

2025 Georgia AG FORECAST

STRATEGIC INSIGHTS FOR GEORGIA'S #1 INDUSTRY



UNIVERSITY OF GEORGIA
EXTENSION

Direct-to-Consumer Sales

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Main Takeaways

- We expect a growing importance of direct-to-consumer (DTC or D2C) sales in Georgia's agricultural economy. The share of farms involved in DTC sales over time will remain steady, and there will be an increase in DTC sales as a share of total farm sales.
- The dominance of large-scale operations will drive sales value.
- Farmers markets will gain traction, either in-person or online, supported by nonprofit organizations or Cooperative Extension.
- Consumer-supported agriculture (CSA) operations have faced some challenges in Georgia, including declining sales and fewer returning customers.
- Online sales via platforms like Barn2Door are getting popular among farmers and shoppers surfing on convenience.
- State branding remains key in increasing awareness and visibility of Georgia Grown agricultural and food products..

Introduction

The U.S. Department of Agriculture (USDA) defines direct-to-consumer (DTC) sales as the sales value of agrifood products sold directly to consumers by the farms where they were produced. This includes earnings from processed or value-added goods created and sold by the farm. Common examples of these sales channels include farm stores or stands, u-pick operations, roadside markets, online stores, community-supported agriculture (CSA) programs, and farmers markets. Notably, the USDA Census of Agriculture excludes non-edible agricultural products, such as cut flowers and nursery plants, from this segment.

Direct-to-consumer sales are a vital revenue stream for farmers, providing an avenue to generate income and build sustainable businesses. The latest census data shows that 116,617 out of 1,900,487 farms nationwide sold products directly to consumers in 2022. This represents a decline of approximately 10.33% compared to 2017; however, the proportion of farms involved in DTC sales remained relatively steady—6.37% in 2017 and 6.14% in 2022. The total value of DTC sales reached \$3.26 billion in 2022, accounting for 0.59% of all farm sales nationwide.

The demand for organic and local foods in Georgia has surged in recent years, reflecting national trends that prioritize fresh, locally sourced, and sustainably grown products. It is important to note that beyond the economic benefits, DTC channels foster direct connections between producers and consumers, enhancing transparency, trust, and community engagement. These interactions provide consumers with fresh, locally sourced food while strengthening the resilience and development of local and regional food systems.

Historical Trends in Direct Sales in Georgia

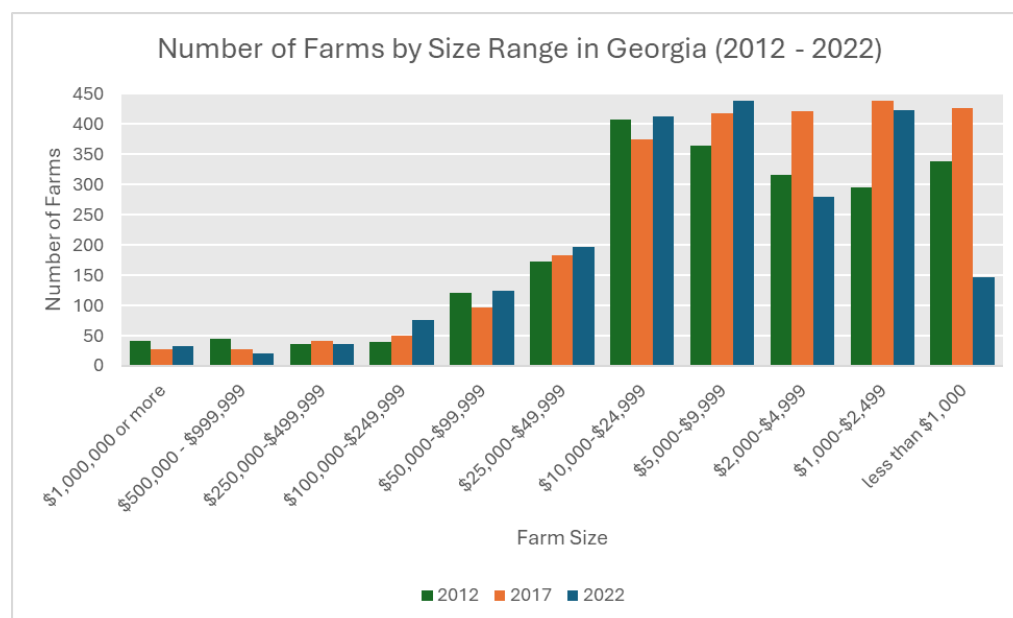
The census data for Georgia highlights the growing importance of DTC sales, both in terms of

