

So, you want to start a farmer's market? Wonderful! Here are some issues to think about and questions to contemplate as you begin the process (in no particular order):

- Market location – is it a stable, secure, attractive and available location into the foreseeable future? Is there adequate access to parking, public transportation, foot traffic, etc.? Can it be seen by passersby? Is there a place for signage that would be widely visible? Even better, is there a place for permanent signage for maximum visibility? Is it in or near a business district? Can vendors easily load in and load out without complication or long waits? Is there space to expand as demand and reputation improve? Are there features about the location that can be a 'bonus' for the atmosphere of the market?
- Infrastructure – what is the infrastructure like? Is there convenient access to water, power, equipment storage, garbage, recycling and public restrooms? Is it covered or open to the elements? Are there kitchen facilities available?
- Market funding structure – this is one of the main considerations for the long-term health of the market. Stable and reliable funding is critical not only to hire and retain competent staff but also for things like developing an effective marketing plan and educational programming down the line. As an example, 90% of Portland Farmers Market's operating budget comes from vendor fees with the remaining 10% coming from sponsorships and in-kind contributions.
- Insurance & regulation – what type of licenses and insurance are required or worthy of consideration?
- Vendors, from recruitment to regulation – what is the vendor recruitment strategy? What is the stall fee structure? What is the training process for integrating new vendors into the market lineup? How will the market communicate with vendors? How will infractions be handled? Clear regulations governing what types of vendors are eligible to be in the market and the guidelines for on-going participation are really helpful to remain true to the organization's mission and diffuse the inevitable conflicts that arise.
- Market governance – how will the market be administered? Will management be conducted by individuals, a committee, a formal board of directors, or another arrangement?
- Products – what type of product guidelines are the best fit for your market and the nearby community? How will the market verify vendor growing practices and claims? How will the market ensure a balance of product with competitive pricing that will remain attractive for participating vendors and the shoppers who come to the market?
- Programming – food festivals, education programs, and one-time promotions can be a great way to build visibility, attract press coverage, increase public awareness about 'eating local', and build buzz. They can also be time consuming and exhausting depending on the event and expectations. What types of programming and/or events is the market prepared to undertake? What is the cost for such events and how will they be funded?
- Community connections & relationships – connections with community leaders, city/county agencies and area businesses can be great for all sorts of reasons. While having lots of parties involved in the market can be a bit like herding cats, it can be infinitely rewarding in the long-run. It also helps when it comes time to navigate governmental bureaucracies and recruit vendors, staff, board members, volunteers and new ideas!
- Marketing & Promotion – what are good outlets for promotion in the community surrounding the market? What grassroots advertising and promotion opportunities are available (i.e. schools, neighborhood associations, local businesses, community centers, property management companies, hospitals, etc.) Are there sponsorship opportunities available that would include a commitment to promote the market? Is there a designated marketing plan in place to guide the market's promotional strategy?
- Shopper services – consider offering things such as 'veggie valet' for customer purchases, weekly chef demonstrations, cooking classes, and 'market money' tokens whereby customers can use debit/credit cards in exchange for tokens to use at vendor stalls. Shopper services have varying levels of overhead and administrative commitments so be sure you have adequate support for any new service. For example, the market money token program is expensive to operate and involves significant staff time to handle token processing and reimbursements to vendors. Other services (like 'veggie valet') require minimum infrastructure and staff time.
- Other markets – what are other markets doing to create vibrant, financially stable, attractive community gathering places? Take a look around to see what markets in your area and in similar cities are doing for funding, special events, vendor regulations, etc. Great information can be found in vendor handbooks, marketing collateral, websites, city government offices.

Marketing to Farmers

Marketing to Farmers

The number one customer in the farmers' market is the farmer. The market must provide farmers a viable farm direct opportunity. A market needs to have a critical mass of farmers for a successful market. This number will vary depending on the community.

How to Locate Interested Farmers

- Send press releases to area newspapers, agriculture publications, grower's newsletters, extension service newsletters
- Write an article for your local paper
- Contact the Cooperative Extension service
- Place signage in farm supply stores and other areas where farmers congregate
- Ask local farmers for leads
- Attend state farm direct marketing conferences

How to Sell Farmers on Your Market

- Choose a farmer-friendly site with adequate off-loading space and parking.
- Determine the market's day and time of operation based on surrounding farmers' markets schedules and what works for your demographics (will shoppers be coming home from work, out on mid-day errands, etc).
- Mail an invitation packet including a letter of introduction and map. Follow-up the packet with a personal phone call.
- Show farmers samples of posters, signage, street banners and press releases so they know what kind of marketing support is behind the market.
- Ask the farmers for their opinions to encourage joint "ownership" of the market.
- Have annual meetings such as a pre-season or harvest season potluck to share ideas, thank the farmers and build community.

Starting a farmers' market the right way

For the farmers to come—and customers to be happy—start with a clear goal, a sound business plan and sharp people who know what they are doing. By Andy King

If you are trying to start or turn around a farmers' market, it's easy to get distracted by all the possibilities of signage and events and promotions. Before you order your banners, though, make sure you've mastered the basics. Each step sets the foundation for the next to make sure things unfold as planned on opening day—and finish strong at the closing.



