

Zoltán BAKUCS¹-Zsófia BENEDEK²-Imre FERTŐ³-Viktória SZENTE⁴:

What is the key factor behind the success of Hungarian farmers' markets? A spatial study

benedek.zsofia@krtk.mta.hu

¹Centre for Economic and Regional Studies, senior research fellow

²Centre for Economic and Regional Studies, research fellow

³Centre for Economic and Regional Studies, research advisor and University of Kaposvár, professor

⁴University of Kaposvár, professor

Alternative food networks have emerged in response to concerns about the various negative impacts of the conventional, globalized food system. Especially farmer's markets (FMs) play an increasingly important role. Geographic concentration of alternative food initiatives has been observed and characterized in certain regions of Western countries including Canada, the US, the UK, etc., but spatial distribution is still unexplored elsewhere, such as in Central European countries. It is continuously debated whether flourishing alternative food networks (e.g. successful FMs) are drivers or consequences of regional development. The impact of regional factors and government support on the presence and location of FMs in Hungary was analysed in this study.

Data were drawn from several public sources and referred to the period 2013-2018 at the level of the 174 LAU1 regions. Spatial autoregressive models and treatment effect analysis were applied.

Estimations suggest that population density and average tax income of the regions were positively associated with the presence of FMs along with the age distribution of local residents, and the number of farms and related factor endowments. On the other hand, density of retail shops, restaurants and hotel industry had no influence on the success of FMs. Rural development funds had only small positive or negligible effect. The results also highlight the importance of distinguishing between individual and corporate farms dominated regions. Our results are robust to alternative definitions of rural development support and alternative matching methods. To conclude, the social-economic background of a region plays an important role in the success of FMs, whilst the impacts of government support and service sectors density seem to be negligible.