

Portland Farmers Markets/Direct-Market Economic Analysis **SURVEY OF PEER COMMUNITIES**

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Prepared for: **City of Portland**

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Table of Contents

	Page
I. Executive Summary	1
Introduction	1
Summary of Findings	1
II. Introduction	3
III. Farmers Market System Characteristics.....	4
Market Profiles	4
Season Length and System Development	5
System Governance, Operation and Expansion	7
Types of Vendors	8
Management Comparisons	9
Site Characteristics of the Principal Markets.....	10
Promotion.....	10
Market Growth.....	12
Customers.....	12
City Support	13
IV. Future Vision	15
Challenges / Opportunities.....	15
Public Role	16
V. Final Thoughts	17
Appendices.....	19
Seattle Market Statistics	
Interview Participants	
Market Manager Survey	

I. Executive Summary

Introduction

The City of Portland is conducting 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. To complete the study, the City has commissioned a consultant team led by Barney & Worth, Inc. As part of the study, Farmers' Markets America surveyed market managers in five metropolitan areas that might be considered peer cities – Sacramento, St. Paul (MN), San Francisco, Santa Monica and Seattle. The goal was to analyze similarities and differences that might lead to an improved system of market operation in Portland.

Summary of Findings

The following presents a summary of key points offered by representatives of five farmers market operations that collectively run 102 farmers markets. The smallest operation runs four markets in one city, and the largest runs 54 markets in 44 communities. More detailed responses are summarized in later sections.

Key findings from the interviews:

1. A food focus in markets attracts customers.

Not only do farmers appreciate a market centered on real producers of food, but customers like to know they can concentrate on food shopping. Plus, other communities look to real food markets over others when they want start-up advice, even when they may want a different product mix than the market they are courting. Food is a necessity (from which crafts may detract).

2. Large markets with short hours need substantial space and parking to accommodate big crowds.

Whether in several parking lots or spreading through city streets, a crowd of 2,000 per hour can create a need for just as many parking spaces, especially if people are invited to experience the market rather than simply shop. Parking is often the limitation that keeps markets small or precludes any customer growth; worksite markets are one solution. But first, one must calculate how much space is necessary to accommodate at least 40 farmers, trucks and all.

3. Multi-market operations lead to improved resources and technical expertise.

Multiple Markets operating under one umbrella organization can have steadier staffing, improved pay and benefits, training, and higher-quality relationships within the community. A team approach builds management stability, support and knowledge while addressing the burnout factor that sometimes results from working alone with low pay.

4. Seasonal markets provide customers in the off-season for year-round markets.

Year-round markets can become crowded in peak season, so seasonal markets provide a release valve for extra customers that may be more sunny-day shoppers. Markets can fine-tune their season, cutting or extending to respond to customers. Together, a well-managed system of seasonal and year-round markets can meet the needs of shoppers with varying levels of commitment to buying local.

- 5. Committed people make the system work.**
Whether city-run or non-profit, the key to success for farmers markets is having good people. The city can help by understanding the commitment to build relationship between farmers and consumers.
- 6. Success starts with location and passion.**
Strong markets need sufficient space and parking, passionate leadership, quality farmers with variety, a food focus, a clear mission and flexibility. These basic elements allow for the building of a community experience around customers' personal connections with local farmers, and management that is responsive to community concerns.
- 7. Cities are players in the greater success of most farmers markets.**
Markets and communities benefit when city leaders provide support through resources and assistance. City support comes in many forms, from start-up funding to site selection, a market building, subsidized parking, street closures, barricades, solid waste, recycling and composting service, security, directional and site signage, grantsmanship, marketing and technical assistance, coordination, advising, market management and operation, institutional purchases and development of other direct-market channels.
- 8. Staffing and market strength go hand in hand.**
When a market is strong enough to provide decent pay for staff, the result can be lower turnover, stronger relationships in and outside the market, greater professionalism and commitment. Job security can lead to a farmers market career which can lead to improved markets.
- 9. Partnerships of respect are critical in dealing with cities and all agencies.**
Market management needs to build relationships with sensitivity in order to solve problems and create new opportunities, whether related to food regulations, street closures, creating the next generation of farmers, or negotiating the next city contract.
- 10. Cities can help run markets, especially by providing permanent sites.**
Cities from Santa Monica to New York City (including Lake Oswego locally) operate their own markets. It makes dealing with the bureaucracy much easier when there's a clear city mission and mandate. If not, cities should establish a liaison to make it easier for market management to jump through the hoops and meet city goals. First, they should help find a site(s) that meets market criteria and helps the city build community spirit.

