

Stage Two Market Study

For

Island Roots Market Co-operative

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—Confidential—

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Executive Summary

Island Roots Market Co-operative (IRMC) aims to strengthen the local economy and the community's food security by encouraging and supporting the growth of local food production. It currently does this through the provision of a farmers' market at Beban Park during the summer and at Pleasant Valley Hall during the winter. IRMC believes however, that to survive and thrive it needs a year-round indoor/outdoor facility at Beban Park and wants to build such a facility for the city.

City Council has approved the idea in principle and IRMC has developed a business plan to make operating a facility at Beban Park financially viable. However due to the proposed commercial activity these plans have been deemed unacceptable by City staff.

This study has attempted to uncover what would be financially viable and acceptable to City staff. We looked at scaling back the facilities plan to the basic needs for an indoor farmers' market. We worked with City staff to very specifically identify what could be an acceptable arrangement and we examined financial viability under the new arrangements.

A survey of best practices for farmers' markets revealed that indoor farmers' markets do generate increased traffic but what is needed in terms of facilities is very basic. The 417 IRMC stakeholders that responded to our survey of wants and needs agreed. In essence, what is needed is an accessible dry floor space with big garage doors that open to the outdoors to make an attractive and inviting indoor/outdoor social space.

The Vancouver Island Exhibition (VIEX) also needs indoor/outdoor event space suitable for exhibitions, shows, auctions and festivals. VIEX has indicated an interest in sharing a facility with the IRMC in order to provide year-round agricultural events and education. Sharing such a space with the Vancouver Island Exhibition Society may make operating such a facility financially viable for both organizations. Such an arrangement might also be compatible with City (Beban Park) objectives.

To be sanctioned by the City, the activities undertaken in a building at Beban Park must be deemed by the City to provide a community benefit. City staff has indicated an interest in a joint IRMC/ VIEX proposal for a facility to be used for the farmers' market and for activities that are agricultural in theme and educational in nature. A farmers' market is deemed to provide a community benefit and VIEX has plans to build a year-round agricultural education centre. Neither organization needs the building full-time but jointly a facility may well be used enough to make its operation financially viable.

City Council was very excited to approve a plan in principle when four groups presented compatible plans for the heart of Beban Park. What was presented was a display of groups working together to create a vibrant and unique cultural hub. There are other community groups with an interest in this area of the park and their needs should be considered. The land in this area of Beban Park is large enough for development of other buildings as other community groups come forward. For now, the planners recommend that the focus be on this basic space and we leave space for the area to evolve as the farmers' market and the local food community grows.

Background

IRMC wants to augment their outdoor farmers' market with a sustainable year-round indoor market. Their concept is to build an indoor/outdoor facility in the heart of Beban Park. In 2016, IRMC, in conjunction with Vancouver Island Exhibition Society, the Nanaimo Equestrian Society, the Nanaimo Aboriginal Council, the Boys and girls Club of Nanaimo and the Mid Island Metis Association presented a joint plan to the Nanaimo City Council for a unique cultural hub comprised of several buildings in the heart of Beban Park. The Council were excited that the groups had come together to create this concept and approved the plans in principle.

IRMC then presented a business plan to City staff. The business plan was rejected by City staff because the ancillary uses proposed to generate the revenue necessary to cover the building operating costs did not meet the threshold of allowable uses of City park. The IRMC planned to operate permanent commercial vendors and allow a wide variety of private short-term rentals. This crossed the line from being a community farmers market to becoming a commercial enterprise and therefore goes against the intent for the community use of Beban Park in considering the common law related to the use of land dedicated as park and to sections of the Community Charter.

The planners at Farm Food Drink were then asked, through a Preliminary Study, to examine the marketplace concept for viability without the commercial activity of a five day a week market. The results of that study concluded that the farmers' market itself could not carry the costs of owning and operating a building and that identified opportunities to generate secondary income to help make the project viable would not be agreed to by City Staff

The Planners and the directors on the board for IRMC still believe, however, that the best option for a viable farmers' market facility is at Beban Park. This study explored opportunities and arrangements that could be made with the City of Nanaimo to house an indoor/outdoor market operating at Beban Park.

