways of organizing and operating this type of market: "top-down" and "catalytic." In the first case, government agencies and/or private organizations play a central role in developing and managing the market. In the second case, these same groups provide a group of farmers with the resources and skills to establish and operate a farmers' market. In practice, these two approaches are not easily distinguished, yet they have important implications for the long-term success of farmers' markets.

Vail's method of analysis also indicates that there is much more involved in a farmers' market than the sale of farm products. In addition to analyzing sales growth and structure, researchers need to focus on such aspects as community benefits, localization of food production and marketing, group decision-making processes and opportunities for beginning farmers. Furthermore, this mode of analysis suggests that farmers may have a number of responsibilities aside from their role as sellers. In markets developed through the "catalytic" approach, farmer participants are involved in establishing rules and regulations, publicization and record-keeping.

B. THE EXTENSION SERVICE AND MARKET STRUCTURE

The objective of the Bradley County government and Extension Service has been to develop a farmers' market for the benefit of area farmers and consumers. The Bradley County Farmers' Market is essentially a product of the Extension Service operated with farmers in the public interest. There was no clear intention of creating a farmer organization to manage and control the market. The Bradley County Extension Service has played a central role in market initiation, publicity, management, problem-solving and record-keeping. The success enjoyed by the market since 1974 can be largely attributed to the efforts of the Extension Service. The former Extension Leader, William Hale, was particularly instrumental in developing and supervising the market. As a testimony to his dedication and service, the county government renamed the market the William M. Hale Farmers' Market (for purposes of the study, the name Bradley County Farmers' Market is used).

Unintentionally, perhaps, the Extension Service has followed the "top-down" approach to farmers' market organizing. However, in many instances, farmer participants have provided important input into decisions affecting the market. Nevertheless, there is no well-defined, formal structure providing for consistent grower input. In essence, the Extension Service has been responsible for the day-to-day as well as long-term decisions regarding the market's operation.

In general, the Extension Service's function is to provide useful and accurate information for its clients. However, in the areas of marketing and business, their role is much less clear. For example, the extent to which Extension Service personnel take active roles in aiding farmers' markets varies from county to county. In the case of the Bradley County Farmers' Market, the Extension Service has played a very active and consistent role in all aspects of the market's organization and operation. Extension's perceived role was defined in 1974 by former Extension Leader William Hale:

Extension will expand its participation by continuing to maintain its identity as instigator and supervisor of the market, by offering timely educational materials on the use of products being offered for sale in season, and by using our mass media outlets to publicize and assist the producers, consumers and all others who patronize the market (14).

The Extension Service has been motivated by its mandated concerns with food preparation and preservation and increasing farm income and upgrading production practices. The active role taken by the Extension Service in market initiation has led the staff to go beyond its educational role to assume some decision-making and management functions. The evolution of Extension's role, from initiation to management, can

be explained in two basic ways. First, in 1974 the Extension Service had the money, political contacts and organizational capacity to manage all aspects of the market's operation. The farmers, obviously, could not match this level of resources. Secondly, economic and operational efficiency is usually enhanced when decisions are made from one central office by a small group of people who have a good overview of the situation.

It appears that Extension's expanded role was assumed in an unconditional and informal manner. There are no public documents outlining the nature and limitations of their involvement, nor has a clear delineation been made between Extension's proper educative functions and its special role in decision-making and management. In short, Extension's overall relationship to the Bradley County Farmers' Market has not been explicitly or clearly defined. In such a case, farmer participants could reasonably expect that Extension's role might vary through time, especially in relation to Extension staff composition. Furthermore, there is no written commitment or timeline for turning these organizational and management functions over to or back to the participating farmers.

C. FARMER PARTICIPATION AND MARKET STRUCTURE

It has been suggested that the market's simplicity has been the key to success. There are few rules, no grower organization, no commission, selling fee or membership fee and minimal market oversight and management. This streamlined structure and mode of operation has made the market an attractive model for other Extension-initiated

farmers' markets. However, the lack of formalized relationships and a well-defined farmers' organization may have some implications for the market's long-term success.

The Bradley County Farmers' Market is markedly different from a number of other markets in the state, in that it is not operated and controlled by the farmers who use it. Aside from selling at the market and following some simple rules, the farmers have no clearly prescribed responsibilities. As a result, there is less a sense of "ownership" of the market among farmers in Bradley County than is the case at other farmers' markets in the state. It is important to emphasize that all aspects of the market's operation including site use, county workers' salary, insurance, utility and telephone bills, publicization are subsidized by the county government and Extension Service. As a result farmers are required to make no long- or short-term investments in money or time. The farmers know that the county is incurring these costs but there is no assessment of the actual value and break-down of market costs.

Survey information and personal interviews make it clear that the Bradley County Extension Service is very sensitive to the needs of area farmers. Mr. Hale (14) was guided in his supervision of the market by participant suggestions, comments and complaints. This input was rendered primarily through informal, personal contacts. Hale regularly canvassed farmers at the market site and held one grower meeting each year prior to the market's opening to discuss recommended practices and listen to suggestions and complaints concerning the market's

operation. Participation at these meetings usually exceeded 75 percent of the total membership. This seems to demonstrate that many farmer participants are concerned about the market.

There is an important difference, however, between entering suggestions and comments in a decision-making process and participating in the final deliberation. In the case of the Bradley County Farmers' Market, a decision-making process was used up until 1981 which provided for grower input but was not yet capable of letting farmers make final group decisions. For example, during the period of market initiation, farmers and consumers were provided with the opportunity to register their opinions, yet no mechanism or organization was established to allow farmers and consumers a decisive voice in the planning or implementation of the market idea. The decision to add a Monday sale day in 1981 was made by the Extension Service in response to farmer demand.

Recently some positive steps have been taken to place greater responsibility in the hands of the farmer participants. In the spring of 1981 Extension Leader John Paysinger took an extended leave of absence due to illness. At the same time there was some uncertainty regarding county funding of the market workers' position. These two developments led to the formation of a Farmers' Market Committee of six participating farmers. The people were picked by the Extension staff to serve because they were well-respected by their peers and attended the market frequently. This committee helped to police the market and collect grower sales cards in June while the county found the funds to hire a market worker. The committee also helped with publicity, and will be setting guidelines for the market's operation

in 1982. Most importantly, this committee is recognized to some degree as representing farmer interests at the market. It appears that this committee will continue to work together and may anticipate the creation of by-laws and a formal structure for decision-making. This development may represent a shift to a more "catalytic" role for the Extension Service in the future.

CHAPTER VI

MARKET OPERATIONS

A. EDUCATION

Access to a wide range of timely information is a crucial ingredient in the success of any family farm operation. In Bradley County, the Extension Service has been instrumental in providing farmer market participants with useful production and marketing information. This role has been enhanced as a result of the Extension Service's thorough involvement with the market. There are probably few other County Extension staffs which work as closely with farmer market participants.

In addition to distributing publications developed at The University of Tennessee, the staff regularly develops information specifically geared to the needs of farmers and consumers who patronize the farmers' market. For example, information is supplied on succession planting, the production of cool season and new and unusual crops and state regulations governing the direct sale of different farm products. The Home Economics Agent, Judy Smith, has disseminated a great deal of information on the uses of in-season vegetables and food preservation (21).

B. PUBLICITY

Farmer market observers and participants across the state agree that market publicity must be consistent, vigorous and highly visible. Publicity is especially important in the first three years of a market's

operation. As noted in the previous chapter, the Extension Service assumed total responsibility for publicizing the farmers' market from 1974-1980. The market has benefitted from coordinated and effective publicity campaigns each season. These benefits have been reflected in the market's steady growth over its seven-year history.

Each season at least two major newspaper articles about the market appear in mid-June in the Cleveland and Chattanooga newspapers. Flyers announcing market dates and hours are distributed each year at lawn and garden clinics and other Extension meetings as well as at shopping centers and other public facilities. Extension personnel also use the daily Extension radio program to convey information on product availability, vegetable preparation and market hours. Ms. Smith also helps to publicize the market's benefits through Extension bulletins aimed at homemakers. An especially effective tactic has been for Extension personnel to conduct on-site radio interviews via telephone. The Extension Service has developed a set of publicity practices and contacts which the new Farmers' Market Committee should be able to adopt and expand (21).

C. RULES AND REGULATIONS

In 1974 the Extension Service developed a clear-cut set of rules which all farmer participants are required to follow. The rules are printed as a type of marketing agreement which all participants must sign on or before their first sale day (see Appendix C).

Between 1974 and 1978 any farmer or gardener could sell farm products at the market as long as they were produced on the seller's

farm. It was quickly discovered, however, that large tomato, peach and snap bean growers were driving relatively long distances to the Bradley County Farmers' Market to sell produce below the "going price." For example, sellers of machine-picked snap beans were selling bushels of beans at least 20 percent below the price charged by most of the local producers. The complaints of the smaller growers led to the decision by William Hale to limit market participation to those producers farming in Bradley and adjacent counties (Polk, Hamilton, McMinn and Monroe). This has been the only significant rule change in seven years of operation and reflects the desire of the participating farmers and Extension Service to operate the market specifically for limited resource, part-time and "retired" farmers and gardeners.

D. MANAGEMENT

Management of the farmers' market is relatively simple. Between 1974 and 1980 the market was open from 7:00 A. M. until sell-out on Wednesdays and Saturdays. Market growth led producers to request a Monday sale day in 1981. Although the Monday sales attracted fewer farmer participants and generated lower gross sales than Wednesday and Saturday sales, the extra day allowed for future market growth. In addition, farmers felt that their harvesting schedules meshed better with the three sale days.

