



## CHAPTER ONE

# Five Steps for Founding a New Farmers Market

## Begin with the End in Mind

This chapter was developed to provide a resource of options for new or developing markets as they begin organizing their farmers market. Organizing a new market is a dynamic process. The end results should fit the unique needs and demands of each farmers market and will likely be different for each community.

The following five steps were developed from the suggestions of market managers from South Dakota during a 2012 focus group, and each step has been widely used by markets in South Dakota and across the United States.

## Five Steps for Founding a New Farmers Market

Potential vendors, customers and community members can help form the new market. In an ideal world, the process of organizing begins in the winter months. Then, planning and organizing can take place well before the first selling season at the market (1). However, this is merely a suggestion. Timing should not discourage a group from beginning to plan a new market in a different time of year.

Organizing a new market has many steps; meeting food safety regulations, drafting market rules and selecting a location. However, this chapter focuses solely on organizing community members, vendors, and a Market Association. The following steps will help a new market organize people and leadership, creating a strong foundation for success:

- (1): Form a planning team
- (2): Assess community support
- (3): Assess vendor support
- (4): Form a Market Association
- (5): Appoint a market manger

Each market will have a unique experience; therefore, a timetable for completing these steps is intentionally not included. Some markets may complete steps one through three in six months, while another may complete these steps in only two months. Some smaller markets may choose not to form a Market Association. However, by following these steps, new markets may save time and resources, and reduce frustration.

## **Step One: Form a Planning Team**

The first step should be to form a planning team. Keep the team small enough so that it is simple and manageable. The planning team should be composed of 5-7 people who are:

- Willing to put forth their best effort
- Organized
- Good communicators
- Able to find resources within the community
- Able to develop or utilize connections within the community

The planning team should include a variety of individuals with a range of backgrounds:

- Food or beverage producers
- Potential market vendors
- Potential market customers
- Members of community boards; example, Chamber of Commerce
- Members of community organizations; examples, FFA, Kiwanis, Jaycees, non-profits

### ***Resources for Assistance***

The planning team may feel the need to seek assistance from an outside source. One resource available for farmers markets is South Dakota State University (SDSU) Extension. SDSU Extension provides a variety of assistance for farmers markets. Interested groups could contact the Community Vitality Field Specialists or Food Safety Specialists for help or information regarding farmers markets. In the past, SDSU Extension has helped launch several markets in South Dakota. SDSU Extension can serve as a coach to the new market. The goal of the coaching role is to assist and guide the planning team throughout the process of forming a new market or address changes in their current market. The coach role doesn't manage or lead the market; the coach simply provides assistance when needed.

## **Step Two: Assess Community Support**

Once assembled, the planning team should aim to involve the broader community in the process of developing a new market, because community members will eventually become market patrons.

The planning team will have many questions to ponder and discuss regarding the new market:

- Is there community demand for the products at the market?
- What products are community members seeking?
- What locations are convenient for community members?
- Will any pre-existing local food distribution businesses feel threatened by a

new farmers market?

- Will the community support the market's physical or logistical needs?
- What is the demographic make-up of the community?
- Where is the nearest farmers market outside of this community and how will this market affect the new market?

These questions can be hard to answer.

Evaluating the support level of citizens can help determine if a new market will be successful. Distributing a community survey and hosting a community meeting can help provide answers. Or include a self-addressed postage paid envelope if funds are available. Ask the local citizens if they will support a new farmers market. Furthermore, ask what they hope to experience at a new market.



A survey can include questions that help establish a picture of what the market might look like in the community. SDSU Extension has created an Example Farmers Market Community Interest Survey for markets to utilize. This document is available in the resources section following this chapter.

The survey can be distributed in a variety of ways, including local businesses, coffee shops, restaurants, gas stations, the elevator, a senior citizen center or the local newspaper. Obtaining a central drop off location for returned surveys will help increase the return rate.

Additionally, the group should host a community meeting, inviting members of the community to discuss the possibility of starting a new farmers market. The previously mentioned survey could also be distributed and collected at this meeting. During the community meeting, the organizers should seek to identify the important ideas from community members about the market. Ask what community members would like to see, buy, and experience at the market.

Hopefully, the planning team will find high levels of community support for a new farmers market. Utilizing tactics like a survey and community meeting can clarify the needs, demands and desires of the community members who will patronize the market.

Not every community can sustain a vibrant farmers market. If the answers to many of the questions are not positive, then it may not be wise to start a farmers market in that community.

