

Barry, Jude; Henehan, Brian

**Working Paper**

## Enhancing leadership and organization for farmers' market success

Staff Paper, No. SP 2007-01

**Provided in Cooperation with:**

Charles H. Dyson School of Applied Economics and Management, Cornell University

*Suggested Citation:* Barry, Jude; Henehan, Brian (2007) : Enhancing leadership and organization for farmers' market success, Staff Paper, No. SP 2007-01, Cornell University, Charles H. Dyson School of Applied Economics and Management, Ithaca, NY, <https://doi.org/10.22004/ag.econ.121058>

This Version is available at:

<https://hdl.handle.net/10419/58229>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*

**SP 2007-01**  
**May 2007**



# Staff Paper

Department of Applied Economics and Management  
Cornell University, Ithaca, New York 14853-7801 USA

## Enhancing Leadership and Organization for Farmers' Market Success

**Jude Barry and Brian Henehan**

It is the Policy of Cornell University actively to support equality of educational and employment opportunity. No person shall be denied admission to any educational program or activity or be denied employment on the basis of any legally prohibited discrimination involving, but not limited to, such factors as race, color, creed, religion, national or ethnic origin, sex, age or handicap. The University is committed to the maintenance of affirmative action programs which will assure the continuation of such equality of opportunity.

# Enhancing Leadership and Organization for Farmers' Market Success



**Jude Barry**  
and  
**Brian Henehan**

Department of Applied Economics and Management  
Cornell University  
Ithaca, NY

May, 2007



Cornell University



NY AG INNOVATION CENTER  
An initiative of the New York Farm Viability Institute  
*Building a More Innovative NY Agriculture*

## Acknowledgements

The authors wish to recognize the generous support of their sponsors, whose funding and expertise have enabled this publication to be developed. Our sponsors include, the Department of Applied Economics and Management at Cornell University ([www.aem.cornell.edu](http://www.aem.cornell.edu)), the New York Farm Viability Institute ([www.nyfarmviability.org](http://www.nyfarmviability.org)) and the Farmers Market Federation of New York State ([www.nyfarmersmarket.com](http://www.nyfarmersmarket.com)).

Our thanks to our colleague Prof. Gerald White, in the Department of Applied Economics and Management who reviewed an earlier draft of this publication and offered useful comments and suggestions. Any errors remain the sole responsibility of the authors.

The black and white artwork on the front cover and within this publication is designed by Lisa Cowden, a graphic designer, in Trumansburg, New York.

Information on accessing additional copies of this publication can be obtained from:

Carol Thomson  
Department of Applied Economics and Management  
106 Warren Hall  
Cornell University  
Ithaca, NY 14853  
(607) 255 5464  
[cmt8@cornell.edu](mailto:cmt8@cornell.edu)

## **Preface**

Brian Henehan is a Senior Extension Associate in the Department of Applied Economics and Management at Cornell University. His interests include conducting applied research in the following areas: decision-making in farmer-owned organizations, cooperative governance, economics of cooperative businesses and agricultural business management. His outreach and Extension efforts include serving as program director for the Cornell Cooperative Enterprise Program, secretary of the Northeast Cooperative Council, a non-profit organization serving the educational and information needs of rural cooperative businesses in the Northeast, and serving as program leader for the business structures project under the Ag. Innovation Center at Cornell University funded by the New York Farm Viability Institute.

Jude Barry is an Extension Associate in the Department of Applied Economics and Management at Cornell University. Her main areas of interest include agricultural business structure issues, organizational development and agricultural business management and marketing. Jude's extension activities at Cornell University have primarily focused on working with group-owned businesses and sole-proprietorships that require business structure and organizational assistance under the New York Ag Innovation Center Program. Prior to working with Cornell University, Jude worked with Cornell Cooperative Extension, specifically working with small farms on a wide range of marketing and business development issues.

A number of Farmers' Market leaders approached the authors of this publication prior to its development requesting assistance with various issues pertaining to Farmers Market leadership and development. At a similar time, the Farmers' Market Federation of New York State in collaboration with New York State Department of Agriculture and Markets developed their annual Farmers Market Information Days workshops to include a session on "Enhancing Farmers' Market Leadership". In response to the requests of the producers that approached us directly, of the Farmers' Market Federation of New York State and the attendees of the Farmers' Market Information Days 2007, we have developed this publication to address some of the questions and concerns that Farmers Market leaders face.

The information contained in this article is intended for general discussion by New York State Farmers Market leaders, managers and vendors. Nothing in this publication is intended as legal or financial advice. Readers should consult with their own legal or financial advisors to insure that the organizational choices they make best fit their individual or group needs.

## Definition of terms

For the purpose of this publication on farmer's market leadership and organization, we felt it necessary to propose working definitions for a number of terms to arrive at common usage for the purpose of this discussion. Various farmers' markets use a variety of terms to describe their leadership and organization. There can be a number of terms used to describe the vendors or members of a market or the various types of leaders. We are listing a set of definitions to provide consistency through the publication that help insure that we are referring to the same organizational players or aspects of operations.

**Members** – are vendors who qualify to be members of the Farmers Market. Various markets may have differing requirements to be a member, but typically some financial interest and voting rights are associated with membership.

