

IMPACTS OF CURRENT FOOD REGULATIONS ON FARMERS MARKET VENDORS

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Background

- The number of farmers markets over the past decade have increased greatly across the nation.
- Approximately 79 farmers markets in Oklahoma
- There is little literature about food regulation costs for farmers market vendors.
- The lack of knowledge can cause market vendors:
 - to be out of compliance;
 - to operate inefficiently;
 - to be unable to branch out their business, and;
 - to be unable participate at farmers markets at all.

Objectives

- Get vendors perspectives on problematic and costly regulations.
- Identify which categories of food products are most affected by compliance costs.
- Examine correlations between compliance costs and vendor characteristics.
- Provide this information to vendors in a way that will help them better plan their marketing efforts.

Methods

- A survey was created both online and print form (Qualtrics).
- Oklahoma Grown registered farmers market vendors were asked to be survey participants.
- Regulatory costs, annual farmers market sales, and business characteristics of farmers market vendors were identified.

Findings

- 64 vendors responded to the survey, although not all respondents answered every question.
- 60% of the farmers market vendor respondents were age 56 or older.
- Responding vendors were predominately Caucasian (88%), with more than half having at least a Bachelors Degree.

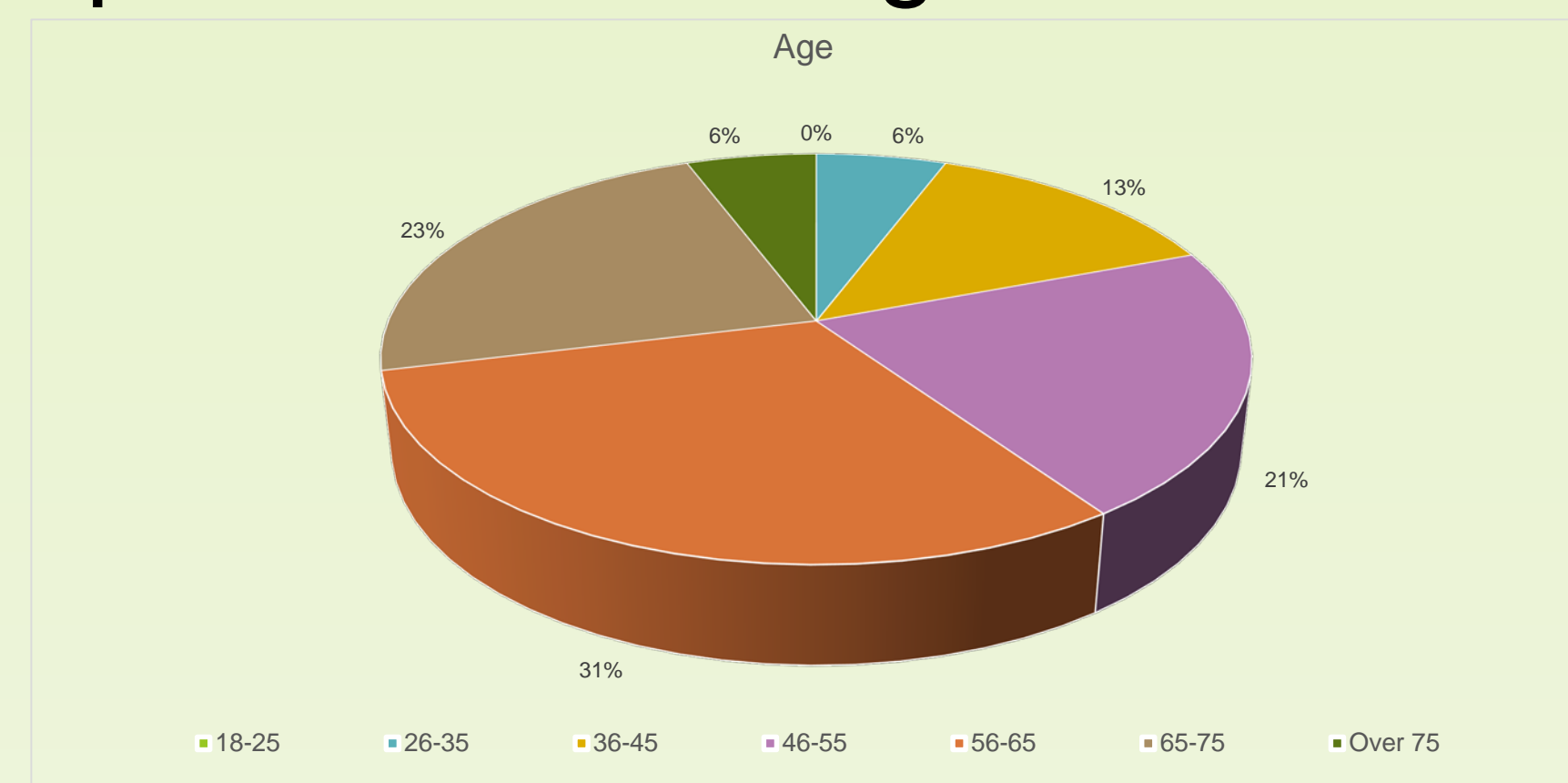


Figure 1. Respondent Ages.

