

Starting a New Farmers Market



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The Farmers Market Management Series • Volume 1

Starting a New Farmers Market

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An Introduction to Farmers Markets

This chapter will enable you to:

- ▶ Understand the history of farmers markets and their past and present roles in communities.
- ▶ Be aware of the ways farmers markets can benefit consumers, farmers, and communities.
- ▶ Begin thinking about the kind of farmers market you want for your community.

Farmers Markets and Communities—Past and Present

Trading and food markets are probably as old as agriculture itself, likely developing in ancient Mesopotamian and Nile Valley civilizations. As soon as communities of people moved away from subsistence farming and began specializing in agriculture and engaging in trade, the marketplace became an essential feature of community life. In the United States, Governor John Winthrop of Boston established the first recorded market in the English colonies in 1634 and President Thomas Jefferson is reported to have attended a market in Georgetown in 1806 to buy beef, eggs, and assorted vegetables. Like most other people of his time, he relied on farmers markets for his daily supply of fresh food.

Farmers markets reached their peak of popularity in the nineteenth century before beginning a decline that continued through much of the twentieth century. After World War II, the development of suburbia and the ascendancy of supermarkets, chain stores, and convenience shopping were especially damaging to farmers markets. However, even during this time, many towns maintained their markets, preserving the close tie between their communities and local farmers. For example, in Lancaster, Pennsylvania, the Central Market has been held in the same location since the 1730s.

During the 1970s and 1980s, the United States witnessed a nationwide resurgence of interest in local farmers markets that stemmed in part from the “Back to the Land” movement of the 1960s and 1970s. This movement favored self-sufficiency and local food production. Cities, com-



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community groups, and farmers began to establish marketplaces for selling farm products directly to consumers.

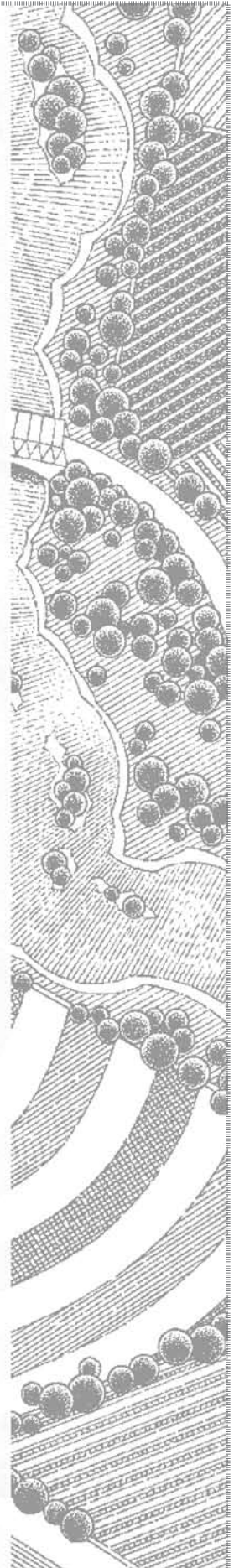
Currently, farmers markets are enjoying an upsurge in popularity. The number of markets in the U.S. has grown rapidly. The markets' rapid growth and success has impressed community planners, historic preservationists, town council members, economic developers, and farmers alike.

Farmers markets are seen as one solution to the multifaceted problem of our culture's growing isolation—from other people, from the environment, and from the sources of our food. People perceive farmers markets as gathering places where families can bond with neighbors and visit with friends. Farmers markets also provide a medium by which people can get closer to their food sources. Many consumers feel good about supporting local farmers. They also tend to distinguish the produce offered at farmers markets as higher in quality, more flavorful, fresher, and more healthy than the produce typically found in other outlets. Farmers, in turn, can interact directly with their customers, building relationships and fostering customer loyalty while potentially generating greater profits than if they sell their produce wholesale.

Types of Markets

Today's farmers markets come in a variety of types and sizes. The essential meaning of "farmers market" has become somewhat diluted as many supermarket chains and flea markets have adopted the term and closely follow the same design concept. Certified farmers markets, by definition, are sites where local farmers participate in selling direct to consumers. Certification means that a government agency or official—in California, it is the county agriculture commissioner—has certified that the market's vendors have grown what they sell at the market and that the market includes only farmers who are certified producers. The National Farmers Market Association recognizes only farmers markets that:

- offer locally grown produce (grown within a thirty- to fifty-mile radius of the market);
- are sold by "principal producers" (the stall is operated by someone directly involved in production);
- are operated in accordance with trading standards, environmental health regulations, licensing, charters, and other relevant legislation; and
- have criteria for market rules and policies that do not conflict with the main principles set by the National Farmers Market Association.



At a certified farmers market, all vendors sell “direct from the farm” items such as fruits, vegetables, nuts, herbs, and flowers. Some farmers markets include meat, eggs, and dairy products. Farmers market managers often encourage the sale of value-added items such as salsas, jams, specialty oils, and nut butters and incorporation of local handicrafts and artisans. Depending on state regulations and the market bylaws, vendors may be required to grow all of what they sell or they may be able to bring in a percentage of items that they did not produce but sell on behalf of other growers. During the start-up process, it will be necessary to research and follow the regulations that apply in your state, region, and locality.

Some smaller markets can be informal affairs consisting of a small group of farmers selling produce straight from the backs of their trucks. Other markets are open year round and have permanent buildings with more than a hundred vendors. In California, certified farmers markets vary in size and numbers of vendors, and farmers are required to produce what they sell. California certified farmers markets are the focus of this book. However, most of the information is pertinent to markets throughout the United States.

Benefits of Farmers Markets

There are many reasons why farmers markets have been successful and why so many communities support them. Farmers markets provide significant benefits to consumers, farmers, and the communities they serve.

Benefits to Consumers

Consumers flock to farmers markets for two main reasons: the wide selection of fresh, affordable produce and specialty food items such as honey and artisanal cheeses and the opportunity to gather with friends. Maureen Kelley, a customer

who shops at the Sonora, California, farmers market says, “Oh, I get food. But mainly I go to see my friends. It has become sort of a tradition to meet there and it is the only chance in the week I have to talk with people I do not otherwise see.”

At many markets, buying direct from the farmer means lower prices and a large variety and selection of produce, as well as access to primary producers



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who can answer questions about their growing methods and food preparation. Farmers markets also make it easier for people interested in home processing to purchase large quantities of produce at affordable prices.

Benefits to Farmers

Selling direct to consumers through farmers markets allows farmers to produce and sell in a way that provides more income and consumer contact than would be possible selling through other channels. Farmers markets are particularly good outlets for small-scale farmers who have relatively small volumes of produce. Many growers also use farmers markets as an opportunity to experiment with small amounts of exotic or new products that would be risky to produce in large quantities for wholesale distribution. Farmers markets allow them to develop their product marketing methods according to consumer needs and buying behavior and get feedback on new products directly from consumers.

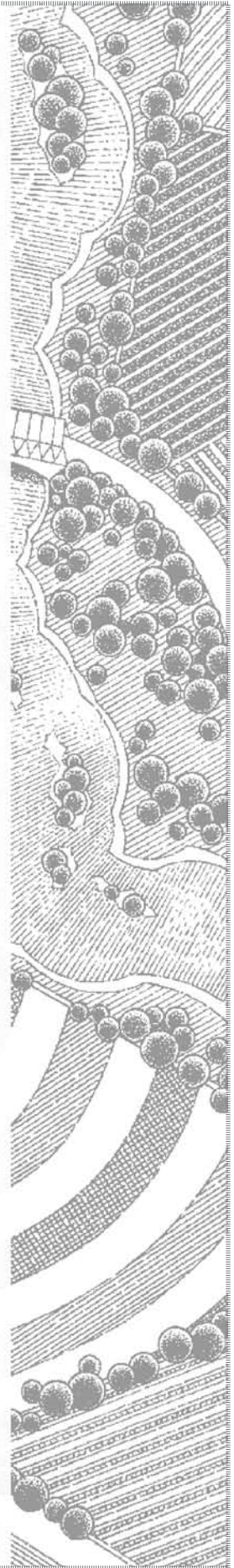


Farmers markets can also serve as launching pads for farm-based small businesses. A recent study of California farmers markets found that, from 2000 to 2003, approximately 21 percent of vendors had expanded their operations to offer produce to secondary and tertiary farmers markets, community supported agriculture (CSA) groups, and/or direct sales to restaurants. Half of the market managers polled had seen an increase in the amount of value-added products offered. Farmers markets have acted as a vehicle by which farmers can increase their profitability by diversifying their product base, expanding direct marketing efforts, and developing their business skills.

Vendors have the opportunity to set their own prices and may receive other market-related benefits as well. Benefits can include market-generated promotional materials and exemptions from certain marketing requirements. After a day of selling at a farmers market, they have the satisfaction of seeing the immediate cash return with no accounts receivables pending. Above all, by selling direct, farmers have the opportunity to interact with their customers.

Benefits to Communities

Farmers markets can serve as building blocks for stronger communities and also encourage and enhance the preservation of farmland. A well-planned market can create a safe, festive, and healthy atmosphere in which all members of the community can participate. In urban areas, farmers markets provide a link between



food consumption and production, allowing residents to get a better sense of their foods' origins.

Farmers markets address the needs of many low-income communities, where access to quality produce is severely limited. Corner markets and convenience stores in low-income communities oftentimes are the primary providers of fresh produce. Quality at these markets is mostly poor and prices are often higher than those in retail grocery stores. Families are subsequently left with very few options for creating a balanced, healthy diet without spending considerable time and money to travel outside their neighborhoods.

Farmers markets are an excellent way for these communities to address their nutritional needs by making available a more diverse and affordable selection of fresh produce. In Hartford, Connecticut, the Latino population comes largely from predominantly rural Puerto Rican backgrounds. However, living in a large city makes it nearly impossible to maintain their agricultural traditions. For these people, old and young, meeting farmers at the market and eating farm-fresh foods are thus an important relationship between this community and its agricultural heritage.

Farmers markets contribute to local food security and agricultural diversity. In today's agriculture, vast areas of the country specialize in only one or two crops. At the same time, more American farmers increasingly depend on transportation and expensive technologies to compete in the global marketplace.

Farmers markets draw consumers into central downtown areas, local malls, and store parking lots. This, in turn, generates sales and exposure for local businesses. Some markets provide a time and place for nonprofit groups, community organizations, city officials, and University of California Cooperative Extension specialists to provide information on topics such as local classes, health issues, and summer activities. Some markets, such as the Capitol Square Market in Madison, Wisconsin, and the Eighth and Oak Street Market in Eugene, Oregon, are famous for their public forums and free-speech sites.

Farmers markets contribute to local food security and agricultural diversity. A number of political and economic factors are converging to give a significant competitive edge to large agribusinesses and to reduce the number of small and



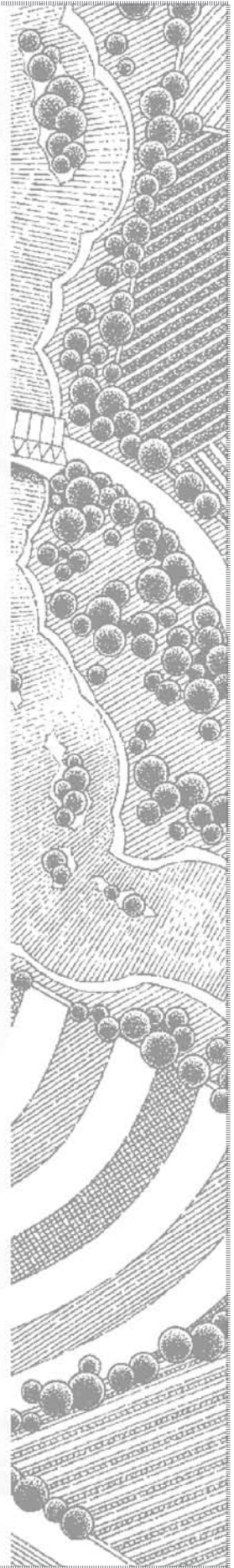
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family farms. The entire food system has become so large and complex that many consumers feel powerless to influence it. Farmers markets empower consumers and make communities more interdependent. The local population can support its local farmers, who in turn get more money to invest in local businesses. As a result, communities as a whole develop a more secure economic base and food system.

The Purpose of this Manual

Anyone can start a farmers market—city governments, farmers, community groups, business associations, individuals—but becoming a certified farmers market in California involves certain requirements and conditions. Our focus here is particularly on certified farmers markets and markets organized by and with farmers as owners. Every market comes together differently according to variables such as local demographics, politics, and site availability. The combination of goals, resources, and organizational challenges are unique to each market. However, many markets have similar needs when they first get going. This manual is designed to guide users through the process of starting a farmers market. It covers successful methods and innovative strategies developed by many experienced market managers and professionals. These approaches should be carefully tailored to fit an individual market's needs. By using this manual as a companion to your start-up activities, you can avoid many common pitfalls of the start-up process and lay a solid foundation for a viable and successful market.

The next chapter will guide you through setting up an organizing committee and conducting a feasibility study to determine your potential for success in starting a farmers market in your community.



Envisioning the Farmers Market in Your Community

This chapter will enable you to:

- ▶ **Articulate your vision for a new farmers market in your community.**
- ▶ **Understand the steps involved in creating a new farmers market.**
- ▶ **Identify individuals and organizations as potential partners or supporters.**
- ▶ **Establish an effective organizing committee and working committees to conduct a feasibility study.**

The previous chapter provided a history of farmers markets so that you could see their origins and purposes from the early days of European settlement of North America to the present. This chapter will help you to look forward and use the rich history of farmers markets to create a vision of the farmers market you would like to see developed in your community.

The idea for a farmers market can originate with farmers, consumers, a community organization, or a combination of groups. One person may wish for a source of fresh local produce and work to make that wish a reality. Or an urban development group may see a farmers market as part of a larger plan to revitalize a neighborhood. The starting points differ but the development process follows a pattern: articulate a vision, gain community support, and create and implement a plan. The start-up process generally takes about a year.

An Overview of the Start-up Process

The year that is typically devoted to start-up activities is a busy one. It involves first articulating your vision and then bringing together a core group of partners and assessing the feasibility

of starting a farmers market in your community. Once the feasibility of the market is established and you decide to move ahead, you develop the organizational structure and begin forming the board of directors. The board then hires the market manager and oversees the remaining start-up activities. Start-up activities can be categorized as organization building; assessment, planning, and infrastructure building; and preparation for opening day and beyond.

Establishing and developing the organization begins with an organizing committee made up of members who actively work to make the market a reality. Identification of potential partners and supporters, initial outreach, and meetings of organizers and of farmers and other potential vendors are key activities for suc-

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cess. It is important to create working committees of committed, results-oriented individuals and to establish an effective, productive board of directors. These are the people who will make decisions and establish the bylaws and policies for the market, and their efforts will be crucial to the market's success.

Assessment and planning includes gauging community support, analyzing consumer demand, preparing a written plan and budget, establishing the business and financial structure of the market, writing rules and bylaws, choosing a site, and researching and complying with permitting requirements and other regulations.

Preparation for opening day consists of promoting the opening of the market, planning special events for opening day, and ensuring that all the participants—from vendors to volunteers—know what to expect and are adequately prepared.

Articulating Your Vision

The first step in starting a farmers market is getting your ideas on paper. You probably have a mental picture of the farmers market you want to create or of the problem to be solved with the addition of a market in your community. But to make your vision a reality, you need to put that vision into words so that others can understand it and share it.

Following are descriptions of several farmers markets. Each one is successful and reflects a unique vision. Read the descriptions and highlight the attributes of each market that appeal to you. You also can note things that do not appeal to you or that do not seem relevant to your community. You can then use these notes to describe your vision for your farmers market.



Market 1

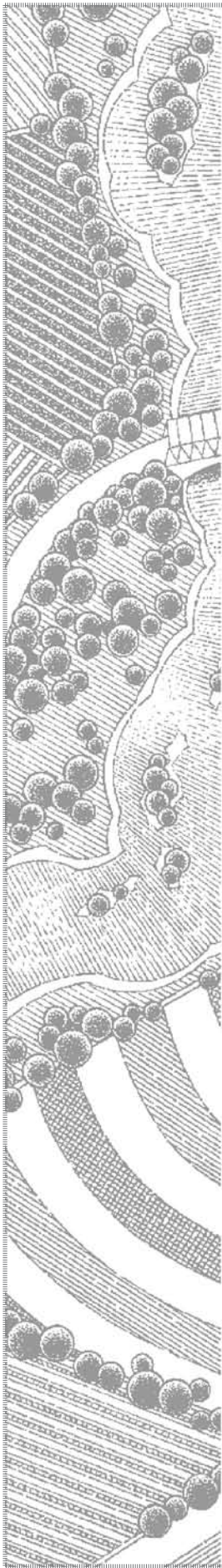
Greenmarket – New York City

Greenmarket in New York City runs open-air seasonal farmers markets in neighborhoods throughout the city. According to the Greenmarket website, “Greenmarket, a program of the Council on the Environment of New York City, promotes regional agriculture and ensures a continuing supply of fresh, local produce for New Yorkers. Greenmarket has organized and managed open-air farmers markets in New York City since 1976. By providing regional small family farmers with opportunities to sell their fruits, vegetables, and other farm products to New Yorkers, Greenmarket supports farmers and preserves farmland for the future.” Some market facts from the website illustrate the Greenmarket vision and how it is put into action:

- Forty-seven markets in thirty-three locations in Manhattan, Brooklyn, Queens, the Bronx, and Staten Island.
- Twenty-three of the markets in sixteen locations operate year round.
- More than 250,000 customers frequent the markets each week during the peak season.
- Coupons offered by the Farmers Market Nutrition Program worth more than \$800,000 were redeemed at Greenmarket in 2000.
- More than 105 restaurants obtain ingredients from Greenmarket farmers each week.
- Three thousand students from eighty-two schools participate in Greenmarket’s educational tours.
- Greenmarket farmers donate about 500,000 pounds of food to City Harvest and other hunger relief organizations each year.



To ensure an adequate supply of farm products for New York City consumers, Greenmarket collaborates with Cornell University Cooperative Extension in the



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New Farmer Development Project, an effort that helps immigrants with farming experience to become farmers in the New York metropolitan region.

Market 2

Dane County Farmers Market – Madison, Wisconsin

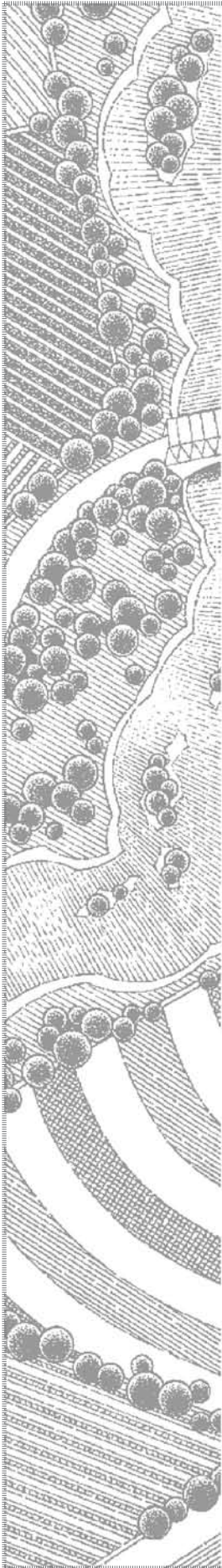
The mission of the Dane County Farmers Market reflects another vision. Dane County Farmers Market, Inc. is an organization founded to pursue the following goals:

- To give growers and producers of Wisconsin agricultural commodities and other farm-related products alternative marketing opportunities.
- To promote the sale of Wisconsin-grown farm products.
- To improve the variety, freshness, taste, and nutritional value of produce available in the Madison area.
- To provide an opportunity for farmers and people from urban communities to deal directly with each other rather than through third parties and to thereby get to know and learn from one another.
- To provide an educational forum for consumers to learn about the uses and benefits of high-quality, locally grown or prepared food products.
- To provide educational opportunities for producers to test and refine their products and marketing skills.
- To enhance the quality of life in the greater Madison area by providing a community activity that fosters social gathering and interaction.
- To preserve Wisconsin's unique agricultural heritage and the historical role that farmers markets have played in it.



The market's website (www.dcfm.org/aboutmkt.asp) offers the following details:

- The Dane County Farmers Market on the Square is a Saturday and Wednesday tradition in Madison.



- You will find the season's best bounty of vegetables, flowers, and specialty products from approximately 300 vendors. All of the agriculturally related items are produced in Wisconsin. The market is reported to be the largest producer-only farmers market in the country!
- Both the Saturday and Wednesday locations are easily accessible by bike, bus, or car. Dogs (except service dogs) are NOT ALLOWED on the Square during the Saturday Market—it is a safety issue.
- The Saturday Scene on the Square is really four different events going on at once.
- The Dane County Farmers Market is the heart of the activities on the square. Our vendors line the outside edge of the state capitol grounds. They sell agriculturally related producer-only products from Wisconsin. The market has strict rules and a three-year waiting list for new vendors.
- The interior of the state capitol grounds is used for nonprofit, political, and public information booths and for various entertainment activities. All permits are handled through the capitol police.
- The arts and crafts vendors are located across the street on city property. Permits for this market are handled through the City of Madison.
- Also, many street musicians play across the street on city property and add to the festivities.
- Enjoy the market as often as possible. It is about fun, food, and friendly vendors. Early arrivals get first choice of the fine selection. It is a great place for people watching too.

After reading the descriptions of these two markets, it is easy to see the different visions of the markets' founders and directors. Greenmarket's vision is oriented toward building a healthy, nutritious food supply that is accessible and affordable to low-income consumers and that protects the region's agricultural heritage and capacity. Dane County Farmers Market includes agricultural preservation as well, but it also includes quality of life, interactions between farmers and consumers, and education. Dane County Farmers Market is a "destination" market, while Greenmarkets are "stop and shop" markets; one entices consumers to linger and enjoy the area, while the other is designed for convenient access.

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Market 3

Urban Oaks – New Britain, Connecticut

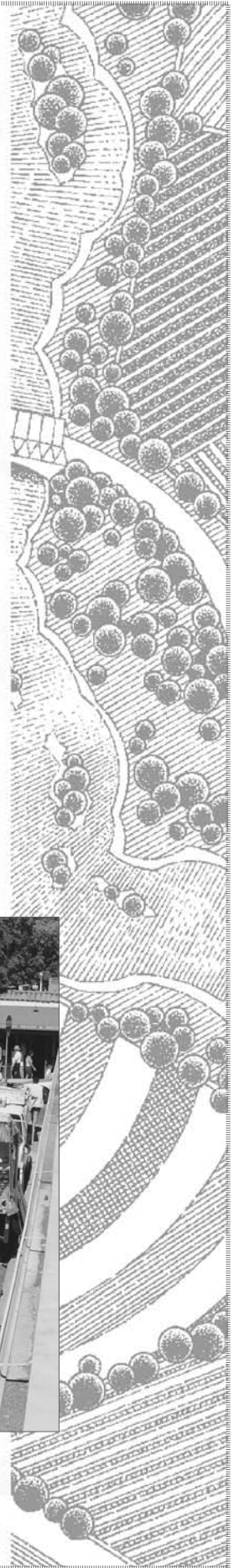
Yet another vision is demonstrated in the case of Urban Oaks farmers market in New Britain, Connecticut. Urban Oaks is a small organic farm in the heart of industrial New Britain. When farmland in rural Bolton was being gobbled up by suburban housing development, Tony Norris and his partner gave up their rented Bolton farmland and returned to Tony's hometown of New Britain, where they converted an abandoned lot into an organic farm. Urban Oaks is a financially self-supporting nonprofit organization. Tony hires local youth who can work on the farm as long as they keep up their grades in school. He also helps young employees to navigate the admissions and financial aid systems to attend college, many as the first in their families to do so. In addition to supplying restaurants and university dining halls, Urban Oaks is the source of healthy organic fruits and vegetables in its neighborhood, and it has become a distributor for organic farms throughout the region. One day a week Urban Oaks offers a farmers market that makes high-quality produce available to the largely immigrant community in its New Britain neighborhood as part of its larger commitment to contributing to the neighborhood and to the viability of organic farming.

What is Your Vision?

The markets described here offer just a few of many possible variations for a vision of a farmers market.

Now that you have read them, which ones appeal to you? What would you include in your vision of the farmers market you want to create?

List the characteristics you envision for your farmers market on the next page. You can use the elements shown in the boxes to help you define your vision and check the ones that interest you.

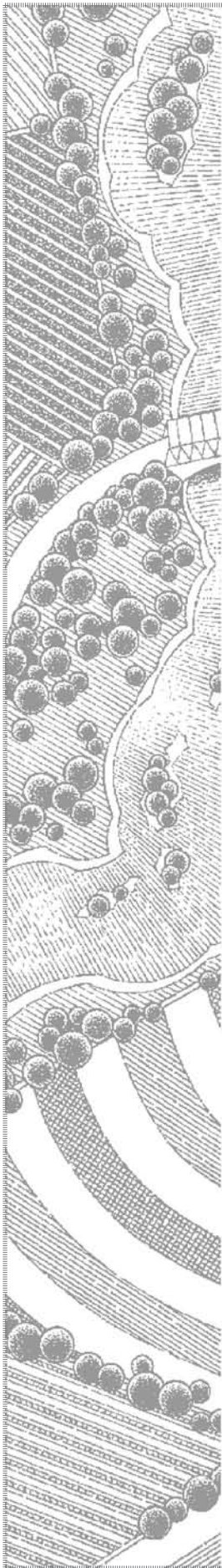


My vision includes:

Vision statement:

Desirable Characteristics for your Farmers Market

- Affordable produce
- Accessible by public transportation
- Lots of variety
- Individuals/families as customers
- Neighborhood-based
- Downtown
- Convenient
- Community gathering place
- Cultural forum
- Information dissemination
- Free speech
- Gourmet products
- Meat, fish, dairy, eggs, honey
- Restaurants as customers
- Entertainment
- Family friendly
- Arts and crafts products
- Value-added products
- Education
- Product demonstrations
- Fundraising
- Agricultural heritage
- Sustainable agriculture

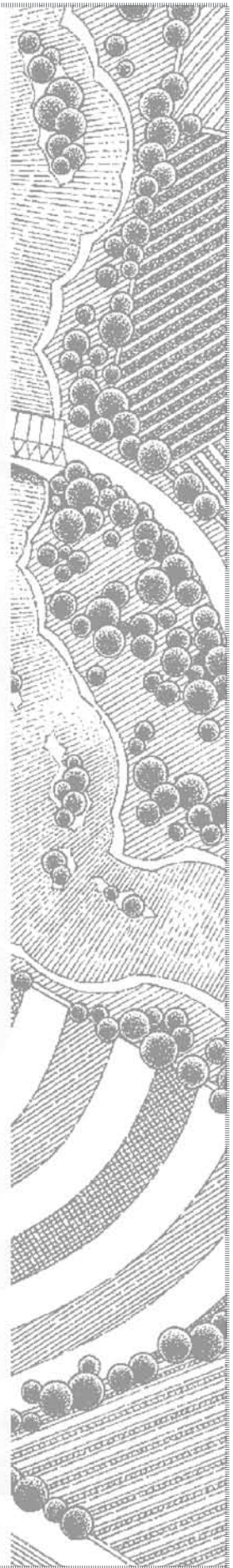


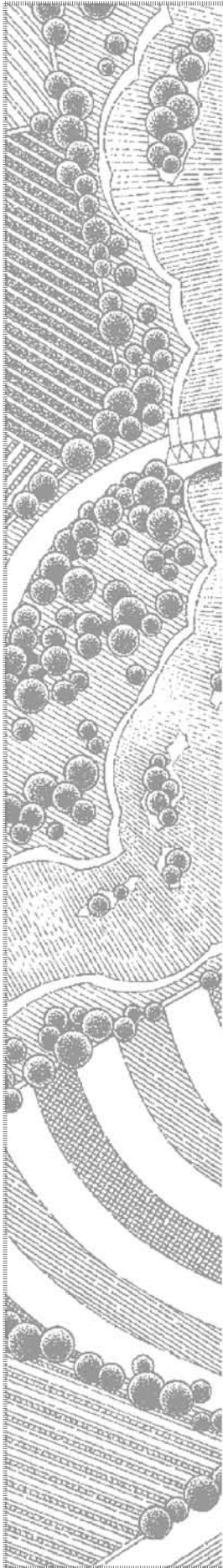
Using Your Vision to Create an Effective Organizing Committee— Forming Partnerships and Building Community Support

Your vision for the farmers market will direct your search for partners and supporters. There are many possible sources of collaboration and support, and your venture will be most successful if you involve the organizations and people who share your vision and will work with you to make it a reality.

