



**FARMERS'
MARKET
HUB
MANUAL**



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1. Overview

A farmers' market hub (FMH) is a licensed entity that buys products from vendors and sells them to retail and / or wholesale customers. Most FMHs are part of existing farmers' markets. The original development of FMHs was specifically intended to give farmers another market channel at a farmers' market they were already selling at as a vendor.

If you want to explore the idea of starting a hub at your farmers' market, start with a market analysis of your foodshed. What does your community look like? Who are the potential buyers, what are their needs, what are their resources, what niche could a FMH fill?

Next, build a business plan. You will need to draft a budget in order to secure necessary start-up and operating funds, and you will also need to develop a plan for sustainable long-term operation of the FMH. FMHs have a very slim profit margin so operations need to become efficient quickly. We have example budgets and worksheets available in this guide.

Starting up a food hub is a complex process. Recruiting a hub manager should come early in the process so they can help guide the remaining start-up tasks: establishing a business entity, getting insurance, setting up an online sales system, onboarding vendors and products, securing a MN Department of Agriculture food handler license, and establishing day-of-market operations.

Finally, documentation is a key piece in all these steps. FMH staff and volunteers will develop and maintain documents that record the business plan and operating budget, the food safety and traceability protocols associated with food handler licensing, accounting and billing, and the "standard operating procedures" (SOPs) for day-of-market operations. Having all this documentation in order will enable the FMH to fulfill legal requirements and continue operations through situations of staff and volunteer turnover.

The team that developed this FMH concept in Minnesota created the farmersmarkethub.org website to hold documents, reports, lessons learned, and contact information for the team members. If you don't find what you're seeking in this manual, please visit the website!

<https://farmersmarkethub.org>

2. Foodshed Market Analysis

Adding a FMH to an existing farmers' market—or starting one independently—requires a business plan. While enthusiasm is valuable, a business plan helps you strategize how you can be successful. Before investing time and resources in business plan development, do a market analysis to see if adding a FMH to your foodshed is a good fit.

Begin by using data from the latest [U.S. Census](https://www.census.gov) at census.gov to understand the buying power in your community. Look at:

- o Population of cities and counties in your area
- o Median household income
- o Poverty rate as a percentage of the total population
- o Poverty rate of children under five years

A relatively high median household income and high population may mean a FMH has potential to operate primarily with earned revenue. A relatively low median household income and high poverty rate may mean a FMH has potential to access grant funds and donations from sources focused on relieving food access disparities.

Here are some ways to dig in deeper on your market analysis:

- Look up market segmentation data for your community. Who are your best customers? What are they like? What things do they like? Use the Claritas 360 tool: <https://claritas360.claritas.com/mybestsegments/#zipLookup>
- Research area community foundations, citizen groups, local governments, or other entities with funding programs that may be accessible to a FMH.
- Count the institutions with potential to buy wholesale (schools, restaurants, grocery stores, hospitals, child care centers, child care homes or other businesses in the area.)
- Count the food farmers and food makers with capacity to produce enough quantity for a hub enterprise
 - o Survey your current vendors
 - o Consider producers who currently do not sell at a farmers' market but would be interested in expanding through the FMH
- What other local food / direct marketing entities (including social media buy / sell groups) are already selling in your FMH area that either will collaborate with your FMH and increase sales for both; or, you would compete against, and decrease sales for both?



3. Building Your Business Plan

Advance planning of the FMH business is important so you have a roadmap to follow as you work to build the enterprise. We recommend reading this entire manual first and then circle back here to write your business plan.

You may find it helpful to use the worksheets and prompts in [Building a Sustainable Business: A Guide to Business Planning for Farms and Rural Businesses](https://www.misa.umn.edu/publications/buildingasustainablebusiness), from the Minnesota Institute for Sustainable Agriculture and the national Sustainable Agriculture Research and Education (SARE) program: <https://www.misa.umn.edu/publications/buildingasustainablebusiness>

A. Business Entity

A FMH must be a legal entity in order to conduct business and obtain food handler licensing. If the farmers' market associated with the FMH is already established as a business entity, it probably is not necessary to set up a separate entity for the FMH. If there is no established entity, though, this will need to be attended to early in the hub development process.

Some of the most common legal entities for farmers' market hubs include:

- 317A - Minnesota non-profit.
- 501(c)(3) – Federal non-profit with a charitable purpose. The market must have a mission that includes educational or charitable activity.
- 501(c)(5) – Federal non-profit for the purpose of promoting agricultural or horticultural sales. The market can have this legal status and still include vendors who sell non-agricultural products.
- 501(c)(6) – Federal non-profit business or trade association.
- City-owned – The market comes under a municipality's legal structure.
- Privately-owned – The market is a business entity run by an individual, LLC, or similar.

