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ASSESSING MARKETING ALTERNATIVES FOR SMALL FARMERS IN SELECTED ALABAMA BLACK BELT COUNTIES

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Abstract
Market access is an important factor for the success of small farmers. In Alabama rural counties, farmers are in search of alternative market outlets to broaden their sales and make a profit. The purpose of this research was to assess marketing alternatives for small farmers in selected Alabama Black Belt Counties because local markets are essential to the economy and the overall well-being of local communities. Ethnographic field research was used to collect data by interviewing participants in selected rural counties, as well as from the Alabama Farmers Market Authority and USDA National Agricultural Statistics Service. The findings indicate that farmers markets were the most popular of the direct markets in these rural counties. Participants believed that produce at farmers markets was fresh and of high quality. Government programs and resources should be used to promote direct markets, especially farmers markets, in rural minority communities in the South.

Keywords: Marketing Alternatives, Direct Marketing, Small Farmers, Alabama Black Belt,

Introduction
Though farmers markets have experienced significant growth in the United States and Canada for the past two decades (Onianwa et al., 2006; Strobbe, 2016), a study of existing marketing alternatives in rural Alabama has lagged behind. In comparison to the literature regarding consumer attributes and preference for farmers markets (Bukenya et al., 2007; Gumirakiza et al., 2014; Onianwa et al., 2006), there have been few studies conducted regarding marketing alternatives for African American farmers in the Black Belt (see Baharanyi et al. 2012). Most studies in Alabama focused on farmers markets, consumer behaviors in farmers markets, and demographics (Bukenya et al., 2007; Onianwa et al., 2006). Other studies in the United States of farmers markets and consumer behaviors are from markets in New Jersey (Govindassamy et al., 2002), California (McGarry Wolf et al., 2005), Nevada/Utah (Gumirakiza et al., 2014), and Michigan (Conner et al., 2010).

Since the number of farmers markets in the United States is increasing (Gumirakiza et al., 2014; USDA AMS, 2012; Strobbe, 2016), there is a research need to know different types of marketing alternatives in rural Alabama and the potential these markets have to increase farmers’ economic viability. It is uncertain whether Alabama Black Belt consumers differ systematically from the findings of other studies. The purpose of this research is to assess marketing alternatives for small farmers in selected Alabama Black Belt Counties. Specifically, this study examines types of direct marketing alternatives in rural Alabama, their advantages and disadvantages, and farmer and consumer perceptions about these markets. The more that is known about direct marketing alternatives in rural Alabama, the better the farmers will be in determining the most marketable products, and delivering such products to consumers.
Therefore, the objectives of this study were to (1) examine some types of direct markets, and (2) explore perceptions of selected producers and consumers on direct markets. The rest of the paper is laid out as follows: in section two, the related past literature is reviewed, while section three details the current study’s methodology, including study area, data collection procedures and analysis. Section four provides the results, while section five discusses the findings. Section six concludes with implications of the findings.

**Literature Review**

Various studies of farmers markets have been conducted to help farmers take advantage of direct marketing opportunities. Several studies have also looked at consumer habits and demographics. This section provides a review of past related studies though there are differences between states and locations.

Direct marketing of fresh vegetables has greatly expanded in the United States as shown by the increase in farmers markets from 1755 in 1994 to more than 8,000 in 2014 (USDA AMS, 2015). The intermountain west of the United States has seen more growth. In this region, more than 38% of the farmers markets have existed less than five years (Gumirakiza, et al., 2014).

In previous research on direct marketing opportunities, (Abel et al., 1999; Ashman et al., 1993; Festing, 1998; Hilchey et al., 1995; Kreesta, 2006) noted that benefits of farmers markets included reduced produce prices for consumers, enhanced vitality of the local economy, and freshness of produce and increased produce quality.

In a similar vein, Kreesta (2006) observed in his case study of 21 farmers markets in Manitoba, Canada, that some advantages of farmers markets included creating food security, helping residents diversify their income, and providing ways for residents to make a living and build their communities.

