Successful characteristics and motivations for farmers to participate in a small farmers’ market: A case study of a small Minnesota farmers market.

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SUCCESSFUL CHARACTERISTICS AND MOTIVATIONS FOR FARMERS TO PARTICIPATE IN A SMALL FARMERS’ MARKET: A CASE STUDY OF A SMALL MINNESOTA FARMERS’ MARKET

By
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A Capstone submitted in partial fulfillment of the requirements for the degree of Master of Arts in Education, Natural Sciences & Environmental Education

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December, 2015

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ACKNOWLEDGMENTS

I first would like to thank my husband, Moriah, and children, Wilhem, Kennadi and Zachary, for being the best family a wife and mother could ask for. They helped to encourage, hug, and fill my cup until it overflowed with joy through the entire process. They supported me as I worked to complete just one of my many life goals and passions. I want to thank my mother and father for always believing in me and telling me that I could do anything. All my dreams as a young child were fostered by them telling me I could be anything I wanted, and that I had the smarts, determination and skills to get there. I dedicate this capstone to my loving Father. I want to thank my two best friends and greatest people a woman could ever ask for. Michelle and Heather have always been my rock of support and helped me through the tough times and most laughable moments of my life. Their encouragement has been instrumental in making this process possible. And lastly, a big thank you to all the people who have played a role in helping me achieve this life success which include my sisters, Faith and Chris; my advisor; my co-workers; my many friends and extended family; and all the people who have contributed in unknown ways to make me the woman I am today.
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CHAPTER 1

Introduction

Love of Nature and Learning

As a young child I always remember having a passion for nature and being outdoors. I can remember going on nature hunts, and/or exploring and spending countless hours in our backyard tree house. Being outdoors gave me a sense of security and serenity as I often moved from place to place as a young child. The outdoors was a constant that I could always find, and I became dependent on what I gained from it. My love of learning about the environment and the human impact was engrained in my brain when I watched a documentary on tiger poaching when I was twelve years old. I had a difficult time understanding why humans would make choices that would create such negative effects and cause extinction of an entire species. I pondered what lasting impact this would have on other species and the people who were dependent on the products from these species. I questioned how the impacts might be communicated and how education might change the outcome. The night this documentary was on television began my journey into learning about humans, the environment, and education.

The Journey Begins

After graduating from the University of Minnesota in 2001 with a Bachelor in Science in Ecology, Evolution and Animal Behavior, I began working for various agencies in my field, including the Minnesota Department of Natural Resources, National Marine Fisheries and within local government in Anoka County as a naturalist. While these part-time careers were enjoyable,
I found myself wanting to pursue another degree that would lead me to a career that would help me reach my goals in tying together my two passions, the environment and education. I also wanted to achieve an active leadership role to help me reach more people.

In 2005, I met with an advisor at Hamline and applied to the MAed:NSEE program and was accepted. At that point in my life, I was not only beginning my Master’s Degree program but also planning a wedding and buying my first home with my husband-to-be. Life was great and only improved with the expectation of our first child in the Fall of 2006. In May 2007, I was working on my research for my Capstone when a medical emergency put me and my unborn child at risk. My son, Wilhem, was born eight weeks premature. Thankfully, we both recovered fully. Nothing puts things into perspective like an emergency with fatal implications. While my passion was still present, I needed to put my capstone on hold to care for myself and my growing family. I was now a Mother, looking to find the best environmentally safe products, which in 2007 was difficult compared to 2015.

The Journey Continues

Now I have settled into a full-time career in Parks and Recreation, and have three beautiful children, Wilhem (8), Kennadi (5), and Zachary (3). Pursuing my goal of completing my MAed:NSEE degree once again became a possibility and a reality I couldn’t ignore. With overwhelming joy and appreciation, I received a letter from Hamline allowing me to complete my studies. I still feel there is a huge need to connect people and communities to the environment through education, and I want to be a part of that connection. My heart and hard
work have focused on the local community where I work, and on fostering the need for local
business and products, especially food.

When I came to the city of my employment, one of my tasks was to take over the city’s
farmers’ market and develop it into a strong market. The market needed to be self sustaining and
viable to the point that it would continue to grow. I quickly realized how farmers’ markets serve
both communities and farmers. They help economically by providing jobs, give people local,
healthy food options, and also give farmers a forum to sell their products directly to consumers.

The case study market was in its second season when I began as the market manager. As
I began calling vendors to return for the next season, I found there to be a large decline rate in
participation. Vendors were choosing not to return. Information to help me discover and attain
vendors was very limited. I also found in talking with six other market managers in the area that
they also struggled with the same dilemma. The consensus I received from them was that the
retention of vendors was the key to success. Even though I was able to find plentiful information
on how to begin a farmers’ market and how to analyze aspects that determine a successful
market such as location, revenue, and signage, I needed information about what makes a market
successful from the eyes of the vendors. I wanted to know what keeps a vendor coming back.
Was it that the market was close to their home? Did they need to meet a quota of income per
market day? Did they put strong emphasis on the relationship they had with other vendors? Or
was it something else? These questions and more are what I will explore through my capstone
which, I hope, will not only help my market to become more successful and thrive, but also help other farmers’ markets become sustaining in other communities.

**My Capstone**

In this study I will define what a farmers’ market is, identify the benefits and challenges of a farmers’ market, identify key characteristics that makes a farmers’ market successful from the perspective of market managers and professionals in the field, and then explore through surveying to find the benefits and key factors of what makes farmers’ markets successful from the vendors’ perspective. I will survey the vendors to get underlying themes and categories but then delve deeper into the bigger question as to why vendors participate in small farmers’ markets by interviewing three vendors who are in their third season of this particular farmers’ market. Through my research, I hope to recommend what factors need to be addressed to help sustain vendors’ interest in participating in a small farmers’ market. This analysis will be beneficial to market managers, organizers of current farmers’ markets and also to those who would like to start a small farmers’ market in their local community.

The topic of eating healthy and eating locally has more than ever been brought into the lives of people through school and community education programs, billboards, social media and pamphlets from medical organizations. With the ever-pressing topics of obesity and sedentary lifestyles, the need for more healthy and local food options is a concern for many in our local communities.
Farmers’ markets are a great example of how communities can have locally grown healthy food as an alternative to standard food sources. Farmers’ markets have existed since the late seventeenth century in the United States. They peaked in numbers in the nineteenth century (Jolly, 2005). While they have shown some decline with the prevalence of supermarkets, they are still sought after as a source of local food that is easy to trace to the source. I finished managing the case study market in the second season of the market in 2014. I became enthralled by the way these vendors took such pride in growing and showing their produce, sharing their crafts and goods and the appreciation of the customers who came to shop the market. The farmers’ market was not only helping to provide a service in this small downtown area, but also economically stimulating these small business owners and helping to give them a “store front” to sell their goods direct to consumers. I wanted to ensure the success of this market. That would require me to learn tips and tools not only to make customers want to shop the market, but also to make this small farmers’ market successful in the eyes of the participating vendors.
CHAPTER 2

A Literature Review

Introduction of Local Foods

Locally grown or state grown are not new terms; both were programs developed in the 1930’s to assist United States local farm communities (Johnson, Cowan, and Aussenberg, 2013). Coit (2009) and Martinez et al. (2010) are researchers that agree there is no consensus on the exact definition of local foods. Some may interpret eating locally as eating food grown or raised in the state of which they live, while others may interpret it as being grown or raised within their region (Coit, 2009). The term “local food” is defined more by how far the food travels from being grown to being placed on someone’s table; rather than the geographic proximity between farmer and consumer (Coit, 2009). As stated in the U.S. 2008 Farm Bill, adopted by U.S. Congress in the 2008 Food, Conservation, and Energy Act, the definition of “local” is described as the total distance that a product can be transported and is stated as being “less than 400 miles from its origin, or within the State in which it is produced” (Johnson, Cowan, and Aussenberg, 2013, p.4).

Some researchers state that the majority of Americans do not know where their food comes from (Erker, 2010; Follett, 2009). This disconnect has occurred largely through globalization and the cost associated with purchasing produce through markets in other countries (Erker, 2010; Jaffe and Gertler, 2006). The consumer may be looking at the availability of certain products or their cost rather than their origin. Americans like to have food available
through the year, and thus have become less concerned with the distance many foods travel to reach their tables.

This pattern drives questions of sustainability, health, and nutrition. The food-to-plate distance becomes larger and longer as time passes, resulting in increased pollution. This sacrifices air and water quality to the ready availability of food. Another side effect of globalization is the harm being caused to humans and the environment by increased use of pesticides and chemicals in mono-culture crops (Busch and Juska, 1997). Mono-culture crops means agriculture that produces only a few crop species versus a large variety of species. A small pool of species diversity may not only require more pesticides and chemicals, changing the soil and having negative effects on other species, but may also lead to antibiotic resistant bacteria (Jackson, 2003; Lyson, 2000). This may have a direct impact on human health. Infections caused by bacteria that are not susceptible to antibiotics may have long-lasting health risks.