Find more information about business entities and how to establish them in the “How to Start a Business” guidance on the Minnesota Secretary of State's website:

<https://www.sos.state.mn.us/business-liens/start-a-business/how-to-start-a-business-in-minnesota/>



B. Budget Estimation

i. Start-Up Costs

Startup costs and annual expenses can vary greatly between markets. The following is a description of typical expenses, based on 2018 through 2021 data from nine FMHs in Minnesota:

A. Required items: ~\$1,000

1. MDA food handler license: \$57 for wholesale or \$77 for retail (*fees are listed in MN Statute 28A.08, <https://www.revisor.mn.gov/statutes/cite/28A.08>*). Which license you buy is dependent on the majority (51%) of sales you anticipate in your first year. Thereafter, the license type is based on the prior year's sales.
2. Tent(s) or building – for overhead protection.
3. Sorting tables – washable, sanitizable.
4. Handwashing station - gravity-fed.
[Cheap_easy_handwashing_station.pdf](#)
5. Cleaning supplies – pail, towels, soap, sanitizer, food-grade gloves, etc.
6. Packing supplies – boxes, bags, bins, etc. (cost will vary depending on number of orders).

B. Highly recommended items: ~\$3,000 to \$9,500

1. Online sales platform, \$250 to \$2,500 annually (depending on platform, number of vendors, length of sales period).
Note: Great variation exists here. See the [Online Platform Comparison](#) for details on four platforms used or considered by FMHs in 2020-2021.
2. General and product liability insurance. ~\$500
Cost factors include if your market is operational all year or partial; if you include delivery service; if you use a building / refrigerated trailer / etc.
3. Legal-for-trade scale. ~\$250
If selling by weight, you are required to use a legal-for-trade scale that is calibrated annually. See APPENDIX
4. Signage – posters, paper, markers, tape, staplers, etc. (\$200+)



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C. Optional items: ~\$300 - \$5,000

1. Frozen and refrigerated products have to stay at or below the required temperature for food safety. This can be accomplished with coolers with ice, trailer with a CoolBot, refrigerators, or freezers. You will also need thermometers for verifying temperatures.

ii. Annual Budget

The Hub Funding Mix worksheet is based on experiences of FMHs in Minnesota from 2018 through 2020. It can be downloaded as a Microsoft Excel file from the “What We Learned” web page:

<https://www.farmersmarkethub.org/what-we-learned/>

The first tab of the spreadsheet is called “Profit-Loss” and shows detailed lists of expenses and income, with a reference example from the Grand Rapids Farmers’ Market. You can enter your own figures here and use the spreadsheet to calculate your likely expenses.

Annual operating budgets and profitability are contingent on many factors; including funds to cover startup costs, percentage of markup charged, amount of paid staff time, and other factors. By far the largest expense for a FMH is labor cost. Figures shown are based on 2020 data from six FMHs in Minnesota.

[Hub_FundingMix_worksheet_v062121.xlsx](#)

iii. Expenses

- A. Personnel. ~\$10,400 for a half-time seasonal employee or independent contractor, based on 26 weeks x 20 hours per week x \$20/hour. This figure will be highly variable by market. Dependent on: number of months the FMH operates, labor provided by vendors (i.e., vendors pack orders), number of volunteers, number of orders, systems in place, etc. .
- B. Marketing and Advertising: ~\$250+. This may include signage for drive-through pick-ups, social media posting, flyers, employee or contractor time spent on promotional work.
- C. Electricity for compressors, generators, if needed: ~\$200
- D. Annual license renewal and insurance premiums: \$57 to ~\$600
 1. Wholesale license at \$57/year or retail license at \$77/year
 2. Workers compensation insurance ~ \$250/year
 3. General liability and product liability insurance ~ \$300/year



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E. Annual online sale platform subscription, from \$250 to \$2,500/year

F. Consumables: boxes, bags, cleaning supplies: ~ \$250 to \$750 depending on sales volume

iv. Income

FMHs require income to operate. FMHs will only be stable long-term if their funding mix is a good match for both their style of operations and their community's size and resources. Four types of income FMHs have used include:

- Earned Income: Mark-up percentages and fees charged to the vendors, the buyers, or both
 - We recommend that all FMHs strive to cover part of their costs through earned income. Even if your funding mix assessment is that most of the hub funding will come from grants or sponsorships, the providers of those funds often want to see matching funds from the enterprise.
- Donations & Grants: Sometimes connected to program delivery for youth or low-income consumers; or tied to economic development
- Reimbursements & Cost-Shares: public or private funding to match all or a portion of expenditures
- Other sources: municipal governments, contracts, sponsorships, fundraisers

v. Sustainability Estimation

In the first five years of our experience with FMHs in MN (2017-2021), none of the hubs made a profit nor broke even, without grants contributing to their annual operations and substantial labor from volunteers. There is evidence, however, that they have increased sales for vendors (above the vendors' normal sales at a farmers' market) and they have increased customers shopping at the farmers' markets. See "What We Learned" on the Farmers' Market Hubs website:

<https://www.farmersmarkethub.org/what-we-learned/>

To help determine a funding mix that would be a good fit for your community, return to the [Hub Funding Mix Worksheet](#) and use the second tab, "FundingMix." If you have entered data on expected costs and income in the first tab, this information will be summarized and pulled into the second tab where you can game out some scenarios for a funding package to operate a FMH. Use this tool to make an informed decision about funding possibilities and likely viability of a FMH in your community.



4. Starting Up a Hub

A. Manager's Responsibilities

A farmers' market manager or board member may have capacity to add hub responsibilities to their workload. If not, a FMH manager will need to be hired.

Primary responsibilities associated with a FMH:

- Establish and maintain the FMH as a legal entity
- Create a budget and access funding
- Secure the correct insurance
- Procure equipment and supplies
- License the market hub
- List products appropriately to meet food licensing law requirements
- Assess labor needs; hire staff, recruit volunteers
- Decide on the best sales platform and implement it
- Recruit and train vendors, both those who sell in-person at the market and those who only sell via the hub
- Recruit and train buyers; both direct customers and wholesale buyers
- Implement aggregation process at the market
- Determine if delivery is needed; establish delivery logistics
- Establish infrastructure for pick-up and/or delivery options
- Manage activities on the day of aggregation and pick-up
- Manage finances – pay suppliers, track income and expenses, pay sales tax, file tax forms

Skills required to excel at this position:

- Experience running a profitable business
- Excellent organizational skills



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- Effective in promotion, marketing, and sales
- Basic accounting
- Excellent communication skills
- Comfort with technology, i.e. ability to interact with online sales platform (training is available)
- Valid driver's license (if deliveries will be made)

B. Complying with State and Federal Employment Laws

There are many legal requirements for employers. These may include collecting and remitting payroll taxes, issuing W-2 or 1099 forms, providing workers' compensation insurance, and paying into state unemployment insurance among other requirements.

Depending on how the hub manager role is configured, the manager could be an employee or an independent contractor.

See Minnesota Farmers' Market Association's [Requirements at Minnesota Farmers' Markets](#).

C. Insurance

- General liability insurance protects against harm or injury that occurs as a result of the aggregation activities.
- Product liability insurance protects the aggregation business if a customer gets sick from consuming products sold through this channel.
- Workers' compensation insurance protects workers in the case of injury on the job.

Both general and product liability insurance are highly recommended for FMHs. Existing farmers' market insurance policies should be checked to see if they cover FMH activities, including food owned by the market and transported in personal vehicles (if delivery is offered). It is a recommended practice to require all vendors to carry their own general and product liability insurance, and to list the FMH as an additional insured.

If the hub manager is an employee, the market is required to provide workers' compensation insurance. If the hub manager is an independent contractor, the independent contractor should either carry their own general liability insurance and provide a certificate of insurance to the market; or the market should cover them under their workers' compensation policy.



D. Taxes

Sales tax must be collected on taxable items, and remitted to the Minnesota Department of Revenue. In order to do this, the FMH or the farmers' market organization must have a Minnesota Sales Tax Identification number and account. Follow instructions on the Minnesota Department of Revenue website: <https://www.revenue.state.mn.us/businesses>

FMHs that collect money from customers and distribute money to vendors are "third-party settlement organizations" according to federal tax law. If any vendors exceed the threshold of 200 transactions per year AND \$20,000 in sales per year through the FMH, the FMH should issue those vendors a 1099-K form reporting their sales income.

[Hub_tax_reporting_1099K.docx](#)

E. Establish a Business Model

FMHs are similar to grocery stores in that they can source products from many suppliers and offer customers a wide array of products. In FMHs, the vendor sets the price, and 'stocks the shelves,' in that they upload their inventory and keep it current. Some online sales platforms allow vendors to list the items in individual quantities, for example a pound of tomatoes; as well as case quantities. The vendor then sets the pricing for each size variation. This allows for both retail and wholesale sales on the same platform.

Even with a vendor-driven online sales platform, a FMH could still buy large quantities from several vendors, aggregate those orders, and sell to a food business or institution at a specific wholesale price.

i. Types of FMH Sales

Retail sales can take two forms that cost the FMH vastly different amounts in labor expenses:

- A la carte: Customer orders products from the online list or catalog, supplied by various vendors. These products must be delivered by vendors to the FMH on market day, sorted and compiled for each order, and given to the customer at the market; or delivered for a delivery charge. This retail sale has a significant labor cost to the FMH, which can be mitigated somewhat if the vendors are required to help pack the compiled orders.
- Market Share Box: Customers order a weekly or bi-weekly "market share box," that contains a set value of products from the FMH each week, for a set number of weeks.



