



BC ASSOCIATION OF  
FARMERS' MARKETS

# Selling at BC's Farmers' Markets

## A GUIDE FOR NEW FARMER VENDORS

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## INTRODUCTION

There is one general rule that guides who can sell at farmers' markets that are members of the BC Association of Farmers' Markets (BCAFM): vendors must make, bake or grow the products and then sell them at the market. This simple rule has served the members of BCAFM for many years. In turn, farmers' markets have supported hundreds of BC farmers and made millions of customers happy.

The rising interest in purchasing food directly from farmers has led to a tremendous growth in the number of farmers' markets in BC over the past ten years. A consequence of this growth in local food is that more farmers' markets are looking for new farmer vendors – but are having a more difficult time recruiting them. A survey by BCAFM in 2010 indicated that almost every one of its member markets was looking for additional farmer vendors. Some markets needed more farmers to meet customer demand for the usual vegetables. Other markets were looking to complement existing farmer vendors with specialty products.

In response to what we heard from our members, we developed a series of pamphlets about selling at BC's farmers' markets. We also learned from prospective farmer vendors that they wanted more than the standard sales pitch about how great it is to sell at farmers' markets – they wanted more details about who was selling at farmers' markets and what farmers' markets had to offer them. The reality is that farmers' markets are not for every farmer. What works for one farmer may not work for another. Our goal is to provide farmers with sufficient information to be able to determine whether selling at a BC farmers' market will match with their business goals.

The *Selling at BC's Farmers' Markets* series includes profiles of BC's farmers' markets, its market customers, and its vendors. The vendors are also profiled for each of the following product groups: vegetable, fruit, fruit & vegetables, and meat. Each profile is presented as a four-page pamphlet. All of these materials are available on-line at [www.bcfarmersmarket.org](http://www.bcfarmersmarket.org). *This guide describes what is in the series and how to get the most use out of this information.*

### Purpose and structure of this guide

The purpose of this guide is to help farmers decide whether or not selling at a farmers' market is a good strategy for their business. The materials are presented in six parts.

#### 1. The Business of Farmers' Markets

The first part of this guide focuses on farmers' markets as a business, one that 'profits' by bringing farmers and shoppers together in a unique setting. Here we introduce the idea of the **farmer-market-shopper match** and how this match can be understood in terms of 'market position' and 'market power.' Market position provides insight to differences among farmers' markets. Market power provides insight to how these differences can be used to a farmer's advantage.

We use both of these concepts to explain how a market functions as a service that matches farmers with shoppers in a unique setting.

**2. Selling at BC's Farmers' Markets**

The second part of the guide explains the contents of BCAFMs' *Selling at BC's Farmers' Markets*, which is a series of brochures aimed at farmers who are considering selling at farmers' markets. The *Selling at BC's Farmers' Markets* series includes profiles of BC's farmers' markets, its market customers, and its vendors. In different sections of the guide we describe the scope of each profile and explain their charts and tables. **The guide and the pamphlets are designed to be read together.**

**3. Market Policies**

In this part of the guide we review four areas of farmers' market policy that are most relevant to new farmer vendors. These are geographic boundaries of a market's trade area, staffing of vendor tables, co-operative selling arrangements, and re-selling produce. It is important to ensure that a market's policies are consistent with your business goals and personal priorities.

**4. Your priorities**

At this point in the guide we shift attention to your priorities as they relate to financial goals, distance to market, marketing, and ideology. We refer to these four areas as money, mobility, marketing, and morality.

**5. General Information**

The fourth part of the guide focuses on general information about selling at farmers' markets. This information is a summary of what we learned from talking with market vendors and from other sources.

**6. Resources**

The fifth part of the guide provides contact information for some helpful resources.

## THE BUSINESS OF FARMERS' MARKETS

There are many good reasons for selling at a farmers' market. These include:

- Higher financial returns
- No middleman
- Greater control for producers
- Good for communities
- Direct connection with consumers
- Intertwined social and economic benefits
- Low cost exposure for products and business ideas

*"If you go to the farmers' market you've got a whole captive audience. You've got a place to start that's set up, that's ready to go, and people go there."*  
BC farmer

These are real benefits to farmers. Farmers' markets offer producers a consistent, low cost, low risk, and viable method to market, display, and distribute BC farm products directly to customers. While this standard sales pitch for selling at farmers' markets sounds fantastic, it may not address your specific needs as a prospective farmer vendor. In addition to the general benefits of selling at farmers' markets, our aim is to help you assess why *you* should sell at a particular farmers' market and how selling at this market will fit with your long-term business success.

### **The farmer-market-shopper match**

- *Whom does the market serve?*

To understand how selling at a farmers' market might benefit your operation it is important to see a farmers' market not only as a collection of vendors but also how a market functions as a business that is separate from its vendors. *Our view is that a farmers' market is something greater than the sum of its existing vendors. It is a business that 'profits' by bringing vendors and market shoppers together in a unique setting.*

As a business, a farmers' market provides one very important service: it serves to match farmers who want to sell directly to customers with shoppers who want to buy food directly from farmers. For a farmers' market to be successful its farmer vendors must sell enough products at the right price and its customers must be able to buy what they want at the right price. This is what we refer to as 'the farmer-market-shopper match.'

### **Market position**

- *What is the market's position in the marketplace?*

Understanding the farmer-market-shopper match of a particular farmers' market lends insight to why you might want to sell at that particular market. To develop this idea further, we can think of the farmer-market-shopper match as a market's position between farmers and shoppers. In business terms, the idea of having a position in the marketplace refers to where a product or service fits in an industry. To get shoppers' attention a business tries to distinguish itself from its

*"It's about finding that market and where your product is needed."*  
BC farmer

competitors and to differentiate its product and services. Positioning can be achieved by focusing on one's strengths and turning them into an advantage over competitors. Such positioning is usually achieved through pricing and quality and reinforced through advertising, promotions, and branding. These ideas of positioning apply well to farmers' markets.

A farmers' market's position in a marketplace is different from most other businesses. Markets must not only attract shoppers but also recruit and retain vendors. This is why the farmer-market-shopper match is so important: there are two sides to the formula for a successful market.

### **Farm direct marketing**

- *What industry do farmers' market participate in?*

It is possible to think of farmers' markets as participating in several different industries. The industry can be defined narrowly as farmers' markets, which means that markets compete only with other markets. The industry can also be defined as food retail. In this broad definition farmers' markets compete with all forms of food retail, including grocery stores, health food stores, and corner stores. While there is merit to either of these definitions of the industry in which farmers' markets are players, we find that defining the industry as 'farm direct marketing' is the most helpful.

### **Competitors**

- *Who competes with farmers' markets?*

Farmers' markets compete directly with other forms of direct-to-consumer marketing such as farm gate sales and Community Supported Agriculture (CSA). By this same industry definition, farmers' markets do not compete directly with other non-direct marketing channels, such as grocery stores. Instead of being direct competitors, grocery stores are defined as substitutes for shopping at a farmers' market. Importantly, shoppers always have the convenience of going to grocery stores and health food stores, both of which are focussing more on local foods.

### **Relations with competitors**

- *What factors influence relations with your competitors?*

The farm-direct marketing industry is small and specialized, which defines it as a niche segment of the food retail sector. This means that the mainstream food retailers don't have any interest in competing directly with farmers' markets, but it also means that farmers' markets have a small and specialized customer base. Traditionally, the marketplace dynamics have been stable, but things have changed dramatically over the past ten years. As the interest in local food has grown so has the number of direct-marketing options. This has increased the level of competition in the farm-direct marketing industry, both among farmers' markets and with other farm-direct marketing channels. More often existing markets are being challenged by the emergence of new farmers' markets and with more farmers' opting to use other farm-direct marketing channels.

Although farmers' markets tend to look and feel the same, there is diversity among them. The location of the market introduces many factors: urban versus rural; neighbourhood versus city. The customer base presents other factors such as area resident versus tourist, as well as income and shopping patterns and preferences. Likewise, there is diversity among farmers, including products, production methods, size, and marketing channels used. As such all of these factors influence the farmer-market-shopper match.

