

Farmers Market Manager Frequently Asked Questions



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Risk Management Agency



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Welcome

to the Farmers Market Manager Frequently Asked Questions

> This is a starting place for WffYbhand prospective farmers market managers and organizers looking to develop, expand, and improve their organizations.

This resource is made possible thanks to the contributions many market leaders have made to the [Farmers Market Resource Library](#), discussions among peers on the [FMC Listserv](#), and the expertise of the FMC Education Committee. Support for these Frequently Asked Questions is the result of a partnership between the [Farmers Market Coalition](#) and the [Wallace Center at Winrock International](#), with funding from USDA's [Risk Management Agency](#).

The FAQs are broken into seven categories: [Market Fundamentals](#); [Market Policies](#); [Market Staff](#); [Insurance, Liability and Regulation](#); [Market Growth, Outreach and Evaluation](#); [Extending the Market Season](#); and [Increasing Market Access](#). You can use the [Table of Contents](#) to select a link to a specific category or question, or simply browse through. Additional resources are available online at farmersmarketcoalition.org/managerFAQs.

Throughout these pages, you will find lots of links to specific resources from the FMC Resource Library. You can help us improve the content of the library, and the FAQs, by rating or commenting on these entries.

Please use the [Contact Form](#) to suggest additional questions and answers, as well as to clarify or add detail to an existing question or notify us of broken links. Updates will be made to the FAQ periodically based on this input.

To share resources with your peers by adding a new resource to the FMC Resource Library, please use the [Submit Form](#).

And finally, special thanks to Kathleen Stewart for all of her hard work in researching and preparing this resource.



Category: Insurance, Liability, and Regulatory Concerns

Category Description: *Managing risk is important for any organization, particularly one in which the public is actively involved. Farmers markets can reduce their risk (of lawsuits, illness, loss of property, or even simply a 'bad reputation') by following state and local regulations, engaging in best practices, and finding appropriate and affordable insurance policies.*

What types of insurance does our market organization need? Where should we get it?

Even if you do everything you can to make sure your market is safe for your vendors and your costumers, accidents can still happen. Obtaining the proper insurance provides you with a safety net to protect your market from a lawsuit that could hinder market operations. Here are some of the most common types of insurance to consider:

Liability Insurance:

Liability insurance, often called slip and fall insurance, protects your market in case a customer experiences an injury during market hours. Many markets have this insurance and many property owners will require this of a farmers market if you do not own the property. Many farmers markets also require their vendors to have their own liability policies. Take a look at the Understanding Liability Insurance Section of the Farmers' Market Federation of New York's [Farmers Market Manager Training Manual](#) for more information.

As an added assurance, a market should also establish a "Hold Harmless" clause in their market policies in which vendors sign an agreement that they will not hold the market liable for any loss, damages, liability, claims, suits, costs, and expenses they incur related to their involvement in the market. Here is an example of Everyone's Harvest's [Hold Harmless Agreement](#).

Product Liability:

Product Liability insurance protects the insured if a customer gets sick from a product they purchased at the farmers market. Some markets only require this of vendors who sell value-added, meat, or dairy products while other markets require that all vendors have product liability insurance. Some markets even have their own product liability policies that cover their cooking demonstrations and tastings at the market. FMC has worked with [Campbell Risk Management](#) to negotiate special rates for product liability coverage for its producer members;

you can learn more at [FMC Explores Farmers Market Insurance Options](#).

Property Insurance:

If the farmers market owns the property on which the market is located or has any property, you should consider property insurance to protect you from any damages. The Washington State Farmers Market discusses how to do this in their [Insurance Information](#).

Additional Insured:

Chances are, if someone sues the market for an injury or illness, they are going to sue all parties involved, including the vendor, the market, and the property owner. Because of this unpleasant prospect, many markets ask their vendors to list them as “additional insured” on a vendor’s liability policy covering the market. The *Understanding Liability* Insurance Section of the Farmers’ Market Federation of New York’s [Farmers Market Manager Training Manual](#) explains this concept well.

Directors and Officers Liability:

If the market is incorporated as a nonprofit, you may want to consider Directors and Officers Liability insurance to protect your board of directors in the event of a lawsuit. Even though nonprofits don’t have shareholders, they can still be sued by members, donors, current and former staff, government agencies, or individual board members.

Workers Compensation and Unemployment Insurance:

Markets that hire employees will have to look into worker compensation and unemployment insurance. Check with the laws specific to your state for more information.

Incorporation as Risk Management:

Zachary Lyons from the Seattle Farmers Market Association notes that it is a good idea to think about incorporating your market organization such as through an LLC, corporation, or nonprofit as it can help protect the individual staffers, volunteers, and board members from liability if the market itself gets sued. He explains that, “in essence, the act of incorporation is like another level of insurance protection.” If you are considering incorporation, be sure to be familiar with incorporation laws pertaining to your state.

