

Vermont Farmers' Market Manager and Vendor Survey Results

Beginning in 2000, The Northeast Organic Farming Association of Vermont (NOFA-VT) sent a survey to all of the farmers' market managers and vendors in Vermont. Although the questionnaire often varied from year to year, a coherent narrative of market evolution is captured by these snapshots. Because the markets are different and each market vendor has such a unique business, we have used the survey results to give a picture of markets and vendors in Vermont in an attempt to find unifying themes.

2000 Survey

Size

Twenty-three farmers' market managers responded to the questionnaire in the year 2000, NOFA's first year of survey-based market analysis. Total vendors range by market from 3-40 with a statewide average of 11.

Finances

Vendors were most commonly charged a seasonal flat rate plus a small daily fee. Prices for yearly space were between \$30 and \$320, with price occasionally varying by size of stall. Daily fees were all generally under \$10. One market took a percentage of profit with the yearly flat fee instead of a daily charge.

While gross receipts were not recorded, market budget info was available. Costs ranged from \$485 to \$22,748, with the majority going toward promotion and management. Only two of the responding markets did not accept Farm-to-Family coupons, in markets that accepted them, they generally accounted for about 5% of total sales. EBT processing was not yet available for Vermont farmers' markets.

Finally, the majority of markets utilized mini-grant funds for advertising, in addition to manager payment and insurance coverage. Managers interviewed often cited improved participation and community interest as a result of the application of these funds, even if the actual monetary impact of this increased traffic was unknown.

2001 Survey

Size

23 farmers' market managers completed the survey in 2001. Number of vendors was highly variable: while the statewide average was 11, regulars ranged from 3 to 41 by market.

Finances

Market budgets averaged \$4,645, with 23% (\$1060) spent on marketing. The largest budget was \$25,954, and the lowest was \$176. Percent spent on advertising did not appear to correlate to total budget. Percentage allocated to PR ranged from 12% to 85%, while actual

spending was between \$92 and \$3500. Farm to Family coupons accounted for approximately 5% of revenue, with a few markets reporting around 25% of purchases with the coupons. Mini-grant funds were used most often for advertising, with manager compensation and entertainment expenses occasionally funded. Many found the ad campaigns to be successful, with two respondents citing customers inquiring about specific items advertised.

In addition to utilizing mini-grants, many respondents requested further NOFA assistance, most often with marketing, special events, and technical expertise.

2003 Survey

Size

Of the approximately 40 farmers markets in Vermont, NOFA received 18 completed surveys. Farmers markets in 2003 ranged from 6 to 210 participating vendors, with 20 vendors as the median. All of the markets had at least 1/3 agricultural vendors.

Finances

Market budgets varied as much as market size, although not in direct correlation. The biggest predictors of a large budget were site fees and/or a paid manager. Markets spent little to nothing on vendor recruitment, the high being \$80. Most markets spent some of their funds on promotion, with over 1/3 spending \$1000+, and a few spending their entire budgets on advertisements. Half of all surveyed spent some money on special events, with amounts ranging from \$100 to \$3000.

For most markets, vendor fees were the primary way of raising funds. The majority have a season rate, varying from \$25 to \$160, and a daily rate, ranging from \$5 to \$15. One market charged 5% of vendor sales per day in lieu of a daily flat fee. In addition, some markets have a \$20 yearly membership fee. Markets also raised money from grants (primarily the mini-grant NOFA-VT offered) sale of tote-bags, and donations from local businesses and community members.

Total sales at markets ranged from \$5000 to \$450,000. A majority of markets reported at least 50% of their sales coming from agricultural products. At all markets prepared foods sales came in second, usually followed closely by craft sales. Farm to Family coupons generally made up less than 5% of market sales. Although several markets reported as much as 15% of sales coming from this state run program, and one market earned over 20% of their gross sales from the coupons.

The most common method to collect gross sales information was the use of an anonymous reporting form. One market assigned private numbers to vendors to anonymously track sales, while other markets felt it was inappropriate to ask vendors for sales statistics.

Customer Attendance

Only one market reported keeping track of customer attendance, but some markets held special events to try and draw more customers. Special events included: live music, hay rides,

live animals, cooking demonstrations, a kids' garden day, harvest festivals, and holiday related celebrations.

Market Location

There was almost an even split between markets that paid for their space and markets occupying their space for free. A common situation for all the markets was a lack of permanence in their location. Only one market reported owning its site, and only one had a long-term lease. However, when discussing needs for a different space, lack of stability did not come up. The primary concerns regarding market space were lack of parking, shelter, bathroom facilities, and visibility.

