

# WESTERN WAKE FARMERS MARKET, INC.

## 2018–2019 MARKET RULES

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## Section One: General Precepts

### **i) Mission**

Western Wake Farmers Market, Inc. is a private, non-member non-profit organization providing a public service. The mission of Western Wake Farmers Market, Inc., is to improve the resiliency of the local food system in Western Wake County, North Carolina and surrounding communities, by increasing participation of consumers, and improving the abilities of local producers to augment their living by producing food locally.

We achieve our mission by operating farmers markets where consumers have direct access to locally produced food. We use market days to provide a forum for consumers and their families to understand, appreciate, and learn about the interconnectedness of food and the environment. In addition to consumers gaining direct access to the farmers who grow their food, we conduct courses and demonstrations that educate on how to make healthy food and environmental choices. We further this education by partnering with local agricultural, environmental, and green organizations. We also facilitate the donation of farm food to people at risk of hunger.

Our education initiatives are not limited to consumers. We educate small, local food businesses on how to run more effectively, improving their ability to operate sustainably in every sense, including financial.

### **ii) Geography (Markets and customers)**

WWFM, Inc. operates in Southwestern Wake County, North Carolina, and generally serves patrons living in Cary and nearby surrounding areas, especially those west of Downtown Cary, in and around the 27519 Zip Code.

### **lii) Customer-Run, Data-Driven Market**

WWFM, Inc. is unique among farmers markets in that it was established by and is run primarily by its customers. This is an important distinction from markets, which are established and run by sellers at a market. Being a customer-led market enables us to be more customer-centric, keeping customer satisfaction as the primary goal of market operations. Practically, it means that we manage the

vendor base to drive the satisfaction of the customers in terms of product selection and vendor characteristics related to customer appeal.

We are also a data-driven market. While we are a non-profit with an altruistic mission, we are also running a small business. We are committed to being on the leading edge of farmers market management, collecting data we need to understand product demand, customer characteristics, and broader trends. We are committed to helping our vendors maximize their income from our market (while meeting customer satisfaction goals), and simultaneously being fiscally responsible with our business. We attempt not to guess at the best course of action when data upon which to base decisions is available.

#### **iv) Organization**

The Western Wake Farmers Market, Inc. is organized as a North Carolina 501(c)(3) non-profit corporation, led by an all-volunteer board of directors as stipulated in the bylaws of the organization. The board is comprised of a majority of non-vendors and a minority of vendors. WWFM, Inc. is a non-member organization: the board selects its successors.

WWFM Inc. has paid employees who run day-to-day operations and report to the President. The Market hires independent specialists to provide professional services such as accounting, or other services as the board requires.

Numerous volunteers, in addition to the board, support the operation of the market. Individual volunteers and volunteers affiliated with groups perform many and varied tasks related to operation of the Market.

#### **v) Location(s) and Hours of Operation**

The Western Wake Farmers Market, Inc. operates from a permanent site at 260 Town Hall Drive, Morrisville, NC 27560. The market is open at this location year round, Saturdays beginning at 8:00 AM and ending at 12:00 PM (April through November) and Saturdays beginning at 9:30 AM and ending at 12:00 PM (December through March). A weekday afternoon market is open seasonally, on Tuesdays beginning at 3:00 PM and ending at 6:00 PM, May through Labor Day Weekend. Market days and times are subject to change.

## vi) Market Cancellation

WWFM Inc. will attempt to operate every scheduled session, rain or shine. Occasionally, extreme weather or site-specific emergencies may force the cancellation of a single session.

The determination of whether or not to cancel is at the discretion of the site Market Manager, in conjunction with the board, or as dictated by local authorities or site owners. The Market will certainly be closed if the government declares a State of Emergency, or if the site owner decides to make the site unavailable for any reason.

Market cancellation decisions will be made as early as practical, but definitely by 5PM local time on the day before the market session unless unexpected conditions occurring after 5PM necessitate later cancellation.

Notification of Market cancellation will be provided electronically via three channels:

- i. Email will be sent to all vendors at their email address on record (the one they included in the vendor application)
- ii. The Western Wake Farmers Market Facebook page  
<https://www.facebook.com/pages/Western-Wake-Farmers-Market/106903512440>
- iii. The Western Wake Farmers Market website

**If the Market is cancelled, vendors are NOT permitted to set up and sell, or deliver pre-orders or CSA shares, at the Market site, under any circumstances.**

In the event of localized inclement weather or poor road conditions, vendors are encouraged to use their own good judgment about whether to attend a market that is NOT cancelled, taking into account conditions at their location. Safety is the paramount consideration, and **in no case does WWFM Inc. expect vendors to compromise safety to attend the Market.** Absence due to conditions that pose a threat to safety is expected and excused, without question. Be safe!

## **vii) Non-Vendors At The Market**

Various individuals and organizations may, from time-to-time, collaborate with the Market to present information and products to Market customers, either at their own request, or at the request of the market. These guest organizations may or may not be promoting physical products at the Market. The Market Manager, using their good judgment, has the discretion to permit or deny requests made by these individuals or organizations. The board has the ultimate authority to decide these matters, although it is expected that the majority of requests will not require input from the board.

Generally, these types of requests WILL be allowed:

- i. Individuals and organizations whose missions clearly overlap the Market's mission
- ii. Individuals and organizations whose missions are aimed at holistic wellness, i.e., optimizing diet and exercise, either generally, or aimed at improving specific conditions
- iii. Civic organizations promoting specific events of interest to Market customers, e.g., Chamber of Commerce promotion of a local restaurant event, local government promotion of a food truck rodeo, etc.
- iv. Individuals and organizations providing education directly related to products sold by Market vendors, e.g., chef demonstrations
- v. Individuals and organizations providing services that directly improve customer enjoyment of the Market, e.g., children's activities at the Market

Generally, requests for market space of these types will be declined:

- i. Political promotion of specific candidates or parties (political issues related to local food will be considered by the board, but will likely be declined)
- ii. Religious organizations
- iii. Civic organizations not related to local food, e.g., Scouting, magnet schools, etc.

