

Farmers Market Management Systems, Characteristics, and Job Descriptions

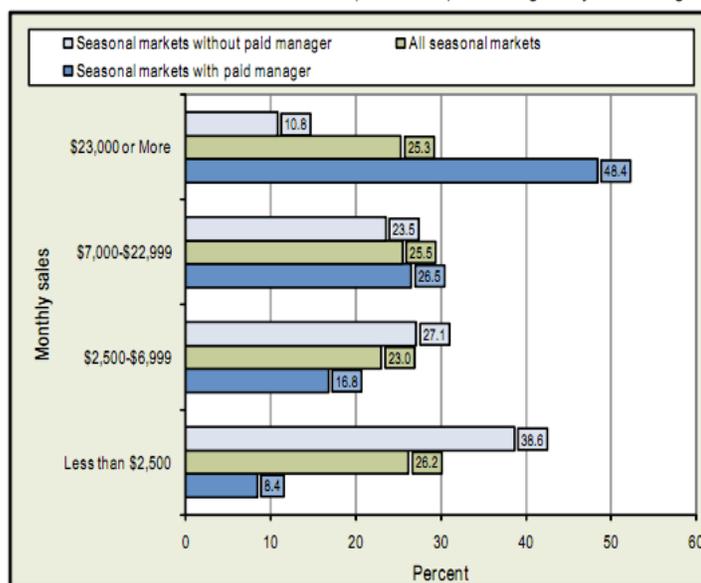
This research was completed by researcher Darlene Wolnik using data from USDA survey, markets surveyed in 2007-2010, and phone interviews with markets in 2011-2012. Research was compiled for The Opportunity Alliance-PROP.

Markets are the quintessential high-energy, low-capital investment that inspires rural and urban citizens alike. In the last decade, the growth of farmers markets has been the visual for the national interest and potential in alternative food systems. However, markets struggle for stability in every region and continually search for sustainable partners and funding. This report attempts to frame those issues of sustainability for the Maine market community, specifically focusing on management issues. No matter the size or age of markets, the key components of good markets are stable management and sustainable growth. Sustainable growth includes balancing the needs of the current vendors with new applicants, seeking new and maintaining the existing shoppers and providing a platform for partners to invest in the market with projects or resources.

Nationally, markets with paid management reported higher monthly market sales. Markets with paid managers reported average sales of \$56,375 per month and median sales of \$22,641 per month. Markets without paid managers reported average market sales of \$11,059 and median sales of \$4,000 per month (Figure 46). **Both average and median sales of all markets with paid managers were five times that of markets without paid managers.**

The USDA grouped the markets into four categories: markets with monthly sales of less than \$2,500 per month (24.9 percent of all markets), markets with monthly sales between \$2,500 to \$6,999 (21.5 percent), markets with monthly sales between \$7,000 and \$22,999 (24.9 percent), and markets with monthly sales of \$23,000 or higher (28.7 percent). The direct relationship between the annual sales levels of markets and the likelihood that a paid manager was retained to operate the market can be seen here:

Figure 48. Distribution of seasonal farmers markets with paid and unpaid managers, by sales categories, in percent



Seasonal markets with monthly sales in the bottom two tiers reported fewer paid managers. In the \$2,500 to \$6,999 monthly sales group, 16.8 percent reported having paid market managers and 27.1 percent reported they did not. In the less than \$2,500 per month sales group, 8.4 percent of managers reported paid managers and 38.6 percent of markets reported no paid managers. Seasonal and year-round markets displayed a similar pattern as all markets.

Markets that are managed by unpaid manager also suffer from lack of institutional memory and require a great deal of weekly oversight from board or advisors with management skills.

However, markets need to put a significant governance and funding plan in place to maintain the level of income needed to cover expenses if hiring a market manager. And even after hiring a paid market manager, the system for collection of fees and the managing the application process often continues to be done by boards or overseeing agents to reduce the amount of money need to be raised to pay a market manager.

Structure for market management

Markets that have transitioned from unpaid market managers to paid managers often begin with hiring someone for market day only. This way the vendors and board can judge the effectiveness of the person and the system used. It is normal practice for market management to be on site from “set up to breakdown” on market day. Since the market is assuming liability for the market space, having a person who is monitoring parking and equipment placement is most useful for the market. Additionally, having a manager on market day means someone can mediate issues between market vendors and communicate with shoppers before the market is open.

Once market day stability is established, the markets can then increase the market manager's workload to work with new vendors, do more comprehensive and timely fee collection, to seek partner organizations and even to help with fund development.