Where should we get insurance?

A private insurance agency will be able to offer these types of insurance policies for your market, but first, check to see if your state’s [Farmers Market Association](#) offers a policy or suite of policies for their members at a special group policy rate. In addition, your local department of



agriculture or farm bureau may have a group rate. As purchasing insurance can be a large expense, make sure you fully understand what is included in the policy and be sure to shop around for the best price before purchasing.

While insurance is very important to protect your market and your vendors from a lawsuit in case something happens, do not forget about prevention! It is important to take the necessary steps to ensure safety at your market so you won't have to use your insurance policies. Take a look at the Market Management FAQ, [Are there certain things that we can do to reduce the likelihood of someone getting hurt or sick at our market?](#) for more information.

Additional Resources from the Library:

- Washington State Farmers Market Association's [Market Insurance](#)
- University of California Small Growers Program's [A Guide to Managing Risks and Liability at California Certified Farmers Markets](#)
- Marketumbrella.org's [Market Preparation: Risk](#)

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What types of insurance should our market's vendors have, and how do we check this?

Many farmers markets require their vendors have liability insurance. Liability insurance will protect the vendor in case a market customer experiences bodily injury or property damage and wants to hold the vendor responsible for the incident. Some farmers markets also require their vendors to list the farmers market and the municipality that the market operates at as an "additional insured" on their policy. This ensures that they are also covered in case an individual sues the vendor. Take a look at the *Understanding Liability Insurance* Section of the Farmers' Market Federation of New York's [Farmers Market Manager Training Manual](#) for more information.

It's also recommended that a market require product liability insurance coverage from their producers, such that they are protected if someone gets sick from consuming their product.

To alleviate the cost of obtaining insurance, producers who are members of the Farmers Market Coalition (FMC) have the opportunity to access a group General and Product Liability Policy through Campbell Risk Management. Read more at [FMC Explores Farmers Market Insurance Options](#).

How do we ensure our vendors have adequate insurance?

One way of ensuring that your vendors have the proper insurance is for you to require proof of insurance as part of their application and registration for the market. If you require your vendors to list you as an additional insured, the insurance company will notify you 60 days before the policy expires and 30 days before the policy would be cancelled due to nonpayment, therefore it is important for market managers to follow up and ensure that vendors' policies are current. While some markets require proof of insurance from their vendors, others state the required insurance in their market rules and require vendors to sign an agreement that they will comply with all rules and regulations, using this as their way of checking, leaving the responsibility up to the vendor to comply.

Here are some resources that might be helpful to your vendors as they are looking into insurance policies for their farm:

- Community Agriculture Center's [Navigating the Insurance Maze](#)
- University of Wisconsin Cooperative Extension's [Risk, Liability and Insurance for Direct Marketers](#)
- Drake University Agricultural Law Center's [The Farmer's Legal Guide to Producer Marketing Associations](#)

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Are there certain things that we can do to reduce the likelihood of someone getting hurt or sick at our market?

There are many things your market can do to prevent your customers from getting hurt or sick at the market. Taking precautions when it comes to safety upholds the integrity of your market, which can lead to ongoing success.



Preventing Customers from Getting Hurt

Risk management is very important to make your market as safe as possible for your vendors and your customers. Take precautions to ensure safety and prevent your market from being sued. Address problems and safety hazards immediately and document these actions to show that you took all preventative measures. Here are some things to consider to prevent individuals from getting hurt at your market:

- Develop a Farmers Market Safety Checklist. Check out the example in the University of California Small Farm Program's [Guide to Managing Risk and Liability at California Certified Farmers Markets](#) or look to the *Risk Management* Section of the [Washington State Farmers Market Manual](#) for more information.
- Use signs, cones, or ropes to make sure market traffic flows in the right direction and prevents customers from going into areas where they might get hurt.
- Make sure your vendors practice canopy safety. Take a look at Washington State Farmers Market Association's [Canopy Safety 101](#).
- Develop a Crisis and Emergency Plan. Some helpful resources include:
 - > The *Importance of Market Crisis Management and Emergency Evacuation Plan* Section of the Farmers' Market Federation of New York's [Farmers Market Manager Training Manual](#)
 - > Farmers Market Coalition's article, [Emergencies and Rapid Recovery: A Tale of Two Cities](#)
 - > Marketumbrella.org's [Market Day: Weather](#)
- Record all incidents that occur no matter how small. Take a look at marketumbrella.org's [Market Form: Incident/Accident Report](#) for an example.
- Document any actions taken to enforce your safety rules with your vendors to show that you took proper action to prevent injuries.

