

# Funding for Farmers' Markets

The long term aim for any farmers' market is to be financially sustainable. This means generating surplus cash each financial year after all salaries, direct costs and overheads have been taken out. There are various sources of funding that can help with this challenge.

- **Internal sources of income**
- **Grants**
- **Sponsorship**

## Internal sources of income

Farmers' markets can generate income in 3 ways. You might want to consider any of these options that you are not already using to generate regular income:

### Stall fees

These are set by the management or organising committee and should be reviewed once a year to ensure that sufficient income is generated to cover operating costs.

### Membership fees

Depending on the legal structure or framework set up for the farmers' market there could be membership fees or another type of levy from all those signed up to the organisation. These fees, along with stall fees, are typically used for management of the farmers' market and promotion to target customer groups in the local area.

### Other activity

In order to generate additional income, some markets organise activities that enhance the visitor experience whilst at the same time generating additional revenue. Such activities could include light refreshments (tea and coffee, breakfast rolls etc), sale of market bags, raffles, aprons and seasonal items. Or any joint initiatives between stallholders

## Grants

If funds are needed for development or one off activities then you can consider applying for one-off grants.

### What can you get grants for?

As a general principle it is difficult to get grants for something that you are already doing for example, meeting ongoing costs is unlikely to appeal to funders and generally falls outside the eligibility criteria. So typically grants would be useful for "seed funding" or "pump-priming" or one-off capital costs when setting up a farmers' market to help with the investment required in equipment and / or to cover cash flow in the early stages when income may be limited. Alternatively once a farmers' market is established, grants could be used for market research, developing branding and promotional material, signage, education projects and expanding the market. In other words, new, discrete, one-off type projects with tangible outcomes.



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## Where to look for grants

Once you have established what it is you would like to fund then you can explore local, regional and national grant schemes. Below is a list of the types of organisations that may be able to offer a grant relevant to your project:

### Local authorities

Many councils have grant programmes for community development, environmental and regeneration projects. They often have officers involved in economic development whose job it is to keep track of grant funding. For an A to Z list of local councils: [www.direct.gov.uk](http://www.direct.gov.uk)

### Local organisations

Your local co-operative development body or social enterprise advisor should be able to help with the search for relevant grants available in the locality.

### Organisations supporting rural

In rural areas, Action with Communities in Rural England (ACRE) support and enable initiatives in rural communities through a network of local rural community councils. For a list of by county: [www.acre.org.uk/about](http://www.acre.org.uk/about)

### National grant (and advice) schemes

Big Lottery: The Big Lottery Fund distributes half of the funds that the National Lottery raises for good causes and currently has a budget of around £630 million a year. The fund gives grants to projects that improve health, education and the environment and support voluntary groups, helping those most in need. [www.biglotteryfund.org.uk](http://www.biglotteryfund.org.uk)

**Awards for All:** Is aimed at not-for-profit organisations and funds projects that bring together people to take part in community activities. Grants range from £300 to £10,000. [www.awardsforall.org.uk](http://www.awardsforall.org.uk)

### Grant databases

This is a list of some of the key databases that exist. Note some of them are subscription based but you may be able to get access to them through your local Council for Voluntary Service (CVS) [www.cvs.org.uk](http://www.cvs.org.uk)

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The "grant finder" database provides information on government departments, local authorities, charitable trusts and corporate sponsors. This is a subscription service: [www.grantfinder.co.uk](http://www.grantfinder.co.uk)

The Funding Central website at [www.fundingcentral.org.uk](http://www.fundingcentral.org.uk) also has a searchable directory of different funding schemes.

The government has a web site that is managed by the Directory of Social Change to help identify government funding for which your project might be eligible. This database brings together all the local, regional and national funds into one place; to access the data there is a subscription charge [www.governmentfunding.org.uk](http://www.governmentfunding.org.uk)

## Charitable Trusts

These are trusts set up for charitable purposes by individuals, companies or organisations. Each trust will have themes and areas of interest and their awards will be true to these. The Prince's Trust and the Esmée Fairbairn Foundation are some of the best known but there are many others. There is a searchable web site listing all the 4,500 charitable trusts in the UK. This is also managed by the Directory of Social Change and there is a subscription charge [www.trustfunding.org.uk](http://www.trustfunding.org.uk)

## How to apply for a grant

Use the following top tips along with the information on benefits of farmers' markets (in the next section) to help you write a grant application. The top ten tips will help you to understand how to approach the whole process and the list of benefits will help you complete your application. Identify those that are most relevant to your own market; there may be others specific to your market / your location. You could also look out for training courses on writing grant applications. Business Link offer a wide variety of courses and they are often free [www.businesslink.gov.uk](http://www.businesslink.gov.uk)

Applying for grants can be time consuming so you may want to consider taking on a volunteer who can help you. Community Service Volunteers (CSV) is the UK's leading volunteering and training charity and your local branch may be able to put you in touch with a volunteer who could help write your application. [www.csv.org.uk](http://www.csv.org.uk)



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## TOP TEN TIPS: How to Write a Grant Proposal

**TIP ONE:** Read and re-read the directions. Every grant has rules and directions that must be followed exactly. If it says that the grant must be submitted via the online form, don't even bother to ask if you can fax it in. Unlike employment applications where it sometimes pays to be "original", grant committees have rules in place for a specific reason, and they expect them to be followed to the letter.

