

The Impact of Farmers Market Ownership on Conduct and Performance

By

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Abstract
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Title: The impact of farmers market ownership on conduct and performance

Over the last two decades, farmers markets have gained prominence based on their contributions to local economies, support of small-scale farmers, and ability to reconnect consumers and producers of food. Farmers markets vary substantially both in the goals they set and the outcomes they achieve. This study examines whether and how market ownership influences outcomes by conducting a comparative analysis. The research uses Henry Hansmann's ownership of enterprise framework and Muhammad Yunus's social business framework to analyze whether differences in ownership lead to variations in market governance, conduct, and performance. I conducted interviews with managers of Oregon farmers markets representing various ownership structures. Interviews were analyzed using the inductive thematic analysis approach to understand how ownership influences market goals and mission, general operations, and performance outcomes. In doing so, I demonstrate that different forms of ownerships have distinct benefits and challenges associated with them.

Table of Contents

INTRODUCTION	1
LITERATURE REVIEW	2
A. Background	2
B. Context and relevance of study	3
C. The Role of Ownership	5
METHODS	8
A. Research design and strategy	8
B. Data collection.....	8
C. Data analysis	10
RESULTS	11
A. Sample Characteristics	11
B. Ownership	13
C. Conduct	14
D. Performance:	22
DISCUSSION.....	27
A. Ownership	27
B. Conduct	29
C. Performance:	31
CONCLUSION.....	31
A. Recommendations:.....	31
B. Strengths and limitations:.....	32
C. Future Research:.....	33
REFERENCES	34
APPENDICES	36
Appendix A: Interview Questionnaire	36
Appendix B: Additional Characteristics of Participating Market Organizations	39

List of Figures

Figure		Page
1.	Sources of financial support.....	21
2.	Manager compensation structure	22
3.	Social programs, outreach efforts, and community support	25
4.	Geographical distribution of participating market organizations	39
5.	Size, age, and ownership of participating market organizations	40

List of Tables

Table		Page
1.	General characteristics of sample	12
2.	Ownership of market organizations	14
3.	Manager autonomy and role of the governing body	16
4.	Orientation of market mission	18
5.	Average ranking of goals	19

INTRODUCTION

In recent times, we have seen a resurgence in consumer interest in local food. This trend is reflected in consumers' willingness to pay higher prices for locally grown food (Darby, 2008) and the growth of local food sales overall (Low & Vogel, 2011). Local food sourcing relies on direct-marketing strategies such as farmers markets, community supported agriculture, farm stands, etc. These strategies enable producers to sell directly to consumers and ideally, increase their own profit margin by foregoing the lower prices offered by wholesale markets. Particularly, for small and mid-sized farmers, direct marketing strategies including farmers markets, community supported agriculture, farm stands, etc. are a life line because they are more likely to use direct marketing strategies *exclusively*.

Farmers markets, in particular, play an important role in developing local food systems and supporting small farms (Stephenson, 2008). In addition, markets also increase economic activity in a community, help address issues around food access and security, and serve as a general community-building mechanism. Because of their diverse benefits, markets serve the interests of a variety of key players including farmers, local businesses, and community organizations and members. It is increasingly common to have some combination of these actors involved in organizing and operating a farmers market. As a result, there is a trend of moving away from *farmers' markets* where farmers own and operate the market. This research explores the topic of how who is involved in running a market may influence the priorities, processes and outcomes of the market. The specific questions this project answers are "who owns this market?" and "do markets under different ownership differ?" Through qualitative interviews, I document how market conduct and performance differ based on who is in control of the market. I use Henry Hansmann's structure-conduct-performance framework to inform my focus on ownership and assess the benefits and challenges of particular ownership forms. The final goal of this research is to inform best practices in organizing and operating farmers markets. Despite the overall growth in number of farmers markets, 25% of them close down after the first year (Stephenson, 2008). Findings and recommendations from this research may help to reduce failure rates for new markets and improve the processes for existing markets.

LITERATURE REVIEW

A. Background

The local food movement has emerged as a countertrend to the globalization of the food system. It is a consumer and producer response to the conventional system which is characterized by long supply chains, big box grocery stores, faceless growers and producers of food, and transportation of food over long distances. Local food offers consumers the opportunity to reconnect with their region by focusing on seasonal food, purchasing directly from growers, improving access to fresher food, contributing to the sustenance of small-scale farmers, and building stronger local economies (Starr, 2010). The movement's prominence is reflected in consumers' increasing willingness to pay higher premiums for foods that are produced locally. Darby et al. (2008) found that consumers preferred locally grown over U.S. grown even when product quality was held constant and were willing to pay almost twice as much for a local product. Consumers are able to gain access to local food through many avenues such as intermediary sources like local produce stores, and direct marketing strategies which include farmers markets, farm stands, and community support agriculture. In 2008, local food sales through both these avenues amounted to \$4.8 billion (Low & Vogel, 2011).

During the 1970s farmers were urged to "get big or get out" as federal policy encouraged commodity farming over traditional sustenance farming. These commodities are sold in a conventional wholesale market where farmers sell their product at a very low price, and costs are accrued at subsequent stages of the process to make room for profit for intermediaries (Stephenson, 2008). However, small-scale farmers are not able to survive on the low prices offered in the wholesale market and have opted to utilize direct-marketing strategies. Direct marketing is when the producer sells directly to the end consumer. By doing so, the larger goal is to redefine the food system by sustaining small-scale farms, increase farmer profits, and nurture a relationship between consumers and producers. "Direct marketing allows the farmer to capture a higher proportion of the food dollar. Instead of competing directly with large agribusiness firms, local growers are able to carve out a local market niche and thereby increase their financial viability. It allows growers to redefine the entire marketing mix of product, price, placement (channel of distribution), and promotion" (Kambara & Shelley, 2002). A 2011 report from the USDA states that local food sales through exclusive use of direct marketing strategies such as farm stands, farmers markets, and CSAs are dominated by small and mid-sized farms.

Furthermore, 81% of farms reporting local food sales in 2008 were small farms with less than \$50,000 in gross annual sales (Low & Vogel, 2011). These statistics indicate that direct-marketing strategies serve as an important lifeline for small and mid-sized local farmers. Aside from empowering small-scale farmers, direct marketing also presents an opportunity to enhance the relationship between producer and consumer, an opportunity that is not available at most supermarkets (Hinrichs, 2000).

Farmers markets are one popular form of direct marketing. Though farmers markets were prevalent as far back as the 1940s, they sharply rose in popularity since the 1990s. In 2013, the USDA listed over 8,100 farmers markets across the nation, a 3.6% increase from 2012 (Agricultural Marketing Service, 2013). In Oregon, the statewide organization, Oregon Farmers Market Association, listed 160 markets during 2013. While farmers markets are an avenue for supporting a local food system and local farmers, they have also become a hub for community gatherings and increasing economic activity for surrounding businesses. Myers (2004) found that a county in Maryland with nearly 11,000 market shoppers yielded annual revenues of \$192,000 for the market and approximately \$307,249 in direct and indirect economic benefits. By calculating the percentage of market shoppers who were shopping at nearby businesses and their average expenditures at these businesses, Myers further estimated the shoppers' impact to be around \$965,788 on neighboring businesses for all three markets studied. Hughes et al. (2008) examined the net economic impact of farmers markets in West Virginia by considering loss in grocery store sales as a result of spending at farmers markets. Researchers found that even after considering this loss, farmers markets still had a positive impact on the state's economy by \$1.075 million and addition of 43 full time jobs. Given the wide range of impacts of farmers markets, different organizations such as city governments, development associations, and other community groups have included farmers markets in their operations. Though markets may have started out as a grower-led effort to carve out a niche for themselves, the focus on local food, and markets' multiple benefits have led to a wide variety of stakeholders being involved in the starting and running of farmers markets.

B. Context and relevance of study

Farmers markets serve a vital role in the survival of small farms, connecting consumers and producers, reshaping the food system at a broader level and revitalizing local economies. However, markets are extremely fragile with 25% of all new markets closing within the first year

in Oregon (Stephenson, 2008). Factors contributing to such high rates of failures include the need to have adequate consumers and producers and the lack of experience of market managers (Stephenson, 2008).

Exploring how ownership influences outcomes for market conduct and performance fills a knowledge gap in market literature. To date, few studies have examined the organizational elements of farmers markets. In a study of Indiana farmers markets, Hofmann, et al. (2008) hint at difference in performance of markets related to their organizational structure. Specifically, the authors found that, holding all other factors constant, markets that cited “to provide farmers an outlet for their products” as the primary reason for the market’s existence would have 135 fewer customers on average than markets that cited “to bring economic activity to the area” as the primary reason. The authors postulate that this difference could be a result of the expertise of the entity in charge of the market. For example, a government entity in charge of a market may have more advertising and marketing experience than a collection of vendors attempting to run a market. My research examines this difference and other variations in performance outcomes of markets in relation to a market’s ownership.

Drawing from new institutional economics and organizational science, Lombardi, et al. (2012) analyzed a sample of 95 Community Supported Agriculture programs in North America (U.S. and Canada) to clearly identify organizational forms that comprise a food community network. Food community network is loosely defined as “an organization where consumers and farmers integrate their goals by organizing a network” (p. 547). Two elements pertaining to governance, and pooling and contracting are derived from the new institutional economics approach. The remaining four organizational elements, market-like elements, bureaucratic elements, communitarian elements, and democratic elements, were derived from the organizational science combinative approach developed by Grandori and Furnari (2008). Using k-cluster analysis, the authors constructed five typologies for governance structures based on index values along these six elements of governance and organization: 1) bureaucrats, 2) hard participants, 3) democratic sharers, 4) soft participants, 5) relational sharers. Along with distinct typologies, the authors also found that the sampled CSAs shared some similarities in use of formalized membership, and limited decision rights allocated to consumers, particularly in the area of production. While the authors were able to examine the organizational structures and

develop typologies, they did not consider how differences in structures could impact the CSAs' performance.