### **Step Three: Assess Vendor Support**

Assess the interest of food entrepreneurs to determine if vendors will support a new farmers market. The ability to find vendors who have similar goals for the farmers market experience is critical to getting started. At least three or four vendors must commit to selling at a regular market to ensure enough variety and quantity to keep the market viable. The need for farm products, such as fruits and vegetables, is one of the determining factors in the success or failure of a market. A 2002 research study compared the product needs of 50 markets. Of the 50 markets, seven closed while the other 43 remained open. All the failed markets listed that they needed more fruit, vegetables, fish, meat and value-added products. New markets should keep these statistics in mind as they seek new vendors.

The same study also found that the surviving markets were half as likely to list fruits and vegetables as a high need for their market's product mix. Instead, the surviving markets were focused on attracting vendors who had more diverse, niche products.

This study stresses the importance of having an adequate number of fruit and vegetable vendors at the market. To attract new vendors, utilize these simple and effective methods:

- Local advertising
- Word-of-mouth
- Personal connections

Initially, conversations with potential vendors will take place in an informal setting. Seeking new vendors will require going into the community and talking with people. At first, it may be challenging to attract new vendors to the market. As new markets grow, it becomes easier and easier to find new vendors. Committing to a new market is riskier for a vendor than committing to an established market.

Do not be discouraged by hesitancy from potential vendors during the founding phase. According to market managers in South Dakota, this experience is normal.

Once three or four potential vendors have been identified, planning the new market can continue. However, if three or four vendors cannot be identified, the planning team should continue searching rather than proceeding with fewer.

Potential vendors for the new market should be invited to a meeting to discuss creating a new farmers market. The meeting organizers should be prepared to introduce themselves and facilitate a discussion among the entire group. They should encourage each attendee to introduce themselves to the group. Then, the meeting leaders should begin a discussion around these types of questions:

- Is there any interest in forming a farmers market in the community?
- What type of goods would we sell?
- What would our vendor requirements be?
- Where could the market be located?
- What could the market-selling schedule be?

The vendors in attendance at the meeting will likely come from a wide range of backgrounds and experience levels in direct marketing to consumers. Some attendees will simply be interested in learning about a new market opportunity, while others may have considerable experience selling their products at other farmers markets. Discussions at meetings should help the group gain understanding of the goals of all potential vendors for the new market. The organizers should collect the name, phone number, address and email address of each potential vendor who attends the meeting. Organizers should take care to allow all attendees a chance to speak and ensure that one or two vocal participants do not dominate the conversation.

The process of forming a farmers market is not standardized for each community. While starting a farmers market, one community may host two vendor meetings, and another may host several. However, to prevent losing momentum, these meetings should be held no more than one month apart. As the market season approaches, anticipate meeting as often as every two weeks. Eventually, a group of committed vendors may decide to formalize their ties and form a Market Association.

## Step Four: Form a Market Association

### *Benefits of a Market Association*

New farmers markets that wish to be vendor-run should consider forming a Market Association. The Market Association will provide an organized structure for the market, while ensuring that the market is managed by vendors. A vendor-driven market gives those involved a sense of ownership. This encourages greater personal commitment from the vendors. Creating a formal association can provide many benefits for the market:

- A structure that provides stability and can support growth
- A framework for dealing with conflicts and issues that arise
- A system for allowing vendor input

To create a Market Association, the new market will need to determine their membership requirements, decide on their board of directors positions, select a decision-making process, and draft and eventually ratify by-laws (3). While this may seem overwhelming initially, the completion of this process will provide long-term structure for the new farmers market.

### *Creating the Market Association*

The Market Association forms the structure for membership in the market, the board of directors and committees. Initially, understanding the roles within the Market Association can seem complex. The following chart sums up information about each role.

**Table 1.1: Roles in the Market Association**

Positions	Roles & Privileges
Vendor (non-member)	Pays stall fee to allow the vendor to sell at the market
Vendor (member)	Pays membership fee & stall fee. Able to vote for the board of directors, vote on issues, hold an office on the board of directors, planning team member
Market Manger (vendor or non-vendor)	Appointed by the board of directors, may be a volunteer or an employee of the Market Association
Community Member (non-vendors)	Appointed to the board of directors, planning team member, volunteers to assist at market selling days

Roles in the Market Association provide a structured way for vendors and community members to participate in the market. A market can decide to have only three officers or they may select to have more. According to market participants in South Dakota, each situation will be unique (5,6). After a market selects the roles within the Market Association, each detail will need to be recorded in the by-laws.

After drafting the by-laws, the membership must meet and vote to ratify. After the by-laws are ratified, the newly formed Market Association can elect their first board of directors. This process typically takes place at the annual meeting (4).

