

EMERGING AGRICULTURAL MARKETS TEAM

UW COOPERATIVE EXTENSION

Rose Skora

In the ten-year period from 1994–2004, the number of markets nationwide has almost doubled.

Are Farmers' Markets a Good Fit for Your Business?

Strolling along an outdoor farmers' market, taking in the colorful sights and enticing aromas is an experience many people enjoy. Farmers' markets have a long history, not only in Wisconsin and throughout the United States, but worldwide, and their popularity has continued to grow. In the ten-year period from 1994–2004, the number of markets nationwide has almost doubled. And that's good news for farmers, communities and consumers.

Participating in a farmers' market can be a good business option for producers. For farmers who attend a number of markets throughout the week, markets can be a primary source of income. For others, markets are one of a variety of marketing options. For new farmers or those just getting involved in direct marketing,

farmers' markets are a great way to test the market and determine what customers want.

Markets operate in different ways

Regardless of the reasons for attending a farmers' market, there are some things that individuals looking at them as a potential direct marketing option should know. The first is that no two farmers' markets operate in exactly the same way. The variation among markets in operations, management, committees and/or boards, rules and advertising reflect local choices and situations.

In fact, farmers' markets can vary from minimal organization and oversight where farmers show up each week and never see anyone "in charge" to markets with advisory committees, managers and in some rare cases, full-time staff. Most farmers' markets do have managers, however, who typically coordinate the market, enforce the rules and communicate with vendors and consumers.

An interesting aspect of markets is how differently they approach rules and regulations. Some markets allow re-sellers; others do not. Some allow dogs; others don't. Some markets place limits on how far a farmer can travel to participate or allow only in-state participants. There may be rules about vendors smoking, or vendors staying through the entire market, regardless of whether or not they sell out of their product.



Learn about requirements for vendors

Other rules that you'll probably have to pay attention to in researching farmers' markets are:

- Approval procedures
- Approved products
- Parking
- Set-up and tear-down procedures
- Designated space and size of selling areas, requirements for tents, etc.
- Clean-up procedures
- Fees
- Licenses
- Dismissal procedures

Farmers' markets are expanding their reach

The days and hours a market operates depend on the type of market. While Saturday is probably the most popular day for farmers' markets, they are held every day of the week. In fact, while some markets may only be held once a week, others run every day or in any combination of days.

Currently, there is a trend to expand the term "market" to include more than farm and agricultural products. Some markets allow various types of vendors, including those selling prepared foods, bakery, art, music, performance art and more. Many markets now include educational components, such as a "Plant Doctor" booth. This encourages a wider customer base to visit the market and offers more for customers to choose from. Adding special events, chef demonstrations, contests and the like are all ways to bring customers to the market and keep them there longer.

Most farmers' markets in Wisconsin start in spring and run through the fall. There are several places that now run winter markets, as well. While winter markets are relatively new, they are becoming more common, especially those featuring meats, honey, maple syrup, jams, jellies and many other products that can be offered year round. Also, as more and more farmers are utilizing season extenders for produce or developing more sophisticated storage systems, more and more products are available in the winter.

Tips for success

In addition to looking at how farmers' markets are run, it is important to look at both your business and your personnel situation to determine whether farmers' markets are the best fit for you. Without a doubt, farmers' markets do require a time commitment for the farmer, his/her family and employees.

Successful farmers' market vendors all do the following.

- **Price their products appropriately.** You need to know your costs so that you can determine what the consumer should be paying for your product(s). Often, farmers will "case" a market to check out what other farmers are charging and use those prices as a guide for setting their own. While there's no shame in having higher prices than the competition (especially if you are providing a high-quality product), there is danger in undercutting competitors. Not only will undercutting affect your ability to make money and maintain a profitable business, it can result in hard feelings among vendors and set the consumer up for unrealistic expectations about the true costs for the products available at the market. Customers need to understand that farmers have a right to make money, and, even though it might be uncomfortable, it is better to explain why your prices are the way they are and still be in business in a year. The alternative is to charge too

little and realize at the end of the year that not only can't you pay yourself for your labor, but you can't continue farming.

- **Talk about their products.** Successful marketers constantly talk with customers about their products, and how to use them. This isn't a "sales pitch"; it really amounts to telling a story about your business. "Hi, I'm Farmer Jane. This is my husband, Farmer John, and we have 30 different vegetables available for you to choose from. You might not recognize this vegetable, it's an heirloom eggplant, and these are the things that make it unique and different. And, oh, by the way, this is how you can cook it. Here are some recipes for you to take with you." Not only are you promoting your product, you are developing relationships that will result in return business.
- **Provide friendly, good service.** When people attend a farmers' market, they want to enjoy themselves as well as buy great products. They don't want the hassle they might get from a disgruntled sales clerk at a retail outlet. The more engaging, friendly and knowledgeable you are, the more sales that will result.
- As odd as it may sound, customers have a view of what farmers are and what they look like (realistic or not). There is nothing wrong with "playing the part" and going to the farmers' market in overalls that you would never consider wearing while working on the farm. You can take it further and wear a cheese hat if you are selling your cheese products, etc. Drawing attention to you and your booth will bring customers in and give you the chance to talk to them after they get over the fact that you are wearing a large styrofoam hat. You'll get them to laugh and quite frankly, you'll be more likely to make a sale.

