

PRODUCERS IN SHORT FOOD SUPPLY CHAINS AND THE ROLE OF LOCAL FARMERS' MARKETS IN SALES

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Abstract: Recently there has been a growing interest in local farmers' markets as the most significant areas of short food supply chains (SFSCs). The current study primarily focused on these market locations as the most important local food systems. In the course of our research, a questionnaire survey was conducted involving small producers operating in the county of Győr-Moson-Sopron and selling at local farmers' markets. Within the framework of this study in relation to the circle of producers, the method of farming, the viability of the economy, the role of direct sales, the forms of sales and their frequency, and the distance of delivery were regarded as major factors of the analysis. More than half of the respondents indicated the conventional way of farming, whereas the eco/bio cultivation method appears only to a limited extent. Contrary to our hypothesis, the proportion of those who gave the highest values to the question about the viability of the economy was outstanding. Respondents consider the role of direct sales to be particularly important. Examining the forms and frequency of sales it can be stated that the farmers' market is one of the main location for sales on a weekly and occasional (monthly) basis. Regarding the delivery distance almost half of the respondents deliver within a radius of 50 km but they consider longer distances acceptable. Overall, based on the opinions of the surveyed producers, the role of farmers' markets is prominent within the SFSC sales methods and this might also apply to future tendencies.

Keywords: short food supply chains (SFSCs), farmers' markets, small producers, direct sales

1. Introduction

Short food supply chains (SFSCs) could reduce the physical distance between producers and customers and, unlike long supply chains they often incorporate personal connections as a guarantee for quality, trust and organic qualification in the system, particularly in case of local products mostly associated with organic production (Réthy & Dezsényi 2013). Marsden et al. (2000) emphasize the type of relationship between the producer and the consumer in these supply chains, highlighting the role of this relationship in constructing value and meaning rather than the inclusive emphasis on the product itself. The improved adaptation capability of SFSCs is principally owing to the pillars on which the local food system is based on, namely more transparent and traceable food chains, wider range of producers and reduced intermediaries, direct producer-consumer relationship, improved flexibility and adaptability to market changes (Galli & Brunori 2013). SFSC include several distribution channels, and for the interest of the increase of their profits in many cases the producers also distribute their goods through several SFSC channels at a time (Brown & Miller 2008, Martinez et al. 2010). These channels can be distinguished on the basis of several factors with the geographical distance being prevalent, however. Traditional SFSC types (farm shops, roadside sales, “pick your own”,

farmers' markets, etc.) suggest a more conventional operation of participants. This idea, though, does not exclude the possibility of innovation (Santini & y Paloma 2013). According to Parrott et al. (2002) the alternative sales methods of SFSCs could address the problems of small-scale farmers who are struggling to access the market, as it puts emphasis on local products, environmentally-friendly production methods and sustainable farming instead of global processes. Farmers' markets could be considered as the historical form of SFSCs. A farmers' market is generally a temporary or permanent physical marketplace intended to sell goods directly by farmers to consumers. Farmers' markets may encourage the production of a greater diversity of products, and this larger diversity attracts a great variety of customers and helps strengthen local farm operations at the same time. The economic interactions taking place at farmers' markets are combined with a variety of social interactions, too (Brown & Miller 2008). During the period of COVID-19 there was an upswing in the interest and demand for local products and therefore local farmers' markets. In the United States, Thilmany et al. (2020) identified some factors that may provide insights into why local responses to COVID-19 differ from broader national responses to food supply chain disruptions, taking into account the specific characteristics of local food systems. They found that SFSC businesses are flexible and have direct links with their supply chain partners, which allows them to innovate in a targeted and rapid way.

In relation to Hungary, in her research, Soós (2020) examined changes in consumers' food purchasing behavior in the period following the declaration of a state of emergency. She found that the ratios have measurably shifted in terms of the place of purchase: instead of larger shopping centers consumers choose smaller shops and farmers' markets in greater proportion. According to Benedek et al. (2020) it can also be seen that during the epidemic situation, there was a greater demand among consumers for local products than ever before as food products available through short food chains are increasingly considered safe where each individual participant is well-known and can be checked. Another reason for this is that, in contrast to retail chains, some of the small producers were able to respond more flexibly to challenges. Further research by Benedek et. al. (2022) found that participation in SFSCs allowed activities to continue during periods of COVID restrictions, as producers were able to activate resilience factors. Successful activation required the producer's proficiency in digitalisation and in maintaining communication with customers, as well as a commitment to using other forms of social capital.

