

Growing Portland's Farmers Markets

Portland Farmers Markets/ Direct-Market Economic Analysis



Prepared for: **City of Portland**

By: **Barney & Worth, Inc.**

In association with: **Bonnie Gee Yosick LLC**
Farmers' Markets America
Globalwise, Inc.

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**Portland Farmers Markets
Direct-Market Economic Analysis**

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Executive Summary

Introduction

There's a collective smile on the face of the whole city – courtesy of Portland's farmers markets. The markets have become an integral part of our lives – we look forward to market day! Portland's farmers markets sneak into our conversations, are featured in frequent news stories, and their images are even hijacked to promote unrelated businesses. Every week, thousands of us go to market.

Portland's farmers markets contribute so much more to the community than merely new spots to shop. They inspire local food writers and chefs, who link fresh market ingredients to personalized recipes and meals. Chefs troll the markets to search for unusual ingredients and meet growers. Some restaurants "brand" their dishes with the growers' names, to signal local supply and sources that denote quality.



All of this has happened in over less than twenty years. Portland's first farmers market opened in 1991 with just 13 vendors. Steadily, that market (now Portland's largest) built a loyal following and others sprang up across the city. Now, it's difficult to recall what life was like without our favorite market.

At the center of this exciting trend is attention to food. Portland has become renowned for its food culture, and many more customers are seeking fresh, local ingredients that fit with a healthy diet and lifestyle. Portlanders are willing to spend a bit more for food. The

farmers markets offer a convenient and entertaining way to partake in this quest for "fresh" and "local."

Supporting the migration toward locally sourced food are a burgeoning band of mostly small growers and producers, stretching across the fertile Willamette Valley and beyond. Some use organic farming methods, and some do not. Some specialize in one or two crops, while others plant dozens of varieties. Together, these growers supply Portland's markets, plus 22 others in the metro area and 24 more markets spread across the Willamette Valley. And these suppliers of locally grown products increasingly utilize many other direct-market channels, too.

Despite all of the public attention, adulation, and adoption of farmers markets by Portlanders as "institutions," most of the 14 markets operating in 2007 are young and fragile. Only three of the markets have full-time staff. New markets continue to emerge – but some others fail.

Farmers markets build community. As markets become such an essential part of our community life, what steps must be taken to secure their future? Can the markets continue to grow and will agricultural supply keep up with the demand? How do farmers markets contribute to the economy and are new markets needed? Will loyal market customers allocate a greater share of their food budgets to "buy local" at the farmers market, and will new customers continue to find their way to the markets?

City of Portland Study

In collaboration with leadership of local farmers market organizations, the City of Portland has commissioned a study to address the future for Portland's markets. The *Portland Farmers Markets/Direct-Market Economic Analysis*, sponsored by the Office of Sustainable Development and Portland Development Commission, seeks answers to the most pressing questions about the forces of supply and demand that will shape the future for the city's farmers markets.

This analysis offers the most comprehensive look to date into the current (2007) status of Portland's markets. The investigation also presents comparisons with other farmers market operations across the nation, highlighting their similarities and differences with Portland's market system.

The study's goal is to present information that becomes a useful tool for City policymakers, market managers and others as they consider "where do we go from here?"

Results

Highlights of key findings from the multi-faceted analysis of Portland's farmers markets:

- Current Condition** Portland's farmers markets are flourishing, enjoying a pattern of steady growth – more markets, more market days, more customers, a wider array of products, higher per-customer sales year after year, yielding increased vendor receipts. A few successful vendors are taking in more than \$10,000 per market day. Sales from Portland's 14 markets totaled \$11.2 million in 2007 and sales are continuing to rise faster than population growth – so Portland's farmers markets are gaining market share.
- Market Share** The current market share of Portland's farmers markets is estimated at three percent of annual countywide consumer purchases of vegetables and fruit. Despite the seasonal nature of most markets, the impact of Portland's farmers markets is being felt in the marketplace – and there's still plenty of room for growth.
- Supply of Farmers** There is an adequate supply of farmers to sustain market growth. Nearly half of the growers supplying Portland's markets with fresh products are located within thirty miles of Portland, and over 90 percent are within 100 miles – most of them coming from the Willamette Valley. There is still enormous productive potential in this large, fertile area, combined with the small and mid-sized farmers who supply farmers markets. But constraints such as scarce farm labor, cost of land and uncertain fuel prices may limit market growth potential.
- Longer Season** The first and best opportunity to grow Portland's farmers markets is by lengthening the market season. All signs point to success. Surveys confirm that market customers are ready to extend their participation, and the markets that have lengthened their seasons have profited. Many farmers are taking steps to extend their growing seasons, using greenhouses and other methods.
- Underserved Areas** The existing markets cover most of the city – but some underserved areas remain. Three market-deficient areas have been identified: Outer Southeast Portland, Cully-Concordia (Northeast) and St. Johns (North). Suitable candidate sites have been identified for farmers markets in two of these areas, and a grassroots market formation effort is active in St. Johns. The underserved areas have lower income populations, and new farmers markets may find conditions there more challenging than in other neighborhoods.

New Markets

While there's still room for new farmers markets, they will likely be different from today's markets. Most of the seasoned farmers who currently supply Portland's markets aren't planning to pioneer new markets. New, less experienced growers will be counted on to serve the emerging markets. The new farmers markets will likely be smaller – at least initially – and they may need help getting started. Results from farmers markets across the nation suggest that small is not so beautiful. Small markets often lack “anchor tenants” – the major produce vendors – and thus struggle to sustain themselves.

Direct-Market Channels

Farmers markets are linked to other direct-market channels. Farmers markets are often the first direct-market option attempted by growers, but surveys confirm that experienced farmers now use three or more channels to market their products. To thrive, growers must connect the farmers markets to other marketing channels – restaurant and institutional sales, wholesale distribution, internet sales, subscription agriculture, etc.

Economic Benefits

Portland's economy benefits from farmers markets. The collective impact of Portland's farmers markets on the region's economy is estimated to be over \$17.1 million for 2007. Farmers markets and their vendors capture and recycle locally virtually every customer dollar, multiplying those dollars right here at home. Equivalent purchases in a traditional grocery store would yield only about \$5 million in benefits to the region's economy.

Peer Cities

The structure of Portland's farmers market system is different from peer communities. Portland's successful farmers market system has evolved as a network of 14 independently run markets. In other communities with similar-sized farmers market systems, multiple markets are typically operated by city government or a large umbrella organization. This alternative arrangement results in larger, more stable market management structures, with better paid, longer tenured staff.

Competition

Portland's markets face growing competition. Farmers markets are no longer a metro area phenomenon. There are reportedly already 24 farmers markets elsewhere in the Willamette Valley and 100 markets now statewide. New markets are opening every year. Since many of the leading growers serving Portland come from beyond the Portland metro area, some farmers may eventually be drawn to these Valley markets that are closer to home. Farmers markets also compete for growers' attention with other attractive direct-market channels. Portland's markets will be challenged to work harder in the future to stay competitive in attracting the best vendors.

City Role

To nurture and sustain Portland's farmers markets, City government may need to play a bigger role. In most peer communities, government agencies are more proactive in taking steps to support their local markets. In Portland, the most critical priority is assuring the markets secure permanent sites. It would also be helpful to designate a person in City government to serve as a liaison and contact point for farmers markets.

The accompanying report – *Growing Portland's Farmers Markets* – further details findings of the Portland Farmers Markets/Direct Market Economic Analysis.

I. Introduction

Portland Farmers Markets/Direct-Market Economic Analysis

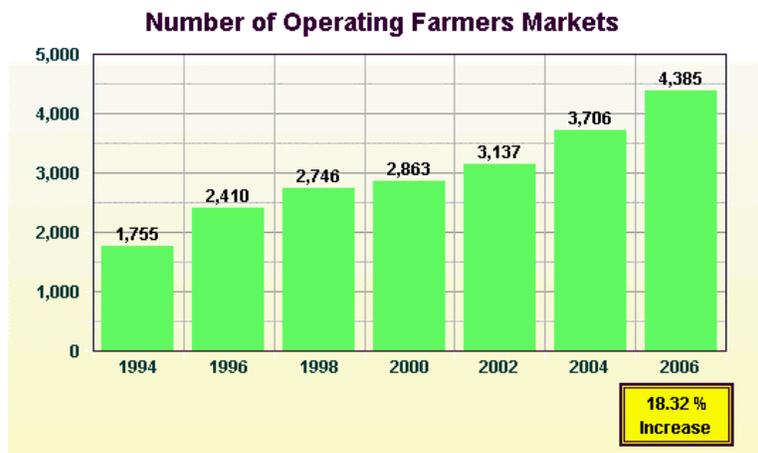
The City of Portland conducted a study examining the capacity of Portland's farmers markets to expand into the future, looking at both local consumer demand and regional farmer/vendor supply. The *Portland Farmers Markets/Direct-Market Economic Analysis* is intended to answer important questions about opportunities and constraints shaping the future of the markets.

To complete the study, the City commissioned a multi-disciplinary consultant team led by Barney & Worth, Inc. Team members also include:

- Bonnie Gee Yosick LLC – Regional economist
- Farmers Markets' America – Farmers market expert
- Globalwise, Inc. – Specialist in agricultural economics

As Portland's farmers markets have become successful and increasingly recognized as an important community asset, questions have been raised about the future. Should there be more markets – and where should they be located? Are there enough growers ready to supply new and/or larger markets? Will customer counts continue to grow? What role should the City of Portland serve in nurturing farmers markets?

These questions are similar to those being raised across Oregon and the nation. The growth in Portland's farmers markets mirrors a statewide and national trend. According to USDA, the number of farmers markets in the U.S. rose by 150% from 1,755 to 4,385 between 1994 and 2006. All of Portland's markets except the oldest – Portland Farmers Market now located at Portland State University – were opened during this period.



Source: U.S. Department of Agriculture

Thanks to this remarkable growth, along with heightened awareness and interest in addressing these questions Portland is able to draw upon the expertise, experience, and "lessons learned" from farmers market practitioners in many other communities. The goal is a stronger farmers market system that will continue to thrive and contribute to Portland's quality of life.



Methodology

The study was conducted as a series of inter-connected qualitative and quantitative research tasks, including:

- Compilation of in-depth facts and figures on the 2007 market season for five representative farmers markets, with sales estimates and other pertinent information gathered from the rest of the markets
- Interviews with 13 managers who operate 14 Portland markets
- Interviews with 52 farmers/producers, including growers who participate in Portland farmers markets, and others who do not
- An analysis of the readiness of growers to supply more and/or larger farmers markets in the Portland area
- Development of a *Site Evaluation Tool* – an assessment methodology that can be used to compare the pluses and minuses of existing farmers market sites and candidate sites for new markets
- An initial evaluation of potential market sites in underserved neighborhoods, using the Site Evaluation Tool and trade area analysis
- Survey of farmers market systems in five peer communities in the West and Midwest
- Identification of characteristics of successful farmers markets, drawing upon the experience of farmers markets in Portland and across the U.S.
- Analysis of current and emerging customer demand for farmers markets and their products
- An evaluation of the benefits to the region's economy of Portland's farmers markets
- Report and recommendations on "best practices" for public actions to support farmers markets, nationally and in Portland
- GIS mapping of: current farmers market locations; primary trade areas for Portland markets; and farmers serving Portland area markets

These research tasks produced a series of technical reports, listed as "Project Deliverables" in an Appendix. Each of these documents is available under separate cover.

Research relied heavily on market data and other information provided by the market managers from Portland's participating farmers markets. The managers were also convened twice during the course of the study and asked to provide their guidance.

Rapid Market Assessments and other farmers market data compiled over the years by Oregon State University Extension Service was also used extensively.

The analysis was conducted in close collaboration with the City of Portland project sponsors: the Office of Sustainable Development and Portland Development Commission.

II. Portland Farmers Markets: Current Conditions

Overview

Over less than two decades, Portland has evolved a system of 14 farmers markets, independently run, that cover much of the city (see listing).



PORTLAND'S FARMERS MARKETS – 2007

Alberta	Lents International	People's
Hillsdale Summer	Lloyd	Portland Farmers Market Eastbank
Winter	Montavilla	Ecotrust PSU
Hollywood	Moreland	Shemanski
Interstate	OHSU	

Portland's 14 farmers markets come in a range of shapes and sizes. As a group, they are young. The longest running market began in 1991 – so it is still a mere *teenager*. Just three of the 14 farmers markets have been in operation more than a decade. Six of the markets have operated three years or less – *toddlers*. The remaining five markets have operated four to nine years.¹



Most farmers market business is conducted on Saturday and Sunday, when the largest and most successful markets operate. But markets are open on other weekdays, too, in 2007 covering every day of the week except Monday and Friday.

Most of the markets are still small (although several would qualify as "large markets" according to national averages.) Market seasons extend from 13 weeks to year-round, with the smaller markets typically operating 13-20 weeks annually.

Among Portland's 14 farmers markets, only the markets operated by Portland Farmers Markets currently have a full-time manager. The others rely on part-time staff (often .3 FTE to .7 FTE), sometimes two or three staff totaling more than 1 FTE, plus volunteers. The larger markets are generally operated by nonprofits with a board of directors, while smaller markets have committees giving the market-manager feedback and direction.²

Despite their youth and modest scale, in aggregate the markets have become increasingly successful, attracting growing

¹ *Characteristics of Successful Farmers Markets*, Farmers' Markets America, September 2008.

² *Summary of Market Manager Interviews*, Farmers' Markets America, September 2008.

numbers of customers and experiencing increased sales. Total customer purchases for 2007 are estimated at \$11.2 million – perhaps double the total sales for 2000 – and the early indications point to a continued pattern of sales growth in the 2008 market season.

The accompanying table provides a snapshot profile of Portland’s farmers market operations in 2007.



PORTLAND FARMERS MARKETS: 2007 SEASON

Farmers Market	Calendar # of weeks	Vendors Avg/wk	Vendor Fees Per Stall	Customer Count (Avg. per Day)	Staffing	Year Founded
ALBERTA 1500 NE Alberta St (Alberta Co-op parking lot)	May - Sept 4:00 - 9:00 (20 weeks) Thursday	3	Free (not opening in 2008)	25	.1 FTE	2002
HILLSDALE 1407 SW Vermont (Wilson High School parking lot)	May - Oct 10:00 - 2:00 (38 weeks) Sunday (Nov - April) alter. wks.)	41	\$37	2,400 (1,400 Winter)	.9 FTE (Manager & Asst Mgr combined)	2002
HOLLYWOOD NE Hancock at 44th & 45th	May - Nov 9:00 - 1:00 (29 weeks) Saturday	42	\$36-51	4,000	1 FTE (Manager, volunteer coordinator, token coordinator)	1997
INTERSTATE Overlook Park N Fremont/ Interstate	Mid May - Sept 3:00 - 7:00 (20 weeks) Wednesday	22	\$35	1,500	.62 FTE season, .38 FTE off-season	2005
LENTS INTERNATIONAL SE Foster and 92 nd , Lents Town Center	Mid June - Oct 9:00 - 2:00 (19 weeks) Sunday	8	\$12-20	400	.6 FTE (grant)	2007
LLOYD NE Holladay at 7th and 9th, Oregon Square Courtyard	July - Sept 10:00 - 2:00 (13 weeks) Tuesday	9	Free (\$25 in 2008)	1,000	.3 FTE (work subsidy)/ 2008 thru fees	2007
MONTAVILLA 7600 block of SE Stark	July - Sept 10:00 - 2:00 (11 weeks) Sunday	21	\$30	1,452	Volunteer (.5 FTE 2008 total for 3 staff)	2007
MORELAND SE Bybee & 14th	Mid May-Sept 3:30 - 7:30 (20 weeks) Wednesday	24	\$35	1,350	.5 FTE/ .2 FTE off-seas.	2006
OHSU - Marquam Hill Auditorium Courtyard	Mid May - Oct 11:30 - 3:30 (16 weeks) Tuesday	13	\$30	600	.5 FTE	2006
PEOPLE'S 3029 SE 21st	Year Round 2:00 - 7:00 (52 weeks) Wednesday	16	\$18	200	.3 FTE	1999
PORTLAND - Eastbank SE 20th & Salmon	Mid May - 3:30 - 7:30 (20 weeks) Thursday	27	\$30 - 45 10%	950	.7 FTE	2003
PORTLAND - PSU South Park Blocks at PSU Campus	April - Dec 8:30 - 2:00 (38 weeks) Saturday	110	\$34 - 59 10%	11,000+	3 FTE	1991
PORTLAND - Downtown South Park Blocks SW 9th & Salmon (Shemanski Park)	April - Oct 10:00 - 2:00 (27 weeks) Wednesday	30	\$31 - 51 10% of gross sales for hot food	3,000	1.3 FTE	1997
PORTLAND - EcoTrust NW 10th & Irving	June - Sept 3:30 - 7:30 (17 weeks) Thursday	26	\$30 - 45 10%	730	.7 FTE	2003

Market Sales

Combined market sales for the 14 farmers markets in 2007 are estimated at \$11.2 million, as shown in the accompanying table.