Preventing Customers from Getting Sick

Food safety measures are put in place to eliminate or reduce the risk of someone getting sick from food through a food borne illness. One of the first steps to ensuring food safety at your farmers market is to be familiar with the federal, state, and local regulations regarding what types of products can be sold at farmers markets and what licenses or permits your vendors will have to obtain to sell or process certain products. For example, many value-added or processed products must be processed or prepared in a licensed facility. As these regulations vary at the state and even local level, it is important to contact your state and local departments of health

and agriculture to understand what regulations pertain to your area. Some organizations have developed guides at the state level to help farmers and farmers markets navigate these regulations. Here are a couple of examples:

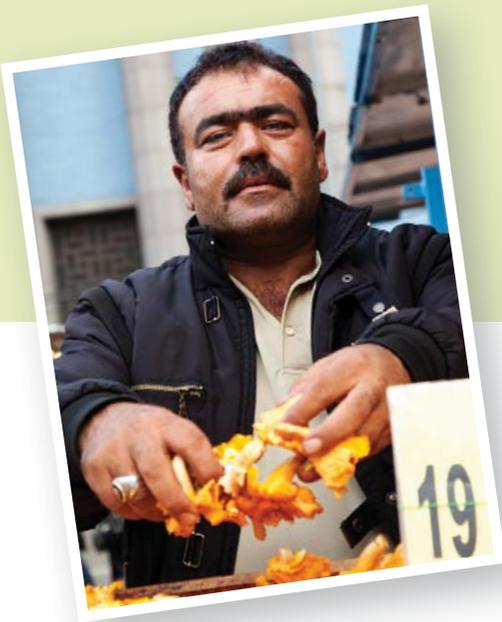
- West Virginia Bureau for Public Health Sanitation Division's [Farmers Market Food Safety Vendor Guide](#)
- Oregon Department of Agriculture's Food Safety Guidelines for [Farmers Markets: Minimum Requirements for Food Safety](#)
- Wyoming Business Council's [Wyoming Guidelines for Farmers Markets](#)
- New Mexico Farmers' Marketing Association's [Food Safety Guidelines for Vendors](#)

While the federal government does not currently mandate food safety regulations at the farm-level, the Food and Drug Administration has issued guidance on food safety, which spurred the development of Good Agricultural Practices (GAPs). GAPs provide a list of recommended protocols that can be implemented at the farm level to ensure food safety. As GAPs vary by the type of farming operation and the commodities that are produced, they are not one-size fits all procedures and may not work for small farms or farmers markets. Nevertheless, it is still important for farmers market growers to start thinking about food safety plans and training.

Take a look at the article, [Filling the Food Safety GAPs](#) in the Farmers Market Coalition's Newsletter for more discussion of this issue or take a look at FMC's Information Marketplace Webinar [Food Safety First: GAPs and Food Safety Issues at Farmers Markets](#) ; you can also download the [PowerPoint](#) and [handouts](#). For more information on GAPs, check out Cornell University's [National GAPs Program](#). Another helpful resource for your farmers might be the National Sustainable Agriculture Information Service's [Post Harvest Handling of Fruits and Vegetables Guide](#) which covers post harvest practices that are suitable for small scale operations.

Lastly, food must be handled, displayed, and stored properly at the market. It is also important to follow guidelines for cooking demonstrations and sampling products. You may also want to make sure vendors are following labeling guidelines and labeling products that contain one of the eight major food allergens (eggs, wheat, finfish, shellfish, peanuts, tree nuts, milk products or soy). Check with your local health department for specific guidelines on these topics. Here are some resources to help with establishing and/or enforcing proper food safety at the market:

- Marketumbrella.org's [From Field to the Table: Suggested Food Handling Guidelines for Farmers Markets, Fairs, and Festivals](#)
- Kansas State University Extension's [Safe Handling of Food at Open Markets](#)



- Colorado Farmers Market Association's [Farmers Market Vendor Guide for Preparing and Offering Food Samples](#)

If you are looking for guidance in educating your customers about what they can do to ensure their food is safe when purchasing and after they take it home, you may find [Foodsafety.gov's Food Safety at the Farmers Market](#) useful. Note: this resource may not be entirely appropriate for markets which have producers legally selling raw milk. Use the portions you find useful as you see fit.

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What licenses and permits do we need to obtain and renew for our market?

