

Farmers' Market

Decision Making Tool



The Opportunity

“Buy Local,” “100 Mile Diet” and “From Field to Fork” are all common phrases in today’s media. The desire by some consumers to buy locally grown food, rather than food that has been transported across a continent or part way around the world, has helped increase consumer interest in farmers’ markets.

Farmers’ markets give you an opportunity to try retailing with limited capital expense. In many parts of North America, farmers have worked at bringing consumers to their farm to buy at their on-farm roadside market or Pick-Your-Own operation. These are valid enterprises, but some farmers don’t want consumers coming to their farms. In addition, many farms do not have a location that is suited for on-farm sales. In both these cases, farmers’ markets are a viable alternative.

Many communities are quite willing to host a farmers’ market because it helps revitalize communities, drawing consumers to an area of town that may be suffering from declining pedestrian traffic or from big box stores or malls in newer parts of town or in neighbouring towns. Farmers’ markets bring a sense of community to the area where they are located. With that sense of community in mind, it is becoming more common for farmers’ markets to have seating areas where people can sit and have a coffee and/or snack, visit with neighbours and meet new friends.

Farmers’ markets give farm entrepreneurs an opportunity to test market a unique product or their own homemade value-added products. The value-added products can be

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Example Income and Expenses at a Farmers' Market

Income

Gross sales	\$1,100 (total sales in your stall at the farmers' market)
Wholesale value	\$500 (your cost of production or its value if you sold everything wholesale)
Gross Profit	\$600 (your profit before marketing expenses)
Margin	$= \$600/\$1,100 = 55\%$ (gross profit/gross sales)

Expenses

Transportation	\$110 (the 100 km. each way for your truck to drive @ \$0.55/km + other expenses)
Hired labour	\$80 (1 person for 8 hrs. at \$10/hr.)
Stall fees/day	\$30
Other expenses	\$50 (that week's share of capital expenses + daily supplies like bags)
Net Profit	\$330 (gross profit – expenses = net profit)

as varied as your imagination. Some common items are:

- preserves (jams, pickles, etc.)
- baked goods (breads, cookies, etc.)
- crafts (wooden toys, wreaths made from sheaves of grain, painted pumpkins, home made soaps, etc.)
- herbs (herbal teas, fresh cut and dried herbs, herb window planters, medicinal herbs, etc.)
- spices

There are also value-added animal byproducts (wool items, animal skins, goose down, etc.). Typical primary products found at markets include fresh fruits and vegetables, meat,

fish, eggs, flowers (fresh cut and dried flowers, bedding plants), and nursery stock.

Marketing at a Profit

Often, the easy part of selling at a farmers' market is growing or raising the products. The challenge comes when you go to market them at a profit.

Check Out Several Farmers' Markets

Start by going to farmers' markets that are close enough to your farm so they are practical for you to attend. The bigger the potential sales at a market, the farther you can justify driving. But remember, time is money. It costs about \$0.55/km to drive a pickup truck these days (with gas at \$1/litre). So, if you drive 100 kilometers to the farmers' market and 100 kilometers home, that is \$110 for gas, depreciation and repairs, etc.



You may want to try attending more than one market at a time. The advantage to multiple markets is:

- it gives you the opportunity to see which market is best for you
- if you raise perishable items for sale at market, you may need more than one outlet to market all of your production
- it allows you to spread any capital costs you have made to attend farmers' markets over more market days

Products and Pricing

Look at what is being sold at each market you visit. If the market already has five vendors selling strawberries and you grow mostly strawberries, it may be difficult for you to sell enough volume to make it profitable.

Are the other vendors selling products (strawberries) at a price that will make you a profit if you were to sell at that market?



Market Customers

Look at the customers attending the market. Would they be interested in what you plan to grow? Are they mostly young people with young families or are they seniors? Is there an ethnic group that you might be able to service with unique products? Are the customers "good spenders" who buy in volume? Are they shopping for price, or are they looking for the best quality products?

Parking

Is there adequate parking close by, so customers don't have to walk too far with their purchases?

Market Rules

Speak to the market manager to get a copy of their rules. Ask if you would be allowed to sell at their market. They may have a rule saying five are all they want selling a particular product (e.g. strawberries).

See if you have to grow everything you sell. Some markets are strict about this while others are more lenient.



Tools of the Trade

Refrigerated Storage

You will need refrigerated storage to maintain product quality and to give you some time to market perishable items:

- build your own in the corner of the barn, or as a separate building
- purchase a prefabricated cold storage
- buy a refrigerated (freezer) box off an ice cream truck and have an electrical refrigeration unit installed on it

TIP: The calculator will budget for cold storage assuming you are getting someone else to build it, but you can go into the summary and adjust the figures based on what you think it would cost if you built your own.

Refrigeration rules of thumb:

Assuming an 11 ft. high ceiling, it costs about \$45 - \$50/sq. ft. to build an insulated cold storage room. The larger the building, the less cost per square foot.

You need about 100 BTUs (British Thermal Unit) per sq. ft. of floor. So, a 10' x 12' room (inside dimensions) would need 10' x 12' x 100 BTUs = 12,000 BTUs. A one horsepower (hp) compressor absorbs about 12,000 BTU. As such, for a 10' x 12' well insulated room you would need 1 hp of refrigeration.

There are two kinds of refrigeration.