## **viii) Pets at the Market**

- x. Well-behaved pets are permitted on market premises. If a vendor feels that a pet needs to be removed for safety reasons, it must be brought to the attention of the market manager to be dealt with accordingly.

## **ix) Tobacco Use**

WWFM Inc. is a non-smoking market. Use of other tobacco products is discouraged as well, with spitting strictly prohibited, as is the carrying of spittoons of any sort in the market area.

## **Section Two: Eligible Vendors and Products**

### **i) Producers Only**

Vendors in the Market shall sell only products grown or produced by the vendor. "Produced" shall mean having value added by the producer; examples of value-added operation include but are not limited to growing, cooking, drying, blending, curing, fermenting, or other steps required to convert inputs into the product sold at the Market. For the avoidance of doubt, no vendor may sell any product that was acquired by that vendor for the purpose of resale, without the vendor first **directly** adding value to the product. For purposes of these rules, repackaging alone is not considered a value-added process.

### **ii) Exceptions to Producer Only Rule**

The board may, at its sole discretion, make exceptions to the Producer Only rule. The only current exceptions to the Producer Only rule is seafood. Seafood may be sold at the market by an approved seafood dealer. All Seafood resold at the Market must be purchased for resale by the dealer from North Carolina-based fishermen or aquaculture operators, in accordance with all applicable laws.

### **iii) Geography (Vendors)**

Vendors must reside in North Carolina. Vendors must produce the items they sell at the Market within the state of North Carolina. Vendors may sell products grown or produced at North Carolina locations they own or lease.

#### iv) Permitted Products

The board defines products permitted to be sold, and that list may change from time-to-time. Permissible products include but may not be limited to the following:

- a. Any vegetable grown from seeds, sets, or seedlings.
- b. Any fruits, nuts or berries grown from trees, bushes, or vines.
- c. Any plant grown from seed, seedlings, transplants or cuttings.
- d. Bulbs.
- e. Honey produced by the Vendor's bees. This includes honey produced in mobile hives, even those traveling outside North Carolina, provided the hives are owned by a North Carolina-based apiarist and the honey is extracted by that apiarist within the state of North Carolina.
- f. Eggs.
- g. Flowers.
- h. Preserves, pickles, relishes, jams and jellies.
- i. Baked goods.
- j. Cheese or milk products (in compliance with applicable NC laws regarding pasteurization and/or aging).
- k. Meats. Vendors must comply with all applicable local, state and federal regulations related to harvesting, processing, packaging, storage and handling of meat, including Meat and Poultry Handler's Registration, if applicable.
- l. Seafood sourced from the North Carolina coast.
- m. Packaged Foods (foods prepared, pre-packaged and labeled prior to market). Vendors must meet appropriate Health Department regulations (temperature control, air contact, etc.) pertaining to the sale and transport of any packaged food product.
- n. Ready to Eat Foods (i.e. mobile food unit in which foods that are handled, prepared and packaged). Vendors must meet appropriate Health Department regulations pertaining to the preparation and sale of ready to eat foods and provide proof of certification during the Vendor Application process.
- o. Non-alcoholic beverages including coffee, teas, tisanes, non-carbonated, sweetened or unsweetened beverages (e.g., lemonade), carbonated, sweetened or unsweetened beverages (e.g., soda).
- p. Soaps and herbal care body products
- q. Farm-related crafts (bird feeders, dried flowers, photos, etc.) approved by WWFM Inc.
- r. Firewood cut by the vendor from the vendor's property.
- s. Hay and Straw.
- t. Animal Feed.

## **v) Prohibited Products**

The board in their sole discretion may prohibit products offered for sale, and that list may change from time-to-time. Products that cannot be sold or given away at the Market include but may not be limited to the following:

- a. Low acid canned foods (such as green beans, corn, carrots, etc.).
- b. Canned tomato products.
- c. Raw milk or raw milk products, in accordance with NC law (appropriately aged raw milk cheese is permissible).
- d. Live animals.
- e. Alcohol may not be sold or consumed at either location.
- f. Non-food products except as specifically allowed by the board via the Vendor Application, and/or special market events
- g. No products may be sold at the Market without the consent of WWFM Inc. WWFM Inc. at its sole discretion can require Vendors to immediately remove items not approved for sale given that they do not meet requirements in these Guidelines or the Vendor Application.

## **vi) Guest Vendors**

A guest Vendor sells up to 12 market days during the year, designated by them as such during the application process. These must be producers with very specific seasonal crops, crafts or other products that are under-represented by regular vendors. Guest vendors are required to complete a Vendor Application and be approved by the Market. Guest vendors may be subject to a different fee structure, which may change from time-to-time, at the discretion of the board. Currently, we charge a guest vendor fee of \$35 per market session for for-profit vendors.

## **Section Three - Vendor Requirements**

### **i) Complete Application and Application Fee**

In order to be considered as a Market vendor, each prospective vendor must complete a Vendor Application, and pay the associated fee (\$30) at the time the Vendor Application is submitted. Current Market Application(s) are available on the Market website (<http://www.wwfm.ag>). WWFM Inc. has a rolling admissions policy, which means that any new vendor may be considered by the board at any time. Practically, the Market and vendor planning cycles dictate that the main

recruiting and consideration season is the period from about November through February each year.

Returning vendors must submit a Vendor Application each year. The returning vendor application is due before applications from new vendors.

All vendors must receive an affirmative admission decision from the Market each year in order to participate.

