

Broome County Regional Farmers' Market Feasibility Study



Prepared for:
Broome County Department of Planning & Economic Development
Broome County, New York

August 11, 2009

Table of Contents

Introduction.....	3
Study methodology	3
Feasibility considerations.....	4
Goals	4
Comparable Farmers’ Markets	5
Success factors	9
Key Informant Interviews	11
Site Analysis	13
Otsiningo Park	14
Brandywine DOT Site.....	17
Customer Demand Analysis	19
Trade areas	19
Trade area 1: 0.5 mile ring.....	21
Trade area 2: Area between 0.5 mile ring and 5 mile ring	23
Trade area 3: Area between 5 mile radius and 25 mile radius.....	24
Tourists	25
Sales potential	25
Farmers’ market patronage	27
Demand analysis conclusions	27
Supply Analysis	29
Farming in the Southern Tier.....	29
Direct marketing	32
Farmers’ markets	34
Farmer focus groups	35
Development concepts	40
Brandywine Site.....	40
Otsiningo Park	42
Site recommendation	45

Organization.....	47
Organizational roles	47
Organizational recommendations	47
Operations	48
Programming.....	49
Financial Analysis.....	51
Operations pro forma	51
Income.....	51
Expenses	53
Profit/loss statement.....	54
Development estimate.....	54
Conclusion	56
Feasibility assessment.....	56
Next steps.....	56
Appendix A. Key Informant Interviews	58
Appendix B: Sales Analysis.....	59
Appendix C: Farmer Focus Group Participant Survey	60
Appendix D. Comparable Markets	66
Ithaca Farmers’ Market.....	66
Findlay Market, Cincinnati, Ohio	67
Trenton (NJ) Farmers’ Market.....	68
Flint (Michigan) Farmers’ Market.....	69

Introduction

In February 2009, Broome County Department of Planning and Economic Development (“the Department”) retained Market Ventures, Inc. (“MVI”) to develop a concept plan and explore the feasibility of creating a Regional Farmers’ Market in Broome County, New York. MVI’s scope of services included market research of supply and demand, competitive analysis, research into comparable facilities around the country, site selection and design description, recommendation of a management structure, and financial analysis. This report describes the study tasks and summarizes the findings and conclusions.

The idea for creating a Regional Farmers’ Market (“RFM”) in Broome County follows local officials’ observation of the proliferation and success of outdoor farmers’ markets throughout the Southern Tier, as well as similar markets around the country. These farmers’ markets have proven to benefit both the region’s farmers and the communities where the markets are located. Binghamton, the largest city in the Southern Tier and endowed with a robust highway network, provides a likely home for a Regional Farmers’ Market and no similar facility exists in the region.

This study was prepared by Ted Spitzer, President, Market Ventures, Inc. Hugh Boyd, FAIA, Senior Associate, prepared the design sketches. MVI is a specialty urban planning and economic development firm that assists public, non-profit, and for-profit clients with planning, creating, and managing innovative food-based projects and programs, including public markets and farmers’ markets. The firm’s approach and experience can be found at www.marketventuresinc.com.

Rita Petkash, the Department’s Commissioner, and Gail Domin, Economic Development Planner, provided oversight and guidance to the study.

Study methodology

MVI employed a range of methodologies for this study, including:

- Report review. The Department provided MVI with several reports, including the “Broome County Agricultural Economic Development Plan” (Shepstone Management Company), “Summary Report and Analysis 2002 Census of Agriculture, Southern Tier East” (Southern Tier East Regional Planning Development Board), and various guides and reports prepared by Cornell Cooperative Extension.
- Key informant interviews. MVI interviewed 29 key informants, including public officials, farmers and farmers’ market managers, representatives from agricultural organizations, food distributors, and consumers. A list of those interviewed can be found in Appendix A.
- Data analysis. After determining consumer trade areas, MVI analyzed consumer data from a national demographic firm for the demand analysis and utilized data from the USDA Census of Agriculture for the supply analysis.
- Farmer focus groups. MVI designed and led focus groups of farmers from Broome and adjacent counties.

- Site inspections. MVI inspected sites that were identified by the Department and others as potential locations for the Regional Farmers' Market.
- Competition review. MVI visited food stores in and around Binghamton and observed operation of the Downtown Binghamton Farmers' Market.

Feasibility considerations

Based on its study of comparable markets (described below), MVI identified five key criteria that appear to determine success. MVI then applied these five criteria when making the determination about the feasibility of a Regional Farmers' Market in Broome County: location, environment, culture of market shopping, management, and vendors.

MVI also considered the question of economic feasibility. In most communities, the initial costs of developing a public market, including land, are paid by public or philanthropic funds, with the assumption that the public market will not carry debt service. The test of economic feasibility therefore is whether the market can reasonably be expected to operate without subsidy following a start-up period, typically chosen to be three years. The public benefits of the market, including community revitalization, small business development, support of local agriculture, access to fresh foods, and job generation, are usually seen as the "return" for the public or philanthropic investment. To be economically feasible, therefore, market tenants must be able to operate profitably and pay rents that will cover all of the market's cost of operations, including a cushion to pay for future capital maintenance needs.

Goals

Farmers' markets, like all public markets, are mission-driven entities which seek to fulfill social and economic goals. The following goals are recommended to drive the planning, development, and operation of the proposed Regional Farmers' Market.

1. To provide opportunities for farmers, food producers and local artisans from throughout the Southern Tier Region to sell directly to the public;
2. To serve the needs of consumers to learn about and buy fresh, locally grown and produced products;
3. To create a vibrant destination and gathering space that welcomes all members of the community and celebrates the region's food traditions;
4. To operate in a financially sound manner without ongoing public subsidy.

These goals helped guide the planning process and should drive the Market's development and operating phases.

Comparable Farmers' Markets

Regional farmers' markets generally differ from conventional farmers' markets by virtue of several key characteristics. These characteristics typically include:

Characteristic	Conventional farmers' market	Regional farmers' market
Number of vendors	Small/medium (3-25)	Medium/large (>20, up to several hundred)
Types of vendors	Predominately farmers selling produce and flowers/plants, some other fresh foods, limited prepared foods	Predominately farmers selling fresh food and flowers/plants but also prepared food, crafts, distributors
Types of buyers	Retail with occasional wholesale; local residents and workers	Retail and wholesale, institutions; regional residents; tourists
Location	Downtown; within park, street or plaza	Visible and accessible from highway
Site control	Temporary, borrowed	Permanent, owned
Facility/Infrastructure	Open air	Structures (awnings, structures, permanent buildings with electricity and water); storage and distribution; food processing; amenities such as bathrooms
Operating schedule	Seasonal, 1-2 days per week	Extended season or year round, 3-7 days per week

These characteristics of regional farmers' markets were utilized in developing the concept, site and facility criteria for the Broome County Regional Farmers' Market.

MVI identified regional farmers' markets in similarly-sized cities around the country and collected information about their history, ownership, location, organization, development financing, tenant mix, sales (where available), lease structures, and rents. Population figures for each city come from the U.S. Census Bureau's Metropolitan Statistical Area (MSA) definition. According to the U.S. Census, the 2007 population for the Binghamton MSA was 246,426. Therefore, the Binghamton region is approximately in the middle of the cities above.

Every public market is different and these examples represent a range of sizes, forms, and functions. The following markets, listed by order of population, were identified as comparable:

Farmers' Market	Population (MSA)	Year opened	Ownership & sponsoring organization
Ithaca Farmers' Market	101,055	1973	Market cooperative (est. 1983) on leased city land
Western NC Farmers' Market, Asheville	191,722	1977	North Carolina Department of Agriculture
Capitol Market, Charleston WV	303,950	1997	Non profit, 501(c)3 organization
Central NY Regional Market, Syracuse	645,293	1938	Central New York Regional Market Authority
SC State Farmers' Market, Columbia	716,030	1952; New facility to open 2010	South Carolina Department of Agriculture
West Allis Farmers' Market, Wisconsin (Milwaukee MSA)	59,763 Town; 1,544,398 MSA	1919	City of West Allis

Many of the country's successful regional farmers' markets have deep historical roots and long market traditions. This is true of the Central New York Regional Market in Syracuse, which opened in 1938 and recently received a major upgrade. Some of the farmers who were interviewed said that they sell at the Syracuse market. The Ithaca Farmers' Market, which was referred to as the premier farmers' market in the region, has been in operation for over 35 years.

Information about the markets' location, development financing, and tenant mix are summarized below:

Farmers' Market	Location	Development financing	Tenant mix
Ithaca Farmers' Market	Steamboat Landing on Saturday, Sunday; Dewitt Park (downtown Ithaca) on Tuesday and Thursday		125 vendors - fresh food, specialty food, wine, prepared food, juried crafts - all produced within 30 miles of Ithaca
Western NC Farmers' Market, Asheville	Highway I-40 outside downtown Asheville	State and federal appropriations	Produce, specialty foods, garden center, crafts, restaurants; wholesale produce
Capitol Market, Charleston WV	Capitol Street, downtown Charleston		9 indoor vendors (produce, coffee, seafood, books, meat, wine & cheese, specialty food, restaurant); outdoor farmers' market
Central NY Regional Market, Syracuse	54 acres; highway outside of Syracuse	NY State appropriation	Fresh produce, bakery, wine, dairy, meat; diner; Sunday Flea Market
SC State Farmers' Market, Columbia	31 acres; Suburban area east of Columbia; 1.5 miles from I-77	State and federal appropriations	Retail farmers' market; wholesale produce distributors, food processors; 3 restaurants
West Allis Farmers' Market, Wisconsin (Milwaukee MSA)	36 acres; center of town		Retail farmers' market; prepared food and crafts on periphery

MVI also collected information about farmers' markets in and around Binghamton in order to understand locations, operating schedules, tenant mix, and rental rates. The following is a summary of the information:

Farmers' Market	Location	Days/hours	Tenant mix	Rents & lease structures
Downtown Binghamton Farmers' Market	Court House Square, Binghamton	Tuesday and Friday, 9-2 (mid-June through October)	13 vendors - 7 produce	\$180/year (36 dates/year, so \$5/day)
Otsiningo Park Farmers' Market	Otsiningo Park, Broome County	Saturday 9-1 (May through October)	25 vendors - fruit & vege, meat/poultry, alpaca products, baked goods, coffee	\$208/year (27 dates/year, so \$7.70/day)
Vestal Farmers' Market	Vestal library parking lot	Wednesday and Saturday, 9-1 (May through October)	22 vendors - 19-20 fruit, vegetable & flowers, 1 baker, 1 maple syrup, 1 granola	\$75/year (40 days/year, so \$1.88/day)
Ithaca Farmers' Market	Steamboat Landing on Saturday, Sunday; Dewitt Park (dt Ithaca) on Tuesday, Thursday	Saturday 9-3, Sunday 10-3, Tuesday 9-2; Thursday 4-8	125 vendors - fresh food, specialty food, wine, prepared food, juried crafts - all produced within 30 miles of Ithaca	\$100 application fee; \$25/day Saturday; \$15/day Sunday; 5-20 hour work requirement
Central NY Regional Market, Syracuse	Close to I-81 outside of Syracuse	Tuesday 4-8, Thursday 10-5, Saturday 7-2	Fresh produce, bakery, wine, dairy, meat; diner; Sunday Flea Market	\$25-\$35/day

The three local farmers' markets (Downtown Binghamton, Ostiningo Park, and Vestal) have low rental rates: Otsiningo Park is about \$8 per day while Vestal is less than \$2 per day. The rates are significantly higher in Ithaca and Syracuse. None of the farmers' markets in Broome County begin before May or end after October and none have permanent facilities, access for farmers to electricity, or amenities such as restrooms.

Success factors

Based on its research of comparable farmers' markets, MVI identified the following five critical factors that help explain a market's long term success:

1. Great site. Like all retail, location is a critical factor. While not every successful farmers' market might have the following site characteristics, a great market site is:

- Easily accessible to the entire region and to tourists (physically and psychologically)
- Visible from highways or major thoroughfares
- Has easy circulation around and through the site
- Provides pedestrian access and generally is in close proximity to downtown
- Has sufficient free, at-grade parking
- Offers a supportive context of other compatible uses

2. Environment. Public market architecture includes both the building environment and the design and layout of each tenant space. Historically, many cities perceived their public markets as important works of civic architecture and therefore these public markets are impressive and beautiful structures. A great public market environment is:

- A place people want to be and a comfortable public space that welcomes all elements of the community
- A landmark structure
- A facility with well designed stalls and infrastructure that supports small food retailers
- A place that offers a rich sensory experience of sights, sounds, smells, and tastes.
- A facility that offers customer amenities such as comfortable seating areas and clean restrooms

3. Culture of public market shopping. Communities throughout the country are awakening to the benefits of buying locally grown foods. Some communities have developed a culture of public market shopping, with residents going out of their way to purchase locally grown food and willing to make it a spending priority.

4. Professional management. Well run public markets require skilled professional managers who focus on helping the market achieve its mission, supporting the vendors, and ensuring customers have a positive shopping experience. Some of the critical roles that management plays include:

- Property management (including cleaning, security, maintenance, and rules enforcement)
- Customer service

- Vendor recruitment
- Small business assistance and vendor training
- Marketing (including advertising, special events/promotions, public relations, education, Internet, and consumer research)

5. High quality vendors. The most important determinant of a public market's long term success is the quality of its vendors. Once the developer of a public market has "set the stage" for the public market in terms of its site, facility and management team, it is the vendors who become "the show." Their ability to offer high quality and unique products, as well as superior services, will determine whether a sufficient customer base is established over time. The presence of bona fide farmers and food producers within a farmers' market, selling their own products, differentiates the experience of shopping at a farmers' market with other retail venues.

Key Informant Interviews

MVI worked with the Department to identify a range of key informants who could provide input into the Regional Farmers' Market concept. These key informants included farmers, farmers' market managers, public officials, nonprofits, Cooperative Extension agents, and local citizens. A list of all key informants is found in Appendix A.

Findings and conclusions from the key informant interviews include:

- Enthusiasm for Regional Farmers' Market idea. Every person interviewed expressed enthusiasm for the Regional Farmers' Market in Broome County and felt that it could be successful.
- Make expandable/phased development. A number of people interviewed felt that the development of the facility should be phased over time in order to reach the potential of participating farmers. There was concern that there may not be enough farmers at present who would utilize the facility but, over time, many would be interested in selling there.
- Farmers' markets in the region. When discussing farmers' markets in the region, informants said that, in general, they are on an upswing in popularity and success. In particular, some noted that the Otsiningo Park Farmers' Market was quite successful in its first year of operation. Informants also noted that there is limited management and marketing at most of the area's farmers' markets, with a number of them managed by participating farmers.
- Winter markets. Key informants noted the recent popularity of winter markets around New York, even those that take place only once per month.
- There are many farmers' markets in the region so the proposed Regional Market must be different. Some interviewees noted that Broome and surrounding counties have many farmers' markets and therefore the Regional Farmers' Market needs to incorporate some key characteristics to differentiate it from the other markets. These points of differentiation might include any or all of the following:
 - Scale
 - Structure
 - Mix of uses
 - Amenities and infrastructure
 - Marketing
 - Education
- Concern about how a Regional Farmers' Market might harm other markets. A number of informants expressed concern that a new Regional Farmers' Market might negatively impact existing farmers' markets. The informants were pleased when they were told that the purpose of the new development is to help the region's farmers and not hurt existing markets. The key informants discussed ways to help the area's existing markets, such as marketing all the region's farmers' markets or shared management functions, such as farm inspections.

