

(1) Explanation about Farmers markets and answer to the question supplies beforehand.

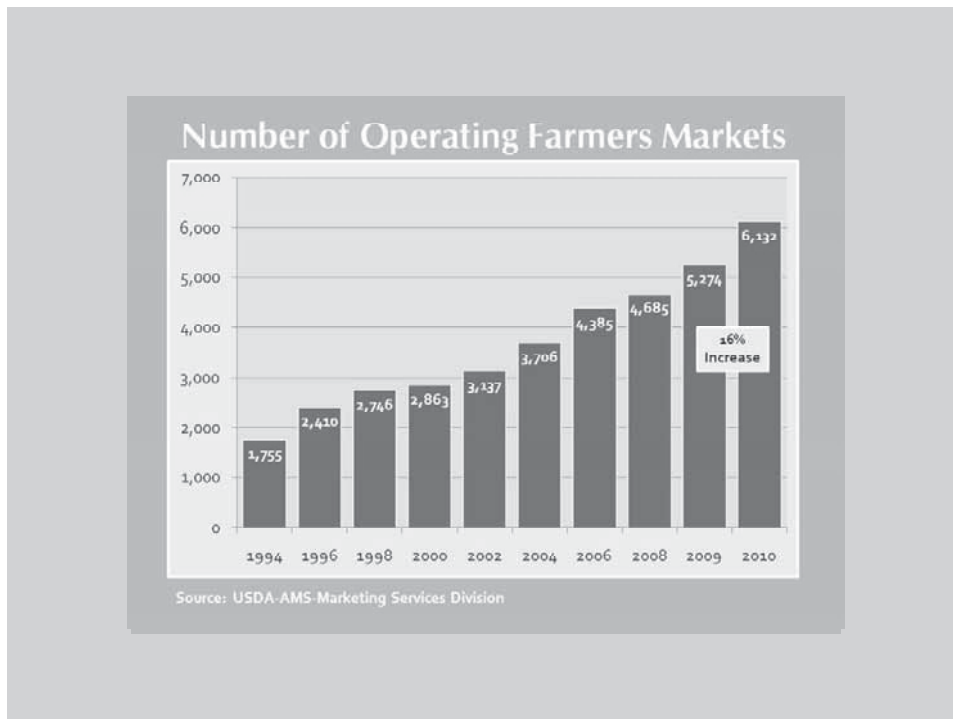
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1) Farmers Markets Overview

## Farmers Markets Overview

- Numbers
- Definition
- Requirements
- Start up
- Vendors
- Operation/Management
- Customers
- Sales and Success

The contents of work which Miss Monica carries out are educating farm, advising to farmer, not only Ithaca but also helping all North American Farmers Market and giving some advise to them in cooperation with the government.



The number of Farmers Market in whole America is a tendency to increase since a start until 2010 for 1994. Particularly it increases at a stretch after 2009.

## Definition

- **Operates multiple times per year**
- **Organized for the purpose of facilitating farmer-consumer sales transactions**
- **Create mutual benefits for local farmers, shoppers and communities**
- **Consists principally of farms selling directly to the public products that the farms have produced**
- **At least 3 farmers**

The intention behind the concept of a 'Farmers Market,' is to connect the farmers and consumers on a one to one basis. It's to benefit the farmer and the local community, as well as all consumers. Primarily farmers do this, and there has been some debate on the matter of farmers selling directly to the final consuming public. In some markets we don't find strict regulations, and by "farmer," anyone who buys or sells farm products is meant. This means that in some cases people may actually be buying wholesale and reselling. Therefore it's not always just a 'directly from the farmer' matter which is also another area of debate and discussion. A farmers market, however, should have at least three participating farmers to be considered a farmer's market. If a person just puts up a roadside stand to sell farm produce, it is not really considered a farmers market.

