

An Economic Analysis of Farmers Markets

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Summary

Today, there are more than 13,000 farmers markets operating throughout the nation. The growth of farmers markets is considered as one of few successful cases in whole retail industry in the 1990th. But the actual situations of farmers markets are not well understood.

In order to grasp how local production for local consumption is being practiced at farmers markets nationwide, we grouped them by sales total and by type of agricultural area.

In flat farming area exhibiting urban area, most of the farmers markets are large in scale, and the items focused on vegetables, fruit and rice, etc. are sold mostly to local residents and the like. On the other hand, in mountainous farming area most of the farmers markets are small in scale, and the selection of goods sold consists mostly of local specialties and agro-processed and processed goods geared to tourists and other visitors.

Agricultural products sold at farmers markets are usually cheaper than those sold in conventional stores, but producers can actually increase their net earning because of, among other things, lower distribution costs and higher rates of commercialization thanks to shipping deregulation. For this reason, in addition to benefiting both producers and consumers, the income of local residents, it is believed, will increase because new jobs will be created in the operation of farmers markets.