



STARTING A FARMERS' MARKET IN MICHIGAN

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This guide provides basic information about starting a farmers' market in Michigan. For additional information, check www.farmersmarkets.msu.edu.

A farmers' market is an event held by two or more farmers assembled together at a specific location on designated days of the week to sell their farm products directly to consumers. It may be operated by farmers, by a nonprofit, or by a local government agency.

OBJECTIVES

Each farmers' market begins differently; the community will shape your market. But a viable market needs committed farmers, a good location, community support, interested shoppers and strong leadership. The market should provide an outlet for farmers to profitably sell products and to make fresh, wholesome food available to people who want it. A market can improve diets of people in your community. It can help to rejuvenate a downtown economy. It can become a place where people come to see others. Although markets can do all these things, it is important early on to determine the one central purpose for your market and to communicate that purpose clearly through all your work.

START PLANNING EARLY

Planning a successful market needs to start early. It can take up to several years to get a new market off and running. There are many things to be done in advance. Securing a site is vital. You may need to obtain permits and licenses; you may need to execute contracts and secure their signatures. This takes time.

LOCATE INTERESTED FARMERS

The number one customer in a farmers' market is the farmer. The market must provide farmers a viable marketing opportunity. A market requires interested farmers who are committed to bringing produce every week to the market. The number of farmers needed depends on the community. Markets need to attract enough paying customers to support multiple farmers. A rough rule of thumb is that a stall with one or two employees needs a minimum gross of \$550 per market to make it worthwhile. Another rule of thumb is that one vendor can be supported by 800 local or nearby residents. These numbers provide a good starting point for planning.

Some possible sources to find farmers are:

- Master gardeners
- High school agri-science classes
- Local MSU Extension
- County Farm Bureau or Farmers Union
- Farm supply, feed stores
- Local farm stands and roadside markets
- www.localharvest.org
- www.miffs.org
- www.moffa.org

Before recruiting farmers, gather facts and information. Visit and talk with existing farmers' markets. Prepare a written fact sheet stating your market objectives. Take these fact sheets when recruiting so that farmers can review the information that you discuss with them. Place your name, phone number and e-mail address on the fact sheet so that they can contact you with any questions. When you recruit farmers, get their names and contact information so that you can follow up later to inform them of progress or solicit their help. Make sure that farmers have a strong voice that helps

determine how your market develops. Once you start contacting farmers, the list may grow via word of mouth.

USE THE MEDIA

Sometimes the media offers special public service announcement "spots" that are free for a community project such as a new market. Call and ask. Newspapers often have a special community event section where you can submit an announcement free of charge. Some radio stations will do free public service announcements or short "community interest" bulletins. This is not to advertise the market but to announce an organizational meeting.

HOLD INFORMATIONAL / DEVELOPMENTAL MEETINGS

After you have contacted several interested farmers who have shown some interest, plan a meeting to get them involved with the initial planning of the market. Discuss advantages of selling at the farmers' market:

- Higher return
- Growers set their own price
- Cash sales, immediate payment
- Can help maximize utilization of family labor
- Gives opportunity to meet the consumers of their products
- Provides an additional outlet for their produce

DECIDE IF THERE ARE ENOUGH INTERESTED FARMER/VENDORS

If there are enough interested farmers, find out what items each vendor grows. You need a variety of produce and the quantity needs to meet the demand. Farmers need to make a firm commitment so that when the market opens there will be vendors to supply it. A good way to do this is to develop an application with a possible set of rules that will be used at the market.

Decide what type of market you are going to establish. Your market may allow some or all of these items:

- Certified organic products

- Products grown by the farmer selling them
- Antibiotic- and hormone-free livestock products (require appropriate certification, temperature control)
- Products grown within Michigan
- Processed food products (require appropriate licenses, certification)
- Hand-crafted items made by the seller from farm products (require sales tax license)

Some existing farmers' markets include resale food items that vendors purchase from other farmers or wholesalers and some include crafts. Others question whether these items belong in a farmers' market and may feel that they represent unfair competition for local farmers.

FORM COMMITTEES

You'll need to divide up to work on several tasks at once. Following are some task areas that committees might address:

FUNDING & BUDGET

Assess start up costs to initiate the market. Some basic initial costs may include site expenses, advertising, dumpster, portable toilet, signs, tables. Budget the expenses that you think you will need to be a successful market, then develop the revenue to support it. Membership /vendor fees are one source; sponsors are another.

MARKET LOCATION

Securing a favorable location is important to market success. Investigate mall or chain store parking lots, parks, church parking lots or closed city streets as cost-effective site options. Before finalizing the location, investigate local zoning regulations.

