

ECONOMIC AND SOCIAL BENEFITS ASSESSMENT

FINAL REPORT

Cranbrook Farmers' Market

Cranbrook, British Columbia

A collaborative project of
British Columbia Association of Farmers' Markets
and
School of Environmental Planning,
University of Northern British Columbia



BC ASSOCIATION OF
FARMERS' MARKETS



UNIVERSITY OF
NORTHERN BRITISH COLUMBIA

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EXECUTIVE SUMMARY

The demand for locally produced fresh, nutritious food by local consumers has grown rapidly over the past ten years. So too has the number of farmers' markets. As the most visible and accessible component of our local food systems, farmers' markets have strengthened their role as providing unique places for local producers and local consumers to connect. Although this role of farmers' markets within local food systems is well recognised, it is important to know not only what markets contribute to local areas but also to know how much they contribute.

This final report presents the findings from the assessment completed for the Cranbrook Farmers' Market on Saturday, July 14, 2012. It includes results of a province-wide assessment of BC's farmers' markets and incorporates some results from a national study of farmers' markets completed in 2008ⁱ.

The provincial project was completed by the BC Association of Farmers' Markets, in collaboration with Dr. David Connell of the University of Northern British Columbia. The purpose of the provincial study was to measure the community and economic benefits of farmers' markets across British Columbia in order to quantify the significant contributions of farmers' markets and to increase their visibility both locally and provincially. This year's project builds upon the success of a similar project completed in 2006. Six years later, by using similar methods we will be to assess changes that have taken place during this time. In total, 33 assessments were completed across the province in 2012.

Highlights of results for the Cranbrook Farmers' Market:

- **The estimated economic benefit of the Cranbrook Farmers' Market on the local economy is approximately \$1 million annually**
- **The estimated number of market customers on assessment day: 1716 customers**
- **Over 420 market visitors participated in the study**
- **Average customer spending per visit: \$22.35**
- **53.9% of the survey respondents visit the market either 'regularly' (almost weekly) or 'frequently' (2-3 times per month)**
- **Estimated number of annual visits: 40,707**



The Cranbrook Farmers' Market assessment is part of a province-wide project. The purpose of the provincial study is to quantify the economic and social contributions of farmers' market assessment and results of the province-wide analysis.

The Cranbrook Farmers' Market sees an average of 450 customers per hour, putting this market near the middle of the pack for customer volume at markets across BC. Most customers attend this market during the second and third hours, between 10:00 am and 12:00 pm, with attendance dropping off significantly in the last hour. Having a variety of prepared food for sale (sweet and savory crepes for example) could potentially attract people early in the morning for breakfast or encourage people to stay at or around market in Rotary Park for their lunch. Average customer spending is \$22.35. Spending at this market is lower than the average for other BC and Canadian markets, and is more on par with spending seen at small markets than at similarly sized large markets.

Similar to other markets in BC and Canada, the majority of Cranbrook Farmers' Market visitors are mostly first-timers or regulars, with infrequent attendees being less common. More than half of the participants in the study (54%) indicated that they visit the market almost every week (32.9% regularly, and 21% frequently, two or three times a month).

Market organizers were curious to know the primary factor that draws people to the Cranbrook Farmers' Market. Many participants expressed it was very difficult to choose only one factor. The number of responses for this particular question was quite high (554) when compared to the number of responses to the other four questions (420), so one can assume that some participants selected more than one option. The factors with the highest response were: "Fresh Produce", "Supporting Local Producers" and "Community and Cultural Experience."

The Cranbrook Farmers' Market takes place on 10th Ave South, between 1st and 2nd Streets, and next to Rotary Park. In this location the market is in short walking distance to some local businesses. Market customers reported they would spend about the same amount at local businesses than they would at the market. Close to 70% of participants indicated that they would do additional shopping downtown after the market, and the average amount spent was \$20.94. Local business owners noted a positive effect from the market, and the main positive effect was increased foot traffic.

There is good support for the Cranbrook Farmers' Market, demonstrated by customers' and local businesses' enthusiasm for this relatively new market. The market is also supported by a strong team of dedicated volunteers, particularly in the set-up and takedown of the market.



July 14, 2012

DESCRIPTION OF MARKET

The Cranbrook Farmers' Market description

Market Website: www.cranbrookfarmersmarket.com

Availability:	Open from June to October Saturdays 9:00am to 1:00pm Wednesdays 5:00pm to 8:30pm
# Vendors:	50 (15 selling primary farm product)
Location:	10 th Ave S. between 1 st and 2 nd streets, adjacent to Rotary Park
Contact Info:	Manager: Erna Jensen-Shill Phone: 250-427-9360 Email: market@cranbrookfarmersmarket.com
	Mailing Address: P.O. Box 356 Cranbrook, BC V1C4H8

RESEARCH METHOD

The assessment of individual markets in BC is organised around two sets of activities: rapid market assessment and market surveys. These are the same methods used for the BC study in 2006.

1) Rapid Market Assessment:

The Rapid Market Assessment (RMA) technique was developed by researchers at Oregon State University for studying farmers' markets. This method has been implemented successfully in markets throughout Oregon and Washington states. The RMA method consists of three parts: customer survey; crowd count; environmental observations. The environmental observations are optional for markets in this present study and so are not included in this report.

- a) Flip-chart survey: The flip-chart survey method engaged consumers in friendly interaction through multiple-choice questions posted in large print on flip charts. This approach has a high response rate, thereby increasing validity and accuracy.

The set of questions used for the survey (Box 1) were developed in two parts. The first four questions were developed by the research team and will be asked at all farmers' markets participating in the project. Asking the same questions at all markets is necessary to complete the provincial analysis. Each participating market developed the fifth question to collect data that are relevant to making effective changes and improvements to the local market.

Box 1. Flip-chart survey questions

1. How often do you come to this farmers' market?
2. When did you start shopping at this market?
3. How much have you spent, or do you plan to spend, at the market today?
4. If you plan to do additional shopping or eating while in this area of town today, how much do you plan to spend?
5. What draws you most to the market?

- b) Crowd count: During a ten-minute period of each hour the market is open, members of the assessment team stood at each major entry point to the market and counted people entering. The total number of attendees is estimated from these systematic counts.

2) Market surveys

The analysis of community benefits of farmers' markets involves more detailed surveys of market customers and local businesses.

- a) Customer surveys. A small sample of customers was asked to participate in a short interview. People were asked about where they shop, factors they consider when buying food, how long they spend at the market, and how they spend their time when at the market. Customers were also asked if they shop at other businesses on the same day that they visit the farmers' market. The small sample size means that the results cannot be generalised to all market customers. Nevertheless, the information collected expands upon the flip-chart survey information and lends further insights to market customers and the relation between the market and neighbouring businesses. Some of the customer survey data will be aggregated at the provincial level.
- b) Business surveys. Businesses located near the farmers' market were surveyed to assess the influence of the market on neighbouring businesses and to explore the nature of the relationship. The information collected from these surveys is specific to each local market and will lend insight to how relations might be further developed. The business information will also help to understand the relation between farmers' markets and businesses generally. Surveys were not completed at farmers' markets that did not have other businesses located nearby.