- Need to create a regional agricultural identity for Southern Tier. Some of the key informants mentioned that the Catskills and Finger Lakes are farther along in their agricultural branding and that the Southern Tier has work to do to create a regional local foods brand identity [it should be noted that Speidies were invented here and are not made elsewhere]. They felt the Regional Farmers' Market could play an important role in helping to develop this regional food identity.
- New market management group. A key informant described an effort underway by some farmers to create a management organization that could run a number of the region's farmers' markets, starting with the Otsiningo Park Farmers' Market.
- Processing and distribution. The interviews included discussion of the opportunities and challenges for integrating food processing and distribution as part of the Regional Farmers' Market. Some of the key informants expressed enthusiasm for this idea, mentioning that area food producers rent commercial kitchens in Poughkeepsie or Scranton because no similar facilities are available in the Binghamton area. The informants also noted that food processing and distribution would take advantage of Binghamton's good geographic positioning and excellent highway network.
- Consumer draw. Informants noted that Binghamton draws consumers from a large geographic area because it is the only city in a fairly big region. It is common for area residents to drive an hour or more to shop at the malls in the Binghamton area. However, the informants noted that not everyone is comfortable with Binghamton and not familiar with the city. As one informant put it, "I'm always confused when in Binghamton."

Site Analysis

Securing a good site for the Regional Farmers' Market is a key element of creating a successful project. MVI identified the following site criteria to guide the site identification processes:

- Visibility from a highway or major thoroughfare
- Easy access to and around the site
- Adequate size to accommodate a regional facility and parking
- Ability to scale up or expand the facility over time
- Supportive adjacent uses and environment
- Ease of acquisition or site control
- Low cost

MVI worked with the Department of Planning and Economic Development to identify sites in and around Binghamton that might be suitable for the Regional Farmers' Market. During the initial interviews, key informants were asked to provide their ideas of potential sites. The sites identified included:

1. Otsiningo Park
2. Former DOT Maintenance Facility on Frederick Street: "the Brandywine site"
3. 33 W State Street: Binghamton Plaza
4. 375 State Street: Serafini Transportation/Trolley Barn
5. 301-312 Water Street: Derby Knitting
6. 320-328 Water Street: Emerson
7. 17 E. Clinton Street: Ray's Auto
8. Henry Street: Binghamton Mets Stadium parking lots
9. N. Shore Drive & Washington Street: Cloverleaf
10. 412 Chenango Street
11. Former Lackawanna Train Station
12. C. Fred Johnson Park, Johnson City
13. Grippen Park, Endicott

Based on the site criteria and after visiting each of the sites, MVI and the Department agreed that the two highest potential sites for the Regional Farmers' Market were (1) Otsiningo Park and (2) the NYS DOT maintenance facility on Frederick Street. For purposes of this study, the DOT site was called "the Brandywine site" because of its location near the Brandywine Highway/Route 7. NYS DOT recently moved its maintenance functions and the Brandywine site

became surplus property; there have been discussions about transferring site ownership to Broome County. It is possible that both sites could be county-controlled properties and therefore the project would not be encumbered with an acquisition problem.

The following aerial map shows the location of these two sites and their proximity to highways:



The Otsiningo Park and Brandywine sites are very different: the first is an active public park with walking trails and ball fields along the picturesque Chenango River, the second is a built-up maintenance yard within an industrial neighborhood along a railroad corridor. MVI developed initial concepts for each of the two sites that reflect their different qualities and which could be tested and refined throughout the study process.

Otsiningo Park

Otsiningo Park is a county-operated park located in the Town of Dickinson, just north of Binghamton and adjacent to I-81. The area was originally a rest stop for I-81. The park was created when the New York State Department of Transportation relocated the Chenango River for construction of the interstate. Broome County state leases the land from the state and

converted the former rest stop into the most heavily used park in the county. The current lease terminates in 2014 and Broome County expects to renew it.

Otsiningo Park, which contains approximately 150 acres, is the most used park in the county. Over the past five years, attendance has been estimated at 1.2 to 1.6 million visits per year. The park is the site for the very popular Spiedie Fest, which takes place in mid-summer.

The Otsiningo Park Farmers' Market began operation within the park in 2008 and has expanded the number of vendors in 2009. The farmers' market takes place in a parking lot on the main park loop road near the center of the park. The market is accessible to bus riders because a Broome County bus enters the park during market operating hours.

The success of this farmers' market reinforces the potential of this location for the Regional Farmers' Market. While this farmers' market has undoubtedly added visitors to the park, MVI was not made aware of any complaints from other park users due to increased traffic or other concerns.

MVI identified the northwest corner of the park for the RFM, adjacent to the existing public bathrooms and community gardens. This section has the park's highest elevation and is one of the few areas located outside of the 100 year flood plain. This area is likely the least used section of the park because it is off the main park loop road. Since the site is adjacent to I-81, it is highly visible from the highway. The photographs below show proximity to the highway across the community garden and the existing structure with bathrooms and storage.



Based on its site characteristics, MVI identified the following elements of an initial concept for Otsiningo Park that could be tested and refined during the study:

- New free standing one story structure with water, electricity, and potentially heated
- Additional outdoor space for an open-air farmers' market
- Utilize existing bathrooms and parking
- Juried crafts and prepared foods
- Restaurant/retail store attached
- Special events, such as weddings, parties, and festivals
- Education facilities for chef demos, classes, and gardening

The principal challenges to this site include:

1. As the property owner, the state must allow the market facility to be constructed within the park.
2. Access to the site requires travel through the park, which could increase traffic.
3. The area was formerly a pauper's cemetery and a plaque there says that human bones were found in the area. Therefore construction at the site will require State Environmental Quality Review Act (SEQRA) review.
4. There might be concern among some users about using parkland for commercial purposes.

Brandywine DOT Site

The Brandywine DOT site is located at the corner of Frederick and Montgomery Streets, two blocks to the east of the Brandywine Highway/Route 7. The site can be seen from I-81/Route 17, which is elevated in this corridor; rooftop signs would be effective for reaching passing motorists. Principal access to the site comes from the Brandywine at Frederick Street, although southbound traffic on the Brandywine cannot turn left onto Frederick.

Since the site was used most recently as a truck maintenance yard, there is likely some environmental contamination. Initial environmental studies provided to the county show this contamination to be minimal.

The Brandywine site includes several buildings that can be adaptively reused for retail, small scale manufacturing, storage and/or distribution (an aerial photograph shows the site on the next page). As the photos to the right show, the main building is constructed of cement block and has tall ceilings with few columns and large windows. Because of these qualities, the building has a “market feel” which might not require substantial changes to make useful.

The site includes a lower profile wood framed building on the western side of the lot that could also be reused, perhaps for a garden center or for craft workshops. Some buildings on the property look to be in very bad shape and should probably be razed.

Finally, the site has a fairly substantial parking area and there is other vacant property nearby that perhaps could be used for overflow parking.

The initial development concept for this site includes:



- Adaptive reuse of industrial building for indoor retail farmers' market
- Adjacent parking and outdoor farmers' market structure
- Common cold and dry storage
- Garden center
- Food processors and distributors in adjacent buildings
- Light manufacturing or craft workshops

The principal challenges to this site include:

1. Access to the site if coming from I-81 or from the north.
2. The industrial nature of the neighborhood and the perception that the area might not be safe.
3. The need for a larger scale development concept to activate the various buildings.
4. The complexity of developing and managing a market in this larger facility.



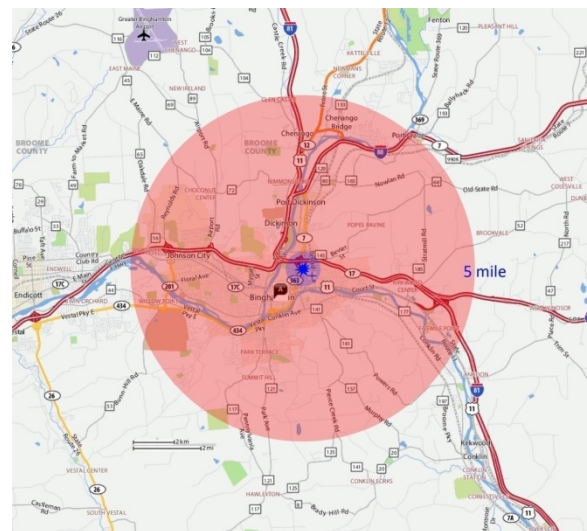
Customer Demand Analysis

The purpose of the customer demand analysis is to quantify the potential demand for fresh and prepared foods at the Regional Farmers' Market and to identify the targeted customers for the facility. Demand analysis consists of defining the market's trade areas, evaluating the demographics of the residents of the different trade areas, and analyzing buying behavior in order to estimate potential expenditures for the different products that might be sold in the market.

Trade areas

Three separate trade areas were defined for the Regional Farmers' Market, using the Brandywine site as the center point. Since the two sites are close to each other, the potential expenditures at the RFM will not vary much between the sites except for the small trade area adjacent to the Brandywine site. The three trade areas are:

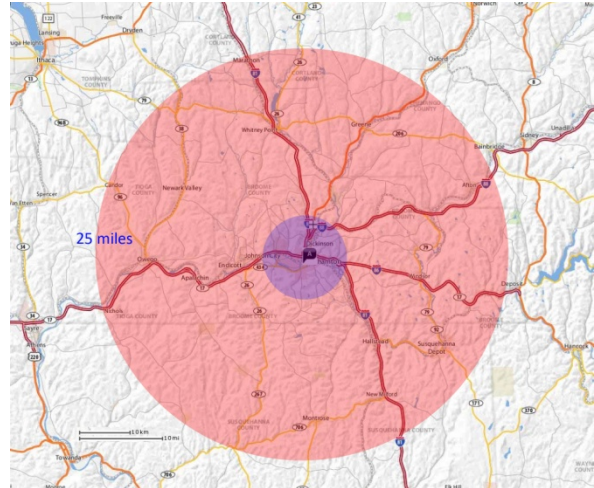
1. Residents of a 0.5 mile ring around the Brandywine site. This ring includes the northern portion of the City of Binghamton. The RFM will easily be accessible for residents in this trade area: most will be able to walk to the market and for others it will be a very short drive, bike ride, or bus trip. There is minimal competition for the sale of fresh food within this trade area.
2. The area between the 0.5 mile ring and a 5 mile ring. This band covers the City of Binghamton and adjacent communities. The market will generally be convenient to residents and workers in this area. This area has a number of Giant supermarkets, a Wegman's supermarket, and several farmers' markets, including ones in downtown Binghamton, Otsiningo Park, and Vestal.
3. The area between the 5 mile ring and a 25 mile ring, which incorporates the greater Binghamton area, extending to Deposit in the east, Nichols in the west, Marathon to the north, and into Pennsylvania to the south. Based on our research at numerous public markets, this area represents the typical extended catchment area for a large public market.



In addition to these trade areas, the demand analysis also includes estimates of potential patronage by tourists (defined as anyone who lives outside the 25 mile ring).

According to research that Market Ventures, Inc. has conducted at other markets, public markets typically attract a wide range of shoppers in terms of age, ethnicity, and income level. In general, families buy more fresh food than individuals or people living in unrelated households, and households with higher income levels (\$75,000 and above) are more frequent shoppers and spend more than people with lower incomes. Educational attainment is also an important indicator of interest in fresh, locally grown or produced foods. The highest spending customer is typically a 40 to 55 year old woman. What is unique about public markets, however, is their ability to appeal to both the highest income shoppers and lower income shoppers. While higher income shoppers might be drawn by unique products, superior quality and the ethic of buying locally grown foods, lower income and elderly shoppers appreciate the ability to purchase smaller quantities, the ability to negotiate with empowered owners, ethnic specialties, and competitive prices.

Demographic data about the three trade areas were acquired from Claritas, a national market research data company. The acquired data include 2000 U.S. Census information, estimates developed by Claritas for 2008, and projections for 2013. Data from the three trade areas are summarized in the chart below. Each band is independent – only the “total” section aggregates the three bands:



	0.5 mile ring	0.5-5 m band	5-25 mile band	Total	USA
Population 2000 census	3,810	93,992	185,880	381,484	
Population 2008 estimate	3,429	90,751	183,394	371,754	
Population 2013 projection	3,200	88,605	181,203	364,813	
Population change % 2008-2013	-6.68%	-2.36%	-1.19%	-1.87%	4.9%
Population change 2000-2008	-10.00%	-3.45%	-1.34%	-2.55%	8.1%
Population change 1990-2000	-7.83%	-5.54%	-1.08%		
Households 2008	1,528	37,524	74,256	152,360	
Average household size	2.17	2.17	2.45	2.44	2.57
Median age	36.65	37.11	40.39		36.7
Average household income	\$29,537	\$51,267	\$57,829		\$67,918
Household income >\$75,000/yr	4.8%	19.3%	24.3%		
Per capita income	\$13,481	\$21,827	\$23,537		\$25,933
Family households	51.9%	55.3%	70.5%		68%
Age 35-64	40.4%	34.8%	41.5%		
Percent Foreign Language at Home	18.1%	12.4%	4.7%		15.2%
Bachelor's Degree	4.1%	12.6%	11.9%		15.8%
Master's, Professional or Doctorate	3.4%	10.9%	8.6%		8.9%

Trade area 1: 0.5 mile ring

2008 population for the 0.5 mile radius is estimated at 3,420 people, which represents a 10.0% decrease from the 2000 Census count of 3,810. The population is expected to decrease by another nearly 229 people, or -6.7%, by 2013, to 3,200 people. By comparison, the population of the United States is expected to grow 4.9% between 2008 and 2013. The other two trade areas are also contracting but not as rapidly.

The trade area had 1,528 households in 2008, with an average household size of 2.17 people, which is below the national average of 2.57. 51.9% of these households are families, compared to a national average of 68%. Typically, small household size and small percentage of families would suggest lower than average purchases at a public market.

The median age of the population, at 36.65, is just about the national median of 36.7. A fairly large percentage (40.4%) of the population is in the targeted age range of 35 to 64.

Household incomes in this area are very low compared to both the other trade areas and the national average, although this is driven, in part, by the small household sizes. Average household income in Trade Area 1 is \$29,537, compared to \$51,267 in the second tier and \$57,829 in the third tier. Per capita income is only \$13,481, compared to \$23,537 in the third

trade area and \$25,933 nationally. Only 4.8% of the population has household income above \$75,000.

Educational attainment has been shown to have a strong correlation with higher spending for quality food. This trade area has a lower percentage of residents who have achieved a bachelor's degree or an advanced degree: only 4.1% of those 25 years or older have a bachelor's degree and 3.4% hold a master's, professional, or doctorate degree. This compares with 15.8% nationally with a bachelor's degree and 8.9% with an advanced degree.

A large percentage (33.7%) of households in this trade area has no vehicle, compared to 17.4% in the second area and 6.3% in the third. Members of these households will therefore rely on walking, public transportation, taxis, or rides from family or friends in order to get to the market.

Based on the demographic profile of area residents and typical expenditure patterns as determined by the Bureau of Labor Statistics' Consumer Expenditure Survey, Claritas estimates the retail sales potential for consumer goods. Using their estimated per capita expenditures for various food items, Claritas creates a Food Purchasing Index that compares local expected purchases to national averages on the household level. In any category, a score of 1.00 means that households within the defined trade area are expected to buy the same as the national household average. If households in the targeted trade area are expected to purchase less of a particular product, the index will be less than one. Conversely, if they are expected to buy more of a certain item, the index will be more than one. For example, if households in the trade area are expected to buy on average \$1,200 worth of baked goods per year and the national average is \$1,000 per household, then the index would be 1.2.

