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## **Outlook for the Florida State Farmers' Market System**

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The State Farmers' Market system is comprised of 15 markets located throughout the state of Florida from Bonifay in the panhandle to Florida City in south Dade County (Figure 1). These markets are owned and managed by the Florida Department of Agriculture and Consumer Services. Each market is unique with respect to the role it plays in the agricultural marketing system of its own geographic service area. Fourteen of the markets specialize in the marketing of fruits and vegetables, and one in livestock. Of the 15 markets currently in operation, 10 were established prior to World War II, one was opened in late 1945, two in the early 1950s and one in the mid-1960s. The newest market was opened in 1988.

The original purpose of the State Farmers' Markets (SFM) was to provide farmers with a centralized facility where relatively small lots of fresh produce or livestock could be assembled into larger, more uniform lots for more efficient marketing and greater profits for producers.

A few of the produce markets have retail vendors that sell directly to consumers, but the major emphasis is on wholesale activities. In all markets, the overwhelming majority of sales volume goes to the wholesale trade.

The Florida Agricultural Market Research Center conducted a study to provide long-range policy direction for the improvement and development of the Bureau of State Farmers' Markets. The study examined the forces shaping the future of agriculture in each of the 15 geographic areas served by state-

owned farmers' markets. Trends in population growth and agricultural production were analyzed for the service areas of each market. Performance trends for each market were studied, as well as other factors including changing trade policies and emerging environmental constraints such as water quality and supplies, soil erosion and environmental regulations. Finally, qualitative and quantitative projections as to the economic viability of each market were made.

### **FINDINGS**

A brief overview of each market and a summary of major issues affecting the economic viability of agriculture in general and farmers' markets in particular follows.

#### **Market Summaries**

**Arcadia.**—Located in DeSoto County, 78% of the Arcadia Livestock Market's gross receipts are from the sale of calves. The market's outlook is favorable. Cattle population in the market's service area is more than 500,000 head, and livestock numbers in the region are stable. Although the market needs some repairs, it appears that the Arcadia market is in a position to serve area livestock producers well into the 21st century at little or no cost to the State of Florida.

**Bonifay.**—The Bonifay SFM is a major watermelon market for West Florida and also handles a significant volume of tomatoes. The

general outlook for the market is positive. Gross sales have trended upward and the market has a tenant waiting list. Production of watermelons and tomatoes will continue to be an important economic activity, but dramatic increases in production are not likely. It was recommended that conservative building programs should be considered to better serve the Bonifay region.

**Bradford (Starke).**--The Starke area is developing into a bedroom community for Jacksonville and Gainesville, but the area continues to produce blueberries, pecans, strawberries and mixed vegetables. Recent activity in the blueberry industry is encouraging, but many of the traditional vegetable producers have ceased production. Further declines could jeopardize the long-run economic viability of this market.

**Florida City.**--Although Dade County is highly urbanized with a population of about 1.9 million, it is a major producer of agricultural products. Eighteen traditional vegetables, 16 tropical vegetables and 15 tropical fruits are grown on a commercial scale along with numerous nursery crops in Dade County. The market's performance history of gross sales, net returns and number of people served has been exemplary, and in spite of Hurricane Andrew, the long-term outlook for the Florida City SFM is positive. The state has rebuilt the demolished market, and it is poised to handle upcoming vegetable harvests.

**Fort Myers.**--Traditional agricultural packing and shipping activities are likely to continue to decline as population growth in the host county is forecast to be among the highest in the state, increasing by 82% between 1990 and 2010. In order to maintain a market facility for agricultural producers, it may be necessary to increase the amount of space leased for non-traditional uses.

**Fort Pierce.**--Despite rapid urbanization, agriculture, particularly citrus, remains a major economic force in the Fort Pierce service area. Citrus production is expected to increase through the year 2000. Although fresh market citrus may foster increased demand for packing and shipping facilities, there may be some excess

capacity of space in the future which could be leased to non-traditional tenants. This may enable the market to maintain positive net returns while continuing to serve the agricultural sector.

