



Starting a Farmers' Market

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Introduction

Farmers' markets bring in \$1 billion nationally and continue to grow (Shaffer and Cox, 2006). The United States Department of Agriculture lists over 19,000 farmers reporting farmers' markets as their sole marketing outlet. In 2004, the number of markets in Indiana grew to 77—an increase of 222% within a 10-year period (Wilmont, 2006).

Communities interested in starting a farmers' market should follow a series of steps to evaluate the feasibility of the idea for their area. Three components are required to begin and operate a farmers' market: a location, vendors, and customers. A series of planning meetings will help with determining a location, understanding whether vendors are available in the area, and evaluating customer interest.

Planning Meetings

A series of meetings is the best way to transform the market from an idea to reality. This series of meetings should involve those in the community who are essential in starting the farmers' market—including, but not limited to, growers, vendors, county Extension staff, civic leaders, consumers, and potential sponsors. The following

sections explain the topics that participants should cover at these meetings. The actual number of meetings required may vary depending upon the amount of progress made at each.

Meeting 1—*Interest*

- Examine Community and Farmer Interest
- Evaluate Market Goals

This meeting should explore the possibility of establishing a farmers' market as well as determine community interest from both farmers and consumers. The meeting organizers should be open to suggestions and even opposition.

If the consensus of the meeting is positive and the group decides in favor of creating a farmers' market, the market's champions should begin setting realistic goals for the market, including the number of potential vendors and customers, and goals for sales volume in the upcoming season.

At this point, participants should create a timeline to assist with the planning process. The sample timeline included on page 2 may serve as a checklist of suggested activities the planning committee should consider. It is adapted from the Kentucky Cooperative Extension Service.

Farmers' Market Planning Timeline

January	Gather a group of interested people Determine specific goals and tasks
February	Explore the mechanics of direct marketing Look for and settle on a location Gain community support and begin fund-raising Check into legalities Begin publicity to farmers (continue through May)
March	Promote the farmers' market concept
April	Finalize market management and organization
May	Begin publicity to consumers (continue through September)
June	Open the farmers' market
July	Promote the farmers' market (peak season)
August	Sponsor a special activity
September	Organize and solidify farmer-consumer association
October	Extend the marketing season with fall crops
November	Solicit and evaluate suggestions from farmers and consumers
December	Close market

Planning for the farmers' market should be an ongoing process throughout the year.

Meeting 2—Size

- Create Market Share Worksheet
- Examine Vendor/Consumer Ratio

During the second meeting, the group should determine how large the market will be during the season. The size should be based on the goals made during the first planning meeting. The number of booth spaces for known and potential vendors should be set. The group should avoid creating a market with too many vendors and not enough customers, as well as the scenario of a market with not enough vendors to supply all of its customers. In either situation, neither the vendors nor the consumers are going to be pleased and the market will not succeed.

The perfect ratio of vendors to consumers for a successful farmers' market does not exist. The most important criteria are that consumers have an ample amount of goods to choose from so they return and that vendors

have enough customers to make the market worth their time, effort, and energy. A suggestion is to include six vendors per 100 customers.

Vendors can produce a range of products from fruits and vegetables to live plants, processed meats, hand-made crafts, etc. Limitations on what can be sold and how are often dictated by the bylaws and regulations of the farmers' market, which should be created during the planning sessions.

One way to find vendors is to place an ad in the local newspaper or agricultural newspaper such as the Farm World and/or Indiana AgriNews. Other outreach alternatives, such as Extension bulletins, community newspapers, and church announcements, also serve as great sources for reaching producers. All print media should include contact information for the market master, such as name, phone number, email address, as well as the intended date, time, and location of the farmers' market. Personal communication and word of mouth through the local convention and visitor's bureau, county Extension educators, community services, etc., are other ways to promote the need for vendors at little to no cost.

A successful market consists of vendors that have a large selection of products in adequate quantities. It is important that not every booth contain the same products. However, it is acceptable and healthy for a market to have a slight overlap of the products available because many vendors will produce the same crops. The overlap will provide options for the customer as well as help keep the vendors' pricing competitive.

After a vendor is found, a list of rules and regulations, as well as a contract, should be provided to him or her. This ensures that each vendor understands the general rules and regulations at the market and serves as reinforcement in the event of a discrepancy.

Meeting 3—Location

- Evaluate Atmosphere Desired
- Examine Physical Location
- Determine Site Amenities

At this meeting, the organizing committee or planning group should pinpoint the physical location of the farmers' market. The location will set the tone and atmosphere for the entire farmers' market, so the group

should make building and parking decisions carefully. The physical location should provide certain amenities to promote business on the site. Below is a list of location considerations and amenities. Although not all of these requirements must be satisfied, the more that are met, the better the site will work.