While the list of these negative outcomes due to food globalization could be explored further, it has led to local foods movement gaining ground as alternative, creative, healthier, and more sustainable food options (Bhatia and Jones, 2011). Phillips (2006) wrote that local foods make it easier for people to take responsibility of their food choices into their own hands.

The trend of locally grown marketed foods is on the rise (Low, et al., 2015). In the local food markets, where producers sell directly to consumers, it is accounting for a measurable increase in the percentage of the total United States agricultural sales (Martinez, et al., 2010). From 1997 to 2007 direct-to-consumer marketed sales rose from $551 million to $1.2 billion.
Low and Vogel (2011) found in their research, “Direct and Intermediated Marketing of Local Foods in the United States”, that 71,200 farms in the U.S. were exclusively selling direct-to-consumer and that these sales accounted for $877 million during 2008. While this number may seem quite large, the 2008 total U.S. agricultural products sold direct-to-consumer was only 1.6% of the U.S. market for total agricultural products (Johnson, et al., 2012). The U.S. Department of Agriculture (2014) reported in the “2012 Agriculture Census Report” that direct-to-consumer national sales through farmers’ markets, roadside stands, “you-pick” farms and community supported agriculture (CSA) systems accounted for $1.3 billion in fresh edible agricultural products produced by 144,530 farms (USDA Farmers Marketing, 2014). With farms and sales growing, one could also assume the direct-to-consumer markets would increase as well, via community supported agriculture, pick-your-own farms, direct-to-school, direct-to-business sales and farmers’ markets. Among these direct-to-consumer methods some say that farmers’ markets should be considered the flagship of local food distribution (Brown and Miller, 2006).

According to the USDA’s Agricultural Marketing Service, the number of farmers’ markets rose from 1,755 in 1994 to 5,274 in 2009 and then up to 8,268 reported in 2014 (Martinez, et al., 2010; Farmers Markets and Local Food Marketing, 2014). In 2012, farmer’s markets and community supported agriculture models accounted for 70% of the farms marketing directly to consumers (Farmers Markets and Local Food Marketing, 2014). In Minnesota, farmers’ markets that participated in the State’s Minnesota Grown program through the
Minnesota Department of Agriculture reported that the number of farmers’ markets in Minnesota jumped from 58 in 2004 to 176 in 2014 (Minnesota Grown, 2014). That is a 67% increase. This suggests that farmers’ markets and other sources are helping to grow awareness of the power people can have as they take ownership of their food needs. It seems more Minnesotans live according to the phrase, “know your farmer, know your food”, coined by a United States Department of Agriculture 2009 initiative.

Definition and History of Farmers Markets

Farmers’ markets are a great way to get food directly from the producer to the consumer. They exist in a variety of settings, both urban and metropolitan. Under the United States Department of Agriculture (USDA) definition, a farmers’ market is a “multi-stall market at which farmers or producers sell products directly to the general public at a central or fixed location” (USDA, 2015). Minnesota’s definition, which was changed in the 2014 State statute 28A.151 “Farmers Market or Community Event; Food Product Sampling and Demonstration” states that a “‘farmers' market’ means an association of three or more persons who assemble at a defined location that is open to the public for the purpose of selling directly to the consumer the products of a farm or garden occupied and cultivated by the person selling the product” (Chapter 28A.151, 2014).

History on the beginning of U. S. farmers’ markets is lacking (Brown, 2002). Some researchers trace the beginning of them to the 20th Century (Lyson, 2000; Erker, 2010), while other information states that the idea of farmers and merchants coming together to sell their
goods happened much earlier. Jolly (2005) found in his research that Governor John Winthrop of Boston started the first farmers’ market in 1634. Jolly also found that locating data on farmers’ markets was difficult because the interpretation farmers’ market was sometimes confused with a flea market or a merchant market. The Farmers’ Market in Easton Pennsylvania claims to be the longest, continuous running, open-air market. It opened in 1752 (History: Easton Farmers Market, n.d.).

It was thought in the 1940’s that farmers’ markets would continue to thrive because of their strong status and prevalence (Brucato, 1948). But post World War II, the decline of irrigation systems and the produce industry caused a large decline in farmers’ markets (Brown, 2001; Jolly, 2005). The decline of farmers’ markets was brought to the public attention through a 1971 publication by Jane Pyle, entitled “Farmers’ Markets in the United States: Functional Anachronisms?” Pyle’s work described how farmers’ markets were declining in various locations. What followed after that publication was a growth in markets and the first initiation by Congress to assist this form of local food sourcing by passing Public Law 94-463, the Farmer to Consumer Direct Marketing Act of 1979 (Brown, 2001). Brown’s research hypothesized that the largest surge in farmers’ markets occurred during this time, between 1970 and 1980, due to a rise in political action, people taking control of their food source, and a movement to avoid chemicals.

Similar to the lack of farmers’ market research in the U.S., there was virtually no data on the history of Minnesota markets, or the first market to develop in the state. Solcum, Ellsworth,
Zerbib, and Saldanha, (2009) suggest that based on the age of the cities incorporated, it is possible that the earliest farmers’ market in Minnesota was operated in Minneapolis in 1876 (“Local Food and Diversity in Public Space: A Study of the Perceptions and Practices of Minneapolis Famers’ Market Customers”, pg. 40).

**Types and Organizational Structures of Farmers’ Markets**

Farmers’ markets come in a variety of types and sizes. Brown (2001) found in his research that farmers’ markets may have been confused with food stands, public markets and flea markets, skewing the number of vendors for only farmers’ markets, but they may have as few as three vendors up to hundreds of vendors. While some markets may draw 10,000 visitors on a market day, others may call 250 visitors a day a success (McCarthy, n.d.). They may also vary in the types of products that are available for purchase, ranging from farm produce, to artisan-made items, to value-added goods, and homemade goods. They may have allowed participants to resell items or produce. While there are no exact terms for categorizing a market by the number of its vendors, many have referred to a scale which follows ranges similar to that referenced in Table 1 (Ostrom and Donovan, 2013; Main, 2013).

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<th>Very Small</th>
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<tr>
<td><strong>Medium</strong></td>
<td>31 – 50</td>
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<tr>
<td><strong>Large</strong></td>
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<tr>
<td><strong>Very Large</strong></td>
<td>100 or more</td>
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Some markets may choose to focus on a specialty. For example, a market may want to have vendors who sell only organic or produce grown within a certain number of miles from the market. The location of a farmers’ market can vary depending on who is operating it. Some markets may be on private property such as a parking lot of a store or church, some on municipal grounds such as in a park or side street, and others may find a more permanent home and purchase land to set up the farmers market. This is the case in the Minneapolis market. This scenario is more probable in established, larger markets. Research has shown that other non-formal places such as community health centers can also encourage people to buy and eat locally, thus improving people’s health (Freedman, et al., 2012).

To ensure that a vision and mission for a farmers’ market is followed, these elements must be outlined in a farmers’ market by-laws, rules and regulations (Jolly, 2005). Key factors to include are what days and season the market operates; who is eligible to sell; forms that vendors must complete, what fees or dues are required to be paid in advance, how disputes about competition or price-cutting are handled, etc. The by-laws of a market are typically set by either a board of members for the market or by a market manager.

Duties of a market manager vary from market to market. Market managers are primarily responsible for helping to maintain the integrity of the market, grow the market, and make choices that ensure its success. Some market managers may be more involved than others. Some are volunteers while others are paid. The position of the market manager may depend on how the market was formed. Some markets are formed by a group of farmers; some are
established by a non-profit group looking to promote an activity such as healthy eating; and some may be run by a municipality or other local government as a benefit to their community. The organizational structure of a market will also determine key attributes such as fees and the handling of money. Markets require operational funds to run. These may be collected as revenue from vendor stall fees, from membership fees or from donations, sponsorships or grants.

Benefits of Small Farmers’ Markets

There are many benefits to both the vendors and the customers who participate in farmers’ markets. McCarthy (nd) states that farmers’ markets are inefficient in terms of people shopping for produce, though other benefits far outweigh this inefficiency. The market gives vendors a location and setting to sell their goods which are viewed at as a store front for their farm. It caters to small farmers who may otherwise not be able to sell their goods as easily as a large volume producer (Eastwood, Brooker, Hall, and Rhea, 2004). While there are costs to participating in markets, the costs would be measurably less than a brick and mortar store. Vendors are able to share their quality produce and interact with their customers which helps them to sell more (NASS, 2009; Holtaway and Coren, 2009). The vendor is able to build a relationship with the customer and meet supply demands on a weekly basis. Vendors may also take pre-orders from the customer which helps to ensure profits.