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Typically, market share boxes are purchased at the beginning of the season. Payment can be in full in advance, or in installments over time. SNAP customers will not be able to pay in advance and will require a payment at pick-up option. This retail sale has a lesser labor expense, and gives the FMH flexibility in filling the orders, based on what is available weekly from the vendors.

See [Market Share Box FAQs](#).

Wholesale sales typically have a lower price point for both the vendor and the buyer. The profit comes from volume of sales, less packaging, less product preparation time, and less one-on-one communication than for individualized retail orders.

F. Set Up an Online Sales Platform

FMHs typically use some type of online sales method. Some hubs have operated successfully with simple tools such as an online order form and spreadsheets to track orders, but these require extra time and effort from managers. Integrated online sales platforms have the benefit of automating many tasks. Online sales platforms allow vendors to upload their products and keep their inventory (quantity, pricing and availability) current; and track orders placed by customers.

Online sales platforms allow customers to pay online via credit or debit card, or to pay in person when they pick up their order. Customers paying with Supplemental Nutrition Assistance Program (SNAP) benefits (formerly known as food stamps) will not be able to pay online under the current structure of the SNAP program, but they can pay in person at the time of pick up or delivery.

An online sales platform is a key component of the FMH model and choosing one, learning how to use it, and setting it up will take a substantial investment of time. While this can be done at any point during the start-up phase, doing it early has benefits. Early means your vendors and buyers have more time to get familiar with it. Having your ordering system in place before pursuing your food license means your inspector will be able to see your system and understand how it enables you to fulfill product traceability requirements.

Things to consider when choosing an online sales platform:

- Cost
- User friendly for FMH Manager, buyers and farmers
- Ability to list varying package sizes and prices
- Storefront appearance
- Checkout process: online and in-person payment options



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- Available reports
- Customer support provided
- Training

Onboarding farmers and buyers to a new platform will be tough, but switching platforms is tougher, so choosing the right one initially is extremely important. That said, online sales platforms are continually adapting and upgrading. The best option today may not be the best two years down the road. We suggest you ask for references so you can talk to users who are actively using a particular platform for aggregating and selling products from multiple vendors.

Comparison of online platforms used or considered by FMHs in 2020-2021: [Online Platform Comparison_072121.docx](#)

G. Onboard Vendors and Products

FMHs can set their own requirements for vendors.

Following are recommended *best management practices*:

- Host a vendor training (in-person or virtual) to explain the benefits and requirements to sell through the FMH. Topics to include: training on sales platform, FMH mark-up (if applicable), pricing for profitability, product standards, understanding buyers, the value of pictures in the online catalog, sales leads, handling rejected orders, payment frequency, issuing refunds, handling SNAP EBT payments, process for cottage foods, sales tax, issuing 1099s, etc.
- Require and collect the following from each vendor:
 - o A signed agreement between the FMH and the vendor, that outlines the responsibilities of each. Sample *Farmers' Market Hub and Vendor Agreement*
 - o Copy of general and product liability insurance policy, listing FMH as additional insured
 - o Copies of all certificates and/or licenses held by vendors
 - o Written acknowledgement that vendors may receive a 1099-K Reporting Form if their number of transactions exceeds 200 AND their sales exceed \$20,000 in a calendar year.
 - Collect W-9 forms from vendors if needed: Request for Taxpayer Identification Number and Certification <https://www.irs.gov/pub/irs-pdf/fw9.pdf>
- **For produce vendors:**
 - o GAP or FSMA PSR training
 - GAP training (Good Agricultural Practices); <https://extension.umn.edu/safety/growing-safe-food>



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- FSMA PSR training (Food Safety Modernization Act Produce Safety Rule); <https://www.mda.state.mn.us/food/produce-safety-inspections>
- o On-farm food safety plan. A summary plan template, [one-page-summary-on-farm-food-safety-plan_fm_mkt_aggr_051220.pdf](#) is available for vendors to use.
- o Annual water test
 - Water testing information for FMH vendors [water_testing_050720.pdf](#)
 - Extension information about testing agricultural water, <https://extension.umn.edu/safety/growing-safe-food#testing-agricultural-water-1346162>
- Set guidelines for payment disbursement to vendors. Some options:
 - o Whenever a buyer makes a payment to the market
 - o Every week
 - o Twice per month
 - o Once per month
 - o Twice per month unless amount owed is more than or less than a threshold amount
 - o Once per month unless amount owed is more than or less than a threshold amount

i. Pricing of Products

There are several ways for a FMH to price products sold, especially if selling to both retail and wholesale customers. Generally speaking, retail means selling smaller quantities directly to the end consumer, with retail prices higher than wholesale. Wholesale means selling larger quantities to institutions or other food businesses at lower prices. However, a FMH could also do volume discounts, or time-limited sale prices, to either retail or wholesale customers.