The first is the window air conditioner where the compressor

and condenser are together. A home-type room air conditioner could do a reasonable job on a small room (less than 10 feet by 10 feet), but tends to dry out the products. Window air conditioners are better than no refrigeration, but they are not good for keeping produce any length of time.

The next step up is the refrigeration unit that has a condenser in the room to do the cooling and a separate compressor outside to get rid of the heat. These are much more energy efficient and do a better job of not drying out the produce.

While you can get 1 horsepower (12,000 BTU) units, it makes more sense to buy something in the 3 horsepower range. You get more and better refrigeration for not much more money. The larger units would:

- give a bigger coil, and therefore a smaller temperature difference, so the produce won't dehydrate as much
- allow you to expand your cold storage without the need for a larger refrigeration unit

A lot of the cost with refrigeration is installation. Purchase a reasonably sized unit initially so you don't have to redo the refrigeration when you expand your cold room.

A 20 foot by 20 foot room would need 40,000 BTUs or 3.3 horsepower. So you'd likely be best to buy a 5 horsepower unit for a room this size. It will give you better cooling and allow you the flexibility to do some forced air cooling of highly perishable products.

One way to cut the cost of the cold storage is to buy an insulated cube van box from a wrecker. An ice cream truck should have good insulation; then have a new electrical refrigeration unit installed on it



Trucking

You may need a truck to get things to market. Depending on the volume of product you are taking to market, your needs will be quite different. If you are taking preserves, a station wagon or a family-sized van might be enough. On the other hand, if you are taking produce you would benefit from a refrigerated cube van. If you are selling meat, you may need a number of chest freezers in the back of a truck that you can keep plugged in at home, then plug in again when you get to market.

TIP: The calculator will budget \$15,000 for a reasonable pick-up and \$40,000 for a reasonable cube van. This is for pick-ups and vans that are less than five years old and under 80,000 kilometers. You might be able to find vehicles for less.

Marketing 101

In order to maintain a local customer base, it is critical you always bring the best quality products to the farmers' market. Keep in mind that farmers' markets are not a convenient place for consumers to shop because:

- often outside, they are affected by weather - hot sun, rain, wind and even snow



Four vehicle options for farms planning on marketing produce:

- Refrigerated cube van with a 15 foot box.
- Cube van without refrigeration. You could line the unrefrigerated van with insulation and put some crushed ice inside to maintain quality during hot seasons.
- Enclosed pick-up. Being enclosed will help reduce product dehydration during the drive to market.
- Open pick-up. This is the least favorable option because the elements can cause significant product deterioration during the day.

Cost estimates (2007 prices):

- cube van: 15 to 17 foot box, non-refrigerated, diesel, less than 80,000 kilometers, under 5 years old; approximate cost \$40,000
- pick-up: enclosed box, under 5 years old, gas, less than 100,000 kilometers; approximate cost \$15,000
- rental: rental rates ranged from \$1,000 to \$2,400/month with Rent-A-Wreck quoting the least expensive option on a cube van with a 16 foot box

Most rental companies also sell their used trucks.

- they don't offer a full product line, so consumers still have to go to the grocery store
- they operate for only a limited number of hours during the week
- they don't usually have shopping carts or wagons to help consumers carry their purchases

So why do people come? They come to:

- support local agriculture and their community
- talk to the producer and better understand the products they are buying
- get the freshest products possible
- buy quality

Staff

Having friendly, well informed staff is very important as they are your face at the market. How you, your family or staff interact with the customers is critical to your success. A good salesperson will:

- greet customers with a smile
- offer any assistance the customer might require
- comment on what's new this week, what may soon be done for the season, and what is at its peak

A good salesperson can turn a five dollar sale into a six dollar sale by introducing the customer to a new product, "Have you ever tried our raspberries?" and offering a sample. Staff can also offer a recipe to send home with the customer that may incorporate several of the products you have for sale that day.

Turning a five dollar sale into a six dollar sale doesn't sound like much, but if they average that one dollar increase over the day, that salesperson will increase their "Average Sale per Customer" by 20 per cent (20 per cent of five dollars is one dollar). Therefore, if your gross sales for a day at the market are typically \$1,000 per day, that 20 per cent increase would mean your gross sales on the typical day would now be \$1,200 per day without attracting a single new customer.



The easiest way to increase sales is by getting your existing customer base to buy more. It is so much easier than attracting new customers.

The 2005 DVD, *Fish*, is a story about the staff of a fish vendor at Pike Place Market in Seattle WA. The staff members are famous for their enthusiasm and humour. During the video, they are asked why they are so friendly. One staff person summed it up so well when he said, "Each morning when I get up, I have a choice; I can be happy and enthusiastic, or I can be grumpy." That is the choice every one of us makes every day. Be sure you pick staff who make the right choice each morning, it will pay you big dividends. You can teach an employee product knowledge, but it is difficult to change core personality. Hire on attitude and train aptitude.

Identify sales staff with T-shirts or aprons with your farm name or logo. This makes it easier for your customers to identify staff and ask questions.

Cleanliness is critical. In most cases, vendors at farmers' markets are

selling food to the public who believe you and your staff members are an extension of your farm. So if your dirty truck is parked by the stall, and customers are being served by someone whose clothes or hands aren't clean, customers will assume the farm would show the same level of care and cleanliness for the products on display at the market. If you were buying food to take home and feed your family, who would you buy from?