PORTLAND FARMERS MARKETS 2007 MARKET SALES

Alberta	\$4,000
Hillsdale	
Summer	\$1,820,000
Winter	\$650,000
Hollywood	\$1,740,000
Interstate	\$400,000
Lents	\$40,000
Lloyd	\$71,000
Montavilla	\$207,000
Moreland	\$280,000
OHSU	\$85,000
Peoples*	\$291,200
Portland	
Eastbank	\$287,900
Ecotrust	\$227,000
PSU	\$4,335,500
Shemanski	\$758,300
Total	\$11,196,900

**People's market sales estimated based on an average of 16 vendors per week, a 52-week season, and average per-vendor sales of \$350.*

Note: Totals include prepared food.

Source: Market managers, compiled by Barney & Worth., Inc. and Farmers Markets America; and consultant team estimates based on farmers market sales data, OSU Extension Service Rapid Market Assessments and other sources.

In the mature markets, weekly market purchases have climbed steeply in recent years. Hillsdale reports sales nearly doubling in five years (2002 to 2007); Hollywood's sales doubled between 2000 and 2007.

Per customer purchases have also increased – rising 78% over the same period in Hillsdale, and up 46% in Hollywood. However, customer purchases can vary widely between markets – from an average of just \$10 per customer in Lents to more than \$30 per customer in Hillsdale.

A recent snapshot look at one market suggests that local farmers market sales are continuing to rise. A customer survey conducted by the Hollywood Farmers Market on September 20, 2008 found the average purchase per shopping

group (two persons) was \$29.12 – a 4.2% increase above the market's 2007 average purchase of \$27.94. Total market day purchases reported by customers were \$62,100, confirmed by same-day market vendor reports of \$61,300 in sales.

Market Sites

Half of the Portland's farmers markets are staged in public or private paved parking lots (one is on gravel). Other market sites are public parks, streets and worksite courtyards. Generally, large and medium size markets have 10,000 square feet of space or more, up to more than one acre. Shemanski Park is one exception (7,000 s.f.) where limited space requires farmers to unload, then move their

trucks. On the other hand, small markets often have less than 5,000 square feet of space, potentially limiting their sales potential. Large markets usually have substantial parking nearby, although that does not seem an absolute prerequisite.

Most Portland farmers markets are located immediately adjacent to or very near local business districts. Nearly all markets also have other important landmarks and amenities nearby: anchor businesses, shopping centers, major employment centers, restaurants, museums and galleries, parks, schools, freeway access, MAX service, theaters.

On a scale of 1 (low) to 10 (high), market managers generally rate their sites as “fair” to “good.” Individual site characteristics score, on average, 6.0 (for storage) to 8.2 (slope and surface). Overall market “site satisfaction” scores of managers range from a low of 5.3 to a high of 8.6.³

Survey averages are shown below. The range of scores from market-to-market on individual site characteristics is great, however. For example, water and electricity are rated from “0” for one market to “10” for three markets. Storage is rated “0” at two markets and “10” for three others.

PORTLAND FARMERS MARKETS SITE CHARACTERISTICS	
Slope & surface	8.4
Restrooms	7.4
Water & electricity	7.4
Aesthetics	7.4
Vendor access	7.3
Signage	7.3
Visibility	6.9
Parking	6.3
Storage	6.0

Sites are viewed as being a key to market vitality, and about half of the managers rate the success of their market as excellent, a “9” or “10,” even while 2007 gross sales for these markets ranged from \$177,000 to more than 25

³ *Summary of Market Manager Interviews, Farmers’ Markets America, September 2008.*

times that amount. Five managers give their market a “7” overall, while their 2007 market sales ranged from \$40,000 to \$400,000. One manager gives a candidly low “1” to a market that – after six years – decided to stop operating.

The most significant site issue facing Portland’s farmers markets is their lack of permanent, secure sites. Despite their apparent stability, not even the larger markets own or control their sites, or have secured long-term access. Past experience has shown the markets can be easily displaced, with dire (if temporary) consequences for market operations.

Vendors

The numbers of vendors selling their products at Portland’s markets ranges from fewer than 10 per week at several markets to 110 vendors average (117 peak) at the PSU market. The larger markets now offer a truly dazzling array of vendors and fresh, seasonal products. However, the larger markets are also “at capacity” for vendors during their peak season, forcing them to turn away new vendors in most or all categories.

Good growers/producers are vital to market sales. Strong markets spend little time on recruitment since they are constantly approached by vendors wanting space or referred by other vendors. Weaker markets have difficulty no matter their methods because vendors worry about poor sales. Most markets gain vendors through a variety of methods:

- Visits to other farmers markets, and checking their websites
- Organizational websites including industry sites
- On-line product searches and food community listserves
- Office of Sustainable Development database
- Word-of-mouth; manager and vendor referrals; Mercy Corps
- Personal connections to make sure people know who you are – “even at the seed store”

- Conferences, such as OSU Farm Direct Marketing Conference, Better Living Show, and Farmer-Chef Connection

Weaker markets “need everything” in terms of products while stronger markets can be selective and hand-pick new products. All markets have a few niche items they desire or that need competition, and during the height of the season there is often too much product duplication among participating vendors so managers seek more diversified small farmers. From large to small, markets have a varied list of what they want including specialty products such as Asian vegetables, okra, garlic, mushrooms, cheese,

meats, poultry, eggs, honey, dairy, fish, shellfish, and medicinal plant starts. Some markets also seek baked goods, value-added products, and prepared and ready-to-eat foods.

Customers

Portland’s large and small farmers markets attract hundreds to thousands of customers each week during market season. Weekly attendance among five profiled markets ranges from just over 400 at the Lents International Market to nearly 9,000 at the PSU market (see table).

2007 FARMERS MARKET CUSTOMER COUNT

	Hillsdale	Hollywood	Lents	Montvilla	PSU
Annual customers	60,400	116,000	8,000	16,000	350,000
Weekly average	2,325	4,000	420	1,455	8,975
2006-2007 growth	1%	22%	NA	NA	4%

As the markets have grown increasingly popular, the profile of customers has changed. Observers note that in the early years, the farmers markets attracted a narrow group of well-heeled “foodies” and a few others seeking fresh produce. Over time, with market growth and expansion, market managers say the farmers market customer is coming to better reflect a cross-section of inhabitants who live within their market’s primary trade area – young and old, ethnically diverse, at many income levels.

Customer surveys reveal a few more insights about farmers market customers:

- The farmers markets draw repeat customers – most say they shop there every week or two.
- The leading attraction is fresh/local produce.
- “Quality” is the key factor (62%) in product selection vs. “price” (8%).⁴
- Customers consistently value diversity of products, more vendors, longer market season.



- Many customers – nearly half at some farmers markets – walk or bike to the market.
- Most customers link their farmers market trip with visits to other area establishments.

⁴ Hollywood Farmers Market customer survey.

III. Consumer Demand for Farmers Markets

How much are current sales for Portland farmers markets, and what is their current market share? Looking ahead, can consumer demand be expected to increase for the products offered by farmers markets?

The consultant team investigated current consumer spending on food in the Portland area, and specifically on vegetables and fruits – the foundation for every farmers market. The current market share was calculated for Portland’s 14 existing markets, and future demand potential analyzed.⁵

Summary

As of 2004-2005, Multnomah County households spent an aggregate of nearly \$188 million on vegetables and fruits for consumption at home. With aggregated sales in 2007 of about \$11.2 million among the 14 farmers markets in Portland, and with vegetables and fruit representing about half of the total market sales, there appears to be abundant opportunity for increasing farmers market sales and market share. Strategies to increase farmers market sales might include attracting more customers, increasing per-customer purchases, shifting purchases to more expensive items, adding selected growers/products that offer lower price points (based on an expectation of higher volume sales), lengthening individual market seasons, and opening new markets.

Total average household spending in the Portland Metropolitan area (2004-2005) was estimated at just over \$50,000 for all categories. Food spending averaged nearly \$6,400 for Portland area households (about \$17.50 per day), a little higher than the average for all western households.

More than half of food purchases were spent on food consumed at home (compared to food consumed away from home), including: an estimated \$453 in cereal and bakery products; \$783 in meats, poultry, fish, and eggs; \$432 in dairy products; and \$650 in fruits and

vegetables – the key driver of most farmers market operations.

Estimated Market Demand for Farmers Markets

To evaluate the overall market demand of household spending in terms of its meaning to farmers markets, the consultant team defined the trade area for Portland farmers markets. Since the analysis focused on Portland’s 14 existing farmers markets, and to be consistent with the economic impact analysis, the primary market area for this analysis was defined as Multnomah County due to a lack of suitable Portland-specific data. (It should be noted that some Multnomah County households also shop at farmers markets in Gresham, Milwaukie, Lake Oswego, Beaverton and other communities within easy driving distance.)

According to Metro’s Data Resource Center, the number of households within Multnomah County was estimated at 288,926 in 2005, and is forecast to increase to 372,913 by year 2030. The number of households within the City of Portland is slightly lower, 235,180 in 2005, estimated to reach 299,355 by year 2030, as shown in the accompanying table.

ESTIMATED NUMBER OF HOUSEHOLDS

	Number of Households	
	2005	2030
Clackamas County	140,415	241,821
Multnomah County	288,926	372,913
Washington County	189,925	272,998
Grand Total	619,266	887,732
City of Portland	235,180	299,355

Source: Metro Data Resource Center.

Applying the estimated 288,926 Multnomah County households in 2005 to the average household expenditures yields over \$1 billion in aggregated spending for food at home items, including: over \$130 million in cereals and bakery products; \$226 million in meats, poultry, fish, and eggs; nearly \$125 million in dairy; and nearly \$188 million in fruits and vegetables.

⁵ *Market Demand Potential for Farmers Markets*, Bonnie Gee Yosick LLC, July 2008

What these aggregated values mean to farmers markets depends on the share of food-at-home spending that farmers markets are able to capture. For example, if farmers markets captured two percent of all spending in the fruit

and vegetable category, the overall market for that segment would total nearly \$3.8 million. Examples of the market segment for fruits and vegetables at two percent, 10 percent, and 20 percent are shown in the accompany table.

AGGREGATED FOOD SPENDING MULTNOMAH COUNTY HOUSEHOLDS

	Annual Expenditures (millions of dollars) Multnomah County Households	If Farmers Markets were to capture		
		2%	10%	20%
Food	\$1,842.48			
Food at home	\$1,027.71			
Cereals, bakery products	\$130.88			
Meats, poultry, fish, eggs	\$226.23			
Dairy products	\$124.82			
Fruits and vegetables	\$187.80	\$3,756,000	\$18,780,000	\$37,560,000
Other food at home	\$357.98			
Food away from home	\$814.77			
Alcoholic beverages	\$151.98			

While the latest Consumer Expenditure Survey data available for the Portland Metropolitan region from the Census Bureau are from 2004-2005, the household estimates from Metro's DRC are for years 2005 and 2030, and the sales and vendor data from the farmers markets is from 2007. In all cases, the latest available data is used in this analysis; the impact of not adjusting the farmers market data (2007) to match expenditure data (2005) is minimal.

Farmers Markets Current Capture of Food Spending

In 2007, the 14 farmers markets in Portland sold an estimated aggregate of nearly \$11.2 million.

Portland Farmers Market provided week-by-week sales reports filed by vendors for the PSU market's 2007 season. These reports were voluntary and not submitted by all vendors. With sales of approximately \$1.65 million represented, these data represent approximately 38 percent of the PSU market's total of an estimated \$4.3 million. Using percentage sales in the categories provided by Portland Farmers Market, the estimated distribution of sales for 14 markets is shown in the next table.

**PORTLAND FARMERS MARKETS
DISTRIBUTION OF SALES, BY DOLLAR VOLUME**

Item	Percent of Dollar Volume Sold	Estimated Sales of all 14 Portland-area Markets
Vegetables	32.0	\$3,582,200
Fruit	13.8	\$1,544,200
Baskets	0.1	\$11,200
Nursery stock	2.6	\$285,500
Cut flowers	6.2	\$690,900
Eggs	0.0	\$4,500
Bugs	0.0	\$2,200
Seafood	4.8	\$538,800
Nuts	1.3	\$144,500
Dried fruit	0.1	\$6,700
Jams/jellies	4.3	\$478,000
Pickles	1.4	\$159,300
Roasted chilies	0.1	\$15,700
Butter	0.3	\$38,100
Cheese	6.1	\$680,800
Ice cream	0.0	\$1,100
Meat	7.7	\$862,100
Bakery	13.1	\$1,462,500
Sauces	2.1	\$239,000
Spices	0.0	\$2,200
Fresh pasta	2.1	\$239,000
Wine	1.9	\$208,300
Total	100.0	\$11,196,900

Source: Portland Farmers Market, tabulated by Bonnie Gee Yosick LLC.

Representing nearly one-third of the value of all products sold, fresh vegetables are a primary driver of the farmers market. Together, vegetables and fruit account for nearly half of total market sales. Applying this percentage to the nearly \$11.2 million estimated sales at 14 Portland-area farmers markets in 2007 suggests over \$5.1 million in vegetable and fruit sales at farmers markets, representing just under three percent of the total consumer spending in those categories across the Multnomah County trade area. For comparison, a recent study estimated the local food economy accounts for one to two percent of the Central Puget Sound region's food sales.⁶



⁶ *Why Local Linkages Matter: Findings from the Local Food Economy Study*, Viki Sonntag, PhD for Sustainable Seattle, April 2008.

Demand for Farmers Markets is Growing

Market demand for farmers markets is growing. Part of this growth is caused by population growth – a growing population will naturally increase food purchases. Although year-to-year data are not available for all markets, it is clear that recent increases in local farmers market sales are growing much faster than population. Weekly market purchases have doubled (or nearly doubled) for the two markets providing historical data:

- Hillsdale: Weekly market purchases have nearly doubled over the past five years (2002 to 2007): from \$36,100 to \$70,000.
- Hollywood: Weekly market purchases have doubled (2000 to 2007): from \$30,000 to \$60,000.

During the same time period, Portland and Multnomah County saw only modest population growth. Thus, the market share for farmers markets is increasing

Shopper surveys consistently show that rising attendance in Portland's farmers markets is driven by consumer interest in fresh, quality products offered by local growers. Market goers are self-described as "food conscious" – but now reflect a cross-section of the population.

