



Step 1: Initiating a New Market

Assessing Market Dreams

While anyone can initiate a farmers market, from farmers to community groups to city governments, most markets result from the inspiration and persistence of one person or a small group. These initiators recognize the potential of a farmers market in their community, carefully assess its feasibility, and determine to make it a reality. Market initiators have many things to consider before proceeding. “Why do we want to have a market?” is the single most important question initiators should ask. The answer to this central question will impact nearly every aspect of creating a vision and a plan for the market. Other important considerations will follow such as whether there is a sufficient customer and farmer base, where and when the market should operate, and how the market will recruit farmers, shoppers, and community partners.

Self Evaluation. After careful consideration of whether there is a need for a market, the first step for any new market is a realistic assessment of what will be required to ensure success. Since it is not realistic to think that one person will have all the skills or energy to complete this task, forming a strong organizing committee will be an essential part of the process. Planning and starting a viable new market takes concentrated time, energy, and resources, but it can be done. Farmers markets have a long history of success in Washington and continue to grow in popularity.

Questions to ask before initiating a market:

- 1. Why are we doing this?** Knowing the reasons for starting a farmers market will help articulate a vision, determine how the market should be structured, and decide who should be engaged in the process. Is the market primarily being created to revitalize a community’s business district, support family farmers, or improve access to fresh local produce (or all three)? Regardless of the motivation for starting a market, a market’s customers are its vendors. The vendors’ customers are the shoppers at the market. It is important to develop a shared mission that incorporates both farmer and consumer perspectives.
- 2. When should the market open?** Many people get so excited at the beginning of spring about a new farmers market season that they want to start one immediately. However, extensive planning is needed to launch a successful farmers market. It is wise



Phinney Farmers Market, Opening Day, Seattle, WA

to give the organizing team adequate time to prepare—maybe a year or longer. Many building blocks and partners are required for a market to succeed. False starts can create a loss of involvement from potential collaborators and, most importantly, a loss of participating farmers. It is vital that a market’s opening day is a true community happening, with an abundance of customers, vendors and beautiful fresh produce.

- 3. Where should the market be?** First, market planners need to map out where and when other markets are currently operating. It is unwise for a market to be so close to another market that it renders both markets weak. Farmers markets are about community, and not just the community in which one particular market operates. Markets are also about the greater community of markets and the community of vendors that the market serves. Markets should complement rather than compete with each other. The location and time will need to accommodate the market’s vision, its customers and vendors, its neighbors, and its future.
- 4. How does one start a market?** Starting a market involves developing a vision and mission, organizing a core steering committee, and conducting a feasibility analysis. If the committee decides to move ahead, the next steps involve engaging key community partners and support, planning an organizational structure, and building a dynamic board of directors. The board will ultimately secure a market manager and guide the market through opening day and ongoing operations.



Step 2: Market Homework

What to Learn Before Starting the Process

Substantial preparation is needed prior to starting a farmers market. First, review this text and the other resources referenced. Next, visit a wide variety of operating markets to make observations, talk with market managers, and hold informal conversations with vendors about their market preferences. Research the history of farmers markets in a proposed neighborhood and the larger community. Have there been other attempts to start a market? If so, what happened to them? If they failed, why did they fail? Are there other markets nearby or in neighborhoods with similar demographics? What has worked well for them? Become familiar with the characteristics of the target market neighborhood. What is the average age of the families living there? What cultural background do they come from? Where do people currently shop for food?

Washington's farmers market system has a unique asset in its statewide association, the Washington State Farmers Market Association (WSFMA), one of the two oldest state farmers market associations in the U.S. The WSFMA sets standards for markets, provides access to insurance, offers educational opportunities for farmers, market managers, and board members; and works in partnership with Washington State University (WSU) and the Washington State Department of Agriculture (WSDA). Most farmers markets in Washington belong to the WSFMA and voluntarily abide by its statewide standards. It is important to become familiar with this organization and its programs and, if possible, attend its annual winter conference workshop on market start-up and management.

Develop a Unique Vision for your Market.

The most important homework is to begin creating a unique vision for your farmers market. Being able to clearly communicate a vision to others will be the key to motivating their participation. It will be helpful to develop a solid understanding of the potential benefits of a farmers market for your community and an outline of the characteristics you would like to see in a market. For example, a market vision can be framed in terms of helping local farmers, supporting local businesses near



2004 WSFMA Farmers Market Conference, WSU Puyallup, WA

the market, downtown revitalization, economic development, community health, community food security, or some combination of these points. California's market manual emphasizes the importance of writing these ideas down and offers several sample market visions, as well as a useful vision development worksheet (Jolly 2005 (1): 9-13).

Sample Market Mission Statement:

The Neighborhood Farmers Market Alliance NFMA is a community-based non-profit organization developed in response to the growing popularity and public support of the neighborhood farmers markets in Seattle. The NFMA's primary mission is to support Washington's small farms and farming families by providing strong and effective direct market sales sites for our region's family farmers, and by educating consumers about farm products and the benefits of buying direct from local farmers. (Appendix B)



Step 3: Organizing an Exploratory Meeting

Sharing a Vision, Measuring Interest, and Forming a Steering Committee

The next step is to hold an exploratory meeting where the vision of the new farmers market can be shared with potential partners, stakeholders, and community supporters. The goal of this meeting is to assess interest levels, invite participation and ideas, and, ultimately, identify a core group of committed partners who can carry the project forward as a steering committee. This meeting will require careful planning and publicity so as to attract and engage a wide range of participants.

Plan the meeting. First, reserve an affordable and easily accessible public meeting space and begin developing a contact list of people to invite. Requesting support in the form of a meeting space is a good opportunity to enlist the help of potential allies early on. Examples of meeting venues that may be offered free of charge for the purpose of organizing a community farmers market include the county extension office, a local school or college classroom, the public library, a community center, local churches, a Grange Hall, the Chamber of Commerce, or a supportive local business or non-profit.

