FARMERS MARKET PROMOTION PROGRAM

SUMMARY OF ANALYSIS & RECOMMENDATIONS
a green paper

FARMERS MARKET COALITION IN PARTNERSHIP WITH MARKET UMBRELLA // JUNE 2013
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marketumbrella.org
“FMPP provides startup funds that cannot be easily acquired through other funding sources, and permitted us to secure additional funding and leverage a second farmers market site in two neighboring communities.”
~ Wendell Verrett, Twin Parish Port District, Lafayette, LA ~

“We’ve been able to leverage FMPP funding to substantially increase the number of farmers markets accepting EBT in Michigan, from 3 in 2006 to 103 in 2012. It also provided seed funding to develop our statewide association, and to implement the first market manager certificate program in the country, certifying 65 market managers.”
~ Dru Montri, Michigan Farmers Association, East Lansing, MI ~

“FMPP provided the experience and confidence needed to secure a 501(c)(3) nonprofit designation for our market and to leverage an additional $302,498 toward construction of a permanent market facility.”
~ Gregory Traywick, NC Cooperative Extension, Shelby, NC ~
Farmers markets offer a multitude of benefits for many communities. They provide a new high-value retail outlet and training ground for local farmers; facilitate innovative entrepreneurship, encourage healthier eating patterns by increasing the variety and availability of fresh produce; and build social capital through an animated civic space. They require less start-up capital for physical infrastructure than other retail outlets and can be nimble and uniquely reflective of the assets and needs of their communities. Farmers markets have their own set of challenges, however, and success is not guaranteed. Market organizers are often limited by volunteer staffing and shoestring budgets, and the learning-by-doing and trial-by-error associated with starting a market can last several years. Rapid growth in the number of farmers markets over the last decade means that nearly 80% of those operating in 2012 are young and did not exist in 2008.

Congress established the Farmers Market Promotion Program (FMPP) in 2002 to support the successful development of direct-market mechanisms for producers. It is a competitive grant program available to agriculture producers’ associations, community groups and nonprofit organizations. Since 2008, the program has made it a priority to improve access to farmers markets for low-income participants in the Supplemental Nutrition Assistance Program (SNAP). Through a peer-review process, 575 grants totaling just over $32 million were awarded in all fifty states between 2006 and 2012. Demand for the program is high, with only 21% of applications funded over the life of the program.

FMPP has achieved its statutory goals of increasing market opportunity for small and mid-sized farmers and improving access to affordable, nutritious food for low-income consumers. Grants have been used to establish new markets, strengthen and expand existing markets, provide crucial training to producers and managers, conduct marketing and customer outreach, build collaborative networks, and implement a variety of nutrition education programs. This study finds that on average, grantee markets achieved a 27% increase in sales, added diversity to the products at the market, expanded market days and times, increased customer flows, and provided training to agricultural producers and market organizers.

To download a copy of this green paper, or the full report, please visit fmpp.farmermarketcoalition.org.
In a study of grantees funded by the Farmers Market Promotion Program between 2006 and 2011, the Farmers Market Coalition and Market Umbrella identified characteristics of and outcomes among 444 grants with an average grant value of $52,454. Two hundred grantee organizations—50% of the total grantee population funded between 2006 and 2011—responded to a survey conducted in fall 2012, representing $11,555,750 in funding for 213 projects across the country. The findings discussed in this paper suggest that with a small and targeted infusion of funds, markets can become stable, identify and leverage community partners, facilitate volunteer staff, and establish viable operating and governance models that help local farmers compete in an increasingly sophisticated retail environment.

This study finds that since 2006, FMPP grants have funded many types of direct-marketing programs at the local, regional, and state levels, which have increased market reach and capacity, improved farmer production and marketing skills, and brought farm-fresh products to underserved low-income communities. Projects have supported a wide array of activities, including the development of new markets, community gardens in food deserts, mobile markets, farm tours, farmer recruitment and training, conferences, community kitchens, outreach campaigns, youth entrepreneurship training, and much more.

Most FMPP grants were used for promotion, outreach, and education strategies that introduced new customers to farmers markets, increased shopper visitor counts, and increased farmer sales and product diversity. Most increased the number of weeks and/or days of the week their operations are open for business. On average, each grant directly affected nearly 40 farmers.

FMPP grants were also used to improve the professional skills of agricultural producers: grants paid for critical food-safety training; the development of formal market or producer associations; joint production planning to extend market seasons; sophisticated marketing campaigns; and collaboration with local government and non-farm groups. More than two thirds of grantees also facilitated farmer-to-farmer mentoring, growing capacity among young and beginning farmers. The program has also invested in training for market managers and in the development of state or regional manager networks.

