



## **VFM Interim Report** *(to November 30, 2019)*

2019 has been another busy year so far for Your Local Farmers Market Society/Vancouver Farmers Markets (VFM). This is a preliminary report on the year to November 30th, with a fuller annual report to be posted on the VFM website in early 2020.

### ***Report from the Board***

Writing this report on behalf of VFM's Board of Directors is bittersweet for me. After more than six years on the board, and more than four as chair, I am stepping down from the board at this year's AGM. Our bylaws stipulate that each director can be elected for a three-year term only twice before needing to step down, so it's with a heavy heart that I leave.

It's been a challenging year for VFM, and every member of our board has put in huge efforts and a significant amount of volunteer time and effort.

After several years of building and operating a food hub, VFM Direct, which aggregated and distributed farm products from regional small farms to commercial foodservice buyers, we had to make the difficult decision to close operations for VFM Direct. Unfortunately, it was taking longer than expected to bring the operation to profitability, and VFM could no longer sustain the losses. We sought grants and engaged experts to try to find a different operator or ownership structure to take on VFM Direct, but in the end were unable to secure a new owner. We are so sad to lose our valuable staff that ran VFM Direct, and thank them sincerely for their commitment to farmers in BC and their professionalism throughout their work with VFM Direct.

Vancouver Farmers Market faced some significant financial challenges this year, but we now have turned a corner. We've trimmed operating budgets, streamlined expenses and have increased fundraising significantly. Thanks to the diligent efforts of staff and board, and the amazing fundraising and sponsorship appeals of board members, we are heading back onto solid financial footing. In particular, I must single out our board Secretary/Treasurer, Eric Patel. His herculean fundraising efforts have made a huge difference.

Meanwhile, our nine weekly, year-round markets have been going strong, with 470,000 shoppers visiting our markets each year, and annual vendor sales of \$10 million. We support 280 small BC farms and producers and help keep more than 3,400 acres of local farmland in sustainable food production each year. We also play a vital role in local business incubation, providing opportunities for new farmers, food producers, and craft artisans to direct market their goods with the public. Last year alone, 70 new food businesses launched at our markets.

We continue to work with our landlords to secure more permanency for our market operations. We want every one of our sites to be steadily available to us to host markets, and for each to have, at a minimum, access to power and water. We've created strong relationships with the Government of BC through the Minister of Agriculture and her staff, as well as strong ties with the City of Vancouver, to ensure our concerns are heard. We also continue to explore opportunities with private developers to secure permanent market site(s).

With heightened awareness of the climate crisis and the importance of circular and local food systems, we believe VFM is well positioned to be a major force for economic, social and environmental impact. As VFM enters a new phase of growth, the Board has decided to begin a search for a CEO to enable the organization to take on a more visible role in Vancouver and BC.

Regrettably, this means we will soon say goodbye to our Executive Director, Tara Macdonald, who has been a huge part of VFM for more than a decade. Under her tenure, VFM has expanded its scope and reach significantly. She has built a strong team, increased the number of vendors and markets, and made great strides in reaching more vulnerable communities. The Board wishes Tara continued success in her career and hopes she will continue to bring her depth of experience to other organizations.

On behalf of the board, we want to thank all VFM and VFM Direct staff for their dedication and hard work. They keep VFM's operations running smoothly, and we are fortunate to have many long-serving staff members who bring so much to our organization. We also want to acknowledge our dedicated and creative vendors, who are the backbone of why we do what we do, and our volunteers, members and donors for their support.

Finally, on a personal note, I want to acknowledge all my fellow board members, who have gone the extra mile this year. As I (and Eric Patel) leave the board after six years, please know you will always have our dedication and assistance. We remain committed to the goals of VFM – to bring even more fresh local food to Vancouver shoppers and businesses.

Carla Shore  
Chair, Board of Directors

## ***VFM 2018-19 Financial Report***

*(All figures used here are approximate; for exact figures, please consult our financial statements.)*

For the first year in our history, 2018 saw Vancouver Farmers Markets (VFM) experience a significant operating deficit of \$113 thousand. This was due to a combination of expenses outpacing our revenue growth in our farmers market operations, and insufficient grant and investment funding for VFMDirect, with VFM Direct being the main source of our deficit.

VFM Direct was our operation that delivered produce straight from local farmers to institutional buyers (restaurants, schools, etc.) in the Vancouver region. Such distribution operations normally experience deficits in the early stages of their growth. However, unlike in prior years, we were unable to cover VFM Direct's 2018 losses with grants and we had to finance them directly from our cash reserves, which we had patiently built up over many years. Exacerbating the situation, two large customers defaulted on amounts owed to us. Our cash balance decreased by \$104 thousand, to \$51 thousand.