Send out invitations. A broad, representative group of stakeholders and interested parties should be identified and invited to attend the meeting. A carefully worded invitation letter or phone call a month or so prior to the meeting can be used to introduce the project to the community and initiate contact with potential supporters and partners. Examples of key people to invite would include nutrition and agricultural educators from the county extension office, local farmers, leaders of farmers' groups, representatives of community non-profits and foundations, city and county officials, urban planners, religious leaders, local business leaders and associations, high school or university agricultural specialists, chefs, health-oriented food businesses and cooperatives, social service agencies, food banks and pantries, gardening and service organizations, and consumer advocates (*for more ideas see Jolly 2005(1):15*).

An invitation letter or meeting announcement should state the purpose of the meeting (i.e. to form an organizing committee to assess the feasibility of starting a farmers market), briefly communicate a vision for a new market, and describe some of the potential benefits that markets can have for communities and farmers. It is also important to provide clear details on the location, date, and time

for the meeting; contact information for an RSVP or more information; and the names of people and organizations already associated with the effort.

In addition to personalized invitations, the meeting can be widely publicized through announcements in local newspaper and radio outlets, flyers on community bulletin boards, and the newsletters and e-mail lists of supportive community organizations such as the county extension office, farmers groups, and other non-profit groups. Follow-up e-mail reminders and phone calls with key contacts can help assure their participation.

Structuring the meeting. Careful thought should be given to planning the meeting agenda and facilitation. Sufficient time should be allocated for introducing and sharing a vision, brainstorming and discussing ideas with participants, and obtaining commitments to work on committees or support the organizing process in other ways. The meeting needs to be closely facilitated to allow plenty of time for discussion and enough structure to keep the conversation flowing towards concrete outcomes. The group discussion will help to gauge interest levels among participants and identify who has the time, motivation and skills to help carry the process forward.

Meeting participants can brainstorm a list of additional community members who could be recruited for committees or added to the mailing list. The most significant outcome of this meeting will be identifying the foundational members of a core steering committee and further developing the contact or mailing list of supporters and stakeholders. The core committee will be the small group of active partners who can provide ongoing leadership through the initial stages of planning and assessing market feasibility. Before closing, it will be important to think through the roles and goals for the steering committee and any other committees, make plans for future meetings, and plan communication with stakeholders and the public. (*see Jolly 2005(1):18-20 for sample invitation letter, meeting agenda and facilitation tips*).

Launching a steering committee. The core group that emerges from the exploratory meeting may need to be augmented by recruiting additional key players. An ideal steering committee should have representation from county extension, local farmer leaders, local civic and business leaders, key

non-profits and community groups, community food programs, and consumers. Having members with a balance of organizational, fundraising, communication, and marketing skills is also critical. The duties of a steering committee may vary depending on the size and type of the market desired. At a minimum, the committee will need to:

- **Further refine a vision and mission.** Whatever the purpose for starting the market, it needs to be clearly agreed upon and articulated.
- **Identify long-term goals.** These will provide continuity, guidance and direction over the course of the project. What is the desired scale for the market, both initially and over time? The goals should correspond with the market mission.
- **Establish short-term objectives.** These should be measurable and attainable within a year and provide a sense of accomplishment.
- **Provide ongoing communication with community partners.** The committee can maintain communication through a contact list of market supporters and interested stakeholders including farmers, consumers, and neighboring businesses that may be impacted.

The initial planning tasks for the steering committee will include:

1. Market Analysis

- Assess the need and potential support for a market within the community.
- Assess the extent and nature of consumer demand for locally grown products.
- Evaluate the potential scale of market that could be supported.

2. Site Analysis

- Assess potential sites for the market.

3. Financial Analysis

- Assess potential revenue and costs to determine the market's probability of reaching financial self-sufficiency or profitability.
- Assess the profit potential for market vendors.

4. Vendor Analysis

- Assess the availability of enough farmers and other vendors to assure sufficient product volume and variety.

Depending on the scope and scale of the market and the extent of the volunteer base, the above tasks may be accomplished by steering committee members or by separate subcommittees chaired by steering committee members.



Step 4: Assessing the Feasibility of a Market

The Committees Get to Work

First, the committee needs to assess whether the market should realistically move forward. If subcommittees are formed for separate tasks, the steering committee should be responsible for maintaining overall communication and leadership around the agreed upon mission and objectives.

Market Analysis. A market should not be started unless it has a reasonable chance of success. Will community members view it as a welcome addition and support it financially and logistically? Conducting market research helps to understand the potential customer base. Research on farmers markets has consistently shown that markets draw customers primarily from nearby neighborhoods (Brown 2002). Therefore, understanding who lives in the market vicinity and what types of foods they might buy is critical. The committee can collect detailed demographic and socioeconomic data from sources like American Demographics, the Census Bureau or the local community planning department. It is important to observe current shopping habits and venues in the area. Does there appear to be a high demand for quality, specialty or organic foods based on what the groceries and restaurants offer? Do particular ethnic foods appear to be important? Does the neighborhood support up-scale groceries and health food stores, discount supermarkets, or, perhaps, have a lack of food retailers all together? What types of restaurants are located nearby?

Washington surveys indicate generally high levels of consumer interest in purchasing more products directly from local farmers (Ostrom 2005). However, while over 80 percent of people polled say they want to buy more fresh fruits and vegetables from local farmers, currently only around 12 percent report shopping at a farmers market more than once a month. A key barrier appears to be a perceived lack of convenience. The steering committee may want to consider ways to counter this perception. Research suggests that once people begin shopping at farmers markets, there is a high level of repeat patronage (Brown 2002). In Washington surveys, freshness, taste, and nutrition are the top purchasing criteria across most income and demographic categories (Ostrom 2005). A short summary of Washington food purchasing preferences can be found at: <http://csanr.wsu.edu/InfoSources/ConsumerSurvey1.pdf>

In the market analysis, the committee should also research the rates of success and failure of other



Puyallup Farmers Market, Puyallup, WA

markets in the area and assess whether a new market could be a collaborative addition or would impede the other market's sales. Consider the locations, operation times, attendance levels and vendor mixes at the other markets. More specific market information can be obtained using a local survey. Pennsylvania's market manual offers a sample survey for use with potential shoppers (PA 2006: 23).

