

ECONOMIC AND SOCIAL BENEFITS ASSESSMENT

FINAL REPORT

Fernie Mountain Market

Fernie, 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 Fernie Mountain Market on Sunday, August 25, 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 Fernie Mountain Market:

- **The estimated economic benefit of the Fernie Mountain Market to the local economy is approximately \$325,000 annually**
- **The estimated number of market customers on assessment day: 1,122 customers**
- **Over 225 market visitors participated in the study**
- **Average customer spending per visit: \$27.41**
- **27.8% of the survey respondents visit the market either 'regularly' (almost weekly) or 'frequently' (2-3 times per month)**
- **Estimated number of annual market visits: 10,547**



The Fernie Mountain 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 Mountain Market is a medium market with about 35 vendors that takes place on Sundays in Rotary Park, located just off of highway 3.

The market assessment was conducted on Sunday, August 26, 2012. The crowd count on the day of assessment was 1,122 people. With an average of 281 people attending the market each hour, this puts Fernie lower than the provincial average for hourly market attendance, but similar for markets of the same size.

Average spending at the Mountain Market is \$27.41. The 2012 average is higher than average spending in 2006, when the average amount spent by shoppers in Fernie was \$21.14. Local respondents spent slightly more on average (\$28.92) than non-local respondents (\$25.64). The provincial average has also increased substantially, from \$23.41 in 2006 to \$28.81 in 2012.

Located in downtown Invermere, the majority of market visitors (80%) indicated that they would do additional shopping in the area. The average amount spent additional has increased from \$28.85 in 2006 to \$32.28 in 2012. Locals indicated that they would spend an average of \$22.50 and non-locals indicated that they would spend about \$43.89. This reflects how important the market is in drawing people out on the weekend and into Fernie off of the highway.

The study illustrates that the Fernie Mountain Market draws in many of the local residents, who have been coming for years. About one-third of respondents indicated they started shopping at the market more than five years ago. There is also a good portion of visitors (34.5%) who started shopping at the market this season. This indicates that the market is successful in attracting new shoppers to the market.

As the study shows, the estimated economic benefit of the Mountain Market to the local economy is approximately \$325,000 annually. This supports the general view that the market has grown over the past six years. In 2006, the economic benefit was estimated at \$261,000 annually. The number of annual market visits has decreased slightly, from 10,964 in 2006 to 10,547 in 2012. With the growing number of vendors who provide fresh produce and prepared food, and the addition of an evening market and special kids days, the market continues to grow as an important meeting place for residents of Fernie and visitors alike.

Furthermore, as visitors and locals 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 and vendors, and amount customers are willing to spend.

BENEFITS ASSESSMENT: Fernie Mountain Market
Final Report



DESCRIPTION OF MARKET

The Fernie Mountain Market:

www.mountainmarket.ca

The Mountain Market in Rotary Park, Fernie BC is booming! Surrounded by the spectacular scenery of the Lizard Range, vendors and market-lovers from the Elk Valley and beyond call Fernie's Mountain Market the place to be. Experience our crafters, weavers, gardeners, farmers, artisans, woodworkers, painters, musicians, bakers, and more. Come join us!

Availability: Open from Canada Day to Labour Day
Sundays 10:00 am - 2:00 pm
Wednesdays 4:00pm-8:00pm (in July and August)

July and August

Vendors: 40

Location: Sundays: Rotary Park, just off HWY 3
Wednesdays: Downtown Fernie, off Main St. by the Arts Station

Contact Info: Dawn Deydey, Market Manager
Phone: 250-423-7799
Email: mountainmarket@fernie.com
Or
Sandra Dacosta, Market Manager
Phone: 250-423-6674

Mailing Address:
Box 256
Fernie, BC

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. How did you find out about 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 Fernie Mountain 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 cool in the morning, but warmed up to about 28 degrees Celsius. There were approximately 34 vendors present, selling produce, crafts, prepared food and there was a drum circle.

Crowd count

The total estimated number of people attending the Fernie Mountain Market on August 26, 2012 was 1,122.

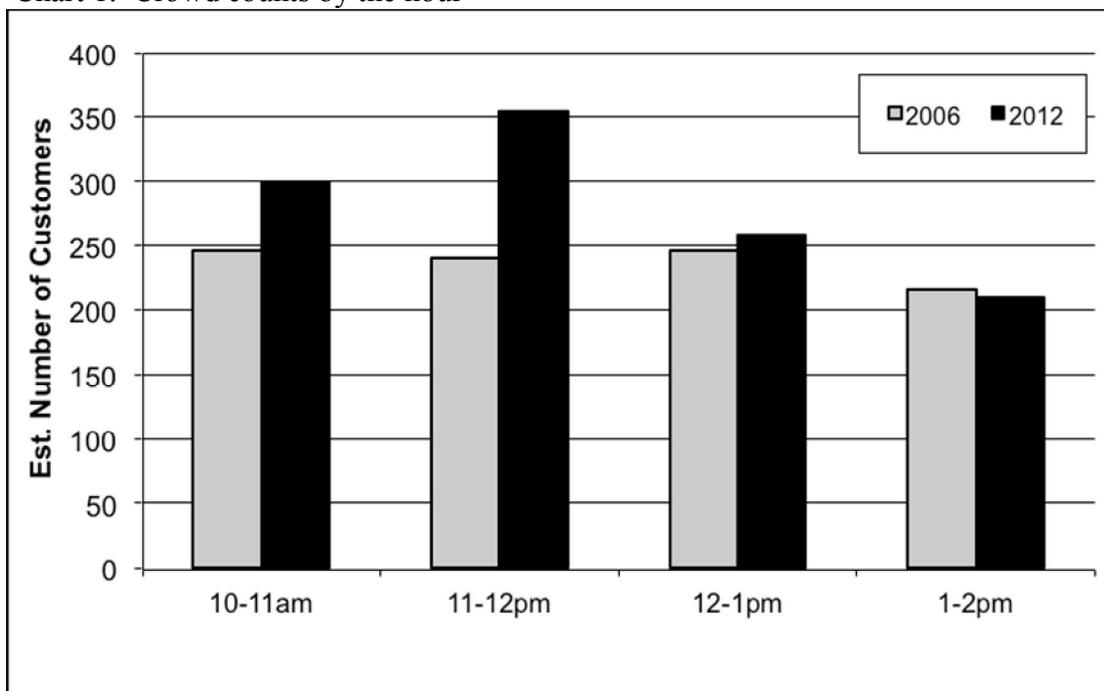
The actual and extended counts for the assessment are shown in Table 1. The total estimated counts are also shown in Chart 1.

