

# IMPACTS OF CURRENT FOOD REGULATIONS ON FARMERS MARKET VENDORS

Meagan Osburn  
Oklahoma State University

## 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.

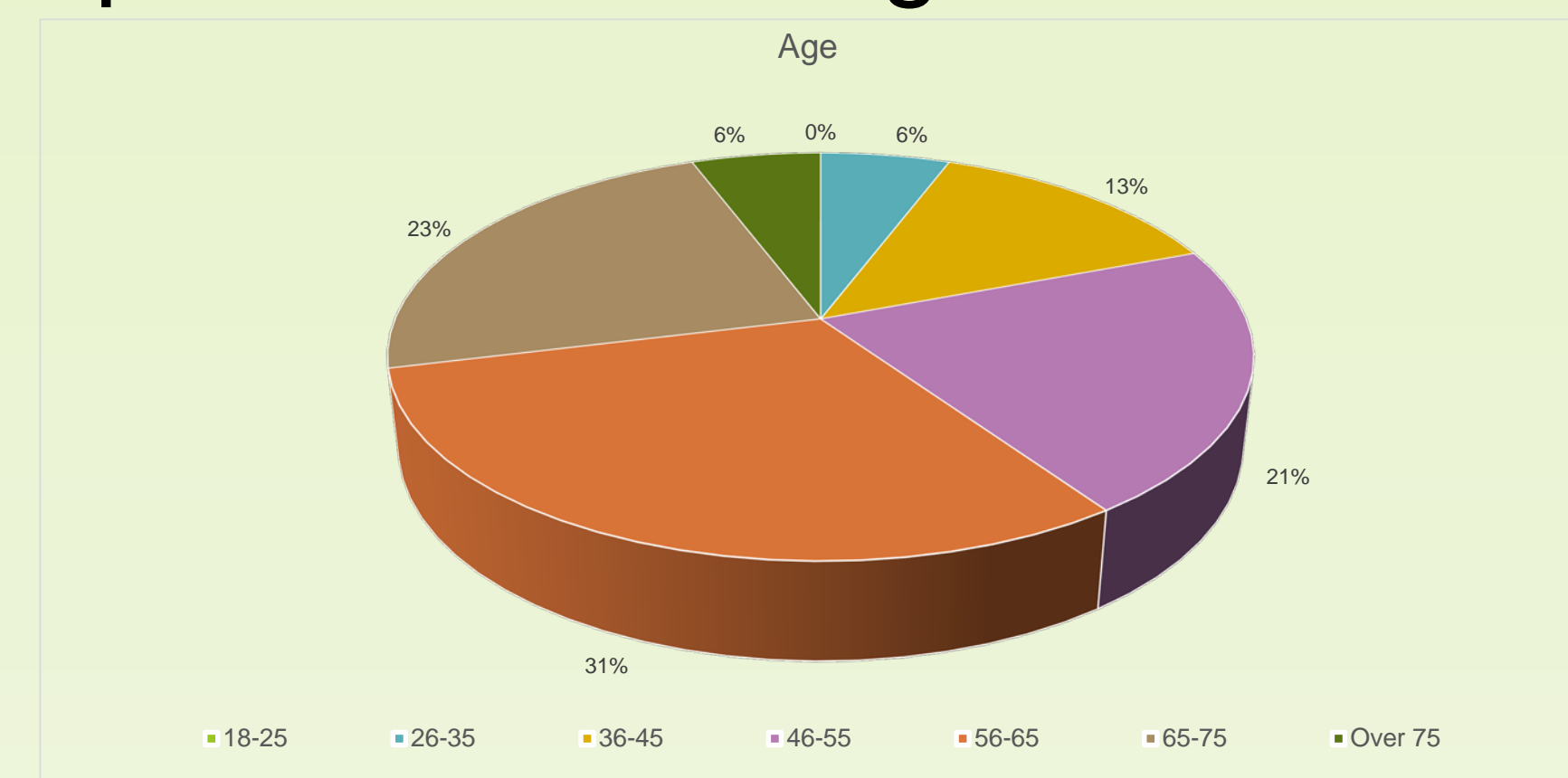


Figure 1. Respondent Ages.

