Farmers’ markets can be both an important component in local food systems and an economic development tool. The Extension Service and faith community have played important roles in helping to establish and operate farmers’ markets (Abel, Thomson, and Maretzki, 1999; Gale, 1997).

Farmers’ markets are a form of direct marketing used by small- and medium-sized farms to increase their farm income. According to the National Directory of Farmers’ markets (Johnson and Bragg, 1998), a farmers’ market is “a group of farmers and vendors leasing or renting space in a common facility/site on a temporary basis with an emphasis on the sale of fresh farm products and other locally produced items” (page i). The National Directory listed 2,746 farmers’ markets in the U.S. in 1998, representing a 56 percent increase between 1994 and 1998 (www.ams.usda.gov/farmersmarkets/facts.htm).

A growing number of research reports and Extension Service bulletins have been published over the past decade. These publications address how to organize and operate a farmers’ market, the impacts of farmers’ markets on producers and communities, and the characteristics of producers and customers. Following are examples of some of these publications.

Starting a farmers’ market. Several states have published bulletins on starting farmers’ markets: California (“Selling Fresh Fruit...,” 1990), Colorado (Ensor and Winn, 1998), Kansas (Marr and Gast, 1991), Kentucky (Stegelin, 1997), Maine (Maine Federation of Farmers’ Markets, 1997), and Nebraska (Albrecht, 1991). The U.S. Department of Agriculture, Agriculture Marketing Service maintains an Internet website that provides links to many of these bulletins on-line (www.ams.usda.gov/directmarketing).

Impacts of farmers’ markets. Farmers’ markets can have a substantial impact on farmers’ incomes. According to a report prepared for the U.S. Department of Agriculture, gross returns to farmers from farmers’ market sales are between 200 and 250 percent higher than sales to distributors and wholesalers. Whereas farmers earn $22 for each $100 spent by consumers for food, that amount increases to $30 with direct marketing methods (Integrity Systems Cooperative, 1997).

Farmers’ markets can also provide strong economic benefits for the community. A study of the Crescent City Farmers’ market (CCFM) in downtown New Orleans showed that the farmers’ market generated over $1 million each year in direct and indirect benefits to vendors, downtown businesses, and rural communities. The average CCFM vendor grossed $391 per week, and downtown businesses gained $450,000 additional income each year as a result of the CCFM (“Catalysts for Growth, 1999).
Case Study 8

**Characteristics of vendors and customers.** Lindgren (1991) studied 13 west central Nebraska farmers’ markets. The North Platte farmers’ market was one of the most active and successful of these. On average over a 10-year period, it was open 19.8 days per season, included 15.9 sellers per day, and had 62.0 different sellers per season. In 1989, the North Platte farmers’ market had total sales of $20,838, for an average of $62.95 in sales per seller per day, or $365.58 in sales per seller per season -- somewhat lower than the sales in New Orleans.

Organizers of farmers’ markets should anticipate the characteristics of their vendors in order to recruit more of them. Lyson, Gillespie, and Hilchey (1995) found three types of producers in New England for whom farmers’ markets may provide sales opportunities: 1) full-time growers whose farms are their primary source of income; 2) part-time growers and market gardeners who have significant off-farm income; and 3) craftpersons, artisans, and small-scale producers. Considerably more of the full-time growers had sales totaling $1,000 or more per day at the farmers’ market than did the other two groups. More of the full-time growers had roadside stands, pick-your-own, and wholesale operations than did the other two groups.

Farmers’ market organizers should also anticipate the characteristics of customers in order to provide effective advertising. Brooker, Eastwood, and Gray (1993) conducted customer surveys in two Tennessee farmers’ markets. They found that over half of the customers made a special trip to shop at the farmers’ market rather than include it in a routine shopping trip. Over three-fourths of the customers live in the same county as the farmers’ market. Over one-half of the customers purchased vegetables and fruit, whereas relatively few purchased crafts, plants, or flowers. About two-thirds of the sales were less than $10. Over 80 percent of the buyers were regular customers, and about half came on a weekly basis to the farmers’ market. The customers ranked as most desirable the farmers’ market’s location, appearance of the location, and quality, freshness, and variety of the produce.