C. The Role of Ownership

Farmers markets provide a multitude of positive impacts ranging from increased income for growers to revitalizing downtown areas, creating a strong incentive for various organizations and entities to start farmers markets. Studies on farmers markets and CSAs by Hofmann et al. and Lombardi et al. respectively, hint at the influence that organizational structure has on the way these alternative food networks are operated. In order to examine the influence of ownership in market operations, I will draw on "The Ownership of Enterprise" by Henry Hansmann (1996) and augment it to better suit the topic of this study. The framework developed by Hansmann defines ownership as the *formal* right to control and appropriate a firm's profits. As such, ownership effectively determines who has the power to do what with the firm's assets. Furthermore, ownership is the way that members of a firm gain access to the internal decision-making structure. This is achieved by allocating voting rights to some segment of the firm's patrons, investors, or other parties. In the case of a farmers market, this could be vendors, community members, city officials, or business associations. This variation in who controls a market leads us to question whether markets with different ownership vary from a *farmers' market*¹, which implies control by collection of vendors.

In his analysis, Hansmann explains ownership structures using two criteria: costs of contracting and costs of ownership. Sources of the costs of contracting include market power, dependent relationships with various groups, risks of long-term contracting, asymmetric information, conflicts of interest, and alienation. In context of farmers markets, contracting can be interpreted as whether vendors organize markets themselves or participate at markets that are organized by other parties. Costs of ownership stem from costs of controlling managers, collective decision-making, risk bearing, and costs of transition. In this characterization, the most efficient ownership structure is that which minimizes costs the most. Though Hansmann argues that subjective interests and values can be incorporated into assessing the costs of an ownership structure, he does not consider that ownership structure itself is a reflection of values that are not

¹ The distinction between "farmers' market" and "farmers market" is more than the absence of an apostrophe. A "*farmers' market*" implies that farmers or in general, vendors, are the ones who own and operate the market. Contrastingly, "farmers market" does not convey who owns the market but describes the nature of the market as sharing similarities with a "farmers' market" by featuring agricultural products for sale by vendors.

assessed based on their costs. Furthermore, the goal of cost-minimization when selecting a particular ownership structure may not hold true for farmers markets. One criticism of Hansmann's assessment of ownership is that he does not consider the benefits of structures. Additionally, Hansmann's fundamental definition of ownership as "exercise of control and receipt of residual earnings" fails to consider ownership of assets and property which becomes particularly relevant in the case of nonprofit enterprises that do not strictly have a class of owners (Orts, 1998).

Assignment of ownership determines who makes decisions and therefore which interests have the most influence. Because the decision-making body of a firm determines the rules of operation, allocation of ownership rights influences the priorities and processes of the governing body. In context of a farmers market, analyzing who is part of the governance structure, what the priorities and processes are, and the outcomes of the market will demonstrate the influence that ownership may have on market conduct and performance. However, it is worth noting that this relationship between ownership, conduct, and performance is not necessarily unidirectional. It could be that the economic performance of a farmers market, along with the principles by which it is governed also influence its decision to maintain or alter a particular ownership structure.

Iannotta, et al. (2007) looked at a sample of 181 large banks in 15 European countries over the 1999-2004 time period and evaluated how ownership models impacted profitability, cost efficiency, and risk. Controlling for bank characteristics, country and time effects, the authors found that mutual banks and government-owned banks were less profitable than private banks, even though they had lower costs. In terms of risk, the authors found that public sector banks on average were riskier than other banks, potentially because they were able to avoid the costs of low returns on investments or access government guarantees. Mutual banks were found to operate much like private banks in loan quality as a result of customer relationships, though they were less profitable. Iannotta, et al.'s finding of differences in performance of banks indicate that banks under different ownership forms have different outcomes.

Hansmann's framework will help to evaluate the costs and benefits of ownership types. However, this framework is limited because it does not consider how institutional values may affect the impact of ownership on a firm's outcomes. At this juncture, I incorporate the social business framework developed by Muhammad Yunus to supplement Hansmann's work and examine the role of ownership in a mission-drive organization.

Farmers markets are different from a typical enterprise in that they seek to achieve multiple social benefits. From supporting local farmers to building stronger local economies, markets often have social values at the center of their operations. Social businesses are characterized by a handful of specific principles that distinguish them from non-governmental-organizations, social enterprises, corporate social responsibility, and traditional private businesses. A social business, while still having owners and investors, is primarily defined by its operational goal of addressing a perceived social problem (Yunus, 2010). This facet of social business distinguishes it from a typical firm whose goal is profit-maximization or cost-minimization.

Furthermore, a social business tries to improve its targeted social problem through the mechanism of selling goods or services. This enables the firm to be self-sustaining and thus, distinct from a typical non-profit that is more reliant on charitable donations. Farmers markets generally charge vendors a nominal fee to be part of the market, which is the primary way the market is able to cover operational costs. However, many markets may also seek other funding sources. Analyses of individual markets' funding sources, and budget allocation will further reveal if markets are self-reliant and reinvest profits into the market, and behave like a social business.

Finally, Yunus constructs social businesses as part of a larger, systemic solution that is a "clearly defined alternative in order to change mindsets reshape economic structures, [and] encourage new forms of thinking." (Yunus, 2010). At this stage, we know that farmers markets are a mechanism that allow small-scale farmers to realize profits in the face of stiff competition from larger operations. Furthermore, they attempt to redefine the food system by focusing on principles of local, sustainable, and expanding access to healthy foods. In this sense, they fit this final principle that social businesses act as an alternative. These facets of farmers markets are analyzed through interview questions pertaining to market goals and priorities, mission of the market, and the particular efforts that the market pursues.

Research efforts in analyzing the social business framework are minimal and limited to analysis of the Grameen Group, a collective of for-profit and non-profit ventures established by Yunus. In these case studies, Yunus, et al. (2010) found that innovation in social businesses followed some aspects of the conventional business model. For example, like traditional business models, social businesses had to challenge conventional wisdom and assumptions, establish

complementary partnerships, and continuously experiment with strategies. However, in addition to these, social businesses also needed to incorporate all stakeholders, and clearly define the social profit outcome of the business (Yunus, Moingeon, & Ortega-Lehmann, 2010).

By drawing from Hansmann's ownership framework and Yunus's social business framework, the aim of this project is to understand how ownership influences the conduct and performance of markets and whether the nature of markets as social businesses reduces the effect of different ownerships structures.

METHODS

A. Research design and strategy

Farmers markets were selected as a research topic due to their prominent role in the local food movement. Furthermore, the topic of ownership is relevant because as markets have become more popular, they have attracted the attention of diverse players including city governments, community organizations, and everyday citizens. With consideration to this variation in ownership, it is important to understand the benefits and challenges among them so that we can inform best practices for organizing and operating farmers markets.

The goal of this research is to understand how markets with different ownership forms differ in how they operate and what the outcomes are. Since these themes rely on understanding priorities, processes, and activities of market organizations, an interview method was more suitable because it allowed for detailed and descriptive data (Creswell, 2003).

B. Data collection

i. Participant population and sampling:

The unit of analysis for this study is a market organization. An individual market organization can be in charge of running multiple markets. For example, a single organization operates the Corvallis Saturday Farmers' Market, Corvallis Wednesday Farmers' Market and Albany Saturday Farmers' Market. However, since legal structure and governance of these markets are shared, it makes more sense for the unit of analysis to be a market organization rather than an individual market.

A list of *market organizations* currently operating in Oregon was not available. In order to build a sampling population for this study, we used a comprehensive list, generated by the

Oregon Farm Explorer project², which incorporates listings from the United States Department of Agriculture, and Oregon Farmers Market Association (OFMA). Though the OFMA list only includes markets that are members of the association, it is updated yearly and has the most accurate contact information for managers. Thus, Oregon Farm Explorer's list was compared with 2013 OFMA list to further ensure that new markets were not excluded from the sample list. Lastly, for non-OFMA markets, I verified market contact information through website searches and social media pages.

Once this list was compiled, I consulted a former OFMA president to develop a preliminary list of markets' ownership, as well as their current status (closed or in operation). I verified the markets' current status and ownership through internet searches and by examining the markets' social media pages or websites. Privately run market organizations were not included in this study because there are very few of them in Oregon. A total of 136 markets were contacted for participation.

An initial recruitment letter was sent via email to organizations' listed contacts. Email bounces were recorded and added to the list of organizations that would be contacted via telephone. A secondary request for participation was made via email two weeks into the data collection phase. Organizations that did not have an email contact listed were contacted via phone, though this method yielded a much lower response rate (only one market responded to a recruitment phone call). In two cases, a Board member was interviewed because the organization did not have a market manager.

ii. Questionnaire and Interviews:

The interview questionnaire³ was structured into four parts: general information (characteristics of respondent and market), governance structure (management and decision-making structure of market), market conduct (goals, decision-making, organizational capacity), and performance (economic and social measures). A total of 29 interviews were conducted via telephone. All interviews were digitally recorded and transcribed for analysis. Markets with fewer than 10 vendors exhibit different trends with regards to use of management structures and complexity of the market organization (Stephenson, 2008). As such, three markets, with six or

² The Oregon Farm Explorer is a collaborative effort between the Oregon State University Libraries and OSU College of Agricultural Sciences that integrates content and geospatial data pertaining to farms, markets, and other agricultural aspects of Oregon.

³ See Appendix A

fewer vendors, that participated in the study were excluded from analysis. The benefit of this circumstance is that the distinction between markets with six vendors and 10 vendors is not as fine as the distinction between markets with nine vendors and 10 vendors. In addition, one additional market was also dropped from analysis due to poor recording quality.

C. Data analysis

Data analysis was conducted inductively with most of the themes being developed from patterns in the data. Transcribed data was analyzed according to the three major themes of ownership, conduct, and performance. While these three overarching themes were predetermined, data was also coded according to additional sub-themes that emerged during the interview and data analysis process. Using predetermined themes allowed data analysis to be focused on answering the main question of the study, “how does conduct and performance of markets differ based on their ownership?” Additionally, using emergent coding where sub-themes and categories were developed based on trends and patterns in the data allowed me to take the most advantage of rich data. Using a combination of these two methods of qualitative analysis gave me the opportunity to focus the analysis while taking full advantage of the depth and richness of the interviews.