### **Options available to farmers and shoppers**

- *What options do prospective farmer vendors have for selling food directly to local buyers?*
- *What options do its shoppers have for buying local food?*

We can make sense of a farmers' market's position in the marketplace by focussing on two dimensions of the farm-direct marketing industry: (1) the options available to farmers to sell via direct marketing channels; and (2) the options available to shoppers to purchase directly from farmers. On the one hand, shoppers have more choices to purchase directly from farmers. They have more options for which market to attend. They also have new ways of purchasing directly from farmers because of the parallel growth in Community Supported Agriculture (CSA). As well, shoppers who live in the rural-urban fringe areas have easier access to farm gate sales. And for those shoppers less inclined to buy direct from farmers, they now have both the convenience of and greater access to buying local food at grocery stores. On the other hand, farmers also have more choices because there are more markets at which they can sell their products, more customers who live closer to their farm, and more interest in CSAs. Restaurants and institutions are also more interested in buying directly from farmers, which adds to the options available to farmers.

To get the most out of the *Selling at BC's Farmers' Market* series, it is important to maintain a view of farmers' markets from a business perspective. Understanding the farmer-market-shopper match and the position of a market in the local farm-direct industry lends insight to what makes a particular market successful (or not). Knowing why one market is different from another is also a key to deciding how a particular market can match your needs.

*“Don't expect the first year to be doing what you will be doing in a few years. You have to think of it in business terms and most businesses take three years to get established”*  
BC farmer



## SELLING AT BC'S FARMERS' MARKETS

The *Selling at BC's Farmers' Markets* series includes seven profiles featured in individual pamphlets of BC's farmers' markets, its market customers, and its vendors. In this section of the guide we describe the scope of each profile and explain their charts and tables. **The guide and the pamphlets are designed to be read together.** The sources of data used to create these profiles are described in the appendix.

### ***Selling at BC's Farmers' Markets*** **A PROFILE OF FARMERS' MARKETS (see pamphlet)**

Not all farmers' markets are the same. The information in this profile will help you to understand important differences among BC's farmers' markets. The profile includes information about three types of farmers' markets (urban, suburban, and town) and highlights several important features of farmers' market operations. You can use this information to assess how well each type of market matches with your business goals and operations. The profile of farmers' markets includes the following information.

#### The farmer-market-shopper match

- *Markets in BC*

This pie chart shows the proportion of urban, suburban, and town markets in BC. Almost half of all BC's markets are located in towns.

- *Producer and consumer options*

The text box explains what we mean by 'the farmer-market-shopper match.' The match corresponds to the options available to farmers who want to sell their produce directly to shoppers and the options available to shoppers who want to buy food directly from farmers. The corresponding chart illustrates how combinations of these options are related to the location of a market. We found that the set of options is highest in urban areas and lowest in towns and rural areas.

*"You know that the number one rule for retail, whether it's a farmers' market or otherwise, is location. If you are in the right place, you are going to get the business."*  
BC farmer

#### Three types of markets

On this page we describe in more detail how the combinations of farmer and shopper options play out in each of the three types of markets: urban, suburban, and rural.

#### Operations

- *Types of all market vendors*

This bar chart shows all the types of vendors who sell at BC's farmers' markets. About 60% of vendors are related to food, while 40% are crafters. About 35% of vendors are farmers, as opposed to gardeners, bakers, or food processors.

- *Size of markets (# of vendors)*  
The pie chart shows the percentage of farmers' markets in BC by size, where the size of the market is measured by the number of vendors. (Small = less than 20 vendors; Medium = 20 to 39 vendors; Large = 40 to 99 vendors; Very large = over 100 vendors). Almost half of the farmers' markets in BC are large.
- *Types and sizes of markets*  
This table shows the relationship between the types of markets (urban, suburban, town) and the size of markets. While small markets tend to be located in towns, larger markets can be found in urban, suburban, and town locations.
- *Trends over past five years: total market sales*  
Market managers were asked to report on the change in the total market sales at their farmers' market. The bar chart shows that total sales have increased in the majority of BC's farmers' markets over the past five years. About three-quarters of all markets reported that sales increased either slightly or significantly. Only a few markets reported a decline in sales.
- *Trends over past five years: market customers*  
Market managers were asked to report on the change in the number of customers visiting their farmers' market. Most market managers reported that the number of customers has increased over the past five years, as shown in the bar chart. About three-quarters of markets reported that the number of customers increased either slightly or significantly over the past five years. Very few markets reported a decline in the number of market customers.
- *Market managers*  
This pie chart shows the percentage of markets with paid market managers, as opposed to volunteer market managers. A well paid market manager usually means that the market is well organised. About two of every three markets have a paid market manager; however, the level of payment varies significantly.

### **Focus on a market's unique service**

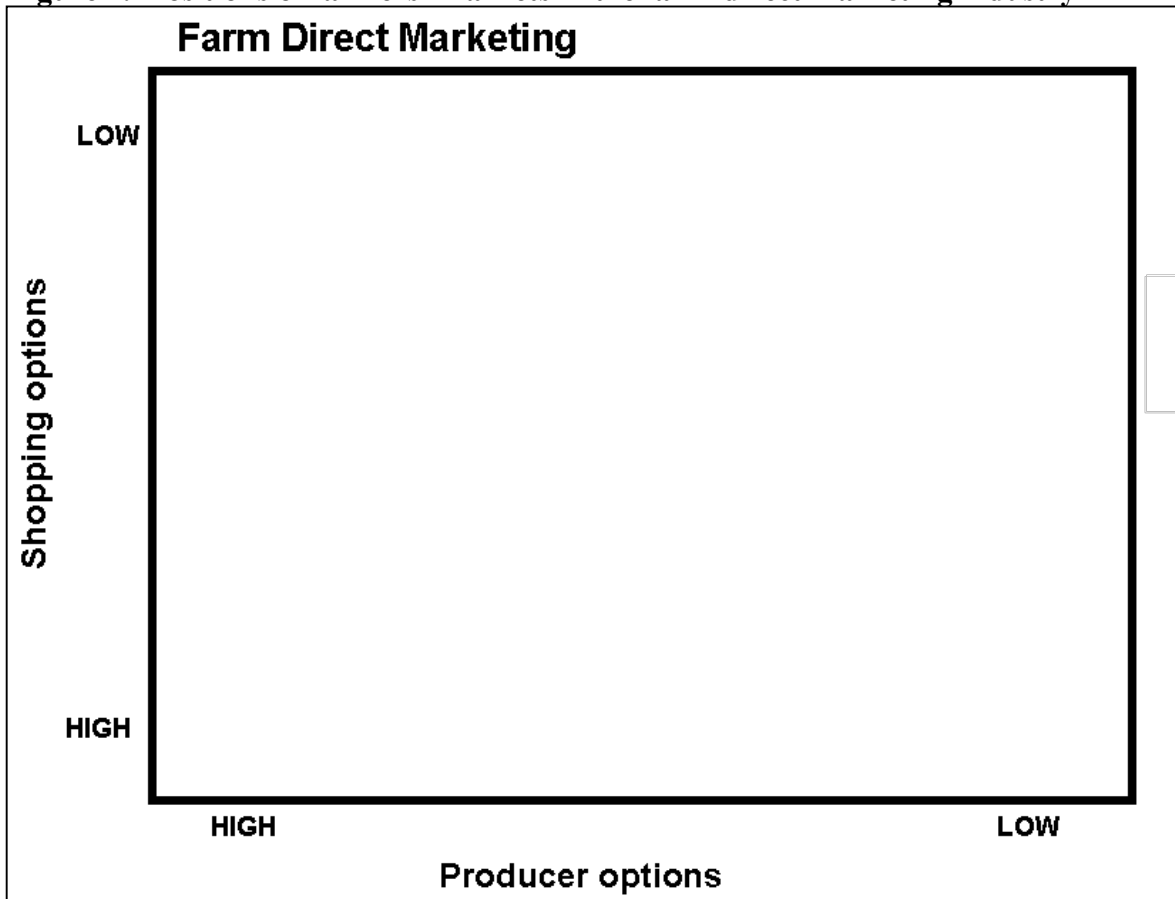
Knowing why one market is different from another is a key to deciding how a particular market can match your needs. To help you focus on a market's unique service, we can assess a market's position in the marketplace. As we explained above, a market's position depends on two dimensions of the farm-direct marketing industry: (1) the options available to farmers to sell via direct marketing channels; and (2) the options available to shoppers to purchase directly from farmers. These options can be presented visually, as shown in Figure 1, below. Work through the exercise described in the following text box to gain a better understanding of the market that you are considering as a marketing channel.