Location Considerations

- Does the location require a zoning permit?
- Will the location be accessible to the public?
- Are there enough parking spaces for customers?
- Does the location have a convenient and easy traffic flow from parking into the market?
- What is the location of the closest competitor (grocery or other farmers' market)?
- Will the ground surface hold up to foot traffic?
- Will the ground surface be suitable for various weather conditions?
- Does the facility have the necessary features?
 - Is there a roof for weather protection?
 - Is there electricity for cash registers, fans, etc?
 - Is there a restroom?
 - Is there a place to wash hands?
- Will this location be suitable if future growth and expansion are needed?

Meeting 4—*Operating the Market*

- Organize Season Dates
- Determine the Market Master

At this meeting, the group should decide how the market will operate—the opening and closing dates for the year and the number of days per week the market is open. The group should determine how often the market meets by examining potential demand created by customers and the availability of product supplied by vendors.

Some communities with an established farmers' market can support holding the market three times a week; other markets (especially new ones) can only justify meeting once a week. The most common day for farmers' markets is Saturday mornings. Vendors should be considered when determining the dates the market will open, based

on the availability of goods they can provide. In Indiana, farmers' markets are generally open in April (Southern Indiana) or May and close between August and November.

By this meeting, the site should be selected and the number of vendors determined. The layout of booth spaces can now be determined, as well as how the foot-traffic will flow from the parking lot through the market and back out into the parking lot.

During this meeting, the group should choose an individual to serve as the market master. This individual will collect funds from vendors, deal with vendor issues and customer complaints and serve as the sole decision maker during the farmers' market operation. Market masters should designate booth assignments and formulate a plan for the next meeting (covering rules and bylaws). The market master should be identifiable and available for the duration of time the market is open.

Meeting 5—*Money*

- Organize Sponsorship
- Evaluate Budgets
- Determine Fees and Rates

This meeting should focus on the expenses and income related to financing the farmers' market. The market will require some initial capital to get started. Sponsorship can help the market cover some of these initial costs for promotion and insurance. Markets that are looking to obtain a sponsor should have an estimated budget that calculates the difference between revenues and expenses.

Creating a budget to figure expenses such as insurance, promotional costs, and supplies is important during the planning process. The budget should incorporate size of the market determined during the second meeting.

A common practice to help with the costs associated with operating a market is to pass them along to the vendors through booth fees. This fee is set based on the amount of retail space the vendor uses to sell his or her products. Booths are rented to vendors by the week or for the entire season, based on the specifications outlined in the bylaws (see Meeting 6). Booth fees are variable and should be determined based on the goals of the market and the operating budget.

Meeting 6—Rules

- Create Bylaws
- Develop Market Rules

At this meeting, the group should establish a regulatory structure for the annual market operations by drafting a set of bylaws. These bylaws should include:

- The purpose of the market
- The vendor application process
- The market's specific set-up, operation, and closing times
- Which products can or cannot be sold at the market
- How many overlapping products are allowed
- Guidelines on the origin of produce (definition of local or percentage grown on farm)
- Booth fees and assignments, how and when they will occur, and the possibility of changing the assignment
- The market master's role in decision making
- The insurance understanding between the market and vendors

Market masters are responsible for deciding on rules and enforcement practices before the opening day of the season. Market organizers should also outline the enforcement policy and identify the person responsible for enforcing it. Market masters who create a solid set of rules from the market's beginning can alleviate problems that may arise in the future.

Meeting 7—Promotion

- Promote and Advertise
- Arrange for Media Coverage and Publicity

Market masters should determine how they make the surrounding communities aware of the market's existence.

Initial promotion and advertising are required to help create awareness of when the farmers' market will be operating for the season.

Promotional activities should focus on creating a positive image as well as providing details about when and where the market will occur. Market organizers should describe consumer benefits such as fresher products, producer/consumer interaction, and supporting local farmers. Markets should promote and advertise by posting fliers at community meeting places, purchasing newspaper advertisements, and securing radio advertisements. On "Grand Opening Day," organizers should ask local news media to visit the market to create further awareness. All markets should include the hours of operation for future weeks in their coverage.

Conclusion

A series of planning meetings will help build a strong foundation for newly formed farmers' markets. Communities should determine interest from vendors and farmers before publicizing and attempting to open a market. The market master and/or planning committee should assume responsibility for conducting these meetings and collecting information needed to determine whether a new market will work in a specified location. These measures could well determine whether or not a farmers' survives and thrives.

References

- Shaffer, J. & B. Cox. 2006. "USDA Releases New Farmers' Market Statistics." Agricultural Marketing Service.
- Wilmont, F. 2006. "Inside the Data Center." State Data Center, Indiana State Library.

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