- We used best practices research and a stakeholder survey to develop a facility wants and needs list for presentation to the City of Nanaimo staff.
- We met twice with city staff to discuss how IRMC's needs could be met at Beban Park.
- We assessed financial viability.

Needs and Wants

IRMC Stakeholder Survey

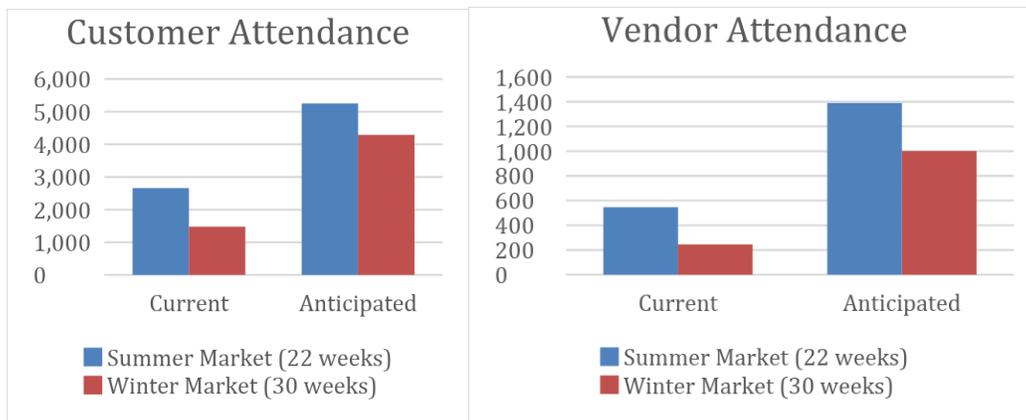
A survey request was emailed to 900 IRMC stakeholders and posted to IRMC's Facebook page. The intent was to collect the views and opinions from current farmers' market stakeholders on what is needed and wanted at a farmers' market in terms of facilities and space and in particular for the Beban Park location. There were 417 responses in total, of which 49 said they have no affiliation with Island Roots. There were 98 vendor responses, 361 consumer responses and 68 responses from food-related community groups.

Both vendors and customers were asked how strongly they believe that Beban Park is the right location for the IRMC market. The response from both groups rated 79 out of 100. Similarly, 79% of vendors and 77% of customers believe that the market should be year-round, both indoors and outdoors. Vendors mainly want

weather protection and truck access or easy unloading to their stalls. Customers mainly want weather protection, accessibility and comfort. Most vendors are not concerned with day or overnight storage or equipment amenities and once comfortable, customers are most concerned with the type and variety of vendors, food and drink for consumption on-site and places to sit. There was no definitive result when asked about the need for kitchen facilities and other than a coffee bar, some community groups expressed interest in a teaching kitchen.

If vendors had an indoor venue from which to market their goods, vendors indicated that their attendance at the market would increase by 150% in summer and by 300% in winter.

Current customers would increase their attendance by 100% in summer and 200% in winter.



Past, Present or Potential Vendors at any Farmers' Market

98 respondents

- Vendors are 80% certain that Beban Park is the best location for the farmers' market and 79% believe that what is needed is a year-round, indoor/outdoor market.
- Vendors sold an average 11 times at the Beban Park summer market in 2017 and 5 times at the Pleasant Valley Hall winter market. These same vendors attended other summer markets an average of 22 times and 10 times at other winter markets.
- When asked what discourages them from selling products at a farmers' market,
 - 57.5% said lack of protection from the wind
 - 57.5% said difficult or no access to the stall with the vehicle
 - 36% said lack of a roof
 - Additional comments included a lack of paying customers.
- 46% want heat and air conditioning. Some are less concerned with air conditioning.
- 72% agree that grass is the best surface to stand on.
- While 34% want to be able to pull their vehicle up to the stall, 63% just need an easy place to unload their goods.
- There is no consensus on need for fixtures & furnishings such as tables, chairs, display shelves, counters or cases.
- Access to power, light and internet are needed or wanted.
- 70% think that it would be nice to have a cash machine on-site.
- A kitchen is not considered necessary, but 54% of vendors said it would be nice to have.
- 25% of vendor who responded believe that a coffee bar is essential.

