

marketshare [mahr-kit shair] -noun

1. Is a program of marketumbrella.org, which works to cultivate the field of public markets for public good.
2. These free documents (called "shares") are the best of "lessons learned" from public markets everywhere.
3. Employ as needed, & please feel free to tell us about your results, so that we can share those with other markets.



Organizational Details: funding

Finding funding for farmers markets

Farmers market organizers often ask whether there are grants available to provide start-up funds for markets. The short answer is, "Maybe!" More to the point, we discourage organizers from thinking the first step is getting a grant, and then you'll start getting organized. A successful grant application will require you to have done a lot of work in order to complete the application. You will have had to identify a fiscal sponsor or become your own 501 (c) (3), develop a governing body, a mission, a business plan, a timetable, and so on. In other words, there's no point in waiting for a grant to start getting organized. On the other hand, you might use the grant application process to structure getting organized. By answering for yourselves the questions asked by the grant application, you'll have gained a great deal, even if your application doesn't get funded.

A few caveats and disclaimers:

Don't look for grants to solve your financial problems. In fact, to build sustainability you should continuously seek to minimize your need for outside funds—which means you have to create your own internal revenue streams. Vendor rents are the primary source of these and eventually can pay for a staff position. As for rent levels, the best thing is to first research what other nearby markets have done, as vendors will be aware of what those markets charge, and expect about the same. Generally speaking, markets on the West Coast take a percentage of sales; while markets in the rest of the country ask a flat fee for a single space (although craft markets are often run as percentage rent markets).

Markets charge by the frontage for the most part, and some markets limit a vendor to no more than two spaces in a row, so the market can keep a diverse range of products along each row. Whatever you charge, make sure you keep a simple system for maintaining records and also showing your board and community what is done with the money. (*Go to marketumbrella.org to see the "CCFM-rent forms" on the marketshare page.*)

Most private funders are not in the business of providing ongoing operational funds, such as staff, rent and utilities, or the cost of insurance. They exist to fulfill their own objectives and may consider funding you if they think your objectives coincide with theirs. Over time, however, their interests and funding priorities are likely to change...and they will move on. You don't want to be over-dependent upon a single funder, or you will one day come face-to-face with disaster.

Government grants may also be available, at the local, state or federal level. However, be aware that government grants typically are time-consuming to apply for and require a lot of reporting and paperwork subsequently. These requirements are particularly burdensome for start-up organizations with little or no paid staff.

Although grants are tempting because they represent the potential for fairly large sums of money in a single chunk, keep in mind the professional fundraising maxim: individuals give 80% of charitable contributions compared with the 20% that foundations and corporations' offer. In other words, over time it is the individuals who believe in your mission who will sustain you—outgiving foundations four to one.

So what are your alternatives?

In-kind donations. Don't underestimate them! The first may come in the form of a fiscal sponsor—another nonprofit or a government agency willing to take you under their umbrella, include you in their insurance coverage, let you borrow their board of directors, use their copy machine, perhaps even offer you office space. Keep in mind that foundations are more likely to give to you if they see that you are already getting local support.

Also look for donated market space. Cities will typically provide market space for free. When the Crescent City Farmers Market was getting started, we approached the Reily Food Company—the local company associated with several popular local brands of coffee and tea—and asked to use their parking lot for our Saturday market. They were so charmed that we didn't ask for money that they began donating all of the coffee and tea that we sell at our markets, giving us an additional revenue stream. Although in a place like Seattle having one corporate sponsor of market coffee sales might start a war with other coffee purveyors, in New Orleans it works. Look for local companies that share your views.

Consider an Americorps volunteer or college intern for your first staff positions. Harness that youthful enthusiasm and contribute to the next generation of farmers market supporters.

