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Downtown Sault Ste. Marie Algoma Farmers' Market Feasibility Study and Business Plan



June 2011



Downtown Sault Ste. Marie
Algoma Farmers' Market
Feasibility Study and Business Plan

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Executive Summary

The growth of the Algoma Farmers' Market coupled with the momentum from the Downtown Improvement Plan initiatives have led to the stage whereby the City of Sault Ste. Marie, the Downtown Association, and the Algoma Farmer's Market want to pursue the feasibility study of a permanent farmers' market in Downtown. To move the process forward, a steering committee had been formed and included relevant stakeholders. It is noted that the Downtown Association has been a catalyst for moving this project towards this stage in the process.

The process extended beyond this final report and included four working sessions with the stakeholder committee to develop and refine the evaluation criteria, the size and scope of the potential redeveloped Market, possible site locations, and the corresponding operational and capital budget.s

The redevelopment of the Algoma Farmers' Market will provide a needed boost to the Market's sustainability. It has been documented that the Market requires the organizational resources to create a valuable cultural asset for the City. There is a requirement for a stable, single location for the Algoma Farmers' Market to expand into a full-service asset for the region – a place that allows producers to showcase the best products of the region as well as a venue for social interaction and gathering.

Organization

Requires a part-time Market manager to oversee the development and progress of the Market as a professional business and cultural amenity for the City and the Algoma District.

Marketing

A commitment to advertise and promote the Market based on professional materials that will draw people to the Market. An appeal to local and regional residents as well as tourists based on an authentic Sault Ste. Marie market experience will be well received.

Vendor Recruitment

The number of vendors needs to be augmented to help draw customers including a full range of fruit and vegetable, meat, dairy, other protein, prepared foods, arts and crafts. There should be an aim to have approximately 50 to 60 vendors.

Site Redevelopment

The current site of the Algoma Farmers' Market is limited in size and scope and will continue to encounter programming conflicts with other events at the park. A permanent home in Downtown Sault Ste. Marie that will be an anchor for the site is required. This will allow for a single location for a four-season market that will offer the

opportunity to grow the range of goods grown/produced in the Algoma District. It will also draw the community together to celebrate food and craft diversity in a fun, interactive, and learning environment.

Action items include:

Expansion/Relocation

- Select to expand existing Algoma Farmers' Market and relocate into a permanent location in Downtown with a minimum 5,000 sq. ft. building that can accommodate summer and winter vendors.
- Market will be a showcase for local available products that are authentic to Algoma District.

Organization

- Designate/hire a market manager. This person's salary must be part of the Algoma Farmers' Market expenses or through grant programs. It should be noted that this person is required to work a minimum of two days a week throughout the year with a heavier workload during the prime growing season. Also, it is important to note that the manager hired to transition the Market may not be the same individual or skill set required to manage the day-to-day operations of the Market.
- Along with other committees, establish a vendor selection committee of unbiased regional representatives that will decide who is allowed to sell at the market and what spot they can occupy.

Vendor Mix

The Market Manager in coordination with the Board will:

- Complete an "ideal" tenant mix;
- Develop a list of potential farmers and vendors to contact;
- Offer opportunities for producers to develop cooperative tables whereby several producers can share a stall.

While the requirement is for local produce, the presence of the producer should be encouraged (direct contact of farmer with consumer) but it is not mandatory (maybe include a minimum number of days producer must be present at the market).

Special Appeal

- Begin to develop a calendar of events (see example in Section 7.9 Marketing Plan).

Cleanliness/Lease Provisions

- Review Algoma Food Network's Food Charter when complete

- Contact the Algoma Health Office to determine government regulations that are required before recruiting and signing farmers and vendors.
- Schedule health inspections at regular intervals as required.

Signage

- It may be necessary to contact a signage firm that can produce the desired signs, as many vendors will not know how to do this (properly).

Other Leasing Issues

- While already present, review the lease regulations for the Market in terms of hours of operation, signage, rental rates, health and safety, merchandise, and other issues deemed important. Stipulate penalties if rules are not followed. Have these regulations agreed upon before recruiting farmers and vendors. Examples of lease regulations are included in Appendix H.
- Develop a professional information package that will include the following:
 - A concise description of the Market
 - Rationale for its future success
 - A marketing program (including a calendar of events and other marketing initiatives)
 - Schematic drawings
 - Lease regulations

Interview farmers and vendors in person and inspect the quality of their products. Ensure that the products are farm grown/produced as claimed by the farmer/vendor. Consider using MyPick or other verification programs.

1.0 Introduction

The growth of the Algoma Farmers' Market coupled with the momentum from the Downtown Improvement Plan initiatives have led to the stage whereby the City of Sault Ste. Marie, the Downtown Association, and the Algoma Farmer's Market want to pursue the feasibility study of a permanent farmers' market in Downtown. The Downtown Association has been a strong catalyst moving this project forward along in the process and are to be thanked for their contribution.

Based on this impetus, a steering committee had been formed and included relevant stakeholders.

City of Sault Ste. Marie

- Don McConnell, Planning Director
- Steve Turco, Planner
- Virginia McLeod, Community Services Department

Downtown Association

- Bill Watts, Chair of the Downtown Association Board of Directors, building owner in the Downtown
- Anna Boyonoski, Manager of the Downtown Association
- Cindy Ellen Crawford, Communications Strategist for the Downtown Association, Chair of the Market Committee
- Dr. Grace Tridico, Member of the Downtown Association Board of Directions



Algoma Farmers Market

- Martti Lemieux, President of the Algoma Farmers' Market, Operates 'Valleyfield Local 638' - an 80 acre farm in Sylvan Valley
- Rebecca Pereira, Owner of Purple Urchin (company that makes skincare products)

Arts Community

- Sheri McKay Gladu, Past acting-curator at Art Gallery of Algoma

To move the process forward, the Steering Committee hired a team of professionals headed by Urban Marketing Collaborative (part of the J.C. Williams Group). In addition, the UMC Team retained the services of Bob Usher, the current Manager of the London Covent Garden Market. In addition, Mr. Usher has sat on the Board of Farmers' Markets Ontario; as well, he is the current Chair of the Downtown London BIA.

Enhancing the Algoma Farmers' Market in Downtown Sault Ste. Marie will require commitment on the part of the Farmers' Market and the City as well as support from other agencies and organizations to ensure success. This report is intended to (a) inform the stakeholders of options available for development, (b) suggest plausible pros and cons, and (c) discuss revenue/cost implications. Considering several alternatives, the final section presents a detailed business plan for the potential of the Downtown Sault Ste. Marie Farmers' Market that would serve the Algoma Region.

2.0 Farmers' Markets

2.1 Farmers' Markets and Food Trends

Farmers' markets are one of the most effective means farmers/producers have for obtaining the highest possible return on their investment. By eliminating the middlemen, farmers' markets return the profits to farmers'/producers' pockets, making it more economical, while putting the "face" of the farmer/producer on the food/product.

Farmers' markets are where producers and customers connect, where a handful of sellers can meet thousands of buyers on a typical Saturday. While some producers may sell a dozen apples for \$6.00 at one urban market, others will sell their dozen for only \$4.00 twenty kilometers down the road. This situation demonstrates the laws of supply and demand at its best, enhanced by the warm feeling of satisfaction consumers get at a market.

In recent years, North America has been experiencing a health awakening and an increase in global consciousness. The increase of produce imported from foreign countries such as China has led to a movement to buy locally; at the same time, health concerns have increased the local market for organic food and healthy alternatives. These trends have reduced the "carbon footprint" of the individual buyer, while also providing an assurance of product quality. Nevertheless, the influx of cheaper imported food at supermarkets is an increasing concern for families.

Aware of the trend towards experiential retailing and the growth in farmers' markets, supermarkets have been redesigned to create the atmosphere of an open-air market in their produce departments.

Selling the benefits and attributes of buying local fresh goods at a market is augmented by the following:

- Seventy-two percent of shoppers point to "freshness" as the most important food quality according to a recent survey by *HealthFocus Inc.*
- Over 50% of consumers think medical therapies and drug use could be reduced by eating certain foods.
- Profit margins for natural foods are in the retail range of 5% to 8% compared to the typical 1% to 2% of the grocery business.

- Consumers appear to have less time for cooking but more interest in it. Witness the growing popularity of cooking shows, burgeoning cookbook sales, and kitchen remodeling trends that include induction heat cook tops, professional stoves, and restaurant-style refrigerators. In addition, as the size of formal dining rooms shrinks, large kitchens remain more popular than ever.

Consumer research conducted by Algoma Farmers' Market in the summer of 2010 illustrates the success the market has had recently appealing to a broad base of both older and younger customers as well as their breadth of product purchases. The use of social media has enhanced the marketing reach of the market to an increased audience interested in buying local and fresh farm products and crafts.

See Appendix A for the Algoma Farmers' Market 2010 Review (summarized).

2.2 Criteria for Success

Based on information gained from other farmers' /public markets and research, there are certain fundamental attributes that, if present, can significantly contribute to the success and viability of building a destination type farmers' market. Success is not necessarily dependent on all attributes being present; however, the chance of success is greater if they are.

1. Strong Management and Marketing

One consistent feature of viable markets is the presence of a strong, competent leadership figure. Ideally, this person has retail experience in leasing, as well as marketing and personnel experience in order to manage a multitude of independent businesses present at a market.

A board of directors currently manages the Algoma Farmers' Market. For the 2010 summer season, they were able to obtain funding to hire a Communications and Marketing Coordinator. The key person interviews indicated the market operated better by having a staff person in place. Marketing is critical to the success of farmers' markets. It is noted that funding was again obtained for the 2011 season.

Farmers and producers are busy producing their product so a qualified staff person is essential to manage the logistics of a market. It is important that a strong effort be made to attract customers by adding extra dimensions to the market (e.g., entertainment, education) so that the whole market is a special experience. Partnerships will be key to success as well. Joint venture marketing programs with the Downtown Association, arts organizations, Rotary, among others will help to share the burden of marketing and achieve greater reach.

2. Highly Visible and Accessible Location

All retail businesses rely on good visibility and accessibility to ensure a steady stream of customers. The market must make its presence known to serve as an anchor for the area. A Downtown location is ideal, as most visitors know/understand where Downtown Sault Ste. Marie is. However, within Downtown there are several options.

Visibility includes consideration of signage that will direct customers to the site with ease and properly identify the location when they arrive. Traffic must be able to approach the site without difficulty. Several entrances assist with flow, and nearby parking is critical in this type of environment. While pedestrian connections are important, the most important connection will be to nearby parking spaces. The front entrance to the market will be at a location where vendors are directly adjacent to any parking.

3. Critical Mass

In order for a market to appeal to destination shoppers, it must be large enough to address the needs of the customer. A larger market with a diverse mix of vendors and sufficient product choices will also create internal competition that ensures customers of reasonable prices and a variety of choices not found in other venues. Critical mass comes from the number of vendors per category and not the square footage. At present, there are 20 stalls/vendors on a typical market day. The consultants recommend the number of stalls be increased to 50 to 60 (some vendors may occupy more than one stall and some stalls may have a group of vendors selling from the same table). Consideration may be given that in the future, the market will continue to be successful and could expand to accommodate more vendors to meet consumer demand. Flexibility in the design may be necessary to ensure that further growth could possibly occur on the chosen site.