Examples of produce pricing reference data used by Minnesota FMHs:

- [Wabasha Farmers' Market Farm to Table Price Sheet](#)
- [Minneapolis Public Schools Reference Pricing from 2017](#)

While reference pricing data can be useful, FMHs should make their own calculations and set prices that will satisfy vendors and customers, and provide a profit to the FMH enterprise. Understand



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financial concepts like cost of goods sold (COGS), margin, and markup when you are setting prices for the FMH. See the *Margin and Markup* tip sheet: [QRG Margin and Markup.docx](#)

Some examples of how FMHs can charge to earn income, based on the FMH taking 18% of total gross sales:

- Add a markup percentage to items offered for sale: FMH buys apples from vendors at \$1/lb.; sells to buyers at \$1.18/lb. (18% markup)
- Charge the vendors a percent of sales: e.g., for every \$100 product sold through the FMH, the vendor pays the hub \$18 (18% user fee)
- A combination of both buyer charges (9% markup) and vendor charges (9% user fee)

Other options for earned income:

- A flat participation fee to vendors: \$50 annually
- A delivery fee (if applicable): flat \$10/delivery, or variable as a % of purchases or based on distance.

ii. Legality of Products

Many products sold by vendors at a farmers' market can also be sold through a FMH. However, there are regulations that restrict FMHs' ability to handle certain items, such as cottage foods, or meat and poultry that don't have USDA or Minnesota Equal-To mark of inspection.

These products can be listed on an online FMH platform and ordered through the platform, but due to legalities the FMH cannot handle either the product or the payment:

- Cottage foods
- Poultry processed on the farm under the PL 90-492 exemption, and rabbits processed on the farm
- Other meat or rendered animal fat products that have been processed and labeled for retail sales

In all the above situations, the vendor can list their products in the FMH's online catalog with a \$0 price, and provide their price information in the product description along with instructions to the customer to pick up their product and pay the vendor in person at the market.



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When questions about legality of products arise, refer to this extensive list of legal and not legal products for FMHs to sell: [QRG Legality of Food Products for Purchase by FMH.docx](#)

H. MDA License and Requirements

FMHs are food businesses, and must have a food license issued by the Minnesota Department of Agriculture. Which type of license, retail or wholesale, will depend on whether the majority of the FMH's annual sales are to "end consumers" (retail sales), or to other food businesses (wholesale sales.) The most common license types for a FMH are:

- Retail Food Vehicle/Portable Structure or Cart
- Retail Food Handler
- Wholesale Food Handler
- Food Broker

Refer to this License Type chart, [Food License Types for Farmers' Market Hubs](#) for more detail about these licenses to help determine your likely license, but your inspector will make the final determination.

Each FMH is required to hold one license per physical location. That is, if the FMH operates in one location during the summer months and in a different location during the winter months, and if aggregation occurs at both places, then the FMH will need two licenses, one for each location. No license is needed for activities that do not involve FMH's ownership of food, food handling, or food invoicing.

The food licensing process starts with contacting the Minnesota Department of Agriculture's Licensing Liaison: <https://www.mda.state.mn.us/food-liaison-request>. Fill out and submit the brief questionnaire at the bottom of that Liaison web page. This will get reviewed by an MDA staff person who will put you in touch with the correct inspector for the license type you will need.

Example inspection report from the Chisago City Farmers' Market: [QRG Inspection Report.docx](#)

- FMHs must follow all food safety and other legal requirements associated with their food license.
- FMHs are subject to food traceability requirements: one step forward and one step back. The online sales platform will facilitate this by tracking products received from vendors (one step back) and sold to buyers (one step forward.)
- FMHs are responsible for the quality of products they buy from vendors, and will take any



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loss from an order rejected by a buyer.

i. Preparing to meet your inspector

Your inspector will set up a visit with the person responsible for managing the FMH to make sure they understand food safety, legal food sales, traceability requirements, and have protocols in place, before issuing a license.

