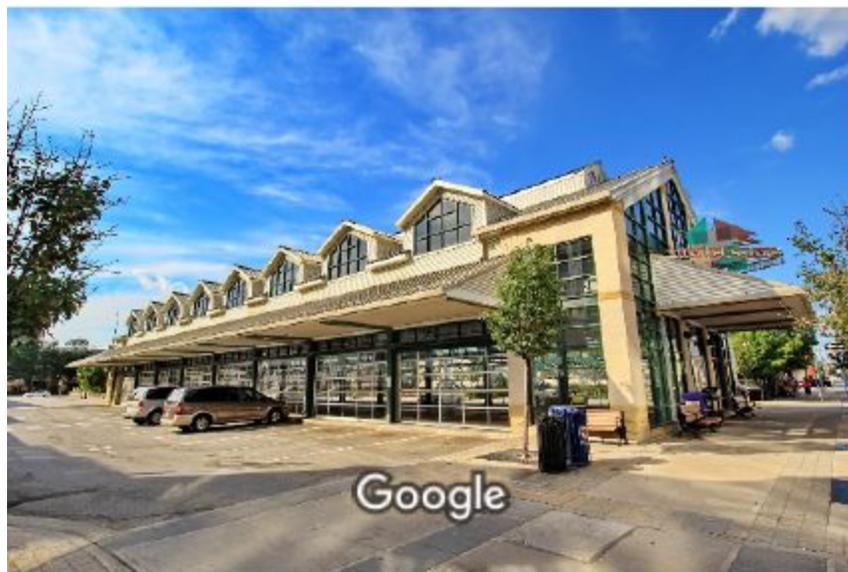




Social Enterprise Plan

February 2019



Island Roots Market Co-operative

c/o 5234 Sherbourne Drive

Nanaimo, BC V9T 2J8

Email: irco-op@shaw.ca

Web: www.islandrootsmarket.com

Facebook: www.facebook.com/IslandRootsMarket

I. Table of Contents

<u>I.</u>	<u>Table of Contents</u>	
<u>II.</u>	<u>Executive Summary</u>	3
<u>III.</u>	<u>General Description</u>	5
<u>IV.</u>	<u>Products and Services</u>	10
<u>V.</u>	<u>Marketing Plan</u>	11
<u>VI.</u>	<u>Operational Plan</u>	17
<u>VII.</u>	<u>Management and Organization</u>	19
<u>VIII.</u>	<u>Startup Expenses and Capitalization</u>	20
<u>IX.</u>	<u>Financial Plan</u>	21
<u>X.</u>	<u>Appendices</u>	23

II. Executive Summary

Our Vision:

Island Roots Market Co-op is about eating local and healthy living. It's about community connection, social transformation, environmental preservation and rebuilding a once flourishing local food industry. More than just a concept, the Island Roots Market Cooperative provides a permanent, year-round space for shoppers, vendors, farmers, artisans and the community.

Objective:

Island Roots Market Co-operative (the Co-op) will build, equip, staff and maintain a building for a year-round indoor/outdoor Farmers Market located in Beban Park in the City of Nanaimo. The building will be constructed on land provided by the City. It will be a freestanding independent structure built for our specific needs.

Mission:

To increase our community's sustainability, food sustainability and local food security. To create jobs, increase the economic viability of local agriculture by creating increased demand and availability of local food production, and to provide an outlet for local artisans.

Purposes:

- To provide a market for farmers, artisans and other local producers who are members of the Co-op, to display and sell their product.
- To acquire, on behalf of its members, the supplies, materials, equipment and facilities that are required to store and market these products.
- To encourage local food and handicraft production through marketing and promotion.
- To ensure that the Co-op is controlled by its members.
- To manage the Co-op so as to enable it to be an economically viable enterprise.
- To incubate other co-ops to fill needed product and service gaps.

Principles:

- Generally, the following priorities will apply:
 - Local farmers and food producers
 - Local artisans and craftspersons
 - Those willing to commit to a year round presence
 - Those who generate the largest level of interest and sales
 - “Local” is prioritized by distance from Nanaimo

Operations:

- *Commenced October 22, 2014 at the Pleasant Valley Hall, 6100 Doumont Road, Nanaimo, BC*
- Soon after opening it became evident that the hall is too small to accommodate all the vendors who wish to participate. As a result the Co-op market is almost exclusive to vendors who provide food and a waiting list has been developed.
- The market is open from 3 PM to 6 PM on Wednesdays. When conditions permit, it will be open Wednesdays from 3 PM until 6 PM and Saturdays from 10:00 AM until 4 PM with vendors present and handling sales at their own booths.
- The new market space in Beban Park will be utilizable for other events both on market days and closed days to help increase its economic viability and return to members.

III. General Description

The Island Roots Market Co-operative will provide a building, equipment and staff needed for a year-round indoor/outdoor market to be located in Beban Park, Nanaimo.



