

# ECONOMIC AND SOCIAL BENEFITS ASSESSMENT

## FINAL REPORT

### **Kelowna Farmers' and Crafters' Market**

Kelowna, 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

October 29, 2012

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*Funding provided by:*

Canada 



**Vancity** Community Foundation



## 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 Kelowna Farmers' and Crafters' Market on Wednesday, July 18, 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 Kelowna Farmers' and Crafters':

- **The estimated economic benefit of the Wednesday Kelowna Farmers' and Crafters' Market to the local economy is approximately \$4.1 million annually**
- **The estimate economic benefit of the Wednesday and Saturday markets combined is approximately \$10.7 million annually**
- **The estimated number of market customers on assessment day: 3770 customers**
- **Over 375 market visitors participated in the study**
- **Average customer spending per visit: \$32.44**
- **45% of the survey respondents visit the market either 'regularly' (almost weekly) or 'frequently' (2-3 times per month)**
- **Estimated number of annual market visits: 113,456**

The Kelowna Farmers' and Crafters' 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 Kelowna Market is a popular farmers' market in the Central Okanagan. The Saturday market has been running for seventeen years, and started operating year-round last season. There is also a weekday market on Wednesdays during the summer market season. The market is known among locals and regular visitors to Kelowna for their great local farm and food products, special event days, kids activities and live music. The special events include several Kids Days, a Corn Festival, Harvest Festival, Pumpkin Festival and two 'Apple Daze' at the end of the outdoor season.

The market assessment was conducted on Wednesday, July 18, 2012, and the results show that the Wednesday market sees an average of 944 people attending the market each hour it is open. On the date of the assessment, attendance peaked during the third hour (10:00 to 11:00 am) of this five-hour market, when it was estimated that 1,242 customers arrived at the market. Average spending at the Kelowna Wednesday Market is \$32.44, putting per-customer spending at this market slightly above that at other markets in BC and Canada, and below average when compared to large markets in Canada.

Similar to the average BC market, about 30% of the visitors surveyed at the Kelowna Wednesday Market indicated they attend the market regularly (almost weekly). There is also a substantial portion of new customers with 23.2% responding they only started attending the market this year.

Located in a parking lot across a busy street from the city's largest shopping mall, there are no small businesses directly next to the market. However, many market visitors (67.3%) did indicate that they would do additional shopping in the area. Market customers who did additional shopping nearby said they would spend an average of \$25.31 that day.

Market organizers were interested in learning what factors draw people to the market. Half of the people surveyed indicated that the fresh produce was the primary factor and one-third selected 'supporting local producers' as the top reason they came to the market. Many of the people surveyed indicated that it was difficult to choose only one, as both of those factors in particular play an important role in their shopping choices. These results are similar to findings from other markets that posed the same question.

Indeed, as people 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 Kelowna. With plans for a permanent structure to be built to house the 100+ market vendors, the Kelowna Farmers' and Crafters' Market is bound to continue growing in popularity and importance in building and maintaining the social fabric.



## DESCRIPTION OF MARKET

### The Kelowna Farmers' and Crafters' Market:

Market Website: [www.kelownafarmersandcraftersmarket.com](http://www.kelownafarmersandcraftersmarket.com)

This will be the 17th season for The Kelowna Farmers' & Crafters' Market. From humble beginnings we've grown to become British Columbia's largest Farmers' Market, which is quite an accomplishment. With ongoing concerns over our food sources, our environment, and with the awareness of the benefits of eating locally produced foods, we are seeing a growing attendance each year. More and more people are willing to support and encourage our local farmers and artisans by shopping at The Kelowna Farmers' & Crafters' Market. Our thanks to both vendors and visitors who are making this market Kelowna's most exciting ongoing community event.

|                      |   |
|----------------------|---|
| <b>Availability:</b> | Outdoor Markets open from April 4 to October 31 <sup>st</sup><br>Wednesday and Saturdays 8:00am – 1:00pm  |
|                      | Indoor Markets November through March<br>Saturdays 9:00am-1:00pm  |
| <b># Vendors:</b>    | 165 (70 selling primary farm product)   |
| <b>Location:</b>     | Outdoor: Corner of Dilworth and Springfield Road<br>Indoor: Parkinson Recreation Center (1800 Parkinson Way)  |
| <b>Contact Info:</b> | Bob Callioux<br><a href="mailto:kelownafarmersmarket@shaw.ca">kelownafarmersmarket@shaw.ca</a><br>PO Box 21029, Orchard Park Postal Outlet<br>Kelowna BC, V1Y 9N8 |

## 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. What draws you most to the Kelowna 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 Kelowna 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 sunny and over 30°C. There were approximately 100 vendors present, with a variety of produce, crafts and goods for sale. On Saturdays, there are approximately 165 vendors present.

### *Crowd count*

The total estimated number of people attending the Kelowna Farmers' and Crafters' Market on July 18<sup>th</sup> was 3,774.