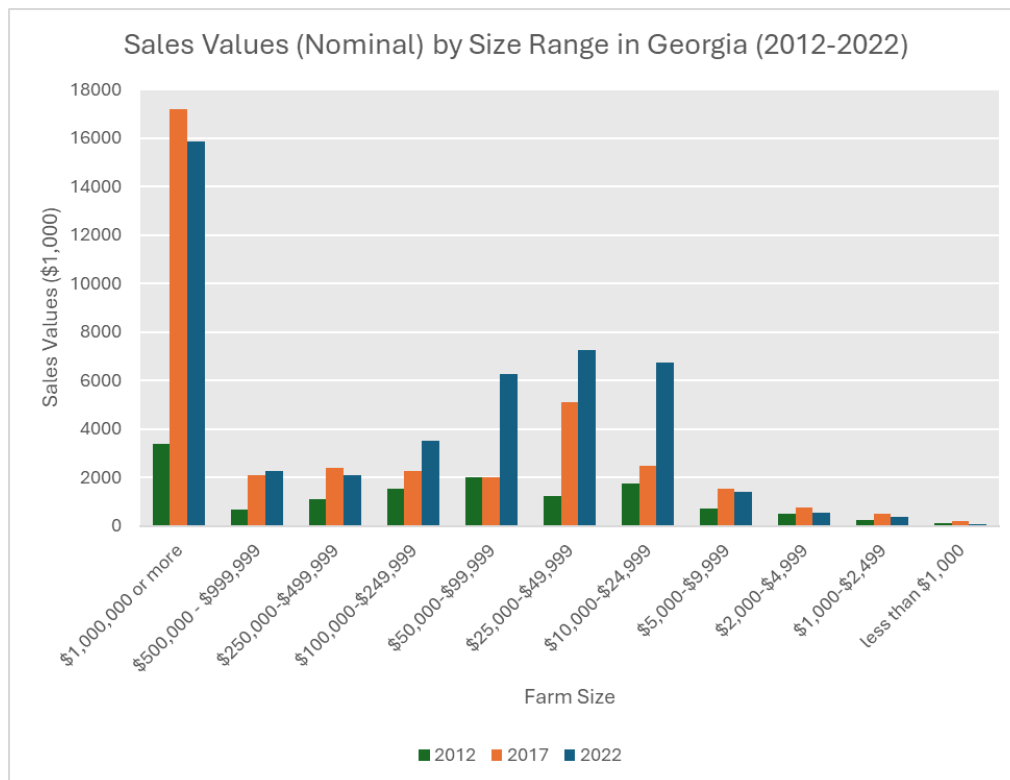
the number of participating farms and the overall value of their sales. While the number of farms engaged in DTC sales has decreased since 2017, this trend reflects the overall decline in the total number of farms nationwide. In 2022, farms participating in DTC sales accounted for 5.57% of the total farms in the state (2,186 out of 39,264 farms), a slight increase from 5.15% in 2017 (2,177 out of 42,439 farms). This demonstrates a consistent share of farms involved in direct sales over time.

The total value of agrifood products sold directly to consumers in Georgia experienced significant nominal growth over the past decade, increasing from \$13.2 million in 2012 to \$46.4 million in 2022. This growth reflects an increase in DTC sales as a share of total farm sales, from 0.14% in 2012 to 0.35% in 2022, underscoring the growing importance of DTC sales in Georgia's agricultural economy. Moreover, the inflation-adjusted average value of DTC sales per farm grew by 21.98% between 2017 and 2022, rising from \$17,403 to \$21,229, further emphasizing the expansion of this segment.

The number of farms with direct-to-consumer sales exceeding \$1 million increased from 28 in 2017 to 32 in 2022. These larger farms contributed 34.18% of total DTC sales in 2022, though their share declined significantly from 47.05% in 2017. This illustrates the dominance of large-scale operations in driving sales value, despite their numbers fluctuating over the years.