Using a Logit framework, Govindasamy and Nayga (1997) examined consumers’ characteristics affecting visits and purchases in different types of produce from direct markets (roadside stands, farmers markets, and pick your own). They found that those who bought produce for fresh consumption were more likely to visit roadside stands than are those who did not buy for fresh consumption. Furthermore, their results indicated that female customers were more likely to visit direct farm markets than male customers.

In their analysis from West Virginia, Gandee et al. (2003) found that an increase in mileage away from urban areas increased county direct farm marketing sales. Their analysis also revealed that county characteristics had significant impacts on the amount of direct farm marketing sales received.

Wolf (1997) examined consumer profiles in San Luis Obispo County in California. He found that farmers market clients tend to be older, married, and were less likely to be employed than are non-clients. Also, these shoppers were generally in the middle and higher ends of the income distributions.

In an analysis of consumer characteristics who shop at farmers markets in New Jersey, Govindasamy et al. (2002) found that more consumers (99%) expected higher quality products at
farmers markets than at other retail facilities. Consumers also identified quality and freshness of produce as the most important factors that influence where they buy produce. They found that shoppers were relatively wealthy with 45% having incomes above $60,000. Most of the shoppers were female, the majority of the respondents were at least 51 years old, and most had a college education.

McGarry et al. (2005) examined farmers markets shoppers in San Luis Obispo, California and found they were more likely to be female, married, and had completed college compared to the general population. Onianwa et al. (2006) found a similar result in their study of Alabama farmers markets cited above. Onianwa and his colleagues found that 72% of the shoppers were females; 80% had more than high school education; 70% were married, and 90% earned more than $25,000 per annum.

In another study in Alabama, Bukenya et al. (2007) looked at the significant factors that lead to farmers markets or grocery store shopping. They found that those who said that price is a very important factor were 12% more likely to shop at grocery store compared to those who mentioned another factor.

**Advantages and Disadvantages of Common Direct Marketing Alternatives**

Besides general consumer demographic characteristics and shopping habits, another area of exploration in farmers market literature is centered on the advantages and disadvantages of common direct marketing alternatives. The next section reviews several different marketing alternatives. It is important to know the advantages and limitations of each alternative for small farmers.

**Roadside Markets**

Farmers tend to find good use for roadside markets because it requires limited use of transportation. Roadside markets typically give producers the chance to act as a retailer because of buying products wholesale and in turn selling it retail (Ellerman et al., 2001). Moreover, the products sold at these stands are deemed of great quality and value priced. The roadside markets attract customers in search of home grown and farm fresh produce. Graciously, this is a labor-intensive market; therefore, hired help is a necessary requirement. Many farmers tend to run these markets with other family members or their spouse. However, it is not uncommon for farmers to hire outside help.

The roadside market is attractive enough to draw the attention of passing customers (Tronstad, 2008). Some of the advantages of having a roadside market are no “middlemen”; no one on your farm; long potential season depending on crop mix, and usually limited transportation and packaging (Table 1). Despite the advantages of roadside markets, there are also a handful of challenges that small farmers may face. One of the major problems is when accessibility is limited, and the road may not be well traveled. Farmers must take into consideration the importance of location. In many cases, parking can be a nuisance depending on the location of the market. Parking in some areas is limited; therefore, the farmer must look into the city regulations before opening a roadside market (USDA AMS, 2015).
Table 1. Advantage and Disadvantages of Roadside Markets

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Farmers are responsible for all business transaction</td>
<td>1. Finding a location that is suitable is critical</td>
</tr>
<tr>
<td>2. No re-selling of products that the farmers do not raise</td>
<td>2. The need for equipment</td>
</tr>
<tr>
<td>3. Limited transportation and packing</td>
<td>3. Space for packing can be a major problem</td>
</tr>
<tr>
<td>4. Long potential season</td>
<td>4. Ample advertising</td>
</tr>
<tr>
<td></td>
<td>5. Personnel problem – long business hours</td>
</tr>
</tbody>
</table>

Farmers Markets
Farmers markets are an important part of the local food system providing income opportunities for farmers, and providing the community with fresh, healthy, and nutritious foods. The continuing rise in the popularity of farmers markets is causing consumers to increase their demand for fresh farm products. According to USDA NASS (2007) and USDA AMS (2015), since the 1990s, farmers markets have increased in popularity, and there has been a 65% increase in the number since that time. Each farmers market is managed differently, and many have different application requirements. This market demand is based on various characteristics of consumers, including tastes and preferences (Bukenya et al., 2007; USDA AMS, 2015). Without farmers markets in the community, there is no bond between the producer and consumer. These days, people are interested in knowing who is growing their produce and from where it comes. According to Ellerman et al. (2001, p. 16), farmers markets, “allow individual entrepreneurs and their families to contribute to the economic life of local communities by providing goods and services that are not readily available through formal, mass markets, and they bring producers and consumers together to solidify bonds of local identity and solidarity.”