For the 0.5 mile radius, the food purchasing index for 2008 and 2013 is:

0.5 mile ring	Yr 2008 Estimate	Yr 2013 Projection
Food at Home - overall	83	82
Food away from Home - overall	66	65
<i>Market categories</i>		
Bread/Bakery Products	84	83
Dairy/Eggs	88	87
Meat	85	84
Poultry	98	97
Produce - fresh	82	80
Specialty food (jams, jellies)	86	84
Wine	44	42

In every case, these scores are below one, suggesting that household expenditures will be below national averages. In most cases, the scores are well below one, such as bread/bakery products at 84 and wine at 44. These low scores are certainly influenced by the small size of households in this trade area and low household incomes.

Overall, these findings suggest that residents of the first trade area are not likely to be strong users of the Regional Farmers' Market. Low incomes, small household sizes, and low

educational attainment all point to lower than typical utilization of a public market. However, the area's close proximity to the Brandywine site and the residents' lack of cars suggest that residents of this area might frequent the market if prices are highly competitive.

Trade area 2: Area between 0.5 mile ring and 5 mile ring

According to Claritas, the area between the 0.5 mile ring and a 5 mile ring contained 93,992 people in 2000 and is estimated to be 90,751 in 2008, a 3.45% decline over eight years. The population is expected to drop to 88,605 by 2013, a decrease of 2.36% at a time when the country's population will grow 4.9%.

This area is divided into 37,524 households, with an average household size of 2.17, which is the same as the first trade area and below the national average of 2.57. The median age of 37.1 is slightly above the national average of 36.7. 55.3% of the households are families, below the national average of 68%.

Average household income in this area is \$51,267, which exceeds the first trade area by over \$20,000 but is still well below the national average of \$67,918. Only 19.3% of the households have income of more than \$75,000.

In terms of educational attainment, this trade area has the highest level of both bachelors' degrees and advanced degrees, and the area surpasses the national average in terms of advanced degrees (10.9% compared to 8.9% nationally).

The Food Purchasing Index for this trade area is closer to national averages, although only one score surpasses the national average (poultry at 1.01). The index scores are expected to drop over the next five years.

0.5-5 mile band	Yr 2008 Estimate	Yr 2013 Projection
Food at Home - overall	91	90
Food away from Home – overall	87	87
<i>Market categories</i>		
Bread/Bakery Products	94	93
Dairy/Eggs	96	95
Meat	89	88
Poultry	101	99
Produce - fresh	91	90
Specialty food (jams, jellies)	96	95
Wine	73	73

Based on these demographics, the second trade area should show moderate interest in the Regional Farmers' Market. Incomes are fairly low and the population is decreasing, which will lead to reduced market share for existing food markets. The key positive factor might be the high levels of educational attainment, probably driven by the presence of Binghamton University within this trade area.

Trade area 3: Area between 5 mile radius and 25 mile radius

The 5-25 mile band contains 183,394 people divided into 74,256 households in 2008. This population is expected to shrink by 1.19% between 2008 and 2013, following on the heels of a 1.34% contraction between 2000 and 2008.

The median age of this trade area (40.39) is higher than the other two areas and is well above the national average of 36.7. A large percentage of people (41.5%) fall into the targeted 35-64 year old age band. The average household size (2.45) approaches the national average of 2.57.

Household income in the third trade area is significantly above the other two trade areas but still lags the national average: \$57,829 compared to a national average of \$67,918. Per capita income of \$23,537 is below the national average of \$25,933. 24.3% of the households have household income of more than \$75,000.

Educational attainment in this trade area lags the national average for bachelor's degrees but nearly equals it for advanced degrees. 11.9% have a bachelor's degree compared to the national average of 15.8% and 8.6% have an advanced degree compared to 8.9%.

Overall, this trade area ranks above national averages for purchasing Food at Home and below for purchasing Food Away from Home. It is particularly strong on poultry, dairy/eggs, bread, and specialty foods.

5-25 mile band	Yr 2008 Estimate	Yr 2013 Projection
Food at Home - overall	102	101
Food away from Home – overall	94	93
<i>Market categories</i>		
Bread/Bakery Products	107	106
Dairy/Eggs	109	108
Meat	100	99
Poultry	110	108
Produce - fresh	100	99
Specialty food (jams, jellies)	107	106
Wine	87	87

The third trade area offers the most promising target for the market. It has by far the largest population and the demographic profile of its residents most closely match the profile of market customers. To make it convenient for these customers who are coming from farther away, it will be particularly important to identify a site that is easily accessible and perceived as safe.

Tourists

In many cities, tourists make up a significant percentage of a farmers' market's clientele. Tourists are often attracted to markets because they are unique places, offering a window into the culture of the region where they are located. As Americans have become more interested in food and cuisine, they are searching out markets when they travel. Given the many second homes in the region and the gateway function that Binghamton plays to other upstate communities, there is significant potential to capture tourists at the Regional Farmers' Market.

Given the wide variation in tourist purchases, a capture rate methodology has not been developed for tourists. Rather, we utilize a mark-up factor over the sales to local residents. For this analysis, sales to tourists have been projected at 25% of the local consumer demand.

Sales potential

The chart below shows Claritas estimates for aggregate annual food and beverage expenditures in millions of dollars, divided between the types of products typically found in a farmers' market, for each of the three trade areas. The table on top shows estimates for 2008 and the table below shows projections for 2013.

Yr 2008 Estimate	0.5 mile ring	0.5-5 m band	5-25 m band
Market categories	(million)	(million)	(million)
Bread/Bakery Products	\$0.66	\$18.05	\$40.64
Dairy/Eggs	\$0.91	\$24.49	\$54.68
Meat	\$1.06	\$27.33	\$60.70
Poultry	\$0.54	\$13.62	\$29.40
Produce - fresh	\$0.69	\$18.92	\$41.19
Specialty food (jams, jellies)	\$0.11	\$2.93	\$6.45
Wine	\$0.13	\$5.25	\$11.52
Total	\$4.09	\$110.59	\$244.58

Yr 2013 Projection	0.5 mile ring	0.5-5 m band	5-25 m band
Market categories	(million)	(million)	(million)
Bread/Bakery Products	\$0.62	\$17.92	\$41.28
Dairy/Eggs	\$0.91	\$25.63	\$58.53
Meat	\$1.00	\$26.67	\$60.52
Poultry	\$0.54	\$14.12	\$31.06
Produce - fresh	\$0.71	\$20.33	\$45.25
Specialty food (jams, jellies)	\$0.09	\$2.67	\$6.00
Wine	\$0.13	\$5.71	\$12.96
Total	\$4.00	\$113.06	\$255.59

Change 2008-2013	-2.3%	2.2%	4.5%
------------------	-------	------	------

Adding the various categories within each trade area, total sales potential in 2008 for residents within the 0.5 mile ring is \$4.09 million. Based on population and income change, as well as lifestyle trends, this figure is expected to decrease to \$4.00 million by 2013, a decrease of 2.3%. The second trade area is expected to see a sales increase of 2.2% between 2008 and 2013, while the third trade area will see a 4.5% increase. Total sales potential in 2008 for the 0.5-5 mile band is \$110.59 million and \$244.58 million for the 10-20 mile band. Adding the three trade areas together, there is \$359.265 million of demand for these fresh food categories within the three trade areas.

To estimate potential sales for fresh food products within the Regional Farmers' Market, this consumer expenditure data is utilized with projected capture rates. See the chart labeled "Sales Analysis – 2008," in Appendix B. This chart repeats the product categories and sales estimates from the chart above in the first two columns. The third column, labeled "Potential," contains a realistic estimate for the percentage of sales that the market vendors should be able to obtain.¹

The fourth column, labeled "Sales," is the product of multiplying the potential by the capture percentage. For example, in the Baked Goods category, Claritas estimates \$0.66 million in consumer expenditures within the first trade area. Market Ventures, Inc. estimates that market vendors could reasonably capture 3.0% of those sales, based on our experience and research. This results in the potential for \$19,700 in annual baked goods sales at the RFM from residents in the first trade area. Adding the sales for baked goods across both the three trade areas, we estimate that the RFM could reasonably achieve \$730,700 in baked goods sales.

Trade Area	2008 Sales Potential
0.5 mile ring	\$101,000
0.5-5 m band	\$2,038,600
5-25 m band	\$1,501,700
Tourists	\$910,325
Total	\$4,551,625

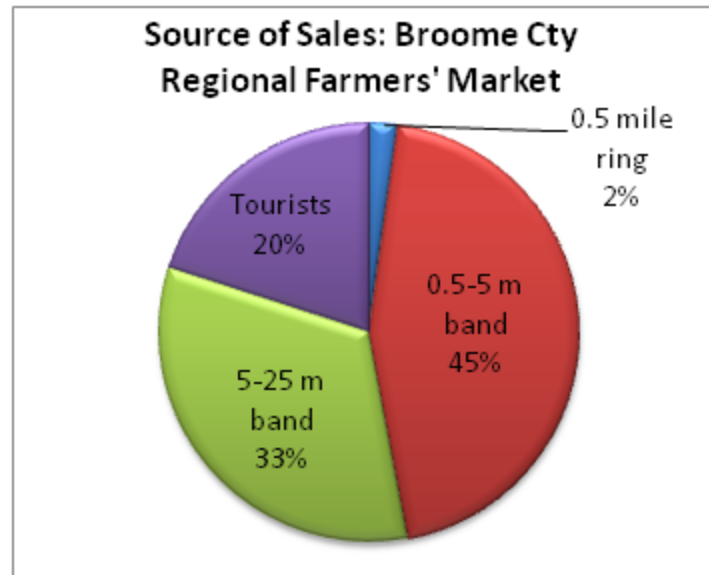
Summing the sales total column for the 0.5 mile ring, the RFM could reasonably capture \$101,000 in sales from this trade area, which represents 2.5% of all fresh food sales in the zone, \$2.04 million in sales from the 0.5 to 5 mile band, which is 1.84% of fresh food sales in that region, and \$1.50 million from the 5-25 mile band, which is 0.61% of fresh food sales in that region.

Based on 25% add-on sales, shoppers from outside of the 25 mile ring are expected to generate sales of \$910,000, which brings total market sales potential to \$4.55 million. The chart above shows the sales potential from each trade area.

1. These estimates have been developed and refined by the Market Ventures, Inc. through its work planning, developing, and operating public markets and its research of other public markets around the country. The ability to achieve these capture rates will depend on the Regional Farmers' Market having the qualities of other successful public markets (good location, adequate scale, convenient parking, the right tenant mix with high quality vendors, skilled management, effective marketing, etc.) The potential suggests what accomplistucture vendors might realistically achieve for sales from a trade area. Particularly strong vendors might achieve higher sales from the trade area and might have customers from outside the trade area if their business is unique and attractive to consumers.

As the chart labeled “Source of Sales” shows, the 0.5-5 mile band represents 45% of projected sales and the 5-25 mile band represent 33%. The one-half mile ring equals 2% and tourists 20%.

These projections apply to the retail component of the RFM. Depending on the location, the RFM could supply wholesale buyers. At many farmers’ markets, chefs and restaurateurs looking for locally grown, fresh, and interesting foods are regular buyers. There is also potential demand from larger wholesale buyers, such as institutions and produce wholesalers.



Farmers’ market patronage

According to the key informants, several of the farmers’ markets in and around Binghamton are very popular with customers. Informants singled out the Vestal Farmers’ Market and the recently opened Otsiningo Park Farmers’ Market as drawing large crowds of customers.

Demand analysis conclusions

Based on the assumptions and methodology herein, the sales potential for the RFM should be adequately large to create a successful, moderately scaled development. As a point of reference, \$4.5 million in demand is approximately equal to 42 farmers averaging sales of \$1,000 per day if they sell for three days per week over a 35 week market season. The chart below shows what annual gross market sales would be for varying numbers of farmers (along the left column) and varying average sales per day (along the top row), assuming that the market operates two days per week for a 35 week season.

		Average sales per day				
Number of vendors per day		\$500	\$750	\$1,000	\$1,250	\$1,500
	15	\$525,000	\$787,500	\$1,050,000	\$1,312,500	\$1,575,000
	20	\$700,000	\$1,050,000	\$1,400,000	\$1,750,000	\$2,100,000
	25	\$875,000	\$1,312,500	\$1,750,000	\$2,187,500	\$2,625,000
	30	\$1,050,000	\$1,575,000	\$2,100,000	\$2,625,000	\$3,150,000
	35	\$1,225,000	\$1,837,500	\$2,450,000	\$3,062,500	\$3,675,000
	40	\$1,400,000	\$2,100,000	\$2,800,000	\$3,500,000	\$4,200,000
	45	\$1,575,000	\$2,362,500	\$3,150,000	\$3,937,500	\$4,725,000
	50	\$1,750,000	\$2,625,000	\$3,500,000	\$4,375,000	\$5,250,000
	55	\$1,925,000	\$2,887,500	\$3,850,000	\$4,812,500	\$5,775,000
	60	\$2,100,000	\$3,150,000	\$4,200,000	\$5,250,000	\$6,300,000

Supply Analysis

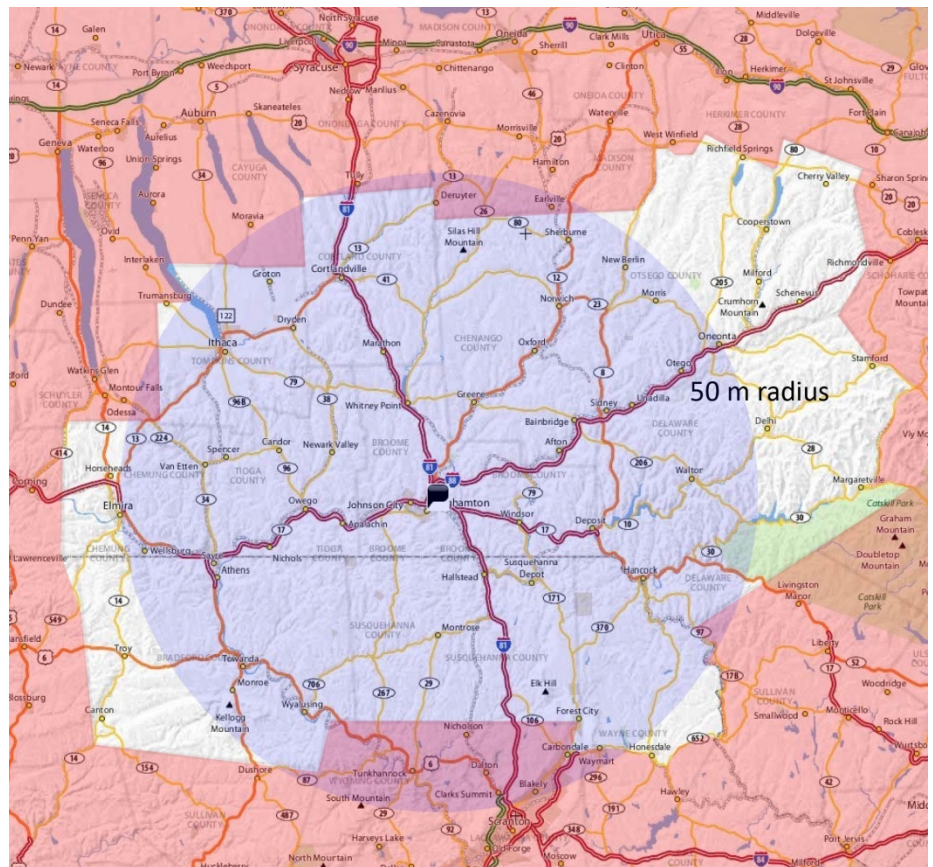
Farming in the Southern Tier

Information about the region's agricultural sector was gathered from the recently released 2007 Census of Agriculture.² Somewhat more dated but valuable information was provided by Broome County's Agricultural Economic Development Plan.³