The following sections detail the roles within a Market Association

### *Market Association Members*

The members of the Market Association must meet the membership requirements before becoming an official member. If a member meets the requirements, they will most likely be accepted into the newly formed Market Association, since new market needs to build up their numbers. Membership requirements may include:

- Participating as a vendor at the market
- Specific types of products sold
- Location of farm
- Specific production processes

Later in the market's development, the Board of Directors will approve new members on an as-needed basis. In some cases, they may not allow a vendor who sells foods they did not grow or prepare themselves. For example, a vendor may obtain beef and pork from a specialty meat processor and then put their farm's private label on the product. At some markets, this reselling process may not be allowed and therefore membership into the Market Association may be withheld or discussed further with the vendor to bring them into compliance.

In some markets, membership will not be approved until the farm and farming process has been approved by the board. Visiting and inspecting the farm of each new vendor can be time consuming, but in some cases, it becomes necessary to protect the integrity of the farmers market.

Each vendor will need to sign and meet the requirements stated in the Vendor Agreement Form. After a vendor has been approved and paid their dues, they are considered a member of the Market Association (7). Vendors that are members of the Market Association can vote for board members, run for a position on the board and serve on committees.

### ***Board of Directors***

The board serves as the governing body for the Market Association membership. This will help to divide the workload among multiple people and represent the interest of the whole group. Groups of people often choose to organize themselves using a board of directors; for example, churches, businesses, and schools. Members of a Market Association are likely to be familiar and comfortable with the concept of creating a board of directors and electing officers. The board of directors can consist of both vendors and community members (6). Generally, the roles of the board members are explained in detail in the by-laws. The by-laws and the Market Association go hand-in-hand; a new market cannot have one without the other.

Potential roles for each board member are outlined below. For a smaller farmers market, a smaller set of officers may be selected. Each position listed here is only a suggestion. Each market can adjust the number of officers depending on what they need. These positions must be filled by a member who is in good standing with the Market Association.

- **President:** The president serves as the spokesperson for the organization. He or she is responsible for overseeing the market's activities as a whole.
- **Vice President:** Assists the president. Might be assigned a specific task, such as overseeing the marketing or a specific special event at the market. The vice president may fill in as needed
- **Treasurer:** The treasurer should maintain accurate, up-to-date records of the market finances. They might also be responsible for collecting fees or dues. He or she would also present financial reports to the board of directors.
- **Secretary:** Record the minutes at the meetings. May take attendance on market selling days.

- **Member at Large:** A community member, but not a vendor, who can help provide an outside perspective. In most cases, this is the only position on the board of directors not designated for a member of the Market Association.

### ***Community Members***

Most markets transition from the planning team to the Market Association with the same committed group of people. This group can be made up of vendors, but in some cases community members are very involved with the farmers market. It is important to provide an avenue for community involvement with the Market Association.

Some markets in South Dakota have taken the initiative to involve community members by designating “member at large” seats on the board of directors. A smaller market may want to include one member at large position, while a larger market may have more.

Community members can serve the market in a variety of ways. The follow list explains some options for volunteers:

- Volunteer at the market selling days by collecting trash, answering questions, and helping new customers find specific products
- Provide assistance by operating the SNAP (Supplemental Nutrition Assistance Program) kiosk
- Conduct youth programs at the market
- Provide expertise to address a specific issue or concern at the farmers market
- Volunteers could manage a master gardener Q&A booth at the market

### ***Standing Committees & Short-Term Committees***

As a market grows, members may feel the need for more organizational roles to complete tasks. In this case, a Market Association should create committees rather than adding more officers. Committees can be formed to last several years or just a few months. A long-term committee is often called a “standing” committee. Examples of standing committees are:

- Marketing
- Budget or Finance
- Grant-writing
- Market Rules

In addition to standing committees, the market may also make use of short-term committees to complete tasks in a short period of time:

- Customer Appreciation Day
- Promotional items such as t-shirts, bags, hats
- Cooking class at the market

### ***Parliamentary Procedure***

After selecting which positions will be utilized in the Market Association, a decision-making process needs to be selected. It is common for markets to use parliamentary procedure to aid their decision-making process. The principles of parliamentary procedure are outlined below. The group should also consider ways that non-voting persons who may be affected by their decisions, like a community member, can voice their questions, comments, or concerns in a meaningful way.

The purpose of parliamentary procedure is to make it easier for people to work



together effectively and to help groups accomplish their purposes. Rules of procedure should assist a meeting, not inhibit it. Below are guidelines for using parliamentary procedure at meetings.