Some potential partners and supporters are listed on the following page. Put a check next to those whose work seems most closely aligned with your vision for the farmers market.

Once you have identified potential partners and supporters, you should share your vision with them and invite their participation in making that vision a reality. This happens through the initial contact, by an invitation to an organizing meeting, and during the meeting.





- 4-H Clubs
- Chambers of commerce
- High school or university agriculture departments
- Commodity boards and marketing orders
- Community development corporations
- Community gardens
- Consumer cooperatives
- County farm bureau offices
- Economic development
- Food banks
- Sustainable or organic farming
- Direct marketing programs and organizations
- County nutrition programs
- Restaurants
- Health clubs
- Religious groups (churches, synagogues, mosques, etc.)
- County agricultural commissioner's office
- Elected officials
- Future Farmers of America
- Town, city, and county governments
- Food buying clubs
- County economic opportunity commissions
- Downtown improvement districts and development associations
- Community development programs at local colleges
- Garden clubs
- Cooking classes/clubs
- Food pantries/soup kitchens
- Ethnic organizations
- Local U.S. Department of Agriculture office
- State departments of food and agriculture
- Farmers market associations or federations
- Herb societies
- Master gardeners
- Local Grange
- Service organizations (Elks, Lions, Rotary Club, etc.)
- County farm advisors/Cooperative Extension offices
- Local production or marketing coopera-
- Local farm trails

Reaching Out to Potential Partners and Supporters

Outreach to potential partners and supporters can happen formally or informally. One approach is to begin with people you already know who are involved in any of the organizations you would like to recruit. Call and ask them to participate and for an introduction to their colleagues in other organizations. Another approach is to write a letter that accomplishes both the introduction and the invitation to an initial meeting. In your letter, describe your vision for a new farmers market and any partners or other details that have been determined and outline the roles and responsibilities you foresee for partners.

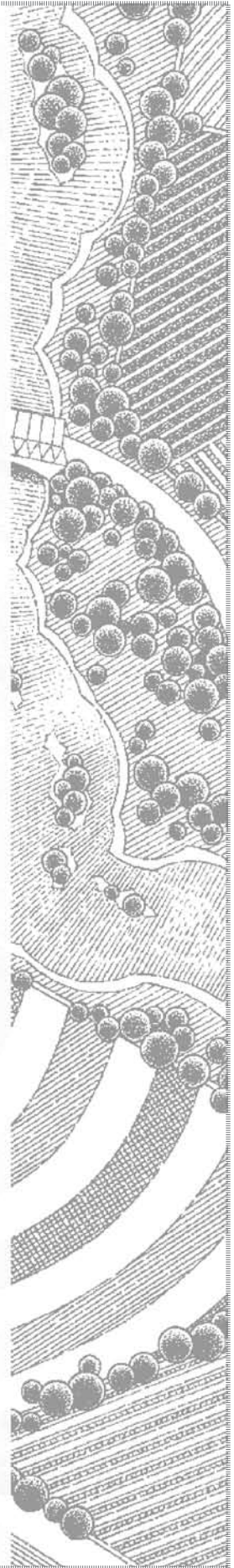
As you recruit organizations and individuals, consider the following characteristics:

- The organization's goals, activities, and approach to partnerships add an important quality to your organizing committee and the individual recruited is willing and able to represent the organization.
- The individual representative has the authority to make commitments on behalf of the organization or is in communication with those who have the authority.
- The individual has the time and energy to participate actively in the start-up process.
- The individual will work positively and collaboratively with other individuals and organizations in the group.

If any of these criteria are not met, you may need to reconsider the commitment you are requesting, the role you want that organization or individual to play, the suitability of that individual representative, or even whether to invite the organization's participation. Consider your organizing committee members carefully because they are the people whose work will determine whether you move forward with starting a market. If you are planning a market for a low-income area, you should read through Chapter Three, *Organizing a Market in a Low-Income Area*, so that you can address issues specific to such neighborhoods from the beginning.

The Organizing Meeting

When you bring together potential partners and supporters for an initial organizing meeting, you can have a basic framework prepared so that all participants can form a realistic idea of the commitment and activities involved in starting a new farmers market and decide whether they can make a commitment to the project.



Before the Meeting

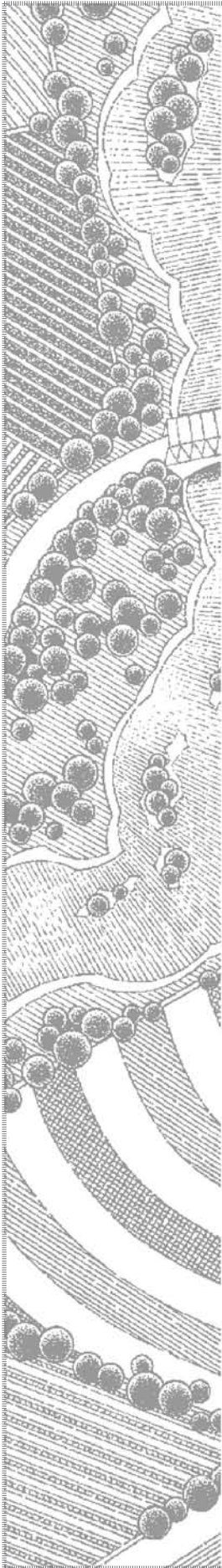
- Send out invitations three to four weeks in advance of the meeting.
- Secure a functional, comfortable, accessible space.
- Plan your agenda.
- Send reminder emails or make reminder calls to ensure good attendance.



Write a letter of invitation to the meeting. The first meeting is an opportunity to bring prospective partners and supporters together to share information and ideas. To establish a small group of active partners, you need to reach out to a somewhat larger group. Introduce the idea of the farmers market and invite people to the organizational meeting with a brief letter that includes:

- A one-sentence description of the purpose of the meeting, which is the formation of an organizing committee and working committees to establish the feasibility of starting a farmers market.
- The meeting date, time, and location.
- The benefits that markets bring to farmers and producers, consumers, and communities.
- Your vision for a local farmers market.
- Any people and organizations that are already involved in the effort to establish the market.
- Contact information.
- A request that they RSVP.

The next two pages contain a sample letter of invitation and a sample agenda.



Sample Letter of Invitation

Your Name
Address

Recipient's Name
Recipient's Organization
Address

March 1, 2006

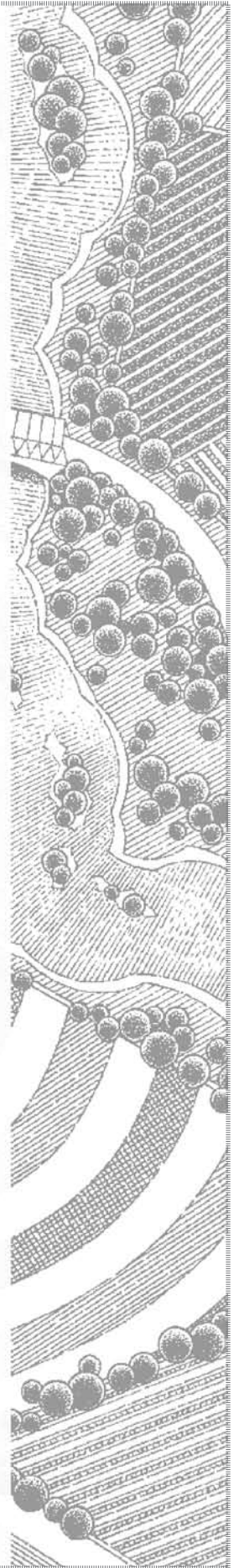
Dear _____:

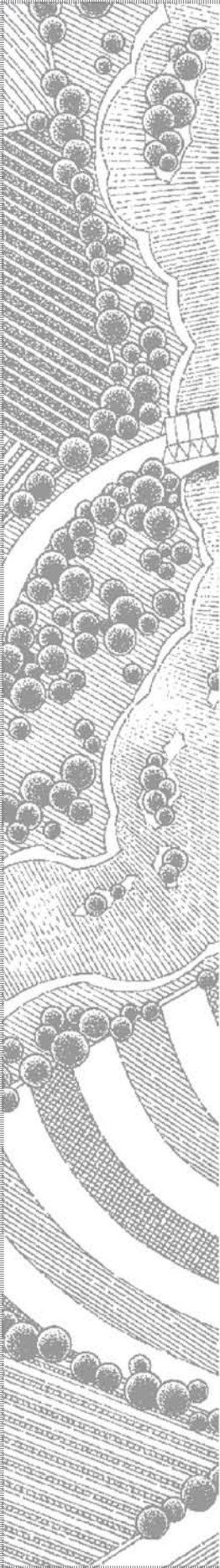
I am writing to invite you to a meeting to discuss starting a farmers market in our town and to create an organizing committee and working committees that will assess the feasibility of creating a farmers market. The meeting will be held in the Public Library Community Room on Tuesday, March 23, from 4:30–5:30 p.m.

Starting a farmers market in our town could bring many benefits to farmers, consumers, and communities. For farmers, a market means the opportunity to sell directly to consumers, thereby earning a larger share of the price than when selling wholesale. It also means the opportunity to hear consumers' preferences directly and to test new and specialty products. For consumers, a farmers market means access to high-quality, locally grown produce and other farm products. For communities, a farmers market can have both social and economic benefits. Farmers markets can be popular gathering places, strengthening a sense of community. They also can bring economic benefits as people come to buy at a farmers market and stay to shop at neighboring businesses. We envision a farmers market that is an enjoyable gathering place, a source of healthy local food, and a strong contributor to the social and economic vitality of our town and surrounding agricultural communities.

The Chamber of Commerce and the Grange Hall have both expressed an interest in supporting the project, and they join me in inviting you to this organizational meeting. Please contact me at 555.123.4567 by March 15 to RSVP and if you have questions or would like to discuss the project. We look forward to seeing you on March 23rd at 4:30.

Sincerely,





Create an Agenda for the Meeting. Create an agenda so that you will use the meeting time productively. The meeting should achieve three objectives: Share your vision, gain commitments from a sufficient number of people to form an organizing committee, and create working committees to take on the tasks involved in assessing the feasibility of starting a market. The sample agenda at right includes agenda items to support each of the meeting's objectives, along with an estimate of the amount of time to spend on each item. Try to balance time for discussion with the need to keep the meeting manageable in length so that people do not start leaving before committing to working on making the market a reality.

Running a Successful Meeting

Especially in an initial organizing meeting, it is crucial that interest and commitment not be undermined by poor meeting facilitation. Everyone has been to meetings that do not start on time, continue well past the expected adjournment, or do not accomplish anything because they are poorly run. The worst possible outcome is that people who could be instrumental in the success of a new market simply do not want to be part of your project. If you are not an experienced and confident meeting organizer, you might want to use the information that follows to help make sure your meeting is a success.

Farmers Market Organizational Meeting Agenda

Place:

Date:

Time:

1. Welcome and introductions.
(ten minutes)
2. PowerPoint presentation: What is a farmers market and what would it mean to our community?
(ten to fifteen minutes)
3. Questions and answers.
(twenty to thirty minutes)
4. Outline of the start-up process.
(fifteen minutes)
5. Next steps: Establishing the organizing committee, forming working committees, and recruiting committee members and chairs.
(thirty minutes)
6. Next meeting date.
(five to ten minutes)
7. Adjourn.

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Beginning the Meeting

- Provide name tags at the entrance area. All attendees should have name tags, as this makes it easier to start conversations with new people.
- Begin on time.
- Start by clearly defining the roles of the facilitator, notetaker, timekeeper, and any others participating in running the meeting.
- Ask participants to introduce themselves to those near them and briefly describe why they are there.
- Set ground rules, such as clear time limits for each item and the amount of time available for questions and discussion.

Facilitating the Meeting

- Follow the agenda and stick to time limits. If any new issues come up that are obviously important to people, add them to the agenda or schedule them for the next meeting. But do not let these other issues distract you from the agenda item at hand.
- Distribute a mailing list sign-up for attendees to fill out during the meeting.

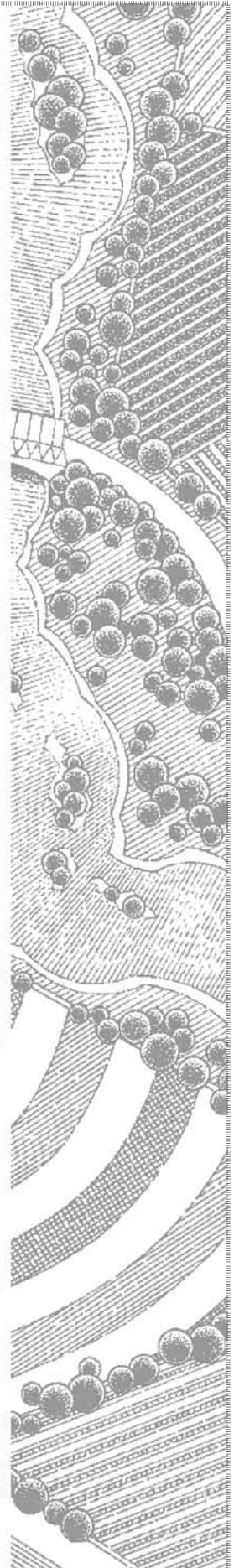


Concluding the Meeting

- Give a quick summary of the discussions and the decisions that were made at the meeting. Re-establish action items: who, what, when.
- Read the list of people and organizations that have committed to joining the organizing committee.
- Take a count of potential volunteers for working committees.
- Set the date and place of the next meeting and develop a preliminary agenda.
- Close the meeting on a positive note and on time.

After the Meeting

- Evaluate the meeting with the other organizers.
- Clean up and rearrange the room.
- Prepare the group memo for the next meeting and send out thank-you cards to key community members for their participation.



- Follow up on action items and begin planning for the next meeting.

Committees and Their Roles and Responsibilities

The Organizing Committee

The organizing committee has several major responsibilities. First, in working committees, this group conducts the assessment and analysis necessary to establish the feasibility of starting a market. Second, the organizing committee analyzes the findings of the working committees and decides whether to proceed. Third, the organizing committee determines the organizational structure of the market and creates the board of directors, which then writes bylaws and hires the market manager.

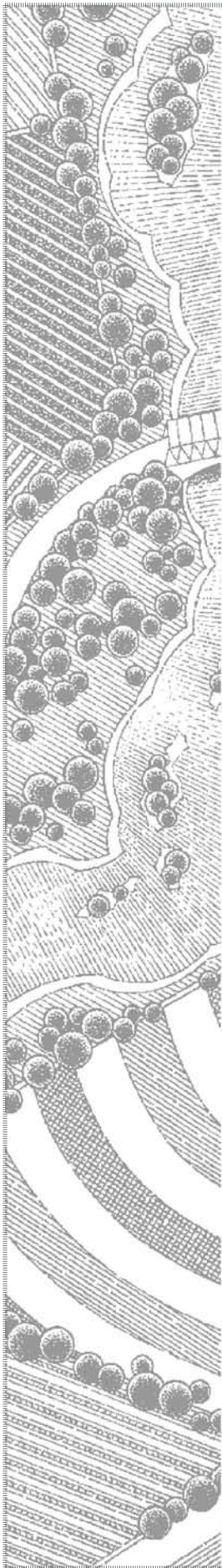
The importance of the organizing committee and the working committees cannot be overstated. The individuals who comprise the organizing committee must be eager, action oriented, and keenly focused on completing the early tasks of assessing the feasibility of the market and creating an effective board of directors. Gaining the commitment of this core group is critical. Team members should be aware that starting a farmers market requires hard work, excellent communication skills, and superior organizational abilities.

If a sufficient level of commitment is not achieved at the first meeting, it may be necessary to seek individuals who are especially interested in helping to start the market and have the time to commit to the project. Continue to network with established committee members, city officials, and key community activists to recruit people so you can build a solid team.

Once an organizing committee is in place, the next step is to create working committees to assess the feasibility of starting a new market. If farmers themselves initiate the market, their views will be strongly represented in the working committees. However, if community organizers are starting the market, they need to ensure that grower interests are represented on all committees.

Designate teams of volunteers and/or members of the organizing committee to serve on the following key committees.

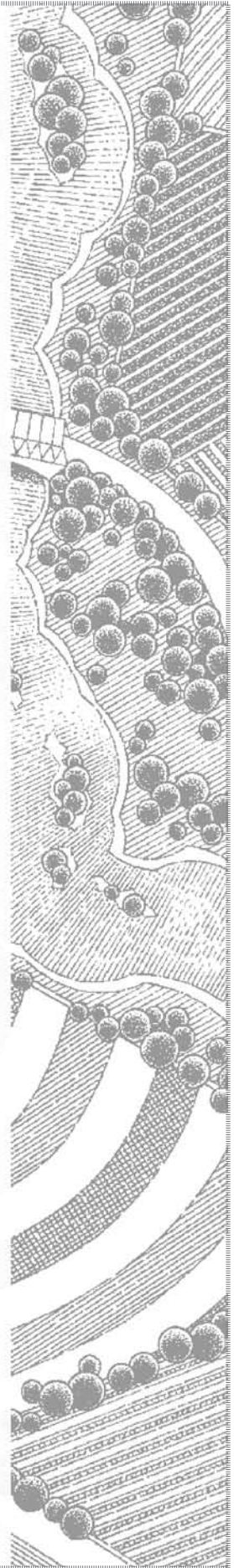
- **Market Analysis**—This committee assesses the need and potential support for the market in the community. Part of this committee's work may involve consumer education to strengthen demand for the locally grown products available at a farmers market.



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- **Site Analysis**—This committee assesses potential sites for a new farmers market.
- **Financial Analysis**—This committee assesses potential revenue and costs to evaluate the financial self-sufficiency or profitability of the market and the potential for profitability for vendors.
- **Vendor Recruitment**—This committee’s work involves not only assessing whether there is a sufficient number of local farmers for a successful market but also recruiting farmers to sell at the market.

Chapters Three and Four deal with special considerations for starting a farmers market in a low-income area, including some issues that affect the feasibility study. Those chapters are followed by several chapters that outline how to conduct a feasibility study to determine whether to move forward with a market.



Organizing in a Low-Income Area

This chapter will enable you to:

- ▶ **Be aware of special issues associated with starting a market in a low-income area.**
- ▶ **Be aware of characteristics of markets that successfully serve low-income areas.**

Low-income communities offer many opportunities for direct marketing of fresh produce and other agricultural products. Some of the largest and most successful markets in the United States are situated in low-income, inner-city neighborhoods. And many smaller rural markets also serve communities with limited incomes. These markets provide benefits such as a community focal point, entrepreneurial development opportunities, and a reliable, affordable source of fresh produce.

Why Start a Market in a Low-Income Area

Farmers markets play an important role in delivering fresh produce directly from farmers to consumers. In low-income city neighborhoods, a weekly farmers market is sometimes the only source of fresh, nutritious, economically priced food. Because large grocery chains sometimes find it unprofitable to locate in these areas, produce and meat sales are often left to convenience and liquor stores that do not focus on freshness, quality, or selection. Grocery stores are often few and far between in low-income areas, so people frequently rely on fast food outlets for meals. According to information presented at the November 1999 Community Food Security Workshop in Chicago, for example, "in one neighborhood in East Los Angeles, there were approximately 700 liquor stores and only one grocery store within a twenty-mile area. That grocery store stocked its meat and produce sections with the lowest-quality product, offering wilted vegetables and meat with sell-by dates that had expired." The lack of supermarkets creates a vacuum in supply that leaves much of the local demand for fresh produce unmet. In 2002, the Center for Food and Justice reported that there are typically three times as many supermarkets per capita in upper- and middle-income neighborhoods as in low-income neighborhoods. In some areas, where access is severely limited, many residents are considered to be food insecure. But food shortages and nutritional deficiencies are not problems only for inner cities. Rural communities often face similar dilemmas. In 2001, more than 32 million

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Americans lived at or below the poverty threshold. Many of those people had to rely on food banks, soup kitchens, and other food assistance programs on a regular basis. Farmers markets play a vital role in delivering fresh produce directly from farmers to consumers.

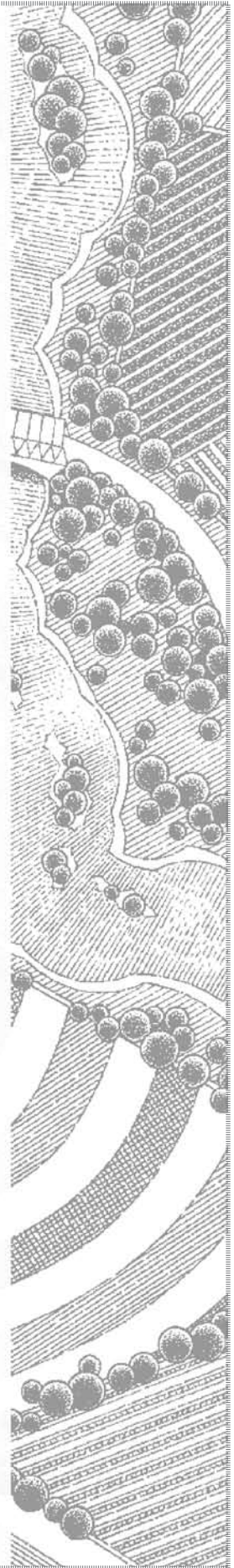
Considerations for Markets in Low-Income Areas

When considering starting a market in a low-income neighborhood, the working committees discussed in Chapter Two will have to address needs and issues particular to such areas. Each of the following considerations can be addressed during the process of analyzing the feasibility of starting a new market.



Special Considerations

- The product mix must be geared to demographic and cultural characteristics of the market's customers, which is sometimes a challenge to determine. (Market Analysis Committee)
- Finding farmers who can provide appropriate products may require some organizing effort. (Vendor Recruitment Committee)
- Customer education on how to prepare fresh produce may be challenged by language or other cultural differences. (Market Analysis Committee)
- Limited incomes decrease customers' purchasing power. (Market Analysis Committee, Financial Analysis Committee)
- Farmers are usually looking for the highest price they can command and may resist committing to a low-income market. (Vendor Recruitment Committee)
- The cumulative, limited purchasing power of a market's area may not be adequate to keep farmers and the market in business. (Financial Analysis Committee)

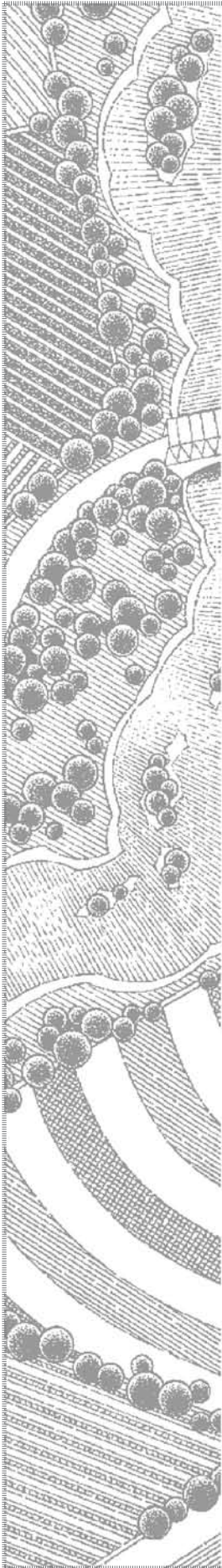


- Many low-income individuals hold multiple jobs and may not have the flexibility to shop during the market's limited hours. (Market Analysis Committee)
- Transportation options to and from the market may be limited. (Site Analysis Committee)
- Individuals may have difficulty carrying bulky produce purchases on public transportation. (Market Analysis Committee)
- In large urban areas, some neighborhoods have access to sources of inexpensive, culturally appropriate produce that is available year-round from chain discount stores. (Market Analysis Committee)
- Large chain discount markets such as Food for Less, Sam's Club, and Costco may offer prices that are lower than those at a farmers market. (Market Analysis Committee)
- If price is the overriding issue, a farmers market may not succeed. However, freshness, quality, availability, and ambience can add extra attributes to the product mix and support a willingness to pay slightly higher prices. (Market Analysis Committee)

Elements of Successful Markets in Low-Income Areas

Successful markets in low-income areas are supported, endorsed, and developed as vital components of their communities. The desire for a farmers market should be broad-based with support that is not limited to a single nonprofit group, religious organization, or merchant association. A community-organizing approach to establishing a new market is more fruitful than a publicity-based strategy. Other successful market strategies include:

- Involve as many people as possible in the organizing process.
- Create a farmers market advisory committee with members from nonprofit groups, religious organizations, merchant associations, and other stakeholders.
- Determine that transportation is available via bus or other local means and that adequate parking space also is available.
- Create a market publicity plan, which is vital to the survival of the market. The plan should include community organizing, media work, special events, and local merchant tie-ins. Research the marketing strategies that already are being used for previous successful events in the community.

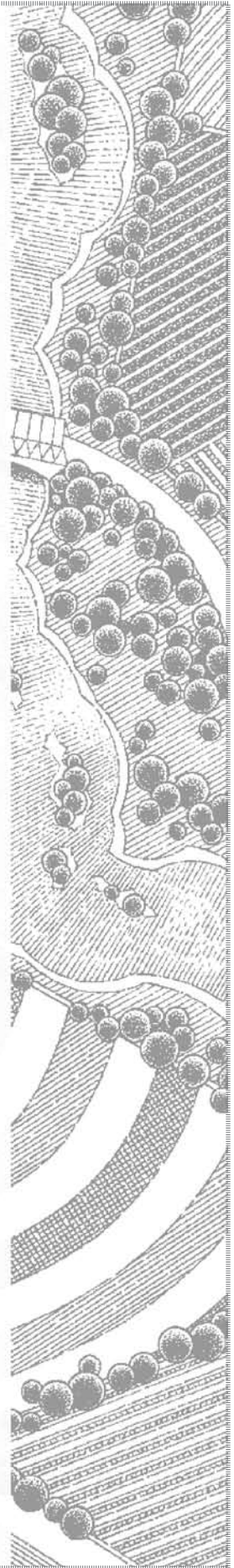


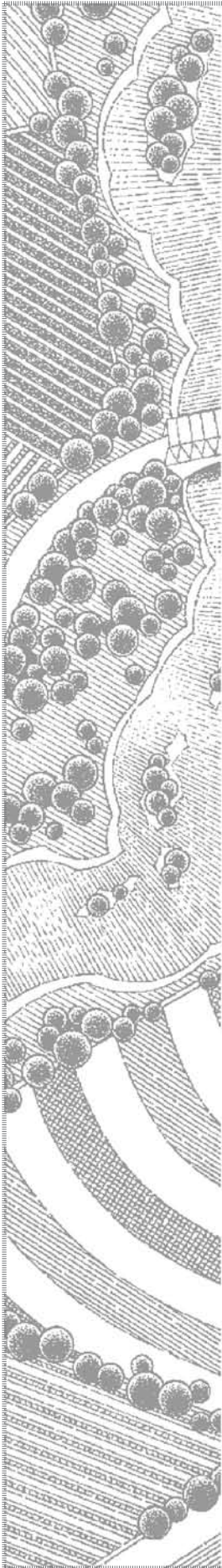
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- Consider consumer income levels and ethnicities when identifying potential products and recruiting farmers. Conduct surveys of consumers in the community to determine product preferences.
- Make sure that market organizers are well connected to local political representatives.
- Meet with city and county representatives at the beginning of the market's organizing process. Market organizers will run into regulatory problems that require political assistance. Inform political leaders about the farmers market that you are organizing in their district before you need their assistance.
- Consider locating the market in a "transition" neighborhood—one that draws both low- and middle-income customers. This type of location may have a better chance of success than a market located in a strictly low-income area.
- Accept food stamps. Individual farmers or the market in general can be certified to accept food stamps. (See details about food stamps in Chapter Four.)
- Participate in the Women, Infant and Children (WIC) and Senior Farmers Market Nutrition Programs (SFMNP) at the farmers market. Some markets are open only for the duration of the program (May 1–November 30) with 80 percent of their clientele being WIC participants. (See details about these programs in Chapter Four.)
- Guarantee that customers feel safe while shopping at the market. It may be necessary to hire security or ask for police assistance to ensure that customers feel secure while at the site.
- Suggest that farmers use multitier pricing that provides discounts for volume purchases.

Alternatives to Farmers Markets for Low-Income Areas

Some of the challenges of operating a farmers market in a low-income area have led to development of alternative marketing strategies that still take advantage of federal food assistance programs while improving access to local farm products. Subscription farming enterprises such as CSAs (community-supported agriculture) provide these opportunities, as do farm stands and you-pick direct-marketing venues.