For purposes of analysis, the research considered an 11 county region around Broome County, including eight counties in New York State and three in Pennsylvania, as the likely source of farmers participating in the Regional Farmers' Market. These counties include:

- Broome
- Chemung
- Chenango
- Cortland
- Delaware
- Otsego
- Tioga
- Tompkins
- Wayne, PA
- Susquehanna, PA
- Bradford, PA

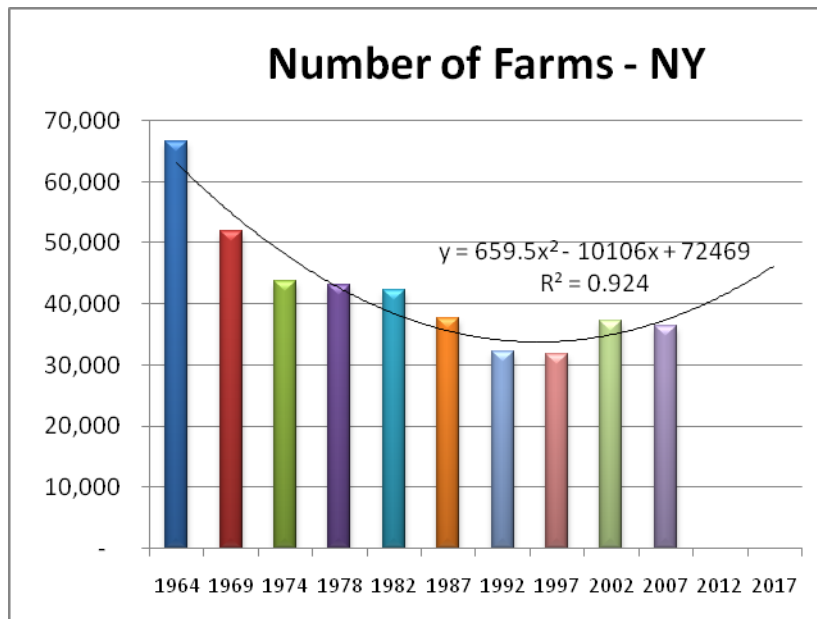
These counties generally fall within a 50 mile radius around Binghamton, although that circle divides some of the outlying counties, as the map to the right shows. The RFM is probably more likely to draw farmers from those counties that are closest to Binghamton, including the western section of Delaware County and the northern section of Bradford County. Depending on both the type of RFM developed and its popularity with consumers, as well as the availability of other marketing opportunities nearby, farmers might possibly come from other counties. The farmers in the focus groups confirmed that the 50 mile radius made sense.



²http://www.agcensus.usda.gov/Publications/2007/Full_Report/Volume_1_Chapter_2_County_Level/New_York/index.asp and http://www.agcensus.usda.gov/Publications/2007/Full_Report/Volume_1_Chapter_2_County_Level/Pennsylvania/index.asp

³ Broome County Agricultural and Farmland Protection Board/Shepstone Management Company, "Broome County, New York Agricultural Economic Development Plan," 2001

After decades of losing farms, New York State experienced a rebound beginning in 2002. As the chart to the right shows, New York continuously lost farms between 1964 and 2007 but saw a spike in 2002 and a slight moderation in 2007. If this upward trend continues, New York will have about 10,000 more farms by 2017 than it did in 2007.



Year	Farms - NY
1964	66,510
1969	51,909
1974	43,682
1978	43,075
1982	42,207
1987	37,743
1992	32,306
1997	31,757
2002	37,255
2007	36,352
2012	41,107
2017	46,171
Change 2007-2017	9,819
Change % 1997-2007	14.5%
Change % 2007-2012	13.1%
Change % 2007-2017	27.0%

According to the 2007 Census of Agriculture, there are 8,396 farms in this 11 county region, compared to 36,352 in all of New York State. As the chart to the right shows, the region experienced a 5% drop in the number of farms since the 2002 Census, although two counties (Cortland and Tompkins) saw an increase. Two counties experienced a double digit drop (Chemung at -13% and Susquehanna at -10%). Among the NYS counties, Otsego has the most farms (980) while Bradford County, PA has the most overall with 1,457.

Number of farms	2007	2002	Change
Broome	580	588	-1%
Chemung	373	427	-13%
Chenango	908	960	-5%
Cortland	587	569	3%
Delaware	747	788	-5%
Otsego	980	1,028	-5%
Tioga	565	604	-6%
Tompkins	588	563	4%
Bradford, PA	1,457	1,495	-3%
Susquehanna, PA	1,008	1,116	-10%
Wayne, PA	603	661	-9%
Total	8,396	8,799	-5%

Average farm size in the region at 182 acres is below the state-wide average of 197 acres. Broome County has the smallest average farm size (149 acres) while Delaware has the largest (222 acres). The greatest cluster of farms in the region is medium size, with 3,086 (41%) having 50-179 acres. By comparison, 2,033 (28%) are below 50 acres and 2,343 (31%) have 180 acres or more. In general, smaller farms are more likely to utilize retail direct marketing channels while larger farms are more likely to sell on a wholesale basis.

The **market value of agricultural products** sold from the 11 counties equaled \$534,485,000 in 2007, a 21% increase from 2002.

During the same period, NYS experienced an increase of 42%, from \$3.1 billion to \$4.4

billion. Therefore, this region fell substantially behind the growth experienced by other regions in the state. The disparity was greater among some of the counties within the region. Broome County saw the smallest increase in sales: only a 4% uptick from \$28.8 million in 2002 to \$29.9 million in 2007. This suggests the need to invest in additional marketing facilities to support Broome County farmers. Delaware County also saw a small (9%) increase. Chemung, Cortland and Otsego counties approached the statewide increase with a 38% increase, while Chenango, Tioga, and Tompkins saw increases in the low to mid twenty percent range.

Since the region lost a disproportionately large percentage of farms compared to NYS, the difference in average sales per farm is not as great as the drop in total sales, although the region still lags the state. Across NYS, **average sales per farm** increased 45% between 2002 and 2007, while sales increased 27% in this region. Again, Broome and Delaware Counties lagged behind the other counties, with sales increases of 5% and 15%, respectively. Chemung saw the biggest increase (58%), from \$28,253 to \$44,526, although the 2007 figure is still the lowest average per farm among the counties.

A slightly smaller percentage of farmers in the region reported that their **principal occupation** is farming compared to NYS farmers overall (50% in the region compared to 54% in NYS). Broome, Tioga, and Susquehanna had the lowest percentage of these farmers (with 43%, 44%, and 42%, respectively), while Delaware reported the highest percentage, at 59%.

Farmers selling **fruits and vegetables** are a key element of a successful farmers' market. While the Census of Agriculture has several separate categories for fruits and vegetables (F&V), this analysis looked at the Land Used for Vegetables data. Statewide, 3,192 farms fell into this category, a 21% increase from 2002. The land in F&V production went from 140,637 acres to 160,146 acres, an increase of 14%. The region saw a proportionally greater increase: the number of farms expanded from 318 to 421, an increase of 32%, and the number of acres expanded from 2,596 to 3,356, an increase of 29%. Therefore, there is more capacity in the region to produce fruits and vegetables. According to the key informant interviews, this change

Market value of ag products sold (\$1,000)	New York	Region
2007	4,418,634 \$	534,485
2002	3,117,834 \$	441,085
Change (2002-2007)	42%	21%
Average per farm 2007	121,551 \$	63,659
Average per farm 2002	83,689 \$	50,129
Change (2002-2007)	45%	27%

Region	Average sales per farm 2007	Change 2002-2007
Broome	\$ 51,526	5%
Chemung	\$ 44,526	58%
Chenango	\$ 72,460	33%
Cortland	\$ 93,500	34%
Delaware	\$ 73,820	15%
Otsego	\$ 52,457	33%
Tioga	\$ 64,894	31%
Tompkins	\$ 102,356	38%
Bradford, PA	\$ 162,904	30%
Susquehanna, PA	\$ 48,896	26%
Wayne, PA	\$ 48,803	50%

is related to the transition of farms in the region from dairy production to fruits and vegetable or other specialty crops.

These changes in the region were not consistent among the 11 counties. Cortland saw the greatest increase in land for F&V, a 159% increase from 88 to 228 acres. Four counties lost F&V acreage: Bradford County, PA saw a 44% drop while Tioga experienced an 18% drop, while Chemung dropped 10% and Otsego 2%. Broome County experienced a 75% increase in the number of farms (from 24 to 42) and a 10% increase in acreage (from 219 to 240 acres).

Another important vendor category at farmers' markets is **meat** sales. Statewide, the number of farms raising beef cows rose 3% from 2002 to 2007, to 6,803 farms. The number of acres devoted to beef cows increased substantially, however, up 28% to 103,620 acres. The region had an opposite experience. The number of farms with beef cows dropped 9% to 1,975 from 2,167 and the number of animals dropped 10% to 26,557. Once again, the various counties had different experiences. Broome County had a 6% increase in the number of farms (from 142 to 150) and a 26% increase in acreage (from 1,655 to 2,087). Six of the counties saw increases in the number of farms with beef cows (including 6 of 8 from NYS) and five had increases in acreage. Much of the region's decrease is accounted for by Bradford County, PA, which had the largest absolute number of both farms and acreage and which experienced a severe drop in both. While the overall trend is down, the area still has a large number of beef cow operations which can supply a Regional Farmers' Market and a number of farmers who sell meat came to the focus group meetings and expressed interest in the RFM.

Direct marketing

A particularly important set of data concerns **direct marketing**. Direct marketing is defined by USDA as agricultural products sold directly to individuals for human consumption. Principal methods of direct marketing include farmers' markets, U-pick operations, farm stands, and community supported agriculture. Overall, 1,062 farmers in the 11 county region reported direct marketing in 2007, up from 878 farmers in 2002. This represents a 21% increase during the five year period, while NYS saw a 15% increase. The region still lags the state in terms of the proportion of farms engaged in direct marketing compared to all farms: 13% of the farms in the region do direct marketing, compared to 15% in the state.

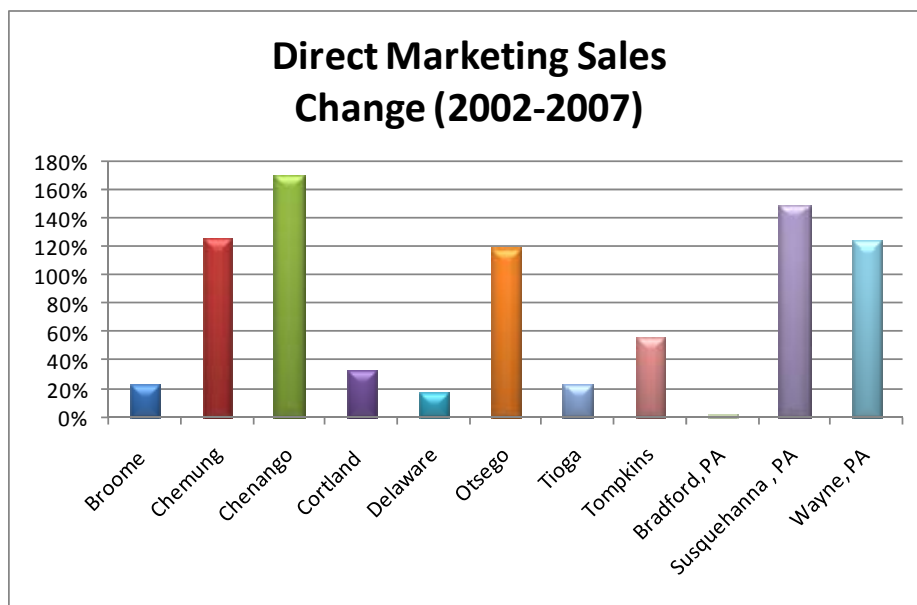
Percent of farms doing Direct Marketing	2007	2002
Broome	16.0%	10.7%
Chemung	13.4%	12.6%
Chenango	15.0%	10.2%
Cortland	10.1%	10.2%
Delaware	17.9%	15.2%
Otsego	14.7%	9.5%
Tioga	14.2%	13.9%
Tompkins	14.3%	14.4%
Bradford, PA	9.2%	6.9%
Susquehanna, PA	8.3%	5.3%
Wayne, PA	13.1%	7.6%
Total Region	13.2%	10.4%

Otsego, Chenango, Delaware, and Bradford counties have the most farms involved with direct marketing, with 144, 136, 134, and 134, respectively. Chemung has the fewest farms

doing direct marketing, with 50, which was actually a 7% drop from 2002. There were 93 farms engaged in direct marketing in Broome County, an increase of nearly 50% from 63 in 2002.

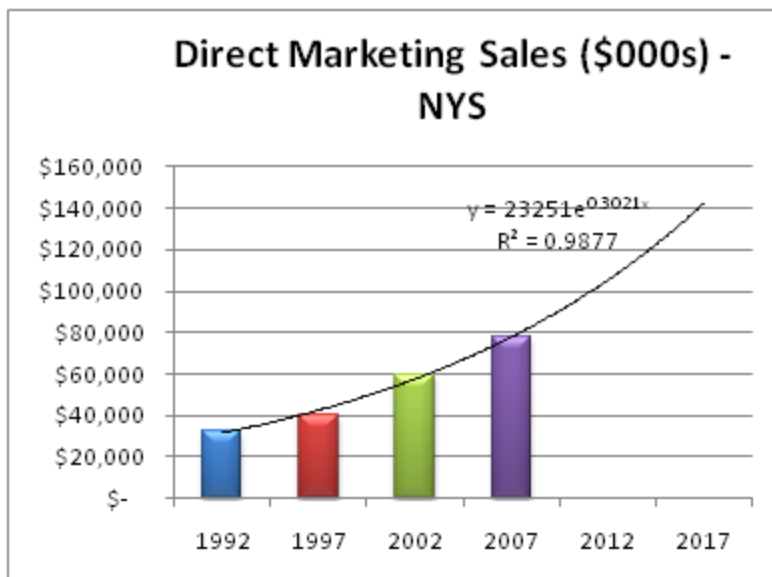
Within the region, Delaware had the highest percentage of farmers engaged in direct marketing (18%), followed by Broome (16%) and Chenango (15%). Broome and Chenango saw the biggest jumps in direct marketing, each with a leap of five percentage points between 2002 and 2007.

In total, direct marketing sales in the region equaled \$8.7 million in 2007, a huge 46% increase from \$6.0 million in 2002. As the chart labeled “Direct Marketing Sales Change (2002-2007)” shows, Chemung, Chenango, Otsego, Susquehanna, and Wayne all saw direct marketing sales more than double over the five year period, with Chenango farmers reporting a whopping 169% increase.



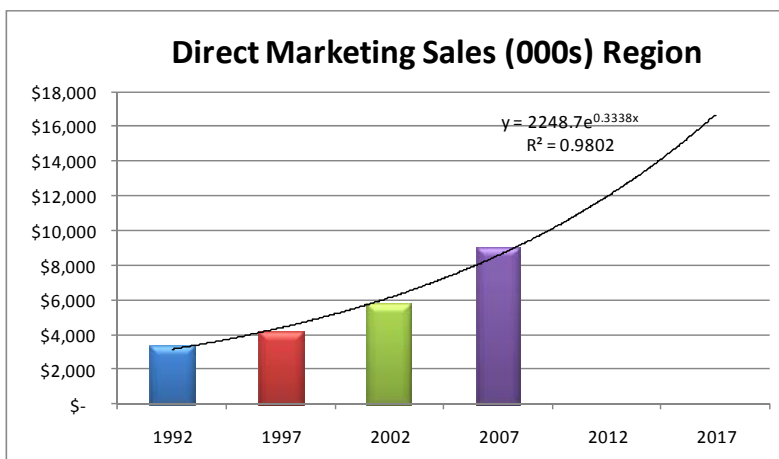
While the increases in direct marketing are important, the sales from this marketing channel represent just a tiny fraction of total farm sales. For the entire region, direct marketing equals 1.7% of total farm sales, while they represent 1.8% for the state. Although Chemung saw a drop in the number of farms engaged in direct marketing, those sales represent 5.5% of farm sales in the county, by far the largest fraction of any of the counties studied. In Broome County, direct marketing represents 2.3% of sales.