Refer to this Licensing Tips document for detailed information about what to prepare in advance of this meeting: [QRG_Licensing_Tips.docx](#)

Protocol documents to have in hand:

- Container Cleaning & Sanitizing Policy, [QRG_Container_Cleaning_Sanitizing_Policy.docx](#)
- Handwashing Stations, [QRG_Handwashing_Station.pdf](#)
- Personnel Hygiene & Illness Policy, [QRG_Personnel_Hygiene_Policy.docx](#)
- Surface Cleaning & Sanitizing Procedure, [QRG_Sanitizing_Information.docx](#)
- Traceability Protocol, [traceability_fm_mkt_hubs.docx](#)
- Transport Vehicle Policy, [QRG_Transport_Vehicle_Policy.docx](#)

I. Obtain Supplies

Most of the supplies listed in the Start-Up Costs section on page 4 can easily be purchased at local stores or online.

Some suppliers of harder-to-find items that FMHs have found useful (this list is not an endorsement of any business):

- Boxes, bags, containers: Jordan Seeds, <https://jordanseeds.com/>
- Insurance: Minnesota Farmers' Market Association, <https://www.mfma.org/Insurance>

5. Advertise to Buyers

A. How to do Sales Work

Sales work is work! Whether selling wholesale or retail, you cannot expect buyers to beat a path to your farmers' market; you will have to find them and build a working relationship with them. Buyers have many demands on their time and many companies trying to sell them goods or services. Repeated contact and excellent customer service is important for success in sales. If you are selling to wholesale buyers, personal contact, repeated over time, is key. Learn more in Sales Techniques for Farmers' Market Hub [QRG_Sales Techniques for Farmers Market Hubs.docx](#)

B. Wholesale Buyers

Wholesale buyers may be unfamiliar with purchasing local foods, so education most likely will be part of the outreach efforts.

Here's a sample [Buyer Survey](#), <https://docs.google.com/forms/d/1btB6zDTanC86KDskWQoA7PoLHRN7CYBB9jb8D-8N9es/edit?usp=sharing> that can be used both to gauge wholesale buyer interest in FMH products, and to start the process of educating buyers about the FMH.

Typical wholesale buyer concerns:

- Legality of buying directly from farmers (or from farmers through a FMH)
- Price
- Product quality and quantity
- Seasonal availability
- Time/Staffing
- Delivery frequency or day

The Minnesota Department of Agriculture created fact sheets to verify to buyers that purchases of local meat, poultry, eggs, and produce are legal for them to buy. Find the complete set on the MISA website: <https://www.misa.umn.edu/publications/local-food-fact-sheet-series>



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Produce standards and requirements will differ between buyers. Schools have much different needs than restaurants or grocery stores, for instance. The FMH manager should collect information from buyers about their produce standards, quantities needed, optimum delivery times, etc., and convey that to all vendors on a regular basis.

Produce standards example:

Minneapolis Public Schools Produce Specifications

[MPS_product_specifications.pdf](#)

The Good Acre Wholesale Standards for Produce

<https://thegoodacre.org/wp-content/uploads/2018/08/wholesale-standards-final-web.pdf>

6. Set up Market Day Operations

A. Logistics

- Location and setup of any temporary structures and equipment such as canopy/tent, tables, scale, and handwashing station
- Location of customer pick-up point, and drive-through lane if you are using one
- Process to receive products, record that you've received them, sort, and package them
- How will you get products to buyers? Will buyers come to you and/or will you deliver?
 - If you are delivering, what vehicle will you use and does it meet the safety protocols required? Use this sample *Transport Vehicle Policy*:
[QRG_Transport_Vehicle_Policy.docx](#)
 - Will cottage foods be ordered online? These vendors need to be near the pick-up location, yet a part of the market

B. Day-of-Market Activities

Having a written "Standard Operating Procedure" (SOP) for the day of the market is critical. A good written SOP will enable someone new to take over and successfully manage operations if the hub manager is unavailable for any reason.

Typical day-of-market activities:



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- Set up temporary structures and equipment such as canopy, table(s), scale, handwashing station
- Clean and sanitize food contact surfaces (table and scale)
 - Remove dirt and debris, wash with soap and water, rinse, then sanitize
- Ensure a ***Personnel Hygiene & Illness Policy*** form is on file for each aggregation worker
- Ensure a ***Clean Transport of Produce Policy*** form is on file for each delivery driver
- Ensure reusable containers are clean according to ***Container Cleaning & Sanitizing Policy***
- Products arrive at market
- Vendors bring products to aggregation booth
- Handwashing before any product handling
- Commingle, sort, and pack products into boxes, bags or reusable containers
- Label containers with customer names and/or order numbers, and any other required labeling
- For customers picking up at the market, verify their name and order number, give them their order, and check off on your log sheet that they have picked it up
- For deliveries, delivery driver(s) load containers into clean transport vehicles and distribute them to buyers
- Clean off tables and scales
- Take down any temporary structures and equipment such as canopy and tables
- Store all equipment in designated location
- Double-check recordkeeping; add any notes or corrections
- Deliver payment information to person responsible for paying vendors