Table 1. Estimated Crowd Count

Time period	Count period	Actual count	Extended total
1 st hour (10:00-11:00)	10:25-10:35am	50	300
2 nd hour (11:00-12:00)	11:25-11:35pm	59	354
3 rd hour (12:00-1:00)	12:25-12:35pm	43	258
4 th hour (1:00-2:00)	1:25-1:35pm	35	210
Estimated total crowd count on Saturday August 25, 2012			1,122

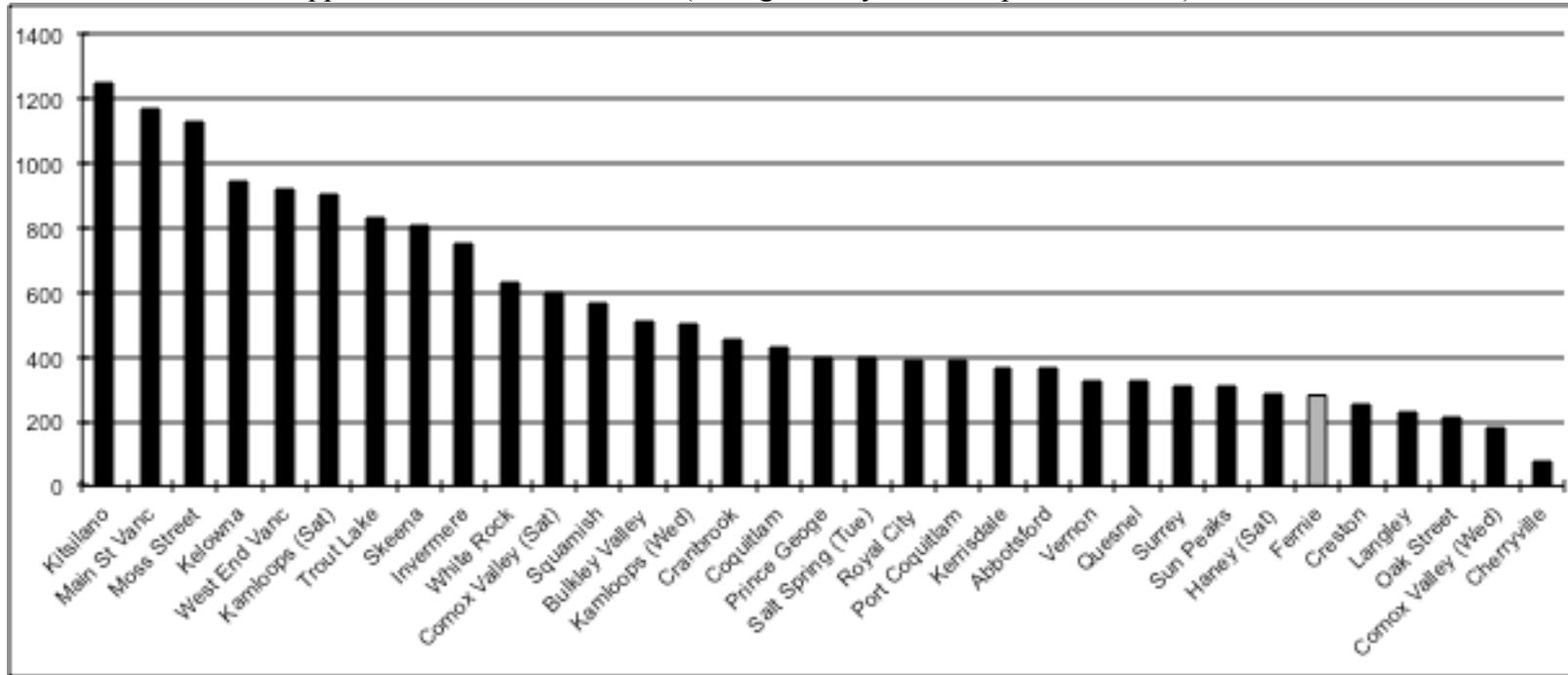
Chart 1 (below) shows the estimated crowd totals for each hour for both 2012 and 2006. Market attendance over the first two hours, peaking during the second hour, and then decreases slightly for the final two hours. The pattern is similar to pattern in 2006, with the exception of the first two hours which saw higher hourly attendance in 2012.

Chart 1. Crowd counts by the hour



As shown in Chart 2 (next page), the number of shoppers attending the Mountain Market is lower 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 225 people responded to the dot survey, which is about 20% 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 \$27.41 each on the day of the assessment. Chart 3 shows that most customers surveyed (52%) said they would spend between \$1-20 at the market that day. As shown in Chart 4, local respondents spent slightly more on average (\$28.92) than non-local respondents (\$25.64). The average amount spent by shoppers in 2006 was \$21.14.

Chart 3. How much have you spent, or do you plan to spend, at the market today?
(Market: n=225; BC: n=9,819; Canada (medium): n=996)

