



Friends of the Market Toolkit: Friends of the Market

Farmers Market Managers are heavily invested in the day to day operations of a farmers market – recruiting farmers, promoting the market, building a strong, loyal customer base, ... along with the myriad of daily, weekly and seasonal duties, leaving little time to spend on extra projects and programs. Help is needed to develop and operate additional programs that can help the market to fulfill its mission to support local farmers, give access to fresh, locally grown foods to a broad range of local residents and to be a responsible community partner, institutionalizing the market within the community. Having a Friends of the Market organization can be a vital partner to a farmers market organization.

The catalyst for a Friends Organization can come from a number of sources. Market management may have a need they cannot fulfill due to time constraints, insufficient staffing or funding issues that cannot be overcome without a 501(c)(3) designation. They may look within the market for key consumers, community partners and interested individuals to begin the process of developing a Friends of the Market organization.

Other times community members see an unfulfilled need with the market, maybe a nutrition education component or a desire to add a program, such as a community kitchen, to the market. With a cause to rally around, the group may approach the market management with the goal to assist the market to achieve these goals. As a result, a Friends of the Market organization arises.

Farmers vending in the market may also initiate a Friends of the Market organization. They may want a permanent structure to house the market, giving them the opportunity to extend the season; or the need to renovate the existing market structure. A Friends of the Market organization may help them with construction and renovation costs without having to add to the fees the farmers are already paying to participate in the market.

Wherever the catalyst comes from to begin the process, the Friends of the Market organization has three main objectives:

- It gives market supporters a greater connection to the market, with a strong sense of ownership;
- It creates an additional source of income for the market; and
- It provides additional manpower for the market.¹

Membership

The Friends organizations are generally membership based. The members are drawn from the consumer base of the market, as well as the surrounding community. Members all share a common passion for the market, their love for fresh local food, and a desire to protect local agriculture. Being a part of the market through the Friends of the Market organization, gives them a way to express their passion. Their involvement can take many forms – from a cash

¹ “Friends of the Market enjoy special perks”, Farmers Markets Today, July/August 2008, page 12.

donation, volunteering during market hours, participating in an advisory committee or helping to promote the market within the community.

Joining the Friends of the Market organization may be as simple as showing up at a meeting and signing up for a work detail. Or it may involve paying a membership fee. Such fees may be set, while others offer a sliding scale, allowing a member to choose the level of their commitment. Members who pay fees are usually given gifts appropriate to the level of payment. For example, the SouthWedge Farmers Market in Rochester offers market T-shirts and signage at the market to recognize their Friends. Others offer market tote bags, recipe books or special locally grown products.

Source of Income

Some markets use their Friends organization solely as a means to connect with loyal customers, using the membership fees as the sole activity of the organization. The members pay their annual fees, receive their gifts and feel a welcome member of the market community.

Other Friends of the Market organizations more actively fundraise on behalf of the market and its programs. As a nonprofit corporation, the Friends of the Market can secure grants, donations, and sponsorships and donors will be able to use their donations as a tax deduction. The funds raised by the group can help the market in a number of ways. For example, at the **Saint Paul** Farmers Market, the Friends of the Market helped raise funds to build a permanent structure for the farmers market.