Implications for Market Demand for Farmers Markets

Portland farmers markets sold an estimated \$11.2 million in 2007. Purchases of fruits and vegetables by Multnomah County households totalled over \$187 million (2005). Given the vendor and product mix being sold in Portland farmers markets, these data indicate the farmers markets currently capture about three percent of aggregate household spending on fruits and vegetables.

Evidence suggests there's room to increase that current market share. Strategies for Portland's

farmers markets to capture more local food spending could include:

- Attract more customers
- Increase per-customer purchases
- Shift to higher value products
- Add growers/products that offer lower prices/higher volume
- Lengthen market seasons
- Establish more markets



What is a reasonable capture rate for farmers markets? According to customer surveys conducted at the Hollywood Farmers Market, 25 percent of customers report spending one-quarter or more of their weekly food budgets at the market – with some shoppers reporting 50 percent or more. It is likely that a market share capture rate of 25 percent represents the upper end for potential farmers markets sales, and would be feasible only during the summer season. But, if farmers markets were ultimately able to capture 20 percent of the annual aggregate spending of Multnomah County households on fruits and vegetables, the markets would be selling over \$37.5 million in fruits and vegetables. Doing so while maintaining the current mix of products by sales volume suggests total sales of over \$80 million for farmers markets – a seven-fold increase in the Portland markets' 2007 estimated sales of \$11.2 million. Increasing the annual market share of Portland's farmers markets to 10 percent would yield fruit and vegetable sales of \$18.8 million annually and total market sales of \$40 million.

PORTLAND FARMERS MARKETS: POTENTIAL MARKET SALES

Vegetable & Fruit Sales	Market Share	Total Market Sales
\$5.1 million	3%	\$11.2 million (2007 actual)
\$18.8 million	10%	\$40 million (estimate)
\$37.5 million	20%	\$80 million (estimate)
\$187 million*	100%	

* 2007 aggregate vegetable and fruit purchases-Multnomah County households



IV. Growers/Producers Who Supply Portland's Markets

Looking into the Supply Side Question

A pivotal question is whether there are enough growers and producers poised to supply more and larger markets in Portland.⁷ To explore this issue, the consultant team drew information from a variety of sources:

- A 2008 survey of 52 area growers, including those who sell products predominantly in Portland farmers markets and some growers who do not currently participate in farmers markets;⁸
- Acreage and sales trends data from the Oregon Agricultural Information Network (OAIN) maintained by the Oregon State University Extension Service;
- Oregon State University Extension Service economic and production research reports; and
- A map of grower locations in Multnomah, Washington and Clackamas Counties prepared by the Office of Sustainable Development.



Key findings regarding the outlook for producers and products to supply Portland farmers markets:

1. There is sufficient supply to sustain Portland's existing farmers markets for the foreseeable future, and add some new markets. The current growers who sell at farmers markets are succeeding and some are expanding as they explore the many marketing options available to them (not only farmers markets).
2. Increased food supply for farmers markets will come partially from new, smaller farms – or even urban market gardeners – whose numbers have been rising in Oregon. These smaller, specialty farms are tailor-made for selling at farmers markets. They often use the farmers markets as their first direct-market channel, expanding later to restaurant sales, wholesale markets and other methods.
3. There is adequate capacity to supply some new farmers markets – but these new markets may not look like today's larger, well-established markets. Markets should be prepared to start small and expand at a moderate pace since the vendors for new markets are likely to come primarily from the ranks of smaller, less experienced growers. And new markets may be at a disadvantage competing with established markets offering an abundance and diversity of products.
4. An attractive market expansion opportunity is to extend the season. Customers support the longer season, and early experiments with shoulder seasons and winter markets have been successful. Also, many farmers are preparing now to sell fresh crops over an extended season.
5. A primary factor constraining the expansion of fresh local food supplies is the shortage of available farm labor.
6. Many farmers currently find advantages for selling at farmers markets. To attract growers in the future, however, Portland's farmers markets can expect to face stiffer

⁷ *The Prospect for Expanding Portland's Farmers Markets: Are Growers Ready to Ramp Up Supply?* Globalwise, Inc., September 2008.

⁸ *Summary of Farmer/Producer Survey*, Globalwise, Inc., September 2008.

competition from other farmers markets in Western Oregon and from other direct-market sectors (CSAs, restaurant/institutional sales, wholesale distributors). Portland's markets may need to show constant improvement to retain the growers they have and attract new ones.⁹



The Area that Supplies Portland's Markets

Portland benefits from its proximity to the Willamette Valley, which holds 70 percent of the state's high quality farmland. The latest estimates show this fertile valley currently has about 700,000 acres in cropland production – although about 500,000 of these areas (or 71 percent) are allocated to grass and legume seed production.

Due to Portland's advantageous location, its farmers markets are able to source most of their supply "locally" (within 100 miles). Around 90 percent of the food sold in the markets is grown within a 100-mile radius of the city. Half of all farms serving the markets are located within 30 miles of Portland, but these tend to be smaller farms and clearly account for less than half of the food supply. The larger farms, typically located further from Portland, supply most of the food sold at the city's farmers markets.

In Oregon, the primary supply area covers 11 counties: Multnomah, Washington, Clackamas, Columbia, Yamhill, Marion, Polk, Linn, Benton, Lane and Hood River. In Southwest Washington

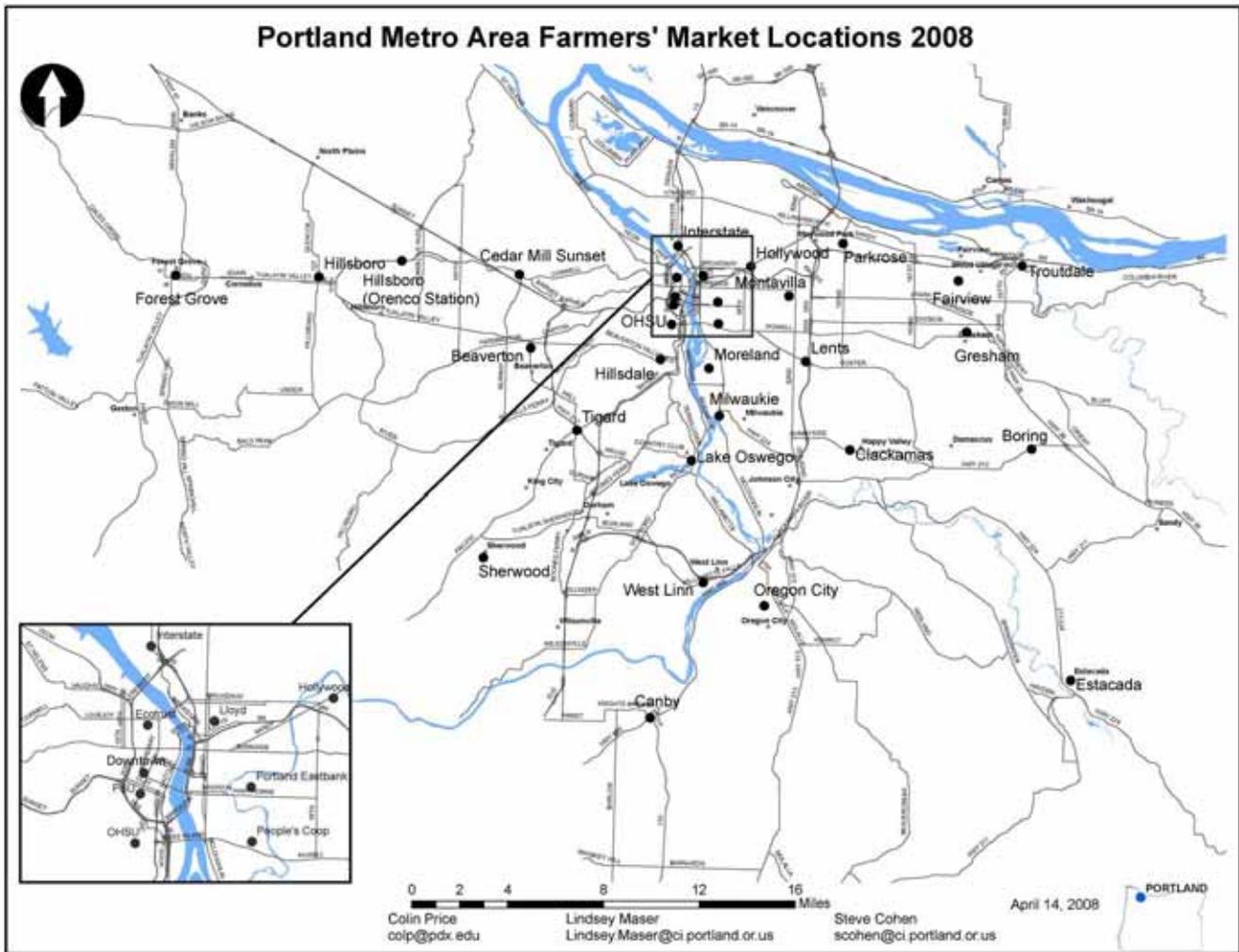
the counties within the 100-mile catchment area are Clark, Lewis, Skamania and Klickitat.

Within this supply area, the trends indicate a steep decline in vegetable production since 2000 (see table below). The land devoted to vegetables and truck crops dropped from 43,350 acres in 2000 to 8,930 acres in 2007. Contributing factors:

- The closure or down-sizing of Oregon processing plants during the period significantly reduced acreage planted in vegetables.
- Many of the growers who previously raised vegetables for processing turned to crops other than fresh market vegetables.
- Another contributing factor for the decline of vegetable acreage in Oregon is centralization of the large scale fresh produce procurement practices of the mass-market retail store chains. Safeway, Albertsons, Kroger/Fred Meyer and other chains account for the major share of fresh produce sales in the Portland area. They have increasingly relied on large growers and distributors with operations located closer to year-round growing regions in California, Arizona and Texas to supply fresh vegetables and fruits.



⁹ *The Prospect for Expanding Portland Farmers Markets: Are Growers Ready to Ramp Up the Supply?*, Globalwise, Inc., September 2008.



CROP ACREAGES FOR EIGHT OREGON COUNTIES*

Year	Vegetables and Truck Crops	Tree Fruits and Nuts	Small Fruits And Berries	Specialty Crops
2000	43,350	45,750	9,480	3,980
2004	14,250	47,830	9,530	3,710
2005	14,220	48,000	9,450	3,770
2006	13,600	48,640	9,270	3,370
2007	8,930	50,200	9,890	2,390

*Counties include: Benton, Columbia, Hood River, Lane, Linn, Marion, Polk and Yamhill
 Source: Oregon Agricultural Information Network, Oregon State University.

The Growers Who Supply Farmers Markets

Not all farmers are ready to supply farmers markets. Following the contraction in vegetable processing in the Willamette Valley, it is instructive that few of the affected growers turned to fresh market vegetable and fruit crops:

- Processed crop growers rely heavily on mechanized planting and harvesting of their vegetable crops, and do not have the requisite labor to grow fresh market crops.
- Switching to fresh crops means establishing new customer relationships, which are challenging when the production is coming from farms with several hundred acres.

- Growers are leery of trying to market large supplies of perishable crops in a relatively short time period.
- The cropland formerly farmed for processed vegetables is usually not certified for organic production.

Additionally, the grass and legume seed producers are dominant players in this region – controlling more than 70% of all cropland. They typically farm 300 acres or more with multi-year contract obligations to seed companies. They own expensive, specialized farm equipment. They seldom use organic production practices, and employ minimal hired labor. Grass seed farmers lack experience producing the wide range of fresh vegetable and fruit crops sold in farmers markets, and do not have direct-market marketing expertise. The grass seed farmers are also the main producers of grain in the Willamette Valley because they use grain as a rotational crop between seed crop plantings.

Access to hired labor is another constraint weighing against expanding Willamette Valley farmland for fresh market crop production. Farmers are reticent to plant crops that need large numbers of hired workers because of their concerns about a long-term worker shortage coupled with pending tougher federal enforcement of immigration laws.

Finally, growers must have the right personality for meeting the public and promoting their crops at farmers markets and other direct-market venues. Some farmers are not comfortable dealing directly with consumers as their customers, preferring instead to sell in business-to-business settings with fewer, much larger buyers.¹⁰

Farmers interviewed for this study are keenly aware of rising demand for fresh local and organic/sustainable foods, with current demand growing faster than supply. Greater demand is increasing prices paid for fresh food crops, and in turn attracting more growers to produce the crops in greatest demand.

Oregon is a national leader in small, specialty farm production. Until recently, Oregon has been countering the national growth trend of declining farms and land in production. Growth in the number of Oregon's new, small farms has been offsetting the overall decline. Since around 2002, however, Oregon has also been experiencing a decline in the number of farms. Many small and mid-sized farms remain in the Willamette Valley, however, and many of these farm operations are within 100 miles of Portland, the primary catchment area – or *foodshed* – to supply Portland's farmers markets. The mild marine-influenced climate, favorable soils for vegetables and fruit crops, and the prospect of selling food in Portland are attractive factors in this trend. These new farms, which can quickly adapt to the most favorable market conditions, are a core source of supply for farmers markets.

Oregon land use laws do a good job of protecting agricultural land from major conversion to non-agricultural use. Holding land for food production is a first order prerequisite to enhance the food supply at farmers markets. However, there is concern, especially in the nearby Clackamas, Multnomah and Washington Counties area, because a significant percentage of the farms selling at farmers markets are not in the Exclusive Farm Use (EFU) Agricultural Zones. The long-term outlook for these nearby farms for food production is therefore much less reliable than the larger, more distant farms typically located within EFU zones.

The grower survey also revealed that some large Willamette Valley land holdings are being managed for certification to organic production status and then leased to farmers. This trend should assure more suitable land for production and could add to the food supply at farmers markets and to processors that are filling this market niche.

Farmers markets have always offered a good entry point for new farmers in the region, allowing them to start small and expand incrementally while refining their business model. This is still true today.

¹⁰ *Summary of Farmer/Producer Survey*, Globalwise, Inc., September 2008.

Connecting Farmers with Markets

The well established farmers markets in Portland are at full capacity for vendors. Also, most of the successful vendors have established their own strong customer base and plan to focus primarily on growing sales in their existing markets. New suppliers are more likely to find their

opportunities in the small and/or new (and often less profitable) farmers markets. This challenges both market managers and growers in the second-tier markets to raise their performance levels.

SUPPLYING PORTLAND'S FARMERS MARKETS PLUSES AND MINUSES	
<u>Plus</u>	
<ul style="list-style-type: none">+ Large acreage of productive cropland within 100-mile radius. More land being certified for organic production+ Oregon's land use laws protect farmland+ Increased consumer demand+ Earn higher prices for food at the markets than through other channels+ Diversity of farmers markets: size, days, tenure+ Opportunity to extend farmers market seasons+ Opportunity to co-market with other direct-market channels such as restaurants	
<u>Minus</u>	
<ul style="list-style-type: none">- Most acreage is committed long-term to non-food crops – growers unlikely to convert- Half of tri-county area farms are located outside EFU (Exclusive Farm Use) zones- A labor shortage undermines farmers' expansion plans- Fuel costs make it less likely more distant growers will serve markets- Portland's established farmers markets are at full capacity for vendors- Established farmers are unwilling to enter new markets, at least initially- Growing competition from markets outside Portland, closer to farmers	

Well established growers also realize that newly organized farmers markets take time to develop, and in the initial years markets sales are rarely robust. In response, the established growers hesitate to enter these new markets in the first year or two. Organizers of any new farmers markets need to be aware they must rely primarily on new growers. In the start-up phase of markets the growers are likely to come from the ranks of less experienced farmers.