Site Analysis. A site analysis provides the foundation for selecting and securing a market location. Choosing the right location is vital to a market's success. Input from community service agencies (i.e. public works, health, police, fire, and planning departments) is key to this decision-making process, as is gaining their cooperation and support. A myriad of factors needs to be considered when weighing possible sites.

- **Space Needs.** How many vendors are ultimately envisioned? Is the plan to start with a smaller number and later expand? What size stall space is planned for each vendor and how will stalls be laid out? A standard pop-up canopy is 10' x 10'. Allow at least 5 feet in front of each vendor stall – if stalls face each other, they will need at least 10 feet between them (for example, the Olympia market has 12 ½ foot wide aisles). Some markets with facing stalls plan for an additional 5 feet between the two 5 foot vendor zones to allow for traffic flow. Will vendors be allowed to park their trucks behind their stalls or will they be required to load in and load out? A typical farm truck can be 20' long or more. Plan space for the market managers table. Finally, it is important to visualize the traffic flow both within and outside of the market through entrances and exits. A circular traffic flow inside the market



Port Angeles Farmers Market, Port Angeles, WA works well for shoppers and vendors.

- **Centrality.** The goal is to attract hundreds or thousands of shoppers to the farmers market each market day. Do sufficient numbers of people live, work, shop, and play in the area? What is the population density in a two-mile radius? The site needs to be attractive and conveniently accessible, with ample space for customers to shop. High visibility and easy access from main roads are key factors. It is more important to be near the majority of customers than the producers. Typically shoppers will not drive a long distance to reach the market, while vendors will travel further.
- **Transportation and Access.** Is the site easily accessible by multiple modes of transportation, including public transportation, bicycles and pedestrians? It is important to plan for special access needs, such as wheelchairs, seniors using scooters, or parents with strollers.
- **Available Amenities.** A market needs access to lighting and electricity, restrooms, hot and cold running water, and sufficient parking for both vendors and shoppers.
- **Trucking Needs.** Are there multiple entrances and sufficient turning lanes for trucks (they need 18')? Can the surface at the site support trucks?
- **Surface Cover.** Hot, dry, sunny areas in Eastern Washington may want to hold the market on grass, under trees, and on soft, light-colored ground. Westside markets may want a hard or gravel surface with excellent drainage in case of rain.

- **Fire and Emergency Response.** Depending on the market location, the fire department may require a fire lane, particularly in street closure situations. A fire lane can range from 9' to 20' in width, depending on the local fire code. Knowing the requirements for emergency vehicles in advance is important.
- **Insurability and Zoning.** Planning will need to account for site insurance and liability risks, as well as property tax responsibilities. If the site is not zoned for business, a variance may be needed.
- **Long-term Stability.** Can the space be assured into the future? Once customers become accustomed to frequenting a particular site, moves can disrupt sales. The ownership of the property and whether a long-term, affordable lease can be arranged will determine its long-term availability. Markets have been successfully located on property owned by cities, churches, businesses, non-profits, individuals, and county fairgrounds, among others.
- **Ambience.** While intangible, esthetics and atmosphere should be among the most important site selection criteria. Is this a place that shoppers will enjoy coming to? The ability to create an inviting and pleasant atmosphere, whatever the original character of the site, is crucial to attracting and retaining loyal shoppers.

Potential sites can be compared based on the criteria outlined above. The Pennsylvania manual offers a detailed checklist for assessing different sites (PA 2006: 25).

Financial Analysis. Accurate financial analysis builds on the market and site research. The committee must assess potential sources of funding and project costs and income as accurately as possible in order to decide whether the market is feasible. These calculations will also provide the basis for the market's operating budget if organizers decide to move forward with it. An important aspect of developing a balanced budget is securing start-up funding. Sources of start-up funding can include sponsorships, grants, and vendor fees (UC 2005: 47).

- **Sponsorship.** It is helpful if a single major market sponsor or a group of sponsors can be located early on. Organizations that

have sponsored markets include municipal governments; chambers of commerce or other business groups, such as downtown improvement or main street associations; shopping centers; health organizations; and non-profits. Partners participating in the market organizing committee may be able to offer some start-up sponsorship funds or in-kind services.

- **Grants.** The market organization or some of its partners may qualify for government or foundation grant programs related to small business or community economic development, public markets, agriculture, health and nutrition, tourism, cultural activities, etc. Local businesses or financial institutions, service organizations, religious groups, county hotel/motel tax funds, and local non-profits may also be sources of small grants.
- **Vendor Fees.** Vendor membership and stall fees can provide significant up-front funds and should be factored into the overall financial analysis. Some markets charge a flat fee that is paid weekly by each vendor or in one large payment at the beginning of the season. Others use a commission system where vendor fees are based on how much money they earn at the market that day. Other markets combine these two systems, charging a smaller flat fee plus some percentage of commission.

Next, the Financial Analysis Committee should project all likely expenses, including start-up costs. Expenses may include:

- Site rental
- Staff wages and benefits
- Insurance and licenses
- Office space and computer equipment
- Parking for vendors and customers
- Garbage collection
- Health department permits
- Creation of a logo, signage and other marketing materials
- Advertising and costs of activities and special events
- Printing of written materials and announcements
- Postage

When adding up costs, consider both material and operational expenses. To most accurately estimate income and expenses, it is useful to seek out ideas

and advice from experienced market managers. In addition to personal conversations, the WSFMA listserve offers a useful way to obtain feedback from other managers. It is reasonable to expect that it will take a full season to balance the budget and begin to make the market self-sustaining.