Case Study: Growing Power's Market Basket Program

In 1995, Will Allen began to develop an alternative marketing venture for the produce he grew on his urban farm. His idea was to form a cooperative community-supported agriculture (CSA) or subscription marketing agreement with several other local small farms. The project would also work with local youth to provide education on sustainable agriculture and marketing. The target market was low-income residents of Milwaukee.

Today, the program has grown to serve 300 subscribers throughout Wisconsin at more than thirty-five drop-off points. It has become known as the Market Basket Program and is run through Growing Power, a nonprofit organization working in Milwaukee, Chicago, and Homer, Alaska, to provide high-quality, healthy, affordable food in those communities. Growing Power develops "community food centers" that offer training, active demonstrations, outreach, and technical assistance. Community food centers are local places where people learn sustainable practices to grow, process, market, and distribute food.

Will is now the director of Growing Power. He says that 50 percent of Market Basket subscribers pick up their produce at the Milwaukee community food center, where they can use both Farmers Market Nutrition Program coupons and Food Stamp EBT cards to pay. According to Will, other features of the program that contribute to its success with low-income people are its convenient ordering procedures and affordable prices. Customers place orders for the produce weekly, unlike most CSAs, which require monthly, seasonal, or even annual subscriptions. The program offers two options: a \$12 box of conventional produce packed to contain a retail value of about \$24 and a "Sustainably Grown" box at \$24 that features organic products.

Growing Power works with Wisconsin Shares to make Wisconsin deliveries outside of Milwaukee and has recently expanded through Growing Power's Chicago food center to include six more delivery points.

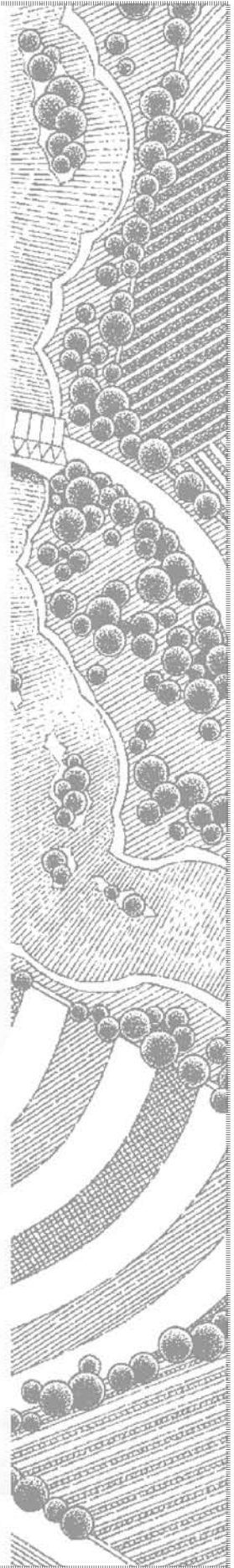
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Several markets have experimented with programs modeled on the subscription or CSA marketing structure. These programs are often called “market basket” programs because they feature a basket or box of market produce. The produce is supplied by vendors and packed by the market’s staff or volunteers for home delivery or pick-up at a more convenient location such as a local WIC office. Participants in the program use the same benefits they would have used at the market to pay for the produce.

These programs can help markets, vendors, and customers overcome some accessibility barriers such as electronic benefits transfer (EBT) implementation and transportation issues inherent to regular farmers markets. Some programs have succeeded in becoming sustainable; others have not. For an example of one of the more successful programs of this type, see the case study titled “Growing Power’s Market Basket Program” on the preceding page.

Conclusion

Once the organizing committee has conducted the feasibility study and chosen to move ahead in organizing a farmers market, the next step will be to form a board of directors and hire a market manager. While the cost of hiring a market manager may be more of an issue for a market in a low-income area than for a market in a more affluent community, the additional bureaucracy involved in federal food assistance programs means that it is vital to have someone at the helm who has the necessary knowledge, skills, and time to devote to start-up activities. For more on federal food assistance programs and processes, see the next chapter.



Federal Food Assistance Programs

This chapter will enable you to:

- ▶ **Be aware of various programs specific to markets and consumers in low-income communities.**
- ▶ **Make informed decisions about participation in federal food assistance programs.**

Before choosing to move ahead with starting a farmers market in a low-income area, you will need to establish the feasibility of the market by adapting the feasibility study process outlined in Chapters Five through Eight. If the prospects for a new market's success are positive, then the organizing committee needs to establish a board of directors, hire a market manager, and follow the same process outlined in Chapters Nine through Sixteen.

Additional considerations apply to markets in low-income areas. The U.S. Department of Agriculture's (USDA's) Food and Nutrition Service (FNS) now operates several programs that help low-income people obtain better access to food and nutrition. Three of these services—Women, Infants and Children (WIC), Senior Farmers Market Nutrition Programs (SFMNP), and Food Stamps—can be used at farmers markets with benefits to consumers as well as vendors. During the

feasibility study, the financial-analysis committee can assess the potential of the market to work with various food assistance programs and how doing so would affect the financial viability of the market.

Farmers Market Nutrition Programs

Two of USDA's Food and Nutrition Service programs directly involve farmers markets—the WIC Farmers Market Nutrition Program (FMNP) and SFMNP. WIC provides supplemental food, health care referrals, and nutrition education at no cost to women who are pregnant or postpartum and to infants and children up to five years old who are at nutritional risk. SFMNP awards grants to states, U.S. territories, and federally-recognized Indian tribal governments



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to provide low-income seniors with coupons that can be exchanged for approved foods at farmers markets, roadside stands, and CSA programs.

Both programs provide only a limited value of coupons per year to each participant (typically \$20) per season, but the cumulative income can still be significant for vendors. In addition, the educational components of the programs promote the health benefits of eating fresh produce and expose potential new customers to farmers markets. A California survey of WIC FMNP participants showed that they consumed an average of about one extra serving of fruits and vegetables per day after participating in the program. Eighty-five percent reported that their first visit to a farmers market was through the program.

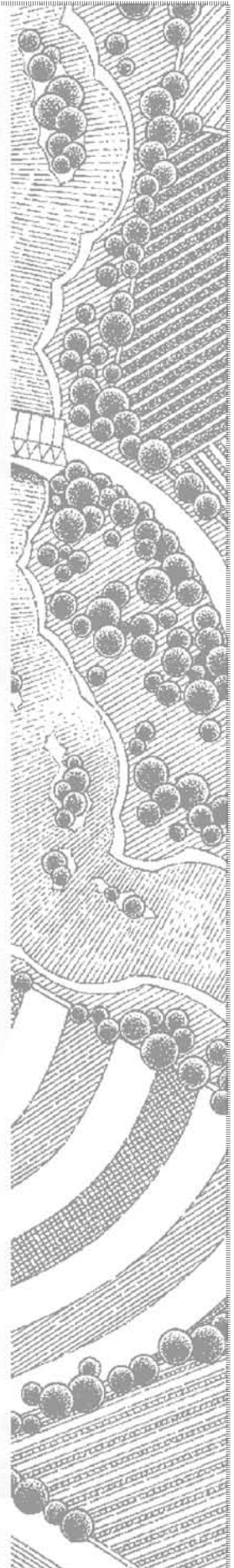
A 1997 random survey of 2,000 participants in the USDA WIC FMNP found that the program helped motivate low-income . . . mothers to buy and eat fresh fruits and vegetables from farmers markets.

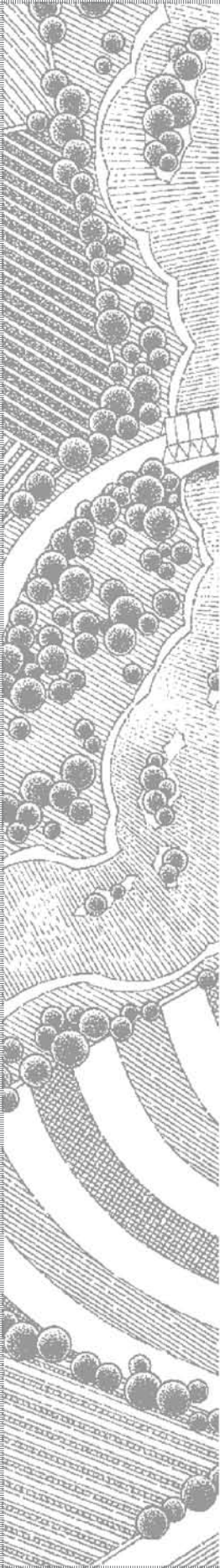
Farmers who receive the coupons generally exchange them with farmers market management for cash or as payment for their stall fees. The issuing state agency then reimburses the market for the value of the coupons. Farmers also may redeem the coupons as they would cash checks at local banks.

The farmers market nutrition programs are popular with vendors because of the additional sales generated by the program's coupons. Marcia Veldman, manager of the Bloomington Community Farmers Market in Bloomington, Indiana, reports that, when the WIC FMNP coupons were first introduced at her market, only a few vendors chose to participate. But other vendors quickly signed on when they saw how many additional sales were generated for farmers at booths that accepted them. Her vendors found that signing up was simple, and they enjoyed being able to sell their products to the women participating in the program, which has grown significantly. In 1998, it accounted for \$13,245 in sales at the Bloomington market. At New York City's Greenmarkets, FMNP purchases accounted for \$800,000 in sales in 2000.

Successful FMNP projects have included educational components that result in significant benefits such as increased consumption of fresh vegetables and a greater awareness of local sources of fresh produce. Markets that have participated in FMNP projects that did not successfully convey information to customer-participants found mixed success with the program. The case study at the end of this chapter illustrates an example of this concern.

Many state agencies and tribal organizations participate in FMNP. To find out if your state is involved, visit the USDA website for updates and additional information or call the local USDA Food and Nutrition Service field office.





USDA and Congress have received assistance in FMNP promotion from the National Association of Farmers Market Nutrition Programs. This organization is made up of representatives from participating states, tribes, and territories in addition to the markets involved. The association produces an annual report that analyzes how the coupons are used and provides details on their impact in each state.

Food Stamp Program

Nineteen million people received food stamp assistance in 2002. The Food Stamp Program serves U.S. citizens and qualifying noncitizens who have been determined to be in need of food assistance. The program's goal is to help low-income households purchase the food they need for a nutritionally adequate diet. State and local welfare offices operate the program under the administration of the federal government.

The Food Stamp Program enables low-income families to buy nutritious food with coupons and electronic benefits transfer (EBT) cards. Food stamp recipients spend their benefits to buy eligible foods from authorized retail food stores and farmers markets.

Many farmers markets are authorized to accept food stamps. As with FMNP, the benefits are transferred, either by an authorized vendor or the market management, directly into the retailer's bank account. To learn more about the Food Stamp Program, visit the USDA Food Stamp Program website at www.fns.usda.gov/fsp, email fsphq@fns.usda.gov, or call 800.221.5689 for contact information.

Electronic Benefit Transfer

An important change in the method in which the Food Stamp Program is being administered is currently being implemented. The Welfare Reform Act of 1996 required that all states eventually switch to issuing Food Stamp Program benefits via electronic benefit transfer or EBT. EBT is intended to replace paper stamps.

What is EBT?

Forty-nine of the fifty-one EBT systems currently in operation use magnetic strip cards similar to bank debit cards. Food stamp recipients are given an account, choose a personal identification number, and then use the cards at points of sale to purchase food. Transactions are completed online, usually via a telephone connection.

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When the cards are swiped through a transaction machine, the online system authorizes the identification number, examines the available balance, and, upon approval, transfers the government benefits from the consumer's account to the retailer's account. Instead of picking up food stamps at the local office, food stamp recipients are given their regular monthly benefits by an automatic addition to their EBT accounts.

Two states, Ohio and Wyoming, are implementing alternative EBT systems that use an offline "smart card" technology instead of online magnetic strip cards. The "smart cards" are embedded with microprocessor chips that manage account transactions at the point of sale without the need for a network connection. Monthly balances are reset when a participant visits the local benefits office.

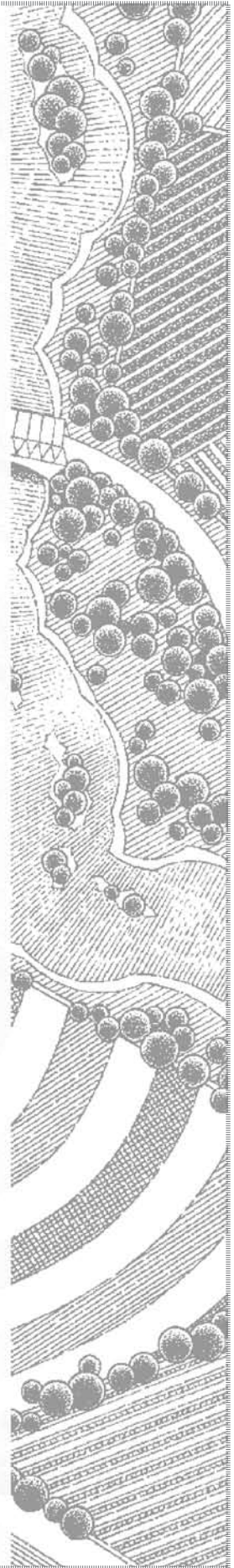
All the equipment required to implement these systems is provided free of cost to retailers by the state or a state-contracted supplier. Retailers still must acquire authorization from the local USDA Food and Nutrition Service field office to participate. To find the most current information on EBT, visit the USDA Food and Nutrition Service website at www.fns.usda.gov/fsp/ebt/default.htm.

How EBT Impacts Farmers Markets

EBT appears to be a more efficient and secure system for providing welfare recipients with their benefits while helping to reduce fraud. All states are either using the system or planning its implementation. Most businesses are already familiar with the technology to process EBT cards since they accept credit and debit cards. Unfortunately for farmers markets, most of those cards require online transaction machines. The machines communicate over telephone lines with a host computer to perform the balance transfer. Most markets do not have this type of technology currently available and there is considerable speculation about how to implement it.

Eighty-five percent of food stamp benefits were issued via EBT in 2002. Contact the local Food Stamp Program field office for more information on how food stamp purchases are handled in your state. For a brief description of projects involving EBT and farmers markets, visit www.fns.usda.gov/fsp/ebt/ebt_farmers_markstatus_4_01.htm.

Farmers markets can play a vital role in the food systems of low-income communities. The Food Stamp and Farmers Market Nutrition Programs support this role, providing links between farmers and low-income communities through farmers markets. Facilitating the use of noncash purchases through EBT and similar programs enhances the services a farmers market provides to its vendors and its customers.



The Role of EBT Participation in Market Competition and Success

In 2002, the average value of food stamp benefits was about \$80 a month. Any portion of those benefits could have been redeemed at a farmers market. When EBT cards are issued in an area in which farmers markets are not prepared to process them, the markets lose their share of that potential revenue. For farmers markets to retain these customers, they must be able to accept the same government aid programs that are accepted at grocery stores and supermarkets.

The farmers market immediately experienced a large drop in sales when EBT was implemented in a pilot project. Albuquerque was one of the first places where EBT was introduced and the farmers market was not prepared to process the EBT cards.

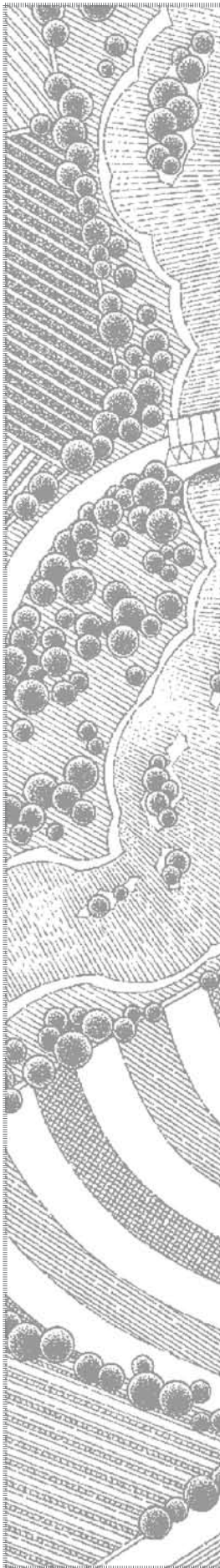
– Pam Roy, executive director of the Santa Fe Area Farmers Market in Albuquerque, New Mexico

Implementing EBT at Farmers Markets

Markets around the country are working on a variety of methods for adopting EBT technology with various degrees of success. Some markets are experimenting with automated teller kiosks that accept EBT cards and issue “market dollars,” a currency that is accepted only at the farmers market. Several slower-paced rural markets have also tried handling EBT transactions with a single machine at the manager’s stand. The manager debits the card for a requested amount in exchange for market vouchers of equal value.

For fast-paced urban markets that handle large volumes of customers, such a system is likely to be too slow to be effective. These markets need several machines and potentially one machine per vendor. Just setting up the phone lines for such a system presents a challenge. People have tried cellular and radio technology transaction devices when they cannot hook up to a phone line, but these technologies are expensive and have not yet become cost effective.

In Wyoming and Ohio, the food stamp program is changing over to EBT through the use of the smart cards that have a microprocessor chip inside. The transaction machines, called “smart wallets,” can authorize the user’s identification number and debit the amount of the purchase through the chip, which eliminates the need for online communication with a host computer. Then, by going online once at the end of the business day, all of the accounts are settled and confirmed. Smart cards are commonly used in Europe but relatively unknown in the United States.



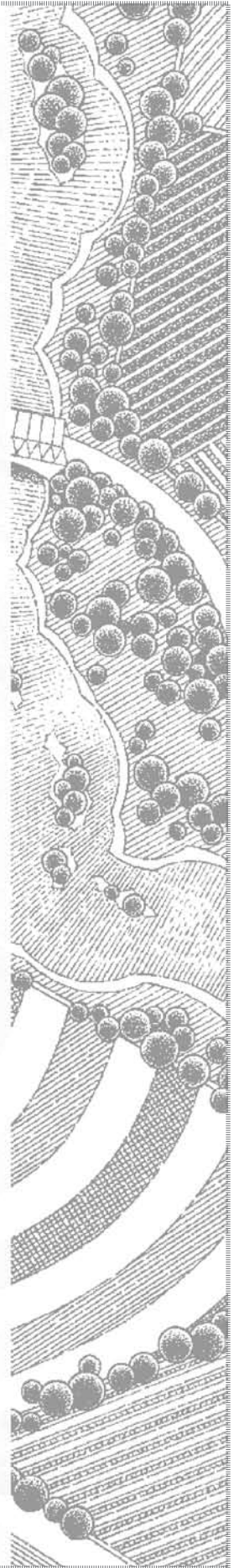
Case Study: Education as a Part of Assistance Programs

With new customers at farmers markets, education about seasonal availability and ways to prepare fresh produce contributes greatly to a market's success. Alice Whitlatch with the Cedar County Farmers market in Tipton, Iowa, found that accepting Farmers Market Nutrition Program (FMNP) coupons was challenging because participants were not familiar with farmers markets and the seasonal availability of items sold there. She discovered a great need for education and communication, not only for FMNP recipients but also for Women Infant and Children (WIC) Program personnel and farmers market vendors.

Whitlatch found that the women participating in WIC FMNP would not come to the market until the end of the season when they realized they had to use the coupons, which could not be redeemed elsewhere. At the market, they found few stalls and a sparse selection of produce. Frustrated, the women ended up buying large quantities of produce that they did not necessarily know how to prepare simply because it was the last chance to use the coupons before the season ended.

For vendors, it was upsetting to see the women's disappointment and frustrating to see the FMNP coupons used so ineffectively. Market employees realized that the participants were not familiar with farmers markets and did not always find them accessible. As a result, the Cedar County Farmers Market has begun to offer outreach and education to the women on how the markets work, why the availability and diversity of produce is seasonal, and the stalls at which the coupons can be used. Market members also work with the WIC office, encouraging the staff there to explain the process to new WIC recipients.

Whitlatch and her fellow vendors hope that in the coming years more and more WIC participants will recognize how much the farmers market offers and more often use their coupons in a way that benefits everyone involved.



Involving the Market in Food Assistance Programs

The importance of food assistance programs to a market depends on the market's mission, clientele, and available resources. Questions to be addressed by market management, the board of directors, and vendors during an assessment of the programs' importance include:

- How important are food assistance programs to customers in the area?
- Will the market as a whole participate in the Food Stamp Program, the WIC FMNP program or both or will the decision be left to individual vendors?
- Are Food Stamp Program recipients using EBT in the area?
- What is the process by which vendors and/or the market can be authorized to participate in these programs?

Participation in the Food Stamp Program requires a transition to EBT, but there is no such mandate for WIC. WIC intends to develop a technology that can do more than simply authorize personal identification numbers and check balances. WIC would like to establish a system that can provide food, prescriptions, and health information in addition to payments. The implication for farmers markets? While FMNP coupons are likely to stay around for a few more years, new technology is on the horizon.

Shoppers may be confused if only some vendors at a market accept federal assistance programs. Vendors' stalls should clearly display signs stating the methods of payment that are accepted. Generally, participation in both of the programs is left up to individual vendors rather than made by market management. However,

some markets have added a rule to the bylaws dictating that all vendors must accept food stamps and FMNP coupons. For markets operating in low-income neighborhoods, acceptance of government program payment systems is essential.

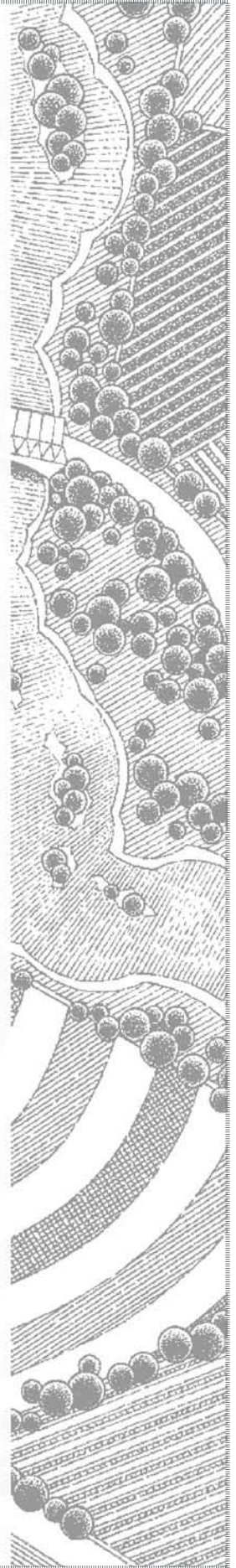
Marcia Veldman, manager of the Bloomington Community Farmers Market in Bloomington, Indiana, reports that her state's Health Department makes the annual sign-up for her market vendors straightforward. Each year at a meeting before the market season opens, the state representative comes to sign up new members, hand out signs for stalls, and give each vendor a stamp to put on the coupons they accept.

How to Sign Up

Acquiring authorization to accept food stamps, EBT payments, and FMNP coupons is generally easy but does vary from location to location. The process is free but may require an in-person interview

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or training session and up to thirty days may be required for processing of the application for authorization. Contact the local USDA Food and Nutrition Service field office for more information or visit www.fns.usda.gov/fns.



Conducting the Feasibility Study: Market Analysis

This chapter will enable you to:

- ▶ Outline the tasks involved in the market-analysis portion of the feasibility study.
- ▶ Collect and analyze data to determine the market's feasibility.

Conducting the Market Analysis

This chapter covers issues that are specific to analyzing the feasibility of a new market. Market feasibility refers to the potential customer base and demand for farmers market products and the level and types of competition a new market will face.

Potential Customer Base

The first task for the market-analysis committee is collecting demographic data. The committee should develop a profile of the local market that considers the age, gender, ethnicity, languages used, income, and education levels of potential customers. This type of demographic information can be found at www.census.gov or from sources such as the local chamber of commerce. Census data are available for census tracts and zip codes, which are relatively small areas, as well as for cities, counties, and states. These surveys also include information such as the number of children per household and the size and number of schools within the trade area. Important information about potential customers for a farmers market could include gender, age, household income, education level, neighborhood, ethnicity, the presence of children, and how many times a week households typically prepare home-cooked meals. This data is useful for estimating the number of potential customers.

Analyzing the Target Clientele

Who are the market's potential customers? Market analyses generally include determining who potential customers are and how many the market will serve. If the population is large enough and there is considerable interest in local produce and value-added goods, then the market and other businesses in the area will

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likely thrive. However, it still is necessary to profile prospective customers to ensure that the market meets their needs. The market's target audience affects many aspects of the market, including the product mix, advertising, and promotional activities. Get to know who your target customers are and their preferences. Is the target market an upper-income or a lower-income group? Are they of a particular ethnic group or more of a cross-section of demographic groups?

Define your market area (your region or community). In the case of a farmers market business, your primary market is localized and may be restricted to customers who come to the market from within a five-mile radius. Your secondary market might be chefs who work at local restaurants and require specialty products and high-quality produce for their menus. Members of Chef's Collaborative, for example, are concerned with sustainable agriculture and buy only fresh produce from farmers.

Once the committee has collected demographic data and established a profile of target customers in the community, the next step is to survey a sample of potential customers to get a better description of their demand for particular items at the market. Surveys can ask respondents to check off or list products they usually purchase, such as fruits, cheese, eggs, meat, nuts, coffee, flowers, and handicrafts, as well as items they would like to purchase from a farmers market that have not been available. For example, consumers might be interested in buying locally produced honey or eggs from free-range chickens, items that they cannot find at local supermarkets.

To get a better idea of desirable market features, your survey also could ask respondents to rank other farmers markets they have attended and their local grocery retailer, cooperative, or supermarket.

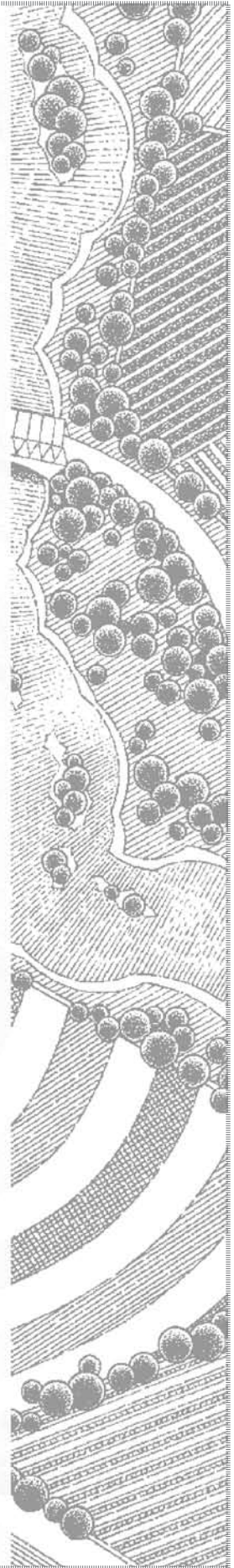
Assessing Market Feasibility

Unearth the following kinds of information when assessing a market's feasibility:

- Is the community interested? How much community support can be generated or already exists?
- Is there another market nearby? What is the level of competition? Does the competition have the potential to impede success?
- Can the market generate sufficient revenue to make it worthwhile for farmers and management?



The details of these issues will need to be explored further as the market research team develops a solid market feasibility study.

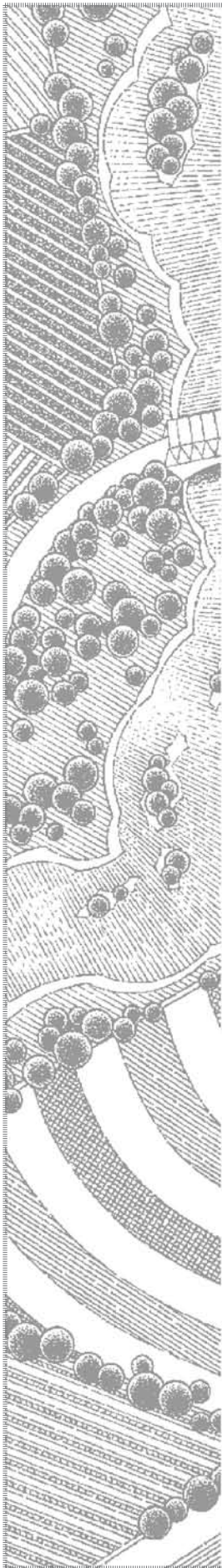


Conclusion

In addition to competing farmers markets in the area, there are other types of businesses that present competitive forces. For example, there may be nearby roadside farm stands or you-pick operations. There also may be a retail grocery store in the area.