To meet farmers' needs, and ultimately to succeed, new markets must attain a minimum threshold customer count and sales levels acceptable to each vendor. As a benchmark, the new, smaller vendors expect to earn at least \$300 in gross sales per market day. The larger, well established growers expect to realize market day sales of \$2,000 or more.

Another supply side consideration: the more experienced organic growers serving the Portland markets generally sell through four or five direct-market channels. Farmers who sell in the farmers markets also sell their products through:

1. Subscription sales (Community Supported Agriculture or CSA);
2. Restaurant and institutional sales such as schools and universities;
3. Direct retail sales at their farm or farmstand;
4. Sales to wholesale distributors; and/or
5. On-line sales.

Growing demand is reported within each of these (potentially more profitable) direct market

methods. If demand rises faster than the available local supply of organic and sustainable foods in the near term, then more competition can be expected among all channels for the available supply. This competitive situation and the relative pricing is a key to determining if farmers markets will garner the quality food products their customers demand, at prices customers are willing to pay.

Farmers markets are no longer a metro area phenomenon. Portland’s farmers markets also compete for growers, increasingly, with other Oregon markets. Outside Portland, farmers markets are expanding. Growers see a “sellers market” emerging, and fully expect the growth in demand for fresh, local and organic food sales in farmers markets and other direct-market channels to continue in the future. Some of the competing farmers markets are located closer to the farms that sell in Portland and may attract more local participation of farmers who might otherwise sell at new Portland markets. Information from the Oregon Farmers Markets Association shows that there are 24 farmers markets outside Portland in the Willamette

Valley, with now 100 markets statewide. And new markets are established every year. In the end, the best run (and most profitable) markets will attract farmers.

OREGON FARMERS MARKETS	
Central Oregon	10
Columbia River Gorge	3
Eastern Oregon	9
Oregon Coast	13
Portland Metro	36
Southern Oregon	5
Willamette Valley	<u>24</u>
Total	100

Source: Oregon Farmers Markets Association (2008)

V. Economic Impact of Farmers Markets

The impact of Portland's 14 farmers markets on the Portland metro-area economy was also analyzed. Using data provided by five markets (Hillsdale, Hollywood, Lents, Montavilla, and Portland PSU), the consultants estimated the impact of these five markets and extrapolated the overall economic impacts generated by the 14 existing farmers markets.¹¹

Summary

Economic activity is typically measured in terms of output (which can be thought of as Gross Regional Product or sales), employment to create that output, and the resulting employee compensation or income. Farmers markets generate economic impact through several activities:

- The first and largest economic activity is the purchase of fresh product at the farmers markets.
- Second, there is the sale of prepared food intended for consumption at the market location.
- Finally, there are fees paid by the vendors to the farmers market organization.

Together, the three components of economic activity of the five farmers markets studied – the sale of fresh product at the markets, the sale of prepared food for consumption at the markets, and the management fees – yield nearly \$12 million in total economic activity, producing more than 100 jobs (full-time and part-time, from farm to farmers market), and over \$2 million in employee compensation. Extrapolating to the aggregated total of all 14 markets in Portland yields an estimated total economic impact of over \$17 million in output, more than 150 jobs, and nearly \$3.2 million in employee compensation.

ECONOMIC IMPACT OF PORTLAND'S FARMERS MARKETS

- ✓ \$17 million in annual economic activity
- ✓ 150+ jobs (full-time and part-time)
- ✓ \$3.2 million employee compensation



The next sections explain the various categories of economic impacts generated by Portland's farmers markets.

Methodology

Five farmers markets provided detailed data to be used as a representative sample for Portland markets. These five markets – Hillsdale, Hollywood, Lents, Montavilla and Portland (PSU) – provided sales estimates and vendor fees totals for the 2007 market season. Portland (PSU) also provided detailed sales by product category for traditional farmers market products and detailed sales information (by vendor) for prepared food. STATA statistical software was used to tabulate these sales by product type, with the resulting distribution applied to disaggregate estimated sales for all markets by product type. Estimated sales for each market were verified by market managers, and then disaggregated using the distribution of products at the Portland PSU market. Finally, IMPLAN (an economic Input-Output modeling system) was used to approximate economic impacts of these estimated sales and vendor fees.

¹¹ *Economic Impact of Portland's Farmers Markets*, Bonnie Gee Yosick LLC, September 23, 2008.

Farmers Market Sales – Five Markets

There were 14 active farmers markets in the Portland in 2007. Five were selected as prototypical markets representing a range of market sizes, locations and circumstances, and these markets provided more detailed information on their sales and vendors. The five markets are Hillsdale, Hollywood, Lents, Montavilla, and Portland (PSU). Of these five, Portland (PSU) is the largest in terms of dollar value of gross sales for 2007, accounting for over \$4.3 million in sales for the 2007 season.

ESTIMATED ANNUAL SALES, 2007

	2007
Hillsdale (summer only)	\$1,820,000
Hollywood	\$1,740,000
Lents	\$40,000
Montavilla	\$207,000
Portland (PSU)	\$4,335,500
Total	\$8,142,500

*Note: These totals include prepared food.
Source: Market Managers.*



Portland Farmers Market also provided week-by-week sales reports filed by vendors for the 2007 season. These reports are optional and not submitted by all vendors. With sales of approximately \$1.65 million represented, these data represent approximately 38 percent of the Portland market's total of an estimated \$4.3 million. With a reported \$440,000 in annual prepared food sales, this segment of Portland Farmers Market's Saturday (PSU) market might be compared to a food court in a shopping center. Though most of the smaller markets also

offer some prepared food, the PSU market administers prepared food separately from the rest of the market and applies a different fee structure for these vendors.

For the remaining product categories sold at the PSU market, the distribution of sales was shown earlier, in Section III.

Representing nearly one-third of the value of all products sold, fresh vegetables are a primary driver of the farmers market. Fresh vegetables are followed by fresh fruit, bakery items, cut flowers, and cheese in terms of dollar volume of goods sold. This distribution was used to estimate the appropriate sectors for total farmers market sales in IMPLAN. The IMPLAN modeling system captures the trade-flow relationships among businesses, and between businesses and final consumers, to replicate the effect of a change in an economic activity to predict its impact on the local economy.

IMPLAN quantifies the effect on the local economy as direct, indirect, or induced contributions to economic activity. *Direct contributions* are defined as all 'first round' economic activities which contribute to output, income and employment. In this case, it is the customers purchasing products at the farmers markets.

Indirect contributions are defined as all 'subsequent rounds' of economic activities which contribute to output, income and employment. These activities are not directly associated with the purchase of the farmed product but are a result of the farmers market and farming activities. Examples would include seed and equipment needed to grow the fresh product. The investment in seed and equipment is a direct farming-related activity contributing to output.

Induced contributions measure the economic activity associated with the re-spending of wages paid in the direct and indirect activity. For example, it is personal spending done by the farmer, her farm helper, or her market worker.

ECONOMIC IMPACT OF PRODUCT SALES AT THE HILLSDALE, HOLLYWOOD, LENTS, MONTAVILLA AND PORTLAND (PSU) MARKETS, 2007

	Direct	Indirect	Induced	Total Impact
Output	\$7,702,434	\$2,144,381	\$1,350,409	\$11,197,224
Employment*	69.2	14.8	11.6	95.6
Employee Compensation	\$954,832	\$602,721	\$398,496	\$1,956,050

Note: Excludes Portland (PSU) market's prepared food.

Source: IMPLAN and Bonnie Gee Yosick, LLC.

*Full-time and part-time employment

Excluding prepared food, the estimated \$7.7 million in sales which occur in the Hillsdale, Hollywood, Lents, Montavilla, and Portland (PSU) farmers markets translates to roughly 70 direct jobs and nearly \$1 million in employee compensation. These are not only the jobs related to the vendor's operation at the farmers market, but also employment related to growing, harvesting, and preparing the product for sale.

Farmers Market Sales – 14 Markets

The combined \$11.2 million in 2007 estimated sales for the 14 farmers markets in the Portland area includes approximately \$440,000 from the Portland (PSU) market's sale of prepared food. Applying the proportions of goods sold at the Saturday Portland Farmers Market at Portland State to the estimated sales of the other markets produces an estimate of the impact of these sales to the region. The direct impact (ignoring prepared food sales) is about \$10.8 million in output, just under 100 direct jobs (full-time and part-time) and over \$1.3 million in employee compensation. Total impacts are estimated at over \$15.6 million and 130 jobs.

ECONOMIC IMPACT OF PRODUCT SALES AT ALL 14 PORTLAND-AREA FARMERS MARKETS, 2007

	Direct	Indirect	Induced	Total Impact
Output	\$10,757,603	\$2,994,949	\$1,886,048	\$15,638,600
Employment*	96.7	20.6	16.2	133.5
Employee Compensation	\$1,333,566	\$841,790	\$556,560	\$2,731,916

Note: Excludes prepared food.

Source: IMPLAN and Bonnie Gee Yosick, LLC.

*Full-time and part-time employment

Prepared Food Sales and Vendor Fees

As noted earlier, Portland Farmers Market (PSU) collects market vendor fees for prepared food separately from other vendors. 2007 sales from its 10 hot food vendors are shown below.

**FEEES FROM PREPARED FOOD VENDORS,
PSU (SATURDAY) MARKET, 2007**

Vendor	Fees, 2007
A	\$1,923.95
B	\$1,878.00
C	\$1,717.40
D	\$2,805.15
E	\$3,419.80
F	\$7,714.90
G	\$8,568.71
H	\$2,377.90
I	\$11,061.68
J	\$2,461.86
Total	\$43,929.35

Source: Portland Farmers Market.

Vendor fees for prepared food at the PSU market are calculated at 10 percent of vendor sales. The resulting economic impacts of the prepared food sales are shown below.



**ECONOMIC IMPACT OF PREPARED FOOD SALES AT
PORTLAND FARMERS MARKET (PSU), 2007**

	Direct	Indirect	Induced	Total Impact
Output	\$438,030	\$131,996	\$96,273	\$666,299
Employment	6.9	0.9	0.8	8.6
Employee Compensation	\$133,047	\$33,677	\$28,412	\$195,136

Source: IMPLAN and Bonnie Gee Yosick, LLC.

Another area of economic activity generated by farmers markets is the payment of market management fees by vendors. The five farmers markets assisting with this analysis range in budgets from very modest amounts for markets just getting started to substantial vendor fees collected by well-developed, more mature markets.



VENDOR FEES COLLECTED, 2007

Market	Estimated Vendor Fees
Hillsdale	\$75,868.00
Hollywood	\$66,600.00
Lents	\$2,136.00
Montavilla	\$8,721.00
Portland (PSU)	\$236,812.00
Total	\$390,137.00

Source: Market Managers.

At \$390,137, these fees total about 4.8 percent of the total estimated 2007 sales of \$8.1 million for the five prototypical farmers market. Using this proportion and the estimated aggregate sales of \$11.2 million in 2007, total aggregate fees for the 14 Portland-area markets are estimated at \$515,400. Estimated employment, and employee compensation associated with this economic activity are shown below.

ECONOMIC IMPACT OF FARMERS MARKET MANAGEMENT FEES, 2007

	Direct	Indirect	Induced	Total Impact
Output	\$515,436	\$191,682	\$126,454	\$833,572
Employment	9.2	1.6	1.1	11.9
Employee Compensation	\$145,579	\$57,088	\$37,318	\$239,986

Source: IMPLAN and Bonnie Gee Yosick, LLC.

These fees represent the economic activity of managing, coordinating, and administering the markets themselves. The total impacts of these fees translate to about nine direct jobs.

Total Economic Impact

The total economic impact generated by 14 Portland farmers markets is estimated to be over \$17 million. The markets are estimated to produce more than 150 jobs, with nearly \$3.2 million in employee compensation.

TOTAL ESTIMATED ECONOMIC IMPACT OF 14 PORTLAND-AREA FARMERS MARKETS, 2007

	Direct	Indirect	Induced	Total Impact
<i>Output</i>				
Product Sales	\$10,757,603	\$2,994,949	\$1,886,048	\$15,638,600
Prepared Food Sales	\$438,030	\$131,996	\$96,273	\$666,299
Management Fees	\$515,436	\$191,682	\$126,454	\$833,572
Total	\$11,711,069	\$3,318,627	\$2,108,775	\$17,138,471
<i>Employment*</i>				
Product Sales	96.7	20.6	16.2	133.5
Prepared Food Sales	6.9	0.9	0.8	8.6
Management Fees	9.2	1.6	1.1	11.9
Total	112.8	23.1	18.1	154
<i>Employee Compensation</i>				
Product Sales	\$1,333,566	\$841,790	\$556,560	\$2,731,916
Prepared Food Sales	\$133,047	\$33,677	\$28,412	\$195,136
Management Fees	\$145,579	\$57,088	\$37,318	\$239,986
Total	\$1,612,192	\$932,555	\$622,290	\$3,167,038
<i>Total Value Added</i>				
Product Sales	\$4,880,840	\$1,628,146	\$1,137,365	\$7,646,351
Prepared Food Sales	\$195,199	\$68,432	\$58,054	\$321,685
Management Fees	\$282,692	\$107,665	\$76,255	\$466,612
Total	\$5,358,732	\$1,804,242	\$1,271,675	\$8,434,648

*Full-time and part-time employment

Source: IMPLAN and Bonnie Gee Yosick, LLC.

Note: Overall output is shown in the top panel. The subsequent panels provide additional information on employment, employee compensation, and total value added – all elements of total output shown above. Total value added includes employee compensation, proprietary income, other property type income, and indirect business taxes.

Farmers Markets vs. Traditional Grocery Stores

Another way to quantify the economic impact of farmers markets is to compare this spending with the impact derived from similar purchases in traditional grocery stores. Are farmers market sales merely offsetting grocery purchases, with no net benefit to the economy? A household has regular produce needs and will not purchase an item again at a grocery store if it has already been purchased at the farmers market.

The analysis suggests the economic impact of a dollar spent at a local farmers market is not the same as the economic impact of a dollar spent at a traditional grocery. A key distinction is that most of the economic impact of purchases made at grocery stores is not retained locally. Not only are most supermarkets owned by large chains headquartered elsewhere, most of the items which line their shelves are produced, packaged, and marketed outside of the region. As such, the economic impact of that production “leaks” out of the region.

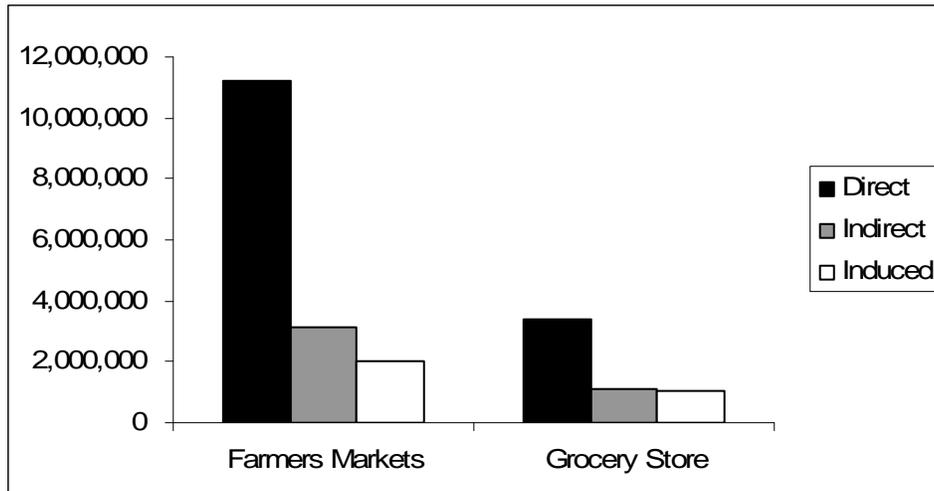
IMPLAN is able to quantify the difference in economic impact between purchases at farmers markets and purchases at traditional groceries. Assuming that all goods sold at a traditional grocery are imported to the region (to simplify the analysis), IMPLAN estimates that nearly three-quarters of the direct impact leaks outside the region with the estimated direct impact of \$11.2 million in spending at farmers markets equivalent to approximately \$3.4 million in economic impact generated by a traditional grocery.

