

# ECONOMIC AND SOCIAL BENEFITS ASSESSMENT

## FINAL REPORT

### **Creston Valley Farmers' Market**

Creston, 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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Prepared by:  
**David J. Connell, PhD MCIP**  
**Jenica Frisque, MA MSc**

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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 Creston Valley Farmers' Market on July 7<sup>th</sup> 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 2008<sup>i</sup>.

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 Creston Valley Farmers' Market:

- **The estimated economic benefit of the Creston Valley Farmers' Market to the local economy is approximately \$2.4 million annually**
- **The estimated number of market customers on assessment day: 900 customers**
- **Over 250 market visitors participated in the study**
- **Average customer spending per visit: \$23.98**
- **57.8% of the survey respondents visit the market either 'regularly' (almost weekly) or 'frequently' (2-3 times per month)**
- **Estimated number of annual visits: 32,630**



The Creston Valley 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 markets. The results show that the Creston Valley Farmers' Market provides an important space for artisans, food producers, and area residents to connect. As the motto of the market states, "Let's Grow, Let's Eat, Let's Share," the market managers and volunteers are creating a space where everyone is welcome. The market hosts a diversity of live music performances and special events all summer long, including collaborations with the Creston Library, the Great Canadian Cooking School Culinary Walking Tour, and the Creston Valley Fall Fair. The market effectively uses their website and social media tools to build up an online presence, which is helpful to inform market visitors about the special events happening at the market.

On the day of the assessment, July 7, 2012, 900 visitors came to the market to shop for local goods. Although the hourly average number of visitors at the Creston Market is quite low when compared to provincial averages, over half (57.8%) of the survey respondents visit the market either regularly (weekly) or frequently (2-3 times per month). In addition, there was a good percentage of first-time visitors to the market (17%). Coupled with conversations with shoppers, this indicates that the market is attracting new visitors, locals and tourists alike.

The market managers were curious to know whether the addition of family and children oriented activities would increase the likelihood that people would visit the market. The study showed that for almost three-quarters of participants, it did not matter either way. About 16% responded with 'yes' or 'probably' and 10% responded with a definite 'no.' From conversations with customers and vendors at the market, there was more of a desire for the availability of hot and cold drinks and prepared food. The average spent per market shopper is \$23.98, which is lower than the provincial average, and lower than the national average for medium-sized markets.

The farmers' market is located a few blocks away from Creston's downtown core. On the day of the assessment, three-quarters (74.9%) of shoppers said that they would do additional shopping in the area, spending an average of \$22.54. Although there were no businesses located next to the market, these data show that the Creston Valley Farmers' Market is an important economic pillar in the local economy.

As citizens become increasingly conscious about the importance of supporting local food systems, the economic and social benefits of farmers' markets will continue to grow, thereby increasing the number of shoppers, vendors, and amount customers are willing to spend. By providing a welcoming space for producers and consumers to connect and a space for area residents to meet and share ideas, the farmers' market plays an important social, environmental, and economic role in Creston.



## DESCRIPTION OF MARKET

### The Creston Valley Farmers' Market

Market Website: [www.crestonvalleyfarmersmarket.ca](http://www.crestonvalleyfarmersmarket.ca)

Under the motto “Let’s Grow, Let’s Eat, Let’s Share!” the Creston Valley Farmers' Market offers a unique community of growers, artisans, craftspeople, and entertainment. Families and friends are welcome to the market to enjoy the benefits of eating fresh, eating real, and shopping local in the heart of the Kootenays. Whether you follow the 100-mile diet or simply enjoy supporting the Creston Valley's wide variety of growers and producers, this market is right for you.

<b>Availability:</b>	Open from May 5 <sup>th</sup> to December 22 <sup>nd</sup> Thursday from 10:00am to 2:00pm (July and August) Saturdays 8:00am to 12:00pm (May – September) Saturdays 10:00am to 2:00pm (October – December)
<b># Vendors:</b>	35 vendors (25 selling primary farm product)
<b>Location:</b>	Millennium Park, 16 <sup>th</sup> Ave. (Saturdays May – September) Morris Flowers and Garden Centre, 1103 Erickson St. (Saturdays October – December) Cook Street, behind Visitors Centre (Thursdays)
<b>Contact Info:</b>	Tamara Movold and Martha Boland, Market Managers  c/o COTR 301 - 16 Ave S. PO Box 1978 □ Creston, BC V0B 1G0  <a href="mailto:cvfarmersmarket@gmail.com">cvfarmersmarket@gmail.com</a>

## 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 were asked at all farmers' markets participating in the project. Asking the same questions at all markets was 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. Would you be more likely to visit the market if there were family and children oriented activities?

- 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 Creston Valley 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 very hot (32°C) and sunny. There were 31 vendors present. There were a variety of products for sale, from baked goods and fresh greens, to artisan cheeses and local meats, from gemstones and jewellery, to soaps and lavender bundles.

#### *Crowd count*

The total estimated number of people attending the Creston Valley Farmers' Market on Saturday, July 7, 2012 was 900.



When asked, vendors at the market said market attendance was normal for that time in the season, as compared with past years.