The market's opening and closing days are determined primarily by weather conditions and product availability. Some seasons have been cut short by early killing frosts or droughty conditions. Some opening dates have been pushed forward by abundant rainfall and warm spring

temperatures. Generally, the market opens on the third Saturday of June and closes in late October or early November.

As is the case with all farmers' markets, farmers at the Cleveland market vie for perceived choice spots. According to the Extension staff, however, success for individual producers depends much more heavily on product quality and variety. Some farmer participants were especially concerned with parking in the most shaded locations. This competition for particular spots has caused some minor problems. Prior to 1980, a number of sellers would gather each sale day as early as 5:00 A. M. This led some of the producers to begin selling outside the fence enclosing the Show Area. In 1980, to prevent participant friction and market fragmentation, Mr. Hale ruled that no sales would be allowed outside of the Show Area fence (14).

Most sellers arrive by 7:00 A. M. and usually stay until they are sold out. Farmer participation averages from 20 to 30 each sale day. Consumer participation is much more variable and ranged in 1981 from 100-200 on Mondays to 300-500 on Saturdays (14). Farmers either sell directly out of their trucks and cars and/or set up display tables. These displays vary in size, ingenuity and attractiveness but all producers seem to take pride in their particular display. When produce is plentiful, the effectiveness of an individual's display in attracting buyers is especially important. It is also reasonable to speculate that total market sales could be increased by upgrading market displays.

Consumers shop primarily in the morning. During the author's two visits to the market, consumers seemed to arrive in a fairly steady flow. The public is urged to park and walk through the site

rather than drive through. Sales taper off significantly by 1:00 P. M. and few growers remain past 2:00 P. M. Upon leaving, farmers record their daily sales on an index card and drop the card in a specified wooden box under the show barn. This requirement was initiated in 1977 and has enabled the Extension Service to maintain thorough records on sales and farmer participation. For a variety of reasons, cards are not always filled out and returned. This seems to vary according to the year. For example, between June 24, 1978 and August 26, 1978, over 99 percent of the participating farmers returned their sales card. In addition, sellers may inadvertently overestimate or underestimate their daily sales. These factors have led Mr. Hale to estimate that total gross sales figures are underestimated by as much as 20 percent (14).

As noted, the County government provides one part-time worker to oversee the market's operation from 6:30 A. M.-12:30 P. M. three days each week. This worker passes out and collects sales cards, directs traffic, and oversees trash removal. He also reports problems and market conditions to the Extension Service staff. This worker has been performing this function since 1977 and his rapport and familiarity with the farmers and consumers has contributed to the market's success.

E. QUALITY AND VARIETY

The quality and variety of produce available at the BCFM is impressive. The vast majority of displayed produce appeared to be fresh and was washed. A good deal of the produce was graded according to size and priced accordingly. Furthermore, most

of the produce was of high quality, free of obvious bruises, cracks and decay. Undersized, misshapen and cracked fruits were also available at reduced prices. Sellers also seemed to take much pride in the quality of their produce. The low-keyed competitiveness between producers regarding product quality probably helps to reinforce farmer concern with quality. This, in turn, leads to greater overall quality.

According to Hale (14), the variety of products available at the market has steadily increased since 1974. The Extension staff has worked hard to encourage producers to use improved varieties and try new crops. Ms. Smith has also encouraged consumers to take a fresh look at vegetables such as zucchini squash. Cleveland's industrial growth has attracted a number of out-of-state and foreign workers. These people have brought with them new food interests and tastes. For example, Indian families shopping at the market have been especially interested in purchasing eggplant, a crop not widely grown or eaten in Bradley County. Products sold at the farmers' market include, among others, okra, beans, tomatoes, cantaloupe, sweet corn, watermelon, cucumbers, squash, peas, etc. Other products sold in smaller quantities include apples, sweet peppers, blackberries, cabbage, grapes, honey, Irish potatoes, molasses, peaches, peanuts, muscadine grapes, chestnuts, raspberries, bedding plants, butter, eggs and buttermilk (21).

F. PRICING

To date, little empirical research has been done on farmers' market pricing. Most research indicates consistent cost savings for consumers patronizing farmers' markets. But farmers' market pricing

mechanisms and the relationships between supermarket prices and farmers' market prices are little understood.

Sellers, for the most part, follow one of the primary "unwritten laws" of farmers' markets: keep your prices in line with those of your fellow farmers. Producers who consistently ignore this protocol are not likely to be befriended by other growers. Price discipline is an important ingredient of producer solidarity. This is interesting because price competition has classically been viewed as the basis of market competition. Yet at farmers' markets, producers deliberately maintain uniform price levels; their competitiveness is thus based on quality, freshness, attractiveness and variety.

Price levels are determined by several factors. Prices are often based on the previous year's level, the perceived supply and demand situation, quality and supermarket levels. The Extension Service aids the producers in this area by providing information on local retail prices. Obviously, select, high quality produce is sold at higher prices. Many producers sell certain products by the peck, quart, one-half bushel and bushel. Price per pound declines fairly rapidly with increasing container size. There is a fair amount of haggling, particularly with off-grade and undersized produce. Canning and freezing activity usually increases as different fruits and vegetables become more readily available. Therefore, farmers can usually sell larger quantities at reduced prices during this peak harvest. Farmers also mention, with some distaste, that some consumers arrive late each sale day to look for bargains from producers impatient to leave the market.

Price changes occur for most farm products only two to four times each season. For almost all products, prices decline fairly steadily from June through October. Prices decline as supplies increase and home gardens are harvested. Although there is no statistical information available on price changes at the Bradley County Farmers' Markets, a recent study made of Food Fairs across Tennessee, indicates that prices for certain warm-season vegetables increase in September as supplies decline and home gardens degenerate (32). It is also clear that demand is greatest in June and early July. Price changes follow fairly regular patterns through the marketing season. Invariably, for example, prices for many products are dropped after July 4. The careful observer can identify price leaders at a particular farmers' market. These are usually the longest or most established producers. In some cases these farmers may drop their price to increase sales before other farmers are willing to do so. The tension and frustration that results can be damaging for the market's harmony. If no mechanisms exist to deal with these negative, and often unspoken feelings, the market's long-term success may be jeopardized. This problem appears to be minor at the Bradley County Farmers' Market. The author observed a number of cooperative and supportive interactions between participants. It seems that visible goodwill between producers has a positive effect on consumers' feelings about shopping at their farmers' market.

CHAPTER VII

MARKET PROBLEMS

Market problems, like market success, can be viewed from two perspectives: structural and operational. A critical assessment of market structure was provided in Chapter V. Operational problems, for the most part, are much easier to isolate and correct. The problems noted by farmer participants are listed in Table 1. "Pinhooking," the resale at a farmers' market of produce purchased on wholesale markets, was viewed by 94 percent of the interviewed farmers as a problem. "Pinhooking" is fairly common at farmers' markets across the state where direct farmer sales are combined with sales to retailers and jobbers. "Pinhookers" often supplement their home-grown produce with shipped items in an effort to maintain a varied display.

This practice, though not widespread at Bradley County Farmers' Market, has created tensions and a degree of dissatisfaction among farmer participants. Many farmers included in the survey felt that "pinhookers" held an unfair marketing advantage and that the problem should be dealt with in a quick, effective manner. This has created an unpleasant burden for the Bradley County Extension Service since there is no formal, group mechanism for dealing with "pinhooking." Mr. Hale correctly perceived that there are "shades of dishonesty" and that it is most difficult to catch a "pinhooker" red-handed (14). Furthermore, the market rule that all produce offered for sale be

TABLE 1

BRADLEY COUNTY FARMERS' MARKET--PERCEIVED FARMER PROBLEMS AND
SUGGESTIONS FOR IMPROVEMENT, 1978

Item	No. of Farmers	% of Total
<u>Is "Pinhooking" a Problem?</u>		
Yes--big problem	9	57
Yes--small problem	6	37
No	1	6
<u>Suggested Improvements</u>		
More publicity	3	19
Add a third market day	4	25
Better traffic control	1	6
Limit participation to Bradley Countians	1	6
More shade--have everyone park under shed	2	12
Access to coffee and soft drinks	2	12
Get rid of "pinhookers"	3	19
<u>Things Liked</u>		
Sell what you want	1	6
Good hours	1	6
No fee	1	6
<u>Things Disliked</u>		
Intense competition for best parking places	1	6

home-grown, may not be sufficiently clear. For example, honest sellers may agree to sell the surplus from neighbouring gardens. To date, the BCES has asked two suspected "pinhookers" not to return to the market. As other farmers' market managers and directors have discovered, farm visits are the surest way to check out suspected sellers.

Farmers at BCFM seemed to exhibit the same mix of cooperative and individualist attitudes found at most farmers' markets. As noted, sellers tend to keep their prices in line with one another; yet several producers felt they had the individual right to cut prices at any time, regardless of the intentions or supplies of other producers. This naturally leads to periodic feelings of anger and frustration among competitors. On the other hand, the "neighbourly" competition between growers over produce quality and variety, attractiveness of display, etc. has lent a great deal of cohesion to the market. Sellers look forward to displaying their produce and socializing with their counterparts and consumers. This "county fair" atmosphere encourages quality consciousness, spurs new kinds of production and attracts customers. The full extension of farmer participation in all phases of BCFM's operations might help reinforce cooperative feelings without destroying the competitive atmosphere, so essential to the market's vitality.

The other problems noted by surveyed participants are fairly minor. The additional publicity suggested by one-fifth of those surveyed, could be easily arranged. The third market day desired by 25 percent of respondents in 1978, was instituted in 1981. Formal group meetings would appear to be the most appropriate forum for working toward solutions to market problems.

