Implementing a Cal Poly Dairy Science Department Farmers Market Booth in the San Luis Obispo, Thursday Night Promotions Farmers Market

A Senior Project

presented to

the Faculty of the Dairy Science Department

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Bachelor of Science

by

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ABSTRACT

The aim of this project was to implement a successful farmer's market booth and the point of sale at the San Luis Obispo Farmers Market. Through this project success was measured by Cal Poly Creamery product sales, the value of non-tangible assets known as good will and advocacy for the Cal Poly Dairy Science Department and the California dairy industry. Sales were analyzed through a profit and loss statement, product specific calculations, chartings of weekly sales and inventory tracking. The project allowed for the Cal Poly Creamery to have an extension into the San Luis Obispo community and promote their many products including ice cream, cheese and dark chocolate milk. Having a Dairy Science Department booth space at the San Luis Obispo Farmers Market gave the customers a local, quality product that they would enjoy. Cal Poly's students also actively exercised Cal Poly's "Learn by Doing" philosophy as a farmers market committee was formed to best showcase the Dairy Science Department Booth. The booth will continue to be sustained by Cal Poly students for years to come in order to serve the local San Luis Obispo community members. The project proved to be an accomplishment not only because profit was created, but also because the San Luis Obispo community is much more aware of the Cal Poly Dairy Science Department and its many facets.

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INTRODUCTION

Cal Poly's Dairy Science Department is a tremendous asset to the College of Agriculture Food and Environmental Sciences. As a student within the Dairy Science Department, I was fortunate to have a unique, practical senior project. The objective of this project was to implement a successful farmer's market booth and the point of sale at the San Luis Obispo Farmers Market. Embodying the "Learn by Doing" philosophy that Cal Poly emphasizes on its students is what has allowed the Dairy Science Department Farmers Market booth to thrive. For my senior project, I was given the opportunity to organize and run a booth showcasing the Cal Poly Creamery products at the San Luis Obispo, Thursday Night Promotions Farmers Market. This has enabled me to execute efficient management among the farmers market committee in order to run a fully functioning farmers market booth.

Throughout the paper one will see the many critical steps to ensure the success of the farmers market booth and how to allow it to be on ongoing project. Included in the project one will see the sales and income earned by the Dairy Science Department booth. Additionally one will also see the value and measurement of good will within running the farmers market booth and how that affects not only the students on the farmers market committee, but also our valued weekly customers. Cal Poly students continue to excel inside and outside the classroom and this project has been a perfect example of how to utilize both educational experiences. The objective of this project was to implement a successful farmers market booth at the San Luis Obispo Farmers Market and the following literature will do just that.

REVIEW OF LITERATURE

General Farmers Markets

From the farm to fork, farmers markets allow customers to feel connected with both the product they are purchasing and the farmer growing the product. This opportunity is the perfect time for farmers to connect with their customers and understand their wants and needs from their food sources. In the United States we as consumers are very fortunate to have the opportunities to have these farmers markets in our surrounding communities. Additionally, the implementation of a farmers market within a community extremely beneficial as it supports locals businesses and local customers. Outlets for locally produced foods provide more than just the freshest possible food. They help establish connections between consumers and food producers, provide an additional income source for farmers, and in general, serve as a tool for community development (Abel, Thompson, Maretzki, 1999). Additionally, farmers markets enable small farming operations to create an avenue for an increase in revenue.

In the early 19th century, farmers markets were extremely popular for consumers seeking fresh produce and other cooking staples. However, when refrigeration became widespread and affordable among the common household the number of farmers markets decreased dramatically. Fortunately, today we see an increased demand of markets among consumers for a number of reasons. In surveys conducted throughout the country, consumers rank freshness as the number one reason for buying produce from farmers' markets, and as the main factor that they consider when buying produce anywhere (Abel, Thompson, Maretzki,1999).

When interviewing Terra Bella Ranch, a vendor located in seven different markets within southern California, they shared their vendor experience with me. As farmers they truly enjoy

engaging with their consumers on a weekly basis. Terra Bella Ranch has been involved in both day and evening markets. Although the day and evening markets are both farmers markets, they have different cliental at both. According to the vendor, “Day markets are a time for the serious consumers to purchase products. They are there to shop rather than look around. On the other hand evening farmers markets draw a crowd that enjoys the atmosphere of the market rather than shop for their weekly produce supply.”