A recent analysis of the King County, WA food economy shows that locally directed spending more than doubles the number of dollars circulating in the community, supporting a web of local economic activity. When food dollars are spent locally, they can be respent locally. The study determined that a shift of 20% of food purchases to local growers/producers would yield an annual increase of a half billion dollars in economic benefits in King County alone.¹² This indicates communities can benefit from initiatives to localize economic activity by increasing the proportion of local to non-local food spending.

It should be noted that some Portland groceries make efforts to procure and sell local products, particularly during peak growing season. However, local food distributors and retail experts who were contacted estimate that as little as five percent of fresh produce purchased in a typical grocery store throughout the year is locally grown (within 100 mile radius).

¹² *Why Local Linkages Matter: Findings from the Local Food Economy Study*, Viki Sonntag, PhD for Sustainable Seattle, April 2008.

**COMPARISON OF RELATIVE ECONOMIC IMPACT:
ESTIMATED 2007 SPENDING AT FARMERS MARKETS COMPARED TO EQUIVALENT SPENDING AT
TRADITIONAL GROCERY STORES**



Source: IMPLAN and Bonnie Gee Yosick, LLC.

VI. Market Expansion Opportunities

Are there promising opportunities to expand Portland's existing farmers markets – and grow a few new markets? Analysis suggests the answers to these questions are “yes” and “yes”.

Expanding Existing Markets

Portland's most successful markets are fully subscribed, with vendors on waiting lists. Unless these thriving markets move to larger sites, they have no room for additional vendors. Thus, expanding these markets means increasing their sales rather than adding vendors.

The first and best opportunity to grow Portland's farmers markets is by lengthening the market season. Surveys consistently confirm that market customers are ready to extend their participation, and the markets that have lengthened their seasons into shoulder seasons and winter months have profited. Many farmers are taking steps to extend their growing seasons.

Significant numbers of growers and consumers alike share an interest in extending the season for local food supply at farmers markets. Market managers think customers would support year-round markets. Growers are gearing up for this opportunity, using techniques such as greenhouses and hoop houses to expand their production per acre and extend their growing season. Their early successes are inspiring others to consider these methods.

Peer cities also confirm that, with enough vendor and customer support, markets can operate year-round, picking up customers (and vendors) from seasonal markets when they close.

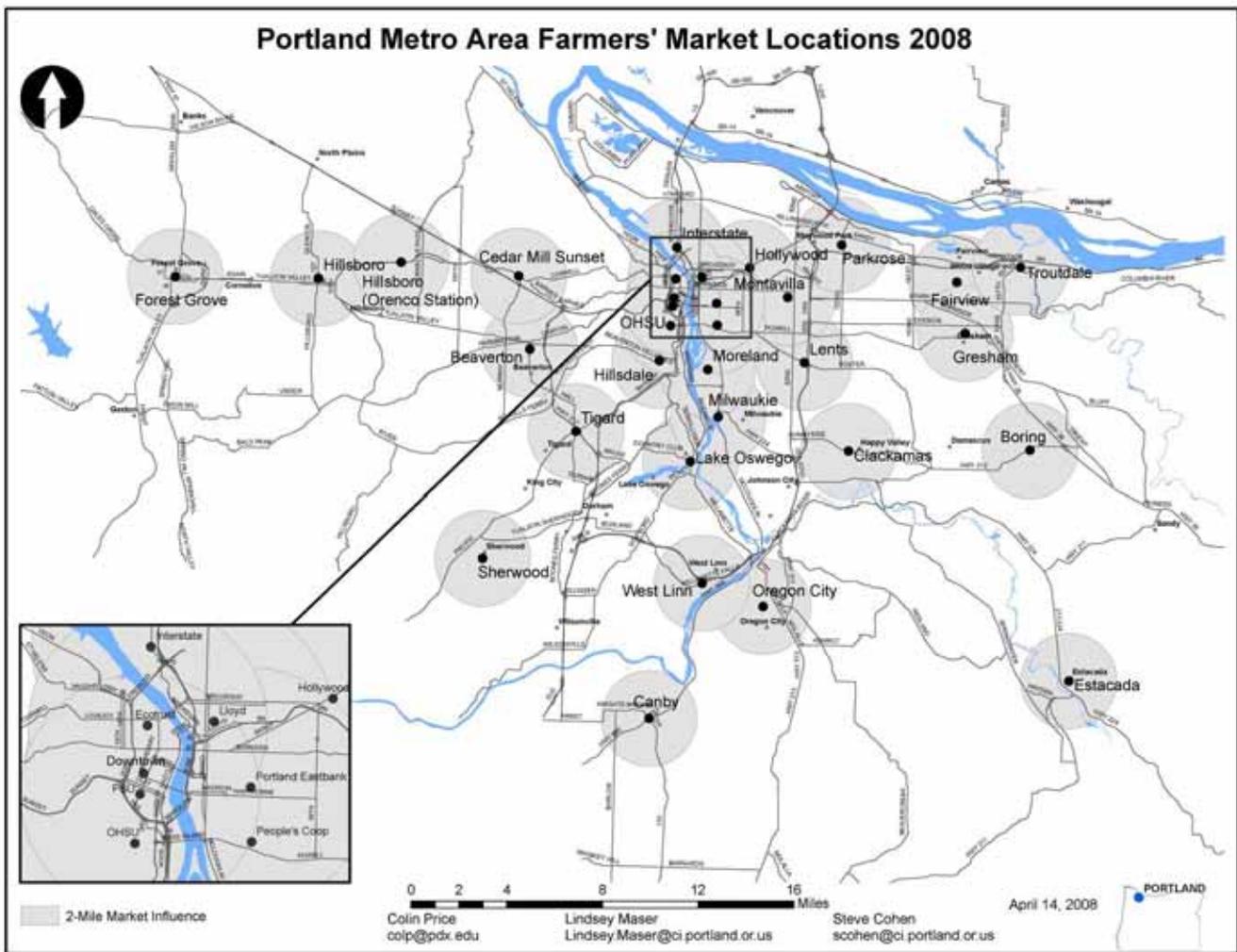
Market managers also report success expanding market sales by changing their product mix, introducing higher value products such as meat, fish/shellfish, beverages, hot food and ready-to-eat.

Developing Markets in Underserved Areas

While there's still room for new farmers markets, they will likely be different from today's markets. Most of the seasoned farmers who currently supply Portland's markets aren't planning to pioneer new markets. New, less experienced growers will be counted on to serve the emerging markets. The new farmers markets will likely be smaller – at least initially – and they may need help in getting started.

Farmers markets already cover much of the city. The consultant team studied the current distribution of farmers markets in Portland and neighboring communities to determine if some neighborhoods may be “underserved.” Market assessments by Oregon State University and the farmers markets have shown that up to 75% of customers for Portland's farmers markets live within a two-mile radius of their neighborhood market. Taking into account these primary trade areas, three Portland neighborhoods appear to be underserved: Outer Southeast, Cully-Concordia (Northeast) and St. Johns (North).





These market deficiencies have been recognized through various other community planning and organizing projects. A volunteer citizen group is organizing a St. Johns farmers market, potentially to open in summer 2009. In recent years, a community development organization explored the feasibility of a farmers market in the Cully neighborhood – but didn't move forward. There is no known market organizing effort in East Portland, although a farmers market recently appeared in a strategic assessment of the area's deficiencies (for the *East Portland Plan*).

Within the three market-deficient areas, the consultants identified and evaluated seven potential sites. The candidate sites were evaluated using a "Site Evaluation Tool" (SET) developed in collaboration with local market managers. This tool was developed to encourage communities to critically review various potential farmers market sites, because

location plays such an important role in the success of any market.¹³

Seven candidate sites were evaluated in the three Portland neighborhoods that were identified as being "underserved" by farmers markets, using information from: GIS map of existing Portland area markets and their primary trade areas, consumer data from rapid market assessments, the Portland Metropolitan Equity Atlas and local community interest in market development. Three sites – two in St. Johns along with one in Cully-Concordia – are highly ranked according to the SET methodology.¹⁴

¹³ *Farmers Market Site Evaluation Tool*, Farmers' Markets America, June 2008.

¹⁴ *Assessment of Market Sites in Three Underserved Areas*, Barney & Worth, Inc. and Farmers' Markets America, September 2008.

**FARMERS MARKET SET (SITE EVALUATION TOOL):
THREE PORTLAND NEIGHBORHOODS**

#	Factor	Max. Points	St. Johns	James	Ptl	Rigler	Scott	St Joseph	PtlWatBur
			Plaza	John Sch	Metro	Elem.	Elem.	Cath Ch	Montessori
			Lombard/ Philadel.	Lombard/ Charleston	42nd & Killingsw.	5101 NE Prescott	6700 NE Prescott	2400 SE 148th/Div.	14750 SE Clinton/Div.
1	Visibility (Traffic)	15	15	12	15	4	4	6	6
2	Parking	12	7	6	10	3	3	7	5
3	Signage	10	4	4	4	4	4	4	4
4	Permanence	10	4	4	4	4	4	4	4
5	Size (Expansion Potential)	9	5	7	9	4	4	7	2
6	Business Proximity	8	8	6	5	0	0	6	6
7	Vehicle access	7	4	6	7	5	4	7	5
8	Slope	5	5	5	4	5	4	5	5
9	Cost	4	4	4	4	4	4	4	4
10	Surface	3	2	3	3	3	3	3	3
11	Aesthetics/Atmosphere	3	3	2	1	3	2	3	2
12	Public Transit	3	3	2	3	2	2	2	2
13	Restrooms	3	3	1	1	1	1	1	1
14	Facilities-Water/Elec/Recy	3	2	2	2	2	2	2	2
15	Storage	3	3	3	0	2	2	2	2
16	Landmark	2	2	2	2	1	1	2	1
TOTAL POINTS		100	74	69	74	47	44	65	54

Economic/demographic conditions may pose a challenge for some of the proposed market locations. Incomes in the St. Johns and Outer Southeast trade areas are well below the Portland average. Annual “food at home” purchases in St. Johns (\$2,655 in 2004-2005) and Outer Southeast (\$2,765) compare unfavorably with Hillsdale (\$4,876) and Hollywood (\$3,762). A three percent farmers market capture rate for fruit and vegetable purchases (the average market share for Portland’s farmers markets) yields \$892,064 in the Hollywood market’s primary trade area – but only \$140,216 in St. Johns and \$381,205 in Outer Southeast. A Cully market fares better, with area household incomes nearly matching Hollywood’s trade area (\$60,768 vs. \$59,963), along with food at home purchases (\$3,812 vs. \$3,762). Capturing three percent of fruit and vegetable purchases in Cully would produce \$510,692 per year for a Cully farmers market. (It should be noted the trade area for the Cully market overlaps significantly with Hollywood

Farmers Market and also with the new Parkrose Market.)¹⁵



¹⁵ Trade Area Analyses for Existing Market Sites and Candidates for New Markets, Bonnie Gee Yosick, LLC

ANNUAL FOOD PURCHASES – PRIMARY TRADE AREA COMPARISONS

	Existing Markets			Proposed Markets		
	2004-2005 CES Portland	Hillsdale	Hollywood	Cully	St. Johns	Outer Southeast
Households	1,052,000	19,768	43,259	24,437	9,634	25,145
Income before taxes	\$ 56,702	\$ 77,736	\$ 59,963	\$ 60,768	\$ 43,321	\$ 44,083
Food	\$ 6,377	\$ 8,743	\$ 6,744	\$ 6,834	\$ 4,760	\$ 4,958
Food at home	\$ 3,557	\$ 4,876	\$ 3,762	\$ 3,812	\$ 2,655	\$ 2,765
Fruits and vegetables	\$ 650	\$ 891	\$ 687	\$ 697	\$ 485	\$ 505
3% of fruits and vegetables		\$ 528,471	\$ 892,064	\$ 510,692	\$ 140,216	\$ 381,205

Source: Bureau of Labor Statistics, U.S. Census Bureau, Bonnie Gee Yosick, LLC

Direct-Market Channels

From the market vendors' perspective, another opportunity for expanding sales is presented by other direct-market options. Interviews with growers/producers who are currently serving Portland's markets reveals the importance of other direct-market channels to supplement farmers' incomes. Despite their longtime involvement in and commitment to one or more farmers markets, the experienced growers – *without exception* – rely on multiple direct-market channels: typically community supported agriculture (CSA); restaurant and/or institutional sales; farmstands; sales to wholesale distributors; and on-line sales.

Farmers markets often provide the training ground for growers who want to experiment with direct-market sales. But, after gaining experience, the participating growers branch out into three to five direct-market channels.

Direct-market options are not all equally attractive to farmers. The various options offer different pros and cons (see accompanying box). Farmers markets are attractive because they:

- Offer opportunities for low volume producers;
- Command high prices; and
- Rarely require insurance or food safety documentation.

EVALUATION OF DIRECT-MARKET OPTIONS

	Volume	Price	Food Safety Documentation/Insurance
Institutions	Medium/High	Low	Sometimes
Restaurants	Small	Medium/High	Rarely
Retailers	Medium/High	Low/Medium	Always
Wholesalers	Medium/High	Low	Sometimes
Processors	Flexible	Low/Medium	Sometimes
Farmers Markets	Small	High	Rarely
CSAs	Flexible	High	Rarely

Source: Clackamas County: *Demand Side Study of Institutional Buyers for Locally Grown Food*, July 2008.

The significance of the other direct-market channels for Portland's farmers markets:

- Restaurants and food service institutions, in particular, have the knowledge, skills, and pricing structure to adapt to the variety of products and variable quantities offered by small, local producers.
- Some growers learn other direct-market channels can be more profitable (or less work) and ultimately depart from the farmers markets.
- Farmers markets alone aren't enough to assure successful growers with the level of profitability they seek.
- Farmers markets must recognize – and embrace – the synergistic relationship they have with other direct-market channels. New

and smaller markets, in particular, should appreciate the urgency of getting their new, entry-level farmers hooked up with other direct-market options. And market managers should never forget that growers have attractive alternatives!



VII. The Successful Farmers Market

Lessons from Peer Communities

As part of the study, market managers were surveyed in five metropolitan areas that might be considered peer cities – Sacramento, St. Paul (MN), San Francisco, Santa Monica and Seattle. The cities were selected in consultation with Portland market managers and the City of Portland. The goal was to analyze similarities and differences that might contribute to an improved system of market operation in Portland.¹⁶

The mature market systems selected for this survey represent three different types of non-profit organizations and a city-run market system. One market started in 1852 (St. Paul) and has expanded to numerous locations in more recent years. The other market systems studied were begun between 1980 and 1993. By coincidence, all of the peer communities operate as multi-market organizations. In contrast, Portland has a combination of multi-market (e.g., Portland Farmers Market) and independent market (e.g., Hollywood) organizations.

The five peer community market systems range from four farmers markets in one city to another market organization that operates 54 markets in 44 different communities. The peer communities collectively operate 102 farmers markets. The individual market systems serve between 120 and 475 farmers and other vendors.



All five market executives in the peer communities have been working more than a decade in the farmers market realm and two of them have 25+ years experience each. Three of the five executives have been with their organizations virtually from their markets' founding. Each organization has multiple staff levels, with four to 34 staff operating within overall budgets that range from \$0.2 million to \$1.8 million.