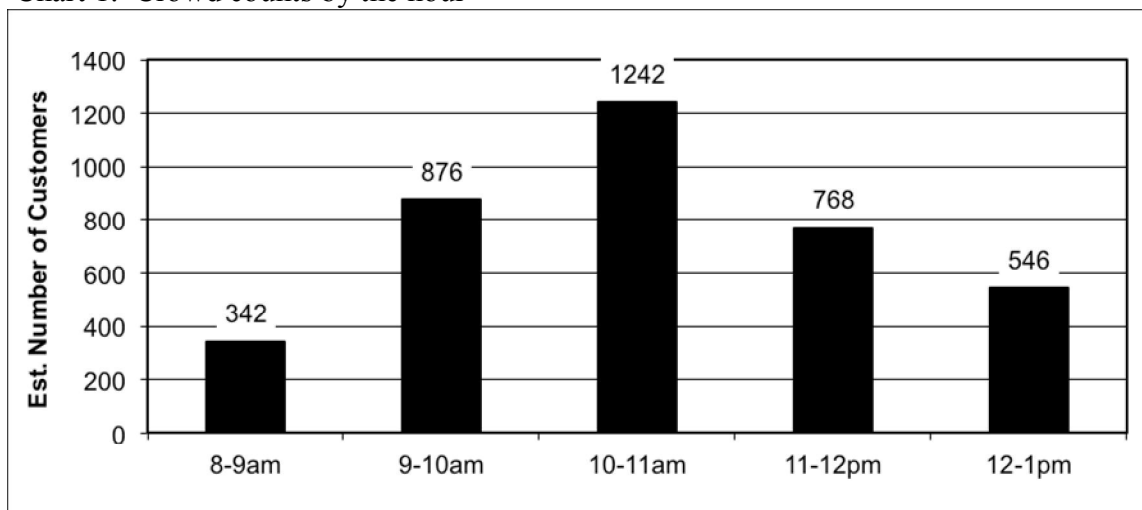
The actual and extended counts for the assessment are shown in Table 1. The total estimated counts are also shown in Chart 1.

Table 1. Estimated Crowd Count

| Time period   | Count period  | Actual count | Extended total |
|---|---------------|--------------|----------------|
| 1st hour (8:00-9:00)  | 8:25-8:35am   | 57           | 342            |
| 2nd hour (9:00-10:00)   | 9:25-9:35am   | 146          | 876            |
| 3rd hour (10:00-11:00)  | 10:25-10:35am | 207          | 1242           |
| 4th hour (11:00-12:00)  | 11:25-11:35pm | 128          | 768            |
| 5th hour (12:00-1:00)   | 12:25-12:35pm | 91           | 546            |
| <b>Estimated total crowd count on July 18<sup>th</sup> 2012</b> |               |              | <b>3774</b>    |

Chart 1 (below) shows the estimated crowd totals for each hour. Market attendance steadily builds over the first three hours, peaking during the third hour, and then decreases slightly for the final two hours.

