

**Report No. 1. Performance of Byron Farmers Markets**

**Director:** Governance and Community Services

**File No:** /#641126

**Principal Activity:** Property Management / Community Planning

**Purpose:** To provide information relating to the performance of current Farmer's Markets.

**Summary:** The first Byron Farmers' Market (BFM) commenced in Byron Bay on 5<sup>th</sup> December 2002. Since then a second Farmers' Market was established at Bangalow commencing Sat 3<sup>rd</sup> July 2004.

Council resolved (resolution 06-110) to:

1. *'receive a report on performance of current Farmer's Markets' .*

Assessment of the performance of the current Farmers' Markets was performed on a contractual basis as part of the role of the Sustainable Agriculture Officer while implementing actions within the sustainable Agriculture Strategy.

The findings of this assessment are that the Farmers Markets are generally considered to be highly successful. Full details of the assessment are included in the information section of this report.

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**RECOMMENDATION:**

**That Council note the following report.**

***Attachments:***

- Letters of concern #515809 & #503658 [7 pages] **CONFIDENTIAL** ..... **Annexure 14(a)**
- BFMA Charter # 672807 [2 pages]..... **Annexure 14(b)**
- Letters of support #528690, #528768, #671201, #672782 [5 page] **CONFIDENTIAL** ..... **Annexure 14(c)**
- Letter Bangalow Chamber Commerce 29/11/06 #674302 [1 page] ..... **Annexure 14(d)**

## **Background**

At its meeting of 14 March 2006 Council resolved (resolution 06-110) to:

1. 'receive a report on performance of current Farmer's Markets' and
2. 'receive a report on the potential for additional Farmer's Markets'.

This report satisfies the first resolution.

## **Key Issues**

- Appropriate management of Council owned and controlled properties
- Ensuring markets are properly managed in accordance with Council Policy and relevant legislation
- Developing a vital, diversified, 'clean and green' agricultural sector that provides profitable farm incomes and employment for the community (Sustainable. Ag. Strategy).
- Establishing links between local producers and local consumers, including tourists (Sustainable. Ag. Strategy).

## **Relationship to Management/Strategic Plan**

Revenue and resources – Increase revenue and utilise available resources in the most effective and efficient manner to satisfy priorities identified by Council and the community after the consideration of adequate information on which to make a decision

Sustainable Agriculture Strategy gives high priority to 'support and facilitate the establishment of local farmers markets'. This was reinforced by the Sustainable Agriculture Round table in April 2006 to make this a high priority for Council's Sustainable Agriculture Officer.

## **Consultation**

Figures on existing markets were provided by the Byron Farmers Markets Association. Additional information was sourced from *Coster, M. 2004 Report on the role of 'New Generation' Farmers' Markets', Dept Primary Industries, Victoria.*

Consultation has taken place between Council's Manager Business and Property and the Sustainable Agriculture Officer.

## **Finance/Resource Implications**

Licensing of farmers markets has minimal financial implications. No rent is payable under the existing licences. Crown Lands Act now requires a minimum rent for all occupation of land. The minimum rent required is now \$367 per year for the total site.

## **Legal/Policy Implications**

Byron Shire Council *Policy 5.51 Markets within Byron Shire* sets out:  
*The Council will regulate markets conducted on any public or private lands as defined in the Local Government Act, 1993, and will participate in policing of the provision of the Act, or other relevant Acts, eg. Food Act, 1989, in those areas declared to be "market locations" by Council within the meaning of that Act.*

## **Sustainability Implications**

### Social / Cultural

Farmers markets provide access to fresh, healthy local produce at competitive prices, and allow consumers to enjoy the atmosphere and experience of farmers' markets. They provide an

important forum for education and the raising of awareness, and to establish links between local producers and consumers - including tourism.

Farmers' markets have a catalytic impact on the local community, as measured by part-time employment, prices paid and received, leadership opportunities created, and increased diversity in locally produced products and services.