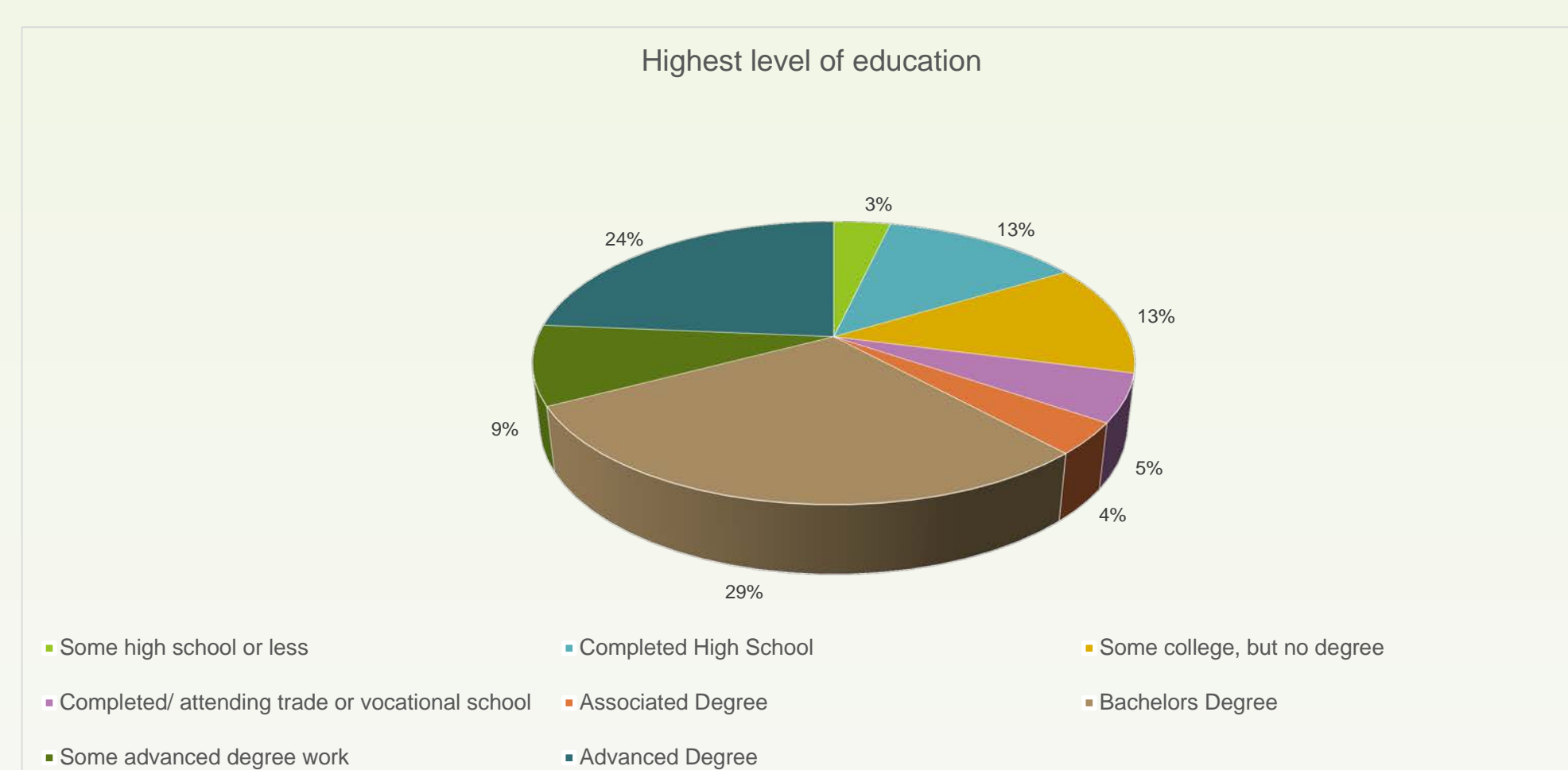


Figure 2. Respondent Education Levels

- 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