Initially, each interview was organized according to the questions in the interview questionnaire to see how responses differed across all participants. This data was further categorized using predetermined and emergent themes. As mentioned before, ownership, conduct, and performance are the three main categories of analysis. Additional sub-themes for each of these themes, particularly conduct and performance, were developed inductively. As patterns emerged across the predetermined themes, they were coded and developed into more specific sub-themes. Within the theme of conduct, I considered the following sub-themes and variables (in parentheses): control of market (role of governing body and market manager), market orientation (mission, prioritization of goals), and access to and use of resources (manager compensation, sources of financial support). In order to assess market performance, I further considered sub-themes of ability to meet consumer demand, level of community engagement (social programs and efforts, and community support), growth potential, and challenges to growth.

RESULTS

A. Sample Characteristics

Table 1 shows some general characteristics of individual market organizations that participated in this study. The oldest market organization that participated is 39 years old, while the youngest is two years old. The average and median age of market organizations that participated in the study are 13.6 years and 12 years respectively. Table 1 also shows the number of markets that each participating organization represents. It is very common for a market organization to operate more than one market. So while data from 25 market organizations are analyzed a total of 49 individual markets are represented in the sample. When respondents were asked market specific questions like number of vendors, customer attendance, market revenues, etc., their responses were specific to the largest market that is run by the market organization.

‘Market size’ is represented by the number of vendors that are usually present at the market. As with the age of market, there is a wide range for size of markets that participated in the study. The largest market has 160 vendors while the smallest market has only 10. The average size is 88 vendors and the median size is 40 vendors. Geographical location of study participants varies widely, though certain regions are more represented than others. Ten market organizations that participated in the study are from the Portland metropolitan area⁴, five are from the Willamette Valley, four from the coastal region, two from eastern Oregon, two from central Oregon, and two market organizations from southern Oregon. Lastly, community size represents the population of the incorporated area where the market is located. As evidenced in table 1, size of communities varies greatly from dense urban areas to rural communities with a population less than one thousand people.

⁴ Portland-Vancouver-Hillsboro metropolitan statistical area, as delineated by the U.S. Office of Management and Budget, includes Multnomah, Clackamas, Yamhill, Washington, and Columbia counties in Oregon (US Census Bureau, Demographic Internet Staff, 2013). Additionally, Clark and Skamania Counties in Washington State are also part of the area. However, markets from Washington are not included in this study.

Table 1: General characteristics of sample

YEAR STARTED	NUMBER OF MARKETS	SIZE OF LARGEST MARKET ⁵	GEOGRAPHICAL LOC.	COMMUNITY SIZE ⁶
1998	3	160	Willamette Valley	157,429
1994	2	60	Southern Oregon	21,884
1999	1	43	Central Oregon	79,109
2010	1	10	Willamette Valley	Unincorporated
1975	3	70	Northern Coast	10,017
1987	4	85	Southern Oregon	20,366
1991	3	54	Willamette Valley	54,998
2002	1	46	Portland Metro	603,106
1988	3	130	Portland Metro	92,680
2005	3	50	Portland Metro	32,755
1992	8	120	Portland Metro	603,106
1998	1	80	Portland Metro	95,327
2002	2	12	Eastern Oregon	1,054
2007	2	18	Willamette Valley	15,740
2006	1	40	Northern Coast	605
2000	2	35	Southern Coast	15,857
2007	1	25	Portland Metro	603,106
2011	1	18	Northern Coast	9,527
2012	1	35	Portland Metro	603,106
2001	1	80	Portland Metro	37,243
2002	1	25	Willamette Valley	9,770
2009	1	15	Central Oregon	2,118
2009	1	26	Portland Metro	603,106
2011	1	11	Eastern Oregon	7,110
1994	1	20	Portland Metro	603,106

⁵ Size of market is based on the average number of vendors at the largest market run by the market organization.

⁶ Population estimates are based on U.S. Census Bureau estimates for 2012 (US Census Bureau, Data Integration Division, 2013).

B. Ownership

Three distinct ownership categories are developed using the organization's legal structure as well as the composition of its governing body. Thus, ownership structures of farmers markets are first divided into two main categories based on their legal structure. Markets can either be independently run, where the market organization is legally recognized as its own entity, or they can be a subentity, where the market operates under the legal auspices of another organization. Once I identified whether markets are independently organized or subentities, I further categorized them based on who is on the governing body. Governing bodies can be composed of mostly vendors with some representation from community members (vendor-led) or mostly community members with some vendor representation (community-led). By looking at ownership through the organization's legal and governing body composition, three categories of ownership are developed: vendor-led, independent (referred to as 'vendor-led markets'), community-led, independent (referred to as 'community-led markets'), or subentities (Table 2). Among market organizations that participated in the study, 15 are legally independent and all have a designated governing body. Seven of these 15 markets have governing bodies that are dominated by vendors and eight are dominated by community members. Of the seven markets that have a primarily vendor-led governing body, four markets have Boards that are only vendors. Average size of vendor-led markets participating in the study is 69, 62 for community-led markets, and 29 for subentities. Average age of vendor-led markets is 20.5, 14 for community-led markets, and 8.4 for subentities.

Markets that are organized as a subentity often do not have vendor representation on the governing body. This makes sense as the community organization would have been well established with its own governing structure before starting a farmers market and developing vendor relations. Two markets that function as subentities of other organizations, have one vendor position on the organization's board. Markets that are operating as a subentity often share governance with the organization. The only exceptions to this are two markets that mostly function as their own entities but are under the legal and financial auspices of a larger organization. These markets have full autonomy in governance and fiscal sustainability but are able to benefit from the organization's legal status as a tax exempt nonprofit. This is the circumstance under which one of the markets operating as a subentity has a vendor-led governing body.

Table 2: Ownership of market organizations

	VENDOR-LED	COMMUNITY-LED
INDEPENDENT	7	8
SUBENTITY	1	9

C. Conduct

To examine how the conduct of market organizations may differ across the ownership categories several factors ranging from manager autonomy to sources of financial support are considered. Specifically, this section discusses how markets in different categories vary by who is in control of the market, mission of the market, prioritizing of market goals, and what resources markets use and have available to them.

i. Control over the market:

Markets falling into these categories demonstrate differences in the role of the governing body and manager's autonomy (Table 3). These two components are analyzed side-by-side in order to understand who effectively has control over the market's operations and direction. To this end, questions pertaining to role of the board, decision-making in the market, and contextual analysis of respondents' comments regarding manager involvement are examined.

Among vendor-led boards, the board appears to maintain a governance role and designate responsibility of day-to-day operations to the market manager. Most governing bodies of markets in this category are not involved in market activities because they may be vending on the market day. Governance of a market involves selection new vendors to allow into the market, setting rules around how the market is operated, what kind of vendors qualify to participate in the market, etc. When asked who made decisions regarding vendor selection, market rules and guidelines, etc. more respondents cited the board as having this authority. Managers have the latitude to propose ideas or changes to market operations, though they do not have the decision-making authority. This is not to imply that the manager is not trusted with responsibility of the market, but the designation of roles is much more clearly defined in this structure and the relationship is more representative of an employer-employee relationship. In this ownership

category, the ultimate control of the market rests with the market board and all decisions require final approval from the board.

Among community-led boards, board members are more integral in day-to-day market operations. While maintaining their governance roles, they also contribute to market operations by assisting in day-to-day activities, helping with fundraising, and garnering sponsorships. In fact, six out of ten community-led markets have boards that actively volunteer at the market. More managers in this category also expressed decision-making authority. Particularly, when asked who made decisions regarding vendor selection, market rules, etc. managers recognized themselves as having the authority to make those decisions and consult the board, if needed. Thus, in addition to day-to-day operations, managers are also more instrumental in determining the course and operations of the market. Unlike with vendor-led markets, control over the market in this category does not rest solely with the governing body. Not only does the manager have greater autonomy, but their relationship with the governing body is more collaborative and supportive to the extent that the board is actively willing and able to support the manager.

Similarly to vendor-led markets, subentities often do not have governing bodies that are involved in the day-to-day activities of the market. Additionally, they are also minimally involved in the governance of the market, often getting involved only when issues impact the whole organization. Concurrently, managers have a greater degree of autonomy over the market. In some cases, managers had one or two people whom they could consult on decisions or troubleshoot on issues. Ultimately, among subentities, manager are often the only ones with considerable knowledge about the market.

Based on this analysis of manager autonomy and role of the governing body, control of the market can be considered a continuum. Among vendor-led markets the governing body is more strictly in control of the market with final decision-making authority allocated to the board and day-to-day tasks assigned to the manager. Markets that operate as a subentity fall on the opposite end of the spectrum from vendor-led markets. For these markets, managers have primary authority over all things related to the market and board involvement is limited. Community-led markets fall in between these two extremes. Managers of these markets generally have a great amount of latitude and authority, but members of the governing body play supportive roles whenever necessary for decision-making or day-to-day operations.