The following are the basics to start or save your farmers' market:

1. Every business needs a business plan, and that includes your market. You should write your bylaws and vendor application as soon as your plan is complete. Review all three documents to make sure there are no conflicts. Remember the bylaws are the rules you use to achieve the goals set out in your business plan.
2. Find a minimum of eight qualified vendors (producers who can make a living selling their products).
3. Offer a broad spectrum of products (honey, baked goods, fruit, flowers, meat, eggs, milk, cheese and produce).
4. Try to balance the number of vendors with the anticipated number of customers. A good balance will keep both customers and vendors coming back.

You need both vendors and customers to make a market work. Make sure you don't neglect one for the other.

Okay, you already had these four steps in mind. So when do you write your business plan? How do you find the qualified vendors with a broad spectrum of products? What is the right number of vendors for each type of product?

Market planning

At your first market meeting, you must decide what you are trying to accomplish. Your primary goal may be to supply fresh produce to inner-city residence or it may be to provide the freshest high-quality produce to suburban customers with more disposable income. Different goals such as these will shape your planning and recruiting.

Once planners agree on a goal or set of goals, it's time write your business plan. Make sure to set major milestones—determining the location of your market, minimum number of vendors—and the timeline to reach each.

Follow up by creating market bylaws—the set of governing rules that will assure the market operates in a way that will allow it to achieve its goals. The rules need to enable vendors to be successful individually so that the market succeeds overall.

Finding the vendors

How are you going to locate the types and number of vendors you need? Not all farmers' markets are open on the same days, so pick some that are on different days than your

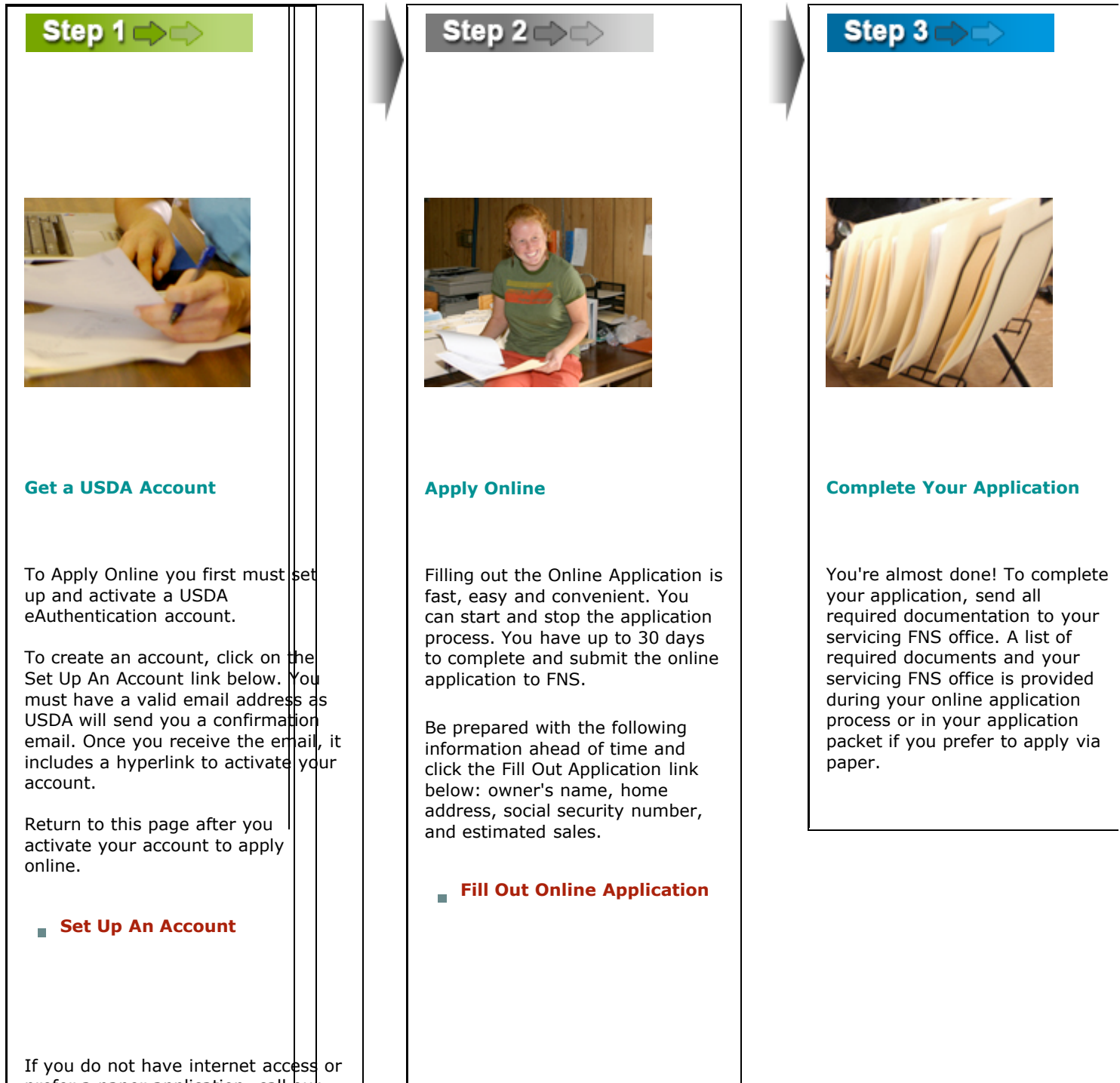
Supplemental Nutrition Assistance Program

