
Organizing & Maintaining Your Farmers Market



Created by the Northeast Organic Farming Association of Vermont with support from Chittenden Bank, the Windham Foundation, the Vermont Agency of Agriculture, Food, and Markets, and the State of Vermont Farm To Family Program.

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Introduction

The USDA reports that between 1996 and 2006 farmers' markets increased 82% to over 4385 nationwide. Vermont has seen similar growth with over sixty markets operating in the state in 2007, including a growing presence of year-round markets. As the number of farmers' markets in Vermont grows, we continue to see a widening consumer base for locally grown products. The farmers' markets around Vermont vary widely in size, site, and products offered. But they all have one thing in common—bringing locally made products to local people.

The Northeast Organic Farming Association of Vermont (NOFA-VT), with support from the Windham Foundation, Chittenden Bank, the John Merck Foundation, the Farmers' Market Promotion Program, the Vermont Agency of Agriculture, Food, and Markets, and the State of Vermont Farm To Family Program has prepared this manual to assist organizers and vendors of farmers markets' in Vermont. It will answer some of the common questions and concerns of market organizers and participants. The information was gathered from local organizations, market participants, and market managers across the state and will be regularly revised and updated. As you read it and gain experience as a market coordinator or vendor, please send NOFA-VT your thoughts and ideas that have proved successful. By sharing this information, the markets in Vermont can grow and succeed together.

History of Vermont Farmers Markets

In the 1970's, prompted by a renewed interest in regional self-reliance, markets began to form around the state. Individuals, merchants, and agencies became active in helping fourteen Vermont cities and towns host new farmers markets. The Vermont Federation of Farmers Markets (VFFM) formed in 1980 to make markets a viable and dynamic outlet for locally produced goods. By 1986 markets had spread throughout the state and were thriving and continue to thrive today. After over fifteen years of service, the VFFM was disbanded due to lack of funds and leadership.

Now, NOFA-VT is spearheading an effort to coordinate and support farmers' markets in Vermont. In 2001, NOFA-VT held an important directional meeting with market leaders from around the state. Working together and developing a document such as this manual were top priorities. Subsequent meetings demonstrated that there is again a demand for a statewide farmers' market association. In 2008, the Vermont Farmers' Market Association formed to

provide a collective voice for the growing community of Vermont farmers' markets.

Vermont Farmers Markets at a Glance

The markets in Vermont are as diverse as our landscape. Their seasonality means market customers can always look forward to new products as spring turns to summer and then to fall. The market season in Vermont starts as early as May and sometimes as late as July. October brings the end to most market seasons; however, more and more markets are adding winter seasons in addition to special holiday markets around the Thanksgiving and Christmas season.

Some markets consist of as few as two vendors setting up on a town green, to over sixty vendors dominating a downtown marketplace. Season sales vary accordingly from \$5,000 to \$1 million. Markets can be formal, taxpaying organizations with employees, budgets, and websites. Some markets in the state are volunteer-run, with little money but a lot of enthusiasm. Farmers markets' encompass all Vermont has to offer.

Forming a Farmers' Market Organization

There are many aspects and questions to consider when starting a farmers market. Some simple first questions may be:

- who will participate; what is the demand;
- where and when will the market be held;
- who will coordinate the market.

The answers to these questions can be complicated, but don't be discouraged—you are creating a structure which will guide your market through the coming years.

Some smaller markets in Vermont have existed for years without formal structure. Rules are considered “understood,” and the application process is simply a phone call to the volunteer organizer. Markets can happen with very little documentation. But certain documents are necessary if you wish to become a legal entity, such as a nonprofit. Legal status allows you to raise grant money, participate in federal programs, and provide liability protection for your market.

In Appendix I of this manual, you can find examples of the documents listed in this section. They have been gathered from existing farmers markets in Vermont and represent different levels of organization. With these you can develop a template for your market's organization, considering angles and aspects made clear through other markets' examples.

Appendix II contains the *Farmers Markets Marketing and Business Guide* distributed by Appropriate Technology Transfer for Rural Areas (ATTRA). It lists key questions your market should consider as it makes fundamental decisions about how it will operate.

Use the following brief descriptions to form an outline of the documents you may want to create.

Statement of Purpose

This is guiding language for your farmers market. It may be as simple as one sentence or it may be a paragraph. But its purpose is to provide a guideline for creating rules and making decisions that will influence your market's development.

Bylaws

Bylaws create the legal structure for your farmers market organization. They define the leadership and decision making system for your market. Often addressed are:

- how many people will be on your board of directors;
- how often your membership will meet;
- who is a member;
- language reflecting guiding philosophy and key elements to your market;
- role of the manager.

Bylaws are usually difficult to amend, requiring a quorum of your membership and a 2/3 majority in some cases. So it is better to leave the variable details of your market to a Rules document (*see below*).

Rules

Rules are the detailed listing of how the market operates. This is the document where you state when vendors must be at the market each morning, how vending spaces are assigned, and other specifics. Rules should be a more easily amended document, perhaps needing only the approval of the board to change. This flexibility allows for experimenting with systems and new ideas at your market. Well-written rules have the ability to make a market more manageable, and, after a Statement of Purpose, a Rules document should be your market's top priority.

Budget

A yearly budget outlines, for your board and membership, the money earned and spent by your market organization. A budget helps track where your money is going, and helps you plan for future projects. See Appendix I for examples of a budget report.

Permits and Zoning

Make sure that you have checked with your town about permits and zoning for your market location. These may include permits to: post sandwich board signs on the road, close streets or parking lots, or conduct business on town property. In addition, many towns require that your market be insured. See the insurance section (pg 7) for more information about insuring your market.

Order of Events for Creating a Farmers Market Organization

- Recruit committed leadership for the market.
- Research **Permits and Zoning** for your market site.
- Recruit dedicated vendors to sell at the market.
- Develop with market members a **Statement of Purpose**.
- Create with a committee **Rules** for general market activity.
- Create a **Budget** for the season that is approved by your market members.
- Raise funds to promote your market.

If your first season encourages you to continue...

- Develop a market **Board of Directors**.
- Create **Bylaws**.
- Investigate turning your market into a **Legal Entity** (pg 4).



Jericho Farmers' Market

Creating a Legal Market Entity

As your market takes shape, you may want to seek legal status for your market organization. There are several good reasons to do this—tax filing, the ability to apply for grants, and liability protection for the market organizers. The following brief descriptions of legal entities may help you decide which is the best fit for your market. If you choose to form any type of corporation, you must file Articles of Incorporation with the Vermont Secretary of State. And remember—as your market evolves, you may want to change your legal status to better suit your market needs.

Sole Proprietor or Partnership

If you choose not to incorporate your market, this is the default status. Sole proprietor refers to an individual. A partnership is two or more individuals. The sole proprietor could be the market manager or the president of the market. In this case, you do not have to file a separate tax return for your market with the state or federal government. No bylaws or organizing documents are required. All income, such as vending fees, and deductions, such as promotion costs, are done on the sole proprietor's tax return.

This type of business entity is the least involved, but it has its downsides. The sole proprietor must pay self-employment tax and assume all liability for the market. This means that personal assets, including house and land, could be lost in a lawsuit. Also, because sole proprietorship enterprises do not hold EIN (Employer Identification Numbers—see page 6), they may not be eligible for participation in federal and state programs.

Privately Run

When a market is privately owned, the market coordinator owns the market business and has

final decision-making power. The vendors are asked for input on important market decisions, but there is no board structure or voting rights for market participants.

Limited Liability Corporation (LLC)

A LLC creates a legal entity that protects the individuals involved in the business from being personally responsible for the debts and claims against the business. It literally limits the liability for all those involved. Forming an LLC is one of the easiest options for incorporating, but it does require regular reporting to the state and filing a tax return for your market. LLCs must have a board of directors, bylaws and an operating agreement. They also must keep minutes of all meetings, accounting and bookkeeping records, and all statements and receipts. LLCs are not tax exempt, and there are fees associated with registering and maintaining your LLC status. You may need legal advice to complete this process.

Marketing Cooperative

Vermont has a cooperative designation which exempts such organizations from paying state taxes. See tax code VSA section 5811 subsection 3Di. Check with your consulting lawyer to see if this would be a good fit for your farmers market.

501(c)(6) Business League Organizations

This is a non-profit designation that may better fit the farmers' market model. The IRS describes such an organization as “devoted to improving business conditions of one or more lines of business.” Similar to a (c)(3), the application Form 1024 is extensive and may require the assistance of a lawyer.

