

Northeast Organic Farming Association of Vermont

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Vermont Farmers' Market Report - 2013

Information compiled by Michael Good

I. Background

The Vermont Farmers' Market Association (VTFMA)

The Northeast Organic Farming Association of Vermont (NOFA-VT) is the parent organization for the Vermont Farmers' Market Association (VTFMA). Fifty-seven market organizations, representing 63 market sites, were members of the VTFMA in 2013.

Farmers' Market Survey

With input from the VTFMA board of directors, NOFA-VT sent a survey to the 57 farmers' markets organizations at the conclusion of the 2013 market season. The survey asked a variety of questions from sales and market status to areas of need (for additional technical assistance). Fifty-two markets returned the surveys (up from 48 in 2012). Of those, 33 operated as a summer market only, 1 operated as a winter market only, and 18 operated year-round. The completeness of the survey varied among markets - some were complete while others were largely left blank. A best effort was made in this report to reflect the entirety of the data captured in the complete set of surveys. In areas of reporting where the total number of responses to a question does not equal 52, it can be assumed that data was absent in the missing responses. To provide context, whenever possible, data from 2013 will be compared with data from the 2012 farmers' market survey, although the number and location of reporting markets differed from year to year.

II. Survey Results

Basic Market Information

Operating Seasons

Eighteen farmers' markets operated year-round markets, one operated in the winter only, and the remaining thirty-three were summer-only markets.

Years in Existence

The average summer farmers' market has been in operation for 17 years, with the age of markets ranging from new (1 year of operation) to over 40 years of operation. The average winter market has been operating for less than 5 years, with the range from new to 10 years. Winter farmers' markets are becoming more popular each year.

Organizational Structure

Forty-nine markets reported on the structure of their organization, shown below (Table 4).

This information highlights the fact that there are many avenues for organizational structure that farmers' markets can take to guide their market structure. Also worth noting is that this topic is very confusing for Vermont farmers' markets, and many markets were unsure of their actual corporation status. NOFA-VT is partnering with the Vermont Law School and Farmers' Market Coalition in 2014 and 2015 to develop legal resources for farmers' markets on governance issues.

Table 4

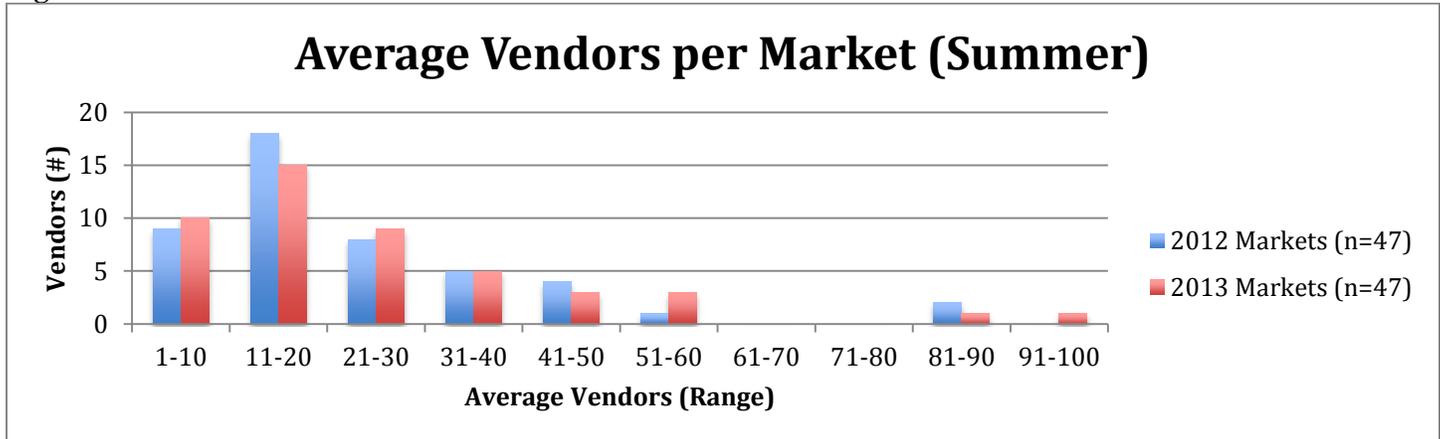
Organizational Structure	Number of Markets
VT State Non-Profit	24
Don't know	9
501(c)3	6
LLC	4
Under fiscal sponsor	2
C-Corporation	2
Sole Proprietorship	1
L3C	1

Vendors

Vendors Numbers (Summer)

The sizes of farmers' markets vary greatly in VT. In the summer of 2013, the number of different vendors who participated in a market ranged from a low of 5 to a high of 125, while the average number of vendors on a given market day ranged from 3 to 100. The average summer farmers' market in VT had 26 vendors, compared to 25 in 2012. Figure 1 displays the average number of vendors per summer market.

