

Starting a New Farmers Market



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**UC Small
Farm Center**

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Starting a New Farmers Market

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An Introduction to Farmers Markets

This chapter will enable you to:

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

Farmers Markets and Communities—Past and Present

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

Farmers markets reached their peak of popularity in the nineteenth century before beginning a decline that continued through much of the twentieth century. After World War II, the

development of suburbia and the ascendancy of supermarkets, chain stores, and convenience shopping were especially damaging to farmers markets. However, even during this time, many towns maintained their markets, preserving the close tie between their communities and local farmers. For example, in Lancaster, Pennsylvania, the Central Market has been held in the same location since the 1730s.

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



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

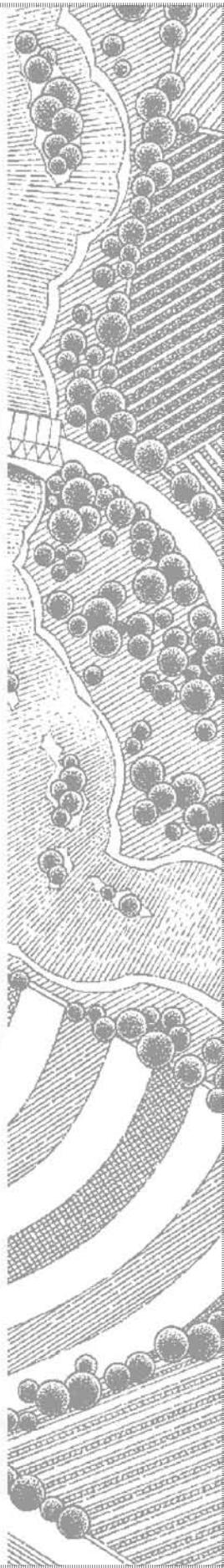
Currently, farmers markets are enjoying an upsurge in popularity. The number of markets in the U.S. has grown rapidly. The markets' rapid growth and success has impressed community planners, historic preservationists, town council members, economic developers, and farmers alike.

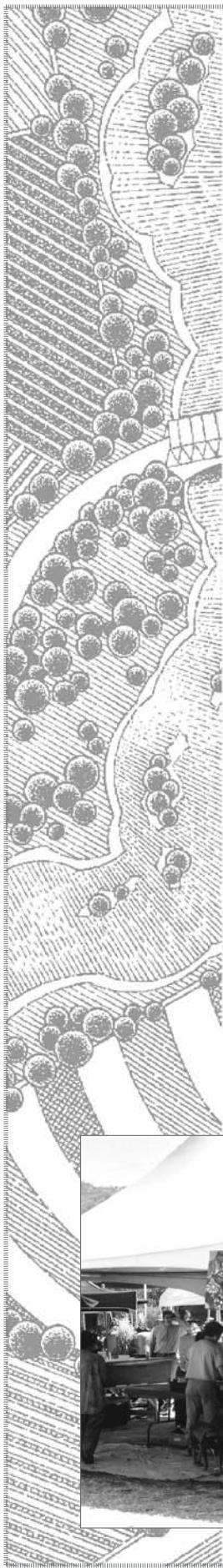
Farmers markets are seen as one solution to the multifaceted problem of our culture's growing isolation—from other people, from the environment, and from the sources of our food. People perceive farmers markets as gathering places where families can bond with neighbors and visit with friends. Farmers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

Types of Markets

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

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





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

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

Benefits of Farmers Markets

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

Benefits to Consumers

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

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

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



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

Benefits to Farmers

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

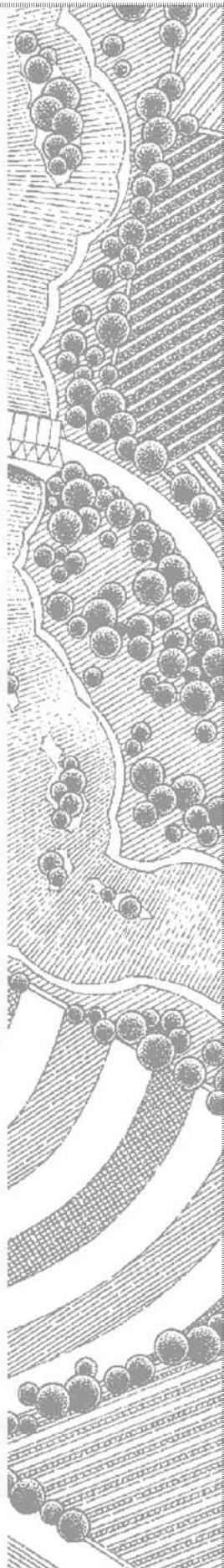
Farmers markets can also serve as launching pads for farm-based small businesses. A recent study of California farmers markets found that, from 2000 to 2003, approximately 21 percent of vendors had expanded their operations to offer produce to secondary and tertiary farmers markets, community supported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

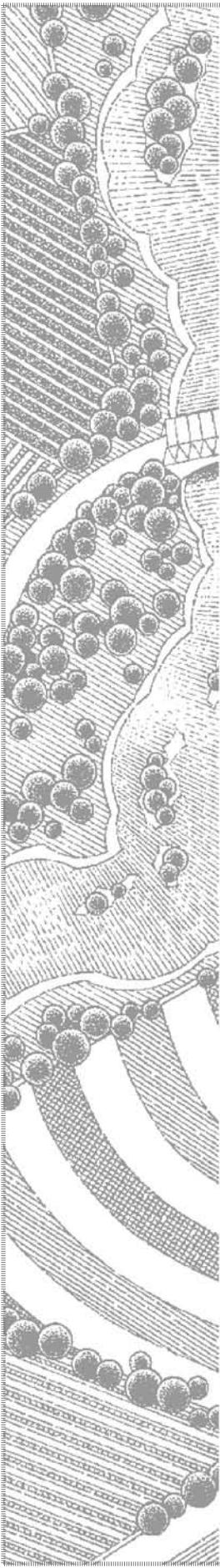
Vendors have the opportunity to set their own prices and may receive other market-related benefits as well. Benefits can include market-generated promotional materials and exemptions from certain marketing requirements. After a day of selling at a farmers market, they have the satisfaction of seeing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



Benefits to Communities

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





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

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

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

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

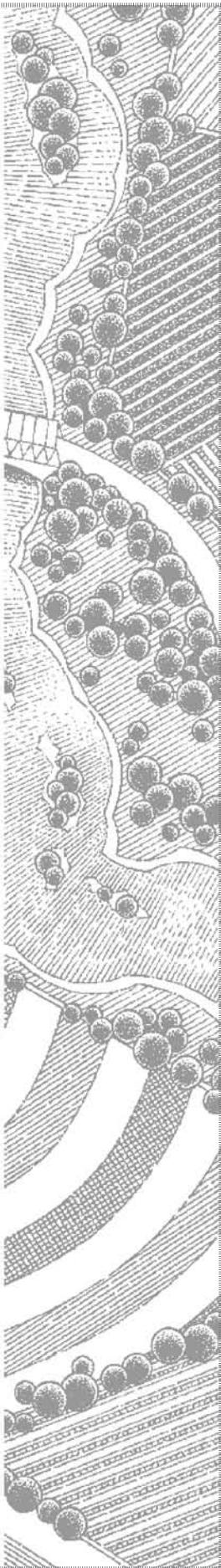
Farmers markets draw consumers into central downtown areas, local malls, and store parking lots. This, in turn, generates sales and exposure for local businesses. Some markets provide a time and place for nonprofit groups, community organizations, city officials, and University of California Cooperative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

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



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



The Purpose of this Manual

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

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