## Requirements

- **Site/Landowner**
- **Insurance**
- **State & Federal Marketing laws**
- **Market Rules set by Market**
- **Certification (CA only)**

There are not a lot of regulations that pertain to how a market should operate, and in a strict sense, we could say that actually there are not any. We don't have regulations that say a market has to do 'this' or 'that'. The requirements, therefore, might pertain

to who owns the land that the market operates on, for legal or insurance purposes. For example, the owner of the land might need to present a legal document of ownership for such purposes, or for charging rent. This is also true if the market operates on public (city owned) land as well.

Additionally, there will be certain county, state, or federal regulations if farm products are being sold. For example, if a person is selling homemade jam--a processed product--there will be certain regulations regarding licensing, package labeling, or production sanitation requirements. Requirements such as these will have to be met.

Those selling fruits and vegetables have very few regulations, but those selling processed food, or plants, will need a license, and those selling fresh meat will have to have that meat processed at a licensed United States Department of Agriculture (USDA) facility.

These regulations apply, however, even if a person is simply selling at their home, or anywhere. Therefore the specific regulations of any particular market will be set by that market--for the most part. Take, for example, the Ithaca market. This farmers market has the rule that one who sells there, must be actually growing what they are selling--a direct producer requirement. Additionally, that has to be within the range of 30 miles of the Ithaca area--a locality requirement. The Ithaca market vendors of crafts and processed foods, but each entry must pass a judging committee. These are requirements which are specific to the Ithaca market.

There are some farmers markets which require farm inspections before a farmer is allowed to sell at the market in question. In cases like these, the actual farm will be inspected by a committee to make sure that what is to be sold, is actually grown there, and under what conditions.

There is one special case for markets in the state of California. The state of California does require a market to be certified. This means that the farmers who sell at a market in that state have to be certified, as well. We won't find this in the rest of the United States, and there is a range of different kinds of specific requirements. It is a bit of a hodge-podge.

## Starting a Market

- **Who wants a market**
- **Why**
- **Generating community interest**
- **Recruiting farmers**
- **Where - Location**
- **When – hours, day of week, season**
- **Operations – rules, management**

In terms of starting a market, there is no regulation. There will have to be at least 3 farmers participating, but anyone can get the action started to create a market. Sometimes people will want to start a market in a certain parking lot, and they will call, and we give them advice. At times, a mayor of a city will make a call for a farmers market. Generally, contact is made with the farmer's cooperative extension, as well. In the state of New York, there is also, for example, a very well organized, statewide association of farmers markets, and they also provided assistance.

I feel that a key factor in terms of whether a market will be successful or not, is that of the reason for starting the market in the first place, and, following, what problem the market starter is trying to solve. In some cases, cities may want to start one because they think that markets are solutions to economic circumstances, since downtown sectors (where the markets will obviously be set up) has gotten weak economically with suburban shopping malls, and such. Such a reason for starting a market may not be the best one, however. In other cases, it may be because of the lack of a grocery store in a certain area of a large city, and people are looking for a way to get fresh farm produce with good nutrition into that inner-city community. These are some of the reasons for starting a market.

Some of the questions which must be asked, are whether or not the market will really address the nutritional needs of the people in an area where a market is being set up for that reason, or if it will really solve the economic problems. We should also consider whether the public at large really be interested in a farmers market enough to make it worthwhile for the selling farmers. One cannot just do it on their own; they have to get the media interested, and community partners interested, as well as others who have similar ideas and interest. A driving amount of enthusiasm will be necessary at the start, so as to carry over into continuing the market's appeal and interest. This is often done by inviting key farmers who might be interested, key community leaders, and others such

as nutritionists, farm advocates, and the like. In short, it is like building a community network which has an overall drive to make the market successful.