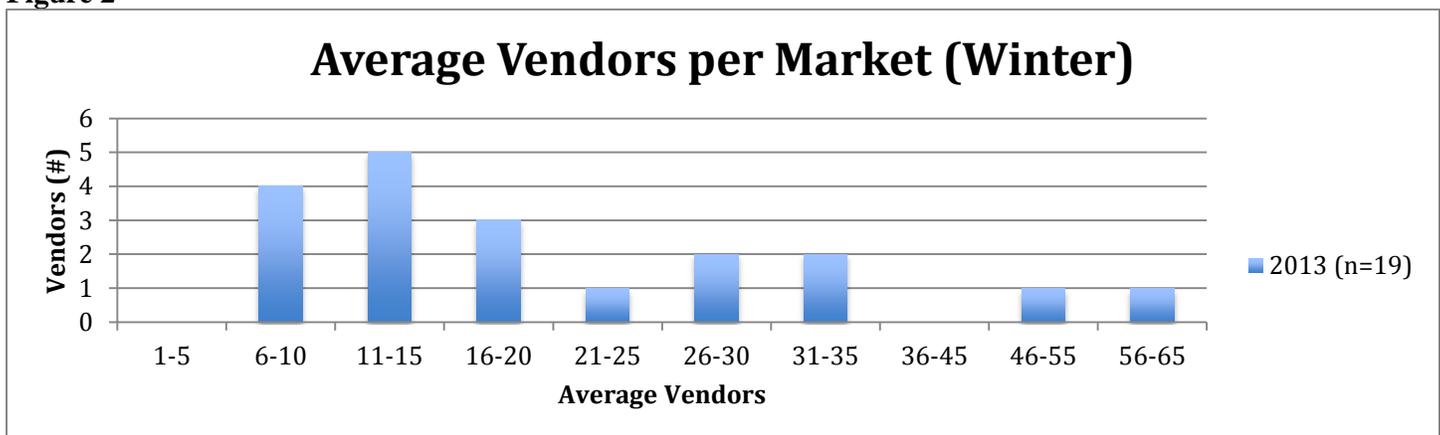
Figure 1



Vendors Numbers (Winter)

In the winter of 2013-2104, the number of different vendors who participated in a market ranged from a low of 10 to a high of 85, while the average number of vendors on a given market day ranged from 6 to 60. The average winter farmers' market in VT had 21 vendors. In 2012, data for winter farmers' markets was not gathered separately from summer markets. Figure 2 displays the average number of vendors per winter market.

Figure 2



Vendor Variety

Most markets are made up of vendors who sell agricultural products, processed and ready to eat foods, baked goods, and a variety of crafts. In an effort to be more innovative and appeal to a larger audience of community members, some markets allow services such as massage, clothing mending, knife sharpening, and bike repair. Many markets even provide a space for local and/or charitable organizations to promote themselves; however, these organizations are not included in the vendor count since they are not present at the market for purposes of selling a product.

Product Liability Insurance

For the 2013 season, 45% of summer markets and 55% of winter markets required their vendors to carry product liability insurance. Of the 26 summer markets that did not require product liability insurance, 10 markets strongly

recommended their vendors to be insured, while five of nine winter markets made similar recommendations. Remaining reporting markets required their vendors to carry product liability insurance.

Finances*

Most markets determined their gross sales using an anonymous reporting form for each vendor. The form has the date and an area to write in a dollar amount for agricultural products, prepared food, and craft sales sold during the market. These forms were gathered and totaled over the course of the market to give a total sales data.

*Note: In 2012, gross revenue data for markets was not separated into market seasons.