Considering this, Terra Bella Ranch vendors attend farmers markets occurring during the day. One of the best revenue generating markets they attend is the Little Italy Mercado, held in the Little Italy district in San Diego. Throughout the year Terra Bella Ranch, has many products to offer to their customers including Chandler and Livermore varieties of walnuts, non-peril almonds, sun dried tomatoes and Patterson dried apricots. Seasonally, the vendor offers avocados, 15 varieties table grapes, ruby and white grapefruit, naval and valencia oranges, black mission and kodota figs, meyer and eureka lemons, safari sunset flowers, purple pride wax flowers and many more products. Not only that, but Terra Bella Ranch also provides its service to local restaurants and bakeries. As an active vendor in many markets in both affluent and low socio-economic areas, the vendor has noticed that in order for products to move a proper display adds more attraction for the products you are selling. “Many booths can have quality products to sell, but if they do not display their items correctly costumers sometimes do not even know what they are looking at,” says Terra Bella Ranch vendor. Terra Bella Ranch provides us with a great example of what a typical farmers market can look and feel like.

San Luis Obispo Farmers Market

In the late 70's and early 80's businesses would stay open late on Thursday nights to give people a chance to shop later than 5:00 p.m. Downtown San Luis Obispo was popular on Thursday nights. Often teens would cruise down Higuera Street, the "main drag.” of the town. As a result this deterred people from coming to shop on Thursday nights. The merchants wanted help from the San Luis Obispo Downtown Association to stop what was going on. The Downtown Association decided to barricade six blocks of Higuera on Thursday nights so people could still shop late.

On the late Thursday night, the San Luis Obispo Downtown Association began arranging for special activities and entertainment on Higuera Street. In early 1983, the downtown restaurants came out to offer food and to barbecue ribs. That summer the farmers were invited to sell their produce and as a result the beginning of Farmers' Market occurred. The event is sponsored by the San Luis Obispo Downtown Association, therefore it only allowed the Downtown Association members and non-profit organizations to participate. In July of 2006 the market opened up to non members allowing them to participate at a cost of eighty dollars per night (San Luis Obispo Downtown Association, 2012).

Thursday Night Promotions, also called Farmers Market is very popular in the community. It is a year-round event, and the summer months draw large crowds to the Downtown Association district. From September through June the Downtown Association sponsors various special events at the market. The Thursday Night Promotions Farmers Market are so successful and well run that cities from all over the country visit San Luis Obispo to better understand how to operate a successful farmers market.

For booths in the market to participate there are criteria that they need to be aware of in order to be successful. The San Luis Obispo Thursday Night Promotions Farmers Market is held every Thursday from 6:00-9:00p.m. in the evening. The market is held rain or shine no matter what season it is during the year. In order to be included in the market, booths that participate must arrive at 5:30 in the afternoon. This allows the booths participating to have thirty minutes to organize their produce and merchandise. At the conclusion of the market, booths have a total of thirty minutes to pack up their materials and leave the designated farmers market area. This is the general follow of the typical Thursday Night Promotions Farmers Market.

Measurement of Good Will

Developing a farmers market booth has created many financial endeavors for the farmers market committee to consider. As a farmers market committee running a booth for the Dairy Science Department we strive to mimic a business model. Following the model of companies around the world it is apparent that not all monetary value is placed on goods within the company. In fact, many companies apply their monies towards non tangible goods which can be also referred to as good will. According to the University of Wollongong, the nature of goodwill is ill understood, making it difficult to determine appropriate accounting measurement methods.

The nature of goodwill is its essential qualities or character. Goodwill comprises a bundle of unidentifiable non-tangibles which partly represents the economic value of a firm. Goodwill exists because there is a set of assets that are present in the firm, but not listed with intangible and tangible assets. These assets include the knowledge of staff, the educational qualifications of staff, corporate reputation, customer loyalty, and distribution channels. The sum of these assets comprises goodwill. Goodwill and intangibles constitute a large proportion of the economic

value of a firm, as demonstrated by acquiring firms paying a greater price for such assets than was previously the case (Aboody and Williams, 2000).

In estimating the value of goodwill in financial statements, firms measure goodwill in a number of ways. Historical cost, future market and the net present value are three ways that goodwill can be measured within company. Historical cost is the market value or an equivalent realized by the firm due to a past transaction. The initial recognition of goodwill under the historical cost measurement method requires a transaction or a past event as the basis for measuring an asset. It is the acquirer who initiates the past event or transaction and hence the acquirer becomes entitled to recognize goodwill. The organization recognizes goodwill not as a separate asset but as part of an investment that includes the tangible and intangible assets of the acquired firm. The investment asset hides within it goodwill and other assets of the acquired organization.