Table 3: Manager autonomy and role of the governing body

	MANAGER AUTONOMY	ROLE OF GOVERNING BODY
Vendor-led, independent	<i>The Board pretty much wants me to enforce what rules they set and that's basically my position. (VLIO 06)</i>	<i>The board has ultimate control over the market although they have chosen to delegate the vast majority of running the market to me and the employees... (VLIO 07)</i>
Community-led, independent	<p><i>It's driven by me but that's because I've been the manager for so long. The Board trusts my judgment and instincts on a lot of these things. (CLIO 02)</i></p> <p><i>I do the majority of decision-making. I have a very good board. They ask a lot of questions and sometimes they will see things that I don't and they might bring something up or to my attention. But ultimately, I'm in charge. I'm the boss. (CLIO 06)</i></p>	<p><i>They also are part of the set up crew and the breakdown crew. They help get sponsorships and some of them help sponsor the market... Vendor selection and products and all that are all determined by the board. Policies, procedures, the rules so to speak, have been determined by the board. (CLIO 08)</i></p> <p><i>Whether or not we would be opening a new market that would definitely be a Board level discussion. Anything that would have a financial implication to the health of the organization, relocating offices, opening new market, buy a new truck, that kind of thing. Most of the operational decisions about the day to day operation of the market are done by staff. (CLIO 04)</i></p>
Subentity	<p><i>I pretty much have set up how it works well over the past few years and that's the way. If I really had a problem or I had a vendor who was yelling at me, then I would probably go and get my supervisor. For the most part, they are behind the scenes support. (SE 01)</i></p> <p><i>I'm the only person who knows the market... For rule changes, I run that by the steering committee but... I don't think they understand the nuances of it all. I run it by my boss, I also feel like she doesn't really have the time. In the end, I really do feel like I'm just kind of making decisions for the market... (SE 02)</i></p>	<p><i>If I weren't going to the monthly Board meetings, the interaction between myself and the Board members would be limited. (SE 01)</i></p> <p><i>Our board does oversee our organization but they're pretty hands off as far as market decisions go, unless there's some big controversy or something. (SE 04)</i></p>

ii. Market Orientation:

Markets across different categories also exhibit differences in their mission and prioritization of goals. In general, some markets are primarily vendor-oriented and others are primarily community-oriented. That is, their overall missions and priorities either take a membership oriented approach geared towards vendors, or a community oriented approach geared towards serving the larger community. In order to gauge whether a market is more community or vendor oriented, comments pertaining to mission, and prioritization of goals are analyzed.

Market Mission (Table 4):

All seven vendor-led markets stated the primary mission of the organization is to provide a venue for local farmers to sell their products. Interestingly, six out of seven of these markets were also started prior to 2000. This finding supports previous research by Stephenson (2008) in which he finds a statistically significant relationship between when a market was founded and its primary intent in forming. This is not to say that vendor-led markets do not pursue any community oriented goals or that their missions have not evolved, but their main priority in organizing a market was and is to advance the success of vendors.

In contrast, community-led markets have more variable missions. While some cite providing access to local food for their community as the primary mission, others have multiple facets including supporting local farmers and the local economy, and creating a community gathering space. This mix and variability in the missions of community-led markets can be explained by the fact that a wider variety of parties are involved in setting the mission for the market. In general, community-led markets have broad, diverse and multi-faceted goals.

Markets that are subentities overwhelmingly place the focus of the market on serving a perceived need in their community. Their mission statements often focus on increasing economic activity in the local area, serving low access communities, and generally improving the community's access to local food. Because community organizations choosing to start a farmers market already have a well-established organizational mission, the market itself reflects that larger mission. For example, one market operated by a downtown association has the primary mission of creating economic activity in the community. Similarly, markets operated by nonprofit organizations with social missions are focused on expanding access and serving low income communities.

Table 4: Orientation of market mission

	MARKET ORIENTED	COMMUNITY ORIENTED
Vendor-led, independent	<p><i>We have to take care of our vendors...our resources automatically go towards our vendors because that's why we're here. (VLIO 01)</i></p> <p><i>I think vendor income is high because that's what all of the people are there for, to make a living. Farmers need to support their families and to have a venue. (VLIO 06)</i></p>	N/A
Community-led, independent	<p><i>There was a desire to support local agriculture... definitely we wanted more economic activity in [town]. (CLIO 01)</i></p> <p><i>We not only formed to support local sustainable agriculture but also to educate the citizens, and community about natural resources, good nutrition. (CLIO 03)</i></p>	<p><i>To provide fresh local produce directly to north coast citizens, support our local food producers, and enhance the local business community. (CLIO 08)</i></p> <p><i>Our focus is more of a community, neighbors, town, getting people out and getting them downtown and encourage them to shop and visit the downtown core and get people. (CLIO 05)</i></p>
Subentity	N/A	<p><i>The mission was really to be able to provide access for all income levels to quality locally grown food. (SE 03)</i></p> <p><i>It's just basically to encourage good local food choices for people in the community, create a community gathering space on a weekly basis and then to bring farmers into the community to help support the local farmers. (SE 04)</i></p>

Goals (Table 5):

In addition to asking respondents about the mission of the farmers market, they were also asked to rank four goals in order of their priority to the market: vendor income, market income, addressing consumer demands and expectations, and community building. The general trends observed in the analysis of market missions are also present in how markets ranked these goals. A clear difference emerges between independently organized markets and subentities (Table 5). As seen below, markets that are vendor-led and community-led, on average, ranked “vendor income” as their top priority. Markets that are subentities overwhelmingly ranked “community building” as the most important goal. Overall, among vendor-led markets, 43% (three out of seven) respondents ranked vendor-income as the most important goal. Within community-led markets, 50% (four out of eight) of respondents ranked vendor income as the top priority. Most notably, among subentities, 70% (seven of ten) of respondents prioritized community-building over all other goals. Furthermore, “market income” rarely came out as a top priority for any of the markets. Of the 25 respondents, only three ranked “market income” as the most important goal for the market (two of them are community-led, independent markets and the other is a subentity).

Table 5: Average ranking of goals (ranked 1 to 4, with lower rankings indicating higher priorities)

	VENDOR INCOME	MARKET INCOME	ADDRESSING CONSUMER DEMANDS AND EXPECTATIONS	COMMUNITY BUILDING
Vendor-led, independent (n=7)	1.7	3.6	2.1	2.7
Community-led, independent (n=8)	1.6	2.6	2.9	2.9
Subentity (n=10)	2.5	3.5	2.4	1.6

Though markets generally do not ignore the relevance of any of the above goals, they do exhibit differences in their priorities. Based on the mission and priority of goals of markets, it is clear that vendor-led markets and community-led markets are more focused on supporting and ensuring the success of vendors.

iii. Use of and access to resources:

Markets also differ in the way they use and gain access to additional resources. , questions pertaining to manager compensation structure, financial support for market, and use of additional resources or partnerships are examined.

Sources of financial support (Figure 2):

One of the speculated advantages of a market being operated by an established organization is that the market would not have to rely solely on market fees for financial support. Though ten of the surveyed market organizations operate as subentities, only four markets received financial support from the parent organization. However, when markets were financially supported by their parent organization, it is in a substantial manner that involves a designated program budget and salary for the market manager. Further analysis of sources of financial support for markets shows that all markets, regardless of ownership, rely on various market fees such as vendor fees, membership dues, and application fees, to help cover market operations (Figure 1). However, community-led markets are more actively tapping into various sources of revenues such as sponsorships, grants, or fundraising efforts. While 50% of subentities do take advantage of donations and sponsorships, very few seek out other fundraisers and grants. This may in fact be a result of the level of involvement from the governing body. Given the considerable time that grant-writing and fundraising efforts take, a more involved board may be able to support the manager in accomplishing these tasks. Because vendor-led markets and subentities have governing bodies that are less involved in market operations, manager's time is more likely to be taken up by other daily tasks. Furthermore, while the sentiment is not present among all vendor-led markets, one respondent of a vendor-led market did explain the market's reluctance to seek sponsorships:

“We don't really like the imagery of us being partly run or controlled by an outside entity... Since we can't even be a 501c(3) they're never going to grant us that because the farmers are making some money and they feel that that is not a charitable organization.” (VLIO 07)

Despite this perception that a market organization has to have tax-exempt, 501c(3) status to take advantage of sponsorships, many community-led markets that operate on sponsorships do not have that legal status (which allows for tax deductible donations). More importantly, the notion that outside financial contributions to the market hurt the image of the market is striking and hints at a potential fundamental difference in values between vendor-led markets and other markets.

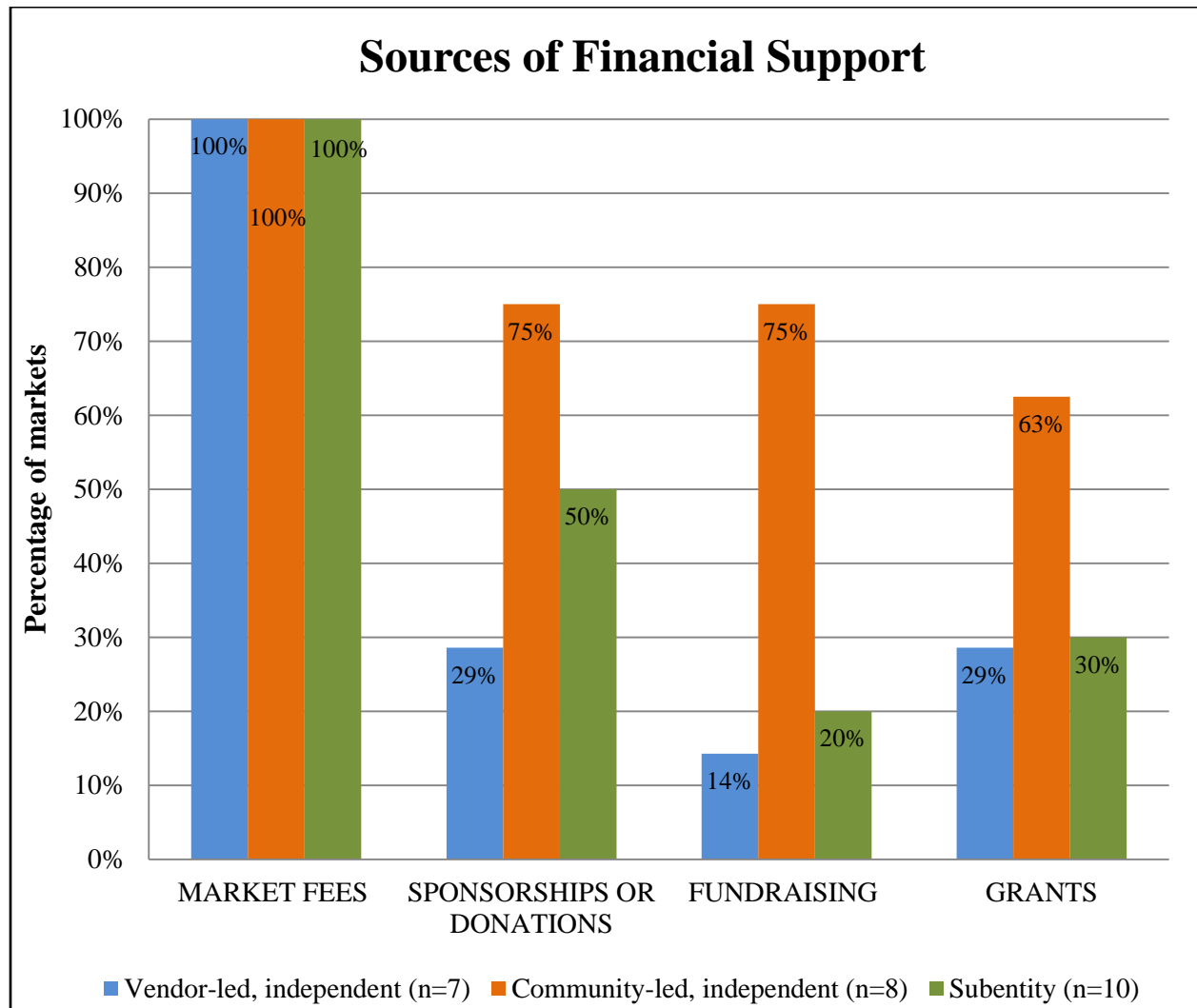


Figure 1: Sources of financial support (percentage of markets using each revenue source)