**Exercise: Visualizing the market's position**

You can visually see where a market is positioned in the local marketplace by completing the following steps.

1. Think about the options available to prospective farmer vendors for selling food directly to shoppers. Make a list of other farmers' markets, CSAs, and farm gate sales that are available to you. Be sure to think of these options from your perspective. Would you consider the level of these options to be high or low? Using Figure 1, place an X along the horizontal axis that corresponds to your answer.
2. Now think about the options available to the market's shoppers for buying local food. Make a list of other farmers' markets, CSAs, and farm gate sales that are available to these shoppers. Note that this list may be different from the list of options available to you as a prospective vendor. Would you consider the level of these options available to shoppers to be high or low? Using Figure 1, place an X along the vertical axis that corresponds to your answer.
3. Extend lines from each of your Xs until they meet inside the box of Figure 1. At this point where they meet is what defines your market's position in the marketplace.

**Figure 1. Positions of farmers' markets in the farm-direct marketing industry**



We can begin to make sense of a market's position makes in the context of the farm direct marketing industry as a whole, including other farmers' markets. In BC, we find that the options available to both shoppers and farmers are higher in urban areas and lower in towns. Urban areas include both inner city areas and city neighbourhoods. City neighbourhoods and some suburban areas may overlap. Town markets are found in rural and isolated areas, and include small cities. Each of the three types of farmers' markets is described in more detail in the accompanying BCAFM pamphlets.

After completing the above exercise, review the information provided in the pamphlet *Selling at BC's Farmers' Markets: A Profile of Farmers' Markets*. Hopefully, some of the unique services provided by any one market is becoming clearer by comparing your assessment of a particular market with the general information provided in the pamphlet you will be to understand some of the unique features of that market and be closer to determining whether the market is a good match for your business.

### Assess your 'market power'

A farmers' market's position in the marketplace transfers directly to its farmer vendors in the form of market power<sup>1</sup>. 'Market power' refers to how much influence and control a farmer vendor has to set prices in order to get an appropriate margin of profit. The level of market power is highly influenced by the set of options available to farmers and shoppers. This level of influence can be analyzed by looking at five forces:

- Power of suppliers
- Power of buyers
- Availability of substitutes
- Threat of new entrants
- Intensity of competition

These five forces provide the foundation for further analysis of the farmer-market-shopper match.

Before you go through your analysis, we can share with you that our analysis of these five forces for all farmers' markets reveals that customer loyalty and collaboration among existing vendors are the two most important factors. Customer loyalty is related to both the power of buyers and threat of new entrants. The level of collaboration among vendors is directly related to the intensity of competition among existing vendors. When vendors are more willing to collaborate for the benefit of the market as a whole they are also less likely to compete with each other over prices. The power of suppliers and the availability of substitutes are factors that influence a farmer vendor's prices, but these other factors tend to be outside the control of a farmer vendor.

*"The market is set up in a way that means we can all work together so that its not about being competitive its about working together."*  
BC farmer

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<sup>1</sup> This analysis of producer options is based on Michael Porter's work on competitive strategy (Porter, M.E. 1980. *Competitive Strategy*, Free Press, New York). The concept of 'market power' does not refer to farmers' markets; rather, it refers to the general economics of exchange in an industry.

As you read through each of the following, keep in mind that each force is analyzed in relation to the farm direct marketing industry, which includes farmers' markets, CSA, and farm gate sales as direct competitors and health and grocery stores as substitutes.

### **Power of Buyers**

- *How much control do shoppers have over farmer vendors?*

The bargaining power of customers refers to the ability of customers to influence prices. The greater the power of customers the more sensitive they are to price changes and to switch to another source when they don't like the price being offered. This condition usually arises when there are a small number of buyers, buyers purchase large quantities, there is little differentiation among products, and the product is not very important to the buyers.

From a farmer's perspective, the bargaining power of farmers' market shoppers is significantly less than that of wholesale buyers. Typically, a farmer using direct marketing channels has many small buyers, which lends itself to more control for farmers. A few other important factors can also reduce the level of power of buyers. Ideologically, many farm direct customers are committed to supporting the local food industry. This loyalty usually means that farm direct shoppers are not as price sensitive and they tend to be loyal to farmer vendors. But this loyalty varies among market customers. It is strongest among customers who shop more frequently at farmers' markets. Those who shop less often at farmers' markets are less concerned about 'local food' and more likely to compare prices and product quality to grocery stores.

To learn more about farmers' market customers refer to BCAFM's *Selling at BC's Farmers' Markets: A Profile of Market Customers*.

### **Threat of New Entrants**

- *How easy is it for a new farmer vendor like you to sell products at a farmers' market in direct competition with existing vendors?*

The usual factors that influence the threat of new entrants in many industries include costs of entry, cost of exit (if things do not go well for the new entrant), costs to customers of switching to another company, and government regulations. Generally, if an industry is highly profitable then it will attract new entrants.

Among farmers' markets there are very few barriers to entering a market, primarily because the costs of entry are relatively low and the typical products sold at markets are not unique. See page 30 for a list of costs of entry that new farmer vendors must consider. As well, the cost to consumers of switching from one vendor to another is very low. Although knowledge of farm production is a key to ensuring quality and consistency, marketing expenses and legal requirements are very low. All of these factors make it easier for new farmers to begin selling at a farmers' market. Furthermore, farmers' markets have one feature that works strongly in favour of new entrants. A strong view among farmers' markets is that new vendors are not often perceived as threats, although some vendors do. As well, some markets limit the number of farmers to ensure the existing farmer vendors make a good living. In many cases new farmer vendors are welcomed, if not actively recruited, as helping to provide more local food

production to better serve market customers and to make the market itself more attractive to customers by providing more choices.

Entry to most industries requires an expensive marketing campaign to introduce new companies and products. However, the costs of marketing at a farmers' market are low, as the market itself bears the cost of marketing, which is shared among all vendors. The result is that markets provide low-cost exposure to interested shoppers. Thus, with few barriers, the threat of new entrants is high. This condition usually results in lower prices. In addition, the threat of retaliation by existing vendors is also low. Price lowering is not a good strategy to deter new farmer entrants because prices are already considered too low among farmer vendors. Thus, any retaliation impacts the whole farmers' market negatively.

*The most significant barrier to entry is customer loyalty.* Shopping patterns among core customers tend to be routine and based on relationships with existing vendors. The high fixed costs of farming (e.g., cost of land, machinery) can be a barrier in some agricultural sectors (e.g., animal and fruit), but these costs are often much lower for small-scale production, especially for backyard gardeners.

### **Intensity of competition**

- *How much competition (or collaboration) is there among existing farmer vendors?*

Companies usually compete with each other based on price, quality, and innovation. When there are many players of about the same size with similar products then rivalry can be intense. And when the prospect for attracting new customers is low, because of a lack of growth in the industry for example, then companies can only gain customers by competing directly for the same pool of customers. The result of this intense competition is low returns because the cost of competing, whether by price, advertising, or innovation, is high.