2. Materials and methods

In 2015 an extensive amount of data was collected on the regional characteristics of community supported agriculture (CSA) from both the consumer and producer side. This survey was carried out in North-West Hungary (Győr-Moson-Sopron, Vas and Zala counties) and was repeated at the end of 2022. As part of this current scrutiny, a questionnaire survey was conducted (in the first round) among small-

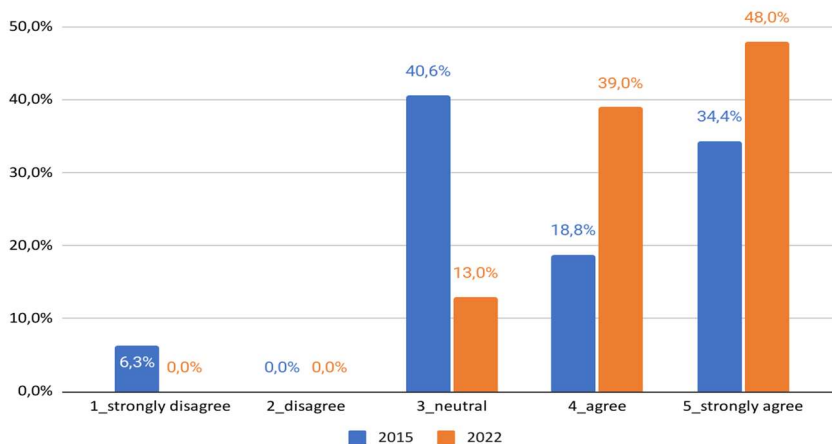
scale producers operating in Győr-Moson-Sopron County and selling at local farmers' markets as well as consumers who purchase at such locations. The original (2015) questionnaire was developed with the involvement of experts, and the pilot version was created and used after the test phase. For continuity and comparability, the original 2015 questionnaire was repeated in 2022. During the recurring data collection was intended to shed light upon how the shift in conditions in the course of seven years, between 2015 and 2022, with special attention to the changes in various social and economic circumstances. The survey predominantly comprised, producers located in Győr-Moson-Sopron County whose responses also provided data in the preceding scrutiny.

The three locations of the surveys included the “Szigetköz Szatyor” farmers' markets totalling up to approximately 4,000 customers and 25 producers (food products). The number of completed questionnaires was 24 for producers and 125 for consumers, however, only 22 out of the 24 producer questionnaires could be fully evaluated (n=22). In 2015 we received a total of 34 completed producer questionnaires at the regional level, of which 17 could be fully evaluated (n=17) from Győr-Moson-Sopron County. Taking the collected data into account, this paper focuses on the results of the producer questionnaire: it analyses a part of the survey of the producer circle and presents the results. From the point of view of the topic of this study, and in view of the limitations of space, the most relevant aspects have been analysed in the data processing. During the evaluation of the results we performed simple mathematical and statistical calculations (distribution ratio) and conducted a comparative analysis of the two databases (2015 and 2022). For the processing of data MS Office Professional Plus 2016 Excel software was used.

3. Results

The first part of this current survey intended to find out more opinion on the viability of their farm.