Farmers Market St Catharines Ontario

Our Mission is:

To increase our community's sustainability, food sustainability and food security. To create jobs, increase the economic viability of local agriculture and add to the general well being of citizens by creating an increased demand for local production and acting as a stimulus for farmers, food and other local production and the local food movement.

Goals and Objectives

The Island Roots Market Co-operative is in a highly accessible building centrally located in Nanaimo's Beban park. It offers local produce and products, offices, workshops, classes, presentations, film showings, and social events. The Co-op generates positive cash flow. The Co-op engages and involves people of all ages as volunteers and employees. There is an assistant to work with startup co-operatives.

Purposes of The Co-operative Association

to provide a place for farmers, artisans and other local producers, who are members of the Co-op, to display and sell their products;

to acquire, on behalf of its members, the supplies, materials, equipment and facilities that are required;

to encourage local food production (including urban agriculture), and in so doing, to strengthen the economy and increase food security;

to provide a place for consumers to obtain locally grown and produced products;

to create jobs that pay a living wage, and in so doing, to support the local economy;

to assist in the creation of new, or development of existing, co-operatives that have purposes similar or complementary to those of the association;

to ensure that the workers, suppliers and consumers who are members of the association control it;

to limit the spread between the wages paid to the lowest and the highest paid employee of the co-op.

The Co-op Market

Producers will rent display space in coolers or other locations as their product requires. As at all Farmers' Markets, product prices will be determined by the producers who will be responsible for their own displays and will be present at various times to meet consumers.

The Co-op will, however, be open at times when farmers and other producers are busy on their farms or elsewhere so the Co-op will handle public awareness and sales. The Co-op will take a small percentage of the total revenue from each sale to help cover its expenses.

Farmers and other producers will be paid for products sold by the Co-op, when they are not present, every 2 weeks.

Farmers' and Community Markets

Markets like Island Roots hold a special place in their communities. They are part of the retail food industry yet separate and different from the standard grocery store. Places like The Farmers Market in St. Catharines Ontario (pictured above), The Granville Island Market in Vancouver, The ByWard Market in Ottawa , the Waterfront Market in Halifax and the Edmonton Farmers' Market, to name just a few, offer fresh or local foods in a special atmosphere. They have become destinations for local consumers and tourists alike.

The Co-op Market will offer a community market atmosphere plus an additional bonus to local producers of food and other products. It will do this by following the example of the Local Roots Co-operative in Wooster Ohio. There, as here in Nanaimo, the Local Roots Co-operative brings together local producers and consumers using the Co-operative business model. It provides a building, equipment and staff for those using the market to sell their products. It is open six days a week, year-round.

The key to the success of this Ohio co-operative is its membership, the co-operative business model and the fact that (unlike the other markets mentioned above) producers are not required to staff their market stalls at all times.

The Nanaimo Market Scene

Over the past 10 years Nanaimo's outdoor farmers' markets have grown rapidly. Weekly sales average at least \$500 per vendor. These markets, however, have some disadvantages that our Co-op market will overcome:

1. Each market is currently only open one day each week meaning that producers often need to participate in a number of markets to make ends meet and consumers are left wondering where to obtain fresh local items when the market is not open.
2. Producers need to be in attendance at all market times regardless of other demands on their time.
3. These outdoor markets are only open for 6 months of the year. Many producers are able to produce year round but do not because they have no place to sell what they produce in the "off season". This means importing food from outside our area to meet demand and reduces food sustainability in Nanaimo and on Vancouver Island.
4. Sales can be seriously impacted by wind, as well as cool, wet, or hot weather.
5. Market hours of operation are very short with the result that many people cannot make it to the market as often as they would like (or cannot make it at all).
6. To sell at these markets, producers of fruits and vegetables must harvest enough to supply their customers but not more than they can sell in the available time. Problems

arise if they bring too much or too little to the market or if the weather changes unexpectedly. Bringing too little leaves regular customers disappointed. Bring too much means the extra work of packing up whatever they bring and carrying it away at the end of the market (and possibly having it wilt or spoil by the next time that they are selling their produce).

To deal with these problems The Island Roots Market Co-operative will be an indoor/outdoor market that is open at least 5 days each week year-round. The Co-op will provide display space in coolers and shelving that will be locked when the market is not operating so that producers do not need to remove the items that remain at the end of each market day. Once recognized by consumers as a valued and reliable producer, many will only need to be at the Co-op on market days plus once or twice each week and then only for the time it takes to restock the shelves in their stall.

Marketing will be done by the Co-op and sales staff will be available whenever the Co-op market is open so that producers can be at their stalls to greet and chat with customers whenever they wish but, with some exceptions, are free to leave to deal with the demands of production and otherwise busy lives.

The Co-operative Business Model

We have chosen the co-operative business model for our venture because it provides a number of significant advantages over other types of businesses.

