

Retail Leakage/Farmers' Markets/El Dorado County

We are all dealing with an economy in a slow recovery. Entrepreneurs are seizing every opportunity they can find to try and make a profit in these difficult times. Many entrepreneurs are starting farmers' markets all over El Dorado County; taking advantage of the fact that we are a pro agriculture community. The El Dorado County Supervisors have tried to help out our community by not imposing high fees to hold farmers' markets. Entrepreneurs and non-profits that are based in other counties are taking advantage of this welcoming economic environment and taking money that would normally be made by residents in our jurisdiction and then returning to their counties. This activity results in retail leakage.

Having too many farmers' markets in one area can damage the farming community. It lessens the public's desire to attend a specific market on a specific day. If there is a market every day of the week farmers' markets become more like going to a grocery store and not a community event. Why make an effort to go to a farmers' market on Sunday when there is also one on Saturday and Monday and two on Tuesday? Farmers struggle to grow enough produce to supply the markets and their income is diminished because they have to attend every market to make as much as they used to make by attending just a few.

This situation also creates a problem with buying local. If there are too many markets in an area you have to bring in more farmers' from out of the area to supply your markets. These large farms are not only supplying the grocery stores they are also supplying all the farmers' markets. They are selling their seconds and are happy to accept less money for their produce. The local farmer can't compete with this.

Thousands of dollars that could be spent in El Dorado County, that could benefit El Dorado County are leaving and not returning. With no fees imposed on the market sponsors they are free to start markets wherever they can find a spot and they don't have to risk their money. If the County were to impose higher fees on groups (non-profits) that reside out of county and want to set up shop in El Dorado County it would help bring back a little bit of the money that El Dorado County is losing.

If someone wants to start a farmers' market in Sacramento County here is a chart of the fees to be paid before starting a market vs. El Dorado County fees.

	El Dorado County	Sacramento County
Farmers' Market Permit	\$0	\$270
Health Dept. Fee (Produce Vendors)	\$0	\$901
Health Dept. Fee (Food Vendors)	\$0	\$334
Health Dept. Permit for Food Vendors	\$138 covers every market in the county	\$67-141 per vendor/per market attended
Planning Dept. permit/city location permit	\$0-105	\$55

If a market manager does not live in El Dorado County they aren't spending their money in El Dorado County. Persons who open farmers markets and live in other jurisdictions spend their profit in the place they live. They are not member, nor are a part of this community. One must be a farmer or a non-profit organization to operate a farmers' market.

A non-profit does charity work for the county in which they reside. If they raise money for a non-profit in another county they take that money back to their county and spend it there, which provides no benefit to El Dorado County.

Think of all the non-profit organizations in El Dorado County and all the work they do for the community. By letting non-residents have access to the same privileges and ease of access that the Board offers El Dorado County residents revenue that should be realized here is transferred elsewhere. We're not suggesting that El Dorado County ban non-residents from doing business here; we just want our Supervisors to be aware of the money our county, our businesses, and our farmers are losing by giving non-residents the same privileges as residents.

Below is a chart showing retail leakage. NON-RESIDENTS columns represent the money generated by a farmers' market if it was managed by a non-resident of the county and what money would be spent in the county vs. leaving our county going to another county. RESIDENTS columns represent the money generated by a farmers' market if it was managed by a resident of the county and what money would be spent in the county vs. leaving our county going to another county:

Money generated by farmers' markets	NON-RESIDENTS		RESIDENTS	
	El Dorado County	Other County	El Dorado County	Other County
<b>Market Insurance</b>	0	\$\$\$	\$\$\$	0
<b>Market Expenses (signs, banners, office supplies, employees)</b>	0	\$\$\$	\$\$\$	0
<b>Gas to markets</b>	\$	\$\$\$	\$\$\$	\$
<b>Health Permit for kitchen</b>	\$	\$\$\$	\$\$\$	\$
<b>Non-Profit Community Service</b>	0	\$\$\$	\$\$\$	0
<b>Income from booth space rental</b>	0	\$\$\$	\$\$\$	0
<b>Income made by farmers</b>	0	\$\$\$	\$\$\$	0
<b>Ingredients for products</b>	0	0	\$\$\$	0
<b>Farmers' Market Permit</b>	0	0	0	0
<b>Health Dept. Fee (Produce Vendors)</b>	0	0	0	0
<b>Health Dept. Fee (Food Vendors)</b>	0	0	0	0
<b>Health Dept. Permit for Food Vendors</b>	\$\$\$	0	\$\$\$	0
<b>Planning Dept. permit</b>	0	0	0	0
<b>Advertising</b>	\$\$\$	0	\$\$\$	0
<b>Farmers employees</b>	\$	\$\$\$	\$\$\$	\$
<b>Resident dollars spent on produce</b>	\$	\$\$\$	\$\$\$	\$
<b>Local water</b>	\$	\$\$\$	\$\$\$	\$

In conclusion residents operating businesses spend in their county hire from their county and help out in their county. For years the farmers' markets managers in the El Dorado County have worked together to make sure the markets didn't over populate an area. We all support our local farmer and push the buy local way of thinking bringing in out of county produce only when they have something to offer that we didn't grow or when it isn't in season here. This also helps the consumer by providing fresher food options. By letting non-residents come in and get the same privileges residents get we are hurting our county and opening the door on more retail leakage.