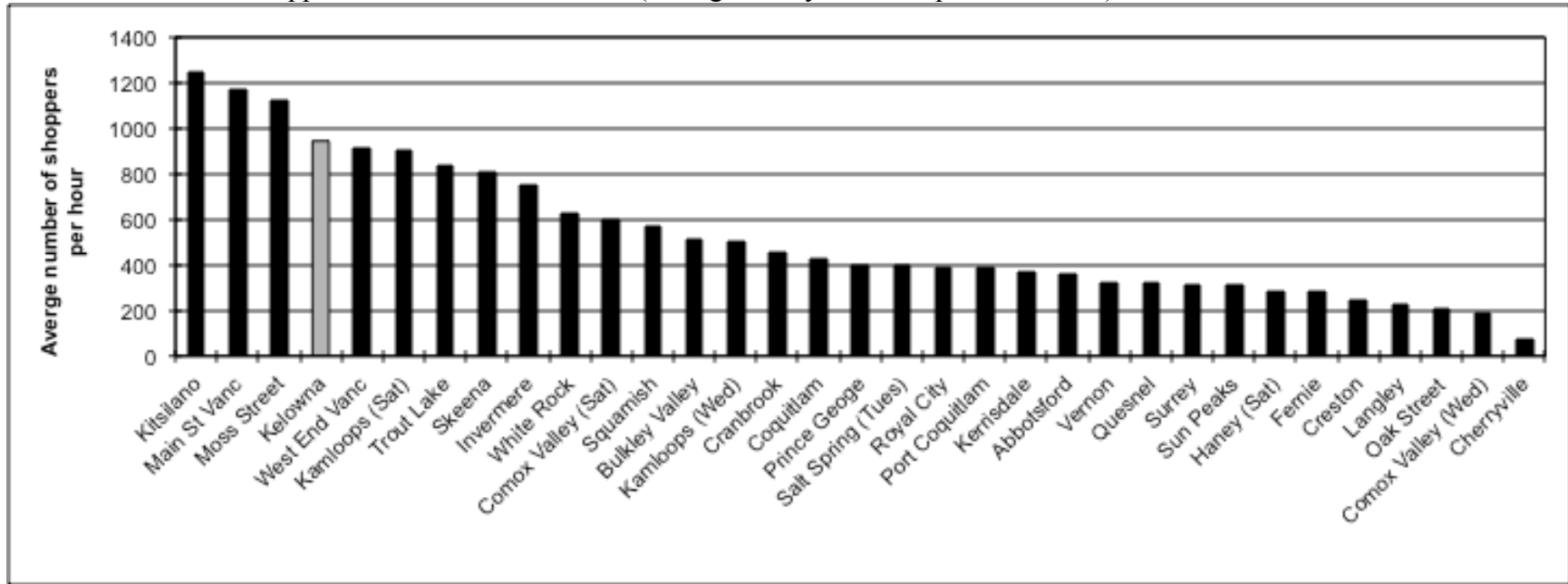
Chart 1. Crowd counts by the hour



As shown in Chart 2 (next page), the number of shoppers attending the Kelowna Market is higher 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)



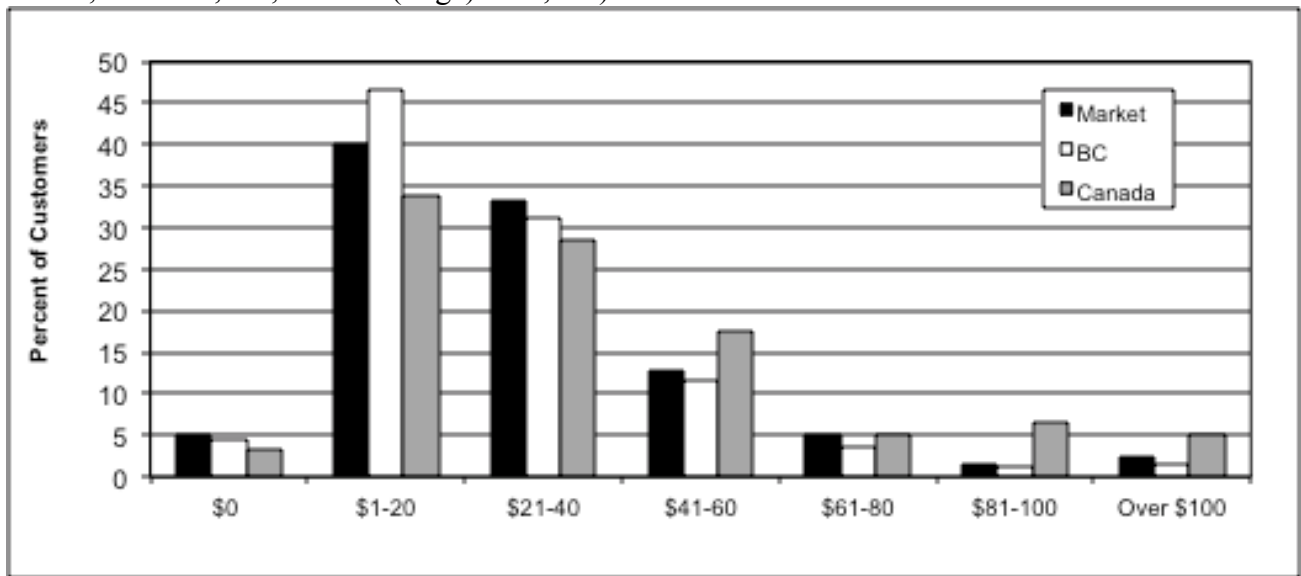
*Flip-chart survey*

Approximately 375 people responded to the dot survey, which is about 10% 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?**