1. It allows producers, consumers and workers a piece of the pie. Anyone who uses the Co-op's services can own a part of the Co-op. The one member, one vote principle gives each member a say in their business and a stake in its success.
2. Our Co-op's Rules mean that producers, consumers and Co-op employees are represented on the board of directors thus insuring that the concerns of each of these key stakeholder groups will always be represented.
3. It provides flexibility in accessing funding. An individual or group can join for as little as \$10 or contribute more to the Co-op by purchasing any number of additional membership shares.

4. When profitable, the Co-op has the option of buying back members shares, providing member benefits, or increasing members' shares and retaining the cash. This increases the likelihood of member/customer loyalty and provides the Co-op with a method of identifying and making contact with both producers and consumers. It also keeps all the co-op's revenue and profit in our community.
5. Membership shares can be used to compensate willing members for goods and services they provide to the Co-op. This is particularly helpful before the Co-op has a chance to raise the cash a business would normally need in its very early days. These shares can be redeemed for cash (on certain conditions) once the business is profitable.
6. International Co-operative Principles include co-operation between co-operatives so we know that, should the need arise, we can call on organizations like the BC Co-operatives' Association and a number of local co-operatives to provide whatever support they can.

Our Co-operative

Registered on July 17, 2012 our co-operative is receiving great support from the community. Over 400 members purchased shares value at more than \$25,000. Currently we count 110 producers and five community organizations among our more than 400 members.

IV. Products and Services

The Co-op will provide space for up to 120 local producers who want to sell locally made items to both locals and tourists. Most vendors will be farmers or other producers of food. The remainder will be crafters or local producers of other products that the Co-op judges to meet a need and a high standard for quality and appearance.

Coolers (provided by vendors) and shelving will be installed in the most energy efficient way possible. A cool room, with a low ceiling and coolers and freezers surrounding a shelving area that will house products that benefit from cool air but do not need to be cold or frozen will be part of what keeps our environmental footprint as small as possible.

The Co-op market (including the cool room) will be divided into stalls or other spaces. A vendor who requires a full stall will rent that space for about \$35 per market day on a contract that requires participation on each market day for at least six months. Those who require more or less space will have their rents adjusted accordingly. Cool room space may be billed at a slightly higher daily rate to cover the cost of electricity.

Our focus will be products grown or produced on Vancouver Island or the Gulf Islands. Priority will be given to producers who can meet consumer needs on a year round basis. Beyond that, products that are grown or produced closest to the market will be given priority over similar products that are produced further away.

V. Marketing Plan

Market research

Research for the market concept has been done at summer markets in the Nanaimo area. Sales at outdoor markets are seasonal and sales drop during rainy, cold, windy or even unusually hot weather. When asked, both consumers shopping at outdoor markets and vendors, greet the idea of an indoor, year round market with great enthusiasm.

The Co-op has done extensive test marketing of an indoor winter market. It has run a one day per week market for the fall, winter and spring seasons since 2014. Consumer and vendor interest increase as word of mouth marketing leads people in. Many people are happily surprised to realize how much local food is available in the colder months and vendors have been pleased to see the sustained and increasing interest from local consumers. To service this demographic, some vendors are planting larger winter and hothouse crops.

Markets are popular and growing so we know the idea will work with consumers. Yet to be determined is if the Co-op Market will be in competition with existing summer markets or if most vendors who sell at them will choose 5 days a week at the indoor /outdoor market over 1 or 2 days a week outside.

We have over 400 members. 57% of our members are female. An average of 300 consumers visit the winter market each day that it's open.

Facebook provides us with an effective and inexpensive way to reach the young families that are our vendors' primary market. On February 2, 2019 our Facebook page showed 5,655 likes, 3,502 Followers from Nanaimo itself and at least 488 more from within easy driving distance. 79% are female and 51% are between 18 and 45 years old. An additional 20% are aged 45 to 54, all within the Co-op's target for members and consumers.

The market for healthy, local, sustainable foods is growing and the Island Roots Market Co-op is ideally situated to take advantage of that growth by connecting producers with consumers in a market that they can both feel good about.

Economics

The community market approach keeps the cost of entry to the business low and the co-operative business model means that those costs are shared by a significant number of stakeholders. There will be no need to purchase inventory as the Co-op will provide space to producers who will own the items they sell and bring their own signs, promotional materials and customers. Nevertheless there will be capital and startup costs.

Island Roots Market Co-operative is forecasting an expense of just under 1.8 million dollars to construct our building and cover our portion of the cost of the Beban Park Core Development Proposal. We expect to mortgage a portion of that. The park's Core Development will provide the co-op with the ability to expand our market and accommodate more vendors on busy market days when demand for space is high.