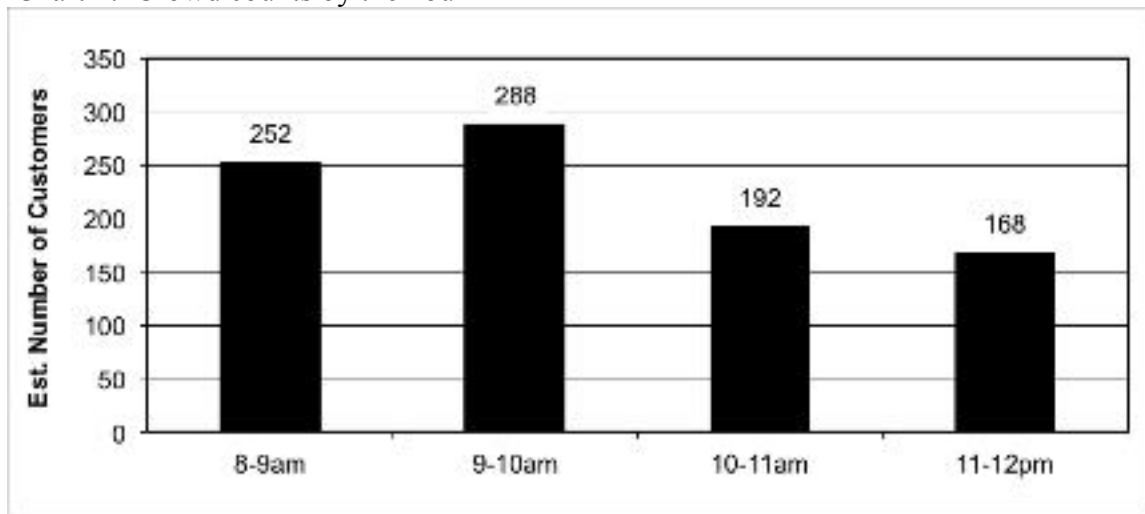
The actual and extended counts for the assessment are shown in Table 1. The total estimated counts are also shown in Chart 1.

Table 1. Estimated Crowd Count

Time period	Count period	Actual count	Extended total
1st hour (8:00-9:00)	8:25-8:35am	42	252
2nd hour (9:00-10:00)	9:25-9:35am	48	288
3rd hour (10:00-11:00)	10:25-10:35am	32	192
4th hour (11:00-12:00)	11:25-11:35pm	28	168
<b>Estimated total crowd count on Saturday July 7, 2012</b>			<b>900</b>

Chart 1 (below) shows the estimated crowd totals for each hour. Market attendance steadily builds over the first two hours, peaking during the second hour of the market, and then decreases slightly for the second half of the morning.

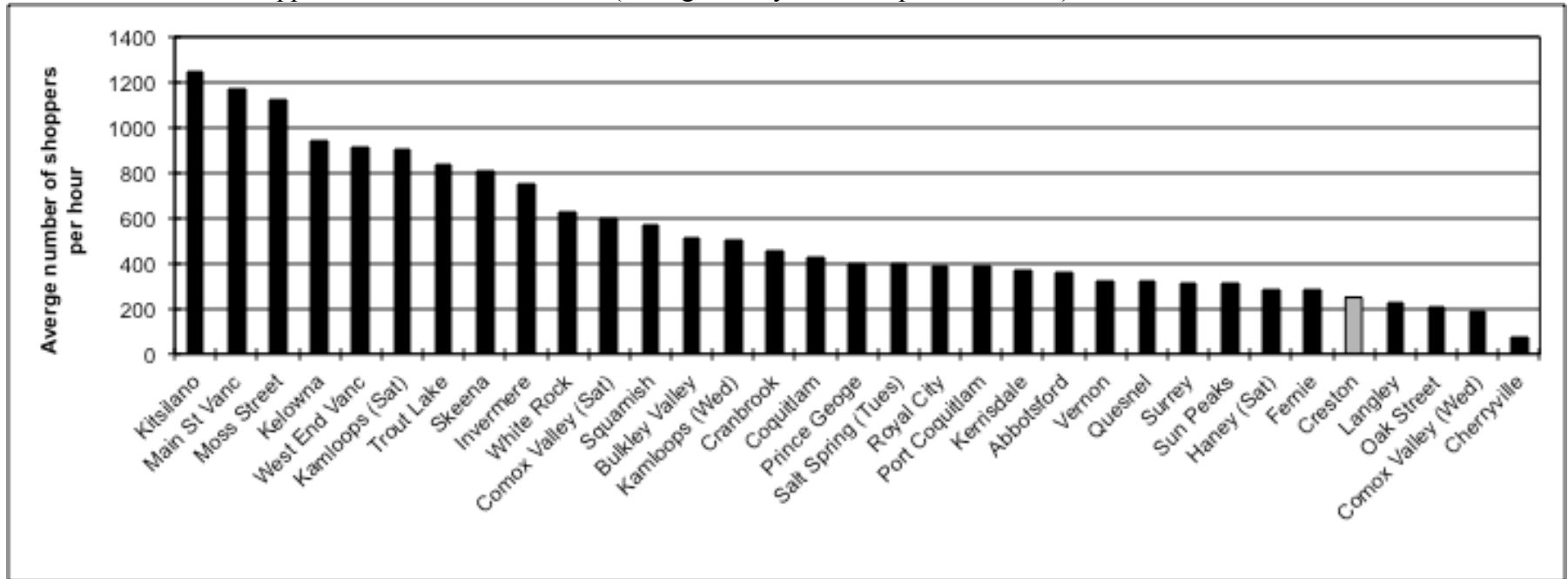
Chart 1. Crowd counts by the hour



As shown in Chart 2 (next page), the number of shoppers attending the Creston Market is lower than 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)