A hand washing policy is required. Staff must wash their hands between changing jobs, after eating, using the washroom, and sneezing or coughing. Alcohol based gel hand sanitizers, available at any drug store are an option if hands aren't soiled, but the best way to clean hands is with soap and warm water.

Likewise, your stall, display tables and the stall floor also need to be kept clean as do the containers you use to bring your products to the farmers' market. If you pack things in old, dirty hampers, the customer may make a similar judgment call on the cleanliness of your products. You might be better to find a supply of

strong plastic crates. Crates that are 20 by 16 by 7 inches high range from \$3.50 to \$10.00 each, depending on supply and demand. They are sturdy, stackable, lock together, can be easily washed with a hose or power washer and should last for years.

Stall Layout

Stall layout can help make your retail area appear larger and therefore have more impact. Most vendors place their tables at the front boundary of their stall. This configuration is fine if you have a limited amount of product. However, other display methods may have a greater impact.

Improve your layout

Assume your stall width is 20 feet. Place your display tables down the left and right boundaries of your stall for about 10 feet then across the stall. With this placement, you have effectively doubled your display space. In the open area in the middle of the "U-shaped" display, you could add a lower profile display table which can be used to feature your big draw item(s), or the items that return you the greatest profit (see Diagram 1).



The advantage of this system is that the consumer enters your stall and is engulfed in the products you have for sale.

Displays

Eye-catching displays are critical. When customers walk into the market they will be barraged with all kinds of sights and smells. Stand out as the most eye catching vendor there so the consumer is drawn to your display. You may have the “better mousetrap,” but if people don’t see it, they won’t buy it.

Improve your displays

Build displays that fill more of the vertical field of vision.

- A common expression is “pile it high and watch them buy.” People aren’t as impressed with a deep display as they are with a high display. Even if the inside of the high display is hollow or “dummied up,” your displays look huge. People will think you must have the best strawberries, because your display is the biggest.
- Another way to fill vertical space is to have more than one elevation in your display. You can create different elevations by building a box or “riser” that sits across the back of any display table. It needs to be high enough that any product displayed on the riser can be removed from the display without damaging the product in front of it.
- Slope your display to make it look more impressive. By sloping the riser shelving (see Diagram 2), more of the products are visible.

Use contrasting colours to accentuate different products. Put red beside green, yellow beside dark green, etc. Make your produce really stand out by separating the green produce with radishes, beets, cauliflower, yellow

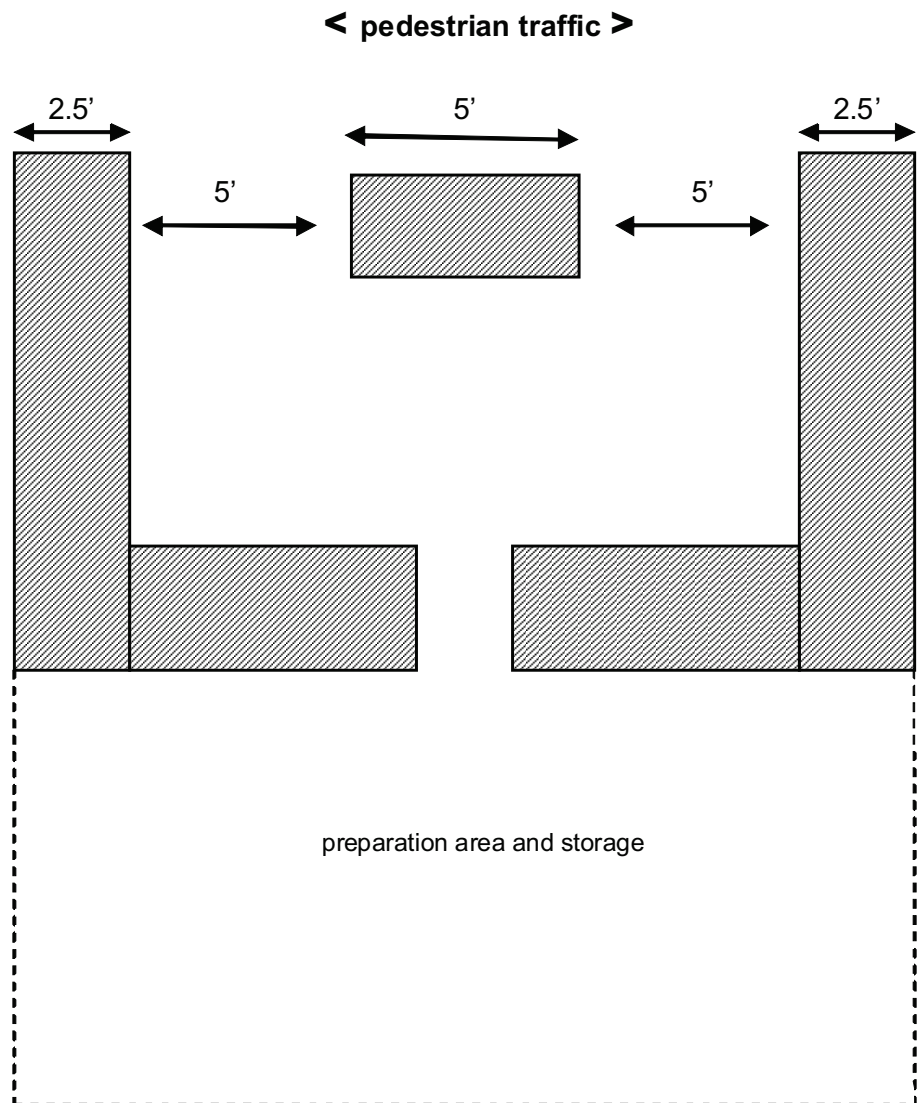


Diagram 1. This pattern shows the placement of retail display tables

beans, tomatoes, carrots, peppers, eggplant, etc.