Together, the market assessment and the more detailed market surveys improve our understanding of what makes the Cranbrook Farmers' Market successful and how it contributes to the local area, in terms of both its economic and social benefits.

RESULTS

This section reviews the results of the rapid market assessment, including the crowd count estimates and flip-chart surveys. The results for the one-on-one customer interviews and business interviews follow

Rapid Market Assessment

The weather on the day of the assessment was rainy and overcast. It was raining quite heavily in the morning, but cleared up throughout the day. There were approximately 24 vendors present, which is about 60% of the usual number. Some vendors cancelled due to the rain.

Crowd count

The total estimated number of people attending the Cranbrook Farmers' Market on July 14, 2012, was 1,716.

When asked, vendors at the market said market attendance was slower for that time in the season, as compared with past years. They explained that this was mainly due to the weather that day.

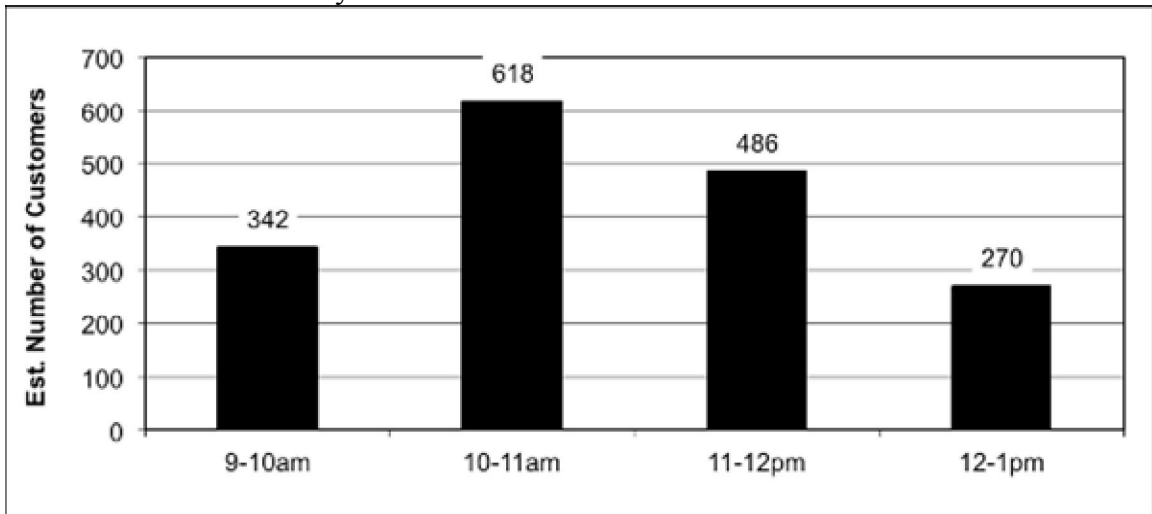
The actual and extended counts for the assessment are shown in Table 1. The total estimated counts are also shown in Chart 1 on the next page.

Table 1. Estimated Crowd Count

Time period	Count period	Actual count	Extended total
1st hour (9:00-10:00)	9:25-9:35am	57	342
2nd hour (10:00-11:00)	10:25-10:35am	103	618
3rd hour (11:00-12:00)	11:25-11:35pm	81	486
4th hour (12:00-1:00)	12:25-12:35pm	45	270
Estimated total crowd count on July 14th			1716

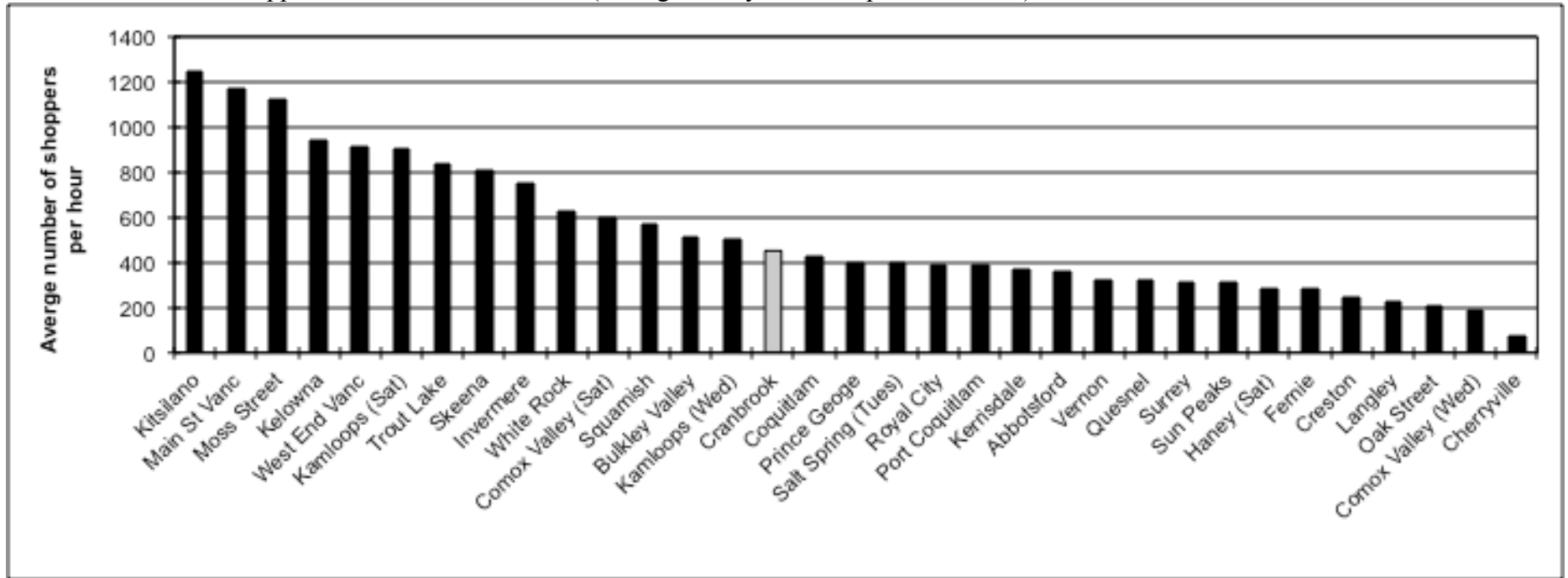
Chart 1 (on the next page) shows the estimated crowd totals for each hour. Market attendance peaks during the second hour, and then decreases slightly for the final two hours.

Chart 1. Crowd counts by the hour



As shown in Chart 2, the number of shoppers attending the Cranbrook Farmers' Market is about average when compared to other markets that we assessed in BC. The data are based on the average number of shoppers attending a market on an hourly basis (not on the total number of shoppers).