Farmers’ markets offer a way for farmers to diversify how they market their goods. Many farmers surveyed in a New Jersey study used farmers’ markets as just one way to sell their goods. They also used farmers’ markets to promote other opportunities that they offer such as
their “you-pick” farm, or website sales or community-supported agriculture (CSA) opportunities (Holtaway and Coren, 2009). Being able to cross-market, sell through multiple approaches while promoting the others, will ensure a farmer more success for a longer period of time.

The market may also be a platform for a farmer to grow in sustainable farming practices such as CSAs, farm-to-school programs or even a commercial entrepreneurial venture (Slocum, 2008). The profit margins are also higher at farmers’ markets, compared to wholesale distribution (Holtaway and Coren, 2009). This was also true when compared to those farmers who sold to stores or restaurants. Many researchers found that customers were willing to pay more at a farmers’ market versus a grocery store because they knew the farmer and trusted that the product was better, healthier, and fresher than that bought in a store. Customers who have a good experience, either by building a relationship or having their demands met, were also more likely to be repeat customers. Repeat customers helped the vendors to estimate and maintain certain amount in sales. Vendors may choose to participate in programs that allow their unsold produce to be donated to senior centers or to low income families via family nutrition programs such as Second Hand Harvest (Harvest to End Hunger MN, 2014). Such programs may also be funded by a federal government program and offer stipends to compensate farmers for the produce which may otherwise be thrown away.

Farmers’ markets are just one of the strategies that give people the opportunity to buy affordable, healthy food (Fried, 2002). Customers in the farmers’ market believed they were receiving better quality products at the farmers’ market compared to a grocery store especially in
terms of freshness (Govindasamy, Italia, and Adelaja, 2002). Studies also showed that customers were willing to pay more. For example a study by the Project for Public Spaces found that 60% of shoppers reported the produce at the farmers’ market was less expensive than at the grocery store (Fried, 2002).

Customers also found that they liked how appealing the market looked, the variety and ample selection of high quality products, a markets convenience to them, and a market reliable and open as advertised.

The Project for Public Spaces reported that 48% of the people who visited a farmers’ market heard about it through word of mouth and shared assessments about whether it was worthwhile to patronize (Fried, 2002). This means that marketing or advertising a market’s success may be dependent on how people value and share their experience.

Farmers’ markets can also benefit customers by being a place to congregate. Oftentimes markets are situated in the center of an urban or metropolis area and are a great place to meet friends on a weekly basis. A market can build community. It can also bridge gaps in social systems (Gross, 2011). Slocum’s (2008), study of social impacts of the Minneapolis Farmers’ Market found it to be a place that offered sensory stimulation, meaning, the gratification of, engaging smells and texture, and interacting with each other (Kirwan, 2004). There is also the opportunity for customers to find what they are looking for with the wide variety of vendors.

Farmers’ markets also have an effect on the economics within a community. Researchers including Erker (2010), Brown (2002) and the United States Department of Agriculture:
Agricultural Marketing Service (2013) state that small and independently run farms participating in farmers’ markets have a positive effect on the local economy. Businesses in close proximity to the markets also saw an increase in sales on days that the market was operating. Figure 1, obtained from the United States Department of Agriculture, represents the economic impact a farmers’ market has on a local community. Most studies have focused on money spent around the market versus at the market but both are of economic importance (Hughes, Brown, Miller and McConnell, 2008).

Figure 1: The Food Chain Reaction from a Farmers Market

Another economic impact on the local economy is the jobs stimulated through the farms participating in the farmers’ markets (Steel, 1997). Even small farms usually need to find seasonal help to aid in picking produce and getting it ready for market. Payne (2002) found, when looking at trends in markets, that by the year 2000, 66,700 farmers participated in farmers’ markets in the United States, of which 19,000 farmers used that form of direct marketing as their only forum of selling. If even a small percentage of those farmers used seasonal help, it would positively affect the economy. O’Hara (2011) found that a conservative estimate of jobs created per farmers’ market, depending on the growth of the area, was between 2.4 and 5.4. For every 500 farmers’ market the total of jobs created would be between 6,000 and 13,500. This would be a considerable boost to various economies.

Using IMPLAN, a software program designed to measure input against output, Otto and Varner (2006) studied the impact that the 2004 Iowa farmers’ markets had on the local economy. They found that the direct sales were estimated to be $20 million with a total economic impact of $31.5 million. They were also able to quantify that $12.2 million impacted the regional economy (Otto and Varner, 2006). They estimated that 471 fulltime jobs were the result, directly or indirectly, from the farmers’ markets (Otto and Varner, 2006). There are also similar studies in other regions pertaining to positive economy stimulus due to farmers markets (Hughes, Brown, Miller and McConnell, 2008; McCarthy, 2001; Henneberry, Whitacre, Agustini, 2009).

While some may look at the economic impacts in terms of how much money was generated, another positive economic impact could be on health. This can be assessed by
looking at the amount of pounds of produce sold at the market (McCarthy, n.d.). Especially in low-income areas, giving people access to healthy foods is an economic advantage (Glyn, Karpyn, Uy, Wich, and Young, 2011).

**Challenges of Small Farmers’ Markets**

There are challenges for both vendors and customers when it comes to selling or shopping at a farmers’ market. There are no guarantees that products will sell or that a market will have the products that one is looking for. Vendors need to be aware of their revenue-to-expenditure cost analysis to ensure that they are making the profit they need in order to sustain selling at a market. Holtaway and Coren (2009) found in their survey that vendors who attended farmers’ market had an average cost of $3,350 plus a reliable vehicle per season. While some have stated that customers are willing to pay more for a better product, this is subject to where the market is located. In low-income areas, people may not have a large food budget, causing vendors to lower prices to meet market demand.

Depending on what a market manager allows, there may be price differences between vendors selling the same product which can result in competition. There can also be competition if a market manager allows too many of the same type of vendor. Both of these challenges can create tension among the vendors and may result in one or more vendors becoming unsatisfied. Vendors are subject to uncontrollable elements such as weather and other local events which may draw people away from visiting the market. There is a commitment that vendors must make while knowing about these unpredictable challenges. It is typical to see vendors offered a
discount if they participate in all weeks of a market. This means that they need to have someone market their product in their place if they are sick or still participate if something happens to their product. Each market day poses a large time commitment in preparing, transporting, loading and unloading, and packing up stock at the end of the market day. Some produce vendors may choose not to bring unsold produce home due to fungal or bacteria transference, so they need a place to donate or discard unsold goods.

There are regulations that need to be followed when selling at a farmers’ market. Depending on the product, this can result in further investment in vendor education and, at a minimum, also create work in making sure records are kept up-to-date. The Department of Agriculture requires vendors to keep records, depending on what is sold. This may include batch information, ingredients used, pH and date product made. The Department of Agriculture may ask to review these records at any time.

There are also specific challenges that come with trying to sell in new markets. The location and consistent traffic of customers can be difficult to gauge. Brown (2002) found in her research that the number of miles that a vendor or a customer is willing to travel is around 20 miles. Her research also showed that customers were willing to drive farther for better, larger markets. This uncertainty may account for why vendors choose not to return to a specific market location.

The challenges that affect customers can be similar to challenges faced by the vendors. Weather may alter what products will be at the market and make it difficult for customers to
shop. Depending on the severity, if there is a heavy storm or lightening, the market will likely be closed, thus resulting in customers needing to shop commercial venues such as grocery stores. Because a market cannot be open every day and likely only once or perhaps twice a week, there may not be an open market during the days or times when a customer is available to shop. Due to limited availability of certain products, a customer may need to visit another market or commodity grocery store to get all items on their shopping list (Fried, 2002). Brown (2002) found that farmers participating in farmers’ markets tend to have smaller farms. Larger farm producers were less likely to find farmers’ markets conducive to their needs to sell a large volume. Smaller vendors may also not supply what a customer wants.

Another challenge to bringing vendors and customers together was what customers don’t know. The Project for Public Spaces (Fried, 2002) found that people were unaware that a farmers’ market was in their local community. The challenge of getting the word out to customers is probably the most important to a market’s success. If a market doesn’t have customers, there isn’t much of a market at all (Brown, 2002).

Organizational Characteristics of a Successful Farmers’ Market

Many publications consider what makes a farmers’ market successful from the viewpoint of an organization. Some organizations, such as the Minnesota Farmers’ Market Association (MFMA), help market managers by supplying them with a checklist (MFMA Farmers Market Manual, 2015). To help start a farmers’ market see Appendix A. The compilations of this publication, and others, address relatively the same categories: vendors, location, management,
funding, by-laws, rules and regulations, and promotion (MFMA Farmers Market Manual, 2015). Customers are looking to vendors for variety, customer service, friendly smiles, small talk, and an amount of expertise to help them pick out the right or best product. Customers may also look to the vendors to help them try something new, using a newly found product at the market.