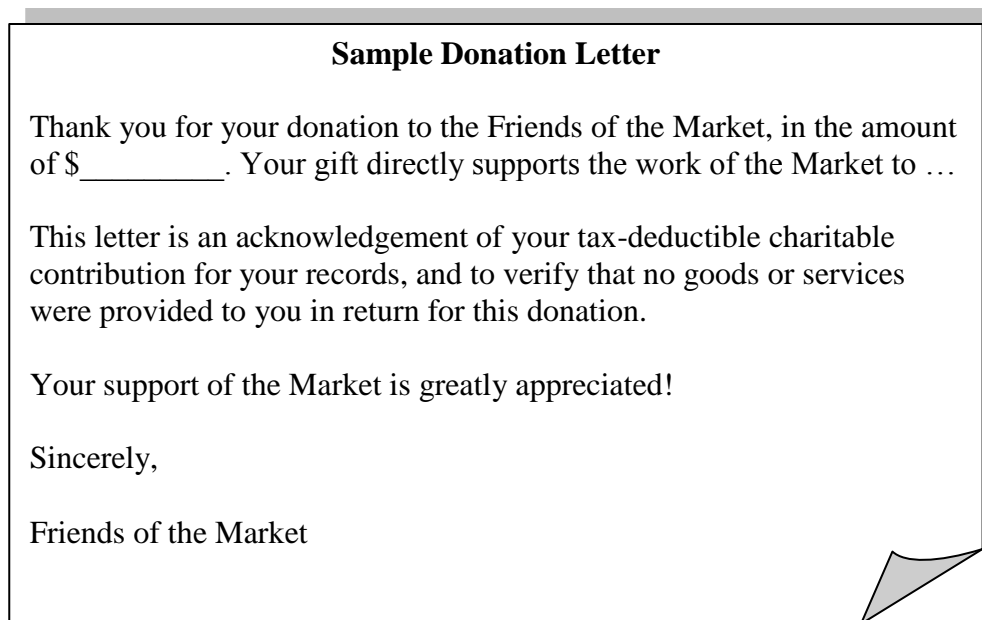
At the Rochester Public Market, the Friends of the Market runs programs that benefits both consumers and farmers in the market. One of the primary programs of the Friends group is to run the Farmers Market EBT program. They operate the market wireless terminal and “sell” SNAP (food stamp) tokens to customers using their plastic benefits cards. The tokens, spent with the farmers, are then redeemed back through the Friends organization. The Friends were able to secure a grant from a local foundation that helped to finance an EBT manager who streamlined their process for handling the lines of customers wishing to use the service, the task of counting tokens and issuing checks back to farmers, as well as tracking sales and use volumes to assess the effectiveness of the program.

In addition to securing grants, Friends of the Market organization often hold fundraising events. Harvest dinners of local foods purchased from the farmers in the market and prepared by a local chef are open to the community. Each guest purchases a ticket and enjoys a wonderful meal, maybe in the home of one of the Friends. It’s an excellent opportunity to showcase the market, its farmers and the community of Friends. And ticket sales benefit the programs and operation of the farmers market, through the Friends of the Market organization.

Friends groups are often present at a central booth each market day offering market merchandise for sale to consumers – t shirts, tote bags and aprons with the market name and logo, recipe books, etc. The merchandise being sold serves three significant purposes. It provides a revenue stream for the Friends organization to keep its programs and services operating. It is also a great promotional tool for the market. As customers travel through the community wearing market t shirts and carrying market tote bags, they are promoting the market at the same time. These are

walking billboards, doubling as testimonials for the market. But, the market merchandise also connects consumers to the market. All those purchasing the merchandise, wearing the t shirts, barbecuing in the backyard wearing the market apron, are loyal market customers, proud of their connection to the market. The merchandise gives them an opportunity to express their pride.

Whenever the Friends of the Market accepts donations as a charitable nonprofit organization, IRS requires an acknowledgment be sent to the donor before the donation can be used as a tax deduction. Any donation over \$75 requires a letter acknowledging receipt, stating the value of the donation, and whether the donation is in exchange for goods and services (if so, then the deduction can only be the fair market value of the donation less the value of the goods or service).



Another consideration for Friends of the Market organizations with regard to fundraising is the liability of volunteers and staff handling the funds being raised. While it is a rare occurrence, there is a potential loss should monies be lost or stolen. To protect both the organization and the individuals handling any funds, the organization should look into bonding. Bonding the volunteers and staff insures the Friends of the Market against such a loss, making the organization whole again.

Additional Manpower

Operating a farmers markets is a time consuming task. In a large market it often requires a management team to accomplish a successful market. But one of the objectives of a successful market is to add programs and services that help them to achieve their mission of service to farmers, consumers and their host community. But adding additional programs and services requires additional manpower, something that most markets cannot afford to do.

One of the assets of the Friends of the Market organization is its base of volunteers. Many members of the Friends organization want to be involved in the market, not just as a dues-paying

member. They are willing to volunteer time toward developing and operating new programs and services that will promote the awareness of the market to the community, support local agriculture, stress the importance of a local food system and/or build community through the market.

The Rochester Public Market has developed a Market Tour for school-age children that is offered on Thursdays from April through October. A core of volunteer tour guides share information on the Market's history, its impact on the local economy, the importance of local farmers, and the importance of healthy fresh foods. A "youth activity guide" has been developed as a take-home gift, that highlights information on the Market, and that aligns with NYS learning standards. The tour guides find the experience as rewarding for themselves as for the children. A nutrition grant supports a nutrition education component for the tours, including seasonal packets of kid-friendly recipes and a Market treasure hunt.