Consumers

361 respondents

- 86% would like places to sit at the market and a walking path leading to the market.
- 76% want food vendors at the market.
- 65% want a covered place to sit down.
- 71% want washrooms.
- 50% want music.
- 50% want coffee vendors at the market.

Community Groups

62 respondents

- 6 said they are already located at Beban Park
- 10 said they would and 26 might relocate some or all of their activities to Beban Park if there were an indoor facility available for the farmers' market. Those groups would be looking for event space both indoors and outdoors.
- Over 20% would require a kitchen or at least a coffee bar and most groups think that a kitchen would be nice to have.
- Groups would use the facility an average of 14 times per year.

Criteria for Success

Critical to the success of a farmers' market is attracting enough buyers and sellers to the market. Vendors, and in particular farmers who have to plan well ahead of the markets, don't want to sell at markets where there aren't enough customers and customers don't want to shop at markets where there aren't:

- 1) enough vendors,
- 2) enough variety of vendors, and
- 3) enough and mostly food vendors.

The "which comes first" problem is coined as a circular condition (Stephenson, Lev, & Brewer, 2006). This condition must be the primary consideration when planning for and managing the growth of the market. Drawing enough customers together with enough vendors is the job of the farmers' market. How best to do that is well documented.

Location

The three main criteria for a farmers' market location are:

- Highly visible
- Accessible
- Attractive

Although the chosen location at Beban Park only scores one out of three most IRMC stakeholders believe that Beban Park is the best location. Beban Park meets accessibility standards but the proposed location within the park isn't highly visible from the street, it has no waterfront or other amenity that attracts tourists, nor is there a

heritable building for the market to inhabit. So, what is the current draw and how does IRMC take advantage of that to increase the draw?

VIEX

One of the main reasons that Beban Park is a draw may be the location's history. Beban Park was originally a farm owned by the Beban family and since 1963 it has been the site for the annual Vancouver Island Exhibition. The site has also been identified by the community as a place to “focus on urban agriculture and maintain the agricultural heritage of the park” (City of Nanaimo - Parks, Recreation & Environment, 2015, p. 16). The fairgrounds ambience has been a *natural* fit for the farmers' market and an outdoor seasonal farmers' market has been operating at Beban Park for a decade. There are many examples of farmers' markets operating on fairgrounds and their success has been built upon synergistic relations between farm market and fairgrounds' management (Barbour, Hunter, Jones, Whiting, & Wetel, 2014).

Seven barns on the VIEX site are falling apart and VIEX wants to replace them with an indoor exhibition space. That exhibition space is needed for two weeks during the summer and sporadically throughout the year. VIEX wants exhibition space about double the size needed by IRMC. It also wants classroom, kitchen, office and meeting space. VIEX put forward a proposal which was also rejected by city staff because of the revenue-generating activities it proposed to make their plan financially viable.

VIEX has since revised its plan to be more in keeping with the City staff requirements. They are now focused on creating a centre for agricultural education. To this end, VIEX has expressed interest in sharing this space with the farmers' market.

Other Community Groups

There are other organizations that draw people to the Beban Park site. The Nanaimo Equestrian Society has stables and a riding ring adjacent to the site. The Community Gardens Society operates a beautiful community garden and greenhouse there. Nanaimo Foodshare has expressed some interest in plans for an agricultural centre at Beban Park. They operate a nutritional program that works hand-in-hand with the farmers' markets. Nanaimo Foodshare has expressed interest in a teaching kitchen. These operations are compatible with and enhance the fair and could enhance the farmers' market experience. The site draws people of similar ilk and the vision to build a green, growing and grand agricultural community inspires this choice for location.

Through the surveys, members of other community groups say they would like to share the space with IRMC both indoors and outdoors. Their accessibility needs are like those of the market's although there is more interest in having a kitchen of some kind for teaching and for catering events or at the minimum a place to make coffee and refrigerate cream.

Customers

Accessibility issues include ease of getting to the market and ease of getting around the market. Research says that people will only drive ten to fifteen minutes to get to a market. Ample and free parking is always important and as with all public spaces, general accessibility standards are high. People's physical needs must be considered, including the provision of washrooms, places to sit down, shade, protection from wind and food that can be consumed on-site.