Vendors need to be consistent with the mission of the market. For example, if the market wants to have only organic produce and homemade goods, all vendors must be certified organic. If the market does not allow for the reselling of goods, it is up to the market manager to address the violation of the market’s rules and regulations. The organizer needs to balance all of these elements when choosing vendors.

The location also needs to follow the mission of the market, but it must be a place that customers are willing to go. Location is ultimately the most important factor when looking at whether or not customers will attend (Brown, 2002). A farmers’ market can be in an open area on a main road that is going to attract tourists who drive by, or it can be carefully chosen to be a destination point that appeals more to resident customers. There is limited research on which is better, but both probably have benefits and challenges.

Management can hinder a farmers’ market or make it successful. A market manager is the face of the organization and works on the daily elements that keep the market running smoothly and efficiently (FM Best Practices, 2011). Having a market manager who works to promote the market can be seen by the vendors as a benefit of one market over another. Some markets are run by volunteers who may also be vendors. This can be helpful or a hindrance.
because vendors may be stricter on prices and competition among the other vendors. Market managers may be appointed by an organization looking to host a community farmers’ market; for example, a municipality. A successful manager creates clear rules and regulations and by-laws to follow and enforces them so no one is getting preferential treatment over another. The manager should work to promote the market, help vendors follow federal or state regulations, and give helpful suggestions that will make a vendor’s selling space appealing to customers. Promotion ideas include setting up signs, advertising in local newspapers, and using social media.

Most farmers’ markets take some amount of start-up and operating costs to run. The costs may vary depending on the logistics of the market and who is organizing it, but there will likely be costs associated with signage, public advertising, logo design, vendor outreach, and site expenses such as permits and insurance. Most markets charge a vendor stall fee which offsets the market’s operating costs, but other good funding sources are available, such as, grants from the state or local Farmers’ Market Association, donations, fundraising, sponsorships or other funding sources if the market is run by an agency or municipality.

As mentioned earlier, essential to the success of a farmers’ market are the by-laws and the rules and regulations that all participants in the market must follow. By-laws include the name of the farmers’ market along with logistics as to where the physical address of the market is located, days and times that the market is open, and products that are allowed to be sold, fee requirements, insurance and indemnification requirements, meetings that must be attended and
who is responsible for enforcing the rules and regulations. The rules and regulations should include vendor fees, booth stalls including size and locations, vendor eligibility, vendor’s approval requirements, food safety requirements, allowable or not allowable activity such as smoking or animals in vendor stalls, who is allowed to sell a farm’s goods, and also what steps are taken if a vendor does not follow rules and regulations. Typically a farmers’ market by-laws and rules and regulations are lengthy so they lay out all elements, leaving little room for discrepancies or misinterpretation. With these key factors addressed and managed, the market will be more likely to succeed.

All organizations who start a farmers’ market want to see it thrive and become successful, but as with many other ventures, running a farmers’ market takes work and dedication. As mentioned earlier, a critical piece to having a successful market is vendors. The preferences and expectations of the vendors should be essential to any successful guide for starting or running a farmers’ market in any local community.
CHAPTER 3

Methodology

Study Overview

The purpose of this study is to examine what makes small farmers’ market successful from the perspective of the vendor. There are many articles, manuals and research on how to make a farmers’ market successful from the eyes of a non-vendor; a market manager or an organization, but there is little information from the views of vendors and how they determine whether it is viable to take part in this direct-to-consumer selling approach. There is also little research on exactly how vendors relate to small farmers’ markets being established in local communities. Vendors are the key to farmers’ markets. If you do not have anyone selling, there will not be a market. As was noted in the research section, there are many benefits from farmers’ markets that include jobs, entrepreneurship and local food sources. This study will assess the benefits and key factors that small farmers’ market vendors see as their reason(s) for participating in the case study market. The benefits that can be tied with this case study should prove useful in establishing small farmers’ markets and helping existing farmers’ markets become more successful.

Case Study Market

The case study market is located in a small rural city in Minnesota with a population between 4,000-7,500 people. This market was run by local vendors and volunteers in previous years but because of operating costs, it closed in 2011. The city believed the market to be an
important staple in the community and also wanted to support activity and growth within the historic downtown area. The city thus took over operations and managing the market in 2013. With limited staff and resources, the city hired Ms. Josi Wood in September 2013 to take over parks, recreation and community events including the farmers’ market. Ms. Wood, as the market manager, is responsible for writing and enforcing the by-laws and the rules and regulations, and overseeing all operations of the market. As the market manager, she promotes the market through marketing materials and putting up directional signs the days of the market. She is a paid market manager because the market is part of her employment duties.

The city funds the market and contributes up to $3,000 per season for expenses, but Ms. Wood and the city seek sponsorships. Sponsorship opportunities are given to all the local businesses during the beginning of the year to early spring, asking for them to support the local farmers’ market by contributing at a level between $50.00 and $500.00. Depending on the level the business chooses, the city offers the business benefits such as advertising on the farmers’ market website, advertising at the market, having their information on a reusable tote bag given out at the market, and being able to promote their business at the market. In 2015, sponsorships and donations contributed $900 to the total market revenue fund.

The case study market is located in one of the small city parks in the downtown area. The day and hours of operation are Fridays from 2:30 p.m. until 6:30 p.m. Because the market takes place on city-owned property, the city carries the liability insurance for the market. The
market is open from the end of May until the end of September; operating May 26 until September 25 in 2015.

The case study market is categorized as a small farmers’ market with vendor participation ranging from eight to thirteen booths with an average of eleven vendors on an average market day. The diversity of vendor products sold includes produce, eggs, honey, honey by-products, jams, pickles, crafts, skin care products, bird houses, and homemade and baked goods. See Figure 3 for a full range of products sold by the vendors. All of the vendors, except one, can be considered small or backyard producers, meaning they do not sell commercially. Three of the vendors operate other direct-to-consumer sales which includes a community-supported agriculture (CSA) program, “you-pick” farm, and a farm stand.

Terms of the Study

The vendors of the case study market were approached during the annual vendor market meeting where I described the study. I asked the vendors to participate voluntarily and on an anonymous basis and emphasized that lack of participation would not affect the status of treatment as a vendor in the market. I made it clear that the study will be in partial fulfillment of a Master’s Degree and in no way was it funded or requested by the city. I stated that the vendor would have the opportunity to ask questions and comment on the study. Of the nine vendors who attended the meeting, all were in verbal favor of participating. I asked the other vendors who did not attend the meeting on a separate occasion. The total response was that eleven of the fifteen vendors agreed to participate in the study.
Three selected vendors were approached and asked to participate in the study though an interview process to be able to supply more detailed information as to why they participate in this local farmers’ market. All three of the selected vendors have participated in other farmers’ markets, so they will be able to give good insight as to which market helped give the vendor the best experience and meet their needs. Everyone being surveyed or interviewed was given consent to release forms so their information can be used for this study. Their consent covers quotes, and answers obtained as the results of the study. All of the participating vendors must sign the consent form prior to being given the survey questionnaire or interview. The form can be seen in Appendix B.

Survey and Interview Process

The participating vendors will be given the survey questionnaire at the same time. The full survey can be seen in Appendix C. They will be able to complete the survey questionnaire at their leisure and asked to return it within two weeks. The interviews will take place between September 9 and September 18 at the convenience of the vendor. The interviews will be audio recorded to ensure accuracy and to allow for quotations in the study.

Data Analysis

The survey and interviews will be analyzed in three sections: vendor background, practices and product, and what vendors find to be successful farmers’ market characteristics. The first two sections are to analyze diversity of the vendors and also give insight as to whether or not vendors selling similar products will have similar preferred characteristics. The results
will be compiled and analyzed to show similarities and differences, and also conclusions. The answers received will be categorized so that successful characteristics can be ranked to show what needs are most crucial to the vendors. By ranking what the vendors list as successful characteristics, a market can be more certain to address these factors.

**Limitations of the study**

There are several factors that could influence the results of this study. Many vendors have participated in other farmers’ markets which could give them perspectives that do not necessarily pertain to the case study market. Some markets may give more benefits but the vendor may be selling at the case study market due to proximity or another advantage over the other market. While this difference will be noted with a question in the survey, the study may benefit from the different perspectives provided by the vendors’ varied experiences. Some vendors may not have sold at other markets, making their assessment more focused on the case study market. The survey results may vary due to factors that will not be revealed such as how much time the vendor took to record their answers, how they interpreted the questions, and if they chose to answer the questions after a non-typical market day which could influence their responses.