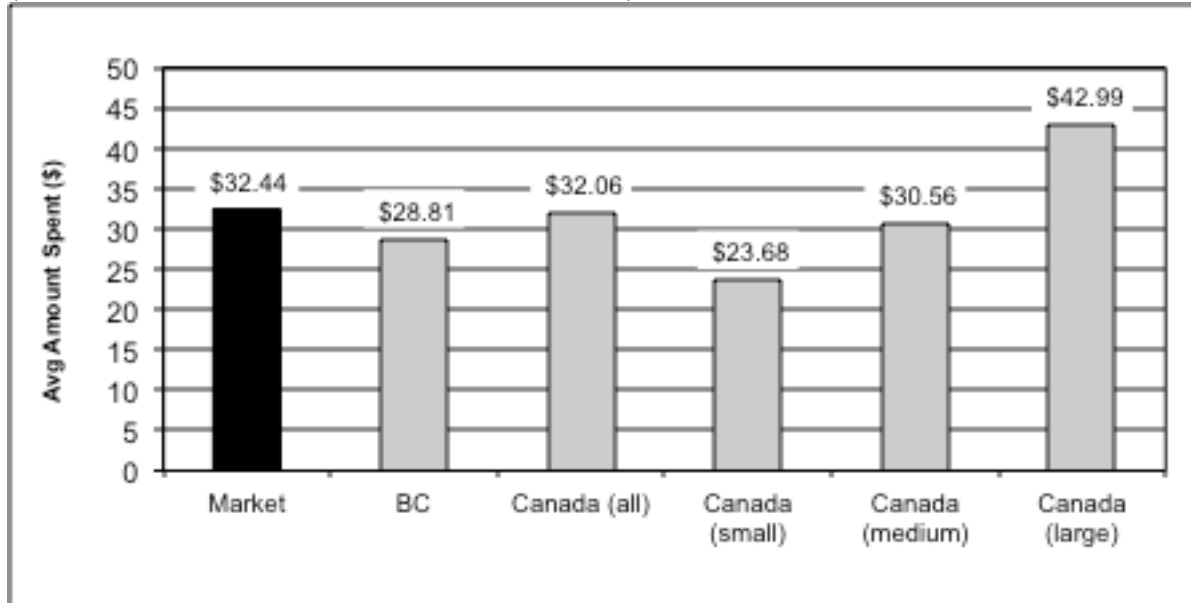
Overall, respondents spent an average<sup>ii</sup> of \$32.44 each on the day of the assessment. As shown in Chart 3, most customers surveyed (40%) said they would spend between \$1-20 at the market that day.

Chart 3. How much have you spent, or do you plan to spend, at the market today? (Market: n=379; BC: n=9,819; Canada (large): n=1,013)



The results shown in Chart 4 illustrate how the Kelowna 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, the Kelowna Market has a lower average than the national average for large markets and a higher average than the provincial average which includes all sized markets.

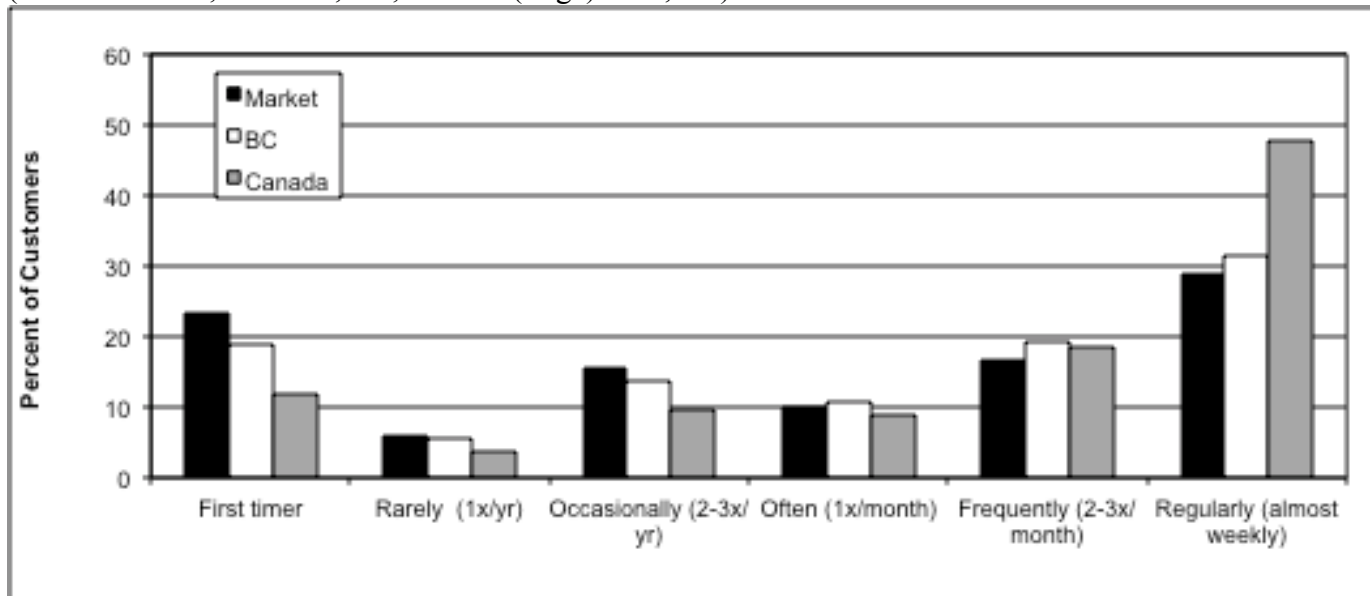
Chart 4. Average amount spent by market shoppers  
(Market: n=379; BC: n=9,819; Canada: n=3,167)



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

As shown in Chart 5, the Kelowna Market has a varied distribution in the frequency of visits, though regular shoppers account for the highest percentage. About one in three customers (28.7%) shop regularly at the market. First-time visitors to the market accounted for 23.2% of respondents. The results are similar to the provincial and national averages, with the exception of a slightly higher percentage of first-time visitors, and a lower average for regular visitors.