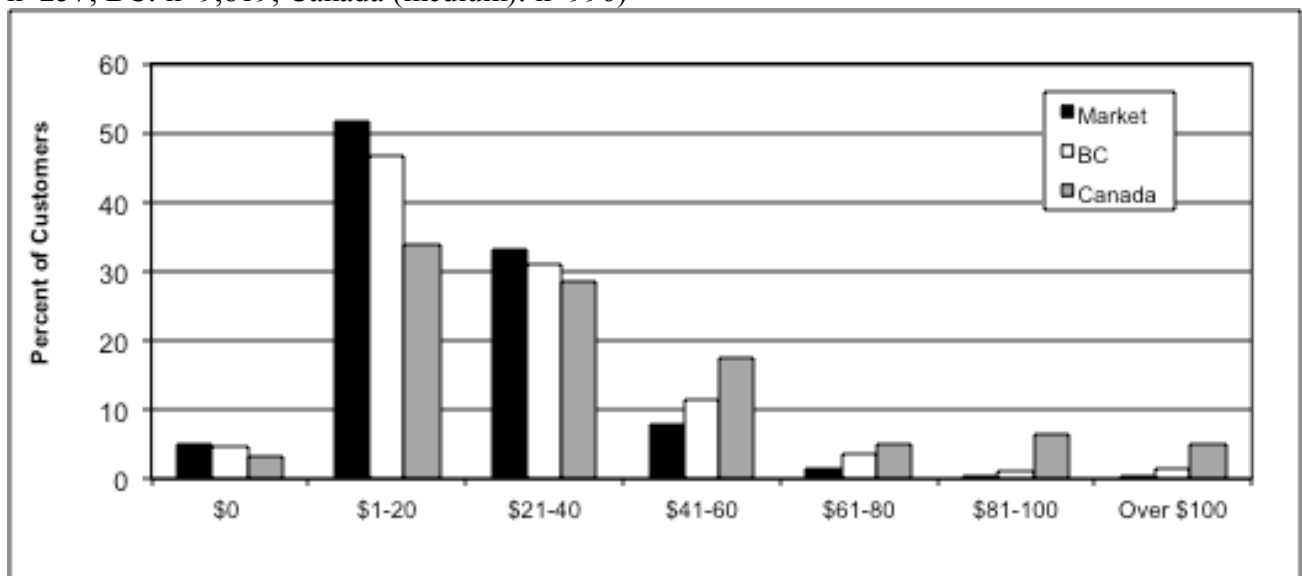
*Flip-chart survey*

Approximately 250 people responded to the dot survey, which is 28% 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?**

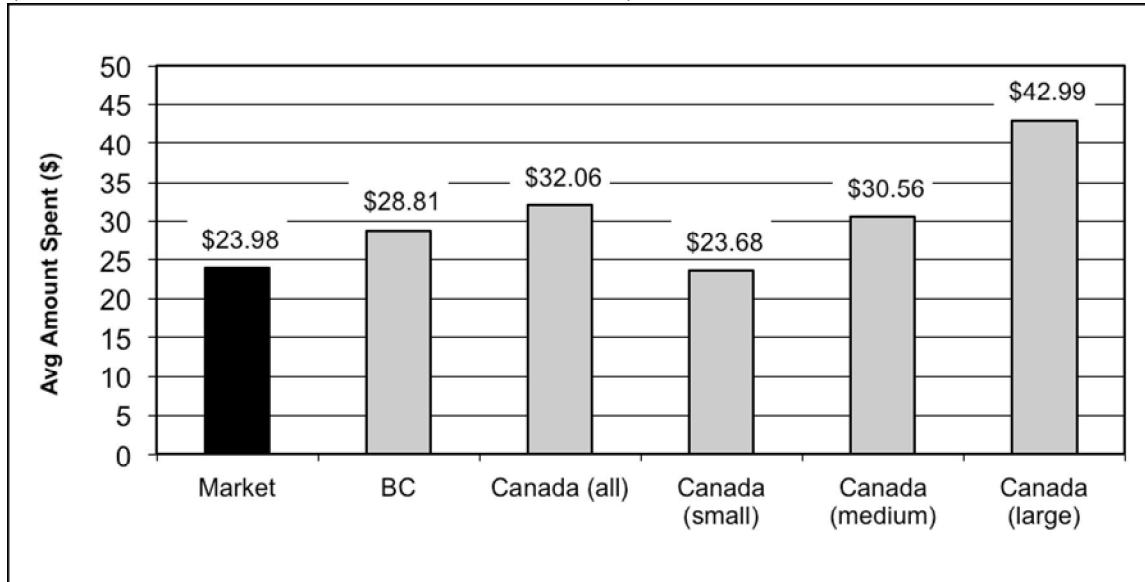
Overall, respondents spent an average<sup>ii</sup> of \$23.98 each on the day of the assessment. As shown in Chart 3 most customers surveyed (51.8%) said they would spend between \$1-20 at the market that day.

Chart 3. How much have you spent, or do you plan to spend, at the market today? (Market: n=257; BC: n=9,819; Canada (medium): n=996)



The results shown in Chart 4 illustrate how the Creston Valley 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 medium market, the Creston Market has a lower average when compared to the national average for medium markets, and a lower average than the provincial average (which includes all markets).

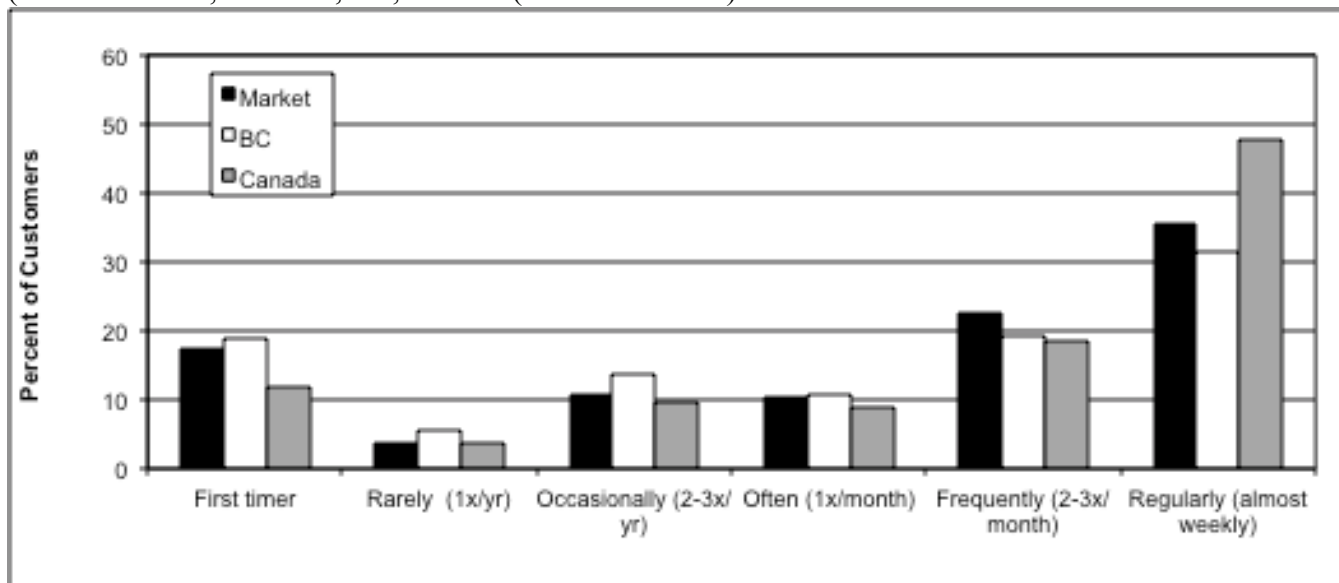
Chart 4. Average amount spent by market shoppers  
(Market: n=257; BC: n=9,819; Canada: n=3,167)