501(c)(5)

This is another non-profit designation that is available for markets that are purely agricultural.

More information can be found about both of these designations by looking on the web: <http://apps.irs.gov/pub/irs-tege/eotopicj03.pdf> or <http://www.irs.gov/charities/nonprofits/article/0,,id=96107,00.html> or by calling: 1-877-829-5500.

Registering Your Corporation

You will need to register your business with the Secretary of State's office. They also handle registering trade names. You can find an application for registering your market corporation on-line or by calling the office.

Vermont Secretary of State's Office

81 River Street,

Drawer 09

Montpelier, VT 05609-1104.

www.sec.state.vt.us

802-828-2386

Helpful Websites

www.sec.state.vt.us

Vermont Secretary of State's Office

www.nonprofitexpert.com/nonprofit_law.htm

Helpful links and info about nonprofits

www.irs.gov/pub/irs.pdf/p557.pdf

Tax Exempt Status for Your Organization

www.irs.gov/business/small

IRS website—very user friendly

www.thinkvermont.com

The Vermont Department of Economic Development—informative with links to state resources



Capital City Farmers Market, Montpelier

Business Identification Numbers

Do You Need an Identification Number?

If you are starting a business or turning your farmers market organization into a corporation, you will need a federal identification number for filing taxes, to open a bank account, and to participate in state and federal programs, such as the Farm To Family program (pg 9). If you are a sole-proprietor business with no employees, you can simply apply for a business identification number with the state. If you are forming a nonprofit or an LLC, even if the market has no employees, you must first apply for an Employer Identification Number (EIN) with the IRS. Then apply to the state for a Business Identification Number (BIN), which will match the number you received from the IRS. All of this can be done over the phone or on-line, and numbers are issued immediately.

Employer Identification Number (EIN)

To get an EIN you must fill out the SS-4 application. A copy can be found in Appendix IV, on-line, or by calling the number below. Once you have the application and know all the answers to the questions, you can fax the application, fill it in on-line, or call the number below and apply over the phone.

Call 1-800-829-4933, 7:30 a.m. – 5:30 p.m.

Fax 631-447-8960

www.irs.gov/business/small search for EIN

Vermont Business Identification Number

This will be the same as your EIN, so get the EIN first if you need one. Then file an S-1 form, found in Appendix IV or by calling, e-mailing, or searching the State's website.

Call 802-828-2551

E-mail bustax@tax.state.vt.us

www.state.vt.us/tax/



Insurance for Vermont Farmers' Markets And Their Vendors

For permission to operate on borrowed property, you may need insurance coverage for your market. If you are a vendor at a market, insurance coverage will protect you in case of inadvertent harm to your customers.

The information provided below is to be used as a guide for managers and farmers' market board of directors interested in learning more about insurance for their organization.

Basic Information

If someone is injured or made sick from some situation at a market, the injured/sick person has the "right" to sue for damages. This could target the individual vendor because they caused the problem, the Market Steering Committee because they run the Market, and the owners of the property where the market is held. Home owner policies do not cover products sold off premises (without special riders). In addition, the city or private business location where a Farmers' Market sets up will not be covered unless they have a special rider or separate policy for the time the market is using their space.

General Liability Insurance (Commercial Liability) policies cover losses associated with the market site. Another name for this insurance is called "trip and fall insurance" because in reality, that is about all it covers at a market. Many of the Farmers' Markets in the state have this coverage, and many have it through the Co-Operative Insurance Companies through agents throughout the state. The premium is based on the gross receipts the market takes in over a given year. The market is audited every year, with the insurance company asking what the gross receipts were the past year (and this can be as simple as a phone call) and charged accordingly. If a market's gross revenues are low, a base fee is assessed and it will be as low as \$125 a year. Markets can procure

insurance even if they are not officially incorporated. Some insurance companies are leery of insuring markets with a general liability policy if their vendors are not required to have their own personal liability insurance, and they have the right to terminate the market's policy due to the increased risk they are taking on.

Product Liability Insurance covers each individual vendor for the products they make/sell as well as anything that could happen to a customer as a result of their vending stand or space.

Directors and Officers Insurance: Your board of directors can be held personally liable for actions taken by the board. This type of insurance transfers the responsibility for paying for any losses to the insurer. Lawsuits can be brought against a board for liable and slander, mismanagement of funds, not following the organizational charter, and other aspects relating to the management of the organization. It also covers individual board members' expenses to prove their innocence relating to an unrealistic claim against them. To keep this coverage current, each year you must register the names of your board of directors with the Vermont Secretary of State.

Workers' Compensation Insurance pays set benefits if your employee (usually the manager) is injured on the job. Vermont requires that you carry this insurance if you have employees (it is required under workers compensation laws).

Another thing to consider in regards to markets: when markets pay their manager as a subcontractor, the manager takes full responsibility for whatever goes on and technically, if the sub-contracted manager gets a 1099 IRS form for their wages, the IRS requires them to have their own liability insurance. (If managers are paid less than

\$600/yr, no IRS form is required and they can be paid a “donation” for helping out and possibly other free “perks.” But if something happens to them, they are “on their own” and will be responsible for their own expenses if something happens and they are involved). Additional legal requirements for hiring managers as subcontractors are found in the Market Managers chapter of this manual (see “Employee or Subcontractor” on page 15).

Hold Harmless Clauses. Some farmers’ markets in Vermont require vendors to sign a statement releasing the market from responsibility for any harm done by the vendor or the vendor’s products. This is an added layer of protection that some insurers are requiring before issuing general liability insurance to a market. For some markets, it is an alternative to requiring that all vendors hold individual liability insurance though in this case, its legal value without vendors having individual product liability is questionable. You should make clear to vendors that the market’s liability coverage will not protect them against losses related to their individual products. An example of this is found in Appendix V.

Vendors Applying For Insurance

Insurance companies all have very definite lists of what they will insure and what they won’t insure if sales take place off premises; and since homeowner’s insurance may not cover small businesses, homeowners and renters will have to go elsewhere to find insurance.

For vendors interested in getting **product liability insurance**, here are some scenarios, and an example of the insurance options:

1. A farmer sells/grows produce or meats or fiber or maple syrup, etc and already has a farm policy or mini-farm policy in place for their homeowners insurance.

A vendor can add a rider onto their existing policy, for an approximate fee

ranging from \$200 to \$600 per year, with the higher cost applying to selling ready to eat hamburgers cooked on site (greater risk), and the lower cost for a person selling yarn from their sheep (lesser risk). The Co-Operative Insurance Co insures many farms and mini-farms and sugar makers in the state in this way.

2. A small (backyard) farmer has a homeowner’s policy but has never thought of covering his/her few sheep or cows or bee hives let alone sell their products at a market.

Most insurance companies (like Allstate, State Farm or Nationwide) will not write any “add-on” or riders and the vendor has to go through a separate commercial company to get coverage if they want to sell at a location away from their home. For example, if a person has a “regular” homeowner policy and has sheep in a barn that burns, chances are the insurance company will not pay for the loss of the barn or the loss of animals, because most homeowner policies do not cover “farms” and even a few sheep are considered a “farm.”

3. A homeowner (with a homeowners policy) has a large vegetable or perennial garden, and decides to sell excess at a farmers market; or a person rents their home or apartment, and wants to have a small craft or food business in it to sell products at a market or has a large garden or berry patch in the yard and they want to earn extra cash at a market.

In most cases, there is no coverage for the products sold off a vendor’s property. The vendor will need to find a company that will insure the product(s).

4. A person rents a house or an apartment (who has renters insurance) and rents/owns a site at a different location to grow vegetables/make maple syrup/raise sheep or beef animals

If someone rents a home/apartment but also rents/owns land at a different location, for producing a product, and if it is an agricultural product, the Co-Op, or Farm Family will provide a farm policy with a product liability rider attached for the rented land (and this policy does not have to be the same as the

homeowners policy though it may be advantageous to combine them).

5. Vendors that use the Venture Center to make a value added food product

If a vendor makes a product at the Venture Center, it is usually easy to get insurance as there are companies that work with the Center to provide insurance for small entrepreneurs (mainly because of all the hoops the entrepreneurs have already jumped through to prove their product is safe) and their premiums are generally low.

As stated before, in most cases, it is not difficult for a farm or “mini-farm” to get product liability insurance; though this may mean the homeowner/vendor has to change their homeowner insurance policy to a different company that offers farm or mini-farm coverage. The few vendors who have difficulty finding insurance or high premium quotes have products that fall into high risk categories. That said, everyone can get insurance, if they are willing to pay the premium required for their products.