The purpose of this case study is to examine the Lakes Area Farmers’ market Cooperative (LAFMC) in Detroit Lakes, Minnesota. The case study will explore the steps used to start the farmers’ market, some of the challenges it faced in its first few years of operation, and its impact on the vendors and community. The LAFMC was chosen because it is relatively new (organized in 1998) and because of its relationship to the Cooperative Extension Service. Secondly, it was chosen because of the role the faith community played in the cooperative through their social justice concerns, which included family farm livelihood.

**Methods**

I conducted face-to-face and telephone interviews with Dr. Harouna A. Maiga (Becker County Extension Service agent) in April and May 2000. I corresponded with Randy Bauer (LAFMC president and Deacon at Holy Rosary Catholic Community) and visited with them by telephone and face-to-face. Other Becker County Extension Service staff who provided information were Sharon O’Gorman (LAFMC board member) and Sara Van Offelen (LAFMC board secretary). Informal visits were conducted with various growers in the Detroit Lakes area and with LAFMC vendors. Additionally, I attended a LAFMC board meeting and general membership informational meetings. Each person with whom I visited was told of the nature of
Maiga and his staff provided various documentation, newsletters, and reports for this case study. Included in the appendix are copies of the organization’s articles of incorporation as a cooperative (Appendix A), by-laws (Appendix B), and market rules and regulations (Appendix C). Data used for this study included transcribed audio recordings, written notes, photographs, and LAFMC written documents.

**History of the Lakes Area Farmers’ Market Cooperative**

The organizational phase of the LAFMC started in late summer 1998, and took about one year. The idea to form the LAFMC came from the Agriculture Committee of the Detroit Lakes Chamber of Commerce, of which Harouna Maiga and Clayton Schott (certified public accountant and LAFMC board member) were members. They recognized the financial difficulties area farmers were facing and wanted to help them obtain a sustainable income. Randy Bauer joined them after he became interested in farmers’ markets while writing a paper on the topic in January 1999 for a rural social justice class at St. John’s University.

The Chamber of Commerce asked Maiga to help organize the LAFMC since he worked with the Master Gardener program. He invited a group of interested people to meet at the Extension Service office to talk about the possibility of establishing a farmers’ market. Fifteen people participated in the initial meeting. The group visited the farmers’ markets in Frazee, MN and Vergas, MN, and contacted the Bemidji, MN farmers’ market for ideas. They explored printed material and Internet resources.

One of the group’s first tasks was to conduct a market study to determine the feasibility of a farmers’ market in Detroit Lakes. They sought to determine if people in the area have sufficient income and interest to support a farmers’ market and the kinds of vegetables they would want. They visited with gardeners and farmers in the area who operated roadside stands and pick-your-own businesses to see if they would be interested in joining a farmers’ market. These farmers said that customers travel from as far as Fargo in the summer, which suggested that there was sufficient demand for farmers’ market produce. However, the study revealed that one problem would be to provide an adequate supply of produce — there may not be enough growers to meet demand.

Once the group decided to form the Lakes Area Farmers’ market Cooperative organization and establish an active farmers’ market, Maiga helped them with advertising and organizational development. He wrote letters to about 30 people and advertised the LAFMC by radio and newspaper to build the membership. He submitted a start-up grant to the Minnesota Department of Agriculture (MDA) for $400, assisted the members by providing meeting space at the Extension Service office, and helped to the draft by-laws. Although the members wrote the by-laws in their own words, the layout was adopted from the MDA’s farmers’ market program available on the Internet (www.mfma.org).

