

Organizing in a Low-Income Area

This chapter will enable you to:

- ▶ **Be aware of special issues associated with starting a market in a low-income area.**
- ▶ **Be aware of characteristics of markets that successfully serve low-income areas.**

Low-income communities offer many opportunities for direct marketing of fresh produce and other agricultural products. Some of the largest and most successful markets in the United States are situated in low-income, inner-city neighborhoods. And many smaller rural markets also serve communities with limited incomes. These markets provide benefits such as a community focal point, entrepreneurial development opportunities, and a reliable, affordable source of fresh produce.

Why Start a Market in a Low-Income Area

Farmers markets play an important role in delivering fresh produce directly from farmers to consumers. In low-income city neighborhoods, a weekly farmers market is sometimes the only source of fresh, nutritious, economically priced food. Because large grocery chains sometimes find it unprofitable to locate in these areas, produce and meat sales are often left to convenience and liquor stores that do not focus on freshness, quality, or selection. Grocery stores are often few and far between in low-income areas, so people frequently rely on fast food outlets for meals. According to information presented at the November 1999 Community Food Security Workshop in Chicago, for example, "in one neighborhood in East Los Angeles, there were approximately 700 liquor stores and only one grocery store within a twenty-mile area. That grocery store stocked its meat and produce sections with the lowest-quality product, offering wilted vegetables and meat with sell-by dates that had expired." The lack of supermarkets creates a vacuum in supply that leaves much of the local demand for fresh produce unmet. In 2002, the Center for Food and Justice reported that there are typically three times as many supermarkets per capita in upper- and middle-income neighborhoods as in low-income neighborhoods. In some areas, where access is severely limited, many residents are considered to be food insecure. But food shortages and nutritional deficiencies are not problems only for inner cities. Rural communities often face similar dilemmas. In 2001, more than 32 million

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Americans lived at or below the poverty threshold. Many of those people had to rely on food banks, soup kitchens, and other food assistance programs on a regular basis. Farmers markets play a vital role in delivering fresh produce directly from farmers to consumers.

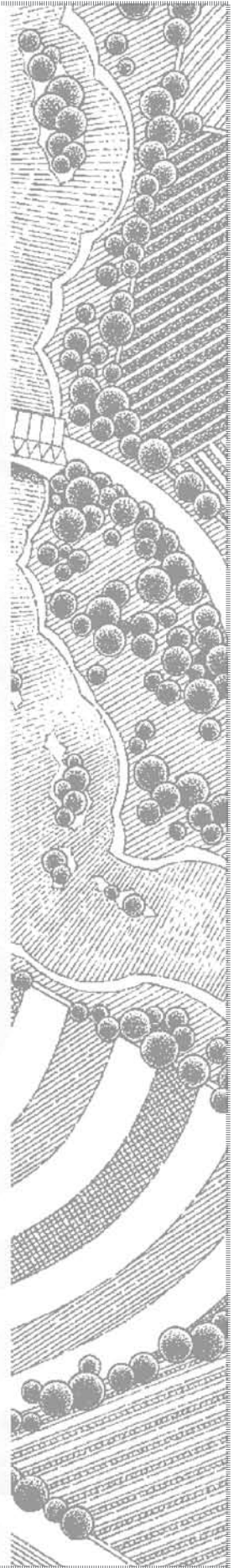
Considerations for Markets in Low-Income Areas

When considering starting a market in a low-income neighborhood, the working committees discussed in Chapter Two will have to address needs and issues particular to such areas. Each of the following considerations can be addressed during the process of analyzing the feasibility of starting a new market.



Special Considerations

- The product mix must be geared to demographic and cultural characteristics of the market's customers, which is sometimes a challenge to determine. (Market Analysis Committee)
- Finding farmers who can provide appropriate products may require some organizing effort. (Vendor Recruitment Committee)
- Customer education on how to prepare fresh produce may be challenged by language or other cultural differences. (Market Analysis Committee)
- Limited incomes decrease customers' purchasing power. (Market Analysis Committee, Financial Analysis Committee)
- Farmers are usually looking for the highest price they can command and may resist committing to a low-income market. (Vendor Recruitment Committee)
- The cumulative, limited purchasing power of a market's area may not be adequate to keep farmers and the market in business. (Financial Analysis Committee)

