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## Organizational Details: Beverage Sales Budget Scenario

This budget outlines how a market organization can earn income from sales of coffee, water or tea. Our own market, the Crescent City Farmers Market in New Orleans, benefits from this system. The Reily Company, which makes CDM Coffee, French Market Coffee and Luzianne Tea hosts the Saturday market in the company parking lot and also donates coffee and tea supplies to the market. Our friends in the 9th ward, the Sankofa Farmers Market, have followed our lead and found another coffee company that donates the coffee and the equipment for their market day.

We limit the type of beverages that anyone else can sell so that we can add to the market income with drink sales. Beverage sales also encourage people to stop at the Welcome Booth so that they know where to go when they have a question. To that end, we also filter water in our office and give it out for free at the Welcome Booth. We ask people to bring their own water container, or sell them a reusable cup, rather than adding dozens of plastic bottles to the landfill. The cups are called "Go Cups" in New Orleans, and since it is legal to drink alcohol on the streets (providing it is not in a glass container) almost all establishments have them available to take any drink with you. We asked the water filtration company to underwrite the cost of the cups, which they were happy to do—with their logo on one side and ours on the other. As a result, every sale of a "Go Cup" truly benefits the market! There may not be a "Go Cup" culture in your town, but do look for ways to add reusable cups to your system.

Since the market organization is the only beverage seller,

we try to have coffee, tea and water available. We tried to use a pod system to offer more choices of coffee (such as decaf or flavored coffees), but in the end, it was the simple hot coffee that sold best, so that is now our only coffee offering. This also reduces our set up time and pre-market stress level. In the hot months we do offer iced as well as hot coffee, which we make the day before in cold-drip containers. The tea is simply Sun Tea, made by setting in the sun the morning of, or the day before our market. There are a lot of beverage combinations that can be used but in our experience the more simple to better, after all the market isn't a coffee shop.

We buy our milk from our dairy vendor, Smith Creamery on market day. They often donate it rather than taking any money. The Reily Company also donates the stirrers, sweeteners and hot coffee cups. We do pay for the local honey and also for the percolators and storage containers that we use to make and sell the coffee and tea.

The beverage system can partly underwrite a part-time person to staff the booth, or you might find a volunteer to do it. You could also try the honor system with a closed can to accept payment, especially if vendors nearby can keep an eye on it.

Of course, do make sure vendors, shoppers and neighbors understand the reason you want to sell beverages and make sure you use the worksheet on the 2nd page to have your plan ready before presenting it.

For this budget the following assumptions were made:

1. The market will receive underwriting for beverage supplies and expenses and/or 95% donation of supplies.
2. Minimal expenses may include filters, sweeteners or stirrers.
3. The number of units sold will increase an additional 15% per year in years 2 and 3; this is reflected in the beverage unit sales line above.
4. You will sell each beverage unit for \$1.00 each.

	Year 1	Year 2	Year 3
<b>Revenue</b>			
Price/beverage	\$1.00	\$1.00	\$1.00
Beverage unit sales	750	863	992
<b>Total Revenues</b>	<b>\$750.00</b>	<b>\$862.50</b>	<b>\$991.88</b>
<b>Expenses</b>			
Miscellaneous Costs	\$75.00	\$75.00	\$75.00
<b>Total Expenses</b>	<b>\$75.00</b>	<b>\$75.00</b>	<b>\$75.00</b>
<b>Net Profit</b>	<b>\$675.00</b>	<b>\$787.50</b>	<b>\$916.88</b>

	Year 1	Year 2	Year 3
Projected Units Sold for Breakeven	75	75	75
Projected Units Sold	750	863	992



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*Thank you for using a share document. This 4M worksheet below is to help you think through what you just read and how to apply it to your situation. Read the share titled “The Strategy of the 4Ms” to learn more about this [marketumbrella.org](http://marketumbrella.org) teaching tool.*

Is this issue or strategy covered in your current mission (or values)? \_\_\_\_\_

Does your management structure allow you time to handle this, or is there another organizational partner to help? \_\_\_\_\_

How will you communicate to others about this issue or strategy (marketing)? \_\_\_\_\_

When and how will you measure the impact of this resolution of this issue or the completion of this strategy? \_\_\_\_\_



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