Competition in the farm direct marketing industry is focussed less on price and more on performance features such as quality of the food product, consistency, and reliability, as well as sociability of the vendor. This tends to reduce the level of rivalry overall. Still, rivalry can come to the surface when historical relations between farmer vendors and the market are important. Long-standing vendors may command special treatment and assume leadership roles without the expressed support of other vendors. This special treatment may take shape through market-specific policies and procedures, including preferential placement within the market. The perishable nature of farm products may also lead to increased rivalry when vendors are faced with losses due to spoilage or high storage costs.

Farmer vendors also represent the farmers' market. Ties between the farmer vendors and the market can exist when there is direct farmer representation on the market's board and when more farmer vendors are actively engaged in promoting the market. When these formal and informal ties are strong and broad then the interests of the farmers and of the farmers' market are likely to be more closely aligned. The effect is to reduce the intensity of competition and increase the level of collaboration to compete as a market against the conventional channels of the larger food system. Farmer vendors have an opportunity to work

*"I think other people would say there are already five vegetable vendors there and we don't need another one because it will cut our margins down. But I think it's actually the opposite. The more vendors there are the more people will come."*  
BC farmer

together to make their market more attractive and increase its presence in the larger food retail sector.

To learn more about vendors at BC's farmers' markets refer to BCAFM's *Selling at BC's Farmers' Markets: A Profile of Market Vendors*. We also profile vendors for each of the following products: vegetable, fruit, fruit & vegetable, and meat.

### **Availability of Substitutes**

- *How easy is it for a market's customers to buy local food through food retail outlets other than directly from farmers?*

When one product is perceived by customers to be equal or very similar to another then it is considered a substitute product. A customer's perception of substitute products is important when the price or quality of one of the two products changes. The availability of substitutes, in terms of price and accessibility, is important. If it is easy to substitute products then customers are more likely to switch. Generally, whenever substitute products are available to customers with little cost of switching then this exerts pressure on companies to lower their prices.

*Grocery stores can be major threats to the farm direct marketing industry.* When the prices and quality of products sold at farmers' markets are not to customers' satisfaction then these customers will easily and quickly switch to grocery stores. The latter offers greater selection, usually at lower prices. Although not many of these products are local, grocery stores are increasingly marketing local products to maintain their customer base.

However, shopping at a farmers' market is more than grocery shopping. Food purchased at a market embodies many qualities beyond price and quality; it embodies personal relations with the farmer and the opportunity to support the local economy. In this context, the direct marketing experience and the social atmosphere of the market are not easily substituted for those customers who are making deliberate choices to go to a market over conventional sales channels.

### **Power of Suppliers**

- *How much control do suppliers have over your operation?*

When suppliers of raw materials, components, labour, and services have power they can exert sufficient pressure to negotiate higher prices, which means higher costs to the industry. This usually happens when there are very few suppliers, the product is essential to the industry product and there are no substitutes available (i.e., a company cannot source a replacement product). Such conditions usually mean that buyers must accept the prices offered, thus reducing the profit margin.

The agriculture sector as a whole is dominated by a highly concentrated supply industry. Consequently, there are very few, if any, sectors in agriculture that command any power over suppliers. But small-scale agriculture may have some advantages compared to larger operations. For example, *smaller agricultural operations tend to provide niche products and to serve niche markets, which decreases their dependence on conventional suppliers and creates a mutually beneficial relation with specialised suppliers. This relation can translate into more control over supplier prices for a farmer.*

**Selling at BC's Farmers' Markets**  
**A PROFILE OF MARKET CUSTOMERS (see pamphlet)**

The information in this profile will help you to understand who shops at BC farmers' markets. The profile provides key insights about what customers are looking for and how much they spend. You can use this information to assess how well your business goals and operations align with the needs and interests of market customers. The profile of farmers' market customers includes the following information.

*"You need to know the target market who is attending that market. That really makes a difference. Is this where my product or my service or whatever is going to get the best exposure, or the best way for me to reach my goal and my target market as well?"*  
BC farmer

Key facts and spending patterns

- *Amount spent at markets*  
The amount of money spent by customers at farmers' markets is one way to assess the success of a market. On average, customers in BC spend \$18.18 during each market visit, according to a 2006 study (see bar chart on left). Another study completed in 2008 shows that farmers' market customers across Canada spend \$32.08 per visit (see bar chart on right). The difference between these two numbers shows the difficulty of tracking this kind of information. Nevertheless, the results of the studies provide a useful range. Customers are more likely to spend more money when there is a good complement and diversity of vendors. They also spend more on average when there are higher priced goods, such as meat and high-end artisans.
- *Opportunities for value-added product sales*  
Farmers' market shoppers were asked how much they spend at nearby businesses immediately before or after their visit to the market. As shown in the bar chart at the bottom on the page, three out of four market customers also shop at nearby businesses when they visit the market, with many of these shoppers spending more than \$30 at these nearby businesses. While these results show that farmers' markets benefit the local economy, the results also show that there is an opportunity for farmers' market vendors to capture some of this shopper spending by selling value-added products.

Shopping preferences

- *Frequency of visits to markets*  
The bar chart at the top of the page shows the frequency that customers shop at farmers' markets. The results lend insight to the degree of loyalty customers have to the market. Almost half of all customers shop at the market at least twice per month. These are the market's regular customers. The results also lend important insights to the dynamics of a market. Regular shoppers who are loyal to a market may also be loyal to particular vendors, which makes it harder for new vendors to enter the market. For similar reasons, the number of first-time visitors to farmers'



markets is important to new vendors as these customers have no loyalties to existing vendors, but may not come back to the market either. About one of every five shoppers is visiting the market for the first time.

- *Use of food retail outlets*  
The next bar chart shows where BC farmers' market shoppers buy their groceries and how often they shop at these places. The results show that farmers' market shoppers use the market, on average, about once every two weeks, which is similar to how often they shop at large grocery stores. These same shoppers indicated that they purchase at the farm gate only once or twice per year.
- *Food purchases and frequency of shopping at markets*  
Farmers' market customers were asked two questions: (1) how frequently they shop at farmers' markets and (2) how important different factors are when purchasing food (see list below). The table at the bottom of the page shows the relation between these two questions. The columns are organised by frequency of shopping (frequently, weekly, bi-weekly, etc.). The order of factors influencing food preferences are presented within each column. The factors are listed from most to least important. The factors shaded in blue were rated as either 'important' or 'very important.' What the table shows is that those customers who shop more frequently at farmers' markets have a greater number of factors that they consider important. This means that the most loyal farmers' market shoppers are most concerned about the food they buy and about whom they buy it from. These loyal shoppers were also more concerned about local food and less concerned about price.

Market customers were asked to rate the importance of each of the following factors when buying food.

- Animal welfare
- Appearance of product
- Brand name
- Certified organic
- Ease of preparation
- Fair trade
- Food safety
- Grown/produced in BC
- Grown/produced in Canada
- Grown/produced locally
- Grown/produced someone known
- In season
- Low price
- Natural (not certified)
- Nutritional content
- Packaging (aesthetics)
- Packaging (materials)

### About market customers

- *Household income*  
As illustrated in the bar chart at top-left, the household incomes of farmers' market shoppers cover a wide range. About one-quarter of shoppers are from households with incomes greater than \$100,000.
- *Age*  
The bar chart on top-right shows that about three-quarters of farmers' market shoppers are between the ages of 36 and 65 years.