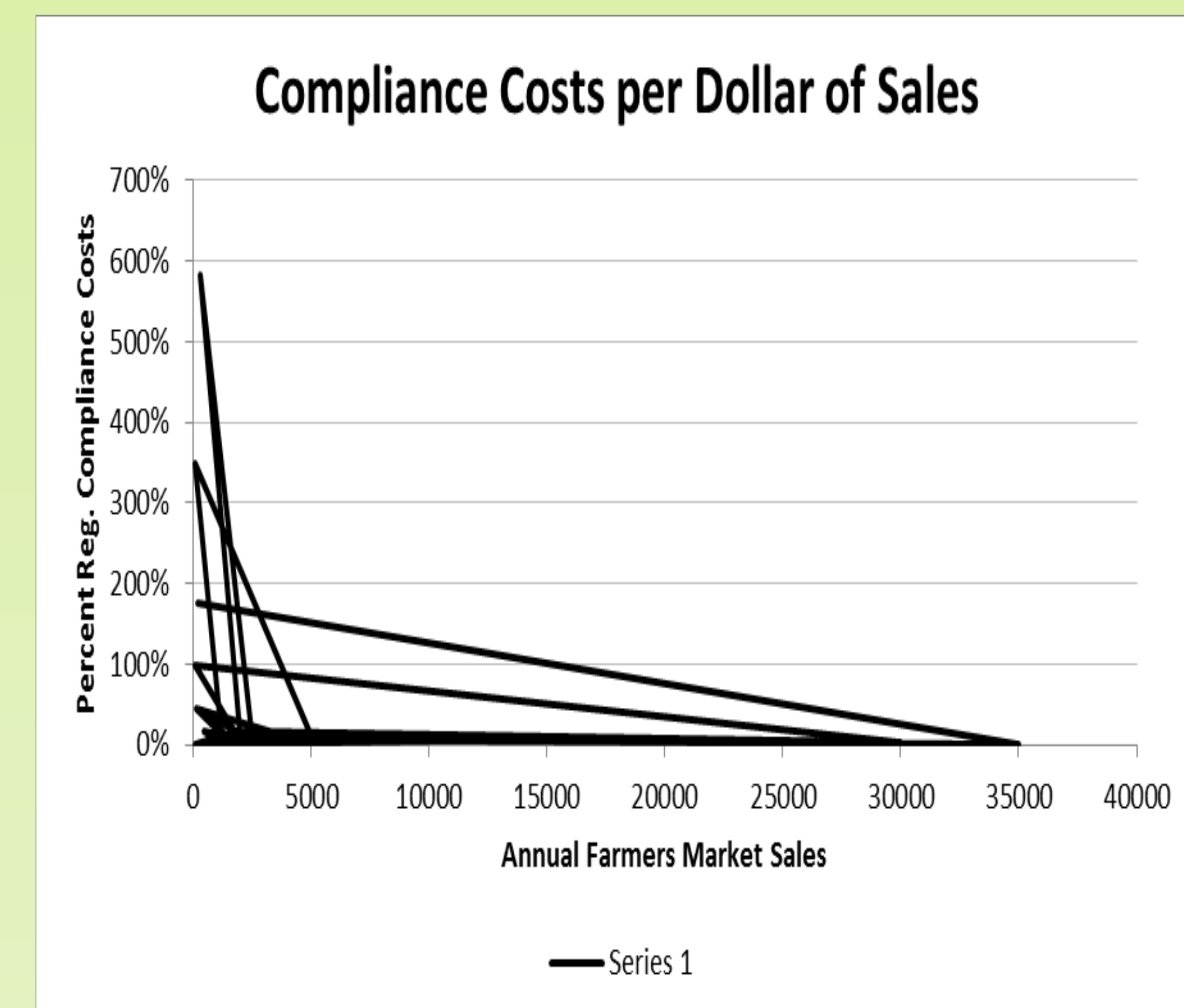


Figure 2. Respondent Cost per Sales Dollar

- 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.