4. Mix of Products and Events

Reliance on a single product is highly speculative. Most successful markets have a good mix of vendors, including farmers, processed foods, prepared foods, artists, and craftspeople. At present, there are no resellers allowed and it will be important to remain true to that mission. Categories of items for sale might include beads, candles, soaps and beauty products, handmade clothing, native Canadian items, fine arts, print-making, jewellery, photography, signs, textiles (kitchen linens, woven rugs), woodwork, small home furnishings, and gifts. Also, seasonal goods such as wreaths, carved pumpkins, Easter goods and confectionary, corn shocks, and Christmas trees ideally are present at the appropriate times of the year. It is important to stay away from a flea market approach.

Food vendors can range from meat, seafood, dairy, eggs, cheese, fresh fruit and vegetables, horticultural/floricultural, prepared meals to take home (meat pies, cooked meat, pasta dishes, baked goods and confectionary, maple syrup products, ethnic food, and desserts), prepared foods to eat at the market (hot dogs, drinks, empanadas, ice cream, sandwiches/paninis, etc.).

5. Mix of Buyers

Reliance on a single segment of customers can be as risky as depending on a single product to serve customers' needs. Although most markets rely predominantly on local traffic for anywhere from 50% to 75% of their business, the balance of their customers comes from places outside of the general trading area. Trading areas are generally considered to be within 5 km of markets (most of the built up portions of the City of Sault Ste. Marie). The market's ability to pull in traffic from outside the local community is one reason many economic development agencies view farmers' markets as an important economic development tool.

Apart from the local customer base, daytime business shoppers and tourists are the next two largest segments frequenting farmers' markets. Destination shoppers are also an important customer base for farmers' markets.

Shopping is a form of recreation, and many people find farmers' markets a great way to spend time with the family. Many experts believe that destination type farmers' markets rely on a customer base with high household incomes.

The tourist market can be fickle and difficult to determine. Tourists do like to visit markets but their expenditure is often low. They tend to buy prepared foods if anything.

6. Low Cost/Free Site

Most municipal markets are located on municipal land, including parks, parking lots, and underutilized buildings (e.g., old armoury, brewery, etc.). Private markets can locate on a number of sites including municipal land, shopping centre parking lots, house of worship parking lots, or on private land/buildings. Not all farmers' / public markets require buildings, and there are many examples of successful, large, open-air year-round markets such as the Port Colborne Farmers' Market. However, the Algoma Farmers' Market is located indoors during the winter and the evaluation criteria should include the ability to find a moderate sized building (minimum of 5,000 sq. ft.) to accommodate the vendors who would prefer to sell inside in the summer (e.g., meat vendors) and those who want to sell year-round (e.g., arts and crafts, prepared foods, etc.). Note that some summer outdoor vendors could vend inside in the winter if they wanted to sell year-round.

Indeed, based on our research, it is clear that few, if any, farmers' / public markets generate sufficient cash flows to pay debt service either for land or for buildings. While most markets are able to pay normal operating costs such as insurance, advertising, trash removal, and professional staff fees, only the largest are able to generate sufficient cash flows to pay for capital improvements.

It is envisioned that the Algoma Farmers' Market would remain a private entity and continue to operate on a municipal property as part of a rental type agreement or memorandum of understanding. This report does not recommend the City of Sault Ste. Marie nor the Downtown Association assume the operation and management of the Algoma Farmers' Market.

7. Local Advocate with Significant Development Experience

Farmers' / public markets are businesses, and as such, they typically are subject to many if not all of the same rules and regulations as any other business. Planning and design, building codes and zoning permits, food safety and health inspections, financing, accounting, marketing, advertising, and promotion are all integral parts of developing a project of the scale and complexity of a farmers' / public market. It is important to find a leader/group with the characteristics of an "idea champion" to spearhead the development process. This person/group will be responsible for developing key partnerships with the city, Ministry of Northern Development, FedNor, Rural Agricultural Innovation Network – RAIN, Nordik, Algoma Food Network, artist guilds and art resources, colleges, farmers, producers, artists, and culinary organizations, among others.

8. Attractive Environment

If there is no "there" when you arrive, there is probably no reason to go. When trying to create a destination type location, marketers need to make shoppers feel that they have arrived at a special place that has site magic. The character of the market must respond to both the physical needs and the emotional expectations of the customers it serves. Many managers have to work hard to preserve the "farm experience" while catering to his/her customers' expectations for modern conveniences (i.e., rustic farm experience but not overly rustic).

9. Incremental or Phased Growth

The location should also offer opportunities for expansion as the market grows. Providing sufficient land for parking is oftentimes a challenge, particularly in urban areas. Automobiles require, on average, 350 square feet per parking space, including turning aisles and driveways. Most experts recommend three to four parking spaces per vendor. Parking should be within a few hundred feet of the market, with a turnover of space, on average, every 30 minutes.

10. Outside Commitment

There are municipally owned and privately owned farmers' markets (that may be non-profit managed). The Algoma Farmers' Market is a privately owned operation by the members of the Market that rents space from the municipality. Both the City and the Downtown Association have shown an interest in enhancing the current market as both an economic development tool for businesses and as a venue for social interaction, learning, and experiential retailing in the Downtown and the City/region. This may include spinoff sales to other nearby businesses or the opportunity to incubate new agricultural type products in the Algoma District that did not exist previously, as there is a venue to sell these goods at high enough profit margin. At the same time, farmers' markets do extend social goals of community building of creating a vibrant meeting place in the City that showcases authentic products of the region (similar to arts organizations).

It will be up to the City of Sault Ste. Marie, the Downtown Association, the Algoma Farmers' Market, and other agencies such as NOHFC, FedNor, OMAFRA, among others that will help to finalize both the capital costs and the operating costs of an enhanced Algoma Farmers' Market in Downtown Sault Ste. Marie and the corresponding economic and social benefits that may accrue.

2.3 *Types of Farmers' Markets*

Farming and the sale of fresh farm goods arguably is one of the oldest industries in Canada and farmers' markets may be the public's most tangible connection to the industry. One of the most compelling distinctions of a farmers' market is the ability to put a "face" on the food. The urban dweller can bite into a perfectly ripened, locally grown apple from the market. He or she then connects this delicious food with a real person – the farmer – and associates both with local farmland. In effect, the buying becomes a more fulfilling and complete experience.

As the number of small family farms continues to decrease, there is a corresponding resurgence of interest in farmers'/public markets. In Ontario, 152 farmers' markets are part of Farmers' Markets Ontario, up from 60 in 1980. It should be noted that Algoma Farmers' Market and Johnson Township are both members of Farmers' Market Ontario.

Farmers'/public markets come in many sizes and forms. On-farm stands, roadside stands, farmers' markets, farm and craft (or antique or flea) markets, public markets, and festival marketplaces are all forms of retail establishments where direct marketing or sales of fresh products and crafts can occur.

Farmers' Markets

Farmers' markets are the answer for many farmers that are located out-of-the-way, but would like to benefit from the potential higher profits of direct marketing to consumers. Farmers' markets are often informal groups of farmers that make arrangements with non-profit service clubs or municipalities that provide land (usually a parking lot) as a service, or for nominal rents. They are usually sited in heavily populated areas that allow farmers to capitalize on customer density. The collective or aggregate drawing power of several farmers also helps to establish critical mass, a mutually beneficial phenomenon that helps farmers attract customers from longer distances because of the internal competition that keeps prices low for consumers.

The ability to share operating costs such as insurance and trash removal is another benefit of organized farmers' markets. Most are open-air type arrangements since the seasonal nature of sales does not offer the opportunity for conventional financing for permanent structures. Few, if any, farmers' markets generate sufficient returns to pay debt service either for land or for buildings.

Farm and Craft Markets

The seasonal nature of farming and the difficulty for farmers to provide fresh produce year-round has resulted in several hybrid-type farmers' markets whereby non-farming vendors are included. Farm and craft markets, farm and antique markets, and farm and flea markets all seek to capitalize on consumers' demand for fresh farm produce while providing additional products that round out sales during the shoulder season. These partnerships vary in the degree to which farmers/producers will benefit, which then depends on how the partnerships are organized, laid out, and managed.

Guidelines have been developed in a number of markets to define what is allowable:

- Types of goods sold (e.g., producer only, non-farming type vendors).
- Words used to define goods (e.g., organic, hand-made).
- Geographic restrictions.

Festival Marketplaces

Festival markets or marketplaces are a phenomenon of the 1980s and 1990s that used a formula model to attempt to revitalize major cities. They are specialty shopping centres that are intended to create a leisurely shopping experience and entertain customers rather than provide basic food services. Most festival marketplaces are homogenized recreations of suburban shopping malls occupied by national retail chains (usually heavily dependent on prepared foods). Le Faubourg in Downtown Montreal, Eau Claire in Downtown Calgary, Faneuil Hall/Quincy Market in Downtown Boston, and Denver Pavilions in Downtown Denver are types of festival marketplaces.

Public Markets

Public markets have three distinguishing characteristics:

1. Public goals that give a defined public purpose to the market activity, such as preserving farmland.
2. Located on and/or creates a public space within the community that attracts a wide range of people that can interact easily, not necessarily on public land.
3. Made up of locally owned, independent businesses that are operated by their owners.

While a public market does not have to be a farmers' market, most farmers are part of the mix. Public markets typically are year-round multiple day operations that serve the community as much as the vendors. The mix of tenants typically includes farmers and artisans that set up day stalls during peak growing seasons and anchor tenants like restaurants, cafés, bakers, butchers, florists, and grocers, which enables the facility to operate permanently (i.e. year-round and on most business days). The rent stream will need to provide sufficient cash flows to pay normal operating costs. Examples include St. Lawrence Market in Downtown Toronto and London Covent Garden Market in Downtown London.

Summary

As stated, the Algoma Farmers' Market is a farmer and craft market that is a producer only market. That means that no reselling is allowed (i.e., buying product at the Ontario Food Terminal at wholesale and selling it to the consumer). This is an important distinction for the market and a chief branding opportunity for products grown or produced in the Algoma District.

With this distinction, the issue becomes one related to verification. There are several programs. The Algoma Farmers' Market (or a non-biased selection committee) should be allowed to visit and audit each farm or producer to ensure through observation and way bills that the product is locally produced. Other markets use programs such as MyPick from Farmers' Market Ontario, and others allow for further classification such as organic certification or Local Food Plus (i.e., use of sustainable food growing practices).

2.4 Product Availability

Another important element is the distinction that the Algoma Farmers' Market is located in Northern Ontario. Programs and ideas that try to replicate successful markets from Southern Ontario need to be viewed with caution. A distinctive program that builds upon the Northern Ontario food growing experience should be the basis of the farmers' market. This includes recognition of shorter growing seasons, less arable land, longer travel distances, and unique available regional products. The resulting vendor mix will be different from those in Southern Ontario, which have a greater reliance on fresh fruit and vegetables. The Algoma Farmers' Market will be more reliant on meat and seafood, prepared foods, and craft products to sustain the operation throughout the year.

In addition, there is an increased education and learning opportunity on buying local, healthy food options, etc.

More and more, markets, vendors, and retailers are trying to create an enhanced experience by drawing the linkage between the producer, where it came from, and the benefits of obtaining it locally. This instills pride of place and increased appreciation for the products that are from the region.



Maps at markets are used to illustrate where the farmers/producers come from



This grocery store connects the consumer with the producer using media technology and display boards



These large display boards throughout the market in San Francisco illustrate key concepts of the local agriculture and aquaculture community



This retailer uses only locally sourced ingredients in their hot dogs. The map on the wall is used to illustrate where the ingredients are from in the local community.