Wilting or dehydration of fresh, leafy vegetables is a major concern at outdoor markets. Build displays under a canopy (see website list at the end of this document for a source). Canopies can be put up in a matter of minutes and will go a long way to reducing wilt. Alberta has relatively low humidity which will draw moisture out of shaded produce, causing it to wilt; wind can also dehydrate produce. Even though you harvested it yesterday, it could start to look old

in a short time if it is a hot, sunny, or windy day.

There are a couple of things you can do to keep your produce looking fresh.

- Set your displays up under a canopy. You can get different sizes and most are fairly easy to erect. Some operators have commented that 10 by 20 foot canopies are fairly cumbersome to erect, and they recommend using two 10 by 10 foot canopies.
- You can buy a small garden sprayer, and about every

30 minutes mist the produce with water. The water will increase the humidity around the produce which will slow down wilting. Misting will also cool the produce making it last longer.

- Bring a couple of insulated coolers to the market full of crushed ice for leafy produce items. Sprinkle a light covering of ice below each layer of produce as you build your

displays. Ice is better than misting because it will cool the produce more and, as the ice melts, the freezing water will prevent wilting for a longer period of time.

Caution - don't mist or use crushed ice on beans as it will cause them to rust.

Ambience

Create ambience and give your stall character and warmth. For example:

- Have an upright board where you post pictures of your family and your farm.
- If you are marketing preserves, bring a couple of hutches that can sit on a table to display several rows of jams and jellies.
- Grow cut flowers and use them to decorate your stall. They will not only look attractive, but they will draw people wanting to buy cut flowers to your stall. There are lots to choose from: gladiola, snapdragons, dahlias, zinnias, etc.
- Paint your display tables a flat (no gloss) darker colour like brown or hunter green. If you have white tables, consumers' eyes will be drawn to the table rather than the products on it.
- If you use a table cloth, ensure it is a dark colour with no pattern, which can be distracting.
- Add character to your displays by incorporating miniature bales of straw. Buy a few extra because people will want to purchase them for decorating their own homes.

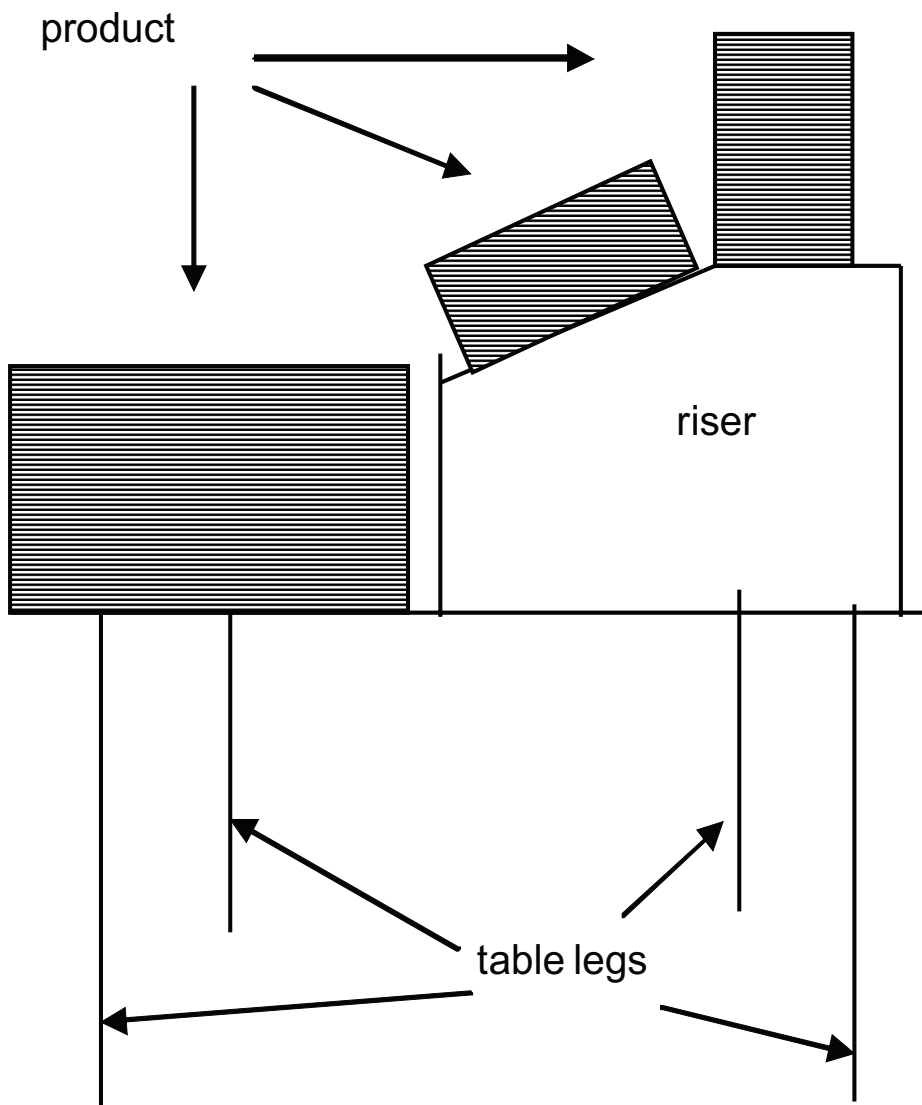


Diagram 2: Cross-section of a display table, showing how a riser creates three levels