Vendor Analysis. Market organizers sometimes underestimate the challenge of recruiting the right mix of farmers to a new market. Being able to amass a sufficient quantity and mix of farm products is the basis of market viability. Planners must be able to locate a critical mass of growers; three would be the minimum. However, for a genuine farmers market ambience, a minimum mix could include three to five produce growers with a diverse selection of crops, a baker or two, and perhaps another vendor featuring plants and related crafts. Much of the market's success depends on having a respected and capable grower express and maintain a commitment to the market vision. Such a vendor can serve as an anchor for the market by providing a diverse and consistent array of quality farm products throughout the length of the season.

To assess whether the market will be capable of building a sufficient farmer base to attract customers, the committee should take the following steps:

1. Visit existing markets around the state and talk to managers about what might be an appropriate and desirable vendor base for the area.
2. Research the availability of vendors within a reasonable distance of the proposed market. A new or smaller market may have limited ability to draw vendors from great distances.
3. Test the market idea with potential vendors by calling or visiting their farm or place of business. You are simply gathering information at this point and not inviting them to participate in the market.

Vendor balance. The mix of vendors is extremely important in building a successful market. Try to find producers of diverse farm products, including a wide variety of fruits and vegetables, nursery stock, cheese, meats, eggs, seafood, herbs, and wine. High quality processed foods such as breads, jams, sauces, flour, and other value-added products will encourage shoppers to do the bulk of their grocery shopping at the market. Among current farmers

market shoppers in Washington, organic produce is an important draw (Ostrom and Jussaume 2002). Therefore, recruiting some organic vendors could be a strong asset. The committee members should make sure that the vendors being contacted and the overall number of vendors desired are consistent with the overall mission and goals of the market project.

Deciding whether to move ahead. After the committee (or committees) have had time to conduct their analyses, the whole group should reconvene to share findings. Positive reports from the market, site, and vendor analyses are necessary to move forward. If any of these studies conclude that the proposed market will not work, the time for the market may not be right. The report from the financial analysis

is also critical, however, adjustments to both funding sources and expenditures may be possible. In making the decision about whether to proceed, it is important to keep in mind the keys to market success and the past causes of market failure. Most critical is the capacity to generate a critical mass of both vendors and shoppers, neither of which can exist without the other. Ultimately, a market that cannot attract sufficient vendors or customers will be severely challenged to garner the financial and human resources needed to successfully manage and administer a market over time (Stephenson et al. 2006).



San Juan Farmers Market Sign



Step 5: Organizational Planning

Building an Operating Structure

If the steering committee decides that the market is a feasible project with potential to reach the desired goals, the next round of planning will focus on establishing an organizational structure and forming ongoing planning and management teams. The resources available to the market and its sponsors will affect the potential ways it can be structured.

Market Structure. Giving careful thought to the key aspects of a market's structure in the planning and design phase will help to avoid common pitfalls. Most successful markets have a board of directors to oversee the market and its development; a set of formal bylaws to guide the market's internal operations; market rules and a manager to provide day-to-day decision-making, communication and coordination; and a budget based on realistic financial planning and a sound fee structure. The board of directors is responsible for enforcing the bylaws, hiring the market manager, helping to create a set of market rules, and creating and managing the budget. Ways to establish each of these organizational elements will be addressed in greater detail under Step 6.

Organizational Structure. Depending on the goals of the organizers, the organization of the market can be informal or formal. Farmers markets can vary from not having any kind of official structure, to having an outside entity as an owner/operator, to becoming formally incorporated as a non-profit or a business (PA 2006: 11-13).

1. *Informal.* The simplest way to hold a market is to let anyone who wants to sell something put up a stand. Such arrangements have the advantage of having few complicated rules to follow, being extremely low-budget, and requiring minimal time investment in group decision-making or management. Significant drawbacks, however, include the absence of quality control, liability protection, tax status, or income for maintaining a lease or promoting the market. There is no way to optimize the mix of vendors. Such groups may eventually wish to develop some type of informal association so that the fees needed to cover basic rent, promotional expenses, and insurance can be collected.
2. *Outside Owner/Operator.* In some cases market vendors may operate under an agreement with an outside entity such as a private property

owner, a business, a city or government agency, a parks department, or a community organization. Generally in these arrangements, the proprietor or operator sets the rules and the vendors are essentially tenants (PA 2006: 11). Several of the large, permanent, year-round market facilities in Washington are owned by cities.

Having an outside proprietor can have advantages for vendors in that it relieves them of responsibility for site location or coordination, liability, or market promotion. Often public entities can provide excellent market sites and be very supportive of local farmers. On the downside, depending on the proprietor, vendors may have very little say over how the market is managed, including the fee structure, the types of vendors involved, or whether resellers will be allowed.

3. *Formal Market Organization.* Some markets choose to become fully incorporated as a legal, non-profit or business entity. This allows them to more easily comply with tax requirements, purchase liability insurance, hire staff, and apply for checking accounts and grants. Disadvantages of incorporation include extensive legal paperwork, legal fees, and specific requirements for developing by-laws, a board of directors, and tax reporting. Information and legal forms for forming a non-profit can be obtained from the Internal Revenue Service at (800) 829-1040 or www.irs.gov. In Washington State, information on incorporation can be obtained by contacting the Secretary of State's Office.

Another option is to find another legal entity to serve as an operating umbrella for the market. Options include working under a private business sponsor, a government sponsor, a business association, or a farmer organization such as the Grange. Even if a market organization decides to work under the auspices of another non-profit with its own board of directors, it is still advisable to create a management structure and an advisory board specifically for the market.

Permanent Planning Committees. The initial steering committee and working committees will need to transition from organizational and analysis tasks to ongoing planning committees, such as site, vendor recruitment, and strategic planning teams. New committees might also need to be formed,

such as a board recruitment, governing documents, and rules committee. The needed teams should be established at the first organizational planning meeting and everyone in the group should have a general understanding of how they fit together and what they need to do. The original steering committee will need to continue at least until a board of directors has been established and the market is up and running. Again, a member of the steering committee should also be a member of each planning committee.