Secondly, the market value of a organization is conceptually the financial value of each asset in the net present value of market place. In other words, the overall market value of the acquired organization is the future market values of its assets and liabilities, discounted by probability and interest factors to indicate their present economic worth (Leibler, 2003). The net present value is a measurement method that does not require a transaction or event to ascertain economic value, and measurement of assets is driven by the value determined by the organization as a going concern, rather than the value determined by the market. If a organization can ascertain the economic worth of goodwill using the net present value, each legal entity can recognize goodwill not just as a bundle of assets, but also as single asset items (Tearney, 1973).

With these measurements in place one can see how they can reflect into any established company. With utilizing the Dairy Science Department booth at farmers market the use of non-tangible items are present during every market. Although the farmers market committee's main goal is to raise profits, it is important that we build rapport with our customers. Building that relationship with ones customers is a perfect example of the non-tangible items that goodwill can be measured by. When discussing the assets of staff and the education they bring, the farmers market committee embodies just that. Having the farmers market committee with Dairy Science majors comprised of both husbandry and processing concentrations allows the committee to work together as a unit. With this type of unity amongst the committee gives our customers a assured satisfaction when purchasing our products.

Goodwill is a very valuable asset to have when determining a budget of a successful company. No matter the size and scope of a company it is beneficial to have this measurement included in ones business operations. At the end of the day, the customer wants to feel and see the value behind their purchases. Goodwill is evident to customers when they purchase products. From the above research, it is evident that goodwill serves a significant purpose within a company.

Cal Poly Creamery History and Its Brand

A longstanding tradition of excellence characterizes the Cal Poly Creamery. Part of the largest dairy science program in the country, the Cal Poly Creamery has been making high quality cheese and other dairy products for students, alumni, and the community since 1903. The Creamery is both a teaching laboratory and a manufacturing plant licensed and inspected by the State of California for commercial production of dairy products. Cal Poly students follow the university's philosophy of "learning by doing" as they craft our award-winning cheeses and take

courses in all aspects of dairy science and technology. The dairy products are made from the Cal Poly herd of dairy cows consisting of both Holstein and Jersey that graze on the rolling hills of the Central California Coast. Their commercial products can be purchased at the Cal Poly campus market, at select supermarkets on the Central Coast and of course the San Luis Obispo Farmers Market. Combinations of the Cal Poly Creamery fine cheeses can be purchased online during the holiday season as gift packs. The Cal Poly Creamery with private industry and co-pack private label cheese and ice cream for companies, providing additional experience for our the dairy science department students (Cal Poly Dairy Science Department, 2012).

The development of the Cal Poly Creamery brand is strong and very reputable. People across the nation recognize it as an award winning product and respect that it supports Cal Poly's "Learn By Doing" philosophy. With the development of specialty products such as ice cream, cheese, butter, and chocolate milk, product development is strength among Cal Poly students. Students within the program are always looking for ways to enhance their educational experience and by utilizing the Cal Poly Dairy Products Technology Center that are able to do just that. The future of this program looks bright as Cal Poly's Creamery brand continues to prosper.

METHODS AND PROCEDURES

Applications

In order to begin the process of reserving a booth space at the Thursday Night Promotions, San Luis Obispo Farmers Market I needed to complete the proper application. This application can be found on the San Luis Obispo Downtown Association website at www.downtownslo.com. Once I obtained the application to reserve a Thursday Night Promotions there were different categories that needed to be filled out. Among the categories listed on the application are starting date, name of organization, electrical usage and description of activity.

Upon completing the application, there is also a weekly fee that must be included. Depending on whether the booth is a Downtown Association member or not, will determine the fee due. If the booth is a Downtown Association member the fee is forty dollars, a non-downtown association member would be charged eighty dollars and a not for profit organization would be charged thirty dollars. The Dairy Science Department is fortunate enough to be acknowledged as a Downtown Association member because of the partnership we have with the Cal Poly Downtown store located on Higuera Street. Because we are associated with the Cal Poly Downtown store, a downtown association member, the dairy science booth is charged a weekly fee of forty dollars. In order to ensure the weekly fee is paid, I needed to utilize the Cal Poly Corporation. It is important that this is done as soon as the starting and proceeding dates are agreed upon as the Cal Poly Corporation takes a considerable amount of time before processing and mailing the check to the San Luis Obispo Downtown Association.

Another step that needs to be accounted for when completing the application process is taking the Thursday Night Promotions application to Cal Poly's Office of Contracts and Procurements located in the administration building. While the application is at this office, Cal Poly insurance policies will be implemented and the application will be analyzed and processed. If the application is approved, it will be faxed with attached insurance forms to the San Luis Obispo Downtown Association Office. Once the application reaches the manager of the San Luis Obispo Thursday Night Promotions, Diana Cotta, she will confirm the application and give you the location of where you will be placed throughout the market.