Manager Compensation (or lack there of)

For many market managers, the only compensation they receive is the gratitude of their fellow market vendors. Half of the managers were volunteers, usually vendors. Markets that did compensate their managers monetarily paid in a variety of ways. Paid managers were either given a fixed salary, paid by the hour, or paid a fixed amount for every market day worked. Some markets had a separate off-season pay rate. Hourly rates reported were between \$12 and \$15 an hour. Pay for a market day ranged from \$80 to \$100. One market compensated its volunteer manager by waiving her vending fee.

On average, managers worked approximately 7 hours a week to run their markets. One third of the market managers reported spending over 10 hours a week to manage their markets. Some spent as little as 1 hour a week.

Volunteers and Community Support

Markets in Vermont relied primarily on their vendors for support. Markets reported that “vendors do everything” and “all vendors are required to do volunteer work.” The market boards were made up of vendor volunteers, and many managers were also vendors who volunteer for the job. Some markets reported getting very little help from any volunteers, even their vendors.

Some markets received community assistance, but the majority did not get help from the area. Community aid primarily came as a free space for their market or through promotional help. Some markets also received donations from the community, and a few managed to be insured under a community group's insurance plan.

Insurance

Every market that responded to the survey was insured in some way. The most popular insurance company was Cooperative Insurance. The markets hold liability insurance and a few also have workers compensation insurance. Markets are paid between \$100 and \$1000 for their insurance, in direct correlation to the size of the market.

Vendors

Fifty-four vendors returned our survey—40 farmers, 7 prepared food vendors, and 7 crafters. Of these vendors, 35 sell only at one market, 14 sell at two markets, and the remaining sell at 3 or more. Over 60% of respondents were full season vendors. These are their thoughts:

Markets in Vermont are Successful

Over 75% of vendors felt their market was successful. The primary reasons were: diversity of product at the market, good location (usually close to a population center), and a loyal customer base. Other common responses were: many vendors, high tourist traffic, access to high-income customers, good management, and a community atmosphere. Here are other comments from vendors on the secret to a successful market.

Not surprisingly, vendors who felt their markets were not successful listed the lack of the elements above, primarily: lack of parking, lack of agricultural vendors, and lack of vendors in general. Poor time of the week and lack of promotion were also common comments.

Sales are Significant

Gross sales at farmers markets ranged from \$200 to \$50,000 with a majority of vendors earning between \$5000 and \$20,000. Average weekly sales ranged from \$17 to \$1800, with most vendors earning between \$300 and \$1000 a week at their market. Forty percent of vendors reported earning 50% or more of their total sales for the year at farmers market, and 60% earn at least a quarter of their gross sales at their farmers market.

Vendors were asked what other outlets they had for selling their product. Most farmers rely on direct sales from their farm or selling to local stores and restaurants. Crafters listed craft shows and galleries as their outlets.

Alternative Labeling: organic but not certified farm products

Until recently, farmers using organic practices could label their products “organic” with or without being certified. Now the USDA regulates the use of the word “organic” requiring farmers using this term to be certified by an accredited agency. Farmers markets are ideal settings for consumers to interact and learn from growers. Because of this, we asked farmers who are not certified how they are conveying to customers their farm practices without labeling their products “organic.” Most farmers in this situation are not labeling their product at all. Instead they are taking advantage of the interaction with their customers to explain their farming practices and philosophy. Others just continue to use the word “organic” when describing their product. Those who are labeling also use the terms grass-fed, sustainable, low spray, no spray, naturally grown, and local.

2005 Survey

Size

Vermont had 55 active farmers’ markets in 2005. The Northeast Organic Farming Association of Vermont and the department of Community Development and Applied Economics at the University of Vermont collaborated on a survey of market managers during the winter of 2006. Managers were mailed surveys asking about the sales and status of their markets and their opinions about market potential. Follow-ups and some surveys were also conducted by phone. This report is based on the responses of the 39 reporting markets (71%).

Finances

In 2005 the estimated sales from all markets was \$3,511,000 (plus or minus 3%). Average sales per market were almost \$97,000, but size of markets varied widely. The four largest markets (in Norwich, Burlington, Brattleboro, and Montpelier) accounted for over half of total sales in the state, with average reported sales of \$459,000 each. Gross receipts were most commonly calculated with the use of anonymous vendor reports. Markets reported an average of 24 vendors, with actual numbers between 5 and 89.

Total estimated sales were made up of 59% agricultural products, 22% prepared foods, 18% crafts, and 2% other products. Most markets accept Farm-to-Family coupons, but 80% of markets estimate that these purchases account for less than 10% of total sales.