The number of farmers' markets licensed to accept SNAP benefits is increasing nationwide. As people discover the benefit of buying fresh, nutritious, local products, farmers and farmers' markets are seizing the opportunity to broaden their customer base by adding a SNAP payment option.

Apply Online to Become Authorized to Accept SNAP at your Market

Times have changed, and so has the USDA. You can now apply online; it's fast, secure, easy to use, and best of all, it's available when you are, 24/7. By applying online, you can also check the real-time status of your application online using your USDA account.

Applying to accept SNAP benefits is a three step process: get a USDA account, fill out an application online, and mail your supporting documentation to complete your file.



prefer a paper application, call our
toll-free hotline at
1-877-823-4369.

- **Check the Status of Your Online Application**

FNS may take up to 45 days to process an application once it's complete. FNS reviews all applications for accuracy, conduct a background check for past SNAP history, and evaluate your market for eligibility. FNS may visit your store to confirm eligibility.

Scrip System (Paper Scrip, Token or Receipts)

When it is not practical for individual farmers to obtain an FNS license to accept SNAP benefits using their own individual point-of-sale (POS) device, a farmers' market sponsor can step in by getting one license that allows eligible farmers in the market to accept SNAP benefits using one centralized POS device to issue scrip.

There are two basic scrip systems:

Paper scrip or tokens: The market staff person swipes the EBT card at a centrally located POS device and debits the amount requested by the customer in exchange for paper scrip or tokens that can be used to shop at all eligible food booths in the market.

Payment: Farmers trade the scrip/tokens with market sponsor staff for payment as instructed.

Receipts: Customers get a receipt from each farmer for food purchases, leave their items at the stand, bring the receipt to the centralized POS device to pay for their items with their EBT card, and then return with the paid receipt to each farmer to pick up their purchases.

Payment: Market managers keep track of the receipts and reimburse farmers based on the day's purchases.

Scrip Rules

Only eligible food can be purchased with scrip purchased with SNAP benefits.

No cash back can be given to SNAP customers. The sale must be for the exact amount of the scrip or the customer can make up the difference with cash.

The customer must be able to get a refund onto his/her EBT card for unused SNAP scrip.

EBT accounts may also contain non-SNAP cash benefits. Scrip issued in exchange for these cash benefits, such as TANF, can be used to purchase non-food items and is not subject to the above rules. However, scrip issued for SNAP benefits must be distinct from scrip issued for cash benefits.

Debit/Credit Cards

The market may also wish to accept debit and/or credit cards to increase sales. In most cases, the market sponsor will be responsible for purchasing or leasing its own POS device and for all monthly fees and transaction fees for both debit/credit and EBT purchases when using a commercial device.

Free government-supplied POS devices - Markets that conduct \$100 or more in SNAP business per month are eligible for a free POS device for EBT transactions only. The market must have a central location with electricity and a phone line to be able to utilize the free equipment.

Wireless POS devices - A market can choose to purchase or lease a commercial wireless POS device that also accepts debit and credit cards and can be used at multiple locations operated by the same farmers' market organization. However, in most States, the market will need to obtain these devices through an independent Third Party Processor and will be responsible for all service/lease, card provider, and transaction fees.

Manual Vouchers - This process can be used when the market is unable to have a POS device on site. It requires a phone to check if funds are available in the customer's EBT account and to place a hold on the purchase amount. The market must then mail the signed vouchers to the State's EBT processor by the deadline and will get paid by direct deposit. If the market is eligible for a free POS device, the market can keep the device at an off-site location and clear all the manual vouchers through the device at the end of the day instead of mailing them.

If the market accepts commercial debit/credit cards, the scrip given to SNAP customers must be distinct from non-SNAP debit/credit scrip, so that no cash is given for this scrip and so that only eligible food products are purchased with SNAP benefits.

Market Responsibilities

- Become licensed to accept SNAP benefits by FNS.
- Design and purchase tokens or print paper scrip. The scrip must be hard to counterfeit. For paper scrip, non-photocopy-able paper is required. Placing sequential serial numbers on all scrip is strongly advised.
- Train farmers in scrip redemption rules and procedures. (The market's ability to accept SNAP benefits could be jeopardized if a farmer commits a SNAP violation while operating under the market's FNS license.)
- Develop an accounting system and method for reimbursing vendors.
- Determine a secure place where the POS equipment, tokens and supplies will be stored when not in use and who will be responsible for proper storage.