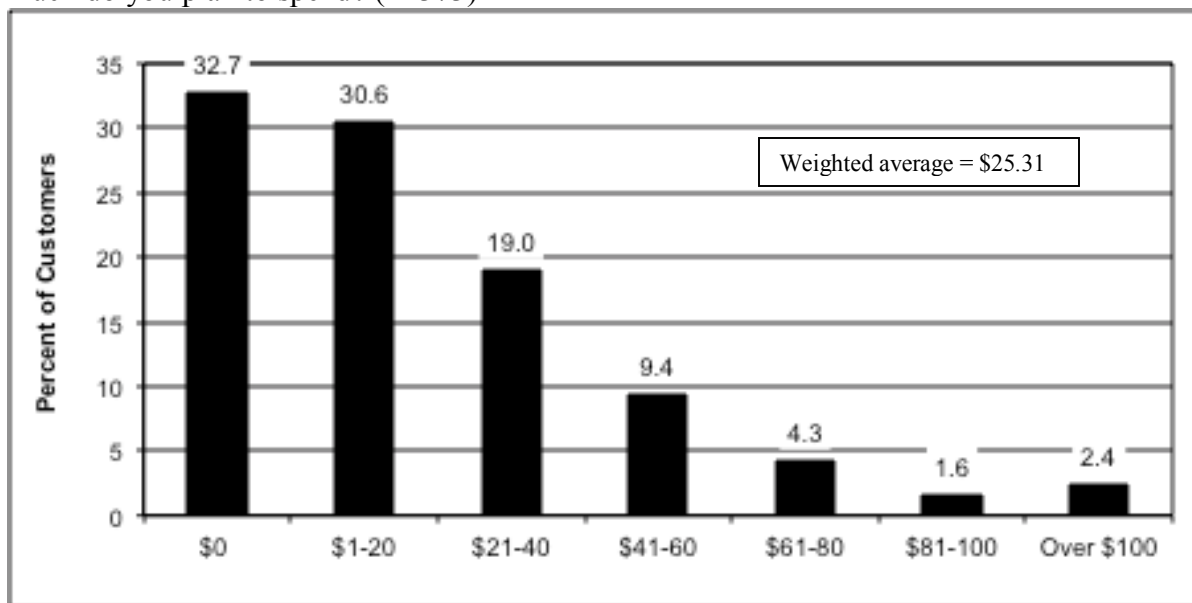
Chart 5. How often do you come to this market?  
(Market: n=380; BC: n=9,874; Canada (large): n=1,013)



**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 67.3% of respondents saying they would do additional shopping at neighbouring businesses that day. One-third of customers surveyed said they would spend between \$1-20; almost 20% said they would spend between \$21-40.<sup>iii</sup> The average amount spent per customer at neighbouring businesses was \$25.31. Given the variability among markets, no comparison is made with BC or national results.

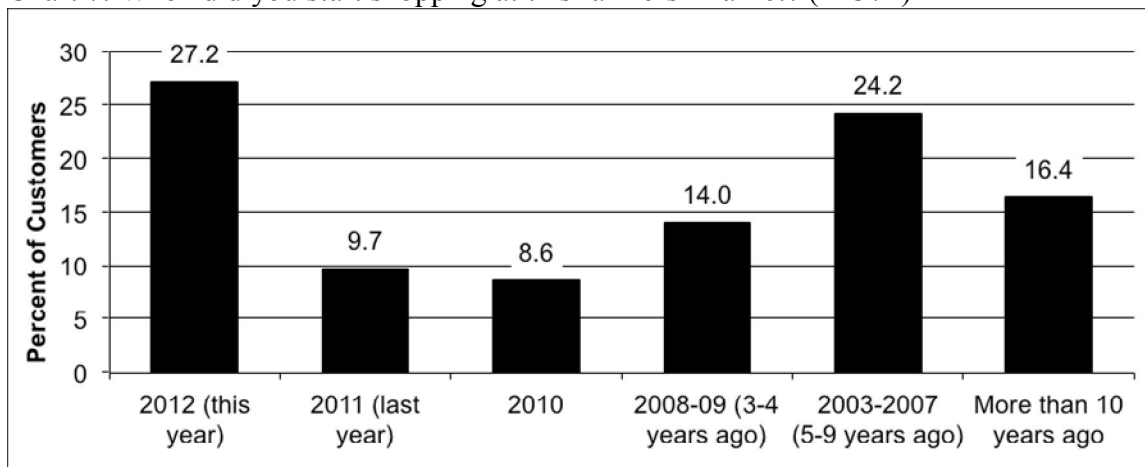
Chart 6. If you plan to do additional shopping or eating while in this area of town today, how much do you plan to spend? (n=373)



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

As shown in Chart 7, the Kelowna Market has a fair percentage of long-time, loyal customers who have been coming to the market since it began, more than 10 years ago. In addition to long-time regulars, there were also 27.2% of respondents who were first-time visitors to this market.