The next sections provide a more detailed discussion of the results of the peer communities survey – conducted in April-May 2008 for the Portland Farmers Markets/Direct-Market Economic Analysis. A list of persons interviewed and survey questions appear as appendices.

II. Introduction

The City of Portland's Office of Sustainable Development (OSD) supports the development of farmers markets to enhance the lives of its citizens and promote local agriculture. To evaluate the potential to expand Portland's existing farmers markets and start new ones, OSD and partner agencies have commissioned a *Portland Farmers Markets/Direct-Market Economic Analysis*.

To complete the study, the City has commissioned a consultant team led by Barney & Worth, Inc., with consulting partners Farmers' Markets America, Globalwise and Bonnie Gee Yosick, LLC. In April and May of 2008, Farmers' Markets America conducted interviews with five market directors who operate farmers markets in comparable U.S. communities. These peer cities were selected in consultation with the City of Portland and local farmers market managers.

The market systems selected for this survey represent two types of organizations: a non-profit agricultural cooperative, and a city-run market system. One market started in 1852 and has expanded to numerous locations in more recent years. The other market systems studied were begun between 1980 and 1993.

Like Portland, all of these cities have well developed market systems and multiple farmers markets. The five market systems range from four markets in one city to another market organization that operates 54 markets in 44 different communities. The individual market systems serve between 120 and 475 farmers and other vendors.

All five executives 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 have been with their organizations virtually from their founding. Each organization has several staff levels with 4 to 34 staff operating within overall budgets that range from \$0.2 to \$1.8 million.

Interview 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 interviews are explored in later sections of this report.

The market executives in the peer communities responded to a lengthy survey which included their assessment of challenges and opportunities in the future. The observations and insights offered by these individuals enables the consultant team to evaluate and compare the organizational strength of Portland farmers markets, and will also contribute to subsequent phases of the study. This report reflects the advice and attitudes of the individuals interviewed but is not intended as a scientifically valid profile of farmers markets across the country.

III. Farmers Market System Characteristics

Market Profiles

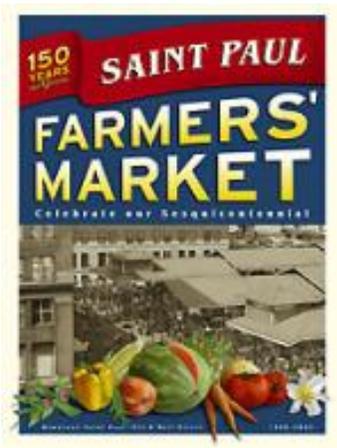
Five farmers market representatives were asked to identify and define the characteristics of the “best” farmers market they operate, as well as provide an overview of their market system. The table below summarizes some of their responses.

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	\$	7,000(est.) (3,000-10,000)	10	1980
SF BAY AREA (PCFMA) Downtown Pleasanton	Saturday 9:00 – 1:00	38	\$	2,500 (1,500-4,000)	54	1992
SANTA MONICA Arizona & 2nd	Wednesday 8:30 – 1:30	70	4.5% plus 1.5% to SFMA	8,000 (5,000-10,000)	4	1981

The *Pacific Coast Farmers Market Association* (PCFMA) operates 54 farmers markets in 44 different San Francisco Bay Area communities. It is one of the largest farmers market organizations in the United States in terms of markets operated. While it doesn't have the cache of San Francisco's Ferry Plaza Farmers Market, the PCFMA does have numerous markets with sales of \$2+ million annually, well dispersed throughout the Bay Area. Because it serves so many Bay Area communities well and responsively, PCFMA is a strong, stable organization that is not dependent on a single flagship market. Yet its customers may not recognize the PCFMA name because their markets each have their own name and identity. Its strongest market is located in downtown Pleasanton where a crowd of up to 4,000 customers can pass through in four hours on Saturday morning.

The *Neighborhood Farmers Market Alliance* in Seattle is a similar yet smaller organization with seven market locations. While the University District market is the oldest and strongest, it does not overwhelm the others because it is no more than three times the size of its smallest sibling market. While the smallest three NFMA markets average close to \$15,000 per market day, they have a healthy average sales per vendor above \$600 per day while University District market average exceeds \$1,000.



On the other end of the spectrum, the original downtown *St. Paul Farmers Market* yields half the total sales of the 17 markets run by that organization. As a year-round market with a building in a substantially empty downtown each weekend, it is nevertheless a destination market the equal of any other studied. This results from its 156-year history, a substantial vendor base and parking availability. The market building occupies about 1.5 acres with 154 vendor spaces that are 10 ½' x 30' deep.