The type of survey used is an open question format. This may create a limitation to the study as some vendors may not give answers in detail or may leave out answers that could be beneficial to the study because the vendors were not prompted to answer. However, this format
was chosen in order not to limit the vendor to only specific answers and to encourage vendors to go into detail about their experiences.

Another limitation of this study is the sample size. A follow-up study could use the same survey to study vendors at other similar, small farmers’ market to increase the sample size. By increasing the sample size more characteristics could be found and also help to rate the importance of certain characteristics over others.
CHAPTER 4

Results

Purpose of Research

The purpose of this study is to identify key characteristics from the vendor’s perspective that produce a successful small farmers’ market, and subsequently reveal disadvantages which may limit or possibly result in the failure of a market. The location of the market for this study is in a city park located in a downtown area in a small rural city with a population between 4,000-7,500 people in central Minnesota. The data collected gives insight based solely on the perspective of participating vendors in the case study market. The market consists of an average of eleven vendors, with as few as eight and as many as fifteen vendors participating on a weekly basis.

The process of collecting information from the vendors in the case study market took the form of a survey questionnaire or interview. The interviews and surveys took place near the end of the farmers’ market season which was between September 11 and September 18. Eleven total vendors participated, three were interviewed and eight answered the survey questionnaire. The vendor’s identity will remain anonymous. Through the survey and analysis vendors can be identified by an assigned number, one through eleven, which remain consistent throughout the results. The questions chosen were to give insight into the vendor’s background, what types and quantity of products they sell at the case study market, what they found to be successful characteristics of the market and disadvantages of the farmers’ market. The survey questionnaire
can be found in Appendix C. Few of the vendors sell the same products; therefore, most of the results give insight into the question of success from a wide scope of personal opinion and experience.

Figures were used to show comparisons of the vendor’s answers and to show similarities or differences in their responses. Figures chosen were based on the questions that gave the most insight into the researcher’s primary objective which is to find out from the vendor’s perspective, what makes a small farmers’ market successful. Overall, the purpose of the results are to show trends that help farmers’ market organizers and market managers know what key areas to consider and review as they plan for a vibrant and sustainable growing market.

**Interview and Survey Questionnaire Analysis**

**Vendor Background**

The first question was asked to determine how long the vendor has participated in the farmers’ market in this case study. The case study market has been operating three years which is also referred to as three seasons. If a vendor reported that they had been at the market a full season that was equivalent to four months for purposes of comparison; the market ran for a total of seventeen weeks in 2015, seventeen in 2014 and eighteen in 2013.

Of the eleven participants, four vendors were new to the market this year. Two had participated in their first year for a full Season and the other two had participated less than three months of their first season.
Four vendors completed their second season and three vendors were in their third season of the market. As the results show in Figure 2, the vendors may have varying answers due to the length of time they have been with the case study market. Vendors who have participated for the full three years could have better insight whether or not the market is becoming more successful in terms of both customer counts and public awareness. It had been mentioned in an interview that vendors are willing to take risks on new farmers’ markets but only stay if it is determined successful (Anonymous Vendor, personal communication, Sept. 10, 2015).

Figure 2: Vendor Participation in the Farmers’ Market Case Study Since Market Began

It is important for readers of this study to know how vendors selected the case study farmers’ market. Figure 3 represents why they initially decided to sell at this particular market. Some vendors mentioned two reasons while others mentioned only one. One vendor wrote it was to market their farm sales which are their primary source of income. Of the other responses: six vendors stated it was the location, three stated it was the day of the week, two were recruited
by a market manager, and two stated it was the atmosphere and the only venue where they were able to sell their products.

Figure 3: Vendor Reasons Why They Came to the Case Study Farmers’ Market

The vendors were asked how many other farmers’ markets they currently sell at and how they compare to the case study farmers’ market. Nine vendors reported that they participate in other farmers’ markets, totaling thirteen other farmers’ markets. Many of the vendors did not report how they compare to the case study market in their survey questionnaire. They did report why they chose to stop selling at some of the markets they had previously participated in. Their comments include: “too small,” “low sales,” “bad location,” “too far of a drive to get to the market,” “customers wanted to be able to make credit card purchases,” and “difficult logistics to set up” (Anonymous Vendors, personal communications, 2015). The last comment was from one of the interviewees. This vendor, identified by number six, stated that one of the markets they had sold at previously was a great location, had good sales but was too difficult, meaning
time consuming and labor intensive, to set up. “The location was in a nice downtown area that was surrounded by high rise apartments” (Anonymous Vendor, personal communication, Sept. 10, 2015), suggesting a good customer base because people didn’t have access to their own garden area, but by the time the market day began, they found themselves too stressed and not enjoying the experience.

As the economic importance, including the creation of jobs, was referenced as an important benefit of farmers’ markets, a question asking how many people the vendor hired to help on their farm or make their products was important. Seven of the vendors reported that they did hire seasonal help to farm or help to sell their products at the market. The total number of jobs created was twenty-eight. The vendors who used the most help were the produce vendors. Vendor six reported that they hire eight seasonal employees to work 20-30 hours per week for $10 per hour. They created educational opportunities for schools and other organizations that bring youth to the farm to work for a day and then they learn about where their food comes from. They also offer a program to their customers called “weed for food” which allows repeat customers to come weed and earn their food for free. They stated that both of these programs have been very successful in helping them manage their farm and grow awareness of their produce.

Products Being Sold at the Market

Many of the vendors sell products that encompass more than one category as can be seen in Figure 4. Value-added products as defined by the United States Department of Agriculture
include jams, pickles and other canned vegetables and are fully referenced in the Glossary in Appendix D. To further showcase the diversity of products, value-added products have one sub-category that at this market is successful as a stand-alone category, which is the skincare and soap category. The main products being sold under the value-added category are canned goods, including jams and pickles, which are sold by four of the eleven vendors. The other products that make up this category are roasted coffee beans, rugs, and honey by-products such as beeswax and candles. The only item in the “other” category is the Monarch Caterpillar kits. The data shows that of the eleven vendors who participated in the study, only four sell fresh locally grown produce. This may become important as the vendors list what they feel are key characteristics that make a farmers’ market successful.

Figure 4: Products Sold at the Case Study Farmers’ Market
Vendors Certifications and Licenses

In Minnesota, there are no requirements that vendors have a specific license to sell at a farmers’ market. However, there are requirements through the Minnesota Department of Agriculture, supported in MN State Statute, they must follow to be able to sell at a farmers’ market which includes the Pickle Bill and Cottage Foods Bill; both are fully defined in the Glossary in Appendix D. The question regarding what certifications or licenses the vendors possess was asked to discover how many vendors have additional overhead costs as a participant in a farmers’ market. This may reveal information about how they based their decision on whether or not they must meet a specific sales goal at the market.

Many, if not all, certifications and licenses cost the vendor money on an annual basis to uphold. Four of the vendors are licensed through the MN Department of Agriculture’s MN Grown program. This license enables the vendor to be marketed, by the MN Department of Agriculture, with other vendors in the state that meet the requirements of MN Grown. One vendor was certified under the Food Safety program by the MN Department of Health, one had a license to sell at events, and one carried a MN State Food License with insurance to be able to sell commercially and at events.

Market Day Business

Each vendor tracks their business in terms of transactions and total monies collected on their own. Some vendors have a transaction log while others, for purposes of this study, have estimated the number of customers who have purchased (made a transaction) from their booth on
an average market day. Accurate data in terms of farmers’ market sales are difficult to calculate given many of the vendors have products that vary from week to week. There are variables such as item and cost per item, especially for produce vendors. Figure 5 represents the number of transactions the vendor has reported for an average market day. The fewest number of transactions was for vendor eleven who recorded only three transactions on an average market day. The highest number of transactions was for vendor six who recorded an average of 50 transactions per day. To relate how the transaction gets figured into a market day total, Figure 6 displays the average total amount per transaction. The smallest total in sales for a transaction was for vendor five who brings in an average $3.00 per transaction, while the largest total in sales per transaction was vendor eleven at $20.00. Therefore, while vendor eleven sells the least, they bring in the largest average transaction.

Figure 5: Average Number of Transactions on an Average Market Day
Vendor Sales Goals

Knowing the goals of the vendors may give insight into whether or not a small farmers’ market is sustainable for a farmer to continue to participate in. Of the eleven vendors who participated in this study, eight of them listed on their survey or in their interview as having a specific target for average sales per market day. Their goals ranged from $100.00 to $450.00 per market day. Many of the vendors expressed in their answers that they would like their sales to exceed their goal but that the goal was their minimum to continue participating in the farmers’ market. One of the vendors stated that they had a specific target to reach, “my goal is to at least sell enough throughout the season to pay for my property taxes” (Anonymous Vendor, personal communication, Sept. 14, 2015). Another stated “our goal is to sell enough product for it to be worth our time and to move the product off our shelves so we can make more for next year” (Anonymous Vendor, personal communication, Sept. 23, 2015).
The total average sales per market day were computed by taking their average customer transaction amount multiplied by their average customer transaction. Assuming that this calculation would be an accurate representation of their revenue on an average market day, 75% of the vendors that stated a goal were exceeding that goal. Figure 7 represents a comparison of vendor’s sales versus sales expectations. Vendor five who sells only produce did report that when sweet corn is in season, their sales can jump to as high as $450.00 in total sales per market day. This information was excluded from the data as it was not reported how many days of the season sweet corn was sold.