Given the ongoing popularity of direct marketing and the increasing number of farmers engaged in selling directly to consumers, it is likely that direct marketing sales will increase in the future. Data provided in each of the past four Censuses of Agriculture shows a clear accelerating trend toward higher sales. As the chart labeled “Direct Marketing Sales (\$000s) – NYS” shows, direct marketing sales in NYS increased



from \$32.3 million in 1992 to \$77.5 million in 2007, a leap of 140%. The number of farmers involved with direct marketing increased 55% during this period, from 3,453 to 5,338. Future sales can be estimated with linear and exponential trend lines. A linear projection (the more conservative estimate) projects sales of approximately \$91 million in 2012 and \$107 million by 2015. However, an exponential trend line fits the data more closely. This method (shown in the chart) projects that direct marketing sales in NYS will reach about \$105 million by 2012 and increase to about \$142 million by 2015.

Direct marketing sales in the 11 county region around Broome County show a similar pattern. Direct marketing sales increased 132% between 1992 and 2007, while the number of farmers engaged in direct marketing rose 61% from 661 to 1,062. The chart labeled “Direct Marketing Sales (000s) – Region” shows the increase in sales over the four census periods. Projecting forward, an exponential trend line projects sales of \$11.9 million in 2012 and \$16.6 million by 2014. While this is certainly a large increase, sales at the \$16.6 million level would still only represent 3.1% of total 2007 sales in the region, even with the (unrealistically conservative) assumption that there will be no overall increase in the market value of agricultural products sold.

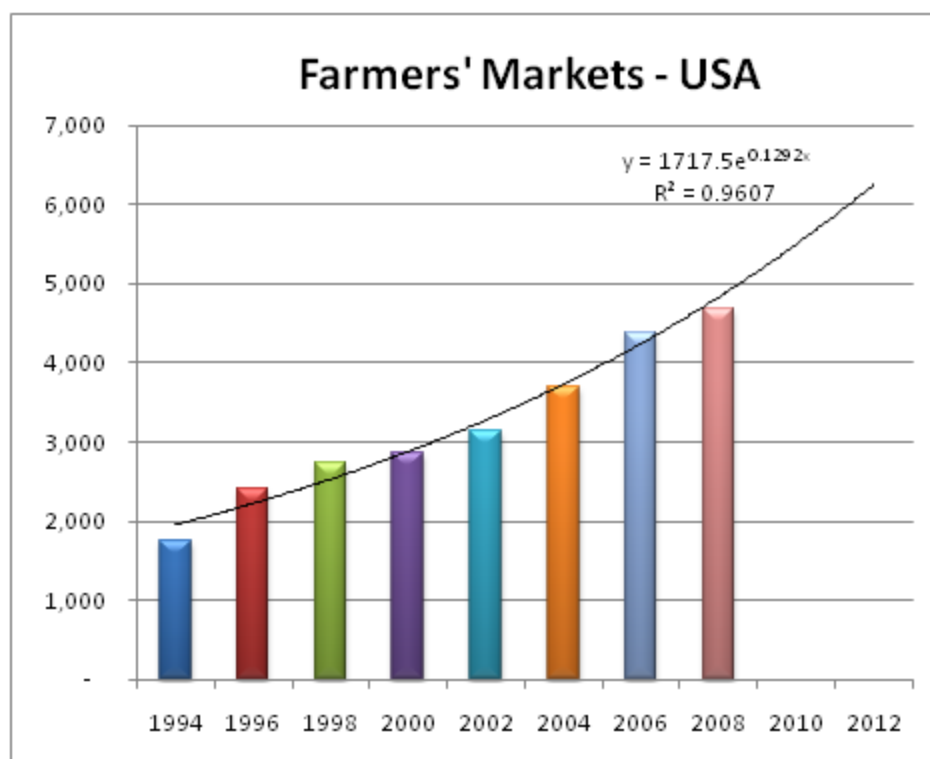


Region	Direct Marketing Sales (000s)	# Farms
1992	\$ 3,305	626
1997	\$ 4,179	704
2002	\$ 5,778	868
2007	\$ 9,027	1077
2012	\$ 11,934	1224
2017	\$ 16,662	1437
Change 2007-2017	\$ 7,635	360

Repeating the exponential trend line analysis for the number of farmers participating in direct marketing in the region provides a projection of 1,224 farmers in 2012 and 1,437 farmers in 2017. Assuming these trends continue, there will be 147 additional farmers in the region engaged in direct marketing by 2012 and 360 more by 2017. The RFM could therefore play an important role in providing a marketing outlet for both existing and new farmers engaged in direct marketing.

Farmers' markets

Farmers' markets are a subset of direct marketing. Throughout the country, there has been rapid growth in the number of farmers' markets over the past 25 years. According to USDA, there were 4,685 farmers' markets in operation nationwide in 2008. If present trends continue, there will be about 6,250 farmers' markets by 2012. The chart below illustrates this trend:



Farmers' Markets - USA	
1994	1,755
1996	2,410
1998	2,746
2000	2,863
2002	3,137
2004	3,706
2006	4,385
2008	4,685
2010	5,494
2012	6,252

According to the NYS Federation of Farmers' Markets and the Pennsylvania Department of Agriculture, there were 37 farmers' markets in operation within the 11 county target area in 2008. Delaware County had the most with eight, followed by Broome County with seven and Tompkins County with six. Susquehanna was the only county without a farmers' market.

Farmer focus groups

MVI and the Department organized seven focus groups of farmers from throughout the 11 county region in order to explore the Regional Farmers' Market idea in detail. In total, 31 farmers participated in the groups. A detailed description of the participating farmers is found in Appendix C.

County	Farmers' Markets
Broome	7
Chemung	3
Chenango	1
Cortland	4
Delaware	8
Otsego	3
Tioga	2
Tompkins	6
Bradford	2
Susquehanna	0
Wayne	1
Total	37

Focus group research is a qualitative methodology and no claim is made that the views of the participants are representative of the views of all farmers in the region. In general, farmers willing to come to a focus group are likely to be predisposed to being interested in the regional farmers' market concept. While most farmers who participated in the focus groups were interested, not all were. All views were encouraged to be expressed.

The purpose of the focus groups was to:

- Solicit farmers' feedback and ideas about the Regional Farmers' Market concept

- Test their responses to the two sites and development concepts for each
- Explore their interest in participating at a Broome County Regional Farmers' Market at each of the sites
- Identify key issues that will influence their participation
- Ensure that the Regional Farmers' Market meets the farmers' needs
- Discuss key operating rules

The focus group participants provided important feedback for the planning effort. Some of the key findings include:

- Great enthusiasm for having a Regional Farmers' Market. Overall, the farmers believe that there is a big untapped market in the region and that the RFM can be successful. Most were familiar with the Central NY Regional Farmers' Market in Syracuse and the Ithaca Farmers' Market, and believed that the Binghamton area could support a regional facility.
- Farmers have capacity to grow and sell more. The participants said that more farmers are getting into specialty crops and looking for direct marketing opportunities. They felt that farmers would respond to a year-round direct marketing opportunity and that many have the ability to install greenhouses or utilize other season extending technologies, if there is a place to sell their products.
- Winter markets are doing well and have little competition. A number of the farmers have participated in new winter markets that have emerged in the region, which are typically once per month in a church or other donated space. They said that consumers are hungry for locally grown foods in the winter and are excited to come to winter markets.
- Atmosphere of farmers' market is critical. In discussing potential locations for a farmers' market, the farmers said that the atmosphere is critical. In general, a bucolic, park-like location is ideal. Therefore, they felt that Otsiningo Park provides an excellent location. They did not dismiss the Brandywine site, however, suggesting that the atmosphere there could be improved with some effort. They noted that the Central NY Market in Syracuse is not bucolic but it is very successful.
- Requirements. The farmers suggested that the following elements would be critical for the success of the RFM:
 - Convenient parking
 - To be on a bus route
 - Sophisticated marketing
 - Professional market management
 - To be enclosed and heated

- Important to be scalable. The focus group participants felt that it will take time to build up the number of participating farmers, therefore the RFM should be scalable, allowing it to grow in size as the number of farmers – and the customers – grow over time.
- Food processing and distribution. The focus groups discussed the potential for using the RFM as a place for food processing and distribution. In particular, the Brandywine site has facilities that could be utilized for cold and dry storage and has spaces that could be outfitted for food processing, such as cheese making and specialty food production. One idea is to make the Brandywine site an aggregation point where farmers could bring their products and be combined with other farms' products, allowing larger shipments to markets in New York City or Philadelphia.

Farmers noted that it is a “huge leap to distribution and processing” for many of the farmers engaged in direct marketing. Some farmers emphatically said they have no interest in wholesaling on any level – they are fully committed to direct marketing to consumers and decided a number of years ago to get out of the wholesaling business. A few showed interest in wholesale distribution or some aggregation idea but they did not show a burning desire for this element.

Some farmers said that a commercial kitchen is needed in the area. At present, some farmers travel to Poughkeepsie or Scranton to rent time at commercial kitchens there. At the same time, some of the farmers interested in a commercial kitchen noted that Binghamton was too far away from their farm to make it practical.

- Product restrictions. Overall, farmers said that the RFM should be “as local as possible” with the products offered for sale coming from the Southern Tier region. They were emphatic that the market should not allow buying from produce houses, which they felt undercut other farmers on price and reduced quality for customers. They wanted the market to have clear rules and guidelines for product quality, sources, and labeling. However, when discussing the product rules in more detail, the farmers felt that the rules should not be too strict. For example, the Ithaca rules were seen as being overly restrictive. At the Ithaca Farmers' Market, farmers can only sell products that come within a 30 mile radius of the market. In particular, the farmers mentioned that the RFM needs to have fruit to meet customer demands and that little fruit is grown in the Southern Tier, so they will need to supplement their product offerings from farmers outside the immediate region.

While there was not consensus about how much farmers should be allowed to buy from other sources, there was recognition that buying in was a “necessary evil.” Most farmers felt that the RFM should allow farmers to buy up to 30% of their products from other farmers in New York or Pennsylvania.

- Different fees depending on what sold. One way to address buying in was through differentiated fee schedules. Those farmers who sold only what they grew would be charged less than farmers who bought from other sources.
- Crafts desirable but no flea market items. The participants thought that the RFM should allow handmade craft items however they did not want to see flea market or mass produced products.

- 50 mile radius makes sense. The farmers felt that a 50 mile radius around Binghamton is about the right catchment area for participating vendors. They felt that “Southern Tier” is a good definition and perhaps name for the market.
- Excited about having electricity in the facility. The meat farmers were particularly interested in having electricity available at their stalls for refrigeration. This would simplify their handling practices and could increase sales. Some would like to leave a cooler at the market during the week and simply replenish their stock as needed.
- Sales requirements. The farmers were asked what level of daily sales they would need to achieve to make selling at the RFM worthwhile for them. Most farmers said they would need about \$500 per day. A few farmers said they would need sales of \$2,000 per day.
- Organizational format. The farmers want to see professional management, not a vendor run market. However, the farmers believe they should have a say in rule making.
- Brandywine site. Much of the conversation focused on the two high potential sites. Some of the farmers liked the idea of reusing the existing buildings at the Brandywine site. One said, “It’s exciting to reuse an existing building.” The farmers agreed that a big effort would be needed to improve the atmosphere there, reflecting again the importance they place on atmosphere at a farmers’ market. This might be accomplished in part by developing greenhouses as part of the site. Some of the farmers liked the idea that the site would be within walking distance of low income neighborhoods and therefore the market could provide healthy foods to families that often don’t have access to these products. Overall, several felt that “Brandywine has greater long term potential” as home for the RFM because of the mix of uses that could occur there.

The farmers were concerned about access to the Brandywine site and the fact that it is within an industrial area. Some who knew the area felt it was not safe. One said, “It’s a scary neighborhood, I wouldn’t go there at night.” This might be particularly problematic in the late fall and winter when darkness comes early.

- Otsiningo Park site. The farmers noted that the new farmers’ market in Otsiningo Park did very well in its first year of operation, providing evidence that this is a good site for the RFM. All agreed that Otsiningo Park has great atmosphere. One farmer said, “You couldn’t pick a better site for a farmers’ market.” They liked how a farmers’ market in the park provides an “Outdoor, fresh, healthy experience” and saw links with the walking trails and outdoor recreation activities that create an overall healthy environment. One farmer noted the opportunity for using geothermal heating at Otsiningo Park because the site is adjacent to a river.

The farmers who sold at Otsiningo Park Farmers’ Market were asked if noise from the highway is a problem and they responded that it is not. However, the park can be windy. Another concern was the potential to outgrow the park if the RFM is very successful.

- Most farmers preferred the Otsiningo Park site. After discussing both of the sites thoroughly, the farmers at five of the focus groups were asked to select their preferred site for the RFM. In each instance, there was consensus for one site. In 4 of the 5 groups, the farmers said the preferred site is Otsiningo Park and the farmers at one focus group said the Brandywine site.

- Expected use. At the end of the focus group, the participants were asked how many days per week they were likely to utilize the RFM once it is established. Many said they would use it at least one day per week, while a few said two days per week and almost none said they would use it three days per week.

Development concepts

Development concepts were prepared for each of the two high potential sites, including an initial schematic design.

