

Census of MI Farmers Markets

Market Operations

This document is part of the MI Farmers Market Census series. More available at mifma.org/census



Trends in Market Operations

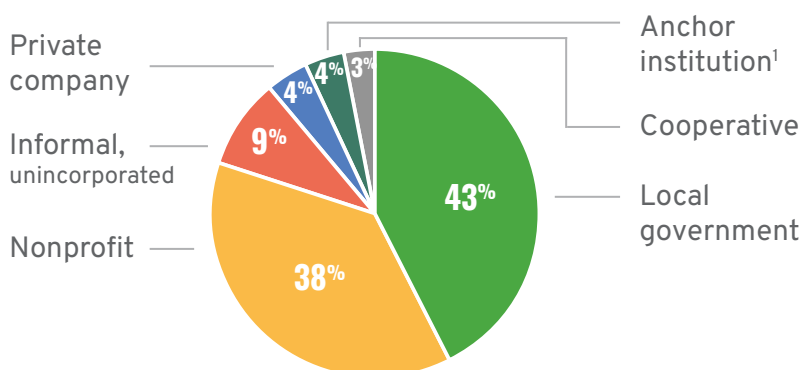
WHO OPERATES MARKETS?

Most farmers markets in Michigan are operated by local governments or nonprofit organizations.

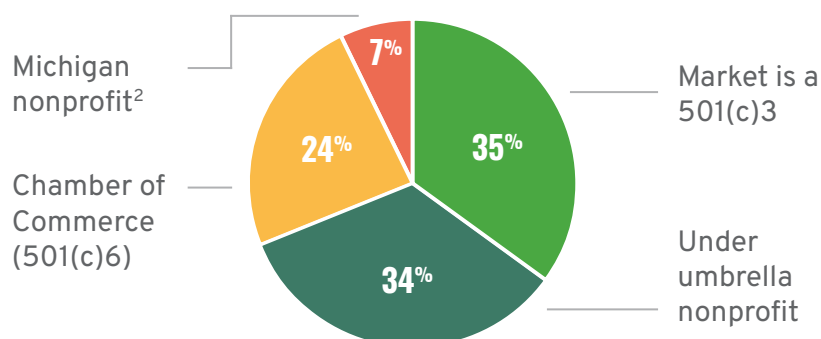
Among markets that are, or are part of, nonprofits:

- Most commonly, the market has incorporated as its own nonprofit organization (35%), or exists as a program of an existing nonprofit (34%), often one dedicated to food access or neighborhood vitality.
- A quarter (24%) are part of nonprofit business organizations such as a Chamber of Commerce.

Operating Organizations



Nonprofits that House Markets



¹ Hospitals and universities are examples of anchor institutions. While they may be nonprofits, in the farmers market sector they are often separated into their own category.

² Nonprofit corporation is a state-level designation, while 501(c)3 status is a federal designation awarded by the IRS.

Among those markets operated by governments:

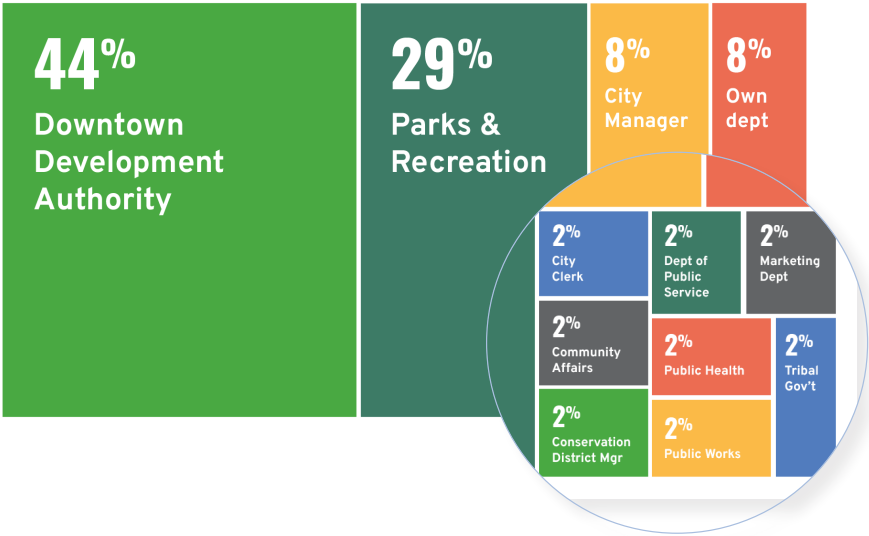
- Nearly half (44%) sit in Downtown Development Authorities³.
- Another third (29%) are housed in Parks and Recreation departments.