CHAPTER VIII

GROWER PROFILE

Findings from the survey administered to 16 farmer participants in August 1978 are summarized in Tables 2-6. In general, most sellers interviewed were small-scale producers from Bradley, McMinn or adjoining counties who depended on the market for supplementary income, usually twice a week. One-fifth of the surveyed growers considered themselves full-time farmers; while one-quarter were listed as part-time farmers (see Table 3). The remaining 56 percent were considered retired farmers and/or large gardeners. For most, 63 percent, vegetables were not the main source of income. Less than one-third, 30 percent, reported other agricultural enterprises. The wives and children of two full-time farm families were responsible for the harvest and sale of the family's produce (untabled). Also, in 1981, the market attendant hired by the county estimated that one-third of the farmer participants were over 60 years old.

As seen in Table 4, almost two-thirds, 63 percent, of those interviewed produced less than 3 acres of produce in 1978 and one-half derived "a large part of their vegetable income from the BCFM." Eighty-five percent believed that the BCFM helped increase their farm income at least a little. The small-scale of participating farmers was also indicated by sales levels per visit. Two-thirds, 64 percent, estimated that they averaged \$31-\$75 per visit. The average daily sales per farmer during the 1978 season was \$47.09. Also, Table 5

TABLE 2

BRADLEY COUNTY FARMERS' MARKET--FARMER SURVEY: PARTICIPATION,
LOCATION AND DISTANCE TRAVELLED, 1978

Item	No. of Farmers	% of Farmers
No. Participating Since 1974	8	50
No. Participating Twice Per Week	11	69
No. Participating at Opening Day, 1979	8	50
<u>Distance Travelled to Market</u>		
1-10 miles	7	44
11-20 miles	6	38
21-30 miles	1	6
Over 30 miles	2	12
<u>Location of Farm (County)</u>		
Bradley	7	44
McMinn	5	32
Rhea	1	6
Hamilton	1	6
Other	2	12

TABLE 3

BRADLEY COUNTY FARMERS' MARKET--FARMER SURVEY: TENURE STATUS
AND SOURCES OF INCOME, 1978

<u>Item</u>	<u>No. of Farmers</u>	<u>% of Total</u>
<u>Farmer Status</u>		
Full-time	3	19
Part-time	4	25
Part-time, retired	9	56
<u>Are Vegetables a Main Source of Farm Income?</u>		
Main source	6	37
Small source	10	63
<u>Other Farm Enterprises</u>		
Beef	1	6
Hogs	1	6
Dairy	1	6
Tobacco	2	12

TABLE 4

BRADLEY COUNTY FARMERS' MARKET--FARMER SURVEY: VEGETABLE
ACREAGE, MARKET INCOME, 1978

<u>Item</u>	<u>No. of Farmers</u>	<u>% of Total</u>
<u>Acres of Vegetables</u>		
1-3	10	63
4-6	3	19
7-9	1	6
10 or more	2	12
<u>Portion of Vegetable Income Derived from BCFM</u>		
Large	8	50
Small	7	44
No response	1	6
<u>Has the BCFM Helped to Increase Your Farm Income?</u>		
Yes--significantly	10	63
Yes--a little	4	25
Doubt it	2	12
<u>Average Gross Income Per Market Visit</u>		
Under \$30	2	12
\$31-\$50	5	32
\$51-\$75	5	32
\$76-\$100	1	6
\$101-\$120	2	12
Over \$120	1	6

TABLE 5

BRADLEY COUNTY FARMERS' MARKET--FARMER SURVEY: TIME SPENT AT
MARKET BY PARTICIPANTS, 1978

Time Spent	No. of Farmers (Sales Cards)	% of Total
1/2 Hr. or Less	1	.2
1	19	3.5
2	35	6.5
3	55	10.2
4	70	13.0
5	43	8.0
6	79	14.5
7	82	15.2
8	138	25.6
9	7	1.3
10	10	1.8
Total	539	100.0

TABLE 6

BRADLEY COUNTY FARMERS' MARKET--FARMER SURVEY: PRODUCTS SOLD BY PARTICIPANTS, 1978

Product Sold	No. of Farmers	% of Farmers	Product Rank
Okra	15	94	1
Beans	12	75	2
Tomatoes	12	75	2
Cantaloupe	8	50	3
Sweet Corn	5	31	4
Watermelon	5	31	4
Cucumbers	4	25	5
Squash	4	25	5
Peas	3	19	6
Apples	2	12	7
Sweet Pepper	2	12	7
Blackberries	1	6	8
Cabbage	1	6	8
Grapes	1	6	8
Honey	1	6	8
Molasses	1	6	8
Irish Potatoes	1	6	8
Peaches	1	6	8
Peanuts	1	6	8
Sweet Potatoes	1	6	8

shows that 55.3 percent of the market visits by farmers lasted from six through eight hours. This supports the market attendant's statement that many of the sellers are older, retired farmers and gardeners who use the BCFM both as a source of income and as a social gathering place. It should be made clear, however, that market participants are not upper income hobby gardeners who view their earnings as incidental to the enjoyment of "watching things grow" and "meeting the public." Participants were observed to demonstrate their interest in making money from truck farming by adopting recommended practices, extending their growing season, producing new vegetables and expanding acreage (14). "Old" age and limited available labor were cited most often by growers as obstacles to increased production (untabled data). Some farmers felt that marketing outlets were too few to support a significant increase in production.

Okra, tomatoes and beans headed the list of the most widely produced vegetable crops. Over 25 different farm products, including dairy products, were available at the BCFM in 1978 (see Table 6). Missing from the list were many of the cool-season crops which can be successfully produced in the Spring and Fall in Southeast Tennessee. Some of these crops are green onions, lettuce, spinach, beets, radishes, cauliflower and broccoli. Since 1974 the BCES has encouraged growers to produce a wider variety of fruits and vegetables. Butter and eggs are sold regularly by at least one producer and there are opportunities for selling farm-processed products, (e.g., hams, cider, preserves and pickles, pies and cakes). The BCFM could probably handle increases in the sale of potted and bedding plants and cut flowers. The buying

public has also prompted changes in the growing habits of market farmers. When Indian families in Cleveland expressed their desire for eggplant, farmers responded by growing it. Although many producers sell similar products, an increase in product differentiation should ease competitive tensions and lead to higher sales.

As shown in Table 7, it is interesting that following the BCFM's first five years of operation the percentage of farmer participants utilizing other markets (e.g., Cleveland, Knoxville, Chattanooga) declined slightly. This suggests that some growers may have dropped outlets which seemed less convenient or lucrative than BCFM. Some growers apparently reduced their production to meet market constraints. A fairly strong anti-wholesaler sentiment was expressed by a majority of sellers during the survey. Most had experienced selling to wholesalers and were mostly unable to establish long-term, mutually agreeable relationships. One local chain with two stores bought locally-grown produce but all the other chains depended on the Chattanooga wholesale market and chain warehouses. The number of surveyed participants utilizing other area farmers' market remained the same between 1974 and 1979. According to the BCES a slightly higher percentage was selling at the Chattanooga Food Fairs and farmers' market in nearby Charleston in 1981. The BCFM's success and stability has led to a relatively small local expansion in production. However, labor limitations and the small-scale grower's difficulty in succeeding in wholesale markets may have been major obstacles to significant increases in production (21).

TABLE 7

BRADLEY COUNTY FARMERS' MARKET--FARMER SURVEY: UTILIZATION OF
OTHER MARKETS BY PARTICIPANTS, 1974-78

Market Outlet Utilized	Before 1974		1978	
	No.	% of Total	No.	% of Total
Sales from House	5	31	4	25
Cleveland--Retail	4	25	3	19
Chattanooga--Wholesale	3	19	2	12
Other Farmers' Markets	2	12	2	12
Roadside Stand	1	6	1	6
Western Avenue, Knoxville	1	6	-	--
Truckers Who Came to Farm	-	--	1	6

CHAPTER IX

CONSUMER PROFILE

A brief, general survey was completed with 16 consumer participants at the BCFM in 1978. The majority of individuals interviewed by the author appeared to be middle- or upper-middle class. Table 8 shows that freshness, quality of produce, variety, and price were important market selling points attracting most consumers to the market once per week. A few consumers complained mildly about some of the prices, but most felt that prices were at or below the retail level. Although the majority lived within city limits (i.e., within 5 miles of the market), a number of older participants resided in the outlying countryside and were well-acquainted with some of the sellers. Three-fourths spent \$4 or more per visit. One-half acknowledged canning produce items, 18.5 percent at the free cannery nearby.

Since strong consumer demand is essential for the BCFM's success, it is important that consumers are pleased with the market's prices, offerings and surroundings. Despite the BCFM's long tenure in the county, it would seem additional residents need be attracted through increased and varied publicity.

TABLE 8

BRADLEY COUNTY FARMERS' MARKET--CONSUMER SURVEY, AUGUST 1978

<u>Item</u>	<u>No.</u>	<u>%</u>
<u>Market Attendance</u>		
Once per week	11	69.0
Twice per week	5	31.0
Total	16	100.0
<u>Learned about BCFM from</u>		
Radio	6	37.5
Newspaper	5	31.3
Friends	3	18.7
No response	2	12.5
Total	16	100.0
<u>Distance Travelled to BCFM</u>		
1-5 miles	11	69.0
5-10 miles	3	18.5
10-15 miles	2	12.5
Total	16	100.0
<u>List Three Reasons Why You Shop at BCFM *</u>		
Freshness of produce	14	87.0
Quality of produce	13	81.3
Variety of produce	10	62.5
Price of produce	8	50.0
Convenience	2	12.5
Meet people	1	6.2
<u>Estimate Dollars Spent Per Trip</u>		
Less than \$3	4	25.0
\$4-\$6	9	56.3
\$7-\$10	2	12.5
More than \$10	1	6.2
Total	16	100.0
<u>Do You Can Locally-Grown Produce</u>		
At home	5	31.5
At cannery	3	18.5
Don't can	8	50.0
Total	16	100.0

*Numbers and percents do not add to totals since each consumer was asked to give three reasons.