**Directors** – refers to individuals who are elected or chosen to serve on a steering committee or board of directors (formal or informal). Some Farmers' Markets are incorporated or organized very formally with a board of directors and various committees; others are less formal and may have a steering committee or a small organizing body. Directors in this paper refers to the people that form the leadership group representing members or vendors.

**Vendors** – are those who sell at the market, but may not necessarily choose to be members or meet the qualifications of membership. However, they would have a stake in the success of the Market.

**Voting Rights** – the rights of members to participate in the decision making of an organization through the democratic system of election. Voting is often designed on a "one member, one vote" basis, where qualified members are given a right vote. Types of voting are typically spelled out in the Bylaws of the organization. Examples of voting that may be specified in the Bylaws include: electing board members, amending bylaws or dissolving the organization.

**Manager** – person who has been delegated by Directors to oversee the day to day operations of the Farmers' Market. They could be paid, full-time, part-time, or volunteers.

**Leadership Team** – The team includes Directors and the Manager.

# Table of Contents

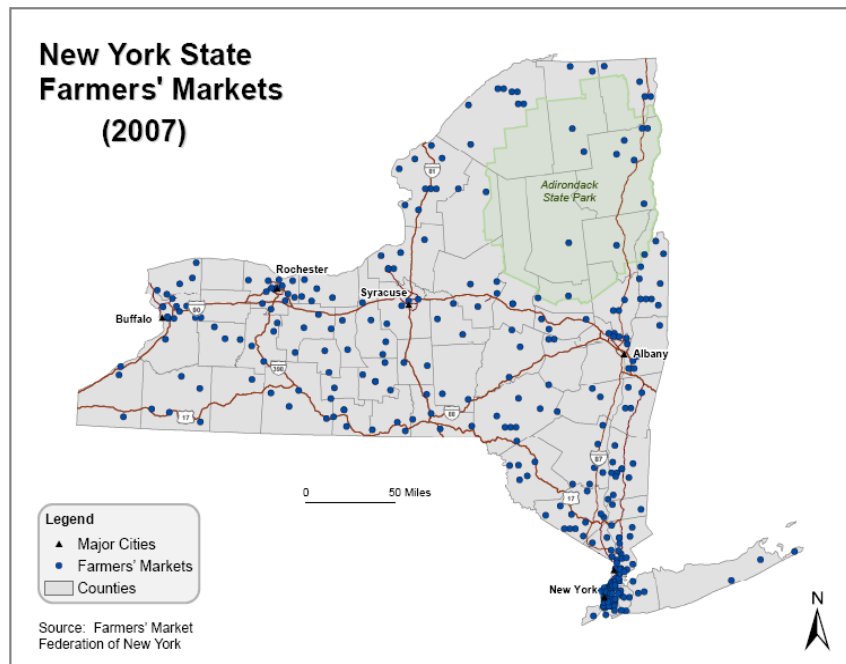
<b>Acknowledgements</b> .....	i
<b>Preface</b> .....	ii
<b>Definition of Terms</b> .....	iii
<b>Table of Contents</b> .....	iv
<b>Part I – Farmers’ Markets in New York State</b>	
Introduction.....	1
<b>Part II - Organization of Farmers’ Markets</b>	
1. Why do Farmers’ Markets Need Organization? .....	4
2. What are typical organizational designs of Farmers Markets.....	5
<b>Part III - The Board of Directors or Steering Committee</b>	
What does a board of directors or steering committee do?.....	7
Performance areas .....	7
Mission, Vision and Planning .....	8
Effective Communication .....	9
Financing.....	10
Operations .....	11
<b>Part IV - The Manager</b>	
The distinctive role of the Manager .....	12
What is the best way to achieve a team approach to Farmers Market Organization.....	12
Performance areas of the Manager .....	13
Marketing.....	13
<b>Part V - The Members</b>	
Vendor/Member Relations.....	15
<b>Summary</b> .....	16
<b>Resources</b> .....	17



# Part I – Farmers’ Markets in New York State

## Introduction

The number of Farmers’ Markets has been increasing across the U.S. and New York State. Over the past ten years the number of Farmers’ Markets in the U.S. doubled to reach an estimated 4,385.<sup>1</sup> New York State is home to over 350 Farmer’s Markets generating more than \$230 million in farm income for nearly 6,700 farms in 2000.<sup>2</sup>



Every county in New York State except for those located within the Adirondack State Park, has at least one Farmer’s Market. New York City is home to over 25 “Green Markets” which offer over 600 varieties of fruits, vegetables and farm products directly to New Yorkers. In New York State, the diversified production of fruits, vegetables, livestock, dairy and greenhouse farm products combined with a large number of metropolitan areas spread out across the state creates a unique direct marketing opportunity for New York producers. Growth in Farmer’s Market sales has also been stimulated by increasing consumer interest in purchasing fresher produce and locally produced food products and crafts.

These markets represent a wide variety of sizes and types of markets. A number of markets have been in operation for over one hundred years, while others began only recently. Some markets operate year-round in indoor facilities; others operate seasonally

<sup>1</sup> W.K. Kellogg Foundation: Project for Public Spaces, <http://www.wkkf.org/>

<sup>2</sup> New York State Dept. of Agriculture and Markets

in outdoor locations. Several markets have combined wholesale and direct marketing operations while most sell directly to consumers.

