



SUSTAINABLE FOOD POLICY BOARD

Paula J. McDermott, Chairperson
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February 28, 2011

Mayor Lee Leffingwell,
Austin City Council Members
301 West Second Street
Austin, Texas 78701

Dear Mayor, Mayor Pro Tem, and Council Members,

The Sustainable Food Policy Board (SFPB) recommends that the Austin City Council take action to ensure that our city supports local farmers markets by removing permitting fee barriers.

The growing community interest in, and engagement with, Austin area farmers markets is exciting. We're fortunate to have a thriving community of citizens interested in locally grown and produced food coupled with new farmers market opportunities opening throughout our city. However, managers from area farmers markets have brought to our attention several permitting fee barriers which are negatively affecting the participation of farmers and food producers in Austin area farmers markets.

Changes to mobile food vending permits enacted to address the growing "food trailer" businesses in Austin went into effect on October 1, 2010. Because farmers market vendors must apply for the same permits, associated fees have had unintended negative consequences for farmers markets in Austin and areas where the city has inter-local agreements for health department regulatory oversight.

In order to justify participation in a farmers market, a farmer or food producer must be able to turn a profit in a business with tight margins, necessitating close fiscal management of expenses. Accordingly, farmers and food producers are highly sensitive to fee increases that negatively impact their cash flow. Permitting fees are a common determinant of farmers market participation—if fees are too high, farmers and food producers may withdraw from a farmers market or participate in a farmers market in a different area because it requires lower fees. If fees are affordable, those that can, expand to multiple area farmers markets, growing the local food economy.

Austin area farmers market managers have recently outlined three primary permitting fee barriers. These fees have already caused some farmers and food producers to withdraw participation in Austin area farmers markets or to hold back from expanding to additional markets. In the long term, the Austin/Travis County Health and Human Services Department can create permits specifically designated for qualified farmers markets, but the SFPB recommends removing fee barriers immediately heading into a busy season for farmers. If not, the fees may threaten the viability of our growing farmers market economy. The three permitting fee barriers, their impacts, and the board's recommendations are as follows:

1. Mobile Food Vending Permit- Restricted Application Fee & Participation in Multiple Farmers Markets

As of October 1, 2010, a \$125 application fee associated with the Mobile Food Vending Permit- Restricted is applied in addition to the pre-existing \$90 permit fee. Both fees are currently required for *each* farmers market in which a farmer or food producer participates. Many farmers and food producers participate (or could potentially participate) in multiple



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markets to provide access to a greater number of customers. With the new application fee, participation in each market now costs the farmer or food producer an additional \$125. The incremental costs add up quickly, causing some farmers and food producers to participate in fewer farmers markets.

SFPB RECOMMENDATION:

Change requirements such that only one application fee (\$125) will be required per farmer/food producer per year. Keep the pre-existing \$90 permit fee per market intact.

2. Mobile Food Vending Permit- Restricted Permit, Application Fee & Selling of Eggs at Farmers Markets

Although eggs are generally not a profitable product for farmers, they are sought after by consumers at farmers markets. Because of this, farmers often sell eggs at their booths to attract foot traffic and encourage the sale of higher margin products. Farmers who sell eggs were previously not required to pay permitting or application fees. Neither New Braunfels nor Houston charge fees for selling eggs. Several farmers have reported to market managers that they will not sell eggs in Austin but will instead travel to New Braunfels or San Antonio where fees are less burdensome.

SFPB RECOMMENDATION:

Waive both the \$125 application fee and the \$90 permit fee for vendors requiring a mobile vending permit just for egg sales.

For the longterm, determine a reasonable annual fee for egg vendors based on best practices at farmers markets in model municipalities.

3. Sampling Permit Fee and Special Event Temporary Food Establishment Permit for Educational Demonstrations

Education is an integral part of the farmers market environment. Tasting fresh picked fruits and vegetables in a sampling tent gives people an idea of how good local tomatoes or peaches taste. Teaching consumers how to easily and nutritiously prepare fresh foods available at the market through cooking demonstrations encourages purchase and subsequent use of farmers market products in the home environment. In addition, cooking demonstrations contribute to a vibrant atmosphere, drawing additional farmers markets attendees. A sampling tent for educational purposes currently costs the market organizer \$210 annually to be of service for public health- often year-round. In order for a farmers market to conduct cooking demonstrations, a Special Event Temporary Food Establishment Permit is required, and this permit carries a \$35 per market fee where a demonstration is taking place. Most farmers markets conduct cooking demonstrations many times throughout the year—some up to 25 times—and each involves multiple overhead costs, including chef or educator fees to conduct the demonstration, food costs, serving utensils, tents, tables, kitchen space, etc.

SFPB RECOMMENDATION:

Waive the \$210 sampling permit fee and the \$35 demonstration fee for all qualified/certified farmers markets that use farmers/producers products (meat, vegetables, fruit, eggs, etc.) for educational demonstrations.



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In order for Austin to continue cultivating a vibrant farmers market environment, market participation must be financially viable for farmers and food producers. The SFPB recommends the

Austin City Council take action to equitably implement the aforementioned changes in permitting fees across all area farmers markets in order to remove financial barriers that could potentially threaten the long term growth of the local food economy.

Sincerely,

A handwritten signature in black ink, appearing to read "Paula J. McDermott".

Paula J. McDermott

Chairperson, Sustainable Food Policy Board

cc: Marc Ott, City Manager
Bert Lumbreras, Assistant City Manager
Shannon Jones, Acting Director, Health & Human Services Department
Vince Cobalis, Executive Liaison
Lucia Athens, Chief Sustainability Officer