Health Permit

Another essential portion in establishing a booth at the San Luis Obispo Thursday Night Promotions is obtaining a health permit. In order to obtain the permit one will need to visit the website for the Department of Public Health, County of San Luis Obispo at www.slocounty.ca.gov. Upon completing the mobile food facility application, there will need to be a written approval of the mobile unit. In order to get this approval, I needed to go to the Department of Public Health in San Luis Obispo. While at the department I met with a health inspector that walked through the health permit with me. During our meeting the health inspector inquired about what we would be selling and where samples were being cut. It was important that I emphasized to the health inspector that we would be selling closed container products that were created and packaged in a California state inspected facility, the Dairy Products Technology Center located on Cal Poly's campus. Once the health inspector was aware of this, she informed me that we need to provide a tent to cover the product, a hand washing station and a covering apparatus for the samples that would be distributed to the public. Upon completing the application there was a fee of one hundred dollars to receive the health permit. The permit

was required and regular inspections are to be made at the San Luis Obispo Famers Market Thursday Night Promotions. This health permit allowed the Dairy Science Department booth to operate for an entire year.

Set-Up Investments

In order to be successful and sufficient at the weekly San Luis Obispo Thursday Night Promotions Famers Market, I needed to gain supplies. After meeting with the San Luis Obispo Farmers Market manager, Diana Cotta and health inspector at the Department of Public Health for San Luis Obispo I was able to determine just what products were mandatory at the market. Some of the purchases consisted of a car battery, lighting, dairy science department banner, product sampling containers, and sanitation products to ensure booth cleanliness. Our largest purchase was creating a lighting source to would allow us to be self-sufficient at the market. In order to do this, I purchased a car battery, battery converter, energy efficient lights and extension cords. This was a great investment as it allows our booth to be mobile and self-reliant. If we did not have the lighting set up we would have to use the store locations directly behind us for lighting, which is can be disruptive for store owners.

Acquiring a display banner for the Dairy Science Department was also a key step in showcasing the booth. In order to ensure the banner represented both the processing and husbandry side of the Dairy Science Department, I had a group of students from different aspects of the dairy science major develop a banner. Once we developed a banner we had it printed and laminated to ensure its longevity. With taking the extra step to have it laminated the banner has been able to display our booth in all weather conditions. Proper sample containers were also needed in order to follow the regulations of the Department of Public Health in San Luis Obispo

County. It is imperative that samples be covered when not be being handed to customers. Not only that, but the booth workers must pass the sample to the customer with a sample on the toothpick. This promotes a sterile environment for the samples to be in.

Sanitation is also an essential part to ensuring the booth is following the health permit. During the market the booth is required to have a hand washing station. In order to create this station, I purchased anti-bacterial hand soap and a five gallon water jug with a pull out tab. These materials along with a five gallon bucket placed below to catch the used water would suffice for a hand washing station. All of the above are just a few of the different investments that needed to be made in order for a successful booth operation.

Cal Poly Products

Determining which Cal Poly Creamery products to sell at the San Luis Obispo Thursday Night Promotions Farmers Market was a key element in the Dairy Science Department booths success. To help aid us in this process, we had a previous Agribusiness student who did her senior project on which Cal Poly Creamery product flavors costumers prefer discuss with us her results. This was a great way for us to project what products would have the most success at the markets. Once I identified which products would be most successful we then went to the Cal Poly Creamery manager, Mr. Gerald Mattas. Mr. Mattas was very helpful in collecting the cheese, ice cream and dark chocolate milk that was to be sold at the farmers market. For our first week at the San Luis Obispo Thursday Night Promotions Farmers Market we decided that we would take ten units of each product. We choose four varieties of cheese including Medium Cheddar, Chipotle Jack and Gouda. Each unit of cheese was approximately an eight ounce block. Our flavors of ice cream consisted on Vanilla, Strawberry, Mud Pie, Mint Chocolate Chip and

Cookies N' Cream. These flavors were to be offered in a pint size. Lastly, we purchased twenty units of Dark Chocolate Milk to be sold at the market. All of the products listed above are purchased by the Cal Poly Creamery by the Farmers Market Committee and then sold. The prices that the products are to be sold at are six dollars per unit of cheese, five dollars per unit of ice cream and three dollars per unit of dark chocolate milk. (Include what Jerry is selling them to us at cost). Depending on the season, I must adjust the inventory of the product. For example, during cold winter seasons we do not offer Cal Poly ice cream because there is a lack of demand for it among our customers. Also during the Christmas holiday season we offer our Cal Poly eggnog. In order to maintain quality and current products, I check the Dairy Science Department booth inventory weekly and place orders with Mr. Mattas. Communication is imperative when purchasing product as it not only affects the product sale of the Dairy Science Department booth, but also the Cal Poly Creamery. After each market the inventory is returned to a refrigeration unit located at the Cal Poly campus.