Direct sales are also crucial in mid-sized and smaller farms. Mid-sized farms in Georgia—with gross receipts between \$50,000 and \$1 million—experienced notable growth, with farm numbers increasing by 19.07% and nominal sales values rising by 61.53%. Smaller farms in the \$10,000–\$49,999 range saw a 16.05% decline in DTC participation but a 55.15% growth in sales values. Collectively, this data illustrates the critical role DTC sales play in supporting farmers across a range of scales.





Innovative Business Models Emerging

The transition to direct-to-consumer sales represents a significant shift in agricultural practices, driven by evolving consumer preferences. Consumers are increasingly prioritizing locally sourced and traceable foods, motivated by a desire to support local farmers and reduce the environmental impact of long supply chains. Additionally, many consumers seek opportunities to connect with agricultural heritage and better understand the origins of their food.

This cultural shift emphasizes shorter food supply chains, fostering deeper connections between producers and consumers. The current state of direct-to-consumer sales in Georgia reflects a vibrant and evolving landscape, driven by the support of public and private entities, as well as innovative distribution models which have helped with adapting to challenges.

Nonprofit-Supported Initiatives

Whether managing physical distribution or food access to households with limited options, nonprofit organizations have been instrumental in supporting direct-to-consumer sales.

Often referred to as food hubs, some organizations actively manage the aggregation, distribution, and marketing of agricultural and food products from multiple producers to multiple buyers, primarily local and regional. Since their founding in 2008, Augusta Locally

Grown (ALG) not only hosts in-person (Veggie Park Farmers Market) and online farmers markets, but also the group provides educational programs and promotes sustainable practices. Approximately 60 farmers, all with either Certified Naturally Grown or USDA Organic credentials, sell through the ALG online farmers market, which reached \$1.2M in sales over the past 5 years. To increase its support to farmers, ALG provides access to a commercial kitchen, mini grants to cover insurance, and a wholesale program. On average, five to 10 new farmers have joined the organization every year over the past 5 years.

Through their SNAP/EBT and Vegetable Prescription programs, ALG partners with other organizations like Wholesome Wave Georgia to create a resilient local food system that benefits both farmers and consumers. Through programs like Fresh for Less, Food for Health, and SNAP connection, Wholesome Wave Georgia supports consumers financially by matching SNAP/EBT dollars. They also provide free assistance for other federal and state benefits programs.

Initiatives Supported by Cooperative Extension

Farmers markets remain a cornerstone of DTC sales in Georgia. They provide venues for farmers to engage directly with their communities, branding their stories and production practices.

Sponsored by Bartow County and the Cartersville City Government, the Cartersville farmers market has benefited from the guidance and support of their local University of Georgia Cooperative Extension office. The market expanded in 2020, and Cartersville farmers market has seen close to a nine-fold increase in sales between 2019 and 2024, ending up with over \$1 million this year. The average number of vendors and number of market Saturdays has remained the same over the past 5 years. Like most farmers markets in Georgia, it offers SNAP/EBT programs and partners with Wholesome Wave Georgia. The operation has more than 12,000 Facebook followers, more than 6,000 followers on Instagram, and has received numerous awards and accolades—such as ranking in the America’s Farmers Market Celebration, which placed Cartersville’s farmers market as No. 1 in Georgia and No. 5 in the Southeast.

Another successful initiative supported by UGA Extension is the Fulton Fresh Mobile Market. This mobile market aims to address **food deserts** (areas that lack stores that sell healthy and affordable food) and underserved areas, delivering fresh produce to those who might otherwise lack easy access. It was created to educate residents living in communities designated as food deserts about the importance of fresh and in-season produce. Participants attend an in-person nutrition education session with a food-prep demonstration by UGA Extension, and then they receive a free bag of in-season produce from the mobile market to take home.

Cooperative Models Regaining Interest

The concept of farm cooperatives has been around for many years but has recently begun to reemerge in popularity as small farms find new ways to market their products collectively. These

models, often supported by individuals and community funding, empower small and mid-sized farmers by pooling resources and knowledge. They offer shared access to equipment, land, and markets, which helps reduce costs and improve efficiency. This collaborative framework also strengthens community ties and promotes sustainable agricultural practices.