Chart 2. Number of shoppers at BC farmers' markets (average hourly crowd at peak of season)



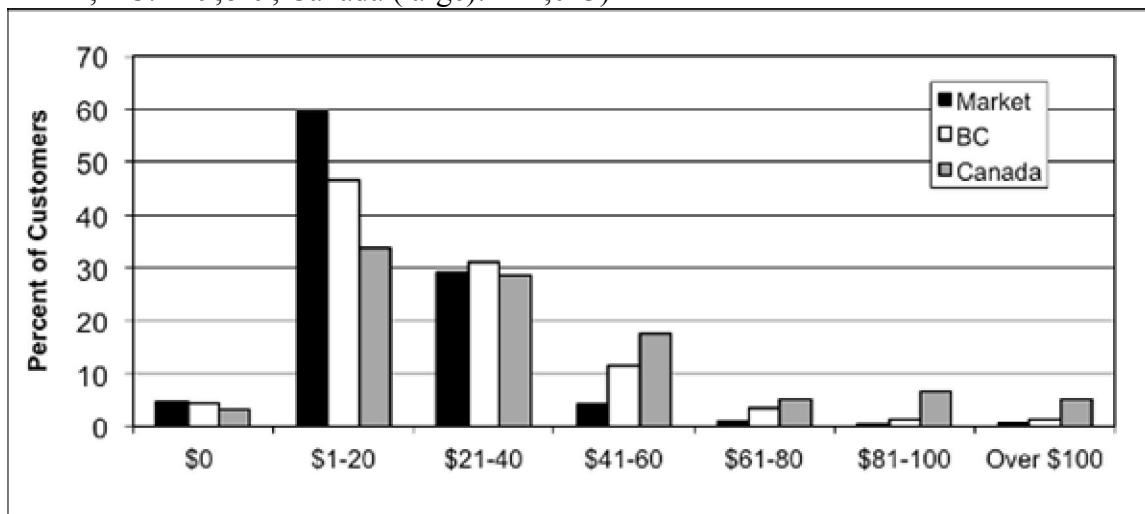
Flip-chart survey

Approximately 420 people responded to the dot survey, which is about 25% of the estimated crowd count. The following five charts show the results for each of the flip chart survey questions.

Question 1. How much have you spent, or do you plan to spend, at the market today?

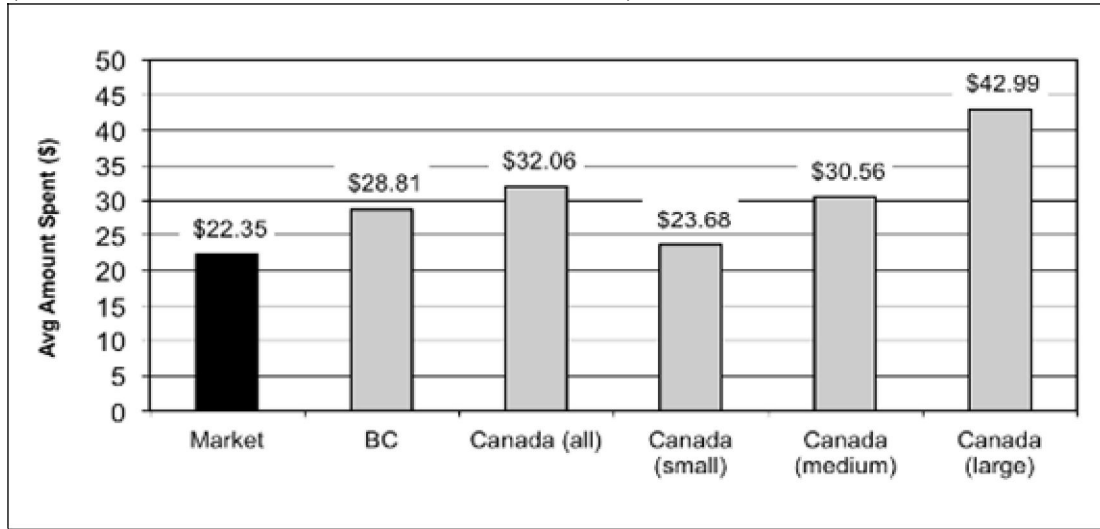
Overall, respondents spent an averageⁱⁱ of \$22.35 each on the day of the assessment. As shown in Chart 3, most customers surveyed (59.4%) said they would spend between \$1-20 at the market that day. Almost 30% said they would spend between \$21-40 at the market.

Chart 3. How much have you spent, or do you plan to spend, at the market today? (Market: n=421; BC: n=9,819; Canada (large): n=1,013)



The results shown in Chart 4 illustrate how the Cranbrook Farmers' Market compares to the average amount spent by customers at all BC markets and at small (<20 vendors), medium (20-39 vendors), and large farmers' markets (40+ vendors) in Canada. As a large market, Cranbrook's market has a lower average amount spent by customers than the Canadian average for large markets. The Cranbrook Farmers' Market also has a lower amount spent per customer than the provincial average.

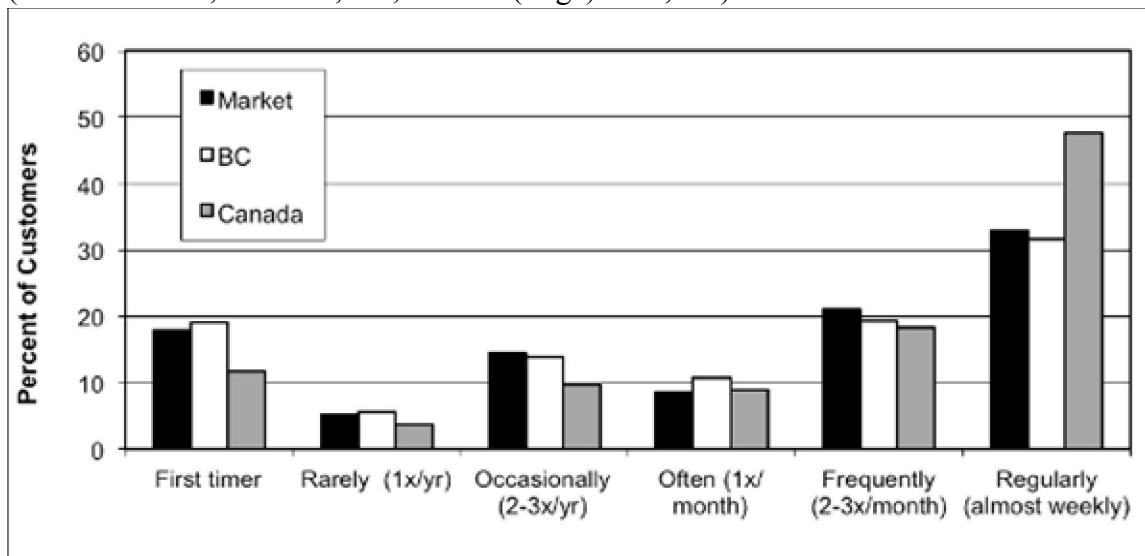
Chart 4. Average amount spent by market shoppers
(Market: n=421; BC: n=9,819; Canada: n=3,167)



Question 2. How often do you come to this farmers' market?

As shown in Chart 5, the Cranbrook Farmers' Market has a varied distribution in the frequency of visits, with regular visitors making up the largest percentage. More than half of the customers (53.9%) visited the market regularly or frequently. First-time visitors to the market accounted for 18% of respondents. These results are very similar to the provincial and national data.