Finances (Summer)

In the summer of 2013, 38 of the 52 markets reported gross revenue data of their vendors. The totals reported were divided into three major categories: agricultural sales, prepared food sales, and crafts, with the opportunity to include gross sales data from ‘Other’ sources, if applicable.

The total reported gross sales amount for these 38 markets was \$7,681,944 with an average of \$201,803 per market. Broken down into categories, agriculture products accounted for \$4,502,431; prepared foods \$2,056,246; crafts \$1,037,433; and other services \$54,853 (one market did not break down their gross sales total into categories, which accounts for the \$30,981 difference between the aggregated total and the summed breakdown).

Finances (Winter)

In the winter of 2013, 13 of the 19 markets reported gross revenue data of their vendors. The totals reported were divided into three major categories: agricultural sales, prepared food sales, and crafts, with the opportunity to include gross sales data from other sources, if applicable.

The total reported gross sales amount for these 13 markets was \$920,910 with an average of \$70,839 per market. Broken down into categories, agriculture products accounted for \$567,753; prepared foods \$243,244; crafts \$107,668; and other services \$2,244.

Finances (Calendar Year)

Sixty-six percent of respondents reported that their agricultural sales increased over the past three years. The difference in sales percentages for agricultural products over this three-year period (2011-2013) ranged from -23% to +114%, with an average increase of 19%. Sixty-nine percent of respondents saw an increase in non-agricultural sales, defined as products from materials that the vendor did not grow or produce from land they managed agriculturally (primarily prepared foods and crafts), over the last three years. Over this period, the difference in sales percentages for non-agricultural products ranged from -30% to +126%, with an average increase of 17%.

Table 1 shows the aggregated totals, of the 2013 summer and winter farmers’ markets compared against the 2012 market data, for the 27 markets that reported their gross revenue in 2013 and 2012. This data indicates that there was a 10.4% increase in total revenue from 2012 to 2013.

Table 1

	2013	2012
Total (Aggregated) Revenue	\$8,003,704	\$7,252,232
Total Agricultural Revenue	\$4,761,456	\$4,213,026
Total Prepared Food Revenue	\$2,122,336	\$2,082,808
Total Craft Revenue	\$1,051,561	\$903,667
Total Other Services Revenue	\$37,372	\$23,695
Total Uncategorized Revenue	\$30,976	\$29,040

Budgets

Market budgets vary as much as market size; although not always in direct correlation (i.e. market size is not an indicator of budget size). In 2013, total market income ranged from \$900 to \$121,492, while total expenses ranged from \$384 to \$110,256. Manager pay and vendor fees were the primary sources of income and expense, respectively, to farmers’ markets in 2013.

Vendor Fees (Income)

The primary source of market income came from vendors' fees. Most markets charge their vendors fees according to the amount of space used or the money they earn. This is calculated in different ways:

- Some markets charge a seasonal rate, which ranged from \$10 to \$750 per season for "regular" vendors. A flat weekly rate charge is available for less-permanent vendors, with fees ranging from \$5 to \$50 per market.
- A few markets charge a half season rate ranging from \$85 to \$100.
- Some markets charge by weekly rates only (from \$10 to \$50 per week).
- Seven markets charge a percentage of vendors' daily sales (often on top of a daily vendor fee). These percentages range from 2% to 10% of weekly sales at the market.
- 52% of the reporting markets charge a yearly membership fee ranging from \$10 to \$120.

Manager Compensation (Expense)

The primary source of market expense was manager pay. In 2013, 58% of markets reported to pay their market manager, with amounts ranging from \$200 (plus a free vendor space) to \$27,000 per year. Rather than being paid a yearly salary, most managers are paid by the hour or given a fixed stipend, while some are given "perks" by the market (e.g. free vending space). For markets that reported to pay their manager a weekly wage, wages ranged from \$45/week to \$365/week. Table 2 indicates the reported weekly pay* of market managers/coordinators.

Table 2
Manager Pay per Week* Number of Markets

Manager Pay per Week*	Number of Markets
Volunteer/Other*	19
\$1-50	4
\$51-100	7
\$101-150	5
\$151-200	5
\$201-250	2
\$251-300	2
\$301+	2
Total	46

*Other includes mileage reimbursement (1) and free vendor space (1)

* For markets that reported their manager/coordinator pay by the hour, an assumption was made that the manager is paid for 10 hours of work per week; markets that reported a yearly income had their salary divided by the 52 weeks of the year; and markets that reported the income by season had the salary divided by 18 weeks, the length of a typical summer market season.