One third (31%) of markets have undergone a change in operating organization since their inception; half of those were picked up by nonprofits. Overall, this paints a picture of markets increasingly operated by mission-driven organizations.

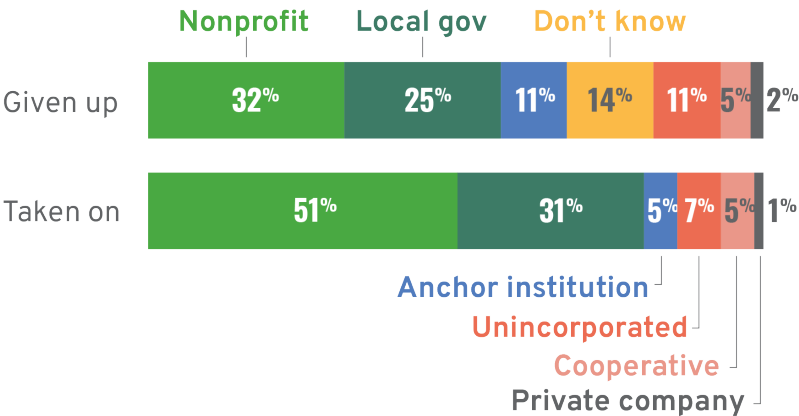
BACKGROUND

Changes in operating organization can be disruptive to market operations, as they are often accompanied by a loss of institutional knowledge, partnerships, vendors, and market programming. They are often associated with a move in market location, which can in effect feel like starting a brand-new market.

Local Government Departments that House Markets



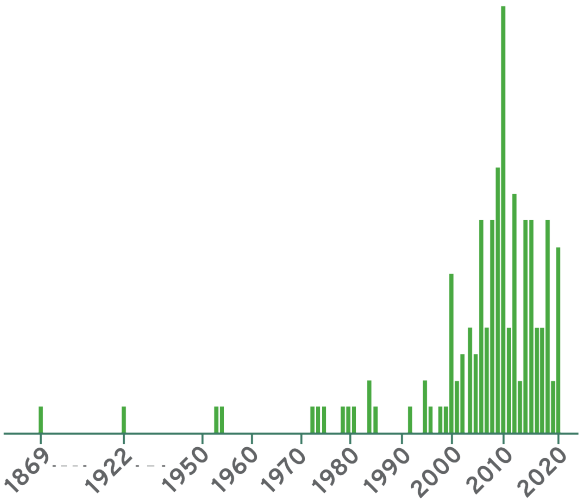
Markets Changing Hands



GROWTH IN NUMBER OF MARKETS

The oldest market in Michigan opened in 1869. However, most markets in Michigan are relatively new; three quarters have opened since 2006, and half have opened since 2010.

Number of New Markets Open Each Year



³ To learn more about DDAs, visit <https://www.michiganbusiness.org/49478e/globalassets/documents/reports/fact-sheets/downtowndevelopmentauthority.pdf>