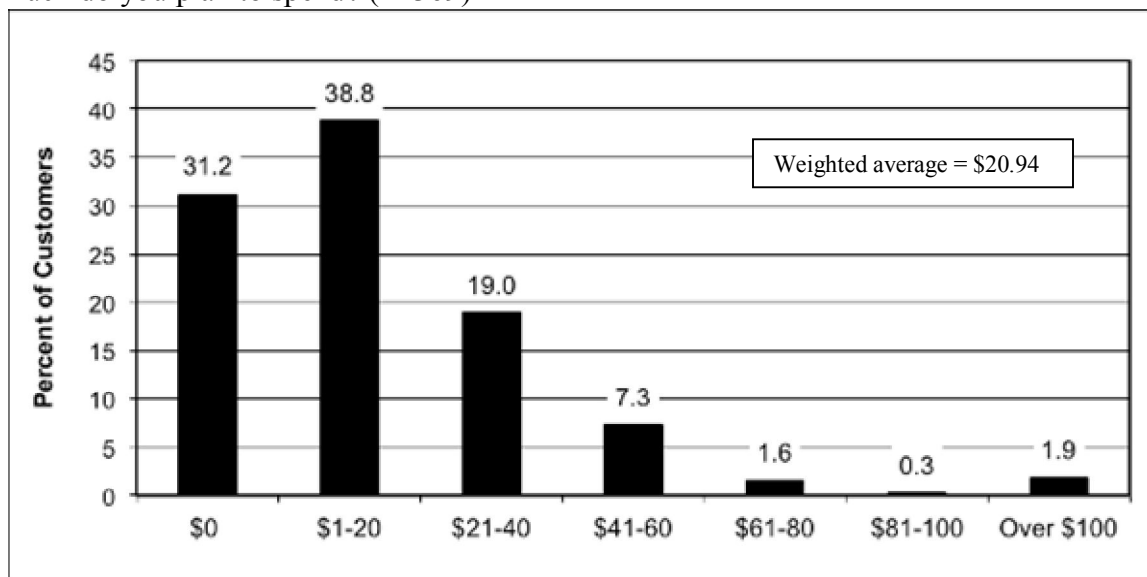
Chart 5. How often do you come to this market?
(Market: n=428; BC: n=9,874; Canada (large): n=1,013)



Question 3. If you plan to do additional shopping or eating while in this area of town today, how much do you plan to spend?

Chart 6 shows the range of additional spending by market customers, with 68.8% of respondents saying they would do additional shopping at neighbouring businesses that day. About 40% of customers surveyed said they would spend between \$1-20. While 19% said they would spend between \$21-40.ⁱⁱⁱ The average amount spent per customer at neighbouring businesses was \$20.94. Given the variability among markets, no comparison is made with BC or national results.

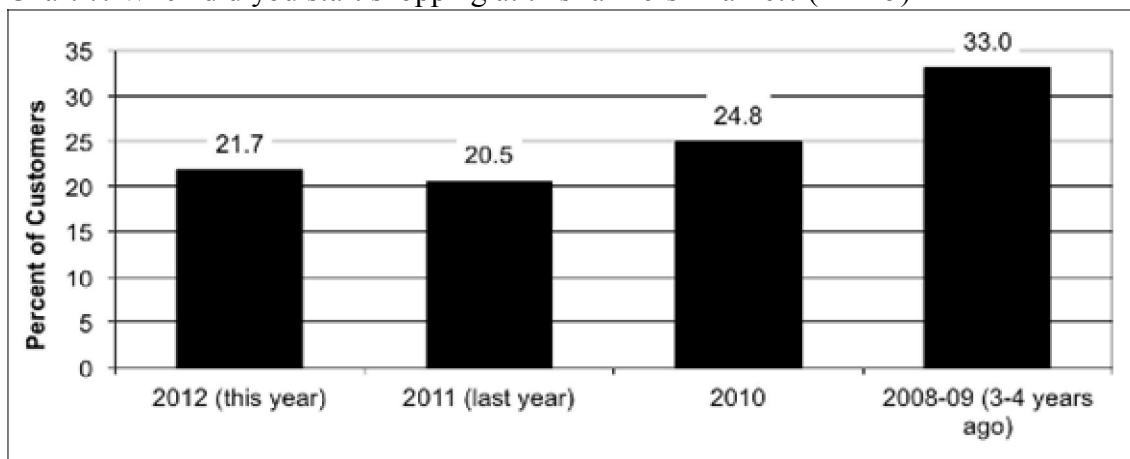
Chart 6. If you plan to do additional shopping or eating while in this area of town today, how much do you plan to spend? (n=369)



Question 4. When did you start shopping at this farmers' market?

As shown in Chart 7, the Cranbrook market has a good portion of long-time, loyal customers. One third of the customers surveyed (33%) have been coming to this market since it began four years ago in 2008. In addition to the long-time regulars, there were also 21.7% of respondents who started shopping at the market this season, 2012.

Chart 7. When did you start shopping at this farmers' market? (n=415)

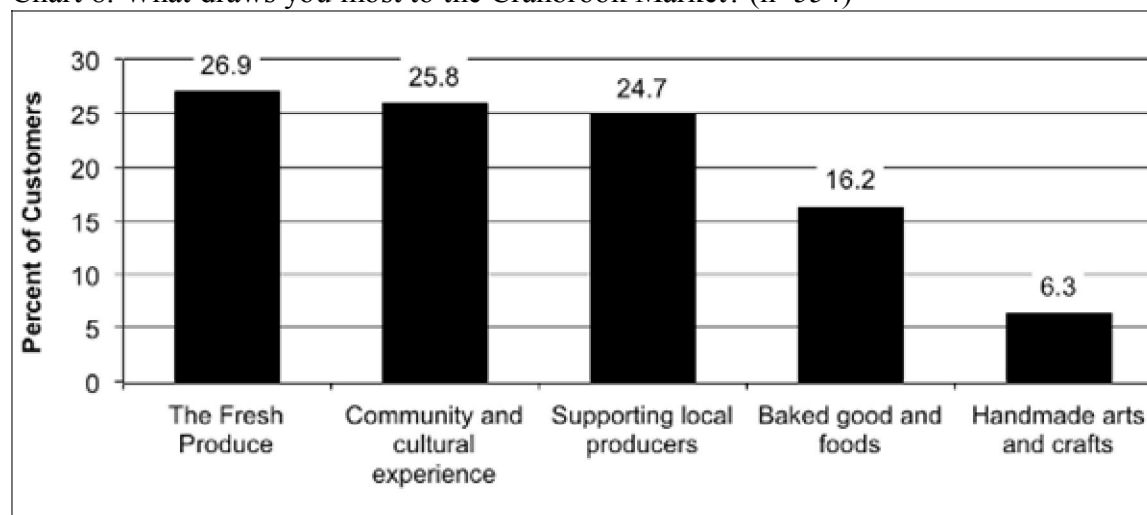


Question 5. What draws you most to the Cranbrook Market?

Chart 8 illustrates the varied factors that draw customers to the Cranbrook Farmers' Market. The most common factors included the fresh produce (26.9%), community and cultural experience (25.8%), and supporting local producers (24.7%). As shown in the high number of dots (554) in this question, it is clear that some participants selected more than one factor. This may have affected the number of dots used by market visitors for other questions.

Similar results were found when the same question was asked at other markets as their fifth question. "The Fresh Produce" and "Supporting Local Producers" most often ranked high above the other factors. Cranbrook's result for "Community and Cultural Experience" is high, when compared with the other markets that posed the same question, demonstrating the cultural and community importance of the farmers' market on Cranbrook, in addition to providing people with local food options.

