# Finance, Markets and Valuation

## Farmers' market as an alternative for strengthening sustainable practices: a study in the city of Marechal Cândido Rondon – Paraná

Feria libre como alternativa para fortalecer prácticas sostenibles: un estudio en el municipio de Marechal Cândido Rondon - Paraná

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#### Abstract

This study addresses farmers' market as an alternative for sustainable development, within the social conjuncture of family agriculture and its productive system. Farmers' markets strengthen the bonds between urban and rural spheres, allowing the family farmers to find in this activity an opportunity to strengthen the local market. This research aims to analyze farmers' market as an alternative for the strengthening of sustainable practices in the city of Marechal Cândido Rondon – PR. This is a bibliographic and documentary study, with a descriptive exploratory approach, contemplating the relationship between sustainability, rural development, family agriculture and rural markets, more precisely farmers' market in the urban environment, complemented by a case study, with field research and application of a structured questionnaire with open and closed questions for the producers and organizers of the market. Thus, it was emphasized that farmers' market really is composed of exhibitors, mostly farmers and family farmers, that can also be considered as a business alternative for family farming, acting as a driver for sustainable rural development, since it generates income and expands the opportunity to offer the commercialized products, bringing not only financial, as well as social and environmental return for the family farmer.

Keywords: Family Agriculture; Short Chains; Sustainability; Rural Development

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#### Resumen

Este estudio aborda, en el contexto social de la agricultura familiar y su sistema productivo, los mercados abiertos como alternativa para el desarrollo sostenible. Las ferias fortalecen los vínculos entre lo urbano y lo rural, permitiendo que el productor rural de agricultura familiar encuentre en esta actividad una oportunidad para el fortalecimiento económico del mercado local. Esta investigación tiene como objetivo analizar el mercado abierto como una alternativa para fortalecer las prácticas sostenibles en

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el municipio de Marechal Cândido Rondon - PR. Se trata de un estudio bibliográfico y documental, con enfoque exploratorio descriptivo, que contempla la relación entre sostenibilidad, desarrollo rural, agricultura familiar y ferias rurales, más precisamente ferias libres en el medio urbano, complementado con un estudio de caso, con investigación de campo y aplicación de un cuestionario estructurado con preguntas abiertas y cerradas para productores y organizadores de la feria. Por ello, se enfatizó que el libre mercado está realmente compuesto por expositores y mayoritariamente productores rurales y agricultores familiares, que el libre mercado también puede ser considerado como una alternativa empresarial para la agricultura familiar, actuando como motor de desarrollo rural sostenible, ya que genera ingresos y amplía la oportunidad de ofrecer productos comercializados, generando beneficios no solo financieros, sino también sociales y ambientales para los agricultores familiares.

Keywords: Agricultura familiar; Cadenas cortas; Sustentabilidad; Desarrollo Rural

#### 1 Introduction

Nowadays, discussions about family farming have gained social, political, and academic legitimacy in Brazil, being used more frequently in the discourses of rural social movements, government agencies and by segments of academic thought (Schneider, 2003). The fundamental idea of the discussion was to examine, within the social set of family agriculture and its productive system, the tools that interact with regional development. Thus, pluriactivity within the organization of family work proved to be an economic and social source for the rural world to explore alternatives to strengthen its bonds with the land and society in general.

It is essential to value events in the form of farmers' market, with direct sale of food, within the participatory universe of family farming, and the possibility to directly show their work, in favor of the social recognition as the main supplier of safe and healthy food with the minimum possible intermediation.

The history of the Western Region of Paraná shows interest in its movements and developments, being the object of study of many scientists and academics. The integration of man and nature strengthened this region, establishing a series of ancient practices developed in this territory, such as agriculture, leisure, fishing, and tourism (Cruz, 2018). In this sense, this research seeks to know the true participation of the field man in the farmers' market, having as object of study the city of Marechal Cândido Rondon – PR. To do so, this research aims to analyze farmers' market as an alternative for the strengthening of sustainable practices in the city of Marechal Cândido Rondon – PR.