CHAPTER X

MARKET GROWTH

The BCFM's growth cannot be precisely gauged because there are no available statistics for the period 1974-1976. However, the statistics presented in Tables 9-12 and Figures 1-6 provide some strong indications of the market's success. As seen in Table 9, from 1977-1981 there was a nearly four-fold increase in total gross sales and a doubling in the total number of farmer visits each year. More important, perhaps, the average sale per farmer visit nearly doubled during this period from \$33.33 in 1977 to \$64.18 in 1980. The 1981 figure, \$49.65, is somewhat lower largely due to the addition of a third (i.e., Monday) market day which was "slower" than the Wednesday and Saturday markets (see Figures 1 through 6). In addition, the market attendant was not available for the market's first three weeks of operating, pulling the 1981 average sales figure down even farther.

The number of farmer participants increased from 38 making an average of eight visits in 1977 to 111 in 1981, making an average of nearly seven visits. Sales cards during the same period increased from 306 to 739. The 242 percent increase in farmer visits from 1977 to 1981 was accompanied by a more than tripling in gross sales, thus raising the average sale per visit (i.e., doubling it to \$733.77). Note, too, in Table 10, that the percentage of producers earning more than \$76 per visit increased greatly in 1980 and 1981 over 1977-78. In 1980 more than 14 percent of all sales cards indicated gross sales

TABLE 9

BRADLEY COUNTY FARMERS' MARKET--GROSS SALES AND FARMER PARTICIPATION, 1977-1981*

Year	Dates Open	No. of Sale Days	Total Gross Sales	No. of Farmers	No. of Cards Returned	Average Per Sales Card	Average Per Sale Day
1981	June 13- Oct. 15	50	\$36,688.93	111	739	\$49.65	\$733.77
1980	June 14- Nov. 8	43	34,595.03	66	539	64.18	804.53
1979	June 23- Oct. 27	38	40,980.45	90	603	67.96	1078.43
1978	June 24- Nov. 1	38	28,252.49	60	600	47.09	743.48
1977	June 18- Sept. 21	28	10,201.23	38	306	33.33	364.32

*Source: Records kept by Bradley County Agricultural Extension Staff.

TABLE 10
BRADLEY COUNTY FARMERS' MARKET--SALES CATEGORIES, 1977-1981

Year	Less Than \$25		\$26- \$50		\$51-\$75		\$76-\$100		\$101-\$150		\$151-\$200		\$201-\$250		\$251-\$300		Over \$300	
	No. of Farmers	% of Total	No. of Farmers	% of Total	No. of Farmers	% of Total	No. of Farmers	% of Total	No. of Farmers	% of Total	No. of Farmers	% of Total	No. of Farmers	% of Total	No. of Farmers	% of Total	No. of Farmers	% of Total
1981 ^a	210	30.79	206	30.20	124	18.18	83	12.17	35	5.13	19	2.77	3	0.43	--	--	2	0.29
1980	154	28.57	134	24.86	84	15.58	89	16.50	55	10.20	14	2.60	7	1.30	2	0.37	--	--
1979	NA		NA		NA		NA		NA		NA		NA		NA		NA	
1978	222	37.00	189	31.50	102	17.00	50	8.33	21	3.50	11	1.83	2	0.33	--	--	3	0.50
1977	169	55.23	97	31.70	25	8.17	11	3.59	2	0.65	--	--	1	0.32	1	0.32	--	--

^aDoes not include September 15-October 18.

TABLE 11
BRADLEY COUNTY FARMERS' MARKET--SALES AND PARTICIPATION BY SALES DAY, 1977-1981

Year	Wednesdays					Saturdays				
	No. of Sales Cards	Average Per Day	Gross Sales	Average/ Day	Average/ Sales Card	No. of Sales Cards	Average Per Day	Gross Sales	Average/ Day	Average Sales Card
1981 ^a	270	\$20.76	\$12,717.05	\$978.23	\$47.10	303	\$21.64	\$17,153.73	\$1225.26	\$56.61
1980	266	12.60	16,375.08	779.70	61.88	273	12.40	18,219.95	828.00	66.70
1979	305	16.05	18,652.95	981.73	61.16	298	15.68	22,327.50	1175.13	74.94
1978	276	14.53	11,388.77	599.40	41.26	324	17.05	16,863.72	887.56	52.05
1977	134	9.57	4,283.24	305.94	31.96	172	12.28	5,917.99	422.71	34.42

^aDoes not include September 15-October 18.

TABLE 12
BRADLEY COUNTY FARMERS' MARKET--SALES BREAKDOWN BY MONTHS, 1977-1981

Year	June		July		August		September		October		November	
	Sales	% of Total	Sales	% of Total	Sales	% of Total	Sales	% of Total	Sales	% of Total	Sales	Total
1981	\$3654.14	---	\$17,453.60	---	\$10,843.33	---	NA*	---	NA	---	closed	---
1980	2112.45	6.10	12,876.00	37.22	11,385.58	32.91	\$5829.00	16.85	\$2277.00	6.58	\$115.00	0.33
1979	3163.45	7.72	11,476.35	28.00	14,229.50	34.72	9579.50	23.37	2531.65	6.18	closed	---
1978	1130.35	4.00	11,497.19	40.69	9,049.30	32.03	4474.05	15.83	2092.10	7.40	9.50	0.03
1977	1777.95	17.42	4949.89	48.52	2,516.05	24.66	957.34	9.38	closed	---	closed	---

*NA = Not Available.

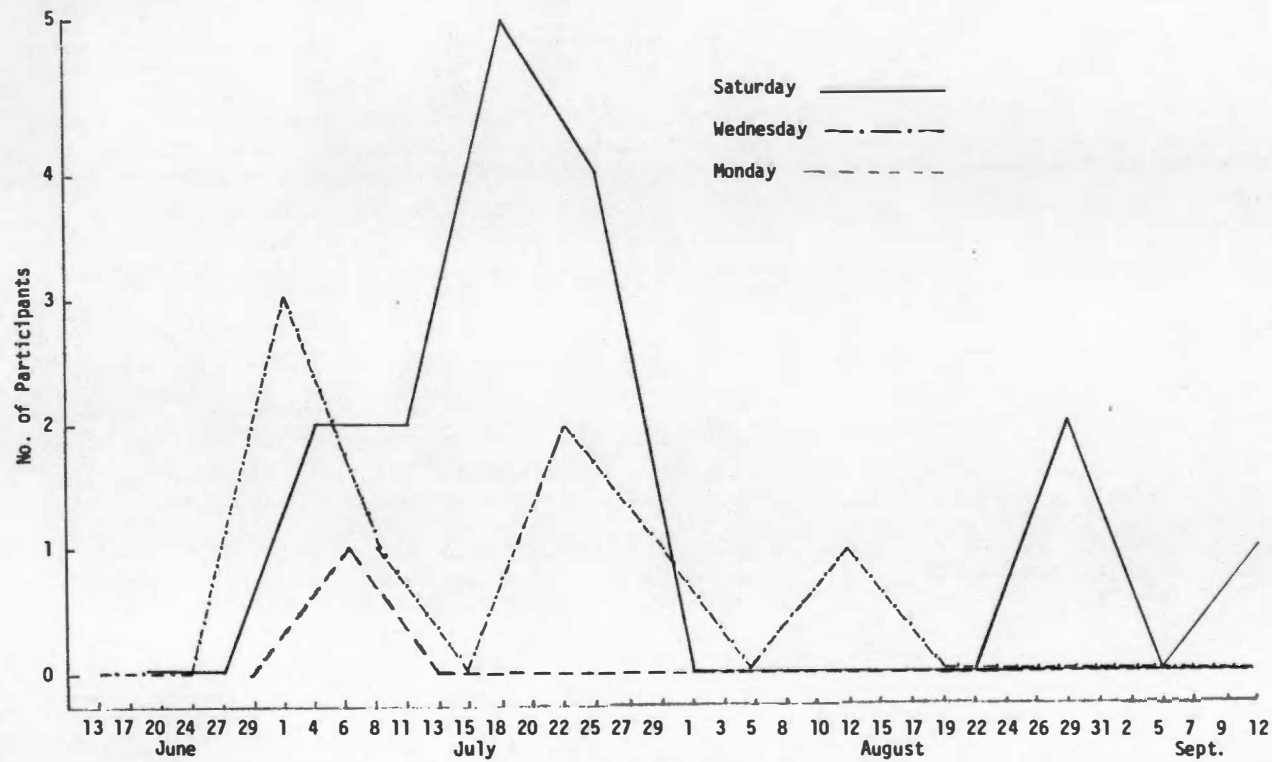


Figure 1. Bradley County Farmers' Market--Number of Participants Selling Over \$150, 1981 Season.