Open both Saturday and Sunday, *St. Paul* averages over \$1,000 per vendor day, year-round, totaling \$10 million in sales. Its other markets operate at a lower scale – two under \$250,000 per year, six between \$250,000 and \$500,000, four somewhere under \$1 million, and four between \$1 and \$2 million, all with varied season lengths.

Santa Monica's principal market on Wednesday also has a majority of their city's sales, about \$6 million of \$11 million markets citywide, but *Santa Monica* has only four farmers markets in comparison with *St. Paul's* 17 markets. Each is resilient with sales well above \$1 million annually, averaging well over \$20,000 sales per week on a year-round basis while the Wednesday market averages about \$120,000 sales weekly. As a city-run system, this is one of the healthiest due to strong product availability, good weather, superior locations and capable, committed management.

Sacramento operates three levels of markets: 1) one short (June-August) evening market in a park that dies when school starts; 2) five May-to-October markets that are based on the stone fruit season and opened as a release valve to take pressure off crowds at the year-round markets; and 3) four year-round markets that become stronger when seasonal markets close. *Sacramento's* strongest market is the oldest in the system, operating under the I-5/I-50 freeway at 6th & W Street. Sales figures were not available. The organization operates markets at several area malls that are happy to have proven traffic generators. Other markets are in parks and Chavez Plaza in front of City Hall.

Season Length and System Development

The five peer community market systems have different histories, development plans and response ability. 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 starting with the Wednesday market at Arizona and 2nd



(see photo) in 1981. 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 drop off in of customer count when school opens.

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

Seattle's Neighborhood Farmers Market Alliance maintains an extensive history that provides a rare view of internal deliberations affecting their development. In 2002, their University District and West Seattle markets operated 24 and 22 weeks, respectively, and were extended to 27 and 28 weeks in 2003. Their other three markets at the time were extended somewhat as well. Two years later, in 2005, the two strongest markets were extended by five weeks, two others by two or three weeks, while the season at one market was shortened from 19 to 17 weeks, and a sixth market opened for 27 weeks. In 2006, Seattle continued the fine-tuning and extended both of the leading markets to 34 weeks. Then in the winter of 2006-07 they began year-round operation of the University District Farmers Market. The following winter of 2007-08, West Seattle went year-round. The other four markets maintained a 20-28 week season, with a seventh market added in 2007. (See Appendices for full 2007 Seattle Market Statistics report.)

While many SF Bay Area markets have been year-round since their inception due to sufficient product availability, some area markets are only five months long. If there is insufficient consumer interest in the market, farmers' enthusiasm wanes as well and some declare they are running out of product or simply aren't interested in marketing year-round. Thus, the larger markets are the most likely candidates to extend their season and maintain enough vendors to sustain consumer numbers.

Two of the peer city systems – St. Paul and Sacramento – have a high concentration of all their system vendors in their principal market, reflecting that market's strength and physical size. Because of space availability –154 vendor spaces just off the interstate in downtown St. Paul, and 200 under the

interstate in Sacramento – these markets can more readily expand with new farmers who generally want to sell at the largest market. Later, some of these sellers find their way into their other markets as well. The other three market systems are more limited in space with their principal market and thus have a larger percentage of their vendors mixed throughout their system markets.

System Governance, Operation and Expansion

Seattle, beginning in 1993, has done careful planning. Today, they “feel stretched” in their resources and are closely following a 10-year plan commissioned in 2000, adding a new market every other year. Operating with a 501(c)(3) non-profit board of 13 members and receiving \$40,000 per year in operational support from the City of Seattle, the organization envisions starting only two more markets in the next five years in spite of the fact that numerous communities would like help in developing new markets.

Similarly, Sacramento, which opened its first market in 1980, expects only another pair of markets by 2013; it has had a dozen markets in the past. Sacramento has only four staff, modest salaries and fairly low booth rates not tied to vendor sales. While they have a five-member board directing their 521 agricultural cooperative, there are few meetings, leaving the executive director to make most of the management decisions including new market development.