Robert Elliott, Left Foot Organics, Tumwater Farmers Market, Tumwater, WA



Step 6: Getting Down to Business

Developing Governing Documents, Setting Market Rules, Recruiting Board Members, Selecting a Site, Finding Vendors and More

In planning and establishing the different aspects of the market's structure, the subcommittees or teams can meet separately while continuing to maintain communication with one another through the steering committee.

Board Recruitment. The job of this committee, ultimately, is to create a capable, talented, action-oriented board of directors that is committed to the original mission of the steering committee and can guide the market towards its established short and long-term goals. The board of directors will deal with policy, rules, fees and budgeting, fundraising, staff management, membership issues, disputes, elections, continued guidance towards the stated mission and goals, and assistance with market operations when necessary. Even if the market does not elect to obtain non-profit status, having a board is still important (Jolly 2005: 61-66).

A standard board has an executive committee made up of a president or chair, vice-president or vice-chair, secretary, treasurer, and several directors. Good candidates for a board of directors may be very similar to the people recruited for the steering committee, however, this committee should not simply become the board. Ideally, the board should include carefully planned representation from broad groups of market stakeholders, including farmers and farmer organizations, consumers, local businesses, sponsoring organizations, food banks, relevant community groups, and local government agencies. It is also useful to have people with expertise in legal issues, business management, accounting, marketing, organizational development, communications, and fundraising. Having a board made up entirely of vendors is not recommended. The broader the community involvement, the greater the chances of success.

The composition and election of the board members should follow the market by-laws. One of the primary duties of the board of directors will be staffing. For most market operations, this means hiring and providing direction for a market manager. The hiring process may work differently for specific groups depending on the past experience of their members. Before beginning, board members will need to create a detailed job description and lay out a system for supervision and performance evaluations for the market manager.

The Role of a Market Manager. Most market managers are primarily responsible for onsite

tasks during market day. However, most markets could benefit substantially from having a full-time manager if funds exist. The market manager directly impacts the success of the market because they represent the market to the public and the vendors. The more time a manager or other paid employees have to focus on the market, the more active progress can be made towards achieving the market's goals. Volunteers are often invaluable, but compensation generally encourages increased productivity, job longevity, and professionalism. Research on farmers markets in the Pacific Northwest shows a direct correlation between the amount of money invested in market management and the success of the market (Stephenson et al. 2006).

Duties of a market manager include:

- Facilitating orderly parking by sellers (and buyers);
- Maintaining order and cleanliness;
- Opening and closing the market grounds;
- Enforcing market rules and paperwork requirements;
- Ensuring compliance with health codes and regulations;
- Recording names and addresses of sellers;
- Collecting vendor fees;
- Developing a system for reporting sales by seller;
- Marketing, communications and outreach;
- Handling complaints and inquiries from the public;
- Managing conflicts and complaints among vendors;
- Working with local officials to regulate behaviors and disruptions;
- Preparing and maintaining emergency plans and supplies;
- Working with growers to encourage adequate quantity and variety of products each day.

Often, the market manager acts as the communication link among the various groups involved with the market (vendors, board members, sponsors, outside governing agencies, etc.). The manager needs to thoroughly understand the rules and regulations governing the market so that these can be communicated to the vendors and the

public. The manager will regularly need to draw on advanced communication and interpersonal skills, strong organizational and multi-tasking skills, and conflict resolution skills.

Market employees need to be able to effectively and fairly handle unpredictable situations such as medical emergencies, equipment failures, complaints from the public, or disputes among vendors as they arise in order to maintain the stability and cohesion of the market. The ability to make quick and effective decisions and stay calm in a crisis is key.

Governing Documents. This governing documents committee is responsible for establishing the official written documents necessary for the market to operate. Depending on the type of organizational structure selected and how the market has been categorized by IRS, bylaws and articles of incorporation may not be legally required. However, along with a stated mission, vision, values and goals, bylaws can be useful documents to have available for reference. Bylaws are not the same as the rules necessary for day to day market operations. Instead, they are the broader rules that establish the purpose and decision-making structure of the organization and the process by which more specific rules will be developed and enforced.

The Difference between Articles of Incorporation and Bylaws. Articles of Incorporation are essentially a contract between an organization and the government, while bylaws are a more involved contract between an organization and its various stakeholders. Neither document determines specific market rules. Articles of Incorporation tend to be very basic and almost generic, laying out the structure of the organization in simple terms. It is important to do some research on state and federal rules concerning legal incorporation and understand the process before developing Articles of Incorporation. Information about incorporation can be obtained through the Secretary of State's office at (360) 753-7115 or <http://www.secstate.wa.gov/corps>

Bylaws will address these topics in greater detail. For instance, bylaws may specifically address when or exactly how often meetings must be held, designate methods of notification, or provide concrete numbers for the size of the board, length of terms, etc. Many businesses and organizations use a very similar framework for their governing bylaws,

examples of which are easily accessible online. County extension offices, along with the WSFMA, may also be able to offer assistance on establishing bylaws specifically for farmers markets and other non-profit groups related to agriculture.

Some of the basic elements generally included in both articles and bylaws are:

- The name of the organization
- A description of the basic organizational structure
- The stated mission
- Definitions of terms
- Description of election procedures

Market Rules. Market rules define the character and substance of a market. Therefore, it is important to have a broadly representative planning committee dedicated solely to the formulation of a complete set of rules for smooth day to day market operations. The target of most rules will be the vendors. The bylaws establish the market's right to make rules and the rules themselves provide the framework for avoiding and negotiating future market problems and misunderstandings. As soon as a manager is hired, he/she should serve on this team, along with vendor and board member representatives. Trying to formulate a set of rules may seem overwhelming at first because it is impossible to address every issue that could potentially arise. It is important to make rules as complete as possible while avoiding any unnecessary rules or complexity. Fortunately, many good models of market rules already exist (*see Appendix B*).