Manager compensation structure (Figure 2):

Most managers working for independently run markets are paid either as full-time employees or part-time employees with variable hours. Vendor-led markets and community-led markets do not demonstrate considerable differences in this area. Since the ability of the market organization to have a paid staff member is dependent on its own success and fiscal viability, it

makes sense that community-led and vendor-led market organizations would behave relatively similarly in this particular area.

Among subentities, six out of ten markets have either full time or part time paid employees. Most notably, three of the ten markets in this category have unpaid market managers. For these market organizations, having a paid staff member is dependent on the nature of the relationship between the two entities and the ability of the larger organization to provide financial support. In cases where the relationship between the market and the parent organization is minimal and limited to use of financial status of the organization, the market is reliant on its own success to have the resources necessary for paid staff. Managers that are full-time and paid are employees of the organization and running the market is part of their duties of employment.

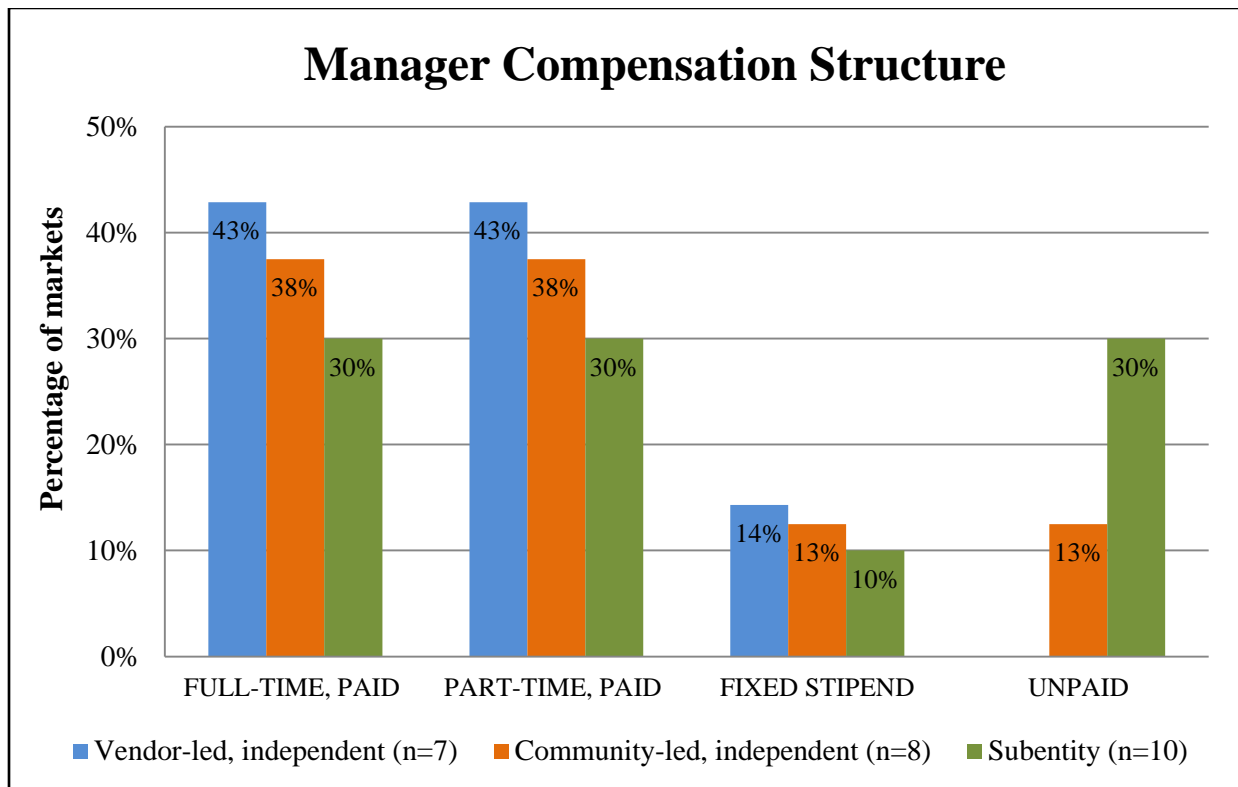


Figure 2: Manager compensation structure (percentage of markets using each pay structure)

D. Performance:

The performance outcomes of market organizations are analyzed based on the respondent’s perceptions of current ability to meet demand, level of community engagement, growth potential, and types of barriers to growth.

- i. Meeting consumer demand

No specific pattern across ownership categories emerged when respondents were asked about the market's current ability to meet consumer demand. Overall, most respondents assessed their individual markets as meeting consumer demand pretty well, with certain caveats. For example, one respondent stated:

"I would say that in our summer market we pretty much meet most of their demands and expectations as far as what is offered by different vendors. I think some consumers would like to see more dairy, like goat cheese or maybe more lamb or rabbit, something different. That's kind of far and few between. For our indoor space, where I see us having a hard time with the winter market, of course there's those few months, January, February, March, there's not a lot of produce in this area." (VLIO 02)

A market's ability to meet consumer demand seems to have more to do with the number of vendors at the market than its ownership structure. When ability to meet demand is considered in relation to the market's size, a clear pattern emerges where the largest markets appear to be doing extremely well, and the smallest markets appear to be struggling. Three of the four markets with 15 or fewer vendors are located in Central and Eastern Oregon where climate also poses an additional challenge. Markets in between these two extremes more commonly assessed their ability to meet consumer demand as relatively well with need for particular categories of products such as meat, cheese, or other niche products. For example, one respondent noted:

"If I was giving us a report card, I would probably put us at 75% and it seems a little harsh but it's been a struggle. We have got amazing growers. We have got produce in our pocket. But our customers, they want meats, cheese, they want more seafood options." (SE 02)

ii. *Community engagement (Table 8)*

Another subtheme examined in understanding market performance is community embeddedness (Murray, 2007)⁷. This is measured by whether markets *consistently*⁸ have SNAP

⁷ Murray's research explores how, in addition to consistent market presence, community involvement also can improve market success. Particularly, she finds that city support and strong connections with private organizations are crucial. Furthermore, garnering a mix of private and public support within the community and understanding vendor and customer needs to provide the best fit are important to embedding a farmers market.

⁸ One-time efforts or actions are not included in this analysis.

match programs⁹, educational program or outreach efforts, and if they receive any in-kind donations or support from community organizations or members.

While most of the markets in the sample are able to accept SNAP dollars, only 10 of the 25 markets subsidize low-income shoppers by providing a SNAP match program. Community-led markets and markets operating under the auspices of another organization more frequently provide SNAP match programs than vendor-led markets. The relatively low number of markets that subsidize low income customers may be explained by the considerable financial demands of such a program. As documented in Table 7, community-led markets and markets run as projects of another organization rely on external funding sources more frequently than vendor-led markets. The added financial stability allows the markets to pursue SNAP matching programs and improve low-income consumers' access to farmers markets.

Educational programs and outreach efforts by market organizations range from programs that enable kids to shop at the market, gardening or cooking education, marketing efforts to reach particular communities (i.e. low-income, minority, elderly), to partnering with community organizations. Similar to SNAP match programs, community-led markets and subentities are more frequently engaged in these types of efforts.

Lastly, nine out of ten markets that operate as subentities receive support from community organizations in the form of in-kind donations such as use of private space with no charge, volunteer time, marketing or accounting services, etc. In addition to creating financial savings for the market, involvement by community groups also allows the market to expand its reach in terms of the programs and efforts it pursues:

“We were able to get parking for vendors in an empty lot down by OHSU because they already knew us and we had relationships there. Having that parking available saves us close to \$6,000 per year.” (SE 04)

⁹ The Supplementary Nutritional Assistance Program (SNAP) is a federal program designed to provide food dollars for low income persons and families. SNAP funds are delivered to clients in the form of a credit card (in Oregon this is called the Oregon Trail Card) that can be used at participating vendors. It is increasingly common for all markets to accept SNAP dollars through the use of a token program which allows customers to swipe their Oregon Trail Card at the market booth, and receive tokens that can then be used at individual vendor booths. Vendors can later turn in these tokens to the market and receive monetary compensation. Several markets often have what are called SNAP matching programs where the value of SNAP customers' food dollars is subsidized. For example, if a market has a matching program for up to \$5, a SNAP customer can swipe their card for \$5, and receive an additional \$5 in tokens, thus increasing their food dollars to \$10.