## **ii) Market Verification**

Potential new vendors may be eliminated from consideration for many reasons prior to an inspection. No new vendor, however, will receive an offer of admission without verification of bona fides by the Market. The verification for non-farm and farm producers begins with a documentation audit and an interview of the business owner by telephone or in-person, and will be followed by an on-site inspection of the business. Farmers will be interviewed on-farm. New vendors applying for first-time admittance to the Market shall pay an application fee to cover the cost of review and verification. Fees are determined by the board based on analysis of actual expense data, and may vary season-to-season, and between farm and non-farm vendors. If the vendor is rejected prior to market verification (a rare occurrence), a portion of the application fee may be returned to the vendor at the sole discretion of the Market. If the vendor undergoes any or all of the market verification process, none of the fee will be refunded, regardless of the admission decision.

Returning vendors are subject to re-verification at the discretion of the Market Manager and the board. When a returning vendor applies for re-admission, they agree to submit to market verification if requested by the Market. Re-verification will be performed at the expense of the market, i.e., the returning vendor will not be required to pay any extra fee for re-verification.

## **iii) Vendor Consideration Process, Winter Preference**

Many factors are evaluated as part of the decision whether or not to admit a vendor. Some factors are objective and some are subjective. Returning vendors are considered first, and the factors considered are the following (roughly in order of importance):

- i) Does the vendor sell something desired but underserved at the Market?

- ii) Is the vendor a returning vendor in good standing? Good standing means that applications and fees are complete and paid-up.
- iii) Will the vendor sell at the Market through the winter?
- iv) In a category fully served or over-served (as determined by the board using sales data) by returning vendors, is the returning vendor among top-performing returning vendors (as determined by the market manager and the board)?

If the category isn't then fully populated by returning vendors, new vendors are considered with the prioritization roughly this:

- i) Does the vendor sell something desired but underserved at the Market?
- ii) Is the vendor willing to sell at the Market through the winter?
- iii) Do the vendors' bona fides match their application?
- iv) Does the Market verification team believe the vendor will be a good fit at the Market? This determination takes into account the on-site interview and inspection, as well as the vendor's reputation in the community.

When considering between two vendors for an opening only one can fill, priority will be given to the vendor willing to sell at the Market year-round, even if that means selecting a new vendor over a returning vendor. If a category winds up underserved during winter, the board will attempt diligently to recruit a vendor to fill that need, and the vendor recruited will likely be invited to participate at the Market during the next regular season, even if that means selecting a new vendor over a returning vendor, or in the case of a category which management isn't a returning vendor, or in the case potentially leads to an underperforming category the next regular season that is subsequently right-sized. For the avoidance of doubt, the Market has a strong preference for vendors willing to sell at the Market year-round, and will extend preferential treatment to those vendors.

#### **iv) Vendor Agreement**

These Market Guidelines are always available to all Market vendors, and vendors applying or reapplying for admittance to the Market are expected to review them thoroughly before every application, and after every modification. Vendors (those who sell products at the Market) at Western Wake Farmers Market, Inc. agree to abide by these Market Guidelines. These Market Guidelines are subject to change and it is the obligation of each vendor to ensure compliance with the Market Guidelines, as amended. A current version of the Market Guidelines is maintained on the Market web site, <http://www.wwfm.ag>, and/or is available to any vendor upon request to any WWFM Inc. employee or board member.

The combination of the Market Guidelines, the fully executed Vendor Application, and the written acceptance of the Vendor Application by the Market (in the cases where the Vendor Application is accepted by the Market), along with an affirmative response by the vendor (acceptance of the offer of admission which was based on the Vendor Application and Market verification), taken together in their entirety, constitute a Vendor Agreement. Any violation of these Market Guidelines, or the duly accepted Vendor Application, shall constitute a breach of the Vendor Agreement and may result in disciplinary action at the discretion of the board, up to and including the termination of that Agreement.

#### **vi) Compliance With Applicable Regulations**

It is the Vendor's sole responsibility (and not WWFM Inc.) to insure that they abide by all applicable federal, state and local laws, including, without limitation, all NCDOR requirements, all applicable health regulations, as well as the NC Department of Agriculture's general guidelines regarding products exhibited for sale at farmers' markets and curb markets. All Health Department regulations (temperature control, air contact, etc.) pertaining to the sale and transport of any fresh foods (raw meat, dairy, baked goods, etc.) sold at the Market must be observed. To the extent any Vendor is selling any product that requires the vendor to obtain and maintain any license or certification, the vendor shall provide a copy of all appropriate licenses or certifications with the Vendor Application. All vendors are required to provide their NC tax ID (obtained from NCDOR) to the Market Manager.

Any vendor using the word "organic" to claim their products are organic must meet the requirements of the National Organic Program and provide a copy of the vendor's certification with the Vendor Application.

If a vendor uses scales to determine product prices at the Market (as would be the case for any product sold by weight, e.g., per pound), the vendor must first have the scale calibration certified by the NCDA&CS (North Carolina Department of Agriculture & Consumer Services), and the current calibration sticker must be visible at the Market. Vendor is responsible for maintaining scale calibration according to the schedule established by NCDA&CS as indicated by the calibration sticker on the scale.

#### **vii) Product Labeling**

Vendors are required to label all products sold at the market with labels minimally compliant with all laws related to the product category. It is the vendor's sole responsibility to determine and comply with labeling requirements. If label non-compliance is brought to the attention of the Market, it must be resolved in a timely

fashion (the WWFM Inc. board will determine what constitutes timely). Vendors will be required to cease selling products with non-compliant labeling until such time as the labeling is brought into compliance.