Rules should reflect the vision and mission of the market and provide straightforward operating guidelines. For farmers markets, the following areas should be addressed:

- **Basics.** Include information such as the opening and closing dates of the market, the day(s) of the week it operates, and its time and location.
- **Mission.** It is important to include a clear statement of a market's purpose and goals and how it plans to implement its mission

- **Structure.** Briefly describe how the market organization is structured. Is there a board of directors and/or a staff? What is the relationship among vendors, board members, and managers? Who will make what kinds of decisions? How will disputes be addressed?
- **Vendor Requirements.** Rules define the types of vendors that are eligible to sell at the market and state procedures for application, fees, and membership. Are there restrictions on what vendors can sell, where products are grown or made, and who completed the work?

Producer-Only vs. Reseller Markets. The allowance or restriction of reselling is one of the most problematic aspects of many farmers markets. Should a farmer be allowed to buy and resell fresh produce or other products from another grower, or should every vendor sell only what is harvested at his or her farm? Existing markets vary widely. Some are strictly “sell-only-what-you-grow” (producer-only), while others are “anything-goes.” Some require that only local produce be resold. Others state that an item can be resold only when the vendor’s crop comes in short for a particular week. Still others have special allowances for farmer cooperatives. Each farmers market member must understand that violating the chosen rule is a breach of good faith with other vendors. Consequences of violations should be stated in the bylaws. The Pennsylvania Manual (2006: 13) summarizes the trade-offs.

RULE: Allow vendors to resell another grower’s products.

1. Positive:
 - Ensures consumers will find the widest selections and longest in-season period possible.
 - Can be tempered with an “in-state source,” maximum-percent, temporary shortfall allowance, or “buy-resell if no one is growing it” rule.
2. Negative:
 - Weakens direct-from-the-grower authenticity.
 - Is harder to verify, even with tempering rules.
 - Can undermine the sales of a grower when other vendors resell the same product, perhaps disrupting the market.

RULE: Restrict products to only what the vendors grow.

3. Positive:
 - Assures consumer of authentic direct-from-the-grower purchase.
 - Easier to verify compliance.
 - Rewards the more innovative producers.
 - More likely to win support of community businesses.
4. Negative:
 - Disappoints shoppers when growers do not have a desired product available.
 - Requires growers to more carefully plan timing and selection of their crops.

(PA 2006: 13)

Membership and Application Process. The process for becoming and remaining a participant in the market should be clearly laid out. The explanation should include a general timeline of when applications will be posted, how they can be accessed, when they will be due, when and how accepted vendors will be notified, and what else will be necessary to prepare for market season. Rules should clarify what vendors should expect on market day. For instance, whether stall locations are guaranteed for the full season and how assignments will be determined should be clearly spelled out. It is also important to state what documents and licensing will be required from vendors. A market may want copies of documents like organic certifications, nursery or food processor licenses, health department approval papers, proof of insurance, business licenses, etc. Many markets require a signed member agreement form from vendors. The rules and the application should also clearly state the market’s right to refuse membership to any one. A market does not have to take all applicants.

Market Day Procedure. It is vital that all participants in the market are aware of how they are expected to operate on market days. When should vendors arrive, how should they go about parking and setting up, when and how do they pay, etc? Make sure vendors know what is required of them in regards to:

- Attendance and punctuality
- Cautiousness with vehicles



Omak Farmers Market, Omak, Washington

- Respectful and appropriate behavior
- Cleanliness
- Labeling and pricing

Quality of Market Products. The rules should establish the market manager's right to monitor the quality and authenticity of the crops being sold. Enforcing standards for who produces the products and their quality and freshness is critical to the success of the market because these attributes are generally what attracts consumers to shop there. Consumers value taste, nutrition, food safety, and, perhaps most of all, knowing where their food comes from. The viability of a market depends on its ability to offer premium quality, wholesome products from trusted sources.

Production Location. Since many markets have a mission to support local agriculture, their rules often limit farmer eligibility to a specific geographical region, such as a particular county, a set of counties, or a state. For example, vendors selling at the Seattle Neighborhood Farmers Market Alliance markets must grow their own products and they must be grown in Washington State. At least some amount of geographical diversity may be desirable in order to offer a wider range of products. If a market does allow reselling, rules can require vendors to source products locally and to display signs showing the products' origin and grower (FL 2006: 17). As stated below, it is important for markets to reserve the right to make farm inspections to verify the location of the production if necessary.

Hold Harmless. Participating in farmers markets involves risks to both vendors and customers. A "hold harmless" clause can be included in the market rules in which vendors agree not to hold the market responsible for injuries or accidents

that might happen to them while they are at the market. The written rules should state, in general, what the market is and is not liable for. Even with the market's own liability insurance to protect against site-wide costs such as customer injury, it is still important for vendors to have their own insurance for themselves, their products, and their equipment.

Allowing Craft and Food Vendors. A farmers market must determine, absolutely, whether or not it will allow the sale of crafts and/or prepared foods and, if so, how many vendors should be allowed to represent each category. Referring back to the research conducted in the vendor analysis and the overall vision and mission of the market can help answer this question.

Craft Vendors. Whether to allow the sale of crafts at farmers markets has been an ongoing debate for many years. Here are some things to consider:

- WSFMA policies require member markets to maintain a majority of overall sale from farmers. This is because a large part of the Association's ultimate mission is to serve small farmers and support local agriculture.
- Some communities can support food only farmers markets. These are often dense urban markets.
- People buy food every week, but they only occasionally buy crafts. If a market wants to encourage weekly return customers, the focus should be on meeting grocery needs and crafts should be a secondary consideration. A strong guideline is to set the maximum number of crafters at 20-30% of total vendors.
- Crafts create a colorful, festive, and diverse atmosphere at markets. Allowing their participation supports local artists in making direct sales and, thus, the local economy.
- Look for quality in crafts as well as quality in foods. There will likely be more willing crafters than room available. Establishing a jurying committee comprised of neighborhood art experts from galleries or art commissions can help make the decision of what crafts to allow more systematic and fair.