Markets have adopted an assortment of organizational structures - from operating on a very informal basis, to being formally organized as cooperative corporations, non-profit entities or public authorities. A number have hired, paid, managers while others operate with volunteer managers.

The extensive social and economic impact of farmers' markets in New York has been recently documented in a report to the Project for Public Spaces funded by the W.L. Kellogg Foundation<sup>3</sup>. This report describes various types of impacts produced by farmer's markets including, economic, agricultural, health, and community.

However, all markets, young or old, large or small have two key factors in common - the need to make sound decisions and be well coordinated to offer the best marketing opportunities for their vendors or members.

This publication attempts to improve the decision-making process used by leaders and managers of markets in order to keep markets vibrant and profitable. All markets involve a variety of people and personalities that need to clearly understand their roles and responsibilities to sustain effective markets. Any group involved in a Farmer's Market, periodically needs to review how well the various players in the organization are functioning to advance the interests of the market. We commend the Farmers' Market Federation of New York State for its efforts to develop more effective leaders and sustainable markets.

---

<sup>3</sup> Farmers' Market Federation of New York. "The Value of Farmers' Markets to New York's Communities" Sept., 2006 <http://nyfarmersmarket.com>



## Part II – Organization of Farmers’ Markets

### 1. Why Do Farmers’ Markets Need Organization?

*“Our market is made up of a small group of friends, we don’t need a committee”*

*“I have organized the market on my own for a long time, I don’t think a leadership group is necessary”*

*“For the small amount of money exchanging hands within our Farmers market group, it hardly seems worth forming a steering committee for our Market”*

Organization and formality can sometimes seem intimidating and unnecessary, particularly for something like a small, informal Market. The consequences of not forming some sort of leadership committee, however, may be far more intimidating. Some of the reasons for organization are outlined below:

***Sustainability*** - One of the primary reasons for having a more formal leadership structure is to provide sustainability for the organization. In a very informal environment with no defined leadership group, there is a risk that the farmers market will not be able to continue operating, if for whatever reason the person managing leaves the organization. Having a defined or formal organizational structure can enable the farmers market to remain viable and less dependent on the current individuals running or leading the market.

***Fiduciary Responsibility*** - Where money is exchanging hands, for example farmers pay annual dues or fees, a fiduciary responsibility exists for the Market to account for and manage those funds. A board of directors or steering committee can fulfill this responsibility. A more formal organization of the group can clarify who is responsible to assure members that the finances are being handled appropriately and in accordance with the group’s goals.

***Trust*** - Trust is a key factor for the success of group decision-making and marketing. A more formal organization can help build trust through openness and well defined roles and responsibilities. Typically, a set of checks and balances are built into the organizational structure to insure accountability and transparency.

***Risk Management*** - Leaders of a Market assume legal liability and personal risk when they take on a leadership position. They become the decision makers and assume responsibilities related to the decisions made. Creating an organizational structure that limits personal liability can protect leaders from some liabilities and risks. A more formal organization can offer some protection to the member/vendors. There are potential risks associated with selling food, working with other people in a group marketing arrangement or hosting customers at the Market. Organizing the group to minimize risks can be very cost effective in the long run.

There are a number of resources available to assist a steering committee or board of directors in establishing a more formal organization that can offer some protection for an

individual's assets, time and the business operations of the Farmers Market itself. (See Appendix 1: Resources)

## **2. What are typical organizational designs of Farmers Markets?**

*The market in the next town is a large cooperative, with voting rights, annual fees, and a large number of members. We only have a few vendors in our market, in fact most of them are on the steering committee, do we really need a formal structure like the cooperative market near by?*

The number one rule when looking at Farmers' Market organizational design is that no two markets appear to be the same. Farmers Markets (FMs) across the globe serve their communities in very diverse ways. The leadership of these markets can differ. Leadership may be very homogeneous and made up of all farmers or it can be heterogeneous and include people representing different groups in the community such as farmers, bakers, craftsman, village and town Officials, local government and/ or consumers.

Consequently there is no typical organizational design for Farmers' Markets. The organization needs to be designed to meet the purpose and the challenges of an individual market. Having said this, there are some fundamental commonalities of market organization which can be applied to most market situations. Having a solid organization can make the operation of the market more effective.

Generally a market has a group of vendors which elect a board of directors (or steering committee) to represent the group. This board of directors can be comprised of vendors and also external directors (that are not vendors) who have an interest in the market. Sometimes it is a good idea to have external directors in a group business situation to bring fresh ideas and vision to the business.

The board of directors then appoints or hires a manager with whom they entrust the day-to-day operations of the business. In having this organizational structure, day-to-day operational decisions are made by the manager and the long-term vision can be developed by the steering committee or board of directors.

If vendors have questions or concerns which need addressing, whether on the board or not, it is usually most effective if they are taken to the manager who can make the appropriate decision as entrusted by the steering committee or board of directors. If these concerns are not addressed satisfactorily, the vendor can take them to individual members of the steering committee or Directors who can then take them for committee or board consideration. We strongly recommend that a director should not address the concern themselves, but take the matter for full Board consideration.