- A meeting can deal with only one matter at a time.
- All members have equal rights, privileges, and obligations. One of the chairperson's main responsibilities is to use the authority of the chair to ensure that all people attending a meeting are treated equally – for example, not to permit a vocal few to dominate the debates.
- A majority vote decides an issue. In any group, each member agrees to be governed by the vote of the majority. Parliamentary rules enable a meeting to determine the will of the majority of those attending the meeting.
- The rights of the minority must be protected at all times. Although the ultimate decision rests with a majority, all members have such basic rights as the right to be heard and the right to oppose. The rights of all members – majority and minority should be the concern of every member, for a person may be in a majority on one question, but in the minority on the next.
- Every matter presented for decision should be discussed fully. The right of every member to speak on any issue is as important as each member's right to vote.
- Every member has the right to understand the meaning of any question presented at the meeting, and to know what effect a decision will have. A member always has the right to request information on any motion he or she does not thoroughly understand. Moreover, all meetings must be characterized by fairness and by good faith. Parliamentary strategy is the art of using procedure legitimately to support or defeat a proposal (6).

### ***By-Laws***

After the Market Association roles and decision-making process have been selected, the group should draft the Market Association's by-laws. This is the official document that outlines how the Market Association will function. Chapter Two details the process of drafting the by-laws. Upon completion of this document, the membership should ratify the by-laws by voting to approve the by-laws for the Market Association (4).

### ***Summary***

Creating a Market Association can be time consuming for a new market. However, if the process takes place during the winter months it can be completed with less stress on the group. Taking the time to create a Market Association will give the new market structure and provide for growth. A good organizational structure for the farmers market can provide a pathway to success.

## **Step Five: Appoint a Market Manager**

### ***Options for the Market Manager***

In some cases, the market manager is the key person in the daily operation of the market. He or she generally reports to the board of directors and is appointed by the board. The market manager can be a vendor or a non-vendor. This single person is appointed and expected to complete all the tasks specifically assigned to the market manager.



However, some markets in South Dakota do not have one appointed market manager. In this situation, the tasks involved in operations are divided among board members and market committees.

The role and responsibility level of the market manager or market management can vary greatly depending on the size of the market. There are several options to consider when appointing a market manager and each market should decide which option is the best fit for their situation.

### ***Responsibilities of Market Manager or Market Management***

**Rule Enforcement:** The market manager is responsible for enforcing the market rules. Some farmers markets have instituted the simple policy of a verbal warning from the market manager upon the first infringement, a written warning after the second infringement, and dismissal from the market for the remainder of the season on the third infringement. Other markets have instituted fines upon vendors for these infractions. In this case, the market manager would be responsible for collecting these fines.

**Complaints:** The market manager is responsible for dealing with customer complaints or concerns during market hours. The other vendors can be informed to direct questions and concerns to the market manager. For these reasons, the market manager is in charge of overseeing market operation during business hours. Therefore, if they are also a vendor, it would be a good idea to have a partner managing the majority of the workload because the market manager may need to step away and deal with a question or issue.

**Contact Person, Press & Marketing:** The manager is also generally listed as the main contact person to represent the market. Their contact information is generally listed clearly on all market documents and information; for example, fliers, website, and social media. The manager will be responsible for working with the press and must be prepared for interviews.

**Insurance, Permits, Financials:** The market manager is also often in charge of obtaining insurance, beyond any that is required by individual vendors and the landowner. They may also obtain the correct permits for the market, although this task can be delegated. If there is not a treasurer, the market manager might oversee managing the financials for the group, which might include collecting market dues and fees. The audits of the financials will also be under the market manager's role.

**Regulations:** Individual vendors need to be in compliance with local, state, and federal regulations for food safety, weights and measures (scales used for weighing produce), and taxes. The market manager can collect copies of the documents required in the vendor application process. The manager may choose to conduct audits.

**Vendor Selection, Dues, and Fees:** The market manager will also handle recruitment, selection, and registration of vendors. They will need to establish a strong network of community contacts to aid the success of the farmers market. They will be responsible for assigning spaces so the vendors know where to set up and customers are able to find their favorite farmers.

### ***Summary***

The Market Manager is the key person in the daily operation of the market. If this is not the task of one person, then the operations need to be divided among a management team. Their skills in dealing with the public, handling conflict, and representing the market are important for the success of the market.

## Building a Strong Foundation

Founding a market can be an exciting and worthwhile endeavor. It does not have to be intimidating, especially if a group utilizes these five steps. The following chapters will address further decisions and tasks needed to form a new market. After completing these initial five steps, a new market still has quite a bit of work to do before the first selling day. However, taking the time to organize community support, vendors and market leadership will provide a strong foundation for new markets going forward.

