

Getting Started – A Vendor’s Guide to Successful Sales at Farmers’ Markets

Minimum Requirements for Food Safety and Educational Support for Vendors



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Getting Started – A Vendor’s Guide to Successful Sales at Farmers’ Markets

Minimum Requirements for Food Safety and Educational Support for Vendors



Direct-to-consumer marketing: marketing directly to consumers includes sales at farmers’ markets, on-farm markets, roadside stands, on-farm festivals markets, pick-your-own sales. All these forms of direct marketing are increasing in Nebraska. The main focus of this grower guide will be farmers’ markets.

Farmers’ Markets: are flourishing across the nation and Nebraska Farmers’ Markets are an important part of our agriculture industry. From early spring through fall locally-grown vegetables and fruits draw many consumers seeking

fresh food into communities throughout the state.

Farmers’ markets are the easiest way for small family farmers and new growers, living and growing on small parcels of land, who are looking to direct market small volumes of produce. Investment is low for advertising and promotion of your farm as the markets usually bear all the costs. There is a ready customer base and a low-cost venue to sell your farm products and receive retail level pricing. This type of marketing allows you to determine your own product mix and to keep steady production between your consumers demand and your individual talents for growing and selling.



To be successful, farmers’ markets must serve farmers, consumers, and community, offering benefits that assure the support and profitability of all participants.

Before You Begin Selling at a Farmers' Market

Ask yourself these questions:



- **Are you a “people person?”** Do you like to visit with customers? Customers are interested in learning about you and your products and they also want to have a great experience. Customer satisfaction is the key to your success. A satisfied customer is one who will become a loyal and important part of your farming business.

- **Do you have the time to be away from the farm?** Having enough product supply is important to you, the market and to the customers. If you are at the farmers' markets who is planting, cultivating, harvesting the produce, getting it ready for the market, transporting it to the market and setting up and selling at the market?



- **Do you know what the customers want, how they want it, and when they want it?** Are you willing to try to grow new products? Do you know how these crops should be grown? If not, do you know where you can find the help you may need for a quality crop?



• **Have you considered all the costs in growing for the market?** Your time (planting, cultivating, and harvesting, sorting), packaging, signs, stall fees, insurance and fuel? Also do you have to hire someone to help with these responsibilities? You need to develop budgets, financial statements and other documents in order to decide if selling direct-to-consumer is feasible for you.

• **Do you have a marketing plan?** Have you determined where, to whom, and at what price your products will be sold? A good marketing plan starts with the customer and then works backwards to your production. You need to determine what the customers want and how they want it grown. Do you know what varieties your customers are looking for? What are the best planting times for the crops?

• **What do you wish your business to look like 5 years from now?** What are some steps or objectives you need to consider getting there?

Tip: Marketing does not begin after your crop is grown. Instead, marketing options need to be considered well before production begins.

Try to visit the farmers' market several times before you become a vendor and consider:

- Visit with the farmers about their experiences.
- Who are the customers and what are they purchasing.
- What is the fee to display and sell your products?
- Who makes the rules for the market? Do vendors provide input?
- What are the rules of market? Ask for a copy of the rules.
- Visit with the market manager to see if your product is one that adds to the farmers' market, is it better than the competition?
- What is the highest price and the lowest price you are likely to receive and what circumstances create these prices?
- What will be your expected sales volume for the year?



Tip: Your first year will be a learning process and there will be a lot to learn. Do not get discouraged; work on building a strong repeat customer business.

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Farmers' Market Rules

To help a farmers' market run smoothly, they generally set out the rights and responsibilities of the vendors in their market rules. Reading and understanding the market rules can help you comply with the rules and prevent any misunderstanding. Be sure to keep a copy of the market rules so you can review them if a question should arise.

A contract or an agreement signed by you as a vendor and a farmers' market, stating your intention to comply with all of the farmers' market rules in order to participate as a vendor, creates a legally binding agreement between you and the farmers' market.

Eligibility

Each farmers' market has different rules or guidelines as to who can participate as a vendor in the market. Below is a list of some of the commonly used rules of eligibility.