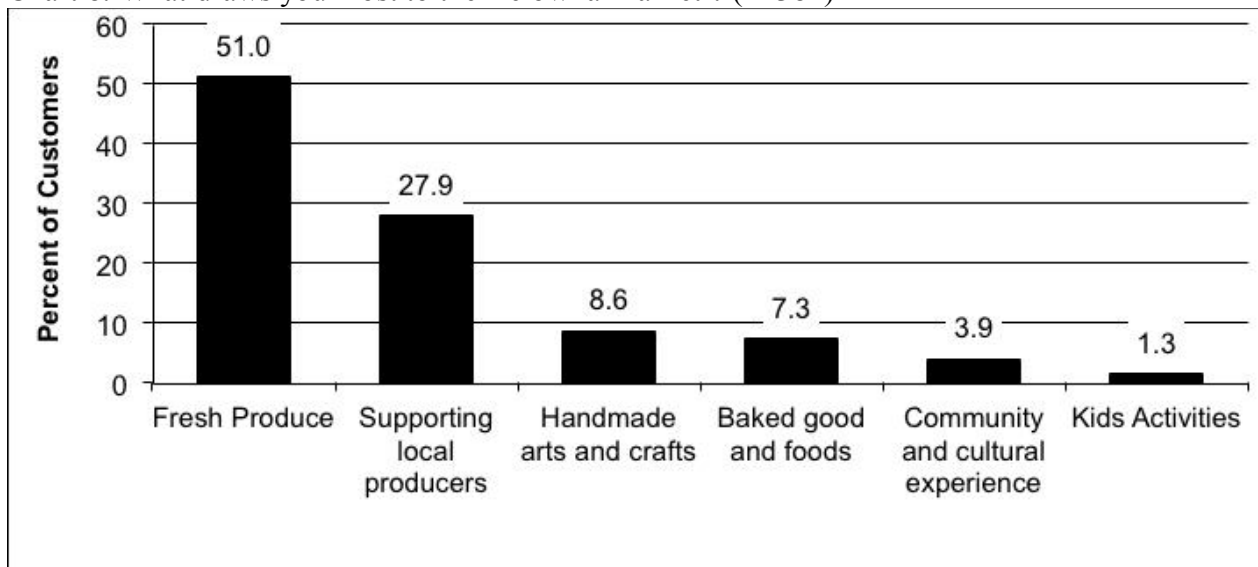
Chart 7. When did you start shopping at this farmers' market? (n=372)



**Question 5. What draws you most to the Kelowna Market?**

Chart 8 illustrates the varied factors that draw customers to the Kelowna Farmers' and Crafters' Market. The most common factors included the fresh produce and supporting local producers. One could argue that these are the same thing. In any case, supporting local producers and fresh produce account for over three-quarters of the response. Only 1.3% of people selected children's activities as the primary reason for attending the market, although families expressed that they do enjoy the children's activities when they come to the market.

Chart 8. What draws you most to the Kelowna Market ? (n=384)