Corporate sponsors. Although a community farmers market must be sure about the expectations when working with a corporation, locally owned companies often care as much as market shoppers do about local farmers and fishers doing well, and can be called on to add assistance—as long as what is expected in return is not changing the democratic nature of the market. Remember, most of your vendors and shoppers work for for-profit businesses and they care about the success of their market! Perhaps a printing company will print your banner, market bags, and other materials for free—or in exchange for including their name on those materials, or simply in a year-end thank-you brochure. Perhaps a tent manufacturer will donate vendor tents in exchange for being listed as supporter of local farmers. Perhaps an ad agency will donate logo, website, or newsletter design. You want as many community partners as possible because these are people who are now invested in your success, who will talk you up with their employees, colleagues, and friends, and who will refer customers to your market.

Revenue streams. As noted, vendor rents can be your primary income-producing activity and can eventually pay for a staff position. Other possible income-generating ideas include coffee or other drink sales; t-shirt and market bag sales (some markets do not allow non-food sales, but many consider these marketing tools as well as income producers); a fee on debit and credit card sales (which are usually issued to shoppers in wooden tokens), market gift certificates (where a percentage of each certificate is used at the Welcome Booth, giving the organization some income), cookbook sales, workshops, farm tours (agri-tourism) or a membership organization (see below), etc.

Fundraisers. There are countless ways to raise money—from upscale dinner galas to down-home hayrides and hoedowns. We recommend centering your fundraiser on farming and food. Get your vendors, chefs, board members, media supporters—all your usual partners—involved doing what they already do, but for this occasion doing it for the market's long-term success. If you're a seasonal market, we recommend holding your event in the middle of your off-season to remind people about your upcoming year (they will have missed you!). If you're a year-round market, consider holding your main fundraiser during your most bountiful time of the year. Develop a budget for your fundraiser and aim to raise at least \$10,000 in net profit (meaning after costs are covered), unless you're a tiny rural market, where \$2,000-\$3,000 might be a more realistic goal. Try to let volunteers help plan and execute it; otherwise all of your staff time will go to event planning. At marketumbrella.org, we are fortunate to have an excellent "Friends of the Market" organization to handle our fundraising for us.

Friends of the Market. For most of our first decade, our membership organization charged \$25/year to belong and in return gave members a bumper sticker that read "I YAM a Friend of the CCFM" (more marketing!), as well as six tokens for free coffee. Obviously, the rich rewards were not the main reason they gave money! The new model we have developed has a sliding scale for membership and different thank you gifts attached. As noted, our friends also organize our fundraiser every year and, from all accounts, have a great time doing it. Most of our elected Board works on Friends events, and we also find new leaders through it.

Still want to apply for grants?

OK, but now you have other sources of support, as well, and are less likely to become dependent upon grant funding.

What types of grants are available? Look for foundations interested in neighborhood economic development, “Main Street” development programs, aid to small-scale farmers, nutritional programs, but just remember to make sure the grant work is within your stated mission (*go to marketumbrella.org to see the share titled “Strategy of the 4Ms”*).

What about government grants? The USDA offers grants to farmers markets, particularly under two of their programs: the Agricultural Marketing Service’s Farmers Market Promotion Program (FMPP) <http://www.ams.usda.gov/AMSV1.0/> and the Community Food Project: http://www.csrees.usda.gov/nea/food/sri/hunger_sri_awards.html

Be advised that the grant process is highly competitive and tends to be project-driven. In 2008, for example,

FMPP grants were given to organizations that worked to improve farmer access to marketing and financial information; improved consumer education; or implemented innovative approaches to market operations and management, etc. In 2008, FMPP funding totaled \$1 million, distributed in grants of no more than \$75,000.

Talk to your community partners. Hospitals, universities, and other large organizations may have discretionary funds available for distribution to nonprofits whose work furthers their own goals and objectives. Kaiser-Permanente, for example, sponsors farmers markets in many of their fields of operation. Your relationships with community and corporate sponsors can lead you to other discretionary sources of funds.



Thank you for using a share document. This 4M worksheet below is to help you think through what you just read and how to apply it to your situation. Read the share titled “The Strategy of the 4Ms” to learn more about this marketumbrella.org teaching tool.

Is this issue or strategy covered in your current mission (or values)? _____

Does your management structure allow you time to handle this, or is there another organizational partner to help?

How will you communicate to others about this issue or strategy (marketing)? _____

When and how will you measure the impact of this resolution of this issue or the completion of this strategy?