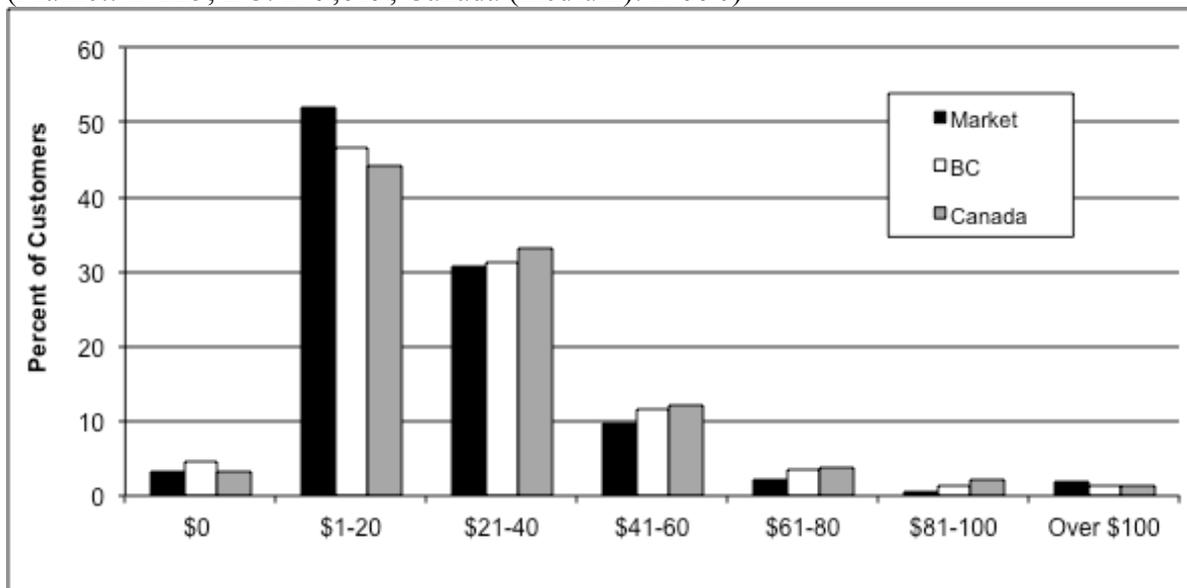
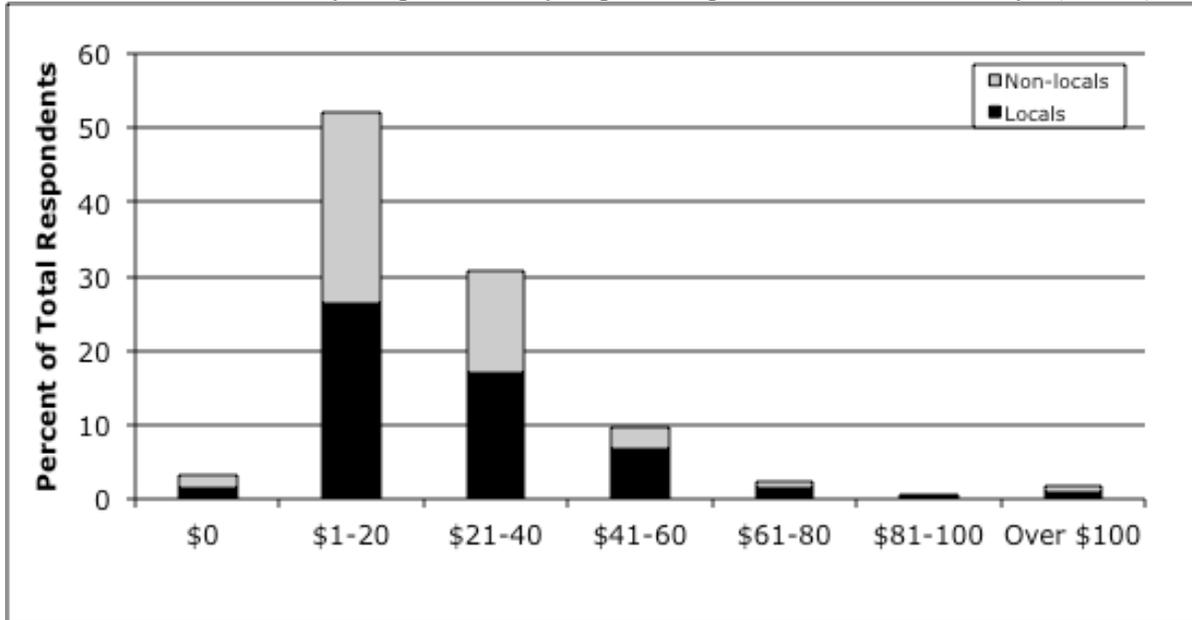
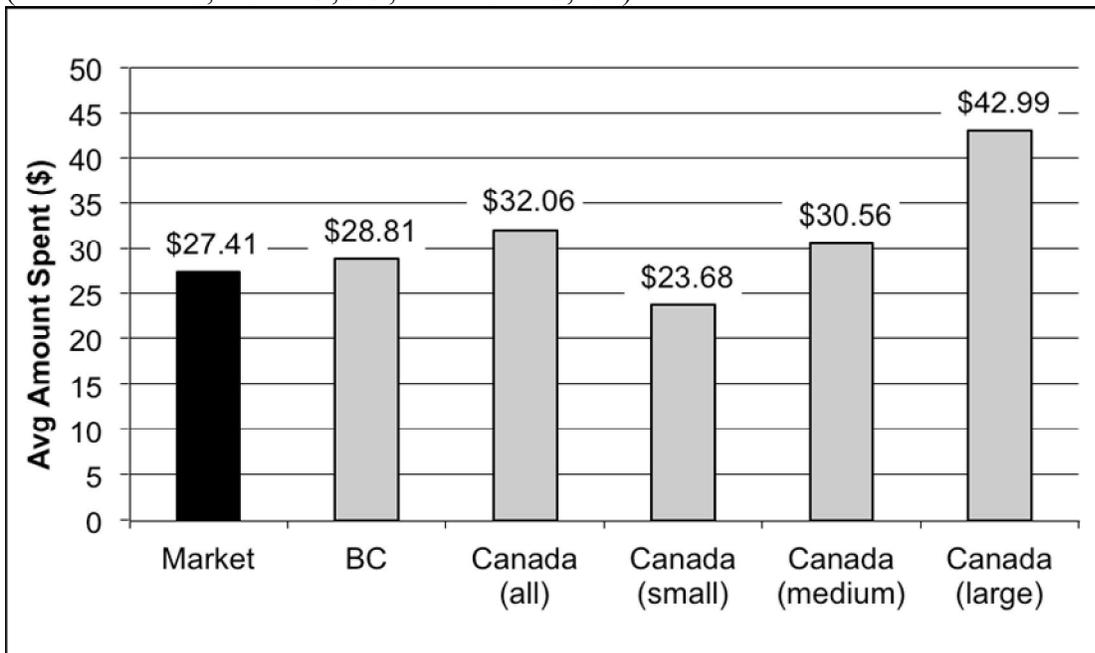


Chart 4. How much have you spent, or do you plan to spend, at the market today? (n=225)



The results shown in Chart 5 illustrate how the Mountain 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 Fernie Mountain Market has an average that is slightly below average provincial spending, and average national spending for medium-sized markets.

Chart 5. Average amount spent by market shoppers
(Market: n=225; BC: n=9,819; Canada: n=3,167)



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

As shown in Chart 6, the Fernie Mountain Market has a fairly equal distribution in the frequency of visits, except for first-time visitors, which account for the highest percentage. One-third of customers (31.3%) were first-time visitors, while about 15% of customers visits the market 'regularly' and about 13% visit the market 'frequently'. This pattern is similar to the results of the assessment in 2006, where 35% of customers were first-time visitors, and about one-fifth (19%) were regular visitors. As shown in Chart 7, the majority of first-time visitors to this market are non-locals (25.6%), while the majority of respondents who visit this market 'regularly' or 'frequently' are locals (23.3%). The Fernie market has a much higher percentage of first-time visitors than provincial and national averages.