Commonly Used Rules Eligibility

• "Producer Only Markets"

A "producer only" farmers' market is a market in which participating vendors may only sell what they produced or foraged themselves. This is to ensure that the income of the local farmers' market goes directly to the local producers of the products.

What can you sell?

Fresh farm products: Includes fresh fruits and vegetables, herbs, nuts, honey (no permit or license needed), dairy products, eggs, poultry, meats, fish. Also included in this category are fresh cut flowers, nursery stock and plants (these will require a permit, license or a sales tax number).

Value-added farm foods: Includes preserves, jams and jellies, cider, syrups, salsas, smoked meats or fish, dried fruit, flours, home-baked goods (these will require a permit, license and/or a sales tax number).

- **“Jobbing or Reselling”**

“Jobbing or Reselling” is selling products that you did not produce. Some farmers’ markets allow jobbing or reselling, others farmers’ markets do not. Be sure to find out if there are special permits needed to be a jobber. Many farmers markets discourage vendors from purposefully undercutting each other on prices. This is especially true to markets that allow reselling — a vendor might be able to buy bulk wholesale produce at a cost lower than what the produce can be grown locally. Distinguish your product from your competition as grown on your farm by you, can help address this problem. Furthermore, the reputation you develop for offering high-quality food will allow you to maintain a higher price. The best strategy for pricing against your competition is to know your cost of production.

- **Production Location**

Some markets limit eligibility to farmers who produced their food within a certain region, or number of miles from the market. This is often done to benefit local farmers, to minimize the distance the food travels from the field to the consumer, and to maximize freshness.

- **Product Diversity**

Some farmers’ markets require farmers to submit a list of products they will sell that is attached to their application. That list is then used to determine whether the listed items are needed. This is done in order to establish a market with diverse products.

- **Inspections**

A farmers’ market may have a provision requiring farmers to agree to allow the market to inspect their farms to ensure compliance with the market rules. If a market has the rule that the vendor must raise the product or live within a certain distance of the market, the market may have someone visit the farm and confirm that you have the capacity to produce the amount of food you plan to sell or live within that stated distance.

Tip: Like laws, market rules may change. The process for changing market rules is generally addressed in the rules, producers’ association by-laws, or contract.

Each market has different guidelines to establish who can participate as a vendor in the market.

Local, State, and Federal Regulations

In addition to the market rules, your participation in the farmers' market may be governed by local, state, and federal laws. Depending on where the market is located in Nebraska you may need to comply with laws regarding such things, food handling and safety, permits and licensing, collecting and reporting sales tax and farming practices. The responsibility of compliance with all official laws is on you. It is your responsibility to contact state and local agencies to find out what is required and take the necessary steps to comply.

Some examples of the types of laws that might apply:

Licensing Laws: For more information about inspection and license requirements in Nebraska contact the Nebraska Department of Agriculture (NDA) (see resource section contact information).

Food Safety Regulations: Some regulations could apply to you as a participating vendor in the farmers' market. Regulations deal with storage, display, and the transportation of food. These may be stated in the farmers' market rules; however you must comply with all required state and federal regulations.

Potentially hazardous food (food that is capable of supporting rapid and progressive bacterial growth or toxin formation) at a farmers' market must obtain a license. In most of these cases, inspection of the processing area is also required. Keep the following in mind;

- Keep sale area clean; sanitize surfaces.
- Avoid accumulation of waste and keep garbage containers covered.
- Use utensils to handle food. If plastic gloves are used to handle food, remove them to handle money and other non-food items and replace with a new pair.
- Keep food at proper temperature while selling at the market.

(For more information see the NebGuide on Food Safety for Farmers' Market Vendors in [resource](#) section on this guide.)

Tax Laws: Retail sales taxes (if you sell product that is not for human consumption) are the responsibility of the individual vendor. You will need to supply this tax number when application is made to sell at the market (see resource section for contact information).

Insurance: Vendors may have to have proof of product liability insurance. It is best to check with your market to see if this required.