As for advantages, (Table 2), there is no liability of having a middleman, and there is limited traffic on the farmers’ farm. Without the middleman, farmers can set their own price, along with developing customer relationships (USDA AMS, 2015). For beginning farmers, a farmers market is a strategic approach to making consumers aware of their farm and quality of products (Onianwa et al., 2006). Cottingham et al. (1995) made it clear to beginning farmers about the patience they must have when the market becomes overwhelming; it is a benefit and a possible challenge if not prepared. Another benefit of the farmers market is the ability to sell various products weekly versus a pre-market promise to fulfill. Farmers that use conventional stores for marketing strategies, can also use farmers markets to dispose of produce that does not meet the necessary requirements of conventional wholesale outlets (Hall, 2002).
However, some of the disadvantages of farmers markets are the incapacity of optimization of time in the marketing realm, availability, the importance of packaging, and the ability of the farmer to act as a salesperson and distance to the market. In determining the market realm, it is easier for consumers to lean away from the grocery stores due to the lower prices of similar items (Hall, 2002). Many consumers become weary of farmers markets due to its limited availability throughout the week.

Table 2. Advantage and Disadvantages of Farmers Markets

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. No middlemen (intermediary)</td>
<td>1. Time is critical (can be time intensive)</td>
</tr>
<tr>
<td>2. Opportunities for networking</td>
<td>2. Markets are usually not very close to customers</td>
</tr>
<tr>
<td>3. Variety of products for consumers</td>
<td>3. Farmers need to be good salespersons</td>
</tr>
<tr>
<td>4. Advantage in pricing</td>
<td>4. Presentation of the products and packaging are imperative</td>
</tr>
<tr>
<td>5. No consumers on your farm.</td>
<td>5. Competition among vendors</td>
</tr>
<tr>
<td></td>
<td>6. Market fees can be a problem or an issue</td>
</tr>
</tbody>
</table>

**U-Pick**

A u-pick farm grows crops that are designated for consumers as a self-service of harvesting. In some studies, the U-Pick market is referred to as pick your own. The U-pick marketing method is considered fairly high in the volume of marketing channels, as it offers a relatively low price compared with other direct marketing channels (Hall, 2002; Onianwa et al., 2006). Therefore, leaving the higher costs of growing the fruit and vegetables to the consumers as they have the task of picking produce themselves, inevitably cutting labor costs (USDA NASS, 2007). U-pick typically has offered the greatest potential savings to both farmers and consumers. Typically, the most popular commodities are the ones whose maturity can be easily established by color or size (Bukenya et al., 2007). Consumers benefit the most from this direct marketing strategy because it is up to their judgment to determine the freshness of the product (Hall, 2002). As with other marketing strategies, the U-pick eludes the middleman’s extra cost factors. Also, it allows the farmer to not necessarily have a large mixture of products. Farmers gain a huge advantage in cost, with no costs for delivery or transportation.

With farmers solely depending on U-pick marketing, they run the risk of having low turnouts of customers, and it will cause them to lose out on possible profits (Tronstad et al. 2008). Lastly, the U-pick is heavily reliant on the weather conditions (Tronstad, 1995; USDA AMS, 2015). The slightest overcast day or potential rainstorm could deter customers coming out to the farm. The advantages and disadvantages of u-picks are presented in Table 3.
Table 3. Advantage and Disadvantages of U-Pick Markets