Product Offerings

Be unique. Being the only source for something helps build a loyal customer base quickly at a farmers' market.

- If you grow strawberries, maybe plant a few Cabot (a very large fruited variety). Offer fall raspberries, or multi-coloured beets. Charge a premium for these, but also have traditional varieties as well.



cream” and that you taught them the differences.

Offer samples. There isn’t a better way to increase sales than offering samples; consumers are reluctant to buy something if they don’t know what it tastes like. It also draws attention to your displays if you have people coming to try a sample. Check with the health inspector for sampling requirements. Several farm marketers have reported sales increases of 400 per cent for some items when they offer samples! You only need to sample products that are different or unique. You will be amazed at the impact on sales.

Price cards are important as they tell your customers the price of all your products. Most shoppers at farmers’ markets want to know the price up front. Without price cards, customers assume your products are more expensive than the other

- If you sell salad items, consider offering edible flowers. You may not sell a lot, but it will add colour to your display and it will be unique.
- If you sell baked goods, make all the popular products as well as some that are unique and have great flavour, such as a strawberry-raspberry pie, a rhubarb-raspberry pie or a three-berry pie.

most knowledgeable corn grower to have all that variety. If you talk to them about the quality differences between varieties, they get to appreciate that all sweet corn isn’t “peaches and

Offer selection. If you sell carrots, offer several types and varieties such as baby carrots, Nantes, cylindrical types and a few novelty coloured (purple, white) carrots to get the consumer’s attention. If you plan to market peas, have regular garden peas, but also offer some sugar snap peas and snow peas. If you sell sweet corn, offer yellow, bicour and white varieties. Or offer both sugar enhanced (SE) and supersweet (sh2) varieties and let customers mix and match. They will think you must be the





vendors in the farmers' market. A 3 by 5 inch (75 mm x 125 mm) card is sufficient in size. Light tan coloured cards are less visible. Consumers should be drawn to your stall by the beautiful display and then clearly see the product price.

Product Returns

Have a generous return policy. Whenever you have an unsatisfied customer, make it right. The best policy is to replace the product with an apology, regardless of whether the product was faulty or the customer didn't handle it properly. The bottom line is, you don't want an unhappy customer telling their friends that they got a bad product and you wouldn't make it right.

Rule of thumb

Happy customers tell five of their friends when they get something they like, but unhappy customers tell 10 of their friends how they were "ripped off."

Promoting Your New Farmers' Market Enterprise

The most important factor is what you do in your stall at the farmers' market. The easiest customer you will ever attract is the one walking by. Some other great ways to get noticed were touched on before: ambience, great displays and cleanliness.

Have an attractive, professionally made sign hung in a prominent place identifying your farm name.

Develop a weekly newsletter. It can include:

- what products are available this week
- a couple of recipes preferably with your farm name in the body of the recipe (Smith Farms Strawberry Glazed Tarts)
- a few "food facts" about one or two of your products
- a picture of a member of the family performing some production activity

- a list of what products are coming next week

Keep it simple. Develop the newsletter template in the winter. Before the first seasonal market simply insert information for "what's available this week" and "what's coming soon," then print 50 – 100 copies. Be sure to put your farm name and logo on the newsletter.

Have a sign-up sheet at the market so you can collect names and email addresses. Send customers the newsletter each week before market day, which would not only tell them what to look for, but also remind them to come to the farmers' market. You can also remind your customers when the market is opening for the season.

Build a website describing your operation, products and where your products are sold. Be sure to put your website address on all your marketing material.

Give customers the opportunity to call in or e-mail an order that will be ready for pick up at the next farmers' market. This will ensure customers are getting some of your best quality strawberries without getting up early





to arrive at the market before the rush. Remember, these consumers trust you to put the very best in their bag. If you exceed their expectations, you may find more people ordering ahead.

Have all your staff wear identical t-shirts, preferably with the farm name and logo. Give each staff member two t-shirts so they always have a clean shirt for market. It is also a good policy to have staff wear a name tag.

TIP: T-shirt suppliers often charge a set-up fee of \$25 for each colour in a logo and require camera-ready art work of your logo. An additional \$75 set-up fee is charged to actually print the shirts, regardless of the size of the print run. Most apparel supply companies have websites listing their prices both with and without a logo.

Purchase bags in which to put customers' purchases. Plastic bags printed with your logo usually add about half a cent onto the price of a bag. Or consider purchasing cloth bags. As with t-shirts, suppliers charge set-up fees to put your logo on the bags.

Business cards are quite inexpensive (less than \$150 for the first 1,000 and much less for the next 1,000). If you are handy on a computer, you can buy sheets containing 10 empty business cards and simply print your own.