Figure 7: Goals and Actual Average Sales per Market Day

Nine of the eleven vendors reported that they also sell in another direct-to-consumer forum in addition to the case study market. These other approaches include roadside stands,
direct-to-consumer individual sales, commercial sales, community supported agriculture (CSA) sales, and you-pick sales at their farm. All nine reported that the farmers’ market helped them to market this other direct-to-consumer sales business. Three of the nine also reported that their reason for selling at the farmers’ market was to promote this other approach as their number one goal; these were vendors two, three, and five.

**Characteristics of a Successful Farmers’ Market**

Ideally, if farmers’ markets can address and accommodate characteristics that vendors define as what makes a market successful, more vendors will come and the market will thrive and be sustainable. There were a total of thirteen different characteristics that the vendors listed as determinates of a successful market. The number of vendors that listed the characteristics can be seen in Figure 8. The thirteen characteristics include: location, advertising, day and time, good manager, variety of vendors, friendliness of vendors, variety of products, city support, accessible parking, length of market season, entertainment, chemical free produce, vendor fees, and lenient rules and regulations.

The top four characteristics listed by the majority are variety of products sold, quality of products sold, day and time of the market, and location. The fact that there are thirteen different characteristics tells a market organizer or manager that there are many different factors that must be considered before starting a market. The vendors were able to list as many characteristics that they wanted and also what characteristics make the case study market successful. One would assume that since there are repeat vendors, the case study market was successful to an
indeterminate degree. Also, the characteristics of why the case study market is successful should overlap what makes a market successful overall.

Figure 9 represents the characteristics that the vendors listed as why the case study market is successful. As the reader can see, the top five were characteristics equally mentioned and they include: location, advertising, day and time, good manager and variety of vendors. All but one of those characteristics was mentioned in the overall successful characteristics of a market in general.

Figure 8: Characteristics of a Successful Market in General
Figure 9: Characteristics that Make the Case Study Farmers’ Market Successful

Disadvantages of the Case Study Market

Disadvantages were asked in the unanticipated occurrence that the characteristics that make the case study market successful were not the same as what makes a farmers’ market successful in general; they are represented in Figure 10. While some vendors had stated that the location of the case study market was one of the characteristics that make it successful, others determined that it was the greatest disadvantage of the market. Customer traffic ranked in the middle of what made a market successful overall and was second on the list for disadvantages of the case study market. During an interview, it was stated that if there are a variety of vendors and quality produce that customers will automatically come (Anonymous Vendor, personal communication, Sept. 14, 2015). The surveys included answers such as the older population of the city, not enough variety of vendors, not enough in number of vendors and one vendor mentioned no disadvantages to this market. Of the eight disadvantages mentioned, four of them...
are factors that can be controlled or managed by the organizer of the market to the best of their ability. Four are uncontrollable circumstances.

Figure 10: Disadvantages of the Case Study Farmers’ Market

<table>
<thead>
<tr>
<th>Disadvantage</th>
<th>Number of Vendors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>6</td>
</tr>
<tr>
<td>Not Enough Customers</td>
<td>5</td>
</tr>
<tr>
<td>Not Enough Vendors</td>
<td>4</td>
</tr>
<tr>
<td>Variety</td>
<td>2</td>
</tr>
<tr>
<td>No Entertainment</td>
<td>1</td>
</tr>
<tr>
<td>Customers Requests</td>
<td>1</td>
</tr>
<tr>
<td>Train</td>
<td>0</td>
</tr>
<tr>
<td>No Disadvantages</td>
<td>0</td>
</tr>
</tbody>
</table>

Relationships at the Market

Vendors were asked about the relationship between the vendors and also between the vendor and the market manager. This information may give insight into how diligently the organizer or market manager works with the vendors to keep the rules and regulations fair and also to attain vendors that complement each other. Selecting vendors without care could perpetuate negativity and competition. When asked if the rules and regulations of the market were a challenge to participating in the case study market, everyone answered that they were not and a few stated that the rules and regulations must be upheld for a good market. When the vendors were asked if they feel the relationship between the vendors play a role in how a market is successful, they all answered yes. Vendor comments included these statements: “When vendors work better together, there is a better shopping experience for the customers;” “Vendors who fight can destroy a market;” and “Vendors need to be responsible for being respectful to
each other” (Anonymous Vendors, personal communications, 2015). When asked how they feel
the relationship between the vendor and market manager play a role in a successful market, all
but one, who had no comment, stated that it did play a role. Survey comments included: “A
manager could make or break the market,” “Vendors are less likely to stay if there is not a good
market manager,” and two stated that they had either left because of a bad market manager or
thought that one could make them want to leave (Anonymous Vendors, personal
communications, 2015).

Overall Impact of Results

The results indicate that the researcher was successful in learning key characteristics of
what makes a farmers’ market successful from the vendor’s perspective. The conclusion can be
made that if market managers play a key role in organizing the market while taking strides to
utilize a good location with visibility from drive-by traffic; establish day and time of the market
that is favorable to customers; advertise; market; organize entertainment that will draw in
customers; and most importantly work to obtain enough vendors that have a large variety of
products that are of good quality, the market will be successful. There are many variables that
can be addressed while starting a market. Other variables, unfortunately, cannot. Predicting a
favorable day, time and location is difficult to know prior to starting the market. The market in
this case study was on a Friday afternoon from 2:30-6:30. While this was seen as an advantage
to the market, there are many options to choose from.
CHAPTER 5

Conclusion

What the Research Showed

The information gathered from this research will be helpful to market managers and market organizers who are looking to start a farmers’ market in their community or to enhance and improve one that they currently operate. The characteristics that vendors feel are important should be thoroughly considered during the planning stages of a market if possible. The key factor that reoccurred during interviews and the survey questionnaire was that if the market didn’t benefit the vendor by having sales and being cost effective to the vendor, the market was not worth participating in. One interviewee commented that if you were to add up all the expenses to participate in a farmers’ market including the time and people it takes to get the produce from the field to the market, a farmers spends $15,000 each year (Anonymous Vendor, personal communication, Sept. 10, 2015). All but one vendor stated that it is important for a market to have as many vendors as possible to increase the variety and the options the market has. One interviewee who has been with the case study market from the first season, stated that this year had had the most vendors and they subsequently saw a decrease in their sales. They can only attribute the loss to there being more produce vendors this year. While one showed a decrease, it can be interpreted from the data that an increase in the number of vendors and increase in variety are two of the most important characteristics for a successful market.
The key characteristics that make a farmers’ market successful from the perspective of the vendors were variety of products, quality of products, day and time of the market, location, and advertising. The top three were variety of products sold, quality of products and day and time of the market. All three of the key characteristics appeal to the customer who is coming to purchase farmers’ market goods. It would seem important that the market must be on a day and time that is convenient for them, but it is equally important to have variety of products that appeal to what the customer is looking to purchase as well as having good products. Customers often are seen perusing the different vendor booths before making a purchase. One can assume this is to ensure they are purchasing the best quality product. It could also mean that they are looking for lower prices but that cannot be determined without customer surveys.

The top three stated disadvantages of the case study market were location, not enough customers and not enough vendors. Even though some vendors mentioned that they came to the case study market because of the downtown location, over half of them stated that the location was a hindrance. The vendors preferred to have a location that would be conducive to drive by traffic that could result in more customers. Many of the vendors stated that they would like to see more vendors which would reinforce the advantage that more variety of vendors is needed to have a successful market.

The information obtained will be critical for the manager of the case study market and other managers to keep markets thriving and successful for future years. The case study market can look more into marketing with signage to draw customers in since the location is permanent.
and not on a main road. Entertainment such as music and family events can be incorporated on a more regular basis instead of being sporadic. The hours of the market can be shifted by one-half hour to accommodate the concerns that the vendors have very low customers coming at the very end of the market. While these things will be the start, more positive changes for the case study market will continue to happen because of this research.

Limitations and Recommendations for Future Research

The research was limited given the small number of vendors that were interviewed and surveyed. A larger sample of people to survey could give better insight to characteristics in order of most important and characteristics that should be addressed first to have a successful market. There were five vendors, one of whom participated for the full season, who chose not to do the survey. The vendors who chose not to participate could have given insight into other factors that they feel would help or support a successful market.