The committee can conduct most of the farmers market research and analysis with committee members contributing according to their areas of expertise. If additional help is needed with the feasibility study, consider consulting with a Cooperative Extension agent or other appropriate experts. Another way to complete a feasibility study is to recruit a local college marketing student or students who are interested in doing a case study or class project on your potential market. If you have the budget, you could hire a professional market researcher.

The market-analysis committee's report should address the questions previously discussed. The resulting market feasibility study can be used to gather support from community groups, local businesses, producers, and government officials.



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Conducting the Feasibility Study: Site Assessment

This chapter covers issues specific to the potential site of the new market. The site-assessment committee's primary responsibility is to look further into the analysis of all potential market sites. The committee should create a list of the pros and cons for each site and various ideas to present as findings to the organizing committee or board of directors. A recent USDA study ("Farmers Markets Survey Report") found that the two primary reasons for market failure are location and competition; that is, in-season dominance by alternative vendors.

This chapter will enable you to:

- ▶ Identify potential sites for a new market.
- ▶ Determine the suitability of each potential site.

Site Factors

Several factors should be considered when undertaking this assessment. Initially, you need to have some basic idea of where the market could be held. Important points to consider include centrality, parking, visibility, ease of access, and environment. It may be necessary to compromise on a site if a location that meets all of the desired attributes cannot be found. Outline all potential and alternative market locations, listing their positive and negative characteristics. Be aware that the market's location and the demographic profile of its clientele will greatly influence product offerings and economic viability.

Permanent versus Temporary

When choosing a market site, an important consideration is whether or not the site will likely be used on a temporary or permanent basis. A permanent site is one that the market either owns or has secured a long-term lease that enables the market to remain on the site for the foreseeable future (such leases last from seven to ten years). A temporary site is contracted for a year at a time, which can be a good option if you want to test the location before entering into a long-term arrangement.

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Permanent Site

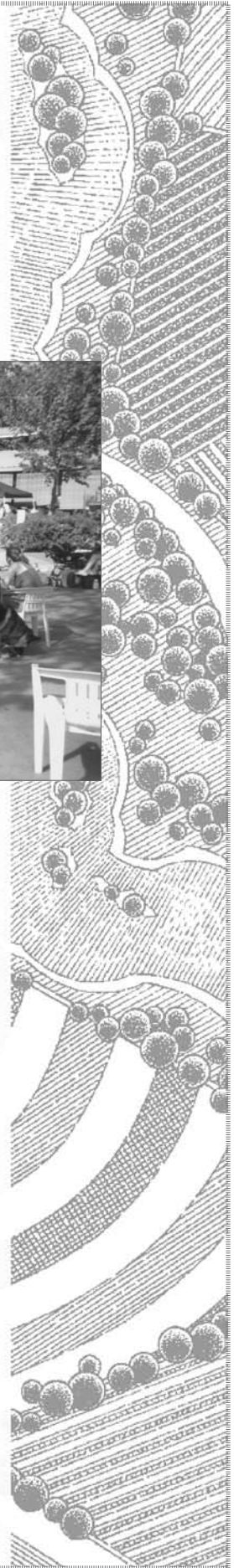
A truly permanent location can be secured only through purchase or permanent deed. Cities or towns occasionally have sites that may be donated for the exclusive use of a market. Long-term agreements with the city, or long-term leases with private landowners, are also fairly dependable ways to establish a semi-permanent location for the market without an outright purchase. It may be possible to secure a free site. Look in the area for vacant parking lots, churches, synagogues, city offices, courthouses, malls, parks, athletic fields, vacant lots, county fairgrounds, school grounds, blocked city streets, and town squares.

A major advantage of a permanent marketplace is that it can be made more secure. Storage facilities can be built in, allowing vendors to leave their setup materials at the site.

Fences, stalls, and displays can be built into the market structure, further reducing the time needed for setup and breakdown. A permanent shelter also may be constructed to provide year-round protection from the elements. The Davis, California, market pictured here began on sidewalks adjacent to the central park. Later, however, the city built a permanent structure for the market, allowing it to evolve into the central feature of the core area of the city. The market, its vendors, and its customers all reap the benefits of long-term investment.

Long-term sites offer many benefits. A permanent home allows consumers to become familiar with the location and establish regular, long-term shopping patterns. It also allows for permanent improvements over time to suit the evolving needs of management and vendors.

The main disadvantage to a permanent location is its initial purchase cost. The costs of insurance, upkeep, and taxes are additional expenses. In temporary sites, the landlord, as a part of the rental contract, often absorbs these costs. Another thing to consider is whether the site is appropriate for a permanent location. A good alternative may be to start with a short-term commitment until the market has demonstrated success in the location.



Assessing a Temporary Site

The main advantage of a temporary location is flexibility. The flexibility provided by a short-term commitment allows the market to relocate to a better location as needed. As a market gains in popularity, public or private organizations may be more willing to provide the market with access to a more centralized location and could end up offering a long-term arrangement. Also, as the market grows, it may be necessary to relocate for more space or better customer access. Satisfaction with this sort of arrangement often depends on how comfortable the board, manager, and vendors are with the costs and logistics of re-establishing the market in a new location.

There are disadvantages, however, to a temporary site. Often, an ideal downtown location may be available only briefly, until alternative development is approved. The market is then faced with moving to another location and disrupting its customer base when it has not yet taken root in the community. This could be like starting the market all over again if the market must move a considerable distance.

Another drawback to temporary sites is possible multiple uses that must share the site. If the location is used for other purposes during nonmarket days, there may be no way for vendors to leave stalls and display items at the site. Occasionally, temporary markets can make site enhancements or erect semi-permanent structures, but it is difficult to justify the large investment required when tenure at a location is uncertain. Because of this, markets at temporary sites do not usually benefit from the same improvements for vendors and customers that are possible at more permanent locations.

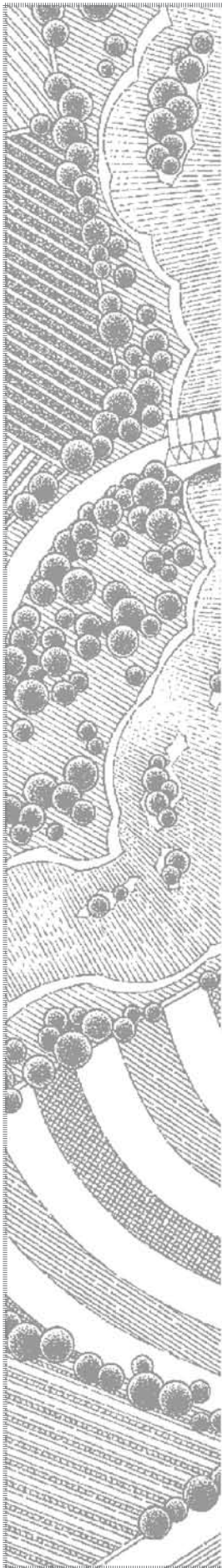


Site Selection Criteria

There are two key areas on which to focus when choosing a location for a farmers market. The first is narrowing the number of possible sites using visible aspects of each potential site as a determining factor. The second is researching the logistical aspects of potential sites:

Size: Ideally, the site should accommodate two rows of vendor stalls and be at least 40,000 square feet in size.

Centrality: An ideal site for a farmers market is a central location close to areas where potential customers live, work, and shop. The market should be in an area that appeals to a wide cross-section of customers, both culturally and economically. Bus and train stops nearby are a major advantage. Other activities (e.g., sports, shopping, attractions for children) located in the



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vicinity of the market also are a plus for attracting potential customers. The area should be perceived as a safe area for customers to visit.

Visibility and access: The site should be easily visible from the main thoroughfare or adjacent streets. If not, additional signs may be necessary to attract customers' attention. Markets that are visible in heavily travelled areas enjoy the benefit of curious people who stop on impulse. If the market is not easily visible, it cannot attract this kind of interest, which limits the customer base to those who are already aware of its existence. Consumers should be able to locate the market easily with a few simple directions. The harder it is to find, the harder it is for new people to attend.

Environment: The market should interface well with the neighborhood. Litter caused by the market's set-up and breakdown should be removed. The market should enhance, not detract, from its surroundings. Seating and picnic areas, parks, fountains, and gardens can provide shoppers with inviting places to relax and enjoy the farmers market experience.

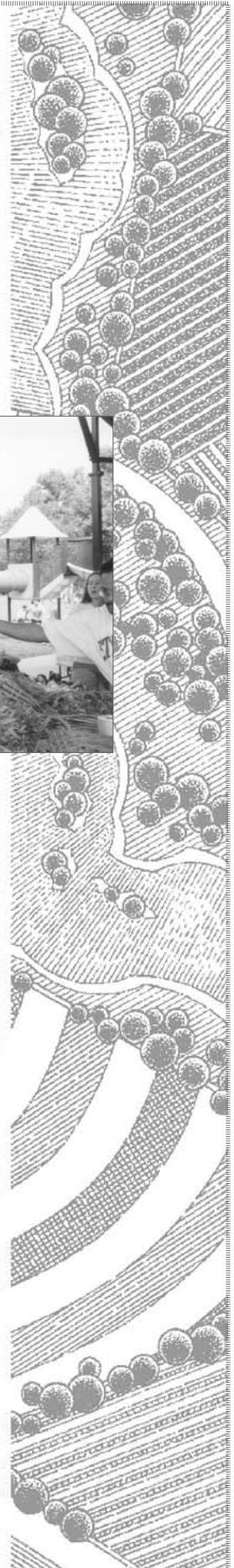


Transportation: The site should be easily and conveniently accessible by public transportation such as a bus or light rail route.

Parking: The market should be convenient for customer access. The site manager for the Marin County Farmers Market in San Rafael, California, says, "Parking is very important. Customers are not going to want to shop if it is inconvenient to find a space or if they have to walk far between their cars and the market." Consider the vendors' needs as well. They need room to move their vehicles into a stall or area, turn around, unload, and situate themselves for selling.

Water: Water must be available. Hose spigots can provide water for keeping produce cool and the area clean. To conform to health regulations, vendors will likely need to use water at their stalls. In addition, water fountains for customers and vendors help to keep people cool and hydrated on hot summer days.

Restrooms: Restroom access in the immediate vicinity of the market is another necessity. Restrooms are important for vendors as well as for customers. Vendors will be onsite anywhere from three to ten hours. Onsite restrooms



also may be a health department requirement. If no restrooms are available onsite, consider renting a portable service that can be left at the site and locked after market hours.

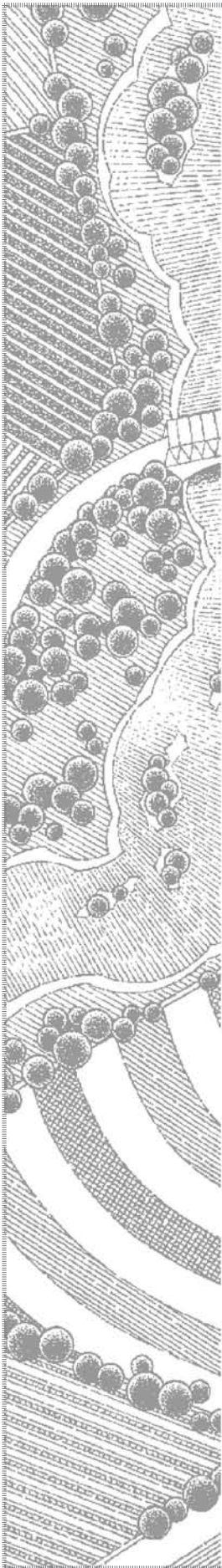
Surface cover: A site's surface makes a difference aesthetically as well as functionally. Wood chips, pavement, gravel, and grass each have different advantages and disadvantages. A shady grass-covered park is inviting on a hot summer day but probably requires farmers to park their vehicles some distance from the stalls. Grass also may not withstand heavy foot traffic and can become difficult to negotiate in rainy weather. Pavement, on the other hand, will surely withstand heavy foot and vehicle traffic but can be blistering hot on a sunny summer afternoon. Consider the geographic area and the weather conditions likely to be experienced during the market season. Is rain likely? Will temperatures soar into the nineties or above? If the market operates during the rainy season, make sure that the surface is graded and has adequate drainage. A gentle or moderate grade is ideal. A grade that is too steep will make parking and set-up awkward and may also restrict handicapped access. If heat is a likely issue, look for a location with some shade, such as a parking lot with trees, or consider starting the market early in the day. Above all, make sure the surface the market plans to use is even and free of holes and other obstructions that put customers and vendors at risk.

Shelter: Protection from sun and rain creates a more comfortable and appealing market. Customers are more likely to venture out during hot, cold, or wet weather if the market area is covered and protected from the elements.

Stall layout: Visualize how the stalls would likely fit on the site. How many vendors will fit in the space? Will the market have room for potential expansion? Keep in mind that the market also will need room for customer traffic, including those with special access needs (e.g., wheelchairs). A circular flow creates easy passage and helps balance visibility for all of the stalls. The evaluators also should visualize where the market would establish a central location for the information booth, which can be made easily identifiable with colorful flags or banners.

Ownership: The owner may be a business, person, church, city, or other entity. The terms and tenure of a contract depend on the nature of the property's ownership and prospects for alternate uses or for development.

Cost: Some owners may require rent; others may be willing to forego rent for the benefit of increasing foot traffic or providing a community service.



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Zoning: The site must be zoned for business. If not, it may be necessary to obtain a variance.

Fire regulations: Most farmers markets will require at least a fire lane.

Law enforcement regulations: Be aware of any law enforcement concerns and regulations.

Property taxes: The market's presence may affect the tax owed for the site.

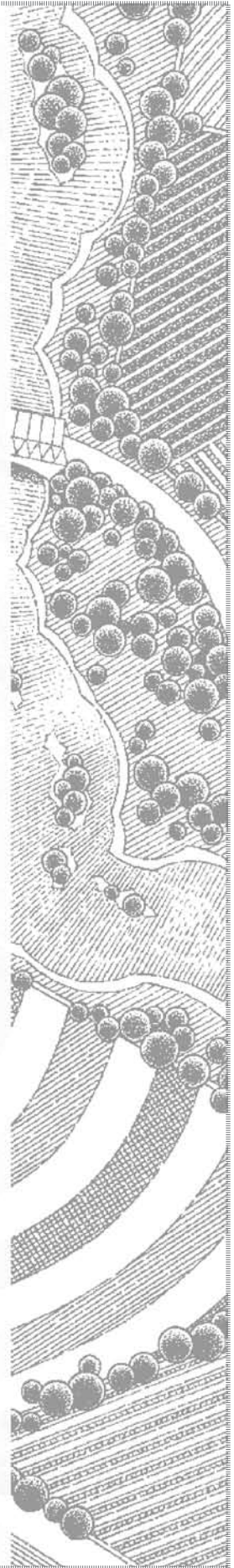
Insurability: The site will need to be insured and appropriate groups must be covered for liability risks.

Final Thoughts on Choosing a Site

Ideally, you want the market to be situated in a place where vendors, managers, and especially customers will enjoy their time there. Offer your customers an organic environment, a place where shopping for fresh food seems natural. Studies have found that consumers patronize farmers markets first because of the farm-fresh produce and then for the ambience. A pleasurable shopping experience is very important in attracting and retaining customers.

Even if the only location available to you seems dismal and undesirable, you can take steps to create an inviting atmosphere. If the site is under a highway overpass, for instance, as it is for the Oakland Lake Merritt Farmers Market, you can use the cement structures to your advantage. You can have bands play music under the overpass, using the concrete caving as an amplifier to drown out the sounds of traffic above. You also may want to consider creating some large decorations (for instance, hand painted murals by local schoolchildren) that can easily be attached and removed for each market. These are not extravagant or expensive ideas, but they help to brighten up a site.

Food quality, customer relations, and good management are very important, but without a positive, upbeat atmosphere, even a well-run market will lack the appeal that gives people delight in their shopping experiences. If the market is in a vacant lot, for example, try to add landscaping features. Perhaps some of the growers could donate perennial flowers and herbs. Consider involving neighborhood gardeners who may want to form a committee to help beautify the market site. The pleasure that customers and vendors take in the market will have a significant impact on its longevity.



Conducting the Feasibility Study: Financial Analysis

The financial-analysis committee has two important tasks: determine possible sources of funding the start-up of a new farmers market and develop a projection of income and expenses to determine whether it is feasible to start a new market. If opening a new market goes forward, the budget generated by this committee will become the foundation for the market's operating budget, so it is important to gather data with which to make the most accurate projections possible.

This chapter will enable you to:

- ▶ **Be aware of potential sources of start-up and operating funding.**
- ▶ **Collect data to project income and expenses.**
- ▶ **Determine the financial feasibility of a new market.**

Sources of Funding

There are a number of potential sources of funding for a new market, including sponsorship, grants, and fees. If the market is sponsored by a single organization or a coalition of organizations, the founding organization(s) will likely provide some funding for start-up. In that case, the financial-analysis committee should include representatives of the sponsoring

organizations who can accurately project funds available for start-up.

Depending on the purpose and mission envisioned for the market, the market organization or its sponsoring organization may be eligible for grants through government agencies or nonprofits. A search of available grants related to nutrition, agricultural marketing, and community development can yield potential sources of funding. Local funding may be available through the chamber of commerce, United Way, and service organizations and religious groups.

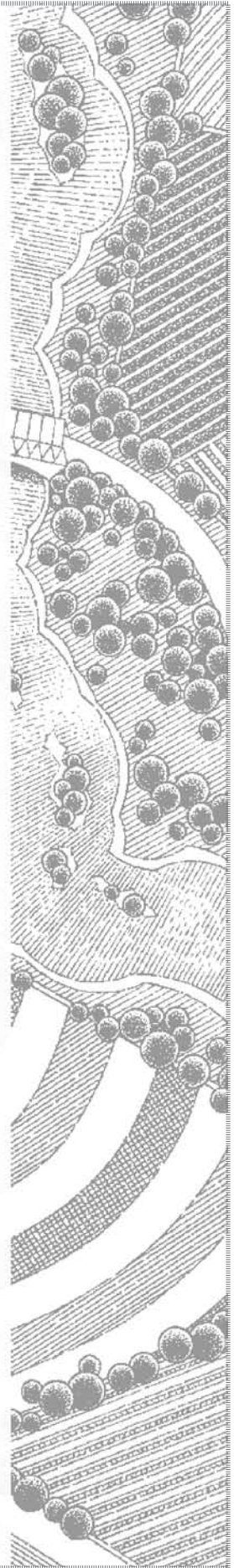
Another source of funding is vendor payments of stall fees and/or membership dues. Managers of established markets that are not in direct competition with the proposed market may be willing to share information about their stall fees, membership dues, and other sources of income. The committee should check with more than one manager to elicit a set of strategies and choose the ones that will work for the proposed market.

Projected Expenses

To establish the financial feasibility of the market, you need to anticipate and project the market's expenses. List anticipated costs, such as wages, benefits, insurance, permits, and office overhead. Also, list planned start-up costs such as a deposit on office space and creation of a logo, as well as ongoing planned activities that can include special events and advertising and their projected costs. Check with managers of other markets, preferably in areas with similar demographics and costs of doing business (for example, similar costs for office space and employee compensation), to gauge expenses as accurately as possible.

Working with Other Committees

If the feasibility study indicates that a new market would be viable, then the work of the financial-analysis committee will have a strong impact on future activities. If, for example, the cost of designing a logo and purchasing promotional materials is not included in the initial cost projections, then the options open to those assigned the task of promoting the new market will be constrained. It is important that all of the committees maintain communication with each other and that the activities involved in the feasibility study and start-up be organized and coherent so that nothing is assumed or overlooked. With organization and communication, the results of the initial financial analysis can become a cornerstone of future market development.



Conducting the Feasibility Study: Vendor Recruitment

This chapter will enable you to:

- ▶ **Assess vendor interest in a new market.**
- ▶ **Match vendors with consumer demand.**
- ▶ **Recruit vendors.**

The vendor-recruitment committee's main responsibility is to assess the availability and interest of area growers in joining a new market. Through this committee's work, the market contacts growers and begins to develop vendor membership requirements.

It will take some time to make contact with a sufficient number of farmers, secure their involvement, and provide them with the information they need to prepare for a successful market season.

Finding the Niche

The vendor-recruitment committee must work closely with the market-analysis committee to match potential vendors with consumer demand. Using preliminary results from the market-analysis committee's study of consumer demand and preferences, the vendor-recruitment committee can determine the initial product mix the market should offer, the number and types of vendors they need to recruit, and, ultimately, whether vendor recruitment for this market is successful.

To analyze vendor and product availability and interest in selling at the market, a survey specific to producers can be conducted. Surveys can determine the vendors' level of interest and willingness to sell at the market. The survey can ask farmers for their reasons for selling products at farmers markets and rank those reasons on a scale of one to ten with one being most important and ten being least important. The following characteristics are useful: convenience of direct marketing, receiving retail value for products, interaction with customers, ability to advertise value-added products, and ability to sell excess products not sold through other outlets.

Determine if other vendors in the area are selling vegetables, fruit, flowers, or baked goods. If so, who are their customers? How do they set prices? What makes them successful? Instead of attempting to outperform them, find an area in which they are lacking that can provide the new market with an obvious niche to fill. The market can then differentiate its products by branding the market as a unique complement to existing competitors. Ideally, a market does not want to be in

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direct competition with anybody. Look for ways to complement existing resources, find new areas in which to specialize, and build relationships that are mutually beneficial.

One of the principal competitors for produce and value-added products is local supermarkets. However, supermarkets do not necessarily have to be viewed in a negative way. One market manager reported that, when his market was forced to leave its traditional site, the town's grocery store offered its parking lot. The new location worked out well, and the market has since been held there for many years. Customers purchase their nonproduce groceries at the supermarket and then shop at the farmers market for fresh, seasonal produce.

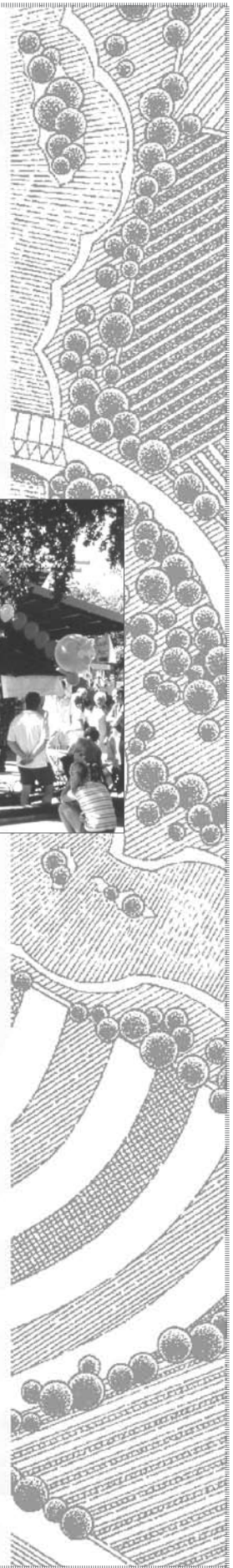
To keep this cooperative arrangement running smoothly, relations must be maintained between the supermarket and the farmers market's manager. Often, the supermarket manager comes from an agricultural background and sees slight losses in produce sales one day a week as worthwhile in return for supporting local farmers, building good community relations, and attracting additional customers on market day for nonproduce items.



Other Attractions and Vendors

Special events, tourism, and other nearby attractions can draw customers to the area from long distances, though not necessarily on a consistent basis. Some of these events may be seasonal or of short-term duration. Determine what the area has to offer:

- Is this community the gateway to a popular recreation area or national park?
- On what days does the market attract the most tourists, and during what peak hours? Work with local hotels, chambers of commerce, and other attractions that can share information or can benefit from the farmers market.
- Are there weekend craft fairs, famous historic buildings, or special downtown events that bring tourists to the area?
- Could these offerings add to the customer base or will they have the opposite effect—keeping away local residents?





Agritourism

Agritourism is a new approach used by some farmers to attract customers to their farming operations. By offering tours, roadside stands, you-pick operations, and bed and breakfast accommodations and by listing their sites on farm trail maps, these farmers are creating new identities as destination areas for urbanites who have a desire to experience rural life. For farmers market managers, some of these agritourism operations can represent competition while others can be beneficial.

Do these agritourism operations offer very specific, seasonal types of products, such as market-pick blueberries or Christmas trees? Would they draw from the market's desired customer base? School tours to a pumpkin patch probably would not attract the same crowd that the market is targeting, but it is possible. Do area agritourism operations/events conflict with the days and/or hours that the market will be held?

One way to strengthen collaboration among different agricultural producers and increase their accessibility to consumers is to incorporate all of them into the farmers market, building a network of support for local agriculture. If a farm that hosts students can say, "We will be at the farmers market on Saturday if you want to show your parents our pumpkins," that word of mouth provides free advertising for the market. A local blueberry grower could find it worthwhile to close her farm stand on market days to sell at the market instead.

Contact all of the farm stands, you-pick operations, and agritourism operators in the area and ask if they are interested in joining the market. If they are already participating in direct marketing, there is a strong possibility that they will be interested in the opportunity to sell at a farmers market. However, make sure that their operations are compatible with the market's vendor policies and state regulations.

Finding the "Right" Vendors

Town councils and downtown business groups organizing a new farmers market have at times underestimated the complexity and effort involved in getting farmers to join a new market. Finding farmers who are growing the right products for direct marketing or that are interested in new farmers markets can be a challenge even in an agricultural area. The vendor-recruitment committee must spread the word widely and talk to many farmers to develop a base membership of growers with sufficient product diversity and volume to make the market successful.

Even more important than finding growers is finding the right growers. Consumers prefer markets with a well-rounded selection of produce. Keeping a wide variety throughout the season is a key factor for successful markets.

One good way to go about providing diversity is by starting with a core group of growers who can offer a wide array of produce. Specialty items and seasonal favorites can then build on that foundation. Diversity in products at the market is as important to farmers as it is to consumers. Too much overlap among growers reduces their individual sales and is a frequent complaint to managers. Getting an early start on developing the right market mix is critical to the success of a market and its growers' businesses.

Where to Find Vendors

Recruitment of vendors should begin six to eight months before the opening of the market, preferably in fall or early winter when farmers have more time to participate in planning. Contacting farmers at this time also allows them ample opportunity to prepare crops for the market. If they know which products they want to sell the following spring and summer, they can place seed orders and develop planting schedules accordingly.

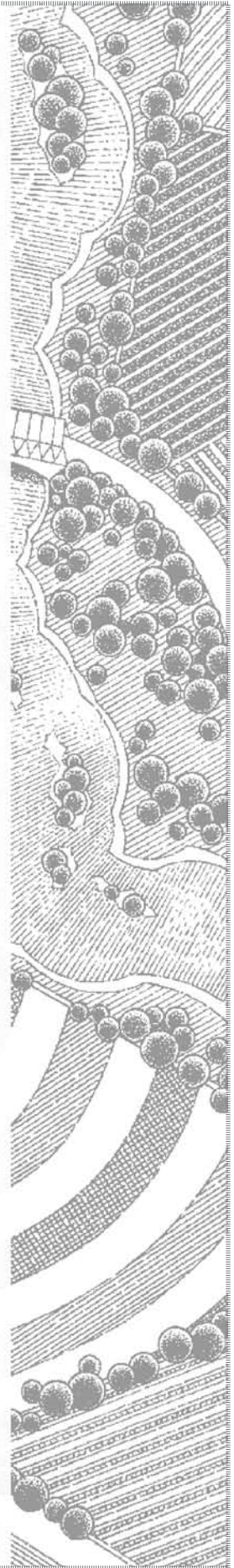


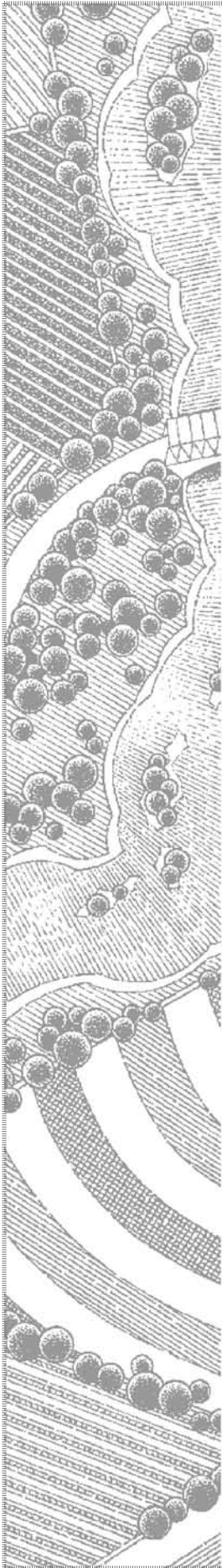
Personal contacts and phone calls are the most effective ways to get the word out about a new farmers market. If there are other markets in area, it may be helpful to visit those markets and talk to their managers and vendors. Farmers often will be interested in selling at more than one market, but be careful not to steal vendors from other markets. Also visit you-pick operations and roadside stands in the area, as these farmers may be eager to try another form of direct marketing.

