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Direct marketing: farmers' market organization

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Quick Facts

Careful organization and planning is essential in the development of a farmers' market.

Various types of feasibility indicators should be considered in the market planning process.

A checklist of factors to study in organizing farmers' markets should be compiled in order to help answer pertinent questions.



Direct marketing activities, such as farmers' markets, occur when the owner of the product assumes full direct-marketing functions in order to complete a sale to the final consumer.

Farmers' markets offer many advantages for small-volume producers: opportunities for an increase in income, saving transportation and distribution costs, having an outlet for products that otherwise might not be sold or consumed, and having direct interaction with buyers of their products.

Planning

An organized farmers' market is the result of commitment, hard work and expertise. As part of the planning process and preliminary considerations contact local authorities about necessary local, state and federal licenses and determine what the consumer demand is. A good variety of locally grown fresh produce, high quality and competitive prices should be the basis of your preliminary planning. Your local county Cooperative Extension office is an excellent starting point. The local county agent or facilitator can help with goal setting, decision making and effective communications among farmers.

Consider the following checklist when considering organizing a farmers' market:

- Location (surrounding businesses)
- Market objectives
- Expected target markets
- Management
- Raw materials
- Personnel
- Utilities
- Supporting services
- Environmental effects/protective measures
- Facilities
- Budget planning
- Fixed capital needs
- Start-up capital
- Operating capital
- Proposed financing
- Advertising

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Knowing the Market and Audiences

The best way to contact potential growers is to make personal visits before the growing season begins. Other methods of contact are TV and radio advertising, newsletters, newspaper advertising and telephone contacts. A mailing list should be developed in order to facilitate subsequent mailing of market information.

Generally, markets for fresh Colorado produce run from early July to late September, or first frost. Whatever the season, the market should start as soon as there is sufficient produce. The market should end its season while product quality, quantity and variety are still strong.

The location of the market should be easy to find, centrally located, accessible to parking with adequate space for the needs of farmers and consumer. The location should have a pleasant atmosphere, be within easy walking distance for elderly consumers with ample shade and rain protection.

Make yourself aware of why consumers will stop at a farmers market. Curiosity and fresh produce are cited as the two most frequent reasons given by consumers. Based on these reasons now choose the most effective and economical advertising medium. Newspaper feature articles, radio public service announcements and word-of-mouth are just a few examples of the best form of advertising you could get, which is free advertising. Other ways to advertise are radio and TV spots, signs, banners, posters and flyers.

Coordination/Logistics

Start by establishing what will be sold (eggs, dairy products, baked goods, arts/crafts). Establish days and times of the market which include set up and arrangement allowances. Consider when you want to begin selling and when to allow the vendors to stop selling. Know ahead of time who will be allowed to sell at the market (farmers, gardeners, wholesalers). Determine the geographical limits of the produce sold. Do you want only in-state produce? How do you intend to enforce these limits? Also determine a fee and pricing structure—how taxes and food stamps will be col-

lected. Consider cost-sharing the overall expenses of the sellers.

Finally coordinate the upkeep of the market area and the mechanism for handling consumer complaints.

State Laws and Local Ordinances

Sales tax: Direct marketers will need a sales tax license, if required. The department of revenue will assist you in complying with all laws. For information on applicable Colorado sales, contact: Colorado Department of Revenue, Sales Tax Division, 1375 Sherman Street, Denver, Colorado 80503, (303) 839-5655.

Health ordinances: County health laws for farmers' markets differ throughout Colorado. For information on your area, contact the nearest county health department. The state contact is: Fred Dirckx, Colorado Department of Health, 4210 East 11th Avenue, Denver, Colorado 80220, (303) 331-8269.

Liability laws: Inform your insurance agent in writing of your business practices, such as allowing visitors on your property to buy products. Landowners also must warn visitors of any potential hazardous conditions on their property.

Pesticides: All pesticide products and all applicators of such chemicals must be registered and licensed. Contact: Colorado Department of Agriculture Plants Division, 1525 Sherman Street, Denver, Colorado 80203, (303) 866-2838.

Weights and measures: Any business selling items by weight is required to have a licensed scale. The license fee is based on scale capacity. For products that are packaged ahead of the sale, the net weight must be stated on the package. For information, contact: Colorado Department of Agriculture, Measurements Standards Section, 3125 Wyandot, Denver, Colorado 80211. (303) 866-2345. You may want to consider selling items on the basis of per item, bag, bushel, etc., in order to avoid the need for licensing.

Local ordinances: Consider the following: vendor's license, park and recreation department regulations, zoning restrictions and advertising and sign ordinances.