Brandywine Site

The development program for the Brandywine site includes:

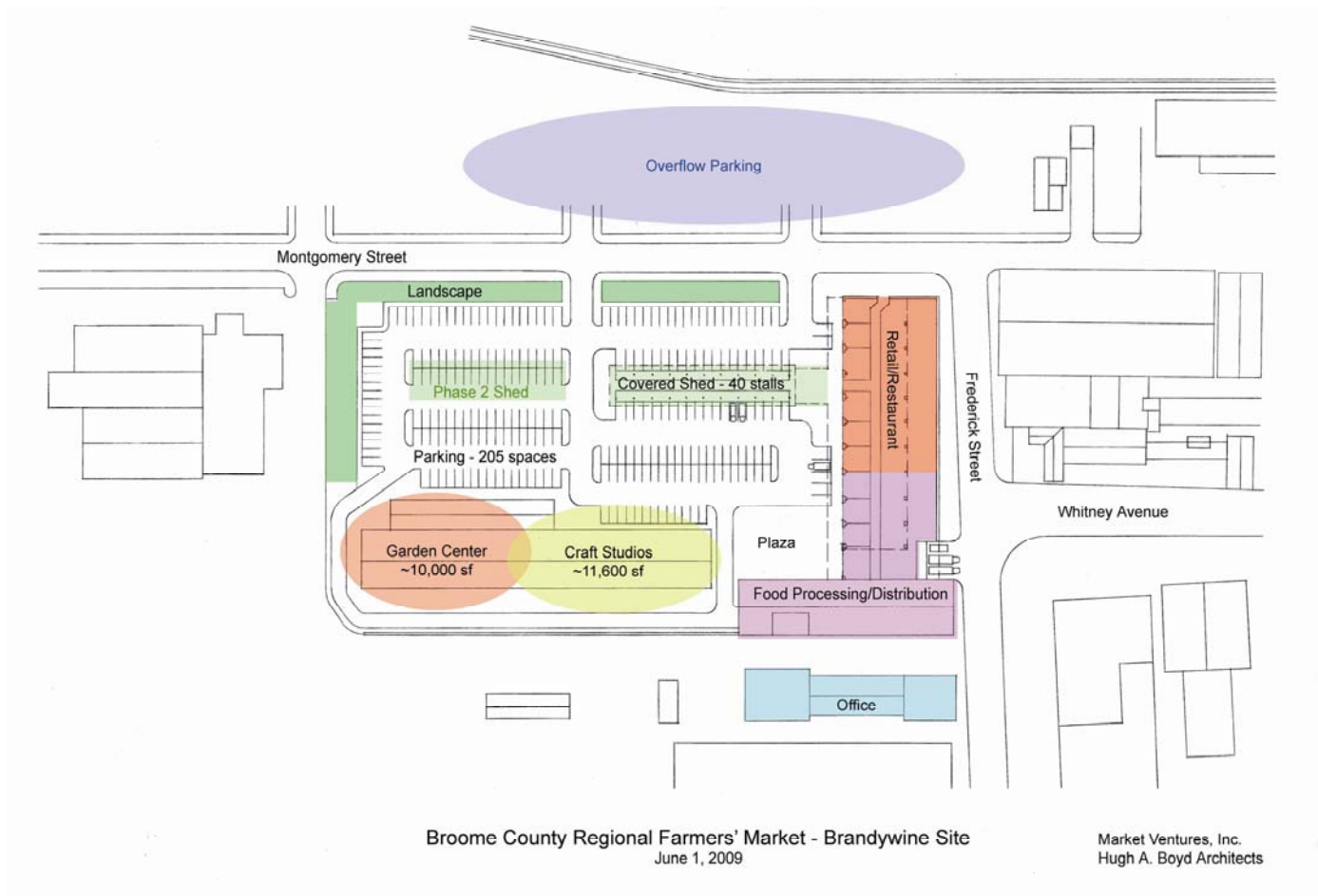
- Adaptive reuse of existing industrial buildings for retail, food service, food distribution, and processing
 - Bathrooms, water, electricity, gas, HVAC
 - Cold and dry storage
 - Market office
- Covered structure with space for approximately 40 vendor stalls
- Phase 2 structure expansion potential
- Craft workshops
- Education facilities
- Garden center
- Landscaping to improve ambiance
- Parking

The proposed market structure would be created in the parking area in front of the large cement block building, shown below:



The following design sketch shows a potential layout of the RFM at the Brandywine site. This design entails razing the buildings along the west side of Montgomery Street and retrofitting the other buildings. A new market structure is constructed perpendicular to the large warehouse building. Approximately 205 parking spaces can be accommodated within the gates. Vacant land across from the site on Montgomery Street, adjacent to the railroad tracks, could be secured for overflow parking. New landscaping is proposed on the site's periphery to enhance the market ambiance.

This design sketch shows the option of creating a second market structure to the north of the first structure. Each structure could have about 40 stalls.



Otsiningo Park

The development program for the Otsiningo Park site includes:

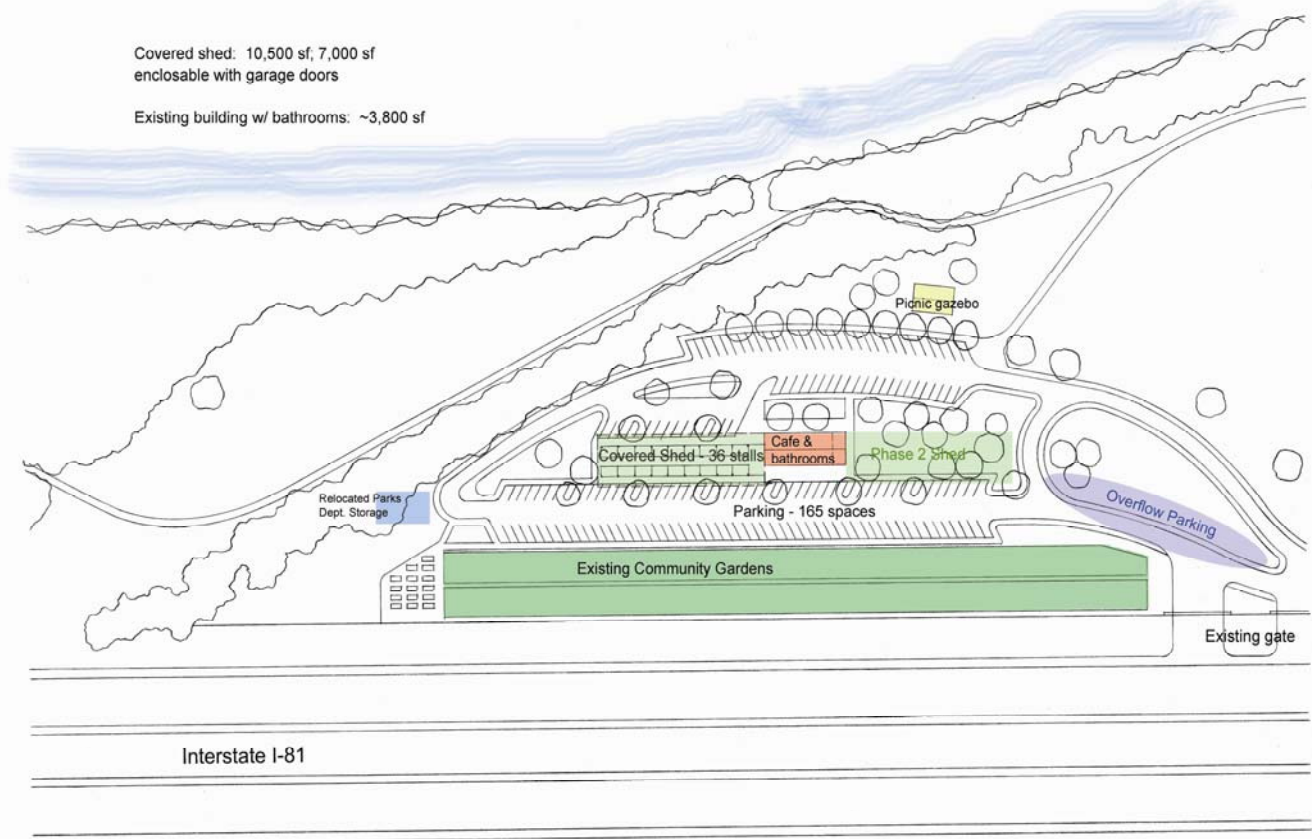
- Covered structure with room for approximately 40 vendor stalls
 - Water
 - Electricity
 - Telephone
 - Market office
- Enclosable section of structure for winter and inclement weather
- Phase 2 structure expansion
- Food service/café
- Special event facilities
- Education and tourism information facilities, linked to gardens
- Bathrooms
- Parking

The proposed market structure would be attached to the existing ~3,800 sf building that houses bathrooms and storage for the Parks Department. The following photographs show the location of this site. At present, the proposed site for the structure is used as a dirt driveway for the Park maintenance vehicles:





The structure could accommodate 36 vendor stalls measuring 8' wide by 10'6" deep and a 12' wide central aisle. The total footprint of the structure would be 10,200 sf. A second structure of the same dimensions could be added to the other side of the existing building. This area could be developed for outdoor vending as part of Phase 1, with farmers providing their own tents.



Schematic Design Concept
Broome County Regional Farmers' Market - Otsiningo Park Site
June, 2009

Market Ventures, Inc.
Hugh A. Boyd Architects

The market structure should include lighting, electricity, and water/drainage. The structure can be designed so all or part of it is enclosable with overhead garage doors; the interior portion should be heated. There are numerous farmers' market structures around the country that offer different design approaches for the RFM. Photographs of several of these markets can be found in Appendix D.

The existing building is maintained in this design concept. Keeping the existing bathrooms will represent a significant cost savings in developing the RFM. At present, the Parks Department uses the northern portion of this building to store its maintenance vehicles. The design contemplates creating a new structure to replace this function – one possible location is shown on the drawing. The storage component of the existing building can accommodate a snack bar or café operation, as well as education space, perhaps with a demonstration kitchen for cooking demos and nutrition classes.

The design attempts to preserve as many trees as possible. The existing community gardens are not altered.

This design contemplates widening the roadway and creating angled parking on both sides of the street. In total, 165 parking spaces are provided around the market structure.

Overflow parking could be added along the triangular parcel on the south side of the site, plus there are existing parking lots down the hill.

Site recommendation

Both the Otsiningo Park site and the Brandywine site have positive characteristics and both could succeed as sites for the Regional Farmers' Market. However, MVI concludes that the Otsiningo Park is the preferred site. It surpasses the Brandywine site for the following factors:

1. **Visibility and access.** While both sites are visible from I-81, the Otsiningo Park site is at the same elevation as the highway and immediately adjacent to it and therefore has superior visibility. The site is well known throughout the region and will be easily spotted by tourists. A public bus currently enters Otsiningo Park on Saturdays to access the farmers' market so the site is accessible to bus riders. The trail system already accommodates walkers and bikers. By contrast, access to the Brandywine is more problematic, particularly the inability to turn onto Frederick Street from the Brandywine going southbound.
2. **Atmosphere.** Otsiningo Park provides the preferred bucolic setting, and was considered ideal by many of the farmers. The Brandywine site could be made more pleasant but it is located within an industrial area and there are vacant lots and buildings around it. The Brandywine site is also perceived by some to be unsafe.
3. **Cost of development and timeline.** Creating a RFM at the Brandywine site will require either removing or improving the other buildings on that property as well as extensive landscaping to enhance the atmosphere. The RFM will not succeed if it is surrounded by empty buildings. Additional planning will be needed to develop appropriate development concepts for the existing buildings, developing these additional buildings will increase the project's overall cost, and the construction period will likely be longer. By contrast, the Otsiningo Park site should be less expensive, requiring only site work, construction of the Market building, and upgrades to the bathroom building. However, based on the results of the SERQA process, the timeline for the Otsiningo Park site might be extended, particularly if bones are found in the recommended location, indicating that the area was once a cemetery. Broome County will also need permission from New York State to construct a building in the park, which might extend the timeline.
4. **Less development and management complexity.** The RFM at the Brandywine site will require development of the existing buildings, as well as the farmers' market structure. The research conducted for this study found limited interest in food processing and distribution among the farmers interviewed, tepid interest from others contacted as part of the key informant interviews, and no obvious tenants or developers for these components. Managing a larger and more complicated facility will be significantly more expensive and complex. The Otsiningo Park site requires a less complex approach and can be managed more simply.
5. **Existence of Otsiningo Park Farmers' Market.** The success of the Otsiningo Park Farmers' Market both in its initial year of operation in 2008 and so far in 2009 reinforces the conclusion that Otsiningo Park is a good site for a farmers' market. Furthermore, the farmers already selling in Otsiningo Park (and the customers buying there) can easily be transitioned into the proposed new facility and the current farmers will make up more than half of those

needed to fill the stalls on Saturdays. Conversely, if the RFM is developed at the Brandywine site, then either the Otsiningo Park Farmers' Market will need to move to the new location or it will compete against the RFM.

6. Complementary functions. The Otsiningo Park site provides a range of complementary functions, including the walking/biking trails, the community gardens, and existing special events. The properties around the Brandywine site are generally not complementary of the retail functions of the RFM although they would be similar to the distribution and processing functions should those occur.
7. Farmers' preference. All of the farmers in four of the five focus groups said that they preferred the Otsiningo Park site.

In conclusion, the Otsiningo Park site will be able to achieve the market's goals with less cost and less risk.

There are issues at the Otsiningo Park site that will need to be addressed:

- The site is not owned outright by Broome County but is leased from New York State. According to the Department, the lease will expire in 2014. It is important to secure a long term lease before investment is made into this facility to ensure the market's longevity. Moving the RFM from one site to another should be avoided.
- The construction of this facility will likely require state approval because of lease restrictions on building new structures in the park.
- The success of the RFM could lead to vehicular congestion in the park. Means to mitigate this problem might need to be considered.

Organization

Organizational roles

The organizational functions of a public market can be divided into three main categories: ownership, sponsorship, and management. These roles can be summed up as follows:

- Owner: the owner of the real property and facilities.
- Sponsor: the sponsor has legal and fiduciary responsibility for the market. It works to ensure that the market meets its defined goals and that it operates in a business-like and financially prudent manner. The sponsor is responsible for setting policies, legal compliance, and overseeing management, as well as community and government relations.
- Management: management is responsible for operating the market on daily basis. It enforces market rules, recruits vendors, oversees property management (stall assignment, cleaning, security), performs marketing, maintains good vendor and customer relations, and is responsible for financial management.

While the organizational functions can be divided into three distinct categories, in practice these functions can be done by three different entities, by one entity, or any combination thereof. Furthermore, there are examples of public markets around the country where these functions are performed by public, nonprofit or private sector entities.

Organizational recommendations

MVI makes the following organizational recommendations for a Regional Farmers' Market constructed in Otsiningo Park:

- Owner: the owner of the Regional Farmers' Market facilities should be Broome County. The county has control of Otsiningo Park through its lease with NYS DOT and the county owns its improvements to the park.
- Sponsor: MVI did not identify an existing organization that was appropriate to sponsor the RFM, therefore we recommend that the county help establish a new nonprofit corporation to be the sponsor. The purpose of the nonprofit should be to manage farmers' markets in the Southern Tier. This provides the ability, if it is deemed appropriate, for the group to become involved with operating other farmers' markets in the region sometime in the future.

The county should identify initial volunteer board members of the nonprofit who share the Market's goals and who are willing to devote their time and energy to this endeavor. Once the nonprofit is established, the county and the nonprofit should enter into a renewable lease to operate the county's RFM facility with clear performance and reporting requirements. The nonprofit should provide annual reports to the county about facility utilization, goal attainment, programs and partnerships, and finances. The nonprofit will need to create the market rules and operating guidelines.

In order to ensure that farmers and other vendors have a voice in market policy and operations, the nonprofit should create a Vendors Committee that meets regularly with market management and board representatives. It is recommended that the board not include any market vendors because of the inherent conflict of interest.

- **Management:** the RFM in Otsiningo Park can be managed by a part time employee. This person should be hired and then work under contract to the nonprofit sponsor. Ideally, the person will have farmers' market experience in operations, marketing, and property management. It is important that the manager be able to develop a good rapport and trust with the farmers, as well as be able to enforce rules evenly and consistently. The manager should also have the ability to develop partnerships and programs with government, nonprofits, and area businesses.

Operations

The RFM is conceived as a year-round operation. It is recommended that operations and site rentals be considered in three month seasonal blocks. April through December, the market should initially operate two days per week and it should operate one day per week in the winter (January through March).

Saturday is the obvious first day of operation because this is generally the busiest farmers' market shopping day and the Otsiningo Park Farmers' Market already operates on Saturdays. The second proposed day is Thursday since the other key farmers' markets in the region (including Vestal and Downtown Binghamton) do not operate on Thursdays. When interest among farmers and consumers is sufficient, then a third day of operation per week should be added. Sundays should be considered carefully for the third day of operation. Around the country, Sundays have become the second busiest day for supermarkets and many people visit Otsiningo Park then. Several of the farmers interviewed said they would be interested in Sunday operations. The sponsor will need to determine if enough farmers are interested in selling on Sundays to make the day successful.