### Economic

Farmers markets provide a highly accessible and profitable market for local farmers, although the dependence on them varies between farmers. They provide high quality resources for local cuisine and dining and important links to tourism. There is also an economic benefit to the whole community as more money is spent in the local economy, providing a multiplier effect as money stays locally as it is spent on wages for local people or in buying local produce.

Local producers benefit from the opportunity to develop their marketing and business expertise through direct marketing, increased networking and learning from other farmers and consumers, further developing local business capacity.

### Environmental

Farmers markets provide a strong basis for sustainable agriculture as they support small-scale, intensive farming (including organic), which is likely to increase in the Byron Shire. They shorten the supply chain, benefiting both farmers and consumers, and 'food miles' – the distance food travels. There is also less packaging and refrigeration.

### **Options**

1. That Council the recommendation.
2. That Council seek further information.

### **Information**

The first Byron Farmers' Market (BFM) took place in Byron Bay on 5<sup>th</sup> December 2002 and has steadily grown in size and patronage. On the success of this market a second Farmers' Market was established in Bangalow on Sat 3<sup>rd</sup> July 2004. Whilst smaller, this market is also recognised as a success by consumers and local retailers. In the 2006/07 summer a twilight market was also trialled in Byron Bay.

Criteria used in this report to measure the performance of farmers markets:

- Changes in levels of patronage
- Changes in levels in stallholders
- Additional income to farmers/ Financial Reports
- Benefits to consumers
- Complimentary activity to other local businesses

Byron Shire's two farmers markets are considered a positive addition to the market scene. Many obstacles and initial opposition have been successfully addressed in their development, resulting in strong support from consumers, retailers and local farmers.

The success of the Byron Farmers' Markets is demonstrated by:

- Increases in levels of patronage at both Byron Bay and Bangalow since the inception of the markets, and recognition of "pressures" associated with high levels of patronage
- Increases in the level of membership of the BFM Association, and recognition of producer access issues (ie. Sharing in the success of farmers' markets)
- Request by BFMA to hold twilight markets in the 2006/07 summer
- Correspondence from consumers giving support to the markets and their benefits
- Surveys of businesses showing support of farmers' markets

- General support for additional farmers' markets by both consumers and BFMA
- Recognition of the broader economic, social and environmental benefits of the markets, and their ability to complement other retailers by increasing total sale volumes on market days.

Dissatisfaction with the farmers markets has been limited to issues of stallholder access, and more recently evidence of pressures associated with high levels of patronage (both which are in part a reflection of their success).

### **Changes in levels of patronage at Bangalow & Byron Farmers Markets sites**

#### **Byron Bay**

- In 2003 the Thursday (Byron Bay) markets had about 300 customers per day
- In 2006 this market can have up to 1000 visitors, and perhaps more for special community events, such as the 'Taste of Byron' cookbook launch to support Byron Youth Service.
- There are approx 300 members of the frequent shoppers group "Farmers Friends", who enter into regular lucky draws.
- One of the reasons for the twilight markets during Summer was to alleviate recognized 'pressures' associated with the Thursday markets e.g. congestion, queue's and aggravations.

#### **Bangalow**

- Patronage at the Bangalow Markets is lower due to the restrictive nature of the site, and fewer stalls.
- The customer base has grown with approx. 300 visitors each Saturday.

Overall: levels of patronage have steadily increased over the 4 years, leading to recognized pressures on the existing markets and the demand for additional markets.