One such cooperative in Georgia is located in Newton County. The worker-owned Love is Love Cooperative Farm produces certified organic fruits, vegetables, cut flowers, and seedlings, and provides produce for a 300+ member CSA group as well as selling directly to restaurants in the Atlanta area. The farm benefits from the experience and knowledge of five farmers who value collaboration with other farmers for the CSA program and who mentor young farmers.

Overall, Georgia's DTC sales ecosystem is thriving, bolstered by a combination of consumer demand, innovative marketing, and community-driven initiatives. With continued support from state programs, cooperatives, and nonprofits, the sector is well-positioned to grow and adapt to future challenges.

Outlook for Direct Sales in Georgia

Georgia's direct-to-consumer farm sales are poised for continued growth, driven by a slow but steady rise in consumer demand for fresh, local, and sustainably grown products. Studies from organizations like the USDA reveal that younger generations in particular are championing the local-food movement. These consumers often view their purchasing decisions as investments in their community and environment.

Georgia Grown, a State-Supported Branding Program

Since 2011, the Georgia Department of Agriculture's Georgia Grown program has played a pivotal role in promoting local agricultural products. This initiative provides marketing, branding, and networking support for all stakeholders involved in Georgia's food supply chain. The program has been growing through events like the Georgia Grown Symposium and the Sunbelt Ag Expo, offering educational sessions to professionals.

The website, online directory, and newsletter enable Georgia producers to connect directly with consumers. The program also partners with distribution giants such as Kroger on marketing campaigns to educate consumers and foster their trust and loyalty while helping local farmers increase visibility and sales.

Community Supported Agriculture is Facing Challenges

Community-supported agriculture has become an increasingly common direct market channel for small- and mid-scale farmers. The 2022 USDA Census of Agriculture data indicate that 30,332 U.S. farms reported marketing products through a CSA arrangement, a two-fold increase compared to 2012 (12,617 farms in 2012). Community-supported agriculture is a direct

marketing channel in which farms presell shares of their products to customers and offer weekly or monthly deliveries throughout the season.

There are many different CSA models now, depending on the size, location, and products of the farm. Over the past few years, CSAs have faced some challenges in Georgia, including declining sales and fewer returning customers. Some reasons identified relate to consumers' declining commitment as well as the increased competition from other DTC channels, especially online (e.g., Barn2Door).

The outlook for direct sales in Georgia suggests opportunities for growth and innovation, tempered by certain challenges that require strategic mitigation.

Increasing Awareness and Collaboration

While projections from market research studies suggest that demand for locally produced food will continue to grow as awareness of these benefits expands, farmers still will face the often cheaper, attractive, and convenient wide variety of goods under one roof offered by supermarkets. Educational campaigns at farmers markets or online will help underscore the benefits of local foods, such as superior freshness, sustainable production practices, and community support. It can also help justify the price premium. Cooperative models can help farmers pool resources and negotiate better terms collectively. Partnerships with local institutions, Cooperative Extension, or nonprofit organizations can help mitigate the hurdles of distribution, storage, and advertising.

Integrating Technology Into Direct Sales

Technology is emerging as a transformative force in the direct sales sector. The proliferation of e-commerce platforms and mobile applications tailored for agriculture is streamlining DTC sales. Applications like Barn2Door, already used by many farmers, provide tools for managing online storefronts, customer orders, and logistics, making local products more accessible and convenient. In Georgia, the COVID-19 pandemic accelerated the adoption of online farmers markets and delivery models, a trend likely to continue as consumers become accustomed to the convenience and efficiency of online ordering.

Conclusion

In conclusion, the data demonstrates the critical role of DTC sales in sustaining U.S. and Georgia farms. While larger farms continue to drive significant sales value, smaller and mid-sized farms have shown remarkable growth, benefiting from consumer demand for local, sustainable, and traceable foods. With innovative business models and cultural shifts favoring localized food systems, DTC sales offer a promising pathway for the future of agriculture.

The future of local and direct sales in Georgia is bright, driven by growing consumer demand,

technological advancements, and supportive policies. While challenges persist, initiatives like cooperatives, mobile markets, and e-commerce platforms offer pathways to overcome barriers. With continued investment in infrastructure, education, and policy advocacy, Georgia's local food system has the potential to thrive, becoming a model of sustainability and community-driven agriculture.