

WASHINGTON STATE FARMERS MARKET ASSOCIATION HANDBOOK

Introduction

The purpose of the Washington State Farmers Market Association (WSFMA) is to encourage and establish successful farmers markets across the State of Washington. We feel that farmers markets are significant means to two social ends. A farmers market where a grower can sell directly to the consumer is perhaps the small farmer's best opportunity to profit from their land and efforts. The farmers market is a place where consumers can talk face to face with the grower and purchase the freshest produce possible. In turn, the consumer can experience the health-giving effects of high quality, fresh, locally grown produce.

The WSFMA is an independent trade association dedicated to furthering the success of our family farms and encouraging regional agriculture in our State. Our mission is to support and promote vibrant and sustainable farmers markets in Washington State.

Farmers markets across our State can differ in organization. Some may offer only farm produce while others may also include seafood, meat and poultry, baked goods, honey, and may also include arts and crafts in order to complete their "Market Basket". Your organizing efforts should reflect what your community may need and want. The primary focus should be your local farmers and supporting local agriculture within the State of Washington. Creating and distributing a community survey can be a very useful tool in determining the needs of your market and it will also aid in gathering volunteer support from within your community.

The WSFMA encourages you to visit in person farmers markets around you. This will give you a good opportunity to meet vendors directly and also give you an idea on how markets operate. This experience will also give you an opportunity to meet dedicated Market Managers. We encourage you to visit online those Member Markets who have websites listed on our Member Directory. Many of these websites will have posted on their site their Market Bylaws, Vendor Applications, Market Guidelines and Policies, which will give you valuable information when forming your own markets documentation. Setting up a website and email address for your market is not required but it is a useful tool to help educate the consumer about your market and also aid in promoting your vendors. All of these mentioned can help create your market's Formal Business Plan.

You will also want to consider that as your market may start off as a "friendly, smaller, informal market", your market has the potential to grow, bringing with it more customers and dollars with each passing year. It is important to remember in your planning what type of impact your market will have on public and private benefactors, your local business community, site owners, consumers and vendors. Please remember that most farmers markets in our State rely heavily on community volunteer support.

We encourage you to begin by reading the following information and become familiar with this website. For further information about the Washington State Farmers Market Association or for further help in starting a new market, you may contact:

Jackie Aitchison, Administrative Director
PO Box 445
Suquamish, Washington 98392
Email: info@wafarmersmarkets.com
Phone: (206) 706-5198 (answering service)
Cell: (360) 649-0274

WHAT WE PROVIDE

The WSFMA arranges insurance for those farmers markets who desire to join the Association. We also publish annually the *Washington State Farmers Market Guide* which lists all Member Market information. This directory is distributed not only to each farmers market across our State but it is delivered to all Chambers of Commerce, City Halls, Public Libraries and other local organizations and businesses found throughout the State of Washington. We also participate in helping to promote farmers markets by bringing the concept of direct marketing of agricultural products to the attention of the public.

To help new markets get started the WSFMA offers you guidelines. Each market is a distinctive entity and you and your organization must decide how to form your market. The WSFMA does encourage a tight market organization with written regulations which are consistent and fairly enforced.

Washington State lacks the massive public-funded infrastructure that has formed California's successful certified farmers market system, or the "direct market - buy local" programs found in many eastern States. It is interested people like yourself who make our Washington State farmers markets work and the WSFMA is here to assist you.

A Story - A Vision of What a Market May Look Like

The Market Manager and Volunteers arrive early at the Market site and begin putting out the street closure signs, banners and sandwich boards. The market's nylon canopies are set up next and the vendors begin to arrive a few hours before the market is scheduled to open. As vendors begin unloading their vehicles and begin setting up their canopies, tables and displays a few early customers may begin milling about a short time before the Market Manager signals that the market is officially open.

There is a flurry of activity as a many begin to shop and talk. The farmers greet their familiar weekly customers maybe by name and spend a moment to talk briefly about the weather and such. "The strawberries are just beginning to come on," one farmer says, "I should have several flats by next week."

The Market Manager makes their way to each vendor booth and begins collecting the daily market fee and chats with the vendors.

A few who are visiting the market are attracted by the Market signs but they are dismayed by the lack of variety at the market. Where are the mushrooms, bananas and avocados, what about oranges and pineapple? A local farmer patiently explains that this farmers market offers local seasonal produce and oranges, bananas or pineapple are not native to our State. They soon understand and are happy to continue on with their purchases.

