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Table of Contents

Executive Summary	3
Project Purpose	4
Environmental Analysis	5
Methodology	7
Findings and Results	9
Recommendations	18
Appendix	20
Works Cited	21

Executive Summary

Students from the University of Iowa Entrepreneurial Management Institute have been working with the North Iowa Farmers Market to do research on the best practices of farmers markets. The project objective is to gather primary data and market research so that North Iowa Farmers Market can make future decisions about their market. We intend to meet this objective by interviewing and researching farmers markets in cities with comparable target markets and demographics; expert interviews from prospering farmers market managers and board members; and interviews of consumers and vendors perceptions on the current markets.

For our methodology, the team conducted secondary research using online articles about agriculture and the farmers market industry. For this research, we focused on the amount of markets in the industry, the types of products they offered, and what forms of payment they accepted. For primary research we interviewed past and current vendors and comparative markets in Coralville, Marion, Fort Dodge and other towns in Iowa, Minnesota and Wisconsin.

The team found that all ten of the comparable farmers markets have a market manager that coordinated marketing and vendors. All markets interviewed offer one day of strictly produce during the week and on the second day they offer events and entertainment usually on a Saturday. As for the vendors that were interviewed, they are pleased with the market and the involvement of board members, but the key issues they have are the days of the market and the current location. All of vendor's stated they would not attend the market if it were held on any other day of the week and would prefer the market to be held only on Fridays due to low sales on Tuesday's. They also expressed concern about the current market location and its lack of visibility and would be open to a brainstorming event where these issues could be discussed.

Project Purpose

The purpose of this project is to research the best practices of farmers markets and trends in the industry with comparable markets. The problem that we will be addressing for North Iowa Farmers Market is the lack of primary data and research on the vendors leaving the market, feasibility of future locations and lack of visibility. We will explore the necessary steps to a healthy and profitable metropolitan farmers market to enhance the quality of life in the community, promote sustainability, and encourage agricultural entrepreneurialism and small business.

Our deliverables were weekly updates, comparative analysis with Coralville and Marion farmers markets, and a final report summarizing the team's work with recommendations on preferences based off of current perceptions and expectations of the market.

Environmental Analysis

Industry Overview

With 8,144 farmers markets nationally, Iowa is in the top 10 for amount of farmers markets, currently supporting 229. Farmers markets generate more than \$16 million in SNAP sales, which is Supplemental Nutrition Assistance Program. According to the USDA, approximately 150,000 farmers, ranchers, and agricultural entrepreneurs are selling products to consumers at farmers markets nationwide. These farmers market sales across the country exceeded \$1.5 billion dollars in 2015.

Dynamics of External Environment

The Farmers Market industry is represented by the United States Department of Agriculture. They lobby on behalf of all agricultural operations, on behalf of constituents ranging from the individual farmer up to international businesses. Being able to tap into the funding, 26.8 million dollars as of the fall of 2016, by the USDA from the Agriculture Marketing Service (AMS) for small town farmers markets is very advantageous for the industry. According to the Wall Street Journal, constant deflation in food prices has led to the lowest income year of farmers due to increased supply. The deflation with the constant threat of substitution of farmers markets with local grocery stores and super stores can severely impact the industry. Trends show that target market customers will choose to go places that are of more convenience and located near additional shopping centers.