Money will be raised from producers, consumers and organizations that want food sustainability and minimal environmental impact from locally owned businesses that create jobs that pay a living wage and encourage healthy community development. The ideal funding scenario would see 25% of the cost provided by the City in the form of land and services: 25% raised as grants and donations, 25% from membership shares and the remaining 25% in the form of a mortgage.

The food market is shifting. People are looking to local production for fresh, flavorful and safe foods. The Island Roots Market Co-operative is in position to take advantage of this trend. Because of our Living Wage policy, our encouragement of sustainability and access to products that young families are looking for, we can expect to find quality employees and the customers that our vendors are looking for.

The Co-op market will ensure a year-round supply of fresh produce to the end consumer and reasonable returns to producers by working with a core group of local producers who have the ability to stock their section of the Co-op market's shelves on a year round basis. These producers will be given priority when it comes to assigning space in the Co-op market.

For the Consumer

Better quality:

Local food is fresher, picked at the peak of flavor, and it loses fewer nutrients in transport.

Better for the environment:

Local food uses fewer fossil fuels in transportation, and sustainable farming uses fewer chemicals and promotes biological diversity.

Better for the economy:

Invest in local businesses, and they'll invest locally, too. And eating seasonally means food is less expensive, putting money back into consumer's pockets.

Better for the community:

Get to know who grows your food, and share ideas for growing and cooking with fellow local-foods lovers!

For the Producer:

- Producer Only Market – no competition from resellers.
- Producers decide what prices to charge.
- The advantage of year-round sales potential.
- A means of expanding business while keeping transaction cost low.
- A shared customer base. A consumer who comes for producer A's strawberries may buy producer B's lettuce.
- Island Roots Market Co-operative provides marketing/advertising to connect with more customers.
- New and "wanna be" producers and small entrepreneurs are welcome and encouraged.

Competition

The Island Roots Market Co-operative will have no significant direct competition. Grocery stores do not provide the atmosphere of a community market, don't provide spaces for local producers and for the most part do not distinguish local items from "imports". Farm Gate sales and box programs provide products similar to the ones Island Roots Market Co-operative will make available to consumers but Farm Gate sales are limited to what that

particular individual producer has available, usually seasonally, and box programs do not permit the hands on shopping that consumers have come to enjoy.

Promotion

Social media networks have provided the opportunity to reach a significant number of consumers and producers prior to opening the Co-op Market. This process will continue to grow, be combined with expected news coverage of events like Park Core Development, ground-breaking, construction updates, and the Co-op Market opening. This will be supplemented by word of mouth from excited consumers and producers. The consumer base will grow rapidly as producers spread the word among their customers. This in turn will generate interest from even more producers who will want to share the opportunity to serve new customers. The result is that, in the first 2 years of operation in the new building, it will not be necessary to undertake more than minimal paid advertising.

Pricing

Vendors with stalls at the Co-op Market will determine their own product prices. Stall rents or the percentage of sales charged by the Co-op will be determined by the Co-op's costs. In the first year rent will be set at a rate that will meet the Co-op's operating budget without the need for charging a percentage of sales when all the stalls are rented. A percentage will be charged, however, to ensure that expenses are met if some stalls are empty or if costs are greater than anticipated. Profits that result will be used to meet the Co-op's legal obligation to create a reserve, meet any needs the Co-op may have for growth and, where appropriate, Provide member benefits such as reduced prices through discounting Market Money.

Proposed Location

The Island Roots Market Co-operative is working towards a location in Beban Park, geographically at the center of Nanaimo. The Co-op is working with City staff and the 5 other organizations that are involved in the Park's Core Development to determine the "feasibility and recommendations on how the concepts could proceed". A letter from Parks and Recreation Commission, indicating support is available on request.

The Co-op's vision is a permanent space inside of a community building in a central area of the park. It will also have access to temporary indoor and outdoor space. The location will have the access needed to permit up to 120 producer vehicles to enter, unload and leave in 2 to 3 hour period. The precise location of the building needs to be determined in consultation with city parks staff and others but a likely location is shown on the map below. Proposed Park Core development is in yellow.



PROPOSED BEBAN PARK REDEVELOPMENT

2016 May 17



Ideally the building will include the following:

- A multi-functional and environmentally responsible area with 4 key components consisting of the core, an indoor marketplace, outdoor marketplace and mezzanine area.
- The core will include a comfortable, temperature controlled area for consumers to enjoy, a children's play area, indoor seating, washrooms and walk in coolers for storage.
- The inside marketplace will allow the beauty of the outdoors in while keeping the harsh elements out. During market days, this indoor space will be opened up to allow vendors a dry, accessible place to set up during the inclement weather seasons and will include floor space for 50 vendors, entertainment, additional seating,
- The outdoor marketplace will be a venue for the market to operate during warmer weather allowing for an additional 50-60 vendors, additional outdoor seating and entertainment areas. This design allows the market to thrive in all conditions as well as provide optimal shopping conditions for all vendors and consumers.
- Located on the mezzanine level there will be office space, including a boardroom which can be shared/rented to other organizations and additional seating.