## **Finding Vendors**

- **What kind of vendors will you allow – farmer only, resellers, craft, food**
- **Vendors at other markets**
- **Cooperative Extension lists**
- **Media coverage**
- **Information meeting**

The next thing of concern is finding farmers. That is probably one of the most challenging points for many communities because, in some cases, there are simply not enough farmers for all of the markets that people want to establish--farmers can only go to a relatively fixed number of markets per week. This shows us that it is important to not only think about the result of a farmers market, but it is necessary to look at the starting up of a market.

We handle this problem in a number of ways. One way is by looking at what farmers are selling at other markets, and getting an idea for which farmers may be interested and capable of selling at a new market. We also have a list of the cooperative extension of farmers which allows us to contact them. Additionally, we advertise in the local media because there are at times some small gardeners who want to sell only one or two things that they grow, but who are not big enough to create a market on their own, and don't presently have one to sell in. These people can help start a new market in the event that the larger, current farmers are apparently involved in other markets.

Once there are at least five to seven farmers--a number I feel best--ready to participate, you can have what will look like a market. Once a the number of farmers and gardeners interested have been collected, all those involved can get together and decide on any rules, requirements, or the day(s) on which the market will be open, the hours, and so on. At times, it is good to check to see if other markets are open on that same day, at around those hours, before deciding. Most markets operate only once or twice a week, although some operate for more days during the week. Saturday is a very common day, with operating hours from either, for example, 9:00 to noon, or 16:00 to 19:00.

One thing to keep in mind is that farmers look at decisions made such as whether only farmers are allowed to participate, or only local farmers, or whether other vendors are allowed as well. In order to make it look more like a market, it is good to allow other vendors, such as craft vendors, baked goods vendors, prepared food that can eaten on the location, and others. In general, therefore, once the farmers, and others who want to sell have been collected, an information exchange meeting is held, and a steering committee which has worked out all the details and presents it to that public meeting--which may draw more who are interested and want to sell at that market.

## **Operations/Management**

- **Steering Committee**
- **Board**
- **Manager**
- **Rules**
- **Market day tasks**

Most markets are very 'grass roots' events at first--where someone is interested in a market, a committee is set up, a network of sorts connected, and planning and ground work takes place. Once all this has become more organized, a steering committee may function as a sort of 'board of directors.' In these cases, they actually have more of a formal decision making body. Some markets will hire a manager to run things more directly whereas many markets, on the other hand, are so small that they cannot afford to hire one--and may have volunteer managers.

These managers are generally selected from among the market's vendors in the case of volunteer managers, but the paid managers are generally not vendors. It is possibly a better situation to have a manager who is not a vendor, actually, so as to reduce room for favoritism, or bias handling of affairs. The managers deal with the day to day activities of collecting fees, assigning booths, and things of that sort--as well as helping make sure the rules of the market are upheld. The rules are usually set up by the board, or steering committee, or are voted into place by the vendors at large.

## Customers

- Depends on community – urban vs rural
- Markets in College towns do well
- Markets in higher income communities
- Tourists
- Drive on average 6-10 miles, maybe 20 miles
- Large markets draw from an hour away
- Spend \$20-50 per visit
- Shop from 3-6 vendors

The customers of farmers markets really depend on the communities in which the markets are serving. Those who shop at a market in a rural setting will naturally be based on that, while those of a more urban setting will be based on that circumstance and lifestyle environment. One can imagine that if the market were in a neighborhood in a big city, such as New York City, customers could be of a certain ethnic line--such as from Hispanic neighborhoods, Asian neighborhoods, or Africa-American neighborhoods. In rural communities, the markets would likely be very neighborhood-based as well, since customers tend to be older.

Across the United States, some of the most successful markets are those in college communities, like that in Ithaca. In Ithaca there are two universities, and people travel a lot because of their work there--which results in 'word-of-mouth' publicity for the markets. Markets also do well in higher-income communities. In such circumstances, customers seem more willing to pay higher prices, and the farmers do better.

In some cases, farmers markets become a tourism destination. For example, in Ithaca some 30% of the customers are tourists. Some studies that have been carried out in Ithaca have shown that even those within the general community will come from two to five miles away, and some from ten miles away. That means that the market is even attracting customers from about an hour's drive away.

