



Northeast Organic Farming Association of Vermont

*Growing local farms, healthy food and strong communities
in Vermont since 1971*

The Northeast Organic Farming Association of Vermont (NOFA-VT) has a long history of supporting Vermont's food system and working landscape by strengthening direct markets (channels in which producers sell their product directly to consumers), and farmers markets in particular. As the backbone organization for the Vermont Farmers Market Association (VTFMA), NOFA-VT has worked with farmers market leaders from around the state for over a decade to identify the needs of markets and develop opportunities and resources to address common challenges. NOFA-VT has been providing direct support and financial assistance to markets for decades, and is well poised to develop a comprehensive cohort-model to provide active support that maximizes the impact on producers and communities.

Direct Markets are the Backbone of a Resilient Food System

*Direct markets are critical for supporting diverse farms in our state, because they present few barriers to entry (critical for beginning producers) and they allow producers to test new products, connect with and educate consumers, and build brand recognition. They are accessible to all producers and provide the necessary foundation for farms to diversify, expand, and sustain other market channels. Many producers sell into multiple channels and rely on direct markets to cash flow wholesale and other accounts. According to USDA Economic Research Service, "Farmers who market goods directly to consumers are more likely to remain in business than those who market only through traditional channels."*¹

- 26.9% of Vermont farmers sell in direct markets.²
- Direct market sales represented **\$73.5 million, or 24% of total local food and beverage sales** in Vermont in 2017. It was the second largest sector of local food sales (after co-ops and grocery stores).³
- Producers may receive 30% or even less of the retail price when selling in mediated wholesale markets (i.e. through a distributor).⁴ The trends towards consolidation and downward price pressure in wholesale markets favor larger producers, making it more difficult for small to medium-scale producers to thrive in them.

We Need Support for Farmers Markets

Farmers markets play a critical role in strengthening the broader local food system by serving as an easy and accessible entry point into the local foods marketplace. They offer "experiential marketing that is more memorable, personal and compelling than other forms of marketing."⁵ Often times, farmers markets are the first place consumers experience local food and meet producers, which can translate into a dedicated local food consumer.

In recent years we've seen a leveling off of rapid growth in the number of farmers markets and farmers market sales both nationally and in Vermont. With more markets around the state, and greater competition for local

¹ <https://www.usda.gov/media/blog/2016/04/28/farms-sell-directly-consumers-may-stay-business-longer>

² https://www.nass.usda.gov/Publications/AqCensus/2017/Full_Report/Volume_1_Chapter_1_State_Level/Vermont/vtv1.pdf

³ <https://www.vtfarmtoplate.com/getting-to-2020/1-total-local-consumption#indicator-population-indicator-value-of-local-food-by-destination-3>

⁴ <https://nofavt.org/resources/local-food-wholesale-market-assessment>

⁵ https://nofavt.org/sites/default/files/files/resources/vt_direct_markets-stagnant_saturated_or_ready_to_surge.pdf

food sales from retail outlets, we see less concentrated sales at each market. However, there is great potential to increase sales at existing markets. We know that customer values are evolving to prioritize social impact, experience, and transparency equally as much as price, convenience, and quality.⁶ Farmers markets are uniquely situated to provide these characteristics and capitalize on these shifting values.

- Total gross sales in 2018 for just 30 surveyed farmers markets was \$6,205,181 (this survey was missing some of the larger markets in the state).⁷ We estimate there were 84 markets in Vermont in 2018, so we believe it is safe to extrapolate **farmers markets sales exceeded \$15 million in 2018**, representing roughly a third of direct market sales.
- On average, farmers markets had 41 unique vendors in 2018.⁸ By supporting market organizations to better support their vendors, we can leverage a far greater impact.
- Most markets are run on a shoe-string budget (vendor fees are kept intentionally low), with few resources for professional development or support.
 - 78% of markets pay their market manager, with a median wage of only \$2,923.⁹ The time required of the manager at the market to professionalize the market, develop business and marketing plans, etc. is often beyond the market leaderships' capacity or ability to compensate.

Potential Impact of Funding

Supporting the state's largest farmers markets will impact hundreds of vendors state-wide and have a significant impact on local food and beverage sales. Funding would provide support for business planning, marketing, data collection and usage, board development, and more. The impact of this support will continue on past the project period; markets will be equipped with the knowledge and resources to continue improving their markets and adapting to consumer demands in subsequent years.

- We know that targeted support for farmers markets can translate into increased sales for their vendors; farmers markets that received two years of one-on-one support from NOFA-VT saw, on average, a 14% increase in their market's gross sales.
- This funding would allow us to **impact nearly 650 vendors state-wide**. The 10 largest VTFMA member markets had a total of 646 vendors in 2019.
 - Total vendor numbers per market ranged from 40-100.
- Eight of the 10 largest markets in the state brought in about \$6.2 million in 2018 (we do not have sales data for two of the largest markets).
 - **We estimate that this \$50,000 of support would result in a \$1 million increase in local food sales in just the first year**, if sales increase by an average of 14% (as they have with similar support).

Questions? Contact Jennie Porter at Jennie@nofavt.org or (802) 434-41222

⁶ https://nofavt.org/sites/default/files/files/resources/vt_direct_markets-stagnant_saturated_or_ready_to_surge.pdf

⁷ https://nofavt.org/sites/default/files/files/resources/2018_fm_report_final.pdf

⁸ https://nofavt.org/sites/default/files/files/resources/2018_fm_report_final.pdf

⁹ https://nofavt.org/sites/default/files/files/resources/2018_fm_report_final.pdf