Vendors are expected to label common known allergens on products that contain them, whether or not law explicitly requires that labeling. Among children, most allergic reactions to food are to peanuts, milk, soya, nuts from trees, eggs and wheat. Allergic adults typically react to citrus fruit, nuts, fish, peanuts, shellfish and wheat.

### **viii) Transparency**

Our customer surveys reveal that many customers of the Market (40%) have dietary restrictions, or live with somebody who has dietary restrictions, including food allergies. Minimally compliant labeling is sometimes not enough to tell them what they need to know about food, especially (but not limited to) ingredients commonly labeled together as “spices” or “natural flavors”. They shop at the Market because they expect that when they have a question about product ingredients (the ingredients themselves, and not the proportions, process, or equipment), the vendor can and will answer their questions as completely and transparently as possible. Accordingly, it is the expectation of the Market that any customer inquiry about product ingredients will be responded to completely. Verbal response is adequate. For the avoidance of doubt, it is not acceptable to make customers guess ingredients contained in the product. Nor is it acceptable to claim that product ingredients are in any way proprietary or trade secret. For the avoidance of doubt, if a vendor is not willing to verbally disclose all product ingredients contained in a product upon request, they should not sell that product at the Market.

Vendors are responsible for ensuring that anyone representing their business has complete knowledge of the products, including ingredients.

Even in cases where not strictly required by law, the Market has a strong preference that all products containing more than one ingredient be labeled with a complete ingredient listing at the highest possible resolution, e.g., instead of saying “spices”, say “cinnamon, nutmeg and mace”.

## **Section Four – Vendor Participation**

### **i) General Requirements:**

- i. Vendors may have access to their space(s) beginning one hour before the Market begins and must vacate and clean the premises by no later than 60 minutes after the Market ends.
- ii. Except as expressly permitted by the Market Manager, all Vendors must be in their assigned space(s) 15 minutes before the Market start time.

- iii. The Market Manager will assign spaces before the Market begins. Vendors are required to occupy the space(s) assigned by the Market Manager.
- iv. Notice of market absence must be made to the Market Manager not later than 5:00 PM the Thursday before the missed market, and as much advance warning as possible is appreciated.
- v. For safety reasons, on Market days, late arrival (any vendor arriving at their assigned space closer than 15 minutes to the start of the Market is considered late), or early takedown and departure (sooner than 15 minutes after the Market ends) will not be allowed. Vendors will not be allowed to move vehicles at the close of market until approximately 15 minutes after the Market ends. This allows for customers to exit in a safe environment and time for vendors to dismantle their booths.
- vi. Early departure MAY be possible at the sole discretion of the Market Manager, if arranged in advance, and the vendor is placed such that early exit is safely facilitated. For the avoidance of doubt, early departure from the market is only permissible with prior approval from the Market Manager.
- vii. Vendors are required to set up their display each day they offer goods for sale at the Market. They are to be present and selling at their space(s) during the time their goods are offered for sale. Vendors may not share their space with others without the consent of WWFM Inc.
- viii. Any cooperative selling arrangements between vendors (one vendor selling another vendor's products) are permitted, within and between WWFM Inc. Market locations. Cooperative selling arrangements are subject to site-specific product restrictions (see list of Prohibited Products).
- ix. Vendors must minimally accept US currency in denominations of \$20 or less for all market transactions. Larger cash denominations, and additional payment methods are solely at the discretion of the vendor. Vendors are expected to be able to make change for customers using \$20 and lower denominations. Vendors are strongly encouraged to accept credit cards (see the section on credit cards).
- x. Each vendor is responsible for collecting and remitting sales taxes on products sold at the Market, as required by NCDOR.
- xi. Vendors wishing to offer a new category of product to the market beyond what was approved during the application process must have that product approved by the Market Manager prior to bringing it to the Market.
- xii. Vendor selling EBT-eligible food products are required to accept \$1 EBT (SNAP) tokens for purchase of those items, in accordance with EBT protocol established by the Market, which may change from time to time.
- xiii. Each vendor must have a Vendor Agreement on file with WWFM Inc. with all sales data reporting and fees paid up-to-date.
- xiv. All vendors must dress appropriately, including shoes and shirts and keep their hair tied back if serving food.
- xv. All edible goods must be safe for human consumption.
- xvi. The Market Manager is authorized to require a vendor to immediately cease the sale of any merchandise determined by the sole discretion of Market

- Manager to be unsafe, non-compliant with the Vendor Agreement, or of unacceptably low quality.
- xvii. Vendors are required to maintain their space(s) in a clean, safe, and sanitary manner, including protecting the pavement from oil or fuel drips from any part of the vendor's vehicle. This includes hauling away any trash or garbage that is generated in or around the booth and sweeping up any product debris left on the ground.
  - xviii. Vendors must chock the wheels of trailers disconnected from vehicles.
  - xix. If vendor is using cups, toothpicks, etc. for sampling purposes, they must supply their booth with a trash receptacle.
  - xx. Vendors must bring their own brooms and dust pans if necessary for clean up.
  - xxi. Vendors will park in spaces designated by the Market Manager before the Market begins.
  - xxii. No marketing outside the designated spaces is permitted.
  - xxiii. Vendors may not use their market space for the promotion of anything that is not the product approved by the Market for sale at the Market, except as specifically approved by the Market. For the avoidance of doubt, this prohibition includes the promotion of causes in addition to physical products.
  - xxiv. It is expected that every vendor support Market events that take place at the Market. Mandatory support includes permitting signage or handout material at their booth as requested by the Market Manager, and politely answering customer questions about the event to the best of the vendor's ability, or referring those questions to the Market Manager.
  - xxv. Vendors wishing to use the Western Wake Farmers Market logo must request permission from WWFM Inc. via email to [info@wwfm.ag](mailto:info@wwfm.ag) and obtain art from the Market.
  - xxvi. All vendors are required to carry liability insurance (Guest Vendors are not required, but highly encouraged, to carry liability insurance), preferably listing WWFM Inc. as an additional insured party. Vendors must provide a copy of their liability insurance with the Vendor Application, if possible. Insurance must minimally be active at any time the vendor sells at the Market.