A bluegrass trio plays lively music and attracts those who pass by. The scene is almost irresistible. The sound of the banjo, guitar and fiddle drifts across vendor stalls of colorful produce and handsome handiwork. The warm spring sun shines through jars of amber honey.

When the market bell rings signaling the close of the market that day, vendors begin loading their crates, tables and other remaining items into their cars and trucks. The market banner, signs and canopies all come down and are stored for the next week. Volunteers pick up the few scraps of paper that litter the site and within the hour the farmers market has disappeared for another week.

The Farmers Market History

A farmers market is nothing more than a semi-organized opportunity to buy and sell. The emphasis is on informality and direct consumer-producer interaction. The non-profit groups that generally run farmers markets are low budget, volunteer associations (although the Market Manager who collects fees and handles other administrative chores is sometimes paid), all other volunteers are either busy farmers or citizen activists who already are involved in a dozen or so other causes. Nevertheless, they find the time to organize and help promote a farmers market for their community.

We know that farmers markets predate written history. Farmers bartered with artisans in ancient villages in Mesopotamia and Mexico and by the middle-ages the Saturday market was an established institution which featured music, dance, drama, arts and crafts, as well as food. Today, not all markets are held on Saturdays.

In 1634, Massachusetts Governor John Winthrop officially established the first colonial farmers market. When William Penn designed Philadelphia, a farmers market was included on the main thoroughfare. Colonial Governors established rules to protect buyers and sellers at the markets. No transactions were permitted until the market was officially opened by the ringing of a bell. All producers were allowed equal access to the market and monopolization was prohibited, as was reselling produce.

By the mid-twentieth century, direct marketing was largely supplanted by a very efficient and highly centralized food distribution system that relied on cheap transportation. Farms became larger and more specialized, growing food for markets that might be across the continent or the ocean.

The diversified truck farms that once surrounded most cities were replaced by shopping malls, housing developments, highways and factories. Supermarkets were able to offer a cornucopia of produce year round like strawberries in January, asparagus in December or a tomato or head of lettuce whenever the consumer wanted it.

By the 1970's most city people were at least one or two generations removed from the farm; food to them was just something you bought at the supermarket and during the 1970's, though increased food exports, poor weather and bad agriculture policy combined to drive up the price of staple commodities. The food crisis was almost simultaneous with the energy crisis. People began to realize that their food supply lines were very fragile and could easily be broken. Yet while this was going on many people found time to appreciate the better things in life -- such as good food. Increased diet and health consciousness led to increased consumption of fresh fruits and vegetables.

In 1975, the Senate Select Committee on Nutrition recommended that Americans eat more whole foods and reduce their intake of sugars and saturated fats. Similar advice has come from the American Heart Association and other leading medical researchers and nutritionists. Americans seem to be listening. Since 1976 broccoli consumption is up 169%, cauliflower 100%, spinach 80%, strawberries 41%, cucumbers 38% and sweet peppers 24%.

Markets Benefit the Farmer

Meanwhile, for the first time in half a century, the number of small farms began to increase. This development took the experts by surprise because there seemed to be little economic justification for the trend. People, it seems, were becoming farmers for non-economic reasons. They wanted to work outdoors, to be in charge of their own lives, to raise their children in a cohesive social and economic unit. They wanted to be part of the Jeffersonian vision of America.

Farmers markets meet the needs of both the consumer and the small farmer. Selling through wholesale channels, a farmer receives less than 30 cents on the dollar that the shopper spends on fresh produce. A direct

market farmer gets the whole dollar. Even though marketing costs may be higher for the direct market farmer, the net income can more than offset it.

Farmers markets are often the only marketing outlet for beginning farmers who may not have access to other marketing channels. The fees at a farmers market are typically quite reasonable, usually only a few dollars or a small percentage of the farmer's gross sales. Markets handle promotions for the farmer and may gather quite a bit of publicity thru the local media. The markets offer farmers some flexibility. They can sell one week and not at all the next, although many try to develop a steady clientele by being present every market day.

Markets Benefit the Consumer

For the consumer, farmers markets offer high quality, locally grown, fresh produce and value added items directly to their community. With current food safety concerns the consumer at farmers markets is able to put a familiar face to the foods they are purchasing and eating.