PEER COMMUNITIES – FARMERS MARKET SALES & GROWTH

Characteristics	SEATTLE	ST. PAUL	SACRAMENTO	SF BAY AREA	SANTA MONICA
Markets Current	7	17	10	54	4
Markets Projected 2013	9	20+	12	80	4
Structure	501(c)(3)	501(c)(5)	521	501(c)(5)	Econ Dev Dept
# of Staff Levels	6	5	4 staff	8	5
Advertising (2007)	\$71,575	\$85,000	\$100,000	\$120,000	\$0
Total System Sales	\$5.1 Mil	\$20 Mil	N.A.	\$30 Mil	\$11 Mil



St. Paul has a rich history having opened in 1852 and even serving for a period of time as the legislative chamber when the statehouse burned down. Their nine-member board of directors envisions starting about one market a year, usually after several years of careful consideration. They raised \$1.2 million of the \$3 million cost of their new structure (see photo). Surrounding cities approach St. Paul with their development desires because they respect the farmer / producer focus in St. Paul’s markets vis-à-vis some less pure versions of other market operators in the greater St. Paul-Minneapolis

metropolitan area. One bedroom community now has two markets, and the St. Paul Farmers Market Association is seeking a new 500-parking space site to meet a city dictum.

The Pacific Coast Farmers Market Association – founded in 1992 – has continued a relatively rapid expansion program, competing with several other SF Bay Area market associations for city contracts with substantial development budgets. Generally, PCFMA has added several markets every year, although it grew by 10 in 2007 alone and predicts it will operate 80 markets within five years. It has a 501(c)(5) board of 10 farmers and other professionals (including an attorney and accountant) who actively plan the future with an annual multi-day retreat. They developed the Kaiser Permanente worksite model that has spread to several states and are willing to run smaller markets like those at Kaiser facilities and in certain neighborhoods. The Bay Area organization has confidence in their organizational abilities and is willing to subsidize smaller markets with proceeds from their larger markets.

The various market systems have significant, yet still small, advertising budgets relative to total sales. St. Paul and PCFMA invest about 0.4% of sales while Seattle invests 1.4%. Most markets attract substantial media coverage that augments their paid advertising campaigns, The exception is Santa Monica which spends nothing on advertising because “we’re in the paper everyday.” (They do spend \$6,000 annually on various promotions.) Looked at another way, advertising budgets range from under 7% to about 50% of the reported total organizational budgets. Staffing runs from \$43,000 to \$100,000 for executives ranging down to \$12,000 to \$15,000 (or lower) for assistant managers.

Types of Vendors

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 betrays an affinity for real food from real people.

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 peer community market systems are entirely focused on fresh food, not allowing hot food vendors; again here, 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. 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.

Management Comparisons

The peer communities studied all have a certain level of success (and pride) that might reinforce a sense that their type of organization is the best for operating a multiple-market system in a given geographical area. Yet, in every community, people seem to be the key:

“More important than the system is the people within, running the system. My commitment and sacrifice to our association is what makes it work. If you’re there when they need you, you’re going to create a successful system. My goal is to empower managers so they make good decisions.”

“The best system is to have a manager live and work in the community where the market is located. Managers have to do community-building so merchants don’t perceive the market as taking advantage of the system.”

“Any major urban area needs a system rather than numerous boards. It’s a better use of resources to provide consistency to markets, grower selection, office space, computers, vehicles, staffing, training, health benefits (medical, dental, vision) for employee retention, a high-quality xerox copier to make merchant posters, better clout dealing with regulations, etc.”

Certain city-run markets can be dominated by political influence, but a city can also provide coordinated support if market staff has the full support of city leaders.

“If you have a City that understands the benefits of a farmers market for farmers and community – not business foot traffic – a market can work well. The City must be dedicated to community service. We’ve become a place to be. We don’t have to prove we’re doing something for local business.”

“The school salad bar program is a national model. Our Main Street parks 250 bikes every week. We’re a sustainable city. We’re self-sustaining and self-promoting because of good locations. The Market Report on NPR impact is huge. We have a Santa Monica Mirror bi-weekly report, and the L.A. Times has a weekly feature on market day in the food section.”

“There is no downside to operating under the City. We have four uniformed officers with vehicles, plus two alley guards paid by the city manager.”

When asked to explain their success, the keys are location, plus passionate and solid management, quality local farmers, variety, a food focus, a clear mission and flexibility.

“We want respectful dialogue with our partners to ensure their goals are met. If the market is part of a redevelopment plan, it needs to be clearly stated.”

“There is value perceived in our organization, even with errors, because of our responsiveness to individual cities’ needs and goals. We can respond to market changes, even the need for a site change.”

Site Characteristics of the Principal Markets

The peer cities’ managers rate their best markets “good” to “excellent” in many key areas. They all have extremely high visibility while two rate a “7” and “8” for vendor access on a scale of one (low) to ten (high). Overall “site satisfaction” for their best markets range from 6.0 (Sacramento) to 8.8 (Santa Monica).

On a market-to-market basis other individual site characteristics vary considerably. Signage, storage, and water & electricity run the gamut from “1” to “10” in these top markets. Aesthetics range from “2” to “10” with restrooms “3” to “10” and slope and surface “4” to “10.” Parking was a “10” for only two markets, the others at “5,” “6” and “8.”