## **ii) Sampling at the Market**

Vendors are permitted to sample their products at the market. Vendors are expected to comply with standard hygienic practices related to product sampling.

If vendor sampling requires cutting at the Market, the vendor is expected to bring a suitable safe and sturdy cutting surface, appropriate knife, and supplies to clean both. Knives must be kept out of reach of market patrons (children, in particular). Under no circumstances are Market customers permitted to cut their own samples. If cutting is determined to be unsafe by the Market Manager,

vendor must comply with request to cease cutting, and safely stow knives out of reach of Market customers.

If a vendor is cooking samples at the Market, they are required to bring their own portable cooking apparatus and energy supply, as well as supplies to clean them. Hot surfaces are to be kept away from Market customers (children, in particular) at all times. Cooking equipment must be equipped with appropriate grease traps such that no cooking residue is left at the Market site, and grease must be taken away from the site for proper disposal by the vendor. Vendors must take appropriate steps to minimize smoke emitted during cooking (par cooking prior to market is recommended). If smoke is determined to be a nuisance by the Market Manager, vendor must comply with request to cease or relocate cooking.

### **iii) Pre-Orders**

Vendors are strongly encouraged to accept pre-orders from customers for pick-up at the market.

For items normally sold at the Market by the vendor, the order may be accepted prior to market, and transaction may be completed at the market, i.e., the customer may pay the vendor at the market. Pre-orders of items normally sold at the Market are to be included in the vendor's daily revenue for purposes of sales data reporting and calculating the Market fee.

For items sold by the vendor that are NOT normally sold at the market (e.g., items the vendor stocks but does not produce), all transactions must be completed prior to the market, i.e., the Market is solely a convenient pickup point, and the money exchanged is NOT included in the vendor's daily revenue for purposes sales data reporting and fee assessment. This option is intended to be a convenience for customers and vendors, and is expected to be a minimal percentage of vendor sales. For the avoidance of doubt, it is not expected that vendors will use this mechanism to simply enable sales of items not normally permitted at the market.

### **iv) Barter**

Barter is permitted at the Market in lieu of payment with currency, both between vendors, and between vendors and customers. Barter should be conducted in a way that is not disruptive to normal market operations, and is not confusing to customers: use your good judgment to make these determinations. Only food and beverage items that may be legally sold may be bartered. Site-specific product prohibitions, if any, are to be observed, as well.

For purposes of calculating revenue subject to fees, vendors are required to account for the value of bartered items as if they were sold. For example, if a vendor trades away eggs that normally cost \$5, they are expected to record \$5 revenue for purposes of reporting market sales that session. The value of the item traded away by the vendor is the recorded value of the transaction, NOT the value of the item accepted in the exchange.

Vendors are solely responsible for any tax implications related to their barter activity.

### **v) Credit Cards**

While not a requirement, vendors are strongly encouraged to accept credit cards as a payment method from customers.

It is permissible for vendors to recover credit card processing fees from customers on each credit card transaction, and to collect applicable sales tax in addition to the purchase price. For example, suppose a pie costs \$10. Also suppose that sales tax of 6.75% must be collected, and that credit card processing fees are 2.75% of the transaction. The total fee charged is then \$10 (cost of pie) + \$0.68 (6.75% tax on \$10) + \$0.29 (2.75% of \$10.68) = \$10.97. Most mobile credit card processing systems have provisions in their setup to automatically assess taxes and fees with each transaction, or the correct total may be calculated and entered directly. It is not necessary to provide signage for customers detailing how all the fees are calculated, but it is expected that vendor can and will explain the fees if requested by the customer. Vendors are not required to accept credit cards in the rare event that a customer is unwilling to pay the fee associated with the transaction. In that case, the customer is welcome to pay with cash or other mutually agreeable form of remuneration. For the avoidance of doubt, vendors are not expected to absorb the cost of credit card processing.

During vendor selection, the Market will have preference for vendors who accept credit card payments.

### **vi) CSAs and Market Share Programs**

Some Market vendors utilize Community Supported Agriculture (commonly referred to as CSAs) in the conduct of their business. The definitions of CSAs vary slightly between farmers, but generally the idea is that customers pre-pay at the beginning of a season, and in return receive some amount of farm products (generally called a "share") at some regular frequency (typically weekly). In this arrangement, it is usually up to the producer to determine what the customer gets each period. The benefits to the producer in this arrangement are essentially pre-harvest financing, and some level of risk shared with the customer. The benefits

to the customer are that they need not think about product selection and availability through the season because the producer curates the offerings, they generally get a better deal on product, i.e., they get more for their money than if they purchased products in a spot market, and they improve the viability of businesses they like. Another variation on this theme to emerge recently are variations of “Market Share” programs, whereby customers pre-pay for some dollar value of product to be delivered at a future time, and they get to select the specific produce they want at the time it is available. Essentially, their pre-payment buys credit for future use. The benefits of Market Share programs are essentially the same as CSAs for both parties, with the added consumer benefit of being able to select the products they want each period instead of having them pre-selected by the producer.

WWFM Inc. encourages the use of CSA and Market Share programs by market vendors to the extent it pleases both vendors and customers, and advances the Market’s mission. Some guidelines are necessary to assure fair implementation of CSAs and Market Share programs at the Market.