**TIP TWO:** Determine if your proposal is what the funder actually funds. Don't assume that just because there is a significant amount of money available, that they will fund anything. The truth is that funders are often very specific in what they are looking for and will rarely deviate from their "category". You may have the very best purple widget in the world, but if the grant is only for the producers of red widgets, you won't get the grant.

**TIP THREE:** Start with an outline that clearly follows each step of your plan, and then expand each point as needed to fully explain your plan. Use the funder's criteria as the basis. The outline should follow, painstakingly, the sequence and terms prescribed by the funder.

**TIP FOUR:** Spell out the problem your proposal looks to solve. It should be a problem the funder wants to solve. Use an analysis that fits the funder's scope and include data or evidence. Do not describe your organisation's own financial needs (neediness) as the problem.

**TIP FIVE:** Make sure that your goals and objectives are clearly laid out and specific. Remember SMART objectives (Specific, Measurable, Achievable, Realistic and Timely).

**TIP SIX:** Take the time to research and evaluate the actual expenses. Don't estimate. Use real numbers, not amounts that end in 000.00. In a grant proposal, guesses just won't make it. If a grant reviewer suspects that your financial sheet is not accurate, you just lost the grant. Find out exactly what kind of equipment, labour and anything else you are going to need and exactly what the cost will be, then spell it out in the proposal. Make sure your amounts cross reference and add up to the same numbers throughout the proposal!

**TIP SEVEN:** Have at least two other people outside of your organisation read the proposal and then ask them questions about your concept. If they cannot explain what you are trying to do, chances are the grants committee won't either. And they won't fund what they can't comprehend.

**TIP EIGHT:** Show the funding committee that you take the proposal seriously by carefully proofing it for spelling, typing and grammatical errors. Take time to have at least two people proof read your proposal before you submit it - and then read it again yourself to make sure.

**TIP NINE:** Check whether you need to have match funding and if so whether that is cash or "in-kind". If it is cash make sure that the money is secured and there is evidence to back this up. If it is "in-kind" find out what kind of activities are acceptable and provide the appropriate level of detail on the application form.

**TIP TEN:** Check deadlines. Deadlines of the application to be submitted, deadlines for application review and deadlines for completion of the project. You are unlikely to get grant aid for money you have already spent, so some grants may be too late to be useful to you (or you may need to reschedule your plans).

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## The Benefits of a Farmers' Market

Farmers' Markets bring benefits to the locality in which they take place. If you are applying for a grant or talking to a potential sponsor these are some of the benefits that you could include. The more specific you can make them to your own market the more compelling they are likely to be. Here are some pointers to help you with your applications:

### Good for farmers and local food producers

- They are a different source of revenue, often crucial in today's economic climate
- They give farmers and local food producers greater control over their economic lives. In some cases they can be an essential survival route providing extra and alternative revenue sources
- By selling direct to the consumer and cutting out the "middle man" there is an opportunity for a better share of the added value, food chain. Gross sales are typically 200 to 250% higher than sales to wholesalers / distributors
- Farmers and local food producers can diversify their skills and learn new ones such as sales and marketing
- There is an opportunity to network with others in a similar situation

### Good for the local economy

- Spending in a farmers' market has a high multiplier effect in the local economy. This means that money circulates in the locality for longer
- There is a high knock-on spending in other shops on market days.
- They provide an outlet for local produce, helping to start new local businesses and expand existing ones
- They reinforce local job and business networks, helping to maintain local employment
- Farmers' markets tend to have a unique blend of farm, food and craft businesses that showcase the community and help to draw tourists

### Good for consumers

- Consumers enjoy the whole experience of shopping at a farmers' market and the chance to talk directly to the farmer or local food producer. This re-connection with food and where it comes from can bring wider educational benefits
- Consumers can get fresh, healthy produce usually at competitive prices
- They can make affordable, fresh produce more readily available in places where such options are limited or non-existent
- They can strengthen the community, improve quality of life and make a particular location a more desirable place to live