The LAFMC’s first objective was to provide a location for regional producers to sell their home grown products. Vendors may sell various types of fruit and vegetables, eggs, honey, hay and straw, cut flowers and live plants, herbs, perennials, custom meats, syrups, wild rice,
The second objective was to improve the local economy and provide fresh, nutritious, wholesome foods to the local residents. Third, the LAFMC promotes the sale of locally grown products in order to provide a sustainable income to local producers. And fourth, the organization promotes a community spirit.

Twenty-two potential members attended at least one meeting, and 15 joined the organization (five were non-vendors). Membership was open to anyone who provides locally-grown, produced, or fabricated farm products from within 60 miles of Detroit Lakes. Fargo, North Dakota, although within 60 miles, was excluded to preserve the local market. Membership fees were $25 per year. Additionally, vendors pay $5/day on the day of the sale or a flat $100 if they plan to be at each farmers’ market. According to Bauer, meeting attendees listed several reasons for not joining the LAFMC: 1) the timing was not right; 2) the concept of a farmers’ market was not of interest; 3) insurance costs, licenses, and regulations caused apprehensions; and 4) some potential members wanted to wait to see whether or not the farmers’ market worked.

Summer 1999 was the first year the LAFMC was in operation. Seven vendors participated, with four vendors serving as a core. Sales were held from 9:00 a.m. to 2:00 p.m. twice per week — Tuesday and Saturday. The seasons began in June and ended in late October. The vendors found that there was more than enough demand and sold out each day. Maiga said that the vendors made money and had a good experience. Some of the left-over produce has been donated to the Becker County Food Shelf and the Indian Cultural Center through the USDA Gleanings Program.

The farmers’ market changed their opening date in 1999 because of uncertainty about when products would be available. Some potential vendors were lost as a result. June 10, 2000 was set as the definite opening date.

Organizational Structure of the LAFMC

The LAFMC is a non-profit cooperative. As such, there are no dividends returned to the members. The organization carries a liability insurance policy for the vendors, city, and board of directors.

Organizationally, there are 10 board members, including a president, vice-president, treasurer, secretary, and six directors. About half of the board members are produce growers who sell their products at the farmers’ market (see Figure 1). The LAFMC board meets each month, and the entire LAFMC meets twice per year. Board meetings are open to all members, who receive a notice of the meetings.
### Challenges Faced by the LAFMC

**Location** for the farmers’ market was a critical issue faced by the organization. Maiga recommends that other farmers’ markets not start unless they have an acceptable location. The location must be safe, secure, visible, and have adequate parking. The LAFMC would like to have had the farmers’ market along U.S. Highway 10 somewhere between Audubon and eastern Detroit Lakes, however there was no safe access to the highway. Instead, the farmers’ market was placed in a Detroit Lakes city park near the fairgrounds. The organization’s officers needed to visit with the city council and pay an application fee. Maiga reported that the city council members were very agreeable to locating the farmers’ market in the park.

Food safety issues needed to be addressed by the vendors. Each had to have a license if potential food hazards were involved. For example, jellies and jams must be made in accordance with health safety regulations. Some vendors were afraid to go through the licensing process. Vendors discovered that all cooked foods must be prepared in a sanitized kitchen, which cannot be located in the kitchen in one’s home. The kitchen must be inspected. Some vendors may not have the money for a separate kitchen. An attempt was made to find a common kitchen for the members, however one challenge was who would get to cook first.

Vendors found it a challenge to obtain information about food safety regulations and to get the needed licenses. Many started by contacting the city administrator’s office who referred them to county health officials and subsequently to state officials. O’Gorman and Van Offelen suggested that the LAFMC should prepare a list of contacts of appropriate health officials and instructions on how to contact them.

Marketing and advertising. The LAFMC charged membership fees to purchase signs and advertisements on the radio. Radio advertisements on the city’s two radio stations are used. Maiga prepared advertisements for the local newspaper, the *Detroit Lakes Record & Tribune*. He writes an Extension Service column for the newspaper in which he describes the activities of the LAFMC. However, Maiga notes that he cannot write the column in a way that it sounds like...
advertising for the LAFMC. He just tell what products currently are available. The LAFMC does not advertise in the *Fargo Forum* because there is insufficient advertising money.