Regarding fees, it is required that vendors include the fair market value of shares delivered at the Market each week in the calculation of revenues subject to Market fees. For example, suppose a farm runs a CSA with 100 members. Suppose each share is valued at \$25 weekly, and that 10 of the members collect their shares at WWFM Inc. Each week, then, the vendor should record \$250 CSA revenue ( $\$25/\text{share} * 10 \text{ shares}$ ) in their weekly market revenue, over and above the amount of product sold directly at the market to non-CSA customers, even though that amount was not collected in cash that week (it was prepaid). Market Share programs should utilize the same logic: “purchases” made with Market Share credit in a given week should be recorded in the vendor’s revenue calculation. In both cases, vendors should NOT report revenue at the market at the time the up-front cash is collected from the customer at the beginning of the season. Nor are vendors expected to include revenue from their entire CSA or Market Share in their WWFM revenue calculation – ONLY the customers collecting shares at WWFM Inc. are to be included in our revenue and fee calculations.

CSAs sometimes have another feature designed to increase customer convenience and vendor revenues: “add-ons” of optional items such as bread, coffee, honey, eggs, etc., not included in the base share, and sometimes obtained from third parties for resale. Inclusion of add-ons with CSA shares distributed at WWFM Inc. is permissible, but we ask that the CSA vendor use a few common-sense principles to minimize ill-will among other Market vendors:

- i. Whenever possible, add-ons should be procured from fellow WWFM vendors
- ii. The total proportion of add-ons relative to the total amount of the CSA share should be small (<25% of total revenue), i.e., the add-ons are a

- convenience and modest revenue enhancement, and not a primary driver of business for the CSA vendor
- iii. The add-ons should be packaged in with the CSA share and not displayed at the Market in a way that is potentially confusing to Market customers

Regarding packaging of shares, practices vary by vendor. The Market has no specific requirement regarding how CSA vendors should package shares. We do, however, have some general principles with which we expect compliance:

- i. Ideally, shares are individually packaged (boxed or bagged) in advance of the Market such that customers can simply take them away.
- ii. In cases where CSA customers select their items from the Market display, ideally the vendor should have sufficient quantities of good such that non-CSA customers can purchase the same items that are included in the CSA share.
- iii. If the vendor doesn't have sufficient quantities of product to sell PLUS deliver to CSA customers, the Market display should be sufficiently clear to Market customers that the items in question are for CSA shares only and are not available for sale to other customers. To be clear, the Market considers this to be a very undesirable circumstance, and we do not expect it to be a regular occurrence.

Vendors are solely responsible for determining the tax implications of conducting CSA or Market Share programs, and are required to collect and remit taxes as required by applicable taxing authorities. WWFM Inc. offers no advice and assumes no liability related to taxing of CSA or Market Share products.

At the beginning of a season, the Market requires a brief summary (via email to the Market Manager) of anticipated CSA and/or Market Share activity anticipated to occur at WWFM Inc. in the upcoming season. The parameters to be reported are:

- i. Overall size of vendor's CSA and/or Market Share program, customer numbers and fair market dollar value
- ii. Proportion of that total business to be conducted at WWFM Inc., customer numbers and fair market dollar value
- iii. Anticipated length of CSA or Market Share season (number of weeks)

#### **vii) Attendance Expectations**

Generally, vendors are expected to participate at the Market on all dates to which they committed in the Vendor Application. If a vendor cannot attend, the Market expects them to provide as much notice as possible to the Market Manager.

Certainly it is understandable that inclement weather, difficulties with product availability, unanticipated vacations, family emergencies, etc., will arise from time-to-time, and that every vendor will have an occasional absence from the

Market even if they plan to attend every session. This is expected and perfectly acceptable.

What is not acceptable are large deviations between the attendance promised, and the actual attendance. More than one absence per season (over and above what was anticipated on the Vendor Application) is unacceptable. Absences without notification, except in case of emergency, are unacceptable. A single non-emergency absence without notification is unacceptable. Chronic tardiness (more than 2 times per season) is also not acceptable. For vendors who committed to participate in the winter market, failure to attend simply because the weather is cold is unacceptable (especially true in the case of vendors whose product availability has no weather dependence).

To be clear, what the Market asks is that vendors thoughtfully complete the Vendor Application, identifying to the extent possible when they will and will not attend the market, then make a good faith attempt to meet that commitment. For the avoidance of doubt, vendors should not report that they plan to attend ALL sessions if they KNOW they will miss some sessions; they should make a good faith attempt to at least estimate the number of absences in a season, even if they don't know exactly when those absences will be when completing the application. And when events cause them to miss a date, they provide as much advance notice as possible to the Market Manager.

### **viii) Product Pricing**

Product pricing is at the discretion of each individual vendor. That said, the Market will not tolerate predatory pricing practices, i.e., the dumping of excessive amounts of product at low prices for prolonged periods with the intent of inhibiting competition in the long run, or even because the vendor simply has no profit motive for other reasons.

It is the intention of WWFM Inc. that our marketplace is a sustainable marketplace for professional producers, one where products are sold at a reasonable and customary profit for the vendor, and that consumers are educated about the factors that drive those prices. Each vendor will have their own cost structure, and profit expectations, but we cannot allow ourselves to be a hobbyists' market, where vendors without a profit motive create an unsustainable price environment for others, or a market where strong vendors prey on weak vendors.

Suspicious or allegations of predatory pricing or undercutting will be investigated by the board. Pricing investigations will likely include some form of vendor cost audit. Vendors involved in pricing investigations are expected to cooperate fully with the board, even though under normal circumstances the type of data

required would not be available to the Market. Failure to cooperate will be viewed as an admission of guilt. All vendor-specific data collected in the investigation will remain confidential, i.e., it will not be shared beyond the board.

### **ix) Signage**

Vendors are required to have a sign with their business name, and indication of what they sell.

Prices must be clearly posted for all items sold.

Only certified organic growers may use the term “organic” in their signage at the Market.