It is helpful to talk with interested growers to determine how serious they are about the market. If they want the market to work, they may talk to other growers about it. An increase in the number of growers and the resulting diversity of products makes for a larger, more stable, and more interesting market that can attract and serve more consumers.

Growers' associations and cooperatives can be helpful in informing potential vendors about a planned market. Organizations that may be helpful in identifying local growers include the Cooperative Extension Service (located in most counties), the county agricultural commissioner's office, the state's agriculture department, and the local Farm Bureau office.

If these organizations have upcoming workshops, a representative from the vendor-recruitment committee can make presentations about the proposed market. Networking with experienced marketers at these events can also provide an invaluable source of information about the process of starting and running a market.





Reviewing the Findings of the Working Committees

When the market-analysis, site-analysis, financial-analysis, and vendor-recruitment committees have completed their tasks in assessing the feasibility of starting a new market, the organizing committee should meet to review the findings and decide whether to move forward.

Agenda for the Organizing Committee Market Decision Meeting

Objectives

- 1) Review findings from the committee analyses.
 - a) Is there sufficient consumer demand to support a market?
 - b) Is there sufficient vendor interest and commitment to meet consumer demand?
 - c) Are there viable potential sites?
 - d) Is there a way to finance the market and can it be financially viable?
- 2) Financial options.
 - a) Budget, cash flow, and cash needs.
 - b) Financing options.
- 3) *Decision:* Is it feasible to start a new market? Will the process move forward or stop?
- 4) If the decision is to proceed, discuss creation of the board of directors.
 - a) How many of the organizing committee members will serve on the first board of directors and what skills do they bring?
 - b) What skill areas or areas of representation are missing? Who still needs to be recruited? See Chapter Ten for more on creating the board of directors.



Establishing the Market as an Organization

Once the committees have completed their analyses and established the feasibility of a new farmers market in the community, it is time for the organizing committee to create the organizational structure.

This chapter will enable you to:

- ▶ Choose an organizational structure that will meet your needs and position you to become a certified farmers market.

An Overview of Organizational Structures

The extent of the organizational structure required for a market depends largely on the size of the market. Every market requires performance of basic administrative and group decision-making tasks. Building a framework in advance to facilitate those tasks simplifies operation of the market and helps to identify structural needs. In California, farmers markets must be certified by the county in which they operate; because the produce sold at farmers markets is exempt from certain packing and labeling requirements, both the vendors and the market must be certified.

Several forms of market administration and organization are used in farmers markets, each with advantages and disadvantages. As farmers markets continue to gain in popularity and sophistication, their management becomes more complicated and demanding. In response, more markets are beginning to adopt formal business models or to seek sponsorship through larger administrative organizations such as business associations and municipal organizations.

Here we present several organizational models as examples of alternative frameworks. These options should be weighed in terms of their advantages and disadvantages in light of the market's immediate needs and its potential for growth.

Three Common Models for Farmers Market Organizations

- An unofficial agreement among producers rather than an official business.
- A private for-profit or nonprofit business runs the market.
- A public sponsorship wherein the market is run by a public authority such as a city government.



Agreement among Producers

An agreement among producers is a common type of farmers market organization. Although it does not carry the same bureaucratic requirements as more formal business models of market management, successful applications for certification will mean that permits and licenses must be in order.

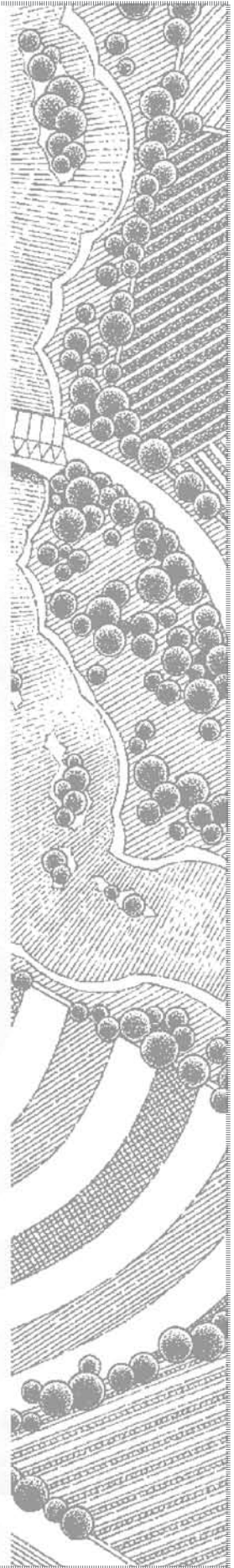
Private Sponsorship: The Market as an Independent Official Business

Many markets operate as independent businesses, either as nonprofit or for-profit operations. Which form is most appropriate for the market depends on the size of the proposed market, the people involved, and the level of tax and legal liability key members are willing to assume. Resources are available to help the organizing team with this decision and with other questions related to starting and running a small business.

Within the private-sponsorship model, there are several options for ownership of the market. To obtain a business license, you will need to define the ownership structure of your enterprise. Following is a list of the four general types of ownership for businesses.

Sole Proprietorship

- One person owns all assets and profits and is responsible for running the business.
- The proprietor assumes complete responsibility for liabilities and debts.
- There is no legal distinction between the business and owner.



Partnership

- Two or more people own the business.
- A legal partnership is involved, which should include agreements about decision-making, profit sharing, dispute resolution, and dissolution of the business.
- Types of partnerships are general, limited, partnerships with limited liability, and joint ventures.

Corporation

- Corporations are chartered by the state.
- There is a legal distinction between the business and its owners, which are its shareholders.
- Corporations can be taxed and sued.

Limited Liability Companies (LLCs)

- LLCs have the limited liability of corporations and the tax efficiencies and operational flexibilities of partnerships.
- There are stipulations about what may be defined as an LLC.

Some of the advantages of organizing a market as an independent entity include retaining control of the market, having full decision-making abilities, and identifying liability and taxation issues in advance. A disadvantage to having the market as an independent entity is the pressure of all of the costs and responsibilities for running and promoting the market falling to a single individual or small group of individuals. Gaining sponsorship from a larger, well-established organization (as discussed in the next section) is one way to reduce this level of direct responsibility.

Resources for Businesses

In addition to information provided in this guide, you can acquire a wealth of information from the Small Business Administration (SBA). SBA is a great source of general information about starting and running small businesses, much of which can be found at its website: www.sba.gov/starting_business. There also may be a small business development center in your area. These offices often provide hands-on training and advice about setting up and managing a small business.



Business laws: Complying with business laws and regulations can be a burden on small businesses. To help businesses overcome a lack of information, SBA, in cooperation with multiple federal agencies, developed *BusinessLaw.gov*, an online resource designed to provide legal and regulatory information to America's small businesses (www.sba.gov/starting_business/legal/buslaws.html).

Business licenses: To operate a farmers market officially in most areas, you must obtain a business license and register your business name (also called a "fictitious name").

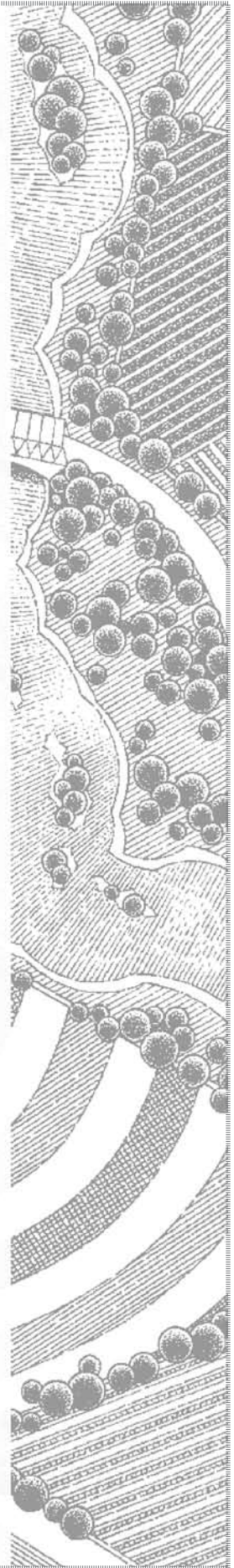
The Market as a Nonprofit Organization

Another option for structuring a new market as an independent organization is to form a nonprofit organization. Advantages to nonprofit status include eligibility for grants, tax-exempt status, and some protection from liability. However, the paperwork involved can be a disadvantage and the ability of farmers markets to obtain nonprofit status is in flux. A good source of general information on legal requirements for nonprofits is Nolo Press (www.nolo.com).

Public Sponsorship: The Market Run through a Larger Business or Public Agency

Market sponsorship through an overseeing organization has become one of the more popular approaches to organization for farmers markets. This alternative follows several different models and the level of involvement of the sponsor varies. Some local service organization sponsorships require very little involvement as the sponsors are simply interested in bringing a farmers market to the community, whereas private and public agencies may require more involvement in terms of management and/or organizational structure. Sponsors may be responsible for running one or more markets and can legally categorize themselves as a for-profit or nonprofit business. The level of control that market sponsors require varies considerably and depends largely on the agreement made between the market and the sponsor.

While this model may appear complicated, many markets have found great benefits from this type of sponsorship because administrative costs and responsibilities (such as insurance and promotion) are shared and further reduce business risks. In turn, surplus revenues generated from stall and membership fees can be used to start other related community projects such as support for a teen center or improving awareness about environmental and open spaces. Arrangements such



as these strengthen community support for the market and benefit not only the vendors but the consumers as well.

Examples of Public Market Sponsorship

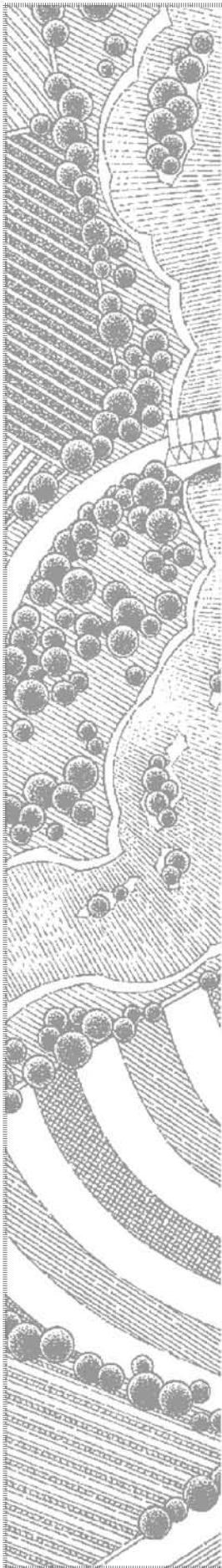
The Greenmarket Program of the Council on the Environment of New York City (CENYC) is an example of market sponsorship through a larger organization. CENYC is a privately funded citizen-owned organization that operates in partnership with the mayor's office. CENYC promotes awareness of food systems and solutions to environmental problems. In addition to its other projects, CENYC manages the Greenmarket Program, which operates thirty-eight weekly open-air farmers markets in twenty-eight locations at peak season in New York. Sixteen of these markets are open year round.

Another example of an organization that has been sponsoring farmers markets is the Economics Institute in New Orleans, Louisiana. Housed at Loyola University's Twomey Center for Peace through Justice, the Economics Institute initiates and promotes ecologically sound economic development in the greater New Orleans region. Since 1995, it has helped to establish a number of strong markets in partnership with farmers, citizens, business and government leaders, chefs, and nutrition advocates. In addition to assisting with the establishment and operation of several markets, the Economics Institute provides information and training to farmers and other small business owners on sound agricultural, processing, and business practices.

There are many other ways that organizations can provide support to farmers markets through sponsorship. In addition to providing logistical support, such as office space, staff, and umbrella insurance coverage, such a relationship often supplies educational resources and training materials as well as advocacy on a regional or state level.

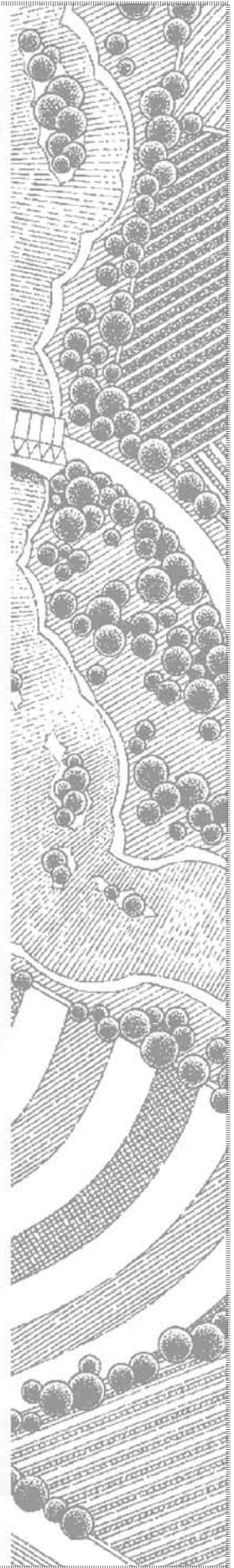
Before seeking sponsorship from an umbrella organization, make sure that the goals of potential sponsors are aligned with the overall goals of the farmers market. Some markets have run into difficulties as a result of partnerships with organizations that did not share the same vision as the vendors or surrounding community. Therefore, it is important to fully discuss these issues with all of the concerned parties before agreeing to sponsorship.

Finding an organization or association in the area that is already involved with farmers market sponsorship helps to ensure that various goals are likely be in alignment. The state's farmers market association and direct-marketing contacts in this field can provide additional suggestions about possible sponsoring organizations.



What Structure Is Right for Your Organization?

As you read through this chapter, you may have recognized the structure that best suits the farmers market you are developing. If several of your organizing committee members have nonprofit affiliations, or if the market is being organized by a nonprofit such as a community development organization, then structuring the market as part of a sponsoring organization may be a logical choice. If, however, the market is being organized by farmers, creating an independent organization might be best. Organizers must weigh the pros and cons of each type of structure and choose based on the unique needs and characteristics of the vendors, the new market, and the community in which it will operate.



Establishing the Market's Management

Once an organizational structure has been chosen, the organizing committee must create a board of directors. Once that has been done, the board becomes the decision-making entity for the remainder of the activities involved in creating the market's organization.

This chapter will enable you to:

- ▶ **Establish an effective, productive board of directors.**
- ▶ **Write a mission statement that reflects the identity of the market you are creating.**
- ▶ **Understand the steps involved in setting up the market organization, including articles of incorporation and bylaws.**

Establishing the First Board of Directors

Unless the market is a sole proprietorship, the answer to the question "who makes key decisions about market activities?" should be the board of directors. Some organizational structures for farmers markets, such as those that are sponsored by an umbrella nonprofit, do not require a separate board. The board of directors oversees many aspects of a market's operation and is a required organizational component of a nonprofit corporation. If a farmers market is a nonprofit, tax-exempt corporation, otherwise known as a 501(c)(3), it must have a board of directors that is responsible for directing the organization.

Guidelines for how the board shall conduct itself should be clearly stated in the organization's articles of incorporation and bylaws. These rules differ from the market rules (Chapter Fifteen) in that they pertain solely to operation of the board and oversight of the organization. If the market seeks incorporation, it will have to file these documents with the appropriate

state authority. This authority is usually the secretary of state or the state's corporation commission.

Because these documents establish the internal legal functions of the organization and are as binding as any other law passed by Congress or the state's legislature, they should be carefully drafted to ensure that they meet the group's needs. Refer to the articles of incorporation and bylaws of other markets in the state for guidance. The National Center for Nonprofit Boards and the Internet Nonprofit Center are also good resources for creating board guidelines.

Who Are the Directors?

The board of directors is responsible for the overall vision and for governance of the market. Once the board and the market are established, directors are generally elected by the market's membership on an annual basis. The first board, however, will be established by the organizing committee and may include organizing committee members who are willing to continue providing leadership and direction for the market. There also may be additional community members who are desirable candidates.

The members of a board of directors have inherent obligations to represent:

- The public, ensuring that their best interests are represented.
- The government, ensuring that the organization's funds are used for organizational nonprofit purposes rather than for the financial gain of board or staff members.
- The donors, ensuring that their funds are spent for maximum impact in accordance with the stated purpose of the organization.

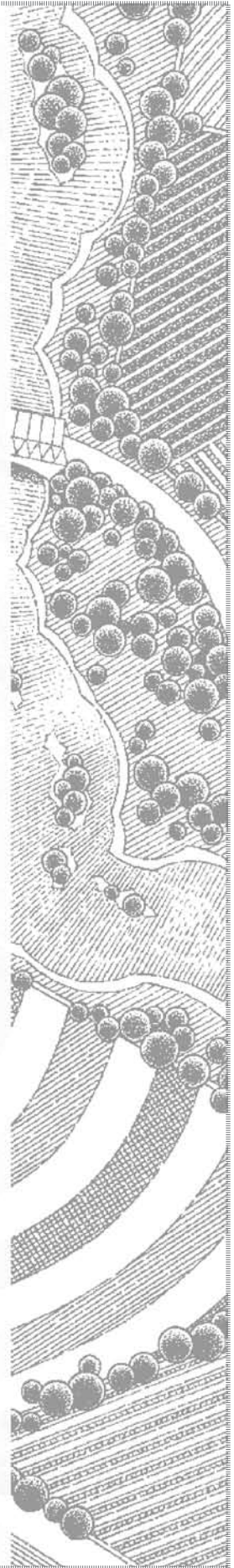


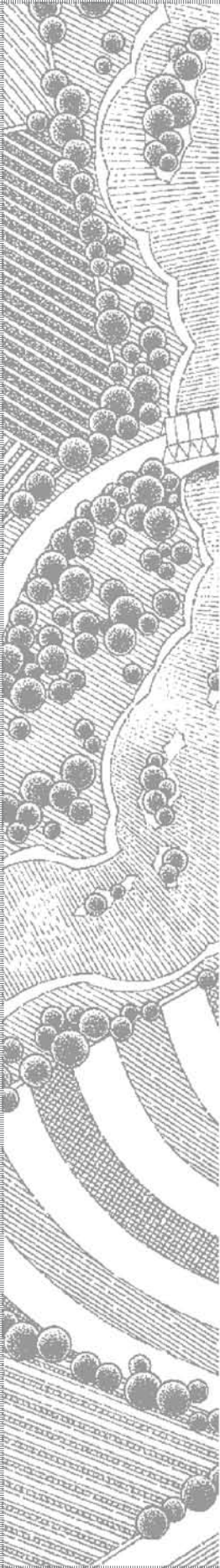
Many farmers markets have a board of directors even if they have not obtained nonprofit status. The board is a valuable asset that offers essential guidance in starting and developing the market.

Roles and Responsibilities of the Board of Directors

The purpose of the board of directors is to provide vision, direction, and governance to an organization. The board is responsible for shaping the market and its success in many ways, including providing direction in strategic planning, monitoring, evaluation, public relations, and promotional activities. Boards of directors generally consist of several officers (chairperson, co-chairperson, secretary, treasurer) that are defined in the bylaws. The manager may or may not be a voting member of the board as defined by the bylaws.

In theory, the board works closely with the market manager to assist in development and implementation of long-range plans as well as with day-to-day activities. In reality, the level of board involvement for a farmers markets depends on the way the board is structured, its relationship to the manager, and the time, assets, and strengths that individual members bring to the board.





Responsibilities assumed by the board fall into two general categories: governance and support. Governance refers to broad-based policy-making activities that address the benefits and services the organization provides. Support refers to day-to-day activities, conducted through committees or on an individual basis, that further the goals of the organization.

The exact responsibilities of the board will vary from market to market, but they may include some of the following:

- Long-range planning and goal-setting.
- Setting policies and fees for the year.
- Developing market rules.
- Establishing an annual budget.
- Providing direction to the market manager.
- Supporting the manager in conflict situations and intervening if necessary.
- Making major staffing decisions.
- Overseeing promotions and marketing.
- Developing fundraising strategies.
- Acquiring liability insurance.
- Recruiting new vendors.

The board is responsible for drafting the market's rules. Market rules are a set of guidelines that establish policies specific to vendor membership fees and other such conditions that potentially affect activities at the market that are otherwise unregulated by local or state law.

Types of Farmers Market Boards

The organizing committee may choose from several different models of board leadership in establishing the first board. While there is no single "right" way to organize and recruit for the board, it is important to assemble a governing body that has the time, energy, and skills to assist in key efforts of the market. Many farmers market managers believe that the most effective market board is one that reflects the diverse interests of the surrounding community as well as the geographic region in which the market is situated. The three typical types of boards employed by farmers markets are vendor-only boards, vendor/community member boards, and organizationally driven boards.

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Vendor-Only Boards

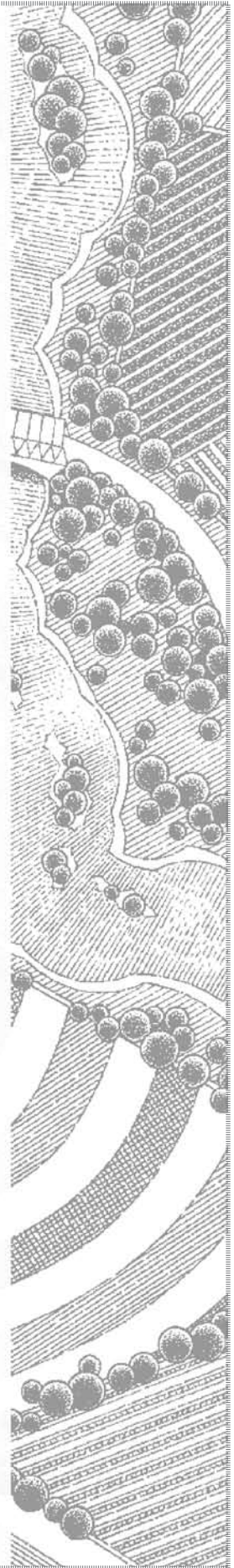
Vendor-only boards are boards whose members are exclusively market vendors. This type of board ensures that all members have a strong interest in the market, as each member has a primary stake in the market's success and profitability. The policies and procedures set by this type of board more accurately reflect the realities of the market since vendor-members have a firsthand familiarity with its day-to-day operations. At a minimum, a few board members will always be present at the market to assist, particularly in situations of conflict.

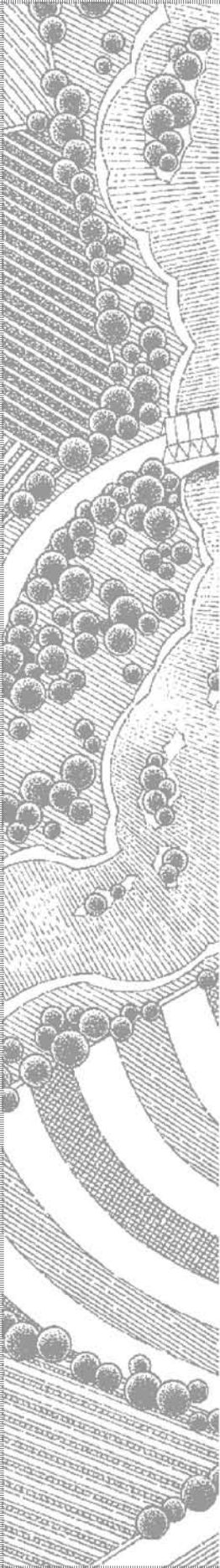
Vendor involvement on the board can create conflicts of interest. The division of roles must be clearly defined at the outset. A board member may be personally involved in a dispute with another vendor, for example, and may have difficulty separating his or her roles as a board member and as a vendor. Conflicts of this nature may arise if board members perceive themselves to be in competition with other vendors or if they are good friends with other vendors who are not board members. Such situations cause misunderstandings and make it difficult for boards to make decisions that are in the best interest of the market as a whole.

Vendor-only boards also may be weakened by peak-season market periods (summers) and/or vendors who sell at more than one market, which results in vendors being too busy to attend to board-related issues. In some cases, these members may rarely attend the market, sending an employee instead, which renders them less connected to day-to-day issues at the market. As one manager stated, "Farmers are not bureaucrats. I have a hard enough time getting them to fill out paperwork, let alone attend meetings and engage in strategic planning." Boards comprised entirely of vendors may rely more on the manager to build community relations since most vendors will not live in town or have nonprofit management skills. In these cases, the manager may end up directing the board rather than the other way around. With no community representation, the board also may have a difficult time understanding and responding to the issues and needs of the community in which the market operates.

Vendor/Community Member Boards

The vendor/community board is one that is comprised of a mix of market vendors and community representatives. This is a common structure for many small-town farmers markets. Board members each bring various strengths, including legal or financial expertise, ties to the business or political community, and strong marketing and public relations skills. A board can maximize its effectiveness by building on the individual strengths of its members in ways that complement rather than compete with each other.





Vendor/community boards have direct access to an awareness of vendors' issues and also reflect the interests of the community. Board members who are local residents may be more in tune with issues that affect the market and consumers and may be more connected to resources that can assure the market a strong position in the community.

On the other hand, board members who are less familiar with the realities of farming and direct marketing must pay extra attention to the concerns of vendors. They should understand the importance of working to serve the interests of the vendors as well as those of consumers and the larger community. As one board chairperson said, "The diversity of the board is our greatest strength and our greatest weakness. The challenge is to live with the conflict that diversity brings."

Organizationally Driven Boards

The organizationally driven board is usually the choice of nonprofits or local business organizations that sponsor farmers markets, such as downtown improvement districts and community development organizations. Markets sponsored by these types of organizations may have boards that have less connection to the people involved in the market. For example, a market board may be made up of business owners from the downtown area where the market is located, providing no vendor representation. As one manager said, "Our board members connect us to the downtown district really well, although they do not shop at our market."

Organizationally driven boards can offer substantial business expertise through their members, as well as strong ties to the local business community. In such a case, the market manager must ensure that vendor interests are well represented and may act as a liaison for communication between board members and vendors. Closed communications will lead to a closed market. If you choose to have an organizationally driven board, keep in mind that strong communication and management skills, which are always essential for market managers, will be an even higher priority when it comes time to hire the manager. With this type of board, vendors may feel that too much of the decision-making process is beyond their control. Vendor investment in the market may be more difficult to achieve later if the infrastructure does not include vendors in the larger context of the organizational structure.

Establishing the First Board of Directors

The type of board that the organizing committee establishes depends on the organizational structure and the committee's view of the board's role. If the organizing committee decides to pursue an informal agreement among producers, or to structure the market as a private for-profit business, there may be no need for

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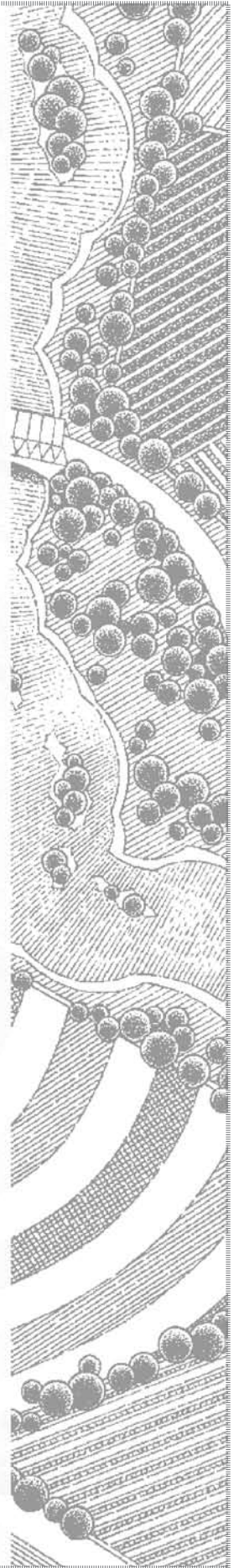
a formal board of directors. If the committee pursues or arose out of sponsorship by a larger organization, whether a public agency like the mayor's office or a private nonprofit such as the Urban League, the board will likely be organizationally driven. If the committee decides to establish the market as an independent, nonprofit organization, any of the types of boards described here might be created, according to the committee's view of the board's role in the market.

The organizing committee should consider potential board members with the following questions in mind. This process is most effective if each member considers the questions individually and then the group discusses and resolves differences in a meeting to nominate potential board members.