- *Trends over past five years: regular shoppers*  
Market managers were asked to report on recent changes in the number of regular customers visiting their farmers' market. The top bar chart shows that about three-quarters of the managers reported that the number of regular shoppers has increased either slightly or significantly over the past five years.
- *Trends over past five years: first-time shoppers*  
Market managers were asked to report on recent changes in the number of first-time customers visiting their farmers' market. The middle bar chart shows that the number of first-time shoppers has not increased as much as has the number of regular shoppers. Nevertheless, most markets reported an increase in first-time shoppers to their market over the past five years.
- *Trends over past five years: tourist shoppers*  
Market managers were asked to report on recent changes in the number of tourists visiting their farmers' market. The bottom bar chart shows that the number of tourist shoppers has grown the least, compared to regular and first-time shoppers, over the past five years. Generally, the number of tourists visiting a market varies by the location of the market. Some markets are based in popular tourist spots while other markets are aimed at neighbourhood residents. Tourist shoppers are more likely to be craft items rather than meat and vegetables.
- *Mode of transportation*  
The pie chart in the middle shows how shoppers travel to farmers' markets. Each market manager was asked what portion of their customers drives to the market and what portion bikes to the market. The top pie chart shows that two-thirds of the markets reported that most customers drive to the market. In contrast, only ten percent of the markets reported that most of their customers bike to their market. Keep in mind that whether a shopper can get to a market by car or bike depends on the location of the market and the availability of parking, among other factors. This could influence how much the shopper is willing to buy.

***Selling at BC's Farmers' Markets***  
**A PROFILE OF MARKET VENDORS (see pamphlet)**

This profile includes information about revenues, area cultivated, operations, and marketing channels used by producers who sell at BC farmers' markets. You can use this information to compare your operations against other vendors, to assess how realistic your goals are, and to decide whether a farmers' market is an appropriate channel for your operations. The profile of vendors includes the following information.

Size of vendor operations

- *Gross annual revenues from farmers' markets*  
Farmers who presently sell at BC farmers' markets were asked about their gross annual revenues that they

*"I put this much greenhouse up to take up all my time just growing stuff, but I figured I was just going to wholesale. If I was to do it again, I wouldn't have as much greenhouse here so I would have certain time to sell. It really comes down to a decision about how you size your operation."*  
BC farmer

generate at the market. (Note that some farmers sell at more than one market, as discussed below.) Farmers reported a wide range of annual revenues, from \$2,500 to over \$200,000, as shown in the top bar chart. However, almost 70% of farmer vendors earned less than \$20,000 of gross sales from farmers' markets. The range is related to the types of farmers included in the survey. Vegetable farmers are likely to have much lower gross revenues than fruit and meat farmers. For more details, refer to the profiles for each type of farmer vendor. Revenues also vary proportionally with the size of the operation.

- *Area cultivated or pasture (acres)*  
Farmers who presently sell at BC farmers' markets were asked about the size of their operations in terms of either area cultivated or used for pasture. Most farmer vendors cultivate less than five acres. Similar to revenues, the different types of operations (vegetable, fruit, or meat) contributed to the range of responses: from 0.1 acre to over 100 acres, and up to 10,000 acres for beef farmers. For more details please refer to the corresponding profiles for each type of farmer vendor.
- *Area cultivated and gross annual revenues from markets*  
The table at the bottom of the page shows the relation between the size of the farm operation and gross annual revenues from farmers' markets. The results show that most farmer vendors are smaller operations (less than five acres) with annual gross revenues of less than \$20,000. Perhaps more than any other piece of information presented in the *Selling in BC's Farmers Market* series, these results show that selling at farmers' markets is not for every farmer – but does serve some farmers very well for their particular operation. Thus, this table also shows how important it is for a prospective farmer vendor to consider how a particular farmers' market serves their particular business goals.

### Farmer vendor operations

- *Types of farmer vendors (by primary product sold)*  
The bar chart at the top of the page shows the types of farmer vendors that sell at farmers' markets. We have organised farmer vendors by the primary products they sell: vegetables, fruit, fruit and vegetables, meat, mixed, and other. As shown, there are more vegetable farmer vendors than other types. The category of 'other' includes baked goods, eggs, plants, preserves, honey, and more.
- *Production method*  
The pie chart shows the methods of farm production used farmer vendors. Most farmers (55%) identify their method of production as natural. Just under one-quarter of farmer vendors produce certified organic products. It should be noted that the difficulty of defining methods of production leaves room for interpretation. For this question we provided the three categories of organic, natural, and conventional. Farmers self-identified their method of production.
- *Products sold by farmer vendors*  
This bar chart shows the range of products that are sold by farmer vendors at farmers' markets. The individual products are grouped by type of farmer vendor. The results show the smaller proportion of meats that are sold at markets.

- *Age of farmers*  
The average age of farmers is an on-going concern for agriculture in BC and the rest of Canada. Based on the data received from farmer vendors, it appears that the age of farmers selling at farmers' markets is similar to the rest of the farming population, as shown in the bottom-left bar chart. More than half of farmer vendors are at least 50 years old.
- *Years farming*  
Although most farmer vendors are at least 50 years old, the bottom-right bar chart shows that half of the farmer vendors have been farming for less than ten years. Almost one-quarter of farmer vendors have been farming for less than five years. The most probably answer for this mix is that more new retirees are getting into farming for the first time and using farmers' markets.

### Marketing channels used

The information on the "Marketing channel used" page of this pamphlet lends insight to the importance of sales from farmers' markets for farmer vendors.

- *Percent of sales from markets*  
The first bar chart shows the sales that farmer vendors generate from markets as a percentage of their total farm sales. For half of farmer vendors, the market is the primary source of annual gross revenues (at least 75% of total farm sales).
- *Farmers' market revenues and number of markets used*  
The table on this page shows the relation between sales and the number of markets that a farmer attends. About half of the farmer vendors surveyed reported that they sell at more than one farmers' market. One vendor reported selling at twelve markets! This table also shows that those farmer vendors who generate at least \$30,000 in gross annual revenues from farmers' markets are more likely to sell at four or more markets. Those farmer vendors who sell at only one market are most likely to generate less than \$20,000 in annual gross revenues (these also tend to be the smaller-sized farms). The results shown in the table re-inforce the idea that farmers' markets can serve farmers in different ways and for different reasons.
- *Other marketing channels used*  
The bar chart at the bottom of the page shows what direct-to-consumer marketing channels farmer vendors use in addition to farmers' markets. The results show that farm gate sales are the next most important marketing channel being used by farmer vendors. 70% of the farmer vendors who were surveyed also sell at the farm gate.

A similar profile is available for each of the following types of farmer vendors:

- Vegetable farmers
- Fruit farmers
- Fruit & vegetable farmers
- Meat farmers

You can look up the profile that corresponds with your farm operations to assess how realistic your goals are in relation to similar operations.

## FARMERS' MARKET POLICIES

The best advice for a farmers' market to be successful is to keep its vendors happy. But this does not mean that a market exists *only* for its existing vendors. A unique feature of farmers' markets is that the people who are directing the growth and development of a farmers' market are also its existing vendors. This serves the market extremely well when everything is working well. But this can also limit a market's ability to see beyond the needs and interests of its existing vendors. While the interests of a farmers' market and of its individual vendors overlap to a great extent, there is not complete overlap. Everything that is good for a farmers' market is not necessarily good for every one of its existing vendors. And everything that has worked well for a market's existing vendors may not always work well for new vendors. For these reasons it is important for prospective farmer vendors to review a market's policies to be sure they are consistent with their recruitment strategy (i.e., their sales pitch to farmers).

There are four areas of market policy that are most relevant to new farmer vendors. These are:

- Geographic boundaries of a market's trade area
- Staffing of vendor tables
- Co-operative selling arrangements
- Re-selling produce

Any one of these policies may hinder a new vendor's ability (and eligibility) to sell at a particular farmers' market.

### Geographic boundaries of a market's trade area

- *Do you live within the defined geographic boundaries of the market?*

Some markets have policies that define the market's boundaries, which means that only vendors from within the defined geographical area of BC are eligible to sell at that farmers' market. Such policies were seen by many as a hindrance to the overall success of market maintenance and future growth. The most common sentiment was that individual farmers will make choices within the context of their own priorities, for example, whether or not a poor geographical match can be overcome in favour of a strong financial match. In most cases, open boundaries were seen as an "attractant" in terms of increasing product offerings to meet the customer desire for a wide range of products, some of which cannot be produced in a given region. An open policy can also benefit a market that does not have enough farmer vendors to meet current demand. For some markets in BC the boundary policies are restricted to product offerings. For example, external vendors are not allowed to sell certain products that undermine local growers. The primary reason for this is that seasonal influxes bring sales down for local growers.