Example Standard Operating Procedure from Red Wing Farmers' Market:
[Standard_Operating_Procedures_RedWing.docx](#)

Example Standard Operating Procedure from Rochester Farmers' Market:
[Standard_Operating_Procedures_Rochester.docx](#)



7. Recordkeeping

The sales platform you choose will directly impact how much manual recordkeeping you do. Some platforms do everything from creating sales catalogs, sending out scheduled emails to vendors and buyers, accepting orders, invoicing vendors, creating packing lists for orders, compiling post-sales reports, etc. Most platforms use an outside financial service to handle the credit card transactions. The FMH must have access to a bank account where buyers' payments can be deposited, and from which payments to vendors can be made. Canceled orders / refunded transactions occur in both the sales platform and in the financial services account.

8. Conclusion

For more detail and advice in operating a Minnesota Farmers' Market Hub:

- Farmers' Market Hub website: www.farmersmarkethub.org
- Sara George, Renewing the Countryside, sara@rtcinfo.org (715) 651-5046
- Jane Jewett, Minnesota Institute for Sustainable Agriculture, jewet006@umn.edu, (218) 670-0066
- Jan Joannides, Renewing the Countryside, jan@rtcinfo.org
- Kathy Zeman, Minnesota Farmers' Market Association, kzeman@mfma.org (507) 664-9446



Appendix

1. Policies and Protocols

- Container Cleaning and Sanitizing Policy
- FMH and Vendor Agreement
- Personnel Hygiene and Illness Policy
- Surface Cleaning and Sanitizing Procedure
- Traceability Protocol
- Transport Vehicle Policy

2. Resources for Farmers' Market Hubs

- Buyer Survey
- Example Inspection Report
- Farm to Table Price Sheet
- Federal Tax Reporting Obligations
- Food License Types
- Handwashing Stations
- Hub Funding Mix Worksheet
- Legality of Food Products for Purchase
- Licensing Tips
- Margin and Markup
- Market Share Box FAQs
- One-Page Summary of On Farm Produce
- Online Platform Comparison



MINNESOTA FARMERS' MARKET HUB MANUAL

- Produce Food Safety Plan
- Sales Techniques
- Standard Operating Procedure Example - Red Wing
- Standard Operating Procedure Example - Rochester
- Water Testing Information

3. Selling Minnesota Guides

- Aggregation of Farmers' Produce
- Approved Water Supply For Rural Food Businesses
- Meat Products
- Poultry Products
- Produce
- Shell Eggs

4. Wholesale Buyers Resources

- [Approved Sources for Food Products](#)
- [Approved Sources of Meat and Poultry for Food Facilities](#)
- [Sale of Locally Raised Eggs to Food Facilities](#)
- [Selling or Serving Locally Grown Produce in Food Facilities](#)

5. Other General Resources

- Building a Sustainable Business
- Businesses, MN Department of Revenue
- Claritas360



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- Good Agricultural Practices (GAPs)
- How to Start a Business in Minnesota
- Jordan Seeds
- License Fees; Penalties
- Licensing Liaison
- Minnesota Farmers' Market Association
- Minneapolis Public Schools Farm to School Pricing
- Produce Safety Program, MN Department of Agriculture
- Requirements at MN Farmers' Markets
- Testing Agricultural Water
- U.S. Census

6. Acknowledgements

Protocols for farmers' market hubs were developed in 2017-2021 by Renewing the Countryside (RTC), Minnesota Farmers' Market Association (MFMA), and the Minnesota Institute of Sustainable Agriculture (MISA) and funded by grants from sources including:

- Compeer
- Extension Risk Management Education
- Minnesota Department of Agriculture E-Commerce Grant Program
- Minnesota Department of Agriculture Specialty Crop Block Grant Program
- Statewide Health Improvement Partnership

7. Farmers' Market Hub Glossary

CoolBot: Device that overrides the temperature gauge of an air conditioner in an insulated trailer or insulated room, allowing the temperature to reach below 40°F, used for in-field and post-harvest cooling of fresh produce. Developed by North Carolina State University.



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Cottage Food: Non-potentially hazardous baked goods, jam, jelly, pickles, and other acidified canned foods that individuals can make in a home kitchen and sell under an exemption from food licensing law. M.S. 28A.152

Farmers' Market Hub: A food business entity associated with a farmers' market that procures products from multiple vendors, assembles products to order for customers, and sells products to customers.

Food License: A document issued to a food business by the Minnesota Department of Agriculture, Minnesota Department of Health, or one of those agencies' delegated local authorities. The food license is a legal requirement for operation of a food business in Minnesota.

