

North Iowa Farmers Market of Mason City, IA received \$64,346 to develop a regional farmers market association in southern Minnesota/northern Iowa; undertake strategic planning; coordinate marketing efforts including purchase of signage and advertising; and provide classes in cooking and canning.

[Final Report FY 10](#)

Performance (progress) Report

North Iowa Farmers' Market

Date: 12/05/2012

Recipient Name: **North Iowa Farmers Market, Inc.**

Project Title: **Establishment of a Regional Farmers' Market Association in North Iowa & Southern Minnesota**

Grant Number: **IA-279-2010-G-1148**

Location: (See title)

Contact Name/Telephone Number: **Karl Milliron (507) 383-4808**

Progress Report: **Final #4**

Project Summary:

Regional farmers markets needed to combine their resources in order to manage and advertise events, promote local food, recruit new vendors, share information on successes and failures and initiate a successful fundraising program. The basic problem confronting farmers' markets is not a shortage of good ideas; it's a shortage of organization and funding to carry out good ideas.

Project Approach:

The focus of this grant was to create a Regional Farmers Market Association to unite the markets for common good. The association was formed and incorporated as a non-profit, staff was hired, essential equipment was purchased, promotions were coordinated, educational classes were held on both canning and cooking. Regional markets came together and started working.

Goals and Outcomes Achieved:

Most of the primary goals of the grant were met in terms of expanding the local markets sales and vendors. We also fully met all organizational goals and even achieved a 501(c)3 tax status for our non-profit. Our organizational, accounting, legal and tax status efforts actually exceeded our expectations. We now feel this new non-profit has a very solid foundation to continue into the future.

Performance	2011 Sales Increase	2011 Product Diversity	2012 Sales Increase	2012 Product Diversity
North Iowa	15%	8%	24%	15%
Albert Lea	6%	6%	2%	-5%
Austin	5%		32%	20%

Both sales increases and product offerings in North Iowa and Austin were very impressive for 2012, which was clearly the result of our marketing plan and coordination among vendors. However, it remains a mystery why Albert Lea was unable to show any growth. Some vendors actually reported sales declines in 2012 while others reported increases. Albert Lea was very organized in its marketing efforts yet had fewer large vendors in 2012 due to retirements, thus product diversity declined. Vendor recruitment may turn this around for the 2013 season.

Job Creation	2011 Staff Jobs	2011 Additional Vendor Jobs	2012 Staff Jobs	2012 Additional Vendor Jobs
North Iowa	1	5	1	10
Albert Lea	1	1	1	0
Austin	1	2	1	12
Totals	3	8	3	22

Job creation correlated fairly closely with market performance and increases in sales. Several new vendors joined the markets in 2012 and retention of these vendors looks likely for 2013.

In all three markets combined total members vendors increased from 105 to 118 in 2011, increasing further to 141 for 2012. Thus, our markets picked up a total of 36 new vendors over the two year period.

Vendor Surveys	2011	2012	% change
Customers reporting 1 st time in markets	355	842	237%
Customers reporting exposure to our marketing efforts	180	1,452	800%
Overall Satisfaction with offerings	65%	78%	
Participation in Educational classes	175	482	
Customers surveyed in total. One large study in each year across all three main markets.	1,854	2,672	

The vendor surveys fairly well matched our expectations and also reaffirmed the need to boost product offerings in spring and fall.

Beneficiaries:

It's clear the farmers/vendors themselves were big beneficiaries from our coordinated efforts. Over the two year period vendors reported a combined 42% increase in sales across all three main markets. We estimate that this 42% increase represents approximately a \$400,000 overall increase in sales.

Customers clearly benefited from a broader selection of goods and vendors in our markets. There were far more events, educational classes and community partner participation in the markets in 2012.