MORE THAN JUST FOOD SALES

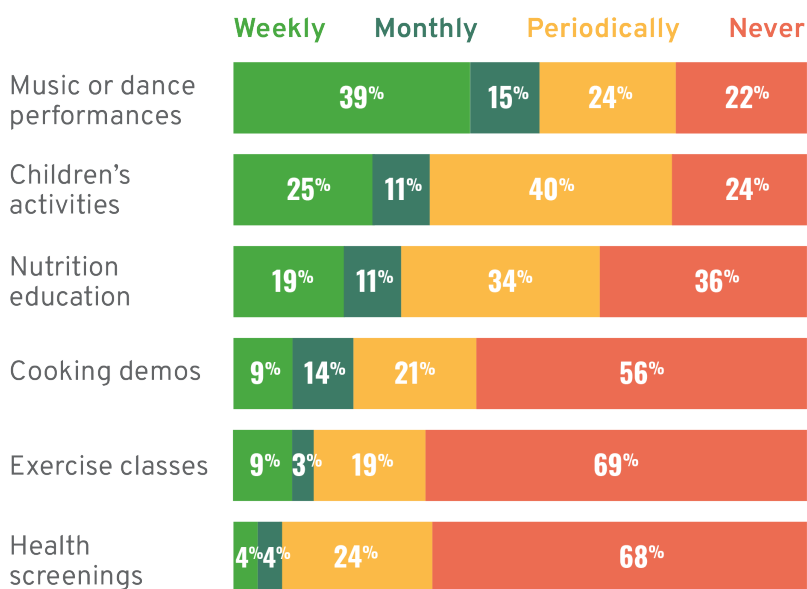
We asked managers to report their markets' goals; the figure to the right shows the share of markets who reported each goal. Note that these do not add to 100% since respondents ranked their top three goals. Supporting local farmers and increasing access to healthy food are the top goals for most markets, though markets pursue other ends, too; they are driven to create vibrant public spaces for their communities and support small businesses.

One of the ways markets pursue their goals is by offering additional programming that dovetails with local food sales. Ninety one percent offer programming, making markets important community gathering spaces for people of all ages. Many of the activities aim to create a welcoming atmosphere and/or focus on health promotion.

Percent Who Ranked Among Top Three Market Goals



2019 Programming Frequency



“The farmers market is a place to bring family and friends together.”

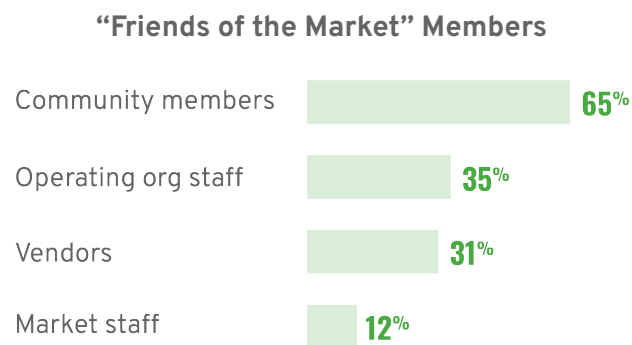
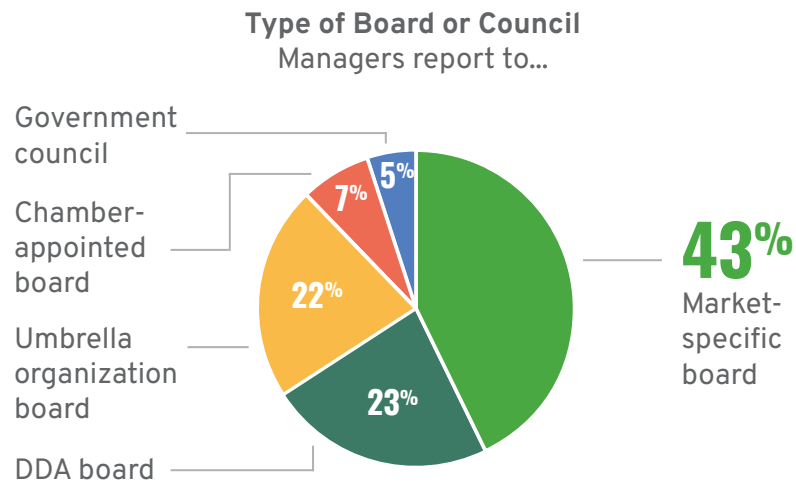


Who Makes Market Decisions?

Decision-making is a collaborative effort between market managers and their operating organizations. More than half (57%) of market managers report to staff at their operating organizations, while 40% answer to a board or council; of those 40%, most report to a market-specific board (a group of people assembled for the express purpose of addressing market governance).