Competitive Analysis

Comparable Market Secondary Research Results Table

Name of Market	Day(s) of Week	Time of Day	Product(s)	Event/Entertainment
North Iowa Farmers Market pop. 27,704	Tuesday & Fridays	3 – 6pm	Produce, Baked Goods, Candles, Crafts, Jams & Preserves	No
Marion Farmers Market pop. 34,768	Saturdays	8 – 11:30 am	Produce, Fresh baked goods, flowers and homemade crafts	No – It coincides with the Market of Marion's Special Events (another program.)
Muscatine Area Farmers Market – pop. 23,034	Tuesdays &	Tue (2:30–5:30 pm) Sat (7:30 – 11:30 am)	Tuesday – just produce. Sat – produce, meat, baked goods, arts/crafts, etc.	Tuesday – No; Saturday –Yes, live groups from around the area
Fort Dodge Market On Central pop. 24,639	Every 2nd & 4th Saturday of Month	9am – 1 pm	Produce, Arts/Crafts, meat, fresh baked goods, food vendors on site, local business involvement, etc	Yes – Live music or groups from city
Coralville Farmers Market pop. 20,092	Mondays & Thursdays	5 – 7 pm	Produce, Baked Goods, Eggs, Flowers, Jams & Preserves, Local Honey, Wine, Handmade art & jewelry	Yes– live music & kids/family theme days. (specifically acoustic music)

Firm's Overall Market Position

North Iowa Farmers Market currently works with fifteen vendors who provide goods to about fifty customers on average per market day. Currently, they are only a grocer market and do not hold any events for their market. Their main goal is to increase vendor and customer participation and to find a more feasible location to hold their market.

Methodology

Our team has broken down the objectives in order to create the methodology used to complete the research requested from North Iowa Farmers Market. The research is to provide information on the best practices of farmers markets and the vendors and consumers' preferences and habits for the North Iowa Farmers Market.

Our main objective was to discover the best practices of farmers markets due to the lack of primary data and market research available to make decisions about the future of the farmers market. The team focused first on secondary research through USDA articles on the industry and best practices of the most thriving farmers markets.

The team members then determined that interviewing the market managers and board members of the farmers markets across parts of the Midwest to find best practices of the industry would be best for advice from comparably sized markets. Through these interviews, the team found that most of the markets had a certain reason for each day they had their market. For one day during the week, usually on a Tuesday, they would sell strictly fresh produce. The second day they held their market was more of a community event held twice a month. The community events offered entertainment, a broader selection of goods, and the involvement of local small businesses.

The team's second objective was to conduct research on vendors' perceptions and views on the farmers market's current state. Due to the decrease in sales at the market and loss of vendor participation, the team felt that this was a necessary method to incorporate into the research. The team interviewed 20 vendors over the phone, a mix of former, prospective and current vendors. The goal of the interviews was to gather as much information on the vendor itself in order to gather how important the North Iowa Farmers Market is to them and discover

what aspects of the market they agree with the most. See the appendix for the standard set of interview questions asked of vendors. The questions regarding days and times of the week allowed The team to gain information on other markets they may participate in that would hinder their ability to be a vendor for Mason City. Asking about the vendors' use of advertisement would allow the market to know if the vendor sold its product elsewhere besides at the market and how important the stand was to them.

The third objective was to conduct research on the consumers in the Northern Iowa area. The NIFM conducted their own dot survey based off of USDA articles on ascertaining the best information from consumers for markets. "Day 1" questions were asked as a group on one Friday; "Day 2" questions were asked a week later on a Friday. Each participant was given 8 dots for response, with different dot colors representing different age categories.

Findings and Results

The team has compiled the following results from the research completed on the objectives provided and agreed upon by North Iowa Farmers Market. The first objective was to gather primary research on the vendors for the North Iowa Farmers Market to understand and help determine why their vendors are leaving the market. This information was gathered through interviews over the phone with the vendors. The list of questions asked during the interview is provided in the methodology.

Vendor Interview Results

- Products offered were: fresh produce, organic produce, fruit, jams and jellies, fresh baked goods, knitted and craft items, quilts, candles and organic aromatherapy items.
- The vendors typically live within a 50 mile radius of Mason City and have been a part of the farmers market from over 10 years to as little as 2 years. They all participate in other local and more distant farmers markets that are and are not a part of the Northern Iowa Farmers Market Association. All 20 vendors have said that they have in the past or currently attend the Clear Lake farmers market on Saturday mornings. 5 of the vendors said that they go as far as Cedar Rapids and Des Moines to attend the Saturday markets due to such an increase in sales that it is worth it for them.
- All the vendors both current and past like the Tuesday and Friday market availabilities. 15 out of the 20 interviewed said they would prefer just a Friday market, as more sales occur on Fridays and they feel Tuesdays can be a waste of their time. 15 out of 20 vendors said that they would not participate at a market in Mason City besides those days of the week.
- All 20 vendors interviewed said they rely on word of mouth advertising, 10 said they had their own website or a form of social media for advertising and 5 vendors said they had pamphlets and brochures that they placed strategically through family, friends and local businesses to hand out.
- All vendors had a concern with the location of the farmers market currently, they felt there was not enough visibility and that it caused a dramatic decrease in their sales this last year. 15 out of the 20 vendors both current and former mentioned the old K-Mart