The Co-op has worked with an architect to determine that a 6,000 sq/ft building with access to temporary space and outdoor space will meet our requirements for the functions listed above.

Through effective scheduling, and heeding the Beban Park Master Plan call for flexible multi-use buildings, we estimate the cost of building at about 1.8 million dollars excluding the optional mezzanine.

VI. Operational Plan

Days and Hours of Operation

Currently Island Roots Market Co-operative operates Wednesday afternoons, at the Pleasant Valley Hall from October to May and at Beban Park during the summer. This will be increased to two days per week year round as the opportunity arises. At this time, the Co-op operates as a standard community market with producers staffing market booths.

The Market at our new building will operate with producer staffed booths:

- Wednesday – 3 PM to 8PM (5 hours)
- And Tuesday or Saturday – 7 AM to 9 AM (2 hours) and 11 AM to 5 PM (6 hours). The early morning market will target restaurants and be for case lot sales only.

Eventually Island Roots Market Co-operative will be open 5 days per week in the new building with vendors in attendance for the market times listed above plus whatever additional time each vendor chooses to be there. Co-op staff will handle a limited number of healthy food items when vendors are not available so that community members who can not attend during vendor times can still have access to them

Cost

Operating costs for the first year are estimated at approximately \$10,000 per month including a mortgage payment. Cash Flow Projections are below.

Legal Environment

- A Business License will be required from the City – Cost \$165 per year.
- No special permits are required.
- A Land Lease will need to be negotiated with the City of Nanaimo.
- Health regulations as enforced by the VIHA will be fully complied with to ensure no threat to health of consumers. Producer contracts will ensure that producers who sell at the Co-op market also comply with all health regulations.
- Zoning and building code requirements will be met. No change in zoning is required for the land at Beban Park.

- Insurance coverage - Island Roots Market Co-operative will maintain coverage on the Co-op's market equipment and other contents. Producer contracts will require that producers carry their own liability insurance (most do already).

Personnel

- The employees will need to be skilled at dealing with the public, handling cash and a number of other functions. They will need to be able to handle all of the tasks involved in running the Co-op market.
- We have a policy (Co-op Rule) that we pay every employee at least a living wage (currently \$17.55 per hour) and that no employee is paid more than 3 times that amount.
- Training methods and requirements, volunteer schedules, job descriptions and written procedures will be prepared prior to the Co-op market opening at Beban Park.
- For certain functions, we will also accept effort on a purely volunteer basis. While we are in the early stages of our development we also look for help from people who can accept their pay in Co-op Shares. Shares can be redeemed for cash (on certain conditions) once the Co-op generates sufficient revenue.

Inventory

The Co-op will not keep inventory.

Credit Policies

The Co-op will require payment in advance from producers and will accept credit cards from consumers. No direct credit will be extended.

VII. Management and Organization

The Co-op has been managed with part-time hours since opening in October 2014. Our summer markets have also been managed by part time staff. This year we have consolidated summer and winter market management under a single manager and increased the allotted time to .75 FTE. When the Year Round Market opens in Beban Park, management hours will be reviewed and increased as required.

Professional and Advisory Support

Board of Directors (Bios attached)

- **Larry Whaley**, President (Consumer)
- **Wayne Osborne**, Vice President (Farmer, Vendor)
- **Chris Semrick**, Secretary (Consumer)
- **Elaine Wade**, Treasurer (Consumer)
- **Gene Ambrose**, Director (Farmer, Vendor)

Staff

- **Michele Greene**: BA, BA, MA Sustainable Leisure Management - Market Manager
- **Darcie Davidson**: MA, Communications - Communications Coordinator

Management Advisers

- **Patrice Pratt, Managing Director**, British Columbia Co-operatives Association
- **Jessica Eikleberry**, General Manager, Local Roots, Wooster Ohio
- **Dave Hoy**, General Manager, Peninsula Co-op, Victoria
- **C. Michael Hill**, MAIBC, Barch (Architect - retired)
- **Island Savings Credit Union** - Bank
- **Vancity Credit Union** - Mortgage Lender

VIII. Startup Expenses and Capitalization

Startup

The Co-op currently operates a one day per week market at the Pleasant Valley Hall on Doumont Road in Nanaimo (winter) and one day per week at Beban Park (summer). Startup at the new location will be a relatively seamless transfer of operations. At Beban, as at Pleasant Valley, vendors will supply their own stock and signage thereby relieving the co-op of the expenses normally associated with this part of a business relocation. There may, however, be some unforeseen expenses involved so we have included a \$10,000 allocation as a contingency.