**Gadsden County (Quincy).**--The long term outlook for the Gadsden County SFM is positive. Growers have made a successful transition from traditional row crops to tomatoes. The market is fully leased and the rapid growth of the tomato industry has generated considerable optimism for the market. Modest improvements would better serve the vegetable industry.

**Immokalee.**--The Immokalee SFM is one of the most successful state operated markets in Florida. Since 1980, gross sales have averaged nearly \$29 million annually and net operating revenues have been positive each year since 1975. The climate allows the area to be one of the earliest watermelon and cantaloupe markets in the state. Furthermore, the market's service area is sufficiently removed from urbanization pressures to ensure continued availability of land and water for the foreseeable future. However, the future of the market is threatened by deteriorating facilities.

**Palatka.**--Cut flowers are currently the only crop packed and shipped on the market. Although there may be some need for cold storage facilities for tablestock potatoes, the current site is probably too small to allow for much additional construction while continuing to serve the large numbers of trucks hauling potatoes and cabbage to the scales. One possible solution would be to establish a new facility designed to serve potato, cabbage and mixed vegetable producers which could be built nearer the geographic center of production on less valuable land.

**Plant City.**--The outlook for the Plant City SFM is favorable. Despite rapid urbanization of Hillsborough County, trends indicate continued growth in the production of strawberries, tomatoes and other vegetables. However, inadequacy of facilities is likely to be a limiting factor in sustained growth.

**Pompano.**--Rapid urbanization in the service area is encroaching on agricultural lands,

resulting in diminished physical volume on the market. However, the market is strategically located in an area relatively convenient to all major vegetable production areas in South Florida, and is likely to remain a viable load-mixing facility in the future.

**Sanford.**--Urbanization in the area has resulted in declining agricultural production in the market's service area. However, unlike other SFMs in rapidly urbanizing areas, there may be an increase of small, diversified truck farms which could benefit from centralized marketing facilities at the Sanford SFM.

**Suwannee Valley (White Springs).**--Still in its infancy compared to other SFMs, Suwannee Valley already shows signs of promise. The physical volume handled by the market has grown rapidly. Increasing urbanization in South Florida may make the market's service area a more attractive growing region, but the timeliness of production and the overlap of market windows with competing growing areas will be the major limiting factors for this market.

**Trenton.**--The outlook for the Trenton SFM appears positive. Watermelon acreage and production have been declining but revenues remain strong. If trends of the past 10 to 15 years continue, declining physical volume could adversely affect the demand for marketing facilities. However, the produce trade has been shifting from bulk shipments of watermelons to uniformly sized, boxed and palletized melons. These services require traditional packing facilities, thus strengthening the outlook at the Trenton SFM.

**Wauchula.**--The overall outlook for the Wauchula SFM is positive. Although the market's gross sales have been variable in recent years with no strong indications of positive or negative trends, there is ample evidence that the agricultural economy of the market's service area is strong. Citrus and vegetable production has been steadily increasing in recent years in terms of physical volume and value. There are indications that blueberries may also emerge as a very profitable crop because of market timing.

## Statewide Analyses of Major Issues

### **A Basic Philosophical Issue**

In the statewide survey of farmers' market Advisory Committee members, market tenants, and county extension agents, respondents were asked whether the SFM system should be dismantled, leaving the private sector to handle the basic marketing functions. The survey revealed overwhelming support for the current system of State Farmers' Markets.

### **Operational Issues**

An issue frequently raised by advisory respondents and tenants was the statewide policy which precludes handling imported produce by SFM tenants on SFM property whenever the commodities in question are available from Florida growers. Nearly 80 percent of advisory respondents favored the current policy, compared with less than half the tenants.