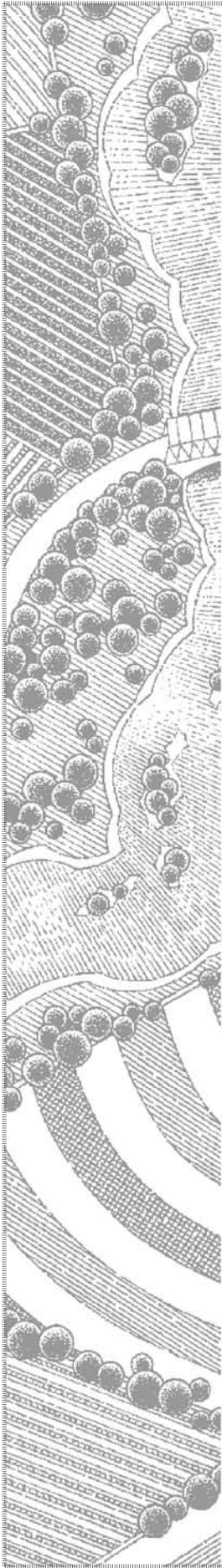
- Using the information in the preceding section, what will be included in the "job description" for board members? What level of commitment does the committee anticipate (e.g., two hours per week, five hours per week)?
- Who are the organizing committee members who want to continue on the board and what qualities and skills do they bring to the board?
- What qualities and skills are missing?
- How important are the missing qualities and skills to the committee members?
- Can the market compensate for the lack of those skills on the board by prioritizing them in hiring a market manager?

Once the organizing committee has achieved a level of agreement that allows it to make a decision about the answers to the preceding questions, it can establish criteria for evaluating anyone who is suggested as a possible board member. If all members of the organizing committee know the types of board members needed, it will be easier to evaluate candidates based on whether they meet the criteria rather than on more personal factors. Using the criteria for skills and characteristics needed on the board, the committee can identify individuals as potential board members and evaluate the nominees.

Before making a decision about potential board members, take another look at the vision statement for the market. Are the nominees likely to value and agree with this vision? Will they work to support it? If you do not know, you can ask the nominee to look at the vision statement and indicate his or her willingness to support it. If the nominee cannot support it, you should probably look for a nominee who is more likely to commit to the market's vision. Once the nominees have been chosen, the committee should appoint someone to either contact or write a letter of invitation to each nominee to serve on the board. Before officially establishing the board, the organizing committee can hold an orientation session for potential



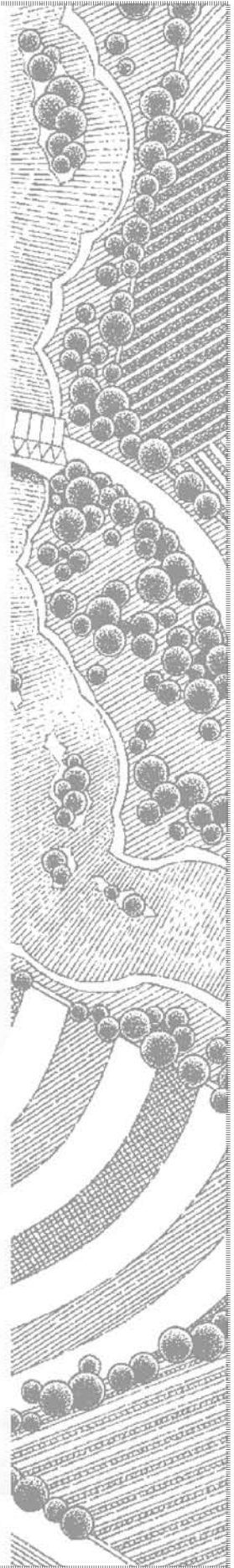
or new board members that reviews the vision for the market and expectations for the skills and commitment of time required of board members. If, after the orientation, anyone opts out, the committee can then find someone to take that person's place before the board begins its term.



Establishing the Market's Structure and Organization

Once the board of directors is established, it will need to create much of the formal structure and rules for the market. The first issues for the board to address are:

- ▣ **Establishing the articles of incorporation and bylaws.**
- ▣ **Choosing a name** for the market and for any other organizations and associations that the vendors contemplate forming (e.g., "Alpine Tuesday Farmers Market" or "The Alpine County Farmers Market Association").
- ▣ **Developing the mission statement.** What is the purpose of the market and the organization? Examples: "To provide consumers with _____ and farmers with _____." "The association is created to provide an organized body to _____." The mission statement plays an important role in establishing the character of the market as well as the rules that will guide its daily operation.
- ▣ **Establishing committees.** Many market founders find it useful to allocate some of the more challenging responsibilities to subcommittees. For example, a safety committee and an appeals committee are two groups that can help in the process of making decisions, evaluating problem situations objectively, and enforcing the bylaws.
- ▣ **Developing the bylaws** by which the market as an organization and the board of directors will operate.
- ▣ **Implementing provisions of the bylaws**, such as designating the board officers.
- ▣ **Covering board member liabilities.** Depending on how it is organized, the association of vendors may or may not be liable in case of accidents. Research this issue with a local attorney. Example: "No person who is now or who later becomes a member of this association shall be personally liable to its creditors for any indebtedness or liability." This statement offers some protection against individual member liability.
- ▣ **Determining fiscal provisions.** The market must determine when its fiscal year begins and ends and who will be authorized to act on behalf of the organization (e.g., to open accounts and sign checks). Before the market finalizes the articles of incorporation and bylaws, ask a local attorney to review them.



Developing the Mission Statement

One of the first activities of the organizing committee was to discuss and develop a vision statement for the market and its role in the community. The vision statement is a broad statement of the place of the market in the community. The mission statement is a concrete, specific statement of the major goals of the market organization in seeking to realize the vision of its founders. Clarifying and synthesizing the group's purpose and beliefs in a written statement makes it easier to present the concept to growers, the community, and others.

The answers to two questions—"What are the market's goals?" and "What are the market rules?"—are reflected in the market's mission statement and in the bylaws. Even if the market will not incorporate or have nonprofit tax status, it is a good idea to put the market's goals in writing. The mission statement should:

- identify the market's goals, and
- provide philosophical direction for developing the market's objectives.

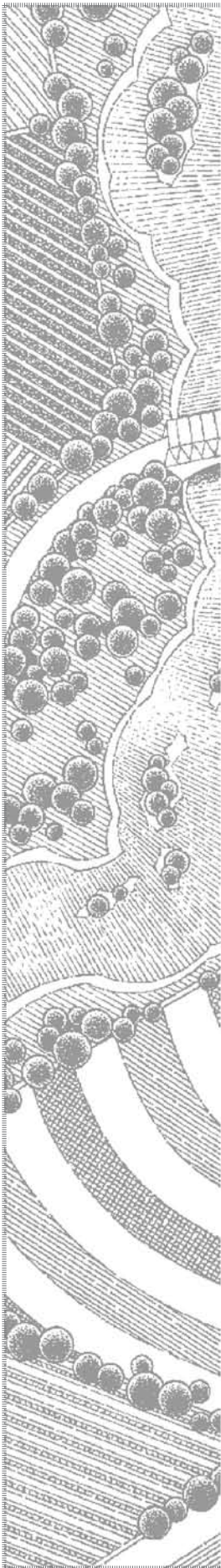
A clearly defined mission statement gives the market a starting point for long-range planning and major decision-making.

The organizational mission statement should be agreed upon and supported by everyone on the board.

Step 1. To define your market's mission and develop a mission statement, first look back at the vision statement created by the organizing committee at the beginning of the start-up process. Board members should have seen and committed to working toward this vision when they were recruited, either for the organizing committee or for the board of directors. The mission statement should grow from and be consistent with the vision statement. Write the vision statement on a large piece of paper or a whiteboard with plenty of room around it for ideas about the mission.

Step 2. With the vision statement on a large piece of paper or whiteboard, start brainstorming actions that would be most effective in achieving the vision. Brainstorming simply means getting all ideas on paper without judging, censoring, or evaluating them.

Step 3. When everyone's ideas have been listed, begin to evaluate them. Which ideas are not actions or cannot be turned into actions? Set those ideas aside (they may be great ideas, just not mission statement material). Which would be the most effective actions (big steps versus little steps—the mission involves giant steps)?



Developing the Articles of Incorporation and Bylaws

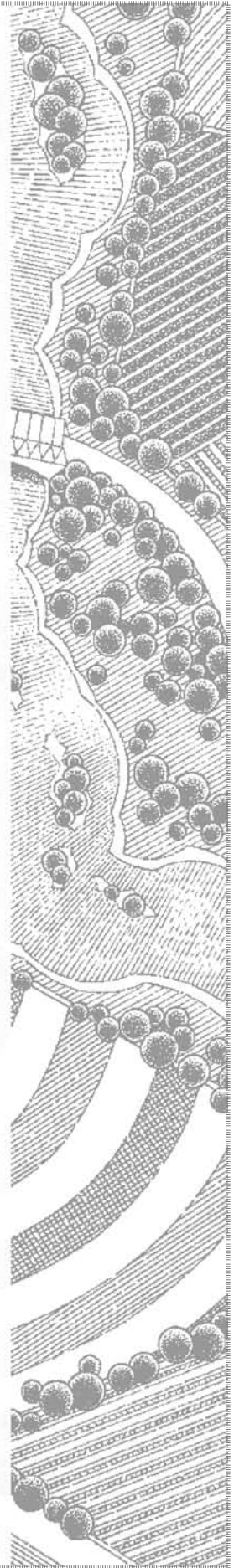
Articles of incorporation should be written with legal guidance. The bylaws of the market establish the rules by which the board will operate and typically address the following items.

- The name of the market.
- The market's purpose and mission.
- Rules that govern membership and membership fees.
- The composition and powers of the board of directors, committees, and officers.
- How and when meetings are held and how decisions are made.
- Fiscal matters such as the beginning and end of the fiscal year.
- Accounting practices.
- Access to records.
- A process for amending the bylaws.

Consult bylaws established by other farmers markets for templates.

Final Thoughts on the Structure of the Market

Establishing the market structure may involve a need for legal advice and certainly requires detailed foresight and planning. However, once a well-planned structure is established, the market will be solidly positioned for the future, and the manager and succeeding boards of directors will be able to attend to the maintenance and growth of the market.



Hiring a Market Manager

Once the organizing committee has chosen the organizational structure and created the board of directors, it is the responsibility of the board to hire a manager for the market. This section offers some guidance about the responsibilities of a market manager, the qualities to look for in a manager, and how to proceed in hiring one.

This chapter will enable members of the board of directors to:

- ▶ Hire a market manager.
- ▶ Create new working committees.

Hiring a Market Manager

The role of the market manager varies from market to market based on the community in which the market is located, the type of market, the role the board plays, and the particular manager's personality, skills, and interests. As the market development process evolves, the type of manager that fits the specific market will begin to form in the minds of board

members. Some managers hold full-time paid positions; some are vendors who annually rotate the volunteer responsibility of manager.

Randii MacNear, manager of the Davis Farmers Market in Davis, California, believes it is important that market organizers hire a manager as early in the planning process as possible. This enables the manager to develop a better understanding of what goes into creating the market and get a clear picture of the market's goals. The manager then will be more likely to be invested in making the market a success. Moreover, the experience that a manager brings to the organizational process is quite valuable and can help the board avoid many first-time market difficulties. If the board of directors can create a paid manager position, the market will have a committed worker with time allocated specifically to market management as opposed to trying to fit those responsibilities into what is likely already a busy schedule.

Manager Responsibilities

Managers have equated their jobs with parenting. While trying to nurture, support, and promote their "child's" life, they simultaneously must help it conform to external codes of conduct and to communicate values of sharing, patience, and teamwork. The following outline describes typical duties for a manager. Note,

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however, that the job varies somewhat from market to market and from manager to manager.

Market Start-up Duties

- ▣ Recruit new vendors.
- ▣ Monitor compliance with relevant regulations and codes.
- ▣ Secure necessary permits and licenses.
- ▣ Track food, store, and wholesale prices to guide pricing for the market and vendors.
- ▣ Keep farmers updated regarding competition.
- ▣ Make stall assignments.
- ▣ Review the budget and maintain records of market expenses and income.
- ▣ Make sure all vendor forms are completed properly and retained.

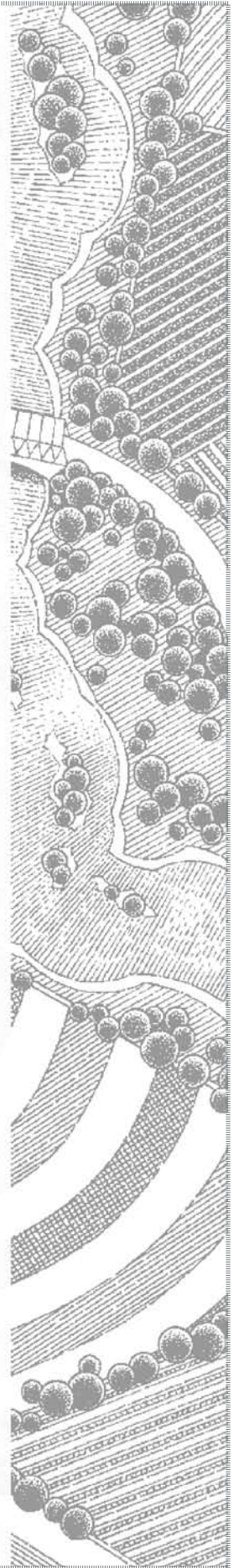


Daily Tasks and Responsibilities

- ▣ Coordinate opening and closing of the market.
- ▣ Assist at stalls when necessary.
- ▣ Enforce the bylaws.
- ▣ Handle emergencies and complaints.
- ▣ Serve as the quality control person for produce and craft items, as well as for the market's general appearance and cleanliness.
- ▣ Collect food stamps and WIC coupons from vendors.
- ▣ Maintain an information booth, guest book, recipe postings, etc.
- ▣ Keep a daily market log.
- ▣ Hold vendor meetings as necessary.

Communication and Networking Tasks

- ▣ Represent the market in meetings with community members and growers.
- ▣ Develop a positive relationship with vendors.
- ▣ Educate and assist vendors with merchandising, pricing, and other marketing and business skills.



- Coordinate and encourage volunteerism from sponsors and community groups.
- Build positive customer relations.
- Maintain communications with city and county officials, the health department, the site owner, and others connected with the market.
- Follow instructions from and maintain communications with the board of directors.
- Work with the board and vendors to develop strategic plans.

Promotion and Advertising Duties

- Create an annual calendar of events.
- Develop new promotional ideas.
- Arrange for media coverage and represent the market to the media.
- Establish an advertising budget.
- Review logos and other marketing tools with a committee as necessary.

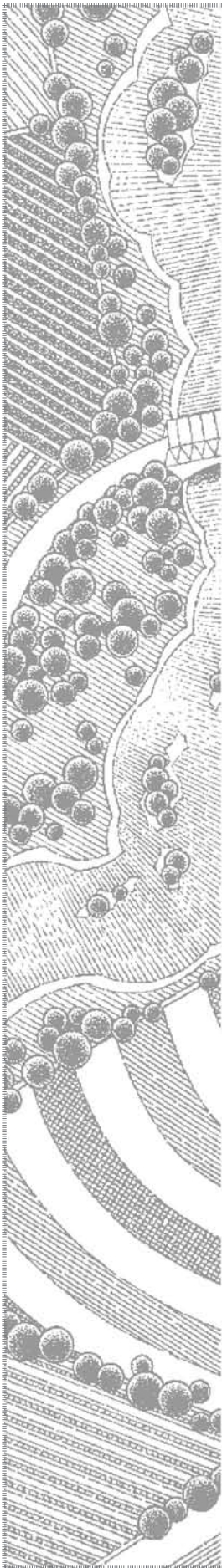
Evaluation Duties

- Conduct periodic surveys to assess customer opinions and satisfaction.
- Invite, listen to, and use input from vendors and others to improve the market.
- Lead in monitoring and, when necessary, revision of the market's mission, goals, and strategies.
- Evaluate and improve the effectiveness of meetings and other team activities.
- Debrief participants after board meetings, workshops, and retreats.

Qualities of a Good Manager

The market manager is crucial to the market's success. As evidenced by the responsibilities just described, market managers must be leaders who possess a complex blend of skills that are both interpersonal and organizational. Following are some qualities to consider in a potential manager.

Interest and skills in sustainable/local agriculture. The manager does not need to know everything about local crops or food production practices,



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but he or she must learn how to rate produce quality and know when certain foods are local and when they mature and become available. He or she also must be interested in understanding the concerns, lifestyles, and needs of growers.

Communication skills. The manager will need to be in communication with many different types of people—growers, regulatory authorities, the media, and the community. He or she must be able to relate well with others, feel comfortable addressing groups, and write well.

Leadership. The manager should be decisive but not domineering. He or she must be able to ask for input from many sources and coordinate feedback to make the best decision for the market. Ideally, managers should be secure, mature individuals who can accept feedback and grow from it. They should also be able to remain fair when in managing conflicts among vendors and between vendors and customers.

Community connections. A manager who is already connected to the community will know how the community functions and have a sense of where to go for support and resources. Since many of the vendors may come from outside of the area, it is helpful to have a manager who is an insider.

Organizing skills. The manager must keep many records, comply with regulations, and keep track of people.

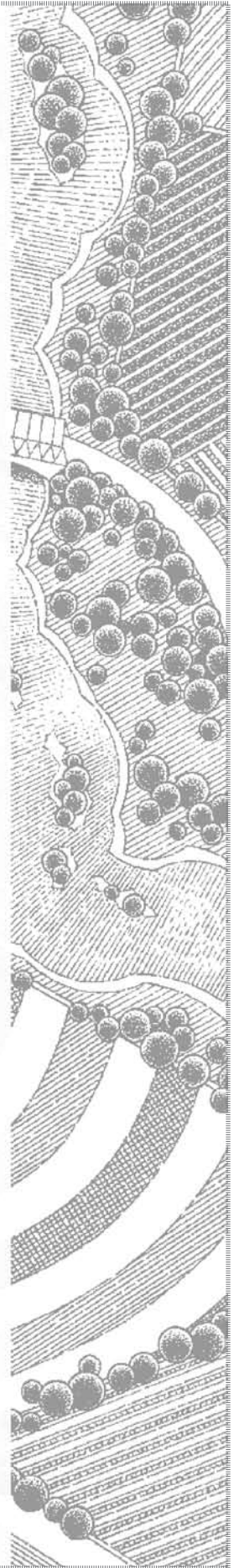
Creativity. The manager largely creates the market's atmosphere, so the market needs someone who has a good aesthetic sense and can create an upbeat atmosphere. Catchy logos, innovative events, and effective promotional ideas all come from creativity.

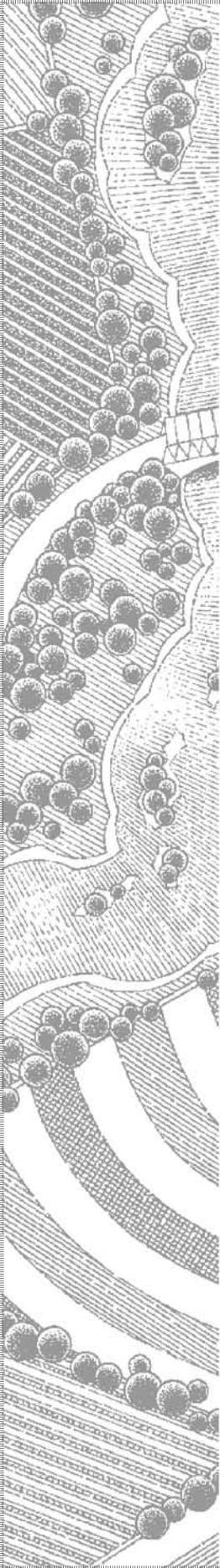
Commitment. The manager must be committed to the market and believe in the value of local, fresh food and direct marketing. She or he also must have the time to commit fully to the job.

Knowledge of farmers market management: The manager will need to have, or quickly gain, an understanding of regulations pertaining to the farmers market and how those regulations affect its operation and performance. The manager also must keep up to date as regulations are modified and new ones are imposed.

Writing a Job Description

Once the board knows the type of individual the market needs and the responsibilities for which the manager will be accountable, members can use that





knowledge to create a job description and evaluate candidates. The hiring process for a farmers market manager is much the same as for any other job. First, the board or top management must determine the time commitment that the market will require—full time or part time—and also estimate how much money is available for compensation. They can then develop a job announcement and an application process, which should include realistic qualifications, the manager's responsibilities, and the salary range. When determining the salary range, remember to leave room in the budget for benefits such as health insurance, annual leave, and retirement. Benefits include the employer's share of Social Security taxes even if the position is part-time and will not include medical or other benefits.

Next, get the word out to potential candidates. Look for applicants within local community groups—colleges with agriculture, nutrition, or community development departments; local food stores; neighboring farmers markets. Post the job description in the local paper, with the state's employment development department, in nonprofit employment magazines, and on appropriate websites. You may be able to take advantage of statewide farmers market or direct-marketing associations to help spread the word. Also, be sure to encourage applications from community members who helped to organize the market. But remember to evaluate them based on competence, not on qualities unrelated to the job. In some cases, this is a matter of law as it is illegal to evaluate and discriminate on the basis of matters unrelated to the job such as age, sex, parenthood, or disability.

Conduct the interviews in a professional manner and be sure to provide candidates with all necessary information about the market. Make sure that the people who conduct the interviews represent the diverse interests of the market. For example, try to have a farmer, an involved community member, and a local business owner on the hiring panel.

Compensation

Ideally, the person who promotes, organizes, manages, and dedicates himself or herself to the market will earn a livable wage in return for that commitment. The pitfalls of an unpaid, volunteer manager include having a manager who cannot do very much beyond basic daily coordination.

Collecting stall fees and directing traffic are day-to-day tasks that a volunteer manager can tackle, but planning promotions, utilizing the media, and building community connections all require substantial time and attention. A volunteer manager's position is likely to be short-term as most people need a paying job that can support them and their families. This can lead to a lack of continuity from year

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to year or, worse still, to the potential that the manager must leave for a paying job in mid-season.

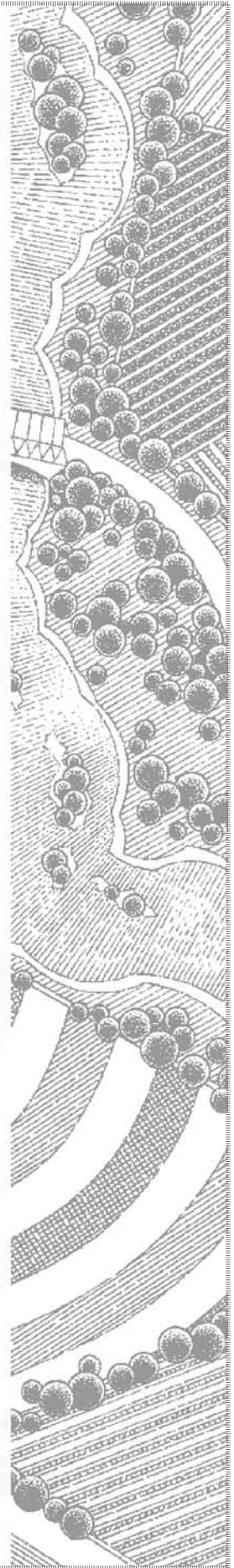
For some smaller markets, vendors have shared the market manager's responsibilities by rotating duties from week to week or from year to year. While smaller markets may have few options, in the long run this alternative can lead to a less successful market. Respecting the hard work of a manager by providing incentives may enable the market, and therefore the vendors, to be more successful and profitable.

The manager's salary can be based on an hourly rate, a flat fee, a percentage of gross market receipts, or a combination of any or all of these arrangements. The manager's salary should be taken into account when making other budget decisions, such as stall fees.

In the short term, management may try recruiting a volunteer or request assistance from the city government or department of agriculture. However, remember that these options are not optimal. Develop a strategic plan to grow the market to the point where you can afford at least a part-time paid manager.

Creating New Working Committees

Once the manager has been hired, the board, with the new manager's help, will need to create working committees to focus on various aspects of start-up. These committees may be continuations of the original working committees that conducted the feasibility study. Now, however, their attention turns from assessment to implementation. Committees can be set up to create market rules, continue vendor recruitment, assist the manager in attaining necessary licenses and permits, design the market's layout and arrangement of stalls, create an advertising and promotion strategy, and prepare special events for opening day. The manager and board of directors may be responsible for setting up the market's finances, budget, and accounting system or the task of assisting the manager can be designated to another working committee. However, the manager and board of directors are ultimately responsible for the market's finances and accounting. The next section of this manual is devoted to the various categories of start-up activities.



12

Creating the Budget and Bookkeeping System

A working committee devoted to the finances of the market has two major responsibilities: day-to-day financial management and planning for the future of the market. One of the committee's tasks will be to create a budget and bookkeeping system to present to the manager and board of directors. The other is to work with the board and manager to develop a plan for the financial stability of the market, including start-up funding and a pathway to financial self-sufficiency. The details of this work will depend on the particulars of the individual market; however, this chapter provides an overview and information that the committee, manager, and board of directors can use to guide their actions.

This chapter will enable you to:

- ▶ **Understand the role and responsibilities of the finance committee.**
- ▶ **Be aware of issues involved in moving toward financial self-sufficiency.**
- ▶ **Create a budget and bookkeeping system.**

An Overview of Market Finances

If the market relies on external funding such as a grant to begin operations, the manager and board will need to establish a timeline and process by which it will become financially self-supporting. A timetable should be established for implementing the goals and projected activities. The extent of these plans will depend on the type of budget the market will have or can generate.

menting the goals and projected activities. The extent of these plans will depend on the type of budget the market will have or can generate.

Funding and the Budget

An annual budget is a plan of the market's projected income and expenses with an itemized list of allocations to each activity for the budgeting period. Creating the first annual budget can be a challenge since the market does not yet have a previous year's expenses available as a guide, but the committee should use data gathered from other markets and sources during the feasibility study. The committee can begin to develop a budget by listing the current year's or season's expected income from stall fees, membership dues, donations, promotions, and sponsorships. The committee then lists planned activities such as special



Davis Farmers Market: Tips on Developing a Budget

– Randii MacNear, Davis Farmers Market Manager

The financial budget should be the most important tool of a farmers market organization. It is the “brain” of the organization. Developed and reviewed often, it becomes the primary guiding document for organizational analysis, program development, and financial accountability. The budget is part of a larger organizational financial plan and documentation process that the governing body of a farmers market reviews and makes available to its participants for perusal. This keeps market participants informed and educated about market operations, keeps the board accountable for sustainable and effective financial management, and minimizes the possibility of unfounded claims of financial misinformation.

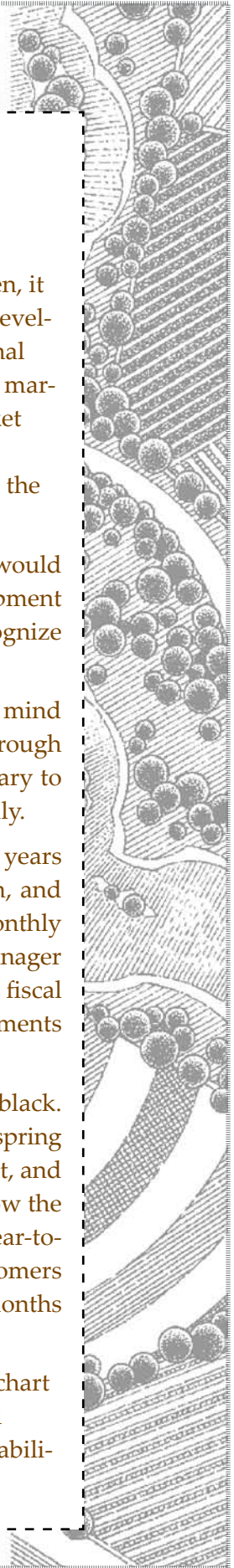
The optimal goal for an organization would be to develop a budget template that would remain stable and transferable year after year throughout the long-term development of the organization. That way, trends of income and expenses are easy to recognize and accommodate.

When evaluating and reviewing the budget during the course of the year, keep in mind that most year-round markets do not begin to operate in the black until midway through the budget year. For example, a market that uses a calendar-year budget (January to December) will most likely be in the red on financial statements until June or July.

Our organization has been using the same budget format for more than twenty years with only minor fine-tuning of budgetary categories, comparative information, and percentages. Our board reviews the budget (including income and expenses) monthly and, if necessary, curtails or expands spending. Occasionally, the board and the manager must make major adjustments in the budget midway through the organization’s fiscal year. With current and accurate financial statements and numbers, those adjustments can be made with confidence and accountability.