Vermont-Wide Product Liability Insurance:

Many people involved in Vermont Farmers’ Markets have asked if it is possible for a company to write an “affordable” policy so that all vendors of markets can have Product Liability Insurance, or if a blanket policy can be written for all markets inclusively. After much research with a number of agents representing different Vermont insurance companies, it appears that this will not be possible.

The reason is that currently many of the farmers’ markets in Vermont are not limited to agricultural products. Because so many of the Vermont Farmers’ Markets allow different types of crafts, value added products of all sorts, and food vendor stands, the markets are categorized as MARKETS (or as the IRS would categorize them for non-profit tax

exempt status: a 501 (c) (6): BUSINESS LEAGUE). Because of this classification, a vendor at a farmers’ market in Vermont is looked at by insurance underwriters as a SMALL INDEPENDENT BUSINESS and will be treated as such by the underwriters. Their product will be compared to others across the country according to the “risk” record that product has.

Resources

Individuals go through local agents and not the providing insurance company to procure coverage. Vendors that are interested in getting product liability insurance should first contact the agency they currently use. If the company that insures their home or farm will not allow them to have a rider for their business, the yellow pages of the phone book lists agents in Vermont that carry insurance with the companies mentioned below. These companies have worked successfully with many Vermont farmers’ markets and their vendors. This is by no means a comprehensive list and this is not an endorsement of these companies, just a place to start.

- Cooperative Insurance Company (a Vermont Insurance co): agents throughout Vermont
- Farm Family Insurance: agents/representatives throughout Vermont
- Grange Insurance: agents/representatives throughout Vermont
- Union Mutual (a Vermont Insurance co.): agents/representatives throughout Vermont
- The Hartford Insurance Company: agents/representatives throughout Vermont

Risk Management

A critical component of reducing your markets' and vendors' liability is proactively managing risk at the market. Typical market risks include theft, food-borne sickness, physical injury, and structural damage. You and your vendors can prevent many market accidents by fully understanding the potential risks of your market and working to prevent

these risks. Examples include: using tent weights to prevent fly away tents, following food safety code for prepared foods to prevent food sicknesses, maintaining adequate signage and visibility in parking lots and driveways to prevent accidents, etc.

Please review the article in Appendix IV to learn more about risk management.



Keeping signs off of the ground reduces tripping hazards

Finding a Site

Finding the best location for your market is one key to your market's success. Many towns in Vermont are lucky to have town greens or commons, and many markets are located there. Markets are also held in parking lots, open fields next to commercial districts, town parks, and closed streets. Some markets must pay a site rental/lease fee, which can substantially add to vendor fees. When choosing your site, consider the following issues.

Location—Can you locate your market somewhere close to where customers come to shop for other goods?

Permits and Permission—Will you need either of these to use your proposed site? Will you need insurance?

Visibility—Can customers see your market from adjoining streets and sidewalks?

Parking—Are there adequate places for vendors and customers to park close by?

Additional Uses—Will your market be shut down by other events taking place at your site later in the season?

Permanence—Can you gain permission to use your site over the long term? How much notice will you be given if you have to move?

Access—Can vendors drive their vehicles to unload at your site? Can pedestrians safely enter and exit your site? Is it handicap accessible?

Ground—If your market is located on grass, how will you protect it from wear and tear? What are the implications when the grass is damaged?

Community Space—Will there be room at your market for special events, places for customers to eat and talk, safe places for children to play?

Storage—Where will you keep market gear such as sandwich board signs, trash cans, picnic tables or benches for customers?

Weather—How will your site fare in the rain? Is there good drainage? Is it a windy site? Vendor displays and tents can be damaged by excessive wind. Is shade possible for both vendors and customers?

Atmosphere—Can you create a safe and relaxed atmosphere for your market? Will customers want to visit and stay for awhile?

Layout—Is there enough room for customers and vendors to feel comfortable? Could a parent pushing a stroller move through your vending spaces? Can a senior citizen safely navigate your site?

Site Fee—Will you have to pay to use your space? How will that impact vendor fees?

Other Concerns—Are there public restrooms close by? Are you near a public transportation stop?



Island Pond Farmers' Market

Finding Financial Support for Your Market

Most markets in Vermont are self-supporting, covering their operating expenses through vendor fees and membership payments. However, some markets have found innovative ways to raise extra income. Check out the ideas below for opportunities that may fit your market plan.

Local Businesses

If your market is in a downtown location, it has the potential to attract customers to other businesses in your area. Customers will come downtown for the market, and while there, visit other businesses as well. Because of the “market draw,” business owners may be willing to donate money to support promoting your market. Advertising could be done in partnership, splitting the costs and having both the business and the market mentioned in the advertisement. Local business owners may also be willing to support your market simply because they like farmers markets and want to see one in their town.

Town Meeting

Some markets have raised start-up capital by submitting a proposal for Town Meeting Day. Call your town clerk to find out when and how budget proposals must be submitted. Spread the word about your market to gain local support. In your proposal, emphasize how markets build community and strengthen the local economy.

NOFA-VT Mini-Grants

NOFA-VT often administers mini-grant programs funded by private foundations and state agencies. Keep in touch with NOFA-VT about grant availability.

Rotary Club/Lions Club/Kiwanas Club

These are a few community-based organizations that may be interested in supporting your market. Their missions are to raise money to support community based

projects, and your market could be one of them. Club meetings are often organized around luncheons with a highlighted speaker. Offer to speak about your farmers market, or simply call to find out how to be added to their list of potential projects to fund. If you know members of one of these clubs, share your idea with them, and ask if they will propose supporting your market.

Federal Grant Opportunities

There are many federal grant opportunities for agricultural marketing enterprises. For more information visit www.grants.gov. One example of such an opportunity is the **SARE** grants (Sustainable Agriculture Research and Education Program). Contact the Regional SARE Office at 802-656-0471 or on their website www.uvm.edu/~nesare/.

The **Community Food Projects Competitive Grants Program** may also be a good fit for your market. Begin looking in January for information about the availability of this grant at www.ree.usda.gov/crgam/cfp/community.htm.

Private Foundations

The *Vermont Directory of Foundations* is the best resource for foundations that serve Vermont. Copies are available for \$45 at www.cpgfundraising.com or can be borrowed from NOFA-VT. Many grants require application by a non-profit 501(c)3 organization. If your market is not a “charitable organization,” you can partner with a non-profit organization that would serve as the fiscal sponsor.

Many local libraries have extensive listings of grant opportunities, and the Northeast Midwest Institute has a list of federal, state, and private funding available specifically for farmers market at www.nemw.org/farmersmarkets/. For example, the Microenterprise Development Program funded by Hewlett Packard provides money

to support microenterprise development in low-income areas. grants.hp.com/us/programs/micro_indx.html

bumper stickers, t-shirts, hats, etc. Some markets choose a specialty food item to sell exclusively to profit the market.

Specialty Items

Markets that have an identifying logo can raise money through the sale of tote bags,



Tote bags for sale at the Thanksgiving Farmers Market, Montpelier

Market Managers

A great market manager can be key to a great farmers' market. Ideally, the manager coordinates the details so vendors can focus on their work and sales during market day. In an optimal situation, the manager works with the market board on planning, promoting, and creative ideas for improving the market.

Many market managers in Vermont are volunteers—sometimes a vendor is recruited for the job, or a community member who wants to start a market assumes the role. Most large markets in Vermont have paid managers. Whatever the case, managers often take on a lot of responsibility.

Qualifications

Anyone with the desire to start or be involved in a farmers market has the beginnings of what it takes to be a manager. However, a market manager has a complex role that goes beyond the desire to foster a market. Varied skills are necessary to manage a market well.

Managers must be diplomatic and personable. They will have to deal with many different personalities—town and state representatives, market board members, vendors, entertainment, and, of course, customers. There are often competing needs within and among these groups that managers will have to respect and work to resolve. Managers need to be great at solving problems on the spot and communicating change. A market is quite fluid and seasonal, thus a constant challenge and reward. Managers must have the flexibility in their schedule to work as needed during the season. Above all, managers must be organized and able to work independently.