location had been incredibly successful in the past and would prefer that location if it became possible again.

- When interviewed on the board involvement and asked their thoughts on how things were going, all vendors voiced that they liked the board and the initiatives being put in place. 15 out of the 20 vendors said that they appreciated the presence of the board at all of the markets held this last season. 10 out of 20 vendors said that they appreciated the board but felt as if their concerns and the timeliness of response was lacking.
- All 20 vendors interviewed said they would be open to a brainstorming event for the future of the farmers market with the board members, local business owners and consumers.

The second objective was to gather information on best practices of farmers markets via comparable markets and expert interviews with other farmers market managers and board members.

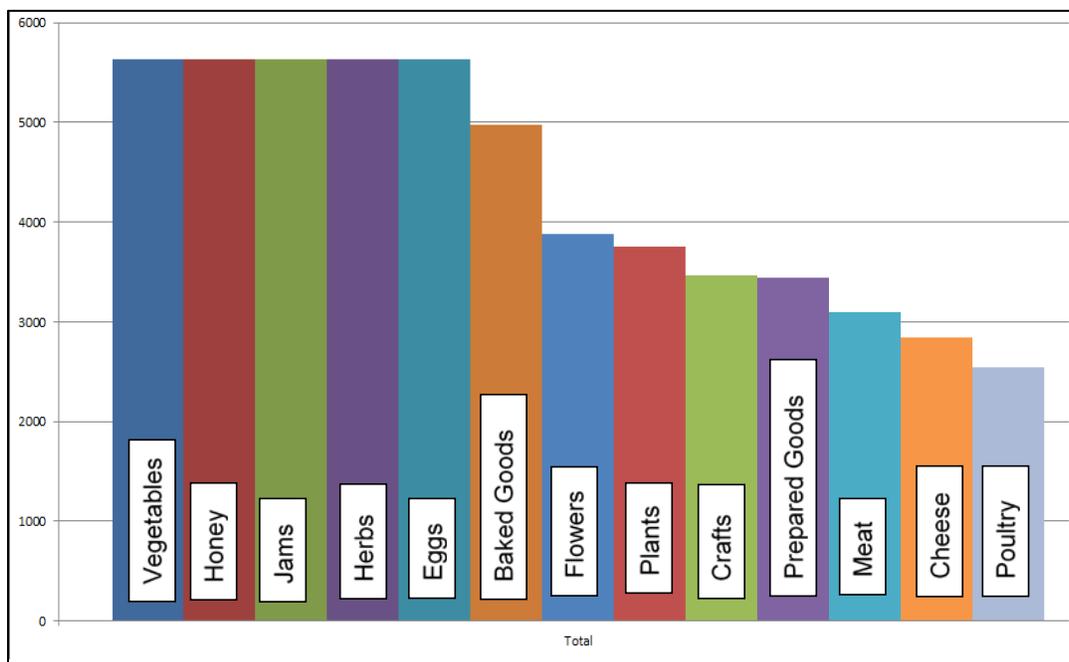
Expert Interview Results

The team interviewed 10 farmers market managers of towns with comparable population sizes of less than 30,000 people and median incomes of around \$40,000 a year. Below are the key items they recommended for best practices and advice for a strong farmers market.