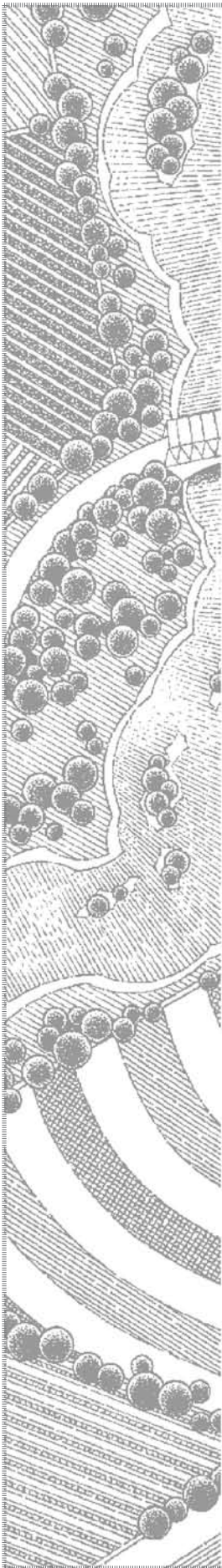


- Many low-income individuals hold multiple jobs and may not have the flexibility to shop during the market's limited hours. (Market Analysis Committee)
- Transportation options to and from the market may be limited. (Site Analysis Committee)
- Individuals may have difficulty carrying bulky produce purchases on public transportation. (Market Analysis Committee)
- In large urban areas, some neighborhoods have access to sources of inexpensive, culturally appropriate produce that is available year-round from chain discount stores. (Market Analysis Committee)
- Large chain discount markets such as Food for Less, Sam's Club, and Costco may offer prices that are lower than those at a farmers market. (Market Analysis Committee)
- If price is the overriding issue, a farmers market may not succeed. However, freshness, quality, availability, and ambience can add extra attributes to the product mix and support a willingness to pay slightly higher prices. (Market Analysis Committee)

Elements of Successful Markets in Low-Income Areas

Successful markets in low-income areas are supported, endorsed, and developed as vital components of their communities. The desire for a farmers market should be broad-based with support that is not limited to a single nonprofit group, religious organization, or merchant association. A community-organizing approach to establishing a new market is more fruitful than a publicity-based strategy. Other successful market strategies include:

- Involve as many people as possible in the organizing process.
- Create a farmers market advisory committee with members from nonprofit groups, religious organizations, merchant associations, and other stakeholders.
- Determine that transportation is available via bus or other local means and that adequate parking space also is available.
- Create a market publicity plan, which is vital to the survival of the market. The plan should include community organizing, media work, special events, and local merchant tie-ins. Research the marketing strategies that already are being used for previous successful events in the community.