Role

A market manager is most effective when working in cooperation with a dedicated committee of market vendors or a board. Many markets find that, the stronger their

board, the better their manager is able to perform. The manager can take on as little or as much as the board delineates. Make clear what you expect from your manager—who the manager should report to with questions, concerns or updates; and what decisions should be left up to the board. Manager duties may include:

- promotion and advertising;
- special events organizing;
- recruiting vendors;
- bookkeeping;
- enforcing market rules;
- handling the Farm To Family program;
- writing an annual report;
- collecting fees at the market and gross sales reporting forms;
- arriving before vendors to make sure market signs are up and to help vendors find their spaces;
- maintaining the market site;
- planning board and membership meetings.

Employee or Subcontractor

Should your manager be an employee of the market organization or a subcontractor? Most markets hiring a manager subcontract with an individual to run their market. In this arrangement, the market is not responsible for employment taxes or workers compensation insurance. However, the individual you hire must actually qualify as a subcontractor by meeting three criteria. All three conditions, A, B and C, *must* be met, for an individual to qualify as a subcontractor.

- A. The individual has been and will continue to be free from control and direction over the services performed, both under contract and in fact (meaning that a market does not supervise the manager, work is given and the manager will work on their own, tools and supplies will not be provided); and

- B. The services performed by the individual must be outside the usual services provided by the employer's business or the services are performed outside all the places where the employer performs services (meaning that the manager does not work out of an established office of the person/organization that hired them); and
- C. The individual is customarily engaged in an independently established trade, occupation, profession or business (meaning the individual should be registered with the state, provide this service to others, have Workers Compensation, General Liability insurance, and have a work history as an independent contractor.)

The "World Wide Web Tax" site is a good resource to determine an individual's independent contractor versus employee status, www.wwwebtax.com/general/independent_contractor.htm.

If your manager does not meet these criteria, hiring as a subcontractor is illegal—the manager must be hired as an employee. Your market will have to pay the appropriate employment taxes, make the appropriate deductions from the manager's pay, and purchase workers compensation insurance. If you are unsure, seek legal advice.

Pay Rate

Some market managers in Vermont are volunteers. However, as markets grow and become more complex, the tasks of the manager may exceed what you can reasonably ask of a volunteer. Your market may feel more comfortable paying a manager because there is more accountability.

Pay rates in Vermont vary widely in amount and system of payment. Some managers are paid per market day. Markets that pay by the market day often have a separate off-season rate to compensate the manager for pre-season planning and post-season wrap-up. Some managers charge hourly rates.

Some markets compensate managers with "market dollars," i.e. coupons that managers can spend at the market. Vendors who are managers are sometimes given a free vending space at the market.

Vendor Recruitment, Vending Spaces and Fees

It is important to consider the balance of goods you want present at your market. Some markets are entirely agricultural with no crafts allowed. Most markets in Vermont have a rule which delineates the breakdown of vendors by product category such as 60% agricultural vendors and 40% non-agricultural (i.e. prepared food, and non-agricultural crafts) A guideline like this can help keep the market balanced and important to consider when recruiting potential vendors.

Most markets only allow vendor-grown or vendor-produced goods. Some markets allow vendors to resale Vermont made or grown products that are not currently represented by other vendors at the market.

Your selection of vendors is what makes your market appealing to your customers. So you must make your market appealing to the type of vendors you want to attract. As you determine your market layout, pay attention to how vendors will enter and exit the market.



Beef Vendor, Mad River Green Farmers Market

Will they have access to their vehicles? What are you doing to draw customers to your market? How much competition will vendors have with others selling similar products? Do they need to attend for the entire season? Be prepared to answer questions such as these when you begin to recruit vendors to your market.

Where to Find Vendors

Try these resources for recruiting vendors to your market:

Local UVM Extension Office—Ask to put up a sign. See if they have a list of farmers in your area.

Other Farmers' Markets—Visit markets that are close by but on a different day than your proposed market. Vendors are often interested in attending more than one market.

Vermont Organic Farmers' Directory—Found at www.nofavt.com this directory lists organic farmers and processors by county.

Your Local Paper—Ask your local paper to right a story about your new market, write a letter to the editor, post a print ad or classified, or hold a meeting for all potential vendors and list it in the calendar of events.

Posters—Put up flyers or posters around town announcing your need for vendors.

Connect with Other Market Managers—Ask managers of established markets to pass on names of applicants that they don't have room for.

Vending Fees

Membership fees—Most markets charge a membership fee. This fee covers expenses the market accrues, for example office and mailing supplies. In Vermont, membership fees range from \$10-\$50 a year.

Space fees—Fees for vending range widely in Vermont. Most markets in Vermont charge a flat rate based on the amount of space the vendor uses. Season rates for a vending space range from \$40 to \$1000. For vendors who do not want to commit to an entire season, a separate fee schedule may be used, often called a day rate. Markets using a flat (or day rate) fee, rates in Vermont range from \$5 to \$70 a market day.

Some markets charge 5-6% of a vendor's gross sales for the market. For markets charging a percentage, some also ask for an additional flat fee as well.

Vending Spaces

The size of a vending space depends greatly on your market space. A single space in a

market held in a parking lot may be one parking lot space. If the market is held on a lawn, the space size may be dictated by the typical tent size of 10 x 10 feet. Typically, a space has 6-10 feet of frontage and is 8-10 feet deep.

Encourage vendors to use their entire space, rather than just setting up tables at the front of their space. Before giving out extra space to a vendor, encourage them to fully utilize all the space they already have. Too much space can lead to sparse displays. Farmers are usually allowed extra space at markets because of the bulk of their product. Sometimes farmers rent more than one space to accommodate greater product volumes.



Capital City Farmers' Market



Barre Farmers' Market

Promoting Farmers' Markets

Every market, especially a new market, must find effective ways to promote itself. There are many ways to advertise your market, but there is often limited time and money. When coming up with a promotion plan, consider your market demographics—who you are trying to reach with your promotion. This could include: working people, tourists, families, local shoppers, or seniors. Information on your town's demographics can be found at www.census.gov, by contacting your local Chamber of Commerce, or sometimes by asking your town clerk. Once you have a general sense of who you are trying to reach as potential customers for your market, consider some of the strategies listed here.

Word of Mouth

The best means of promotion is free—it is customers telling neighbors, friends, and relatives how great your market is. This kind of promotion is created by the vendors themselves with their positive attitude and manner with the customers. The importance of vendors being courteous and respectful cannot be emphasized enough. It is the cheerful, community atmosphere of the market that keeps customers coming and encourages them to tell their friends about it as well. To foster this behavior in your vendors, you could award prizes for best vendor display or customer service. Get your customers involved and have them vote.

Press Releases

A sample press release can be found in Appendix VI. It is a great idea to attach an attractive photo representing your market to the press release. A press release can be used to announce the opening of your market, special events, or new ideas or vendors you are introducing. You can send them to newspapers, radio and TV stations, your Chamber of Commerce, and local magazines. Press releases can generate articles about your

market, calendar listings, and perhaps even a visit from your local TV station.

Signs, Banners, Posters, Flyers

Most markets in Vermont use sandwich board signs to draw attention to their market location. The lettering on roadside signs must be simple and big enough for an oncoming driver to read from a distance. This gives them times to consider stopping at your market. The state and some towns have regulations regarding how far from the road your signs must be placed. Check-in with your town before your first market day. Appendix VI has pictures of sandwich board signs from around the state. Permanent signs at the market's location are even more effective. Some markets use banners hung across streets or on lampposts as



Permanent sign at the Hardwick Farmers Market

permanent signage. Ask local merchants if you can hang posters in their display windows. Use flyers to post on information boards and at tourist kiosks (black ink on color paper copies are affordable and visible). If you have developed a logo for your market, use it on all of these promotion materials.

Market Listings

Make sure your market is included in farmers' market listings. Contact NOFA-VT (802-434-4122), the Vermont Agency of Agriculture (802-828-3461), and the USDA (1-800-384-

8704) to get on their farmers market lists. Be sure to respond promptly when asked to submit market information. Often, these agencies must meet publication deadlines.



Special Events

Holding a special event at your market can create buzz in town and with the local media. You may attract the press to your market and generate free promotion through articles in your local paper. Special events may draw new potential customers to your market. For more information on special events, see the *Special Events* page and *Shop with the Chef* (pgs 26-28).

Logo items

A distinctive logo for your market can improve your marketing capabilities. A single image that identifies your market creates a trigger in people's memory. When your logo appears, they automatically think of your market and all that is associated with it. When used in print ads, a logo advertises more effectively than ads that rely on people reading text. Once you have a logo, use it on everything—ads, posters, banners, bumper stickers, letterhead, fridge magnets, coupons, newsletters, etc.