A significant portion, however, also report to DDA or umbrella organization boards. This means managers must use skillsets while communicating to these audiences: budgeting, decision-making, and mission/goals.

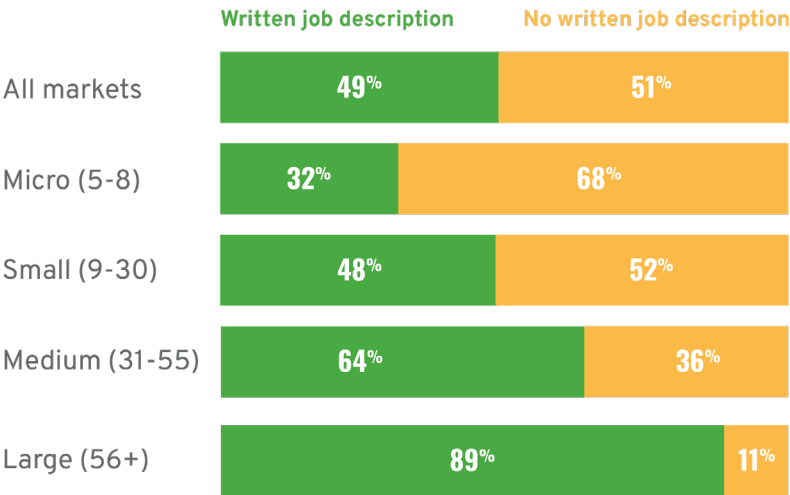
Another common structure for shared decision-making is a “Friends of the Market” group (some might also call this an Advisory Board or a Booster Program). Half the markets (47%) in the Census had these groups, and they served a variety of functions: everything from creating and enforcing market policies to having a presence on market day to conducting community outreach. They are most often composed of community members, operating organization staff, and vendors. The figures to the right show common roles played and people involved. (Note that in both charts, these do not add to 100% since respondents could select multiple options.) Cooperative organizations and nonprofits are most likely to have “Friends of the Market” groups; no market operated by a private company had such a group.



A management best practice in all organization types is articulating and differentiating roles and responsibilities. This is particularly important in organizations with both staff and board members.

Interestingly, the Census revealed half (51%) of market managers do not have written job descriptions. There is variation across market sizes and organization types; larger markets are most likely to have written job descriptions, as are local governments. This speaks to the formality of these arrangements.

Share of Markets with Written Manager Job Descriptions



Who Staffs Markets?

MARKET MANAGERS

The typical market manager works between 10 and 18 hours per week, with variation based on the season and market size; managers work more at larger markets, and more in peak season. Managers are underpaid for their efforts; a quarter are volunteers, and the median paid position is just \$8,250 annually. For more information, see Census Brief on Market Manager Compensation.

OTHER STAFF

When we look at broader organizational support for these positions, we see managers don’t always work alone.

Paid Staff

One third (31%) of organizations have paid staff (other than the market manager) dedicated solely to supporting the market. Common roles are Assistant Managers or Food Access staff members.

During primary market season:



34%

have one paid staff member

Median 12 hours worked weekly



18%

have a second paid staff member

Median 9.5 hours worked weekly



7%

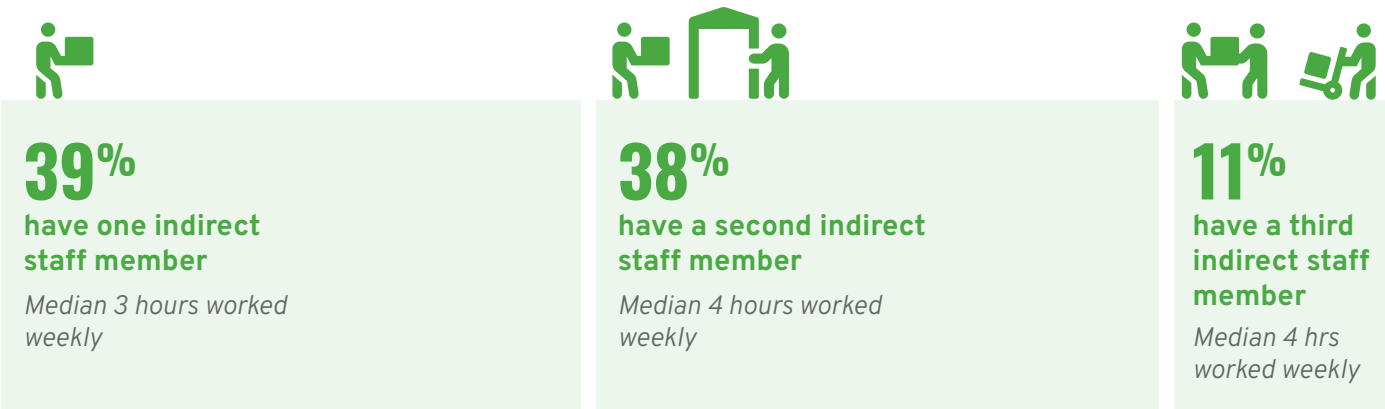
have a third paid staff member

Median 16 hours worked weekly

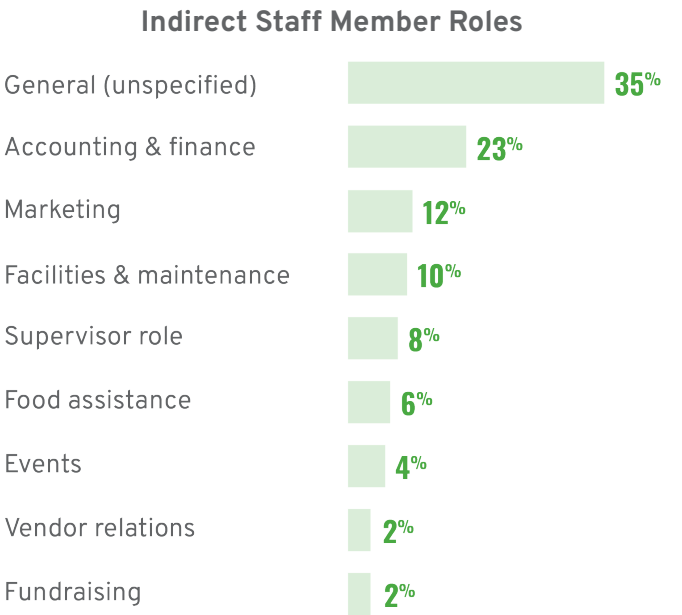
Indirect Staff

Forty two percent of organizations have indirect staff support for their markets. They might be employed by the operating organization and support the market as a small part of their job responsibilities; for example, a facilities manager who serves multiple sites for the organization.

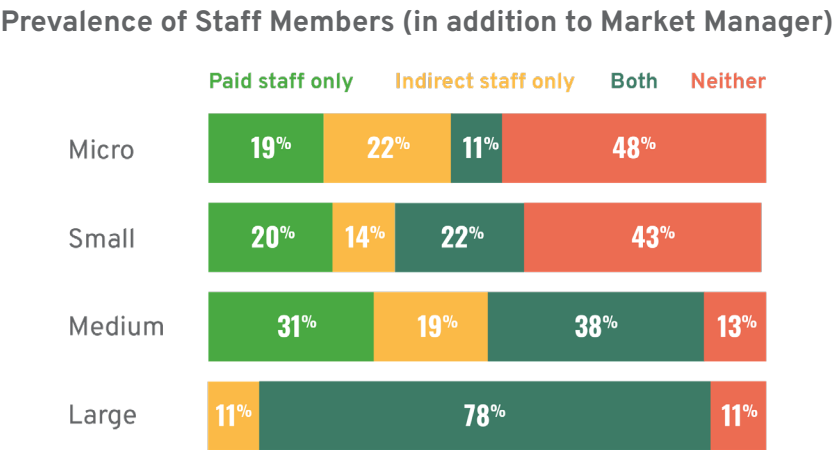
During peak market season:



Most commonly, respondents said indirect staff members help with “general” market support (filling in wherever help is needed), other popular tasks include accounting and finance, marketing, and facilities and maintenance.