The article is structured beyond this introduction as follows: Section 2 presents the theoretical basis of the research; in Section 3 the methodological arrangement of the research is described; Section 4 present the case study carried out, with the respective analyses and discussions and; in Section 5 there are the conclusions obtained in the present research.

#### 2 Theoretical Foundation

The rural areas have two distinct characteristics that differ between the large producer with little diversification of planting and focused exclusively on economic development; and the small producers (family farming) (Cruz & Fontana, 2018), who aim at diversifying their production, to maintain their fields.

In Brazil millions of small producers make up family farming. This a growing and important sector, which produces most of the food that is consumed by Brazilians, contributing to job creation, income generation and distribution, reducing the rural exodus (Damasceno, Khan, &

Lima, 2011). According to Abramovay (1992), the management, property and most of the work in family farms come from people who maintain blood or marriage ties with each other.

The challenge in family farming is to improve their capacity of social interaction and insertion in local markets (school meals, social programs) in a context of "quality economy" that may be in the supply of traditional, artisanal or regional products (Schneider, 2010).

According to (Gazolla & Schneider, 2017), agricultural-food supply chains can be understood by the willingness of the involved parties in building a new form of interaction between production and consumption, with the goal of rescuing identity and origin of products, based not only on price criteria, but also on social, cultural, ethical, and environmental values. With this, the authors define short chains as a central dimension of the economy of proximity and interactions between space and activity. Among the limits of necessity and subsistence, the entry into specialized production systems, an interesting combination of various arrangements is identified, from typical self-consuming activities, exchanges between neighbors, direct sales and activities that incorporate formal commercialization and distribution circuits, to those related to agrobusiness, through integration contracts (Cruz, 2018).

The main short chains are identified with direct sales in properties, local markets, farmers' shops, farmers' markets, door-to-door sales, direct harvesting by consumers in production units, e-commerce, sharing food production risks between consumers and producers, collective consumer groups, and various associations between producers and consumers (Gazolla & Schneider, 2017).

At first, short chains were understood as a strategy of peasant resistance, against globalization and its agricultural-food system (van der Ploeg et al., 2000). Then, a motivated current of urban consumers emerged, seeking natural, fresh and non-pesticide food –organic food–, strengthening local markets, valuing farmers, their cultural values and traditional preparation (Gazolla & Schneider, 2017). Recent studies in Brazil and Europe indicate the increasing commercialization of food from family farms as an alternative to the agricultural-food system (Cruz, 2018; Gazolla & Schneider, 2017).

The marketing channels of family farming products can be classified as direct sales to the consumer, vertical integration with the processing agribusiness, sales to the distribution sector and institutional markets (Pierri & Valente, 2010). They also point out that direct sales can be operations of direct delivery to the final consumer by the producer: home deliveries, online sales, farmers' markets, specialized markets, promotional commercial events, stores, producer's counter or food stand, and even sales made on the property (Pierri & Valente, 2010).

In this sense, the dynamics and opportunities of the processed food commercialization by the family farmers themselves are important factors to expand the knowledge on the strategies of family agriculture reproduction. They also demonstrate a chance to drain their production excess through short chain sales (Cruz, 2018).

Direct sales between farmers and final consumers are considered the main channel of agribusiness food distribution because these sales usually occur in the agribusiness itself, on the streets, workplaces, home delivery, producer markets, among other alternative points of direct sale (Gazolla & Schneider, 2017).

The commercialization carried out in urban and rural markets, festive events, local exhibitions, among other events of this nature, encourage the relationship of field and urban production. It is a short chain phenomenon due to the proximity of the relationships between the subjects and their formal and informal sale channels, in a mixture of situations between regulatory institutions (Gazolla & Schneider, 2017).

From the perspective of opportunities, rural sustainability, and guarantee of social appreciation, the pluriactivity present in these markets ensures economic and social development, through the strengthening of short chains, especially in markets offered by family agriculture –a positive alternative to society in general.