Chart 6. How often do you come to this market?
 (Market (2006): n=173; Market (2012): n=227; BC: n=9,874; Canada (medium): n=996)

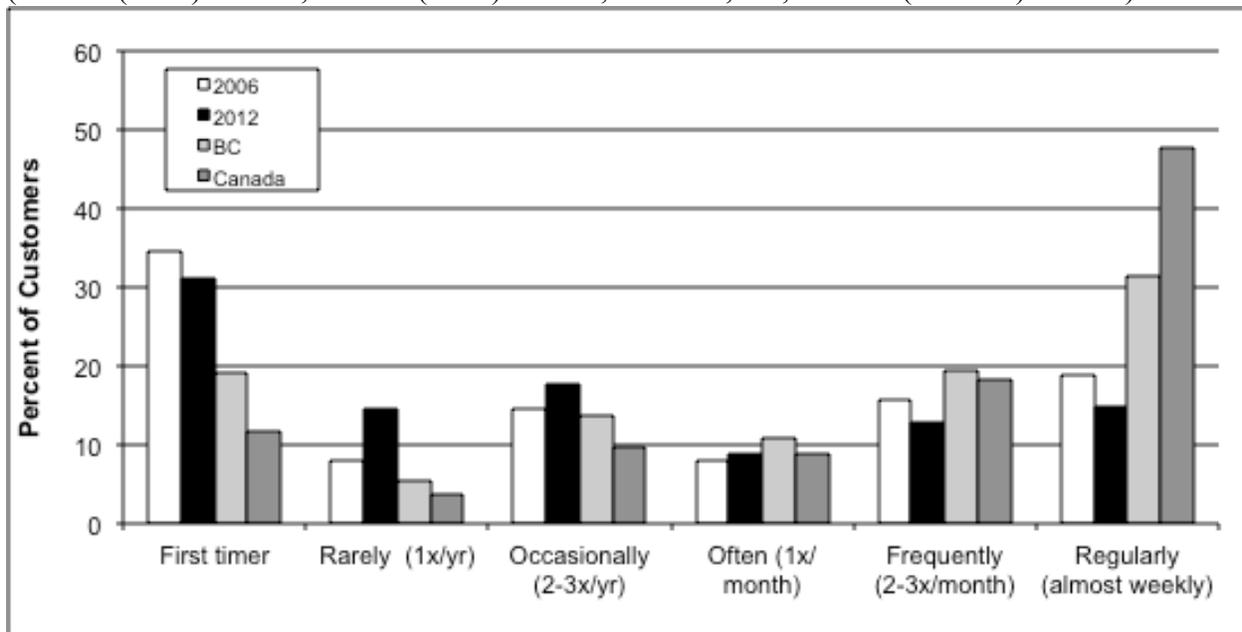
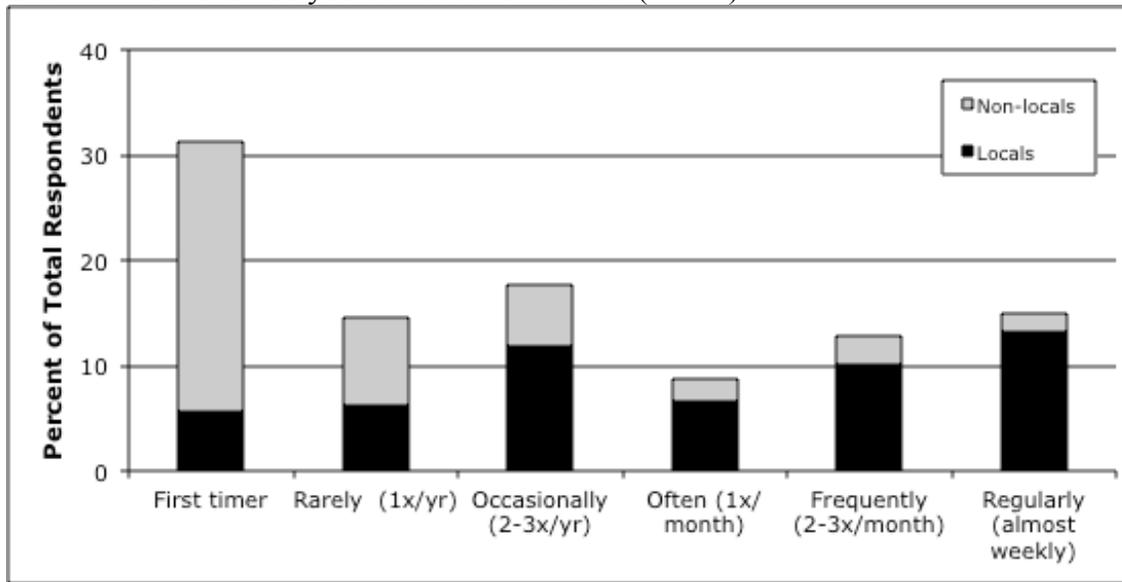


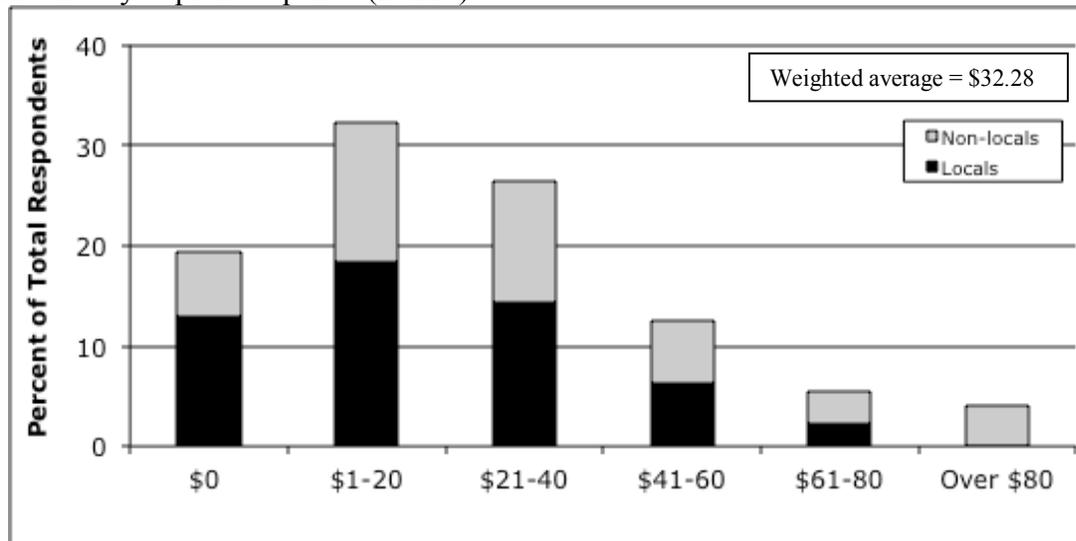
Chart 7. How often do you come to this market? (n=227)



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 8 shows the range of additional spending by market customers, with 80.7% of respondents saying they would do additional shopping in downtown Fernie that day. One-third (32.3%) of customers surveyed said they would spend between \$1-20; about one-quarter (26.5%) said they would spend between \$21-40. The average amount spent per customer at neighbouring businesses was \$32.28.ⁱⁱⁱ Non-local respondents said they would spend significantly more (\$43.89) on average at local businesses than local respondents (\$22.50). The average amount spent per customer at neighbouring businesses in 2006 was \$28.85. Given the variability among markets, no comparison is made with BC or national results.

