

GETTING STARTED WITH FARMERS' MARKETS



The Wallace Center at Winrock International would like to acknowledge the generous financial support of the U.S. Department of Agriculture's Risk Management Agency Office of Civil Rights and Community Outreach. The Wallace Center would also like to thank the Northeast Midwest Institute who assisted with the development and co-coordination of this project based upon the common prospective that markets are local entities with shared national needs.



TABLE OF CONTENTS



1. ARE FARMERS' MARKETS RIGHT FOR YOU?	3
2. BEFORE YOU BEGIN	7
3. GETTING STARTED	9
4. UNDERSTANDING COMPETITION	11
5. FINDING YOUR OWN NICHE	13
6. HOW MUCH TO CHARGE	15
7. TELLING YOUR STORY	17
8. GETTING IT DONE: THINK LIKE A CUSTOMER	21
9. MAKING IT WORK	23
10. WHERE TO LEARN MORE	25
11. OUR PARTNERS	26

1. ARE FARMERS' MARKETS RIGHT FOR YOU?



Selling at a Farmers' Market can help you increase your profits. For example, you can set your own prices at a farmers' market. But Farmers' Markets do have other challenges. This guide will show you how other farmers have worked to make their farms profitable by selling some or all of their products at farmers' markets. Learning from their experiences about setting prices or choosing marketing strategy can help you decide whether markets are right for you.

This guide is designed to be simple and brief. We have a lot more information about Farmers' Markets at www.farmersmarketsusa.org or www.wallacecenter.org.

DO YOUR HOMEWORK.



Every market has a different personality. Try to visit several markets before you choose one to join. Consider:

- The kinds of customers in the area served by the market.
- Who makes the rules for the market? How do vendors provide input into market management?
- How much the farmers pay to display their products?
- Lots of traffic and lots of sales do not always mean high profits.



Talk to other farmers. You can learn from their experiences. But first:

- Know your reasons for considering a Farmers' Market.
- Think about your own experiences and your own skills.
 - Do you know how to produce what sells at markets, or will you need help to learn?

THINGS TO CONSIDER.



1

PEOPLE.

Are you a “people person?” Do you want to interact with customers?

2

TIME.

Can you (or an employee) be away from the farm?

3

COSTS.

Think about other costs like fuel, packaging, signs and insurance.

4

NEW TRICKS.

Are you open to trying new things? Selling at a market often means trying to produce new products.

WHAT TO EXPECT.

Expect top prices for top quality product.

Expect to provide excellent customer service.

Expect friendly, appreciative customers. They are interested in learning about your products and can provide valuable feedback.

Selling at a Farmers' Market is a learning process. For many farmers, it goes like this:

SEASON 1: You're getting started. Everything is new. There's a lot to learn.



SEASON 2: It's getting a bit easier. You're working out the kinks.



SEASON 3: You know what to expect, and so do your customers. If you've gotten it "right," you should have a strong base of repeat business.

2. BEFORE YOU BEGIN



TALK TO THE MARKET MANAGER

Ask what products the market needs. Market managers are always looking for different products to add variety to their markets.

- Is there something you can provide that no one else has?
- If not, how many vendors are selling your products? A little competition is healthy, but too much supply pushes down prices.
- Ask questions – lots of questions. If you don't understand a rule or a policy, ask the manager to explain it. Ask for examples.
- Be patient. Market managers are busy people. If you have to leave a phone message, speak slowly, spell out your name, and leave your number. Explain what you currently produce and what information you're seeking.

A FEW THINGS TO KEEP IN MIND:



Meet with the market manager during autumn or winter, before the market season begins. He or she will have more time to help you in planning for the next season's market. Contact a year round market anytime.



This is your first of many chances to “sell” yourself and your farm. Explain to the market manager the ways that you can help fill a gap or meet a need – perhaps in the products you offer, or the customers you can attract.

3. GETTING STARTED



WHAT YOU NEED

- Liability Insurance
- A market to sell at: <http://apps.ams.usda.gov/FarmersMarkets/>
- Help from a Market Manager.
- Start slow. Start small. Start simple. Have the right attitude.
- Be honest. Work hard.
- Be proud of who you are, where you're from. Customers want to know and it can be a selling point.

FIND A MARKET THAT'S RIGHT FOR YOU.



Bigger markets with more vendors draw more customers.



At a market with fewer vendors, you may be the only seller of a certain product.



However, markets with few vendors (1-3) or many similar vendors are less interesting to customers.

4. UNDERSTANDING COMPETITION



The other farmers at your market face the same problems that you do and share the same goals. If asked, most would probably say they hope the entire market sells out every day. Your main competition is the supermarket that brings in produce from other states and other countries. At a farmers' market, it's not "me against you." It's "us against them." When pricing, promoting and even choosing produce for market, consider how your product will measure up against the selection and prices of a supermarket.

LEARN FROM OTHER VENDORS.



Watch how they interact with customers.



Do they have a variety of items, or do they specialize in a few items?



Check out their packaging, compare it to yours, or figure out a way to package your products.

5. FINDING YOUR OWN NICHE



LEARN WHAT THE CUSTOMER WANTS, DECIDE WHAT TO SELL, AND HOW TO COMPETE.