Booth at the Market

Many markets reserve a vending space for the market itself. Use this space to sell market logo items, hold a monthly market raffle for

your customers, sign-up for a mailing list, and promote upcoming events. If necessary, this booth can be left unstaffed and be put up or taken down by a volunteer vendor.

Build a Mailing List

A critical piece to successful marketing is reaching your customers and turning them into “regulars”—people who visit the market every chance they get. A mailing list can be crucial in this process. Here are some ways to build a mailing list.

- Have vendors collect addresses from the checks they collect.
- Have a sign-up board where customers can request information about the market.
- Hold a free raffle, and request addresses on the raffle entries.
- Purchase a mailing list for your zip-code at the Town Clerk's office.
- Ask a local non-profit or business for a one-time use of their mailing list. Mail out coupons (*see below*), and create your mailing list from the coupons that are redeemed.

Coupons

If you have a mailing list, send out coupons regularly to encourage customers to keep visiting your market. A typical coupon is \$1 off a purchase of \$5 or more. Some markets reimburse vendors for redeeming coupons, others do not. Coupons can help you generate and maintain your mailing list as well. Design the coupon so that the customer's address label stays on the coupon when it is redeemed. Keep all redeemed coupons, and, on your mailing list database, check off who redeems coupons.

Market Money

Some markets have created their own currency. Allow customer to buy \$5 and \$10 denominations at a 10%-25% discount. They use their “money” at face value, and the market then reimburses vendors for accepting the market “money.” This commits

customers to shopping at your market and has the potential to create loyal patrons. It may also generate an article in your local paper.

Local Events Booth

Take your market to local events. Set up a table representing your market at local fairs, craft shows, and other community events. Have a selection of the goods that are available at your market. Provide flyers for people to take, reminding them about when and where your market is held.

The Internet

Consider creating a website to post regular updates about what is available at the market, recent photos, vendor bios, recipes, calendar of events, and other information that may interest customers. Be sure to keep the site fresh, up-to-date, and interesting. You can also develop an e-mail list for issuing an online newsletter or weekly announcements. Blogs and social networking sites (e.g. facebook and myspace) offer free internet marketing opportunities.

“Friends of the Market”

Across the country, groups of supportive community members have started forming “Friends of the Market” committees to help promote their local farmers markets. These groups often take on responsibilities for the market, such as organizing special events, fund-raising for the market, distributing promotional materials, or perhaps making a float for the local parade. Harnessing community members that are dedicated to your market can be a great asset.

Vermont’s “Buy Local” Campaign

Through the “Buy Local” Campaign, the Vermont Agency of Agriculture, Food and Markets promotes buying locally grown products. Some of the programs they offer include: free “Buy Local” signs and price cards, radio spots and advertisements highlighting different markets, and website information. To find out more about these

and other programs, contact the marketing specialist at 802-828-2461, or visit the agency’s website at www.vermontagriculture.com.

Non-Profit Tables

You may decide to provide space for non-profit organizations to promote their work at your market. This can provide educational opportunities for the public. However, you should be cautious about potential controversy surrounding each group’s work and its effect on the neutrality of your market.



Non-profit display at farmers market

Programs Assisting Low-Income Customers

Farmers markets provide the best in local and fresh produce. Realizing the nutritional benefits of fresh produce, federal and state agencies and non-profit organizations provide low-income families with access to farmers markets through various programs. By participating in these programs, farmers markets and vendors benefit from increased customer sales.

Farm To Family Coupons

For more information, see the following page or contact Mary Carlson, Program Coordinator, Vermont Farm To Family Program, 802-241-2458
marycar@ahs.state.vt.us

3SquaresVT Program

Vermonters are receiving over \$8 million a month in federal SNAP benefits (called 3SquaresVT in our state). At a farmers' market, 3SquaresVT benefits can be used to purchase all types of unheated food, including meats, bread, eggs, produce, and even vegetable starts. Because these benefits are now issued in the form of an Electronic Benefit Transfer card (EBT), you need an electronic card reader to be able to accept benefits in exchange for food.

Most farmers' markets need a wireless machine since markets typically do not have access to electrical and phone outlets. If your market *does* have access to an electric source and a phone line, you can receive a free card reader from the Food Stamp Program that

accepts EBT cards only. If not, you will want to consider whether or not your market would like to invest in a wireless electronic card-reader.

Although they are expensive, wireless card readers can enable your market to accept EBT, Debit and Credit. There are also a number of grants and programs that can help markets get card-readers and set-up programs to accept EBT.

See page 24 for more details about EBT at farmers' markets.

Vermont Foodbank Gleaning

The Vermont Foodbank acts as a resource for market managers and/or growers that want to donate their remaining food at the end of the market day. The Foodbank will supply a list of local food shelves with their contact phone numbers and make recommendations about which ones might be a good choice to call. This method keeps food local and reduces transportation issues.

Contact:
Salvation Farms' Gleaning Network
Vermont Foodbank
PO Box 254
South Barre, VT 05670
802-505-1689
tsnow@secondharvest.org

What is it?

A farmers' market coupon program with two goals: (1) to get nutritionally at risk people to eat more fresh fruits and vegetables and (2) to expand the use of farmers' markets.

Who Runs It?

In Vermont, the Department for Children and Families Economic Services Division (ESD). The Department of Health, Department of Disabilities, Aging and Independent Living, and Agency of Agriculture are its partners. The coupons are issued by district Health offices and Community Action Agencies (CAAs). Federal funds pay for about 72% of the program budget.

What Does It Offer?

\$30 a year in coupons redeemable only for fresh locally grown produce sold at farmers' markets. Recipients get a list of enrolled markets, plus information about selecting and using produce.

Who Qualifies For The Coupons?

Households with incomes below 185% of the current federal poverty limits, which covers a fourth of the Vermont population. Federal law restricts most of the coupons to participants in the Special Supplemental Nutrition Program for Woman, Infants, and Children (WIC) and to households with someone aged sixty or older. The CAAs have some state-funded coupons to offer other income-eligible households.

Is It Offered Statewide?

Yes, where there are enrolled markets and as long as coupon supplies last. Over 250 produce growers at nearly fifty market sites now take part. The program does not include single-vendor farmstands or roadside stands.

How Do Farmers Qualify?

By selling at a participating farmers market fresh produce that they grew on VT land or U.S. land within 25 miles of the VT border. Farmers may sign up for the program at the market itself.

How Does A Market Qualify?

The market must be located in Vermont and sell goods produced entirely or predominantly by its vendors. It must have a designated manager, paid or volunteer, and be open at least three consecutive hours a week for at least eight consecutive weeks. It needs at least three vendors selling non-Canadian produce that they grew locally, with at least two of them at the market on a steady basis. The market or its sponsoring organization must have a bank account and a federal Employer Identification Number (EIN) linked to that account.

Is There A Lot Of Paperwork?

It may seem that way at first, but once the season is underway, the process is simple. There are tasks and responsibilities, but ESD provides the program supplies and training to the market's Farm To Family manager.

When and How Can Markets Apply Or Get More Information?

USDA requires ESD to visit a market before inviting the market to join the program. Since coupon distribution begins in June, market enrollment must be completed by early May. Therefore, new markets are not added until the year after that site visit. A new market wanting to enroll should ask ESD to send an application packet, and as soon as the market schedule is decided, return the short application form. ESD needs to get that application by July so it will be able to schedule the preauthorization visit to the market that same summer.

For a market application packet with details about how the program works for markets and their vendors, contact:

Mary Carlson, Program Coordinator
Vermont Farm To Family Program
DCF Economic Services Division
103 South Main Street
Waterbury, VT 05671-1201

Phone: 802-241-2458

Email: mary.carlson@ahs.state.vt.us

Accepting Electronic Cards: EBT, Debit and Credit

Overview

Farmers' markets are community gatherings; a place that is conveniently accessible, provides nutritious foods and supports local economies. However, not everyone can shop at his or her farmers' market. At times, customers do not have cash available or cannot afford to purchase the local goods. Instead, the customers must shop at stores where they are able to use their Debit, Credit and/or EBT card.



What is EBT?

EBT (Electronic Benefit Transfer) are debit cards bearing the value of food or cash in federal program benefits. They have taken the place of paper food stamps, which in the past were redeemable at farmers' markets. The electronic cards have generated a necessity for businesses to have a greater technological capacity to accept food stamps, i.e. the need for a cardservice machine.