Become well known in the community where you sell. Volunteer at community events. Whenever possible, have your name displayed discreetly for everyone to see; people will notice. If they buy at the market, they are more likely to buy from someone who is helping their community.

Keep in mind that it takes time to build up a loyal clientele at the farmers' market, but with great displays and unique, quality products, you will in the end.

Liability Insurance

It is very important to have liability insurance coverage. Ask your insurance agent about rates they can offer. Contact the Alberta Farmers' Market Association (AFMA) by phone at 1-866-754-2362 or e-mail info@albertamarkets.com for other options. AFMA members are eligible to apply for insurance through their group policy.

Details are available from the Alberta Farmers' Market Association website. Go to www.albertamarkets.com/ and click on the "members" tab.

Budgeting & Security

Unfortunately, some farmers selling directly to consumers have experienced theft from employees.



One police study says that 50 per cent of employees will steal, if given the chance.

If you are using aprons to collect cash from consumers, you need a tracking system for your sales. Tracking is even more important if you stay at the farm and send employees to sell at the farmers' market.

The easiest system requires you to take an inventory when you load the truck going to market and take an inventory again when you unload at the end of the market day. If you



delegate this job to a non-family member, you leave yourself open to theft because they can fail to record some of the products they loaded onto the truck. You may think taking inventory is a lot of work, but once you get onto it, you will find it has great benefits:

- By taking beginning and ending inventory, you get a better handle on what to pack for the next week, as well as next year on the same week, because you have a record of what was sold, week by week.
- You can also calculate the wholesale value of the different products you take to the farmers' market and track your gross profit. If you have a handle on your expenses going to market, you can also calculate your net profit (before taxes).
- By plugging in the retail value of everything that was sold, you can calculate what your gross profit should be. And once you have that number, you will know if someone is stealing from you. The "Tracking Cash Sales" section will explain this process

Determining Your Retail Prices

It is important that you are involved in setting the retail price of all products based on discussions with everyone involved in selling at the market. To do this, you need to know the following:

- what inventory was sold at the market

Rule of thumb:

Track your harvest labour by commodity. For example, let's say on average your employees pick five baskets of green beans per hour. If you are paying \$10 per hour, each basket of green beans costs you \$2 to pick. Some farmers figure that harvest labour should be one third of your retail price, so if labour is one third, then retail must be \$2 divided by 0.33 or \$6. This rule of thumb says that of the retail price, one third is cost of production, one third is labour and one third is profit.

- at what price each product was sold

Adjusting prices once at the market can still be done. Either give your staff the authority to adjust prices based on what other vendors are charging or insist they contact you to discuss price adjustments.

This "Decision Making Tool" does not calculate your costs of production on the different crops you choose to grow. It is recommended that you track your costs of production so you know what retail price will give you sufficient profit for your family's work.

Other farmers believe that half of the retail price should be profit. In that case, labour is 25 per cent, cost of production is 25 per cent, and profit is 50 per cent. So, if it costs you \$2 to harvest those beans, then you would multiply \$2 by four, which would give you a price of \$8. As such, if you want a profit margin of 50 per cent for your beans, then your retail price would be \$8.

You also have to take into account what your competition at the farmers' market is charging for those same beans. You need to stay competitive on "commodities," those items that several farms are selling at the same farmers' market. If your prices are out of line without your beans being somehow unique, yours will not sell.

If it is costing you one half of the retail price just to harvest a product, and the other half is cost of production, leaving no profit, you may want to reconsider offering that product the next year.



Tracking Cash Sales

The following spreadsheet was designed by Bob Allison, a farmers' market vendor from Ontario, using a Microsoft Excel spreadsheet. If you don't have access to a computer, you can fill this template out by hand. Regardless, a copy of the spreadsheet should be completed for each truckload that goes to market.

In the example below, Excel was set up to do the calculations for Columns G, I and J.

Explanation of the Spreadsheet

- Note that in column E, third row down, there is $B-(C+D)$. This is to show you how column E was calculated. Take the total number of flats of strawberries (24) in column B and subtract the sum of the number of bad (column C) and returned to the farm unsold (column D) flats. Once you know how many units were bad or returned unsold, you can assume that the rest were sold. Column E contains formulas and is calculated automatically.



- In column F, the wholesale price/unit for strawberries that week was \$9 per flat. The wholesale price/unit is what you would expect to get for the strawberries if you had sold them to the local grocery store rather than going to the farmers' market.
- The cost of goods sold (C.O.G.S.) in column G is simply the total wholesale value of the 20 cases of strawberries. To make that calculation, multiply column E by column F.
- In column H, record the retail \$ (price)/unit for strawberries that week at the market. Since all the calculations have to be in the same unit (i.e. flats), take the retail price for a quart of strawberries and multiply it by 6, because there are six quarts in a flat. If strawberries sell for \$3 a quart, the flat would be worth \$18 ($\3×6 quarts).
- Column I contains formulas and is calculated automatically. If doing the calculations manually, multiply the number of strawberry flats sold, (column E shows 20 flats were sold) \times the Retail \$/Unit, (column H), which totals \$360.00.