An attractive environment doesn't just mean appealing. It must also be interesting. People love to watch cooking demonstrations, try new foods, learn new things, explore an interesting and varied environment. A variety of foods and food vendors, artisan products and crafts are all necessary elements of a market. Workshops and other reasons to stay are part of the attraction package.

Attractiveness includes providing a hospitable environment. Many farmers' markets surveys conclude that farmers' markets must be very social environments and people need a welcoming and comfortable environment where they can meet, sit, talk, eat and generally enjoy being there. Shoppers and other visitors to the market also need to feel actively welcomed. Shoppers go to farmers' markets in part to support farmers. They are looking to connect with farmers and hear their stories. Tourists and other visitors are curious and want to learn. With the right welcome they are likely future shoppers. So many surveys about farmers' markets talk about the relationships that are built there. Farmers' markets are meeting events: vendor to vendor, community groups to potential members, vendors to potential commercial buyers, chefs to food sources. The market needs to provide that welcome and attitude is as important as the physical environment.

Moving locations is highly risky and has to be managed well. In 2015, the Ottawa Farmers' Market, a once thriving market, was forced to move due to construction. Sales fell by 35% in that summer (CBC News, 2015). If the market makes plans to move, even from one location of the park to another, it has to give its customers lots of advance warning. Marketing is critical.

Vendors

If the market attracts and connects local food consumers with vendors, then the remaining needs and wants are quite basic. Vendors want protection from the weather, which, for half of the vendors, also means heat. The next most important issue is accessibility. For vendors, accessibility is about easy access to stalls for unloading their product and operating their equipment.

Other criteria for success

An environmental scan of best practices of farmers' markets and food hubs does not provide a consensus on priorities for farmers' markets, however, it does inform on a consistent basis the basic requirements. The differences relate to the characteristics of the communities, the competitive environments and their maturity as a local food system. But, other than a discussion about location, accessibility and attractiveness, no article focused on the building and its amenities.

The below is a criteria list for success. Some have already been mentioned, and others are surprising.

- Planning
- Promotion
- Management
- Community financial support
- Mix of products and events
- Culture of public market shopping
- Mix of shoppers
- Low cost/free site
- Local advocate with significant development experience
- Attractive environment
- Incremental or phased growth
- City commitment
- Customer perspective
- Concession stands
- Cooking demonstrations
- Vendor perspective
- Number of customers seen
- Fees paid to the market
- Deterrents
- Outdoor picnic areas
- Music
- Small size
- Need for farm products

A number of articles did focus on the importance of the market manager. One article (Stephenson, Lev, & Brewer, 2006) focused on the causes of market failures, suggesting the market manager function is critical to the success of a market.

- Market manager turnover
- Market manager experience
- Market manager pay

In summary, a successful farmers' market is well-located, well-managed, protected from the weather, accessible to all and attractive.

Community Benefit from Farmers' Markets

In theory, the City has good reason to support farmers' markets as they succeed in furthering the goals of community and economic development.

Community and Cultural Development

- Farmers' markets tend to be as much about socializing as shopping. They are informal people gathering events.
- Farmers' markets are a means for people to make a positive contribution to the community. People shop at farmers' markets with the intent to support farmers.
- Farmers' markets are the seed for community events
- Engages the community, helps to revitalize communities

Physical and Environmental Health

- Promotes healthier eating
- Moves the community toward a healthier physical environment

Economic Development

- Encourages growth in production
- Increases supply for restaurants, institutions, grocery stores
- Encourages people to make, bake, or grow products
- Incubates new businesses (Starbucks was incubated in Seattle's Pike Place Market (Illinois Institute for Rural Affairs at Western Illinois University: Rural Grocery Store Guide Supplement, 2014))
- Stops grocery store chains from cornering the market.

What does the City envision for the site?

When the city council approved the plans in principle they were excited to see a plan put together by multiple groups synergistically creating a dynamic and unique cultural hub of community activity. This overall long-term vision must not be lost in the short-term planning details. The vision is about bringing the people together. The Beban Park Master plan envisions the site identified for IRMC and VIEX as a vibrant central meeting space.