Appendix B includes a review of the Algoma and Manitoulin Island agricultural industry. Note that this market is primarily connected to agricultural opportunities in the Algoma region as Manitoulin Island is too far away.

The report also identifies potential partnership and funding agencies for marketing programs. Included should be the Rural Agricultural Innovation Network (RAIN) in the Algoma District.

http://www.ssmic.com/documents/assets/uploads/files/en/rain_pressrelease.pdf

In addition, a public meeting was held with Algoma District's farmers and producers to ascertain their level of interest in an expanded Algoma Farmers' Market in Downtown Sault Ste. Marie. There was a very good participation rate of 45 who overwhelmingly endorsed the idea. They were keen to support cooperative vending (several farmers occupy one stall and take turns selling) and were optimistic on the ability to develop additional enhanced agricultural derived products (e.g., meat pies) that could be sold to consumers for a higher profit margin. The cooperative idea was also supported at an artist and craft focus group.

Appendix C includes notes made during these meetings and an attendee list.

3.0 Existing Conditions

One of the objectives of the Sault Ste. Marie Downtown Association is the development of a farmers' market in the Downtown. This would provide additional consumer demand and potential spin off for resulting businesses.

There are mixed results on the benefits of a farmers' market on existing business sales. The following chart illustrates evidence of potential catalyst activity. However, UMC's work with other markets reveals that many businesses do not actually witness an increase in sales. This may be due to a number of circumstances such as:

- Hours of operation – some markets begin very early (7:00 or 8:00 am, well before other businesses are open);
- Consumers are buying larger quantities and do not want to carry bags around to different stores;
- Consumers are buying fresh, perishable items and do not want to potentially let them spoil in their vehicle while they do other shopping.

However, there does appear to be opportunities related to food service operations (cafes, breakfast/lunch) as well as those consumers who make it a larger family outing with smaller children.

% of Shoppers that Spend on Nearby Retail	Average Spend in Market	Additional Spend at Neighbouring Businesses	Source
58%	\$71	\$20	2008, St. Lawrence Market, Toronto
25%	\$32	\$20	2009, Crescent City Farmers' Market, New Orleans
	\$29		2005, Duluth Minnesota Farmers' Market – Estimated Average of 40% spending \$40–\$50 and 46% spending \$10–\$20
60%	\$10	\$9	2002, PPS – Project for Public Spaces
47%	n/a	\$12–\$19	2001, Oregon State University – Technical Report 3 – Assessment of Five Oregon Farmers' Markets

Additional Notes

- An increase in grocery store sales from farmers' markets located in their car-parks accounted for an additional 5% to 10% of revenue (Source: Farmers' Market News, 2000).
- For each dollar of direct sales at farmers' markets in Mississippi, an additional 41.3 cents in secondary/indirect effects was yielded (e.g., business employment, tax revenue) (Source: Economic Impact of Farmers' Markets in Mississippi).

3.1 Background Study Review – Downtown Sault Ste. Marie

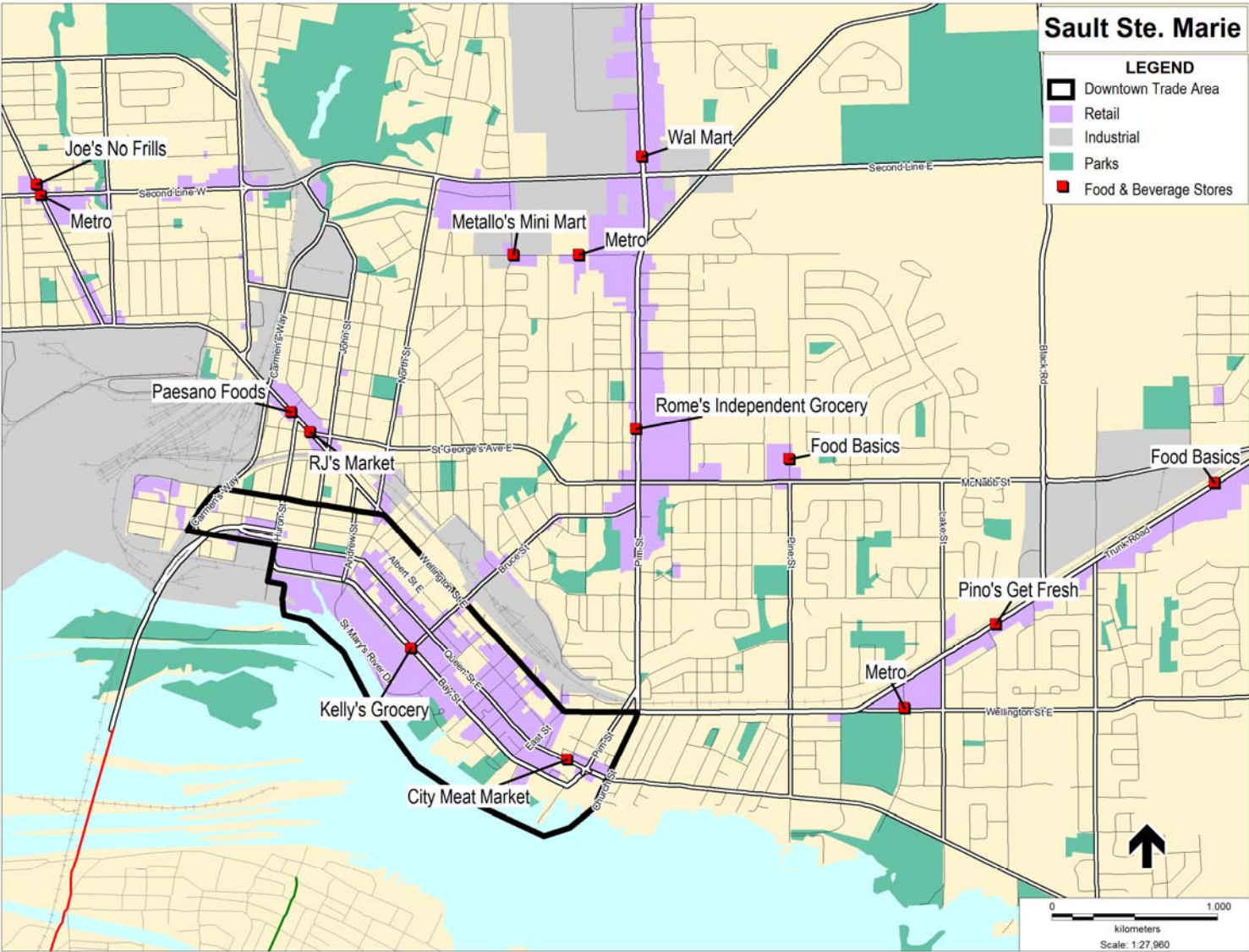
There are 286 businesses and 128 building owners. There is a good proportion of retail merchandise as well as food services. The convenience retail component is small. A breakdown of retail categories includes the following:

Downtown Association Retail Audit

	Number of Businesses	% of Total
Retail Merchandise		
Clothing and Accessories	18	6%
Sporting, Book, Music, Leisure Goods	11	4%
Specialty Retail	30	10%
Other Retail	4	1%
Total Retail Merchandise	63	21%
Convenience Goods		
Food and Beverage	6	2%
Health Care Supplies, Pharmacy	0	0%
Total Convenience Goods	6	2%
Food Services		
Cafes and Limited Service	11	4%
Full Service Restaurants	7	2%
Drinking Places	9	3%
Total Food Services	27	9%
Services		
Personal Services	40	14%
Professional Services	99	35%
Banking, Finance, Investment	11	4%
Business Services	4	1%
Total Services	154	54%
Other Retail		
Entertainment Recreation	4	1%
Community and Associations	27	9%
Accommodation	2	1%
House of Worship	2	1%
Learning	1	0%
Total Other	36	12%
Total (excludes any vacancy)	286	100%

Source: Downtown Association January 2011

Food-Related Retail in Sault Ste. Marie



3.2 *Issues Evaluation of the Existing Algoma Farmers' Market*

It is noted that the Algoma Farmers' Market operates from the first Saturday in June to Thanksgiving on Saturday mornings and Wednesday afternoons in Roberta Bondar Park. The market rents the location from the City for a nominal fee. The City sets up and takes down the market and provides cleaning and maintenance. The City and the market share the capital costs of the replacement for the canopy. The City pays to install the canopy. The remainder the market operates on Saturday at Wellington Square Mall

Roberta Bondar Park – Summer

- Site magic next to the pavilion and waterfront
- Centrally located but visually not close to Queen Street
- Parking available onsite and in nearby lots such as Station Mall, Delta Hotel, and City of Sault Ste. Marie
- Washrooms and some storage available on site
- Relatively easy set up for the vendors (back their vehicle in and vend off the back)
- Lacks good visibility and only has one entrance (can create vehicular bottlenecks)
- Lacks density of residents
- Conflicts with other major events at the pavilion
- Inability to expand beyond the 20 stalls (some vendors sell on the grass area nearby)
- Have already moved from former park at current Essar Centre
- Lineup of customers waiting to attend the market in the morning as product availability means that vendors will sell out – result is that people come and shop but do not necessarily linger and socialize
- Limited retailers located near the market to build a business upon
- Any prepared food vendors would have to pay part of their sales back to the City as it conflicts with the concession vendor located in the pavilion

Wellington Square Mall – Winter

- High vacancy rate at mall
- Difficult access and egress to mall parking lot from the road (note that later in 2011 there is anticipated improvement with the addition of a new stop light)
- Limited vendor mix due to conflicts with existing grocery store (i.e., any product the grocery store sells cannot be sold at the market). The result is primarily a craft market with limited food such as maple syrup and smoked fish
- Located at eastern end of town
- Despite issues with the site, there are vendors willing to set up and it does draw a limited number of customers to make it sustainable for them
- Some customer confusion that the two locations are for the same market

Vendors

Following is a current list of 26 vendors:

Algoma Farm Fresh	Janie D	Peter's Pickle Patch
Artisaani Textile	Beauty by Nature	Purple Urchin
Barr Road Flower Kart	Mashall Farm	Salamander Ridge Farm
Be True Farm	Mary's Bees and Crafts	Sayers Superior Smoked Fish
Bijoux de Lux	Mary Hunt	Home Baked Goods
Catalina Omolida	Meadowview Alpaca Farm	Taste of Scandia
Cheryl's Sp. Baking	Meakin Forest Products	Valleyfield Local 638
Edwards Century Farm	Ox Bow Garden	Wood Crafts Extraordinaire
Fairisle Maple Products	Pearce Farm	

Existing Financial Performance - Algoma Farmers' Market (2010)

	Summer	Winter
Revenue		
Membership	\$1,350	
Tables	\$3,970	\$3,300
Bags, Soup Kitchen	\$587	\$228
Total	\$5,907	\$3,528
Expenses		
Office	\$1,714	\$333
Advertising	\$2,408	\$1,458
Table Set Up/Rent	\$720	\$2,670
Total	\$4,842	\$4,461

Source: Algoma Farmers' Market

- Vendors generate fees of approximately \$10,000 annually.
- Additional funds through government grant programs were used to hire the marketing coordinator for the summer of 2010 and renewed in 2011.
- Average Saturday attendance is 957; Wednesday is 747 - both days are strong. Inclement weather and competitive events at the pavilion reduce customer volumes.