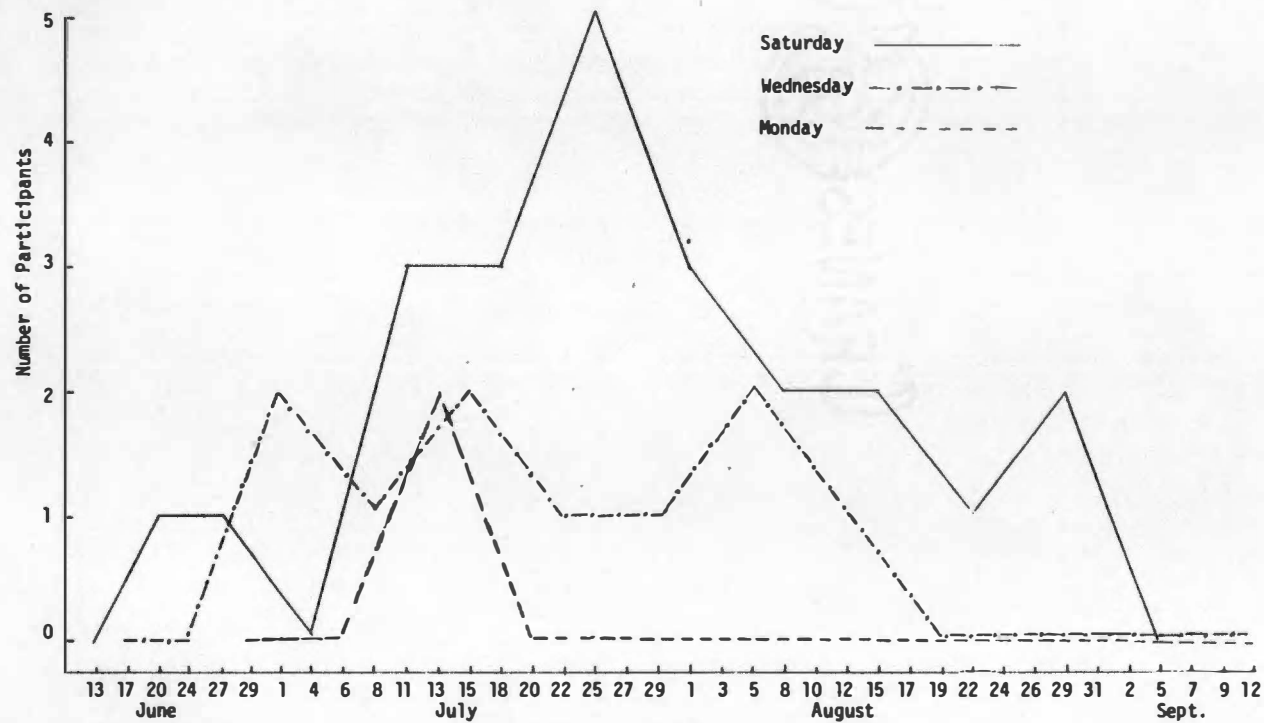


Figure 2. Bradley County Farmers' Market--Number of Participants Selling \$100-\$150, 1981 Season.

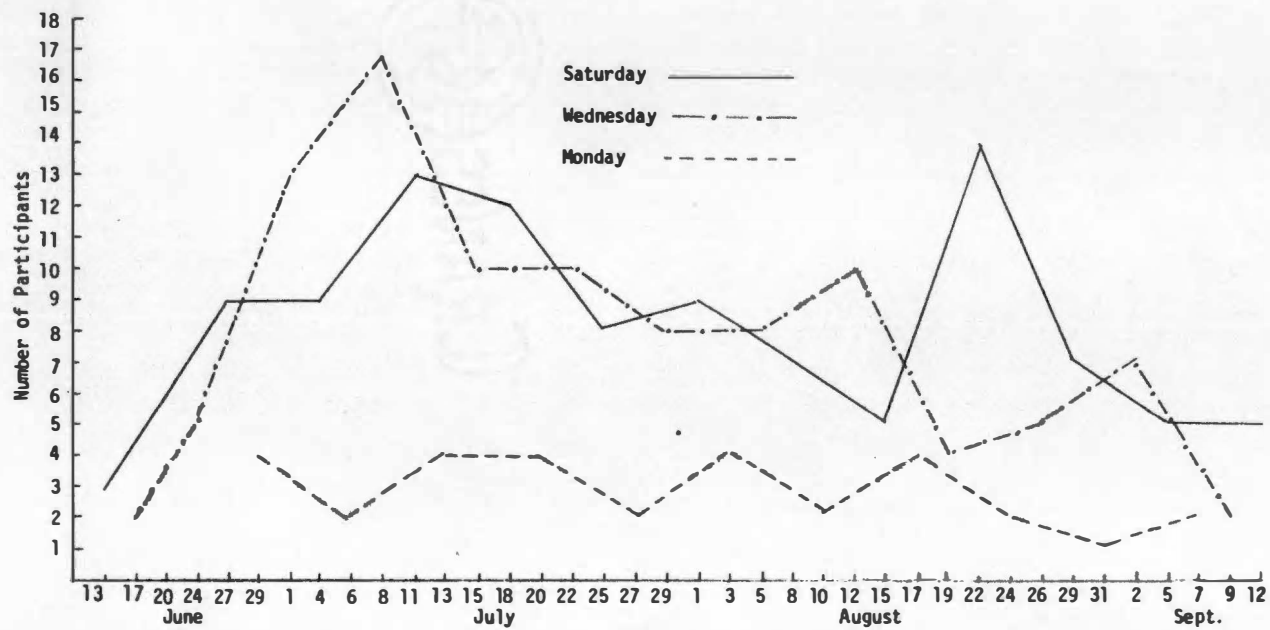


Figure 3. Bradley County Farmers' Market--Number of Participants Selling \$50-\$100, 1981 Season.

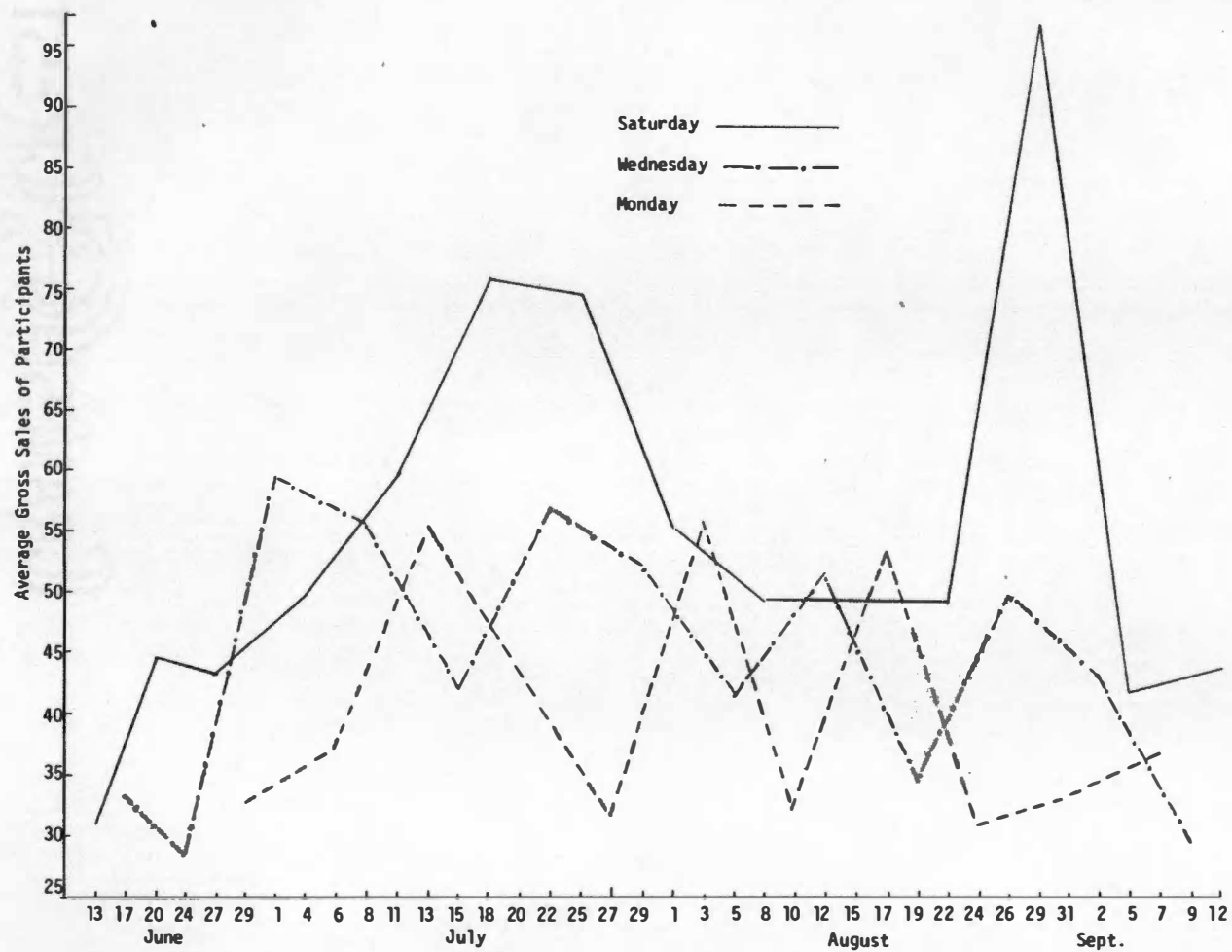


Figure 4. Bradley County Farmers' Market--Comparison of Average Participant Sales Through Time, 1981 Season.

