

Information Sheet: How to be a Farmers' Market Vendor

Alberta Agriculture and Rural Development (ARD) is committed to the long term success of approved farmers' markets in Alberta. One of the ways this can be achieved is through increasing the level of skill and knowledge of the agripreneurs who choose to sell at farmers' markets. The purpose of this information sheet is to provide information to vendors and potential vendors on selling at farmers' markets. The information contained within is directed at both food and non-food vendors with the word "producer" being used to describe both types of vendors.

The Opportunity

Farmers' markets are the most popular of the farm direct marketing channels – by both vendors and customers alike. From a vendor viewpoint, there are several benefits to selling at an approved farmers' market:

1. **Incubator and testing ground:** Farmers' markets are a venue where small businesses can "test the waters" to see how popular their products are with customers. It is a place where a vendor can receive immediate feedback from customers with regards to taste, quantity, packaging, price, additional product ideas, salesmanship, etc.
2. **Guaranteed crowd and location:** Farmers' markets tend to attract much larger crowds than individual businesses, making your potential customer base much larger. In addition, the farmers' market provides a stable location with adequate parking and other amenities that customers demand.
3. **Group advertising:** Farmers' markets provide group advertising for the market as a whole which benefits all vendors. This is typically paid for from the table fees or by the sponsoring body.
4. **Learning opportunities:** Vendors can develop and hone entrepreneurial skills at a farmers' market as well as learn from others who may have been in the business for many years.
5. **Price maker:** Farmers' market vendors set their own price, eliminate the middleman and receive immediate payment for their product sales. Studies indicate that farmers' market vendors receive between 40% - 80% more than selling their products through wholesale channels.
6. **Minimal start up costs:** Costs for selling at a farmers' market are typically much lower when compared to setting up your own retail operation either on-farm or in the local community.

Sixty percent (60%) of Albertans shop at farmers' markets, spending on average \$45 per visit. Of that \$45, \$38 is spent on local food. There are many reasons customers shop at farmers' markets:

1. **Food:** The top three products customers come to farmers' markets to buy are vegetables, fruit and baking.



2. **Freshness and quality:** In surveys, customers state the food they buy from the farmers' market tastes better, is fresher than that found in their local grocery stores and, as a result, is of higher quality.
3. **Authenticity:** Customers come to the farmers' market because it is an authentic experience where they can meet the producer of the products they are buying and learn "the story" of how that product was grown or made. It is the next best thing to actually going to the farm. Non-food items are always unique because they are not mass produced. They also carry a story which is very attractive to potential customers.
4. **Trust:** Customers want to know the person who grew or made the food they are buying; they want to have a better understanding of fertilizer, pesticide and herbicide use; animal welfare is important as are ingredients used in baking and preserves. Surveys indicate that customers believe in the safety of the food sold at the farmers' market and this confidence is based upon the trust relationship that has been built between the customer and the vendor.
5. **Support:** Customers come to farmers' markets to support the local economy, the community and the local producer.
6. **Social atmosphere:** Customers come to farmers' markets because it is a unique shopping experience that can not be replicated in a retail store. The relaxed atmosphere allows it be a place where families and friends meet to savor time and enjoy all that the market has to offer.

How to Find an Alberta Approved Farmers' Market

There are over 100 Alberta approved farmers' markets. ARD approves markets that meet the minimum standards as outlined in the Alberta Approved Farmers' Market Guidelines. Each market is independently operated and, as such, determines its own rules and regulations, sets table fees, etc.

ARD maintains an interactive online map of all the approved farmers' markets in Alberta. This can be found at www.sunnygirl.ca. This map contains the most up-to-date information about the markets. Each market is designated by a pin on this map which when clicked on provides a pop-up window with information about each market. Markets can be sorted by region or filtered by type of market. ARD also prints an annual brochure listing all approved markets and can be obtained by calling 780-853-8223.

AFMA also maintains a listing of member markets on their website at www.albertamarkets.com. Vendor members are also given the opportunity to be listed on this site and linked to their individual websites. This is a great opportunity to help build and maintain clientele as customers seek out information about vendors and visit markets based on the information they find.

Costs to Consider

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 home-made 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 neighboring vendors' canopies for additional support.

- Impact Canopies Canada Inc. is one canopy supplier – 877-776-6655 or go online at www.impactcanopy.com . Costco also offers a good quality canopy.

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 as it 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. Average table/stall rentals in Alberta are \$15 but they range from \$3 per week to \$65 per week.
- Many markets have a seasonal rate or a reduced rate if a vendor pays for the entire season up front.

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 8D-cell 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 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. As well, RBC Agencies- the Cooperators in Leduc and AFMA have partnered to offer liability insurance for member markets and vendors. For more information, go to: www.albertamarkets.com.

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:

- Other smaller costs to think of:
 - 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 → important when building the relationship with customers;
- cash box → if you don't use an apron. Keep out of sight so thieves aren't tempted, etc.

Marketing 101

So you've decided to sell at the farmers' market. What do you need to do now? If you make it, bake it, or grow it, you are a prime candidate to sell at an Alberta approved farmers' market. Eighty percent (80%) of the vendors selling at approved farmers' markets must sell products which they, a family member or a staff member have made, baked or grown.