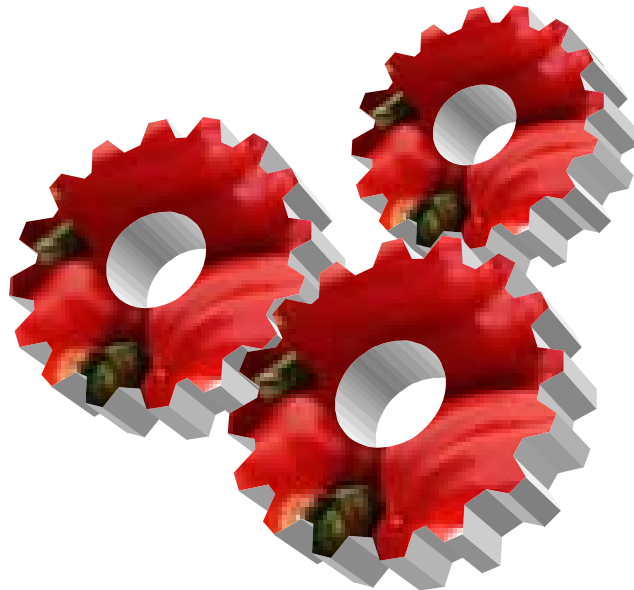
***In a market organization with Board of Directors or Steering Committee, individual directors should not make decisions for Farmers market operations on market day or anywhere other than the board room. In an effective organization, the day to day operations have been entrusted to the manager and as such should be left to the manager. Individual directors are only part of the Board of Directors and alone are***

*not able to make decisions on behalf of the board. Director decisions must be made following board consideration and approval by a quorum vote IN the board room.*

Establishing and governing appropriate bylaws enables the group to make decisions and follow an agreed upon method of communication, which if followed should build effective communication and trust within the group. Templates for bylaws are available and can be developed by the steering committee to build an appropriate organizational structure.

Organizations such as Farmers' Markets can be formal or informal. Generally speaking, the leaders of smaller Farmers' Markets across New York State tend to keep their organizations less formal. Leaders make their organizations more formal when they start to look more closely at the risk associated with running a farmers market (personal liability risk in particular), and when there are benefits to doing so with regard tax liability.

In general a good rule of thumb is that "Form Follows Function". A group should identify what functions they are looking for the organization to accomplish (such as limiting liability, providing access to capital, insuring leadership succession, etc.) as they consider what structure to create. More information on analyzing and selecting various different business structures can be found in the "Resources" Appendix.



## **Part III - The Board of Directors or Steering Committee**

### **What does a board of directors or steering committee do?**

*“Our committee is made up of vendors from the market, how much say do they have in the day-to-day running of the market?”*

*“What does it mean to be a member of the Steering Committee?”*

Directors of the market are selected to their positions to carry out four basic responsibilities:

#### ***To insure that the day- to- day operations are well managed and coordinated.***

Typically, an individual is required to manage the operations of a market. That individual may be part-time, full time, paid or a volunteer. Directors of small or large markets can find it difficult to differentiate between the duties of the leaders and management. It is important that management is allowed to manage the day to day operations, while directors monitor and evaluate that individual’s performance.

#### ***To assure that adequate communication and coordination occurs***

Communication and organization of the group is a vital part of the responsibilities of the leadership in representing the vendors and members. More on this is discussed later in this paper

#### ***To provide oversight and execute the fiduciary duties.***

The definition of Fiduciary responsibilities is “a person with a duty, created by his/her own undertaking, to act primarily for the benefit of another in matter connected with the undertaking”. Responsibilities should be carried out in line with the by laws of the Farmers Market, with diligence and care and with the utmost loyalty to the whole group.

#### ***To develop and set policies required to insure market success***

It is the responsibility of directors to identify areas where policy is needed and to subsequently develop and enforce those policies. Well developed policies can create clear direction or control for the group.

(see Baarda, 2002).

### **Performance areas**

In fulfilling the role of member and manager leadership we have identified some performance areas, which when carried out effectively, can greatly enhance leadership and operation of successful farmers’ markets.

- ❖ Mission, Vision and Planning
- ❖ Effective Communication
- ❖ Financing
- ❖ Operations

Effective leadership typically requires a probing and analytical approach to understanding how the organization works and what strategies might be adopted to improve performance. One of the best approaches to better understanding and measuring performance is to “Ask the Right Questions”. As we discuss each of the performance areas of leadership and organization, we will propose sets of questions that might be useful to those serving in leadership positions.

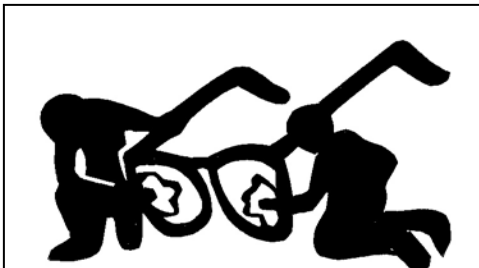
In some cases it is savvy to ask some questions to assess leadership performance and check on how well directors are fulfilling their responsibilities. Of course, asking the right questions is only one part of the responsibility. Following up with finding satisfactory answers and acting on those answers is as important in fulfilling the obligations of leadership.