Understanding Direct-to-Consumer Produce Marketing

Consumers come to farmers' markets for a variety of reasons, which generally include:

- They prefer fresher, higher quality produce. You should not sell any produce that you would not use yourself.
- Farmers' markets offer a wide variety of produce to choose from.
- Produce is available in large quantities for canning and preserving purposes. You may offer volume discounts.
- They enjoy the market atmosphere and conversing with produce growers. It helps to talk with the people as they approach your stand, be friendly and courteous, guarantee produce and hand out business cards with your farm name and location.
- They like to support local agriculture.

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Displays

Below are suggestions on how to attract more customers to you at the farmers' market.

- Abundant displays attract attention. "Pile it high and see it fly"
- Attractive displays give your stand a good image and generate impulse purchases.
- Containers should be attractive and clean.
- Produce that is in high demand should be placed so that customers walk past they can easily see it and the less popular produce should be placed further back.



- Your displays should also be planned so that the quality of your produce is maintained. Some general practices which help to keep produce quality:
 - Avoid direct sunlight and excess air movement.
 - Keep leafy vegetables moist by spraying them or displaying them on a bed of ice.
 - Keep displays full and at an easy-to-reach level. Studies show that 75% of products sold are displayed between the elbow and the shoulder height.
- Be sure you have your produce at least 6 inches off the ground. Food for human consumption should not be displayed on the ground.
- Displaying a combination of colors, textures, and fragrances creates interest and excitement.
- Have a basic produce offering of reliable varieties, that your consumers are familiar with and you know grown well here in Nebraska.
- Rearranging and restocking product throughout the market day keeps things neat and attractive.
- Have enough bags, change and smiles to keep the customers happy.
- Work the crowd. For example: Greet and acknowledge customers who are standing in line at your booth.
- Exhibit hustle and enthusiasm.

- If long lines, consider hiring addition help during peak times.
- Educate your customers about your business, your growing methods, and what you're selling at market.
 - Easier to ask for high prices at the start rather than increasing them later.
- Prepare to answer questions about your produce. For instance, they may ask you, where you grow you produce, how to cook it and how to preserve it.
- Encourage large purchases by offering volume discounts.

Remember: Quality is what the customer is wanting. Your food must be fresh, delicious and handled with care. It must be clean and packaged properly. Your product is your best promotion.

Tip: Offer recipes that include 5 or 6 of your products and have those products grouped together at your display.

You can also provide a newsletter telling how you grow their produce and other interesting tidbits about your farm.

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Signage: Helps your products stand out at the market. Use them to show your prices, and give your customers interesting information about your products and your farm. You can never offer your customers too much information.

Display small signs (“Point of purchase” materials are items that you provide customers at sale time to educate them about their purchase) next to your product that clearly identify your product and the price. You have good quality produce at the market that is grown with good agricultural practices and you should price in such a manner as not to give the appearance of a “loss leader” product as used in large grocery stores.



Have one large display board that lists all you products and prices. When you sell out of a product write “sold out” next to it, this lets the customer know what you grow and they can place an order.

Tip: You will find that good marketing practices pay, just like good agricultural practices.

Farm/Business identification: A colorful creative sign will help people remember you and become a repeat customer. You are required to post a sign identifying the name of the farm/business represented and where it is located. Signs should not be smaller than 24” wide by 8” high.



Pricing: One of the most common questions asked by farmers' market vendors is, "How do I set prices for my products?" Generally, prices at farmers' markets are set by what your market can bear and are generally higher than similar products available at local grocery stores.

Know your cost of production. This includes your labor in growing, selling, transporting, packaging, and marketing your products. As well as your equipment, insurance, permits, supplies, and other business related goods.

A new planning tool, Local market CALC, developed by Roger Wilson, University of Nebraska agricultural economics budget analyst, can calculate costs for marketing individual crops (see resource section for more information).

How to post your prices:

- Write item price/unit using round numbers
- Use price cards (avoid 9's pricing)
 - 75¢ not 79¢
 - \$1 not 99¢

Tips for adjusting you prices:

- It's easier to lower prices than raise them
- Hard raise prices after they've been lowered
- Goal is to make money (watch bottom line)

Additional tips on pricing

- Prices should reflect quality, uniqueness, service, and convenience provided
- Communicate the quality difference to your customers
- Steady customers appreciate steady prices
- Unique product = set own price
- Common product = less leeway in setting price

Proper Method of Sale

Retail sale of fruits, vegetables, and other items is regulated by the Nebraska Weights and Measures Act.