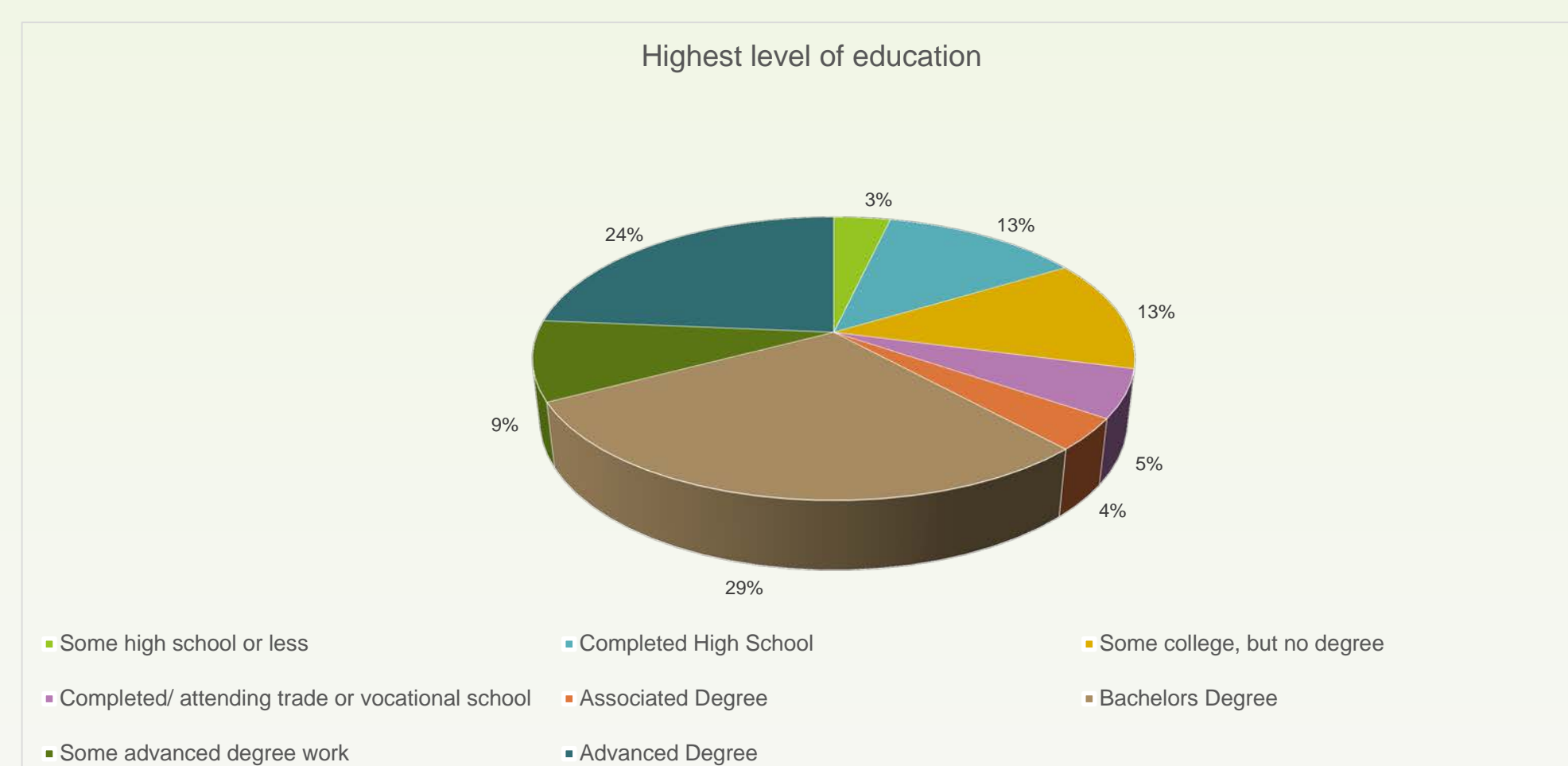


Figure 2. Respondent Education Levels

- The three most popular products sold by vendors were: vegetables, eggs, and livestock-based products, with fruit coming close behind.

#	Answer	Response	%
1	Bakery	4	7%
2	Dairy	4	7%
3	Eggs	26	46%
4	Fruit	17	30%
5	Honey	10	18%
6	Vegetables	45	79%
7	Cattle	11	19%
8	Hog	6	11%
9	Sheep	5	9%
10	Goat	5	9%
11	Other	19	33%

Figure 3. Respondent Products

- With the growing popularity of farmers markets, farms in operation for less than 5 years outnumbered the farms that had been in operation more than 15 years.