Overall we found that discussions about boundaries are on-going in many markets. Boundary policies, whether open or closed, are becoming more important as the number

of farmers' markets continues to grow and recruiting new farmer vendors becomes more difficult. For example, in some markets, their boundary policy is being evaluated in the context of future growth, with consideration for future representation of certain products and increases in the number of committed regional producers.

### **Staffing of vendor tables**

- | • *Do you plan to be at the market or have someone else there selling on your behalf?*

Staffing policies are another sensitive area for some markets. At issue is whether the farmer and family members must be present at the vending table or whether paid staff could be present instead of the farmer. This policy is also referred as the 'farmer as seller' policy, referring to the preference to have farmers also be the sellers. A common sentiment among farmer vendors is that if paid staff is there, they ought to be knowledgeable about the products offered and the production techniques employed. This knowledge is essential to maintain legitimacy of the 'make, bake, grow' mandate of BC farmers' markets and to provide the connection between the farm and the farm product that the customer is seeking at farmers' markets. For many farmers this staffing policy is not an issue because they either do not need paid help or cannot afford to hire someone. The greatest concern about not having a 'farmer as seller' policy is that it can create an 'unfair advantage' for larger producers, who usually already have paid staff. A relaxed policy would make it easier for these farmers to sell at farmers' markets, which may push out the smaller producers.

Although the 'farmer as seller' policy seems to mesh with the vision of the market, there is recognition that *not all good farmers are good marketers*. Some farmers would benefit from having others staff tables on their behalf. A related advantage to using paid staff is to allow the farmer and family to spend more time producing food, thus creating a job for someone interested in learning about agricultural marketing, and allowing products to be represented in more than one market at the same time.

Overall, there are diverging opinions about whether staffing should be regulated by the market through formal policy or self-regulated by farmer vendors. The alternative to market regulation, which is very hard to monitor, is to leave it to the farmer vendors to make the best staffing choices within the context of their farm business and priorities.

The main point is that the farmer, family member, or staff is selling the products that are grown or raised on the farm and not a third party reseller.

### **Co-operative selling arrangements**

- | • *Are you considering a co-operative effort with other farmers?*

Co-operative selling arrangements are often discussed by farmers' markets but are not well developed. Co-operative selling is when two or more farmers sell their produce as a single vendor. While this may sound like a reasonable solution to some obvious challenges of staffing market booths, there are also concerns. Many of these concerns

stem from a lack of understanding about what a formal producer co-op looks and acts like, which is related in part to a lack of familiarity with this approach. This lack of understanding contributes to concerns about compromising the authenticity of the market ideal and shopping experience. In some ways, these concerns are similar to those related to the staffing policy.

There are clear advantages of co-operative selling arrangements. Co-operative selling presents a possibility to entice new entrants who feel overwhelmed by product volume, diversity, time and labour commitments, and marketing or sales challenges. Co-operatives can also assist small farmers and help larger farms with product testing. For these reasons, co-operative selling is being considered by some markets as part of their vendor recruitment strategies. These markets often are targeting backyard growers as potential vendors, as the option to sell co-operatively might inspire some of these growers to increase production knowing that an outlet for selling their surplus exists.

*“Absolutely love [co-operative selling]. I totally, totally subscribe to it. We are setting a very loose coop right now. We are doing that with two other farmers who are organic. Who are our neighbours. Who are right there. Who could never possibly get to come to the farmers’ market. I think cooperative marketing like that is the backbone of how to grow farmers’ markets. I feel really strongly about that. And if they tell me I can’t come and sell my things, I will find another place to sell and won’t do farmers’ markets.”*  
BC farmer

Although there are benefits, some markets believe that restrictions might be necessary. Such restrictions might be applied to the number of co-ops allowed at one market, the scale of the farmers that choose to co-operate, or the type of products that co-ops can carry at certain times of the year. Preserving the integrity in the marketplace and adhering to long-held ideals of the farmer as seller poses some challenges to co-operative selling arrangements. Reservations, whether justified or not, often stem from the “slippery slope” between co-operative selling arrangements and re-selling.

## Re-selling produce

- *Are you planning to sell produce that someone else produced?*

Re-selling refers to farm produce that has been purchased and is being sold again, without changing the product, at a farmers’ market. In effect, a person who re-sells farm produce is acting as a wholesaler. The BCAFM definition of a re-seller is that a third party purchases food from a farmer, and the third party is not a farmer, and sells at the farmers’ market. In this sense, it is important to distinguish between re-selling and co-operative selling. Co-operative selling is not re-selling. In co-operative selling the farm produce is being sold – for the first time – at the farmers’ market.

Re-selling is the most contentious of all the policy issues at farmers’ markets. This contention over re-selling arises with regard for who enforces this policy. Questions arise about whether the policy is enforced (with limited time and resources) and what the consequences are if it is known to have been violated. In the end, as with other market policies, enforcing policies relies on trust. Although some people argue that offering more generic products at a lower price is good for increasing the customer base of the market, there is a strong belief that re-selling undermines the ideals of a farmers’ market.

Permission to re-sell has been granted, often in smaller markets and for certain products. In most cases, these exceptions to the 'make, bake, grow' mandate were permitted to provide products that cannot be produced in the region, which, in turn, can provide more choices to customers and enhance the appeal of the market. A common example is allowing fruit trucks from the Okanagan. If re-selling is happening, we recommend that all re-sold products be clearly labelled as to their origins.



## YOUR PRIORITIES

### Money, mobility, marketing, and morality

We have arrived at a critical point in this guide, which is for you to decide whether the farmer-market-shopper match serves your priorities. From your perspective, it is essential to make the connection between what you know of a market's position in the marketplace and your business goals and personal priorities.

We found that a farmer's final decision is usually influenced by a mix of four key factors: money, mobility, marketing, and morality. A farmer will match these four factors against the opportunities to sell at a particular farmers' market. Consider each of the following factors in relation to your farming operation. Ask yourself, "How important is each factor to you?" "Is one of these factors more important than another?"

- **Money:** The financial match is based on all resources involved (time, labour, transport); reasonable market fees relative to income earned.
- **Mobility:** The geographical match is based on the location of farm, distance to market(s), and distance one is willing to travel to a market.
- **Marketing:** The marketing match relates to how selling at a market can be used as a marketing tool to increase the exposure of a farm business. In addition to direct sales, being at a market can serve educational and public relations objectives, draws customers to farm gate stands, provides a venue for product testing, and creates opportunities for cross-promotions.
- **Morality:** This match is about ideology: are the values and principles of the farmers' market consistent or compatible with the personal values of the farmer? Ideological influences include a farmer's commitment to educating customers about buying local food direct from farmers and providing the customers with that food, a customer base that fits with and supports on-farm ethics and ideals, and a perception of high social benefits and community feelings.

*"The reason I am vending here, and the reason I pretty well have from the start, is because it's close. It's five minutes from our farm, so for us it makes sense because we are not spending an hour on the road."*  
BC farmer

In ideal cases, an appropriate match consists of all these perspectives combined, although in most cases not in equal amounts. Therefore, farmers have to weigh and accord different value to different components. For example, there may be a strong geographical match and a strong financial match but ideologically, the market does not match up. This situation can arise, for example, when a farmer wants to sell at a market where the majority of vendors are farmers. If this market is dominated by artisans and crafters then the market would not match this farmers' ideology. Examples such as this one beg larger questions about how each farmer weighs his or her priorities: Is a good

financial match worth overlooking ideological inconsistencies? Is a strong geographical match enough to continue at a market despite the poor financial returns? How valuable is a good marketing match even if the other components are not present? A good match is based on varying priorities, objectives, goals and resources. The outcome is that a farmer will not always choose to sell at a market that presents the highest level of market power. Rather, each farmer will consider how a particular market – and its corresponding level of market power – can meet its priorities from both a business and personal perspective.