Stalls should be rented for a minimum of one day per week for each three month season. While it is generally a good idea to limit requirements that might impede farmers from participating, the market needs to attract farmers who commit to making the market successful. Season-long rentals also help prevent vendors from using the RFM for a day or two to "dump" surplus product and thereby drive down everyone's prices. Requiring farmers to sell at the RFM one day a week for at least three months is a modest commitment.

The RFM should only allow products grown or produced in New York or Pennsylvania. The market should adopt a 70:30 rule, by which 70% of what is sold comes from the farmers' own farm. This rule allows farmers to buy-in 30% of their goods from other farmers in New York or Pennsylvania.

The market should require each farm to display signs that clearly state what is grown on that farm and what comes from other farms. The RFM can create a standardized sign, such as the ones at the Ferry Plaza Farmers' Market in San Francisco (below). These signs, which are posted on each farmer's tent or table, provide information about the farm's history and location, what it grows, and production methods.

Crafts should be selected based on jury selection by qualified crafters. Everything should be handmade by the vendor.

Management will be responsible for enforcing market rules, including quality standards. It is important that the RFM develop a reputation for selling high quality, locally grown and produced products.

Management should develop a waste program, including recycling and composting. The presence of the community gardens at Otsiningo Park provides the opportunity to develop food waste composting on site, in partnership with the gardeners.

Management should also work with farmers to ensure that they accept SNAP (food stamps) and Farmers' Market Nutrition Program (WIC and Senior) coupons. SNAP now utilizes EBT cards, which require a credit card terminal. NYS has been a leader in developing a wooden token system that uses a single wireless EBT machine owned by the market, whereby beneficiaries swipe their EBT card at the manager's table and then receive wooden tokens to spend with the farmers. At the end of the day, the market reimburses the farmers for the tokens they have collected. This system works and can be implemented at the RFM. However, it would be preferable if the farmers at the RFM had their own credit card machines that could accept both SNAP and regular credit cards since customers will spend more money if they can use their credit cards. The market should also have an ATM machine to provide customers with easy access to cash; rental payments from the ATM owner to the RFM will also provide income.



Programming

To fulfill the RFM's goals of helping consumers learn about fresh, locally grown and produced products and celebrating the region's food traditions, the market should develop a series of education programs in conjunction with local partners. These can include programs that focus on gardening, nutrition education, and cooking, taking advantage of the market's proximity to the community gardens across the parking lot. The market should reach out to area chefs, the community college, and nonprofit and government agencies to create cooking and nutrition programs, including programs directed at children. The market can also take advantage of the NY Wine and Grape Foundation's farmers' market wine promotions program.

The RFM will require a robust marketing effort, particularly in the first several years of operation as the market becomes established and develops its core customers. At most farmers' markets, the marketing program is centered around special events which often receive editorial coverage in local media. Some markets advertise in print or radio. The RFM will need to develop a year-long marketing program aimed at the targeted consumers identified in the Market Demand analysis above, with an emphasis on informing customers about the new winter market.

During the research phase, key informants expressed concern that the RFM could draw customers away from existing farmers' markets and harm those markets. One way to address this concern is to expand the marketing program to include all the farmers' markets in the region. The RFM can play a key role in informing consumers about their local markets and encouraging the public to shop at all of the region's farmers' markets.

The RFM can also play an important role in promoting agricultural tourism in region. A number of farms have U-pick operations, farm stands, and other on-the-farm activities. Given its excellent highway visibility, tourists visiting or going through Binghamton can visit the RFM and learn about the various agricultural tourism opportunities.

Financial Analysis

MVI developed five year financial projections for the RFM at Otsiningo Park based on the following assumptions and analysis.

Operations pro forma

Income

The vast majority of income for the RFM will come in the form of rent charged to market vendors. Estimating rental income requires determination of both rental rates and utilization.

Rental rates need to be in line with existing rents at other farmers' markets and commensurate with the income potential at the RFM. In general, rents at farmers' markets in the Southern Tier are very low. As the research above discovered, daily equivalent rent at the Downtown Binghamton Farmers' Market equals \$5, while the Otsiningo Park Farmers' Market charges \$7.70 per day and the Vestal Farmers' Market charges on \$1.88. The two nearby larger farmers' markets with structures charge substantially more: Central NY State Farmers' Market in Syracuse charges \$25-35 per day while the Ithaca Farmers' Market charges \$25 on Saturdays, plus membership fees and work requirements. The rent for the RFM needs to be more than the local farmers' markets but below the fees charged at the larger, already successful markets.

MVI proposes rent levels that vary based on the season, as shown in the chart below. At peak season (July through September), daily rent for farmers equals \$18, while it is \$13 per day for the spring and fall seasons and \$8 per day during the winter. Fees are higher for craft vendors except during the winter months. Fees increase slightly in the third year of operation and again in the fifth year.

Farmers	Year 1		Year 2		Year 3		Year 4		Year 5	
Seasonal rates/day	Rate/day									
Jan-Mar	\$	8	\$	8	\$	9	\$	9	\$	10
Apr-Jun	\$	13	\$	13	\$	14	\$	14	\$	15
Jul-Sep	\$	18	\$	18	\$	19	\$	19	\$	20
Oct-Dec	\$	13	\$	13	\$	14	\$	14	\$	15

Craft/Prep Food	Rate/day									
Jan-Mar	\$	8	\$	8	\$	9	\$	9	\$	10
Apr-Jun	\$	18	\$	18	\$	19	\$	19	\$	20
Jul-Sep	\$	23	\$	23	\$	24	\$	24	\$	25
Oct-Dec	\$	18	\$	18	\$	19	\$	19	\$	20

Based on average sales per day of \$750, rent of \$18 equals 2.4% of sales. This is a very small percentage for a retail business and should not present a major barrier for the farmers.

For each season, MVI also assigned an expected average vacancy rate. Vacancies are expected to be high in the winter months and higher in the first several years of operation. To determine the rental income, the occupancy rate (the inverse of the vacancy rate) is multiplied by the number of stalls, the number of days per week of operation, the number of weeks of operation, and the rental rate:

Vacancy					
Jan-Mar	80%	80%	80%	70%	70%
Apr-Jun	30%	30%	30%	30%	30%
Jul-Sep	20%	10%	10%	10%	10%
Oct-Dec	25%	25%	25%	25%	25%
Income					
Jan-Mar	\$ 749	\$ 749	\$ 1,685	\$ 2,527	\$ 2,808
Apr-Jun	\$ 8,518	\$ 8,518	\$ 13,759	\$ 13,759	\$ 14,742
Jul-Sep	\$ 13,478	\$ 15,163	\$ 24,008	\$ 24,008	\$ 25,272
Oct-Dec	\$ 9,126	\$ 9,126	\$ 14,742	\$ 14,742	\$ 15,795
Total	\$ 31,871	\$ 33,556	\$ 54,194	\$ 55,037	\$ 58,617

The calculation for the craft and prepared food vendors is similar except the number of spaces available for crafts depends on the vacancy rate for farmers. Farmers should have the higher priority, therefore a space for a crafter or prepared food vendor only becomes available if there are farmer vacancies. Based on the farmer vacancy rates above, the numbers of spaces available for craft/food vendors are:

Craft/Prep Food	Year 1	Year 2	Year 3	Year 4	Year 5
Available spaces					
Jan-Mar	29	29	29	25	25
Apr-Jun	11	11	11	11	11
Jul-Sep	7	4	4	4	4
Oct-Dec	9	9	9	9	9

The calculation for income is then the same for the craft vendors:

Vacancy					
Jan-Mar	70%	70%	60%	60%	60%
Apr-Jun	30%	30%	30%	30%	25%
Jul-Sep	5%	5%	5%	5%	5%
Oct-Dec	20%	20%	15%	15%	15%
Income					
Jan-Mar	\$ 899	\$ 899	\$ 2,696	\$ 2,359	\$ 2,621
Apr-Jun	\$ 3,538	\$ 3,538	\$ 5,602	\$ 5,602	\$ 6,318
Jul-Sep	\$ 4,090	\$ 2,045	\$ 3,201	\$ 3,201	\$ 3,335
Oct-Dec	\$ 3,370	\$ 3,370	\$ 5,669	\$ 5,669	\$ 5,967
Total	\$ 11,897	\$ 9,851	\$ 17,167	\$ 16,830	\$ 18,240

In addition to rent, each vendor is charged a **marketing fee** of \$4.00 per day to help offset the cost of marketing. This amount rises to \$5 in year four. Based on the utilization rates presented above, the marketing fee for farmers equals \$8,800 in year one and rises to \$17,900 by year five. The marketing fee for craft/prepared food vendors equals \$2,700 in year one and rises to \$5,050 in year five.

Rent for the indoor food service component/café of the RFM, utilizing a portion of the existing structure, is projected at \$450 per month.

A final source of income is fees for site rentals for groups that want to use the RFM facility for events. The income depends on the number of events per year, the average number of attendees, and the per person site fee charged. Site rentals have been estimated as follows:

Site rental for events	Year 1	Year 2	Year 3	Year 4	Year 5
Events/year	10	10	12	12	14
People/event (average)	75	100	120	120	120
Site fee/person	\$3.00	\$3.00	\$4.00	\$4.00	\$4.00
Income	\$2,250	\$3,000	\$5,760	\$5,760	\$6,720

Expenses

The largest expense of operating the RFM is personnel costs. The hours for the market manager are estimated as 8 hours on site for each market day plus 16 hours per week off-site. Over the course of the first year, this equals 1,528 hours. The pay rate has been estimated at \$14.00 per hour, for a total of \$21,392. A Market Assistant, at the rate of \$8.00 per hour, is budgeted at 8 hours per market day, for an annual total of \$4,992. With payroll taxes, the total personnel cost in year one is \$29,286. It is also possible to recruit volunteers or interns to assist with market management, but these do not affect the financial calculation.

Other operating expenses include maintenance/repair, supplies, telephone/communications, and utilities. It is assumed that waste removal will be performed in kind by the Parks Department.

Marketing and education have been budgeted at \$25,000 in year one and increase 3% per year, as do the other expenses.

Profit/loss statement

The income and expenses come together in the following estimated profit and loss statement for the Regional Farmers' Market:

	Year 1	Year 2	Year 3	Year 4	Year 5
Income					
Rent - farmers	\$31,871	\$33,556	\$54,194	\$55,037	\$58,617
Marketing fee - farmers	\$8,798	\$9,173	\$13,946	\$17,901	\$17,901
Rent - crafts/prep food	\$11,897	\$9,851	\$17,167	\$16,830	\$18,240
Marketing fee - craft/prep food	\$2,696	\$2,340	\$4,104	\$4,943	\$5,049
Snack bar	\$5,400	\$5,400	\$5,562	\$5,729	\$5,901
Site rentals	\$2,250	\$3,000	\$5,760	\$5,760	\$6,720
Gross Operating Income	\$62,911	\$63,320	\$100,735	\$106,200	\$112,428
Operating Expenses					
Market operations	\$48,502	\$49,910	\$64,908	\$66,769	\$69,211
Marketing/Education	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138
Subtotal	\$73,502	\$75,660	\$91,431	\$94,087	\$97,349
Net Operating Income	(\$10,591)	(\$12,340)	\$9,304	\$12,113	\$15,079

This projection shows that the RFM will operate at a loss in years one and two but should have positive cash flow by year three. This is mainly due to more income from lower vacancy rates, slightly higher rent fees, and the addition of a third day of operation.

Development estimate

The cost of the structure, excluding site work but including lighting, water, and partial winterization, and architectural fees, is estimated at \$75-90 per square foot. This is based on recent experience developing similar facilities, reflecting typical square footage construction costs. Renovation of the existing bathroom and building, including the addition of a roof that will match the new structure, is estimated at \$65 per square foot.

Start-up costs include signage, professional fees/planning, insurance, capital/equipment, opening promotion, and negative cash flow/operating reserve. The development estimate does

not include site work, such as the adjusted roadways and parking areas, which can be performed directly by the county.

At the \$75 per square foot estimate, the development budget is approximately \$1.22 million:

	Square feet	Cost/sf	Subtotal	Total
Construction				
Farmers' market structure	10,506	\$75.00	\$787,950	
Bathrooms/Snack bar building	3,800	\$65.00	\$247,000	
<i>subtotal</i>				\$1,034,950
Other				
signage			\$25,000	
professional fees/planning			\$40,000	
insurance			\$10,000	
capital/equipment			\$15,000	
opening promotion/extraordinary 1st yr			\$50,000	
negative cash flow/operating reserve			\$50,000	
				<u>\$190,000</u>
Total				<u>\$1,224,950</u>

At \$90 per sf, the development budget is approximately \$1.38 million:

	Square feet	Cost/sf	Subtotal	Total
Construction				
Farmers' market structure	10,506	\$90.00	\$945,540	
Bathrooms/Snack bar building	3,800	\$65.00	\$247,000	
<i>subtotal</i>				\$1,192,540
Other				
signage			\$25,000	
professional fees/planning			\$40,000	
insurance			\$10,000	
capital/equipment			\$15,000	
opening promotion/extraordinary 1st yr			\$50,000	
negative cash flow/operating reserve			\$50,000	
				<u>\$190,000</u>
Total				<u>\$1,382,540</u>

The development budget will need to be refined during the next stage of work, which includes design development and local cost estimating.

Conclusion

Feasibility assessment

As described in the Comparable Farmers' Markets section above, there are five key factors found at successful public markets. These can be used to analyze the feasibility of the proposed Regional Farmers' Market:

- **Site.** Otsiningo Park offers an excellent site with superb highway visibility and adequate parking. The park provides a great atmosphere for the RFM and the existence of the successful Otsiningo Park Farmers' Market will greatly aid the transition to a larger, year round facility. The principal concerns with the site are increased traffic through the park and the possibility that the RFM could one day outgrow the site.
- **Environment.** The RFM will need a functional and aesthetically pleasing structure to create the desired physical environment. The existing bathrooms, parking, and picnic areas provide some of the needed amenities already. There are various structures at farmers' markets around the country that provide good models for this development.
- **Culture of market shopping.** The success of farmers' markets in the region shows consumers' interest in farmers' markets. The area also supports a Wegman's supermarket, demonstrating interest in high quality fresh foods. The shrinking population base and suppressed income levels suggest that the facility not be too large and that its development be phased, both of which have been integrated into the proposed facility.
- **Management.** The proposed new nonprofit sponsor must be created carefully so a group of dedicated and skilled individuals set the course and oversee the RFM. The success of the RFM will be determined in large extent by this organization and therefore the project's feasibility is highly dependent on the ability to create a high functioning organization.
- **Vendors.** The research shows that there is adequate interest and talent among farmers in the region to tenant an appropriately scaled, expandable facility. There are also a number of active craft vendors in the region who participate in craft festivals and shows.

Based on the assumptions therein, the financial analysis shows that the RFM in Otsiningo Park can operate without subsidy following a two year start up period. Based on all of these factors and the assumptions described in this report, the Regional Farmers' Market as envisioned can be considered feasible.

Next steps

If Broome County decides to move forward with the Regional Farmers' Market in Otsiningo Park, there are two principal next steps:

- Design development study. The county should utilize an experienced farmers' market architect working in partnership with a local landscape architect to explore design options and create a preferred design option. The architect should work with a local cost estimator to refine the development budget. The design process should include ongoing input from potential users, namely the farmers who currently sell at the Otsiningo Park Farmers' Market and those from other area farmers' markets, as well as park users including the community gardeners.
- Establish nonprofit sponsor. As described above, the nonprofit sponsor for the RFM will need to be created carefully to ensure that it has the skills and capacity to run a successful regional market. To start the process, Broome County can select seven individuals to lay the foundation for the organization, such as determining the articles of incorporation and by-laws. These seven can then become the initial board members and they should select an additional six board members to create a total board of 13 members. The initial seven individuals should have both organizational and operational experience with entities similar to the RFM and should share the goals enunciated for the RFM.