“[For] the sprout corner, we work with an organization who has been quite involved with the market. And then also for music, we have this cooperative group who helps us find and book acts from the neighborhood.” (SE 08)

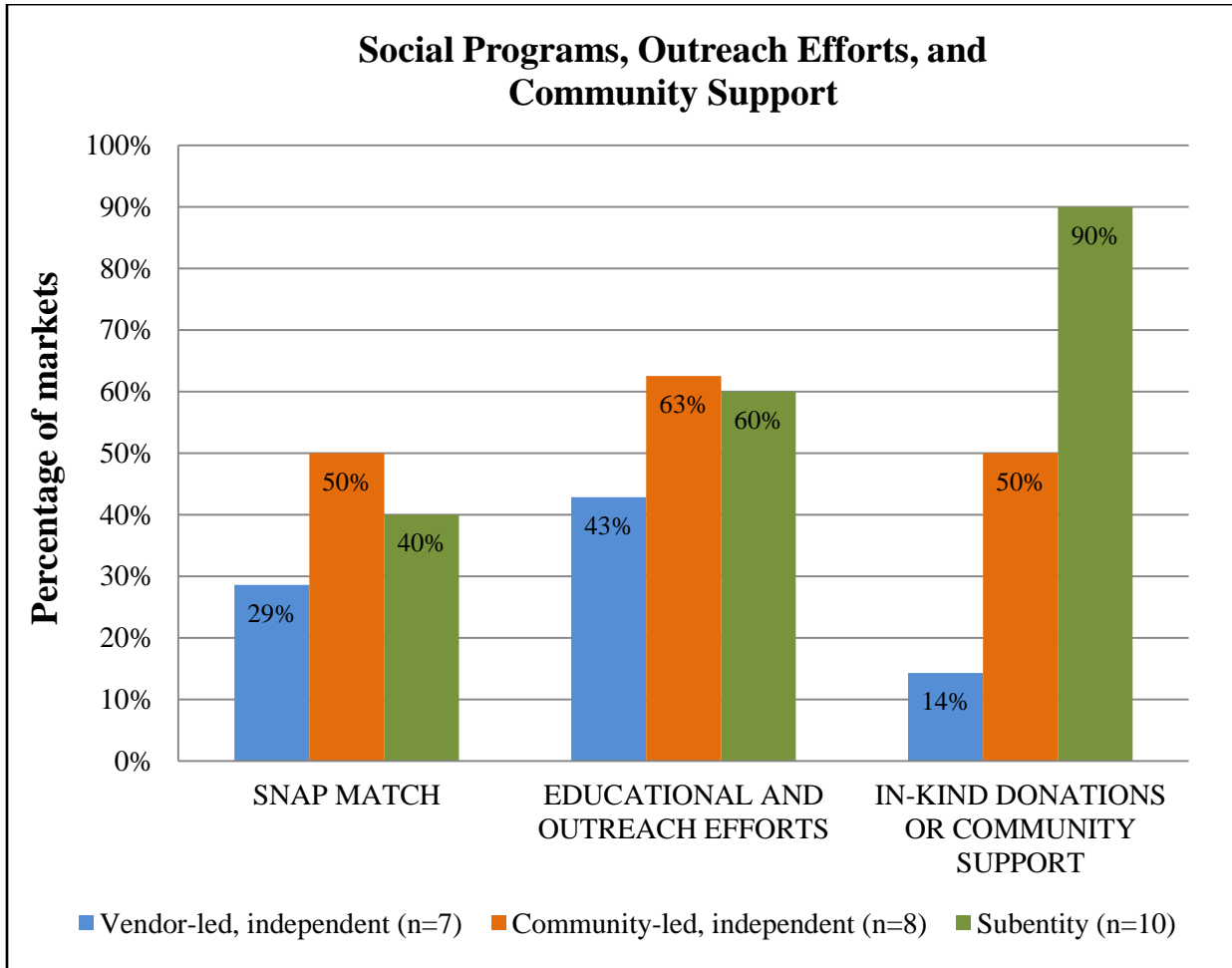


Figure 3: Social programs, outreach efforts, and community support (percent implementing programs or receiving community support)

iii. Potential for growth and barriers:

Assessing growth potential and barriers to growth is complicated as several factors not directly related to ownership demonstrate more influence. For example, climate, market size, geographical location of the market, and community size emerge as important factors in a market’s outlook on growth and potential challenges. This is further complicated by the fact that market size is itself dependent on regional location of the market, climate, and community size. Subsequently, no significant patterns of growth and barriers in relation to ownership structure are apparent.

Respondents defined “growth” in terms of expanding the market footprint, adding another market day, increasing number of vendors and/or improving the quality of the market through product variety, diversity in events or programs, etc. In general, most respondents believe their markets will grow. However, when respondents specified types of growth, a pattern emerges based on *size* of the market. Markets with 15 or fewer vendors cited encouraging more consumer demand as a primary area of growth. These same markets are also located in communities that are very small and remote. For larger markets, potential for growth is seen as opportunity to open an additional market, attract more niche producers with specific certifications, or expand the programs offered at the markets, i.e. SNAP matching programs. These larger markets also benefit from being in larger communities where consumer demand necessary to sustain the market is more readily available, and in general, a climate that is more suitable for farming. One respondent from a market located in the dry, rain shadow region of Oregon stated:

“I think there’s certainly potential for growth. Because of where we are and our population, I think it’s limited.” (SE 09)

Barriers to growth for markets often also have to do with factors that are outside the control of the organization. Similarly to growth potential, barriers to growth are more closely related to market size, geographical location, and community size than to ownership type. When asked about barriers to the market’s potential, one respondent who manages a market on the eastern side of the state responded:

“Our climate and growing season here is a challenge and there’s just somewhat of a limited availability of very local food over on this side of the mountains.”(SE 07)

For markets located in the western part of Oregon, barriers to growth have more to do with space and competition with other markets. Space is a primary concern for markets that are at or near capacity in their current location. Additionally, markets in the Portland metropolitan area also face competition with other markets when trying to attract niche producers. As vendors and consumers have more choices, individual markets struggle to attract them to one specific market. The below excerpts from two respondents managing markets in the Portland metropolitan area illustrate how growth in number of markets and competition create difficulties for some markets:

“When you start another market in another neighborhood, maybe I used to go to Hollywood but now I’m going to King on Sundays because it’s closer. Or maybe I have more choices and if I can’t make it on Saturday, I’ll go Sunday but I’m the same customer to those vendors. I feel like you’re asking farmers to work harder for the same dollars. I really see that as a challenge in all of these new markets opening everywhere and there’s just a lot of growth in the last few years in terms of markets in Portland. So that is definitely a challenges so I think if we do want to expand, we need to be really strategic about what we’re doing, what days, what neighborhood.” (SE 02)

“Our goals are more oriented towards how we can serve [the] community better with education, [have] more diverse product mix, bring in more certified organic. [Vendors] they get the premium and they jump over us going to the bigger markets in Portland. [It is] a bit of a negative being what’s known as a fringe market, on the fringe of the metro area. They use [the market] as a starting base and then off they go.” (CLIO 03)

In general, patterns of differences across ownership categories are variable. Potential for growth, nature of barriers, and ability to meet consumer demand appear to be strongly influenced by factors that were largely beyond market control. Size of the market, geographical location, and community size appear to be more influential in determining how well a market does. While markets in the Portland metropolitan area face some competition in attracting niche vendors and customers, rural markets are challenged by community size, remoteness, and a difficult growing climate. Overall, the largest markets do best in meeting consumer demand while most mid-sized markets are doing well with some need for niche products like meat or cheese.

Lastly, in terms of community engagement, markets in different categories show differences, particularly in their use of community relationships to draw in-kind donations or support in market activities. In this area, markets operating as subentities seem to draw on social capital more than the others. SNAP matching programs are also more common among community-led markets and subentities, likely because they are accessing a wider variety of funding sources.

DISCUSSION

A. Ownership

As evidenced in this study, ownership of farmers markets is complex beyond the simple question of “who’s in control?” I use a combination of the legal structure of the market as well as

the governing body's composition to divide markets into three categories: vendor-led, community-led, and subentity of another organization.

The primary advantage of vendor-led markets is that they are membership-oriented organizations and may be more rooted in their agricultural tradition and commitment to advancing the interests of farmers. However, vendor-led markets are limited by the fact that farmers are able to commit less time than community volunteers and have a smaller web of connections in the community. Under this ownership, the manager must devote more time to expanding market programs, establishing relationships necessary for market success, and creating a market environment that maintains a balance between vendor interests and community needs. A manager who is more connected to the local community can be more instrumental in developing community partnerships and building social capital for the market organization. As demonstrated by the trends in "in-kind donations" and community involvement among markets in different categories, social capital from more diverse networks and relationships can help expand market's access to resources and its reach in the community. In general, the ownership structure of the market is key when considering what kind of a manager is best equipped to run the market as well as the extent of his/her responsibilities.

Community-led markets achieve a balance between prioritizing vendor success and also addressing community needs. With diverse, multi-faceted missions, these markets often focus on filling a perceived gap in the community yet they also prioritize vendor income highly. Additionally, these markets greatly benefit from having a board comprised of diverse community members. This diversity expands the social capital and networks that can help the market access resources to increase its impact. These markets also benefit from having a board that can devote more time to the market. A board comprised of community members enables the market organization to pursue additional activities, tap into more resources and connections, create more participation and buy-in from the community, and have a greater impact overall.

The last category where markets are part of a parent organization display some significant benefits, though with major caveats. The financial capacity of the parent organization as well as the nature of the relationship between the market and the organization are important factors in determining how much the market benefits from this form of ownership. Aside from the financial capacity of the parent organization, the benefits of this ownership also depends on the nature of the relationship between the market and the organization. That is, there are benefits

when the market is truly a *project* of the organization as opposed to an agreement of convenience between market organizers and parent organization that allows market the use of the organization's legal status. This difference in the type of relationship between the market and the organization leads to variation in whether the market manager is paid, if the organization financially supports the market, and/or provides any additional resources.

In context of Hansmann's ownership framework, community-led markets and subentities allow farmers and vendors in general to trade ownership and control for fewer responsibilities in market operations. By letting other organizations and community members organize the actual market, farmers and vendors can avoid costs of ownership such as extra time and commitments necessary to operate a market. In order to avoid alienating vendors and ensure that vendor perspectives are still maintained, market organizations can survey vendors and have vendor representation on the board and minimize the costs associated with contracting.