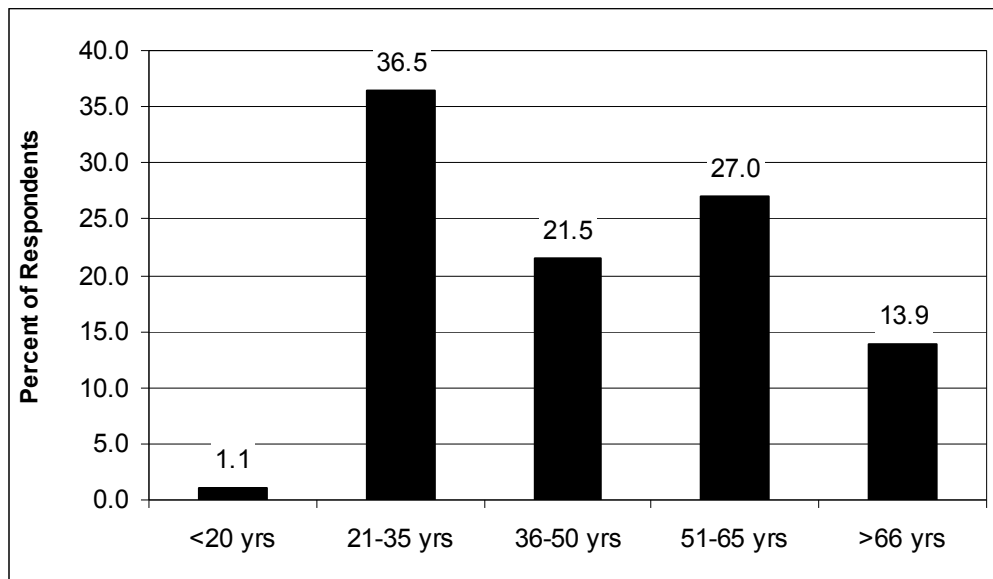
## Market surveys

### *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.

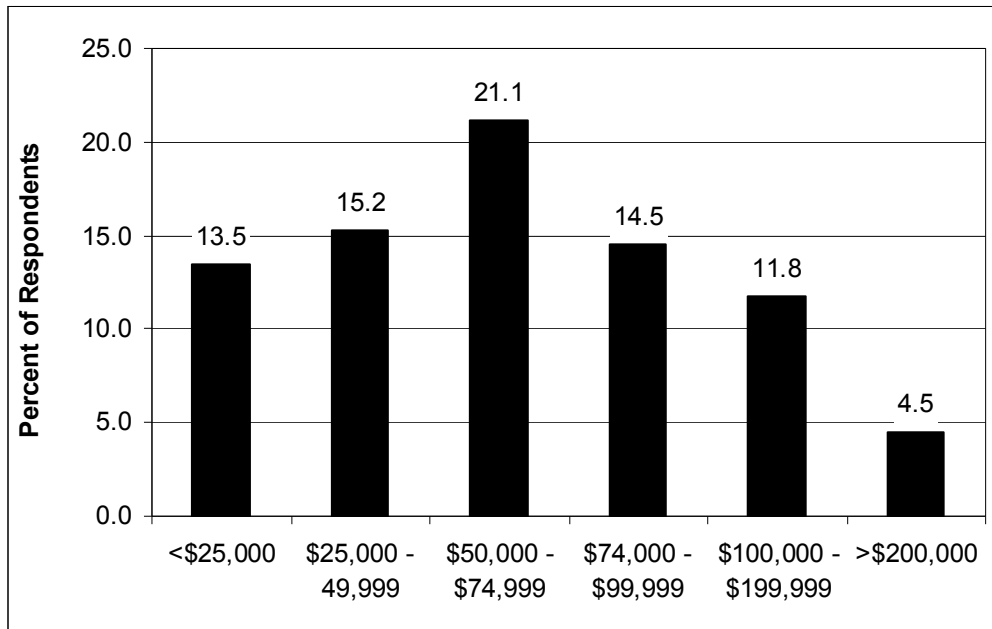
The results in Chart 9 show the age range of farmers' market customers in BC.

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



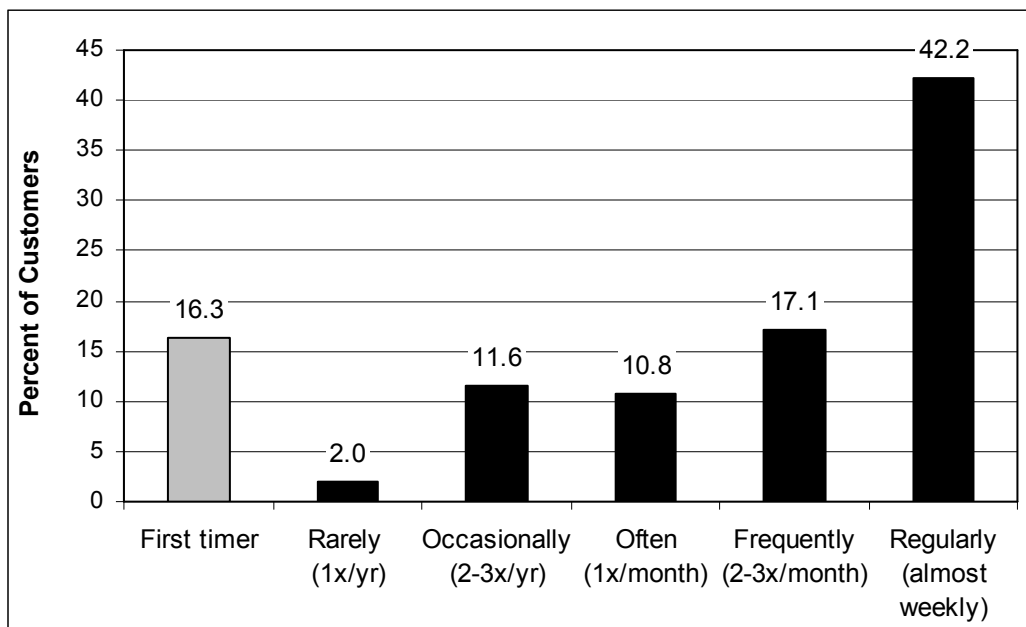
The household income of shoppers at farmers' markets in BC is shown in Chart 10. The results show that people from households with a range of incomes shop at BC's markets.

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.