WHAT ARE YOU GOOD AT?



WHAT WILL MAKE YOUR STAND SPECIAL OR WILL FILL A "NICHE"?



WILL YOU SET YOUR PRICES JUST ABOVE COST, AT SUPERMARKET PRICES, OR AT WHAT CUSTOMERS ARE WILLING TO PAY?



WILL YOU BASE YOUR STRATEGY ON QUALITY, QUANTITY, OR DIFFERENTIATION?



HOW WILL YOU ADD VALUE TO YOUR PRODUCTS?

6. HOW MUCH TO CHARGE



One of the key benefits of a Farmers' Market is to get more for what you grow. Ideally, your prices are above wholesale, and near supermarket retail. But your quality has to be as good as or better than the supermarkets, unless you are selling products labelled as seconds.

WHAT YOU CHARGE IS BASED ON A FEW FACTORS:



Supply. If you have an item that is in short supply, you can charge more for it. On the other hand, if you have the same produce that everyone else has, prices will be lower.

FACTORS CONTINUED:



Charge what you need to cover costs. You don't have to match anyone's price, but customers will expect you to be close.



Quality. If your produce is an heirloom or unusual variety, beautiful, or bursting with flavor, you can charge more.



Perceived value. Your packaging, your tasty recipes, or even your farm story can add to what customers are willing to pay.

7. TELLING YOUR STORY



BASIC MARKETING

1.

DIFFERENTIATION:

Much of the appeal of farmers' markets is the variety – all sorts of vendors with all sorts of products. Your task is to let shoppers know what's special about your farm and your products.

2.

DIVERSIFICATION:

This is what the phrase “don't put all your eggs in one basket” means. Instead of relying on one or two products to attract customers, offer a broad range of products to choose from in all seasons.

3.

ADDING VALUE:

“Value” is simply the worth that customers place on your product. You can add value to your products, by selling novel varieties, through processing them into dips, spreads and jams, or through unique packaging.

PRESENTATION



Arrange eye catching displays of your products.



Make good use of vertical space. Use tiered displays.



Feature a variety of products.



Make products easily accessible.



Use color, shape and size to arrange products.



Store additional products in bins under tables.

TASTE



Point out the other features of your produce: taste, quality, how it was produced, how to use it and recipe ideas.

GO BEYOND APPEARANCE



Sell taste & quality. At market you can sell your ripest produce, which smells and tastes better.

SAMPLING



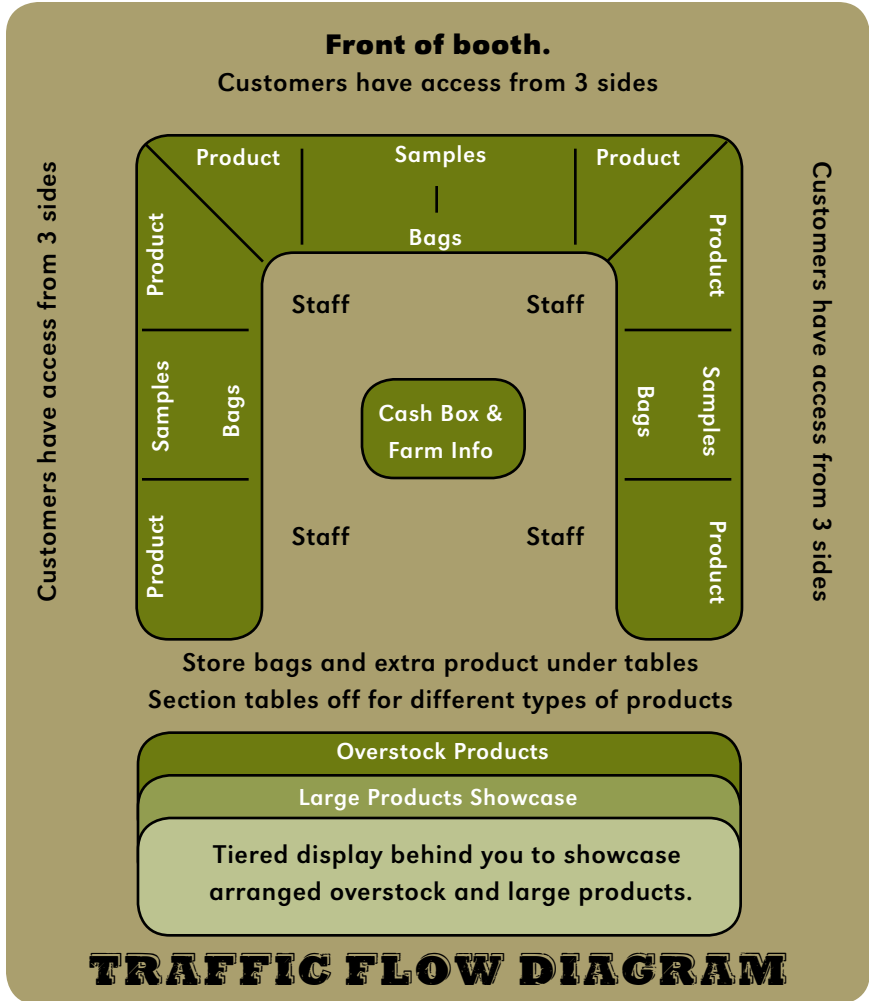
You need to check local health regulations, but in general, it's a good idea to offer samples. It's something your supermarket competitors sometimes can not do with fresh produce.