After July, the market should begin to see the financial picture shift into the black. Typically markets do not begin to see adequate income-to-expense ratios until the spring and summer sales volumes occur; however, expenses such as salaries, office rent, and health benefits remain constant on a monthly basis all year long. To evaluate how the market is doing, the market manager can compare year-to-year financials and year-to-date financials for increases or decreases or red-flag items. In other words, newcomers to budgeting should know not to panic if the market operates in the red for six months out of the year. This is a fairly normal occurrence for year-round markets.

Financial work can be done with a simple budget and set of books kept for the chart of accounts; however, there are also easy-to-use software programs for financial management. An accountant is retained for year-end taxes and the assets and liabilities portion of the organizational financial records.



events and advertising and their projected costs, as well as other expenses such as wages, insurance, permits, and office overhead.

Review this information carefully, and if there are questions or concerns, contact the manager of another market for an estimate of usual or comparable expenses for various cost categories. Be conservative and plan for contingencies. Include savings for future long-range projects in the budget if possible.

Planned income and expenses should match exactly, allowing room for unexpected costs. If planned expenses exceed planned income, the market must make an appropriate adjustment.

Recordkeeping

Good recordkeeping makes management and decision-making easier and more effective. Records allow management to keep track of and review past sales performance, vendor and membership information, crop availability, financial transactions, and much more. This information allows management to recognize and benefit from trends and business cycles, as well as helps with budgeting and strategic planning. Methods of recordkeeping vary widely. It is the job of the market manager and the board of directors or organizing team to decide which records are appropriate for their particular situation. There are some common records to consider adopting for the market.

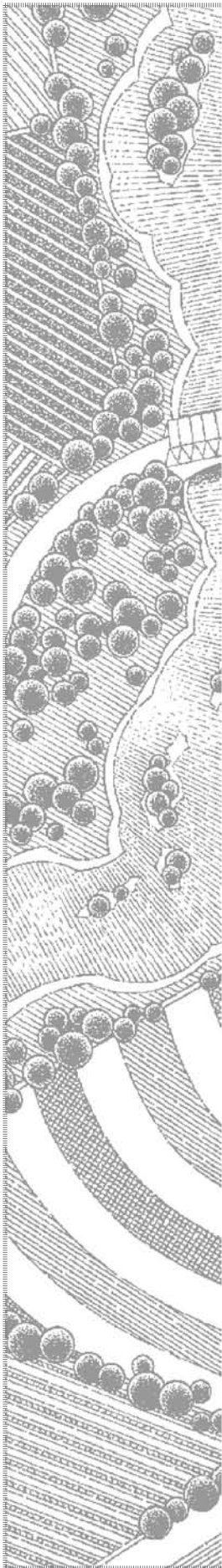


Careful financial records must be kept for tax purposes, even by nonprofits, and are among the most valuable aids to good business management. The manager and the staff or board of directors should review the market's financial records regularly. The process should include comparisons with the budget to determine if expenses are under or over the budget and to determine if and where adjustments to the market should be made.

Minimum written records are:

- **Expenses** – amount, item, service paid for, and date.
- **Income** – amount, source, and date.

Some markets also must include accounting for liabilities (any debts to be paid off in the future) and assets (items of value owned by the market) with their financial records. This task can be time consuming even if the market management already has some accounting experience. The services of a professional accountant, whether volunteer or paid, are strongly recommended for medium to large markets; small markets also may benefit from professional help at tax time.



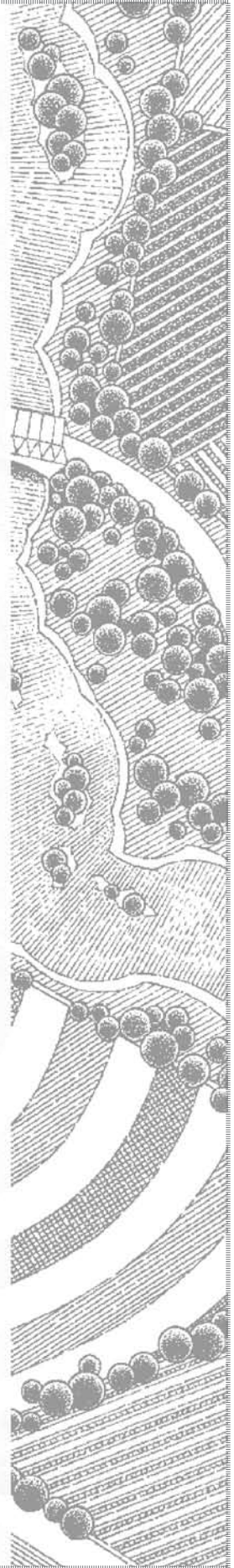
Starting a New Farmers Market

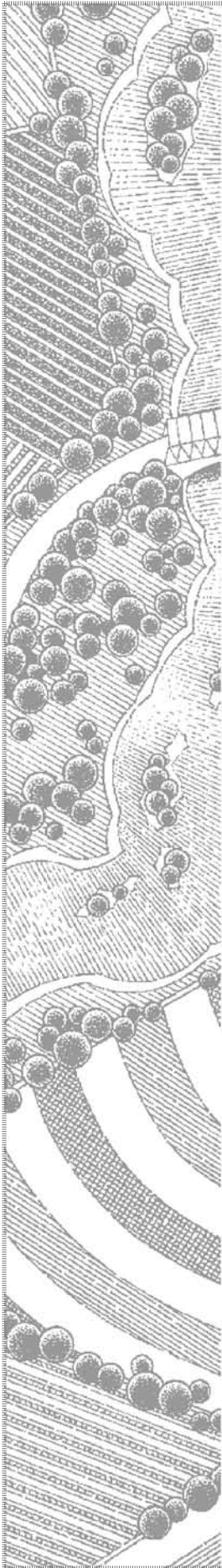
Computerization of these records can significantly improve the efficiency and accuracy of the market's accounting.

The market also should have procedures for handling and recording petty cash transactions and reimbursements for out-of-pocket expenses. Cash recordkeeping must be very accurate since there is no other written record of the transaction. A receipt also should be issued and should include the market's name and address, the name of the customer and business, the date, the purpose of the payment, and a signature. A duplicate copy of the receipt should be kept for market records.

Stall fees are another important piece of financial information that should be recorded and for which a receipt should be issued. Whether the market charges a flat fee, a percentage of gross sales, or some other type of fee, the market will be handling cash most of the time and will need to keep careful records.

Finally, markets must establish a method for handling bank accounts, deciding who has signature rights, and making decisions about other controls and limitations. These topics should be discussed among all the principal operators before the organization begins any financial activity.





Market Records of Vendors

While vendors' records of sales can help them to improve their sales and marketing, the manager also needs to keep good records. Maintaining accurate, up-to-date vendor records is an important part of market management. The records should include information on vendors who currently sell at the market, previous vendors who might return, and vendors who have expressed an interest in selling at the market in the future. Market managers can use a variety of methods to organize and maintain vendor information.

A handwritten index-card filing system is portable, easy to edit, and can be sorted into different categories. A computer database also can be used to maintain vendor records and, in addition, can help generate mailing labels and perform a variety of other functions.

Vendor information files should include:

- ▣ Vendor's name (partners, family, and employees).
- ▣ Farm or business name.
- ▣ Mailing address.
- ▣ Home and business phone and fax numbers.
- ▣ Email address.
- ▣ Farm or business location (if different from the mailing address).
- ▣ Crops grown; weeks available.
- ▣ Crop availability schedule; weeks available.
- ▣ Future crops planned; months and weeks available.

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Creating Market Rules

One of the most concrete and enduring legacies of the first board of directors and manager is the creation of a set of rules for the market. Market rules play an important role in defining and positioning the market and in establishing its character. They cover such issues and concerns as stall fees, membership requirements, allowable and desirable products, and the times and dates of operation.

This chapter will enable you to:

- ▶ **Be aware of issues addressed in the market rules.**
- ▶ **Understand common controversies that arise in farmers markets and how the rules can help the manager and board avoid or handle such issues.**
- ▶ **Create a workable, useful set of market rules.**

The Purpose and Functions of Market Rules

The rules created by the first board of directors will affect the market for a long time to come. If the board chooses to appoint a committee to draft rules for its approval, it is important to include a diverse group of stakeholders and especially to include vendor representation so that the rules address the needs and concerns of all stakeholders. Vendors can be represented by some of the first farmers to commit to the market, and some may be found among the original organizing committee. An effective approach to creating the rules is to first gather input from various stakeholders, especially vendors and consumers; develop draft rules; and then go back to the stakeholders for further feedback before revising and finalizing rules for approval by the board of directors.

Market rules have a tradition in America that is as old as the markets themselves. William Penn's markets in Philadelphia opened in 1693 under a proclamation that the market would open with the ringing of a bell twice a week and that there would be no buying or selling on the way to market or before opening. Other rules at colonial markets stated that all producers were guaranteed equal access and that attempting to create a monopoly to control the price of an item and buying items to resell them at the same market were punishable offenses. Today, market rules cover similar issues, though, fortunately, the vendor who breaks a rule is no longer locked into a pillory for public ridicule.

Each market must create its own set of market rules that reflect the market's particular vision and mission. Market rules help define the who, what, when, and how of a market.

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- What does the market hope to accomplish?
- During what seasons, days, and hours will the market operate?
- Who is eligible to sell?
- What are the requirements to maintain membership?
- What kinds of products can be sold?
- Who are the decision-makers?
- How and by whom are grievances handled?



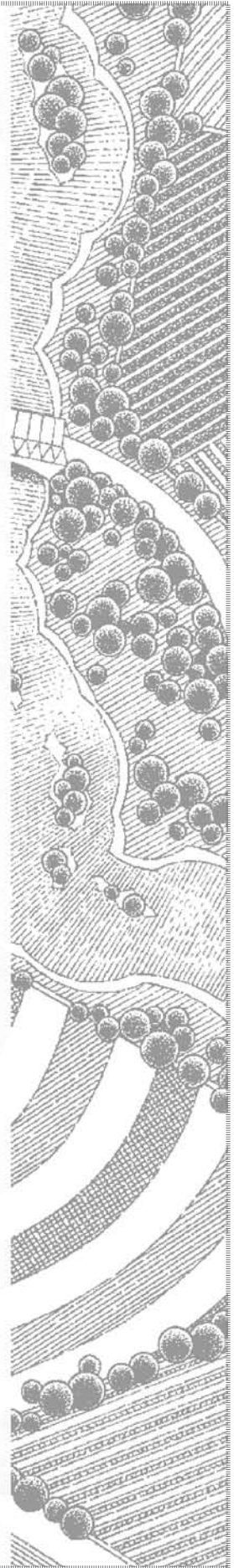
Market rules also are important in establishing guidelines for relationships among and between members of the board, the vendors, and the market manager. It may seem tedious to go over the details of crisis management in advance, but it is much easier to consider a problem when it is still hypothetical as opposed to trying to be objective when friends and business partners are involved. A thorough set of guidelines lets all of the parties know where they stand, provides a clear understanding of what is and what is not allowed at the market, and outlines how infractions will be handled.

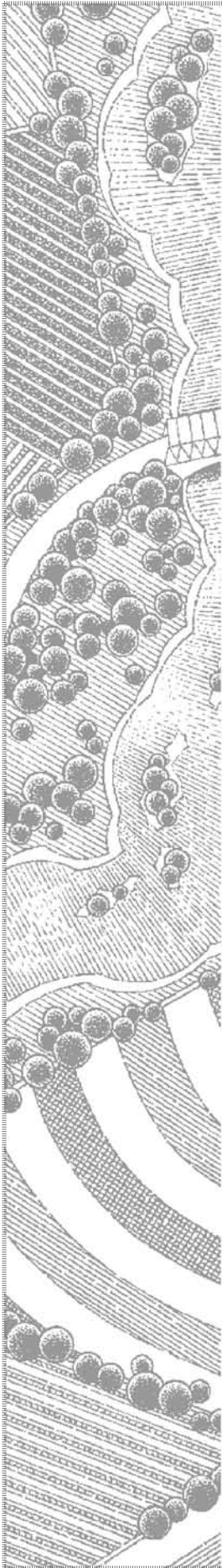
Chris Wychorski of the Federation of Massachusetts Farmers Markets points out that, at first, vendors may think they do not need rules, which they may perceive as an unnecessary and constricting formality. "Some new vendors may grumble, but after they have been at the market for a while, they see that it helps to have structure, to have procedures to fall back on, and how the rules can help protect them."

You can use the following template as a guide for developing your market's rules. If there is already a market in the area, you also may want to ask the manager for a copy of its rules for review. In addition, your state's farmers market representative may have suggestions. When creating the market rules, be sure to address the following points.

Dates and times. Determine whether the market will be year round or seasonal; if seasonal, determine the opening and closing days. Determine the regular opening and closing hours. Specify the day or time when stall fees are due, what time vendors may begin setting up, and what time they must arrive each day to participate.

Agreement. Make it clear that, through their applications and signatures, vendors agree to the conditions detailed in the market rules. Example: "By signing this contract, vendors agree to allow inspection of their farms to assure compliance with . . ."





Products. Define what products are to be sold at the market. Do state or local laws control what is allowed or how products must be handled? Example: "All agricultural products listed must comply with California's code governing . . ." Items may have to follow guidelines regarding such things as grading and packaging, organic certification, maturity, quality, labeling, and health and safety laws.

Admission of new vendors. How will the market decide who can join and when? Will it be a decision by the manager, the board, or vote? Example: "If growers/vendors meet the following criteria, they will be admitted based on the availability of space, the diversity that their products add to the market, and their position on the waiting list."

Market fees. State the procedure by which stall fees will be collected. Are there seasonal rates or early-sign-up discounts? Will the market charge a flat rate stall fee or a fee based on a percentage of gross sales?

Membership. Membership can be based on and can mean many different things. Will membership be limited to local or in-state growers only? To be voting members, must growers have participated for a certain length of time each season? Will local supporters/officials be allowed to vote on some larger issues but not be considered regular members? Example: "There will be two categories of members in this association, the first referred to as . . . and the second as . . ."

Responsibilities of members. These guidelines cover issues such as consistency and timetables at the market, product quality, and overall expectations regarding stall areas, including behavior and cleanliness. Example: "Vendors are required to maintain their stands in a neat and orderly fashion, ensuring safety by . . ."

Assignment of stall space. Stall assignments can be based on seniority, products, history of consumer/producer relationships, and the size of the space. More than likely, assignment of stalls will involve a mixture of all those conditions. How will vendors apply for new spaces?

Grievances. Complaints are a fact of life at every farmers market, so begin with a good plan for dealing with them. Alex Hitt of the Carrboro Farmers market in North Carolina said that his market has a strict rule of accepting written grievances only. This rule allows him to avoid unofficial verbal arguments and deal objectively with official written complaints.

Enforcement. Market rules must have established courses of action for dealing with infractions. Will vendors be allowed one, two, or three chances before

they are expelled from the market? Will the expulsion be temporary or permanent? How may vendors submit appeals if they disagree with expulsion? What legal rights do managers have to investigate complaints and enforce market rules?

WIC coupons and food stamps. Management will have to decide whether to participate in the USDA FMNP and Food Stamp Programs. If so, vendors will be affected in terms of postings, turning in coupons, etc. For more information, see the Chapter Three on organizing a farmers market in a low-income area.

Miscellaneous: Do you want to establish sign requirements for each vendor? For example: “Any product not grown by the vendor requires a sign indicating the farm and county from which the product came” would be a requirement for a local-vendors-only market.

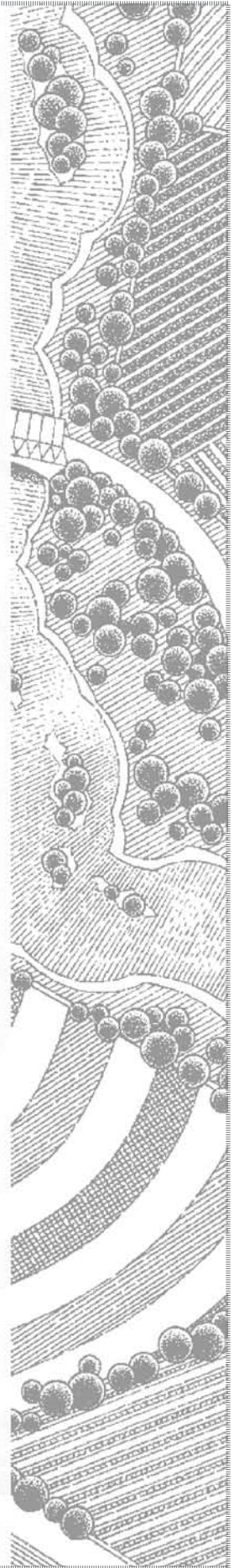
Being Proactive in Making the Market’s Rules

The preceding list outlines issues commonly addressed in rules for farmers markets. By anticipating possible sources of controversy and dissension and formulating rules and policies to address those issues proactively, the board of directors and market manager may avoid problems that interfere with the market’s establishment as a successful, stable entity. The next section describes some of the sources of controversy that the board and manager can manage or avoid by being proactive in writing the market rules.

Locally Grown Products

Certified farmers markets in California exist for certified producers to market their produce directly. Because they sell relatively small volumes of produce direct to consumers, vendors at farmers markets are exempt from many packing and labeling requirements that would otherwise apply. One of the most troublesome issues for markets and managers derives from the possibility that a vendor may attempt to use the market to sell something she or he has not produced.

Disputes often arise over whether or not all the vendors are selling their own crops. Sometimes growers make honest mistakes, thinking, “Well, this is just from my friend next door and I helped him with seeding some of it,” not realizing that this violates the market’s contract and possibly violates state regulations as well. Ideally, no vendor will buy produce at a wholesale outlet and claim it as his or her own, but that is one of the major challenges facing markets, managers, and those in county and state government agencies that oversee farmers markets. For this



reason the board, the manager, and vendors need to prepare themselves for this contingency by having a clearly written procedure outlined in the market rules and understood by all vendors.

Vendors at the market need to understand that the market's producer-only rule is a legal requirement for certification. Otherwise, they may not see the danger in misrepresenting the origin of their products. If locally grown products are what the market promotes, then that is what customers expect.

Polls have shown that consumers who patronize farmers markets do so primarily because they like to know who grows their food and feel that they can trust farmers they see face to face. This is important to preserve the integrity of the market and keep the trust of the public. Freshly picked foods sold by the person who grew them are viewed as being of higher quality than ones that have been transported long distances. Every farmer at the market should realize the value of this perception to the market's prospects.

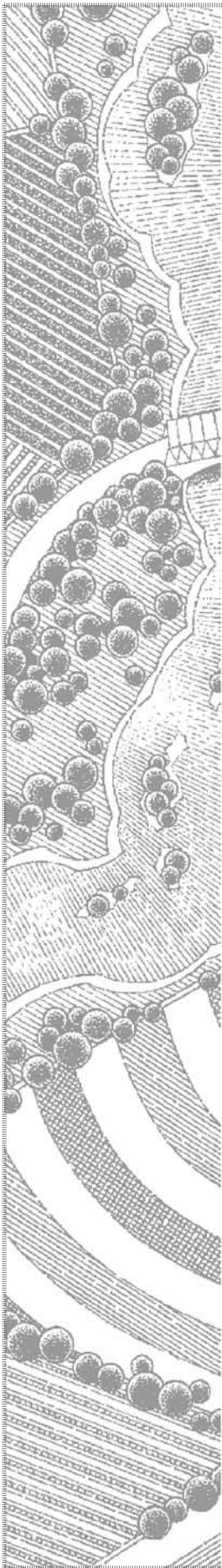
Quintin Carpenter of Capitol Square Market in Madison, Wisconsin, deals with a serious complaint about a farmer bringing others' products to market by following the farmer home that day to see the fields for himself. His market has a producer-only rule, and a farmer who breaks that rule can never sell at the market again. However, in some states, farmers have questioned the market manager's right to set foot on their property. Therefore, managers must be careful about trespassing suits and the board of directors should add a clause regarding the right to inspect farms in the market's vendor contract.

Clearly written market rules, vetted by an attorney who knows relevant laws and regulations, can help provide managers with the legal backing they need to deal with complaints of unfair or illegal sales. Market managers can do their best to avoid these problems by:

- Explaining the importance of upholding producer-only standards and maintaining the market's integrity.
- Knowing what is in season in the area.
- Being familiar with vendors and their products so that vendors are comfortable with the manager and the manager knows vendors' farms well enough to know what they can and do grow.

Stall Assignments

Another issue that often sparks dissension is allocation of stalls. Vendors know that an ideal location can make a difference of hundreds of dollars a day. If possible,



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begin with a market design that makes every stall space visible and easily accessible to customers.

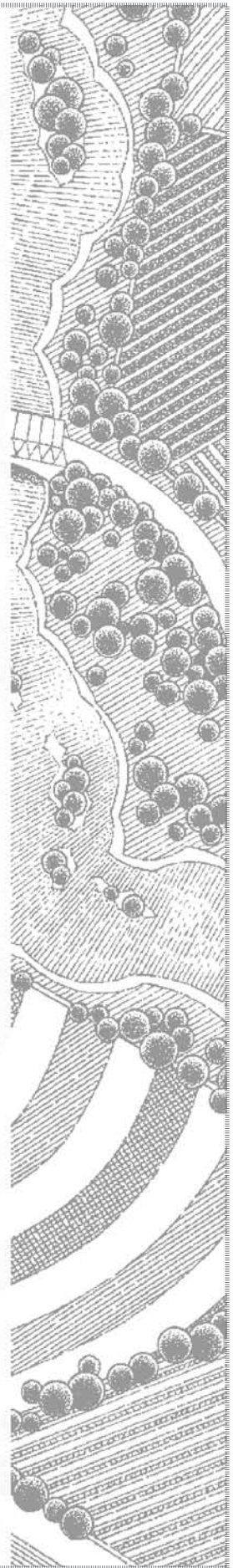
To assign spaces equitably, market managers use a variety of techniques, including giving first choice to the first vendor who pays the fees, drawing straws, and basing stall assignments on seniority. Of course the last is only feasible after the market has been in operation long enough to have vendors with different tenures. Make sure the plan is transparent, widely shared, and in place before the season starts. Once stall assignments have been established, adhere to the rules and make sure committees and procedures are in place to deal with disputes.

Transfer of Title

Transfer of title is another hotly debated issue. What happens if a farmer sells his or her business to a grower who does not already have a space in the new market? Is that grower permitted to sidestep a market's waiting list and enter immediately? Some markets establish detailed rules outlining the procedure by which space and membership in the market may be transferred. Transfer is often limited only to immediate family members or legally recognized business partners.

A Final Note about Market Rules

Market rules need to be written to ensure that they meet the market's goals. However, the market will not be well served by rules that are so restrictive that only a few vendors wish to participate. A good approach to including representative opinions is to have a diverse market-rules committee. Everyone's input and concerns should be considered in an effort to strike a balance among the various interests and ensure that the rules represent an optimal outcome for all of the groups involved.



Recruiting and Orienting Vendors

This chapter will enable you to:

- ▶ **Recruit growers and orient them to the market through a grower meeting and follow-up contacts.**
- ▶ **Develop application materials and information for growers**
- ▶ **Share tips to enhance growers' success and thus the success of the market as a whole.**

The task of recruiting vendors, begun during the feasibility study, should be an ongoing effort. If possible, include members of the first working committee in the group that will continue vendor recruitment, as well as any farmers who have already agreed to sell at the market and are willing to recruit others. The committee can use the results from the market analysis to match consumer demand with growers to provide an optimum product mix.

Holding a Grower Meeting

About three or four months before the market opens, the vendor-recruitment committee should plan a meeting with growers who have indicated a willingness or intent to become vendors at the market. The purpose of this meeting is to:

- obtain estimates of grower participation,
- remind growers of the opening day's date and time,
- formally distribute the market rules,
- distribute application packets to vendors and explain the process and timeline for applying to be a market vendor,
- give growers information about permits, and
- provide growers with tips to enhance their success as vendors.

The meeting should begin with introductions and updates on the work of the various committees so that participants get a sense of how the market is developing. Next, explain the market rules. Since the committee will have been in touch with growers and already sought their input on the rules, the rules should not contain any major surprises for growers. But this is an opportunity to ensure that everyone understands them. Explain the application process, including the timeline, and distribute application packets. Explain the requirements for licenses, permits, and/or certificates growers will need to become certified vendors at the market. For example, at California certified farmers markets, all growers must be certified as producers by their county agricultural commissioner. At this point, the

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market manager might formally become the “point person” for growers to contact when they need assistance obtaining necessary licenses, permits, and certificates. Depending on the numbers of questions to be answered, there may or may not be time for some informal training and tips for vendors to enhance their merchandising success at the market. The next several pages give more detailed information about each of the major agenda items for the grower meeting—market rules, application packets, information about licensing and permitting, and merchandising tips.

Market Rules

Vendors need to understand the market rules. Include a copy in each vendor’s application packet. While the meeting is not the place to go over all of the fine points of the rules, any especially important or potentially confusing parts of the rules should be highlighted. For example, the responsibilities and obligations of membership and procedures for conflict resolution should be reviewed.

The manager and members of the board of directors should attend this meeting so that they can meet the vendors and get feedback on the rules. If controversy arises, time should be provided to discuss and help to clarify or amplify issues related to the rules. Although the rules, like the market, are a group effort in which everyone must be flexible and work for the larger goal of long-term success, the ultimate responsibility for adding, amending, or changing the rules rests with the board of directors.

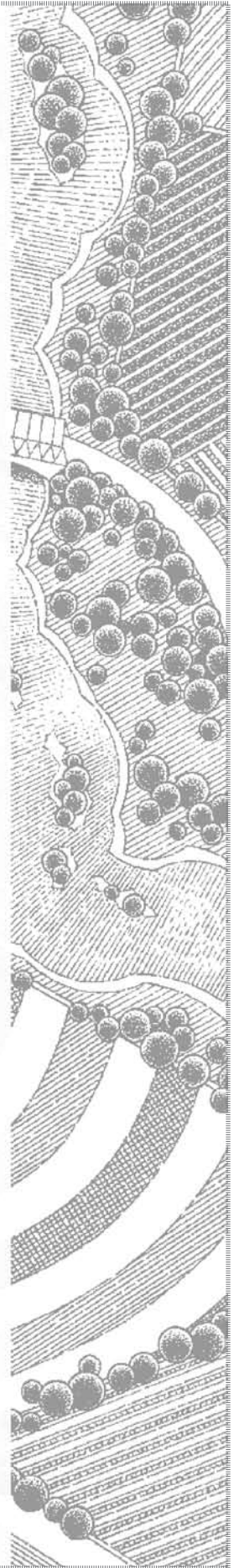
Application Packets

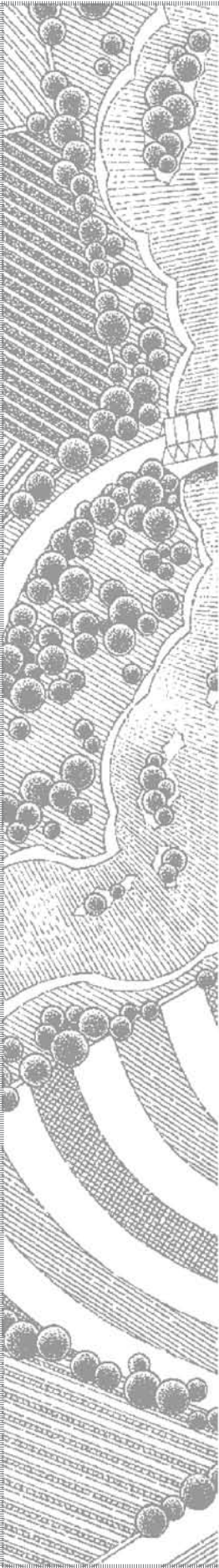
Once farmers commit to the market, that agreement should be formalized. A structured, clearly defined application procedure for participation in the market should be formalized to:

- Provide an opportunity to establish understanding of and agreement to the requirements, rules, responsibilities, and rights of market participation from the beginning.
- Indicate to farmers and the market manager alike that they are entering into a formal business agreement.

Each application packet should include the following items:

- Name and contact information.
- Information on fees.



- 
- A listing of produce/products intended for sale.
 - A copy of the market rules.
 - An agreement form to be signed and dated.
 - Any other forms specific to the market.