- Column J contains formulas and is calculated automatically. If calculating manually, subtract the C.O.G.S. (total wholesale value) in column G from the expected gross sales in strawberries, (column I) to give you your gross profit of \$180 ($\$360.00 - \180.00)

How the Spreadsheet Works:

Each column is identified with a letter A through J

- A - A listing of the items taken to market, ie, first item is flats of strawberries
- B - You took 24 flats of strawberries, (6 quarts per flat).
- C - By the end of market day, you threw away three quarts of strawberries, which equals half of a flat
- D - When you unloaded the truck back at the farm, there were three and a half flats left unsold
- E - This means you must have sold 20 flats of strawberries
- F - The wholesale price for a flat of strawberries is \$9
- G - Total wholesale value (cost of goods sold) of the 20 flats of strawberries that were sold is \$180 (column E \times column F)
- H - The retail value of each flat is \$18 ($\$3/\text{quart} \times 6$ quarts/flat)
- I - Expected gross sales of the 20 flats sold is \$360 (20 \times \$18)
- J - Your gross profit on the 20 flats you sold is \$180 ($\$360 - \180)

Sample Spreadsheet Using Microsoft Excel

A	B	C	D	E	F	G	H	I	J
Date:									
Item	# Taken to F. Mkt.	# Bad	# Returned to Farm	# Sold At Mkt. B-(C+D)	Wholesale Price/Unit (Unit =flat, bag, master, box)	C.O.G.S. Wholesale Value E x F	Retail \$ per Unit (flat, box, etc)	Expected Gross Sales E x H	Gross Profit I - G
Strawberries (6 qts/flat.)	24	0.5	3.5	20	\$9.00	\$180.00	\$18.00	\$360.00	\$180.00
Sweet corn (5 doz./bag)	15	0.5	1	13.5	\$10.00	\$135.00	\$20.00	\$270.00	\$135.00
Pickling Cucs (6, 3 litres/master)	6	0.25	0.5	5.25	\$8.00	\$42.00	\$15.00	\$78.75	\$36.75
Beans-Green (6, 3 litre/master)	10	0.75	0	9.25	\$7.00	\$64.75	\$15.00	\$138.75	\$74.00
Cauliflower (12 head/box)	5	0.25	0.5	4.25	\$6.00	\$25.50	\$12.00	\$51.00	\$25.50
Totals	60	2.25	5.5	52.25		\$447.25		\$898.50	\$451.25
Expected Gross Sales (I)	\$898.50								
C.O.G.S. (G)	\$447.25								
Gross Profit (J)	\$451.25								
Gross Margin (Gross Profit / Gross Sales)	50.2%								

This spreadsheet was designed by Bob Allison, an Ontario farmers' market vendor.

The sample spreadsheet was designed using Microsoft Excel. If you don't have access to a computer, you can fill this template out by hand. Regardless, a copy of the spreadsheet should be completed for each truckload that goes to market.

The cells appearing in green in this template contain formulas and calculate automatically. In the sample spreadsheet, Excel was set up to do the calculations for columns G, I and J.

The total for column I is \$898.50, indicating how much money came home from the farmers' market, including the float. Assuming you took \$50 in change, your farmers' market sales should total \$948.50 (\$898.50 - \$50.00). If it isn't that total, you need to ask a few questions. Did:

- staff lower the price on any items to boost sales?
- someone miscount the inventory loaded onto the truck?
- staff replace a product purchased the previous week at no cost following a customer complaint?
- some products get stolen?
- a staff member pocket some money?

If you can't establish a realistic wholesale price/unit, you won't be able to calculate your gross profit (column J) or gross margin. If you fill in the inventory columns (columns B, C, D) and column H, retail price per unit, you will still be able to calculate what your expected gross sales should be and compare the total expected gross sales at the bottom of column I to the total cash that came back from the market. Using this process will identify a theft problem.

The bottom line is that if you don't take an inventory of what went to the farmers' market and what is returned after the market, you won't know if you have a theft problem.

Helpful Websites and Books

The information contained in the following section is intended to start your search on these topic areas and is not all-inclusive.

Books and Magazines

The New Farmers' Market: Farm Fresh Ideas for Producers, Managers & Communities. By Corum, V., Gibson, E. & Rosenzweig, M. 2001. Publisher — New World Publishing.

Sell What You Sow! The Grower's Guide to Successful Produce Marketing. By Gibson, Eric, 1994. Publisher — New World Publishing.

Dynamic Farmers' Marketing: A Guide to Successfully Selling Your Farmers' Market Products. By Ishee, Jeff, 1997. Publisher — Bittersweet Farmstead.

Sharing the Harvest: How to Build Farmers' Markets and How Farmers' Markets Build Community. By Colihan, Mary Ann and Chorney, Robert, 2004. Publisher — Epic Press.