Table 3

How volunteer position is working	Number of markets
Hoping to hire paid manager soon	3
Works well enough; satisfactory	5
Burnt out	1
No comment	8
Total	17

Thirty-eight percent of markets reported having a volunteer serve as their market manager or coordinator. Markets that answered that their manager held a volunteer position were also surveyed on how this situation was working and any additional comments they had concerning this position. Their answers are shown in Table 3.

Site Rental (Expense)

Sixty-nine percent of the reporting markets utilized donated space for the location of their market. Only one market responded that they owned their market space. Of the number surveyed, 29% responded that they rent the location where their market takes place. Rent was paid in a few ways:

- Some markets paid a flat rate for the entire season/year. These prices ranged from \$35 to \$27,000.
- Some markets paid a rate for each market. These prices ranged from \$38 to \$500.
- Other markets pay a different price for renting in the summer and winter (as locations change). The prices paid for winter market rental space were reported as being more expensive, by all markets.

Four year-round markets replied that they used donated space in summer, when public space was more available, but rented in the winter.

Other Budget Information

Other expenses markets had included entertainment, advertising, production of market t-shirts and bags, bank charges (debit card transaction fees), portable toilets, market coupons (as incentive for shoppers to attend their market), education, EBT replacement machines and monthly fees (in 2013 these costs were covered by an

appropriation from the VT Legislature), office supplies, general liability insurance, website development, special events, taxes, permits, and licenses.

Increasing Limited-Income Food Access

EBT and Harvest Health Coupon Programs

In 2013, 41 farmers’ market sites had the capacity to accept EBT cards so that customers could use SNAP benefits (3SquaresVT) to purchase food. In 2013, nearly \$87,000 in EBT transactions were made at Vermont farmers’ markets; an increase of 12% from 2012. When asked whether markets thought introduction of the EBT program drew in a new customer base, 83% responded yes. Some markets commented that the EBT program has expanded reach to elderly and low-income portions of the surrounding community, and has become increasingly utilized throughout the community in the past few years. Others said that they would like to see a more diverse crowd amongst their EBT customer base, or that they weren’t sure if the EBT program was reaching the community as well as it could.

Of the 41 markets that accepted EBT benefits, 40 also participated in the Harvest Health Coupon Program. Harvest Health coupons were redeemable July 1st through October 31st, and allowed customers to double the purchasing power of their EBT benefits (for every \$2 in EBT benefits used, the customer received a \$2 coupon that could be used to purchase any SNAP eligible product). In 2013, \$15,454 in Harvest Health coupons were redeemed at farmers’ markets, an increase from the \$8,252 that were redeemed in 2012.

Additional Comments Managers Shared on Survey

Obstacles to Success

Table 5 is a compilation of the top comments made by market organizers regarding the primary barriers to a more successful farmers’ market.

Table 5

Obstacles to Success	# of Responses
Lack of Vendors	13
Outreach/Promotions/Marketing	11
Increase Customers	11
Competition in Market	9
Market Space	8
Lack of Vendor Commitment/Skill	7
Community Involvement/Support	7
Increasing Low-Income/Diverse Customer Participation	5
Operating Hours	5
Board/Management	4
Small Market w/ Small Customer-Base	4
Understanding Regulations	4
Parking	4
Insecure Location	4

2013 Successes

Eighty-three percent of markets reported 2013 as a successful year for their markets. Markets that reported on their success commonly cited the ability to capture tourists and other new customers as key components to increasing sales at their market, while some unsuccessful markets noted a lack of commitment from their vendors and their communities. Construction in the area was also mentioned as a factor that impacted market sales negatively, especially if it forced a market to relocate for all or part of the season. Creating a market that was more interactive also helped to increase sales. Markets did this in a number of ways which included reconfiguring the orientation of the vendors at the market to encourage flow of the customers so that they have to walk by all vendors, introducing the Power of Produce program to give children an opportunity to participate in the market, having a seating area available to allow customers to take a break if needed, and having weekly musical acts perform.