B. Conduct

i. Markets as a social business:

Though we predicted that the effect of varying ownership structures may be mitigated by the mission-driven nature of farmers markets, as demonstrated in the results, this is not the case. One explanation is that although markets are mission-driven, differences in the mission lead to variation in market conduct and performance. That said, most markets still meet some criteria laid out in Yunus's social business framework. Specifically, markets seem to be addressing a social problem resulting from some form of market failure (economic) in providing community access to healthy food, providing a venue for small and local vendors, or boosting the resiliency of a local economy. Additionally, market revenues are reinvested into expanding and improving the services offered rather than being funneled to board members. However, in order to assess whether markets are *effectively* addressing a social problem, further analysis of market vendors' revenues, low income communities' access to healthy food, and evaluation of community food systems are necessary. These additional assessments were beyond the scope of this project but would provide important information in continuing to understand the significance of farmers markets and their effectiveness in addressing social problems.

ii. Community involvement and market orientation

In so far as encouraging community involvement and support, pursuing sponsorships and donations from local businesses or community members is one option. This adds to community

buy-in and also opens the door for additional resources for the market. In doing so, the market's own efforts can be furthered as partnerships will provide the resources necessary to have SNAP match programs, education targeting specific topics and groups, and additional volunteers . Invariably, this shifts the market from solely a membership-oriented organization toward a more community-oriented organization.

These differences in market orientation are also demonstrated by market goals and missions among the three different ownership categories. Markets that operate under the auspices of a parent organization have community-oriented goals and missions more often while independently-run vendor-led markets tend to focus on vendors. Community-led independently-run markets behave similarly to vendor-led markets in that they prioritize vendor income highly, though market missions are often broad and encompass a wide variety of interests. These markets behave similarly to subentities in their use of community relationships and level of community involvement.

The shift in the focus of markets and structure of governing bodies indicate a larger trend wherein farmers markets are becoming a strategy to achieve goals beyond the redefining of food systems and supporting farmers. This is further supported by my data which shows that markets that were started after 2000 are more frequently community-led and subentities, and have missions that are broader in their focus. The larger implication of this shift in market orientation is that it brings up the question of whether markets can continue to serve the interests of farmers and whether they ought to be considered *farmers'* markets. This is echoed by some respondents in the study who expressed a sentiment of staying true to "farmers' markets" as opposed to being a "farmers market." While the lack of apostrophe on "farmers" may appear to be trivial, it also indicates this greater shift in which markets are becoming a means to achieving different ends. This trend may in fact be better for individual communities. As one respondent noted, a change in the market's orientation, inclusion of vendors or products that are not strictly agricultural, allowing resale of products, etc. better addressed the needs of the community than a pure farmers' market. For example, a rural community seeking to bring fresh food to their community but faces the challenge of a tough growing climate and not enough farmers would stand to benefit from allowing resale of products. Furthermore, addressing an existing need in the community may also ensure the success of the market as opposed to facing the added challenge of creating demand. This finding supports Murray's (2008) recommendation that understanding

customer and vendor needs and expectations can help tailor the market to better fit a community and ensure more embeddedness.

C. Performance:

i. What's best for vendors, consumers, and communities?

While this research project does not fully address what sort of ownership works best for different stakeholders, data from this study does provide some insight. In general, vendor-led markets appear to stay true to their agricultural traditions and focus on supporting local agriculture and producers. This means market rules favor some competition but not so much that vendors are not making any money, the market focus is oriented towards vendors, and involvement from other organizations or non-agricultural vendors may be limited. In general, these markets may be more aware of the vendor perspective and better suited to address vendor needs. However, as more markets draw vendors that are farther away from the community where the market is, it becomes challenging to organize a vendor-led market since vendors may not even be local to the community.

Community-led and subentity markets appear to be better equipped to meet the demands of customers and communities. These markets target diverse goals in their missions and strike a balance between vendors, customers, and communities. While they do not entirely ignore vendor success, more community involvement and awareness of the needs of the community place these markets in a position to expand the impact of the market with more social programs like the SNAP match. The additional flexibility in the mission of the organization also enables greater community buy-in. Most importantly, these markets are in a position of addressing a particular need in the community and working to fill that gap.

In order to comprehensively answer this question, however, we need additional research on vendor and community perspectives and experiences.

CONCLUSION

A. Recommendations:

It is clear that farmers markets are mechanisms for achieving a multitude of goals from restructuring food systems, to advocating on behalf of small-scale farmers, and improving the overall health and resiliency of a community. The broad reach of farmers markets means that a variety of stakeholders can be brought together in the organization. Partnership with a well-

established community organization in the beginning can help to alleviate the startup costs and stresses of creating a legal and organizational structure. Particularly, an established governing structure, recognition and standing in the community, access to financial sources, and important relationships eliminate extra steps that are necessary to start an independent market organization. This opens up valuable time and resources that can be better used to focus on recruiting vendors and building community support. This may ultimately help reduce market failure as markets operating as a project have more support in the initial stages when markets are at their most vulnerable (Stephenson, 2008). It is also possible that this relationship would not be permanent and the market could eventually develop a separate governing body.

It is further recommended that market organizations recognize the benefits of bringing together diverse community members. As demonstrated by community-led markets, this enables the organization to tap into different skills, build partnerships, understand what gaps need to be filled in the community, and ensure community buy-in early on. Most importantly, this will create a more collaborative environment between the market organization and the community, as well as increase the capacity of the organization as it is less dependent on vendors who have limited time to give to market duties. Lastly, community members are able to contribute more time and effort to market operations as well as governance than vendors. Additionally, as markets draw vendors from different parts of the state or nearby states, encouraging vendor involvement may become more difficult. It also means that vendors are less rooted and aware of the community in which the market is operating. Ultimately, to encourage greater community participation and create more “local” ownership of the market, incorporating diverse members from the community is key.

While financial support through sponsorships, donations, and grants can increase market capacity, and solidify relationships, these sources can also be inconsistent. Markets should work to ensure that market revenues are stable and able to support the organization’s vital functions. However, using additional resources like those listed above can serve a vital role in expanding market organization’s reach and impact in the community through SNAP match programs, farm to school programs, etc.

B. Strengths and limitations:

Using a qualitative approach allowed me to collect a wealth of detailed data on the priorities, processes, and activities of farmers markets and how they relate to ownership.

Furthermore, it also led to a clear understanding of the benefits and challenges associated with each ownership type. Given the relatively large n (25 market organizations, 49 individual markets), and representation across ownership structures, geographical location, market size, and community size, the findings are also generalizable to other markets and market organizations in Oregon. Furthermore, using emergent and predetermined coding methods allowed me to explore the data in a focused but also inductive and iterative manner.

Since this study is geographically limited to Oregon it may not fully capture the attitudes of other market organizations in different parts of the United States. Privately owned markets were also excluded so there is at least one more ownership structure that could be examined. Since respondents for this study were primarily market managers, there may be some bias in their assessment or perception of market success and performance. Therefore, interviewing board members, vendors, customers, and surrounding business owners could provide more insight into market operations and performance, and community perceptions. Specifically, assessments of how well markets are satisfying their mission by looking at their overall impact in the community and the local food system, though difficult, may help to further understand the significance of farmers markets in building local economies and local food systems.

C. Future Research:

This study tackles several important questions regarding how priorities and processes of market organizations differ across ownership, and the benefits and challenges associated with each. However, there is certainly need for more research in this area. First and foremost, we still need to clearly understand if one ownership structure is better than another in serving vendors, customers, and communities. Though the results from this study were able to offer some insight into this, there are many factors to be considered in further assessing vendor, customer and community experience with farmers markets. Similarly, in order to gauge the ability of markets to meet their goals, market impact on communities, farmer incomes, and the local food system also need to be studied. Lastly, quantitative analysis examining the causal link between ownership, conduct, and performance of market organizations can further advance the lessons from this study. However, the challenge of doing so would be to account for the large amount of variation in market practices, priorities, and outcomes.

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APPENDICES

Appendix A: Interview Questionnaire

PART 1 (General Information): This first part of the interview will involve some general questions about your role as market manager, and the characteristics of the market you manage.

1. Respondent:

- a. Currently, how many farmers markets do you manage? (**If respondent says they manage more than one market: For the rest of this interview, we're going to talk about just the biggest market).
- b. How long have you been managing this (these) market(s)?
- c. Before managing this market, what sort of experience did you have in running farmers markets?
- d. How did you come to be a market manager?
- e. Are you paid in this position? If yes, how many hours are you paid for during the season and during the off-season?
- f. Is this your primary/only job or career? If no, what else do you do?

2. Market Characteristics: These next few questions are going to be about the general characteristics of the market.

- a) When was the market established?
- b) What was the original mission in establishing this market?
- c) How, if at all, has this mission changed over time?
- d) How many managers have there been in the history of the market or the last 10 years of operation?
- e) How many weeks is the market open for each year?
- f) Approximately, how many vendors does the market have during the peak season?
- g) What are the different categories of vendors that sell at this market?
 - i. Produce
 - ii. Meat/poultry/eggs
 - iii. Cheese/dairy
 - iv. Processed foods
 - v. Bakery and Ready-to-eat
 - vi. Nursery/Flowers
 - vii. Crafts
 - viii. Any other services?

- h) Approximately, what is the average customer attendance at the market during the peak season?
- i) What estimate, if any, can you make for total vendor sales for the season at your market?

PART 2 (Governance Structure): This next section of questions is about the general management and decision-making structure of your market.