Farmers' markets have the ability to setup a cardservice machine to accept their choice of card(s), whether Debit, Credit and/or EBT. States throughout the nation have implemented programs for introducing a cardswiping machine into markets, resulting in positive feedback from both customers and market vendors. Cardservice companies, such as EFunds and Cardservice, have representatives with experience in working with market managers and can recommend the machine best suited for the market location and purpose of use.

Why Accept Electronic Cards?

Vermont receives over \$4.5 million *per month* in food benefits from the federal Food Stamp Program. The recipients of the money are unable to make purchases at locations without a cardservice machine. Increasing food stamp purchases at farmers' markets would allow

small farmers to capture more of these federal resources. Food stamp recipients would also benefit, not only because they could purchase locally grown produce, but also because food stamp benefits could be used to purchase vegetable starts, honey, meats, dairy or maple products, and prepared foods such as cider or pickles. Overall, a cardservice machine at farmers' markets provides fresh produce and local products to low-income Vermonters while capturing federal dollars into the local economy. Accepting Debit and/or Credit cards at farmers' markets further improves total sales, increasing the success of the market and the weekly income of the vendors.

How to Use EBT

The main EBT/Debit booth is where customers swipe their card and receive his or her desired amount of spending in the form of market money (wooden tokens). Wooden tokens are in \$1 increments for EBT food and \$5 increments for EBT and Debit cash.

The process is simple! The customer decides the amount of money they would like for the market day, swipes their card and enters their PIN. The authorization is instant. Market staff provides wooden tokens for the approved amount and customers spend their tokens at vendors throughout the market. If all wooden tokens are not spent, they can be saved for the next market day or returned to the main booth for reimbursement onto their EBT or Debit card. At the end of the day, vendors bring the tokens to the market manager or staff for a trade of cash or check.

Regulations

The different denominations of tokens help markets adhere to the Food Stamp Program regulations of product eligibility. The \$5 tokens may be used to purchase any food or non-food product sold at the market. As a customer, you can receive cash back when paying with \$5 tokens. The \$1 tokens may be used to buy foods eligible under Food Stamp Program rules. This includes food intended for home

consumption and not served hot, including: fruits, vegetables or herbs; meat, fish or poultry; baked goods; dairy, honey or maple products; processed foods like pickles, jam or salad dressings; cider or other non-alcoholic beverages; and seeds or plants for the household to grow its own food. The \$1 tokens may NOT buy any food that is served

hot, alcoholic beverages, tobacco products, pet foods, vitamins, medicines, or non-food items such as soaps, decorated pumpkins, gourds, cut flowers, crafts or clothing.

For more information please contact the NOFA-VT office: 802-434-4122.



Electronic Card Reader at Rutland Farmers' Market

Special Events

Organizing free special events for your farmers market can increase customer attendance. Look here for special events ideas and tips on making yours successful.

Determine the Event

What type of event to hold really hinges on your market space. Consider the following when choosing an event.

- Do you have room for people to gather?
- Will the event take up vending space?
- Will noise bother adjacent businesses?
- Do you have adequate time to advertise your event?
- What event will best appeal to your customer base?
- Is the event within your budget?
- Will people come to see the event but not shop?

Funding the Event

Many special events can be organized without spending any money. Ask for donations of supplies from local businesses. Advertise through free calendar of events listings. Request organizations such as 4-H or the Master Gardeners Association to coordinate the event. Recruit vendors to demonstrate their craft or bring animals for a petting zoo.

However if an event does require money, try asking local businesses to support the event, and make sure they are included in all your promotion. Some markets ask their vendors to donate \$5 to the musician on days when music is scheduled. You may be able to get a small grant from your local Chamber of Commerce or Arts Council. Sell a promotional item at the market with proceeds supporting future special events. Whenever planning an event, keep your budget in mind and do only what your market can afford.

Timing the Event

After you have decided what type of event your market will host, you must decide when to hold

the event—both the day and the time during the market.

It is tempting to plan an event for a day and time when you know your market is slowest. But this can backfire. If your turnout is poor and the event organizers are disappointed, they may be discouraged from trying again.



Spinning demonstration, Capital City Farmers Market

Planning the Event

Work with a committee of at least three members and the manager to plan for the event. The key tasks will be:

- choosing a catchy name to use consistently in PR and advertisements;
- communicating regularly with people involved in the event;
- creating a schedule and list of materials needed;

- advertising the event with press releases, posters, calendar of event listings, and day-of-event signs;
- coordinating the event's location and traffic flow at the market, i.e. will the event block customers' access to vendor space, is the event on-going, should participants arrive at a certain time;
- setting-up for the event with needed tents, tables, electricity, etc.;
- hosting the event so special guests feel welcome and customers are clear how they can participate.

Gauging Success

A special event's purpose is to increase customer attendance and/or enjoyment of your market. Try to count the number of people participating. If it is an ongoing event, count the number of people gathered several times during the market day. Ask vendors if their sales were better or worse the day of the event. Watch the flow of traffic around the event—do customers seem to be flocking to the area or avoiding it? Have vendors ask

their customers what they thought of the event. This informal feedback can be the most honest and helpful.

Thanking the Participants

Don't forget to thank the people involved in coordinating and performing the special event. All their effort should be acknowledged, especially if you would like to work with them again.

Ideas for Special Events

Some ideas are listed in the box below, but don't limit yourself. Create your own event that focuses your customers on all your market has to offer. Remember, choose an event that draws customers who will want to shop at your market and encourages them to buy products that your market offers. (Many of the event ideas listed below are from *The New Farmers' Market: Farm-Fresh Ideas for Producers, Managers, and Communities*, available for sale or loan at NOFA-VT)

Special Events

Music—Try contacting your local high school for talented groups or individuals.

Tastings—Tomato, apple, potato, ethnic food, mushroom, squash.

Kids Activities—Pumpkin carving, kids' market, potato prints (see pg 23)

Shop Fresh with the Chef—See the next page for planning this tried & true event.

Berry, Apple, Tomato.... Festival—**Feature with tastings, specialty products, art, crafts, etc.**

Eating Contests—Hot pepper, watermelon, corn.

Cooking Competitions—Using market ingredients.

Holiday Festivals—4th of July, Solstice, Cinco de Mayo, Labor Day, Halloween

Vendor Demo Day—Get your crafters to show off their skills at the market.

Educational Events—Invite local non-profits to run workshops.

Holiday Markets—Organized around Thanksgiving or Christmas, held indoors, usually with more vendors of crafts and specialty foods (*see Appendix VII for article*).

Shop Fresh with the Chef

Farmers markets around the state and country have had great success holding *Shop Fresh with the Chef* events. These events combine the highest-quality, local food with professional chefs to create a culinary event for your market customers. The basic concept is to invite a chef from a local restaurant to prepare a simple dish at your farmers market using in-season products from your vendors. The chef can guide participants through the market to choose ingredients, and then prepare them on-site with a recipe that is shared with all.

Finding a Chef

The Vermont Fresh Network (VFN) is an organization of farmers, food producers, and chefs dedicated to using local products and educating consumers about the benefits of local foods. To find chefs committed to using local products, contact VFN at 802-229-4706, www.vermontfresh.net, info@vermontfresh.net.

You could also ask your farm vendors if they wholesale to restaurants in your area. A chef will be more likely to participate if they already have a connection to your market.

Planning Shop Fresh with the Chef

Be sure to hold this event within the market. It is a great draw, and you want the farmers and chef to interact as much as possible. The chef should have copies of the recipe on the restaurant letterhead to further promote the business. Choose a fun food that is in season and hopefully enjoyed by many people. Use this list to organize your *Shop Fresh with the Chef* event.

- 1) Set a date, time, and location.
- 2) Work with a local chef to choose a food to prepare. The chef should provide pots, knives, and the recipe.



*Chef Bill from Highland Lodge,
Craftsbury Common Farmers Market*

- 3) Prepare press releases, posters, and advertisements.
- 4) Work with the chef to follow Vermont State Health Dept Regulations around safe food handling procedures. You may need a Fair Vendor's License, issued by the VT Health Dept. See page 33.
- 5) Acquire an umbrella or a tent with sides. One is available for loan from NOFA-VT.
- 6) Acquire a table and table cloth.
- 7) Arrange for a portable stove and/or grill and cutting board.
- 8) Prepare ingredients as needed ahead of time. Leave some for the chef to select and prepare at the market.
- 9) Have prepared food sampling gear available (napkins, small plates, etc.)
- 10) Make a comfortable spot for participants, with chairs and trash receptacle.
- 11) Enjoy your event!

