

Indicators for Impact Update: Creating a Vendor Tree by Dar Wolnik

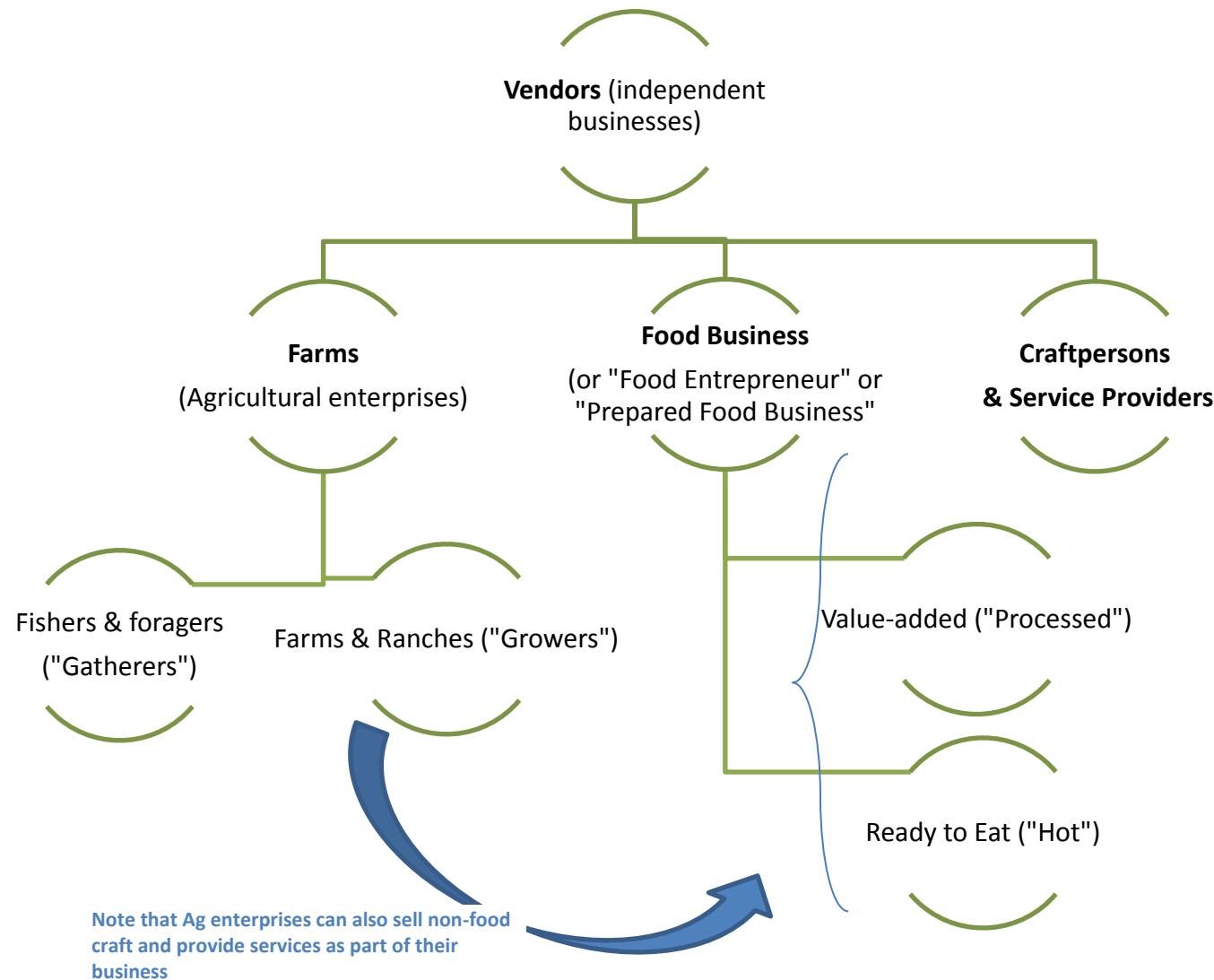
Value-added? Or prepared or processed food vendors? Farmer or farm business? The terms used for market vendor definitions vary from state to state, and even from market to market. This variation recently became part of the discussion for the AFRI Indicators for Impact Research Project Team as we prepared to release the first round of proposed metrics to the nine pilot sites. These metrics will assist the markets in collecting data in 2015 from their vendors, either by embedding questions into the market's vendor application or through online questionnaires, intercept surveys and observation once the spring market season begins. During the process of creating appropriate and meaningful metrics, it became clear that some common project terminology was necessary in order to offer the most useful list to markets. The Project Team began examining vendor definitions by combing through websites and applications of the nine markets and expanding upon this research by seeking input from the project's national advisors. Additionally, we reviewed the websites of the USDA, the SBA and various flagship markets that provide definitions and language relevant to markets and farming.

The glossary of terms we created is intended to provide brief, clear, and current definitions of terms related to farmers market vending, but is not meant to be an exhaustive list. In order to create this working vocabulary, it was important to a) keep it as simple as possible, b) represent the most accurate version of categories for the markets involved, and c) avoid regionally specific terms. As an exercise, it was fascinating to hear how each of us has our own "favorites" and argue for them based on our own regional attachment or experience. Once the definitions were researched, project advisor Stacy Miller led the team in creating a Vendor Tree to offer a visual representation on how the type of market involved in the pilot project roughly categorizes their vendors. Markets usually categorize vendors by product or by production level; all of the participating markets have rules in place to ensure that farmers with fruits and vegetables have priority. Not surprisingly, the markets also have exceptions to their rules to allow flexibility for their manager or board of directors to make spot decisions when necessary.