## GENERAL INFORMATION

Successful farm business planning requires access to appropriate and applicable knowledge and information. This information can be gathered through a number of sources:

- Individual research: you study the literature on your own
- Market manager: you contact the market manager to learn more about a particular market
- Farmer vendors: you contact existing farmer vendors at a particular farmers' market
- Hired consultant: you hire a private consultant to help create the business plan (see *Farm Business Advisory Services* below for resources available for this option).

We encourage you to pursue all of these sources for the information you require to make a decision. The bottom line is that having good information and advice increases the chances of business success.

In this section of the guide we provide a general but extensive list of information relevant to farmers for selling at BC's farmers' markets.

### **Lessons learned from BC's farmer vendors**

#### *Things for farmers to consider before selling at a particular market*

- Visit the market to assess the space, types of customers, and atmosphere
- Consider market ethics and your own ideals
- Get a sense of what products are available; what you want to sell
- Talk with existing farmer vendors about customer demand and product gaps that can be filled; many existing vendors are keen to talk with potential new entrants
- Record prices of products (discretely)
- Assess the quality and style of displays
- Develop a strategy for sales, display, and presentation that suits your style
- Assess the level of support from the community
- Develop strategies for setting appropriate prices
- Give yourself a "learning year"
- Be realistic about financial expectations
- Make a plan for moving excess product
- Don't be afraid to take advice from other farmers
- Be strategic about what you grow: it is important to be consistent in production quality and volume
- Understand the market organiser's expectations; the manager is a resource of important information
- Ask for market rules and regulations

*Managing your time at the market*

- Be realistic about the effort required: a market takes up a whole weekend, and more
- Time is an issue, but you do get retail price on a product
- Consider your time spent at the market
- Be prepared for the fact that certain products require more work to sell
- Emphasize the need to enjoy the “lifestyle” rather than focus on the “livelihood”
- Keep it simple, do it yourself; if you can afford it, then hire a helper
- Consider the distance from your place to the market

*Qualities of a good market*

- A good location: accessible and visible
- A well-established market with a history and consistent presence
- Solid management of a market that makes new vendors feel welcome
- A committed and dedicated customer base
- A good selection of products and types of farmers are attractive attributes to consumers
- Good relations among vendors: strong co-operation and healthy competition
- A strong presence of producers, rather than crafters
- On-site prepared food attracts customers, increases the amount of time customers spend at the market
- A market that offers consistent sales may be more important than being able to charge higher prices

*Size of market matters*

- Markets can be a better match for the small-scale farmer
- The volume and consistency of products sold at a farmers' market are usually lower than selling wholesale

*One market can be part of a circuit*

- Some farmers sell at more than one market; the markets they sell at become a circuit, ideally with markets on different days of the week
- One market may not be important on its own but may be an important part of a circuit
- Selling at more than one market can change the relation between a farmer and a market if the levels of loyalty and commitment are affected
- Selling at more than one market requires a very different farm business operation
- While selling at more than one market can generate all of a farm's revenues, the ability to expend the required energy depends on business goals and personal ideals

*Growth potential of a market*

- A market that has strong growth potential raises the importance of a market based on future outlook
- Getting into a growing market early can be a key to building relationships as the market grows

*More farmer vendors are good for the market*

- A general belief among farmers' markets, and its vendors, is that more food producers will attract more customers and will benefit the market overall
- In contrast, some farmer vendors believe that competition among farmers will lower the price for everyone and distribute the customer dollar between a greater number of producers, thus reducing the profitability of individual businesses

*Think of the market as a business incubator*

- Markets function as a business incubator for new farmers trying to get established
- The market is a place for testing new products and value-added products as vendors are able to receive instantaneous feedback on products

*Product mix*

- Have 'the right product at the right time' by capitalising on the seasonality of certain products
- Recognise profitable vegetables and track buying patterns
- Try new packaging ideas and value-added products

*Niche products are a good way to start*

- Consistency of basic goods is key to keeping customers
- However, it may be easier for new entrants to attract attention and build a reputation with a niche product by focusing on one or two specialty or under-represented items. A niche product may also include off-season production or storage crops.
- A niche product can create a "protected space" that avoids direct competition from well-established, higher volume farmer vendors who have committed customers.

*Managing relations with customers*

- The market is a place for connection
- Markets enable farmers to develop loyalty with customers
- Having a passion for sales, or at least enjoying sales, is important
- Consistency, both in terms of good quality products and a producer's presence
- A high quality presentation and display
- Be personal and interactive: you are talking to people not shipping things in boxes wholesale so you need to know about your products and how they should be prepared
- People will respond to you being genuine: it needs to come from 'the heart'
- Give clear information about your product and its origins
- Provide samples
- Be 'tactful' regarding customer comments about prices and products
- You can't take it personally if customers buy from someone else
- Be patient: it takes time to establish and develop a reputation and customer base
- Geographic proximity between farmer, market, and shopper appeals to 'local food' proponents

*Cross-promotions with other marketing channels*

- Selling at the farmers' market increases your exposure within the community, and as a result can direct customers to your farm gate, CSA and private sales
- Being at the market will improve your profile among local businesses, such as restaurants, thus creating opportunities for additional sales and cross-promotions

*A platform for education*

- Direct marketing allows vendors to educate customers about niche products that may be unfamiliar to them (e.g., bison and ostrich meat, Asian greens, unusual vegetables)
- Vendors can provide recipes to help introduce and sell niche products
- Interested vendors can educate customers about the benefits of buying directly from farmers

*Look for value-added opportunities*

- Vendors that sell prepared foods on-site present opportunities for cross-promotions; these vendors can use your products in their food preparation and presentation

*Become a supporter of BCAF*

- The primary benefit for farmers' market vendors to join BCAF is to get access to group general liability insurance for their value-added products. These group insurance rates are significantly less than privately purchased general liability insurance rates.

## Costs of Entry to Consider

The following information is adapted from the Government of Alberta's Agriculture and Rural Development document entitled, *Information Sheet: How to be a Farmers' Market Vendor*. This document is available on-line at:

[http://www.albertafarmfresh.com/How\\_to\\_be\\_a\\_Vendor.pdf](http://www.albertafarmfresh.com/How_to_be_a_Vendor.pdf)

Whenever appropriate, Alberta information has been replaced with BC data.

Just like any other business venture, it is important that you consider and track all the costs you will incur when selling at a farmers' market. Don't undersell. Customers understand that they are not buying a commodity product and so are willing to pay the true cost. The following should be factored into your overall costs when determining your product prices. Some additional hints have also been included.

### 1. Tables:

- In some markets, the vendors are required to supply their own tables.
- If you need to purchase your own table, be sure to purchase one that is easy to set up and take down but which is also sturdy and able to hold all your products without sagging.

### 2. Table cloths:

- All markets require that you have a table covering.
- Be sure the covering can be easily cleaned. A plastic covering is more easily cleaned throughout the day if you are selling fresh produce while a cloth covering can be laundered before each market.
- In addition, be sure your tablecloth does not detract from the product you are selling. For example, tablecloths with bright fruit or vegetable patterns may not accent your fresh produce.

### 3. Displays:

- Will your products be laid flat on the table or do you require some sort of display equipment to bring them up off the table or floor?
- Displays can be homemade or purchased.
- They need to look professional, adding to your overall stall atmosphere.

### 4. Vehicle and travel expenses:

- Always consider all your vehicle expenses such as gas, maintenance and insurance as well as any other travel expenses that you incur when taking your products to the farmers' market.

### 5. Canopy:

- When selling at an outdoor market, it is critical that you have a good quality canopy to protect you and your products from the elements.
- Select a canopy that is meant to be set up and taken down frequently, that has well sewn seams for water proofing, removable sidewalls to protect you from wind and rain and which is easy to set up and take down.

- Canopies need to be weighted down so they don't blow away and hurt customers or other vendors. Weights can often be purchased from the canopy supplier or you can make your own. Four litre milk jugs filled with sand, water or cement is one example. They need to be attached to the legs of the canopy at least at all four corners. Many vendors will also attach their canopies to their neighbouring vendor's canopies for additional support.