Signs must be hung or secured in a way that they are not likely to move and cause injury, especially due to bumping or jostling, or wind. Lighter weight signs should be considered wherever practical.

### **x) Market Fees**

There are two types of fees assessed by the market: application fees for consideration to be included in the Market, and stall fees for participation at the Market. It is the Market’s goal that application fees cover all real cash costs of evaluating new vendors, and that the stall fees cover all real cash costs associated with market operations, and fund a reserve account equal to the estimated amount of the future 12 months’ operating expenses.

Fees may change from time-to-time at the discretion of the board. The board reserves the right to change fees at any time as the financial realities of the Market dictate. For the Spring 2018 season, vendor fees are collected weekly by the Market Manager at a rate of 6.75% of total weekly sales, with a minimum of \$25 and a maximum of \$60.

The application fee is a fixed fee calculated from historical Market data to cover the actual cash expenses of Market verification activities. Cash expenses associated with vendor verification include employee time to receive applications, investigate bona fides, schedule inspections, conduct inspections, and make admission decisions, as well as personal vehicle mileage reimbursement associated with physical inspections. Application fees may vary according to vendor type (farm evaluations are generally more expensive to conduct than non-farm evaluations). The current fees are specified in the Vendor Application, and are payable in full at the time the application is submitted, unless other arrangements are approved in advance by the Market Manager with concurrence from the board. If a vendor’s application is rejected prior to Market verification of the vendor’s bona fides, a portion of the fee MAY be returned to the vendor, at

the discretion of the board. Once Market verification is initiated, no portion of the fee will be refunded, regardless of the admission decision.

The session fee is assessed as a percentage of sales (“POS”), subject to floors (minimums) and ceilings (maximums). POS fees may vary by site for a number of reasons. Current fees are enumerated in the Vendor Application, and on the weekly fee calculation worksheet distributed to each vendor, each week, at the Market. Vendors will be notified if/when fees change.

Fees for any given market session are due and payable at the next Market session, unless other arrangements are agreed in advance with the Market Manager (provision may be made for vendors with specific accounting needs, e.g., monthly bill payments, ACH payment, etc.). Fees may be paid by cash, check, or ACH. Prepayment of fees is an option; interested vendors should contact the Market Manager for current protocol and terms.

Unless alternative arrangements have been made with the Market Manager, vendors submitting fees more than two weeks after a market session, or with two or more market sessions unpaid, are considered to be in arrears, and in violation of the Vendor Agreement. Finance charges may be added to late payments.

#### **xi) Other Fees**

The Market may assess other fees, including but not limited to fees for no-shows, etc. These fees will be enumerated in the Vendor Application, and may change at the discretion on the board.

#### **xii) Rebates**

The Market may offer incentives in the form of rebates for vendors meeting certain performance or other milestones. These rebates will be enumerated in the Vendor Application, and may change at the discretion of the board.

#### **xiii) Sales Data**

Sales data is necessary for many reasons, not the least of which is assessing the proper size of the vendor base, and determining how to levy the lowest possible fees to meet the fiduciary obligations of the Market.

All vendors are required to report their session sales (dollar revenues) at Market to the Market Manager. Every vendor must report sales for every session attended. All sales reported are subject to Market fees.

Sales subject to reporting are those that are a result of Market. The guiding principle is, if the sale would not have occurred but for the existence of the

Market, it is subject to reporting and fees. Certainly, any sale that physically occurs at the Market must be reported. Pre-orders retrieved by customers at the Market are considered Market sales. CSA shares delivered at the Market are considered Market sales to be recorded (see the section related to CSAs for more detail).

As a matter of convenience, the Market provides a worksheet, in the form of POS slips, to each vendor, each week, to calculate sales and fees, and report sales. We prefer that vendors use the worksheets, but that is NOT a requirement. The Market does not require the sales breakdown used in the worksheet (even though inevitably all those parameters must be used to calculate sales). The Market requires ONLY the sales total, in dollars, for each session.

As a matter of convenience, sales reporting has been linked to fee calculation and payment. In some cases, vendors will arrange to pay fees on some non-weekly frequency. In those cases, the sales reporting must still occur weekly. Any vendor who takes longer than two weeks to report session sales, or has more than two sessions unreported will be considered in violation of the Vendor Agreement.

It has been suggested that WWFM Inc.'s method of sales reporting and fee collection could be subject to intentional under-reporting, because it is an honor system, and the vendor could benefit financially by under-reporting, at least in the near-term. Perhaps naively, we do not expect this will occur, certainly not pervasively. Ours are businesses built on integrity. As a local food community, we are all generally interested in honesty, transparency and fairness: these are bedrock principles of our community. Under-reporting undermines the integrity of the data we collect, which is used for the betterment of the Market, and to keep fees as low as possible, which are long-term goals in the best interest of all involved.

#### **xiv) Representation at Market**

Vendors may assign persons, e.g., employees or volunteers, to assist them in selling their products at the Market, provided the representative is knowledgeable of the products. Vendor representatives are subject to all tenets of the Vendor Agreement. It is the vendor's sole responsibility to ensure that their representatives understand the expectations of the market.

#### **xv) Special Events**

The Market may, from time-to-time, hold special events at or away from the Market.

Market vendors are expected to assist at the Market with the promotion of events. Specifically, marketing collateral may be distributed by the Market Manager to be given away at each tent, and vendors are expected to distribute such collateral. In addition, customers may ask questions about events. Vendors are expected to answer customer questions friendly and patiently to the best of their ability, or refer questions to the Market Manager.

Further collaboration (e.g., supplying product for events, off-site promotion, volunteering labor, etc.) is appreciated but not required.

#### **xvi) Market Environment**

Vendors are expected to treat other vendors, customers and market management with courtesy and respect.