### **Changes in levels in membership of the Byron Farmers Market Association (BFMA).**

- Participation as a stallholder at BFM is restricted to financial members of the BFMA.
- The first BFM (Dec '02) had 16 BFMA members/ stallholders present
- By April 2003 there were 29 BFMA members.
- Currently there are 69 members, with up to 49 stalls on the ground any given Thursday (limited by insurance), and up to 20 stalls at the Bangalow Saturday markets.
- This equates to approx. one new member every month over 4 years.
- Over this time approx 10 stallholders have dropped out of the market for various reasons.
- The BFMA expect that growth of a sustainable market will see up to 90 members and up to 60 stalls within two years.
- Complaints have been received by Council from producers regarding restrictions on membership of the BFMA (see Annexure 14(a))
- In response to equity issues Council resolved in 2004 that it develop, in consultation with BFMA, dispute resolution/ mediation procedures. These are now included in the BFMA charter (see Annexure 14(c))
- The development of other farmer's markets is seen as one way to improve access.

Overall: levels of membership to the BFMA have steadily increased over the 4 years. Membership is regulated by the Management Committee according to their charter (attached), and to manage the number and type of stalls and products sold. The BFMA aims for 'slow and steady growth', partly to provide some market assurity and regular income to small farmers.

### **Benefits to farmers/ vendors**

- No data has been available on takings to measure the financial benefit of the BFM to local farmers/ stallholders. Annual BFMA financial reports do not include such information.

- The city-based markets have generally reported figures of around \$1000/market/ vendor and in a study of vendors, some reported the need to have takings of around \$1000/market to make the effort and cost worthwhile (Coster, 2004).
- There are substantial non-cash costs for farmers attending farmers' markets, especially the time required to prepare, produce and attend the market, and dispose of produce not sold (Coster, 2004).
- Farmers supplying farmers' markets can expect a return of 40-80 % on their product, instead of the 5 to 20 % retail price paid by supermarkets who claim distribution, marketing, and packaging costs (Coster, 2004).
- The impact on farmers' supplying the market varies greatly, with some growers reporting that the markets provide useful additional income. Other farmers believe their incomes would be 'considerably hurt' if denied access to the market and for others, a lack of access to the farmers' markets would mean a 'total loss of the business' (Coster, 2004).

Overall: From the known pressures to accept more members to the BFMA and proposals to hold additional farmers markets it is expected that financial benefits to stallholders is attractive.

### **Benefits to consumers**

- Council has received a number of letters from consumers giving strong support of the farmers markets (see Annexure 14(c) , the benefits reported include:
  - Relaxed sociable atmosphere, and safe for kids
  - Affordable, healthy, organic produce
  - Get to know Who grows the food, Where the food comes from, and How the food is grown
  - No lollies, bright wrappers or other unhealthy temptations for kids (compared to supermarkets)
  - Consumers able to support local farmers, other local businesses and the local community
  - Consumers able to support reducing greenhouse gas emissions by supporting local agriculture which involves less transport, plus less stress on local roads and maintenance costs to the community.

### **Complimentary activity to other local businesses/charities**

- A 2004 survey conducted by the BFMA among businesses in Bangalow was overwhelmingly in favour of the markets.
- In 2006 the Bangalow Chamber of Commerce congratulated the BFMA on the positive effect the market has had on Bangalow (see Annexure 14(d)).
- Whilst no local studies have been done, studies from overseas claim that every dollar spent at farmers markets generates \$2.40 (UK) and \$2.66 (US) in local economies.
- 'Any funds raised at the market is put straight back into the local area. Weekly donations of top quality food are made to a local soup kitchen & youth service & regular food donations are made to the north coast wildlife carers. It has become a forum for ideas & petitions on environmental issues'. (BFMA website)

### **Conclusion**

1. The Byron Farmers markets are generally considered to be highly successful
2. Investigations have shown farmers markets do not have a negative impact on other markets, and have a positive impact on retail outlets.
3. Both stallholders and consumers have reported high levels of satisfaction
4. Farmers markets support objectives within Council's Sustainable Agriculture Strategy
5. There appears room for additional markets and twilight markets, which will promote access to both producers and consumers unable to access existing markets (see 2<sup>nd</sup> report).

### **Reference**

Coster, M. 2004 Report on the role of 'New Generation' Farmers' Markets', Dept Primary Industries, Victoria.