There is some variation by size of market, which generally suggests market capacity increases as markets grow in size. Micro-sized and small markets⁴ are most likely to have no additional staff (paid or indirect), while medium and large markets are most likely to have both paid and indirect staff.



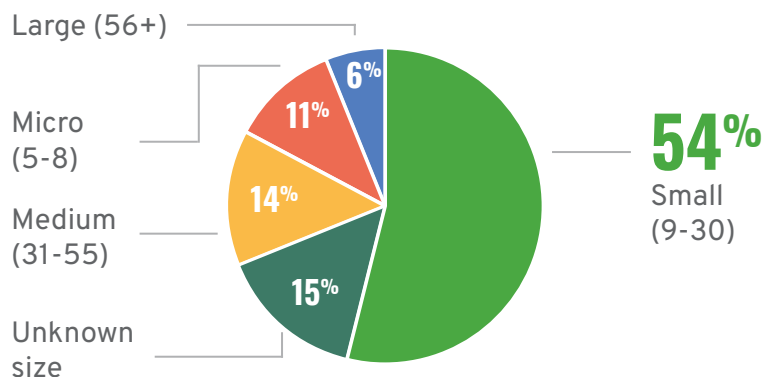
⁴ Market sizes based on number of vendors (Micro 5-8; Small 9-30; Medium 31-55; Large 56+) and derived from: Stephenson, G., Lev, L., & Brewer, L. (2007). Understanding the Link Between Farmers’ Market Size and Management Organization. Retrieved 2023, from <https://catalog.extension.oregonstate.edu/sr1082>

VOLUNTEERS

The typical market relies on 40 hours weekly of volunteer time, from an average of 7 volunteers. As shown in the chart to the right, large markets are less reliant on volunteers than other markets (perhaps in part due to their ability to provide stable staffing).

On a **weekly basis across the state of Michigan**, there are **280 volunteers** contributing a combined **4,000 hours** of service to their community markets. This represents **\$109,000 in volunteer labor invested each week** in Michigan farmers markets!⁵

Share of Volunteers by Market Size
Based on Number of Volunteers in 2019



Markets Rely on Community Support

Forty two percent of markets rely on sponsorships from other organizations. The most common sources of sponsorships are local businesses, government organizations, and healthcare organizations. See the figure to the right for a breakdown of common sponsors. Note that these add up to more than 100% since respondents could report multiple sponsorship sources.

Markets lean on other organizations for more than financial support, however; 68% reported forms of partnership that contribute to robust programming and increased market visibility. The Census asked respondents to report the types of organizations that contribute in-kind support, promote markets, or offer programming (we also asked markets to report financial contributions).

Share of Markets Receiving Sponsorships from:



⁵ Based on a rate of \$27.20 per hour as set by Independent Sector <https://independentsector.org/blog/independent-sector-releases-new-value-of-volunteer-time-of-27-20-per-hour/>

From a sheer numbers perspective, nonprofits were most likely to support markets through in-kind contributions, along with healthcare organizations, Michigan State University (MSU) Extension, and government agencies.

However, some organizations were much more likely than others to offer certain types of support. For example, 24% of the organizations offering in-kind support were government agencies, and 28% offering programming were MSU Extension offices. These results show that markets might benefit from targeting specific organizations depending on the types of support they seek.