FMPP grants improved the ability of farmers to serve low-income shoppers, as well, with more than three quarters of respondents using some portion of their grant funds to reach low-income participants in federal nutrition programs.
FMPP grants yielded agricultural and economic impacts by developing and strengthening market outlets and facilitating entrepreneurship. In 2012, sales among responding 2006–2011 grantees (n=149) totaled $41.5 million, 3.6 times greater than the total amount of grant funding received by those organizations.

- Grantees report an average 27% increase in vendor sales since receiving a FMPP grant.

- 88% of grantees report an increase in the diversity of local farm products available since their FMPP award began, with an average 34% increase in the number of participating agricultural producers.

- On average, at least four producers involved in each organization's grant activities are now also selling products to other retail outlets.

- 60% of grantees used FMPP funds to provide trainings to farmers.

- Using FMPP grant funds to conduct trainings for market managers was correlated with an average $85,366 increase in reported producer sales.

Many grantees commented on specific economic outcomes of their projects, saying that their FMPP award “created a market that has turned into a major economic development tool for our area.” Another observed that, “as a result of our FMPP, farmers are now mentoring other farmers at the markets, increasing the number of markets and the revenue at each market.” One grantee with an award of less than $16,000 said that her grant to implement SNAP/EBT led to “an additional revenue stream of $70,000” benefitting vendors at an existing market.
FMPP grantees developed markets, conducted outreach, and expanded fresh food access. Among grantees allocating funding for electronic benefit transfer (EBT) activities, 92% report an increase in the return rate of SNAP/EBT shoppers since their grant was awarded, and 85% report an increase in sales to SNAP participants.

- On average, grantees report a 47% increase in customer visitor counts.
- 94% report an increase in the number of first-time customers.
- 56% increased the number of weeks they operate per year, and 37% increased the number of days per week that they are open for business; extending weeks of operation was associated with an increase in customer visitor counts by 33%.
- 76% of grantees used FMPP funds to reach low-income families participating in federal nutrition programs such as SNAP and WIC.
- 64% used FMPP grant funds to improve fresh food access in underserved communities.
- 53% of grantees used FMPP support to offer cooking and nutrition education to the community.

As a result of EBT-related activities, grantees say “customers report an increase in the amount of fresh fruits and vegetables added to their families’ diets during the market season,” or that “many EBT customers thank us for starting and continuing the program at the market and allowing them the access to fresh fruits and vegetables.” FMPP’s targeted allocation of funds for 160 EBT-related projects coincides with near tripling of SNAP redemptions at farmers market retailers, from $4.2 million nationally in 2009 to $16.6 million nationally in 2012.

FMPP grants have built community capacity, helping small, relatively young organizations increase capacity to diversify revenue streams. For 42% of grantees, FMPP was their first government grant. Citing FMPP as a “catalyst,” many grantees started new programs, forged new partnerships, and leveraged other funding sources from local sponsorships, private foundations, or state or city grants.

- FMPP funds helped 86% of grantees establish new partnerships with other community organizations, maximizing existing resources and ensuring continuation of activities after the grant period ended.
- 54% of grantee organizations added hours for an existing employee, and 47% hired new staff members to carry out grant activities.
- 78% of grantees say that their FMPP project increased volunteer participation.
FMPP awards helped grantees leverage other sources of funding, including private foundation grants (38%), city or state grants (37%), business sponsorships (22%), or other funds (25%).

More than half (56%) of grantees report accomplishing more activities with FMPP support than projected in their initial plan of work.

Survey comments suggest that collaboration, development of networks, improved organizational governance, and increased management capacity are valuable outcomes of grant projects, even when not projected in initial proposals. A grant awarded in North Carolina allowed one organization “to secure additional funding and leverage a second farmers market site in two neighboring communities.” Another Florida grantee states that, with the support of FMPP, “we were able to create a business plan that will allow us to not rely on grant funding as of the fourth quarter of fiscal year 2013.”

FMPP grants have developed networks and trained market organizers by hosting manager trainings and growing professional skills within farmers market organizations.

- 60% of FMPP grants helped provide training for staff or volunteers.

- 34% of grants helped develop or support activities of a state network or association.

- Organizations using FMPP funds for building professional skills among managers or equivalent staff saw higher vendor sales, accounting for an average increase of approximately $85,000.