Survey participants were asked about characteristics of their farmers markets, followed by governance and organization, market volume and growth, customers, success factors and public/government involvement. The issues covered in the survey are recapped below.

The five peer farmers market organizations were asked to identify and define the characteristics of the “best” farmers market they operate, as well as provide an overview of their market system. The table below summarizes some of the information provided.

¹⁶ *Survey of Peer Communities*, Farmers' Markets America, September 2008.

PEER COMMUNITIES – FARMERS MARKET SYSTEMS: 2007

Community/Best Market	Schedule for Best Market	Vendor Avg. in Best Market	Best FM Vendor Fees Per Stall	Best Customer Count Avg. (Low to High Year-round)	Number Markets Operated	Year Founded
SEATTLE (NFMA) University District	Saturday 9:00 – 2:00	40	\$35 or 6% (greater)	2,000 (500-5,000)	7	1993
ST. PAUL Downtown industrial area	Saturday 6:00 – 1:00 Sunday 8:00 – 1:00	90	\$35 Sat. \$25 Sun.	8,000 (1,500-18,000)	17	1852
SACRAMENTO W St under I-50 Frwy.	Sunday 8:00 – 12:00	70	\$20	7,000(est.) (3,000-10,000)	10	1980
SF BAY AREA (PCFMA) Downtown Pleasanton	Saturday 9:00 – 1:00	38	\$30 Summer* \$21 Winter* \$50-\$75 annual application fee	2,500 (1,500-4,000)	54	1992
SANTA MONICA Arizona & 2nd	Wednesday 8:30 – 1:30	70	4.5% plus 1.5% to parent organization	8,000 (5,000-10,000)	4	1981

* For agricultural producers only. Other Pleasanton Market vendors pay \$45 (summer) and \$36 (winter) or 6% of sales – whichever is greater.

** Southland Farmers Market Association

The five peer community market systems have different histories, current operational models, and future development plans. Because Santa Monica is located close to substantial year-round production in all directions, it was easily able to develop four stable, year-round markets in three areas of the city.

Santa Monica doesn't intend to create any new markets in spite of operating in the black and being the most popular destination for local residents. A poll indicates that 85% of Santa Monica residents go to one of the farmers markets regularly (a total of one million visits per year) while the next most popular

destination attracting 49% of residents is the Santa Monica Pier.

The other four market systems operate one or more of their strong markets year-round, but also operate seasonal markets. These cities' smaller markets lack enough consumers and/or farmers to make year-round operation feasible. In both St. Paul and Sacramento, the shortest season markets last only three months; they are responsive to the dropoff in customer count when schools re-open.

PEER COMMUNITIES – MARKET CHARACTERISTICS

Characteristics	SEATTLE	ST. PAUL	SACRAMENTO	SF BAY AREA	SANTA MONICA
Shortest Market Season (weeks)	20	13	13	21	52
Longest Market Season	52	52	52	52	52
Total Vendors in System	136	150	120	475	200
Best Market Vendor High, Square Footage	63 23,000	120 45,000	110 80,000	56 22,000	78 70,000
Markets in City	7	4	5	N/A	4
Markets outside City	0	13	5	54	0

In every peer system, the best market is focused on local food producers – from 60% to 93% of all market vendors are farmers, ranchers and cheese/dairy/egg producers. Including value-added food producers (jams, vinegars, etc.) and bread makers, the range is 88% to 97% of all

vendors; Santa Monica and Sacramento support value-added products from farmers only. Clearly, there is a commitment to food producers that confirms an affinity for “real food from real people.”

PEER CITIES' BEST MARKET VENDOR BREAKDOWN

Vendor Type	Seattle	St. Paul	Sacramento	SF Bay Area	Santa Monica
Farmers	59%	56%	86%	53%	80%
Ranchers	6%	9%	1%	3%	4%
Cheese/dairy/eggs	14%	12%	3%	5%	9%
Value-added	9%	7%	-	20%	-
Bread/baked goods	9%	5%	6%	7%	3%
Hot/ready-to-eat	-	4%	-	3%	1%
Fish/seafood	3%	1%	4%	5%	3%
Crafts/artisans	-	3%	-	3%	-
Local business	-	-	-	3%	*
Non-profit/other	3%	2%	-	-	-

Three of the peer community market systems are entirely focused on fresh food, not allowing hot food vendors. Santa Monica shows goodwill by allowing four adjacent restaurants to take turns each month in one restaurant space. Three communities do not allow any local business, crafts or non-profits, and the others severely limit such. In some cases, the justification for this may be limited space, but success breeds farmer

interest and consumer appreciation so that even large sites fill up with waiting lists.

Portland's market vendor distribution is generally comparable with the peer communities, with Portland 14 markets somewhat more reliant on hot food/ready-to-eat (see table).

**PORTLAND FARMERS MARKETS
VENDOR BREAKDOWN BY PERCENTAGE**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
% Farmers	59	50	48	44	43	31	50	48	54	57	59	38	41	33
% Ranchers	0	5	4	0	7	8	0	4	0	4	5	0	3	0
% Cheese/dairy/eggs	6	9	7	11	5	8	0	7	8	6	7	12	9	0
% Value Added	12	5	9	11	25	23	0	7	8	19	9	0	16	0
% Bread/baked goods	6	14	9	11	5	8	14	11	12	5	9	12	13	0
% Hot/ready-to-eat	12	9	14	0	7	8	18	11	12	6	9	26	6	33
% Fish/seafood	0	5	7	11	7	8	5	7	4	3	2	0	3	0
% Crafts/artisans	0	0	0	0	0	0	9	-	-	-	-	0	0	33
% Local business	0	0	0	11	0	0	0	-	-	-	-	0	6	0
% Non-profit	6	5	4	0	2	7	5	4	4	1	-	12	3	0

All of the peer communities are organized as multi-market systems, under various structures:

- Seattle’s Neighborhood Farmers Market Alliance (NFMA) operates as a 501(c)(3) non-profit.
- St. Paul Farmers Market Association, with one of the oldest markets in the U.S., is organized as a 501(c)(5).
- San Francisco’s Pacific Coast Farmers Market Association (PCFMA), one of the nation’s largest market systems, is also organized as a 501(c)(5).
- Sacramento Farmers Markets is organized as a 521 agricultural cooperative.
- Santa Monica’s system is operated by the City of Santa Monica’s Economic Development Department.

One shared characteristic of these peer market systems that differentiates them from Portland’s markets is generally larger, better paid, longer tenured staff who receive fringe benefits. Salaries run from \$43,000 to \$100,000 for market executives, ranging down from \$12,000 to \$15,000 (or lower) for assistant managers.

The various peer community market systems have significant, yet still small, advertising budgets relative to total sales, investing 0.4% to 1.4% of annual sales. Most markets rely on “guerilla marketing” attracting substantial free media coverage and sponsoring events that augment their paid advertising. With relatively modest advertising budgets, most of the peer markets

have a clear vision and experience in creating programs and activities that build community capital and gain media attention. Their non-profit, community-oriented nature validates the substantial free media coverage and local goodwill they build through many avenues.

Peer community markets experienced a range of sales growth from 2006 to 2007 from 6% to 29%, and from 5 % to 15% a year earlier. As for planned future growth, markets are generally planning to expand their customer base by around 10% in order to see 15% to 20% sales growth. One market is focused on changing its product mix, adding vendors with specific unusual products.

While the strong markets don’t need to do vendor recruitment, most say they are always on the lookout for innovative new growers filling a niche with pickles or potted plants, ducks, chickens, organic dairy products, unusual fruits and vegetables, and wines or tea. One market was recently surprised by \$1,000 weekly sales reported by a vendor selling edible landscaping. Market managers attend major agricultural conferences to maintain their visibility with growers. They also strive to demonstrate professionalism as an organization so that farmers get the right message about their market. Peer communities also either maintain a vendor waiting list or accept annual applications to keep on file.

All peer communities acknowledge the significance of cities as market partners and the pivotal role they can plan in starting, nurturing

and operating farmers markets. The farmers markets in peer communities have formed valuable partnerships with cities that allow them to exist and succeed and the support they receive comes in many forms.

All market systems studied have the support of cities through free or affordable sites, site or directional signage (including leeway on permit requirements), marketing assistance and trouble shooting (the City of St. Paul has a market liaison). Almost all have also received city market management assistance, support for development of other direct-market channels, and approval for street closures.

Characteristics of Successful Farmers Markets

What makes farmers markets successful? To find out, the consultant team conducted interviews with 13 Portland market managers who operate 14 local markets, and five market directors who operate farmers markets in comparable U.S. cities. The team also reviewed available research.¹⁷

Interview participants were asked about characteristics of their own farmers markets and their observations on critical success factors. Highlights are outlined below.

Ten key characteristics of successful farmers markets emerge from the research:¹⁸

- 1. Vendors: Freshness and quality from real farmers are what customers want.**
Surveys consistently show that customers go to farmers markets for just-from-the-field freshness.
- 2. Product mix: The public wants a wide variety of products displayed in abundance.**
Aside from freshness, customers want variety and choice. With competition and multiple product categories, the public has more options.

3. Location: High visibility is cheap advertising.

Key components of a solid location are sufficient space and parking, visibility to high traffic volume, surface and slope, atmosphere and signage.

4. Mission: Clarity of vision/mission is essential.

Everyone in the organization needs to know the goals, who is to be served and how. A strong focus on farm vendors is essential.

5. Management: Professionalism creates sustainability.

Staff who benefit from good training and living wage salaries make long-term commitments to markets and boost market stability.

6. Value: Policymakers will value what customers value.

By their shopping habits, customers show they value the quality and price offered by local farmers they trust over sources of unknown origin, even though farmers markets can be less convenient. Cities gain value through local vendors who circulate dollars in the local economy and attract tourists to participate in local food culture.



¹⁷ *Summary of Market Manager Interviews*, Farmers' Markets America, September 2008.

¹⁸ *Characteristics of Successful Farmers Markets*, Farmers' Markets America, September 2008.

7. Partnerships: From business sponsors to nonprofits, relationships build stability.

Good markets seek to become the center of community interaction by connecting with all types of organizations.

8. Promotion: Markets use events and programs to increase demand and supply.

Entertainment and special events attract new customers. Creative programming addresses the public desire for education and enjoyment.

9. Economics: Good markets have solid financial plans for the future.

A stable market must balance expenses with income, primarily from vendor fees. They must be able to cover staff salaries, insurance, promotions and other essentials without depending too heavily on grants, sponsorships, sales of promotional items, etc.

10. Public Spaces: Markets contribute to – and benefit from – active public spaces.

Successful markets have an atmosphere that calls people to participate and explore – they help activate public places and build social networks. Cities that are sensitive to their farmers markets' community-building contributions respond by developing places that are more people friendly.



**SUCCESSFUL FARMERS MARKETS –
KEY CHARACTERISTICS**

- Vendors
- Good product mix
- Visible location
- Clarity of vision/mission
- Professional management
- Provide value to customers and community
- Build partnerships
- Promotion
- Solid financial plan
- Vibrant public space

VIII. Public Role in Support of Farmers Markets

As an element of the study, the consultant team was assigned to identify and evaluate appropriate role(s) for the City of Portland and other public agencies to serve in support of local farmers markets.¹⁹ Specific questions included:

What steps are other communities taking to stimulate farmers markets and direct-market food sales?

Are there efficient and effective methods enabling Portland to promote new markets and enhance sales? How can Portland prioritize market development, especially in underserved areas?

To find answers, the consultant team:

- Surveyed five peer communities and reviewed national literature to confirm the nature of support by cities and other public agencies for farmers markets across the nation.
- Contacted managers of fourteen Portland farmers markets, inviting their suggestions on potential city/public role(s).
- Surveyed 52 farmers/producers – including some who are not currently in markets – to learn more about factors affecting their participation and success in farmers markets.
- Interviewed City of Portland staff who interface with farmers markets.
- Reviewed past analyses of barriers/challenges confronting local farmers markets, and possible City of Portland support/assistance.

¹⁹ *Potential Public Role in Support of Farmers Markets*, Barney & Worth, Inc., August 2008.

Public Agency Support for Farmers Markets Across the U.S.

The accompanying table shows the results of a national search to inventory the various types of assistance (supportive policies and activities) currently offered to farmers markets or being considered by cities and other public agencies across the U.S. Categories of city/public agency support include:

- Facilities
- Transportation
- Technical assistance
- Marketing & promotions
- Management
- Funding



Farmers market systems were surveyed in five peer communities: Sacramento, San Francisco Bay area, Santa Monica, Seattle and St. Paul (MN). In all of these communities, farmers markets are well established and enjoy significant support from their city governments and also from other public agencies. These cities clearly want their markets to succeed, and have “signed on” to play a pivotal role as market partners. In some cities, full operation of the farmers markets is in the hands of the city. However, city government support and assistance seems to be important whether the farmers markets are city-sponsored or organized independently. The types of city assistance cited most frequently by market managers in the peer communities are shown below.

CITY ASSISTANCE TO FARMERS MARKETS IN PEER COMMUNITIES*

Free/affordable sites
Signage
Marketing
Trouble shooting
Management
Promote other direct market channels
Street closures
Site assessment
Provide market buildings
Parking
Waste/recycle/compost
Security
Funding/grantsmanship
Technical assistance
Inter-market coordination
Institutional purchases
Advising start-ups
* Listed in order of frequency

Current City of Portland Support for Local Markets

The City of Portland supports farmers markets through the Office of Sustainable Development (OSD). An OSD staff member currently serves – unofficially – as the City’s liaison with farmers markets, and a small portion of this person’s time

(about 10%) is allocated to market-related tasks. However, no City staff person is formally designated or assigned to support the markets.

The Portland Multnomah Food Policy Council, staffed by OSD, has also been involved with the markets (see below).

The range of City of Portland assistance provided currently or in the past to farmers markets includes:

- Create, maintain database of participating farmers
- Troubleshooting: parking, street closures, other
- Technical assistance: solid waste, recycling, composting, green building, energy, utilities
- Inter-market cooperation
- Web information
- Education/marketing outreach
- Research
- Technical assistance to startups
- Vendor training (with Food Policy Council)
- Research on town centers and zoning as related to the Diggable City project (with Food Policy Council)

PUBLIC AGENCY ASSISTANCE TO FARMERS MARKETS NATIONAL SCAN

Facilities

- Free/affordable sites
- Site assessment
- Zoning to accommodate farmers market activities
- Market buildings, weather protection
- Site infrastructure (water, electricity, restrooms)
- Technology: provide electronic benefits transfer, credit/debit card equipment, processing
- Solid waste, recycling, composting service
- Signage: directional, site signage
- Shared kitchen for small-scale food processing and packaging

Transportation

- Parking: on-street, off-street
- Traffic: street closures, barricades, traffic management, meter hoods for vendor access

Technical Assistance/Services

- Permits/regulations
- Security
- Feasibility studies
- Market research
- Applied research
- Seminars and training
- Professional development
- Business plan development
- Troubleshooting, mentoring

- Advising/coaching market startups
- Pilot projects: "green" farmers market, green building, energy-saving projects, rainwater catchment systems
- Economic impact studies

Marketing & Promotions

- Advocacy
- Events sponsorship
- Marketing: maps, brochures, advertising, website, utility bill inserts, Facebook page, marketing assistance, media/press relations
- Market promotion; spokesperson
- Development of other direct-market channels: local purchasing preference

Management

- Inter-market coordination; FM umbrella organization
- Market management assistance
- Full city operation of markets

Funding

- Direct funding
- Grantsmanship
- Startup capital
- Micro-lending; training micro-entrepreneurs
- Conduit for charitable contributions
- Institutional purchases

The City of Portland responds to market requests, but does little proactive outreach to the farmers markets. In some cases, the Office of Sustainable Development has offered services to markets which were accepted initially – but never utilized (perhaps because market staff were too busy). In fact, some market managers seem barely aware of the City of Portland's supportive efforts.