Including Children at Farmers' Markets

Attracting families to your farmers' market can be a boon to vendors. Kids are your future market shoppers, and if the children are excited to attend your market, their parents will follow. One way to attract families is by offering events geared toward children. This can be both fun and labor intensive, but most managers agree, it is worth the effort. Children's events also have the potential to generate good publicity and free press coverage. Make sure to publicize what you are doing at your market.

Children's Farmers Market

Stage a special market day where children can participate as vendors. Allow them to sell any homegrown or homemade product as long as it does not unduly compete with your actual vendors. Waive the vending fees, and let the kids see what it feels like to be a real farmers' market vendor. Some markets make space at every market for children to sell their handmade crafts. Allowing vendors' children to sell at their parents' stand is also common. Find a *Kids' Farmers' Market* poster in Appendix VI. NOFA-VT is coordinating children's markets statewide and can assist you with your planning.

Children's Activity Space



Young vendor at the Mad River Green Farmers Market

Make your market a weekly destination for families by staging a weekly activity for kids. Incorporate themes about local agriculture and community. One market in Vermont has a Children's Garden Day. Every child receives a free vegetable or flower plant to pot. Then later in the season, the children are invited back to receive prizes for their gardening efforts. Potato or other vegetable prints, worm bins, and planting seeds are also popular ideas.

Special Events

These kids' activities require more preparation but generate great publicity for your market.

- Pumpkin Carving
- Farm Animal Petting Zoo
- Apple or other Vegetable Bobbing
- Pony Rides/Hay Wagon Rides
- Bring a Tractor to Market
 - Vegetable Relay Race
 - Halloween Costume Contest

Local Schools

Invite your local school music group to perform at the market. Allow school groups space to do fund-raisers. Host a student art show.

Non-Profits

Local organizations are often seeking ways to connect with children in your community. Ask local educational organizations if they would like to organize a children's event at your market. For example, your library may hold a story hour and/or Head Start may offer early education materials. Allow the organizations a space to hold the activity and promote themselves with an information table or display.

Assessing Your Market's Success

Tracking your market's improvement over the years can help your market succeed. Your market may try many different activities to promote itself, such as paid advertisements, special events, posters, or raffles. However, if you are not assessing your market on a weekly basis, you will not know which strategies are effective. Here are some ways markets across the state are tracking their success. See if there is a good fit for your market.

Gross Sales Reporting Forms

An obvious goal of a market is to generate income for its vendors. By tracking your market's weekly sales, you will be able to assess whether the activities you do to improve your market are having an impact. Tracking gross sales can also help you plan for the future. After several years, you will see trends and cycles in your market season. Knowing these trends can help you make key decisions about when to open or close your market for the season, when to schedule special events, and when you may want to do additional advertising to draw customers.

A sample reporting form is on this page. Vendors can provide this information anonymously. Most markets track their sales by farm products, prepared foods, and craft sales. Some markets make it even simpler, dividing sales into farm and non-farm sales. The forms are often handed out at the beginning of the market, and either collected at the end of the market or returned the following week. Some markets collect monthly sales records from their regular vendors.

In Appendix I you can find a template for a gross receipt data sheet. This form can help you track trends throughout the season over many years.

Coupons

If you have gathered a mailing list for your local community, mail out coupons. This can provide a dual benefit of both promoting your market and assessing its success by tracking the coupon redemption rate. See page 18 for ways to develop a mailing list.

Count your Customers

Not many markets count their customers because it can seem a daunting task. The article *Tools for Rapid Market Assessments* by Larry Lev, Linda Brewer, and Gary Stephenson of Oregon State University Extension Service and found in Appendix VI, has a clear method that is easy to follow and takes just a few volunteers. Counting your customers throughout a market day can provide you with valuable information on the flow at your market.

Farmers Market

Vendor Gross Sales Reporting Form

The purpose of this form is to anonymously collect data for statistical use only. Please return to the market manager at the beginning of each market with information from the previous market day. Thanks!

Market Date: _____

\$ _____ Agricultural Products

\$ _____ Baked Goods / Prepared Foods

\$ _____ Crafts

Sample gross sales reporting form

Other Rapid Assessment Techniques

If your market is at the stage where it would like to gather information to make major changes or improvements, read *Tools for rapid Market Assessment* found in Appendix VI. It provides simple and inexpensive tools for quantitative and qualitative evaluation of your market.

Vendor Taxes

Depending on the goods they offer, vendors may be subject to either Rooms and Meals Tax or Sales and Use Tax. Also, some towns have local option taxes. Farmers markets are not responsible for making sure their vendors collect and pay the appropriate taxes. It is the job of the individual vendor to meet these requirements of the state. Some business tax information for Vermont is presented here. For more information, contact the Vermont Department of Taxes and request the *Guide to Vermont Business Taxes*, www.state.vt.us/tax, 802-828-2551, vttaxdept@tax.state.vt.us.

Meals Tax

This is a tax on the receipts from the sale of taxable meals and non-alcoholic beverages. Vendors selling prepared foods and individual portions of baked goods or beverages at your market must collect this tax. The current tax is 9%. A tax chart can be found in Appendix IX or on-line from the VT Department of Taxes, www.state.vt.us/tax.

Sales Tax

This tax is on retail sales in Vermont. At a farmers market, this would apply to vendors selling crafts and non-edible horticultural products. The tax rate is currently 6%, and a tax chart can be found in Appendix VII or on-line at the VT Department of Taxes, www.state.vt.us/tax.



Pie vendor at the Chelsea Farmers Market



Craft Vendor at the Capital City Farmers

Local Option Taxes

Many Vermont towns have a 1% local tax that is charged in addition to the state sales tax. Check with the VT Department of Taxes about filing these taxes. Tax charts including these local option taxes are also available at www.state.vt.us/tax

Some Goods Exempt from Taxes

- Self-serve, bulk, un-prepackaged market items such as vegetables, fruits, dry beans
- Cider in quart or larger containers
- Loaves of bread
- Maple products
- Honey products
- Bakery items sold in batches of three or more, whole pies and cakes
- Eight ounce or larger containers of sauces or salad dressing
- Jams, jellies, pickles, and relishes
- Agricultural plants, not including ornamentals
- Clothing items under \$110.00

State Regulations for Farmers Market Vendors *As of 10/2004*

This document was prepared by the Vermont Agency of Agriculture, Food & Markets and can be found on their website <http://www.vermontagriculture.com/>.

Contact this department for information on the following.

Vermont Agency of Agriculture,
Food & Markets
116 State Street, Drawer 20
Montpelier, VT 05620-2901
<http://www.vermontagriculture.com/>

Dairy Products: Any vendor interested in selling dairy products (milk, cheese, butter, goat's milk cheese, etc.) must meet labeling requirements and be licensed through the Vermont Agency of Agriculture, Food & Markets. Contact the Dairy Division at (802) 828-2433.

Meat Products: Any vendor interested in selling meat products must be licensed through the Vermont Agency of Agriculture, Food & Markets. (exceptions are game birds, rabbits, and venison). Contact the Meat Inspection Section at (802) 828-2426.

Eggs: Any vendor selling eggs at a farmers market must comply with labeling regulations and grading requirements. Contact the Consumer Assurance Section at (802) 828-2436.

Poultry: Any vendor selling farm-slaughtered and uninspected poultry at farmers markets must comply with a minimal set of requirements, such as: The meat must carry a label telling consumers that it was not slaughtered under inspection and is to be used for home consumption only. The Vermont Agency of Health does not allow uninspected meat to be sold to restaurants and other retail outlets. Contact the Meat Inspection Service at (802) 828-2426.

Scale Certification: Any vendor selling products across a scale must have a scale that is legal for trade and certified by the Agency of Agriculture. Contact the Consumer Assurance Division at (802) 828-2436.

Labeled Products: Any vendor selling a packaged product (including preserves, pickles, baked goods, etc.) must comply with the Vermont State Packaging and Labeling Law. Contact the Consumer Assurance Section at (802) 828-2436.

Promotion and Promotional Materials: Any vendor interested in obtaining marketing assistance or promotional materials, or anyone interested in the Vermont Seal of Quality program should contact the Agricultural Development Division at (802) 828-2416.

Buy Local Promotional Program Visit this website to learn how the Agency of Agriculture can work for you:
www.vermontagriculture.com/buyvermont2.htm

Contact this department for information on the following.