Spokane Farmers Market, Spokane, WA

Prepared Food Vendors. Having hot or ready-to-eat foods and drinks at a farmers market can be a lot of extra work, but it can also help draw an entirely new crowd to a market site and increase overall sales to support the market's operation. Special considerations may need to be made for prepared food vendors such as electrical needs for cooking equipment and local health department regulations.

- Prepared food sales could potentially compete with nearby restaurants or with farmer sales if shoppers only plan to spend a certain amount of money.
- Markets may want to give preference to prepared food vendors that use local farm products.
- Markets offer a great location for incubating new value-added farm products and food businesses.
- Prepared food vendors can be juried in the same spirit as crafter-juries.

Depending on the size of the market, it may be worth designing slightly different applications for different vendor categories and, also, keeping track of their information and sales in separate spreadsheets. Refer to the Record Keeping chapter in Section 2 (Best Practices) for more specific suggestions.

Making Rules Effective. There is no point in having rules if they are not consistently enforced. Only when understood and respected, can rules keep “the market from dissolving into numerous petty arguments” (KDA 2006: 11). The rules need to define who is responsible for making sure they are followed (most often, the market manager) and, also, clearly state the consequences if they are not

followed. A market may want to establish a penalty system based on the severity and frequency of possible offenses. While a minor infraction might result in a warning or a fine, the most severe penalty would be the termination of the right to participate in the market.

In order to assure that a grower has actually produced the products being sold, some markets require or reserve the right to make farm inspections. These requirements should be stated upfront in the rules and, ideally, farmer permission to make farm visits should be granted as part of a signed membership agreement.

Regardless of how strong a market's rules may be, they are useless unless each vendor receives and reads them. Some markets have vendors sign statements that they have read and understood the rules as part of a membership agreement. For vendors who do not read in English or do not read, someone from the market should review the rules with them orally in their own language.

Hints for Making Rules

1. Rules should be easily understood.
2. Rules should be written down and made available to all members and sponsors
3. Rules need to be fairly and consistently enforced.
4. Rules should work to the advantage of the producers selling at the market.
5. Rules should protect the credibility of the market by requiring producers to properly label and represent product at the market
6. Rules should protect the market. (KDA: 2006: 9)

When it comes to an exhaustive examination of a farmers market rules, no document is more comprehensive than *Farmers Market Rules, Regulations and Opportunities* by Neil Hamilton. Hamilton emphasizes that:

The farmer is the critical element in any successful farmers market. Without local farmers raising the type of foods customers want to buy – and without farmers willing to load their produce, bring it to the market, and set up a booth to sell it – farmers markets wouldn't exist. That is why it is important to consider the operation of the markets from the

perspective of the farmers who are the vendors. (2002: 39).

Hamilton provides a list of questions that a farmer should ask about a market and an interesting survey of legal cases that have arisen at farmers markets that exemplify the importance of having rules regarding behaviors and grievances procedures, products, vendor/market relations and public policy issues. Another useful resource is the publication "Understanding Farmer's Market Rules" from the "Farmers' Legal Action Group", www.flaginc.org (Speier and Krueger 2006).

In Washington, if a market would like to be a member of the WSFMA, the market will need to follow the organization's written guidelines. A complete set of WSFMA guidelines can be found in Appendix A.

Developing a Budget. The strategic planning committee has the job of reviewing and revising the short and long-term goals of the new organization, as first drafted by the steering committee.

Among the most important challenges of strategic planning are raising funds and budgeting. In order to project a budget early on in the planning stages, the committee will want to consider all possible sources of funds and expenses, many of which were previously researched for the feasibility study (see page 11 for a list of potential expenses). Ideally, in-kind donations may eliminate some expenses. Potential costs include such items as site rental and improvements, permits and licenses, salaries, promotion and advertising, insurance, and miscellaneous equipment and supplies.

After considering all anticipated expenses, the strategic planning committee will need to plan how costs will be covered and establish accounting procedures. It is important to have a well-organized record keeping system. At this point, contact should be made with all possible sponsors and donors. The team may also want to seek out the availability of appropriate grants.

Fee Structure. The board of directors usually determines the fee structure. In general, fees charged to vendors should accurately reflect their proportion of the actual costs of operating the market. These fees are needed to generate the funds for hiring

a market manager, securing a site, advertising and promotion, etc. In reality, some markets can support higher vendor fees than others based on the strength of farmer sales and the desirability of the market for vendors. Markets in low-income or rural neighborhoods may have difficulty attracting vendors if they set their fees too high.

Stall fees are normally assessed for each vendor and should be carefully explained in the market rules. Fees may be daily or seasonal and they may be set at a flat rate or based on a percentage of gross daily sales. Requiring prepayment of seasonal stall fees or a membership fee at the beginning of the season helps to cover essential market start-up costs. The Kentucky Manual (2005: 14) provides a worksheet for determining fee rates based on adding up and dividing the market's expenses among members.

Ideally, the Strategic Planning Team will be able to create a multi-year budget, though this may be a difficult task prior to the first market season. Financial reports should be made on a regular basis and projections and budget plans should be adjusted accordingly. Those planning and managing the budget should stay in close contact the other planning teams to make sure that all financial needs are addressed and that everyone is working towards a similar vision. Even if the market initially succeeds in obtaining external donations, grants or sponsors to help with start-up costs, it is still important to develop a plan and a timeline for becoming financially self-sustaining. The ultimate financial goal is a self-supported market operation.

Site Selection. The site committee follows up on the research conducted in the site analysis to select and prepare a market site. If all or part of the market site resides on the property of a private owner, use parameters should be negotiated. It is best to have a written and signed contract stating the agreed upon terms (i.e. whether the market will be paying rent and what areas and/or facilities will be accessible to the market). The committee should make sure that all the key elements of a successful market site outlined in Step 4, such as water, restrooms, parking, telephones, lighting and electrical outlets, are secured. The WSDA Small Farm and Direct Marketing Program's Green Book, a comprehensive handbook outlining legal requirements for direct marketing, is an excellent reference for determining what regulations need to be followed in setting up a market site (WSDA 2006).

