

Mobile Fresh Markets on the Move

FINANCIAL SNAPSHOT OF 7 MOBILE MARKETS

Spring 2014



With over 40+ markets in the US alone, mobile fresh markets have recently begun to gain popularity in North America.

Mobile markets are emerging in cities and neighbourhoods in response to an overall lack of access to fresh, healthy foods. Rising rates of diet-related illnesses such as diabetes, heart disease, and obesity are drawing new attention to the importance of fresh, unprocessed foods as part of a healthy diet. Low-income communities often experience higher levels of diet related illnesses and food insecurity. Mobile fresh markets are one strategy to increase access to good food at affordable prices.

But how do these markets work from the inside out? What are the costs and revenues? Is a break-even model possible? A study commissioned by the Greater Vancouver Food Bank Society, examines these questions, among others, to determine the feasibility of a mobile market program in Greater Vancouver. This snapshot highlights the research findings on the financial aspects of seven different mobile markets.

Research Findings: After researching 14 mobile markets with in-depth interviews conducted with five, findings showed diversity in operating models however, none of these were operating on a break even or profit basis. Research highlights include:

- Most markets use either converted buses or panel vans
- Most markets operate on a regular weekly schedule, stopping at each location at the same time each week.
- Most market operate seasonally, while some are year round, averaging 35 wks per year.
- The average market operates 4 days/week.
- The average market serves 8 locations.
- Average length of time/stop is 2 hours.

- Most markets price their products similar to or a bit below surrounding store prices.
- Average net margin on products is just 24%.
- Average revenue/selling hour is \$108.
- All markets offer fruits and vegetables-24 items on average.
- The average market provides 80% local produce.
- Most markets sell some additional fresh products like milk, eggs, cheese, and bread.
- Most markets are organized as (enterprising) non-profits (only one for profit).
- All markets require startup grants or in-kind donations.

Key strategies for breaking even: The study shows that few, if any markets are breaking even and therefore reliant on funding. Although revenue generation is not the primary objective for many of these programs, there are ways to increase the financial performance of mobile markets. To establish a break-even model for mobile markets, the study recommends three key strategies:

- Reduce labour costs,
- Increasing the average net margin on purchases, and
- Increasing revenues per selling hour.

Share it! Please pass on this information. Also, if you operate a mobile market, please send us your numbers and lessons learned, so we can keep tracking and seeing mobile markets succeed!



MOBILE MARKETS IN NORTH AMERICA

- Westside Mobile Food Market, Vancouver BC
- Pocket Market, Coquitlam BC
- The Mobile Market, Washington DC
- Food Bank, Sacramento CA
- Mobile Good Food Market, Toronto ON
- Fresh Moves Mobile Market, Chicago Ill
- Greens Grow Farm, Camden, PA
- Real Food Mobile Market, Baltimore MD
- Farm Bus, Richmond VA
- Freshmobile, Madison WI
- Beans & Greens Mobile Unit, Kansas City KS,
- Garden on the Go, Indianapolis, IND



Financial snapshot of seven mobile fresh markets

	Vancouver Westside Market	Coquitlam Pocket Market	Toronto Mobile Vending	Arcadia's Mobile Market, Washington DC	Arcadia's Mobile Market, Washington DC	Chicago Fresh Moves	Nashville Mobile Market	Sacramento Food Bank
Year market started	2013	2008	2012/2013	2012	2013	2011	2011	2007
Corporate structure	Non-Profit	Non-Profit	Non-Profit	Non-Profit	Non-Profit	Non-Profit	Non-Profit	Non-Profit
Vehicle type	Tents/tables	Panel van	Panel van	School Bus	School Bus	City Bus	Trailer	Tents/tables
Type of Refrigeration	None	Walk-in cooler	Small fridge	Fridges/freezer	Fridges/freezer	Air Con.		
Power outlet?	No	No	No	Yes	Yes			
Selling area inside or outside	Outside	Outside	Outside	Outside	Outside	Inside	Inside	Outside
No. of vehicles	0.01	1	1	1	1	2	1	3
Operating weeks per year	12	18	39	26	26	52	52	52
Operating days per week	1	5	3	5	5	5	5	3
Number of locations per week	2	3	7	8	9	17	14	3
Typical selling time per stop (hrs)	2	4.5	1.5	2	2		2	2
Total selling hours/week	4	13.5	8	17	20		28	6
No. of produce items	10	4	30-35	24	24	40		12
Non-produce items sold	None	20	n/a	5-10	5-10			8-15
Percent local products	50-80%	100%	75%	100%	100%			100%
Total revenues per selling hour	\$87	\$136	\$92	\$98	\$129		\$23	\$0
Total revenues per selling week	\$349	\$1,842	\$964	\$1,674	\$2,550	\$1,350	\$646	
Average order size (\$)	\$6.27	\$8.95	\$5.00	\$8.44	\$16.76	\$5.53	\$5.93	
Percent discounted sales	0%	0%	0%	33%	36%			100%
Actual Sales Revenues 2012	\$4,191	\$33,163	\$37,591	\$43,528	\$70,697	\$70,730	\$33,600	\$0
Grants and Donations 2012	\$11,509	\$21,537	\$132,335	\$62,000	\$52,000	\$294,529	\$57,350	\$500,000
Total Revenues	\$15,700	\$56,500	\$169,926	\$105,528	\$122,697	\$365,259	\$90,950	\$500,000
Cost of Goods Sold	\$3,975	\$23,373		\$32,990	\$49,000		\$23,700	n/a
Labour	\$7,000	\$15,410		\$55,000	\$57,849		\$31,032	\$120,000
Other Expenses	\$550	\$17,217		\$11,405	\$15,829		\$9,144	
Total Expenses	\$11,525	\$56,000	\$202,416	\$99,395	\$122,678	\$331,843	\$63,876	\$500,000
Profit/loss	(\$275)	\$500	(\$32,490)	\$6,133	\$19	\$33,416	\$27,074	\$0
Profit/loss %	-2%	1%	-19%	6%	0%	9%	30%	0%
Percent loss on sales	-281%	-69%	-438%	-128%	-74%	-369%	-90%	
Average gross margin	8%	30%		24%	31%		29%	
Subsidy as % of revenues	275%	65%	352%	142%	74%		171%	
Labour as a % of revenues	59%	46%		126%	82%		92%	
Expenses as % of revenues	13%	52		26%	22%		27%	
2013 Sales	4,400	\$42,373 (3 mkts)		\$66,000				
% increase in annual sales				52%		44%		