It would be of value for the same research to include different farmers’ markets, with a variety of differences including smaller and larger size markets and a comparison to markets that have been established for a longer length of time. If the study looked at different markets over an established length of time, longer than one season, conclusions could be made on trends that could also help determine if a market was doing the right things to make it successful over time.

The total costs that vendors pay to participate in a farmers’ market would also be interesting to research. This was not asked for this study due to potential differences between vendors and the possible margin for discrepancies when comparing. It would add additional
value to this or a similar study to have multiple questions based on costs that go into selling at a farmers’ market including but not limited to: seeds, field rental/production costs, hired hands, certifications, vendor fees, gas, etc.

The economic boost to the local community resulting from the farmers’ market was not addressed as a part of this study. This valuable information could be put into a follow-up study which could help communities know the value of having or starting a local farmers’ market. The economics of employment and job creation by hiring local help could also be explored.

It would be to the advantage of the case study market and other markets if this study was repeated with the same vendors one year from now. This will give a chance for the returning vendor to evaluate changes based on their responses given the previous year, and whether or not, those changes increased the volume of business and created more income for them.

**Final thoughts**

I am pleased with the outcome of this study even though there is much more to explore in this fascinating field. This research will help the community where the case study market is, their residents, and other communities that are searching for more help in starting or sustaining a local farmers’ market. People will attain more exposure to fresh, local foods as a result of growing farmers’ markets in rural Minnesota towns. Local farmers will continue to have an opportunity to sell directly to consumers, and the knowledge of where your food comes from will continue to expand its benefits. My love of learning about the environment will continue as I
explore more ways to build upon what I have learned. I am grateful that I have had this opportunity to help others and in turn help myself and my family.
**APPENDIX A**

**MFMA Checklist to Start a Farmers’ Market**

### PLANNING STAGE

- Conduct a feasibility study to ascertain the need for a farmers’ market in your community.
- Identify a group of people willing to form a planning board/committee.
- Identify market sponsors: city, businesses, foundations.
- Decide on market structure: informal, incorporated, city-run, non-profit. Once the structure is determined, obtain the appropriate tax identification number in order to open a checking account.
- Draft a mission statement for the market.
- Draft articles of incorporation/organization.
- Approach the City’s Administrator and get approval for the market, if not already a city project OR find a business willing to host the market.
- Decide who will provide insurance for the market (general liability and product liability).
- Choose time and day.
- Decide on length of the season.
- Decide on whether to have an indoor market and where.
- Decide on start and end date.
- Decide whether to offer EBT, credit and debit. Apply early if yes.
- Open a checking account for the farmers’ market.

### EBT/CREDIT/DEBIT STAGE

- Determine if your market is eligible (checking account or fiscal agent).
- Determine if your market is a good fit for EBT/credit/debit: SNAP, WIC, Seniors.
- Market sells at least 50% food products, including meat, dairy, baked goods.
- Complete training with FNS.
- Decide to accept Electronic Benefits Transfer (EBT) cards only or add credit/debit.
- Purchase a Point Of Sale machine, laptop, mobile device or EBT card reader from DHS.
- Choose merchant service provider.
- Purchase tokens or paper scrip or receipts.
- Develop accounting system.
- Train vendors and staff.
- Hire staff or find volunteers to run transactions on market day.
### DEVELOPMENT STAGE

- Decide on type of market: grower/producer only, mixed (with crafts), mixed plus resellers.
- Draft bylaws and/or regulations.
- Create a business plan.
- Develop a budget, include current and expected income.
- Decide on accounting method: software, accountant pro bono or paid.
- Advertise for an independent contractor manager or employee of the market position.
- Independent contractor and intern agreement on file.
- Decide on employee payroll (tax and insurance withholding, etc.).
- Complete and sign a Memorandum of Understanding with fiscal agent.
- Accident report form on file.
- Severe weather protocol on file.
- Canopy safety protocol on file.
- Musician agreement on file.

### ACTIVE STAGE

- Join the local Chamber of Commerce group and other farmers’ market organizations (MN Farmers Market Association, Farmers Market Coalition, for example).
- Register with the Minnesota Department of Agriculture; join the MN Grown directory.
- Apply for government grants to offer electronic payment capability, including EBT.
- Recruit accountant.
- Recruit vendors.
- Recruit volunteers.
- Design and print logo.
- Design and print signs.
- Design and print posters, postcards and other advertising materials.
- Post posters and advertise in the local papers.

### MARKET SEASON STAGE

- Hold your first vendor meeting.
- Collect completed ST-19 Certificate of Operator Compliance forms.
- Collect proof of product and umbrella insurance policies with farmers’ market and host city as ‘additional insured.’
- Collect vendor fees.
- Go through “Canopy Safety” protocol.
MARKET SEASON STAGE

☐ Review severe weather policies.
☐ If hiring a manager, fill out proper tax forms: W2, W4, or I9.
☐ If hiring a contract worker, fill out W9 and 1099 at the end of the season.
☐ If hiring hourly employee, employee fills out W2. This will require extensive accounting.
☐ If selling items for fund-raising, keep track of all sales and MN tax owed at end of season.
☐ Recruit Board members.
☐ Determine Volunteer duties.

RISK MANAGEMENT

☐ Install and secure signs.
☐ Store any signs, flags, or other markers before customers arrive.
☐ Secure market tents with more than smooth stakes.
☐ Tape or cover electrical cords.
☐ Remove hazards from grounds: fill holes, remove debris.
☐ Make local police be aware of your market dates and times.
☐ Have your local police department number handy for non-emergencies.
☐ Require proof of vendors' liability insurance.
☐ Require proof of vendors' licenses, where applicable.
☐ Have a fire extinguisher accessible.
☐ Make an emergency preparedness plan easily accessible.
☐ Have an incident report form easily accessible.
☐ Have a farm inspection report filed and blanks accessible.
☐ Safe place for cash box to prevent theft.
☐ Scale for trade and commercial operations if vendors are selling by weight.
☐ First Aid kit.
☐ Medical Emergency contact person.
☐ Insurance contact person.

FARMERS' MARKET ACCESS

☐ Clearly mark entrances.
☐ Have handicapped parking available.
☐ Rent a Porta-Potty.
**FARMERS’ MARKET ACCESS**

- No holes in park, no debris.

**FUNDING**

- Develop Sponsor Letter and send to potential sponsors.
- Send sponsor letters by November of each year.
- Identify fundraising opportunities.
- Request funding from local Chamber of Commerce, Economic Development Authority or City Council.
- Identify grantors by September and apply for grants.

**FORMS INCLUDED IN THE 2014 MFMA FARMERS’ MARKET PACKET**

- ST19 Certificate of Operator Compliance ([http://www.revenue.state.mn.us/Forms_and_Instructions/st19.pdf](http://www.revenue.state.mn.us/Forms_and_Instructions/st19.pdf)).
- Business plan.
- Budget.
- Retainer for accountant (search online).
- Accident report form.
- Severe weather protocol handout.
- Musician agreement to play original music ([http://farmersmarketcoalition.org/letter-to-members-re-copyright-liability](http://farmersmarketcoalition.org/letter-to-members-re-copyright-liability)).
- Independent contractor agreement.
- Sample intern position description.
- Sample independent contractor position description.
- Sample sponsorship letter.
- Insurance policy information (with market and city as “additional insured”).
<table>
<thead>
<tr>
<th>FORMS INCLUDED IN THE 2014 MFMA FARMERS’ MARKET PACKET</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Sample Board position descriptions (<a href="http://www.minnesotanonprofits.org/search-results?query=job+description">http://www.minnesotanonprofits.org/search-results?query=job+description</a>).</td>
</tr>
<tr>
<td>☐ Sample board evaluation (<a href="http://www.minnesotanonprofits.org/search-results?query=sample+board+evaluation">http://www.minnesotanonprofits.org/search-results?query=sample+board+evaluation</a>).</td>
</tr>
<tr>
<td>☐ List of taxable and non-taxable items (<a href="http://www.revenue.state.mn.us/businesses/sut/factsheets/FS102A.pdf">http://www.revenue.state.mn.us/businesses/sut/factsheets/FS102A.pdf</a>).</td>
</tr>
<tr>
<td>☐ Board application.</td>
</tr>
</tbody>
</table>

Dear Vendor,

I am a graduate student working on an advanced degree in environmental education at Hamline University, St. Paul, Minnesota. As part of my graduate work, I plan to conduct research with farmers’ market vendors July-August, 2015. The purpose of this letter is to request your participation. This research is public scholarship and the abstract and final product will be cataloged in Hamline’s Bush Library Digital Commons, a searchable electronic repository and it may be published or used in other ways. It is possible that my results may be included in an article in a professional journal or a session at a professional conference. In all cases, your identity and participation in this study will be confidential and anonymous.