The legal requirements for opening a market can vary substantially from one market to the next depending on where it is located. It is important to contact local authorities such as the town, city, or county, as well as state and federal regulators to determine which permits and licenses are needed. Most markets will need to acquire some sort of Special Event Permit from city officials, along with approval documents from other legal entities like the fire and/or police departments. Each of these groups may supply the site committee with a list of procedures that need to be completed prior to opening day or carried out regularly throughout the market season. Also, depending on the county, vendor licensing may be required and the local health department may have its own rules about selling meats, wine, prepared foods, food samples, or chef demonstrations.

Vendor Recruitment. The balance of vendors is an art form. Vendors must be carefully selected, considering all the relevant guidelines and restrictions laid out by the rules committee. Here are some things to think about:

- Look for quality in products and reinforce the market's mission in the selection of vendors.
- Markets, like the vendors, want to create the appearance of abundance in product and in product mix. (*see Section 2.5 Best Practices*).
- Particular items such as eggs, berries, cheese, wine, seafood and stone fruit draw in customers.
- Changes in regulations have impacted the types of products available. There has been an increase in the availability of meats and cheese, wine, and hard ciders. However, there has been a decrease in the availability of processed products such as jams and pickles with the enforcement of licensing requirements.
- Beware of exclusive agreements with vendors. Research has shown that with an increase in the number of vendors selling the same product, there is an increase in the amount of sales of that product. Customers respond positively to increases in abundance and choice of products. However, also be cautious that the market is not saturated with a single product beyond the point of positive competition.

Locating farmer vendors. Other markets can be a good source for finding growers, however it is highly advisable as good form to obtain the permission of the market manager before soliciting growers and other vendors at a market. Many markets will share this information, and many maintain waiting lists. Some markets will not share this information. Also, many private and public agencies will not provide lists of farmers or producers, but will forward requests. Possible resources include:

1. Washington State University Extension
2. Tilth Producers of Washington Directory
3. Washington State Department of Agriculture Small Farm Direct Marketing Program
4. Washington State Farmers Market Association
5. Farm Guides and Maps
6. Other farmers
7. Farmer associations and organizations

Insurance. Every market must have general liability insurance. While it is possible to find a market sponsor that will extend its own insurance policy to a market (for example, the Puyallup Farmers Market is covered under the policy of its sponsor, the Puyallup Main Street Association), most markets will need to get a separate insurance policy specifically for the market. In general, every market location requires its own separate coverage. The WSFMA offers access to market general liability coverage as a benefit of membership. About 80% of farmers markets in Washington are insured through this program. The 2006 WSFMA policy was secured through American States Insurance Company, a division of Seattle-based Safeco Insurance. It is managed by Conover Insurance, a Washington-based insurance brokerage with offices throughout the state.

The 2006 WSFMA policy offered \$1 million in "per occurrence coverage," and it sets the standard for farmers market insurance by most municipalities and private landowners in the state. In 2006, the annual premium for this coverage was \$400, and required WSFMA membership. Some municipalities may ask for \$2 million in coverage per occurrence. While this additional coverage is available, it may cost more, and often, when the statewide standard is explained, they are willing to accept the \$1 million level of coverage. Confer with WSFMA



Port Townsend Farmers Market, Port Townsend, WA

and/or its insurance broker, or another agent for more information regarding general liability or “slip and fall” coverage for markets.

Markets may also require individual vendors to show proof of having purchased their own liability insurance. The Risk Management chapter in the Best Practices section contains information on how to keep the market safe so that insurance will never have to be used. For example, the WSFMA requires markets to have vendors sign agreements regarding canopy safety. The reason farmers market coverage is currently so affordable in Washington is the diligence of managers in keeping their markets safe (*see Risk Management Section 2.3*).

Record keeping. Record keeping systems should be in place before opening day and vendors need to understand the record keeping that will be expected of them. It is a good idea for markets to clearly explain record keeping requirements for vendors in their Market Rules. Suggestions for vendor and market record keeping are described in detail in Section 2.1.

Opening Day. Regular committee meetings should be held throughout the planning process, but it is vital that a market hold at least one organized full-group meeting before opening day. This meeting will provide an opportunity for each team to report what has been done and present any complications that have arisen. The original steering committee should have a master list of all necessary tasks to be completed ready for review at

this meeting.

The Grand Opening of a market should be nothing short of a community happening. Planning for Opening Day should begin months in advance. As soon as the market’s location is set and a date for the opening has been declared, it is critical to start getting the word out. The market will need to have an abundance of vendors, fresh produce and customers right out of the starting gate so that everyone who comes on the first day will want to come on the second, third and fourth days. While planning for vendors and produce may already be completed, attracting customers is vital. Try to make the Opening Day Event such a spectacle that people will not want to miss it.

Consider inviting the mayor, county executive, congressperson, or other prominent elected official to cut a ribbon and make a proclamation officially opening the market. Make the market as colorful as possible on Opening Day so that it will be impossible to drive past without stopping. Host an abundance of activities, such as chef demonstrations, fun things for children to do, live music, balloons, and street performers. Plaster the front window of every business with a poster announcing Opening Day. For a cost-effective and lasting impact, design a poster that can be left up all season long. Three to five weeks before Opening Day, over-street or light-pole banners and posters should be up. Residential neighborhoods can also be filled with distinctive yard signs announcing the market. In the two weeks prior to Opening Day, try to appear on all locally oriented television and radio programs. In the months before opening, bring leaflets, yard signs and posters to every community meeting possible and request the opportunity to make a short announcements about the new market.

For more information and ideas, see the Low Budget Promotions & Media chapter and also the Communications & Outreach chapter on “Outreach to public officials” both in the Best Practices section.