The Vermont Department of Health,
P.O. Box 70, 108 Cherry St.,
Burlington, VT 05402
www.healthyvermonters.info/

Baked Goods: Vendors at a farmers market who are baking for the purpose of selling product may need to be licensed through the Department of Health. A **Home Baking License** covers those who wish to prepare baked goods (those whose primary ingredient is flour) such as breads, cakes, cookies, pies, etc. This license has the same requirements as the Home Catering License. An exemption does exist for individuals selling at farmers markets with gross sales less than \$125 a week *averaged over the entire year*. Contact the Department to see if your operation qualifies for this exemption. Contact the Food and Lodging Program at 1-800-439-8550.

Prepared Foods: Any vendor at a farmers' market preparing food onsite for sale must obtain a fair stand license or commercial caterer's license. One or more of the following licenses may be required:

1. Fair Stand License – this license covers those who wish to do the food preparation at the Farmers' Market. This license requires hand-washing facilities with hot and cold running water at a sink; enclosed holding tank to collect the grey water from the sink; adequate refrigeration and hot-holding units; flooring; and proper garbage disposal.

2. Home Catering License – this license covers those who wish to prepare food at home and bring it to the Farmers' Market, packaged and ready for sale. If necessary, adequate refrigeration and/or hot-holding units must be provided. This license requires an inspection of your home kitchen including a survey of your private

water supply with water sampling. If you are on a public water system, this would not be necessary.

For more information, contact the Food and Lodging Program at 1-800-439-8550.

Vendors Selling To Restaurants: A vendor selling any product to restaurants must be licensed by the Dept. of Health. Contact Food and Lodging Program at 1-800-439-8550.

Contact this department for information on the following.

The Vermont Department of Taxes,
109 State St.,
Montpelier, VT 05609-1401
www.state.vt.us/tax/

Business Tax Number: Any vendor selling non-food items (exceptions are vegetable plants, herbs, edible flowers, etc.) must obtain a Vermont business tax number. Contact the Vermont Department of Taxes at (802) 828-2551.

Rooms and Meals Tax: Any vendor selling a prepared food should contact the Vermont Department of Taxes at (802) 828-2551 for more information.

Contact this department for information on the following.

Secretary of State's Office,
Redstone Building,
26 Terrace Street, Drawer 09,
Montpelier, Vermont 05609-1101
www.sec.state.vt.us/

Tradenname: For registering a company tradenname, contact the Secretary of State at (802) 828-2366.

Tips for New Farmers' Markets: a few lessons from Vermont market managers

Plan for parking—You may have a beautiful location, but if there is nowhere for your customers to park, you will limit attendance.

Recruit help—Call other market managers and ask for their input. Generally, markets are very supportive of each other. An experienced mentor can help immeasurably.

Make clear rules and follow them—It is important to be flexible as you figure out how your market is going to work. However, during your first year, you are also setting a precedent for future seasons. Beware of people asking for special exceptions to rules you have established. Exceptions that are made initially may be expected in following years. And, other vendors may demand the same treatment. Stick to your rules. If an aspect seems unmanageable, have your vendors decide together how to change the rule to best serve the market and its customers.

Keep minutes—As you have meetings to organize and formalize your market, keep track of what is being said and decided. You will need to refer back to your notes to clarify decisions that were made.

Realize all vending spaces are not created equal—While all the spaces at your new market site may look equally attractive to you, “favorite” spaces will soon develop among vendors. Create a system to determine who gets their choice of location, so, as the season progresses, this issue can be dealt with fairly. You may want to provide farmers with their first choice of location. As the season progresses, vendors who attend most consistently could be given picking privileges or vendors who volunteer to help the market. Some spaces may show

themselves to be impractical, due to poor drainage, uneven ground, etc.

Expect unexpected expenses—Provide room in your budget for new ideas or emergencies, such as replacing damaged signs or paying for special events costs.

No-show policy and early pack-up—For customers to be committed to your market, you must have committed vendors. Have a strict “no-show” policy. Let vendors know that, if they do not take your market seriously, they will not be invited to come back. Enforce your market hours. Require vendors to setup by the market opening hour, and do not allow vendors to pack up early, even if they have sold out. For a market to succeed, customers must be confident that there will be vendors at your market throughout its scheduled hours.

Consider market balance—Recruiting vendors to a new market can be a challenge. However, allowing any vendor to come just to populate your market can be risky. Once a vendor is accepted into your market, it will be hard to turn them away in following years. Consider the quality of goods offered; whether the introduction of a vendor will improve diversity or create more competition for established vendors; and the overall balance among farm, prepared food, and craft vendors.

Jury all vendors—On your application for new vendors, request photos, references and other information about their business.

Links and Further Resources

Vermont Organizations

Farm To Family Program

Mary Carlson, Program Coordinator
PPR Unit, Economic Services Division
Dept. for Children and Families
103 South Main Street
Waterbury, VT 05671-1201
Phone: 802-241-2458
mary.carlson@ahs.state.vt.us

Food Works & Two Rivers Center for Sustainability

Two Rivers Center is a hands-on research, demonstration and resource center for sustainable living skills.

www.tworiverscenter.org
802-223-1515

Intervale Foundation

A nonprofit located in Burlington, Vermont incubating sustainable businesses in farming, and value-added food, fiber and fuel production.

www.intervale.org
802-660-0440

Northeast Organic Farming Association of Vermont

A nonprofit organization supporting local farmers and their communities through education, technical assistance, and organic certification.

www.nofavt.org
802-434-4122

UVM Center for Sustainable Agriculture

The Center for Sustainable Agriculture integrates University of VT and community expertise to promote sustainable farming systems throughout Vermont and the region.

www.uvm.edu/~susagctr/
802-656-5459

Vermont Agency of Agriculture, Food, and Markets

State agency responsible for agricultural development.

www.vermontagriculture.com

Vermont Fresh Network

The Network builds innovative partnerships among farmers, chefs and consumers to strengthen Vermont's agriculture.

www.vermontfresh.net
802-229-4706

Vital Communities

A nonprofit fostering relationships that make local agriculture a vibrant part of daily community life.

www.vitalcommunities.org
802-291-9100

Women's Agricultural Network (WagN)

WagN provides education and technical assistance to individuals interested in starting or expanding their agricultural endeavors.

www.uvm.edu/~wagn/
802-223-2389

Regional Organizations

Growing New Farmers

Growing New Farmers is a network of over 150 organizations committed to offering and improving services for our region's new farmer community.

www.northeastnewfarmer.org
413-323-4531

Northeast Region Sustainable Agriculture Research and Education Program (SARE)

Research and funding opportunities for our region.

www.uvm.edu/~nesare/
802-656-0471

National Organizations

Appropriate Technology Transfer for Rural Areas (ATTRA)

Sustainable farming information center managed by the National Center for Appropriate Technology (NCAT) and funded by the USDA. ATTRA provides technical assistance to farmers, farm support groups, and agencies through its publications and website.

www.attra.ncat.org
1-800-346-9140

Food Routes

A non-profit dedicated to connecting Americans with their food. Includes farmers market listings.

www.foodroutes.org

Local Harvest

A national listing of farmers markets, farms, and other sustainable food options.

www.localharvest.org

North American Farmers Direct Marketing Association

A National Farmers Market coalition in cooperation with the USDA.

www.nafdma.com

Open-Air Market Net

www.openair.org

US Department of Agriculture

www.ams.usda.gov/farmersmarkets/
www.ams.usda.gov/directmarketing/
Farmers Market Hot-line 1-800-384-8704

US Census Bureau

Site for demographic information.

www.census.gov

Other States' Market Websites

California

www.cafarmersmarkets.com

Maine

home.gwi.net/~troberts/mffm/main.html

Massachusetts

www.massfarmersmarkets.org

New Hampshire

www.nhfma.org

New York

www.nysfdma.com

www.nyfarmersmarket.com

Oregon

www.oregonfarmersmarkets.org

Further Reading

Farmers' Markets: Rules, Regulations and Opportunities by Neil D. Hamilton. National Center for Agricultural Law Research and Information Center

www.NationalAgLawCenter.org

Growing for Market Newsletter

A monthly magazine for small-scale growers providing information about growing and marketing produce, herbs, and flowers.

1-800-307-8949

www.growingformarket.com

The New Farmers' Market: Farm-Fresh Ideas for Producers, Managers, and Communities by Vance Corum, Marcie Rosenzweig, and Eric Gibson, available at NOFA-VT.

Sell what you Sow: the Grower's Guide to Successful Produce Marketing by Eric Gibson, available at NOFA-VT.

Notes