Competition

1. Johnson Township Farmers' Market
 - Location: Desbarats, ON
 - Outdoor market
 - 13 vendors - local produce
 - June to Thanksgiving
 - Friday afternoons (Jul-Aug) and Saturday mornings
 - New market pavilion was constructed in 2009, partially with funds from FedNor
2. Note there is another small market in Iron Bridge and several located on Manitoulin Island



4.0 Consumer Appeal

4.1 Important Consumer Attributes

Although the market currently attracts customers from a large proportion of the City of Sault Ste. Marie and beyond, most customers will come from the City. The trade area of Sault Ste. Marie Algoma Farmers' Market provides a significant majority of the regular customers necessary to support the market. Several factors govern the size of the trade area such as accessibility and physical barriers, such as buildings, but psychological barriers such as safety and security will be important.

It is envisioned that a redeveloped Algoma Farmers' Market will need to be highly advertised to provide increased exposure for an expanded Market.

The demographics that are important for food markets are age, income, and household size. These three characteristics largely decide overall food spending patterns.

According to an *American Demographics* article titled "Finding Food Markets," heavy purchasers of food for home consumption are between 45 and 54 years of age. Households headed by this age group spend 31% more than the average household on food. In addition, they spend 40% more on beef, pork, seafood, and eggs than other age groups.

Customers between 35 and 44 years of age also tend to spend a higher percentage on food items—30% more—than the average customer. Households in the 55 to 64 years of age range tend to purchase more seafood and fresh fruit compared to the rest of the population.

The other two determinants are related to size. The more the household earns and the larger the household, the more that is spent on food items.

4.2 Trade Area Analysis

For the Sault Ste. Marie Algoma Farmers' Market, the trade area was divided into the following:

- Downtown – from Huron Street to Church Street and south of Wellington Street
- City of Sault Ste. Marie
- Algoma District

Additional sales will derive from out-of-town visitors including both overnight and day-trippers.



Socio-Economic Characteristics

	Downtown	Sault Ste. Marie (CSD)¹	Algoma District
2009 Population	3,553	83,282	122,006
Annual Growth	0.70%	1.30%	1.30%
2009 Household	2,166	35,694	52,816
Median Age	50	44.8	46.2
Under 20	13.3%	20.6%	20.2%
20 to 29	13.9%	12.6%	11.7%
30 to 39	9.9%	10.6%	9.9%
40 to 49	12.9%	14.6%	14.4%
50 to 59	14.6%	16.1%	16.4%
60 to 69	13.1%	11.8%	13.1%
Over 70	22.3%	13.5%	14.4%
Female	52.10%	51.40%	50.90%
Persons Per Household	1.62	2.32	2.29
Renters	71.40%	29.40%	27.80%
Children	15.70%	41.60%	38.20%
Married	35.90%	58.40%	60.40%
5 yr Mobility	14%	9%	12%
Avg. Household Income	\$36,463	\$69,810	\$66,799
Per Capita Income	\$20,214	\$26,724	\$25,856

Source: Statistics Canada, Environics 2010 estimates

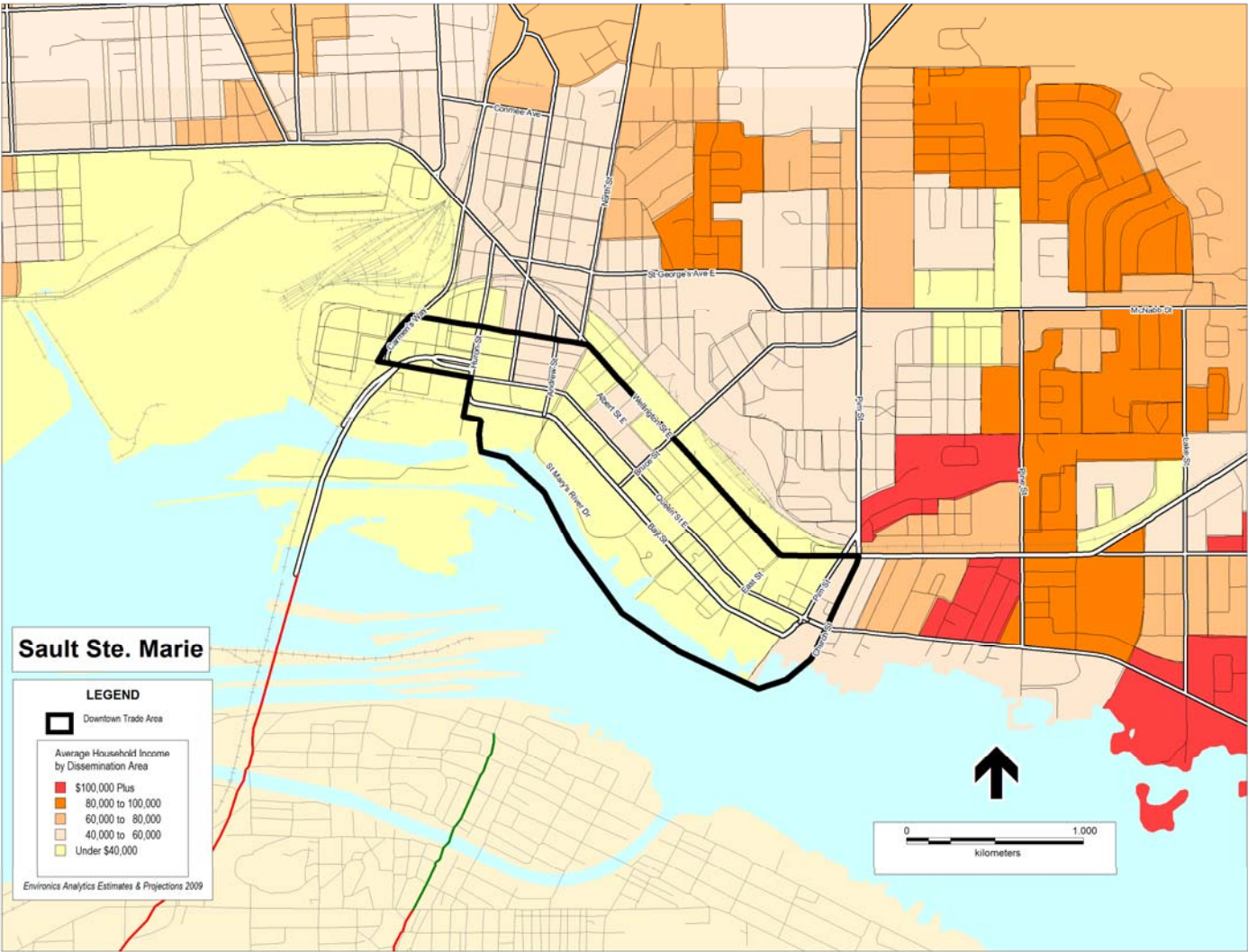
¹ Note, this is a slightly larger geographic area than the City of Sault Ste. Marie proper.

The following are salient findings from the Downtown Trade Area analysis:

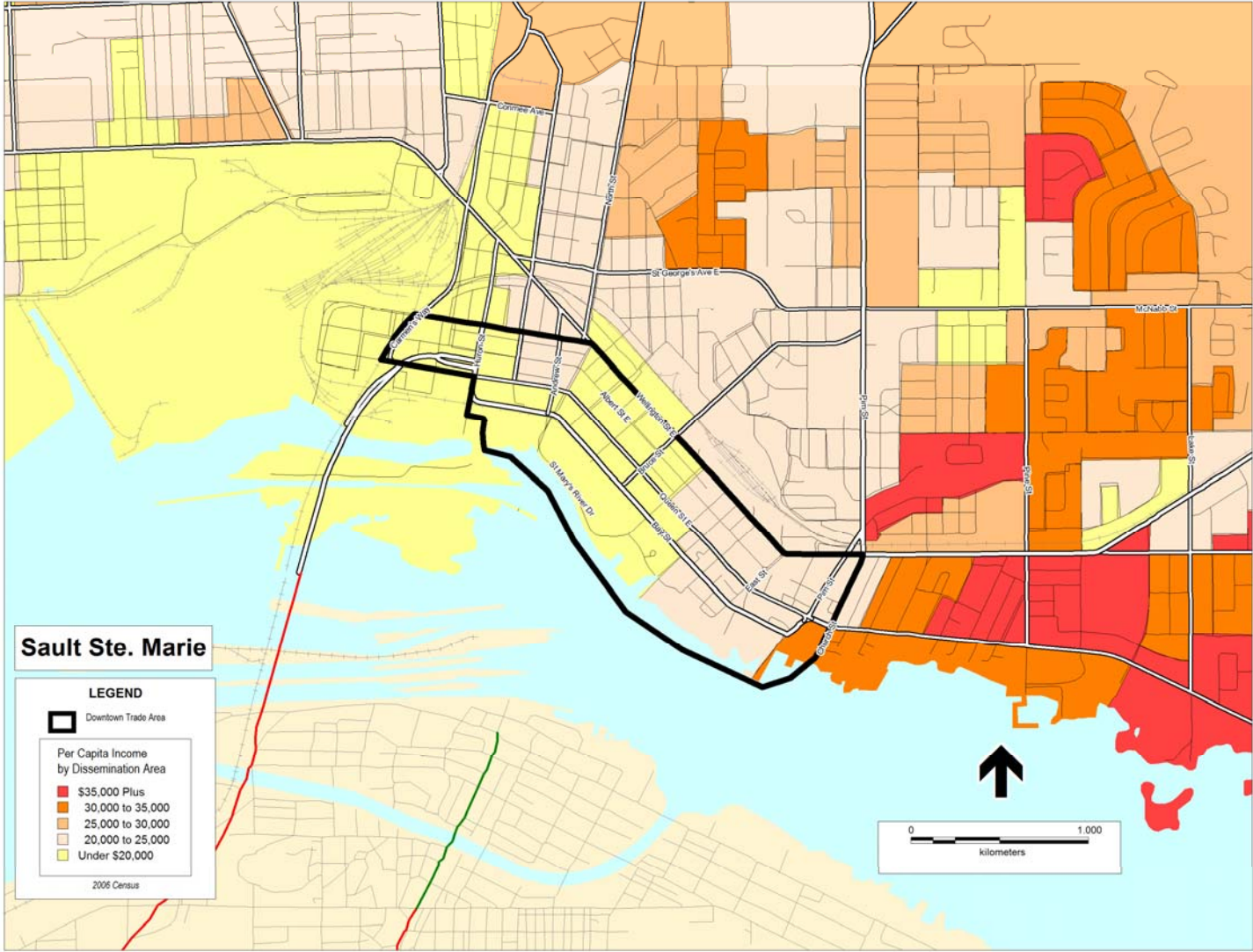
- There are over 3,500 residents who live relatively close to Downtown, and over 122,000 in Algoma District
- While there were population losses in the past, the projected population growth for the City, District, and Downtown is positive
- Downtown has more seniors and overall the median age is high There are fewer children under 19 years of age compared to the City and District
- Twenty-eight percent of the Downtown population is 40 to 59 years of age and there is a relatively small young adult population (30 to 39 years of age) although it is on par with the other trade areas
- There is a very high proportion of single-person households and a small proportion of larger families in Downtown
- Approximately 16% of households in Downtown have children at home but 42% of the City's households have children at home (a high proportion and indicative of high spending on food)
- Household income is lower in Downtown but the differential is less when compared on a per capita basis
- The eastern edge of the City has higher income levels than elsewhere

The following maps assist to illustrate household income and per capita income in the Downtown and surrounding region.