Of course, there are other ways that markets define and categorize vendors and therefore additional vendor trees for those types of markets will need to be created in the future. We hope that our foray into the murky waters of market lexicon is useful to those researchers and to the markets involved. Additionally, we hope that markets will use these terms in their own farmers market metrics projects moving forward. Click [here](#) to access FMC's complete glossary of terms for the Indicators for Impact research project.

I'll leave the last word to the Lexicon on Sustainability Project, which recently weighed in on this issue in their new book *Local: The New Face of Food and Farming In America*: "*Our (industrial) food system is opaque, composed of nameless objects. Deciphering their meanings will require mastering a new language, which can be learned one word at a time.*"¹ Check out our own Stacy Miller's review of the book, found on the [JAFSCD Book Nook](#).

Proposed Categorization of Farmers Market Businesses & Definitions (1/7/2015)



The Farmers Market Coalition (FMC) is a 501(c)(3) nonprofit dedicated to strengthening farmers markets for the benefit of farmers, consumers, and communities. For more information, including please visit their website at www.farmersmarketcoalition.org.

One of the standardized metrics being collected by all nine markets is:

Number of vendors who sold through the market at least once per year

Markets may choose to add more specificity to this metric, such as

Number of independent small businesses who sold through this market at least once (estimated annually)

In addition, a number of metrics require common understanding of definitions like “socially disadvantaged” and other terms. This document aims to outline some of these terms.

Small business: Defined by the Small Business Act² as “enterprises that are engaged in the business of production of food and fiber, ranching and raising of livestock, aquaculture, and all other farming and agricultural related industries... which is independently owned and operated and which is not dominant in its field of operation” and which, notwithstanding any other provision of law, and “has annual receipts not in excess of \$750,000” (Small Business Administration, p. 8).

Such a definition could apply to most enterprises selling at a farmers market, and is obviously less restrictive than the term “small farm,” which USDA ERS defines as “farms with gross cash farm income (GCFI) less than \$350,000.”³ Alternatively, the term “Rural Microenterprise” (used by USDA Rural Development) may apply more broadly, referring to “a sole proprietorship or business with no more than 10 full-time equivalent employees.”

Farms: Agricultural enterprises actively involved and invested in the planting, growing, and harvesting of agricultural product on owned, rented, leased, or share-cropped land. This includes ranchers, dairymen, fishermen, and producers who sell value-added products made from their own farms’ products⁴. See below:

Value-added (or “Processed) farm products are farm products made from raw ingredients, a majority of which are grown and produced by the Farmer. These products include all farm products that must in some way be processed *including cheeses, dairy, meats, viticulture, dried fruits and vegetables, juices, jam, or other processed agricultural and livestock food products*. Some processed farm products are not processed by the farmer but are processed products which the vendor made from raw ingredients purchased from a local farmer which have been cooked, canned, dried, baked, preserved, or otherwise significantly treated.

² Small Business Administration. (2013). Small Business Act. Retrieved from <http://www.sba.gov/sites/default/files/files/Small%20Business%20Act.pdf>

³ Hoppe, R., and McDonald, J. (2013). [Updating the ERS Farm Typology](#). USDA Economic Research Service. Retrieved from <http://www.ers.usda.gov/publications/eib-economic-information-bulletin/eib110.aspx#.VDHktxaS9N8>

⁴ From Portland Farmers Market Rules & Requirements, 2014-2015. Retrieved from www.portlandfarmersmarket.org

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Farm businesses may also engage in the production and sale of prepared or processed foods using ingredients they have grown or raised, as well as sell home-made crafts and/or provide services at market, but would be classified as agricultural enterprises if their primary business activity is the growing, raising, and/or harvesting of raw foods.

Food businesses – Those businesses not involved in the production of raw agricultural products as their primary enterprise, but who are actively involved and invested in the creation of value-added foods, baked goods, and hot, ready-to-eat foods product sold at the market. These could be referred to as *food microenterprises* if they have 10 or fewer FTE employees annually. Products include:

- o **Value-added (or “Processed”) Foods:** Processed or value-added foods such as baked goods, pickles, condiments, jams, and charcuterie.
- o **Ready-to-Eat (“Hot”) Foods:** Freshly made food that is available for immediate consumption on-site at market.

Both agricultural and non-agricultural enterprises may be represented at market by owner(s), family members, or employees who are appropriately trained in the product line and customer service.

Craftspersons & Service Providers – Those businesses and organizations engaged in the creation and sale of non-edible artwork, craft, or related services such as knife sharpening or other activities as permitted by market rules. A market may limit craft products to only those that are agriculturally-related.

Socially disadvantaged farmer or rancher: A farmer or rancher who is a member of a socially disadvantaged group “whose members have been subject to racial or ethnic prejudice because of their identity as members of a group, without regard to their individual qualities. These groups consist of the following:

- Native Americans (American Indians, Eskimos, Aleuts, and Native Hawaiians)
- Asian Pacific Americans
- Blacks or African Americans
- Native Hawaiians or other Pacific Islanders
- Hispanic Americans

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For a business entity to classify as “Socially disadvantaged,” at least 50 percent ownership in the business must be held by socially disadvantaged individuals.”⁵

Beginning Farmer: A beginning farmer is one who substantially participates in the operation of the farm or ranch and has not operated a farm or ranch for not more than 10 consecutive years.⁴

⁵ USDA, Natural Resource Conservation Service. (2013). Socially Disadvantaged, Beginning, and Limited Resource Farmers/Ranchers, Veteran Farmers. Retrieved from <http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/people/outreach/slbfr>.

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