1. Who “owns” this market? Were these owners the ones who first established it?
2. The next series of questions are going to be about governance.
 - a. What is the legal structure that the market is defined under?
 - b. Has this changed since the market was established? If yes, how?
3. Next I’m going to ask about the internal structure of the market?
 - a. Is there a Board of directors?
 - b. How many people are on the Board?
 - c. How many of the Board members are vendors?
 - d. What is their involvement?
 - e. Are there any committees? What are they, and what is their involvement?
4. I’ll be asking about some challenges and benefits of the particular governing structure you have at this market.
 - a. Can you give me some specific examples of benefits of the current market structure?
 - b. Can you give me some specific examples of barriers or challenges that were overcome? How were they resolved?
 - c. Are there any challenges that you are currently facing?

PART 3 (market conduct): I’ll be asking about three different topics in this part of the interview: goals, decision-making process, and organizational capacity to understand how the market operates.

1. **Goals:** The first series of questions are to understand how goals are developed, prioritized, and met in the market.
 - a. Farmers markets have multiple interrelated, overarching goals. I am going to read you a list of four goals and ask you to rank them in order of importance for your market.
 - i. Vendor Income
 - ii. Market Income
 - iii. Address consumer demands and expectations
 - iv. Community Building
 - b. Does your market have any other key goals that are not on the list?
 - c. How were these goals developed in the beginning? Who was involved?
 - d. What are some specific efforts or actions you’ve taken to meet these market goals?
 - e. Do you encounter any type of conflict among the market’s overarching goals? If yes, describe both the conflicts and how the market worked to resolve them?
 - f. Is there anything else you can tell me about how the market defines what it means to be successful?

2. **Decision-making:** This series of questions will be to understand how decisions about the market are made.
 - a. How are decisions made regarding what is sold, allowing new vendors, expenditures on infrastructure and advertising, making and enforcing market rules regarding vendor behavior, consumer behavior, etc.?
 - i. Who is involved in this process?
3. **Organizational Capacity:** this series of questions will be to understand what the market is able to do and what sort of resources it relies on for operations.
 - a. Can you tell me a little bit about the experience of running the actual market?
 - i. Finding space.
 - ii. Staffing for daily functions.
 1. Do you have paid staff and volunteers? If yes, how many of each?
 - b. Does the market have specific efforts in place to attract low-income, elderly, children, or other groups?
 - i. *For example:*
 1. *Is there a program in place for SNAP recipients to use their benefits at the market?*
 2. *How is the program funded?*
 - c. Where and how does the market seek out additional resources?
 - i. Do you network with other markets and collaborate?

PART 4 (market performance): these next questions are to gauge how your market is performing in general.

1. **Economic and social measures:**
 - a. On average, what are the market revenues like?
 - b. Does the market make any profits?
 - i. If yes, how are profits used? i.e., re-investment?
 - c. What are your main sources of income and financial support for market operations?
 - d. How would you assess the market's potential for growth?
 - i. What are some potential barriers to growth?
 - e. How would you assess the market's current ability to meet consumer demand?

Appendix B: Additional Characteristics of Participating Market Organizations

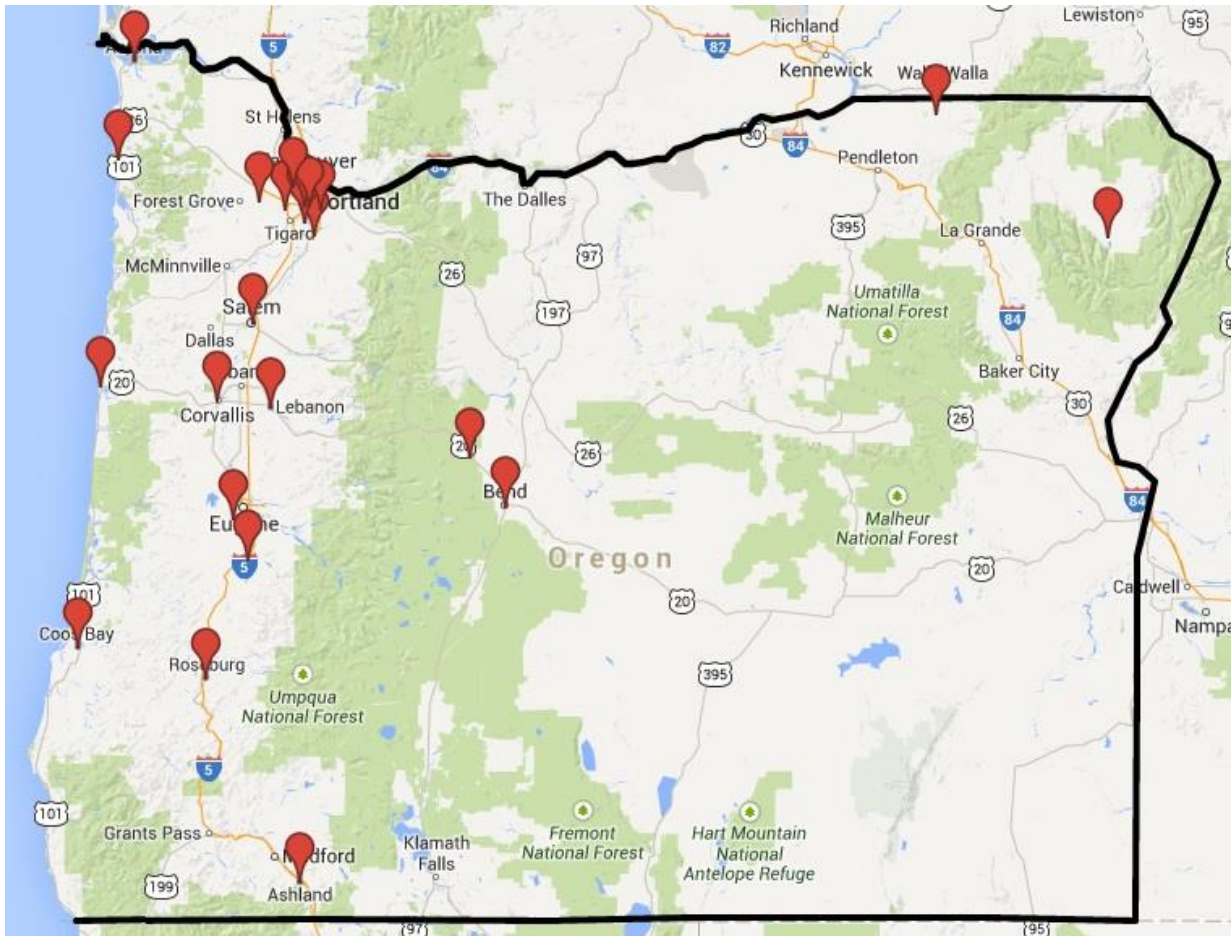


Figure 4: Geographical distribution of participating market organizations

Appendix B: Additional Characteristics of Participating Market Organizations, continued

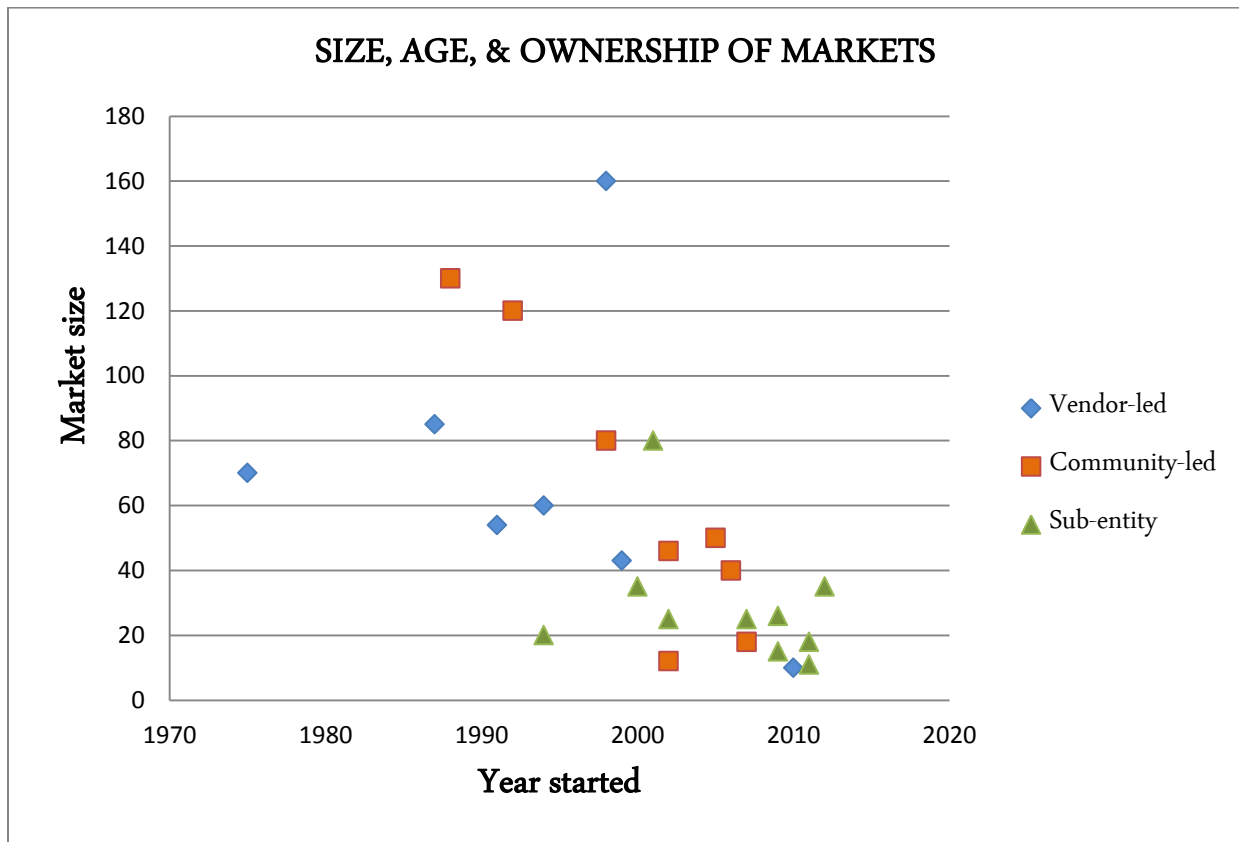


Figure 5: Size, age, and ownership of participating market organizations