When implemented, regional and statewide efforts to train market organizers and create frameworks for peers to share ideas have helped increase professionalism and contribute to market stability. As one grantee funded to develop a statewide marketing campaign and offer technical assistance to other markets notes, “our grant laid the foundation for greater communication among market managers, better understanding of SNAP, and more sharing of information across the state for farmers markets.”
The findings suggest that, in six years of awarding competitive grants, the Farmers Market Promotion Program has funded a surprising array of creative projects that have helped increase consumer demand for and access to local farm products while expanding the ability of agricultural producers to grow and market a diversity of quality products throughout the year.

High demand means that FMPP has directly met only a fraction of the existing need. With more communities seeking to develop sustainable farmers markets and other innovative programs to connect farmers and consumers, the number and variety of FMPP-eligible entities expands every year. Continued support is necessary to sustain momentum and build solid organizational foundations for these efforts. Researchers identify three areas where improvements could have most impact: Networking & Information-sharing, Capacity Building, and Evaluation.

**NETWORKING AND INFORMATION-SHARING**

FMPP projects appear to serve as a piloting ground for innovations that can benefit the sector at large, and grantees express a desire for communities of practice and annual conferences that accelerate peer-sharing of best practices and preclude continual reinvention of the wheel. Videos, webinars, national conferences, communities of practice, stronger state farmers market associations, and a potential database of funded projects were all cited by respondents as examples of desired vehicles to document successes and share solutions to common challenges. Such networking vehicles would, as one grantee put it, aid in the diffusion of “lessons learned [that] could be invaluable to other organizations,” allowing limited resources at the community level to be used more effectively. The FMPP of the future should specifically support online trainings, face-to-face conferences, and professional networking opportunities for market managers and other practitioners to generate a ripple effect in more communities and increase FMPP’s return on investment.

**CAPACITY BUILDING**

Investing in the capacity of new and existing direct-marketing outlets to develop solid governance and management structures will address several of the needs expressed by grantees—including the need to develop alternative funding streams in order to transition from volunteer dependence to stable staffing that can conduct appropriate outreach in the community and work with farmers. USDA-supported technical assistance and trainings on governance, grant-writing, fundraising, impact
measurement, human resources, and other topics should parallel a competitive grant program and ultimately build and sustain internal infrastructures at the local level. Also, larger, three-year grants (up to $300,000) would provide stability to support state and regional efforts to build farmers market capacity. Research that leads to the creation of a descriptive market typology would aid both public and private funders in their understanding of the wide diversity in organizational goals, capacities, management structures, and needs among FMPP-eligible nonprofits and agencies.

**EVALUATION**

Improvements in practical data collection are needed at every level: among grantee eligible organizations, at the state level, and at USDA. Activities, outputs, and outcomes vary widely from community to community, affected not only by supply and demand but by the characteristics and intentions of market operators. Concerted efforts to identify and use appropriate economic, social, human, and natural capital measurement indicators sensitive to this wide variability would accelerate understanding of markets’ effects on community wellness, local economies, and farm viability. USDA should support the development of a suite of standard indicators and recommended collection methodology for grantees to use for quantitative analysis throughout and after a project’s implementation. Without adding undue record-keeping burdens on grantees, the FMPP should train the sector on why data collection is important and identify appropriate indicators that measure the characteristics and outcomes of local food markets at a broader scale, making local food projects more accountable to funders, policy-makers, and myriad community partners.

The Farmers Market Promotion Program is a cost-effective means of achieving the important, two-pronged goal of expanding opportunities for direct-marketing by farmers and increasing consumer access to fresh, nutritious foods. As FMPP evolves to meet the growing needs of direct-marketing producers and communities across the country, concerted attention at the federal, state, and local levels to the interlocking roles of networks, information sharing, capacity building, and evaluation would maximize public investment in food system viability, making funded projects more accountable to a growing number of stakeholders.

Because not all eligible projects can be funded, it is critical to ensure that the outcomes, best practices, and lessons learned by funded projects benefit the majority of eligible entities, including those not receiving federal funding. This report recommends an increase in administrative funds from 7.5% to 10% of total FMPP-appropriated funding to ensure that the program, in cooperation with qualified partners, can fulfill the necessary networking, capacity building, and evaluation recommendations made above. Just as FMPP grantees overwhelmingly cite partnerships as a key to long-term project success, increased collaboration at the national and inter-state levels is also likely to maximize use of resources and yield more widespread triple bottom-line impacts.


The Farmers Market Coalition (FMC) is a 501(c)(3) nonprofit organization established with mission to strengthen farmers markets for the benefits of farmers, consumers, and communities. Learn more at www.farmersmarketcoalition.org.

Market Umbrella is a 501(c)(3) nonprofit organization devoted to cultivating the field of public markets for public good. Learn more at www.marketumbrella.org.