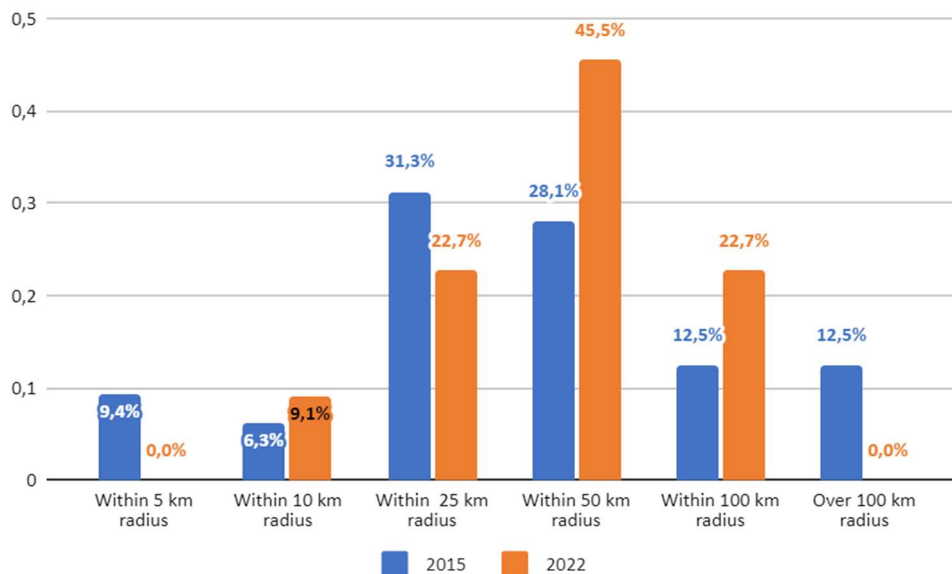
Figure 1: Economic viability of farms (%)



Source: Author's own editing (2022)

The question on the viability (economic sustainability) of the economy was answered on a scale of 1 to 5, with 1 being “not at all” and 5 being “absolutely”. Figure 1 clearly shows that contrary to our expectations (hypothesis) the number of 5's increased by more than 10% and the number of 4's increased by almost 20% compared to 2015. So overall, almost 30% more people consider their economy viable than before, despite or because of the change in the scrutinised economic conditions. In fact, while 6.3% of respondents in 2015 did not consider their farm viable at all, none of them considered this way in 2022. The above results may be explained by the upsurge in interest and demand on local products, and therefore local farmers' markets, in the Covid-19 period.

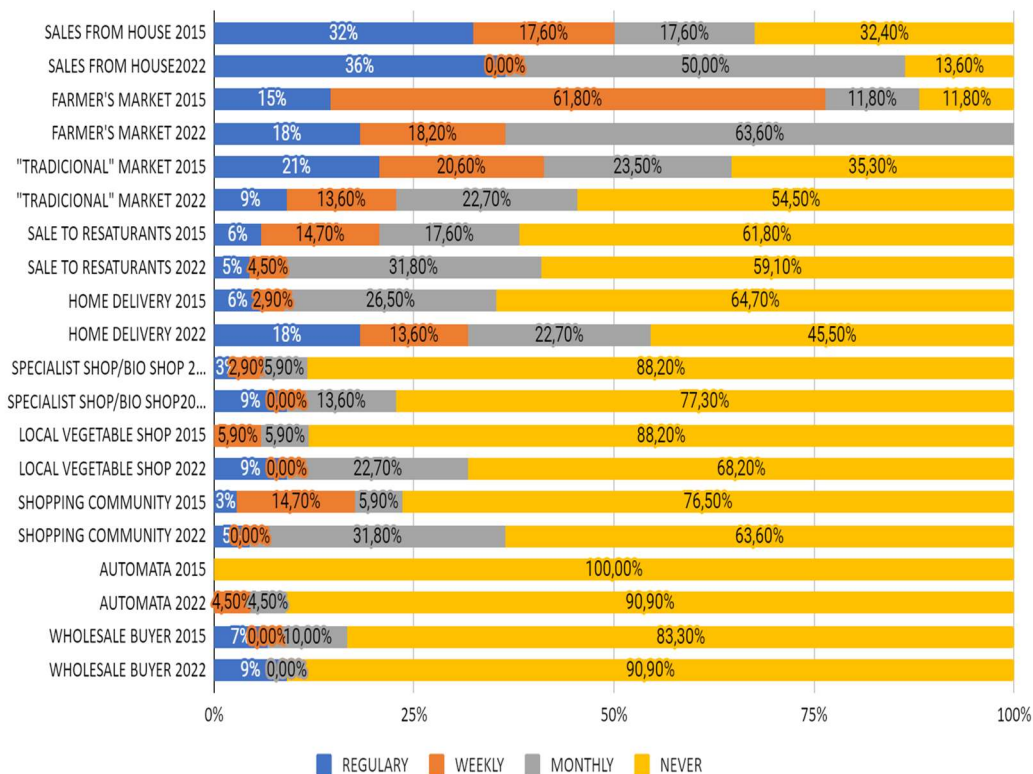
Figure 2: Transport distance used by producers