Several other public agencies assist Portland's farmers markets. Most prominently, the Small Farms Program at OSU Extension Service provides the markets with technical assistance, training and market studies. The program also organizes an annual direct-market conference that draws farmers and market managers, and hosts a statewide listserve – a self-help tool that links market managers across Oregon in a web-based advisory network. These important resources offered by OSU Extension are available to complement whatever assistance can be provided locally to the markets.

Public support and subsidy for farmers markets varies widely among cities. The City of Portland treats the markets largely as independent, private businesses that sometimes use (rent) public facilities. Little or no City subsidy is provided. At the other extreme, farmers market systems in some communities are funded and/or operated by their city governments.

Addressing Challenges for Farmers Markets

Portland's farmers market managers were surveyed and asked to identify their greatest challenges. At the top of their list of challenges is finding permanent sites of sufficient size. On the whole, market managers rate their current sites as "fair" to "good." However, few of the markets have secured permanent sites. Many are operating on a year-to-year basis, without an ownership interest in their site – or even a long-term lease. For some markets, space constraints are already a problem.

Other prominent challenges for local markets include the desire for a solid organizational structure and sustainable financial foundation.

Even the strongest, most successful markets find themselves struggling to maintain their current position. Most market managers are caught up in the daily demands of their jobs. They wear so many hats – frequently as one-person offices – that they could use an array of City and other support in expanding and stabilizing farmers markets. Any help would be appreciated. In Portland, farmers market employees generally receive below-average pay and few have full benefits.

Other potential City assistance identified by Portland market managers:

- Public recognition of the markets' contributions to Portland's livability
- A market development fund – start-up funding and assistance for market creation and expansion
- Low-income grants – to cover low-income vendor fees, electronic benefits transfer
- City-wide marketing campaign to benefit all markets
- Dollar match for food assistance programs

Looking Ahead

The City of Portland has been generally supportive of farmers markets and has provided some assistance as markets have emerged and grown over the past decade. Yet, the City's stance has remained largely – if not consistently – *laissez faire*. City officials acknowledge the value and multiple benefits of farmers markets – but there is no policy that sets forth the City's position on markets, and no City funding for markets.

To become more involved, the simplest step is for the City to designate a staff person to serve as the City's central contact and liaison to the farmers markets, and allocate sufficient time to serve effectively in this capacity. The Office of Sustainable Development's food-related programs seem to be an ideal place in the City's organizational structure to take on this assignment.

Next, City government should focus attention on assisting markets to secure permanent sites,

offering suitable locations and needed signage, infrastructure and amenities. The lack of a permanent site is the greatest challenge underscored by most farmers market managers. If Portland isn't able to launch an initiative designed specifically to help farmers markets secure sites, it may be possible this pursuit could be linked to some of PDC's redevelopment projects, or connected to other City initiatives through the Office of Sustainable Development, Bureau of Planning, Office of Transportation, Bureau of Parks and Recreation – all of these agencies have assisted the markets at some time. A permanent farmers market site could become the vibrant heart of a town center, or might be co-located with (and double as) a public plaza, park, or parking lot.

In a related matter, the City of Portland should also attempt to determine how best to accommodate farmers markets within the land use zoning structure. One possible solution may be to specifically list farmers markets as an allowed use in more zones. This opportunity could be addressed through a zoning update that is currently underway, or in the *Portland Plan* – the City's two-year project that will update zoning policies of the citywide Comprehensive Plan.

These recommendations echo the advice offered by the Food Policy Council in October 2003:

1. *Create policies supporting use of public spaces for farmers markets. Review site requirements for farmers markets (e.g., surfaces, utilities) when developing public spaces. Designate a city staff person to coordinate with farmers markets.*
2. *Plan for a network of permanent market sites throughout Portland and Multnomah County. Explore creating multifunctional urban plazas in designated town centers.*

Assistance by the City of Portland could also be expanded fruitfully to include some of the items suggested by market managers:

- Give public recognition to farmers markets for helping define Portland's acclaimed livability, and for their unique and positive contributions to the City's quality of life.

- Develop an explicit policy statement that spells out the City's role vis a vis farmers markets.
- Provide free use of City property for markets; offer tax incentives for private property owners donating free market sites.
- Assist/advise startup markets in underserved and/or low income communities, with matching grants and other tools.
- Offer grants to cover market fees for low-income vendors.

There's an opportunity for greater collaboration among Portland's farmers markets, in partnership with the City. Secure sites, longer market seasons, new markets, increased grower sales and participation, city-wide marketing initiatives, better wages and benefits for market employees, grower recognition might all be possible. The City's role in this new collaboration can include acting as convener, catalyst, creator and perhaps landlord and venture capitalist.

Finally, the City of Portland's role might embrace farmers markets as one element of a larger policy initiative to grow the local food economy:

- Create a shared understanding of what is "local".
- Articulate the benefits of locally grown – including advantages to the economy – and educate the community.
- Change public policy to champion local growers/producers and the local food economy.
- Engage the community in strategies to expand the local food economy.

These and other new contributions to the markets should be made in accord with an updated City of Portland *Farmers Market Policy* that articulates the rationale for an expanded City role in sustaining the markets. This new policy doctrine would open the door for Portland to refashion its current "hands off" approach, and play a larger role that is more in keeping with the support being given to successful farmers markets in other communities.

IX. Appendices

- Acknowledgements
- Project Deliverables
- Bibliography
- Survey Participants
- Survey Questionnaires
- Farmers Market Recipes

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Jaret Foster, Portland

David Hudson, Lloyd Farmers Market

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Jill Kuehler, Lents International Farmers Market

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Kevin McGourney, Interstate Farmers Market

Eamon Molloy, Hillsdale Farmers Market

Bob New, Interstate Farmers Market

Liz Shannon, Alberta Farmers Market

Laura Wendell, Moreland Farmers Market

Sarah LoGuidice

Colin Price

Elizabeth Schwartz

Richard Benner

Anne Berblinger

Tom Griffin-Valade, North Portland Community Works (Interstate Farmers Market)

Jerry Johnson, Oregon Department of Agriculture

Larry Lev, OSU Extension Service

Lynn Youngbar, Portland Farmers Market

Steve Cohen, Office of Sustainable Development

Eric Jacobson, Portland Development Commission

Portland Farmers Markets / Direct-Market Economic Analysis

Project Deliverables

The following project documents are available from Portland's Bureau of Planning and Sustainability at www.portlandonline.com/osd/food.

Market Profiles for Five Farmers Markets: Facts and figures on the 2007 market season for five representative farmers markets in Portland.

Summary of Market Manager Interviews: Results of interviews with 13 managers who operate 14 Portland markets.

Summary of Farmer / Producer Survey: Summary of interviews with 52 farmers / producers – the sample includes farmers who participate in Portland farmers markets, and some who do not.

The Prospect for Expanding Portland's Farmers Markets: Are Growers Ready to Ramp Up the Supply? An analysis of the readiness of growers to supply more and/or larger farmers markets in the Portland area.

Site Evaluation Tool: Assessment methodology that can be used to compare the pluses and minuses of existing farmers market sites and candidate sites for new markets.

Initial Evaluation of Potential Market Sites in Underserved Neighborhoods: Candidate sites in three under-served areas are assessed using the Site Evaluation Tool.

Trade Area Analyses of existing market sites and candidate sites for new markets.

Survey of Peer Communities: Survey of farmers market systems in five peer communities in the West and Midwest.

Characteristics of Successful Farmers Markets: the experience of farmers markets across the U.S. contributes to "success indicators" for markets.

Market Demand Potential for Farmers Markets: Analysis of current and emerging customer demand for farmers markets and their products.

Economic Impact of Portland's Farmers Markets: An evaluation of the benefits to the region's economy of Portland's farmers markets.

Potential Public Role in Support of Markets: Report and recommendations on "best practices" for public actions to support farmers markets, nationally and in Portland.

Map: Farmers Market Locations and Primary Trade Areas

Map: Farmers Serving Portland Area Markets

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<u>Portland Area</u>	<u>Other Communities</u>
Beaverton (2002)	Ashland Tuesday (2001)
Eastbank (2005)	Corvallis (2002)
Hillsdale Summer (2002)	Eugene Tuesday (2001)
Hillsdale Winter (2005)	Grants Pass (2001)
Hollywood (2001)	Hood River (2001)
Milwaukee (2001)	
Portland Wednesday (2001)	
Portland Thursday (2001)	
Portland Thursday (2003)	
Tigard (2004)	

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Rapid Assessment of Five Oregon Farmers Markets: Qualitative Results: Oregon Small Farms Technical Report Number 4, Oregon State University Extension Service, July 2001.

Why People Shop at Farmers Markets, Oregon Small Farms Technical Report Number 15, Oregon State University Extension Service, December 2003.

Tools for Rapid Market Assessments: Oregon Small Farms Technical Report Number 6, Oregon State University Extension Service, December 2004.

Enhancing the Success of Northwest Farmers Markets: An Executive Summary, Oregon Small Farms Technical Report Number 22, Oregon State University Extension Service, June 2006.

Survey Participants

Portland Farmers Markets/Direct-Market Economic Analysis Market Manager Interview Participants

Eecole Copen	OHSU Farmers Market
Jaret Foster	Portland Farmers Markets
Tom Griffin-Valade	North Portland Community Works (Interstate FM)
David Hudson	Lloyd Farmers Market
Gretchan Jackson	Montavilla Farmers Market
Ariana Jacob	Peoples Farmers Market
Jill Kuebler	Lents International Farmers Market
Daurie Mangan-Dimuzio	Hollywood Farmers Market
Eamon Molloy	Hillsdale Farmers Market
Bob New and Kevin McGovney	Interstate Farmers Market
Liz Shannon	Alberta Farmers Market
Laura Wendell	Moreland Farmers Market

Additional Interview Participant

Karen Kinney King County Agricultural Marketing Specialist

Portland Farmers Markets/Direct-Market Economic Analysis Peer Communities – Market Managers Interviewed

Laura Avery, Farmers Market Supervisor	Santa Monica Farmers Markets
Dan Best, Executive Director	Sacramento Farmers Markets
Chris Curtis, Executive Director	Neighborhood Farmers Market Alliance (Seattle)
Jack Gerten, Executive Director	St. Paul Farmers Market
John Silveira, Executive Director Area)	Pacific Coast Farmers Market Association (SF Bay Area)

Portland Farmers Markets / Direct-Market Economic Analysis Interview Participants

Ron Baune	Rainyway Farm
Sophie Bello	GroundWorks Organics
Amy Benson	Square Peg Farm
Anne Berblinger	Gales Meadow Farm
Jeff and Cheryl Boden	West Union Garden
Aaron Bolster	Deep Roots Farm
Antony Boutard	Ayers Creek Farm
Zoe Bradbury	Groundswell Farm
Dave Brown	Mustard Seed Farm
Diane Burns	Snowman's Nursery
Rick Campos	Seki Farms
Ben Cunningham	NW Heritage Pork
Tom Denison	Denison Farm
Teresa Draper	Draper Girls Country Farm
Jonathan Ehmig	Highland Oak Farm
John Eveland	Gathering Together Farm
Jeff Falen	Persephone Farm
Mike and Susan Farley	Sundance Lavender Farm
John Fraley	Gus & Co. Farm
Tony Gaetz	Bare Mountain Flowers
Angel Garcia	
Carine Goldin	Goldin Cheese
Charlie Harris	Flamingo Ridge Organics
Vivki Hertel	Sun Gold Farm
Bonnie Hodge	Brookside Farm & Gardens
Dave Hoyle	Creative Growers
Lisa Jacobs	Organic Life Creamery
Sheila Jaillet	Growing Wild Farm
Cynthia Kapple	Midway Farms, LLC
David Knaus	Fresh Earth Gardens
Pierre Kolisch	Juniper Grove Farm
Katie Kulla	Oakhill Organics
Harry MacCormack	Sunbow Farm
Petrene Moreland	Sweet Briar Farms
Gretchen O'Brian	River Rock Nursery
Bill Osburn	Stonewall Banks Seafood
Chris Overbaugh	Winter Green Farm
Mike Paine	Gaining Ground Farm
Shari Raider	Sauvie Island Organics
Andhi Reyna	Fern's Edge Goat Dairy
Jeff Rosenblad	Happy Harvest
Alan Rousseau	Pine Mountain Ranch
Tera Rutecki	Morning Sun Organics
Mike and Marsh Shadbolt	Cherry Country
Shari Sirkin	Dancing Roots Farm
Rick Steffen	Rick Steffen Farm
Dan Thall	Hood River Organic
Dan Turner	Wooden Bridge Farm
Kathy Unger	Unger Farm
Chris and Marven Winters	Winters Farm
John Witte	Tenino Farm
Chrissie Zaerpoor	KooKoolan Farm

Survey Questionnaires

Portland Farmers Markets/Direct-Market Economic Analysis Market Manager Survey (Rev. 3/11/08)

Characteristics of your market:

1. What day of the week is your market? **M T W Th F Sat Sun**
Hours:
2. What months do you operate (how many weeks)?
1. Your Vendors:
 - a. What was your total number of vendors on opening day of the 2007 season?
 - b. What was your highest number of vendors during the 2007 season?
 - c. What was your average number of vendors throughout the 2007 season?
2. How many spaces exist for vendors in your market?
Area size incl. aisle (sq. ft.)?
Aisle width?
3. How many vendors are allowed double spaces:
triples?
larger?
4. What percentage (or number) of your vendors are: *(Check percentage against actual numbers)*
 - a. % Farmers – fruits/vegetables Number:
 - b. % Ranchers – beef/pork/lamb? Number:
 - c. % Cheese/dairy/eggs Number:
 - d. % Value-added producers (jam) Number:
 - e. % Bread/baked goods Number:
 - f. % Hot/ready-to-eat foods Number:
 - g. % Fish/seafood Number:
 - h. % Crafts/artisans Number:
 - i. % Local business Number:
 - j. % Non-profit organizations/other (describe) Number:
7. Is your current list of vendors and their contact information available? To whom?
8. Could you describe your market location (what/where):
9. How far (number of blocks) are you from a local business community? Impact/connections:
10. Do you know the traffic count on your market street on market day (cars per hour/day)?
11. How would you rate your site characteristics on a scale of 1(low) to 10 (high):
Visibility:
Parking:
Slope & Surface (level, finished):
Aesthetics:
Vendor Access (load & park):
Restrooms:
Water & Electricity:

Storage:
Signage - potential 24/7:
Other:

12. What (if any) community landmark(s) help identify your location? Please describe:
13. How many parking spaces are available adjacent to the site?
Within 2 blocks:
4 blocks:
14. Cost/terms of site:
 - b. Cost for vendors:

Information about your market's governance and organization:

15. What year did your market first open?
of years in operation through 2007:
16. How is the market governed (committee, board)?
17. Has your board ever considered:
 - a. Combining with another market governing board? Y / N
 - b. Adding another market location? Y / N
18. Have you ever been approached for ideas/help in starting other markets? Y / N
19. When did you begin as manager?
 - b. What is the compensation structure?
20. What is the total value of your market advertising in 2007 (paid/free/trade)?
 - b. How much did you actually spend on advertising in 2007?
21. What other types of promotional tools did you use in 2007 to increase your customer base?