### Good for the environment

- Food travels less far: there are less "food miles". This is because food is not transported hundreds of miles to distant warehouses and distribution centres
- Less food miles also means less packaging, preserving and processing because the produce does not have to withstand the rigours of extensive distribution
- There is less wastage because food is not discarded because it does not fit supermarket specifications
- They can be important outlets for farmers selling organic and less intensively-produced food



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## Some examples of the sort of text that you could include in your application:

**Farmers' markets are special:** They offer more than just quality local produce at fair prices, linking farmers and consumers into the local economy. Our markets get local people engaged with their food growers and other members of the wider community. By creating the market venue we are facilitating local businesses to continue in a local tradition of agriculture and commerce in our community, keeping farmland intact and people in employment. Working to the standards set out by FARMA and the Soil Association we are offering quality assurance to our customers; gaining trust and maintaining the ethos of farmers' markets.

**Engaged Communities:** Markets used to be the heart of the town. Our markets bring some of that vibrancy back, increasing footfall into the towns. Come rain or shine volunteers and producers put up and take down the stalls. As well as food stalls we have started having a 'community' stall for local charities/groups to engage with the market's customers and link their work with the wider market and its customers and help to reach new customers.

**Healthy Communities:** Farmers' Markets represent healthy, eco-conscious food choices. We want to encourage engagement with buying traceable, local, fresh and seasonal food, and to promote cooking local food and enjoying experiencing local food with family and friends. We would like to foster links with schools and youth groups by arranging trips to see producers at work, or by having students help stall holders at the market.

**Customer involvement:** Some farmers' markets across the country are including customer representation on their management committee. Selected firstly for their passion and support of the farmers' market, they bring other skills, such as knowledge of how councils work or business management experience, and offer insight into the customer perspective for discussions and decision making.

'Friends of the Market' schemes have also been created by some farmers' markets. Other benefits may be included such as farm visits, money off vouchers etc. These schemes can help generate revenue and also may be a source of finding volunteers to help with running markets.

**Example funding application answer:** As the collaborative Farmer's Market Group, supported by Making Local Food Work we aim to strengthen our markets:

- To provide support, guidance and opportunities for direct marketing of local food
- To give shoppers the opportunity to purchase fresh, healthy, local produce, at fair and sensible prices.
- To assist farmers and food producers to benefit from direct sales to the public
- To promote opportunities for social contact and community cohesion
- To increase awareness of the benefits of local, seasonal produce throughout the community and thereby re-connecting the link between farm and plate

Farmers' Markets bring fresh, local produce into the community, supporting the growers and giving seasonal, environmentally friendly choices to healthy eating. Whole communities benefit from Farmers' Markets and working collaboratively across the 'XXX' District we aim to make changes to our markets, to encourage better support and involvement from old and new consumers.

## Sponsorship

Developing a sponsorship programme could be a way of generating a new income stream for your farmers' market. If this is appropriate then consider the following steps:

### Developing a sponsorship package

Know the benefits you can offer to a potential sponsor. (A "generic" list appears in the Grant section. You could customise this list for your own market). Have a selection of photographs of your market which clearly show where it is, what it is like, and what is on offer. Identify places where you are offering to display the sponsor's name or logo (this could be at the market and / or in promotional literature). Define the period for which the sponsorship will apply and the amount the sponsor will invest for that period. Remember that sponsorship can mean financial support or "in-kind" support or both. If it is financial support from the sponsor with commercial benefits, rather than a simple donation, it could give rise to VAT and other tax issues so take advice from a qualified accountant. Finally consider whether you are looking for a sole sponsor or a number of sponsors and make this clear.

### Who to approach?

Use your local knowledge and networking contacts to identify local businesses that might see themselves as a natural partner to a farmers' market. Work out what the mutual benefits will be before meeting with them and then make a personal approach rather than using letters or emails. Be mindful of the association between the two brands to ensure that both are compatible and have positive benefits on each other.

Potential sponsor partners might include:

- Local or regional media
- Community groups (Lions, Rotary, local businesses, Chamber of Commerce)
- Estate Agents (they benefit directly from the enhanced image that farmers' markets give towns as places to live and work)
- Corporate companies with commitment to local communities e.g. Banks
- Local restaurants, food businesses and wineries
- Printers, media services agencies



### How to manage the relationship

Once you have won sponsorship, maintain a good relationship with your sponsor and make sure they know you have fulfilled your side of the deal. Keep records and document any exposure of the sponsor such as copies of leaflets with their name or logo on them and photographs of any signage used at the markets. Invite them to special events at the market so that they can feel involved and also benefit from any publicity that may arise from the event.

If you can keep the sponsor satisfied they may well repeat the investment the following year and if they decide not to, you have a dossier to show potential new sponsors how you deliver the publicity you promise.