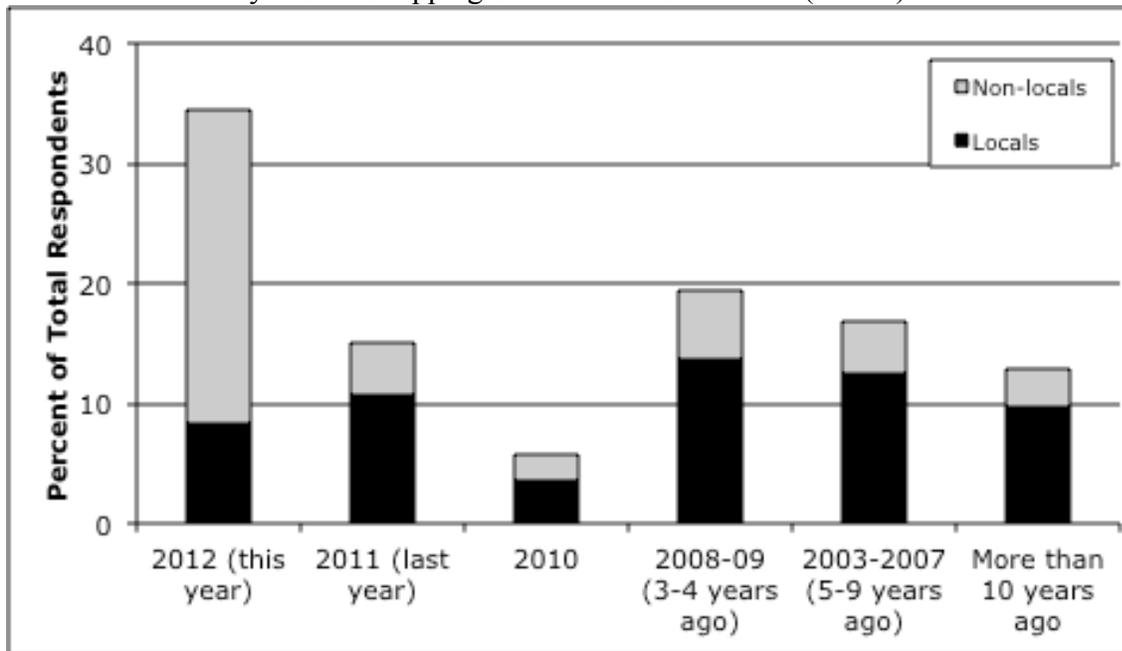
Chart 8. If you plan to do additional shopping or eating while in this area of town today, how much do you plan to spend? (n=223)



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

As shown in Chart 9, the Mountain Market has a good portion of long-time, loyal customers. Almost one-third (29.6%) have been coming to the market for over five years. In addition to the long-time regulars, the majority (34.5%) of respondents were first-time visitors to this market. New customers are mostly non-locals (26.1%), but there is also a small contingent of new local customers (8.4%).

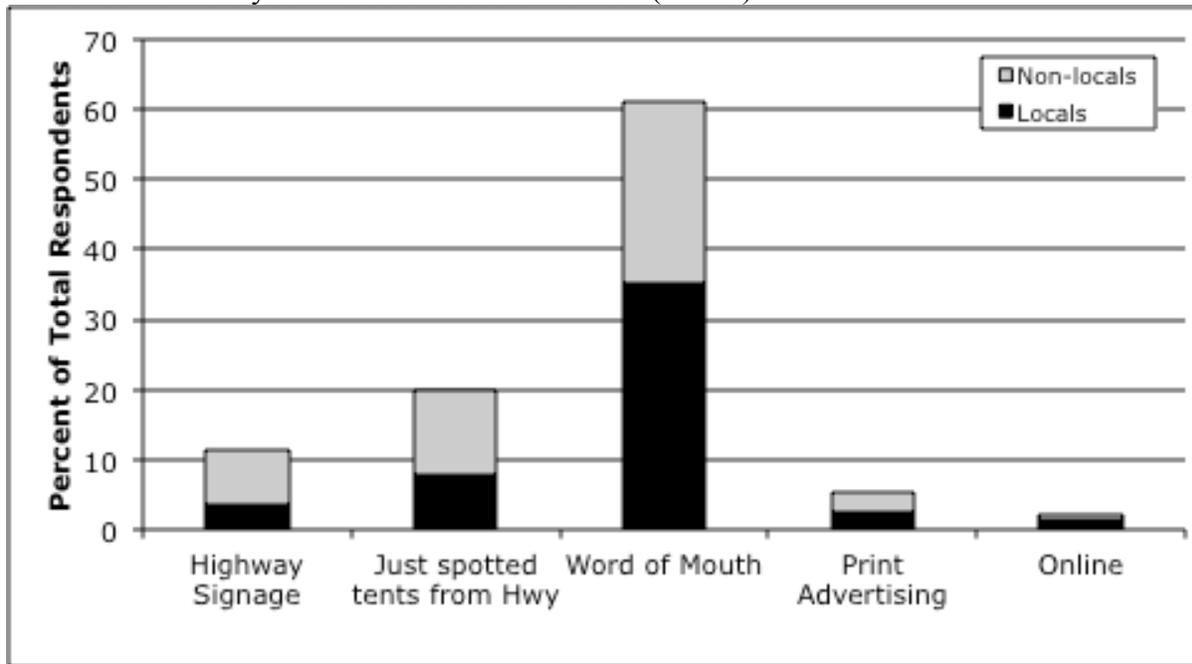
Chart 9. When did you start shopping at this farmers' market? (n=226)



Question 5. How did you find out about this market?

Overall, the most common way people found out about the market was through word of mouth (61.8%). The next highest was 'spotted tents from the highway' (19.1%). Chart 10 shows the distribution of results.

Chart 10. How did you find out about the market? (n=225)



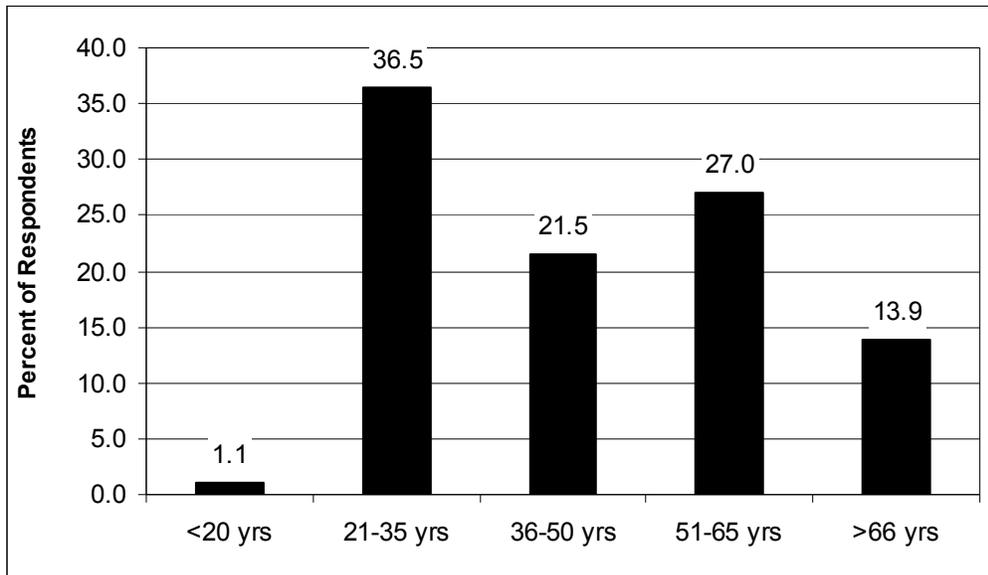
Market surveys

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.

