

Organizing A Farmers' Market

Farmers' markets are an important way to increase economic development and agricultural income in rural and urban communities in the United States. Farmers' markets and other direct marketing operations, such as roadside stands and "pick-your-own" farms, combine to produce an effective plan for agricultural economic growth. Farmers' markets typically are more successful in medium to large towns, while roadside stands and pick-your-own operations seem to do better in rural, isolated communities.

Trends

In Food and Beverage Sales

Today, few consumers in the U.S. grow their own produce. This indicates a large potential in sales of fruits and vegetables. Mississippians spent more than \$6.5 billion on food and beverage sales in 2004. A United States Department of Agriculture study, "How Much Do Americans Pay for Fruits and Vegetables?," estimated the average American spends about 12 cents of each food dollar on fruit and vegetables. Using this figure, Mississippians spent about \$780 million on fruits and vegetables in 2004. But, much of this money left Mississippi since many of the purchases were in supermarkets with corporate offices located outside the state. Thus, a 1 percent increase in food and beverage sales would translate into a \$7.8 million increase in fruit and veg-

etable sales in Mississippi. If one percent of these sales was at local farmers markets in the state, produce growers would make \$78,000. Also, if the average small producer took .0025 percent of the \$78,000, an extra \$795 would be earned in farm income. Small steps like these are possible for local officials wanting to help small producers in their area.

Benefits of Farmers' Markets

Farmers' markets and other direct marketing operations create a mood that fosters tourism in rural communities. While these markets enhance tourism, the primary focus is to increase farm income to smaller producers in the area. Farmers' markets give consumers more outlets to buy fresh produce and have a local economic impact. According to a USDA study, the average American consumer spent about \$17.50 per week or \$306 during the growing year at farmers' markets in 2000.

Farmers' markets create more spending in the communities where they are located, which leads to a multiplier effect in the local economy. A study of Georgia farmers' markets found that these facilities had an economic multiplier of 2.66, which means for every dollar spent at these farmers' markets another \$1.66 was created somewhere else in the local economy. Using our previous example, this would suggest

\$78,000 in new income would produce an additional \$207,480 in the economies where those farmers' markets operate.

Role of Local Government

The above benefits have caused many local governments and economic development organizations to join forces to start farmers' markets in their area. Local governments may provide funding, build community support, and give rent-free space during the start-up phase of the market. Economic development organizations may assist with communication, accounting, and marketing of the facility to local and surrounding communities.

Tips for Organizing A Farmers Market

In recent years, renewed interest in farmers' markets is evident in Mississippi. Several communities requested help from the Extension Service to start and develop farmers' markets. After meeting with those communities, we developed a common set of questions about this process. The following questions and answers may serve as a guide for people who want to develop farmers markets in their areas.

Who should organize the market?

Answer: 15 to 20 committed producers.

How will you manage the market?

Answer: Set up bylaws for managing the market. Get copies from other farmers' markets and change them to fit your situation.

How will the farmers' market generate income to support itself?

Answer: Charge the producers rent for space to sell their produce at the market

Who will manage the market?

Answer: Hire a coordinator/manager to promote the market.

How will the manager be paid?

Answer: Use the money from the sale of market space to producers to pay the manager's salary.

Does the market need to establish an identity?

Answer: Yes! Create a name for the market.

How many producers do you need to support the market?

Answer: You need at least 8 to 10 but preferably 12 to 20 producers to grow for the market.

Who can sell at the market?

Answer: Minimum – Producers who live in the host county.

Preferred – Producers from adjoining counties.

What should be sold?

Answer: In addition to fresh fruits and vegetables, other things may be sold, depending on what the organization decides. Some farmers' markets allow the sale of prepared food (cakes, pies, bread, hamburgers, hotdogs, nachos, and arts and crafts). When preparing food onsite, you must comply with health department regulations. You could allow the sale of prepackaged foods (cookies, cakes, candy bars, peanuts, potato chips). You could also allow the sale of beverages (drinks, juices) if you have a refrigerated trailer.

How will you decide what to sell?

Answer: Get with your producers and find out what they would like to grow. Let each producer grow his or her specialty. Patrons at farmers' markets have certain items they look for, such as tomatoes, sweet corn, and peaches. Any successful market should have at least two vendors selling these items. If peas or beans are offered, having someone there to shell them is a moneymaking opportunity. First, do some market research by visiting other farmers' markets and noticing which produce items get sold and which sit in the bins. Don't hesitate to ask shoppers if there is anything they do not see that you could grow for them.

How will you ensure a steady supply of produce?

Answer: Have producers stagger their production so the market has enough fruits and vegetables through the summer and fall. If consumers come to the market and can't find

any produce they want, some may never come back.

How will you ensure the proper weighing of produce sold?

Answer: Require each producer who sells at the market to buy a set of scales. He or she can get a good set for about \$25. A Mississippi Department of Agriculture official should then check the scales.

How will the market determine sale prices?

Answer: Set a “floor price,” or a minimum price for produce sold. That way, if you need to raise the prices, you can. To set the “floor price,” use a 2 to 3 week average of wholesale prices for fresh fruits and vegetables sold in Mississippi. You can get these prices from the Department of Agriculture or the MSU Extension Service’s website: msucares.com.

How much should producers and others who sell at the market be charged?

Answer: Charge producers a set price of \$5 to \$15 per week or an annual fee. Charge others the same rent or fee for space at the market, but give preference to local producers.

Does the market need a building in which to operate?

Answer: Not necessarily. If you have a tree-shaded area in a good location in town, that will work well, but an air-conditioned building is always better.

How often should the market open?

Answer: At least once a week, preferably Saturday or three days a week at most. The best option is to open Wednesday and Saturday.

Why Wednesday and Saturday?

Answer: Because freshly picked produce on Monday will last only a couple of days. Typically producers pick their produce on Monday and sell it on Wednesday. Producers often also pick on Friday and sell on Saturday. Also, by opening on Saturday, working families can buy fresh produce.

What hours should the market operate?

Answer: It depends on how long you have produce to sell, but the market should be open from at least 8:00 a.m. until noon.

Who else should help in setting up the market?

Answer: Local government, the chamber of commerce, and economic development officials.

How should the farmers' market be promoted?

Answer: Post signs around town and ask the chamber of commerce, newspaper, radio, and television stations for help.

Should the market have restrooms?

Answer: Yes. You need restrooms for your producers.



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