INQUIRY INTO FARMERS’ MARKETS

Submission by:
Victorian Farmers’ Market Association
The primary role of the Victorian Farmers’ Market Association is to support and promote authentic farmers’ markets throughout Victoria. Our members represent market managers, producers and stallholders actively participating in farmers’ markets throughout the state.

Terms of Reference
The Victorian Parliament’s Outer Suburban/Interface Services and Development Committee has been asked to:

(i) identify the types of farmers markets operating in interface municipalities and peri-urban areas;
(ii) investigate the history and growth potential of this form of retail-agricultural activity and the demand created for products sourced from interface and peri-urban areas;
(iii) examine the structure, codes of practice, strategic planning and economic viability of farmers markets and any barriers or impediments to their development and long-term growth;
(iv) examine how farmers markets can contribute to increasing the viability of small-scale farming enterprises located in the interface and peri-urban municipalities, especially in the designated 'green wedge' zoned land; and
(v) identify any barriers to access farmers markets for producers to supply or retail at these markets.

Response
Item (i)
The VFMA has identified 53 member markets - currently calling themselves “Farmers’ Markets” - across Victoria, of these:

• 17 are in the Melbourne metropolitan area
• 11 in the “interface”, and
• 25 in regional Victoria.

These markets vary significantly in size with some regional markets having around 10-12 stalls while the larger metropolitan markets can have around 60 stalls a month.

There are a range of operational models for Farmers’ Markets, primarily:
Community based organizations (including service clubs, trader associations and regional food groups) with the market being run either by a paid manager or community volunteers depending on the size of the market and the level of income generated;
Local government – often in partnership with a service club; and
Private enterprise (these markets are often based on public sector land such as in the grounds of primary schools).

Of the 11 markets identified in “interface” areas:
• 5 were initiated by community groups;
• 2 were initiated by local government; and
Farmers’ Markets have historically operated on a monthly basis. Two metropolitan markets have more recently been established on a weekly format.

**Item (ii)**
A brief history of the development of the Farmers’ Market sector as it relates to Victoria can be found in Attachment 1.

**Item (iii)**
Historically the Farmers’ Market sector has developed in Victoria on an “ad hoc” basis and the major role of the VFMA has been to establish standards which could assist both those involved in establishing and running markets and shoppers at those markets to assess and ensure their authenticity.

Authenticity is the key issue that the VFMA has always believed needs to be addressed if the Farmers’ Market movement is to develop further – if a shopper attends a “Farmers’ Market” they need to be assured that the produce they are buying was actually grown by the stallholder or that valued added goods were actually made by the person selling them.

The committee developed a draft charter to form the basis for this and sought support from the State Government to move forward. In 2006, with funding assistance from the Victorian Department of Primary Industries, three workshops were held around Victoria to receive feedback about the draft Charter from interested growers, producers and market managers, and the amended charter (see Attachment 2) was then adopted.

In 2007 the State Government pledged $2 million to support the development of Farmers’ Markets in regional Victoria (including the interface Councils) as economically sustainable community events to bring clean, green, local produce direct from farmer to consumer. In developing this four year program Regional Development Victoria (RDV) worked closely with the VFMA and it was agreed that before applications for funding would be considered applicants would be required to attend a workshop auspiced by the VFMA to ensure a common understanding of the role and operation of a Farmers’ market.

At this stage the VFMA was still operating as a totally voluntary organisation and was extremely fortunate when the Minister Jacinta Allen announced that some of the program funds would be given to the Association to support the establishment of an office and the appointment of an executive officer. This has allowed the Association to undertake a number of projects which could never have been done with only the voluntary committee.

With further financial support from RDV the VFMA embarked on the introduction of a “Victorian Farmers’ Market” accreditation scheme to ensure that the principles of authentic Farmers’ Markets are being practiced in both existing and new markets. This official process of accreditation is now well underway with in excess of 400 stallholders and 12 markets having received accreditation.

This accreditation program will differentiate authentic farmers’ markets from all other markets in Victoria on the basis of a quality system. The VFMA believes that the brand will also result in increased sales for farmers and producers through other opportunities as well as market...
sales. Chefs, restaurateurs, journalists and the food industry generally have identified farmers’ markets as a unique source of quality, seasonal ingredients which are a growing source of income for regional businesses.

One of the main objectives of the RDV program is to see the growth of Farmers’ Markets in regional Victoria (including the interface council areas). To encourage this funding is being provided to potential market operators under one of three funding streams:

- Development of Market Plans (including a feasibility study)
- Funds to support new markets over the first six months
- Assistance to established markets seeking to expand.

To date representatives of some 50 actual or potential markets have attended pre-application workshops and a number of grants awarded under all three funding streams.

Unfortunately one of the limiting factors for future growth of markets is likely to be the availability of genuine potential stallholders. The VFMA is planning to hold a series of workshops and information sessions at rural field days to try to encourage more farmers to become involved.