The best market leaders are:  
wise, discreet, people-orientated, creative, adaptable, dedicated and passionate.

*Comments from attendees at Farmers Market Information Days, 2007*

### **Mission, Vision and Planning**

A critical responsibility of directors and member leaders is to agree on the underlying purpose for the market, that is a mission. The mission statement should be very concise and easy to understand. A well thought-out mission statement then becomes the “touch stone” and basis for building a vision and plan for the market.



A vision statement asks the question where does the market see itself in the future or what is the hoped for result of accomplishing the mission. Developing a vision and plan can take several shapes or forms. Having a clear idea of the primary objectives of the members and vendors can greatly support the leadership and management in their decision making and

provide a long term vision to strive for. The following are questions related to development of a mission, vision and business strategy:

Why does the market exist and what is its primary purpose?

Do the vendors, managers and leadership understand the vision, mission and objectives of the Farmers’ Market?

Do we have an annual strategic plan? (a strategic plan refers to a formal or informal product of discussions had by leadership as to the direction the farmers market should be taking over the next 2-3 years)



Should we do a SWOT analysis on the market and assess the “Strengths”, “Weaknesses”, “Opportunities” and “Threats”?

What is the competition for customers?

What is the competition for vendors?

Does the market have sufficient capability, variety, size and quality product to successfully compete and adequately supply the customer’s needs? If not, should we be considering developing the capacity of the market to meet those needs?

Does our strategic plan primarily focus on internal or external growth? Why? (Internal growth - will our current vendors be expanding/growing to meet new market needs and achieve growth goals? External growth – will we be seeking new vendors to meet changing needs and achieve growth goals?)

What types of alternative strategies have management considered to accomplish strategic objectives?

What level of responsibility does the Farmers Market manager have for implementing the strategic plan? Should they have more or less resources to achieve success?

Are the Farmers Market goals “SMART”, i.e. Specific, Measurable, Attainable, Rewarding and with a well-defined Time line?

### **Effective Communication**

Having a clear mission, vision and plan lays the foundation for more effective communication between all the parties involved. It’s safe to say that groups work more effectively when there is good communication. Like a marriage, groups need trust and trust is built through good communication.

One of the key factors to maintain good communication is accurate and accessible reporting. Transparency can reduce the risk of mistrust between various players in the market. For every Board/Steering Committee meeting, accurate minutes should be taken and approved at the following meeting. Financial statement should be accurately represented and audited on an annual basis. Auditing may not need to be done by a Certified Public Accountant (CPA). If the group is looking to reduce costs and the level of financial activity is low, an informal subcommittee of the board/steering committee may be able to complete an audit of the accounts.

It is helpful to have a market manual with position descriptions that clarify what roles the manager and committee members play.  
Suggestions from market leaders at Farmers’ Market Information Days, 2007

Aside from the trust, if a group does not keep accurate

audited reports of accounts associated with the market, the board, steering committee or whoever is running the market could be held liable.

To avoid frustrations within the group, it is important that everyone has a channel with which they can voice their thoughts. Organization within the group allows this to happen. It is important that the appropriate channels are used so that the Farmers Market can function effectively (see Part II “Organization of Farmers’ Markets”).

The following are questions related to effective communication:

Do members feel that the market communicates effectively with them?

Do the board of directors, manager and members feel that there is transparency in the organization? How might this be improved?

How do the members voice their concerns and how do these get addressed? Is there a defined protocol with which the members can communicate to the organization?

### **Financing**

Whether the Farmers’ Market is formal or informal, small or large, the leadership has a fiduciary responsibility to ensure that the financial reporting of the operation is accurate. The leadership may be held liable if there are financial problems with reporting. The following are some of the questions leadership should be asking to help establish whether financial reporting is correct:

Does our financial reporting system provide management, the board and other responsible parties with the best and most up-to-date information on the Farmers Market finances?

Do we have an accurate, transparent financial reporting system?

Do we carry out an annual audit on the financial report? An audit can be done at little or no cost by a committee formed within the Farmers’ Market group.

What are the tax ramifications of the organization our Farmers’ Market is under? Whether we are incorporated or informal, non-profit or profit, are we filing our taxes correctly with the State and the IRS?

Will we need to make any capital investments in the next 3 years? If so, how will we raise the necessary capital?

How is risk assessed when deciding on investment projects?

Does the Farmers Market cash flow? Are we asking enough of our vendors to ensure this is the case?

What is the average age of our accounts receivable? Is this acceptable? What practices do we have in place to assure against major losses on accounts receivable?

Are any assets or liabilities being handled “off the balance sheet”?

What exposure, if any, does the Farmers Market have in terms of financial or marketing risk? Does the market have strategies in place to manage and minimize this risk?

Are adequate mechanisms in place to prevent the possibility of fraud and other illegal financial acts?