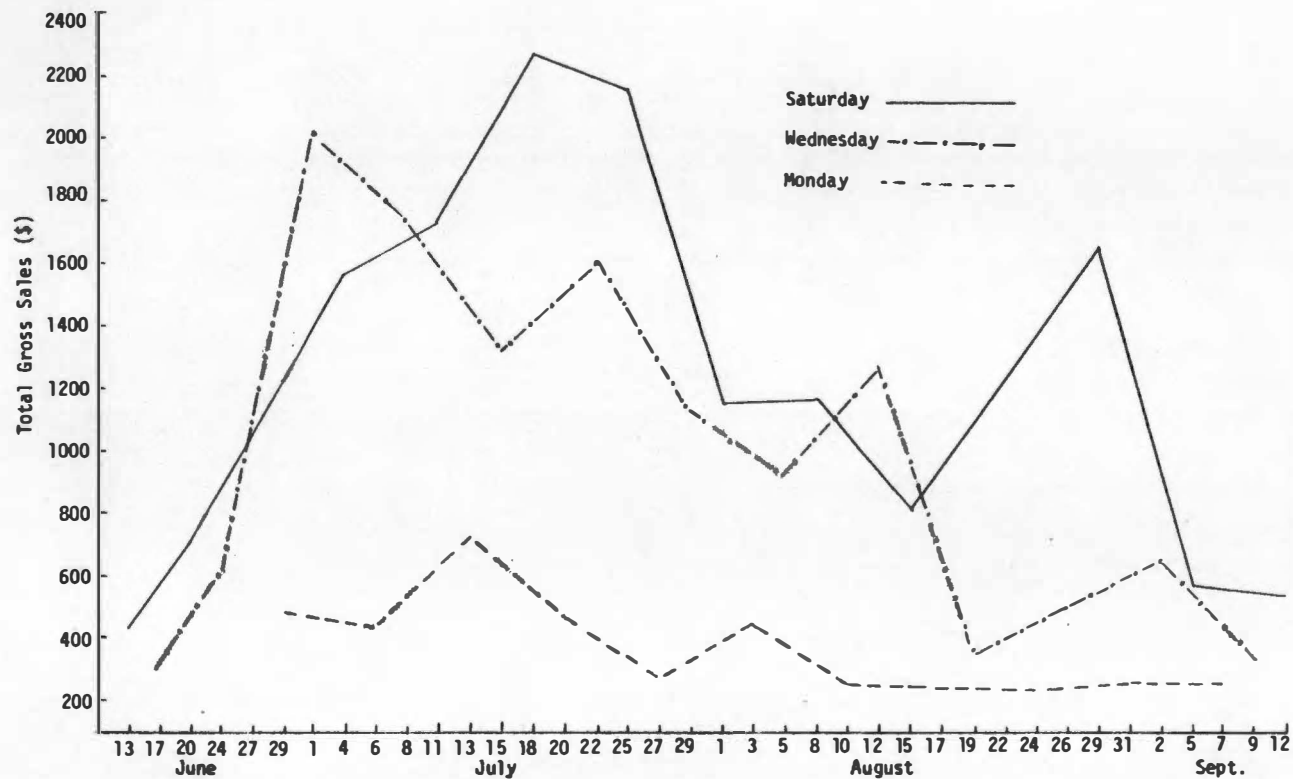


Figure 5. Bradley County Farmers' Market--Comparison of Daily Total Gross Sales Through Time, 1981 Season.

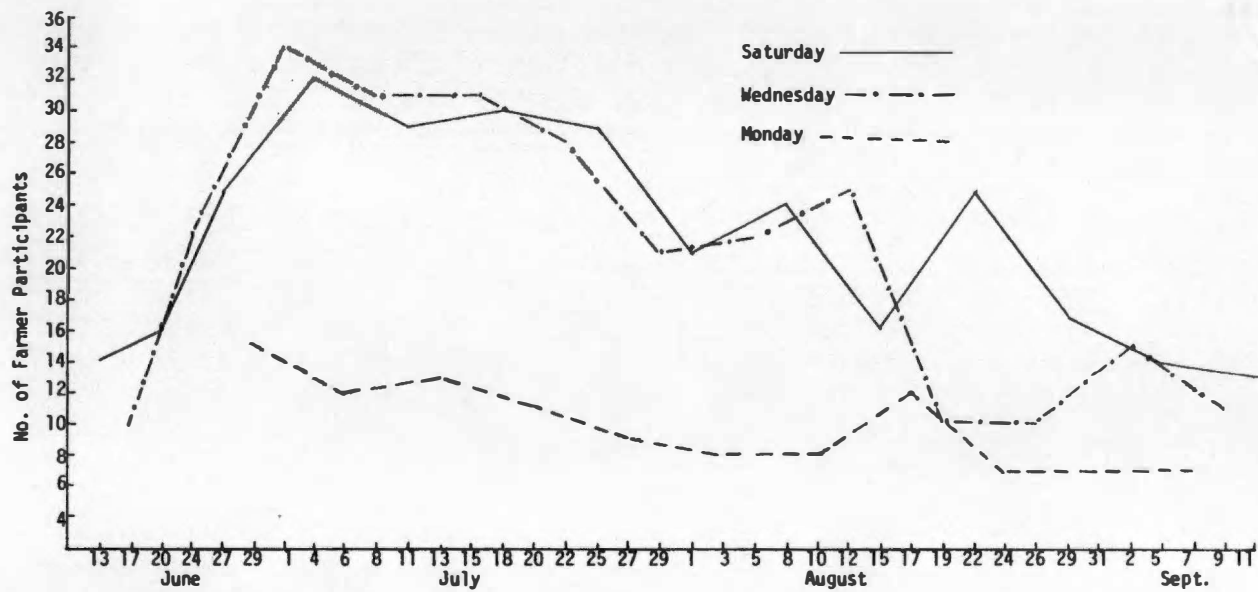


Figure 6. Bradley County Farmers' Market--Comparison of Market Participation by Farmers Through Time, 1981 Season.

of \$101 or more compared to only 7 percent for 1978.

The market's initial success apparently attracted many small producers who quit using the market after a year or two. This process of attrition coupled with droughty conditions in 1980 led to a decline in farmer participants and visits (21). The nearly two-fold increase in farmer numbers in 1981 over 1980 is difficult to account for. It is clear from other records that there were approximately 20 "regular" participants who attended more than 50 percent of the total sales dates (14). There were another 40-50 farmers who participated much less frequently (14).

Although sales were typically greater on Saturdays, Table 11 shows that farmer participation was nearly as great, or even greater in 1979, on Wednesdays. As noted earlier, the Monday sales day instituted in 1981 brought down the average sale per farmer visit. Sales were rather erratic on Mondays, although farmer participation remained fairly steady. This indicates that producers were not discouraged by the low sales. It is not clear, however, whether or not the new day will significantly increase sales in the future even if more farmers attend. The variation in monthly sales as seen in Table 12 is influenced by planting dates, weather conditions and the relative success of area home gardens. For example, in 1980 many home gardens dried out, thus increasing the demand for local produce. Interestingly, in 1979, a very wet season, sales were relatively high in August, September and October.

As further discussed in Table 12, it is not surprising that July has been the principal sales month or that August is always a

close second. July sales in 1981 set the all time monthly high of \$17,454. It is somewhat surprising that October sales surpassed June sales in 1978 and 1980; and that September sales beat June in 1978-1980. Nationally, June is the leading month for fresh vegetable consumption. Furthermore, commodity prices are typically higher in June than in the July-October period. Yet, the BCFM farmers have recorded less than 10 percent of their total sales in June. With the leveling off of sales since 1979, a vigorous push to increase June sales could strengthen demand and increase sales. The strength of public demand for fresh produce in June is evidenced by the high level of sales on Wednesdays as well as Saturdays during that month. Cool season and special Fall crops could also be produced on a larger scale to extend and expand late season sales.

Taken together, Tables 9-12 give a picture of strong farmer participation and rapid sales growth. The sustained growth achieved in the late 1970's has leveled somewhat. There are opportunities to increase sales but it is not clear how many more dollars can be generated by the market. Much will depend on the imagination and interest on the part of the producers. Although most producers seem satisfied with their income derived from the BCFM, it is in their best interests to increase variety, extent the growing season and spend more time promoting the market..

CHAPTER XI

THE BRADLEY COUNTY COMMUNITY CANNERY

A. INTRODUCTION

The Bradley County Community Cannery (BCCC) is a unique and highly successful extension of the BCFM. Produce purchased at the market or grown in home gardens can be processed at the cannery by county residents. The linkage of production, marketing and processing functions on a local level has several advantages for farmers and consumers. Residents are able to reduce food costs and improve family nutrition. Many families in Bradley County have neither the equipment nor the knowledge to safely preserve foods. The combination of farmers' markets and community canneries represents a creative approach to meeting county food and farm needs. The facility also helps to increase the demand, and thus the sale of locally grown produce.

B. HISTORY

The BCCC's equipment was purchased in the late 1960's with Office of Economic Opportunity (OEO) funds administered through Bradley County's Community Action Program (CAP). According to Extension personnel, the operation failed due to "poor communication and lack of efficiencies" (14). The program was dropped in the early 1970's with the county maintaining possession of the equipment.

In 1975 Bradley County Judge Collums interested the Extension staff in taking possession of the equipment and re-establishing a

public program for food preservation. The equipment was housed in a refurbished building formerly used as the County Workhouse. In 1977 the building was sold, forcing Extension to search for a new location. With the help of the three County Agricultural Extension Committee members, who also served on the County Court, the county agreed to use Federal Revenue Sharing funds to build a permanent canning facility on the grounds of the Show Area. The site chosen was directly behind the sellers' area.

Engineers from The University of Tennessee and Bradley County government worked up a suitable blueprint for the new facility. A construction bid of \$15,864 was accepted by the county and the facility was completed in 1977. An impressive grand opening ceremony was held on June 29, 1977. The county provided the site, building, equipment and funds for one full-time cannery employee. The equipment, however, is still legally owned by the Community Services Administration (successor to OEO). The Extension Service has been the other principal supporter of the cannery. Extension staff members have even operated the cannery on a temporary basis. Extension budgets since 1977 have included funds for cannery utility bills. In addition to providing general direction over the cannery's operation, the BCES has maintained daily records of the cannery's use (14, 21).