There are also some markets which sell wholesale, and which tend to have customers who buy in volume, such as restaurant owners, or chefs. Other markets, such as that in Ithaca, only deal in retail pricing--so restaurant owners, or chefs who buy there, buy at retail prices. There are some large wholesale markets in Syracuse, Buffalo, Albany, and in New York City.

There are many studies which have been published which deal with the demographics and shopping habits of the customers of markets. It has been seen that loyal customers

will come every week, and spend up to 30 dollars, at up to possibly 6 vendors per visit. This is also part of the work that is done here by us. We might help a market conduct a vendor study, or a customer study, to learn more about the customers, where they are coming from why they go to the market, and so on. We can also do studies which highlight information such as who is being missed, who doesn't go a particular market, and why--thus gaining information for advertising, among other things.

## **Farmers Market Sales**

- Greenmarkets NYC (18 markets) \$20M
- Dane County, Madison, WI \$ 5M
- Santa Monica, CA (Wed) \$3.8M
- Santa Monica, CA (Sat) \$1.8M
- Ithaca, NY \$1.3M
- Santa Fe, NM \$750,000
- Boulder, CO \$695,000

1996-99 Data Sources

The above data is some ten years old, but is what I had collected from several markets around the United States. There are some very large markets, and some very successful ones in terms of annual sales. The Dane County market in the state of Wisconsin, for example, had had around three-hundred vendors. It is very feasible that these are even larger today. It is sometimes hard to collect the data on sales at farmers markets, or to get aggregate figures. In California, on the other hand, vendors' fees are based on a percentage of gross sales, so the total fees collected will render a total sales calculation--assuming that the majority of sellers are reporting honestly. At most other markets, the fees are simply a fixed amount, so aggregate sales cannot be calculated.



## Measuring Success

- **Market Mission, Goals**
- **Farmers/Vendors**
- **Customers**
- **Community support**
- **Economic impact**

In measuring the success in terms of both the individual farmers and the markets, the farmer's co-operate extension, and the Cornell Cooperative Extension help out. We help check and analyze if goals are being met, or if overall success can be considered. To do this, it is important to look at what the basic purpose of the market is, why it had been established, and then take into consideration things such as the customer count, and vendors' and customers' overall satisfaction.

We also take into consideration the economic factors that come into play at the community level also. We investigate whether there is good community support, or not. There are some markets that have to change locations because of development projects which want to make use of the land that the market operates on. This evidences less support in the community than is ideal. We look for economic impact signs that the market has endowed upon the community in which it operates. We keep a record of jobs created by markets, and taxes paid-so that the government can see the impact factors, as well. These are some of the ways in which we help markets and vendors, and communities out.

Another thing we do in our work is organizing education programs and training. We work on a state-wide level, and hold annual conferences for market managers, and we produce printed and audio-visual materials for that purpose. We have several videos and books that are designed for a 'self-help' type education and one which a colleague and I have produced which we have sent to every farmers market in the United States. This particular video is directed towards vendors on selling techniques.

## 2) Q & A

Questions supplied by faculty from Matsumoto University in preparation for their visit to Cornell Cooperative Extension on Sept. 2, 2010

Responses provide by Monika Roth, Agricultural Marketing Specialist

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1) How Cornell Cooperative Extension is involved in starting and promoting the farmers market movement? Many Cooperative Extension educators are actively involved in helping to get markets started in their communities. We generally are called upon by an individual or group with an interest in starting a market rather than initiating them on our own unless there is farmer interest. We may be part of a steering committee to help start a market: our role might be to recruit farmers, help identify suitable locations, provide sample rules and information about state requirements, help with promotion, facilitate market participation in federal programs that benefit low income households (FMNP and EBT), etc. Established markets may contact CCE for advice on specific issues such as rules and regulations, ways to improve the market, vendor problems, etc. CCE educators may also serve on market boards of directors or steering committees. CCE nutrition educators are often involved in providing nutrition education or our Master Gardener volunteers may provide gardening info to market visitors. We also have conducted many studies of markets—vendor surveys, customer surveys, etc. We also provide education to vendors and manager at their annual meetings on subjects like how to do a better job of market operation, marketing, pricing, display, etc.