Chart 8. What draws you most to the Cranbrook Market? (n=554)



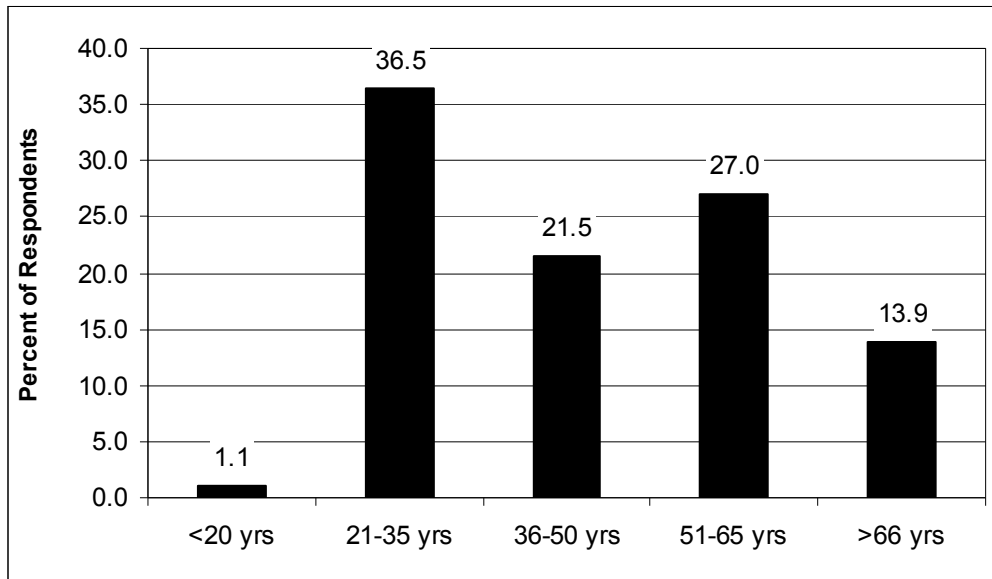
Market surveys

Customer Survey

We conducted interviews with 291 customers at 33 markets in BC. The following charts show results of all the customers surveyed across the province. When interpreting the results of these surveys, it should be noted that the people who agreed to participate in the one-on-one interviews over-represent regular shoppers, as these people are also the ones who are more likely to participate in such market surveys. The over-representation of regular shoppers is evident when we compared the customer survey results (291 responses) against the results gathered from the flip chart surveys (9,819 responses). The flip chart surveys show a wider representation of market shoppers.

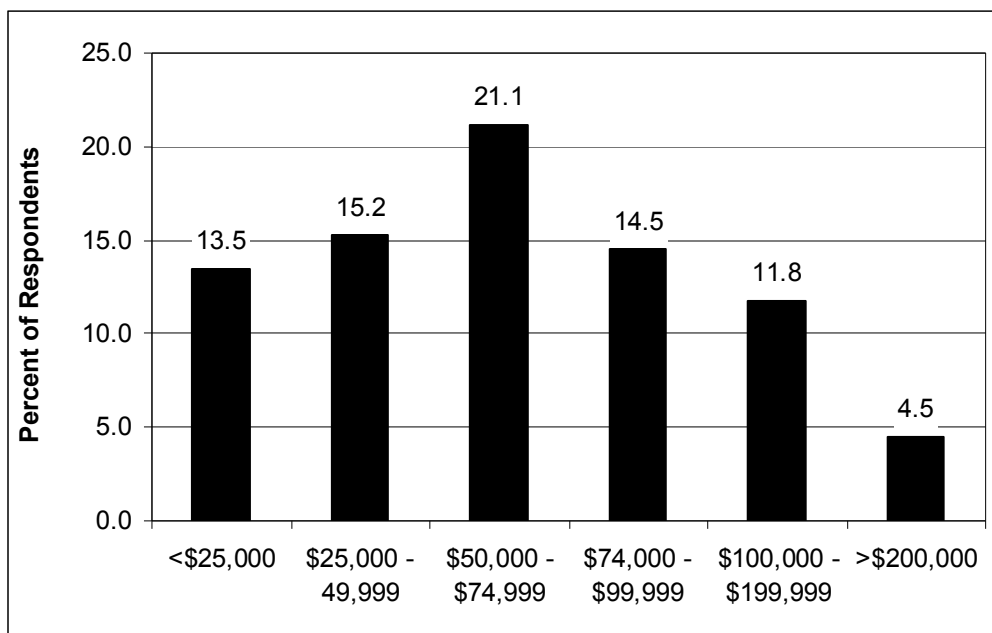
The results in Chart 9 show the age range of farmers' market customers in BC.

Chart 9. Age of respondents (BC: n=274)



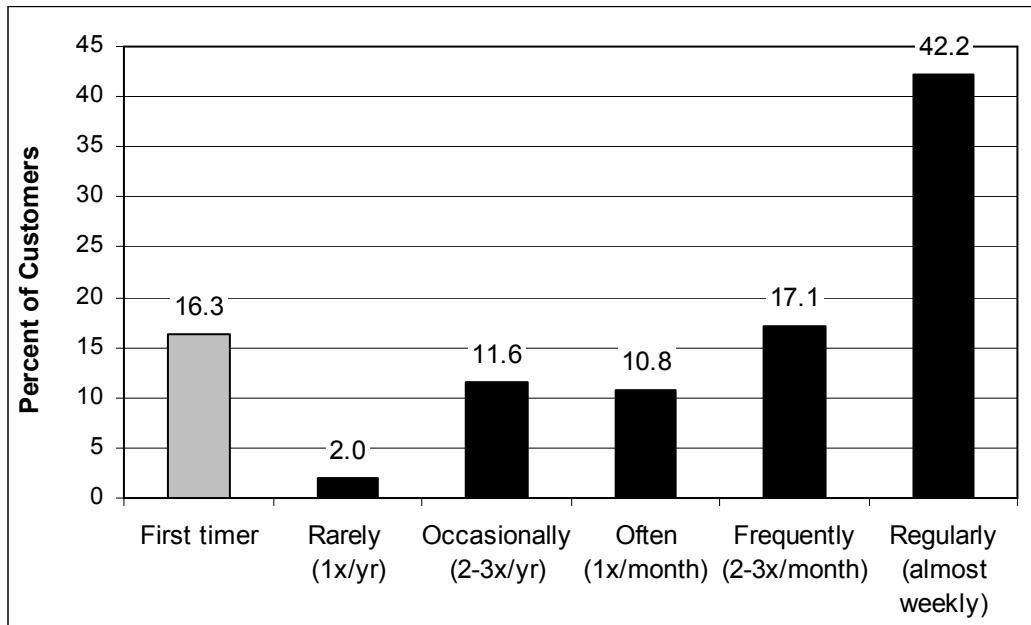
The household income of shoppers at farmers' markets in BC is shown in Chart 10. The results show that people from households with a range of incomes shop at BC's markets.

Chart 10. Household income (BC: n=233)



Over 40% of customers surveyed in BC shop at the market regularly (almost weekly), with an additional 17% shopping at least two to three times per month (Chart 11). Together, these results indicate that almost six of ten shoppers can be considered among the core group of market shoppers at BC markets, although, as noted, the results do over-represent regular shoppers. The actual results are likely to be lower but still significant.