Capitalization

Our objective is to have the market fully capitalized by 2000 members of the Co-op holding an average of \$1000 dollars in membership shares each. We know, however, that this goal will not be reached until some time after the market has opened. In the meantime we will seek funds as follows:

Estimated Project Costs

Requirement	Cost	Area - sq ft	cost per sq ft
Land	\$270,000	11,000	
Services	\$50,000		
QS and Engineering Study	\$25,000		
Temperature Controlled Core	\$200,000	1000	\$200.00
Indoor Market	\$750,000	5000	\$150.00
Outdoor Market	\$250,000	5000	\$100.00
Subtotal	\$1,545,000		
Consultants	\$232,000		
Development Cost Charges	\$60,000		
Total	\$1,837,000	11,000	\$162.00

Development Funding Sources



Source	Amount	Committed	Notes
City of Nanaimo land	\$270,000	\$270,000	Land lease approved in principle,
City of Nanaimo services	\$50,000		Estimate
City of Nanaimo Development Cost Charges	\$60,000		Estimate
Regional District Of Nanaimo	\$52,000	\$25,000	Study Grant - Received
Member Shares and Individual Donations	\$450,000	\$25,000	In hand
Vancity Credit Union	\$450,000	\$450,000	Approved in principle,
Grants (other) FCL \$150,000	\$300,000		
ICET	\$200,000		
Coastal Community Credit Union	\$5,000	\$5,000	Study Funding - Received
Total	1,837,000	\$775,000	Received or committed

This capital will be a combination of grants, donations, and cash from members' share purchases. Share subscriptions may be used to secure a mortgage to cover the construction and startup costs not covered by cash contributions. When the co-op has an operating surplus it may opt to reduce debt, buy back shares, provide member benefits on a per share basis or return operating surpluses to consumers and producers as member benefits. As the Co-op's membership and individual shareholdings grow, mortgage debt will be reduced through regular payments from operating revenue and through shares purchased by new and existing members. Once the mortgage is retired, the focus will shift to reducing the number of shares held by our largest shareholders.

Co-op Membership Shares

Members and supporters of the Co-operative will be able to participate by making direct donations, buying membership shares, and by subscribing for additional membership shares. Cash raised through donations and share purchases will be used: first, to establish a cash reserve sufficient to cover all of the Co-operatives anticipated operating expenses for one full year, next, to pay construction cost and thereby reduce the amount of money the co-op needs to borrow to complete the project.

A share subscription is a promise to purchase shares if called upon to do so. Members share subscriptions will be used to secure the Co-operative's borrowings. In the unlikely event that the co-op is unable to meet its obligations cash reserves (see paragraph above) will be used to cover the shortfall. Should those reserves prove insufficient subscribers will be asked to honour their promise and pay for some or all of the shares to which they have subscribed. These funds will then be used to pay the outstanding debt and the subscribed shares will become fully paid up shares.

Risks and Rewards

Buying Co-op shares has risks and rewards. By joining, members are making the market building at Beban Park possible and helping to rebuild our local food industry. When the Co-op succeeds, share ownership will result in spendable benefits (Market Money) the amount of which depends on the co-op's financial performance and is determined annually by the co-op's membership on the recommendation of the directors. Should the co-operative fail, membership shareholders will be the last to be paid and stand to lose some or all the the money they have committed to the Co-operative.

IX. Financial Plan - Operations

NOTE: Financial Projections are based on a stand alone structure at Beban Park.

Working with with the Beban Park Core Development Group means shared facilities that our vendor members and others in the food production business can use to further reduce our community's need for imported food and increase food sustainability on the Island.

In addition sharing facilities will provide the co-op with the ability to expand our market and accommodate more vendors on busy market days when demand for space is high.

Year One Cash Flow Projection

As you can see on the chart below the anticipated cash flow for year one is healthy. Using conservative numbers for fees and participating vendors Island Roots Market Co-operative will have grossed \$123,200 and will have over \$9,000 surplus (contingency) at the end of the year.

The projection assumes Island Roots Market Co-operative's building costs will be 1.8 million dollars (chart above). To be raised as follows: land and services provided by the City of Nanaimo valued at \$380,000; grants and donations \$525,000; Co-op membership shares \$450,000; mortgage \$450,000 at 4.0% over 24 years. Mortgage payments (P&I) will be \$2,425 per month. Expenses include two employees at 20 hours per week each.

The projection shows the Co-op market opening in January 2020. It assumes an increase in sales in the summer. Vendor numbers (and income) decrease again later in the year. Year one projections include no income from the early morning market as it will take some time to establish and will generate an unknown amount of revenue in year two.