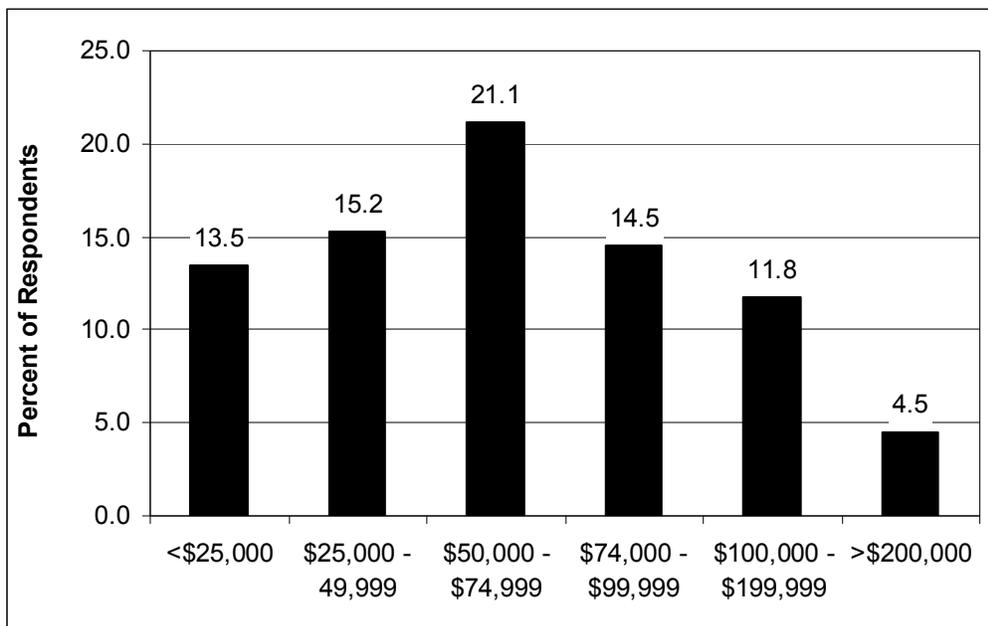
The results in Chart 11 show the age range of farmers' market customers in BC.

Chart 11. Age of respondents (BC: n=274)



The household income of shoppers at farmers' markets in BC is shown in Chart 12. The results show that people from households with a range of incomes shop at BC's markets.

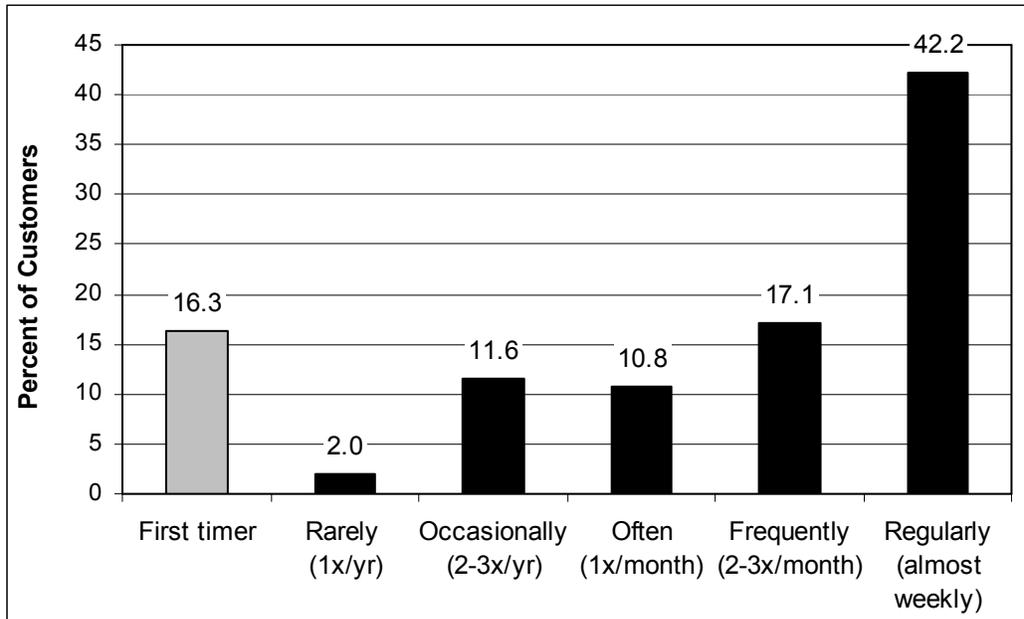
Chart 12. Household income (BC: n=233)



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 13). Together, these results indicate that almost six of ten shoppers can be considered among

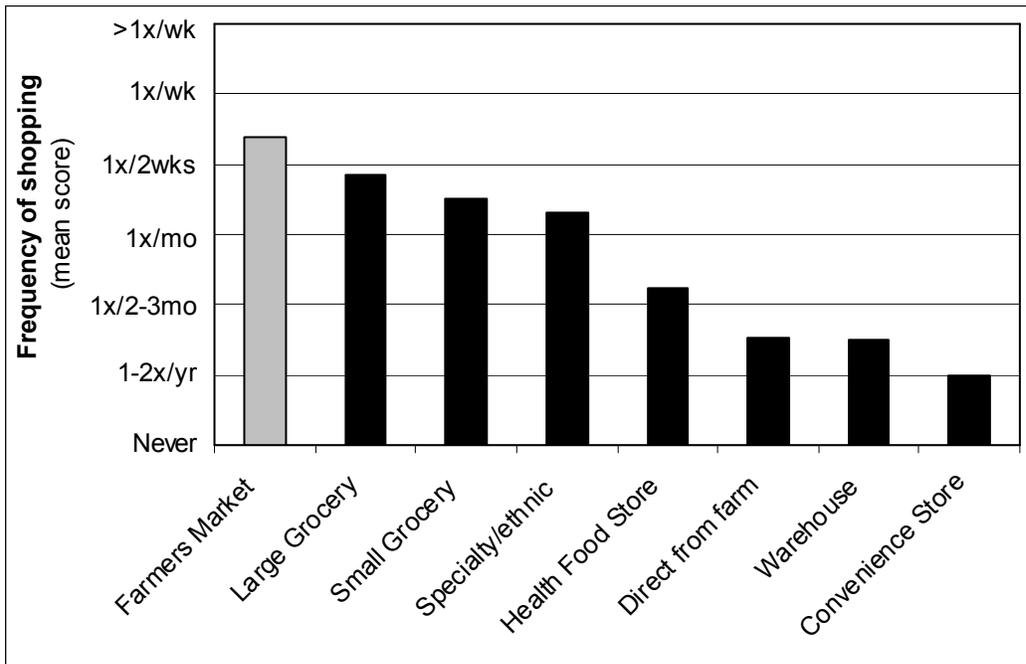
the core group of market shoppers at BC markets, although, as noted, the results do over-represent regular shoppers. The actual results are likely to be lower but still significant.