Beban Park is a place of community gathering. All facilities, but especially the centre of the park, should be comfortable and safe gathering spaces. (City of Nanaimo - Parks, Recreation & Environment, 2015, p. 32)

This heart is a flexible space that could be developed with indoor recreation facilities of varying size, be the site of indoor and outdoor special events, and be a destination for day-to-day park use. Extending out of this facility heart could be a series of pedestrian scaled urban plazas, open spaces, and trails that connect to existing buildings and facilities. (City of Nanaimo - Parks, Recreation & Environment, 2015, p. 37)

A building that is owned by the City and jointly operated by VIEX and the IRMC could work. City staff has said that typically buildings at City parks are multi-use to suit any number of community groups and activities, however staff has also said that the building need not be for sports. If a special purpose building is requested, then the purpose for the building and the activities held therein must be very clearly articulated and in conformance with the mandate of the partnering organization(s). The articulated activities also need to be deemed by staff to be of community benefit, not competing with commercial ventures and not drawing tenants away from other centres at the park. Farmers' markets at present are deemed to be of community benefit. A cooking class that focuses on using food from the farmers' market may also be deemed to be of community benefit. Beban Park staff is interested to learn how VIEX and IRMC could make use of a facility to offer unique activities and events consistent with their mandates to promote the growing and consumption of local food.

VIEX and IRMC might occupy a multi-use City-owned building in which they have a specific rental schedule of use or they may jointly operate a city-owned building for which they negotiate a lease for exclusive use. Under that arrangement the two organizations would have an arm's length relationship with the City agreeing to manage, maintain and pay the operating costs of the building. This would allow IRMC and VIEX to potentially house permanent vendor booths and equipment in the building. The City may occasionally need to restrict access to a building with a park under either agreement. Such a restriction would mainly be on occasions where large events need full access to the Beban Park grounds. Negotiating in good faith is what is needed here.

In return for exclusive use of a building, the leaseholder(s) have to be able to pay the operating costs for the building. They may also have to be able to pay a lease cost. Depending upon what the two organizations are able to negotiate, the lease payment may range from commercial rates to nil. It may also be possible to negotiate an arrangement for a gradual handover of responsibilities. This is where it is crucial for IRMC and VIEX to consider the size and complexity of the building they wish to operate. The arm's length arrangement may help because under that arrangement custodial, janitorial, and building administrative need not be done by City staff, however, the utility and maintenance costs of buildings the size of what's being envisioned can be prohibitive.

The findings from the surveys and best practices research suggest that IRMC needs a 7500 square foot floor space with a roof and walls, and doors that open to provide access by trucks for loading and unloading. The building also

needs washrooms and space for people to sit and congregate. IRMC and VIEX may need and want other spaces, however, the following financial projections do not consider additional spaces.

Common Ground

Council has approved, in principle, the IRMC and VIEX plans to build at Beban Park, but with ideas for generating revenue from both VIE and IRMC rejected by City staff the plans lacked viability. Both organizations have assumed that they need to fundraise for, build and carry the capital costs of the buildings. The problem is that any building built on Park property will become the property of the City. The president of IRMC believes that it will be able to secure financing for the building using the lease as security but at this point its not possible to say whether the City would negotiate a lease with IRMC under such circumstances. Possibly the only option available to the organizations is to lease from the City any facility or facilities it may decide to build.

The second problem is that neither organization, individually, has the resources to carry and operate the cost of a year-round full-time building without revenue generating activities that city staff does not support. The City staff will not agree to either organization generating ancillary revenue by way of rental revenue from the building in order to offset revenue deficits. An option has come to light that may help to offset revenue deficits. If either or both organizations can bring new activities or events to the park that fall within the mandates of the organizations and that meet the guidelines for activities negotiated in the lease, this revenue may be used to offset the costs of operating the building.

A way forward is to present a joint plan with VIEX to the City for a basic walled and roofed dry floor space that spills into an attractive outdoor space. This building would be a multi-purpose indoor/outdoor social space suitable for farm, food and festival events. Classroom, meeting, and office space may be negotiable, for now or in the future and for this or a future building. However, we recommend that this not be a barrier to proceeding with the dry floor space negotiations immediately.

Given a negotiated plan, the next step is to go back to the City Council to request approval for the revised plan.

Financial Viability

Potential revenue

Market Size

According to the 2016 census, there were 455 farms in the Regional District of Nanaimo. Of those who reported, 60 farms sold product at farmers' markets. There were 240 farms that reported using farm gate, stands, kiosks and/or u-pick (BC Ministry of Agriculture, 2016).