Future benefits to the farmer/vendors, customers and community are difficult to quantify with dollar terms. The underlying structure and coordination we have developed will certainly pay big dividends in the future. We expect to see annual increases of 15 to 20% in sales over the next few years. If we extrapolate, that would mean something like \$200,000 to \$300,000 increases per year

Lessons Learned:

While this grant produced sizable and meaningful benefits, not everything was a success. Looking back over the last two years it is now commonly believed among our members that the removal of the fundraising component from our original grant proposal was a big mistake. Since the grant proposal was the primary focus of our efforts, all of our energies were directed to meeting those goals. The removal of the fundraising component has led to a lack of focus on building a fundraising base and thus negatively impacted our sustainability efforts for the long term.

Our market association has received some financial contributions form local businesses and foundations, but those contributions (about \$5,000 in the fall of 2012) are insignificant given

the needs of our local markets. Without a framework to build a fundraising program, there is much concern for the future. Only now that the grant has concluded are our members devoting significant resources and efforts to this issue, but it is too late in the game so to speak.

We would sincerely recommend to the USDA FMPP that fundraising activities not be carved out of grant proposals for the simple reason that markets need money to pay staff and run programs. Without a framework for fundraising, it is difficult to see how any market or organization could have sustainability into the future.

Additional Information:

Numerous community partnerships have been established over the last two years, both in Iowa and Minnesota. Some of these have been collaborative efforts that have benefited both organizations. We have provided FMPP with files in the past showing development efforts (please refer to these files).

This grant founded a charitable non-profit organization that is well positioned to do much more work in the future. However, everything runs on money. All the good ideas in the world are completely useless if there are not the funds or staff to implement them. Our organization has some funding and a small \$10,000 grant for the 2013 season that when combined with vendor fees will support staff for this next season, but the future is very uncertain. Without the FMPP grant none of these other sources would have been possible, but it is clear much more is needed.

Our overall experience with this grant was positive in that it moved mountains and accomplished much. However, the two downsides were very large. First, the elimination of the aforementioned fundraising component from the grant scope was a big mistake. Second, the delay in processing payments by FMPP staff (Linda Brown) in 2011 had very large downstream consequences that hurt our organization and damaged business relationships we had in our community. I doubt anyone could have foreseen that something as simple as problems processing payment requests could have had such negative consequences. We were operating under the guidelines stating that all funds need to be disbursed upon 30 days of receipt from FMPP. However, we had significant delays of up to 8 weeks (2 months) due to bad communication and claims that requests had been processed by FMPP when in fact they weren't. While this is all water under the bridge, payment processing by FMPP and communication to grantees still seems to be a significant issue.

You question: How did this project benefit me personally?

Answer: This grant has allowed me to gather all the market vendors together for a common good – and that has worked very well. Overall, the grant was excellent. However, it has taken a lot of my time (almost all volunteered) and effort to pull this off. Thus, I feel rather exhausted and used by this whole process. When this grant was originally funded, FMPP was trying to eliminate the 10% indirect costs from all future grants (our grant had no indirect costs). In talking to all the other grantees at that time (I talked to many) there was a consensus that this policy was very shortsighted. By trying to eliminate grant administrators from getting paid, FMPP was trying to increase the bang for the buck, trying to maximize community impact. I

was inexperienced at the time and accustomed to large amounts of volunteer work on behalf of the farmers markets. Today, I now fully understand what these other grantees were complaining about.

Without funding grant administration, the FMPP is expecting organizations (presumably larger ones) to pick that cost up and devote 100% of the grant to the project. Perhaps very large organizations can do this, but smaller farmers markets cannot. At some point, you volunteer yourself to death and have nothing left to give. Furthermore, without compensation, you are left feeling undervalued and exhausted by the whole process. I can see this as a significant shortcoming of the mentality used in crafting grant policies. I hope the FMPP will not pursue this policy to the point where the actual farmers' markets themselves are squeezed out of the granting process. All that would remain are Universities and other large non-profits that provide very remote and detached services to the farmers' market community. What makes the FMPP valuable is that it is one of the few sources available to actual farmers markets where all the real work is done. Direct funding to these "front line" food producers should be expanded, not diminished. More workshops conducted by Universities and Large non-profits are not the answer. It may be more convenient to work with these larger organizations, but only by supporting the actual markets themselves can there be the real impact on the front-line of local food production.

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