Peer Cities' Best Market Site Characteristics	
Visibility	9.8
Vendor access	9.0
Slope	8.6
Parking	7.8
Surface	7.6
Aesthetics	7.6
Restrooms	7.6
Signage	4.5
Storage	4.3
Water & electricity	4.0

When asked what community landmarks help identify their market location, St. Paul clearly states, “We are the landmark” because of their markets’ age and prominence just off a downtown interstate. Santa Monica could rightly say the same given its takeover of a primary intersection with more than 60,000 cars daily on Arizona Avenue and being in the hub of the business district that has since seen major investment. One famed chef is opening a French brasserie / four-star restaurant a block from the market to have access to the best produce available.

Two other markets are right in the thick of downtown Pleasanton and next to a 110-year-old surplus school community center at the north end of “The Ave” in Seattle, just three blocks from the University of Washington. Of the peer cities’ leading markets, only Sacramento is well outside a business district while St. Paul’s market is two blocks from downtown.

Promotion

With relatively modest advertising budgets, most of these 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:

- Through its THRIVE program and purchasing changes, Kaiser Permanente more than doubled print coverage, worth millions.
- Major city funding over three years or annual allocation from smaller cities.
- USDA Farmers Market Promotion Program funding to pay for and test effectiveness of varied advertising campaigns.
- Foundation grant, Risk Management Agency grant, WSDA grant for new market start-up, Seattle Office of Economic Development grant.
- Baskets for auctions, memberships in community groups.
- Special projects with a specific budget – visioning, community development, educational outreach – everything done in the each community is free advertising.
- Market bags – 5,000 at \$1 each (recycled plastic with logo)
- Regular newspaper articles written by market staff
- Posters – merchants want it in their windows
- Zero Waste campaign brought incredible press coverage
- Posters with events calendar; announcement in newspaper calendar section
- Chef demonstrations weekly using Culinary Institute students and market items
- GIS-based localized postcard mailings
- Website improvement
- State fair exhibit
- Television and newspaper inserts

Money for advertising a typical business instead is frequently directed to various pilot projects and special projects that, in turn, carry a promotional value that can be staggering. These include:

- Market CSA program
- School Salad Bar program
- General Motors wanting a hybrid in the markets
- Annual dinner fundraiser (feast)
- Quarterly library panels on various food topics
- City purchased chili roaster to sell 2 lb. and 5 lb. bags
- Special events like Pumpkin Patch All-You-Can-Carry

- National stories related to “2,000 miles fresher” in Time, NBC, etc. has quantitative impact

Market Growth

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. The strongest sales growth is well documented in one case by reported vendor sales whereas the lesser sales growth is an estimate by a seasoned executive.

As for planned future growth, markets are generally planning to expand their customer base by 10% in order to see 15% to 20% sales growth. One market is focused on 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, cherimoya, wines or tea. One market was recently surprised by \$1,000 weekly sales reported by a vendor selling edible landscaping. Market managers attend strong agricultural conferences to maintain their visibility. They demonstrate professionalism as an organization so that farmers get the right message about the market.

Peer communities either maintain a vendor waiting list or accept annual applications to keep on file. One city has a close link to David Carp, a freelance writer with the *New York Times*, who provides referrals to the most creative fruit growers. Mostly, a grower – or baby food company – simply calls.

Customers

The four key benefits perceived by customers, from a near unanimous perspective of market leaders, are:

- Quality
- Variety
- Support and personal connection with local farmers
- A community experience

The connection with farmers seems to have an intangible (but important) value for customers, because of the integrity of being close to the source, or the education by farmers about their products. For some customers that also connotes social capital and new education about food safety and nutrition.

Another noteworthy intangible is how the University District Farmers Market (Seattle) helps the neighborhood feel better about itself since some areas have slipped into a transient, seedy status with an influx of national chains and smoke shops.

The markets are keeping track of their customers: two market systems conduct daily counts for all their markets while another does full-day counts three times per year. As a result, St. Paul tightens its timeframe from seven hours when serving 18,000 people during peak season to three hours for its winter market on Saturday serving a much smaller crowd of 1,500 people. Seattle also shortens their winter market hours slightly given the drop in customers. The California markets tend to maintain their hours and a higher percentage of their peak-season crowd given better weather and crop diversity.

Consumer research can be costly and time-consuming, so most markets don't have in-depth knowledge of their customer base, including the percentage within a 2-mile and 5-mile radius. Seattle has done research at its markets and believes 70% and 90% come from within those trade areas. St. Paul thinks the two figures are 20% and 50% for its principal destination market.