Consider:

- Safe and convenient pedestrian access
- Local streets have moderate traffic volume and can accommodate farm truck traffic

- Consistently available for the market through the season
- Multiple entry/exit points into site for farm vehicles
- Nearby parking for customers
- Convenient to ATM
- Convenient to other retail activity
- Convenient to mass transit
- Level and durable surface
- Good drainage
- Accessible to water, electricity, telephone
- Public restrooms or space for portable restrooms
- Bike racks
- Grey water disposal
- Shade
- Benches

Determine stall size to make sure the location is large enough to accommodate all the vendors. A general guideline is to make stalls at least as wide as the width of car with side doors open; 10' x 10' is typical.

COMPETITION & COOPERATION

Check the competition. Do area grocery stores and supermarkets carry local produce? If so, how much volume do they sell? Keep communication open with them. Believe it or not, some grocery stores welcome a nearby farmers' market.

Get input and opinions from community service agencies (public works, health, police and fire departments). You may need these services in the future.

MARKET SCHEDULE

Determine the market day and time according to what works best for the farmer and customers. Keep your location in mind: Is it on the way home from work? Would a market over the lunch hour be good because of location being close to businesses? Start with one day and a few hours. You can always increase but it is not good to subtract days or hours as it confuses the customer. Check surrounding farmers' market schedules. If your market is at a different time, some of the farmers who sell at other area markets may also come to your market.

MARKET GOVERNANCE

Most farmers' markets have some sort of governing board, whose responsibilities include organizational policy, market oversight, strategic planning, fund raising, and securing the market manager.

Consider the market a business. Secure a market manager, someone designated or employed by the market sponsor or board to manage operations and implement market plans. Smaller markets may rely on a volunteer; larger markets may have paid manager. Typical operational duties include vendor selection, market layout, fee collection, and management of market activities. The manager is critical in running and promoting the market, enforcing the rules, resolving disputes and answering questions.

It's important to establish written duties of board members, managers, etc.

ORGANIZATIONAL DOCUMENTS

It is important that you draft written guidelines to clearly communicate expectations of all involved. The guidelines should, at a minimum, address location, days of week/times of day; selling space; payment structure, defining permissible products, source restrictions, compliance, and grievance procedures.

Eventually, you may expand the guidelines to develop several key documents to help organize market activities.

- Market rules for vendors
- Articles of incorporation
- Bylaws
- Budget
- Required permits
- Market liability insurance
- Board liability insurance

INSURANCE & LEGALITIES

Address liability insurance issues. Insurance can sometimes be added to individual farmers' policies for liability at the market or the market organization can purchase it as a group.

Check about necessary licenses or rules before opening. Issues to check include zoning requirements, scale calibration, animal product regulations, labeling requirements, sales tax reporting, vehicle permits, processed food handlers license. State food laws can be addressed through the Michigan Department of Agriculture, Food and Dairy Division and your local health department.

If your market receives grant money from any source you will need to obtain a state and federal ID number and you may need to incorporate.

FOOD STAMPS/ EBT/ PROJECT FRESH

Consider how to make food at your market available to lower income residents. Options include becoming certified to accept Project FRESH coupons (Farmers Market Nutrition Program) and/or Food Stamps/EBT.

MARKET PROMOTION

A market name and logo helps customers identify you and can be a part of all your market promotion. Consider signs, posters, flyers, handbills, newspaper articles and ads, radio, TV, email web, and special events. For many markets, a good public relations campaign may be at least as important as paid advertising.

Signs\banners should be noticeable with big, easy-to-read text. Use bright colors and pictures of produce. Use logos to establish connection, e.g. Select Michigan and your own market logo. Don't try to put too much information on signs. Make sure you know where signs are allowed to be placed or whether there are rules about sign size. Always ask first!!!!

Make the market area an appealing, clean and happy place to shop. Display produce attractively. You do not need to have elaborate display fixtures, but they should be clean, sturdy, raised off the floor and protected from the rain and sun. Be positive, helpful and courteous to customers.

FOR MORE INFORMATION

This guide has outlined some relevant aspects of starting a farmers' market, but there are additional sources of information available. If you use a computer search engine, you will turn up many, many articles.

Your county Michigan State University Extension office may be able to assist with some aspects of starting a farmers' market. To contact your county's MSUE office, point your browser to www.msue.msu.edu and click on Offices/Staff. MSUE offices are listed in alphabetical order by county. Click on your county to find information about the office and staff members who serve you.

You can find more detailed information and assistance about starting a farmers' market at www.farmersmarkets.msu.edu and from:

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www.sare.org/publications/newfarmer.htm

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