Market Cash Flow Projection for Building at Beban Park

Island Roots Market Co-operative

Starting date (hal) Jan-21 Days per month 8
 Fee per day 35

	Beginning	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Annual
Cash on hand (beginning of month)	10,000	10,000	6,150	2,299	-1,751	-5,601	-2,451	2,098	6,648	13,997	17,147	20,297	20,647	
Number of vendors projected (per market)		20	20	20	20	45	50	50	60	45	45	35	30	440
Actual vendors per Market (2018)		16	16	16	18	40	44	48	56	37	34	25	29	379
Additional vendors required /market		4	4	4	2	5	6	2	4	8	11	10	1	61
CASH RECEIPTS														
Vendor Fees		5,600	5,600	5,600	5,600	12,600	14,000	14,000	16,800	12,600	12,600	9,800	8,400	123,200
Other rental income - surcharges		0	0	0	0	0	0	0	0	0	0	0	0	
Drop ins @ \$40/day ?														
TOTAL CASH RECEIPTS		5,600	5,600	5,600	5,600	12,600	14,000	14,000	16,800	12,600	12,600	9,800	8,400	123,200
Total cash available	10,000	15,600	11,750	7,899	3,849	6,999	11,549	16,098	23,448	26,597	29,747	30,097	29,047	
CASH PAID OUT														
Advertising		100	100	100	100	100	100	100	100	100	100	100	100	
Business Licenses & Permits		14	14	14	14	14	14	14	14	14	14	14	14	
Contract labour (POS System)		100	100	100	100	100	100	100	100	100	100	100	100	
Liability insurance (could be more)		80	80	80	80	80	80	80	80	80	80	80	80	
Interest expense & paypal, dr & cc fees		25	25	25	25	25	25	25	25	25	25	25	25	
Loan interest (see P & I below)		0	0	0	0	0	0	0	0	0	0	0	0	
Materials and supplies (in COGS)		50	50	50	50	50	50	50	50	50	50	50	50	
Board & AGM Expenses				200										
Rent for 11,000 sq ft (city lease)														
Office expense		50	50	50	50	50	50	50	50	50	50	50	50	
Repairs and maintenance														
Supplies (not in COGS)														
Taxes and licenses		1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	
Travel														
Utilities inc: heat light internet phone		300	300	300	300	300	300	300	300	300	300	300	300	3,600
Wages mgr @ 25 emp @ 20		4,451	4,451	4,451	4,451	4,451	4,451	4,451	4,451	4,451	4,451	4,451	4,451	53,406
Employee benefits (CPP, EI, WCB)		356	356	356	356	356	356	356	356	356	356	356	356	
Accounting & legal (contingency)		100	100	100	100	100	100	100	100	100	100	100	100	
Other expenses														
SUBTOTAL		7,025	7,025	7,225	7,025	7,025	7,026	7,025	7,025	7,025	7,025	7,025	7,025	84,504
Mortgage principal and Interest payment		2,425	2,425	2,425	2,425	2,425	2,425	2,425	2,425	2,425	2,425	2,425	2,425	29,100
Other startup costs														
To reserve and/or escrow														
TOTAL CASH PAID OUT		9,450	9,450	9,650	9,450	9,450	9,451	9,450	9,450	9,450	9,450	9,450	9,450	113,604
Cash on hand (end of month)	10,000	6,150	2,299	-1,751	-5,601	-2,451	2,098	6,648	13,997	17,147	20,297	20,647	19,596	9,596 Surplus (contingency)

X. Appendices

Board of Directors

Larry Whaley, President (Consumer)

Larry's mother and father were members of a co-op in the small Alberta town where he grew up so you might say he has the co-operative movement in his blood. After completing high school, Larry moved to Calgary and shortly after that to Burnaby. Almost on arrival, he joined the South Burnaby Credit Union. When the need to house his young family (in a very tight housing market) arose, Larry looked to co-operation for the answer. He and others from the Burnaby Tenants' Association formed the Norman Bethune Housing Co-operative. The result was a cooperatively owned, family oriented, 24 unit housing development near Simon Fraser University in North Burnaby. From there he and his family made a weekly trip to a small food co-op to pick up the things they needed and support another part of the movement.

In 1980 Larry accepted a transfer to Nanaimo where he became the BC Government's Family Financial Counselor for the area. He immediately joined the credit union and what is now the Mid Island Co-op. Later he served 4 years on the board of that organization.

Larry left his BC Government job in 1983. He traveled widely across Canada and became known throughout as the Borrowers' Advocate. He earned this name for his efforts to assist those people who were having problems with financial institutions and his outspoken criticism of the way banks treated customers who faced financial problems as a result of annual interest rates that reached into the 25% range.

Early this century Larry became involved with another small co-operative. This one back in Burnaby. In 2008 the manager of the Burnaby Co-op died and Larry stepped into a more active role. Three years later the members of that co-op decided, after more than 30 years of running a completely volunteer backyard business, that it was time to close, sell the assets and divide up the resulting cash.

After listening to the comments of participants at general assembly of the Occupy Nanaimo group Larry heard it mentioned that many of the participants want to farm and he wondered how they could sell the items they might produce and if they could possibly make a living farming in this area. He then began a planning process that involved dozens of people and resulted in the creation of the Island Roots Market Co-operative.

