



# Brown Bag Lunch Webinar Series

## Farmers Market Benchmarks

### Labor Benchmarks

#### 1. Staffing return on investment

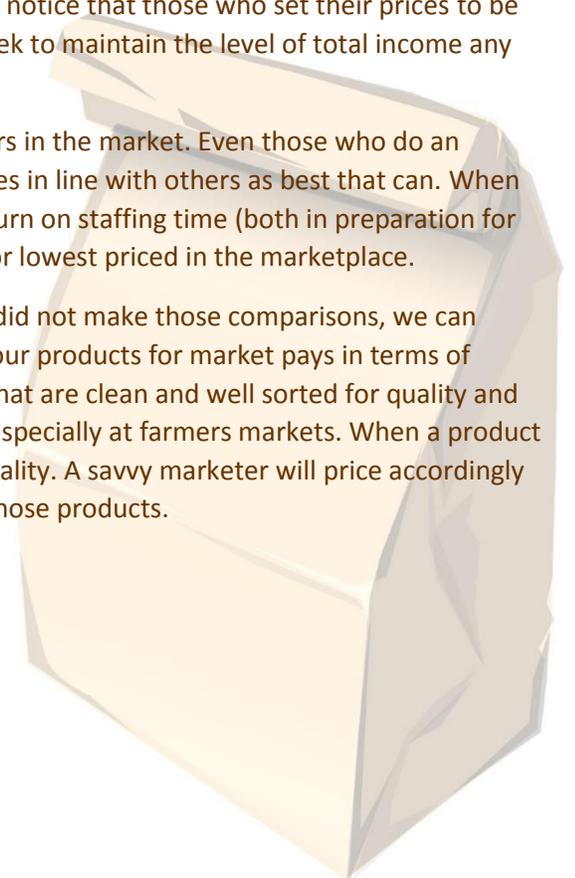
Pricing Strategy	Ave # of Markets	Sales per Market	\$1 of sales per hour of prep time*	Sales return for every \$ spent on staffing*
Maintain high pricing	2.0	\$888	\$127 per hour	\$8.86
Prefer to be the lowest priced	3.9	\$444	\$59/hour	\$6.17
Maintain level pricing with others	2.6	\$857	\$130 per hour	\$10.45
Set prices based on analysis	2.2	\$873	\$134/hour	\$7.73
Occasionally drop prices to move a product	2.3	\$1146	\$169 per hour	\$10.85
Average – whole sample	2.4	\$851	\$127 per hour	\$8.07

\* For every dollar you invest in staff time, this is your return on investment

Price setting strategies play a role in your staffing expenses. When you set your prices to be the lowest in the market, you can expect the lowest rate of return on staffing investment. You'll also notice that those who set their prices to be the lowest in the market must attend a greater number of markets per week to maintain the level of total income any other method of pricing strategy.

A majority of market vendors try to maintain their pricing in line with others in the market. Even those who do an analysis of their costs and income expectations often try to keep their prices in line with others as best that can. When farmers all maintain consistent level of pricing, we find that the rate of return on staffing time (both in preparation for market and in sales per staffing) is a much higher level that being highest or lowest priced in the marketplace.

We can also look at the investment of preparation time. While the survey did not make those comparisons, we can assume from the data and anecdotal evidence, that time spent preparing our products for market pays in terms of greater sales. This is especially true for those selling produce. Vegetables that are clean and well sorted for quality and displayed well results in greater sales. Customer perception is important, especially at farmers markets. When a product is clean, fresh and well-presented it has the appearance of being higher quality. A savvy marketer will price accordingly and will not only sell greater quantities but also receive a higher price on those products.



## 2. Average Sale per Salesperson

Product Line	Average sale per salesperson
Baked Goods	\$352
Bedding Plants	\$303
Dairy Products	\$662
Eggs	\$230
Fruit	\$389
Honey Products	\$350
Maple Products	\$300
Meats	\$368
Vegetables	\$370

Is the level of staffing you use at the market reasonable for the level of sales you are getting? Comparing the daily sales in the market and the number of staff people you utilize to sell your products with the chart above. If you are selling vegetables and you have 3 people working your booth, you should have daily sales of at least \$1110. If you are not reaching that level, then you need to ask yourself why not? Are your salespeople fully engaged with customers? If not, are there too few customers to justify that level of staffing? Or are they just not properly engaging the customers? Keep in mind the 10/4 rule – acknowledge a customer with a smile, nod or eye contact at 10 feet, and then greet them at 4 feet. If this is not happening, maybe you need to do some sales staff training or make changes to your sales staff.

The study also shows that the average daily sale is highest when the farmer/employer is also present as part of the sales team. A number of factors could account for this:

- The other sales people are more attentive to customers and busy when their boss is “watching”.
- The farmer is more knowledgeable about the farm and farm products and better able to respond to consumer questions.
- The farmer, with a vested interest in successful sales, is more attentive, more marketing savvy in terms of engaging consumers and closing the sale.



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