Farmers Market Committee

The success of the San Luis Obispo Thursday Night Promotions Farmers Market booth was largely in part due to a group of seven individuals that make up the farmers market committee. This committee was comprised of all Cal Poly Dairy Science majors coming from both the processing and husbandry sides of the major. The individuals within the farmers market committee were Erin de Snayer, Lyndsey Mendes, Lindsay Lockehart, Sal Costilla, Rebecca Gray, Shelby Locke and myself. Between this committee we discussed every aspect of the San Luis Obispo Thursday Night Promotions Farmers Market booth. From planning the layout of the booth to determining products to purchase weekly, the farmers market committee was crucial to the success of the booth at the markets. As the chairman of the farmers market committee, I

organized weekly meetings to go over product inventory and scheduled working times for the committee members. The farmers market committee was a great asset to the Dairy Science Department Farmers Market booth.

RESULTS AND DISCUSSION

Sales Volume

The Dairy Science Department Farmers Market Booth was very successful as profit was made over the course of the ten weeks that were measured for results. It is evident to see throughout the results that there is a trend in profit made between Cal Poly's fall and winter quarters. Seeing the results helps the famers market committee better understand what our customers are looking for and how we can best please them. Below are the profits charted weekly running through October 2011 through February, 9 2012.

Table 1. Chart of Weekly Sales and Profits.

Chart of Weekly Profit				
Week of Sales		Weekly Sales		Weekly Profit
10/6/2011	$	225.00	$	154.40
10/13/2011	$	222.00	$	116.00
10/20/2011	$	252.00	$	181.20
10/27/2011	$	327.00	$	219.90
11/3/2011	$	249.00	$	163.30
11/10/2011	$	288.00	$	169.60
1/19/2012	$	84.00	$	58.80
1/26/2012	$	75.00	$	41.20
2/2/2012	$	69.00	$	39.90
2/9/2012	$	99.00	$	58.30
Total Sales	$	1,890.00		
Total Profit	$	1,202.60		

Reviewing these profits recorded over the course of ten weeks allows the farmers market committee to better understand how to operate this small business and where changes could be a made in our inventory flow. Analyzing the profit over the course of ten weeks and managing expenses ensured that our booth was thriving. Next we needed to determine the net income of the booth. Before we could do that we first needed to know at what price where we paying for these products from the Cal Poly Creamery. Below in Table 2, is a chart of the prices we purchase product for the Cal Poly Creamery at and what price we sell at the Farmers Market Booth.

Table 2. Price sold to Farmers Market Committee from the Cal Poly Creamery and price the Famers Market Booth is selling products to consumers at the market.

Cost of Products from Cal Poly Creamery		Cost of Products for Farmers Market Customers	
Cheese (per pound)	$ 4.80	Cheese (6 oz. unit)	$ 6.00
Ice Cream (Pint)	$ 2.80	Ice Cream (Pint)	$ 5.00
Chocolate Milk (Quart)	$ 1.90	Chocolate Milk (Quart)	$ 3.00

With this information a proper profit and loss statement was made for the Dairy Science Department Farmers Market Booth. For the profit and loss statement, I was able to determine our overall sales for the booth and determine the price of our cost of goods sold. With that I also recorded our general start-up and weekly expenses that we accumulated since the starting of this project. With this information we then determined that our net income for the Dairy Science

Department Farmers Market Booth was $556.90. Seeing this and looking at our profit trends shows that during warm temperature months we were able to sustain a decent profit for the famers market booth. However, during the cold winter months a low profit makes it hard to manage a effective small business. Below is the profit and loss statement dating from October 2011 through February 9, 2012.

Table 3. Dairy Science Department Booth Profit and Loss Statement.

Profit and Loss Statement		
Dairy Science Department Farmers Market Booth October 2011-Febrary 9, 2012		
SALES		$1,890.00
COST OF GOODS		
Cheese		$ 347.40
Cheese Sampling		$ 66.60
Ice Cream		$ 61.60
Chocolate Milk		$ 199.50
Gross Profit		$1,214.90
Selling Expenses		
Booth Fee	$40/week	$ 360.00
Dry Ice	$7/week	$ 63.00
Promotional Banner		$ 35.00
Lighting		$ 100.00
Miscellaneous Items		$ 50.00
Logistics		$ 50.00
Labor	Donated	$ -
Total Selling Expenses		$ 658.00
Net Profit		$ 556.90

Market Attendance

Being that this was the first time that the Dairy Science Department had a farmers market booth, the farmers market committee was curious to see what type of customer profile the San Luis Obispo Farmers Market would bring. We knew that we would be offering a local, quality product, however we were not aware about the response we would have by the many people that attend farmers market. The San Luis Obispo Farmers Market is made up with many different types of people that visit. For example, although there are many local attendees from the San Luis Obispo community, there are also many people that visit the market from out of town because of the farmers market's great reputation. Having this understanding the farmers market committee was hopeful that even those people visiting the area would recognize the Cal Poly name and purchase our Cal Poly Creamery products. Over the course of ten week we did see a trend of customers recognizing the Cal Poly brand which was promising not only for the Dairy Science Department, but also for those other Cal Poly Departments that produce products.