6. Bags:

- Customer bags are a necessity.
- Will you supply plastic bags or sell cloth bags to your customers?
- If your products are heavy, be sure to provide sturdy bags that won't tear if filled.
- In most jurisdictions, you are not allowed to put customer food purchases in used grocery store bags unless customers bring their own bags. This poses a food safety risk.

7. Signage:

- Signage is important for both your booth and your individual products. It is an extension of your business and portrays the image you want to leave with your customers.
- Booth signage is important so customers know the business name of the vendor. And they will find you more easily the next time too! Booth signage can be outside your booth or behind your booth hanging on the wall if indoors or at the back of the canopy if outdoors. Some markets have standard signs for all vendors or you could make or purchase your own.
- Product signage is critical and should contain at least the name of the product and the price per unit whether that is per bunch, per bag, by weight or by item. If selling at an outdoor market, product signs should be able to withstand the elements.
- Customers are less likely to trust vendors who do not display their business name and who don't have product signage listing prices.
- Less trust = less sales.

8. Table/stall rental fees:

- Table fees are set by each individual market and vary widely across the province. Table/stall rentals in BC range from \$5 per week to \$50 per week, with most markets charging between \$10 and \$25 per week. A few market rates are based on a percentage, usually around 10% of gross sales. Markets may also have a trial period (e.g., attending the market twice) before you must become a member of the market.
- Many BC farmers' markets have a seasonal rate or a reduced rate if a vendor pays for the entire season up front. These seasonal rates range from \$50 to \$550.

9. Packaging:

- Depending on the products being sold, you will require different types of packaging. Canned products must be sealed using new, approved lids (click lids, two piece snap lids). Containers and bags for baking and all other food products must be new.



- Keep in mind that even fresh vegetables must be hauled to market in food grade containers.

10. Scales:

- If you are selling products by weight, you must use a calibrated scale. Consider whether you will pre-weigh your items and package accordingly or if you will bring a scale to the market each week.
- There are many different types of scales with different features ranging from a basic scale to ones that can print a product label. Choose one that will suit your needs.

11. Staff:

- Depending on how many markets you attend each week and how busy the markets are, you may require staff to work the markets. Some markets have restrictions on who can sell at a market with some markets requiring that the seller also be the grower. Check with the market manager.

12. Power:

- If you are selling products that require refrigeration or special lighting, you may need power at the market. Some markets charge higher fees for stalls with power. If you are at an outdoor market or a market without power available, you may need to make alternate arrangements for lighting or to keep your food at the proper temperatures. This may involve using coolers and ice packs or even bringing a small chest freezer and purchasing a portable generator. An alternative to a generator is using an 8Dcell tractor battery and a power inverter. It is also considerably quieter than a gas-powered generator.

13. Liability insurance:

- It is good business practice to ensure you have adequate liability insurance. This insurance can protect you in the event that a customer has an adverse reaction to your product (product liability insurance) as well as for other events that may happen at your farmers' market stall such as a customer slipping on something in front of your stall. Individual vendors are not covered under the market insurance. Some markets require their vendors to provide proof of liability insurance before they are allowed to vend. You may be able to get an additional rider placed on your home or farm insurance. The BC Association of Farmers' Market offers products liability insurance.

14. Costs of Production:

- Be sure to include the costs of seeds/plants, input costs such as fertilizer, labour, equipment, ingredients and power.
- Are you certified organic? Customers are willing to pay more for certified organic products, which will help to cover your ongoing certification costs.

15. Time:

- Selling at a farmers' market can be very time consuming – from production to harvesting to packaging to transporting to selling. Don't forget to consider all of these when determining your product price.

16. Miscellaneous items:

- Aprons
  - keeps your clothes clean and can be used to hold cash;
- Logo wear
  - t-shirts or aprons to identify your business and portray a professional image;
  - nametags are important when building the relationship with customers;
- Cash box
  - If you don't use an apron, keep cash out of sight so thieves aren't tempted, etc.

## RESOURCES

- **BC Association of Farmers' Markets**

The BC Association of Farmers' Markets (BCAFM) represents farmers' markets throughout the Province.

For more information, visit:

[www.bcfarmersmarket.org](http://www.bcfarmersmarket.org)

- **MarketSafe Program**

A partnership between BCAFM, the BC Foodsafe Secretariat and local Health Authorities

MarketSafe is a food safety training program for farmers and producers who make, bake or grow products to sell at local farmers' markets, farm gates, or other types of temporary food markets. For food processing, high-risk items require approval from the Health Authority.

For more information, visit:

<http://www.bcfarmersmarket.org/ind/workshops.htm#marketsafe>

- **BC Farm Business Advisory Services Program**

Ministry of Agriculture

The objective of this program is to build the capacity of BC farmers to make more informed management decisions by having a better understanding of their financial situation and their farm performance. The program facilitates access to specialised business planning services.

The program has two components. The first component is a self-assessment component to help producers assess current business practices and results in a farm action plan. A workbook entitled "Taking Stock" helps farmers through the self-assessment process. Producers who are eligible may then apply for funding toward business consulting services, which is the second component of the program. Funding may be used for a basic farm financial assessment (Tier 1) or for specialised business planning (Tier 2). The latter includes the following business management areas:

- Business strategy
- Succession planning
- Marketing strategy
- Business structure
- Production economics

- Risk assessment
- Human resources
- Value-added ventures
- Financial management

For further information please contact:

B.C. Farm Business Advisory Services Program

B.C. Ministry of Agriculture

4607 23rd Street

Vernon BC V1T 4K7

Phone: 250-260-3000

Toll Free: 1-877-702-5585

Fax: 250 549-5488

Email: [BCFBAS@gov.bc.ca](mailto:BCFBAS@gov.bc.ca)

Website: [http://www.agf.gov.bc.ca/busmgmt/FB\\_Advisory\\_Services.html](http://www.agf.gov.bc.ca/busmgmt/FB_Advisory_Services.html)

## Appendix: SOURCES OF DATA

### Sources of data

The information presented in this package is based on data collected in British Columbia. The following sources, and corresponding methods, were used.

#### *BCAFM Membership Database*

Each year the BCAFm asks its members to complete a profile as part of its application process. This process is administered by BCAFm.

#### *BCAFM Market Profile*

In addition to the BCAFm membership database, information about individual farmers' markets was collected via a telephone survey. An effort was made to contact all BCAFm members. A total of 35 markets responded.

#### *BCAFM Vendor Profile*

A telephone interview was conducted by BCAFm as part of this initiative to develop business case materials. As no complete list of vendors at BC's farmers' markets exists, the first step was to create this list. The primary source of vendors was webpages of individual markets. Other sources included information provided to BCAFm by individual markets and BCAFm's knowledge of market vendors. A partial list of known vendors was created. The vendors were organised by region (Vancouver Island, Coast-Garibaldi, Fraser Valley, North, Cariboo-Chilcotin, Thompson-Okanagan, Kootenays). An effort was made to contact different types of farmers in each region. A total of 151 vendors completed the telephone survey.

#### *BCAFM Case Studies*

To gather more detailed information about specific farmer-market-shopper matches, BCAFm completed seven case studies of markets in BC. Each case study involved on-site interviews with market managers, Board members, and market vendors. Whenever possible, interviews were also completed with farmers who were either considering selling at farmers' markets or had specific reasons for not selling at farmers' markets.

In addition to these primary sources, two sources of secondary data were used to complete the profile of market customers. The primary source was a study of the economic and community benefits of BC's farmers' markets: Connell, David J., Teresa Taggart, Kyle Hillman, and Adam Humphrey 2006. *Community and Economic Benefits of Farmers Markets in British Columbia: Provincial Report*. School of Environmental Planning, University of Northern British Columbia. The second source is a brochure highlighting the results of a national study (completed in 2008) of the economic benefits of farmers' markets in Canada (available at: <http://www.farmersmarketscanada.ca>)