## Sources

1. McKelvey, Bill, Mary Hendrickson, and Crystal Weber. Starting and Operating a Farmers Market. University of Missouri Extension, Nov. 2009. Web. 3 Mar. 2013. (<http://extension.missouri.edu/p/G6223>).
2. Stephenson, Garry, Larry Lev, and Linda Brewer. When Things Don't Work: Some Insights into Why Farmers' Markets Close. Oregon State University Extension Service, Dec. 2006. Web. 6 June 2013. (<http://extension.oregonstate.edu/catalog/pdf/sr/sr1073-e.pdf>).
3. Stephenson, Garry, Larry Lev, and Linda Brewer. Understanding the Link Between Farmers' Market Size and Market Organization. Oregon State University Extension Service, Dec. 2007. Web. 30 Aug. 2013. ([http://smallfarms.oregonstate.edu/sites/default/files/small-farms-tech-report/eesc\\_1082-e.pdf](http://smallfarms.oregonstate.edu/sites/default/files/small-farms-tech-report/eesc_1082-e.pdf)).
4. Eggert, Diane, and Nathan Rudgers. Step by Step Guide for Establishing A Farmers' Market Association. Farmers' Market Federation of New York, 2002. Web. 2 May 2013. ([http://www.nyfarmersmarket.com/pdf\\_files/developingFMA.pdf](http://www.nyfarmersmarket.com/pdf_files/developingFMA.pdf)).
5. Castel, Dave. Personal Interview. 30 May 2013.
6. Gilkerson, Susan. Personal Interview. 30 May 2013.
7. Homitzky, Claire, and Jana Beckman. Starting a Seasonal Open-Air Market in Kansas. Kansas State University Agricultural Experiment Station and Cooperative Extension Service, Sept. 2008. Web. Feb. 18 2013 (<http://www.ksre.ksu.edu/bookstore/pubs/S140.pdf>).

## Additional Resources:

### ***Starting a Seasonal Open-Air Market in Kansas***

<http://www.ksre.ksu.edu/bookstore/pubs/S140.pdf>

Written in 2008, this guide provides a 16-page overview of the process of founding a farmers market: from drafting market rules to setting up the first day.

### ***Starting and Operating a Farmers Market: Frequently Asked Questions***

<http://extension.missouri.edu/p/G6223>

From a fellow Midwestern state, this online resource provides a simple, easy to follow question and answer format on start a new market. The text is embedded with useful links to other websites with publications and resources regarding specific topics and questions.



# Farmers Market Community Interest Survey

**SOUTH DAKOTA STATE  
UNIVERSITY EXTENSION**

Please take a few moments to answer the following questions regarding the potential opportunity to open a Farmers Market in our community. Your thoughts and perspectives will help us to understand what the Farmers Market should provide to customers. Thank you!

1. Would you shop at a Farmers Market if it were available in our community?

\_\_\_\_\_ Yes    \_\_\_\_\_ No

2. What day of the week would best accommodate your schedule to visit a Farmers Market?

- a. Monday
- b. Tuesday
- c. Wednesday
- d. Thursday
- e. Friday
- f. Saturday

3. What hours of the day would best accommodate your schedule to visit a Farmers Market?

- \_\_\_\_\_ Morning (9:00 a.m. – 12:00 noon)
- \_\_\_\_\_ Mid-day (11:00 a.m. – 2:00 p.m.)
- \_\_\_\_\_ Afternoon (1:00 p.m. – 4:00 p.m.)
- \_\_\_\_\_ Early Evening (4:00-7:00)
- \_\_\_\_\_ Evening (6:00 p.m. – 9:00 p.m.)
- \_\_\_\_\_ No preference

4. Please identify three products that you would like to buy at a Farmers Market:

\_\_\_\_\_

5. Where do you think the best location for the Farmers Market would be in town? What would be the easiest or most convenient for you to access?

\_\_\_\_\_

6. What might make it difficult for you to purchase foods at a Farmers Market? (circle all that apply)

- a. Irregular supply of product
- b. Pricing
- c. Inconvenience of making one more stop
- d. No market in my area
- e. Other \_\_\_\_\_

7. Would you be interested in volunteering or becoming a vendor at the Farmers Market?

Volunteer: \_\_\_\_\_ Vendor: \_\_\_\_\_

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Please return this survey to the following location by: \_\_\_\_\_ (date)

Place Name: \_\_\_\_\_

Place Address: \_\_\_\_\_