- Strong board involvement and participation.
- Market manager that oversaw everything, coordinated marketing and vendors.
- Make it a point to make sure the stakeholders (vendors, customers and local business owners) are welcomed to consumer workshops, hosted by a third party. The point of the workshop is to facilitate constructive conversation efforts to promote ideas for the next year's market. Having the third party person there to host lets the stakeholders know that their ideas and opinions are being heard and hold value.
- Go to the annual Iowa Farmers Market Association Conference, its great way to connect and brainstorm with other managers from farmers markets.
- Offers a class to teach vendors how to utilize social media because a lot of vendors are not tech savvy and it would increase advertising for the market.

- They all had one market that was strictly produce and goods and the second market offered was more of an event with entertainment or family event day.

Secondary research through USDA articles creation of pivot charts on all farmers markets in the United States provided valuable information on products offered and payment methods available to the customers by the team. There are 8,670 farmers markets in the US and the primary choice of available payment method was credit cards with 4,865 markets enabling them, followed by SFMNP and SNAP at having just under 2,750 markets accepting those terms. The top six (6) items offered for sale at over 4,000 farmers markets were vegetables, baked goods, honey, jams, herbs and eggs.



Consumer Survey Results

North Iowa Farmers Market Dot Survey - Day 1 Results

The team found that supporting local agriculture and the freshness and taste of products were the top two reasons for consumers to shop at the farmers market. We also found that 23 of the 42 customers evaluated purchased from 2-3 vendors at the market that day. Another key result from the Dot Survey was that 38 out of the 44 customers would spend anywhere from \$10-\$20 at the farmers market. Of the money spent at the farmers market, fruits and veggies were the most bought item by 38 out of 73 customers, with the second most bought item being baked goods by 18 customers.

North Iowa Farmers Market 2016 Customer Evaluation – Dot Survey

Day1/Q1 -What is the #1 reason you shop at the farmers market?

	<25	25-45	46-65	65+	TOTAL
Price	0	0	0	0	0
Freshness/Taste	1	3	7	12.5	23.5
Support Local Ag	0	5	10	7.5	22.5
Variety	0	0	1	1	2
Convenience	0	0	0	0	0
Community	0	1	2	1	4
TOTAL	1	9	20	22	52

Day1/Q2 -How many vendors did you purchase from at the market today?

	<25	25-45	46-65	65+	TOTAL
0/no purchase	0	1	0	0	1
1	1	2	1	5	9
2-3	0	4	10	9	23
4+	0	2	5	2	9
TOTAL	1	9	16	16	42

Day 1/Q3 -How much do you usually spend at market on market day?

	<25	25-45	46-65	65+	TOTAL
<\$10	0	2	2	3	7
\$10-\$15	1	4	7	4	16
\$16-\$20	0	2	9	7	18
\$21-\$25	0	1	0	0	1
>\$25	0	0	2	0	2
TOTAL	1	9	20	14	44

Day 1/Q4 -What did you purchase at the market today?

	<25	25-45	46-65	65+	TOTAL
Fruit & Veggies	0	8	17	14	39
Baked Goods	1	5	3	7	16
Processed Food	0	2	4	3	9
Other	0	1	4	4	9
TOTAL	1	16	28	28	73

Day 2 Results

Most of the customers either learned about the market or were reminded about the market by driving past it, signs in town or just that it was a habit to visit the market. When asked about how often they visited the NIFM the majority said they visited twice a month and were rather infrequent. The customers indicated that the top three things that could be improved about the farmers market are music, food tasting demonstrations and the product variety. The majority of the customers indicate that their consumption of fruits and vegetables increased due to shopping at the market.

Day 2/Q1- How did you learn/are you reminded about the market?

	<25	25-45	46-65	65+	TOTAL
Driving by	0	2	7	1	10
Facebook	0	1	1	0	2
Employer	0	0	0	0	0
Word-mouth	1	2	2	1	6
Signs in town	0	2	3	2	7
Habit	1	3	2	1	7
Total	2	10	15	5	32

Day 2/Q2-How often do you shop at the North Iowa Farmers Market?