**Items (iv) and (v)**

Farmers’ Markets provide an ideal outlet for small farmers’ and artisan food producers many of whom can increasingly be found in the agricultural areas on Melbourne’s fringes. The markets themselves are also a valuable “add on” to the tourism offer in these regions.

As far as producers are concerned participating in a Farmers’ Market can allow them to:

- obtain direct feedback from customers about their produce to help them improve their offer
- supplement their income; and
- gain a “fair” price for their produce.

Small farmers/producers from the outer suburban/interface council areas are ideally placed to consider both city and regional Farmers’ markets as ready outlets for their products but need to be encouraged and assisted to do so both in improving their marketing skills and in dealing with relevant legislative and other government requirements.

One inhibiting factor identified by stallholders/potential stallholders is that each Council can require the stallholder to obtain a temporary food premises permit (at a fee) to attend a market in that municipality. This is a disincentive from both the time and costs of compliance.

Increased support from local government based on a sound understanding of the benefits farmers’ Markets can bring to both local farmers and artisan food producers is critical to the future development of the movement.
ATTACHMENT 1

Farmers’ Markets - History
Farmers have been selling direct to consumers from the farm gate and at local markets for centuries. However, with the introduction of supermarkets and convenience stores in more recent times this traditional direct link between producer and consumer has greatly diminished. Over the last forty years or so consumers have progressively lost connections with the food they eat and those who grow it.

International
In recent years consumers have started to show greater interest in the origins of the food they eat and in re-establishing a connection with producers – they are seeking “real” food with flavour. At the same time farmers found that they were not receiving a fair price for goods they were selling to larger retail groups and looked to find new ways to sell directly to the consumer. As a result the first “new age” Farmers’ Markets were born in California in the 1970s.

The rapid growth of such markets has led to significant debate around the question of “What is a genuine Farmers’ Market”. In 1977 the California Department of Food and Agriculture set up and established regulations and certification for many farm-based products. There are now more than 500 certified Farmers’ Markets in that state.

In 1997 the first successful Farmers’ Market in the United Kingdom was opened in the city of Bath. By June 2002 the National Farmers’ Retail and Markets Association (FARMA) had launched a certification program to ensure customers that market were being run in accordance with FARMA’s principles. There are now about 550 Farmers Markets across the UK with almost half certified to FARMA standards or having embarked on the process.

Australia
The movement in Australia was to a large extent spearheaded by Jane Adams, a Sydney based specialist in agribusiness, who studied the movement in the United States and gave her first workshop on how to start a Farmers Market in Orange in 1999.

By 2002 there were 35 Farmers Markets operating across Australia and the inaugural Australian Farmers’ Markets Conference was held in Bathurst NSW in November that year to provide a forum for producers and organisers in this movement to come together to share knowledge and ideas.

The Farmers’ Market “industry” continued to grow with research carried out for the Rural Industries Research and Development Corporation (RIRDC) in 2004 finding that at that time more than 70 such markets had been established across Australia with an annual turnover of some $40 million.

At the current time it is estimated that there are at least 120 Farmers Markets in the country. Each market is different reflecting local circumstances – demographic and geographic. Across Australia about 45% of Farmers Markets are in rural towns, 26% in regional centres, 17% in suburbs and 11% in inner metro areas. The size of the markets varies significantly with those
in rural towns averaging between 10 and 30 stalls, those in regional centres 10 to 25 stalls, in the suburbs 20 to 40 and 50 - 65 stalls in the inner metropolitan areas.

**Victoria**
The RIRDC research in 2004 identified 30 Farmers Markets in Victoria generating more than $13 million. In 2005 the second AFMA conference was held in Albury/Wodonga featuring a range of international and local presentations. It was attended by about 200 participants and really gave impetus to the growth of the Victorian Farmers’ Market Association (VFMA).

The VFMA was established under the umbrella organisation of the Australian Farmers Markets Association (AFMA), whose main aims are to:
- Define clearly the concept of an authentic Farmers’ Market and thus distinguish it from other markets both retail and wholesale; and
- Support the viable and self-sufficient operation of existing and future Farmers’ Markets

At the present time the VFMA database lists over 40 markets which identify themselves as Farmers’ Markets across the state. They range from inner city urban locations, to regional centres or rural towns and are operate from a variety of sites such as parks, community centres/halls, racecourses, farms and vineyards.

As well as supporting the development of regional economies, in particular small farmers and other food producers, in many cases Farmers’ Markets are also becoming well recognised for their contribution to local community development as well as for providing fresh healthy produce in a local environment.

**The Future**
It can safely be predicted that as our society becomes increasingly reliant on technology many consumers will react negatively to this trend and continue to seek a different experience when shopping for their fresh produce.