Chart 13. 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 14).

Chart 14. Where shoppers shop during the outdoor market season (BC: n=290)
Note: a higher bar means shopping more often at the corresponding store.

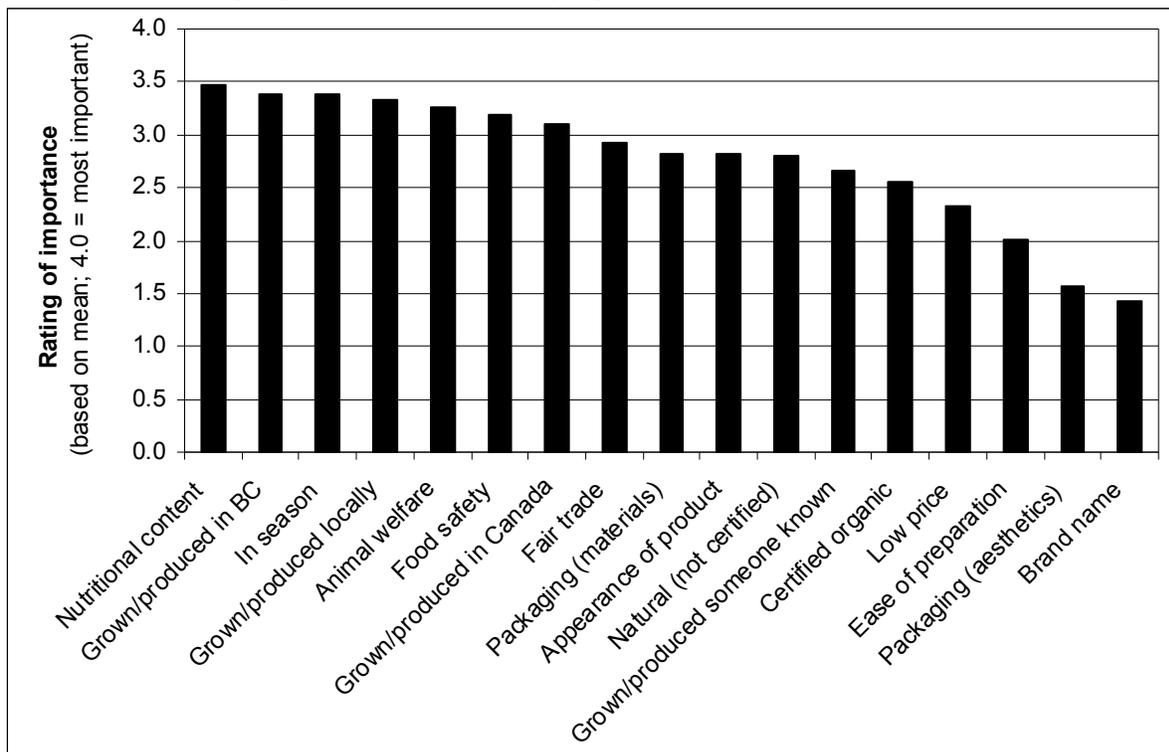


Part of the answer to explain the shopping pattern of market customers is evident in Chart 15, which shows the relative importance of factors customers consider when buying food. During the farmers' market season the five most important factors to market customers are:

- 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 15. Factors people consider when buying food: BC (n=289)



We also asked customers how long they spend at the market (Chart 16) and how much of that time they spend talking with vendors and friends (Chart 17). 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 16. Amount of time customers spend at the market (BC: n=290)

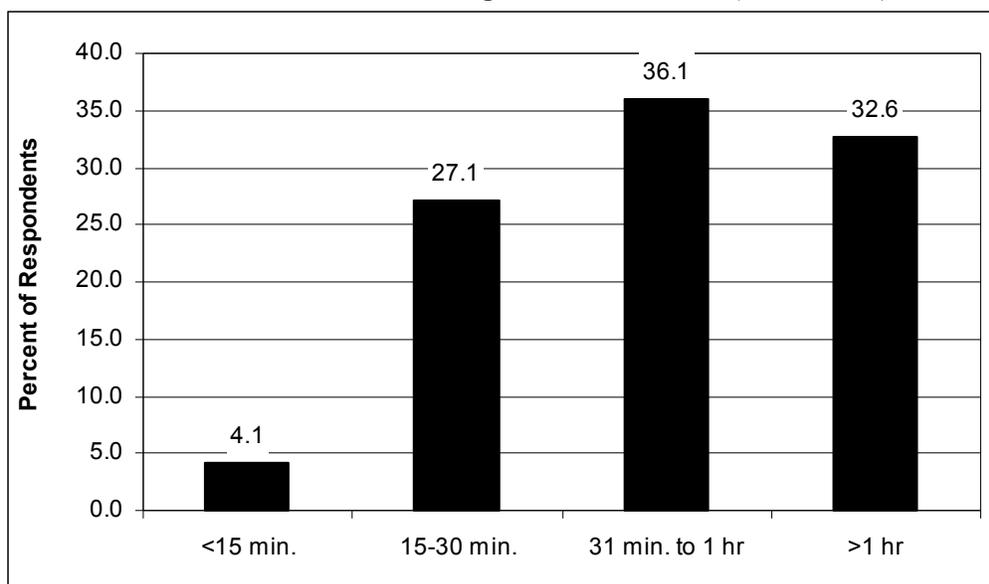
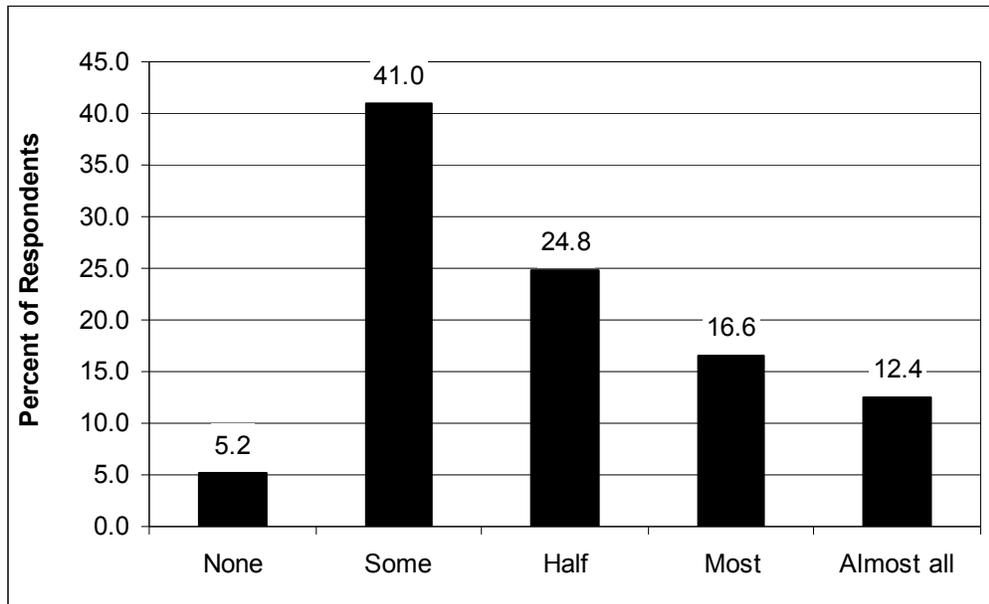