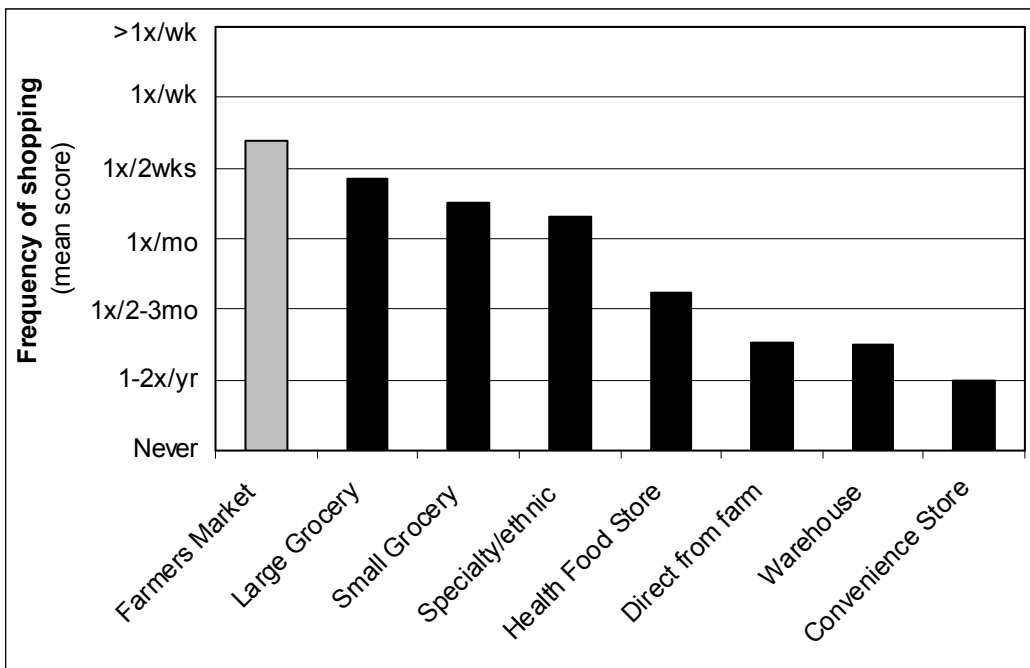
Chart 11. Frequency of shopping at farmers' markets (BC: n=251)



We also asked shoppers where and how often they buy groceries at other food retail outlets during the outdoor market season. The people surveyed indicated that they shop more often at the farmers' market than at other food retail outlets (Chart 12).

Chart 12. Where shoppers shop during the outdoor market season (BC: n=290)

Note: a higher bar means shopping more often at the corresponding store.

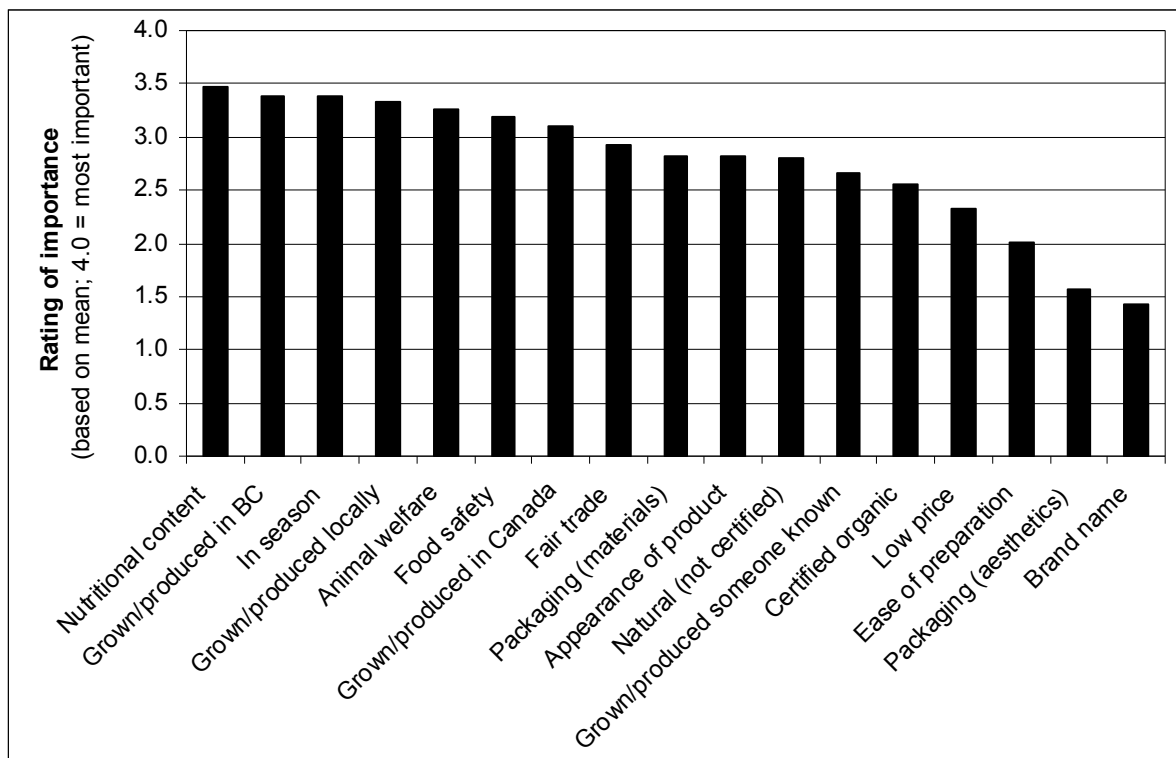


Part of the answer to explain the shopping pattern of market customers is evident in Chart 13, which shows the relative importance of factors customers consider when buying food. During the farmers' market season the five most important factors to market customers are:

- Nutritional content
- Grown/produced in BC
- In season
- Grown/produced locally
- Animal welfare

Brand name, low price, and certified organic are among the lowest rated factors that influence food purchasing decisions.

Chart 13. Factors people consider when buying food: BC (n=289)



We also asked customers how long they spend at the market (Chart 14) and how much of that time they spend talking with vendors and friends (Chart 15). The results for all BC shoppers surveyed highlight the important social aspect of farmers' markets. Almost 70% of all respondents said that they spend over 30 minutes at the market, and over half (53.8%) of all respondents said they spend at least half their time at the market socialising with others.