## References

Brain, R. K. Curtis, and K. Hall. 2015. Utah farm-chef-fork: building sustainable local food connections. *Journal of Food Distribution Research* 46 (1): 1-10.

Buchwald, B., Osburn, M., Holcomb, R., and Willoughby, C. 2014. A Guide to Marketing Locally Produced Eggs in Oklahoma. Robert M. Kerr Food and Agricultural Products Center. Accessed April 17, 2015. <http://pods.dasnr.okstate.edu/docushare/dsweb/Get/Document-9521/FAPC-187web.pdf>

Gallardo, R. K., A. Olanie, R. Ordóñez, and M. Ostrom. 2015. The use of electronic payment machines at farmers markets: results from a choice experiment study. *International Food and Agribusiness Management Review*. 18 (1): 79-104

Kim, M.K. R. Curtis, and I. Yeager. 2014. An assessment of market strategies for small-scale produce growers. *International Food and Agribusiness Management Review* 17 (3): 187-204

Lopez, J. A., C. Davis. 2015. A demand analysis for fresh tomatoes in the Dallas/ Fort Worth grocery market. *Southern Agricultural Economics Association*. Accessed April 17, 2015. <http://ageconsearch.umn.edu/bitstream/196847/2/2015-SAEA-Paper-Lopez-Davis-01-14-2015.pdf>

Nelson, M.C., E. Styles, N. Pattanaik, X. Liu, and J. Brown. 2015. Georgia farmers' perceptions of production barrier in organic vegetable and fruit agriculture. *Southern Agricultural Economics Association*. Accessed April 17, 2015. <http://ageconsearch.umn.edu/bitstream/196868/2/Final%20SAEA-Organic%20Production-%20Barrier%20Paper.pdf>

Osburn, M., Holcomb, R., and Willoughby, C. 2014. Challenges of meeting Oklahoma's farmer's market regulations and varied requirements. Robert M. Kerr Food and Agricultural Products Center. Accessed April 17, 2015. <http://pods.dasnr.okstate.edu/docushare/dsweb/Get/Document-9454/FAPC-164web.pdf>

Osburn, M., Holcomb, R., and Willoughby, C. 2014. Food Business License and Permit Costs in Oklahoma: The Good, The Bad and The Mundane. Robert M. Kerr Food and Agricultural Products Center. Accessed April 17, 2015. <http://pods.dasnr.okstate.edu/docushare/dsweb/Get/Document-9456/FAPC-165web.pdf>

United States Department of Agriculture. "2012 Census of Agriculture: Oklahoma State and County Data." May 2014. Accessed April 20, 2015. [http://www.agcensus.usda.gov/Publications/2012/Online\\_Resources/Highlights/Farm\\_Demographics/](http://www.agcensus.usda.gov/Publications/2012/Online_Resources/Highlights/Farm_Demographics/)

United States Census Bureau. "2010 Demographic Profile." Accessed April 17, 2015. <http://www.census.gov/popest/>

United States Food and Drug Administration. "Background on the FDA Food Safety Modernization Act (FSMA)." 5, August 2014. Accessed April 17, 2015. <http://www.fda.gov/food/guidance/RegulationFSMA/ucm339907.htm>

United States Food and Drug Administration. "Food Safety Legislation Key Facts" August 5, 2014. Accessed April 17, 2015. <http://www.fda.gov/food/guidance/RegulationFSMA/ucm337934.htm>

United States Department of Agriculture. "2012 Census of Agriculture: Oklahoma State and County Data." May 2014. Accessed April 20, 2015. [http://www.agcensus.usda.gov/Publications/2012/Full\\_Report/Volume\\_1\\_Chapter\\_1\\_State\\_Level/Oklahoma/okv1.pdf](http://www.agcensus.usda.gov/Publications/2012/Full_Report/Volume_1_Chapter_1_State_Level/Oklahoma/okv1.pdf)

## Acknowledgements:

Lew Wentz Family and Foundation  
Dr. Rodney Holcomb

