



farmers' markets new zealand inc.

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It's a time of celebration, you knew that. A time for reflection. Ten years ago two commercial vegetable growers in Northland saw the writing on the wall and launched the Whangarei Growers Market. This was New Zealand's first producer-only market and its founders, Robert Bradley and Murray Burns, are now the grand daddies of a growing family of markets.

So what did the writing on the wall say? You'll appreciate that there wasn't actually a graffiti clad wall in the middle of Whangarei. Anyway, the writing said **Consolidation, Power and Profits.**

Three words and the process that they represent sounded alarm bells for Robert and Murray.

Those alarm bells continue to ring for many primary producers that don't fit the supply chain model demanded by giant retail and wholesale companies. The alarm bells also ring for a growing number of consumers that want the ability to choose what they eat. The wholesalers and retailers that stand between producers and consumers have grown mightily powerful and have, in their wisdom, taken control of the consumer's choice in order to make enormous profits.

At the same time that the financial return to producers has fallen, consumers pay more for poorer quality food. Consolidation and Power and profit for the middle man, the tail is wagging the dog. More accurately the fat middle of the dog is wagging both ends.

We've arrived at a point where there are far fewer, much bigger primary producers engaged in farming and growing practices which satisfy the retailers demands, not the consumers demands.

"That's consolidation" they say. The process deserves a far less innocuous name.

The power comes from a duopoly that ensures that producers do as they're told. The same powerful two players don't put much energy in to competing with each other to give consumers the best deal either. That's power.

None of this is new, you were probably aware of it. What is new is that the number of Farmers' Markets, roadside stalls and independent food retailers is rising. The customer is always right and the customer is claiming back his, or her, right to choose what he eats, bless him, or her.

Are the fat cats worried? Actually, we decided they were fat dog's middles. Well yes they are worried and they're reacting. Just take a look at your local supermarket, and that's exactly what one particular chain are marketing themselves as "your local supermarket". They're the local guys. Well yes, they are. They're the local guys that pedal what ever they choose to you in order to make fat profits and at the same time refuse to stock locally grown produce, delivered fresh because it's not as easy for them and so they won't make as much money. They are the local guys that pedal bananas and imported fruit to you as loss leaders at the expense of locally grown fruit sales. So they are concerned that you, the consumer, and you, the producer, are going to get together behind their backs. Where will this end? Consumers and producers collaborating so each benefits? Local communities generating economic and social capital through buying local, healthy food?

That's what is happening and that is what makes Farmers' Markets so much more important than a brunch stop or tourist attraction. Farmers' Markets have a much more important and beneficial purpose. We are seeing real change in the way people shop. Local and locally are words that are banded around by everyone, even 'national' supermarkets (how stupid do they think we are?). The only time it matters is when it is locally grown or made from locally grown produce. It's these products bought directly from the producer that contribute to our local economies and communities. The social capital created is obvious to anyone that has spent time at a Farmers' Market.

The economic multiplier of Farmers' Markets is a compelling reason to make that your destination shop.

To understand the increased economic benefit of shopping at Farmers' Market compared with a supermarket we must look at the multiplier effect. The **multiplier** is a measure of the number of times money circulates in the local economy before leaving. A high **multiplier** means that money circulates more times in the local area before leaving - money stays locally if it is spent on wages for local people or buying local produce; a low **multiplier** means money leaves the local economy quickly on things like utility bills, profits to investors based outside the area, insurance premiums, etc and on 'imported' food.

We don't have substantial data yet in New Zealand but these figures from The UK will highlight what a small change can achieve. Roger Thompson, from Business in the Community in Cornwall says: *"In Cornwall, £500 million per year is spent on food. 75 per cent of that is imported from outside Cornwall. If we reduce that by just 1 per cent, we have invested £5 million in our local economy"* Now imagine that effect in your local community, year after year as it grows.

The **multiplier** for **farmers' markets** in Georgia USA is 2.66
(Figures for July 1998 to June 1999. From Economics Department, Georgia State University)

A Canadian study of **farmers' markets** found that \$500 million sales at **farmers' markets** in Ontario generated \$1000 million in spin-off activity
(Cummings, H, Kora, G and Murray, D, 1999. Farmers' markets in Ontario and their economic impact. Ontario, University of Guelph)

The multiplier for supermarkets in one study was 1.4 (Plugging The Leaks - A New Economics Foundation Programme supported by the Countryside Agency August 2001)

The point is, and I'm sure you've seen it, every time we shop locally at a Farmers' Market our dollar does more, it works harder and goes further in the local economy. Consolidation and power seem to be the way of the wider world, but we have choices as individuals and opportunities through Farmers' Markets to buck the trend. Thousands of us doing so every week has an impact. So when you're shopping or selling at your local Farmers' Market just take a few seconds to imagine the masses that are doing the same. What began in Whangarei ten years ago is worthy of celebration. Whangarei Growers Market is arguably the best example of what can be achieved. To shop there you'll have to be up early, it's well under way by 6.00am and it's over by 10.00am. Thousands shop every week for the very best value and freshness. They've consolidated and got some power and profitability back as have the 40+ Farmers' Markets and gate sellers, box delivery growers and direct marketers.

For other market locations and times farmersmarkets.org.nz