2) Overview of farmers market in the area—handout to be provided. Markets in Tompkins County and in the South Central NY region are diverse, ranging from very small with 3 vendors to over 120 (Ithaca). They are managed by vendors, by volunteers, by boards, and only a few have a hired manager. Many allow only local products to be sold, but many allow a small amount of products to be purchased and resold so that there is a greater variety of product at market. Some allow only farmers, while others also have crafts and processed and prepared foods. There is no one typical market.

3) A definition of Farmers Markets: There is no one national definition. One generally accepted definition for the USDA Farmers' Market Nutrition Program is that there be at least 3 farmers to qualify for that program. The Farmers Market Coalition recently came up with this definition: A farmers market operates multiple times per year and is organized for the purpose of facilitating personal connections that create mutual benefits for local farmers, shoppers and communities. To fulfill that objective farmers markets define the term local, regularly communicate that definition to the public, and implement rules/guidelines of operation that ensure that the farmers market consists principally of farms selling directly to the public products that the farms have produced.

4) How the farmers become a vendor at farmers market—Membership—Membership is

through an application process that includes the rules, and members/vendors must be agree to meet the rules of the market. Usually there is a market contact where you can request a membership application, this may be a volunteer, board member or paid manager. Some markets have websites with the information about how to become a member. There is generally a membership fee that ranges from as little as \$10 per season to as much as \$150 per season. Sometimes in addition to a membership fee there are daily selling fees of as little as \$2 per day to \$25 per day. You must be a member of most markets to sell. You cannot just drop in and expect to be able to sell without being a member.

5) Can anyone start farmers market? Qualification required to starts farmers market. Yes basically anyone can start a market. But in order to secure a site, a group may have to obtain permission from the property owner which may be private or public property. Generally the organizers will need to be able to provide insurance to the owner. They may have to pay rent.

This process of negotiating a site may take a long time and involve a lot of paperwork. If a group is not incorporated, they may need to find an agency or not-for-profit sponsor who would serve as the "business" umbrella for the market. Some markets that are incorporated legal entities negotiate on site leases with an attorney representing their interests. To be successful at starting a market, a broad community coalition should be engaged in order to ensure that there is community support and enthusiasm for the market and this will help make it succeed in the long run.

6) Management philosophy of the farmers market: A key philosophy/policy decision for markets is around whether to be farmer/producer/local products only or to allow vendors to bring in products. This decision needs to be clear in the rules from the beginning or many problems can occur down the road with vendors breaking rules. Another decision is how will the market be managed - by a steering committee or board, or by a manager who makes all the decisions. Democratic rule is common but often a manager needs to step in and be firm when enforcing rules.

7) Administration: as per paragraph 6—markets are either managed by committee, boards, or managers. In some cases they are managed by municipal bodies or not-for-profit organizations.

Ideally a manager that is not a vendor is best. Professional management helps make a market successful.

8) Marketing strategy for the farmers market—the first step is to get broad community support and interest in developing a market. Bring many people into the discussion around why, when, where to have a market. Build enthusiasm in the media so they cover the process. Host a community wide opening celebration and continue to involve community organizations at market so that they bring their constituents. Music and food also add to the social atmosphere. Famous chefs doing cooking demos will attract attention. Weekly advertisement about what is available at market helps

build repeat customers. Some markets include this information on websites or send an email blast to a customer list they have gathered. Some markets host gala fundraising events to bring in money and build loyal customers. A key challenge is to keep the market interesting and exciting so that new customers are enticed to attend. Markets have become a big tourism attraction, so having a visitor brochure with markets and hours is important. Markets should also be listed as weekly attractions in the coming events section of newspapers, radio and on community websites.