Growing For Market is a monthly magazine published in Lawrence Kansas. Their website also sells books on marketing and organic farming <http://www.growingformarket.com/>

Websites

Alberta Agriculture and Rural Development (ARD):

- Alberta Approved Farmers' Markets interactive map shows all the approved farmers' markets in Alberta. To go to the resources section of the website, click on Learn More About Alberta Approved Farmers' Markets at the bottom of the map. The resources section contains information on the Alberta Approved Farmers' Market program as well as resources targeting managers. www.sunnygirl.ca
- The Explore Local website contains information on farm direct marketing, farmers' markets, selling to restaurants, food safety, etc. that may be of value to farmers' market vendors. www.explorelocal.ca

Alberta Farmers' Market Association: <http://www.albertamarkets.com/>

Innisfail Growers – five farm families who co-operatively market their products at 23 farmers' markets in central Alberta: <http://www.innisfailgrowers.com/index.htm>

Information on selling at a farmers' market, University of New Hampshire: <http://extension.unh.edu/pubs/AgPubs/slfrmt.pdf>

Production Information Sources

For small fruit production information and vegetable factsheets, go to www.agriculture.alberta.ca, click on Information and choose desired category

NCAT Sustainable Agriculture Project — U.S. site with a wealth of information on small scale organic production of horticultural crops, field crops and livestock: <http://www.attra.org/>

Market Gardening — A Start-up Guide: <http://attra.ncat.org/attra-pub/summaries/marketgardening.html>

Keys to Success in Value Added Agriculture for a farm wishing to diversify: <http://attra.ncat.org/attra-pub/keystosuccess.html>

Commercial vegetable production guides, Oregon State University: <http://hort-devel-nwrec.hort.oregonstate.edu/vegindex.html>

Vegetable varieties for market gardeners, Oregon State University. Note the four climatic zones at the bottom of the webpage. Variety selection is based on these growing regions: <http://hort-devel-nwrec.hort.oregonstate.edu/gardenlist.html>

Project Green Leaf — Information on farmers' markets from the University of North Carolina: http://greenleaf.uncg.edu/farmermarkets_farmers.html

West Virginia Small Farm Center http://smallfarmcenter.ext.wvu/farmers_markets

Regulations, Guidelines and Safety

Farm Direct Sales – Know the Regulations: [http://www1.agric.gov.ab.ca/\\$Department/deptdocs.nsf/all/agdex3485](http://www1.agric.gov.ab.ca/$Department/deptdocs.nsf/all/agdex3485)

Alberta Approved Farmers' Market Program Guidelines outline the framework under which farmers' markets are formed and operated: [http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/apa2577](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/apa2577)



Marketing Food Safety: [http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/explore13314](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/explore13314)

Food Safety: from farm to fork postcards. Request from explorelocal@gov.ab.ca

Hand washing information: <http://www.health.alberta.ca/health-info/clean-your-hands.html>

Hand washing poster: <http://www.health.alberta.ca/health-info/influenza.html>. Scroll down the page and in the Influenza Posters box choose Hand Washing Sign — Do Bugs Need Drugs.

Hand washing stations are for sale from:

Rama Plastics, Orillia ON: <http://www.ramaplastics.ca/>

Quadel Industries, Oregon USA: <http://www.quadel.net/index.html>

All Safety Products, Lakewood CA: <http://www.allsafetyproducts.com/site/323655/page/875173>

Be sure to check with your public health inspector prior to purchasing a hand washing station for your farmers' market stall to ensure you are meeting Alberta Health Services requirements.

Nutrition and Health

Guidelines for preserving many fruits and vegetables, West Virginia University: http://www.wvu.edu/~exten/infores/pubs/nut_hlth.htm

Pickyourn.org is a website that helps you to find pick-your-own farms around North America including Alberta. But the site also has very detailed instructions with pictures on

how to preserve almost anything. If you are interested in value added products, this may be a useful site: <http://www.pickyourn.org/index.htm>

Suppliers

Canopies

Impact Instant Canopy — sells canopies for farmers' markets: <http://www.impactcanopy.com/index.asp>

Bags

Alberta plastic bag suppliers: <http://www.alberta.servpro.ca/listcomph/31110/Bags-Plastic.html>

Classic Packaging — cloth bag supplier with an Alberta office: <http://www.classicpkg.com/>

Dunwoody Booth Packaging Mississauga, ON — bio-degradable plastic: http://dunwoodybooth.com/canada/outer.php?UserID=2a6dae2a3461ef01231e0201704f1bcf&page=product&product_type_id=742

Freedom Plastic Bags, Grand Forks ND: http://www.freedomplasticbags.com/sizes_prices.htm

Cash Aprons

Fox Fabrique: <http://www.foxfabrique.com/aprons.html>

Apron Store: <http://apronstore.com/waistaprons.htm>

Display Cases

Crown Food Equipment, Lethbridge and Calgary, carry new and used refrigerated display cases: <http://www.crownfoodequipment.com/>

Miscellaneous

Titan hand wrap, a clear saran wrap-like material to wrap around rolling carts or skids of products to secure the items from shifting on the shelves or skids. Most common thickness is 16.5 mm. Sold in cases of four 1500 foot rolls at \$55 per case: <http://www.arcticpackaging.com/OldWeb/catalog/stretchwrap/index.html>

www.shipperssupply.com — An Alberta supplier of boxes, shrink wrap, labels, packing tape and more. All products are listed in an on-line catalogue

Helpful Organizations

Joining an organization will expose you to new ideas that may be helpful to your business.

Alberta Farmers' Market Association: <http://www.albertamarkets.com/>

Alberta Farm Fresh Producers Association: <http://www.albertafarmfresh.com/>

North American Farmers' Direct Marketing Association: <http://www.nafdma.com/>

Now that you have the background information, proceed to the on-line calculator and fill it in to create your own budget for attending a farmers' market.

The mentioning of certain companies or websites in this publication does not constitute an endorsement or suggest that they are in any way superior to others.