Wayne Osborne, Vice President, (Farmer, Vendor)

Wayne Osborne attended the University of Victoria from 1986-1991, focussing on Genetics and Biology. He then operated M&M Hardwood Floors from 1993 – 2002. In 2002, at the age of 35, health concerns forced Wayne to re-evaluate his lifestyle choices and he decided to rehabilitate his diet by growing healthier food. Wayne then joined with his wife (Dawn) and started Omega Blue Farms in 2004 with the goal of creating a small-scale self sufficient farm focussing on marketing heritage poultry. Wayne formulated poultry feed recipes that result in poultry and eggs that protect heart health. Wayne has also done restorative breeding on heritage chickens, ducks, and turkeys with the goal of creating productive food producing lines well adapted to the local region.

Wayne's production focussed poultry breeding efforts have been recognized by the American Poultry Association and Wayne is Canada's only Grand Master Breeder in Turkeys and Muscovy Ducks. Wayne sells his heritage poultry and eggs at the Island Roots Farm Market.

Elaine Wade, Treasurer (Consumer)

Elaine started volunteering with Island Roots Market doing bookkeeping and in 2013 became the Treasurer. She chose to work with Island roots because "I love the idea of a year-round farmers' market. I like to shop locally and would like to eliminate purchases of processed foods."

Currently semi-retired, Elaine keeps her skills current in the financial world by doing a bit of accounting & computer training, and the books for a local company as well as a not for profit group and the co-op. Prior to her retirement she was the president of Island Technology Group Inc. for 13 years. She specialized in technology consulting – telecom, computer & accounting. Before that she ran her own business, also doing consulting. Having run a business, consulted for and worked with for profit, not for profit organizations, Elaine brings plenty of knowledge and experience to the board.

Chris Semrick, Secretary (Consumer)

Chris has worked as a Respiratory Therapist for 20 years. His Bachelor's Degree is in Science and he has specialized training as an Educator in Chronic Lung Diseases and as a Smoking Cessation Counselor. He works throughout Nanaimo Regional General Hospital: from Emergency to ICU, Perinatal to Palliative Care.

He is an advocate for Health and believes health results from good nutrition (whole foods) and exercise. He says, "I have seen the devastating effects of eating processed foods and sitting too much. Obesity is surpassing smoking as cause of disease. Our society is in a health crisis." As well as working in the health field, he has also spent the last 10 years researching the economic, political and environmental issues of the world: financial collapse, war, drought, and climate change. He feels, "Our whole World is in crisis." He concludes, "The solution to the calamity that faces us will be a re-Localization of our patterns of consumption."

In 2009 he decided that the majority of his diet would come from Farmer's Markets. He tried to preserve the surplus harvest for the winter. He says, "I have become acutely aware of the need for a winter market." In 2012 Chris became involved with the Island Roots Market Co-Operative and joined the board because the Co-op is working to bring a year-round Farmer's Market to Nanaimo.

Michele Greene, MA - Market Manager

Michele was born in Vancouver and raised in Alberta. She worked for many years in the hotel industry and then as a paralegal after graduating from the University of Calgary, with a BA in General Studies. Michele then switched careers and became one of the first professional organizers in Calgary. She chose to leave her successful business to raise her daughter on Vancouver Island.

After several years as administrator of a Montessori preschool, Michele continued her education at Vancouver Island University, earning a second degree in Liberal Studies. This concentration on critical thinking was invaluable to the Masters work she consequently undertook at VIU. This Masters in Sustainable Leisure Management introduced Michele to the concept and importance of food security, which led her to apply for the market manager position.

Over the last two years, Michele has been the manager of both the summer and winter markets. This position suits her skill set and experience; and challenges her. Michele enjoys the opportunities for learning and growth that are part of the job and she especially likes supporting local producers.

Darcie Davidson, MA, Communications Coordinator (Consultant)

Darcie is a Community Development professional, with over 15 years experience working with community agencies to further their mandate and strengthen social structures. She has built her career on Vancouver Island, with the last 10 years focussing on grassroots community work in the Nanaimo region. Darcie is passionate about the Island, small communities, and supporting initiatives that showcase local resources and talent. Darcie owns and operates Community Blocks, a social consulting company that works specifically with small/mid-sized community organizations and initiatives. Community Blocks is driven by the principle that creative community-based programming and services can support the health, wealth, and quality of life for citizens in small communities.

Darcie has worked on a variety of community initiatives, events, and programs that support healthier and richer community life. Darcie's strengths lie in her professional writing and proposal development skills, and her ability to coordinate collaborative community-based initiatives. She received a BA from VIU in 2006 in Canadian History and Women's Studies, and completed an MA in Communications from Royal Roads in 2011. Her SSHRC funded research thesis dealt with communications for impactful community service development.