Licenses and Permits

Required licenses, permits, and/or certificates may present growers with challenges in navigating bureaucracy. The market manager or a representative of the board of directors should research the requirements and develop a short document explaining them and then present an overview of the information at the grower meeting and answer any questions.

Tips for Vendors

As the needs and preferences of the market's customers are known in more detail, management can begin to focus on ways to help vendors increase sales. Many farmers are not accustomed to direct marketing and may need assistance in displaying and promoting their products to maintain an advantage. Following are some basic merchandising tips to pass on to vendors.

Guidelines on Pricing

- Post prices clearly on signs or a price board. Consumers want to make educated choices. Try to use round numbers as consistently as possible. Calculations are easier if all products are priced in whole, half, or quarter dollar increments. Setting prices to values that are divisible by four, such as \$1.20 per pound or \$1.60 per pound, makes quarter-pound calculations easier. Consider volume discounts, case prices, and specials. Observe how these measures affect sales. Discounts do not always increase the volume of sales.
- If feasible, establish one price for all your produce. When tomatoes, peppers, and eggplant are all \$2 a pound, customers can mix them together in a single bag. If your items have a few different prices, try displaying them on the table in "price clumps." Use signs to designate price ranges. While bartering is almost mandatory when shopping at markets in other countries, consumers in the U.S. are not accustomed to this practice. For this reason, avoid haggling over prices.

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- Sell first-quality, fresh, and vine- or tree-ripened produce at premium prices, but seconds should be discounted. Harvest, handle, and display items carefully so they are not bruised or split in the process. If, by the end of the day, the lettuce is wilting, the apples are picked through, and only one variety of tomatoes is left, it may be prudent to lower prices. Again, the price should reflect the quality of the product.

Selling Suggestions

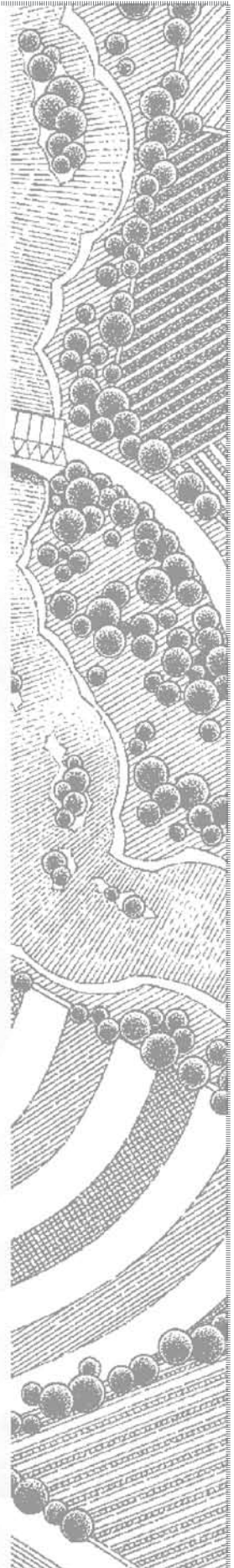
Produce sells quickly at farmers markets, often starting with an opening rush. A study conducted in Dane County, Wisconsin, found that by 10:15 a.m. more than half of the day's traffic had passed through; by 11:30 a.m. more than 80 percent of the day's customers had done their shopping. A USDA Agricultural Marketing Service study in Toledo, Ohio, (*Toledo Fresh Food Public Market, a Feasibility Study for Toledo City Parks*) found similarly that almost 50 percent of customers visit the market between 9:00 a.m. and noon. For these reasons, vendors must establish efficient systems that cater to customers and enable quick service. The following suggestions will help vendors prepare for the opening rush:



- Arrange the side of the table used for display or cash exchange for efficiency.
- Avoid the need to turn around to get to the cash box for each sale.
- Accept cash from only one customer at a time.
- Be courteous and friendly to every shopper regardless of whether he or she makes a purchase.
- When possible, provide added services to customers. For greatly improved customer relations, offer tips on meal preparation, food-care instructions, written recipes, and/or appropriate containers for carrying purchases home.

If sales are low, then the vendor can benefit from asking some questions, such as:

- **Is the produce display attractive?** Always keep boxes and baskets full and readjust piles frequently to keep produce looking fresh. Use a spray bottle or ice to keep greens from wilting.
- **Are customers unfamiliar with the product?** Recipes, pictures, and suggestions about how to use products help to educate customers and inspire them to purchase unfamiliar items.
- **Is this the wrong type of consumer or the wrong season for the products?** Value-added items such as flower-pressed candles and wreaths may



sell well during the holiday season but not necessarily in June. Likewise, value-added products may sell well in a wealthy neighborhood but not in a low-income area.

Using Samples for Promotion

Produce samples allow consumers to taste your wares before purchasing them and allow sellers to introduce new and uncommon varieties as well as demonstrate the quality, taste, and freshness of their products. Before a vendor passes out samples, make sure that the county or city health department approves it. The market manager should post sampling regulations.

Professionalism

Vendors who are not attentive, who are busy smoking a cigarette, or who appear unkempt lose business. While customers like to see a farmer outfitted in customary farm attire, they do not necessarily want to see sweaty, torn t-shirts and manure-covered work boots. Other customer turn-offs include belittling other vendors and their products, leaving the booth unattended, hawking products too aggressively, and inconsistent attendance.

Communication with Customers

Customers will have questions about varieties' names, food preparation, growing practices, etc. Employees who cannot answer these questions or do not try to communicate well with shoppers will lose business.

Product Quality

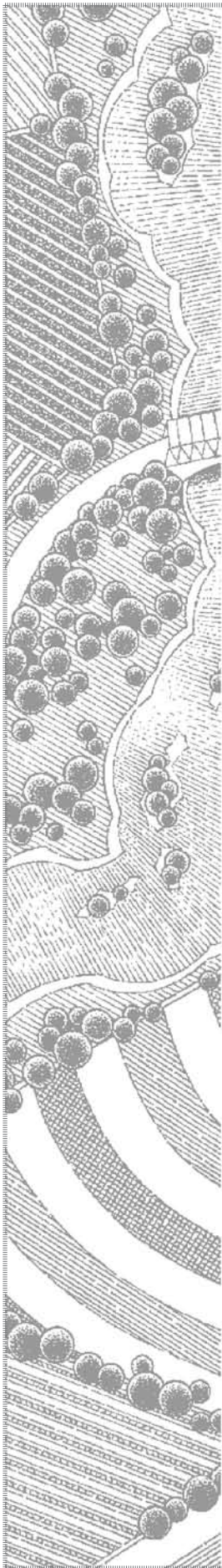
Do not indulge in the notion that the farmers market is a place to bring the culls that a distributor would not purchase. Customers recognize and are attracted by quality and good business is developed from repeat buyers.

Display

Booths that are crowded, unattractive, or poorly set up for the buyer hurt sales. Do not make customers face the sun, stoop over, or elbow each other to buy.

Gauging Quantity

Bringing too little and selling out prematurely or bringing too much and taking home large amounts of unsold products are mistakes that vendors can learn to avoid by keeping good records and using them to improve their ability to gauge

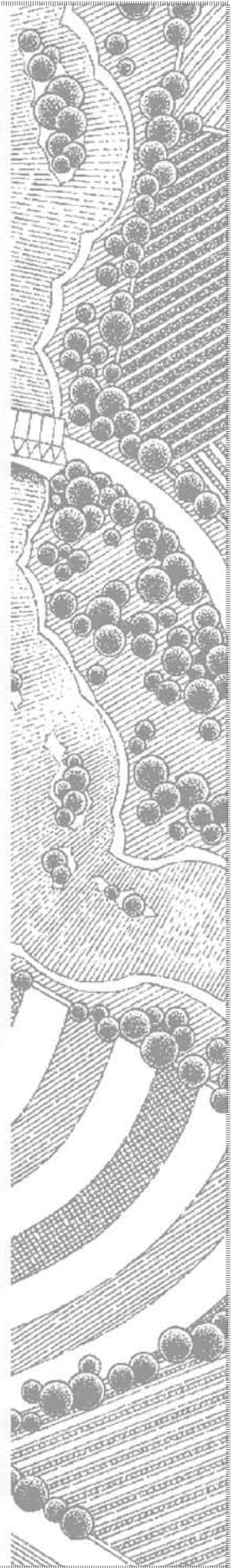


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appropriate quantities to bring to market. In the early days, while vendors are learning, it is better to bring too much to market as customers may not return to a vendor who runs out of produce well before the end of the market day.

Conclusion

By the end of the grower meeting, you should have a group of vendors committed to and excited about a new market for their products. Make sure everyone has an application packet, knows who to ask for help completing it accurately, and knows when and where to turn it in. Also, be sure you have contact information for all the vendors so that you can keep in touch with them and maintain their commitment between the meeting and opening day.



Promoting and Advertising Your New Market

The market manager and board of directors will need to develop a promotion strategy and logo that reflect the market's identity and mission. Building community awareness and commitment to the market involves such tasks as designing a logo, developing an advertising strategy, and undertaking a sequence of organized promotion activities. The new market will need to be publicized, especially for opening day.

This chapter will enable you to:

- ▶ **Create a logo for use throughout the market and in market materials.**
- ▶ **Design and implement a promotion strategy for a successful opening day and beyond.**

Creating the Logo

Developing an identity that people quickly and easily associate with the market will improve the effectiveness of both advertising and promotion efforts. An attractive logo is an effective tool for creating a positive, professional image and can be used throughout the market's publicity program. Through repeated association, the logo becomes a symbol that is easily recognizable.

The earlier the market is able to develop this symbol, the sooner it can use the logo on buttons, bumper stickers, letterhead, posters, t-shirts, and other publicity tools and the sooner people will become familiar with it. The following points are important to consider when developing the logo. They should be discussed at the early market organization meetings, but be aware of the pitfalls of art by consensus. It is a challenge to please everyone and still produce an effective logo in a timely manner. To save time and energy, assign this task to an ad hoc committee and suggest that they provide several options to choose from by some future meeting.

Logo Design: Professional Artist or Artistic Volunteer?

The subject matter depicted by the logo should be representative of the market and/or the host community. The logo should be clear and attractive and must be reproducible at various scales—from business cards to billboards. Consider use of agricultural imagery such as fruits, vegetables, farm animals, and farm equipment. Public-domain clip art can be useful, but original artwork may enhance

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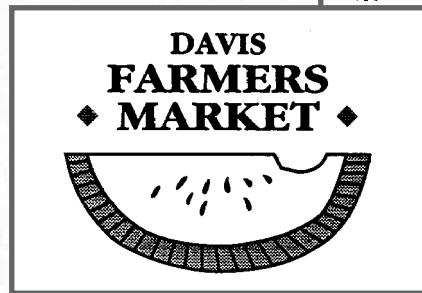
the chances of producing a logo that belongs unmistakably and uniquely to the market. Effective logos often use bold text and simple color schemes that provide sharp contrast to increase their visibility. The logo should certainly include the market's name and perhaps a very brief slogan or the name of the host community if it is not already part of the market's name.

Hiring a professional artist to design the logo may be somewhat costly but has several advantages. A professional graphic artist should be experienced in the technical requirements associated with developing an effective logo and have the creative ability to make it attractive. While there is some initial cost involved, it represents a one-time investment that will continue to pay dividends for many years. However, a hired artist may not have the same vision of the market as stakeholders do. Without clear guidance from market management or the committee the market has assigned to the task, the artist's logo may not appropriately reflect management or vendor sentiments.

Regardless of who does the work, that person will need supervision and input. If the market chooses to use a professional, be sure to shop around. Check with other area organizations whose logos you admire and ask them for artist recommendations. If the market has chosen a regional association or sponsor, consult with them for artist recommendations as well. They might even help cover the logo development costs. Be sure to obtain several bids and logo samples to compare and discuss with the organizing group before choosing the final design.

An alternative is to ask a volunteer or amateur artist to design the logo.

This obviously has the advantage of lower or no cost. There may be someone in the organizing group that has artistic talents. If not, consider approaching local high school or community college art and design programs and offer to set up a logo development contest. Sponsoring such a contest also generates publicity for the market and gives the community an opportunity to participate. Be sure to set clear guidelines regarding the themes in which the market is interested. While there are many advantages to this low or no cost approach, be aware that the market may end up with a logo that is technically inappropriate—too busy or too difficult to read at various scales.



Advertising versus Promotion

Different interpretations exist regarding the definitions and scope of advertising and promotion activities. There is room for a considerable amount of overlap between the two activities.

In this manual, we define an advertisement as a verbal or visual message delivered to the public through a variety of paid, commercial media. Examples of advertisements include paid ads on local radio stations and advertisements in local newspapers and magazines.

Promotions, on the other hand, cover a wider range of possibilities. In general, though, a promotion is an event or activity that highlights the image of the market, its vendors, and their products and services. Examples of promotion activities include special events, raffles, and public appearances at other community events. Public relations activities also involve promotion. Some managers have found promotions to be more cost effective than advertisements. Sponsoring a fun and colorful event such as a pumpkin-carving competition elicits customer interest and loyalty more than a thirty-second spot on television.

Promotions often require logistical planning but do not necessarily have to be costly. The market's budget and its needs will determine the extent to which the market invests in paid advertising and/or promotions. Careful research and planning will ensure that advertising and promotion activities are time- and cost-effective. Before proceeding with any advertising or promotion activities, be sure to identify and focus on the customers and their interests.

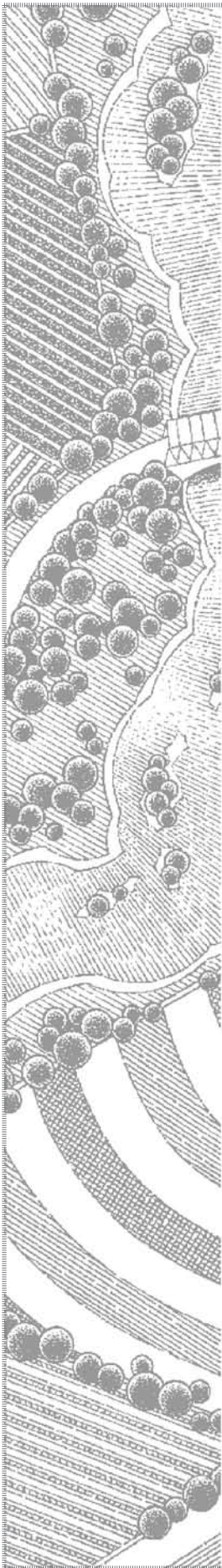
Beginning the Promotion Campaign

Even though the market has not yet opened, it is important to begin building awareness so that the opening day is a success. The earlier a market begins to cultivate this awareness, the sooner it will spread by word of mouth. At the same time, the market must bring the publicity campaign to a crescendo around opening day rather than spending all of its advertising and promotion budget in the early months.

Planning promotions and advertisements for a year in advance will help set this pace and estimate the cost.

First Announcement

The first step in publicizing the market should be an informational announcement letter or postcard that is distributed to community organizations and businesses that might provide support. This letter should provide as much information as



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possible about the upcoming market opening, including when and where it is scheduled to take place. Different versions can be tailored to suit particular goals in reaching out to community groups and businesses. Mail-merge word processing functions allow each letter to be personalized.

For example, a letter to a community service club might include an invitation to volunteers to assist with some aspect of the market in exchange for space at the market where the group can, in turn, promote its activities. A letter to a local printer might include an opportunity to trade advertisement space at the market for a discount on printing services. Consider inviting a gardening or cooking club to set up a display or demonstration on opening day. Be sure to communicate with these groups precisely the conditions that apply and how long the arrangement will last. This is a good time to begin using the new logo, which can be printed on the market's letterhead.

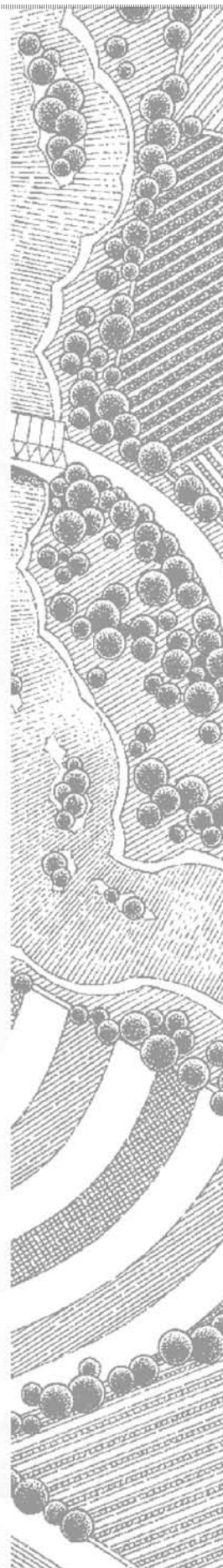
Signs and Banners

Placing a sign or banner on streets approaching the market's site will help customers locate the market and also draw street traffic. The market should have durable, weatherproof signs or banners made before opening day. They should include notification that the market is now operational and, if possible, the hours and dates of operation. Include the logo but keep banners and signs clear and sufficiently simple so that they can be easily read by someone driving past. Temporary, moveable sandwich boards and cloth banners also work well, but obtain permission to put up permanent signs if possible, at least at the market location, thus saving the time required to set up each day as well as gaining publicity even when the market is closed.

Posters and Fliers

For several weeks to a month before the market opens, be sure to have posters, fliers, and postcards distributed to strategic places around the community. Place posters in well-trafficked public places and in the store windows of businesses that permit such activities. Fliers and postcards can be distributed door to door by volunteers, through local businesses, and through direct mail. Drop some off at hotels, visitor centers, and city offices as well.

Check with local organizations and city and public utilities to see if they are willing to include a flier with their mailings. A bookmark is a useful format for distributing market information at the local public library. All these materials should include the market's logo and name, dates and times of operation, the market's location, and a small map.



Events: Raffles, Music, Food Demonstrations

One of the more important elements of farmers market success is creation of a fun and festive atmosphere. Even a gravel parking lot can be transformed into a richly exciting place on market day when customers are surrounded by an abundance of colors, flavors, smells, and sounds. Plan in advance to have decorations, including balloons and colorful banners, placed throughout the market. Musicians, school and choir groups, and entertainment specifically geared towards children also can be scheduled in advance.

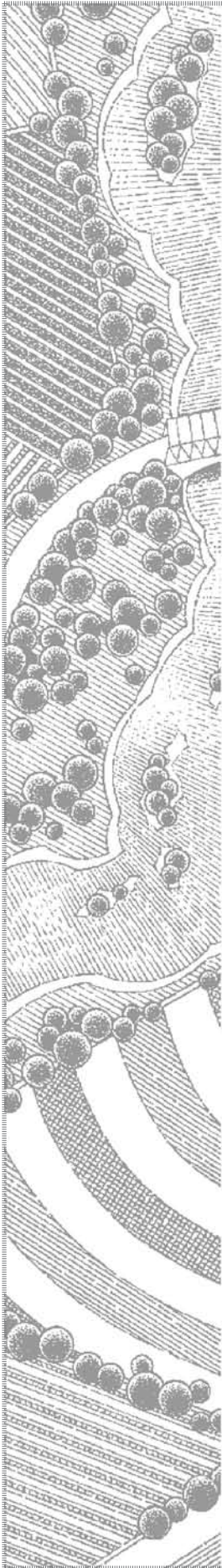
Organize raffles or drawings for baskets of produce and other market products. Cooking demonstrations that feature local chefs and tantalizing smells and tastes also are popular events that draw people's attention to vendors' products. A pleasant, cheerful atmosphere will keep people coming back and generate invaluable word-of-mouth publicity.

Press Releases

Several press releases should be sent during the course of organizing the market. The most important release is sent several weeks to a month prior to opening day. For added effect, deliver the release and a basket of produce in person to local media outlets, including newspapers and radio and television stations. Tourist information centers and community groups that publish newsletters also should receive press releases.

Public Events

Use any opportunity available to promote the market's opening day. Attend other community events and meetings where the market manager has an opportunity to talk about the market or at least be seen wearing a button, t-shirt, or hat with the market's logo. This type of publicity should be ongoing, but it is especially important when the market is first getting started.



Starting a New Farmers Market



Preparing for Opening Day

Most markets take about a year to develop and involve countless hours of volunteer work by many people. The day the market opens is the culmination of a long period of hard work, and it is an exciting event for everyone.

This chapter will enable you to:

- ▶ Choose from suggestions and tips from managers who have opened farmers markets throughout the United States.
- ▶ Make your market's opening day a success.

Following are suggestions from managers who have opened markets throughout the United States to help ensure a smooth and successful first day.

Send Invitations

Everyone who has helped in developing the market should be invited to participate in opening day activities. Also invite local officials, community leaders, local church and religious organization leaders, and local celebrities. Board members and vendors also should invite their friends and families.

At least one month prior to opening day, send out press releases to local newspapers and to radio and television stations. Be sure to mention any planned special events in

addition to the market's opening and emphasize the bounty of fresh, locally grown produce that will be available. Always highlight the potential for media photo opportunities.

Local newspapers are always interested in positive community events to cover, and the colorful richness and abundance of farmers tables piled high with produce create excellent photo opportunities. If the market plans to have cooking demonstrations or other food-related activities, make sure the food editor of the local paper receives an invitation. Events involving children also are popular with the media. As is always the case in promoting the market, delivering press releases in person, along with a basket of produce, is a great way to create a positive impression and ensure coverage.

The goal of opening day, however, is not necessarily to have all those who are invited attend the event. You want a good number of people to attend. That number is largely based on the number of vendors participating in the market. Martin Barnes, who helped organize the Davis Farmers market in Davis, California, points out that "the market has to try and get the mix just right. Too many vendors, and

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they go away with leftover produce and are not excited to come back. Too many shoppers, and they will be frustrated that stall after stall is sold out or has only slim pickings.”

It may take a few weeks, a few months, or even a few seasons for the market to grow into itself and find the right balance of vendors and shoppers. In organizing the opening day, it is important to strive for a balance between the two, but do not expect perfection. Alice Whitlatch, a vendor and manager at the Cedar County Farmers Market in Tipton, Iowa, says that it took an entire summer before people in town became accustomed to the market and regularly remembered to attend it. But that market is now in its fifteenth year.

Confirm with Growers

Stay in touch with the vendors! While the manager may have seen growers at a recent grower meeting, they all will definitely need a confirmation call at least a week or so before opening day. Farmers have to deal with shifting weather, constantly changing market prices, and many other unpredictable elements. They have learned to be flexible and keep their options open. Simply because there is a schedule to keep and the market is expecting their participation does not necessarily mean that they see it the same way. Calling just one week in advance will help to give the manager a more realistic vendor count while still allowing time to contact alternates.

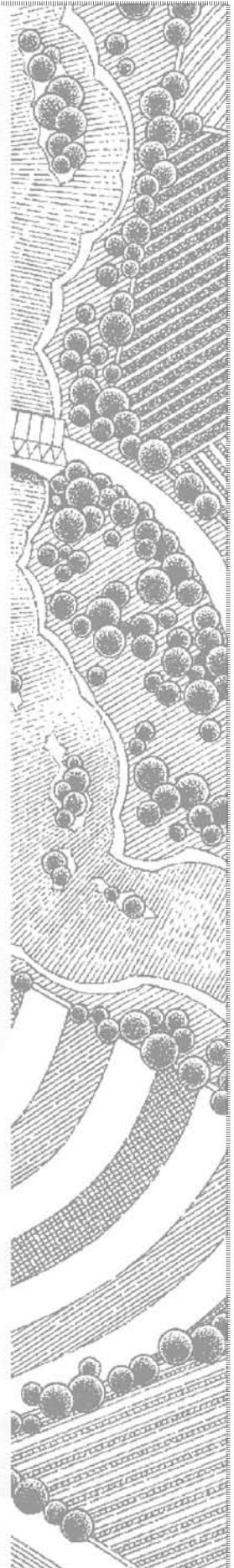
The phone calls are also important components of making vendors feel more comfortable. Make sure they are clear about the produce they can bring, the stall space they will have, and other pertinent details. Make sure they have reviewed the grower’s checklist. Ask if they have any final questions. Ask if they know when to arrive and how to get to the market. It might be wise to ask them to plan to arrive at least a half an hour early to allow for unexpected delays.

Check Permits and Licenses

As early as a month before the opening day, check to make sure all permits and licenses are in order. This will allow time to follow up on anything that might have been overlooked. It also might be wise to call local officials and run through the list of local requirements one last time. These calls will serve as a reminder of the market’s presence to emergency service agencies such as the police and fire departments.

Coordinate Staff and Volunteer Support

Plan well in advance to have sufficient staff members and volunteers to help coordinate opening day. In addition to helping with placement of signs, markers,



Organizing Entertainment

Whatever you decide, try to work with themes that unify different activities and connect them to the market.

Enlist both vendor and customer participation

whenever possible. But, realistically, do not try to do too much on opening day. There will be many opportunities in the future to expand these types of promotional activities.



and barriers, you may need volunteers to direct vendors to their stalls and to participate in crowd control and customer assistance. Larger markets can especially benefit from having extra sets of eyes at each entrance. These volunteers can help direct trucks to their parking places and keep customers out of harm's

way. During the market, they can answer customer questions, assist with enforcing market rules, and expedite urgent or emergency needs.

Be sure to make confirmation calls to all the volunteers. In addition to confirming participation, check to make sure that everyone has appropriate transportation, especially if they are expected to transport bulky or heavy items such as barricades, tables, or chairs. If there is not already a staff/volunteer contact list, put one together and distribute copies. Ease of communication facilitates smooth operations.

Prepare for Surplus Produce

Inevitably, some farmers will bring more produce than they can sell. Often, this excess produce cannot be marketed elsewhere. Whether leftovers consist of only a few bunches of greens or several cases of ripe tomatoes, it represents useful produce that can be donated to community organizations. There are organizations called gleaners that range from a local soup kitchen to a regional collector/distributor of surplus products from farms, bakeries, and grocery stores.

Vendors usually are willing to support these organizations through donations of leftover produce. It provides them with a sense of charitable good will and also saves them the hassle of hauling leftovers back to the farm where they must be discarded.

Opening Day

The Big Day—Keep It Fun!

As opening day approaches, make sure everything is in place to make it a smooth operation. Assemble sufficient people to help the market with set-up and management of opening day activities. The manager and volunteers should arrive at the market at least a few hours before opening time to put up planned decorations such as banners, signs, flags, and streamers. Set up the information booth and make sure it is staffed at all times. Remember that opening day is the most important promotional event of the year.

Vendors should arrive an hour to an hour and a half early, especially on opening day. This gives them sufficient time to locate and set up their stalls. Be sure that all the growers find the spaces assigned to them. Check that they have ample room to maneuver their vehicles and keep an eye out for unforeseen difficulties. It may become apparent after opening day, for example, that Vendor X and Vendor Y need to switch stalls due to factors that could not be foreseen. Let the vendors know ahead of time that stall assignments may change as long as a month or two after the opening.

When the local media arrive, be prepared to show them around and talk about the market. Think of sites, activities, and events that can provide particularly good photo opportunities. As mentioned earlier, it is a good idea to send reminders or stop by media offices with gift baskets.

Above all, try to remain calm regardless of how chaotic this first day appears. You cannot expect the first day to come off without at least a few hitches, and there will be plenty of time to make adjustments as the season unfolds. An organized, business-like approach and an upbeat attitude will provide everyone at the market with a sense of confidence and professionalism that will help launch the market into a successful season.





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The Farmers Market Management Series

Several years ago, having observed trends in the evolution of food marketing, I decided it would be a good idea to professionalize management of farmers markets by, among other things, developing and making available a Farmers Market Management professional development curriculum. I approached the U.S. Department of Agriculture's Agricultural Marketing Service (USDA AMS) for seed money to launch the project, and the agency was supportive in helping the UC Small Farm Center get the project off the ground.



The project has proceeded deliberately since its inception with support from the Small Farm Center. Happily, the center has now produced three primary volumes as a foundation for the curriculum: *Starting a New Farmers Market*, *Farmers Market Management Skills*, and *Growing Your Farmers Market*.

I wish to acknowledge the early support of this project by Errol Bragg of USDA AMS and, more recently, by USDA's Risk Management Agency. Also, farmers market managers throughout the country were extremely cooperative in sharing their experiences and insights regarding the many aspects of their work.

The UC Small Farm Program and Small Farm Center were early advocates of farmers markets and facilitated education in this regard. This series is part of the Small Farm Program's contribution to the 21st Century's evolution of farmers markets. Please read also our companion farmers market publications, *Managing Risks and Liability at California Certified Farmers Markets* and *Food Safety at Farmers Markets and Agritourism Venues*.

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