Seasonal Sales Decisions

Determining weekly Cal Poly Creamery products to take to the San Luis Obispo Thursday Night Farmers Market frequently changes due to many different factors. Some of these factors include weather and seasonal holidays. Early on in the markets, the farmers market committee saw that we needed to look to the upcoming week's weather reports in order to determine what products to bring to the market. After recording sales after each market we recognized that our sales were largely dependent on weather. Reaching farther we developed separate tables to further analyze which products move faster than others by weeks. Below are tables that represent the products the Dairy Science Department booth sells and the quantities

that have been sold from October 2011 through February 9, 2012.

Table 4. Cheese Gross Profit Calculation.

QUANTITIES SOLD								
Dairy Science Department Farmers Market Booth								
Cheese-Gross Profit Calculation								
Date	Medium Cheddar	Smoked Cheddar	Gouda	Chipotle Jack	Smoked Gouda	Monterey Jack	Lace	Reduced Fat Lace
10/6/2011	4	8	10	11				
10/13/2011	1			8	5			
10/20/2011		10	7	8	8			
10/27/2011		14	11	11	14			
11/3/2011		10	10	14	2			
11/10/2011		8	2	10	12			
1/19/2012	2	2	1					2
1/26/2012	2	2	1					2
2/2/2012		5	1					1
2/9/2012			3			4	2	2
Total	9	59	46	62	41	4	2	7
Total 6oz. Units sold	230							
Less Sampling Cost	37	230-37= 193 units						
Total Dollars Sold	$ 1,158.00							
Less Cost of Product	193 (1.80)= $347.40							
Cost of Sampling Product	37 (1.80)= $66.60							
Total Gross Profit	$ 744.00							

Table 5. Dark Chocolate Milk Gross Profit Calculation.

QUANTITIES SOLD		
Dairy Science Department Farmers Market Booth		
Dark Chocolate Milk-Gross Profit Calculation		
Date	Dark Chocolate Milk	Eggnog
10/6/2011	0	
10/13/2011	16	
10/20/2011	6	
10/27/2011	9	
11/3/2011	11	
11/10/2011	12	20
1/19/2012	0	
1/26/2012	11	
2/2/2012	9	
2/9/2012	11	
Total	85	20
Total Units Sold	105	
Total Dollars Sold	$ 315.00	
Less Cost of Product	105 (1.90)= $199.50	
Total Gross Profit	$ 115.50	

Table 6. Ice Cream Gross Profit Calculation.

QUANTITIES SOLD					
Dairy Science Department Farmers Market Booth					
Ice Cream-Gross Profit Calculation					
Date	Cookies N Cream	Mint Chip	Mud Pie	Vanilla	Strawberry
10/6/2011	1	2			1
10/13/2011	3	2	7	3	3
10/20/2011					
10/27/2011					
11/3/2011					
11/10/2011					
1/19/2012					
1/26/2012					
2/2/2012					
2/9/2012					
Total	4	4	7	3	4
Total Units Sold	22				
Total Dollars Sold	$ 110.00				
Less Cost of Product	22 (2.80)= $61.60				
Total Gross Profit	$ 48.40				

As one can see, booth sales have a wide range when looking at products sold per week. Not only that, but analyzing the product separately by the variety showed which product variety brought in the most income. Having this knowledge helps the farmers market committee better understand what to bring to the market week by week. It also allows for them to see possible trends or similar patterns for the next year. To best prepare the farmers market committee often

needs to make alterations. For example, during the month of November when there was significant drop in weather temperature the farmers market committee decided to remove the Cal Poly ice cream products from our customer purchase list. This was due to the lack of response of the product from our customers.

On the other hand, during the Christmas holiday season we brought to the farmers market our Cal Poly Creamery Eggnog. This was a great asset to our product selection as our customers enjoyed our diversity. It is crucial to evaluate the products we are selling at the farmers markets as it allows us to be effective and efficient while at the market. Not only that, but it keeps our customers interested in the Cal Poly Creamery products that we have to offer.