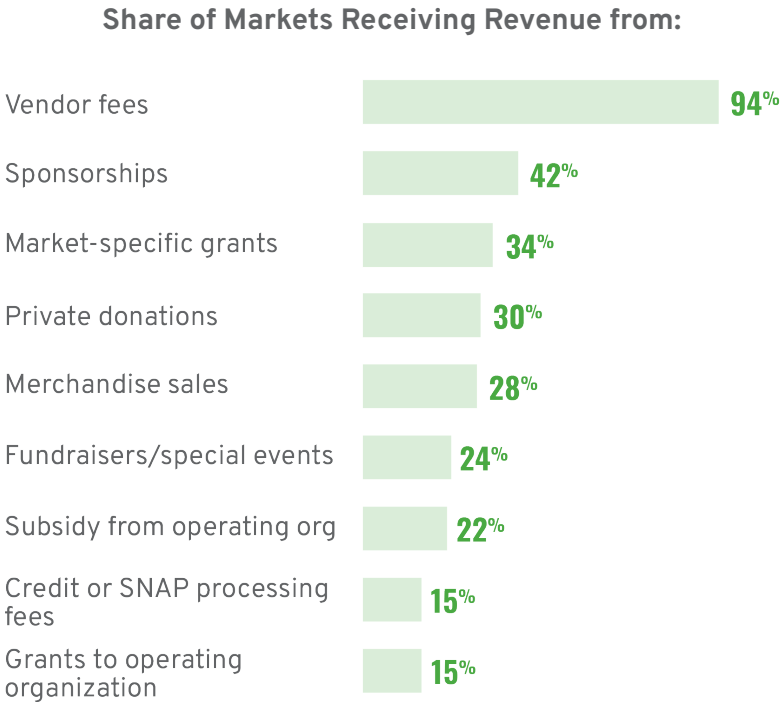
Type of support	Organizations most likely to provide	Organizations least likely to provide
Funds	Financial institutions	Emergency food, MSU Extension
Promotion	Nonprofits	Small businesses, Insurance companies
Programming	MSU Extension	Small businesses
In-kind	Government agencies	Small businesses, Insurance companies

Market Operating Budgets Vary Greatly

Just half of markets have their own operating budgets that track revenue and expenses. One fifth have written budgets that are folded into their operating organizations but not broken out separately, which is unsurprising given the number of markets operating as part of other organizations. One fifth don't have written budgets at all. This is much more prevalent in unincorporated markets: 54% of these markets lack a written budget, versus about a quarter (23%) of all markets.

Just 2% of markets turn a profit, and less than half (44%) have budgets that cover all costs. Another 28% of budgets break even except staffing. These markets often rely on subsidies from their operating organizations, and its external funders, to stay afloat.

Most markets operate on meager annual budgets: in 2019, the median revenue was \$5,400 and median expenses were \$4,300. Vendor fees are the most common revenue source for markets; other revenue include sponsorships, grants, and private donations.



While charging vendor fees is near universal among markets, only 21% say they can operate based solely on this revenue. This is reflected in the chart to the right, which reports what expenses are covered by market revenue. Most markets cover their own costs for supplies, marketing, manager wages,⁶ and programming. However, many other categories are very infrequently covered: notably, additional market staff wages and staff benefits.

Most markets are able to secure funding for these expenses, most often through subsidies from their operating organizations. This leaves markets to cover a small amount of expenses on their own. One respondent said “the Village provides the property that we operate on and carries the liability insurance... in addition to paying the manager’s wages. Our expenses primarily consist of advertising and supplies.” Others have informal arrangements. One respondent said, “it is implied if the market runs over budget [the operating organization] absorbs the overage.”

Sometimes, these arrangements create a dynamic in which markets are not involved in the budgeting process. One said, “I don’t have regular access to the budgets, which is sometimes really frustrating.” Another said while they were not clear on the budgeting process, “it is my intention to get some more clarity around this...to determine a more accurate vendor fee structure and to plan for the future.”

While subsidies and sponsorships create more stability than what otherwise might exist, they still amount to only slightly more than half (58%) of markets reporting that their funding is secure. Unfortunately, 14% report that funding is insecure, and 7% say they are at risk of closing if the market cannot secure enough funds in any given year.

Share of Markets Whose Budgets Cover:



KEY TAKEAWAYS

These results paint a picture of a market sector that is propped up by both operating organizations and dedicated managers and volunteers. Markets accomplish a great deal on modest budgets due to the passion and commitment of these people. More financial investment is needed to fairly compensate them and increase market impact in the future. For more on this topic, see Census Brief on Market Manager Compensation.

⁶46% of market budgets cover manager wages; however, of this group, the median annual wage is just \$5,000. See Census Brief on Market Manager Compensation for deeper data analysis and MIFMA’s ongoing advocacy efforts for fair wages.