Estimated total farm vendor market size - 60 (from the RDN alone)

Competition

There are two other Nanaimo Regional markets: Cedar and Downtown. Cedar runs on Sundays and the Downtown market on Fridays. Gabriola Island has a market on Saturdays but doesn't really compete for the same shoppers. It has recently been announced that the Chamber of Commerce will host a market on Thursday evening, downtown and during the peak summer season, June to August.

Summer

- Wednesday – Beban Park
- Friday – Downtown Harbour Front
- Saturday – Beban Park, Downtown Commercial Street (new), Gabriola
- Sunday - Cedar

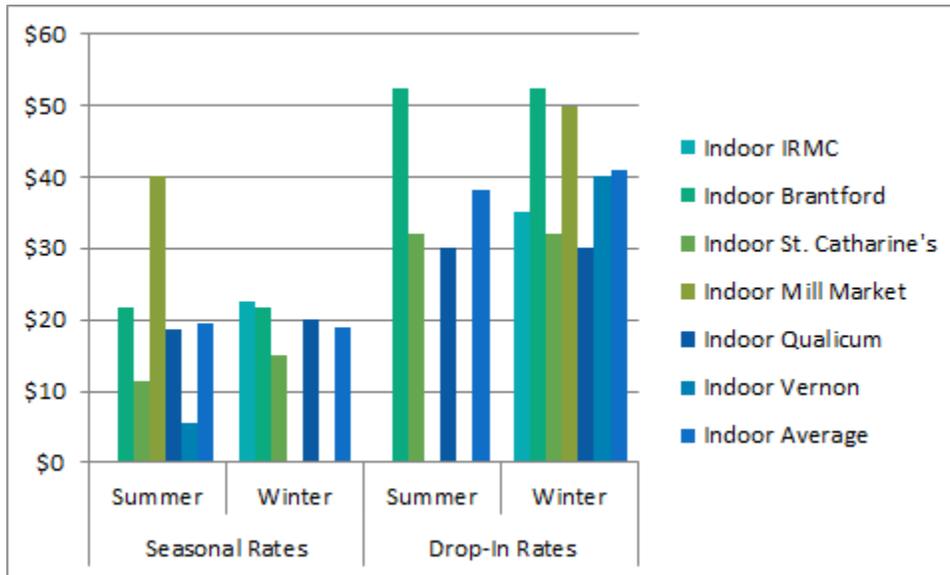
Winter

- Wednesday – Pleasant Valley Hall

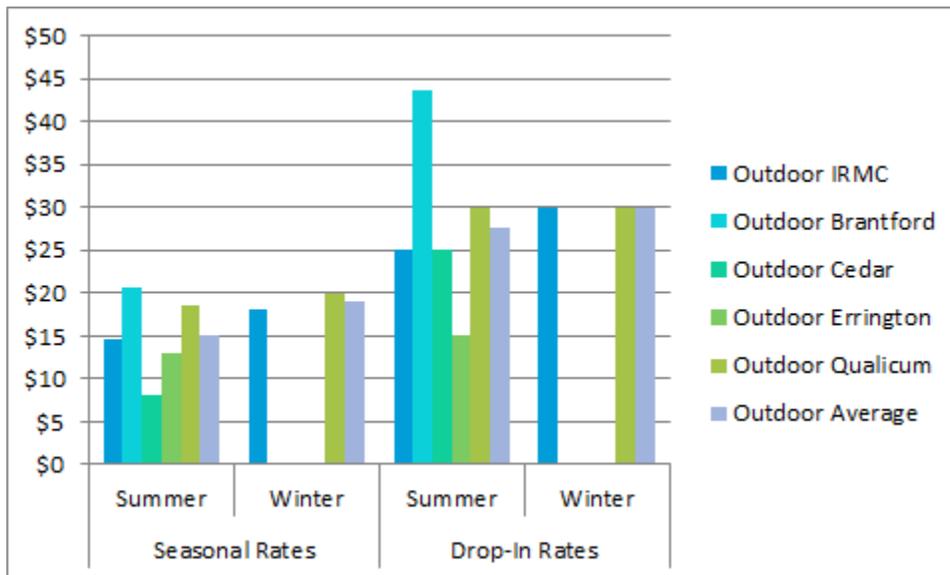
Other markets outside the RDN compete for vendors and the real competition for consumers is with large grocery stores. IRMC competes with markets in Duncan, Qualicum Beach, Errington and Parksville but as found through BCAFM focus groups and studies, other markets tend to benefit farmers' markets as a whole in the growing of market share of grocery and in the development of a local food system. Nanaimo, as a relatively immature local farm and food system (compared to Cowichan Valley, Comox Valley and Greater Victoria), benefits through markets cross-promoting and promoting agriculture and local buying. Of note, this is also better for the local economy, keeping dollars within Nanaimo.