The LAFMC obtained nine signs that may be placed in strategic locations along the streets and highways pointing to the farmers’ market location. The signs must be set out and collected on the days of the farmers’ market.

**Pricing.** There is an ongoing dispute between vendors who want the LAFMC to set product prices and those who want to determine their own prices. The consensus of the organization is to allow vendors to set their own prices rather than have the LAFMC set them. Vendors can determine their product prices by talking to other people about pricing systems and by checking the prices at local grocery stores.

Vendors are encouraged not to sell themselves short. They need to be fair to themselves and make money. They should not overprice their goods. However, if they start with a price, they can always lower it through the day. Vendors compete with each other, but must also be fair to each other. According to Bauer, vendors must recognize that this is a business, not a hobby. All vendors are welcome, but some rely on these sales for their livelihood. Maiga said that vendors “should not try to kill each other or the market. Some want to quit early, so they sell their goods at a lower price.”

**Finances.** The LAFMC was able to pay all of its bills and have some money available for subsequent expenses. Income sources during 1999 included sponsorships ($800), market space fees ($540), Minnesota Department of Agriculture grant ($400), membership dues ($375), and donations ($250). Some of the expenses for 1999 included advertising ($465), insurance ($306), office expenses ($101), legal and accounting fees ($60), and licences and permits ($30) (see Figure 2). Maiga reported that the purchase of signs were a large expense during the first year, however they are now assets for the organization.
Vendors’ responsibilities. The LAFMC includes many kinds of producers including organic and traditional farmers. Vendors can advertise organic or non-genetically modified organism products, however the LAFMC does not verify organic products. Each vendor must handle verification him/herself. The LAFMC does not assume liability for any of the vendors’ products. Additionally, vendors must have their own liability insurance to sell produce and obtain their own tax identification.

Committed vendors and adequate supply of sale items. According to Maiga, at least five vendors are needed to have a strong farmers’ market, and between five and ten is better. Some farmers’ markets around the country have only 15 members. There was not always an adequate supply of produce on some of the farmers’ market days in 1999. The first day the LAFMC opened, there were 100 customers waiting. They were disappointed if there was not enough produce to buy. The LAFMC board decided that it may be appropriate to use a suggestion box to test the likes and dislikes of the customers. They can also find out customers’ likes and dislikes by visiting with the vendors.

There is no minimum age for the LAFMC members. However if a person aged 16 or less is left in charge of a booth, the market manager must have a telephone number where the vendor may be contacted. This issue is related to who may be a member in that a vendor’s child or
Case Study 8

employee may work at a booth.

**Market manager.** The market manager — the person in charge of each day’s farmers’ market — must be empowered to carry out their responsibilities. Although there is no written job description for the market manager, that individual’s roles typically include: 1) putting up and taking down signs; 2) managing the vendors and the overall farmers’ market activities; and 3) collecting fees from the vendors. He/she may direct vendors to clean their areas or require them not to sell prior to opening.

Maiga and one of his Extension Service interns served as market managers in 1999. The Extension Service has no summer intern this year. Since someone will be needed to set out and collect the folding signs, the LAFMC board agreed to hire someone to do these duties. A board member will contact one of the local Boy Scout troops, 4-H clubs, or the RSVP program to see if they would like this job as a service project (and pay them as much as $20/day).

**Description of the LAFMC Customers**

The customers are of all ages: young and old, singles and couples. Most of them were looking for specific produce or products that have specific characteristics. Some of the customers were tourists, but most were local residents. The LAFMC will expand their payment system in 2000 to include (Women, Infants, and Children) WIC vouchers, which will include more low income customers.