	<25	25-45	46-65	65+	TOTAL
Twice/wk	0	1	3	0	4
Once/wk	0	0	2	1	3
Twice/mth	1	5	1	2	9
Infrequently	0	2	3	1	6
First time	0	2	1	0	3
Total	1	10	10	4	25

Day 2/Q3 -What could be improved about this farmers market?

	<25	25-45	46-65	65+	TOTAL
Location	0	2	2	0	4
Music	2	7	5	1	15
Food Tasting Demonstration	1	2	5	4	12
Activities for kids	0	5	2	1	8
Product Variety	0	5	4	2	11
Promotional Educational	1	1	1	1	4
Total	4	22	19	9	54

Day 2/Q4 -My consumption of fruits/veggies has increased due to shopping at market

	<25	25-45	46-65	65+	TOTAL
Strongly agree	0	1	6	0	7
Agree	2	7	3	0	12
No Impact	0	2	1	0	3
Disagree	0	0	0	1	1
Strongly Disagree	0	0	0	0	0
Total	2	10	10	1	23

Recommendations

Conclusions from secondary research on farmers markets and primary interviews with market managers:

- A second larger market would give NIFM the capability to bring different vendors or events to the Mason City area but allow flexibility on when these events are held.
- They do not have to worry about having an event every week but rather once or twice a month. Fort Dodge, for example, holds bi-monthly Saturday markets that are successful and are community events.
- NIFM should consider expanding their farmers market and also including a wider variety of vendors such as meat producers and small local businesses to advertise and sell their goods at the farmers market.
- NIFM could feature events at the farmers market to attract a larger crowd to its location.
- Events like musical performances tend to draw people to the farmers market to enjoy the event and also browse and purchase goods from the farmers market (Defosse 2016).
- Partnerships with stores could be built to allow the farmers market to feature more vendors or host events.

Conclusions from Vendor Interviews

- The team would recommend not to change the days that the market is offered due to vendors participation in other local markets.
- The team would recommend a survey based on location and amenities offered be brought to the vendors to get input on a future location, although many recommended going back to a previous location in the Kmart parking lot during the interview process.
- Allowing vendors to partake in farmers market discussion would allow NIFM to get a better understanding of what the vendor would like to see at the market.
- Outside input could prove to be very important to driving up North Iowa Farmers Markets customer traffic. They could have useful input on what they believe is important for a farmers market in Mason City.

Conclusions from Consumer Surveys

- The team would recommend increasing advertising and promotion of the markets by providing a free class for vendors to learn how to utilize social media. This class would teach vendors how to post pictures and updates on social media platforms such as Facebook, Twitter, and Instagram. By increasing vendor social media advertising, it could potentially create more consumer awareness about what products are available at

the market and when they will be offered and could result in increased sales for vendors (Defosse, 2016).

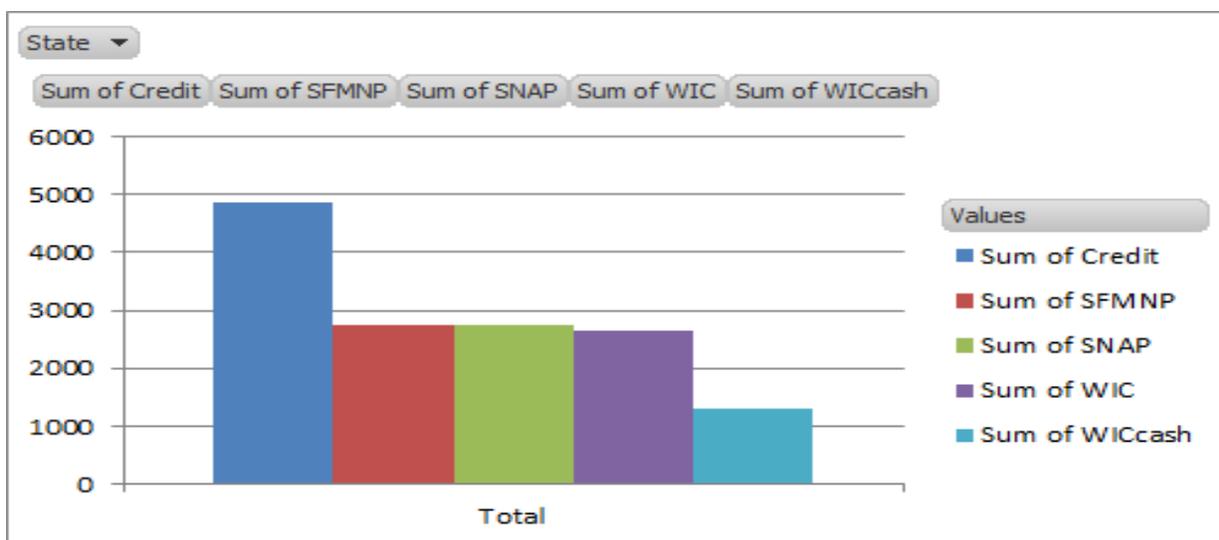
- The team would recommend looking into the ROI and benefit of having music, food tasting demonstrations and increased product variety would have on the market and the vendors.