Stall fees

Seasonal rates tend to be about one-half of drop-in or casual rates. Drop-in rates for indoor venues average about \$10 less than for outdoor venues. Drop-in stall rates average \$30 outdoors and \$40 indoors. Island Roots prices fall somewhere in the middle.



Indoor seasonal rates average \$19 both summer and winter. Drop-in rates average \$38 in summer and \$41 in winter.



Outdoor seasonal rates average \$15 in summer and \$19 in winter and outdoor drop-in rates average \$29 in summer and \$30 in winter.

There are price variations, add-ons, and discounts in stall prices based on a large variety of criteria. For example:

- Some markets give farmers a more favourable rate than other vendors
- Vendors of alcoholic beverages and truck vendors are charged higher rates
- Vendors who prepay and commit to a full season pay less than drop-in's by about \$5 a day
- A \$5 premium may be charged for prime locations
- Some markets charge additional fees of \$2 to \$5 for electrical hook-ups and 1 market rented 10' x 10' tents for \$5
- Almost all markets charge either a membership fee or an annual registration fee which averages about \$31 per year
- Non-profit organizations are often given a free booth space but pay annual membership, registration or administration fees

There is opportunity to vary the fees if the complexity of managing the fees and marketing the discounts is reasonably easy to do. The financial projections use an average rate of \$25 per day.

Revenue Target

Assumptions:

- The market is open 100 days per year
- IRMC attracts 30% of the farms in the region that sell at farmers' markets or 18 vendors
- The ratio of vendors is
 - 40% (18 vendors) un-processed farm product
 - 40% (18 vendors) prepared food
 - 20% (9 vendors) non-food products
- The ratio of seasonal vendors to drop-ins is 75%/25%
- The target average vendor rate per day is \$22.67

Based on these assumptions, the revenue generated in year one for the indoor/outdoor farmers' market is \$102,000 (45 vendors x 100 days x \$22.67).

Benchmark Markets

Two benchmark indoor farmers' markets were used for the financial projections: St. Catherine's Market Square and Brantford Farmers' market.



The Brantford Farmers' Market is operated by the City of Brantford which liaises with the Farmers Market Vendors Association. The market is housed by the City within a 9,766 square foot historical building. The building underwent a very expensive renovation in 2009, paid for by the City, in order to accommodate an indoor market. The market was given several years (2009 to 2013) to become self-sustaining and in 2012 it

accomplished this. The market has capacity for 49 indoor stalls and as of 2012 year-end, all those stalls were 100% occupied. There are 25 outdoor stalls available in the summer and occupancy of those stalls varies through the season. The market operates two days a week, Friday and Saturday. Estimated attendance at the market during the summer is 4800 and 3000 during the off-season.

St. Catharine's Market Square building was built in 2001 for \$1.5 Million. It is just shy of 7500 square feet, has stamped concrete floors, overhead and fan heating, electricity and water. This building has no washrooms as there are some located in the adjacent City Hall building. The market is managed by the City of St. Catharine's and operates 3 days per week. The City also rents the facility for festivals and other events.

- 30 to 35 vendors
- 85% produce vendors
- Saturday customers
 - 3000 - 5000 in summer
 - 500 – 800 in winter
- Lease rates: \$458 per day to \$806, as low as \$230 per day for non-profits



Financial Projections

Based on the assumptions outlined below it is projected that IRMC could break-even.