Product Unavailability

Before each market, the farmer's market committee will meet and decide which products we were in need of before going the market. However, often times it was challenge getting the exact products needed for the upcoming market. This is largely due to the fact that the Cal Poly Creamery is also a supplier to Cal Poly's campus market and other surrounding local grocery vendors and restaurants. In addition, during the Christmas holiday season the Cal Poly Creamery has holiday cheese boxes for customers to order. With high demands of dairy products at these many different levels, it is challenging to ensure that there will always be enough products to fulfill the orders. When products are not available and customers expect them to be at the out booth, it creates disappointment for both the customer and the committee. If we do not have a product available for the customer we will lose out on a sale that could have otherwise be made. To overcome this it is imperative to provide our Cal Poly Creamery with as much advance notice as possible.

Measurement of Good Will

Over the course of many weeks, the Dairy Science Department booth has created a presence at the San Luis Obispo Thursday Night Promotion Market. It has been an excellent experience for not only the dairy science students, but also for our customers. This is largely due to the value we place on good will. Although selling Cal Poly Creamery products was our main goal, as a farmers market committee we accomplished much more through the use of our non-tangible assets. Through the farmers market committee we have gained value from having the committee members educated on all aspects of the dairy industry. This builds with rapport with our customers which is extremely valuable. With rapport bridging the gap between the customers and committee members, the customers will most likely return to the booth to purchase Cal Poly Creamery products in the future. Customer satisfaction is the driving force behind the booth's sales.

Additionally, the Dairy Science Department farmers market booth also serves the purpose of being an advocacy tool for the Cal Poly dairy and the California dairy industry. Each market we would have new customers that were intrigued by Cal Poly's "Learn by Doing" philosophy and would inquire more information about Cal Poly's many programs. Many individuals recognize the positive impact the "Learn by Doing" philosophy has on its students and want to support its many hands on experience programs. Utilizing the resources that Cal Poly provides to its students enables the farmers market committee to provide the public with accurate information regarding the Cal Poly Dairy and the California dairy industry. Having this understating, we found it extremely beneficial to have informational literature at our booth for customers to take for their viewing after purchasing their products. This increased interest is a great asset to Cal Poly's Dairy Science Department.

Sustaining the Booth

With any student run program at Cal Poly, a large risk is ensuring that there will be students that will take the program over once older students graduate. This is indeed a question that has come up when determining who will be operating the Dairy Science Department booth in the future. As the famers market committee chairperson, I have sought out different areas that will help sustain the booth for future years. The first option and the simplest is having one of the farmers market committee persons set up into the role of the farmers market committee chairperson. This is the current management model of the farmers market committee.

Another option for sustaining the booth is incorporating it into the Los Lecheros Dairy Club. It could be potentially used as a fundraiser for the club. The club members could identify a committee and that committee would serve the role of organizing and managing the booth on a weekly basis.

Lastly, if the above ideas do not seem to succeed, the Dairy Science Department booth could be managed by student employees at Dairy Product Technology Center. Cal Poly students could be paid for their time and interest. This would also be a great way for students working in the creamery to gather customer information to help them develop new products. All in all the Dairy Science Department booth has been very successful for students to gain experience while at the same time showcasing the Cal Poly's Dairy Science Department.

CONCLUSION

In conclusion, this project has not only allowed me to grow in knowledge but also allowed my fellow Dairy Science peers to grow as well. I have gained a variety of skills that I know I will be able to implement immediately upon entering the career world. Through running the Dairy Science Department booth at the San Luis Obispo, Thursday Night Promotions, the farmers market committee has experienced how the booth is an advocacy tool and how the sales we gain will benefit and maintain the programs set at Cal Poly. The farmers market booth provided students with hands on experience that taught each of us how to run and operate a small business. I was able to create more strength in my business management skills as I prepared inventory tracking sheets, a profit and loss statements and a charting of weekly profits. Although over the course of ten weeks a profit was only earned of $556.90, I now understand how to run an efficient small business. These are skills that I have learned in the classroom as an agriculture business minor, but because of this project I have been able to put them into practice.

Having these practical skills is a true asset to our education gained at Cal Poly. With this it is my hope that this project will be sustained for years to come so students like myself can reap the benefits of this program. In order to keep this program proceeding forward and students will have to identify themselves as leaders within a team. Through their efforts the farmers market booth will continue to be prosperous looking into the future. I look forward to the future of this project continuing to grow and I know it will continue to create an impact on the Dairy Science Department students, the Cal Poly Dairy, the Cal Poly Creamery and the dairy industry as a whole.