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. No cost for transportation</td>
<td>1. High traffic on the farm</td>
</tr>
<tr>
<td>2. No harvest costs</td>
<td>2. Family life is fully invaded</td>
</tr>
<tr>
<td>3. Product mix is not essential</td>
<td>3. Hired staff may be needed</td>
</tr>
<tr>
<td>4. No intermediary</td>
<td>4. Scheduling can be a problem</td>
</tr>
<tr>
<td>5. Liability insurance is needed</td>
<td></td>
</tr>
</tbody>
</table>

Community Supported Agriculture

Instead of relying on farmers markets and other strategic marketing avenues, farmers are becoming acclimated with Community Supported Agriculture (CSA). Currently, CSAs are one of the fastest growing marketing systems today, because of the benefits derived from farmers and members (Agenbroad et al., 2010). This particular method was taken from the Japanese culture when they were experiencing exponential growth in industrialization of the food and production system (Agenbroad et al., 2010).

Farmers like the CSAs because of the ability to receive payments upfront. There is no dependence on suitable weather, the possibility of insured products, and if the farmer lacks labor they can receive help from CSA volunteers (Agenbroad et al., 2010). It is not uncommon for a grower to contact interested buyers at the beginning of the season and offer shares to purchase (USDA NASS, 2007; USDA AMS, 2015). The best benefit of the CSA is that growers can solely concentrate on production during the season, rather than constantly worrying about promotion and marketing (Curtis, 2011). In the case of CSAs, preseason sale eliminates a lot of strife and helps to generate operating capital when it is needed most.

Although the lists of challenges for CSA memberships are limited, they remain paramount to the success of small farmers. When in full swing, CSAs are labor intensive and require strategic management of workers (Curtis, 2011). Also, with overwhelming workloads, it can be extremely difficult for small farmers to handle the delivery logistics to customers and to the desired markets (Curtis, 2011; USDA AMS, 2015). In order to maintain good pricing, it is imperative that the CSA operators do an impeccable job of recruiting members so that the price offered will benefit everyone (Curtis, 2011). The advantages and disadvantages of CSAs are presented in Table 4.
Methodology

Study Area
This research was conducted in Alabama’s Black Belt, a region or an area in the United States with the highest concentration of poverty (Zekeri, 2015). It has the highest concentration of poverty because it has a disproportionate number of African Americans and a relatively high rural population. Given the spatial concentration of poverty, poor people in Alabama's Black Belt have run-down neighborhoods, and the area has a small tax base to finance public schools and a shrinking number of businesses (Zekeri, 1999; 2015). Low-income households and farmers are dispersed throughout the open country and its isolated hamlets.

Table 4. Advantage and Disadvantages of Community Supported Agriculture

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Weather is not a factor on income determination</td>
<td>1. The logistics of delivery can be difficult</td>
</tr>
<tr>
<td>2. Payments are made upfront (helps with cash flow)</td>
<td>2. Labor intensive when volunteers are not involved</td>
</tr>
<tr>
<td>3. Acts an insurance policy in case of crop failure</td>
<td>3. Strategic planning is needed for success</td>
</tr>
<tr>
<td>4. Members can serve as advertising agents for up-front-cost</td>
<td>4. Some consumers may be weary of paying</td>
</tr>
</tbody>
</table>

Data Sources
This study used ethnographic field research. Data were collected by interviewing five farmers, five consumers, and four key informants as well as using data from secondary sources. The interviews were conducted in Bullock, Dallas, Lowndes, Macon, and Wilcox counties. Interviews were based on semi-structured questions, and typically lasted about one hour. Farmers and consumers were interviewed at farmers markets and roadside markets. Key community informants (tax assessor, tax collector, probate judge, and chief of police) were interviewed to ascertain their views on direct markets. The respondents were asked if they were aware of any direct marketing alternatives in their community or the county at large. Secondary data on the number of types of direct markets were obtained from the Alabama Farmers Market Authority (2017) and USDA-NASS (2012) Census of Agriculture.