9) Is there competition among farmers markets? There is some competition but generally markets serve neighborhoods or communities drawing upon those customers more so than customers from a distance. A market such as Ithaca's which is a tourism destination attracts people from as far away as an hour, but most markets attract people within 10-20 miles. A key competitive challenge among markets is more for farmers than customers. There are not enough farmers to go to all of the markets that people would like to have in communities. If a market is too small and there are not enough customers, farmers will not support it and it will not be successful. Farmers need to make enough money to make it worth their while to attend a market and they will go to markets where their sales are highest.

10) How farmers obtain Certified Producer's Certificate, what do they have to comply with?

Farmers in NY are not required to have a certificate to sell at a farmers market. Depending on the rules of the market - for example if the market allows only farmer grown products to be sold at their market, a farm inspection may be required in order to sell at a farmers market. In the case of the Ithaca Market, an application is submitted to an agricultural vendor committee and they review applications and make recommendations on whether to accept a new vendor; they might also conduct a farm visit prior to allowing a vendor to join. In some cases, if a market allows only farmer grown products and another vendor questions whether the farmer really produces the product, there may be an inspection done by the market manager and perhaps an extension agricultural educator like myself. Generally it is an honor system, we hope that farmers are honest about what they grow. Some markets allow vendors to sell products that they do not produce but there may be a restriction such as...you must grow at least 50% of what you sell, and if you buy additional products, these must come from within a certain county or radius or be NY Grown.

I believe that California is the only state with a certification program in order to sell at a farmers market and farmers must obtain this from their county agricultural commission.

<http://www.cafarmersmarkets.com/whats-a-cfm.html>

In general, all vendors, regardless of state, must comply with applicable state and federal marketing rules. For vegetables, there are not many rules; for processed items a license is required; for meats - they must be slaughtered in a USDA facility and stamped inspected; for plants a nursery license is required.

11) What is the benefit to hold the CPC for farmers?

One benefit is that the consumer knows that the product that is being sold is grown/raised by the vendor. There is no re-seller involved, products are direct from farm to consumer.

Inspection programs provide a similar guarantee even if there is no certification involved.

3) Is there any administrative action to support CPC holding farmers?

See California rules.

Most markets establish their own rules and are responsible for enforcing them. There is no state/federal involvement in administration and enforcement. Market rules are generally established by boards of directors or managers or both.

12) Who is the main farmers market consumers or what type of consumers do you target?

Consumers vary from community to community depending on the location of the market. In a large city like NYC, there are markets in nearly every type of neighborhood from low-income to Hispanic, black, high income, business districts, etc. Every kind of consumer you could imagine visits markets. In a small rural community, customers tend to be older people who grew up with gardens and eating farm fresh products. In a colleegetown like Ithaca, visitors to the IFM include about 70% local residents including college students but most of our customers would be considered more "affluent, educated and white". We also attract about 30% tourists at our market. Markets in colleegetowns are generally successful, in part because faculty and students travel a lot and appreciate visiting markets around the world, and they are also concerned about issues like where food comes from. In general, I think that markets attract all types of customers but may be easier to start and sustain in more affluent communities.

13) Seasonal change of products: Markets operate year round or seasonally for 3 to 9 months. Increasingly markets with local foods only are operating year-round. In the past the year-round markets were those that allowed products to be shipped in from distant sources (CA, FL, etc).

Products at Local ONLY markets range from: seasonal vegetables and fruit, stored vegetables (potatoes, carrots, onion, cabbage, etc) and fruits (apples), meats & poultry, eggs, honey, maple syrup, flowers, baked goods, processed food, prepared food, etc.

14) Is there any educational program at the farmers market?