Chart 14. Amount of time customers spend at the market (BC: n=290)

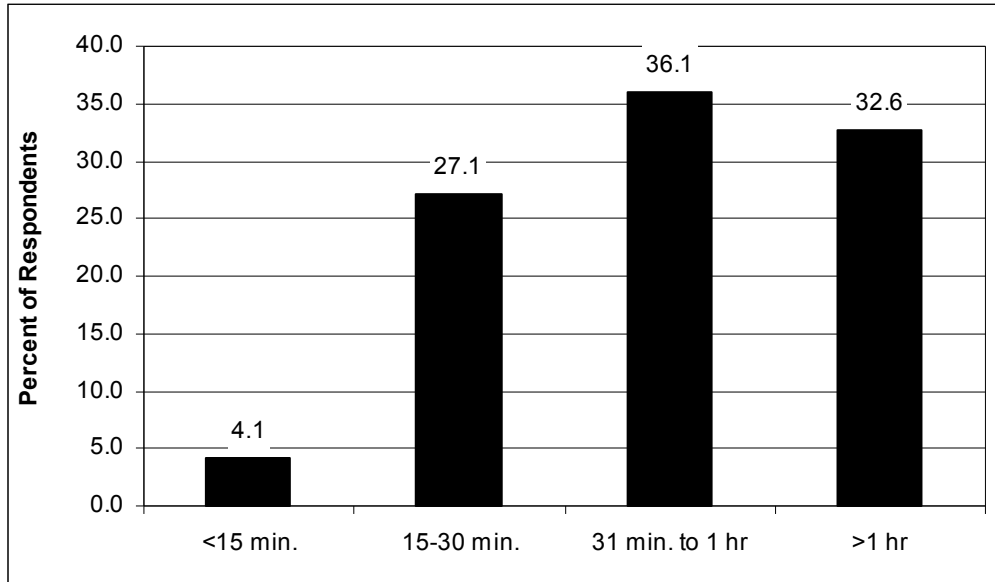
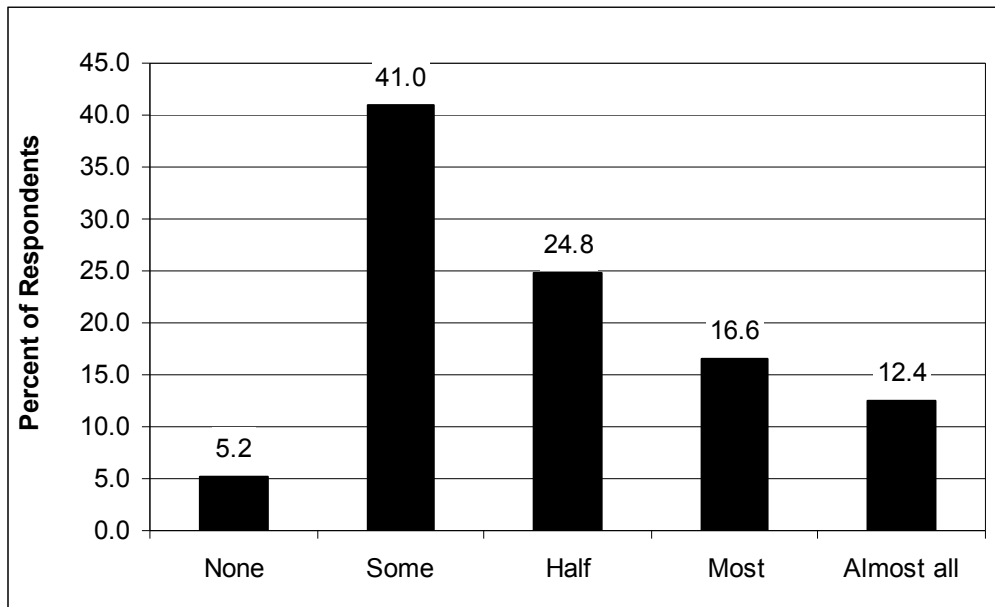


Chart 15. Time spent talking with others at the market (BC: n=290)



The results of the above two questions are combined in Table 2. The shaded boxes highlight those people who spend at least half an hour at the market *and* at least half of that time talking with vendors, friends, and acquaintances. Altogether, these people represent 45% of the shoppers surveyed at BC's farmers' markets.

Table 2. Time spent at market talking with others (percentage) (BC: n=290)

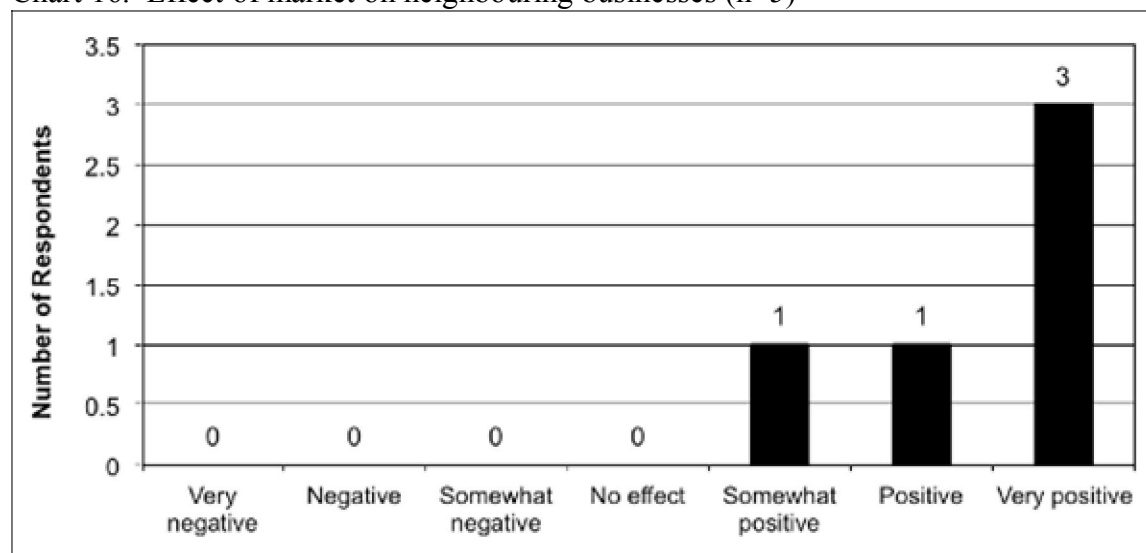
		How time spent					Total
		None	Some	Half	Most	Almost all	
Time spent at market	<15 min.	1	2	0	0	0	4
	15-30 min.	2	17	5	3	0	27
	31 min. to 1 hr	1	16	11	5	4	36
	>1 hr	1	7	9	9	8	33
Total		5	41	25	17	12	100

Business survey

There were several businesses located within visible range of the Cranbrook Farmers' Market, including bookshops, cafés, pet stores and a second hand clothing shop. Based on availability of businesses for interviews, and whether they are open on market days, we conducted surveys with five neighbouring businesses (Chart 16).

All five businesses reported impacts from the market and agreed that the market is good for getting people downtown and into their stores. One business owner said that the market is great for them, as people come in to their business to eat both before and after the market. This business also reported a definite sales increase during the market season, as compared to the winter season. Other shop owners indicated that while there was no definite sale increase on market days, the increased exposure to their shop was positive.

Chart 16. Effect of market on neighbouring businesses (n=5)



Economic Benefits

The information collected in this assessment enables us to measure the economic benefits of the Cranbrook Farmers' Market.

To measure the economic benefits of farmers' markets means to measure the ripple effect of people spending dollars at the market: if I spend \$1 at the market then how does this dollar benefit the local economy? The ripple effect includes both the profit to the market vendor and the monies the vendor spent on inputs to get to the market (e.g., seeds, feed, ingredients, etc.).

Economic benefits, which can include direct, indirect, and some induced effects, are measured in terms of revenue (\$), output (\$), and employment (jobs). In this study we measure only revenues. We chose to calculate revenue benefits using a multiplier of 1.5^{iv}. This multiplier means that for every dollar spent at the market, another \$0.50 is spent in the local economy. Compared to some other studies of farmers' markets, this multiplier is conservative.