C. OPERATIONS

The cannery is operated on a simple, self-help basis. This has helped keep operating costs low and allowed for the rapid transfer of

food preservation skills to participants. Residents may either make appointments or use the cannery on a "first-come, first-served" basis. The cannery is open for business five days each week from 10 A. M. to 3 P. M. Custom service is available at other times as well. There is no charge for using the cannery's equipment; residents need only bring in their jars, lids and produce. The cannery manager is responsible for keeping equipment in good order and making sure that canning is done by residents in accordance with The University of Tennessee recommended practices.

The concrete block building measures 44' x 28' and includes a storage room and office. A large steam heater is used to operate the canning equipment. There are six large steam canners, two steam heated kettles, a steam sterilizer for jars and lids, two prep tables, a juicer and assorted smaller equipment. There is also a sink, refrigerator and washing machine located in the building.

D. EDUCATION AND UTILIZATION

The cannery is the centerpiece of an ambitious Extension program in food preservation. Judy Smith (21), the BCES's Home Economics Agent and Acting Leader, coordinates the program which includes regular workshops and demonstrations through 4-H and Home Demonstration clubs. In addition to canner testing clinics, she also provides timely information on food preservation via mailings and radio spots and teaches classes on canning principles, freezing and pickling, jams and jellies, etc. in conjunction with Cleveland State Community College's Continuing Education Department. Residents receive two continuing education

credits for attending those classes. For her outstanding efforts in the food preservation area, Smith earned the National Association of Extension Economists' Florence Hall Award in 1978.

Although a wide range of residents patronize the cannery, the preservation program is aimed primarily at low-income families and young homemakers. The cannery enables all Bradley Countians to use equipment not affordable to many families. Canning with "community-sized" equipment also is faster and more energy-efficient than home canning, processing time being cut to three to five minutes. The sociable atmosphere is another important ingredient in the cannery's success. Simply put, it is enjoyable to can in a well-equipped, large room with other busy people.

The cannery's success also is indicated by the four-fold increase in the number of jars processed from 1976-1980 (see Table 13). The number of residents utilizing the cannery averages nearly 100 per season, a figure which Extension is confident will increase in coming years. This means that users are canning more produce every year. Canned tomatoes, green beans and tomato juice are the most frequently processed items. July is the cannery's busiest month coinciding with the peak of vegetable harvesting (21). It might also be practical to process other farm products including dairy and meat products. In addition, residents are becoming interested in learning about solar food drying which can be done at home. The possibility of substituting tin cans for glass jars is being explored by Extension. The Claiborne County Community Cannery in Tazewell, Tennessee is one of the few

TABLE 13

BRADLEY COUNTY COMMUNITY CANNERY--NUMBERS OF PARTICIPANTS
AND JARS PROCESSED, 1976-1981

Year	No. of Participants	No. of Jars ^a
1976	90	1,421
1977	90	2,909
1978	90	3,540
1979	95	4,482
1980	84	5,449
1981	95	5,313

^aOne-half pint, pint, quart and 1/2 gallon jars.

small, publicly-owned tin-can canneries in the Southeast. Such an operation might be considered in Bradley County too.

The BCCC is operated by the county on behalf of county residents. The Extension Service is directly responsible for cannery operations and rules, and is guided by user needs and suggestions. Cannery participants may, in the future, choose to set up a "governing board" to ease the Extension burden. The BCCC is an example of enlightened local government in action. The costs of the cannery to the county's treasury have been overshadowed by the benefits accruing to tax-paying residents.

CHAPTER XII

SUMMARY AND IMPLICATIONS

This case study was conducted for the purposes of discussing (1) trends within the fresh vegetable industry, (2) vegetable production and marketing in Tennessee, (3) the history, organization, operation and goals of the Bradley County Farmer's Market (BCFM), (4) BCFM's growth, and (5) success factors, market problems and solutions. Data used in the study were collected in personal interviews with Bradley County Extension Service personnel and grower and consumer surveys conducted at the BCFM in 1978. Also used were library research materials, Market and Cannery records and personal observations of Market and Cannery operations made in 1978 and 1981.

A. MAJOR FINDINGS OF THE STUDY

The rise in direct marketing activities over the past ten years has been fueled by rapid concentration in the nation's fresh fruit and vegetable industry and the growing popularity of fresh produce in the American diet. The historic instability and small farm preponderance of Tennessee's fresh fruit and vegetable industry are additional factors which have led to the creation of a relatively large number of farmer's markets in recent years. Farmer's markets are often more attractive outlets for Tennessee producers because their success does not depend on the resources, production and acumen of a few individuals.

The BCFM was developed in 1974, largely through the efforts of the Bradley County Extension Service (BCES), as a result of interest expressed by the county judge and Agricultural Extension Committee. The Market, has been operated for the benefit of area producers and consumers through the resources of the County government. The market site is in an excellent location; closeby to several plants and suburban communities. Produce offered for sale at the market must be home-grown and sellers are asked to record their daily sales on unsigned cards compiled by the BCES. The BCES has taken responsibility for market oversight, education, publicity and problem-solving. However, in 1981 a seven-person Farmer's Market Committee was formed to accept responsibility for the Market's operations.

Sellers offer consumers a wide variety of produce through most of the growing season. There is, however, room for expansion in this area. Displays were generally attractive and most of the produce was clean and of good quality. Pricing discipline among participants was observed to be fairly strong, although a few participants expressed little concern for keeping prices in line with other sellers. "Pinhooking" was perceived to be a major market problem. Producers were concerned that even a few "pinhookers" could ruin their market. Other problems noted by producers were relatively minor and could be solved through improved communication between the BCES and the farmer participants.

The grower survey indicated that the majority of sellers were part-time, retired farmers residing within twenty miles of the Market site. Most producers sold a variety of items and averaged less than \$75 per visit. Almost all agreed that the Market had helped to increase

their farm income. the consumer survey revealed that the quality, freshness, variety and prices of products offered for sale were the most important factors in attracting customers.

The Market's growth since 1974 has been fairly steady, although a plateau of \$40,000-\$50,000 in yearly sales had been reached by 1979. The number of farmer participants had also leveled off at approximately 90-100 per season, with 20-30 "regular" sellers. The Saturday sales day has generated the most income although Saturday and Wednesday sales days attract a similar number of farmers. The Monday sales day, instituted in 1981 attracted fewer producers or consumers but it may prove vital to future growth. Importantly, the records indicate that a greater number of producers are entering the higher sales brackets.

Built on the Market site in 1977, the Bradley County Community Cannery (BCCC) is a unique extension of the BCFM. The Cannery houses modern canning equipment provided by the County government for use by County residents. The BCES has conducted an extensive and highly successful campaign to increase food preservation in Bradley County. The Cannery has helped boost Market sales and also helps to relieve gluts on widely grown items like beans and tomatoes.

B. IMPLICATIONS

Since it was found in this study that the Bradley County Farmer's Market has operated successfully over an eight year period, therefore it is implied that such markets could be successful in other similar towns and cities in the State. The study also implies that

a broad-base effort to develop farmer's markets is more likely to bring success and that it is important to establish a participant community from the beginning to guide the market's development and operations. Direct marketing is obviously no panacea for vegetable growers and they need to be aware of ways of getting into larger production and commercial marketing systems. Also, Extension and local government are able to promote commercial marketing as an alternative. In view of the decrease in wholesale marketing activities of BCFM sellers, it is not likely that the present Market will lead, in the near future, to a substantial increase in vegetable production in the area. The opportunities for expanding sales at the market will have to be carefully analyzed by the Committee and the BCES.

For fruits and vegetables to contribute significantly to farm income in Bradley County, additional outlets will need to be developed. Efforts could be made to persuade local chains and Chattanooga wholesalers to deal with local producers. Pooling produce in cooperative marketing efforts may appear attractive to other producers but will require major commitments from the farmers. TVA and the Extension Service could provide guidance if such a direction was followed but growers would have to alter their growing operations and provide for capitalization. It may still be possible for individual growers or an organized group of growers to produce a few items in wholesale quantities and attract some local and regional buyers.

The experience gained by farmers at the BCFM will certainly be helpful in any new marketing relationships that develop. However, the BCFM sellers are accustomed to receiving higher prices than those

paid in wholesale markets. Furthermore, few of the current sellers are familiar with grading and packing produce according to industry standards. Considering the age, production capacity, labor situation and wholesale market experiences of the current BCFM producers, there may not be sufficient interest to seek and develop larger outlets. Certainly, a few growers will expand and upgrade production to meet whatever additional demand is created by the market.

It is difficult to ascertain the upper sales level of the BCFM. Future population growth, urbanization, and extension of the growing season, etc. are all factors which will help determine the upper sales limits. The plateau reached over the past three years of \$40,000-\$50,000 in sales could be raised by more vigorous publicity and a greater emphasis on early maturing varieties, cool-season crops, transplant production, frost protection and irrigation.

It is also likely that the number of farmer participants will stabilize at 90-100, with 20-30 regular sellers. The current economic crisis in American agriculture may lead some full-time Bradley County farmers to investigate fruit and vegetable production. However, the high risks involved coupled with the perceived "saturation" of the BCFM may act to discourage all but the most minor shifts to fruit and vegetable production unless producers can tap large volume channels. The BCFM will, in all likelihood, continue to be used primarily by older, retired farmers as well as by farm wives, high school students and surplus suburban and rural gardeners.