The topic of my master’s capstone (thesis) is to find key characteristics of how a small farmers’ market is or can be successful from the view of the vendor. I will interview and survey vendors about their experiences and perspectives in regards to what make a farmers’ market successful. There will only be one survey or interview, if selected, to complete which will be approximately thirty (30) questions. The survey will be handed-out to vendors to complete at their leisure and requested to be returned the following week. For those selected to be interviewed, the interview will be recorded and last approximately 30 minutes. The interview questions will be the same as the survey questions and provided ahead of time. After completing the capstone, I will summarize the findings to be distributed to vendor participants.
There is little to no risk if you choose to be surveyed/interviewed. All results will be confidential and anonymous. Pseudonyms for the Farmers’ Market, City and participants will be used. The interviews will be conducted at a place and time that are convenient for you. The interview recordings will be destroyed after completion of my study. The City of the market where the study will take place will be not be stated nor will the name of the farmers’ market. The Mayor has given approval on the City’s behalf for this study to take place.

Participation in the study is voluntary, and, at any time, you may decline to complete the survey or be interviewed or to have your information content deleted from the capstone without negative consequences. Your participation will have no effect on your status as a vendor of the farmers’ market this season or any future seasons.

I have received approval from the School of Education at Hamline University and from Professor Margot Galt to conduct this study. If you agree to participate, keep this page. Please fill out the duplicate agreement to participate on page two and return it to me by hand deliver, mail or copy the form in an email to me no later than September 18. If you have any questions, please contact me.

Sincerely,
Josephine Wood
38475 Dolphin St NW
Dalbo, MN 55017
612-270-6188
jbona01@hamline.edu
Informed Consent to Participate in Qualitative Survey and/or Interview

Return this portion to the researcher, Josephine Wood

I have received the letter about your research study and hereby give my permission to use information obtained in the survey questionnaire or audio recording material taken of myself during the study on Motivations of Farmers to Participate in a Small Farmers’ Market and How This Relates to Successful Characteristics of Farmers’ Markets in Other Communities: A Case Study of a Small Minnesota Farmers’ Market. I understand that any information and my willingness to participate in this study will in no way have an impact on my participation or selection in being a vendor of the farmers’ market for this season or any future seasons. I understand that my name, likeness and other identifying information will be protected and that being surveyed or interviewed poses little to no risk for me and that I may withdraw from the study at any time without negative consequences. I also understand that I will not be compensated for the use of my information.

Signature: ____________________________________ Date: ________________
APPENDIX C
Survey Questionnaire and Interview Questions

1. How long have you been selling at the Farmers’ Market in this case study?

2. What types of product(s) do you sell at this farmers market?

3. What kinds of certifications do you possess that helps to sell your products?

4. What volume do you sell? For example, how many jams do you make for a typical market day or approximately how many of each produce do you bring in the peak of season on a typical market day.

5. How many customers shop at your booth per average market day?

6. What is the average sale per customer?

7. How many weeks do you sell per Season at the farmers’ market?

8. How significant are your farmers’ market sales? Do you have a specific target amount that you need to make to reach your “goal”? What is your goal?

9. How many other farmers’ markets do you currently sell at? How do they compare to the Market used in this case study?

10. If you had sold at other markets in the past, why did you choose to stop selling at them?

11. What other forms of direct-to-consumer markets such as road side sales, you-pick, farm stand or CSA do you also sell at? Please describe.

12. Have selling at the farmers’ market helped this other direct to consumer market and how?
13. How many people do you hire to help on your farm or to make your product(s)?
   
   Approximately how many hours per week?
14. Why did you choose to sell at the farmers’ market in this case study?
15. What characteristics do you feel make a farmers’ market successful? For example: location, traffic patterns, days of the week, time, variety of vendors, quality of products, etc
16. If different, what characteristics make the case study market in particular successful?
17. What are the disadvantages to selling at this case study farmers’ market? What are the barriers/challenges?
18. What are the challenges of the case study market in regards to the rules and regulations? Do the rules and regulations create barriers or obstacles?
19. List your top three characteristics that make the case study market successful.
20. How do you feel the relationship between vendors play a role in how a market is successful?
21. How do you feel the relationship between the vendor and market manager play a role in how the market is successful?
22. Have you adapted your selling techniques or products to sell better at the case study market?
   How so, please explain.
23. What do you think the customers of the case study market see as a benefit of this particular farmers’ market?
## APPENDIX D

### Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value-added Products</td>
<td>A change in the physical state or form of the product (such as milling wheat into flour or making strawberries into jam). The production of a product in a manner that enhances its value, as demonstrated through a business plan (such as organically produced products).</td>
<td>United States Department of Agriculture, 2015</td>
</tr>
<tr>
<td>Pickle Bill</td>
<td>The limited sale and requirements of certain home-processed and home-canned foods to be sold at a market.</td>
<td>Minnesota State Statute - Chapter 28A.15 subdivision 10, 2015</td>
</tr>
<tr>
<td>Cottage Food Bill</td>
<td>A person can sell most types of non-potentially hazardous foods from their home or market. Effective July, 1 2015, the person must register with the MN Department of Agriculture and take a food safety training course.</td>
<td>Minnesota State Statute - Chapter 28A.15 subdivision 9, 2015</td>
</tr>
<tr>
<td>Farmers’ Market (Federal)</td>
<td>Multi-stall market at which farmers or producers sell products directly to the general public at a central or fixed location.</td>
<td>United States Department of Agriculture, 2015</td>
</tr>
<tr>
<td>Farmers’ Market (Minnesota)</td>
<td>Farmers Market or Community Event; Food Product Sampling and Demonstration’ states a “farmers' market” means an association of three or more persons who assemble at a defined location that is open to the public for the purpose of selling directly to the consumer the products of a farm or garden occupied and cultivated by the person selling the product.</td>
<td>Minnesota State Statute - Chapter 28A.15, 2015</td>
</tr>
<tr>
<td>Community-Supported Agriculture (CSA)</td>
<td>Community Supported Agriculture farms are sometimes called &quot;subscription farms.&quot; Each one is organized a little differently, but in general, shareholders or members pay in advance for a &quot;share&quot; of what the farm produces in a growing season, then receive a portion of each week’s harvest. The farmers receive the capital funds they need at the beginning of the growing season and arrange for the members to pick up their weekly seasonal produce.</td>
<td>Minnesota Department of Agriculture, 2015</td>
</tr>
</tbody>
</table>
### APPENDIX E

**Tables**

Table 1: Farmers’ Market Size Based on Number of Vendors

<table>
<thead>
<tr>
<th>Size Level</th>
<th>Number Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Small</td>
<td>10 or less</td>
</tr>
<tr>
<td>Small or Mid-Sized</td>
<td>11 – 30</td>
</tr>
<tr>
<td>Medium</td>
<td>31 – 50</td>
</tr>
<tr>
<td>Large</td>
<td>51 – 100</td>
</tr>
<tr>
<td>Very Large</td>
<td>100 or more</td>
</tr>
</tbody>
</table>
APPENDIX F

Figures

Figure 3: The Food Chain Reaction from a Farmers Market

![The Food Chain Reaction from a Farmers Market](image)

<table>
<thead>
<tr>
<th>Farmers markets use more resources of local food exploitation (food safety) in 2010.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers markets are a direct link between sale to rural communities,</td>
</tr>
<tr>
<td>families &amp; fresh ingredients.</td>
</tr>
</tbody>
</table>

**Sources:**
- U.S. Department of Agriculture
- USDAakis, D. R., & Hanson, S. M. (2010). Food chain reaction from a farmers market. 
- USDAakis, D. R., & Hanson, S. M. (2010). Food chain reaction from a farmers market. 
- USDAakis, D. R., & Hanson, S. M. (2010). Food chain reaction from a farmers market. 
- USDAakis, D. R., & Hanson, S. M. (2010). Food chain reaction from a farmers market. 
- USDAakis, D. R., & Hanson, S. M. (2010). Food chain reaction from a farmers market.

Figure 4: Vendor Participation in the Farmers’ Market Case Study Since Market Began

![Vendor Participation in the Farmers’ Market Case Study Since Market Began](image)

<table>
<thead>
<tr>
<th>Number of Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vendor Identification</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>0</td>
</tr>
</tbody>
</table>

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Figure 3: Vendor Reasons Why They Came to the Case Study Farmers’ Market

Figure 4: Products Sold at the Case Study Farmers' Market
Figure 5: Average Number of Transactions on an Average Market Day

Figure 6: Average Transaction Amount on an Average Market Day
Figure 7: Goals and Actual Average Sales per Market Day

Figure 8: Characteristics of a Successful Market in General
Figure 9: Characteristics that Make the Case Study Farmers’ Market Successful

Figure 10: Disadvantages of the Case Study Farmers’ Market
REFERENCES