Vendor sales volume and market growth projections:

22. What was your total sales volume in the 2007 season?
Estimate based on:
 - b. Your market sales growth from 2006 to 2007? (percentage/number)
 - c. Your market sales growth from 2005 to 2006? (percentage/number)
23. Does your market plan growth each year? Y / N If yes, what do you project for 2008?
24. Do you have a vendor waiting list? Y / N If yes, how many are on the list & how do you select new vendors??
25. How do you reach out to recruit new vendors?
26. Are there particular food/plant products that you feel are currently under-represented in your market? Y / N

Information about your market's customers:

27. Have you done customer counts at your market? Y / N If yes, what methodology did you use?
Are the results available?
28. How many adult customers do you have on average per day?
high?
low?
29. What percentage of your customers come from within a 2-mile radius?
5-mile radius?
30. What are the most important aspects of farmers markets for customers (prioritized)?
Is this from research? Y/N

Important factors for successful markets:

31. What are the most important factors of farmers markets for producers/vendors?
32. What are the characteristics of the best markets in the Portland area?
Why?
33. Please identify the three most significant actions that market managers can do to expand/improve their market:
34. How do rate the success of your market on a scale of 1 (low) to 10 (high)?
35. To what do you attribute the (relative) success of your market system?
36. What is your Achilles' heel? What problems or weaknesses do you or others perceive in your market(s)?
37. What improvements/changes must you make to adjust to the changing retail grocery sector?
38. What steps are you taking to attract non-customers?

Public Role:

39. Is Portland City government generally supportive of farmers markets? Y / N
 - a. Why do you say that?
 - b. Are other governmental agencies supportive? (How?)
40. Are the City of Portland or other agencies currently providing any specific support or assistance to your market? Y / N
If so, what has been most helpful?
41. Does your market face any challenges or barriers that you feel the City (or another agency) could help overcome?

Wrap Up:

42. Would you be willing to review a "SITE EVALUATION TOOL" to assess possible sites for new markets?
Y/N

43. Any other comments about farmers markets that we have not yet discussed?
44. What is the most important advice that you can give for the City and the industry to help both develop and solidify farmers markets?
45. How long do you think you will continue as a market manager?

Portland Farmers Markets/Direct-Market Economic Analysis Peer Communities Survey (Rev. 04/08)

Characteristics of your market:

1. What day of the week is your largest market? M T W Th F Sat Sun
 -

2. What is your shortest season and longest season for any of your markets?
 -
 - Why?
 -

3. Your Vendors:
 - a. What was the total number of vendors in your market system in the 2007 season?
 -

 - b. What was your highest number of vendors at your best market during the 2007 season?
 -

 - c. What was your average number of vendors at your best market in the 2007 season?
 -

4. How many spaces exist for vendors in your best market?
 -
 - a. Area size incl. aisle (sq. ft.)
 -

 - b. What is the optimal aisle width for a market?
 -

5. How many vendors are allowed double spaces?
 - a. Triples or larger?

 - b. Are larger sizes necessary for these producers to participate?

6. What percentage (or number) of your vendors at your best market are: *(Check percentage/ actual numbers)*
 - a. % Farmers – fruits/vegetables Number:
 - b. % Ranchers – beef/pork/lamb? Number:
 - c. % Cheese/dairy/eggs Number:
 - d. % Value-added producers (jam) Number:
 - e. % Bread/baked goods Number:
 - f. % Hot/ready-to-eat foods Number:
 - g. % Fish/seafood Number:
 - h. % Crafts/artisans Number:
 - i. % Local business Number:
 - j. % Non-profit organizations/other (describe) Number:

7. Do you think crafts/artisans add or detract from the overall benefits of a market?

-

8. Describe your best market location (what/where):

-

9. How far (number of blocks) is that market from a local business community?

-

Impact/connections:

-

10. Do you know the traffic count on your market street on market day (cars per hour/day)?

-

11. How would you rate your site characteristics of your best market on a scale of 1 (low) to 10 (high):

Visibility from street:

-

Parking:

-

Surface (finished):

-

Slope:

-

Aesthetics:

-

Vendor Access (load & park):

-

Restrooms:

-

Water & Electricity:

-

Storage:

-

Signage - potential 24/7:

-

Other:

-

12. Proximity to landmark(s)?

-

13. Number of parking spaces?

Adjacent:

-

Within 2 blocks:

-

Within 4 blocks:

-

14. Cost/terms of site:

-
- Vendor fees:
-

Information about your market's governance and organization:

15. What year did your first market open?

-

of years in operation through 2007:

-

16. How is the market governed (committee, board)?

-

17. How many farmers' markets do you run within the City:

-

b. Outside the City?

-

18. How many markets will you be operating in five years?

-

b. What do you think is the best format for managing in the future – city-run system, nonprofit grower board, non-profit community board, private company? What is your system and what are the advantages?

-

19. When did you begin as manager?

-

What is the compensation structure for all staff positions?

-

20. What is the total value of your market advertising in 2007 (paid/free/trade)?

-

21. What other types of promotional tools did you use in 2007 to increase your customer base?

-

Vendor sales volume and market growth projections:

22. What was your total sales volume for all your markets in the 2007 season?

Estimate based on:

b. Your market system growth from 2006 to 2007? (percentage/number)

-

c. Your market system growth from 2005 to 2006? (percentage/number)

-

23. Does your market plan growth each year? Y / N If yes, what do you project for 2008?

-

24. Do you have a vendor waiting list? Y / N If yes, how many are on the list & how do you select new vendors?

-

25. How do you reach out to recruit new vendors?

-

26. Are there particular food/plant products that you feel are currently under-represented in your market? Y / N

-

Information about your market's customers:

27. Have you done customer counts at your market? Y / N If yes, what methodology did you use?

-

Are the results available?

-

28. How many adult customers do you have on average per day?
high?

-

low?

-

29. What percentage of your customers come from within a 2-mile radius?

-

5-mile radius?

-

30. What are the most important aspects of farmers markets for customers (prioritized)?

-

Is this from research? Y/N

-

Important factors for successful markets:

31. What are the most important elements of a successful farmers market?

-

32. Rate each factor for its importance in creating a successful farmers' market (1 low, 10 high)?

- Vendors

- Location
- Product Mix
- Mission
- Public Spaces
- Parking
- Promotion
- Management
- Value
- Economics
- Partnerships
- Others:

33. If you were to look for the best site for a market, how would you rate these factors (1 low, 10 high)?

- Visibility (traffic)
- Customer Parking
- Business Proximity
- Size (expansion potential)
- Vehicle access (load & park)
- Esthetics
- Surface & slope (finished, level)
- Cost
- Site permanence
- Water & electricity
- Restrooms
- Storage
- Public transit
- Signage (potential for 24/7)
- Landmark
- Others:

34. How much space is necessary for a strong market – for vendors and parking?

-

35. To what do you attribute the (relative) success of your market system?

-

36. What is your Achilles' heel? What problems or weaknesses do you or others perceive in your markets?

-

37. What changes are you making to adjust to the changing retail grocery sector?

-

38. What is the current status of the farmers' market system in your area: will there be more markets, are others creating markets, will you add markets, is the system full, are customers' needs met, will there be fall-out as good markets succeed and the weak fail...?

-

Public Role:

39. Is City government generally supportive of farmers' markets? Y / N

-

a. Why do you say that?

-

b. Are other governmental agencies supportive? (How?)

-

40. Are the City or other agencies currently providing any specific support or assistance to your market?

Y / N

-

b. Do you receive City funding support for any of the following:

- Free / affordable sites -
- Site assessment -
- Market building / weather protection -
- Parking -
- Traffic: street closures, barricades -
- Solid waste, recycling, composting service -
- Security -
- Signage: directional, site signage -
- Funding, grantsmanship -
- Marketing: maps, brochures, advertising, website -
- Technical assistance, market research, seminars and training -
- Troubleshooting -
- Inter-market coordination -
- Advising / coaching market startups -
- Market management -
- Institutional purchases -
- Development of other direct-market channels -
- Pilot projects: we do.

If so, what has been most helpful?

-

41. Does your market face any challenges or barriers that you feel the City (or another agency) could help overcome?

-

Wrap Up:

42. Would you be willing to review a "SITE EVALUATION TOOL" to assess possible sites for new markets? Y/N

•

43. Any other comments about farmers markets that we have not yet discussed?

•

44. Can you offer a single most important piece of advice for this project or for future support of farmers markets?

•

45. How long do you think you will continue as a market manager?

•

Portland Farmers Markets/ Direct-Market Economic Analysis Farmer/Producer Survey

1. Where is your farm located? (General location, distance to Portland)
2. How many acres do you farm (Approx acreage)? _____
 - a. General info – how long have you farmed?

 - b. Expansion/growth plans this year or in the near future?

3. What crops do you currently grow?

4. Are you planning to add new crops or expand into value added processing and marketing?
Yes/No
If yes, explain _____

5. What market channels do you use to sell your crops?
 - c. Sell to wholesaler(s) / brokers _____ What crops

 - d. Sell on farm via CSA or U-Pick _____ What crops

 - e. Sell on farm via roadside stand/farm store ____ What crops

 - f. Sell at farmers market(s) _____ What crops

 - g. Sell to restaurants or food service distributors ____ What crops

 - h. Sell to others not included above _____ Explain

Other Comments

For farmers selling at farmers markets-----
(If interviewee is not selling at farmers markets, skip to question **13**)

6.a. What farmers markets do you sell at and why?

b. How many weeks do you sell in the market(s)? Would you like a longer season? (Explain)

c. What is the minimum sales volume (in dollars) that you need each day to stay involved in a farmers market? \$_____ per day

7. Do you plan to add more farmers markets or pursue expanded space at your current market?
Yes/No _____ Why or why not? _____

If yes have you decided which farmer markets to add, why have you chosen them?

8.a. How do you staff your farmers market stands? (Is that a challenge for you?) _____

b. How many staff per day?

c. What is the range of hourly wages that you pay for farmers market staff? \$_____ to \$_____ per hour

9. Are you considering expanding your marketing program with **other** (non-farmers markets) direct-market channels? Yes/No _____ Which direct market channel(s)? _____

Other Comments

10. How much of your production is currently sold at farmers markets versus other market channels? (Percentages and approximate volume in pounds of production)

11. What distance do you think is the farthest you would travel to sell at a farmers market? _____

12. What are the two most significant actions managers of farmers markets can do to increase your success in selling there?

(Skip to question **16**)

For farmers not selling at farmers markets-----

13. Have you previously sold at farmers markets? Yes/No _____ If you have, why did you stop? _____

14. If you have never sold at farmers markets what are the reason(s) you have not? _____

15.a. Do you know other farmers who are selling at farmers markets and what have you heard about their experience?

b. Would you have any interest in selling at a farmers market in the future? Yes / No?

Factors that would convince you to participate in the future: _____

Final questions for all respondents-----

16. Do you have general comments about your farming and marketing situation which we have not discussed? _____

17. Can you offer a single most important piece of advice to make farmers markets accessible/successful for farmers?

18. Are there other farmers, either currently selling at farmers markets or not, that you recommend we interview?

Thank you for your time and valuable input. If you want to learn more selling at Portland area farmers markets, we will be happy to forward your name to market managers in the Portland area. Yes/No _____ What is the best way to contact you?

SURVEY ENDS HERE

Farmers Market Recipes

HOLLYWOOD MARKET SALAD

Ingredients:

- Baby arugula
- Fennel bulb
- Crisp green apple
- Extra virgin olive oil
- White wine vinegar
- Dijon mustard
- Mustard seed
- Fresh tarragon leaves
- Italian parsley
- Fresh ground pepper
- Sea salt

Preparation:

Rinse and dry the arugula, and place it in a salad bowl. Remove the outer tough leaves of the fennel, slice the bulb. Core the apple, cut into thin slices and add to arugula.

In a separate bowl, create mustard vinaigrette. Sprinkle with whole mustard seed, chopped tarragon leaves and parsley. Dress the salad, sprinkle with ground sea salt and black pepper to taste. Take your first bite, and imagine your next trip to the farmers market ...

- Clark Worth, Barney & Worth, Inc.

HILLSDALE MARKET MINESTRONE

Ingredients:

- 7 ounces pancetta, diced into ½ inch pieces
- 1 leek, chopped
- 1 onion, ¼ inch dice
- 2 carrots, ¼ inch dice
- 1 russet potato, ½ inch dice
- 1 small zucchini, ½ inch dice
- ½ cup green beans, 1 inch pieces
- ½ cup fresh corn cut from the cob
- 6 cups water
- 1 cup *Tomato a Pezzeti* (or roasted and dried tomato pieces)
- 1 can (15.5 oz) cannellini beans, drained and rinsed
- 1 cup baby shell pasta
- Salt, pepper, fresh Italian herbs, grated parmesan for seasoning and garnish

Preparation:

Cook pancetta until browned. Add leek and onion and cook until translucent. Stir in vegetables, water, tomatoes and simmer uncovered about ½ hour. Add beans and pasta. Season. Garnish.

Makes 10 cups.

- Kathy Fong Stephens, Barney & Worth, Inc.

MONTAVILLA MARKET *END OF SEASON* TOMATO PASTA

Ingredients:

- 5-6 large heirloom tomatoes, peeled and chopped (or 4 cups of mixed sizes and varieties), reserve liquid
- 4 cloves garlic, pressed (or more)
- ½ cup fresh basil, chopped
- 2 TBSP fresh mint, chopped
- 2 tsp salt
- ½ tsp black pepper
- ¼ - ½ tsp hot pepper flakes
- ½ cup extra virgin olive oil
- 1 lb whole wheat penne or rotini pasta
- ½ cup Parmesan cheese, grated
- ½ cup Romano cheese, grated

Preparation:

In bowl, combine tomatoes, garlic, basil, mint, salt, pepper, hot pepper flakes, and oil.

Cook pasta, *ala dente*, 10-12 minutes in boiling water; drain.

Add ¼ cup tomato liquid to pasta in pan; stir.

Add Parmesan and Romano cheese; stir until cheese begins to melt in pasta.

Combine with tomato mixture and serve with additional cheese to garnish, if desired.

Served cold as salad; keeps well.

Makes 6-8 servings.

- Bruce Prenguber, Globalwise, Inc.

PSU MARKET GRILLED SALMON

Ingredients:

- Oregon salmon filets – around ½ lb per person
- Cedar plank (optional)
- Herbs or spices to taste: (e.g., tarragon, spicy cajun or mesquite seasoning, teriyaki sauce)
- Ground pepper
- Small red or fingerling potatoes
- Olive oil
- Sea salt
- Fresh rosemary sprigs
- Rosemary (chopped fine)
- Lemon zest, juice or slices

Preparation:

Salmon: rub salmon with olive oil and season with salt and pepper, and/or spices. Grill salmon slowly (outdoors or indoors) on cedar planks if available. Garnish with rosemary sprigs and lemon.

Potatoes: prick spuds with fork; half or quarter larger potatoes. Roast potatoes at 325° for 30-45 minutes; season with chopped rosemary.

Serve salmon and potatoes hot or cold.

- Vance Corum, Farmers' Markets America

INTERSTATE MARKET BERRY/APPLE CRISP

Ingredients:

Filling:

- 2 cups fresh berries (blueberries, strawberries, raspberries, blackberries, or some combination all work well)
- 2 cups fresh apples, peeled and thinly sliced
- About $\frac{3}{4}$ cup sugar (adjust to taste and tartness of fruit)
- $\frac{1}{4}$ cup flour
- $\frac{1}{2}$ tsp cinnamon

Topping:

- $\frac{1}{2}$ cup oats
- 1 cup flour
- $\frac{1}{3}$ cup light brown sugar
- $\frac{1}{2}$ cup butter, melted

Preparation:

Combine fruit, sugar, flour, and cinnamon. Place in buttered baking dish.

Mix topping ingredients and sprinkle over fruit.

Bake for 35-45 minutes at 350° until golden brown and bubbly.

- Bonnie Gee Yosick, Bonnie Gee Yosick LLC