Source: Author's own editing (2022)

When examining the transport distance of the products it is clear that producers sell their products in a wider range (50-100 km) compared to 2015 and the preferred transport distance has increased (**Figure 2**). The proportion of sales within 50 km and 100 km has almost doubled compared to the previous years. This may be explained by the change in the previous legislation which abolished the 40 km limit for certain products. Producers are taking advantage of the opportunities to sell further afield. It is interesting to note that in the past, almost 10% of respondents provided service within a range of 5 km which has now disappeared (0%), hence, sales distances of over 100 km are not found in our survey. These data suggest that producers need to sell their products further away making this type of selling only profitable within a certain radius. When asked about the distance they consider acceptable, the same proportion (46%-46%) regard distances of 30-50 km and over 50 km as acceptable which is in line with the previous graph. It can therefore be concluded that the distance between 30 and 100 km is the distance that producers consider most appropriate for their current operation.

Figure 3: Forms and frequency of sales



Source: Author's own editing (2022)

Respondents were asked about the forms of sales and their frequency in 2015 and 2022 (Figure 3). The chart shows that farm sales are more popular among producers in 2022 than in 2015. While 32.4% of the respondents never used this option in 2015, the number of these producers decreased by a third in 2022, i.e. more of them utilised this option. We are witnessing a conspicuous shift in this form of sales from weekly and monthly sales, which used to be equally distributed, to monthly sales, with the earlier becoming dominant whereas the latter disappeared completely, respectively. We are also observing a major shift in the way farmers' markets are organised. In contrast to the previous dominance of weekly sales (61.8%), monthly sales (63.6%) now play an equally important role. The proportion of people who never sell at traditional markets has increased by 20% compared to the previous survey. In terms of sales to restaurants, a certain segment of producers has also moved from weekly sales (17.6%) to monthly sales (31.8%). The role of organic shops in sales is similar to the previous situation. The proportion of respondents selling to local greengrocers has increased by around 20% compared to previous surveys with a preference for monthly sales. Those selling through shopping communities increased by 12.9% whose frequency of selling seems to

confirm tendencies discussed above. Vending from a vending machine was not previously used by any of the producers surveyed, whereas nowadays it is around 9%. Among the products sold by producers, milk and honey are among the products that have been sold using this method. The share of sales through buyers has decreased by 7%. Producers who also take advantage of this form of sales do so more often than weekly though only representing 9.1% of respondents.

4. Discussion

Within the framework of this study in relation to the circle of producers, the method of farming, the viability (sustainability) of the economy, the role of direct sales, the forms of sales and their frequency, and the distance of delivery were part of the analysis. More than half of the respondents indicated the conventional way of farming. According to the data collected the eco/bio cultivation method appears only to a limited extent. Contrary to our hypothesis, the proportion of those who gave the highest values to the question about the viability of the economy was outstanding. The respondents consider the role of direct sales to be particularly important. Examining the forms and frequency of sales, it can be stated that the farmers' market is one of the main location for sales on a weekly and occasional (monthly) basis. Regarding the delivery distance, almost half of the respondents deliver within a range of 50 km, but they consider longer distances acceptable. In fact, 23% of producers sell their products within a 50-100 km radius.

Overall, it can be stated that there has been a reconstruction of both traditional and neo-traditional markets over the 7-year period under review, nonetheless, the function of local farmers' markets was not fundamentally affected by this structural change. It can therefore be put forth, based on the opinions of the surveyed producers, the role of farmers' markets is prominent within the SFSC sales methods and this might be applicable for future tendencies as well.

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