PCFMA points to 40% of customers being within two miles at its SF Bay Area neighborhood markets. Even its largest markets have a majority coming from less than five miles, including its once flagship market at Jack London Square. More distant customers of this former destination market have been cannibalized by new neighborhood markets.

City Support

While any farmers market judges itself on the loyalty it generates among its customers and the sense of community their enthusiasm engenders, the markets can have a critical relationship with their host city that either heightens or diminishes the potential for the food stars to shine. Markets relegated to hidden city parks with little parking know the important, often subtle, role that their civic hosts can play.

The farmers markets in peer communities are no exception. They have valuable partnerships with cities that allow them to exist and succeed where other markets might fail. The support they receive comes in many forms.

City Assistance to Farmers Markets in Peer Communities*

- Free/affordable sites
- Signage
- Marketing
- Trouble shooting
- Management
- Other direct market channels
- Street closures
- Site assessment
- Market building
- Parking
- Waste/recycle/compost
- Security
- Funding/grantsmanship
- Technical assistance
- Inter-market coordination
- Institutional purchases
- Advising start-ups

*Listed in order of frequency

All market systems studied have the support of cities in the way of 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 received market management assistance, support for development of other direct-market channels, and approval for street closures.

The City of St. Paul constructed the building housing the farmers market at a cost of \$3 million and leases it to the St. Paul Farmers Market for \$17,000 each year, with a 5% annual increase. The City of Seattle is now engaged with the Neighborhood Farmers Market Alliance in planning the development of a market building on the community center site (former school) that has hosted the University District Farmers Market since its inception in 1993. Fifteen years ago was the incubation period for the City of Davis, California to build a \$500,000 multi-use facility at Central Park which has protected the Davis Farmers Market since the early 1990s.

Seattle's Office of Economic Development provides most of the trouble-shooting support and gave a grant for website development. Now the market is getting help with street closures and barricades. The City of Brentwood is creating a *Brentwood Grown* label. Some cities have done microenterprise development. San Jose forgoes their parking revenues in order to lure customers.

Certainly, the City of Santa Monica has a superlative record in providing support in almost every area, starting with Mayor Ruth Yanatta Goldway's championing of the market startup in 1981 on a downtown city street surrounded by six parking structures and 3,000 spaces within two blocks. The market is prominent on the city homepage and obviously has access to all city staff.

Pilot projects are carried out by all the peer farmers market systems. Some include:

- 3M full-season worksite market and several times a year at Medtronics and St. Judes
- Five years of an Eastside St. Paul farmers market in conjunction with neighborhood gardens
- VA hospital farmers market for three years before turning it over to several growers
- Green farmers market under consideration (Seattle)
- *Best of the Market* \$20 CSA at Oakland Kaiser allows busy people to get shopping done
- Bay Area markets have created an institutional connection with *Bon Appetit Magazine*
- Farmers Market Salad Bar in school district increased salad choice by students – 8% to 40%
- Weekly school tours of the market and of a Malibu farm

IV. Future Vision

Challenges/Opportunities

Peer communities recognize varying *internal* challenges facing their own organizations. Many of their issues revolve around staffing, which can be the biggest asset – and also the most challenging. Markets often feel they have limited staff to address a wide set of activities and issues:

- Locations that are impermanent and limited in size.
- Financial sustainability of farmers' market organizations, including grant reliance.
- Providing reasonable salaries to maintain long-term, professional staff.
- Fast-paced, market-creating jobs with the need for more community involvement.
- Need for on-site assistance for program development and expansions.
- Keeping fees low for farmers.
- The board trying to micro-manage decisions.
- Opening new markets – finding sufficient space, parking and farmers given the aging farm population. "We need new models."

There are also many *external* challenges to deal with:

- Industry not appreciating organization's size and ability to create new markets.
- State regulations that slow food producers' ability to create new products.
- Supermarkets advertising their "farmers market" and moving their produce display outdoors.
- Perception of high price – need to expand core group to second tier of shoppers.
- February 2008 Seattle University study showed farmers markets are still the best deal.
- *Green Acres Act (MN)* makes it difficult for retiring farmers to defer taxes by renting their acreage. Large corn growers object and want to stop hobby farms so the average market farmer has 10 to 15 acres, the largest 160 acres.

These challenges, internal and external, present markets with many *opportunities* to grow:

- Identifying and reinforcing the WOW! experience for customers.
- Helping start young farmers through arrangements with retiring farmers, such as the lease/buy option with *Growing Washington*.
- Having some small, ragtag operators to give credibility. "We're leaders and we don't want to be a supermarket but can get along right next to them."