Method of Sale: Produce may be sold by weight, count, or measure. For example:

- Direct sale by weight: Tomatoes \$1 per pound
- By weight in prepackaged form: 2-pound package for \$2 per package
- By count: Tomatoes 6 for \$3.00; Watermelon \$4 each
- By measure: Cherry tomatoes \$3 per dry quart.

Scales: Vendors selling produce by weight must provide their own scales. Scales must be “legal for trade” and are subject to inspection. Scale must display a readable and in easy sight to your customers during business transactions. For a list of companies where scales can be purchased contact the Nebraska Department of Agriculture Division of Weights and Measures (see resource section for contact information). Scales marked "Not Legal for Trade" are not acceptable.

It is the responsibility of the scale owner to have the device inspected and maintain the accuracy of the scale. Scales should be inspected annually.

Prepackaged produce sales occur when you weigh the product and package the product with a quantity statement on the package before the time of sale. (3-pound bag of potatoes, 2-pound bag of peas) Scales used for prepackaging products do not have to meet the requirements of the Nebraska Weights and Measures Act. However, the package must contain at least the weight specified on the package. All prepackaged products must have an individual label that gives:

- Name of the product,
- Quantity statement (weight, measure, or count). Weight statements must be by net weight (the weight of the product excluding the weight of the container or bag).

Measure is a standard dry pint or dry quart container. When purchasing containers, be certain they meet the legal definition of pints, quarts, pecks, etc. The contents must be level with the top of the container at the time of sale.

Labeling: All packaged foods must be properly labeled with the common name of the product (i.e. green beans), name and address of the farmer, net contents (weight or count or measure), when selling bakery items you must list ingredients in descending order of predominance by weight.



Sampling: A food product promotion, where only a sample of a food is offered free of charge to demonstrate its characteristics, is exempt from licensing. It can be a good way to introduce your fresh fruit or vegetable, but you need to know what is allowed at the market. Special Health Department guidelines can be used at vendor booths for food demonstrations and sampling. In addition to hand washing, there are other procedures that will protect you and your customers. Consult with your local Health Department inspector or market manager regarding these regulations.

Prepare samples at home and always rinse fruits and vegetables in potable water before cutting them. You should not use substances other than potable water unless the product has been approved to be used on food. Many soaps can actually make food less safe, and bleach solutions are not recommended for this purpose. Keep the samples refrigerated while in transport and display them on ice.

Samples must be covered to protect them from insects, dust and other contaminants when they are not being sampled by customers.

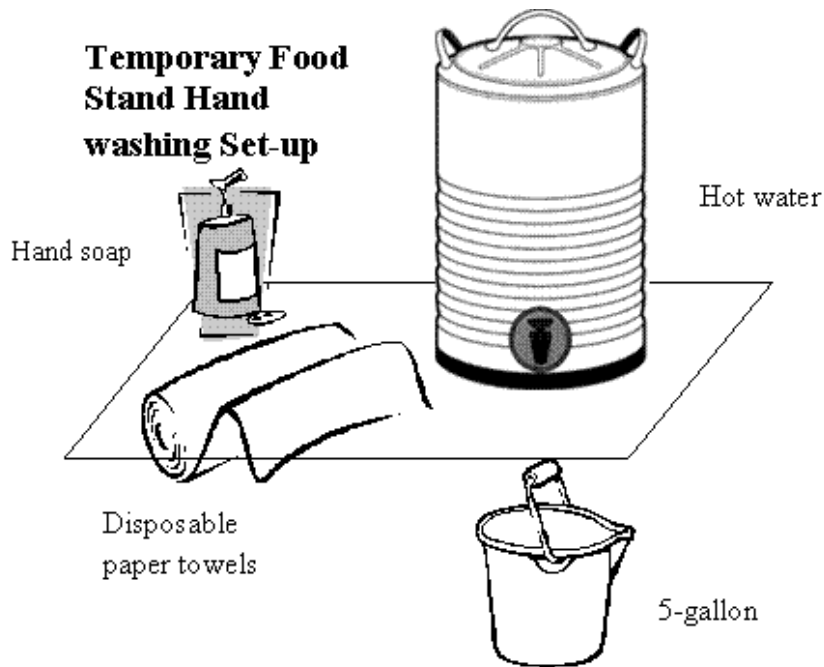
Sampling setups should be designed to prevent customers from touching samples other than the one they take. Toothpicks are helpful; sticking one in each sample can discourage reuse.