1. **Scout out potential markets.** There are over 100 approved farmers' markets in the province with about 15 of them operating year round. Visit a few of them to see what products are being offered, how many vendors attend, amount of customer traffic. Talk with the market manager about your product and if they have space for you, their application process, any rules you need to know, etc. Keep in mind that the closest market is not always the best market for your product. Be strategic and consider all the costs and benefits prior to committing to a market.
2. **Merchandising.** There are many ways to display your products so they draw people to your stall. Use very open and visible displays. Create multiple levels when possible. Prime visual real estate is from the belt buckle to 6 inches above the sight line or at the 4 – 6 foot level. Maximize the space you have where the eye focuses. Place your higher return products in this sight area. Place your lower sale products from the belt to the knee. Don't put any products below knee level- that is storage in the customers' eyes and they don't want to have to squat down to get their products. Maximize color and texture and use different display equipment to set off your products. Keep your displays full but don't make them so perfect that customers are afraid to take product for fear of making the whole pile come down. Create ambiance in your stall. Invite your customers into your stall with a u-shaped set-up.
3. **Offer samples.** Taste sells! Check with the market manager regarding health requirements for sampling. Many times samples need to be prepared before coming to market and care must be taken to prevent product contamination in transport and at the market.
4. **What is your image?** Four pointers – Be Consistent, Be Credible, Be Compelling and Be Creative. When you are at a farmers' market, you are part of the display. How you portray yourself is as important as what you have for sale. It is important that you always look and act professionally – clean clothes, name tags, business and product signage, and a big welcoming smile. Always be ready to tell your story. Customers want to know how the chicken was raised, how the corn was grown and the story behind the painting. And part of marketing yourself is making sure your customers are happy. If you receive a customer complaint, make it right even if the customer is wrong.

Remember – customers tell 3 people about a great customer experience but will tell 10 people if they are dissatisfied.

5. **Value added is in.** Convenience is a driver for many customers. They may have limited knowledge on preparation or have a limited amount of time to spend making meals or lunches so they come to farmers' markets to seek out unique value added products. You see everything from jams and jellies to chutneys to bagged salads to sauces to mixes. This is great for business and also gives some producers an outlet for their excess fresh product as it can be processed and sold. Keep in mind that Alberta approved farmers' markets are the only venue in Alberta where food products can be produced in home kitchens. Check with your local public health inspector regarding the food product you want to produce to ensure you are meeting all the requirements.

Know the Regulations

There is no legislation specific to farmers' market sales. However, there are many pieces of provincial and federal legislation and related regulations which impact farmers' market sales. ***It is the responsibility of each farm direct marketer to research and ensure full compliance with all legislation.*** A good starting point is a publication from Alberta Agriculture and Rural Development called Farm Direct Sales: Know the Regulations. It is available online at: www.agriculture.gov.ab.ca/publications or by calling 1-800-292-5697.

Other Resources

- **Marketing Food Safely manual:** Developed in partnership with Alberta Agriculture and Rural Development and the Alberta Farmers' Market Association, the Marketing Food Safely home study manual is a distance delivery education tool for farm direct marketers. The manual is a reference guide, a workbook and a planning tool. It focuses on marketing activities, not production or processing. It is available for download as a pdf at www.explorelocal.ca. If you would prefer a hard copy, it is available for purchase through the Alberta Farmers' Market Association.
- **Alberta Farmers' Market Association:** AFMA is a voluntary membership, non-profit organization that provides direction and support to member markets, vendors, managers, boards and sponsors through advocacy, education, promotion and innovation. To become a member, download a membership form at: www.albertamarkets.com or call 1-800-628-0624 for more information.
- **Alberta Farm Fresh Producers Association:** AFFPA is a voluntary membership, non-profit organization dedicated to supporting the production of farm direct marketed vegetable crops, berry and fruit crops, bedding plants, perennials, herbs, flowers, meats, poultry, eggs and other specialty items in Alberta. To become a member, download a membership form at: www.albertafarmfresh.com or call 1-800-661-2642 for more information.

- **Alberta Craft Council:** ACC is a non-profit, non-governmental, member organization dedicated to supporting and developing Alberta's fine craft culture and its many participants. To become a member, download a membership form at: www.albertacraft.ab.ca or call 780-488-6611 or toll-free at 1-800-362-7238.
- **Farmers' Market Program, ARD:** ARD manages the Alberta approved farmers' market program on behalf of the Minister of Agriculture. Information about the program and resources are available at www.sunnygirl.ca or by calling Eileen Kotowich at 780-853-8223 (dial 310-0000 first for toll free access) or email eileen.kotowich@gov.ab.ca.
- **Alberta Agriculture and Rural Development publications:** ARD has many publications, both free of charge and priced, available on a variety of topics from production to marketing. They are available online at: www.agriculture.gov.ab.ca/publications or by calling 1-800-292-5697.

References

Alternative Agricultural Markets in Alberta 2008. Report. Available on-line at [http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/apa12421](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/apa12421)