Did you know that the average grocery item travels 1500 miles to get from field to table? Imported produce in particular is suspect as it may be grown under health and safety conditions which are not allowed in the United States. You know the produce is fresh at a farmers market as most product sold is picked within just a few hours of arriving at the farmer's stall. The consumer has the opportunity to ask how the food has been grown and what chemicals, if any, has been applied to it. The consumer may also glean useful knowledge on how to prepare that which is purchased.

A large wholesale produce grower is always looking for uniformity and ship-ability from his/her crops. Flavor and nutrients are typically secondary at best. Most produce is harvested slightly immature so it will withstand the rigors of travel better and some fruits and vegetables are treated with ethylene gas to look ripe, but they will never develop the full flavor that comes at the peak of ripeness.

The local farmer is also a consumer who will spend his/her dollars earned within their own community.

Incorporation and Bylaws – Non Profit Information

It may be in the best interest of the market to incorporate as a nonprofit organization. Incorporation generally protects board members from liability. A corporation can enter into contracts, incur debts, accept grants and contributions and qualify for a bulk mailing permit from the US Post Office.

Incorporation is fairly painless. First, draft articles of incorporation. These articles define how the corporation is organized and what its purposes are. The articles in Appendix I is fairly standard. File the notarized articles along with the required filing fee to:

Washington Secretary of State
Corporation Division
505 E. Union
Olympia, WA 98504
Phone: (360) 753-7121

For non-profit tax status, contact the local *Internal Revenue Service*. The IRS will provide relevant information and form 1023.5 (C)3, 4, 5 or 6. The purpose of your organization, as defined by the articles of incorporation must conform to the requirements of the law. It is important that your articles of incorporation are worded correctly, so it would be wise to consult an attorney or other expert.

Becoming tax-exempt does not free you from filling out forms or from paying other taxes. Again, an attorney or CPA will help you determine which are applicable to you.

Insurance

It is highly recommended that every farmers market have insurance. Most sponsors and/or those who allow the use of their property may insist on it. The WSFMA obtains annually a Commercial General Liability Coverage insurance policy. In 2008, the policy consisted of \$2 million general aggregate, \$2 million operations aggregate limit, \$1 million personal and advertising injury limit, \$1 million each occurrence, \$1 million damage to premises, and \$10,000 medical expense limit (any one person) policy, for those who are in good standing with the WSFMA. Please refer to the WSFMA Membership Application Form.

Other Obligations

Depending on what your market vendors sell there may be dealings with the local health department. Processed foods such as baked goods or prepared foods must meet certain requirements and their vendor must have a food handler's permit card. Please contact your local Health Department office for what requirements may apply to vendors selling in your market for your County.

Farmers are not required in Washington State to obtain city or county vendor's or business licenses to sell their own produce (RCW 36.71.090 Revised Code of Washington), but resellers, craftspeople (also known as artisans), food vendors and the like may be subject to local business licenses. Oftentimes, one permit for the entire market is sufficient. Contact your City Hall to find out what is required for your market.

At this time the B&O tax is being charged to businesses grossing over a certain amount per quarter. Most farmers markets do not fall into this category, but vendors may need to arrange for their own resale certificates from the Department of Revenue. These are regional offices; look for yours in the white pages of the phone book under *Washington State, Department of Revenue*.

The Handbook of Regulations for Direct Farm Marketing, fifth edition, updated in 2006 is available from the *Washington State Department of Agriculture*. You may download a copy at:

<http://agr.wa.gov/Marketing/SmallFarm/greenbook.htm>

Scales which are used by those weighing produce or selling per pound/ounce measurements, must be inspected and passed by the *Washington State Department of Agriculture, Weights and Measures Division* <http://agr.wa.gov> Many vendors choose to sell by the bunch, box or by the dozen, thus avoiding having to use scales.

There are many more regulations covering specific products such as nursery products, dairy products, meat and poultry, but don't get discouraged. Contact the *Washington State Department of Agriculture* if you have any questions, or the WSFMA will be happy to find the answers to specific questions you may have.

Advertising

An identifiable design, such as a logo, for the market may be used in the advertising campaign, posters, ads and market shopping bags.

All available media may be used, starting for example, with an early newspaper campaign to encourage sellers to order and purchase seed and to start early spring work. Markets have usually experienced enthusiastic editorial support, special radio and TV programs and a wide variety of human interest stories and photographs. Once they know what a farmers market is, people are supportive.

