Sustaining a Farmers' Market through Diverse Funding Strategies:

A case study of the Durham Farmers' Market

By the Rural Advancement Foundation International (RAFI)

In 2014, RAFI received a grant through USDA's Farmers Market Promotion Program to test direct marketing strategies, track outcomes, and share the resources necessary to build the capacity of farmers' markets and direct marketing farm enterprises. One strategy towards accomplishing this goal was the establishment of Learning Communities: farmers' markets which, with technical assistance from RAFI, could serve as a testing ground from which other markets could learn. From this experience, we have produced four case studies to share insights on specific market topics.

This case study highlights an example of **a market successfully using a variety of funding strategies** to support its market and programs.

In its 18th year of operation, the Durham Farmers' Market in Durham, NC, hosts over 70 vendors selling local produce, value-added products, and crafts. The market has been in its current location since 2004, and in 2006 was made more permanent with the addition of a pavilion at the market site, Durham Central Park. The market is open on Saturday mornings year-round, and an additional Wednesday afternoon market operates during peak season. The main Saturday market has an average of about 2,500 visitors per market and around 4,000 visitors per market during peak season. The market has a board of directors consisting of 9 vendor-members serving 2-year terms. The staff include a part-time market manager working 32 hours a week, an assistant manager working 20 hours per week, and a SNAP/EBT coordinator working 16 hours per week.[1]

The Durham Farmers' Market can attribute its success in fundraising to having a diversity of funding sources and strategies, and throughout the market's growth and expansion community partnerships have been crucial to supporting fundraising efforts.

Revenue Streams

The Durham Farmers' Market (DFM) has multiple streams of revenue, which include:

Vendor Fees and Stall Fees

In 2016, vendors paid an application fee of $60 and an annual fee of $50. In addition, vendors pay weekly stall fees based on the size of the market display. During peak season, the Saturday market charged $15 for a single space, and an additional $30 to occupy a second stall space. The Wednesday market and Saturday winter market offered single spaces for a $10 fee.

1 SNAP/EBT, or the Supplemental Nutrition Assistance Program, formerly known as food stamps, is a federally funded food assistance program for low-income individuals and households. SNAP is distributed through Electronic Benefit Transfer (EBT) cards, which act like a debit card for a participant's monthly benefits.

Fundraising Events

The market has a few annual events, such as the vendor Halloween costume contest and market suppers, as well as one-time events that generate a modest income. Non-ticketed events generate income from donations and merchandise sales, and have the added bonus of bringing more customers to the market, increasing daily sales in addition to the market's overall budget.

Grants

DFM partners with various organizations to obtain grants to fund market operations, primarily the SNAP/EBT and Double Bucks program, which matches EBT purchases dollar for dollar up to $10. The market seeks local funders that support projects that meet a triple bottom line, supporting social, economic, and ecological welfare. Such funders have been local universities and nonprofits, and program partners have been connected to public health.

Individual Donations and Crowdfunding

As a part of its fiscal sponsorship of the market, RAFI set up an online donation platform for individuals who want to support the market. The market also ran an Indiegogo campaign to help launch the Double Bucks program. Over $8,000 was raised towards an overall goal of $15,000 to sustain the program. 75% of funds went towards matching SNAP purchases, while the remaining 25% went towards materials and staff time.

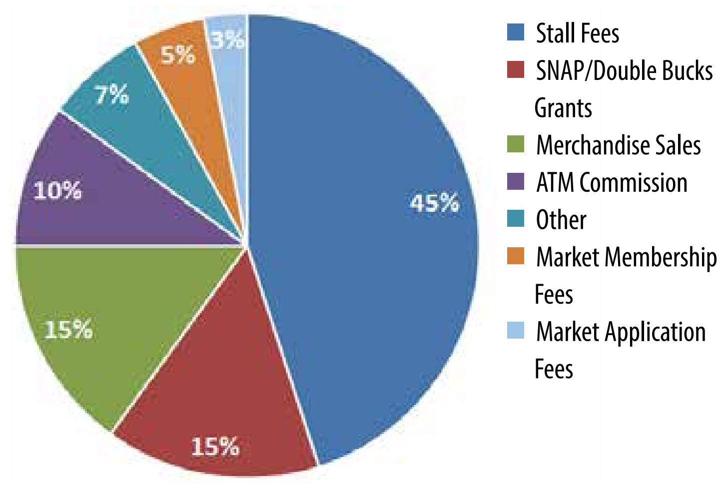
Sales of Apparel, Bags, Stickers, and Other Promotional Items

Tote bags, T-shirts, and other items are sold at the information booth. This doubles as marketing, and gives the market some items to use as incentives for promotions. When possible, the market seeks donated promotional items.