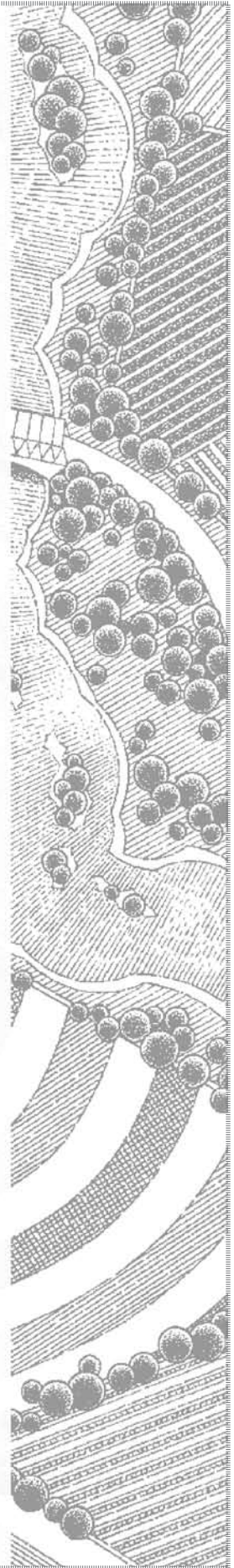


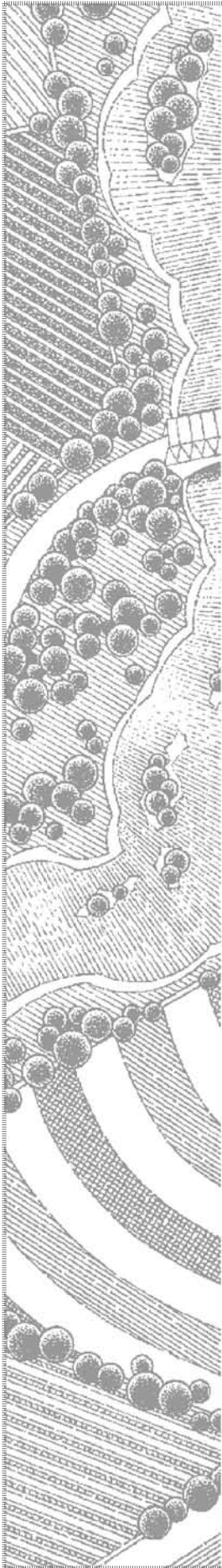
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- Consider consumer income levels and ethnicities when identifying potential products and recruiting farmers. Conduct surveys of consumers in the community to determine product preferences.
- Make sure that market organizers are well connected to local political representatives.
- Meet with city and county representatives at the beginning of the market's organizing process. Market organizers will run into regulatory problems that require political assistance. Inform political leaders about the farmers market that you are organizing in their district before you need their assistance.
- Consider locating the market in a "transition" neighborhood—one that draws both low- and middle-income customers. This type of location may have a better chance of success than a market located in a strictly low-income area.
- Accept food stamps. Individual farmers or the market in general can be certified to accept food stamps. (See details about food stamps in Chapter Four.)
- Participate in the Women, Infant and Children (WIC) and Senior Farmers Market Nutrition Programs (SFMNP) at the farmers market. Some markets are open only for the duration of the program (May 1–November 30) with 80 percent of their clientele being WIC participants. (See details about these programs in Chapter Four.)
- Guarantee that customers feel safe while shopping at the market. It may be necessary to hire security or ask for police assistance to ensure that customers feel secure while at the site.
- Suggest that farmers use multitier pricing that provides discounts for volume purchases.

Alternatives to Farmers Markets for Low-Income Areas

Some of the challenges of operating a farmers market in a low-income area have led to development of alternative marketing strategies that still take advantage of federal food assistance programs while improving access to local farm products. Subscription farming enterprises such as CSAs (community-supported agriculture) provide these opportunities, as do farm stands and you-pick direct-marketing venues.





Case Study: Growing Power's Market Basket Program

In 1995, Will Allen began to develop an alternative marketing venture for the produce he grew on his urban farm. His idea was to form a cooperative community-supported agriculture (CSA) or subscription marketing agreement with several other local small farms. The project would also work with local youth to provide education on sustainable agriculture and marketing. The target market was low-income residents of Milwaukee.

Today, the program has grown to serve 300 subscribers throughout Wisconsin at more than thirty-five drop-off points. It has become known as the Market Basket Program and is run through Growing Power, a nonprofit organization working in Milwaukee, Chicago, and Homer, Alaska, to provide high-quality, healthy, affordable food in those communities. Growing Power develops "community food centers" that offer training, active demonstrations, outreach, and technical assistance. Community food centers are local places where people learn sustainable practices to grow, process, market, and distribute food.

Will is now the director of Growing Power. He says that 50 percent of Market Basket subscribers pick up their produce at the Milwaukee community food center, where they can use both Farmers Market Nutrition Program coupons and Food Stamp EBT cards to pay. According to Will, other features of the program that contribute to its success with low-income people are its convenient ordering procedures and affordable prices. Customers place orders for the produce weekly, unlike most CSAs, which require monthly, seasonal, or even annual subscriptions. The program offers two options: a \$12 box of conventional produce packed to contain a retail value of about \$24 and a "Sustainably Grown" box at \$24 that features organic products.

Growing Power works with Wisconsin Shares to make Wisconsin deliveries outside of Milwaukee and has recently expanded through Growing Power's Chicago food center to include six more delivery points.

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Several markets have experimented with programs modeled on the subscription or CSA marketing structure. These programs are often called “market basket” programs because they feature a basket or box of market produce. The produce is supplied by vendors and packed by the market’s staff or volunteers for home delivery or pick-up at a more convenient location such as a local WIC office. Participants in the program use the same benefits they would have used at the market to pay for the produce.

These programs can help markets, vendors, and customers overcome some accessibility barriers such as electronic benefits transfer (EBT) implementation and transportation issues inherent to regular farmers markets. Some programs have succeeded in becoming sustainable; others have not. For an example of one of the more successful programs of this type, see the case study titled “Growing Power’s Market Basket Program” on the preceding page.

Conclusion

Once the organizing committee has conducted the feasibility study and chosen to move ahead in organizing a farmers market, the next step will be to form a board of directors and hire a market manager. While the cost of hiring a market manager may be more of an issue for a market in a low-income area than for a market in a more affluent community, the additional bureaucracy involved in federal food assistance programs means that it is vital to have someone at the helm who has the necessary knowledge, skills, and time to devote to start-up activities. For more on federal food assistance programs and processes, see the next chapter.