Farmers’ Markets meet this need and have grown in response to consumer concerns including:
- Awareness of the environmental impacts of “food miles”
- Desire for chemical, GM free and organic produce
- Support for small farms, local growers and producers
- Awareness of seasonality, information
- Interest in new specialty foods and slow food, and
- Desire to talk to the producer/grower

They provide a great way for shoppers to spend a leisurely Saturday or Sunday morning browsing for fresh produce and gourmet foods.
VICTORIAN FARMERS MARKET ASSOCIATION CHARTER

1. Definition
An authentic Farmers Market is a predominantly local fresh food and produce market that operates regularly at a public location which provides a suitable environment for farmers and food producers to sell their farm origin product and their associated value added primary products directly to customers.

2. Community Ownership
Farmers Markets should ideally be community based and run on not for profit principles. The recommended structure is a management group that represents managers, stallholders and community stakeholders.

3. Produce for Sale
Farmers Markets should operate with the key objective of promoting local fresh food and farmer's products and their origins.

Vendors at the market should sell primary produce (including small livestock); fresh food and value added and processed edible produce. See above re competition of own grown and bought ingredients i.e. jam. Exceptions such as self propagated plants, compost or cut flowers may be included depending upon the individual farmers’ market requirements, however the products must be sold by the person who is directly responsible for growing them.

No craft or 'bric a brac' will be accepted at a Farmers' Market.

4. Authenticity
4.1 Operations of Farmers’ Markets
Farmers’ Market management groups are expected to endorse and operate under the principles of an authentic Farmers’ Market (as defined in the VFMA's Charter). As members of the VFMA they will be independently accredited as a Farmers Market.

4.2 Criteria of Sales at a Farmers’ Market
All produce must be sold by the person, family member or farm based employee directly involved with growing, rearing, catching, or making the product.

Resellers are not permitted to be vendors at a Farmers’ Market.

Pricing must be clearly displayed, weights and measures accurate and scales compliant with regulation.

The origins of the produce are to be clearly communicated, distinguishing the identity of farmer, farm, region, processor or food manufacturing business.

In exceptional circumstances (i.e. remote, regional areas where there are no alternative growers) growers and producers are allowed to sell another grower’s product from their local region. Produce must be clearly marked as supplementary and its grower and origin identified. This arrangement is only permitted in exceptional circumstances and NOT on a regular, ongoing basis. Supplementation is NOT allowed when it is in conflict with another grower. Under no circumstances may supplementary supply may be sourced from wholesale markets or through distributors.
5. **Geographical Boundaries**
At the discretion of individual markets, perimeters may be applied to facilitate vendor eligibility. The applicable perimeters can be defined with reference to local government boundaries, geographic features, or existing food marketing and/or economic development organisations.

Value adders and producers who grow and manufacture products within their local area should be given priority.

Markets can draw from multiple regions, however market managers must encourage vendors to participate in their regional Farmers’ Market before participating in a city market to ensure the sustainability of Farmersâ€™ Markets in regional centres.

6. **Vendor Mix**
VFMA promotes the predominance of fresh, local produce at a farmers’ market. Farmers’ Markets should offer a broadly diverse and seasonal range of fresh produce and value added products. The specific vendor mix is the responsibility of the market management.

Regional farmers’ markets should aim for more than 75% of stallholders selling local produce.

Regional producers and value adders who grow and manufacture products within their local area should be given priority at their local Farmers’ Market.

7. **Produce Quality**
Farmers’ Market stallholders are committed to offer for sale fresh, high quality, seasonal and regional produce, and artisan or high standard value-added food products.

The manufacture of all value-added products must comply with regulations applicable to food processing, packaging and food labelling.

Food cooked on the site at the market (including tasting samples) must be of high quality and wherever possible utilise the market vendor produce. Its preparation must comply with food safety requirements.

8. **Pricing**
Farmers’ Markets aim to educate consumers on the true value of the cost of production of food. Vendors will offer all produce at fair, market driven prices that reflect the quality and/or speciality nature of the goods sold.

Price structure to be established that achieve profitable trading outcomes for participant vendors.

The total product price is to be clearly marked, which includes GST where applicable.

9. **Labelling**
All produce to be clearly identified. All value added produce is to be labelled in accordance with prevailing food safety regulations.

Quality levels to be clearly designated.

Only certified organic produce should be labelled organic. Sellers who claim organic status should display proof of certification.
10. **Policy and Information**  
Farmers’ Market operators are to establish operational procedures and make them publicly available.

11. **Regulation**  
Farmers’ Markets are to operate in accordance with prevailing community and government regulations including food, health and safety, weights and measures, public and product liability, and applicable local government requirements.

12. **Insurance**  
Stallholders and Farmers’ Market management are expected to be covered by appropriate product and public liability insurance.

It is the Farmers’ Market manager’s responsibility to ensure stallholders have appropriate product and public liability insurance.