### **Operations**

A Farmers Market is a unique situation in that many of the steering committee/Board of Directors is experiencing the day to day operations first hand. This can have both its advantages and disadvantages. Advantages would be that the committee is more aware of market dynamics and their consumer base enabling them to develop vision for the group. Disadvantages are that the committee can know too much about the detail of the operations of the market, hindering the development of long-term visioning. It is very important that the leadership does not interfere with the managers day to day efforts with operating a Farmers’ Market. Any issues that vendors or others have with the management of the market should be taken to the Board of Directors/ Steering Committee for consideration. The Leadership level can address the following questions in the Board room:

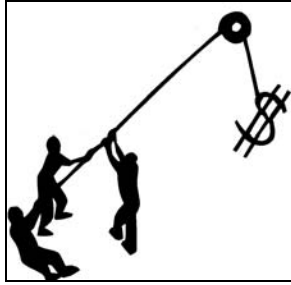
Do we have good communication with the Manager?

Do you feel the Board/ Steering Committee have become too involved in operational issues?

Are we compensating the manager correctly for the job they are doing?

Are we providing the manager with sufficient direction for the future? If the committee has a vision for the coming years, they need to provide the manager sufficient direction to implement that vision.

Is Management meeting the needs of the Farmers Market?



## Part IV – The Manager

### The distinctive role of the Manager?

*“It seems that the committee and the manager have pretty similar jobs. What’s the difference?”*

The role of directors is to ensure that the policies and long-term vision are in place to guide the manager of the market and to govern these policies. The Leadership Team is accountable to members/vendors with regards the governance of the policies and vision. It is important to remember that directors do not run or micro-manage the market. The manager is delegated to run the market under the policies that the Committee/Board has established.

The role of the management can generally be viewed running the day-to-day operations. These include, fulfilling the onsite duties at the market, recruiting vendors to comply with the long-term vision of the directors, ensuring vendors are complying with the rules and regulations of the market, managing the risks associated with the market and managing the finances. The manager is accountable to the directors with regards delivering results in line with the guidelines set by the board of directors.

A more extensive description of the duties of a market manager can be found in “A Guide to Developing a Community Farmers’ Market” by Farmers Market Federation of NYS (Diane Eggert), Cornell Cooperative Extension, and New York State Department of Agriculture and Markets (Nathan Rudgers). To receive an electronic copy of the Guide, please send a request to [info@nyfarmersmarket.com](mailto:info@nyfarmersmarket.com). The basic duties described in this publication include:

Market Managers should have “tough skins” and the ability to maintain control.

Comments from attendees of Farmers Market Information Days, 2007

- ❖ On-site Responsibilities
- ❖ Special Events Coordination
- ❖ Maintain all records
- ❖ Liason
- ❖ Farm Inspections
- ❖ Advertising and Promotion
- ❖ Recruiting Farmers and Vendors
- ❖ Continued Management Training

- ❖ Market representative
- ❖ Secure all permits and licenses.

### **What is the best way to achieve a Team Approach to Farmers Market Organization?**

*“Our directors are vendors at the market and have a big presence at the market. It seems a very fine line for them to be leading the market in one respect and leaving the day-to-day running of the market to a manager in another respect. How can they make that work?”*

A successful Market has a variety of people that work closely together and very intensively on market days as well as less intensively at other times. The people who are involved are generally very passionate about the success of the market, which can sometimes make it difficult to follow protocol and allow a business structure to operate effectively. In order for a market to be functional it is important that all involved work as a team. A number of team environments need to be nurtured:

- ❖ The Directors need to work closely with the members and vendors to ensure they are representing the group’s needs effectively.
- ❖ Directors need to be working closely and effectively with each other to ensure the leadership group is strong.
- ❖ The Directors needs to be building strong ties with the Manager so that policies can be easily governed and planning ideas can be implemented.
- ❖ Finally the Manager needs to have a good relationship with the members so the day-to-day operations of the market can be carried out successfully.

Ideally, all of these teams should be working to advance a single mission and adopting a common vision for the Market. This requires good planning and ongoing communication.

### **Performance areas of Manager**

Marketing is one of the key performance areas for the market manager. As for directors/committees, one of the best approaches to better understanding and measuring one’s performance is to “Ask the Right Questions”. We propose a set of questions in this section that might help a manager assess their marketing performance as they endeavor to fulfill their managerial responsibilities.

### **Marketing**

Developing a marketing strategy/vision is a very important part of any business not least of all for Farmers Market Steering Committee or Board of Directors. The benefit, when it comes to marketing that a Farmers' Market has over other businesses is that there is no one between the market and their consumers. Vendors and Managers are likely to know their market very well and consequently should be able to develop marketing strategies with considerable knowledge. It is very important that marketing strategies are consumer driven as opposed to vendor driven. It is very tempting to develop a market based on what products vendors have; however if consumers do not want these products (the product does not meet consumer needs/wants, they are too expensive, the quality is poor) then the consumer will buy elsewhere and the Farmers' Market as a whole will suffer. It is important that the board work with management to address the Marketing Vision and Plan and address the following questions:

Information of individual markets that is required to make effective changes and improvements can be obtained through Rapid Market Assessment

See "Tools for Rapid Market Assessment" in the resources appendix.

Do we have a good idea of who our customer are, why they shop at our Farmers' Market and what we need to do to keep them satisfied?

Are we making efforts to anticipate the future wants and needs of our customers and we prepared to meet those wants and needs as they arise?