Appendix

Vendor Interview Questions Asked

- What type of product do you sell?
- How long have you been attending the market?
- Which day of the week would you prefer?
- What time of day would you prefer?
- Would any particular day or time of the week have more of an impact on your sales either negatively or positively?
- Do you do your own advertising? If so, what types? (social media, etc)
- Do you participate in other farmer's markets besides Mason City? If so, which ones and when?
- Would you be willing to participate in a brainstorming night with members of the board, other small business owners and vendors to help prepare for the next market season?

USDA - National Farmers Market Payment Method Graph



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(2016 Bull) Melissa Bull, Former/Possible Vendor to North Iowa Farmers Market

(2016 Bunda) Laura Bunda, Market Manager, Fort Dodge Market on Central

(2016 DeFosse) Jennifer DeFosse, Muscatine Area Farmers Market

(2016) , Cedar Rapids Farmers Market Manager

(2016 Ehlke) Sheryle Ehlke, Vendor to North Iowa Farmers Market

(2016 Ennis) Pat Ennis, Possible Vendor to North Iowa Farmers Market

(2016 Groh) Wayde Groh, Vendor to North Iowa Farmers Market

(2016 Hamilton) Aiden Hamilton, Vendor to North Iowa Farmers Market

(2016 Hibbard) Matt Hibbard, Coralville Farmers Market Manager

(2016 Huang) Becke Huang, Vendor to North Iowa Farmers Market

(2016 Lassise) Deb Lassise, Board of Directors, Mason City, City Council Board

(2016 Lee) Camille Lee, Vendor and Board Member to North Iowa Farmers Market

(2016) , Marion Farmers Market Manager

(2016 Miller) Beulah Miller, Possible Vendor to North Iowa Farmers Market

(2016 Morris) Jane Morris, Vendor to North Iowa Farmers Market

(2016 Peek) Donna Peek, Possible Vendor to North Iowa Farmers Market

(2016 Qualy) Robin Qualy, Infrequent Vendor to North Iowa Farmers Market

(2016 Rassmussen) Bill Rassmussen, Vendor to North Iowa Farmers Market

(2016 Smith) Beth Smith, Vendor to North Iowa Farmers Market

(2016 Smith) Brian Smith, St. Joseph Market Manager

(2016 Spear) Darell Spear, Possible Vendor to North Iowa Farmers Market

(2016 Strasheim) Steven Strasheim, Possible Vendor to North Iowa Farmers Market

(2016 Tomlinson) Gary Tomlinson, Vendor to North Iowa Farmers Market

(2016 Wainwright) Will Wainwright, Vendor to North Iowa Farmers Market

(2016 Walsh) Marty Walsh, Financial Director, Mason City, City Council Board

(2016 Zimmerman) Daniel Zimmerman, Vendor to North Iowa Farmers Market

(2016 Zimmerman) Lerory Zimmerman, Infrequent Vendor to North Iowa Farmers Market