To ensure the creation of the new nonprofit happens in a timely and effective way, Broome County should retain a "convener" to help the group get started and cover all the appropriate areas. This convener should be experienced in farmers' market development and organization.

Once established, the nonprofit sponsor will need to create and negotiate a lease with the county to operate the RFM. The group should also be involved in the facility design and development decisions. The group will need to interview and retain a market manager, determine key policies, develop financial management and operating procedures, refine the operating budget, and create the market rules. They will also need to begin recruiting farmers and craft vendors, find an operator for the café, and create the marketing program. They should also begin to develop partnerships for education and programs.

Appendix A. Key Informant Interviews

Name	Organization
Ann Ellis	Binghamton Regional Sustainability Coalition
Joshua Auerbach	Black & White Cookie Company
Ray Dennison	BOCES
Darcy Fauci	Broome County, Deputy County Executive
Chris Harmon	CADE
Steve Herz	Broome County Legislator
Barbara Fiala	Broome County Executive
Mary McFadden	Broome County Health Department
Lea Webb	City of Binghamton City Council
Joel Boyd	City of Binghamton Economic Development
Caroline Quidort	City of Binghamton Planning
Amelia LoDolce	City of Binghamton Sustainable Development Planner
Laura Biasillo	Cornell Coop Extension - Broome County
Jabe Warren	Cornell Coop Extension - Chemung County
Monika Roth	Cornell Coop Extension - Tompkins County
Carol McGee	Downtown Binghamton & Otsiningo Park Farmers' Market vendor
Eric Denker	Downtown Binghamton Farmers' Market manager
Paul Manishefsky	Earth Day Southern Tier & Green Building
Zach Ziemba	Faith in Action Volunteers
Mary Parmenter	Food Bank of Southern Tier
Dianne Eggert	NYS Federation of Farmers' Markets
Jim Barber	NYSDAM
Bob Lewis	NYSDAM
Jack Salo	Rural Health Network
Karyn Anne Petracca	Vestal Farmers' Market
Lisa Bloodnick	Vestal Farmers' Market - vendor
Russel Shoultes	Vestal Farmers' Market - vendor
Challey Comer	Watershed Agriculture Council - Delaware County
Niechelle Wade	Whitney Point, Downtown Binghamton & Otsiningo Park Farmers' Market vendor

Appendix B: Sales Analysis

Market categories	Population	0.5 mile ring		0.5-5 m band		5-25 m band		Total	
		Estimates	Potential	Sales	Estimates	Potential	Sales	Estimates Total	% of total
		(million)			(million)			(million)	
Bread/Bakery Products		\$0.66	3.0%	\$19,700	\$18.1	2.3%	\$406,200	\$40.6	\$730,700
Dairy/Eggs		\$0.91	2.0%	\$18,200	\$24.5	1.5%	\$367,400	\$54.7	\$659,000
Meat		\$1.06	2.0%	\$21,200	\$27.3	1.5%	\$409,900	\$60.7	\$734,600
Poultry		\$0.54	2.0%	\$10,800	\$13.6	1.5%	\$204,200	\$29.4	\$362,000
Produce - fresh		\$0.69	4.0%	\$27,700	\$18.9	3.0%	\$567,500	\$41.2	\$1,007,100
Specialty food (jams, jellies)		\$0.11	2.0%	\$2,100	\$2.9	1.5%	\$44,000	\$6.5	\$78,400
Wine		\$0.13	1.0%	\$1,300	\$5.3	0.8%	\$39,400	\$11.5	\$69,500
Total/Average/Total		\$4.09	2.5%	\$101,000	\$110.6	1.84%	\$2,038,600	\$244.6	\$3,641,300
									100.0%

Appendix C: Farmer Focus Group Participant Survey

To solicit farmer input into the Regional Farmers' Market planning, MVI planned seven focus groups in and around Broome County. The Department, working with Cooperative Extension representatives, solicited farmers to participate in the sessions, seeking to find a balance of different types of farmers in terms of experience, location, size, and product mix. The following chart shows the number of participants at each of the groups.

County	Farmers
Otsiningo Park – Binghamton	3
Downtown Binghamton Farmers' Market	5
Broome Ag Development Board	7
Norwich	3
Elmira	9
Owego	4
Walton	0
<i>Total</i>	31

At the focus groups, the MVI team requested that each farmer complete a brief written survey that provided contact information, years farming, principal crops, marketing outlets, and gross sales. The participating farmers returned 27 completed survey forms. This appendix reports on the survey results in order to provide a picture of the participating farmers.

The farmers represented 8 different counties. Broome (N=10), Tioga (N=5), and Chenango (N=4) counties had the greatest number of participants.

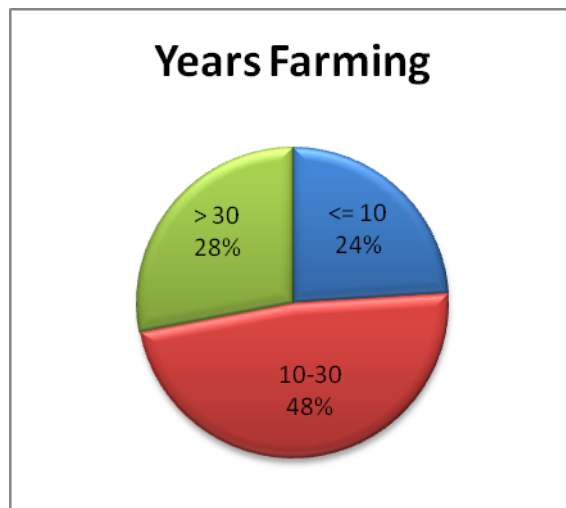
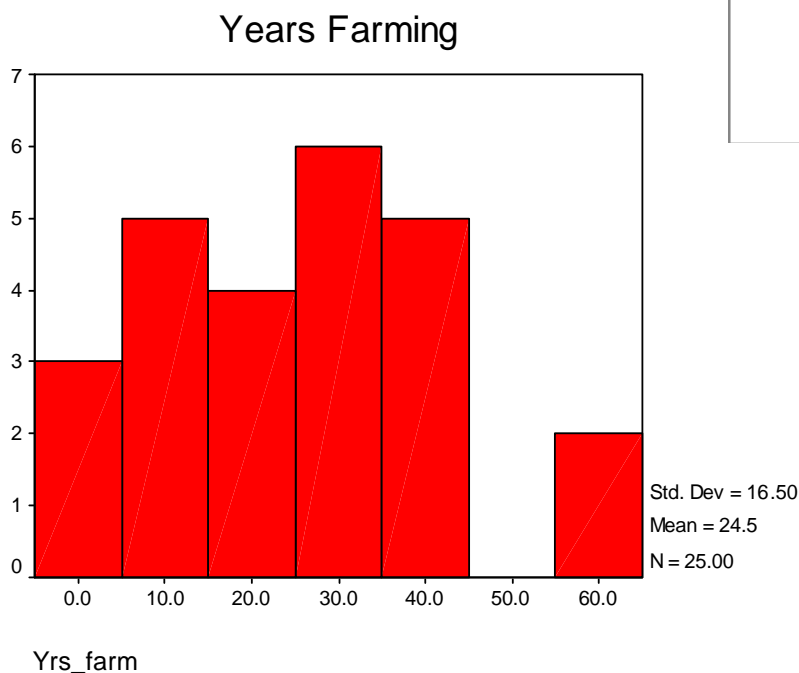
County	Number
Broome	10
Tioga	5
Chenango	4
Chemung	3
Bradford	2
Cortland	1
Steuben	1
Susquehanna	1
<i>Total</i>	27

Farmer Description

A number of questions were asked to learn more about the characteristics of the survey population and their recent experiences in farming.

Question: How many years have you been farming?

The answers ranged from 1 to 60 years, with an average of 24.5. A histogram of the results shows a fairly consistent grouping of “new” farmers (farming 10 years or fewer), “experienced” farmers (farming 10-30 years), and “long time” farmers (farming more than 30 years). The focus groups therefore achieved the objective of having a wide range of years of experience.



Question: How many acres did you have in production in 2008?

Acres in production ranged from 1 to 5,000 (N=24). A quarter of the farms are smaller than 10 acres, while a third are between 10 acres and 50 acres. Two large farms were represented, each with more than 1,000 acres.

Farmers were also asked how many acres they farmed five years ago, in 2003, to see if this group of farmers was generally growing or shrinking its farmland in production. In no instance did the number of acres in production go down. Over half (58%) had no change in the five year period. A few (17%) had small increases, between one-half acre and three acres. A few others had large increases, ranging from 110 acres to 1,500 acres.

Question: How many different products did you grow?

Another way to classify the farmers is by the extent of their product diversification. The respondents reported growing between one and 50 different items, with an average of 13 and a median of 10. These results were grouped into four categories reflecting the farmers' level of diversification:

<i>Category</i>	<i># Products</i>	<i>Percentage</i>
Undiversified	1-2	9%
Low diversification	3-10	57%
Moderate diversification	11-30	26%
High diversification	>30	9%

Most of these farmers had a fairly low level of diversification, which suggests they are better situated to sell through marketing channels that are more suitable low diversification, namely wholesale.

Question: Can you list, in order, the three farm products that brought in the most revenue in 2008?

The farmers mentioned 28 different types of products, ranging from fruits and vegetables to aquaculture, Buffalo meat, mushrooms, and alpaca. Fruits and vegetables were the most common responses, followed by beef. Answers to this question were categorized in the following groups. For the first product listed, fruit and vegetable growers are the largest group, followed by meat/poultry, and plants/flowers/trees:

Products	Frequency	Percent
Fruit and vegetables, herbs	10	40
Meat/poultry	3	13
Maple	2	8
Milk/dairy	3	13
Other	7	28
Total	25	100

Marketing Channels

Question: Please approximate how your 2008 farm sales divided into the categories described in the chart below:

Sales Channel	Percent
Retail sales either on the farm, at a roadside market, or CSA	%
Retail farmers' markets or other off-farm retail direct marketing	%
Direct sales to restaurants, stores and other wholesale buyers	%
Sales through middlemen such as wholesalers, distributors, processors, packers or coops	%
Other (please describe:)	%
TOTAL SALES	100%

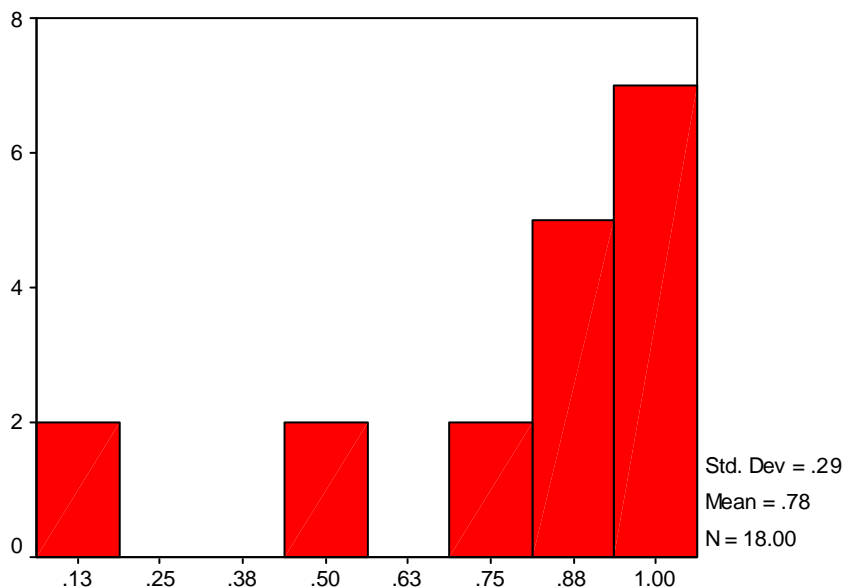
Respondents were asked to classify their sales into four named categories or an "other" category. Two of the categories are retail categories (sales either on the farm or off site at a farmers' market) and two are wholesale (one direct wholesale to retailers or restaurants and the other through middlemen). In every case with data, the percentages add up to 100%.

Combining the first two categories (retail sales either on the farm or off-site at a farmers' market), **nearly all of the farmers surveyed are retail oriented**. Only 3 of the 24 farmers who answered this question reported that the majority of their sales come from sales through middlemen. By contrast, 10 of the farmers reported that farmers' markets make up at least 50% of their sales and 8 farmers reported that on-farm sales made up at least 50% of their sales.

Nearly all participants (97%) reported some retail sales. 65% of the respondents reported that at least half of their sales came from retail activities and 43% said all of their sales came from retail venues.

In the following histogram, the bars represent the number of farms, which are divided between their percentage selling retail. For example, the first bar shows that 2 farms had up to 14% retail sales. The three bars on the right show that most of the farms (14 of 24) had at least 75% of their sales coming from retail sources.

Retail Sales (on or off farm)



RETAIL

Over half of the farmers (N=14) reported having some amount of direct wholesale, which as defined at “Direct sales to restaurants, stores, or other wholesale buyers.” However, these sales represented a small fraction of the farmers’ total sales. For half it was less than 10% of their sales and at the most it represented 30%.

Only 7 farmers reported selling through intermediaries at all. For three of them it represented the majority of their sales and for one it represented 99%.

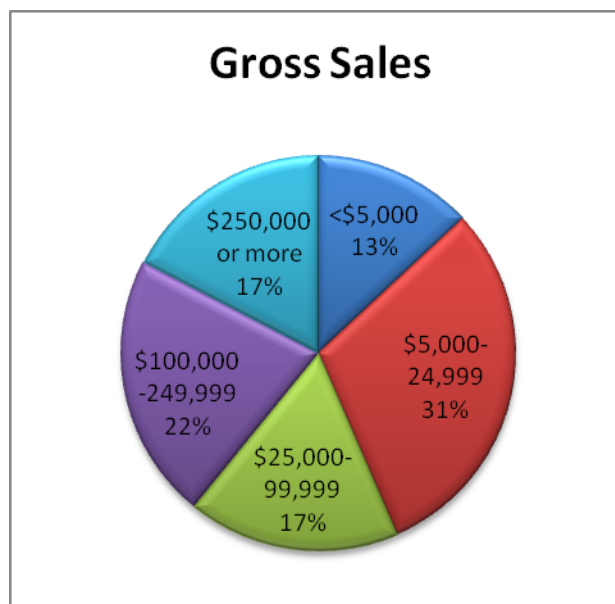
The farmers reported selling at 17 different farmers’ markets throughout the region. The list includes the following markets, along with the number of different farmers who said they sold there:

Farmers' Markets	Total
Big Flats	2
Cider Mill	4
Corning	1
Downtown Binghamton	6
Eastside, Elmira	3
Endicott	1
Hamilton	1
Horseheads	2
Montour Falls	1
Norwich	1
Otsiningo Park	6
Owego	1
Sayre PA	1
Schuyler County FM	1
Vestal	5
Whitney Point	1
Wisner, Elmira	1
Total	38

12 farmers provided information about the number of direct wholesale accounts they service. The accounts ranged from 1 to 10.

Question: What were your farm's gross sales in 2008?

Farmers were asked to report their farm's gross sales according to five category ranges, which correspond to Census of Agriculture categories. 23 farmers provided this information. The group was fairly evenly split between high and low income farms. Again, this affirms that the focus groups included a range of different types of farmers.



Appendix D. Comparable Markets

Ithaca Farmers' Market



Findlay Market, Cincinnati, Ohio



Trenton (NJ) Farmers' Market



Flint (Michigan) Farmers' Market

