



MINUTES
FHFM Steering Committee Meeting
3 PM, Monday, August 10, 2009
Cleveland County Extension Center

Present: Sandy Brenneman (moderating), Jackie Sibley, Anne Short, Jonathan Dyer, Greg Traywick, Loyd Lewis, Thomas Lewis (guest), Linda Lemons (recording), Wade Nichols, Tim Crotts.

Five (5) identified agenda items were addressed:

Agenda Item 1. Market Coordinator's Report (Jonathan Dyer):

Vendor participation levels have remained steady over the past month, averaging 9 vendors on Wednesdays and 12 on Saturdays. There has been slight transition, with the loss of Gayle's Gardens and the addition of PaPaw's Produce. On-site product inventories are being conducted with vendors each week, and these are being followed up with on-site certification visits. (Note: Certification visits conducted to date include Earl's Produce, Glencora, Lewis Farms, Plant Wise Solutions, Quail Hollow Farms, Rhodesdale Farm, Rock Bottom Farm, Roper's Farm, Rock Bottom Farm, Underwood Family Farms, and Wilson Farm.) Site visits with Thomas Moore and other vendors are needed. Some (about 4) of the ten FHFM tents have been damaged from heavy use, and we are no longer borrowing Uptown Shelby Association tents. Repairs are needed, and two new tents have been purchased and are scheduled for delivery. Christy Underwood used the market-owned propane grill to prepare free samples during July (Note: this activity was pre-approved by the Cleveland County Health Department and the Shelby Fire Department). Other vendors supported the effort by providing items for grilling, and the free samples created much interest and conversation. Plans are to continue this activity about once a month.

Agenda Item 2. Mobile Market Update (Anne Short)

Questions were raised regarding whether mobile market vendors are governed by the same operational guidelines as Uptown vendors (including the requirement that vendors grow what they sell). Anne responded that she had reviewed the original abstract/proposal, which states that the purpose of the mobile market is to "increase the availability of fresh fruits and vegetables on a seasonal basis" and makes no stipulations regarding source of origin. She noted that she normally would have had vendors sign a written contract at the beginning of the season, and may end the season early this year. This and others issue are being visited by the Health Department, and Anne will be drafting a vendor agreement to govern the 2010 season that will be reviewed by the county attorney and commissioners to ensure that market operations do not violate county policy prohibiting solicitation. This vendor agreement will mirror operational guidelines and other policies established to govern the Uptown market. Anne noted the importance of formalizing Foothills Farmers' Market from an organizational perspective, including the establishment of bylaws, written policies, contracts, etc.

Agenda Item 3. Consignment and/or Cooperative Sales

Greg Traywick reported that he had been contacted by local wholesale grower Ervin Lineberger, who had requested that the Steering Committee explore avenues to permit the sale of specialty crops (e.g. blackberries, blueberries, muscadines, table grapes, figs, etc.) grown by local certified farmers who cannot be at the market themselves. Permitting sale of these items would benefit farmers and increase the diversity of our product offering. Sandy Brenneman reported that two alternatives, namely cooperatives and consignments, are permitted by other markets and that these options had been discussed among a group of vendors who met at the County Extension Center on August 4, 2009. Wade Nichols distributed a handout on cooperatives (see below) and discussed the difference between consignment and cooperative sales strategies.

Cooperatives

The cooperative is a fairly common business form in many regions of the United States, especially within agriculture. In fact, the agricultural cooperative has a long record of privileged

existence in North Carolina, with simplified corporate filing and tax requirements. The beauty of the cooperative is that it can be small or large, simple or complex.

There are two ways I can see us employing the cooperative model: The first is to have one or two cooperatives of growers who will jointly work to market and sell their combined product lines. A meat producer might join with us two or three other farmers who grow chickens and sell eggs, along with a cheese maker. The producers might keep their own names but united under a banner for say Farmers Five. If there were five growers they could take turns doing the sales at market days, or could spread out to even more markets by each taking two market days during any week. The investment would be minimal and the organization could be quickly dissolved when the need is no longer felt.

The second is for all of the individual growers to enroll as members of a single agricultural cooperative for a common purpose, whether to engage in more active advertising and marketing, or to contract for the building of a larger shed and indoor sales facility. This option would require more significant investment by the membership to build basic working capital, but the organization would be eligible for grants and low to no-interest loans from either USDA or the national cooperative lending agency that covers electrical, phone, data, merchant, and other service cooperatives. The other advantages are that the cooperative can shift from being a market maker for its growers to bringing value-added processing into the equation.

Sandy Brenneman read written feedback from FHFV vendors Chad Stout and Pat Steele, who both attended the August 4 meeting and who favor the consignment option. After some discussion, the steering committee reached consensus on continuing to develop the cooperative model for implementation in 2010 and developing a "Community Table" for consignments for a one-month trial period this season. Chad Stout and Wade Nichols have volunteered to run the Community Table during the trial period. Parameters agree upon included:

- Produce offered for consignment sale must be certified as locally-grown.
- Consignors will be charged the \$10 space fee, regardless of volume consigned for sale.
- Consignments will be permitted on Saturdays only, beginning August 22 and running through September 12 for the initial trial period.
- Consignors are responsible for delivering their items to the market by 8 AM and picking up their receipts and any unsold inventory promptly at close of market.
- Consignors are required to establish a set price for their own goods.
- Pre-application is required, and written application must be received by the market coordinator no later than the Monday prior to the Saturday in which items will be sold.
- Application should include a hold-harmless clause to protect FHFV.
- Consignment is only allowed for specialty crops that are not currently being grown and sold by existing vendors.
- Sales Tax laws may impact the operation of the Community Table (Greg Traywick will seek clarification from NC Department of Revenue).

Note: Greg Traywick contacted the NC Department of Revenue by phone on August 11, 2009. The assessment officer he spoke with determined that FHFV would not be required to collect sales on any raw fruits or vegetables, eggs, nursery plants, or loose cut flowers consigned to the Community Table by local farmers. We would be required to collect applicable state and local sales tax on any meat or processed food product (including cheese), however.

Agenda Item 4. New Work Groups & Planning Efforts (Sandy Brenneman)

Sandy Brenneman provided highlights on a vendor meeting held August 4 to engage more vendors and stakeholder in the planning process. Sandy is compiling the results of that meeting and will share them with the Steering Committee.

Agenda Item 5. Essential Data Collection

The Steering Committee identified the following data items to be collected (essential to reporting, continuous quality improvement, economic impact assessment, and grantsmanship):

- Customer feedback (survey developed and in progress)
- Foot traffic (market coordinator to estimate and record each market day)
- Vendor sales (vendors to supply anonymously to market coordinator each week).

The next Steering Committee meeting was set for Monday, September 14 at 3 PM at the County Extension Center.