For public: some markets do offer tours for school groups; some markets host cooking classes/demonstrations; Cooperative Extension often provides nutrition information for the public and recipes on how to cook with local ingredients; at the Ithaca Market we get many visitors who want to learn about the market and so we host many market organizers from other markets.

For farmer' market managers/directors: Cooperative Extension may organize workshops or there is a State Association of Farmers Markets and they will host

workshops and conferences to train managers and farmers in better market management and sales.

15) How many and what kind of staff involve to open the farmers market?

This varies from a total volunteer run market managed by vendors to markets with part-or full-time management. The larger the market, the more likely there is a paid manager.

16) What kind of people participate for volunteers at the farmers market and what type of work do they do?

Volunteers may help with a variety of tasks from general operations to serving on boards.

Some tasks might include:

- promotion help (put up signs or posters or help with organizing events at market)
- management help on market day (help direct vendors to their spaces, collect selling fees, etc.)
- office help (maintaining mailing list, database, communications, etc.)
- board of directors/committees (decision-making roles about market operations)

17) General annual sales of farmers market—This varies hugely from market to market. Individual farmers may have sales as little as \$50 per market day to \$3,000 to \$5,000 per market day depending on the market.

Total annual sales at the Ithaca Farmers Market are around 2 million. Other markets may have \$1000 in annual sales while very large markets may have 20 million or more.

18) Who are the typical advocates for farmers market (private, government, or local community)

Generally private organizations (non-profits) or individual community members may work together to advocate for a farmers market, sometimes local governments seek to establish markets. Depending on the group, their interests may vary: some non-profits may be seeking to provide more fresh nutritious foods to a low income neighborhood, some people may be interested in better access to local foods and like the idea of buying direct from farmers, some government groups hope that a market will help the local economy. Markets can achieve all of these things, but first must also be viable for farmers in order to attract them to sell there.

19) Guidelines of produce's safety

State and Federal regulations apply. At the local level, Health Departments or the State Department of Agriculture might come to inspect a market to make sure vendors are following rules. Some of the things they would look for are: meats must be frozen ; eggs or dairy products must be kept at 40 degrees F - thermometers are required to test temperatures from time to time to ensure these products are cold; scales for weighing products must be certified; licenses for selling plants or for processed items must be displayed; samples must be presented in a sanitary manner (pre-cut and served

with toothpicks); hot water is required for washing if applicable; labels must list ingredients, amount and producer address.

20) Is there any program for kid's nutritional program?

Some markets may have this but not in general. There is a program for low income households called Farmers Market Nutrition Program where families with children receive \$24 per season to shop at markets to buy vegetables and fruits.

21) What kind of rules for pricing - Do you make the farmers market product's pricing cheaper than other chain stores?

Generally vendors are encourage to set prices above wholesale levels, they can be cheaper than in grocery stores but must be above wholesale. Prices will vary with markets. Markets with local products and organic products will have higher prices. Large markets that allow products to be bought and resold will have lower prices. Generally pricing is according to what the market will bear.

22) Vendor selection: vendors must complete applications and meet the requirements of the market where they want to sell. Some markets have waiting lists. Some markets require farms be inspected prior to being allowed to sell.

23) Quality: generally if a vendor comes to a market with poorer quality, the consumers will make the choice. One challenge is that if a consumer has a bad experience, they may not come back to visit other vendors with good quality. Managers or other vendors will often advise a vendor with poorer quality products that improvements should be made. In some cases, if a vendor does not comply, they may be expelled from the market.

24) Do you handle processed farm products ( such as jam, pickles and other by-products):

Processed products can be sold at markets if the producer has a license and products are made in a licensed facility according to a scheduled process.

25) How do you deal with the left over produce?

Farmers may donate product to food pantries or soup kitchens or it becomes compost.

26) How do you decide farmers market opening time? (it depend on the location?)

Market hours vary...Saturday mornings are most popular. Weekday mornings or evenings are also popular. It does depend on the community and when people are available to shop.