Customers attend the Market for many reasons, but generally, because they enjoy it. Customer enjoyment of the market is critically important, and no vendor behavior that can reasonably be anticipated to diminish customer enjoyment of the Market will be tolerated.

It is impossible to anticipate and codify every potential action that could diminish customer enjoyment, but some things can be anticipated. In particular, the following types of behavior are generally unacceptable (this is not intended to be an exhaustive list):

- i. Biases: Gender (including inappropriate sexual comments and images), race, age, religion, sexual orientation
- ii. Religious demonstration
- iii. Political demonstration
- iv. Excessive use of profanity
- v. Inappropriate attire
- vi. Complaining to customers about Market management
- vii. Disseminating misinformation about the Market, Market vendors, or Market products

Any action that could be reasonably anticipated to diminish customer enjoyment of the Market environment will be considered a breach of the Vendor Agreement, and will be investigated by the board.

### **Section Five – Vendor Space Allocation, Equipment & Supplies**

- i. Each Vendor is allotted at least one 10'X10' space.
- ii. Upon request, additional spaces will be allocated as space allows, at the discretion of the Market Manger.

- iii. Each Vendor is responsible for bringing, setup and takedown of his/her own 10'x10' canopy tent, weights to hold down the canopy, and table(s) to the Market.
- iv. Vendors must maintain all equipment in good condition to the satisfaction of the Market Manager.
- v. Each Vendor at Market may supply stands, counters or tables that do not exceed the width of his or her space(s).
- vi. All vendor equipment must be used safely in accordance with manufacturer instruction and common sense.

## **Section Six – Complaints, Potential Events of Default**

### **i) Complaints**

Any vendor may report complaints at any time. Complaints may be of virtually any nature, ranging from dissatisfaction to allegations of Events of Default (a violation of the Vendor Agreement), and may be directed at the Market or other vendors. Complaints may be related to the Guidelines, the Vendor Application (together, the Vendor Agreement), or neither.

Complaints must be made in writing (an email to [info@wwfm.ag](mailto:info@wwfm.ag), or letter sent to WWFM Inc., PO Box 1113, Morrisville, NC 27569 meets this requirement), must be specific, and must contain the identity of the person making the complaint. It will also be helpful, and speed the response, if the individual making the complaint also describes it verbally to the Market Manager.

No immediate action will be taken on complaints that do not allege an Event of Default (see Potential Events of Default, below). They will be subject to the following complaint handling process:

- Complaints will be reviewed by the board within 14 calendar days of receipt;
- The board President will assign a board member to lead the complaint investigation (or decide that none is required);
  - If the complaint is directed toward the President, the Vice President will assign a board member to investigate;
- The board member leading the investigation will reach out to the person who made the complaint and discuss the facts and/or perceptions surrounding the complaint, within 30 days of receipt of the complaint;

- The board member will suggest action (or not) to the board, and that suggestion will be ratified or amended per the majority opinion within 45 days of the complaint;
- The person making the complaint will be notified of the outcome within a few days of the decision.

## **ii) Potential Events of Default**

Potential Events of Default are a more serious type of complaint, and will be handled accordingly.

To be clear, an alleged Event of Default is a violation of the Vendor Agreement, which is to say a violation of the Market Rules and/or the Vendor Application.

Commonly alleged Events of Default include (but are not limited to):

1. Reselling (covered in the Guidelines, Section Two, Paragraph i)
2. Issues with attendance (covered in the Guidelines, Section Four, Paragraph vii, as well as the Vendor Application, where vendors specify anticipated dates of attendance)
3. Disruption of Market Environment (covered in the Guidelines, Section Four, Paragraph xiv)

Vendor allegations of Events of Default must be made in writing (an email to info@wwfm.ag, or letter sent to WWFM Inc., PO Box 1113, Morrisville, NC 27569 meets this requirement), must be specific, and must contain the identity of the person making the complaint. It will also be helpful, and speed the response, if the individual making the complaint also describes it verbally to the Market Manager.

Allegations of Events of Default will be investigated as soon as practical according to the following procedure:

- Complaints will be reviewed by the board within 5 calendar days of receipt;
- Initial review MAY result in a request by the board for a vendor to withdraw certain products from the Market, or to suspend participation in the Market entirely until the conclusion of the investigation. Vendors are required to comply with these requests;

- The board President will assign a board member to lead the complaint investigation (or decide that none is required);
  - If the complaint is directed toward the President, the Vice President will assign a board member to investigate;
- The board member leading the investigation will reach out to the person who made the complaint and discuss the facts and/or perceptions surrounding the complaint, within 7 days of receipt of the complaint;
- The board member will suggest action (or not) to the board, and that suggestion will be ratified or amended per the majority opinion within 10 days of the complaint;
- The person making the complaint will be notified of the outcome within a few days of the decision.

### **Opportunity to Cure**

Events of Default may result in action of up and including expulsion of vendor (or in the case of serious allegations against staff or directors, termination). Depending on the circumstance, the board, in its sole discretion, may (or may not) offer the opportunity for the vendor to cure (correct) the Event of Default. If offered the opportunity to cure, vendor must provide the board, in writing, with action plan and timeline for cure, and if the board agrees, must execute that plan in the time specified. The vendor will receive directions from the board as to whether or how they are permitted to participate in the Market during the period the cure is being implemented.

### **Appeals**

Because the complaint process by necessity involves the full board, once a determination is made it is not subject to appeal.

### **Re-Application**

Vendors found to be in default of the Vendor Agreement, and who are not offered or who have not executed the opportunity to cure, are not eligible to reapply to the Market in the season following the Event of Default.

*Vendors must abide by all of these Market Guidelines to participate at Western Wake Farmers Market, Inc.*