Results

Results from Secondary Data
Table 5 shows marketing alternatives and the number of farms in the selected Alabama Black Belt counties. It reveals that there were nine (9) roadside stands, 24 farmers markets, and seven (7) U-pick operations. Of the three types of direct marketing, farmers markets were the most popular. It suggests they are the most utilized marketing outlet by small farmers in the area.
Table 5. Marketing Alternatives$^1$ and Number of Farms$^2$ in Selected Alabama Black Belt Counties

<table>
<thead>
<tr>
<th>County</th>
<th>Total Farms in 2012$^2$</th>
<th>Roadside Stand</th>
<th>Farmers Market</th>
<th>U-Pick</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Bullock</td>
<td>273</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>2. Choctaw</td>
<td>248</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>3. Crenshaw</td>
<td>575</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>4. Green</td>
<td>304</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>5. Hale</td>
<td>456</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>6. Lawrence</td>
<td>1551</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>7. Lowndes</td>
<td>441</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>8. Macon</td>
<td>352</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>9. Marengo</td>
<td>499</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>10. Montgomery</td>
<td>603</td>
<td>0</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>11. Perry</td>
<td>389</td>
<td>3</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>12. Pickens</td>
<td>443</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>13. Sumter</td>
<td>428</td>
<td>0</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>14. Wilcox</td>
<td>316</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>6,978</td>
<td>9</td>
<td>24</td>
<td>7</td>
</tr>
</tbody>
</table>


Results from Participant Interviews

Results from Farmers
Farmers use roadside stands to help supplement their incomes, provide employment for family members, and dispose of extra produce. Farmers at the roadside and farmers markets indicated that they enjoy the customer exchange process, a sense of personal pride and independence from the operation. They also said they gain satisfaction from growing and selling quality fruits and vegetables.

Results from Consumers
Consumers patronized farmers markets for a variety of reasons. Some of the reasons are as follows: they like to support local agriculture; they prefer fresher, high quality produce; they want to take advantage of lower prices; the farmers markets offer a variety of produce to choose from, and they enjoy the market atmosphere. It was also discovered that consumers who liked the U-pick outlet do so because they like to select fresher, higher quality fruits at lower prices. Some consumers enjoy picking produce themselves as a recreational event or family outing.
Results from Key Informants
Community informants in the study listed the benefits of the direct marketing alternatives as fresher products, better quality, better taste, and helping the community. The results suggest that there is a viable market for local produce growers. Some of the key informants interviewed patronized farmers markets because the social, personal interaction aspect of the market; free parking, and lower prices.

Discussion
The results of the study suggest that direct marketing channels such as roadside markets, farmers markets, and U-pick markets, are a variety of ways that small-scale farmers in the Black Belt counties can reach their customers. As direct markets are becoming popular, small farmers need to better understand the different marketing channels, potential benefits, and risks the markets have for increasing economic viability. Careful evaluation of potential buyer needs before making production decisions can aid small farmers in choosing marketing alternatives appropriate for their marketing plans and overall farm operations.

Overall, the findings are consistent with the growing evidence that farmers’ market is the most popular form of direct markets in rural communities (Conner et al., 2010; Gumirakiza et al., 2014; USDA AMS, 2015). The level of interest in buying local food and supporting farmers who grow food locally is increasing in the Alabama Black Belt. Some farmers markets have been in existence for more than five years and they provide the local growers market access and good pricing. In some farmers’ markets, small farmers compete on non-price factors meaning that they must sell their customers something they want but cannot buy at the grocery stores, or anywhere else. These advantages include convenience (for example, ready to eat salad mix), flavor (for example, taste and freshness), variety (for example, different varieties of tomatoes, the multitude of vegetables, and flowers), and novelty (for example, responding to customers preferences).

Conclusion
The purpose of this research was to assess marketing alternatives for small farmers in selected Alabama Black Belt Counties. The reason is local direct markets are essential to the economy and the overall well-being of local communities. The findings indicated that there is growing evidence that roadside markets, farmers markets, and U-Pick markets are common in this rural Alabama area. There is no CSA in the area. Many consumers shopped at these three types of markets but by far at farmers markets. The consumers and community informants interviewed were satisfied with the quality of what they purchased at the farmers markets. The farmers viewed direct marketing as an alternative to traditional markets to increase their incomes, while consumers and some community informants saw it as a source for fresh, high quality produce at lower costs. Increased consumer demand for local foods has given small farmers the opportunity to offer their produce directly to consumers. The policy implication of this research is that government programs and resources should be used to promote the use of direct markets, especially, farmers markets in rural minority communities in the South.

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