(Souza & Elesbão, 2011) suggest that the reasons for developing a viable rural territory involve environmental, sociocultural, and economic aspects. They include guarantee and reliability of the produced food, preservation of natural resources and biodiversity and, mainly, the preservation of a specific culture, distinct from the globalizing trends of most urban areas.

According to Flores (2002), strengthening as a social, economic, and political expression means rediscussing the development model of the rural world, with all its impacts on the urban area. Since family production is the main economic activity of several Brazilian regions, it needs to be strengthened, because the potential of family farmers in creating jobs and income is very important.

Farmers' markets offer the opportunity to trade on an increasing scale, which provides the production development, establishing networks between producers and consumers (Matias, 2001). Farmers' markets promote commercial activity, serving as an opportunity to sell their agricultural production and guarantee an increase in income.

Therefore, this research is in line with the recommendations of the authors presented here, as it reinforces the importance of farmers' markets as a contribution to sustainable rural development, since it allows the commercialization of products from the countryside, mostly from small rural producers.

#### **3** Research Methodology

The methodological arrangement of this investigation is characterized as a descriptive exploratory case study, with bibliographic and documentary research, complemented by field research with the application of questionnaires to rural exhibitors, market managers and finally a direct observation script carried out by the researcher. The questionnaire is one data collection method that requires written answers from the interviewed subjects, translating the objectives of the study in measurable variables (Fortin, 2009). So, a structured questionnaire was created with closed questions, which was then applied to rural exhibitors<sup>1</sup> present at the market, as well as a semi-structured one, which was directed to the organizers<sup>2</sup> and directors of the event.

The farmers' market in Marechal Cândido Rondon has eighteen farmers (rural exhibitors), and the sample corresponded to 50% of them. A larger number could not be obtained due to the great popularity and attendance of the market, the number of marketers, and the allocated time to conduct the interview. All interviews were conducted with family farmers of the city. The organizers questionnaire was applied to Mr. Lotario Lohmann, current president of the trade association, at the market itself.

After collecting the data by applying questionnaires to the sample of farmers, they were

<sup>1</sup> The questionnaire developed for rural exhibitors (producers) used a "likert-type" scale for responses related to the evaluated dimensions (participation dimension, environmental dimension, economic dimension, social dimension and, dimension of commercialized products).

<sup>2</sup> The questionnaire developed for the organizers / directors of the farmers' market was divided into three blocks, one for surveying the history of the fair, the other related to rural development (question example: How the government is involved in the activity, in which way (financing, training, etc.)?) and a third, related to the Sustainable Development Goals (example question: How does the farmers' market collaborate with the eradication of hunger in the rural area of the city?).

analyzed descriptively. Furthermore, qualitative analysis was used in the characterization of the market, description of its history, of rural development factors and actions that can be identified in the Sustainable Development Goals.

### 4 Case Study: Presentation, Analysis and Discussion

The city of Marechal Cândido Rondon is located in the Geographic Mesoregion West of Paraná and in the Microregion of Toledo, as shown in Figure 1, bordering on the north with the city of Mercedes, on the northeast with Nova Santa Rosa, on the east with Quatro Pontes, on the southeast with Toledo, Ouro Verde do Oeste, on the southwest with Pato Bragado, on the south with São José das Palmeiras and Entre Rios do Oeste, and with the Republic of Paraguay (Itaipu Lake) on the west.

The city of Marechal has a strong influence of Germanic culture, demonstrated in their architecture and language (German). It is estimated that 80% of the population is German descendant, consequently, their culture is very present in the products and traditions of the Producers' Market (*Instituto Brasileiro de Geografia e Estatística*, 2019).