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

As shown in Chart 5, the Creston Valley Farmers' Market has a varied distribution in the frequency of visits, and regular shoppers account for the highest percentage. About one in three customers (35.4%) shop regularly at the market. First-time visitors to the market accounted for 17% of respondents. The results are very similar to the provincial and national averages.

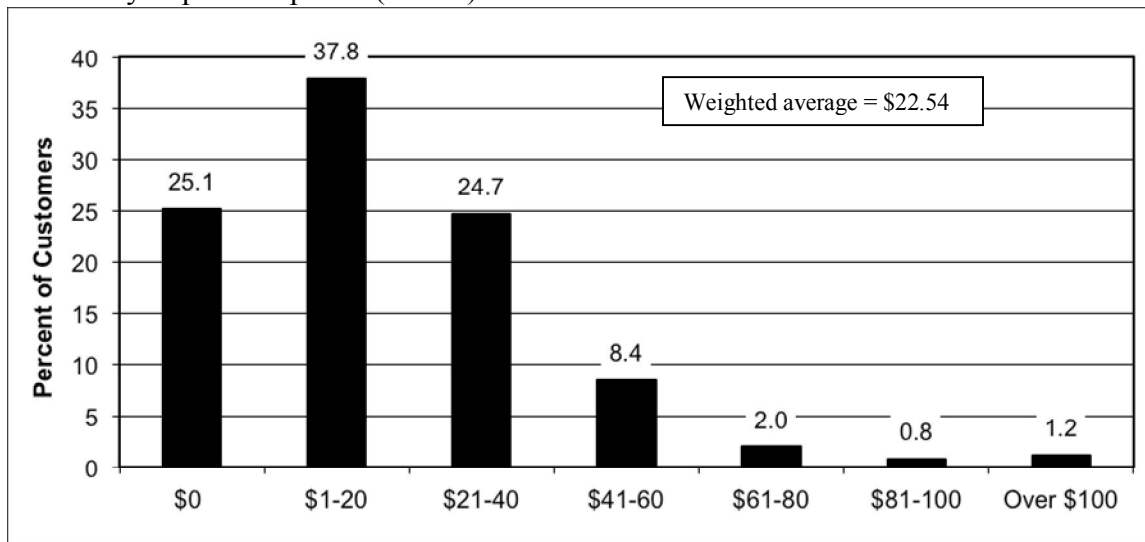
Chart 5. How often do you come to this market?  
(Market: n=263; BC: n=9,874; Canada (medium: n=996)



**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 74.9% of respondents saying they would do additional shopping at neighbouring businesses that day. Slightly over one-third (37.8%) of customers surveyed said they would spend between \$1-20 and 24% said they would spend between \$20-40.<sup>iii</sup> The average amount spent per customer at neighbouring businesses was \$22.54. Given the variability among markets, no comparison is made with BC or national results.

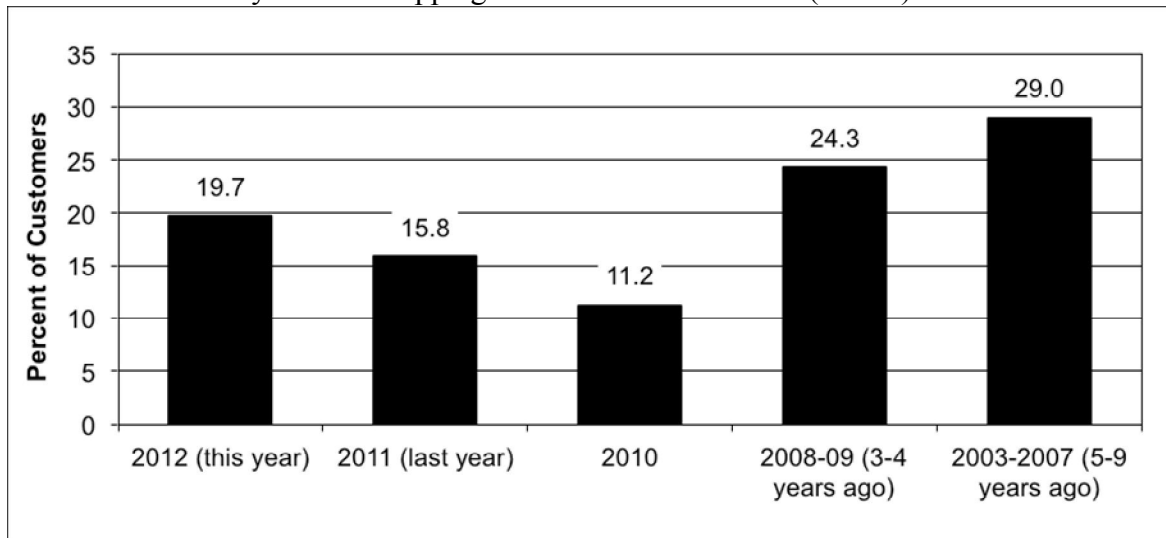
Chart 6. If you plan to do additional shopping or eating while in this area of town today, how much do you plan to spend? (n=251)



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

As shown in Chart 7, the Creston Valley Farmers' Market has a good portion of long-time, loyal customers. Close to 30% have been coming to this market for five years or more. In addition to the long-time regulars, there were also almost 20% of respondents who were first-time visitors to this market, some visiting from nearby Yahk, and others visiting from the US.