#	Answer	Response	%
1	Under 5 years	21	38%
2	5-10 years	13	24%
3	10-15 years	5	9%
4	More than 15 years	16	29%
Total		55	100%

Figure 4. Respondent Farm Length

- The data showed 53% of the vendors sold their products once a week and the other 47% either sold in multiple markets or multiple days.

#	Answer	Response	%
1	One	29	53%
2	Two	18	33%
3	Three	5	9%
4	More than three	3	5%
Total		55	100%

Figure 5. Respondent Selling Days

Conclusions

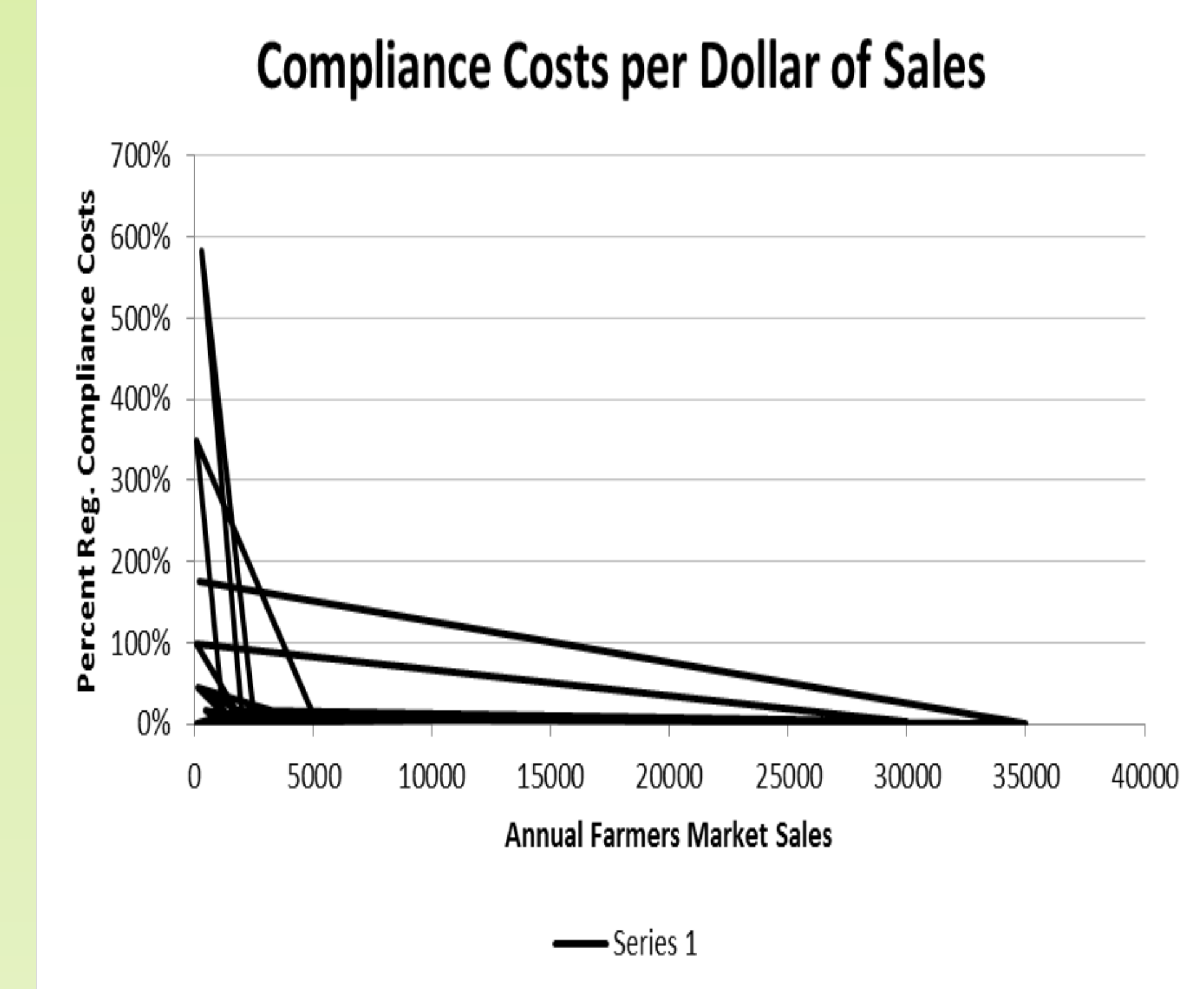


Figure 2. Respondent Cost per Sales Dollar

- The issue of vendor profitability is directly linked to economies of size/scale.
- The compliance costs are “sunk costs,” i.e. they are paid in advance of market participation.
- Even if a vendor experiences poor sales, the compliance costs do not change.
- Vendors need to better understand and calculate the costs and risks of entering this market channel.

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