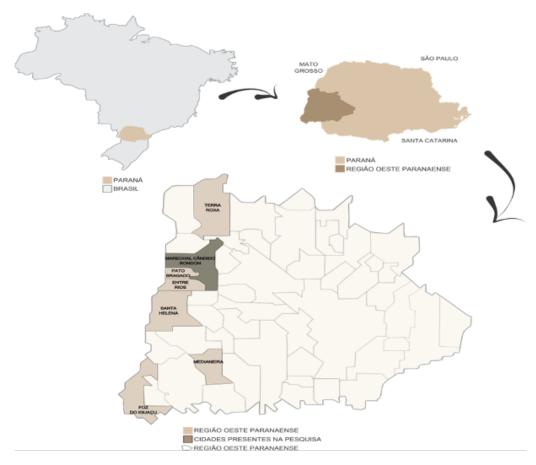


Figure 1. Map of the city of Marechal Cândido Rondon; Source: Cruz (2018)

The municipal farmers' market of Marechal Cândido Rondon is held in the central region of the city, on Tuesdays and Fridays, from 5 p.m. to 7:30 p.m. The space of the market is a shed built by the city on a land granted by the rural union, where exhibitors stand on the sides and the public circulates through the central corridor.



Figure 2. Marechal Cândido Rondon Producers' Market; Source: Cruz (2018)

The activities are the direct sale of vegetables, milk, and derivatives such as cheese, cream cheese and butter; agribusiness products such as baked goods and processed meat (like sausages); and gastronomic products, such as "pastel", waffles, barbecue and "churros". One of the marketers was a producer with organic products, which were registered in the "Ecovia Network."

The questionnaire referring to the organizers of the fair was applied to Mr. Lotario Lohmann, current president of the association of fairgoers, in which he identified two priorities: attending the local customer well and meeting the market traders' economic needs. The interviewee reported that the market exists for 25 years, currently counting with 18 producers. He also reported that from the beginning he always had important partners who participated in the implementation and maintenance of the market: Emater (Institute of Innovation for Rural Sustainable Development) as technical assistance in helping farmers; the City Hall along with the Department of Agriculture that signed an agreement with the Rural Union; and a "condominium system", in which the marketers pay all maintenance expenses and fixed costs of the space.

According to Mr Lotário there is a great demand for new urban producers – mainly producers of cookies interested in participating in the market –, but the space provided by the city cannot accommodate more marketers, and the marketers believe that the range of offered products pleases and meets the customers' needs. According to the interviewee, the marketers are satisfied with the structure, production and commercialization of their products, which provides excellent economic gain and excellent quality of life to the producer, thus allowing the farmers to stay in the rural environment, providing income for their whole family.

In relation to the Sustainable Development Goals (SDG), it was observed that the Marechal farmers' market promotes cultural Germanic heritage, connects the rural to the urban areas, and increases the income of all participating farmers through the credibility and trust established by short chain policies. As stated by the interviewee, the market needs more public support for the rural development of the city, such as greater tax support and assistance in issuing invoices for future credit and economic planning; greater aid in certifying and registering products, which, in the view of the President of the Association, will increase the credibility and quality of the products; and, finally, the promotion of a project that will establish the market as a local touristic and gastronomic attraction.

In the research with the marketers, a relevant data in the discussion was the commitment that farmers have with the products and the importance of the market for the rural development

of the city and region. The respondents find the technical and political monitoring vitally important for the maintenance of the markets, especially regarding more variety of products and government solutions to improve the facilities of the market, boosting the well-being of clients and the volume of business.

Of the 18 marketers in Marechal Cândido Rondon, 14 belong to family agriculture, corroborating with Lamarche (1993) description of the relationship and participation of family farming in urban markets, which promotes social autonomy, family structural importance, economic self-sufficiency, and relationships between the country and the urban man, with the prestige established by this connection between the societies involved.

The following table shows the list of rural producers and their commercialized products to diagnose the agricultural potential and consumption of each city.