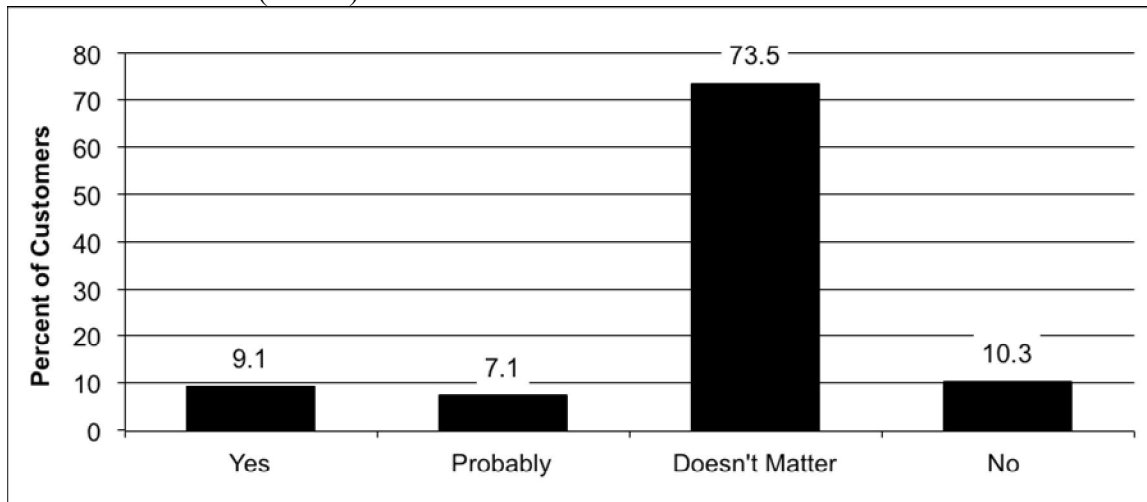
Chart 7. When did you start shopping at this farmers' market? (n=259)



**Question 5. Would you be more likely to visit the market if there were family and children oriented activities?**

The market currently does not have any family or children oriented activities, and when asked, the customers surveyed did not seem to mind. As shown in Chart 8, almost three-quarters of the customers surveyed (73.5%) responded that it did not matter either way.

Chart 8. Would you be more likely to visit the market if there were family and children oriented activities? (n=253)



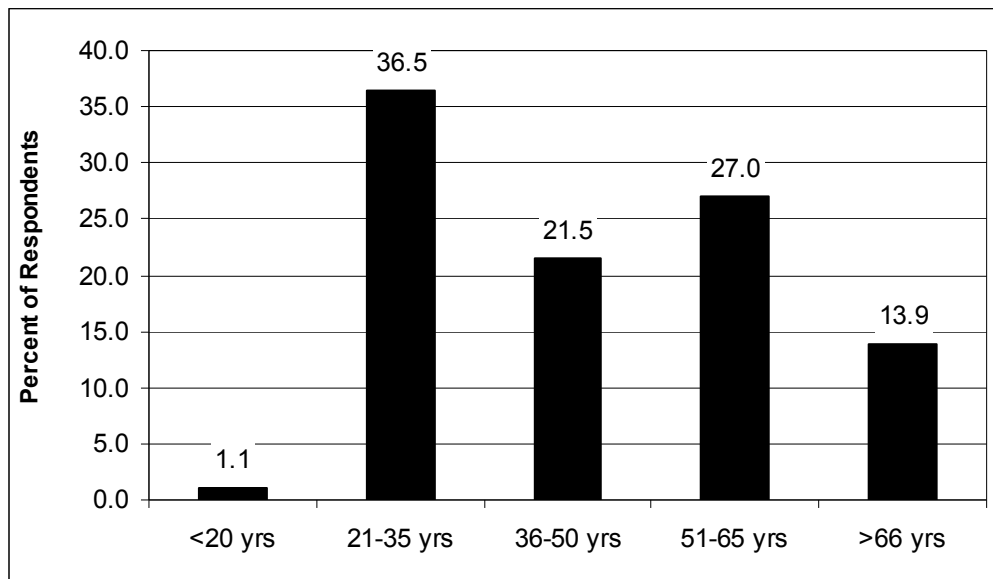
## Market surveys

### *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.

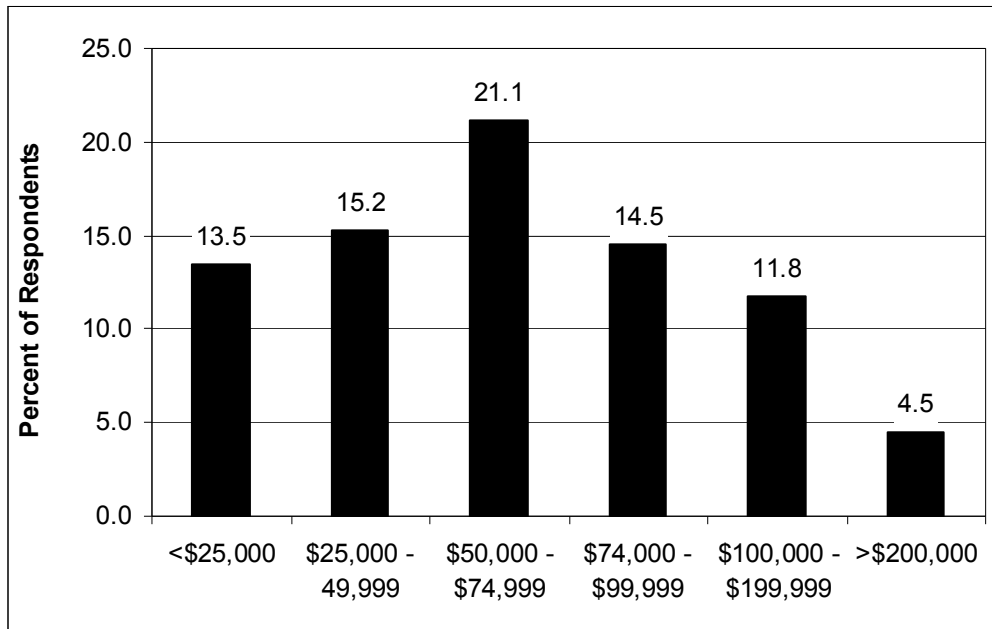
The results in Chart 9 show the age range of farmers' market customers in BC.