During 2019, we took a number of measures to stem VFM Direct's losses, but after several attempts to sell/transfer the assets to another operator, we were unfortunately left with no alternative but to shut VFM Direct down.

This combination of a deficit in 2018 and continued losses through much of 2019 significantly damaged VFM's overall financial position.

In 2019, VFM board and staff have worked to restore VFM financials to a healthy position by shutting VFM Direct, reducing operating expenses, increasing revenues and fundraising. 2019 has been by far our most successful fundraising year ever, with over \$134 thousand raised through the end of November. In addition, our core market operations have returned to operating at a surplus. These efforts have been largely successful in restoring VFM's financial stability, and will need to be enhanced in 2020 to build a stronger foundation for growth going forward.

Despite the financial challenges created by our efforts around VFM Direct, our core market operations had a record revenue year in 2018, growing from \$9.1 million in 2017 to \$10.3 million in annual vendor sales. The stability of our market operations is a critical component of our financial viability, and a bright spot in what has been a challenging couple of years.

The Board wishes to thank the dedicated employees of VFM and VFM Direct. VFM Direct was what we view as

a noble venture: trying to accomplish a useful social goal despite immense operational challenges. The VFM Direct team, led by Roberta La Quaglia, worked extremely hard and proved very resourceful and inventive to build the operation to what it became. We are sorry to lose the services of such talented and values-motivated people. Our core market team, including our staff and numerous volunteers, are extraordinarily dedicated and also battle long odds just to produce the weekly markets we have all come rely on. Their dedication has been remarkable during what has been a very trying year, and we owe them all a debt of gratitude.

Finally, we wish to thank our Executive Director, Tara McDonald, who has done so much to build VFM into what it has become: A central institution in the Vancouver food landscape. Many Vancouverites have come to rely on our markets and couldn't imagine life in Vancouver without them. Tara has labored long and hard to create this outcome, and we all owe Tara thanks and appreciation.

Eric Patel, Michael Mortensen, Ally Dick (Board advisor)  
VFM Board Treasurer and Finance Committee

### ***Some VFM Highlights to November, 2019***

- Another successful market season in the Riley Park neighbourhood, with a winter season extension to the Riley Park plaza, **adding 20 vendors/day to the Riley Park Winter market**
- Continuing to build our community's access to farm-fresh local food with \$125, 277 in **Fresh to Families and Farmers Market Nutrition coupons** redeemed (up from \$78, 420 in 2018)
- Through VFM's monthly **Donation Stations, over 3,000 lbs. of fruits and vegetables delivered** to snack and meal programs at various schools, hospices, senior centres and neighbourhood houses throughout Vancouver
- **70 new vendor businesses** added to VFM markets (up from 50 in 2018)
- **More new urban farming and artisan social enterprises** at VFM markets such as the Downtown Eastside Vendors Collective, the Urban Farming Poh-Poh's, Flavours of Hope and Fresh Roots
- **VFMDirect** aggregated and delivered farm-fresh produce from over **35 small farm producers to 50+ buyers** throughout the Metro Vancouver region twice a week, made ongoing contributions to foodhub development in BC with government, businesses and organizations, and became a **Compass Foodservices-approved supplier** before winding down operations in October
- **Grant support from Vancity** for consultation and extension of VFMDirect operations into early October
- All market sites moving toward multi-year tenure (rather than temporary/year-to-year status) with **3-year 'dates in principle' confirmed** and longer-term operating agreements underway
- **Riley Park pavilion design** discussions underway with Vancouver Parks Board planners and project architects
- **Successful meeting with Minister of Agriculture, Lana Popham and VFM board members** facilitating increased government awareness of VFM's economic and social impact
- **Riley Park farm vendors** supporting the Riley Park community gardeners throughout the summer, **donating seedlings and plants, gardening time and advice**
- **All fundraising targets exceeded** before the year-end, with a doubling of annual sponsorship of \$35, 000 to \$75, 663 for 2019 and another \$28, 750 already raised for 2020. Individual donations have reached \$9,700, and VFM has had its **most successful year to date for membership sales!**
- VFM gratefully acknowledges the generous support of 2019-20 sponsors and funders:  
Evo, ElectroRecycle, PCI Development, Lyra Investment, Fasken Martineau, Hootsuite, Wertz Family Foundation, Ritchies Bros., Odlum Brown, Daiya Foods, Nature's Path, Vancity Credit Union and Vancity Community Foundation

*Many thanks goes to the VFM staff and market crews, board of directors, vendors, volunteers, friends, family, sponsors, members, funders, donors, shoppers and community supporters of Vancouver Farmers Markets for their ongoing success!*