Target revenue	102,000
Direct market expenses (15%)	15,300
Building operating costs	52,000
Other fixed operating expenses	34,930
Net loss	(230)

The main assumptions are:

- That the City of Nanaimo builds the building and pays the capital costs. IRMC pays no lease cost.
- That the City is willing to allow IRMC and VIEX to build up to its commitment to cover the operating costs of the building.
- That IRMC and VIEX agree to share the building operating costs, projected to be about \$52,000 per year. This arrangement would give IRMC and VIEX access to the building most days of the year.
- That VIEX will pay a share of the janitorial/custodian costs to bring the wage up to full-time and in keeping with the skills and knowledge needed by that employee, and that it can pay its share of operating costs through the events and activities it attracts to the agricultural education and events centre.

Market Operating Costs

The operating budgets for both the Brantford and St. Catharine's markets were used to forecast building operating costs. These numbers compare to the estimated annual operating cost \$60,000 for the Centennial Building at Beban Park.

Building Operations	Projection for IRMC	Brantford	St. Catharines
Building square feet	7500	9766	7429
Utilities	22,500	18,800	26,004
Janitorial/Custodian	9,500	7,950	11,150
Repair and maintenance	17,000	20,500	13,000
Property insurance	3,000		3,091
Total	52,000	47,250	53,245

Other costs are based on 2017 actuals for IRMC. Variable market costs are estimated to be 15% of revenue. It is assumed that fixed costs will remain largely unchanged from current costs. If the market manager's hours are to be increased due to the additional market day in winter this will directly impact the bottom line.

Other Fixed Operating Expenses	Projected	2017 Actuals
Payroll	24,900	22,614
Advertising and promotions	2,500	1,364
Bank charges	310	308
Business licenses and permits	320	315
Computers supplies and hosting	90	90
Conferences & meetings	60	61
Contracts	240	243
Insurance - general liability	960	950
Memberships and dues	250	250
Office & supplies	200	157
Professional Fees	1,200	
Rent – facilities	1,200	8,069
Rent - equipment	1,200	
Telephone	900	
Training	100	
Travel	500	53
Total	34930	34474

Next Steps

Create Partnerships

- Invest in building a partnership with VIEX.
- Work with VIEX and the City of Nanaimo to negotiate a lease agreement.
- Invest in building relationships with Nanaimo Equestrian Society and the Community Gardens Society and other food-related businesses and community groups and plan the site for these groups as well as for IRMC.
- Present revised plan to City Council to ensure they are still on board.
- Work with the City to make the outdoor market more accessible, physically attractive and comfortable. Landscape, provide shaded and sunny sitting areas, add places to sit, build a pathway for wheelchairs and strollers and sell food that can be eaten on-site.

Attract Vendors, Buyers and Funders

- Attract new visitors – work with community groups and businesses to put on demonstrations, workshops and social events during the market and around the market. Invite diverse groups.
- Attract more customers – build relationships with the target market area.
- Consider moving the winter market to Wellington Hall in the interim. Wellington Hall’s highway frontage would give the market high visibility and it will help to build numbers. Its close proximity to Beban Park will help to keep the current market shopping throughout the winter. Consider, for example, tactics such as pop-up markets on neighbourhood streets, and flyers in surrounding area mailboxes.
- Attract volunteers to help with marketing, fundraising, and possibly even working with the City to build short-term facilities and plans.
- Attract donations – plan and begin a fundraising campaign.

Manage Stakeholder Expectations

The circular condition referred to earlier where more customers are needed to attract vendors and more vendors are needed to attract customers has to be managed until you get to the “critical mass”. Customers have said that they attend farmers’ markets in large part to support the farmers. Make customers aware of this circular condition and stress how important it is for their continued support while small farmers gear up to meet their demand. Make the market as attractive as possible in the meanwhile and acknowledge the support of the customers.

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Appendix

Appendix 1: Census Data

Number of farms under 180 acres in the Nanaimo Agricultural Census Area	436
Estimated number of farms that market products directly to consumers	32.3%
Number of farms with farm receipts less than \$10,000 annually	40.0%
Number of these farms that market products directly to consumers	40.0%
Estimated market size (potential vendors (436 x 40%))	174
Estimated annual receipts (174 x \$10,000)	\$1,740,000
Estimated winter receipts 5% of total receipts	\$87,200

This Plan was prepared by:



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