Average Household Income



Per Capita Income



4.3 Household Expenditure Analysis

Annual household expenditure on food products and location as well as other salient type products include the following:

Household Expenditure Analysis

	Downtown	Sault Ste. Marie	Algoma District
Food stores	\$3,488	\$5,155	\$5,076
Supermarkets	\$2,911	\$4,250	\$4,184
Specialty food stores	\$236	\$333	\$311
Restaurants	\$1,413	\$2,259	\$2,163
Meat	\$706	\$1,057	\$1,042
Seafood	\$122	\$158	\$151
Dairy, Eggs	\$494	\$755	\$744
Bakery, Cereal	\$479	\$750	\$738
Fruits, Nuts	\$399	\$577	\$558
Vegetables	\$341	\$485	\$479
Coffee, Tea	\$73	\$88	\$84
Pet	\$96	\$204	\$219
Nursery	\$61	\$154	\$147
Art, antiques	\$32	\$107	\$105

Source: Statistics Canada, Mapinfo 2011 Food Expenditure

An analysis of expenditures in relation to household income of Downtown households and City households to Algoma District reveal that the following categories account for a higher proportion of their budget (for Downtown, not necessarily a higher dollar volume).

Downtown Households

- Coffee, tea
- Specialty food stores
- Seafood
- Fruit and nuts
- Vegetables

Sault Ste Marie Households

- Specialty food stores
- Restaurants
- Seafood
- Coffee, tea
- Nursery

Total expenditures on food (fresh and frozen food items) for Algoma District are approximately \$196 million (meat, seafood, vegetable, fruit, bakery, dairy/eggs). This includes \$135 million from the City of Sault Ste. Marie and \$5.5 million from Downtown residents.

Markets *may* be able to capture 1.25% of this, which is equivalent to \$2.45 million in sales. This is not enough to sustain a full-time market but it is enough to sustain a larger farmers' market than currently exists.

4.4 Additional Target Markets

- Downtown workers - 7,000
- Over 1,100 hotel beds, Occupancy 48% (Jan to Jun 2010) = 340,000 overnight visitors (Source: pfk consulting, Statistics Canada, Ontario Ministry of Tourism and Culture)
- U.S. visitors to Algoma: halved from over 1 million to less than 500,000

5.0 Evaluation Criteria

Throughout the process, there have been four working meetings with the steering committee. During each session, the team reviewed the evaluation criteria for the Downtown Farmers' Market. These will form the basis for the mission statement, vision, the growth, and leasing at the market.

The four major product categories of items sold at the market include only locally produced goods:

- Agricultural – includes agri-food including fruit, vegetables, nuts, mushrooms, meats, seafood, eggs, and horticultural and floricultural products
- Processed Agricultural – includes agri-food derivative type products that include processing elements such as bakery, cheese, confectionary, oven cooked foods (meat pies), etc.
- Prepared – includes food that is cooked or assembled to eat on-site such as sandwiches, beverages
- Arts and Crafts – hand made goods by an artisan or crafts person

The evaluation criteria include the following:

Overall Goals

- Improve production of, stimulate public interest in, and increase consumption of local products

Vision

- Primarily food (raw and prepared foods), but include crafts as supplement – maker/grower market
- During the peak selling season, craft vendors should not represent more than 30% of the total number of vendors
- Not a public market (no resellers)
- Vendors sell locally produced goods
- Stronger linkage with food and crafts
- Guarantee that product is local – may not be required at present but should assess programs such as MyPick or similar programs such as Savour Ottawa

Definition of Local

- Algoma District

Number of Vendors

- Min 20 stalls but should expand to accommodate 40 to 60 stalls – the maximum number of stalls per vendor is two however, the preference will be for most vendors to occupy only one
- May include program for cooperative renting of booths. This may be a complicated process to administer and the market should be careful not to get involved in cooperative vendor disputes. A dispute mechanism by a third party may be required. This allows for small businesses, incubator businesses to sell at the market for a fraction of a full stall (note the existing Algoma Farmers' Market bylaws will need to be reviewed as they currently require the producer to be at the market)

Parking

- Approx 100 to 120 free parking spaces close to the Market (need about 3 parking stalls per vendor), the majority of which should be on the Market property.

Access

- Simple in and out, try to have trucks on-site
- More than one access/egress point to avoid significant congestion during peak times

Timing

- Year round operation in one location
- Minimum two days/week
- Other uses for building on non-market days – arts, community centre, event centre, cafe, small grocer, office (depends on the final location as to the other uses)

Synergy

- Should provide compatibility with other nearby uses. This may include:
 - Queen Street retail businesses
 - Arts, museum, among others

Operating Feasibility

- Aim is for the Algoma Farmers' Market to be operationally sustainable through either raised vendor revenues or through cost/expense sharing
- May include a permanent retailer – small grocer, café

Building

- Flexible indoor space to use for other purposes on non-market days (have to remove vendor display cases and tables or move them to one compact location)
- Minimum building size - 5,000 sq. ft.; however, a larger building will allow for further expansion
- Heating, air conditioning, access, trucks, commercial, health inspected kitchen, cold storage
- Outdoor canopy system

Management and governance

- Needs staffing component - marketing, manage vendors, etc.

Vendor Selection

- Unbiased committee for vendor selection and location

6.0 Site Options

The steering committee and the UMC Team reviewed several sites throughout the four-workshop process. The end goal was not to decide upon one site but to use the established criteria to rank the sites and add and eliminate sites that suited the market's needs. Included in the list of sites was the option of staying in the present site at Roberta Bondar Park.

There are several sites that are still being considered including Gateway site and the former brewery site.

At present three sites had made the top list of preferred locations:

- Algoma Health building
- Pilgrim Car Wash
- Clergue Park

While there are several other possible location, at present, Clergue Park makes the most ideal location for a number of reasons:

- City owned (would not require the purchase of land or building on the market's behalf).
- There is the potential need for a structure on the site for storage and events.
- It is very attractive on the waterfront.
- It is adjacent to the library and museum (two venues that would appeal to a similar demographic).
- It is located in close proximity to the east end of Downtown including higher income households and more complementary type businesses (e.g., cafes, restaurants).
- Very close to several housing projects including seniors housing and waterfront residential.
- It could complement the smaller planned events at Clergue Park and relieve pressure on Roberta Bondar Park for larger events that conflict with the market.
- It would be a permanent home to the market and considered a mainstay of the park's overall vision.

The difficulty of this location is that it is not located directly in the Downtown retail core. This may not fit in with the goals and objectives of the Downtown Association.

Appendix D includes an assessment of each site as well as copies of the three presentations that reviewed the sites.

7.0 Business Plan

7.1 Background Assumptions and Ideas

The focus of the Algoma Farmers' Market will primarily be on real farmers and food producing vendors as well as local crafts people and artisans. The goal is to find one suitable location in Downtown Sault Ste. Marie that can accommodate the combined summer and winter market. For this to happen, an indoor facility must be found or developed. The minimum size would be approximately 5,000 sq. ft. In addition, there is an opportunity for an enhanced farmers' market that is both larger and includes the opportunities to have new products to be sold (e.g., eggs with the development of a grading station in the area or more higher order produced goods such as baked goods, cheeses, and home meal replacement that use locally available goods).

Also, UMC recommends that there be a very strong marketing/special events/entertainment component to the Market to help ensure a special experience and to help build traffic.

Action

- Select to expand existing Algoma Farmers' Market and relocate into a permanent location in Downtown with a minimum 5,000 sq. ft. building that can accommodate summer and winter vendors.
- Market will be a showcase for local available products that are authentic to Algoma District.

7.2 Organization

Market Manager Position

There has been increased marketing and management of the Algoma Farmers' Market compared to other years. This is a process that should continue. As the market expands at its new location, increased vendor liaison, marketing, and recruitment need to be undertaken. There will be a requirement to provide for a part-time Market Manager. This person's responsibilities will be to:

- Oversee and manage the development project, including strategy administration/implementation for funding, phasing, marketing, etc. – Note that often the manager that is hired to oversee the development of the expanded market may not be the same type of manager that the market would require to handle the week-to-week operations;
- Handle the overall management of the Market;
- Propose and manage budgets;
- Develop and implement a marketing plan, including public relations for the Market;
- Work with City staff, the Downtown Association, and other agencies including Farmers' Market Ontario, Algoma Food Network, etc.;
- Coordinate the activities of volunteers;
- Be a spokesperson for the Algoma Farmers' Market at community functions;
- Set leasing policies and leases and/or bylaws.

The Market Manager should manage the weekly and day-to-day operations of the Market. The Market Manager will coordinate with other City departments for cleaning, security, a special event schedule, among other needs. The Market Manager is also the liaison to the vendors and a proposed Market Advisor Committee (vendor association) with respect to all matters regarding the operations of the Market. This person will also be responsible for enforcing lease/bylaw regulations.

This may be a paid position from the Market revenue or funded partially by grants and programs. The type of person who is best suited to this position would be someone with public market experience and/or retail shopping centre knowledge. It is important that the person chosen have marketing experience.

The Market Manager should coordinate special events. Efforts should be made towards partnerships with other organizations (e.g., Downtown Association, Weavers' Guild, Algoma Food Network, museums and library) to provide additional events and cost sharing.

Action

- Designate/hire a market manager. This person's salary must be part of the Algoma Farmers' Market expenses or through grant programs. It should be noted that this person is required to work a minimum of two days a week throughout the year with a heavier workload during the prime growing season. Also, it is important to note that the manager hired to transition the Market may not be the same individual or skill set required to manage the day-to-day operations of the Market.

Board of Directors

The present set up for the Board of Directors is sufficient. Committees of the board may include executive, marketing and events, parking, and leasing (including incubator). However, note that it is advisable that a separate vendor selection committee be struck (one for food and one for crafts) that are unbiased and would work to determine the vendors allowed to sell at the market and their location. This committee would report to the leasing committee of the board.

Action

- Along with other committees, establish a vendor selection committee of unbiased regional representatives that will decide who is allowed to sell at the market and what spot they can occupy.

7.3 Vendor Mix

The space should be as flexible as possible to accommodate new vendors. Although this flexibility is recognized, important points to keep in mind regarding vendor mix and layout are outlined below:

- The key to successful markets is the number of vendors per category, not just the total space. The more vendors per category, the better (within reason) – supports the notion of a cooperative vendor approach.
- While the ideal vendor mix may not be immediately available, key elements of any vendor mix plan staying relevant to Northern Ontario/ Algoma District production conditions. Within those parameters, vendor types may include:
 - Variety (e.g., vegetables, fruit, meat/protein, plants);
 - Anchor vendors (e.g., produce, meat, dairy);
 - Basics vendors (e.g., greens, tomatoes, root vegetables, fruit);
 - Food specialists (e.g., bakery, ethnic, sweets); and
 - Specialty items (e.g., flowers, nursery, and arts and crafts).



*Vendor stalls should always present an image of plenty with key specialization.
Abundance of key food groups adds value to the Market.*

Tenant Mix Guidelines

The Market should accommodate approximately 60 stalls depending on the size of the Market building. During the summer, at least 10 stalls should be located inside and 50 outside, and during the winter approximately 20 smaller stalls should be accommodated inside.

Agricultural (farmers)	22
<i>Plant/nursery</i>	3
<i>Meat, seafood</i>	8
<i>Fruit and vegetable</i>	8
<i>Other</i>	3
Processed Agricultural	12
Prepared foods (sandwiches)	4
Crafts	16
Total	54

(Note this is 54 vendors as some vendors may occupy more than one stall.)

In addition, there may be an opportunity for a permanent retailer such as a cafe (approximately 1,000 sq. ft.+) if a Queen Street location is chosen.

Action

The Market Manager in coordination with the Board will:

- Complete an "ideal" tenant mix;
- Develop a list of potential farmers and vendors to contact;
- Offer opportunities for producers to develop cooperative tables whereby several producers can share a stall.