EDUCATION



Teach your customers how your products are different. Many customers know nothing about how produce is grown or how your livestock are raised. Tell them how seasons affect the farm. Explain why you chose a particular variety or production method.

8. GETTING IT DONE: THINK LIKE A CUSTOMER



LOOK AT THE “TRAFFIC” FLOW.

- Make it easy for customers to see and reach products.
- A traffic flow diagram can help. Include details like:
 - Sample area
 - Where staff stand
 - Where customers line up
 - Storage space for extra produce

HOW PEOPLE SHOP & WHAT YOU WILL NEED



You can make the market a rewarding experience for you AND your customers, by considering how people shop.

- Think ahead about what questions customers might ask.
- Stock plenty of bags.
- Bring scales.
- Bring extra help, if you need it.
- Bring lots of change: quarters, \$1's and \$5's
- Make purchases quick and easy.
 - Keep pricing simple.
 - Have a money belt, cash box or register.
 - Know what kinds of payment will you accept.

9. MAKING IT WORK



DEALING WITH PEOPLE

- Your goal is to connect with people. Building relationships will create repeat customers who will seek out you and your products.
- Be friendly, approachable, and have clean hands.
- Be patient.
- Speak slowly, and clearly. Chances are good that other customers are listening, and you can sell to two or three people at once.

TAKING CARE OF BUSINESS



Keep your register or cash box in a secure location. Never leave money out in the open or unsecured.



Check state and federal laws regarding labels; some federal laws do not apply to farmers' markets.



Check local health regulations, and use common sense. If you are selling a perishable product, keep it on ice, refrigerated, or in a cooler. Food-borne illness can be a serious problem. Keeping your product cold can help prevent issues.

10. WHERE TO LEARN MORE

ATTRA - National Sustainable Agriculture Information Service

A free service that can direct you to resource guides online or to order them by mail.

ATTRA, P.O. Box 3657, Fayetteville, AR 72702

800-346-9140 (English) 7 am to 7 pm Central Time

800-411-3222 (Español) 8 am to 5 pm Pacific Time

Find a farmers' market near you, or your state market association:

USDA Market Services Branch: 202-720-8317 or

<http://apps.ams.usda.gov/FarmersMarkets/>

"Marketing the Market"

General marketing principles such as salesmanship and promotion.

Kansas Rural Center, PO Box 133, Whiting KS 66552, (758) 873-3431

<http://www.kansasruralcenter.org/publications.html> (free)

"Dynamic Farmers' Marketing: A Guide to Successfully Selling Your Farmers' Market Products" by Jeff Ishee.

Bittersweet Farmstead, PO Box 52, Middlebrook, Virginia 24459.

\$14.95 plus \$2.00 for shipping. 540-866-8477

BUSINESS PLANNING AND PRODUCTION INFORMATION

"Market Gardening: A Start-up Guide"

Information on marketing, equipment, record-keeping, business planning, food safety, organic production, grower profiles, crop rotation, and common types of market produce

ATTRA, National Center for Appropriate Technology,

800-346-9140

<http://attra.ncat.org/attra-pub/marketgardening.html> (free)

Find your County Extension Service office for information on business planning and production issues:

<http://www.csrees.usda.gov/Extension/index.html>

Cooperative Extension Headquarters 202-720-7441

VISIT OUR WEBSITE

At www.wallacecenter.org, you'll find lots of helpful information on topics such as:

- Starting a market
- Selling at a market
- Health regulations
- Insurance
- Production assistance

11. OUR PARTNERS

Our partners inspire us. They are leaders, practitioners and innovators of markets big and small. They are market managers, farmers, trainers, and advocates for the farmers' market community as a whole. They were our eyes and ears, translating years of grassroots knowledge into simple lessons all direct marketing farmers should know. They were kind enough to share their advice, marketing tips, advertising solutions and EBT lessons with us in the hopes of inspiring a new generation. Our partners are a resource to the whole farmers' market community and can be a resource to you too.

Both the Wallace Center and the Northeast Midwest Institute would like to offer our thanks to August Schumacher Jr, whose national leadership on farmers' markets inspired our work and the work of countless others.



FARM TO TABLE

SEATTLE NEIGHBORHOOD FARMERS' MARKET ALLIANCE

GROWING POWER

NATIONAL IMMIGRANT FARMING INITIATIVE

FRESHFARM MARKETS

 **WALLACE CENTER**
WINROCK INTERNATIONAL

**Henry A. Wallace Center
Winrock International**

703.525.9430

1621 N. Kent Street, Arlington, VA 22209

www.wallacecenter.org

www.farmersmarketsusa.org



WINROCK
INTERNATIONAL

Putting Ideas to Work

2101 Riverfront Drive, Little Rock, AR 72202

501.280.3000 – information@winrock.org

www.winrock.org