Food Handler's Permits: All prepared foods and baked foods vendors must have a current Food Handlers Permit or a special farmers' market permit stating that product was not prepared in a licensed facility and is prepared in the person's home. Consult with your local Health Department inspector or market manager regarding these regulations.

Hand Washing: Hand washing is an important task that many vendors do --- or fail to do ----without thinking. To protect customers' health, farmers' market vendors should follow: You should wash your hands for about 20 seconds that includes vigorous friction, for at least 10 to 15 seconds, lathering between fingers, hands and parts of arms exposed to direct food contact, follow up with rinsing under clean, running water.

How to set up a hand washing station: One key piece is an enclosed container that holds an adequate amount of water for the duration of a market day. The container should have a spigot that can stay open to allow a constant flow of water for two-handed washing. You can find them at camping supply stores. Other required components include: water, soap, single-use paper towels and some sort of catch basin for the wastewater.

Vendors may use hand sanitizers and moist towelettes but not as a substitute for hand washing.



Single-use gloves do not eliminate the need for hand washing; they may be helpful in some circumstances to avoid bare handed contact with food. If you use gloves, they must be limited to a single task and discarded when that task is done, gloves are soiled or the tasks are interrupted.

Other Direct Marketing Options



Local Grocers and Restaurants and Wholesalers

Local grocery stores, restaurants are sometimes willing to buy directly from growers through direct store deliveries. Patience is required as your produce marketing sales are based on good relationships developed over time

What to consider when selling to grocers, restaurants and wholesalers:

- Are you able to grow and harvest at the level of quality that the wholesale market demands?
- What are the costs of production? Will you have the annual operating funds necessary to continue the wholesale business?
- Do you have the time and management skills needed for this new enterprise? If not, what will be the cost (in dollars and time) of gain the necessary management skills?
- Are there any legal regulations or liability aspect associated with wholesale?
- Does the wholesale business require any special record keeping providing information for both you and the business?
- Most large chain stores want the quality control check that occurs when produce is handled through a regional distribution center. Will the services of brokers or wholesale distributors be required initially? If so, do they have any specific requirements (delivery, packaging, volume, etc.)? Visit with your local supermarket produce manager to discuss the marketing possibilities.

Requirements for independent grocers and restaurants:

- A consistent quality as they need good incentives to interrupt year-round supplies from their distributors to their store or restaurant.
- Reliability of delivery because grocers and restaurants count on the timely delivery of agreed product. They plan their print ads and create menus on what you have agreed to deliver to them.
- Wholesalers have an agreement with their grocers and restaurants in what they will have available they count on the timely delivery of agreed product from the farmer. These buyers often have specific and demanding requirements for product uniformity, types of containers, cooling, transportation, and delivery of fresh produce. In some cases the farmer is required to supply the price look-up (PLU) stickers already applied.

Resources

A number of organizations are currently working to create new marketing opportunities for Nebraska vegetable growers:

Buy Fresh Buy Local® Nebraska: A fee membership marketing, education and outreach program that encourages the purchase and enjoyment of locally grown food. It has a state wide membership of farmers, ranchers, farmers' markets, schools, institutions, retail businesses and individuals who support local small family farmers and ranchers and their sustainable food production and understand the importance of local food systems that builds healthy, vital individuals and communities.

402-472-5273
103H Miller Hall,
Lincoln, NE 68583-0711
www.buylocalnebraska

Center for Rural Affairs: Committed to building communities that stand for social justice, economic opportunity and environmental stewardship. We encourage people to accept both personal and social responsibility for creating such communities. We provide opportunities for people to participate in decisions that shape the quality of their lives and the futures of their communities. The Center engages in research, education, advocacy and service work to further this vision of rural America.