While the requirement is for local produce, the presence of the producer should be encouraged (direct contact of farmer with consumer) but it is not mandatory (maybe include a minimum number of days producer must be present at the market).

7.4 Special Appeal

As the consumer appeal of the Algonia Farmers' Market grows (shifting from approximately 1,000 Saturday visitors to over 3,000 visitors), other dimensions that already exist can be expanded/added to it. This will give it a wider draw and build on its special role in Sault Ste. Marie. Elements that could be added in the future include the following:

- Musicians and buskers on busy weekends for shopper entertainment.
- Special events such as pie baking contests, pumpkin carving contests, Easter egg painting, Terroir festival (wine and food matching), etc.
- Educational activities: nutrition, recipes, cooking, etc.



A portable kitchen for learning and education can be set up at the Market similar to the one at the Ferry Market in Downtown San Francisco, or a permanent commercial kitchen can be included in the project.

The whole Market experience must go far beyond that of the farmers and vendors. It must be a centre for food diversity, entertainment, and social celebrations.





Action

- Begin to develop a calendar of events (see example in Section 7.9 Marketing Plan).

7.5 *Space for an Ideal Market*

The following table outlines the physical space needed for an “ideal” outdoor and indoor market. It includes the following:

Building

- Minimum 5,000 sq. ft. in size (note may be larger to allow for growth or other activities in the building)
- Long and narrow configuration is more ideal for vendor layout (central aisle)
- Typical stalls should be about 12x12 or smaller but extra space should be planned for circulation
- The market may opt for one electrical unit for two to four stalls (indoor). Outdoor there will be a small need for additional electrical and one post can be used for four vendors.
- There is a need for sinks on site if the commercial kitchen is in use during the market. There is a requirement for one sink for every 20 vendors. This may be accommodated by washroom sinks. Proper commissary type sinks are required for food preparation. The market should opt for additional portable sinks (and proper disposing of gray water) rather than having them permanently installed at vendor locations. Permanent sinks at vendor stalls will make it difficult to use the building other times for events. Rather, portable sinks at vendor stalls should be used.
- Indoor seasonally/yearly leased food and craft stalls. It is suggested that these face each other and have a central 10 foot aisle (may be narrower or wider). Vendors on one side may be able to sell from inside and outside using roller doors that open
- Indoor market will require washrooms and cleaning/ maintenance facilities
- Additional needs are commercial kitchen (fixed or movable) and cold storage (as well as regular storage) – less than 500 sq. ft. Storage space is rented to vendors for their food and crafts (will need strict rules on usage of storage). Additional storage for tables, chairs, canopies will be required
- Small ramps for ease of deliveries – minimize the use of stairs
- Garbage disposal facilities will have:
 - Major, coded container(s) for recyclables, organic waste, and non-recyclable waste.
 - Containers for recycling of paper/cardboard, glass, and metal. Vendors must be held responsible for sorting their garbage into appropriate bins.
- The market manager should be located on-site with a small office with a phone and internet connection.
- The physical design of the site should be enlivened with landscaping, lights, signs, graphics, and banners.
- Vendors need to have consistent signage and design guidelines (see Appendix E for an example of Dallas Farmers' Market).

- Clustering of stalls by category will show the variety within the category and facilitate comparison shopping.
- All vendors should be individual producers or entrepreneurs. No chain organizations or businesses are allowed to be part of the Market (e.g., no chain restaurants).
- Flower and produce vendors should be located close to entrances to provide an initial impact of colour and visual appeal.
- There should be at least two entrances into the market building.



Entrances can be enlivened with colour from flower vendors, wood working demonstrations, or other entertaining or colourful vendor or program

Interior Market Building



A long and narrow building would be more ideal for vendor layout for this small type space



The aisles may be too narrow but overall there is a strong market atmosphere



The market should be discouraged from creating very high open spaces that have to be cooled and heated creating very high energy bills



The interior aisle could be used for seasonal vending in small unique spaces



The aisles at the Dieppe Market are narrow to accommodate the craft vendors. Non market days the space is used for bingo and other rental facilities



Welland Farmers' Market – the simple market includes a number of display cases that can be moved. The interior should be more festive looking



The Cambridge Farmers' Market has very small stalls to accommodate more vendors inside. The Downtown Sault Ste. Marie Market will have to be flexible to accommodate higher sales volumes during the summer season and then allow for more stalls to be added in the winter when it is primarily arts and craft vendors along with some food vendors. Display cases will either have to be removed at the end of each day or additional storage space found on-site. Drapery may be needed to hide some of the permanent features such as sinks



Madrid – the glass wall allows visitors views directly into the building



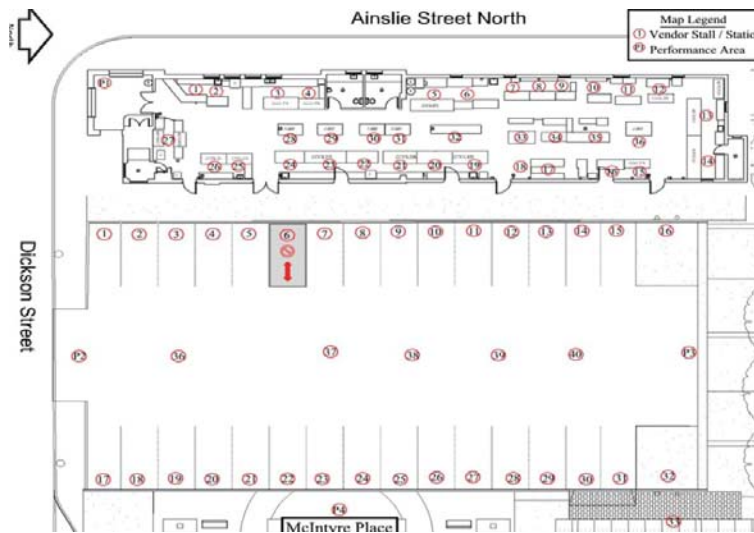
Madrid – the central corridor with vendor stalls on each side. Also, stall lighting is a very important detail that should be consistent for all vendors



A temporary market structure such as this in Spruce Grove Alberta, could be developed to accommodate vendors in the winter or as a temporary measure until a building is built.

Outdoor

- Outdoor yearly or seasonally leased farm/producer stalls that are rented on a seasonal basis (June to October) or monthly or daily. It is suggested that these face each other or may be in a grid formation.
- Stalls that are large enough to allow the vendor to work off of a small sized truck or canopies - each stall should be approximately 10x10.



The overall look of the market should be similar to Downtown Cambridge Farmers' Market that includes a small indoor market and farmers that are set up in the adjacent parking lot

Exterior Market



Common canopies for the outdoor vendors



The outdoor vendor plaza can include trees and landscaping to ensure that when the market is not open that the plaza remains attractive



North Market – the outdoor vendor space includes a canopies section for both vendors to sell off of tables and for vendors to sell off the back of their trucks



Consideration should be given to lighting especially understanding how the natural light changes throughout the seasons



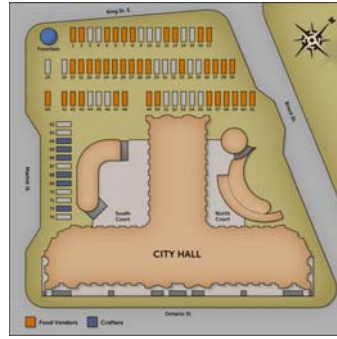
Stall booths can be more modern looking



Stalls create a sense of excitement through the use of coloured umbrellas



Findlay Market – farmers can park their trucks up to the back of the canopy system and sell into the central corridor



A grid pattern may also work with vendors set up around the square



Ithaca Farmers' Market – the attractive location on the river leading into Lake Cayuga blends well with this liberal arts town. The market building is quite impressive on the water's edge



Attractive awnings with lighting and power to properly highlight the merchandise

7.6 Financial Considerations

The following is an estimate of capital requirements. It is based on standard industry costs. They were completed by Bruce Caughill at Caughill Consulting, local architect and engineering firm in the Sault Ste. Marie area. **Note that throughout there are estimates that are not accounted for including new roofs, environmental cleanup, and outside landscaping that will add to these costs.**

See Appendix F for estimates of the capital costs for the three properties that were considered: Algoma Health Building, Pilgrim Car Wash, and Clergue Park.

UMC estimates the following capital costs based on the estimates provided:

- Algonia Health Building - \$750,000 plus roof and environmental as well as outdoor landscaping.
- Pilgrim Car Wash - \$750,000 plus roof and environmental as well as outdoor landscaping and costs for the separate Queen Street East tenant build out.
- Clergue Park - \$1.2 to \$1.5 million plus extra for an outdoor canopy system and landscaping. Increased design may require additional funds (must have air conditioning).

Capital Funding

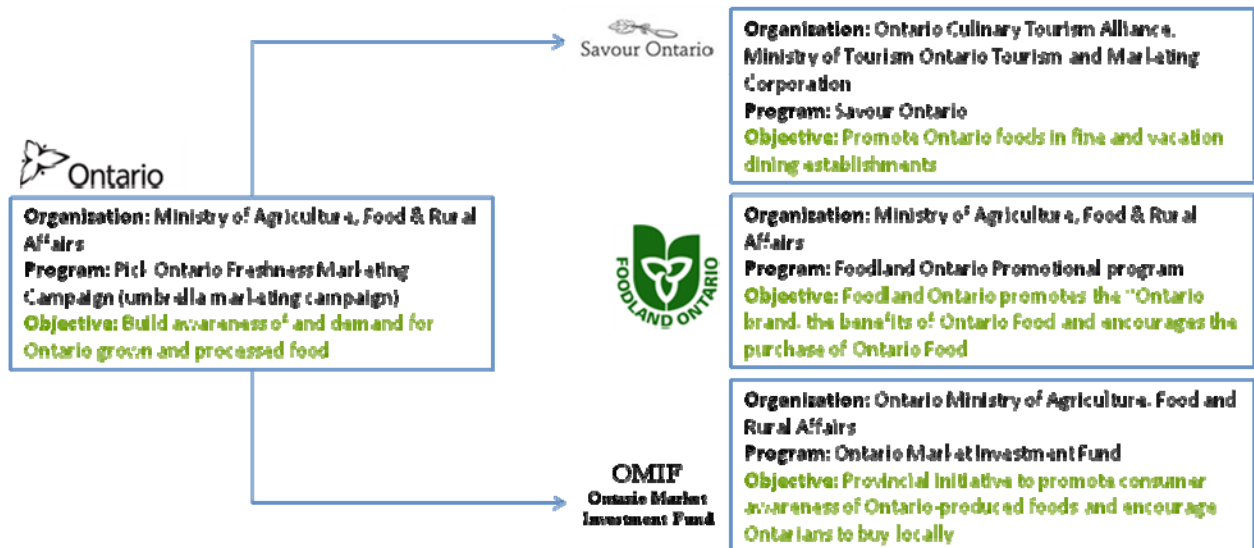
There are several options for consideration:

Federal

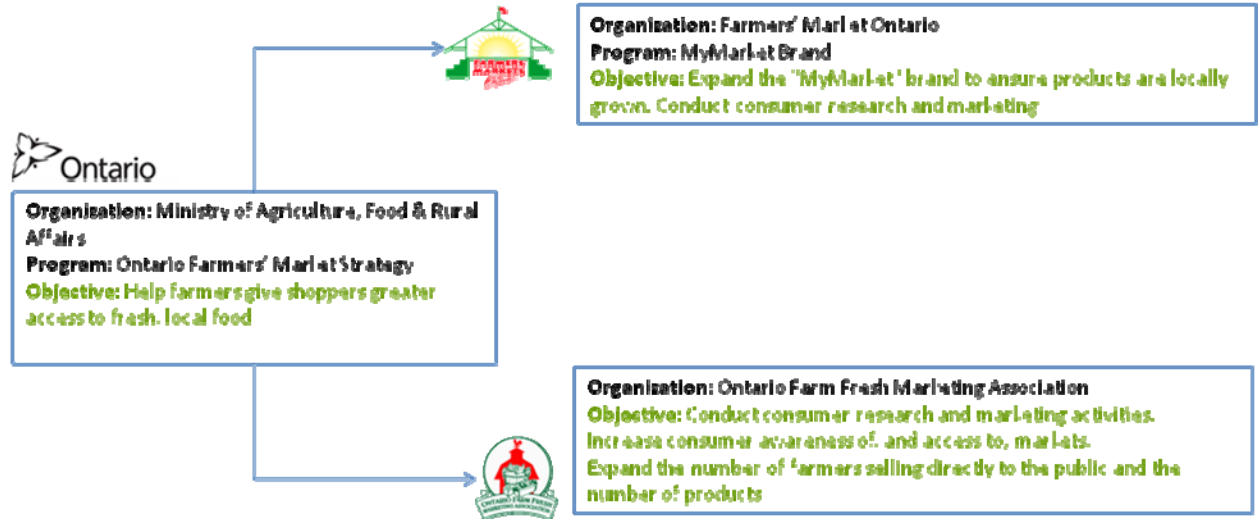
- FedNor – FedNor’s Community Economic Development Program is able to pay up to 33% of eligible costs associated with the farmers’ market but they are a funder of last resort
- Agrifoods Canada – may have funds associated for the development of a market

Ontario

- Growth Plan for Northern Ontario – identifies agriculture as an existing and emerging priority economic sector but no specific funding has been announced related to markets.
- NOHFC – Infrastructure and Community Development program can provide funding of 50% of the eligible costs to a maximum of \$1 million
- OMAFRA – has been actively working towards improving the agricultural sector in Ontario and in part addressing issues such as buy local and farmers’ market. Most funding is primarily funneled through Pick Ontario Freshness (marketing campaign) that works with Foodland Ontario, Savour Ontario, and Ontario Market Investment Fund



Farmers' Market Ontario – has some programs primarily marketing/research, verification (MyPick), insurance, as well as some capital funds (such as tables and tend to be smaller amounts).



7.7 Lease Provisions

The Algonia Farmers' Market has a good set of rules and regulations governing vendors at the Market within their lease agreements. Different lease arrangements are required in order to manage the different Market vendors more effectively.

The following list outlines, by topic, some necessary additions and modifications to the rules and regulations that should be in the leases (a copy of guidelines is appended).

Merchandise

The lease agreement must have specific product controls in order to ensure a variety of products/vendors. This means that the vendor will specify the products that will be sold, and must receive permission from the Market Manager to sell any other products. Other "product line" specifications are as follows:

- Must be high quality.
- Source/origin of product marked – especially for cooperative vendor stalls.
- Prices must be clearly visible.
- Tainted, spoiled, or wilted products must be removed and discarded to maintain a fresh appearance.
- Pricing must be competitive with major supermarkets.
- Weighing scales must have measurement visible to the customer.
- All prepared foods (such as jams and pickles) must be properly labeled according to local health and safety regulations and come from a certified kitchen facility.



Cleanliness

Rules and regulations regarding cleanliness must be specific. Recommendations follow:

- Vendor practices must be in accordance with the Algoma Public Health food handling standards.
- Garbage must be removed from stalls at regular intervals.
- Waste from stalls must be put into proper containers (e.g., recyclables and trash) and stall waste receptacles cleaned nightly.
- No waste material may be thrown on the ground.
- Management will provide regular central garbage removal and appropriate containers for recyclable materials (i.e., water, paper/cardboard, plastic, glass, and metal as appropriate).
- Cooking can be done only in designated food areas according to regional health and safety standards.
- Sinks may be provided on site or a central sink for commissary purposes. Outdoor sinks may also be provided through the use of temporary kiosks.

Action

- Review Algoma Food Network's Food Charter when complete
- Contact the Algoma Health Office to determine government regulations that are required before recruiting and signing farmers and vendors.
- Schedule health inspections at regular intervals as required.

Hours of Operation

A major operational concern with markets is their hours of operation. Regulations stating that stalls must be open and fully staffed during set business hours are crucial (although this will be difficult to enforce initially). The information can be changed and formalized over time.

During the summer high growing season, the Market should be open two days of the week – Wednesday afternoon/evenings and Saturday mornings. In winter, it will open only on Saturday.

- Wednesday: 3:00 to 6:00 p.m.
- Saturday: 9:00 am to 1:00 p.m.

It will be important to keep the following recommended regulations:

- An abundance of products must be for sale during all hours that the Market is open.
- Loading and unloading for some stalls must take place before or after Market operating hours (those that cannot vend off the back of a truck)

Rental Rates

The policy of the Algoma Farmers' Market should be to have rental rates that are comparable to retail rental rates in the Downtown and at other markets.

See Appendix G for a review of other markets including rental rates. On average, a vendor should pay at least \$35/day or \$1,000 for year (\$600 for summer season).

Indoor vendors, meat vendors, and prepared food vendors should be charged higher rents (\$2,500/year). Arts-and-craft and community vendors will be charged less (\$500/year). Food vendors are charged approximately \$2500 per vendor. Rates will be based on a stall basis and some vendors will require more stalls than others. (The above figures represent average rates per vendor.)

There may be Common Area Maintenance charges for indoor vendors. Revenues typically are on the low side when compared to annual retail rents. However, the spaces are small, and thus, if sales volumes are high, then at least break-even cash flow can be projected.

The cooperative model also allows vendors to receive a rent break by being responsible for one-quarter or one-fifth of the total rent for the year or season.

Annual membership fees should still apply.

Marketing Fund

It is possible to levy a separate charge for marketing on all vendors. The Market Manager may set up a marketing committee to administer this with input from vendors. Initially, vendors would pay \$1.00/day/stall rental towards this fund. This would be adjusted as the sales and the marketing program grows. An aggressive marketing plan is needed to communicate the news about the new market and to build sales to justify the rents charged.

Signage

Guidelines on height, size, and colours should be given to prospective vendors. Signs should be creative and fun within these guidelines, and individuality should be encouraged. Signage guidelines are as follows:

- Central stall service area signs:
 - To be above sight lines
 - All at a uniform level
 - Vendor identification to have the following features:
 - “Stall name”
 - Graphic or cut-out sign approximately 3'x3'
 - Positioned over central service area

All signs must have the Market Manager's approval with regard to not only size, shape, material, weight, colour, etc. as covered by the design guidelines, but also regarding location and lighting.



Pike Place Farmers' Market



St. John City Market

Action

- It may be necessary to contact a signage firm that can produce the desired signs, as many vendors will not know how to do this (properly).

Other Leasing Issues

Vendors should own their own business, not their stalls. In some markets, the practice of selling stalls exists. This should not be the case at the Algoma Farmers' Market.

Other issues that should be included in the lease are as follows:

- The Market management should have control over transfer of ownership of the stalls.
- Provisions must be included for the termination of leases (annual renewal or three years).
- A system of addressing customer complaints enforceable by the lease should be developed and included in the lease agreement.

Action

- While already present, review the lease regulations for the Market in terms of hours of operation, signage, rental rates, health and safety, merchandise, and other issues deemed important. Stipulate penalties if rules are not followed. Have these regulations agreed upon before recruiting farmers and vendors. Examples of lease regulations are included in Appendix H.
- Develop a professional information package that will include the following:
 - A concise description of the Market
 - Rationale for its future success
 - A marketing program (including a calendar of events and other marketing initiatives)
 - Schematic drawings
 - Lease regulations

Interview farmers and vendors in person and inspect the quality of their products. Ensure that the products are farm grown/produced as claimed by the farmer/vendor. Consider using MyPick or other verification programs.

7.8 *Financial Pro Forma*

The following page shows an estimated year pro forma for a new Algoma Farmers' Market. It has been developed based on the experience of markets throughout North America. It may take a few years to achieve full vendor capacity.

The Algoma Farmers' Market may choose to share expenses or cover some of the costs through volunteer work. They may be able to adjust rents down accordingly. In addition, the fee that the market should pay the City for use and cleaning of the facility will need to be negotiated and finalized with a Memorandum of Understanding.

The financial pro forma is based on the following assumptions:

- The Market will operate on Saturdays throughout the year and one weekday throughout the growing season.
- The pro forma does not include revenue or expenses related to running any additional events components of the proposed Market building.
- Salary expenses are for part-time personnel. This person should be required to work a minimum of two days per week throughout the year with more days during prime growing season.
- Insurance and permits cover expenses associated with liability insurance and special business licenses.
- Additional marketing expenses related to grand openings should be allocated out of the capital budget. This is equivalent to an additional \$10,000 for a grand opening.

Pro Forma

	Charge	Number of Vendors	Total
Outdoor Vendors - Seasonal			
Agricultural	\$600	25	\$15,000
Processed Agricultural, Meat	\$2,000	7	\$14,000
Prepared Food	\$2,000	2	\$4,000
Crafts	\$350	14	\$4,900
Indoor Vendors - Annual			
Agricultural	\$1,000	2	\$2,000
Processed Agricultural, Meat	\$2,500	6	\$15,000
Prepared Food	\$2,500	2	\$5,000
Crafts	\$500	2	\$1,000
Additional Weekday - Wednesday			\$1,470
Marketing Fee (\$1/week)			\$1,440
Common Area Maintenance (\$2/day)			\$1,040
Total Income			\$64,850
Expenses			
Salaries and Benefits			\$25,000
Marketing/Special Events			\$15,000
Other Expenses			\$10,000
Rent and Cleaning/Maintenance			\$15,000
Total Expenses			\$65,000

7.9 Marketing Plan

Major Role

The marketing concept for the expanded Algoma Farmers' Market should reflect the vision of an authentic, local only, Algoma District farmers/producers venue that has both economic and social benefits. This includes the following:

- Serve the Algoma District's farmers/producers as well as the City of Sault Ste. Marie's and the Algoma District's residents by providing an attractive venue for the sale and purchase of the Algoma District products.
- Offer a wide range of fresh and prepared foods.
- Be an economic stimulus for local business and community for Algoma producers and for Downtown businesses.
- Draw people into and around Downtown Sault Ste. Marie.

Target Market

It is expected that the Market will serve primarily residents of Sault Ste. Marie including residents in the Downtown and beyond into Algoma District. Although the Market will have mass consumer appeal, the primary market segment to be targeted is moderate- to upper-income families who desire a market experience. The renewed Market should work towards increasing visibility to drive-by traffic in and out of the Downtown, as well as to pedestrian traffic.

Downtown office workers will be drawn to the market for afternoon shopping opportunities on their way home from work if marketed effectively. Also, workers are most likely to return on Saturday if they know there are events happening at the Market.

Markets will have tourist appeal, but tourists are not a major source of business. The tourist appeal is in seeing local products of the Algoma District. Tourist purchases will be mainly in craft products, locally produced packaged foods, and prepared foods for immediate consumption.