Examples of systems used by markets when adding paid management:

Market Day Only Manager (Hourly wage)

6-8 hours per week-Manager working only on market day means the market manager needs to have strong deliverables from the board or the overseeing agent of the market. Someone else will still need to do the office and outreach work. In addition, the hand off to board or overseeing agent can be complicated by lack of time to communicate. It is important to note that hiring an employee allows for more oversight of how and where the work is done, but requires an employer to pay employee taxes. The wage level for market staff is usually higher than minimum wage, and in the 10-15 per hour range.

Market Day plus part-time office day (Hourly wage)

12-15 hours per week-Manager at this level can manage both the outreach and the market day. Typically, this means working the day before the market day preparing for the market making calls to vendors and preparing the market logistics. In this case, there is still usually a different person from the market manager to handle the finances although the manager often does the deposits.

Market Manager-Part-Time (Hourly wage)

15-25 hours per week-A common market schedule for market managers working one 8-hour market day for a market that does regular outreach for shoppers. This schedule allows for a full market day, office work and outreach time to be completed each week. Often, this still means a financial person besides the market manager to do the financial reconciliation, but the manager often does the deposits and all of the end of day paperwork.

Market Manager (Seasonal stipend)

4,000-10,000 for 20/24 week season-Market managing often attracts the type of person who believes in completing the task, rather than just putting in their time. To that end, many markets hire a seasonal contractor for the season with strong deliverables. When hiring a contractor, it is important for the market to understand the I.R.S. rules for hiring contractors

(<http://www.irs.gov/newsroom/article/0,,id=173423,00.html>)

Hiring a contractor can be a good way for a market to control costs and to ensure a professional situation for the market. In addition, this is an opportune way to apply for a grant or find a sponsorship for the contracted time needed.

Finding funds to hire a manager or a contractor

Using the Maine market information supplied, each market has an income stream to begin their funding. However, markets that transitioned to paid market management in other states that resemble Maine collect more in stall fees. An

average for the markets that were reviewed was 250.00-500.00 per vendor for a 22-24 week market season.

If, for example, a market of 15 vendors were to collect 300 per vendor, that would raise 4,500 and would cover a seasonal stipend. The level of the stipend should alter the deliverables expected of the manager.

A market of less than 10 regular vendors often has trouble raising enough income to offer significant wages or a proper contractual fee for the season. In cases like this, a market may hold a fundraiser in the off-season to raise the necessary funds. Fundraisers are a good way to increase the shoppers and neighboring community's awareness and attachment to the market.

It is also possible to write a grant to underwrite the first season of a market manager. Building the market's capacity is something that a community foundation, state department of agricultural or a chamber of commerce may be interested in funding.

Markets that use an annual fee for their vendors often report that they also collect a higher day stall fee for those vendors who do not commit to a season by a cut-off date. In addition, markets very often use application fees as a way to offset the costs of evaluating new vendors.

In every case found, similar markets in other states that have begun the transition to paid managers hire a non-vendor as manager. The increasing complexity of the market system requires adding skills and partnerships to the market in order for it to achieve sustainability both financially and as a community asset. Hiring someone who can grow into the job and build the organization has been successful for markets started and run by farmers. In most cases, the farmers remain as board members and begin to include neighbors, activists and shoppers on to the board as well.

Job descriptions for seasonal market managers

On average, markets reported hiring managers as employees more often than as independent contractors. In order to legally do hire as an independent contractor, the market should follow the IRS definition of an independent contractor:

*You are not an independent contractor if you perform services that can be controlled by an employer (what will be done and how it will be done). This applies even if you are given freedom of action. What matters is that the employer has the legal right to control the details of **how** the services are performed.*

In almost all cases, markets that have a paid manager that is not a market vendor offer some leeway for the person to set their own schedule. Most of the time, the manager is expected to make sure that the market day is managed, especially during set up and breakdown of the market.

The manager is generally expected to manage the rent process, make deposits, conduct outreach and ensure the market is operating within the legal framework necessary in that community.

Summary

Market research has shown that sales go up significantly when there is a paid manager on site. In addition, lower numbers of regular market vendors and a high turnover of managers have also been shown to contribute to markets closing down entirely (Stephenson, Garry. 2008. *Farmers' Markets: Success, Failure and Management Ecology*. Amherst, NY: Cambria Press).

Furthermore, partner organizations that are willing to invest time or money in markets are expecting to work with managers who can adjust to add skills that complement shared projects. Those project partners have added new life to many markets and will continue to be the financial and policy connection that markets need.

Market vendors, shoppers and neighbors all assume that markets will continue to exist, but for farmers markets to grow and to thrive, they will need to address adding formal institutional memory and embedding managerial systems. Once markets address these needs, stable management and sustainable growth will follow.