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



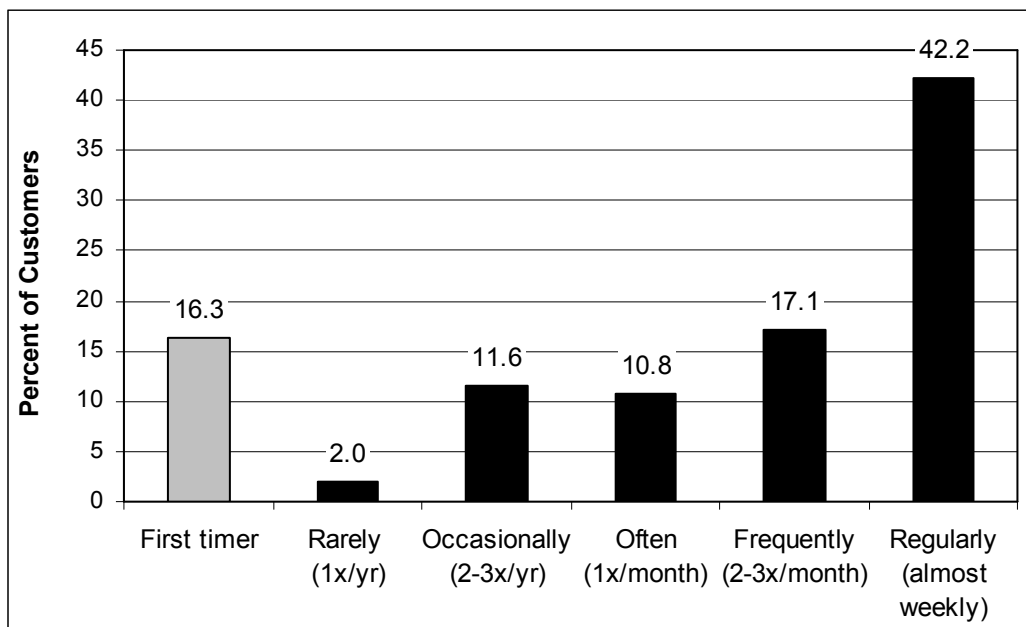
The household income of shoppers at farmers' markets in BC is shown in Chart 10. The results show that people from households with a range of incomes shop at BC's markets.

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)

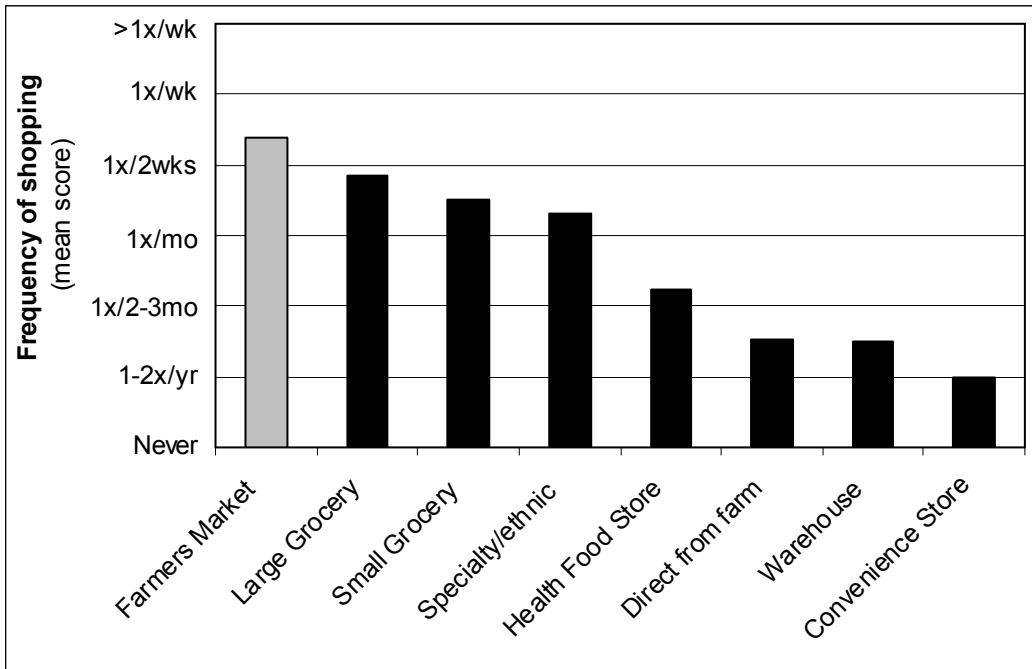




We also asked shoppers where and how often they buy groceries at other food retail outlets during the outdoor market season. The people surveyed indicated that they shop more often at the farmers' market than at other food retail outlets (Chart 12).

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.