A Veggie Valet is another example of a service operated by the Friends of the Market organization. Parking is often at a premium at farmers markets, requiring customers to carry their purchases to their remote parking space. As an alternative to carrying heavy packages, or as in some cases, customers passing up a heavy purchase so as not to carry it too far, the Friends offer a valet service. This is being done in a number of ways. Some markets are offering a volunteer to carry packages to the cars for customers. In other cases, the Friends may offer an opportunity for customers to leave their purchases at a central "drive-up" location. With a claim ticket, the customer can retrieve their car, then drive up and retrieve their packages. Finally, some Friends offer a wagon that customers can borrow to wheel their purchases to their car. Once their packages are safely and easily stored away, the wagon is returned to the Friends for reuse by another customer with too many purchases to carry.

Friends of the Market organizations must have an education mission in order to achieve their nonprofit status. Many Friends groups offer education centered on agriculture. Programs may be developed that train new entrants into agriculture, for example, urban youth programs. Using city plots, the Friends team will teach the program youth how to turn the spaces into productive gardens, teaching production methods that allow them to grow their own organic vegetables. Once they begin to harvest the vegetables, the market provides space for them in the market and the Friends gives training in marketing and sales techniques. This is a win-win program. The youth learn valuable entrepreneurial skills that will serve them well throughout their lives and the market is able to "grow" new farmers.

Other agricultural related programs may target consumers. Consumers are most often several generations removed from agriculture and do not understand what is involved in the production of their foods. Friends programs can help consumers to understand agriculture and feel more connected to the farmers in the market and to the foods they are eating. Programs may include lectures, workshops and tours of the market's participating farms.

Nutrition education is also a goal of many Friends of the Market organizations. It is important to them that consumers eat well, eat locally and understand the benefits of a well balanced, local diet. Nutrition education can be as simple as the distribution of nutritional information and recipes, to contracting with Cooperative Extension to perform nutrition education and cooking

demonstrations in the market, to working with local chefs to conduct cooking demonstrations using their restaurant's well-known recipes and products from the market.

Structure

Friends of the Market organizations can be as formally organized as the goals of the organization dictate. The Friends organizations whose purpose is strictly to connect loyal customers with the market through a membership fee may not require a formal structure. Often, this type of Friends has no bylaws, no governing body and no independence from the market, In fact, it is often operated by the market's management team and is considered part of its marketing and fundraising efforts.

However, if the Friends organization plans to do any fundraising, conduct programs or services, and be an entity of its own, it must be formalized. At the outset, the Friends should develop a steering committee to begin the process of developing a nonprofit organization. This involves a series of steps that goes through planning and application to state and federal agencies to incorporate the organization and achieve a 501(c)(3) charitable, nonprofit status through the Internal Revenue Service. This status will be required to allow the Friends to apply for grants, as well as to allow contributors to use their donations as a tax deduction for charitable purposes. The steps for forming a nonprofit corporation are included in the Appendix to this chapter.

Summary

Typically, a Friends of the Market organization is independent from the farmers market, but works side by side and shares common goals and visions. They are typically a membership based organization, usually staffed with volunteers, and driven by their passion for the market, agriculture and fresh, local food.

Because of its independence from the market, the Friends of the Market organization can be structured in such a way that it can accomplish many things that the market cannot. For example, the Internal Revenue Service is very reluctant to grant 501(c)(3) status to a farmers market. Rather, they see farmers markets as a trade association, a group of for-profit businesses banding together to further their business opportunities. This limits their ability to fundraise beyond the fees they set for participation in the market since they cannot offer tax deductions for any donations to the market. A Friends organization overcomes this hurdle, helping the market raise the funds it needs to achieve its goals, whether it is for capital improvements, programs and services or general operations.

Above all, the Friends of the Market organization is an opportunity to connect the market's supporters with the market, giving them a sense of ownership of the market, and building the community of the market. It is a win-win as the Friends work toward their self-fulfillment and the market is rewarded with a devoted group of volunteers that strives toward the common goals of the market.

References:

"Friends of the Market enjoy special perks", Farmers Markets Today, July/August 2008.

Brigitte Moran, “501(C)(3) vs. 501(C)(5) vs 501(C)(6): Matching nonprofit status to your goals”, Peas n’ News, Farmers Market Coalition, Fall 2008.