Market executives in Seattle, St. Paul and the SF Bay Area envision substantial continued expansion of the market system even as some others wonder about the supply of available farmers:

"There is market cannibalization but what is the perfect distance from market to market?"

Seattle is concerned about farmer supply as more markets open to respond to increased shopper demand. The larger markets subsidize the smaller ones. It's difficult to take away a small market from the community, but the extra attention demands that partners be sought to generate a success.

St. Paul is feeling an explosion of farmers markets with 5 to 10 new ones proposed for 2008. They prefer to take over a market rather than have a community start a market and become competition. The St. Paul market organization tries to pick the best probable success to add to their system, but leaders wonder about future supply.

The SF Bay Area (PCFMA) specifically projects more small neighborhood markets with diminished prospects for a large public market like Ferry Plaza. They continue to see a constantly changing mix of markets where the best will survive and new farmers will seek those good markets.

Public Role

Cities can play pivotal roles in starting, nurturing and operating farmers markets. All peer communities acknowledge the significance of cities as market partners.

“St. Paul is supportive as are many other city councils that always ask how they can help. Burnsville redid the entire street frontage at the market and Lakeville is closing a street to build a cobblestone marketplace.”

“Cities with a willingness to listen and discuss can be helpful. They also can be a challenge to our existence because of their frequent black-or-white viewpoint. The San Francisco Agriculture Department, which has historically operated the Alemany Farmers Market, is now under the Real Estate Department and wants to take over Heart of the City Farmers Market, saying it isn't paying its share.”

City governments sometimes take actions without assessing the impact on the local farmers market. Concord, California is redoing downtown, expanding sidewalk width and narrowing the market footprint, without addressing the issues in the planning process. Meanwhile, an insider like Preston Maring at Kaiser Permanente looks at incorporating a market into new facility development.

“Even as a non-advocate of a city-run system, I can see that there is extra credibility, inside knowledge and easier internal decision-making, as long as there is a clear understanding of how the market fits into a city's long-term vision.”

Further examples:

- St. Paul helps with street parking signs, publicity through Chamber and rebuilding the market.
- Woodbury started a farmers market at City Hall, and moved it to a city park for more room.
- Apple Valley's mayor called today to ask for comments for a speech.
- Seattle is considering a full-time staff position to advocate within City Hall for locations, regulations and liaison with the Health Department. This would help with market siting, planning and development.
- Seattle's Office of Economic Development gave NFMA funding for a 10-year business plan.

- Seattle has subsidized the market association at \$40,000/year for last three years.
- Seattle has given support for extra market development.
- City could run market system in lower-income areas.
- Need for separate permit process for farmers markets with goal of lowering fees.
- Seattle Department of Neighborhoods Small and Simple Grants (match) for capital projects or capacity building. Seattle runs a *Pea Patch Program*, and could have a program to facilitate new markets.

While some local agencies that interact with farmers markets continue to be problematic, others have been extremely supportive:

- St. Paul's Health Department has worked very closely to establish annual permits for about \$150 to sell value-added products and slightly higher for food concessions.
- Health Department has been responsive because the market association presents issues respectfully and listens to Health's goals.
- San Mateo County special event permit only allows two events per year while every other county allows a 90-day permit with multiple events.
- WSDA gave \$15,000 each for start-up of Magnolia & Phinney markets in Seattle.
- Farmers markets helped cause the establishment of the WSU Small Farms Team and the WSDA Small Farm & Direct Marketing Program.
- Washington State Health Department set up a Farmers Market Taskforce (WSU, WSDA, USDA and the markets) resulting in lower fees as markets help with enforcement.
- More people want the farmers market movement to succeed, unlike 10 years ago.

The peer cities acknowledge some key areas where local agencies could help.

"I'd like better communication with cities; it would be good to have a liaison with each to stay on top of road closure or conflicting events."

- A city "Buy Local" campaign would help merchants see that the market is part of buying local rather than perceiving the farmers' market as a pop-up business taking money out of the city.
- City commitment to local food products
- St. Paul leases parking lots for the weekend from county, city or private parties.
- Full-time City staff that helps site, plan and develop new markets.
- Short of starting another City Pea Patch Program, Seattle could help new site development.
- The city could run market system in lower-income areas.
- California eminent domain law now allows cities to take over even business land to build strip malls and avoid lost revenue from sales tax; farmers markets may be affected in the process.