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APPENDIX

Farmers Market Inventory Sheet			Fall Quarter				
Date							
10/6/2011							
Cheese	Product	Sample	Before Market	After Market	$ Amount	Order to Jerry for 10/13/2011	Quantity
Medium Cheddar	5	1	4	0	$225	Gouda	10
Smoked Cheddar	10	2	8	0		Smoked Gouda	10
Gouda	16	2	14	4		Chipotle Jack	10
Chipotle Jack	15	2	13	2		Chocolate Milk	20
Ice Cream							
Cookies N Cream			10	9			
Mint Chip			10	8			
Mud Pie			10	10			
Vanilla			7	7			
Strawberry			10	9			
4 oz. Vanilla			10	6(Trash 2)			
Date							
10/13/2011							
Cheese	Product	Sample	Before Market	After Market	$ Amount	Order to Jerry for 10/20/2011	Quantity
Gouda	14	2	12	11	$222	Smoked Cheddar	13
Smoked Gouda	10	2	8	3		Smoked Gouda	11
Chipotle Jack	12	2	10	2		Gouda	10
						Chipotle Jack	11
Ice Cream							
Cookies N Cream			9	6			
Mint Chip			8	6			
Mud Pie			10	3			
Vanilla			7	4			
Strawberry			9	6			
Chocolate Milk			20	4			

Date							
10/20/2011							
Cheese	Product	Sample	Before Market	After Market	$ Amount	Order to Jerry for 10/27/2011	Quantity
Smoked Cheddar	13	3	10	0	$252	mixed case of cheese	50lbs
Smoked Gouda	11	3	8	0		Chocolate Milk	20
Gouda	10	3	7	0		*Started using poor gouda for samples	
Chipotle Jack	11	3	8	0			
Chocolate Milk			6	0			
Date							
10/27/2011							
Cheese	Product	Sample	Before Market	After Market	$327	Order to Jerry for 11/3/2011	Quantity
Smoked Cheddar	15	1	14	0		Smoked Cheddar	20
Smoked Gouda	15	1	14	0		Smoked Gouda	20
Gouda	13	* 1	13	2		Gouda	18
Chipotle Jack	27	1	26	15			
Chocolate Milk			20	11			
Date							
11/3/2011							
Cheese	Product	Sample	Before Market	After Market	$ Amount	Order to Jerry for 11/10/2011	Quantity
Smoked Cheddar	20	1	19	9	$249	Chipotle Jack	15
Smoked Gouda	20	1	19	17		Chocolate Milk	20
Gouda	20	*1	20	10		`	20
Chipotle Jack	15	1	14	0			
Chocolate Milk			11	0			

Date							
11/10/2011							
Cheese	Product	Sample	Before Market	After Market	$ Amount	Order to Jerry for 11/17/2011	Quantity
Smoked Cheddar	9	1	8	0	$288	none	0
Smoked Gouda	14	1	13	1			
Gouda	13	*1	13	11			
Chipotle Jack	15	1	14	4			
Chocolate Milk			20	8			
Egg Nog			20	0			
			Christmas Break				
1/19/2012							
Cheese	Product	Sample	Before Market	After Market	$ Amount	Order to Jerry for 1/26/2012	Quantity
Smoked Cheddar	4	1	3	1	$84	Any cheese available	
Smoked Gouda	14	1	13	11		Chocolate milk	20
Gouda	9	1	8	5			
Chipotle Jack	8	1	7	0			
Cheddar	7	0	7	7			
Lace	5	0	5	5			
Lace-reduced fat	5	0	5	5			
1/26/2012	Cheese numbers dropped due to private buyer						
Cheese	Product	Sample	Before Market	After Market	$ Amount	Order to Jerry for 2/2/2012	Quantity
Smoked Gouda	9	1	8	6	$75	Any Cheese Available	
Gouda	7	1	6	5			
Lace	4	1	3	3			
Lace-Reduced Fat	5	0	5	3			
Cheddar	4	1	3	1			
Chocolate Milk	20	0	20	9			

2/2/2012							
Cheese	Product	Sample	Before Market	After Market	$ Amount	Order to Jerry for 2/9/2012	Quantity
Smoked Gouda	6	1	5	0	$69	Any cheese available	
Gouda	5	0	5	4		Chocolate Milk	20
Lace	5	1	4	4			
Lace-Reduced Fat	3	0	3	2			
Monterey Jack	5	0	5	5			
Chocolate Milk	9	0	9	0			
2/9/2012							
Cheese	Product	Sample	Before Market	After Market	$ Amount	Order to Jerry for 2/16/2012	Quantity
Gouda	4	1	3	0	$99		
Lace	3	1	2	0			
Lace-Reduced Fat	2	0	2	0			
Monterey Jack	5	1	4	0			
Chocolate Milk	11	0	11	0			
Partial case							