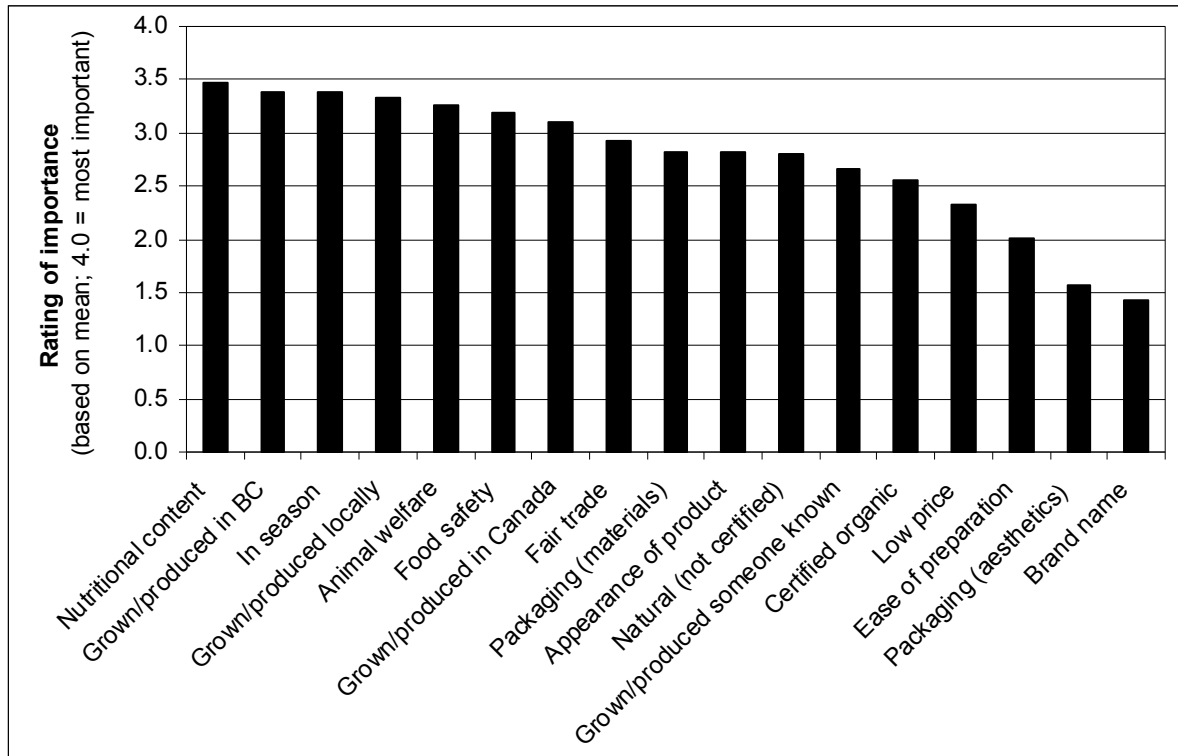


Part of the answer to explain the shopping pattern of market customers is evident in Chart 13, which shows the relative importance of factors customers consider when buying food. During the farmers' market season the five most important factors to market customers are:

- 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)

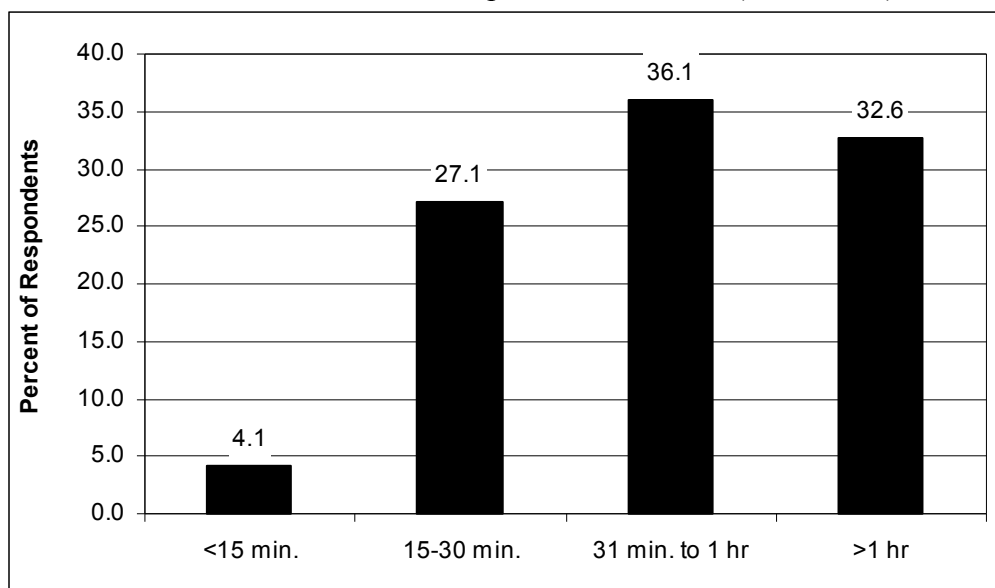
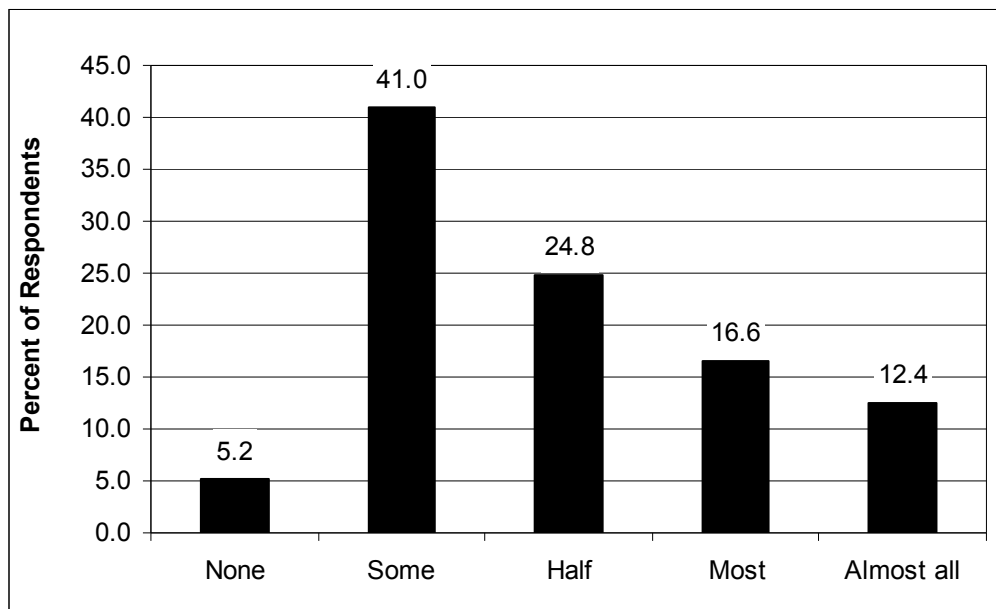