The annual economic benefit is calculated by multiplying direct annual sales by the multiplier (1.5). Direct annual sales are calculated as follows:

$$\text{Average expenditure by customer} \times \text{Number of spending customers per session}^y \times \text{Number of sessions per year}^{\text{vi}} \times \text{Seasonal factor}^{\text{vii}}$$

For the Cranbrook Farmers' Market, seasonally adjusted annual direct sales are:

$$\$22.35 \text{ per customer visit} \times 1,935 \text{ spending customers} \times 17 \text{ (adjusted) sessions} = \$682,000$$

Using a multiplier of 1.5, the annual economic impact is approximately:

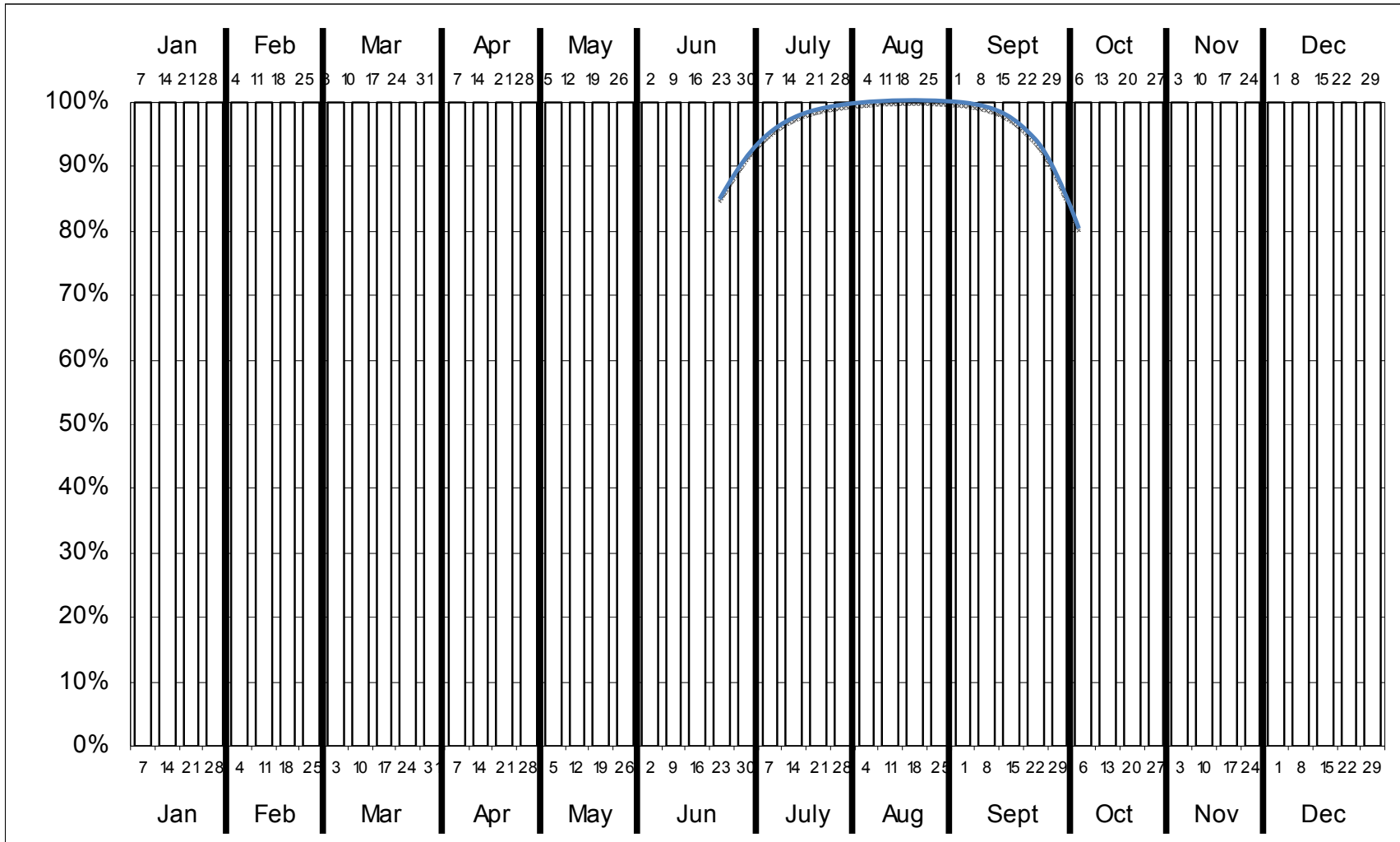
Annual economic impact (2012): \$1,023,000

This calculation means that the Cranbrook Farmers' Market contributes an estimated one million dollars to the local economy each year. These monies benefit not only market vendors but also the local businesses that supply these vendors.

The total estimated annual economic benefit for all farmers' markets in BC is **\$170.5 million**.

We can also assess the 'spillover' effect that the Cranbrook Farmers' Market has on its neighbouring businesses. Based on survey results, we can estimate the impact of market customers spending additional dollars at local businesses on the day of the market. Using the same formula as above, the annual economic impact of additional spending at other neighbouring businesses is over \$660,000.

Appendix: Seasonal activity chart for Cranbrook Farmers' Market



Acknowledgements

The BC Association of Farmers' Markets and the project team would like to thank the Cranbrook Farmers' Market for participating in this assessment and for providing a team of volunteers to help conduct the assessment. Financial and in-kind support is provided by participating farmers' markets. The BCAFM wishes to acknowledge the financial assistance of Agriculture and Agri-Food Canada and the Investment Agriculture Foundation of BC for making this study possible. We would also like to acknowledge the Vancity Community Foundation's contribution to the study.

End notes

ⁱ Source: Experience Renewal Solutions and David J. Connell (2009). National Farmers' Market Impact Study 2009 Report. Prepared for Farmers' Markets Canada.

ⁱⁱ The average spent per customer is weighted by category based on results of a national study of farmers' markets completed in 2008.

ⁱⁱⁱ The average spent at nearby businesses is weighted by category based on results of a national study of farmers' markets completed in 2008.

^{iv} The number used for multipliers for farmers' markets varies, ranging from 1.21 to 3.0. A multiplier of 2.0 is commonly used for convenience. We chose to use a multiplier of 1.5 as this appears to be more accurate based on studies by Hughes, Brown, Miller, and McConnell (2008) and Otto and Varner (2005). We used a multiplier of 2.0 in the 2006 study; the results from the 2006 study that are cited in this report have been revised based on a 1.5 multiplier.

^v This is based on the estimated crowd count. However, not all people attending the market are included in the calculation. Some people may not spend any money while other people included in the crowd count are members of the same household and should not be double-counted. Based on results of the national study of farmers' markets in Canada in 2008, we estimate that 75 per cent of the crowd count is considered a paying customer.

^{vi} Includes special days, if any, such as 'Christmas markets'.

^{vii} The seasonal factor accounts for varying sales/crowd levels during the season. For the outdoor season, markets generally start off slow and peak for a number of weeks during the summer and then decline. The seasonal factor is calculated for each market based on data collected from the market's manager and long-time vendors. A seasonal activity chart for your market is included in the Appendix.