Among the main products offered, the farmers' market offers a large amount of baked goods of Germanic influence, a variety of gastronomic products (pastel, waffles, churros, barbecue, esfihas), meat, sausages, dairy products (milk, cheeses, curd, butter and cream), as well as flowers and orchids, but it has little variety of fruits and vegetables.

Regarding the perception of family farmers (marketers) about the importance and the effective implementation of the surveyed dimensions, it was observed that, in general, the importance attributed to each dimension was always greater than its effective implementation.

When questioned about the importance and implementation of public and private organizations participation to help manage the market, the interviewees (marketers) considered it very important. The participation, organization and assistance of the rural union were the most relevant, followed by the participation of the municipal government, cooperatives, and educational entities. Regarding implementation, it was observed that it did not correspond with the attributed importance, demonstrating a dissatisfaction of producers with the assistance of public and private organizations in the management of the market at all questioned levels: secretary of agriculture, associations, and educational entities. It was considered, after the analysis of the final average, that producers expect greater participation of public and private organizations in the management and organization of the event.

The interviewees attributed much importance to the environmental dimension and considered it well implemented; the item related to hygiene and handling of gastronomic dishes was the only one considered as median. This result demonstrates the importance attributed to the environmental dimension, indicating that the rural producer recognizes the importance of environmental protection, both in the matter of production, slaughter, marketing and handling of the products offered at the market, as well as in the place of the event.

Regarding the economic dimension, the marketers considered all evaluated items very important, and the average value of importance and implementation were quite similar, which makes it possible to affirm that the market is vital for the economy and profitability of the rural producer and, consequently, sustainable rural development.

In all items of the social dimension, their importance was greater than their effective implementation in the market, it is safe to say that the rural producer and family farmers recognize the importance of their participation in rural markets, as a great opportunity for sustainable rural development that collaborates with the proximity of urban and rural spheres and provides opportunities for future business. It is still possible to verify that the producers believe that the market contributes to the permanence of the producer in the field, and its impact on society and the culture of consumption of these products are decisive factors for the continuity and prominence of the central market of Marechal. As for the commercialized products, all items were considered quite important, and the availability of the product in the event was the most important. Regarding their implementation, all were considered well implemented, with emphasis on the variety and availability of the products offered in the market. According to the obtained results, it is possible to deduce that in the view of the producer, more regional products could be sold, as to characterize the market with strong cultural and regional traits.

The farmers' market in the city of Marechal Cândido Rondon, with its large product variety, is an excellent example of pluriactivity, focused on the organizational aspects of the rural production process that involve all family members, investments, gender relations and market adaptation (Abramovay, 1992; Schneider, 2003, 2010).

In view of these findings, it is worth emphasizing the role of producers' markets carried out by family farmers as a driver of local development, economic and social conditions, productive quality, food production, and environmental protection (Schneider, 2010; Zanco, Eggers, Klesener, Hort, & Nandi, 2017).

#### 5 Conclusions

By portraying the organization of family work and its pluriactivity, this study demonstrated that the farmers' market represents an economic and social source, capable of exploring alternatives that strengthen sustainable practices between the rural and urban environment. Thus, it fulfills the research objective of analyzing farmers' market as an alternative for strengthening sustainable practices in the city of Marechal Cândido Rondon – PR.

Based on the research, it was possible to identify that all objectives either contribute or interfere (directly or indirectly) with the object of study and promote sustainable development for family farming.

In general, the evaluated market format represented and approved the direct sale of food within the universe of family farming and the farmers' satisfaction in showing their work with guaranteed social recognition, by the exposure of healthy food and cultural maintenance of this territory.

Thus, the market, as a short chain of product commercialization, is an excellent business opportunity for the entire rural family, helping the farmers to establish themselves in the field and as a creative strategy for new gastronomic products for the sustainable development of the studied region.

However, this research has as limitations for a deeper analysis the opinion on the rationality of the farmers market's public was not portrayed, as well as the visits to producers' properties.

Consequently, this research paves the way for new research that, in turn, seeks to create strategies for the sustainability and permanence of man in the field.

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