Chart 17. Time spent talking with others at the market (BC: n=290)



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

Economic Benefits

The information collected in this assessment enables us to measure the economic benefits of the Fernie Mountain 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:

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

For the Fernie Mountain Market, seasonally adjusted annual direct sales are:

$$\$27.41 \text{ per customer visit} \times 842 \text{ spending customers} \times 10 \text{ (adjusted) sessions} = \$216,000$$

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

Annual economic impact (2012): \$325,000

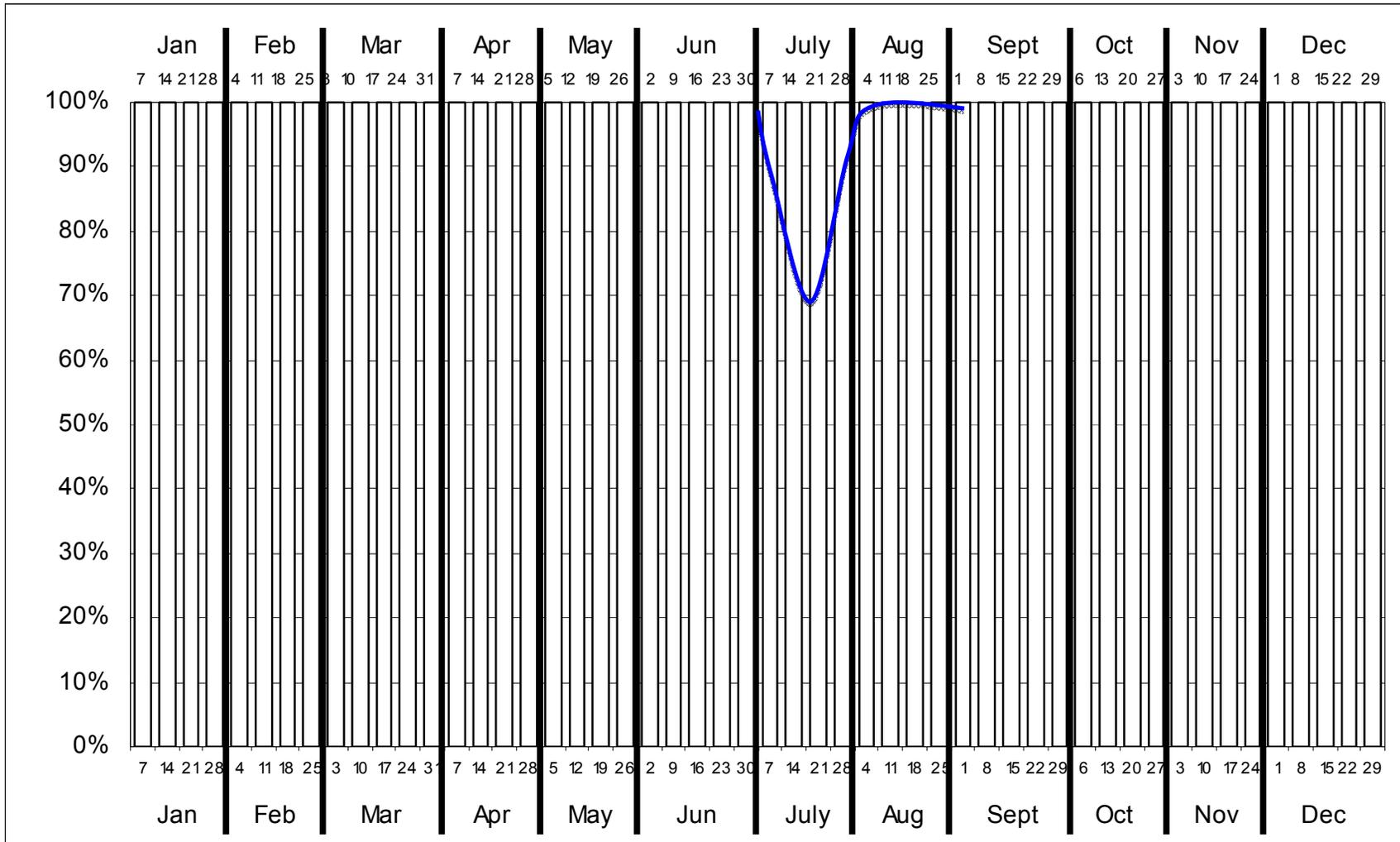
This calculation means that the Fernie Mountain Market contributes an estimated \$325,000 to the local economy each year. These monies benefit not only market vendors but also the local businesses that supply these vendors.

In 2006, the economic benefit of the Mountain Market was estimated at \$261,000.^{viii} This supports the general view that the market has grown over the past six years.

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 Mountain Market has on businesses located in downtown Fernie. 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 **\$300,000**. Therefore, we can conclude that the total economic impact of the Fernie Mountain Market is approximately \$625,000 annually.

Appendix: Seasonal activity chart for the Fernie Mountain Market



Acknowledgements

The BC Association of Farmers' Markets and the project team would like to thank the Fernie Mountain 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.

^{viii} The results of the 2006 study have been revised to reflect updated and more accurate assumptions about estimating the economic benefits of farmers markets. For example, some of the assumptions are based on the results of the national study of farmers markets completed in 2008, which included interviews with 3,174 market shoppers across Canada.