There are no required federal permits for farmers markets, but other licenses and permits vary by state, county, and town. Your [state's farmers market association](#), cooperative extension service, health department, city government, or chamber of commerce should know what regulations will pertain to your operation. You will want to check with your state department of agriculture, state and local departments of health, and city government to find out about any applicable permits. Permits that the market itself might have to secure include:

- A permit to use the site if owned by municipality
- Zoning permits
- A permit to build any structures
- A permit for playing music or holding special events
- Health permits for food demonstrations and sampling at the market
- A license to sell potentially hazardous foods such as cut melon, raw seed sprouts, garlic in oil mixtures, cooked plant food, and raw or uncooked meat.

- Permits for road closures
- State or local sales tax permits for selling flowers, crafts, or ready to eat foods (these may or may not be the sole responsibility of the vendor).

Your vendors will also be required to have various permits based on the types of products they sell. Make sure to be familiar with what is required of them, communicate this to vendors when they apply, and keep copies of their permits on file. Do not forget that the permits that your market or vendors will need will vary based on state and local regulations so be sure to be in contact with state and local departments of agriculture and health and your local government. To get an idea of some of the permits that may be required take a look at the Farmers' Market Federation of New York's [Market Manager's Checklist: Permits/Licenses/Certificates Required for Farmers Market Sellers](#) and consider creating a checklist like this for your market.

For more information on what permits the market might need, take a look at these resources in the resource library.

- Farmers' Market Federation of New York's [Farmers Market Manager Training Manual](#)
- Idaho State Department of Agriculture's [Idaho Farmers Market Manual](#)
- The National Agricultural Law Center's [Farmers Market Rules, Regulations, and Opportunities](#)
- Farmers' Legal Action Group, Incorporated [Understanding Farmers' Market Rules](#)

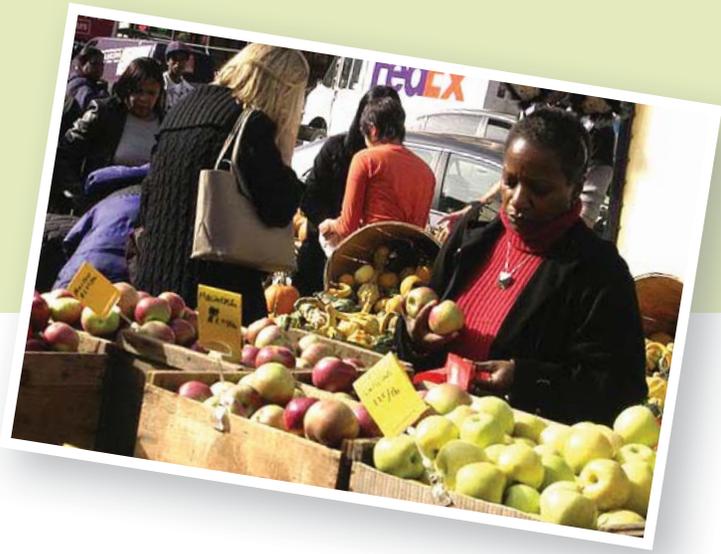
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Can copyrighted music be played at our market?

While copyrighted music can certainly be played at the market, you will need the permission of the copywriter to perform copyrighted music. Don't worry, you don't need to track down the copywriter of each copyrighted song performed at the market. You just have to apply for a license through the [American Society of Composers, Authors, and Publishers \(ASCAP\)](#) which protects the performance rights of its members by distributing royalty fees for public performances of their copyrighted music.

The responsibility of obtaining the license is that of the market and not the musician who is playing the music, as ASCAP states in their [Frequently Asked Questions](#): "Some people mistakenly assume that musicians and entertainers must obtain licenses to perform copyrighted music or that businesses where music is performed can shift their responsibility to musicians or



entertainers. The law says all who participate in, or are responsible for, performances of music are legally responsible. Since it is the business owner who obtains the ultimate benefit from the performance, it is the business owner who obtains the license. Music license fees are one of the many costs of doing business.” For more explanation on how this pertains to farmers markets, take a look at the [letter](#) Hillsboro Farmers Market in Oregon received from ASCAP. If you have any questions or would like to obtain a license, contact your [local ASCAP representative](#).

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The Wallace Center supports entrepreneurs and communities as they build a new, 21st century food system that is healthier for people, the environment, and the economy. The Center builds and strengthens links in the emerging chain of businesses and civic efforts focused on making good food—healthy, green, fair, affordable food—an everyday reality in every community.

Winrock International is a nonprofit organization that works with people in the United States and around the world to empower the disadvantaged, increase economic opportunity, and sustain natural resources.



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The Farmers Market Coalition (FMC) is a national 501(c)(3) organization devoted to strengthening farmers markets through education, networking, and advocacy. FMC members include farmers, farmers markets, regional and state farmers market organizations and agencies, and individuals and businesses supporting farmers markets.