**Relationship of the LAFMC with Grocery Stores**

The LAFMC board talked with the local grocery store managers during the initial stage of creating the organization. The grocers expressed support for the LAFMC, and invited them to hold the farmers’ market in their parking lots. However, there was not enough space for both the farmers’ market and grocery store parking. The grocers did not view the farmers’ market as competition, but rather as an attraction. People will come to purchase items at the farmers’ market, then they will purchase other items at the grocery store. The grocers viewed the farmers’ market as a way of attracting customers for them.

**Relationship of the LAFMC with the Extension Service and the Faith Community**

The Becker County Extension Service has been very much involved in the LAFMC. Sharon O’Gorman (Food and Nutrition), Sara Van Offelen (Project Coordinator for Nutrition Education), and Harouna Maiga (County Agent) have been active in establishing and operating the organization.

The LAFMC has been promoted at the ministerial association and through church mailings by Randy Bauer (deacon at Holy Rosary Catholic Church and LAFMC President). The Minnesota Council of Churches and the Catholic Conference support local food systems. Some churches in Minnesota have held Minnesota Grown suppers.

**Impacts of the LAFMC on the Vendors and the Community**

The LAFMC has had impacts both on the vendors and on the community. Although formal financial data were not available, Maiga and Bauer were able to provide estimates based
Case Study 8

on their conversations with the vendors.

Vendors. One substantial impact for the vendors was that they were able to find a market for their products. Second, for vendors who already had access to markets, some were able to find new customers. They were able to visit fact-to-face with customers, which allowed them to encourage customers to try new products or to give them information on how to prepare different products. Third, vendors were able to determine what customers were looking for and thus make plans for new or different products in subsequent years. The growers decisions of what to grow and sell are based on what they have grown in the past and on the kinds of items that customers request. Fourth, the vendors made money. According to Maiga, the average vendor grossed between $300 and $600 each day, although this amount varied greatly depending on the type and quantity of products vendors had available for sale. The meat processors grossed more than did vegetable producers with limited amounts of sale items.

Community. One community impact had been to make fresh products available to the residents. Customers were able to visit directly with the growers to learn more about their products. Second, the farmers’ market provided income to the vendors who were better able to pay their bills in the community, which in turn helped the local economy. Third, the farmers’ market provided the community with a new activity where people could meet. Local people who came to the market spent time visiting so that the market became a social event. Fourth, the farmers’ market helped to retain some business in the community. Bauer said that he believed local residents were more likely to shop locally at the farmers’ market rather than travel to Fargo-Moorhead for these purchases. And fifth, the farmers’ market drew some business to the community. The farmers’ market drew tourists, as evidenced by the out-of-state license plates. Tourists reported to the vendors that they had been drawn by the signs advertising the farmers’ market.

Future Plans for the LAFMC

LAFMC hopes to grow to 15 vendors in 2000, and they hope to encourage a larger customer base by including activities like cooking and bar-b-ques. The LAFMC is included in the Fresh Produce and More 2000 Directory published by the Minnesota Department of Agriculture’s Minnesota Grown program. Maiga is in the process of preparing an Internet web page to advertise the farmers’ market. The organization will continue to promote and publicize through postcards, radio advertising, newspaper articles, and the Minnesota Grown program.

In 2000, the LAFMC will accept WIC vouchers in payment for produce. Maiga organized a meeting between vendors and WIC officials in April 2000 to explain WIC procedures. WIC participants receive an extra $25 in coupons that can be used only for produce at farmers’ markets. Participants cannot receive change back if their purchase is less than the coupon. However, vendors may make out own change vouchers among ourselves.

Additional grant money may be available. Maiga and one of his colleagues will apply for a $1,000 grant from the Massachusetts-based Farm Aid.

Maiga expects that the farmers themselves will eventually take over the LAFMC, and
Case Study 8

that Extension will be able to drop out. He anticipates an increase in membership as the farmers’
market becomes more established. One area of membership he hopes will be added is craft-
producing members who would be a core group of vendors to generate activity between seasons
of farm products. The LAFMC may hire a market manager in the future.
For Further Reading

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Case Study 8


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Case Study 8


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Case Study 8


Case Study 8

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