Vendors and size of the markets were highly variable. Markets with sales less than \$97,000 (of which there were 28) had an average of 14 vendors and \$20,262 in sales. 35% of these markets had a paid manager, with the mode of compensation ranging from \$500-\$1500. In contrast, markets with sales greater than \$97,000 (11 in total) had, on average, 51 vendors and \$317,170 in sales. 89% of these markets had a paid manager, generally paid more than \$4,500.

Manager Comments

Based on the USDA Census of Agriculture, Vermont already has the highest state per capita sales of food products from farmers to consumers, at 5.5 times the national average. Farmers' markets are an important (though not the exclusive) direct sales outlet and 69% of managers responding believe that their markets are still growing. Respondents rated attracting additional shoppers as more important to growth than attracting more farmers to the market. Almost 75% of market managers believe that the number of farmers' markets in their areas is currently about right, suggesting that markets neither unduly compete with each other nor that there is a lack of market opportunity for vendors and consumers.

Managers of smaller markets (less than \$97,000 in gross receipts) often cited the need for better visibility and better parking. When asked about improvements necessary for growth, small market managers most often stated that more farmers, shoppers, a wider selection of projects, and better promotion are essential. Low priority concerns included decreasing market fees, increasing open hours/days, and improving facilities. In contrast, the large market managers agreed that more shoppers were crucial, but other responses varied. Some thought a wider range of products would improve the market; others referenced facility and promotion issues.

Market Location

Though farmers' markets are clearly an established part of Vermont's agricultural economy, market status is still tenuous in many locations. The majority of markets struggle with small numbers of vendors and consumers and low sales per vendor. Only 29% of reporting markets are formally incorporated. No reporting markets own their sites, with 65% operating on public land and 35% on private land, but only 13% reporting any kind of formal lease for their space. Of those responding to the survey, 91% said they could use some kind of outside help with their markets. 75% of these cited a need for help with promotion and advertising.

Vendor Fees

Assessment of vendor fees ranged widely, with most being charged on a market day basis in addition to a flat seasonal rate. Costs ranged from \$5 daily with a \$10 seasonal fee to \$30 per day and \$150 for the season. Seven markets took a percentage of sales (usually 5%), and three of collected that for the entire vendor payment. Charges for market frontage or stall size were applied in three markets.

2006 Survey

Vermont had 59 active farmers' markets in 2006. NOFA surveyed the market managers during the winter of 2007 to request information on sales, the status of their markets, and potential areas requiring assistance. This report highlights answers from a sample of 32 markets (54 percent response rate).

Finances

In 2006 the estimated revenue for the 28 markets reporting figures was \$2,935,644. Total revenues ranged from \$1,000 to over \$500,000, with a median revenue of \$51,881. The trend of a small number of markets producing most of the reported revenue continued in 2006, with the top seven grossing markets accounting for 73 percent of gross revenues. Market managers (N= 30) reported expenses ranging from \$75 to nearly \$30,000 with median expenses of \$1,837. Market managers also reported income ranging from \$100 to nearly \$30,000, with a median income of \$3,252. The seven largest grossing markets had, on average, 24 agricultural vendors and 27 non-agricultural vendors, while the remaining markets had an average of 10 agricultural vendors and 12 non-agricultural vendors. The top eight grossing markets had market managers, while the bottom nine markets did not. Interestingly, twenty-five of the 32 respondents (78 percent)—mostly market managers—were women.

Non-agricultural related vendors accounted for 54 percent (N= 437) of total vendors, while agricultural vendors made up the remaining 46 percent (N= 376). Although non-agricultural related vendors accounted for more than half of the vendors, the bulk of sales were produce. 58 percent of the reported sales were from agricultural products (\$1,680,806), followed by 22 percent (\$632,211) from prepared food vendors, 19 percent from craft sales and a negligible amount from other sales. These figures are roughly the same as results from 2005. The average weekly vendor fee for the 25 reporting markets was a little over \$10.

Special Events

Market managers reported music as their most common special event, followed by NOFA-VT's "Shop with the Chef" program, food events, crafts, kid events, and animal attractions. Kid events were most frequently rated "very successful", while the music, Shop with the Chef, crafts and animal attractions were "somewhat successful". Food events received a mixed rating, mainly due to bad weather.

Location

Only two of the respondents reported owning their market location (Winooski and Chelsea Grange). Seventy-nine percent of the markets were on public locations.

Comments

When asked to comment on a market's strengths and weaknesses, managers responded in a variety of ways. Suggestions did not appear to correlate to market size or revenue. Most thought that their quality products, music, and location provided an environment conducive to sales. Common responses to what managers would like help with were promotion, customer relations, vendor support, management, insurance, board development, EBT, and attracting more customers.