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The Beginner's Guide to Starting a Farmer's Market Stand

***Remember, this outline is a general guide.
Be sure to contact an attorney if you have questions or specific issues.***

Farmer's market season is underway and it's important to make sure you're protecting your business, your products, and your people from potential liability and penalties for not operating legally. The following are a few questions to ask yourself before getting started with your own stand at a farmers' market.

1. Do you have an entity?

Having an entity like an LLC, corporation, cooperative, or other structure provides legal protection for your personal assets, aka "limited liability" for your business. This means only the business assets are at risk in a lawsuit or financial claim, not your personal assets. (Check out our blogs about [entity formation](#) and [What is an LLC?](#), or the Trellis Template Library™ with [LLC Operating Agreements](#) for sale once you get yours filed with the state.)

2. What are you going to sell?

Start with the basics. Ask yourself what of your products you intend to sell. If you produce cheese, greens, potatoes, honey, and eggs, each of these items may have different levels of licensing, sales tax, and permit requirements. So, understanding the needs of each might help you ultimately decide what you bring to market and what stays home.

3. Are you required to have a retail food license?

In Pennsylvania, each individual stand is considered its own retail food facility and must obtain its own license to operate minus a few exceptions. Vendors selling only raw agricultural commodities or only prepackaged, non-potentially hazardous food or beverages are exempt from licensing requirements. Pre-packaged, non-potentially hazardous items mean items like baked goods, jams, candy, canned pickled food products, bottled juices, apple cider, honey products, etc. *that have been prepared in a kitchen/facility that is registered, licensed and inspected by the PA Department of Agriculture* and they are exempt from having their own retail food license but remain under routine kitchen inspections.

Raw commodities like vegetables are exempt so long as the items are not processed. All other products sold at farmer's markets, including processed vegetables, meats, cheeses, and eggs, are required to obtain a retail food license. You can get an application packet from the [Pennsylvania Department of Agriculture](#) online, or if you are in one of the 6 counties with delegated authority then you will have to go through your local health department, and check whether or not your products fall under an exemption or require a permit.

4. Are you required to obtain any other health permits?

As mentioned above the PA Department of Agriculture regulates much of farmers market permitting but 6 counties have their own delegated authority. These counties include Allegheny, Bucks, Chester, Delaware, Erie, Montgomery, and Philadelphia. Additionally, some boroughs and cities make their own regulations. A complete list on where to turn for information on a specific locality can be found [here](#). The document breaks down each local municipality by county that may have additional regulations. Read more about these details in our blog posts about [farmers' market permitting](#) or Pennsylvania [commercial food production](#).

5. Do you need a sales tax license?

Some products sold in Pennsylvania are exempt from needing a [state sales tax license](#). While raw agricultural products do not generally require one, ready-to-eat foods like packaged cheese do. We recommend contacting the Pennsylvania Department of Revenue or your accountant with your specific products to find out what products of yours might be subject to a sales tax license.

6. Are you hiring employees and are you compliant with employment laws?

Selling your items at a farmer's market might mean adding a couple employees to help with loading, unloading, and direct sales. You will need to follow the appropriate and applicable employment and tax laws, pay them appropriately depending on what kind of worker they are (independent contractor or W2 employee-and remember it's not how YOU want to classify them, it is how their tasks would classify them under the law), and figure out how their time working will come to an end, possibly at the end of the market season. In our blog post, [5 Essential Employee Policies for Small Businesses](#), we cover policy decisions that might help with these questions.

7. Have you checked the specific market's requirements?

Check with the markets you want to join for any other specifics they might require. Some require you have an entity or insurance. So make sure you're in compliance with the specifics that they want as well to make sure you don't jeopardize your application to setup in the neighborhood market you've got your eye on.

Also don't forget to check out our other [Free Resources](#) for farms and businesses for more information!