Chart 15. Time spent talking with others at the market (BC: n=290)



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	<b>4</b>
	15-30 min.	2	17	5	3	0	<b>27</b>
	31 min. to 1 hr	1	16	11	5	4	<b>36</b>
	>1 hr	1	7	9	9	8	<b>33</b>
<b>Total</b>		<b>5</b>	<b>41</b>	<b>25</b>	<b>17</b>	<b>12</b>	<b>100</b>

## Economic Benefits

The information collected in this assessment enables us to measure the economic benefits of the Creston Valley 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<sup>iv</sup>. 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 Creston Valley Farmers' Market seasonally adjusted annual direct sales are:

$$\text{\$ 23.98 per customer visit} \times \text{938 spending customers} \times \text{34 (adjusted) sessions} = \text{\$733,000}$$

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

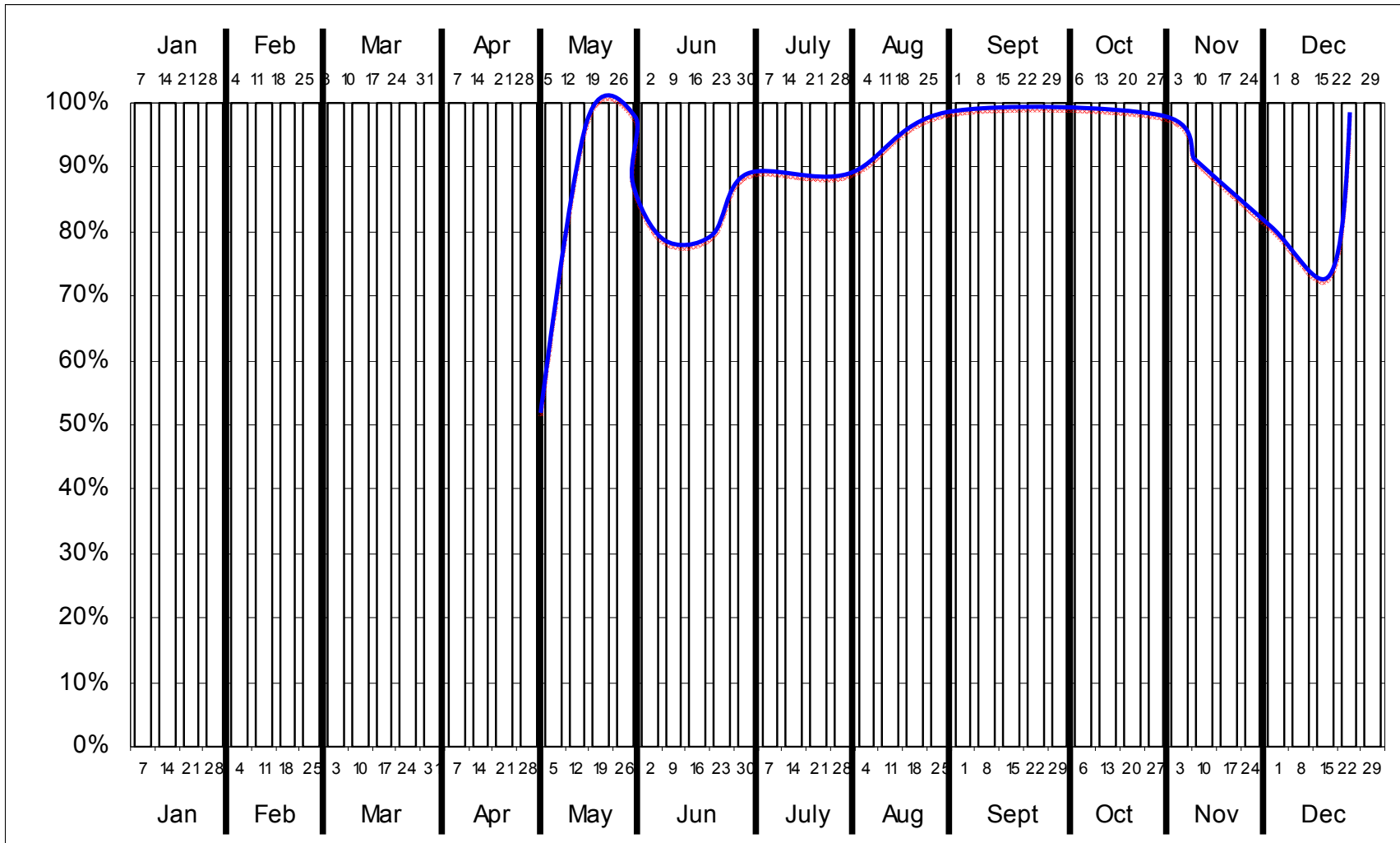
**Annual economic impact (2012): \$1.1 million**

This calculation means that the Creston Market contributes an estimated \$1.1 million to the local economy each year. These monies benefit not only market vendors but also the local businesses that supply these vendors. This study does not include the economic impact of Thursday markets, trends and data for which are not currently available due to the fact that Thursday markets only started this summer.

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 Creston Market has on its neighbouring businesses in the downtown area. Based on survey results, we can estimate the benefits of market customers spending additional dollars at local businesses on the day of the market. Using the same formula as above, the annual economic benefit of additional spending at other neighbouring businesses is over **\$620,000**.

**Appendix: Seasonal activity chart for Creston Valley Farmers' Market**



## Acknowledgements

The BC Association of Farmers' Markets and the project team would like to thank the Creston Valley 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 BCAFAM 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

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

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

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

<sup>iv</sup> 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.

<sup>v</sup> 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.

<sup>vi</sup> Includes special days, if any, such as 'Christmas markets'.

<sup>vii</sup> 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.