Do we have the right mix of vendors and products to meet our consumer needs? (example have we got too many stalls of potatoes or jams and jellies and insufficient baked goods and fresh fruits?)

What is the image that the Farmers Market is portraying? What image do we want it to portray to best serve our customer base? (Examples – High Quality, Fresh and local, Cheap food, Variety, Organic etc)

Do we have an adequate advertising strategy, so that our customers know of us, our products and our events?

Is our advertising strategy effective or a waste of time and resources? How do we know?

What impact does the Farmers' Market Nutrition Program have on our market? Is it positive? Are we accommodating the program as well as we may to serve both our customers and our vendors?

Do we do a good job of recruiting vendors?

Do we have the right number of vendors in our market?

What are the barriers that our vendors face? (Example - Can they access the market with their trucks? Do we offer them enough promotion? etc)

What are the barriers our customers face? (Example – no parking, not open at convenient times etc)

Who are our primary competitors and what are their strengths and weaknesses as compared to our own?

Are we using our strengths effectively and addressing our weaknesses in order to compete?

Does our Farmers Market Site meet our customer and vendor needs?

Are we addressing the markets seasonal needs? (Example would our customers and vendors support a Holiday market or a Halloween market?)

Do we have adequate policies and procedures in place to ensure that all of our vendors are in compliance with marketing regulations?

## **Part V – The Members**

### **Vendor/Member Relations**

The vendors form the Farmers' Market. Without them there is no Farmers' Market. However with the wrong vendors, there can also be no long term future for the market. It is important to have the right vendors, both from a marketing point of view and from the point of view of making the market function effectively. Loyalty and trust must be nurtured to get the best relationship with the market members in the long run.

Vendor/Member relations are the duty of both the manager and the board/committee. From the manager's perspective vendor relations are critical for a smooth running market. The committee or board is representing the members/vendors and therefore good communication channels are critical for the board to fulfill their obligations. Questions for both the Manager and the leadership to consider when evaluating Vendor/Member relations:

Are we the first choice market for our vendors? If not, why not?

How would you characterize vendor satisfaction and loyalty? How do you know?

Is there a feeling of membership for the vendors? Do they know that they will be listened to and can have an influence on Farmers' Market decisions?

Do we have effective 2-way communication with vendors? If not, why not?

Do you feel the membership is sufficiently informed about the Farmers' Market in areas such as: policy, marketing strategy, financial activities, and governance

Are we well positioned to serve the vendors in the future?

How well attended is the annual meeting and other committee meetings?

What can be done to recruit more vendor involvement in Farmers' Market activities?

Do vendors understand that having a democratic control of the Farmers Market decision making process means that they will win some and lose some policy decisions that impact them directly?

Does our Farmers' Market nominating and election system assure we get the best elected individuals representing the vendors? If not, why not and how can it be improved?

Does the Board/ Steering Committee need outside directors to bring broader business expertise and objectivity to the table?

Are sufficient resources being devoted to leadership (director and manager) development and education?

## **Summary**

A key ingredient for successful Farmers Markets is effective leadership. Good leadership is required for an effective Steering Committee or Board of Directors as well as for those who manage markets. A solid organizational structure can lay the foundation for increasing the understanding and communication among members, directors and managers as well as those outside the organization who interact with it. This paper provides some tips for enhancing leadership and organizational structures as well as offers suggested questions that members and leaders should be asking in the interest of improving their Farmer's Markets. Additional resources are compiled for those interested in more information on these topics.



## Appendix: Resources

[www.bizstructures.aem.cornell.edu](http://www.bizstructures.aem.cornell.edu) A Cornell University website that contains resources to assist with business structure planning and business organization decision making.

<http://www.nyfarmersmarket.com/> Farmers Market Federation of New York.

Considering Cooperation – A Guide for New Cooperative Development (2001) Brian Henehan and Bruce Anderson. Department of Applied Economics and Management, Cornell University. Extension Bulletin 2001-01.

<http://cooperatives.aem.cornell.edu/pdf/resources/eb0101.pdf>

Doing Business In New York State: Structures and Strategies (2004) Bruce Anderson, Brian Henehan and Charles Sullivan. Department of Applied Economics and Management, Cornell University. Extension Bulletin 2004-07.

<http://aem.cornell.edu/outreach/extensionpdf/eb0407.pdf>

Questions Cooperative Directors Should Be Asking Management (2002) Bruce Anderson and Brian Henehan. Department of Applied Economics and Management, Cornell University. Staff Paper 2002-01

<http://cooperatives.aem.cornell.edu/pdf/resources/sp0201.pdf>

A Guide to Developing a Community Farmers' Market. Farmers Market Federation of NYS (Diane Eggert), Cornell Cooperative Extension, and New York State Department of Agriculture and Markets (Nathan Rudgers). To receive an electronic copy of the Guide, please send a request to [info@nyfarmersmarket.com](mailto:info@nyfarmersmarket.com).

Farmers' Markets – Marketing and Business Guide (2002) – Janet Bachmann. Appropriate Technology Transfer for Rural American (ATTRA)

<http://attra.ncat.org/attra-pub/PDF/farmmarket.pdf>

Farmers' Markets Rules, Regulations and Opportunities (June 2002) – Neil Hamilton. An Agricultural Law Research article from the National Agricultural Law Center.