Tying in special events thru a Press Release can provide additional free advertising. A scarecrow contest, a master gardener to answer questions, live music will all be newsworthy.

It is important to maintain a steady advertising campaign. You will get some free advertising, but your media contacts will be more helpful if some of it is paid, too. Radio stations often will broadcast information about the availability of special and abundant items as the market progresses, often at no cost.

Non-profit status can help provide funding for farmers markets. Businesses, banks and local organizations have all contributed to assist farmers markets.

Market posters, directional signs and banners on streets leading to the market are helpful. Some communities have restrictive sign ordinances so make sure you contact your local City Hall. Advertising display areas have been made available to those who sponsor the farmers market. Make contact with your local business community.

Selling Tips for Vendors

Do you want to sell in a farmers market? Listed below are items which you will need:

- Reliable transportation that can carry all of your equipment and product.
- A Canopy/Umbrella or other portable shelter. Some markets may provide permanent shelters for vendors.
- 24lb Canopy Weights per leg for your canopy or for your umbrella and bungee cords.
- Lightweight folding table(s) or some use sturdy sawhorses and a sheet of plywood.
- Table Covers
- Cash box (with some seed money to start the day). Remember to keep it behind and under the counter or hidden on the counter where you don't have to turn around to use it. Never leave your cash box unattended. Take it with you when using the restroom.
- Cards and markers to make up display signs (a buff color or a light color is less glaring than white and is easier to read).
- A banner or sign naming your farm/business. Remember that farmers markets are held typically outside so you will want a sign or banner that is waterproof.
- Business cards/brochures with your name and address may give customers added confidence in you and your products.
- A variety of containers suitable for your product. For example: a plastic bag lining a wooden container can be left open and then closed with a twist tie and handed to the customer, thereby saving the wooden container and reducing handling and damage to soft produce.
- A Scale: a simple spring scale hung from a bracket or a digital scale sitting on your table works well. All scales must be certified annually by the *Weights and Measures division of the Washington State Department of Agriculture*. Most produce can be sold by the piece or by volume measure thus eliminating the need for a scale.
- Salespeople: You will find that most markets you sell at will only require one person. However, you may find that larger markets that see a larger volume of customers may require you to have an additional staff person in the booth with you. One to help with customers and replenish stock and the other to be the cashier.

How to Sell

- Don't be bashful, smile and talk to people. Look at what is in their basket, see what they've already bought and tell them what they could purchase from you to go with those items .
- Avoid confusion. Take customers one at a time. Most won't mind a short wait if they see you are doing your very best to help.
- Always remember to say Thank You to every Customer.

- Always stand up to greet customers when they are entering your booth. Smile!
- Arrange your table so the customer and you have a place to make change and package produce.
- Price your Products accordingly. Price is only one factor consumers consider in buying. Use prices charged by others as a starting point, keeping in mind the quality of their produce in comparison to yours. Most consumers prefer to have prices posted.
- Try to produce top quality product and then harvest and handle to preserve that quality. Offer small samples of products suitable for on-the-spot tasting. (Note: Those offering samples MUST adhere to their County's Health Department Regulations).
- Provide information on variety names, how it was grown, cooking and serving hints. Recipes provided at your booth are always a welcomed addition to give your customers.
- Step out front and look at your display from the customer's viewpoint. How is your product quality? Does it look fresh? What about the flavor?
- If you have a unique product, early sweet corn for example, don't be afraid to ask a price that will reward you for your effort.
- Stay off your cell phones during the market and don't bury your head in a book! This is the quickest way to lose customers as they are less likely to enter your booth, ask questions, or want to bother you when you are taking a call or reading.

Display Tips

- Abundant displays offer greater selection and usually attract more attention. Restock after each surge of customers. Display at a convenient height. Displays and Food products should be no less than 18" above ground or pavement. Please consult your local Health Department.
- Use color contrast to enhance eye appeal. Rows of greens between other produce make a display snap to life.
- Keep busy, people like to do business at a busy stand. Find chores such as packaging that will make you look busy, but not interfere with serving customers.
- Don't expect land office sales your first day at market. It takes time for customers to know you and for other vendors to know you and begin referring customers to you. You should also get to know which sellers you would not hesitate to refer customers to. It helps to be able to go with, or set up next to, an experienced seller.