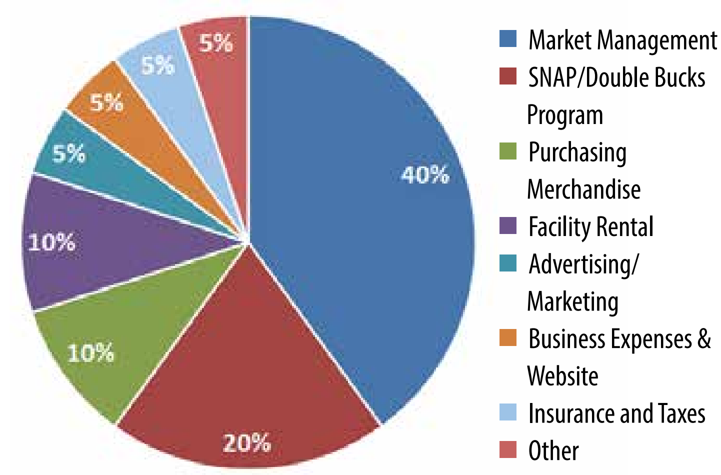
ATM Fees

To accommodate shoppers with credit and debit cards, the market installed an ATM. The screen informs customers that half of the $3 ATM fee goes towards funding the Double Bucks program.

MARKET INCOME



MARKET EXPENSES



Key Strengths

Sustainability of Fixed Income and Costs

The market can sustain its basic operating costs through stall fees. While total income from stall fees can vary from year to year depending on weather and vendor attendance at the market, stall fees remain the market's most reliable source of income. From this base, the market has been able to expand its staff capacity and services by seeking out additional funding sources.

Board Involvement

The board is made up of invested vendor-members that provide organizational support and institutional memory. This is significant given that turnover of management is a challenge with the market, as with many farmers' markets.

Fiscal Sponsorship

Since DFM is not itself a 501c3 nonprofit, having RAFI as a fiscal sponsor has enabled the market to apply for and receive grants, and to accept tax-deductible donations from local funders. The market mostly seeks grants pertaining to the SNAP/EBT and Double Bucks program.

Community Partnerships

Both RAFI's fiscal sponsorship, and the market's close relationship with the Durham County Department of Public Health provide support and technical assistance to market staff, including grant-writing. These partnerships relieve staff time, offer additional perspectives, and facilitate networking with local organizations and professional contacts.

Relationship with Landlord

The farmers' market has a strong relationship with Durham Central Park, the nonprofit landlord from which the market rents. The market manager shares an office space with Durham Central Park and sits on the board. The Park acts as a champion for the market and brings many people into the market space by hosting and facilitating events.

Lessons Learned

• **"Fun-raisers" vs Fundraisers:** Certain events have worked well as fundraisers; other have been less successful at generating income. While the summer solstice supper raised over $4,000 it also required lots of staff labor and input from farmers during a busy time of the season. Creating an experience that was worth the ticket price, while within the scope of what market staff could organize, proved to be a challenge and the market decided that it was not an efficient fundraising strategy. Going forward, DFM will focus more on grants to fund Double Bucks, and smaller, at-market events such as the Halloween costume contest, to

attract more customers while raising funds.

• **Investment in staff has payoffs:** While staff time is the market's largest operating expense, budgeting for increased hours has given market staff the ability to approach management in a larger context than basic daily operations.

The Durham Farmers' Market has built its structure and operating capacity over time by pursuing diverse funding streams. In its nearly 20 year history, the market has grown its vendor base, staff capacity, and customer attendance. From a consistent income of vendor fees, the market can sustain staff who have the capacity to seek out more funding opportunities, and the market has grown in size and project areas at a manageable pace. Other additional funding strategies have worked well for other successful farmers' markets, and two merit a mention here: financial or in-kind sponsorships from individuals or local businesses can create a sustained income source in return for advertisement, and local government or cooperative extension may be willing to either support one-time projects or provide annual budget support.

Resources on Fundraising for Farmers' Markets

• **Farmers Market Coalition's Market Manager FAQ**
http://farmersmarketcoalition.org/education/market-manager-faq/market-growth-outreach-and-evaluation/

See section entitled, "How can our markets raise funds to cover operating costs? What grants can we apply for?"

- **Farmers Market Coalition's Funding Opportunities page**
https://farmersmarketcoalition.org/education/funding-opportunities/
This page includes among other things a helpful summary of potential federal grant opportunities.

- **Farmers Market Manager Training Manual, by the Farmers Market Federation of NY**
http://www.nyfarmersmarket.com/wp-content/uploads/2014/08/NYFM_Training_Manual.pdf
See fundraising section, pages 48-53.

- **Organizing Details: Funding, by MarketUmbrella**
http://www.marketumbrella.org/uploads/file/OD-Funding.pdf

- **Funding, Staffing, and Sustaining SNAP Acceptance at Farmers' Markets, by The Food Trust (thefoodtrust.org)**
http://fyi.uwex.edu/cfsi/files/2013/03/Funding-Staffing-Sustaining-SNAP-at-FM_FINAL.pdf
Their fundraising for SNAP programs guide is a useful resource for food access programs as well as general market fundraising.

- **The Foundation Center's Foundation Directory Online**
https://fdo.foundationcenter.org
Find foundations in your area.

CONNECT 2 DIRECT
connecting communities to farms through direct sales

Connect2Direct is a collaboration between the Rural Advancement Foundation International and the Appalachian Sustainable Agriculture Project to support and build equitable community-based local food economies through the development of direct markets for farmers in North Carolina

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About RAFI: *RAFI's mission is to cultivate markets, policies, and communities that sustain thriving, socially just, and environmentally sound family farms. To learn more about RAFI's work, visit rafiusa.org or call (919) 542-1396.*