[http://www.nationalaglawcenter.org/assets/articles/hamilton\\_farmersmarkets.pdf](http://www.nationalaglawcenter.org/assets/articles/hamilton_farmersmarkets.pdf)

The Value of Farmers Markets to New York's Communities (2006) James Farr and Diane Eggert. [www.nyfarmersmarket.com/publications.htm](http://www.nyfarmersmarket.com/publications.htm)

Iowa Farmers' Market Development Manual Iowa Department of Agriculture and Land Stewardship. Bureau of Horticulture and Farmers Markets. Patty Judge, Secretary of Agriculture. <http://www.agriculture.state.ia.us/pdfs/IFMDevelopmentManual4.pdf>

A Guide to Starting, Operating and Selling Farmers Markets (1995) – Charles Marr and Karen Gast. Arizona State University and Arizona Cooperative Extension.

<http://ag.arizona.edu/arec/pubs/dmkt/AGuideto..FarmersM.pdf>

Direct Marketing Resources – Business Management Series (1999) Katherine Adam, Radhika Balasubrahmanyam and Holly Born <http://www.attra.ncat.org/attra-pub/PDF/directmkt.pdf> pp25-33

Considerations in Forming a Non-Profit Organization in New York State (2006) Brian Henehan and Judith Barry. Department of Applied Economics and Management Cornell University. Fact Sheet.  
[http://bizstructures.aem.cornell.edu/documents/Considerations\\_forming\\_nonprofit\\_final.pdf](http://bizstructures.aem.cornell.edu/documents/Considerations_forming_nonprofit_final.pdf)

Tools for Rapid Market Assessments (2004) Larry Lev, Linda Brewer and Garry Stephenson. Oregon State University Extension Service. Oregon Small Farms Technical Report Number 6. [http://www.nyfarmersmarket.com/pdf\\_files/toolsforRMA.pdf](http://www.nyfarmersmarket.com/pdf_files/toolsforRMA.pdf)

New York State Department of Agriculture and Markets Direct Marketing Services  
<http://www.agmkt.state.ny.us/AP/agsservices/marketing.html>

Cornell Cooperative Enterprise Program <http://cooperatives.aem.cornell.edu/>

Co-op boards' circle of responsibilities (2002) James Baarda. Rural Cooperatives July/August, 2002 Volume 69, number 3, pp 30-32.  
<http://www.rurdev.usda.gov/rbs/pub/jul02/jul02.pdf>

Co-op directors held to high standards (2002) James Baarda. Rural Cooperative September/ October, 2002. Volume 69, number 5, pp15-17, 35  
<http://www.rurdev.usda.gov/rbs/pub/sep02/sep02.pdf>

Cooperative Development Institute (CDI) Training materials for New England Farmers' Markets supported through a NESARE project at [www.cdi.coop](http://www.cdi.coop).

## OTHER A.E.M. STAFF PAPERS

SP No	Title	Fee (if applicable)	Author(s)
2006-04	Does Aid to Higher Education Contribute to Agricultural Development?		Herd, R.
2006-03	Specialty Crops and the 2007 Farm Bill: The Potential Role of Farm Savings Accounts		Gloy, B. and M. Cheng
2006-02	Consumer Preferences for Organic and Fair Trade Chocolate: Implications for Sustainable Agriculture in the Developing World		Conner, D. and E. Mabaya
2006-01	2007 Farm Bill: Policy Options and Consequences for Northeast Specialty Crop Industries, Small Farms, and Sustainability. Report on Listening Sessions		Bills, N. and J. White
2005-05	Agricultural Biotechnology Risks and Economic Development: A Call for a Public-Private Partnerships to Stimulate Investments into African Biotechnology Industries		Roy, S. and R. Christy
2005-04	Smallholders' Cost Efficiency in Mozambique: Implications for Improved Maize Seed Adoption		Zavale, H., Mabaya, E. and R. Christy
2005-03	Adoption of Improved Maize Seed by Smallholder Farmers in Mozambique		Zavale, H., Mabaya, E. and R. Christy
2005-02	Farm Savings Accounts: Examining Income Variability, Eligibility, and Benefits		Gloy, B., LaDue, E. and C. Cuykendall
2005-01	Market Opportunities for New Sauerkraut Products		Cuellar, S. and W. Uva
2004-01	Medicaid, County Property Levies, and Property Tax Levies on New York Farmland		Bills, N.
2003-04	A Brief Overview of Mozambique's Rural Development and the Role of US Assistance		Kyle, S.
2003-03	Political and Economic Prospects for Mozambique and Angola		Kyle, S.
2003-02	We're Rich!! Or Are We? Oil and Development in Sao Tome e Principe		Kyle, Steve
2003-01	Marketing New York Wine in New York City		Presler, T.

To order single copies of AEM publications, write to: Publications, Department of Applied Economics and Management, Warren Hall, Cornell University, Ithaca, NY 14853-7801. If a fee is indicated, please include a check or money order made payable to Cornell University for the amount of your purchase. Visit our web site: (<http://aem.cornell.edu/research/sp.htm>) for a more complete list of recent papers.