- **Use promotional items.** Too often at the market you hear customers say “*What is that?*”. The more promotional items you have in your stand, the better you will be able to tell your story. For example, brochures, business cards or a poster explaining your business are just more ways to bring the customer in and help them develop a connection with you. Consider putting signs next to each of your products, explaining what they are. Finally, easy-to-read signs with the prices of your products are essential.
- **Offer recipes.** As mentioned earlier, recipes are incredibly important, especially if you are offering a product that the general public is not used to preparing. With the large numbers of people who don’t cook anymore, it’s important to recognize that we can’t assume that customers understand how to prepare even the most common products. Keep in mind that if your product requires special cooking instructions you must inform your customer. A prime example is bison versus beef. If a customer buys bison meat and thinks they can cook it like beef and be satisfied with the results, they will be very disappointed. Making sure your customers know how to prepare your product correctly will result in a much higher probability of return sales.

- **Show up reliably.** Once customers start to develop a relationship with you, they expect you to be at the market every week and will begin looking for your stand. If you have to miss the market for whatever reason, make sure you let the market manager and your customers know in advance. Putting a sign in your booth announcing your absence the coming week and encouraging customers to stock up is an easy solution. Also, alert the market manager, who may be asked to respond to customers’ questions about your absence.

There are other things to be aware of when preparing to sell at a farmers’ market. They include:

- Learning whether you need a license to sell your products. Check with either the market manager or a local DATCP (Department of Agriculture, Trade and Consumer Protection) food safety specialist.
- Storage and handling requirements for different products. Proper storage of meats and other perishable items will be governed by food safety regulations. Being aware of the proper temperature at which fruits and vegetables should be stored is also important. You may want to keep some fruits/vegetables in a cooler or display them on ice. Since most markets are held in the summertime when the heat can quickly deteriorate the quality of produce, it’s important to know how to store the products until you sell them. For example, about 50 percent of the sugar in sweet corn is lost in a single day at 70°F while corn cooled to 33°F loses only 5 percent of the sugar. Knowing proper “post-handling techniques” will ensure that your product is always of the highest quality when the consumer purchases it.

Create an inviting display

Think about what your display should look like. Here are some recommendations.

- **Make a plan**—Start with a sketch on paper and capitalize on the best ideas you have seen in supermarkets.
- **Appeal to the senses**—Keep in mind that people are drawn to products with their eyes, by taste, touch and smell.
- **Display products at convenient heights and widths**—Products displayed below the knees or above the head are less likely to be sold. Tables or counters in the 36- to 40-inch height range are convenient for most customers.
- **Add appeal with containers and bins**—Take advantage of the containers and surfaces you use to attractively present your product. Sloping tops, bins, barrels and baskets offer possibilities to be creative. Placing the product in smaller baskets or boxes helps the customer picture a realistic purchase amount. A mix of packaged and bulk items has visual appeal.
- **Use contrasting colors**—Color has psychological appeal to customers. The natural colors of fruits, vegetables and plants are attractive; alternate them for visual appeal.
- **Offer samples**—Samples are another good way to bring customers to you and give them first-hand knowledge of how great your products are. Make sure you check with local and statewide food safety regulations before offering samples, however.

Networking is important

Finally, it is well worth your time to not only visit farmers’ markets and talk with market managers, but also to talk with farmers who are currently selling at markets. Their advice will be invaluable to you as you plan how to incorporate farmers’ markets into your business plan.



© 2007 by the Board of Regents of the University of Wisconsin–Wisconsin. All rights reserved. Send inquiries about copyright permission to Cooperative Extension Publishing, Room 103, 432 N. Lake St., Madison, WI 53706.

Authors: Adapted from a publication by John Cottingham, former agricultural marketing specialist and professor of agricultural economics at the University of Wisconsin–Platteville. Updated by Rose Skora, community agriculture educator for Kenosha/Racine Counties, University of Wisconsin–Extension.

Direct Marketing in Wisconsin is a project of the Cooperative Extension Emerging Agricultural Markets Team. For more information on the team’s work and Wisconsin’s new agricultural markets, visit uwex.edu/ces/agmarkets/.

This project is supported in part by a USDA grant (Agricultural Entrepreneurship—Wisconsin) to the UW–Extension Emerging Agricultural Markets (EAM) Team.

An EEO/AA employer, the University of Wisconsin–Extension, Cooperative Extension provides equal opportunities in

employment and programming, including Title IX and Americans with Disabilities (ADA) requirements.

Photos: iStockphoto; vegetables by Alison Stieglitz.

This publication is available from your Wisconsin county Extension office or from Cooperative Extension Publishing. To order, call toll-free: 1-877-WIS-PUBS (947-7827) or visit our web site: <http://learningstore.uwex.edu>.

UW
Extension