Food Safety: Procedures and practices used by farmers, food makers, and licensed food businesses to ensure food sold to consumers is safe.

Food Traceability: Recordkeeping and labeling systems designed to ensure that every food business can trace food products one step back, to their suppliers; and one step forward, to their buyers.

Gravity Fed Handwash Station: A portable hand wash station with a water reservoir that has a flip spout, so the water can run continuously allowing you to rub hands together in the stream.

Legal-for-Trade Scale: Scales that are intended for commercial use applications. They are used when a product is sold by weight. Trade Approved scales must be used in order to comply with regulations for buying and selling goods by weight; they are also referred to as verified scales, legal for trade scales and stamped scales.

Margin: The percentage difference between the wholesale price paid for goods and the retail price at which those goods are sold.

Mark of Inspection: An emblem on meat or poultry packaging that indicates the animal source of the product was slaughtered and processed in a licensed processing plant and in the presence of an inspector from either the Minnesota Department of Agriculture (MDA) or the USDA.

Markup: The amount a business adds to the purchase price of an item in order to create the selling price of the item.

Minnesota Equal-To Inspected: Meat or poultry that is slaughtered and processed in a processing plant licensed by the MDA and with an MDA inspector present. This meat or poultry is legal to sell through a farmers' market hub.

Online Sales Platform: A software package that enables farmers' market hub operation by providing a system for vendors to upload product information and prices; a catalog for online ordering by customers; and tracking of orders and sales in the background to provide traceability.



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PL 90-492 Exemption: An exemption to inspected slaughter requirements for poultry that allows farmers to slaughter their own poultry on the farm in a sanitary facility, label it as “P.L. 90-492 Exempt,” and to sell that poultry to household consumers at farmers’ markets. This exemption does not allow sale of on-farm processed poultry through a farmers’ market hub. In Minnesota, rabbits are treated similarly to poultry under the PL 90-492.

Standard Operating Procedures (SOPs): A set of written guidelines or instructions for the completion of a routine task, designed to increase performance, improve efficiency, and ensure quality through systemic homogenization. Put simply, SOPs are step-by-step documentation of work-related tasks.

Supplemental Nutrition Assistance Program (SNAP): This program replaced “food stamps.” It is administered by the USDA Food and Nutrition Service. Farmers and farmers’ markets can become authorized to accept SNAP benefits from customers in payment for food.

USDA Inspected: Meat or poultry from animals that have been slaughtered and processed in a licensed processing plant with a USDA inspector present. This meat or poultry is legal to sell through a farmers’ market hub.

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Starting Up a Hub

- Hire staff

Requirements at Minnesota Farmers' Markets, Minnesota Farmers' Market Association.
https://www.mfma.org/resources/Documents/MFMA_market_requirements_2020-02-24.pdf

Businesses, Minnesota Department of Revenue
<https://www.revenue.state.mn.us/businesses>

- Insurance & Taxes

Farmers' Market Hubs: Federal Tax Reporting Obligations. [Hub_tax_reporting_1099K.docx](#)

- Determine the business model

Market Share Box FAQs, [QRG_Market Share FAQ.docx](#)

- Set up an online sales platform

Comparison of online platforms used or considered by FMHs in 2020-2021, [Online Platform Comparison_072121.docx](#)

- Onboard vendors and products

Farmers' Market Hub and Vendor Agreement. [QRG_FMH_and_Vendor_Agreement.docx](#)

Request for Taxpayer Identification Number and Certification (W-9 form); Internal Revenue Service.
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Margin and Markup: [QRG Margin and Markup.docx](#)

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- Obtain your food license

Food License Types for Farmers' Market Hubs. [Food License Types for Farmers' Market Hubs](#)

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<https://www.mda.state.mn.us/food-liaison-request>

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Licensing Tips for Farmers' Market Hubs. [QRG Licensing Tips.docx](#)

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Transport Vehicle Policy, [QRG_Transport_Vehicle_Policy.docx](#)

Container Cleaning & Sanitizing Policy, [QRG_Container_Cleaning_Sanitizing_Policy.docx](#)

Handwashing Stations, [QRG_Handwashing_Station.pdf](#)

Surface Cleaning & Sanitizing Procedure, [QRG_Sanitizing_Information.docx](#)

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- Obtain supplies

Jordan Seeds, <https://jordanseeds.com/>

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- Advertise to and onboard buyers

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- Set up market day operations

Example Standard Operating Procedure from Red Wing Farmers' Market:

[Standard Operating Procedures RedWing.docx](#)



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Example Standard Operating Procedure from Rochester Farmers' Market:
[Standard_Operating_Procedures_Rochester.docx](#)

Transport Vehicle Policy: [QRG_Transport_Vehicle_Policy.docx](#)