Another area of concern dealt with acceptable uses of SFM facilities. Among the advisory respondents and tenants, traditional use by produce and truck brokers was supported by approximately 90 percent; about two-thirds of the advisory respondents supported use of space for processing of agricultural commodities, but only about one-third of the tenants agreed. The only non-traditional use of market space favored by a slight majority of both advisory respondents and tenants was local wholesale produce distribution. Use by local packaged food distributors, agricultural-related services, and agricultural input suppliers was generally favored by slightly less than half of the advisory respondents and even fewer tenants.

### **Performance of the SFM System**

All respondents were asked to evaluate the "overall performance" of their local market. Most advisory respondents and tenants rated the performance of their markets very favorably. Only five percent of the advisory respondents and 8 percent of the tenants rated their market's overall performance as poor.

## Environmental Issues

Respondents were asked to assess the impact of environmental regulations on agricultural use of fertilizers and pesticides and the subsequent effect on their respective state farmers' market. Most felt that environmental regulations on these items would pose problems for agriculture in their areas over the next 20 years. Most advisory respondents rated such regulations as a moderate problem, but tenants were far more pessimistic, with over half saying that environmental regulations would pose major problems. With respect to the availability of irrigation water over the next 20 years, the advisory respondents and the tenants were somewhat pessimistic, citing rapid population growth and increasingly stringent water management district regulations.

Nearly one-fifth of the advisory respondents and one-half the tenants were of the opinion that water shortages, restrictions, or costs would pose major problems in the years ahead, adversely affecting their market's economic viability.

## Trade Issues

Trade issues, particularly the threat of produce imports from Mexico and Cuba, were viewed with a great deal of apprehension by advisory respondents and tenants. Competition from Mexico was viewed as a major problem by nearly one-third of the advisory respondents and over half of the tenants. The prospect of competition from Cuban imports of fresh produce also caused concern, but it was not viewed with as much alarm as Mexican competition, particularly in the more temperate growing areas of the state.

## CONCLUSIONS

Despite the potential threat of environmental and trade problems, the potential

for agriculture in the major production regions of the state remains bright. The biggest threat to the long term viability of the State Farmers' Market system appears to be the lack of funding to adequately maintain and improve its physical facilities. Many markets are in dire need of basic maintenance and renovation. If these needs are not met soon, deterioration and obsolescence of many structures could jeopardize the ability of some markets to adequately serve their clientele.

As production patterns and economic conditions affecting Florida agricultural enterprises continually change, producers, businesses involved with agricultural production and the State Farmers' Market system itself have proven adaptive. Over the past half century, the State Farmers' Market system has played a significant role in agriculture's prosperity, and if current production trends can be maintained, most SFMs will continue to make valuable contributions to agriculture and the state's economy in the foreseeable future.

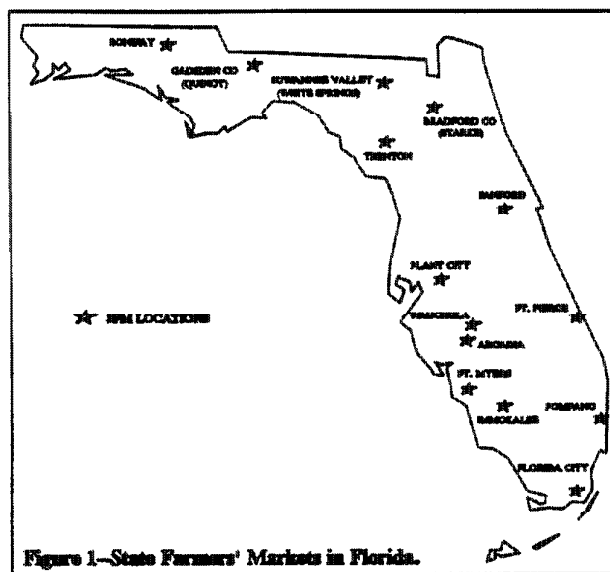


Figure 1—State Farmers' Markets in Florida.

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