While the BCFM will probably expand more slowly in the 1980's, there is no reason to believe that it will experience a decline in

membership, sales or vitality. The market's level of stability would probably be increased through a transfer of governing and decision-making power from the Extension Service to the farmer and consumer participants. It is clear that direct marketing is not a "consumer fad" which will weaken or dissipate. The BCFM should continue to meet the needs of area producers and consumers.

C. RECOMMENDATIONS

For Use of Findings of This Study

1. A more vigorous educational program should be launched by the BCES to encourage producers to grow more cool season crops and to employ frost protection practices and technologies. This will help to extend the season in both directions. The adoption of drip irrigation, double-cropping techniques and improved varieties should enable producers to increase profits while making better use of small plots.
2. The BCES should investigate the feasibility of farm processing certain products as a means of increasing Market variety and sales.
3. The BCES should work closely with the Farmer's Market Committee to enable that group to take as much responsibility as possible for the Market's future success, but the participants should begin to accept decision-making power.
4. To expand sales, new ways of advertising the Market will be needed. "Special" days, the presence of musicians or someone making cider are the kinds of "gimmicks" which will attract additional sales.

5. The Committee and BCES should make it a point to make friendly visits to each grower's farm in an effort to prevent "pinhooking."

6. To improve group cohesion the Committee might consider one or two annual social functions (pot luck dinners) for all of the market participants.

7. The BCFM has operated successfully without assessing participants. However, the farmers should be prepared in the event that they might have to incur the costs of managing and publicizing the Market. The Committee should investigate whether or not a small assessment would benefit the market participants.

8. BCES and Committee should consider other alternative marketing opportunities, especially with items produced in supply beyond local market needs.

For Additional Research

1. Research comparing the characteristics, problems and status of all farmers' markets in Tennessee.

2. Pricing research at farmers' markets which pinpoints price changes for various products.

3. Case studies of other direct markets and ways of moving producers toward other large volume marketing channels.

BIBLIOGRAPHY

BIBLIOGRAPHY

1. Adrian, John L., Brooker, John R. and Free, Joe. "Market Access Considerations of Small Quantity Producers of Fruits and Vegetables," Tennessee Farm and Home Science, The University of Tennessee, Knoxville, October-December 1980.
2. Adrian, John L., Brooker, John R. and Free, Joe. "Potential for Expanded Sales of Locally Grown Produce: A Case Study of the Chattanooga, Tennessee Market Area," Southern Cooperative Series No. 260, Alabama Agricultural Experiment Station, Auburn University, November 1981.
3. Agricultural Marketing Project. Benefit-Cost Analysis for Food Fairs, December 1977.
4. Alexander, John. "United Addresses U. S., Foreign Ag Woes," The Packer, September 23, 1978.
5. Anon. "6-State USDA Survey Discloses Broad Direct-to-Consumer Sales," The Packer, August 4, 1979.
6. Brooker, John R. and Taylor, Earl G. "Direct Marketing of Produce: The Shelby County Farmer's Market Case," The University of Tennessee Agricultural Experiment Station, Bulletin 569, April 1977.
7. Brooker, John R. and Jenkins, Robert P. Wholesale Produce Marketing in Knoxville, Tennessee. The University of Tennessee Agricultural Experiment Station, Special Report No. 3, January 1980.
8. Brooker, John R. "Direct Marketing of Fruits and Vegetables in Tennessee," 1980, The University of Tennessee, Knoxville, Department of Agricultural Economics and Rural Sociology (unpublished).
9. Campbell, Paul. "Focus 1980's," The Packer, February 1981.
10. Chase and Winn. "Farmers' Markets: An Idea Whose Time Has Come Again," Journal of Extension, March/April 1981.
11. Davis, John. "Processors of Fruits and Vegetables in Tennessee," Agricultural Marketing Project, 1978 (unpublished).
12. Gettings, T. L. "A Farmer's Market with a Sense of Community," Organic Gardening and Farming, August 1977.
13. Gustafson, Mark R. and Leveen, Phillip E. "The Potential Impact of Direct-Marketing Policies on the Economic Viability of Small Fruit and Vegetable Farms in California," California Agricultural Experiment Station, Giannini Foundation of Agricultural Economics, Research Report No. 327, December 1978.

14. Hale, William M. Notes from an interview conducted in August 1978, Cleveland, TN.
15. Jenkins, Robert P. "Large Volume Produce Buyers' Viewpoints of Marketing Tennessee Produce," Tennessee Ag Briefs, The University of Tennessee, Knoxville, January 1980.
16. Lindstrom, H. R. "Farmer-to-Consumer Marketing," Economics and Statistics Cooperative Service, ESCS-01, USDA, February 1978.
17. Looker, Dan. "Making a Go of Selling Direct," Organic Gardening and Farming, January 1980.
18. Meister, Richard T. "Fresh is Best Says UFFVA," The American Vegetable Grower, March 1977.
19. Rogers, Harold T. "California Split," The American Vegetable Grower, October 1979.
20. Rutledge, Alvin D. "Tennessee Vegetable and Small Fruit Situation," The University of Tennessee Agricultural Extension Service, (unpublished), January 1977.
21. Smith, Judy. Notes from interview conducted in September 1981, Cleveland, Tennessee.
22. Tennessee Department of Agriculture, Crop Reporting Board. Tennessee Farm Facts, January 5, 1981.
23. U. S. Congress. "Farmer-to-Consumer Direct Marketing Act," Hearing before the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices," Ninety-fourth Congress, Government Printing Office, May 12, 1976.
24. U. S. Department of Agriculture. "U. S. Farm Numbers, Sizes and Related Structural Dimensions: Projections to Year 2000," ESCS Bulletin #1625, 1980.
25. U. S. Department of Agriculture. "Vegetables--1981 Annual Summary: Acreage, Yield, Production and Value," Crop Reporting Board, 1981.
26. U. S. Department of Agriculture. "Vegetables--1971 Annual Summary: Acreage, Yield, Production and Value," Crop Reporting Board, 1971.
27. U. S. Department of Agriculture. "Pesticide Review (1971-1981)," Agricultural Conservation and Stabilization Service.

28. U. S. Department of Agriculture. "Agricultural Outlook," Economic Research Service, March 1982.
29. U. S. Department of Commerce. 1978 Census of Agriculture, Vol. 1, State and County Data, Part 42, Tennessee.
30. U. S. Government Accounting Office. Report to the Congress: Direct Farmer-to-Consumer Marketing, Program Should be Continued and Improved, CED-80-65, July 9, 1980.
31. Vail, David. The Economic Potential of Farmers' Markets and Limitations to Their Development in Maine. Small Farms Management and Technology Project, Idea Paper #5, Bowdoin College, July 1976.
32. Vlcek, John. Notes from an interview with AMP's Director, January 1982.
33. Waterfield, Larry. "Squeeze: Producers Face Rising Expenses, Plunging Overall Farm Income," The Packer, March 22, 1980.

APPENDIXES

APPENDIX A

1978 BRADLEY COUNTY FARMERS' MARKET SURVEY--CONSUMERS

1. How often do you come to the market?
2. How did you learn about the market?
3. What distance did you travel to get here?
4. Why do you shop here? (List three reasons.)
 - (1)
 - (2)
 - (3)
5. What is estimated cost of purchase per trip?
6. Are you going to have your purchases processed at cannery?
Frozen at home?
7. Things liked?
8. Things disliked?
9. Suggestions.

APPENDIX B

1978 BRADLEY COUNTY FARMERS' MARKET SURVEY--GROWERS

1. How many seasons have you been using this market?
2. How many times per week?
3. What did you do before the market opened?
4. What other market outlets do you now use?
5. How far do you travel? What county?
6. What do you grow to sell at the market? How many acres of vegetables?
 - (1)
 - (2)
 - (3)
 - (4)
 - (5)
 - (6)
7. Are you a full-time farmer? Are vegetables your main source of income? What other enterprises?
8. Do you make most of your annual income here? What percent?
9. Has this market helped you to increase your income?
10. What is your average gross (take) per trip?
11. How do you set your price?
12. Is pinhooking a problem?
13. Things liked?
14. Things disliked?
15. Suggestions for improvement.

APPENDIX C

1981 BRADLEY COUNTY FARMERS' MARKET

For the privilege of selling at the Bradley County Farmers' Market at no charges, I understand and agree to abide by the following conditions:

1. I will offer for sale only produce grown or products made by me or members of my family in the Bradley County trade area (Bradley and surrounding counties).
2. I will not offer for sale any produce or products which have been purchased or secured for the purpose of resale.
3. I agree to sell my products only within the fenced-in area designated as the sale area and will not sell any products before 7:00 A. M.
4. I will keep the area around my sale stand neat and clean and take all trash and unsold produce home for disposal.
5. I will promote goodwill for the Market by being courteous and considerate to customers and fellow producers at all times.
6. Before leaving the market I will list the approximate amount of my total sales for the day (no signature necessary) and drop the card in the box located next to the telephone.

Farmers Market Rules will be strictly enforced. Questions or comments may be referred to members of the Farmers Market Advisory Committee or the Agricultural Extension Service.

Signature _____ Date _____

Name (Please Print) _____

Address _____

Telephone Number _____

The Agricultural Extension Service offers its programs to all eligible persons regardless of race, color, national origin, sex, or handicap.

VITA

Jon Traunfeld was born in Queens, New York in 1956 and attended public schools in New York and Maryland. He received a B. A. in American Studies from Grinnell College.

In September 1977 he entered the M. S. program in Agricultural Extension at The University of Tennessee, Knoxville. While completing the degree requirements, he worked on three U. T. Agricultural Experiment Station farms, truck farmed and managed a vegetable marketing cooperative in Tazewell, TN. He has also been an active Board member of the Agricultural Marketing Project since 1979.