Market Positioning

In terms of market positioning, the image of the Algoma Farmers' Market should suggest the following:

- The basic, traditional, grassroots, rural/agricultural appeal of farm grown, raised, or produced products.
- Freshness.
- An emphasis on education of use benefits and usage of local agriculture goods
- Interesting types of food of a specialty nature (e.g., ethnic such as Italian, organic, local sustainable species, native foods, wild foods such as fresh/smoked fish from Lake Superior, etc.).
- Seasonal products.
- A social, people-place where one goes to “see and be seen” in an entertaining setting.
- An opportunity to talk to and get to know real farmers/producers.

The marketing strategy is to:

- Be a leader in the region by offering a wide selection of fresh foods, specialty food items, and arts-and-craft items.
- Be top-of-mind in awareness as a venue for fresh foods, specialty food items, and arts-and-crafts, sold by farmers and producers.
- Be first class (not second rate) but also not too upscale.
- Communicate the concept through a very coordinated promotional and special events campaign.

The marketing objective is to create high awareness of the expanded Algoma Farmers' Market as a desirable place in which to shop. This will build shopper traffic, which will in turn generate the sales and revenues required by the individual Market vendors.

Guidelines

This section outlines the key components of a marketing plan and gives examples (rather than a finalized, formal plan). The plan itself should be developed in specific detail by a marketing committee set up for the Market.

Guidelines should be developed to set strict standards for the graphic, visual, and verbal elements of the Market's communication program, such as:

- Name - Urban Marketing Collaborative advocates keeping the name as the Algoma Farmers' Market rather than including the word Downtown;
- Branding ;
- Typeface and type system;
- Colours;
- Symbol/logo;
- Positioning statement or slogan;
- Music (if applicable);
- Adaptation of type and logo to stationery, signs, posters, banners, etc.;
- Extensions into other media (e.g., shopping bags, T-shirts, vendor aprons, etc.);
- Control (i.e., who will "sign-off" approvals).

Key Elements

The following are the key elements to be considered in the marketing plan for the Algoma Farmers' Market:

- General theme
- Visual theme
- Advertising media
- Publicity plan
- Special events
- Vendor communication and motivation
- Packaging
- Signage
- Research and audit
- Organization and responsibility
- Budget

Special events are a major component of the recommended marketing plan and are discussed in detail in the following section. Nevertheless, marketing communications include all media forms from which the public develops its perceptions of and attitudes toward the Market. Therefore, all physical and operational aspects of the Market must support the image that is being marketed through advertising and promotion. For example, colour schemes, signage, banners, types of vendors, etc. should be consistent with the desired image.

Special Events

The special event planning process needs to consider both the Grand Opening and the calendar of events in order to build shopper traffic.

Pre-Opening Plan

The pre-opening plan is designed to create a high level of awareness of the Market amongst all Sault Ste. Marie and Algoma District area residents. The focal point is the Grand Opening, where the objective is to create the largest possible base of sales from which to build future business. The pre-opening plan should take advantage of the many low-cost, valuable opportunities that can begin almost immediately.

Specific segments to reach are:

- Business and consumer press;
- Potential vendors;
- Priority consumers; and
- Community leaders (political and non-political).

Typically, extra money is allocated in the budget to be used in the pre-opening and opening activities.

Site Identification

Countdown signage should begin four to six months before the planned opening (e.g., "Four months till the re-opening of the Algoma Farmers' Market – a Sault Ste. Marie tradition").

Public Relations

Public relations initiatives:

- Distributing fact kits and giveaways to the media, business leaders, municipal leaders, community groups, and potential vendors.
- Getting involved in community projects (e.g., schools, recreation centres).
- Distributing brochures about the new Market to Sault Ste. Marie and area residents.
- Working social media angles including Facebook, Twitter, and You Tube to develop a following of loyal shoppers to market to – as noted there will be a core base of shoppers who come to the market on a regular basis. It is wiser to spend more targeted to this niche market rather than broad appeals.
- Distributing small shopping bags with giveaways, vouchers, etc. to pre-selected customers, just prior to opening.

Advertising

Advertising will include a full complement of:

- Site signage;
- An informative and attractive website;
- Social media;
- Yellow pages;
- Notices and publicity through Farmers' Market Ontario;
- Radio;
- Print (e.g., newspapers, special flyers, local magazines/newspapers, business directories);
- Hand-outs.

Vendor Leasing

In order to attract quality vendors, Algoma Farmers' Market should:

- Develop and distribute first-class brochures detailing the following:
 - Market demographics;
 - Unique components of the site;
 - Key illustrations that depict the Market as a special place.
- Send out news bulletins to potential vendors.
- Arrange special invitations for site tours.

Grand Openings

The following key elements must be addressed to ensure the successful opening of each phase of the project:

Timing

- It is important that the timing of the Grand Opening event coincide with a time that plenty of locally grown, fresh produce is available. Also, it is important to ensure that enough farmers are planning on planting crops for the upcoming season (a major concern, particularly with the extensive drought in the area).

Celebrity

- Employ the presence of someone, or several people, who would create a major draw (i.e., someone from the area to whom the target customer would relate); e.g., sports celebrity, singer, actor, and/or television personality.
- A special guest should be part of the grand opening ceremony. The mayor and council members, and/or local television personalities, are all possibilities, including a nationally or regionally known celebrity chef or cookbook author.

Music

- Music should be festive and uplifting and appropriate to image (e.g., a local band).

Contests

- Raffle for impressive grand prize (e.g., car, airline tickets, etc.).
- Pie eating or watermelon spitting contests for lesser prizes (e.g., shopping spree, sports tickets, and concert tickets).

Advertising

- Grand openings typically attract a large number of first-time farmers' market shoppers. Therefore, media ads and on-site information should inform as well as attract. Let people know what to expect prior to their arrival with respect to products and price. Tell them that the new Market is more than fruit and vegetables.

Press releases should be prepared and all local media invited to attend.

Giveaways

- Shopping bags
- Balloons
- Coupons

Vendor Support

- Vendor aprons
- Giveaways at vendor stalls (e.g., buttons)

Grand Opening Team

- Have a team with clearly defined roles and tasks to coordinate major aspects of the Grand Opening.

Ongoing Calendar of Events

In addition to the Grand Opening event, the marketing plan for the Sault Ste. Marie Algoma Farmers' Market should have ongoing elements. Added to the schedule of events, there should be:

- Announcements of new vendors as they come in;
- An internal newsletter for vendors to keep them informed of and involved in upcoming events (note that more organizations are moving to only on-line newsletters or just email blasts rather than printed newsletters);
- A tie-in to events elsewhere in the City and region.

The ongoing calendar of events should contain events with local appeal, both for local area neighbourhood residents and broader Algoma District residents, as well as for tourists. The market can reach out to the community by:

- Holding community events at the Market (e.g., Rotary);
- Letting community organizations promote their events at the Market;
- Sponsoring activities at the Market for community groups;
- Using events such as charity tie-ins and fundraisers (e.g., UNICEF at Hallowe'en receives the proceeds from the pumpkin carving contest [entry fees] and donation boxes in vendor stalls);
- Having seasonal agricultural themes.

The Algoma Farmers' Market should develop strong ties with the following groups:

- Downtown Association
- Schools (elementary and secondary)
- Library
- Art Gallery of Algoma
- Museums – Canadian Bushplane Heritage Centre, Museum Sault Ste. Marie
- Bon Soo
- Soo Youth, Passport to Unity, Indian Friendship Centre
- Culinary associations and organizations, including the Sault College Culinary and Hospitality Department
- Algoma University Fine Arts program
- Seed Exchange program
- Rotary Club and other similar organizations

These groups can provide valuable assistance or be partners in events at the Market.

Promotional events should focus on building traffic. They should be supported with posters or flyers handed out at the Market in the weeks before the event. Additionally, there should be press releases issued before all events, and media advertising before major events.

Other guidelines that events should follow are as follows:

- All events are done to first class standards or not at all; there will be fewer events, which will all be well done, rather than many mediocre ones.
- Funds spent are in relation to shopping potential (i.e., a large amount during harvest seasons; not much during January/February).
- Set measurable objectives for each event and modify or drop the event if the objective is not met.

No event should be isolated from other marketing elements. Whenever possible, the event and advertising will:

- Feature a theme that supports vendor sales and merchandise;
- Use more than one communication medium (e.g., print and/or radio, posters and/or sales contest and/or public relations, etc.);
- Include a community organization or charity;
- Add to shopping enjoyment, not detract from it by interfering with the Market shopping experience.

The following page contains a list of possible events that could be held at the new Market over the course of the calendar year.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Occasions, holidays, local events	New Year's	Family Day Valentine's Day	Easter (or April)	Easter (or March)	Mother's Day	Father's Day	Canada Day	Civic Holiday	Labour Day	Thanksgiving	Remembrance Day	Christmas
		Shrove Tuesday	St. Patrick's Day		Victoria Day		Rotary Festival		Back to School	Hallowe'en		New Year's
Marketing Theme	Diet and nutrition			Spring Festival	Children's Festival		Summer Music Celebrations		Harvest Festival			
Cooking Demo	Low Calorie Theme	Office Worker On the Go	New Recipes for Old World Standards	Spring Festival	Cooking for Kids	Cool Desserts	Barbeque Cook Off	Mexican Fiesta	Healthy Family Meals	Thanksgiving Cooking Demo	Multi-cultural Cooking Demo	Christmas Cooking Demo
Special Events		Flower Arranging Classes	Egg Decorating Contest and Face Painting	Egg Decorating Contest and Face Painting		Strawberry Festival	Blueberry Festival					
		Pancake Flipping/ Eating Contest	Candy Making			Rhubarb Pie Eating Contest		Corn Eating Contest	Apple Pie Contest	Pumpkin Carving Contest		
Promotions		Heart Month - Low Cholesterol		Plant and Garden Sale	Mother's Day Sales (flowers and breakfast items, free tulips for mothers)	Father's Day Ugly Tie Contest	Summer Barbeque Sale		Apples for the Teacher	Win a Turkey Contest		Christmas Sale (gift baskets)
Charity Tie-in	Culinary Lecture Series	Heart Fund	Rotary	Red Cross	MADD	Child Safety	Downtown Association	Food and Wine Festival	Blood Donor Clinic	UNICEF	Poppies/ Remembrance Day	

8.0 Conclusion

The redevelopment of the Algoma Farmers' Market will provide a needed boost to the Market's sustainability. It has been documented that the Market requires the organizational resources to create a valuable cultural asset for the City. There is a requirement for a stable, single location for the Algoma Farmers' Market to expand into a full-service asset for the region – a place that allows producers to showcase the best products of the region as well as a venue for social interaction and gathering.

Organization

Requires a part-time Market manager to oversee the development and progress of the Market as a professional business and cultural amenity for the City and the Algoma District.

Marketing

A commitment to advertise and promote the Market based on professional materials that will draw people to the Market. An appeal to local and regional residents as well as tourists based on an authentic Sault Ste. Marie market experience will be well received.

Vendor Recruitment

The number of vendors needs to be augmented to help draw customers including a full range of fruit and vegetable, meat, dairy, other protein, prepared foods, arts and crafts. There should be an aim to have approximately 50 to 60 vendors.

Site Redevelopment

The current site of the Algoma Farmers' Market is limited in size and scope and will continue to encounter programming conflicts with other events at the park. A permanent home in Downtown Sault Ste. Marie that will be an anchor for the site is required. This will allow for a single location for a four-season market that will offer the opportunity to grow the range of goods grown/produced in the Algoma District. It will also draw the community together to celebrate food and craft diversity in a fun, interactive, and learning environment.