P.O. 136
Lyons, NE 68038-0136.
(402) 687-2100
info@cfra.org

Nebraska Department of Agriculture:

Division Promotion and Development maintains a directory of Nebraska vegetable growers, marketing cooperatives, and farmers' markets and is the contact for the Farmers' Market Senior Nutrition Program.

301 Centennial Mall South
P.O. Box 94947
Lincoln, NE 68509-4947
Phone: (402) 471-4876
Toll Free In U.S.: 800-422-6692
Fax: (402) 471-2759

Division of Weights and Measures has information on the correct types of scales to use for direct-to-consumer sales and other current information on the proper methods of sales.

301 Centennial Mall South
P.O. Box 94757
Lincoln, NE 68509-4757
Phone: (402) 471-4292
Fax: (402) 471-2759

Division of Foods the purpose of the Nebraska Pure Food Act and the Nebraska Food Code is to safeguard the public health and provide to consumers, food that is safe, unadulterated, and honestly prepared. The Food Code is based on scientifically developed factors focusing on public health and the prevention of foodborne illness.

301 Centennial Mall South
Lincoln, Nebraska 68509
Phone: (402) 471-2536
Fax: (402) 471-2759

Bureau of Plant Industry has information on the sell of plant and seed materials.

301 Centennial Mall South
P.O. Box 94756
Lincoln, NE 68509-4756
Phone: (402) 471-2394
Fax: (402) 471-6892

Poultry and Egg contact to obtain your free egg permit number

University of Nebraska
A103 Animal Science
P.O. Box 830908
Lincoln, NE 68583-0908
Phone: (402) 472-2051
Fax: (402) 472-4607

Food Safety and Regulation Requirements for Farmers' Markets and Craft Shows:
A publication created by Nebraska Department of Agriculture outlining state regulations.

http://www.agr.ne.gov/pub/daf/food_safety_farmers_markets.pdf

Nebraska Vegetable Growers Association: A network of produce growers throughout the state, that provides educational programs and social events.

Ryan A. Pekarek
2450 Road O
Dwight, NE 68635
ryanpekarek@hotmail.com
402-641-3305

Nebraska Department of Revenue: Contact to obtain a sales tax number

301 Centennial Mall S
Lincoln, NE 68508-2529
402- 471-2971
www.revenue.ne.gov

University of Nebraska-Lincoln:

Cooperative Extension Service: Many County Extension agents know the production and marketing opportunities in their counties. They can provide vegetable production information and access to marketing and production specialists. In addition, county Extension offices should have access to produce industry directories like *“The Red Book”* or *“The Blue Book.”* These publications list produce buyers by city and state and also include ratings for promptness of payment and other pertinent information.

<http://www.extension.unl.edu/>

LocalMarketCALC: Marketing costs can be important when producers who market locally are evaluating their marketing alternatives. The Excel® spreadsheet, LocalMarketCALC, helps producers to estimate all associated costs and allocate them between markets and enterprises.

www.agecon.unl.edu/resource/hortbudgets/marketingcalc.html

NebGuides

Food Safety for Farmer’s Market Vendors #G1706

Weights and Measures Guidelines for Sales at Farmers’ Markets, Roadside stands and Other Commercial Outlets # G1944

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Karen Gast, Extension Horticulturist, Postharvest and Marketing, *Food Safety for Farmers' Markets*, Kansas State University, agricultural Experiment Station and Cooperative Extension Service (1997)

Farmers Market Federation of NY and Funded by NE SARE Professional Development Program, *Welcome to the Farmers' Market Federation of New York* (

Appendix

NebGuides

Food Safety for Farmer's Market Vendors #G1706

Weights and Measures Guidelines for Sales at Farmers' Markets, Roadside stands and Other Commercial Outlets # G1944

Food Safety and Regulation Requirements for Farmers' Markets and Craft Shows:
A publication created by Nebraska Department of Agriculture outlining state regulations.



Buy Fresh Buy Local Nebraska is a part of FoodRoutes Network, a national non-profit organization providing technical support to community based groups working to strengthen regional markets for locally grown foods



Encourages the purchase and enjoyment of locally grown food for all Nebraskans



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