V. Final Thoughts

Market executives shared their insights and summarized their “most important advice” for cities and the farmers market industry:

“As the City comes to understand the benefits, markets prosper and people will move downtown.”

“People will stay healthy if we support farmers and know where our food comes from. Support your local community. Farmers are a threatened species. We have to recognize their value.”

“We continue to see an increase in sales, except Lake City where we’re moving it plus adding events and vendors. I’m wondering where the new shoppers are coming from. University District has hit a plateau perhaps because of parking. Smaller markets have 4% increase in shoppers and 15% increase in sales.”

Additional comments by participating market managers:

- Need permanent homes and need to be self-sustaining.
- Santa Monica has facilitated chef sales and a 400 to 500 member CSA that has expanded sales while customer counts have not changed. (Comment by executive from another state, showing the importance of learning from other leaders.)

Managing a large system of markets has led to long-term employment and commitment among those interviewed. These five people have a collective 95 years of experience (from 11 to 27 years each) managing markets. It is a pleasure to acknowledge their dedication to the job and the people they support. While some are exhausted, they will continue their work:

“Until capable, committed leadership is there to take over.”

“At least another 10 years, as long as I stay healthy.”

“A while – we need to build capacity in staffing to balance the heavy workload.”

They don’t want to let go of the reins without knowing that they are leaving their system in trained and committed hands. These directors feel the pressure of maintaining a market system that serves countless customers, builds a sense of community and directly sustains hundreds of small, independent businesses – mainly farmers.

Portland Farmers Markets/Direct-Market Economic Analysis

Seattle Market Statistics

The Neighborhood Farmers Market Alliance openly distributes detailed information about its Seattle markets each year, providing a transparent historical view of its operations over time and real insight into its community impact. Its seven markets inspire 94 volunteers, 20 tons of donations to food banks, and one-quarter of a million shopper visits per year. Total acreage in cultivation to serve seven Seattle markets is 4,791 acres.

Seattle Neighborhood Farmers Markets - 2007 Market Statistics

2007	University District	West Seattle	Columbia City	Lake City	Magnolia	Broadway	Phinney	All 7 Markets
Year first opened	1993	1999	1998	2002	2003	2005	2007	-
Market location	NE 50th & University Way NE	California Ave & Alaska 98028	Rainier Ave S & S Edmunds, 98118	NE 127th & 30th Ave NE, 98125	Magnolia Comm. Ctr. 2550 34th W, 98199	B of A lot, Broadway & E. Thomas, 98112	67th & Phinney N	-
# Weeks	51	44	27	21	20	28	16	-
Day of Week	Saturday	Sunday	Wednesday	Thursday	Saturday	Sunday	Friday	-
# Hours	5	4	4	4	4	4	4	-
Time of Day	9am - 2pm	10am - 2pm	3 - 7pm	3 - 7pm	10am - 2pm	11am - 3pm	3 - 7pm	-
Shopper Count	96,836	50,232	44,209	19,009	17,207	23,974	19,534	251,467
Vendor Sales	\$2,231,039	\$1,101,741	\$715,313	\$305,806	\$319,438	\$434,328	\$292,782	\$5,107,665
Avg Vendor Sales	\$1,085	\$894	\$719	\$693	\$797	\$608	\$610	-
Avg # Vendors	40.3	28	36.9	26	25	25.5	30	-
Lbs Given to Food Banks	14,396	4,850	8,506	7,794	909	2,150	1,734	40,339
WIC FM Checks	\$4,528	\$1,616	\$21,754	\$5,100	\$412	\$404	n/a	\$33,814
Senior FMNP Checks	\$12,252	\$2,578	\$26,658	\$5,932	\$376	\$1,162	n/a	\$48,958
Helping Harvest Vouchers	\$8,702	-	\$2,294	\$708	\$792	-	-	\$12,496
Avg # Volunteers	9	8	18	16	7	8	2	94 (board, newsletter)
# Volunteer Hours	28.25	41.50	309.80	85.75	70.50	33.00	6.00	575
# Non-Profits	14	16	18	9	8	11	4	

Total acres in cultivation for all 7 Markets: 4,791

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	Pacific Coast Farmers Market Association (SF Bay Area)

Portland Farmers Markets/Direct-Market Economic Analysis Peer Communities Survey Rev. April '08

Enter contact information for each stakeholder. Be as complete as possible, including: name, address, phone numbers, and email address.

- Name
- Company
- Address
- Telephone
- Email

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?
 -

 - b. Area size incl. aisle (sq. ft.)
 -

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

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

 - c. 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:

13. Number of parking spaces?

Adjacent:

•

Within 2 blocks:

•

Within 4 blockss:

•

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?