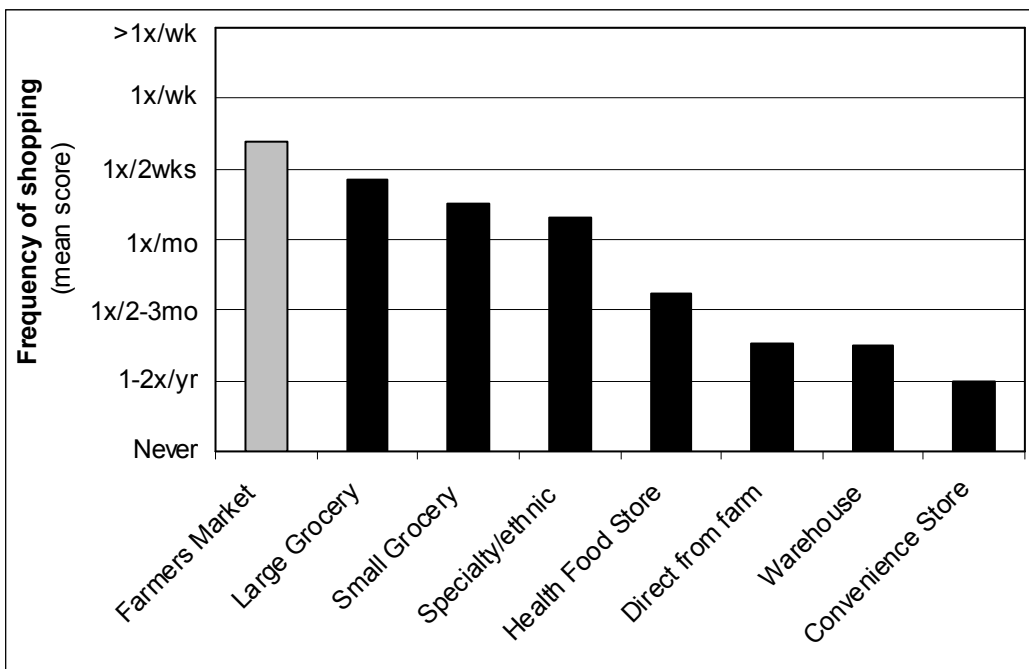
Chart 11. Frequency of shopping at farmers' markets (BC: n=251)



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.



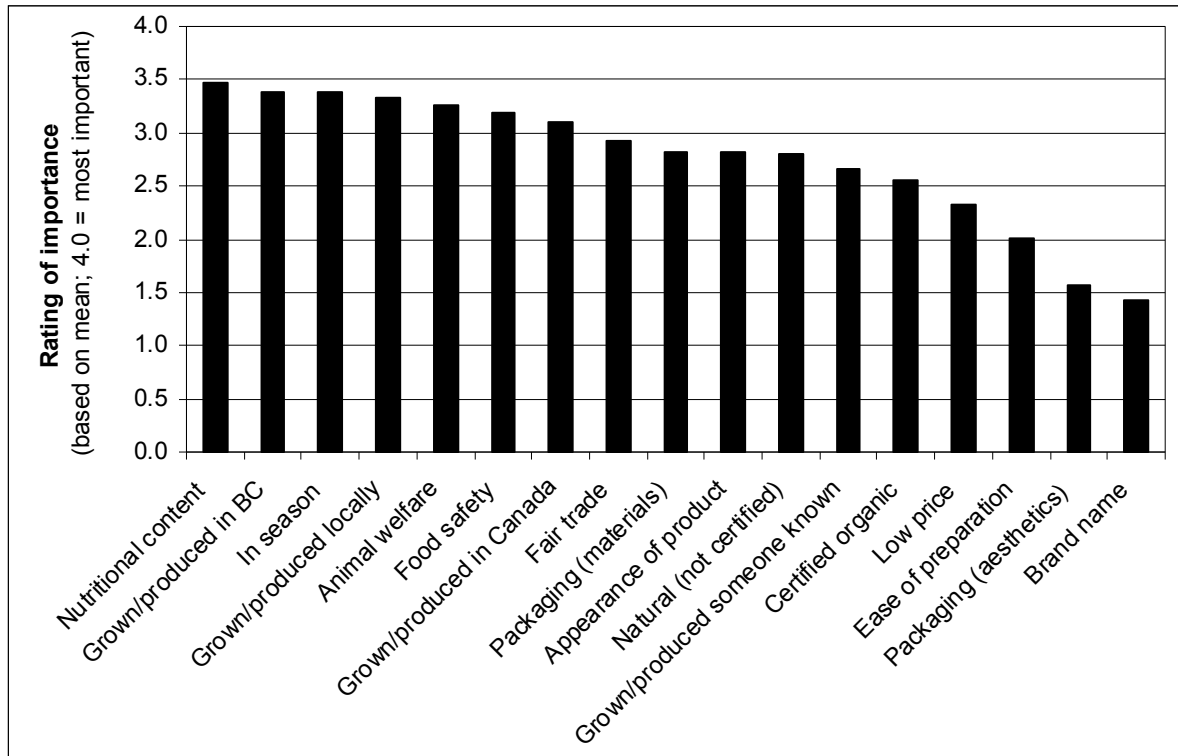
Part of the answer to explain the shopping pattern of market customers is evident in Chart 13, which shows the relative importance of factors customers consider when buying food. During the farmers' market season the five most important factors to market customers are:

- 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)

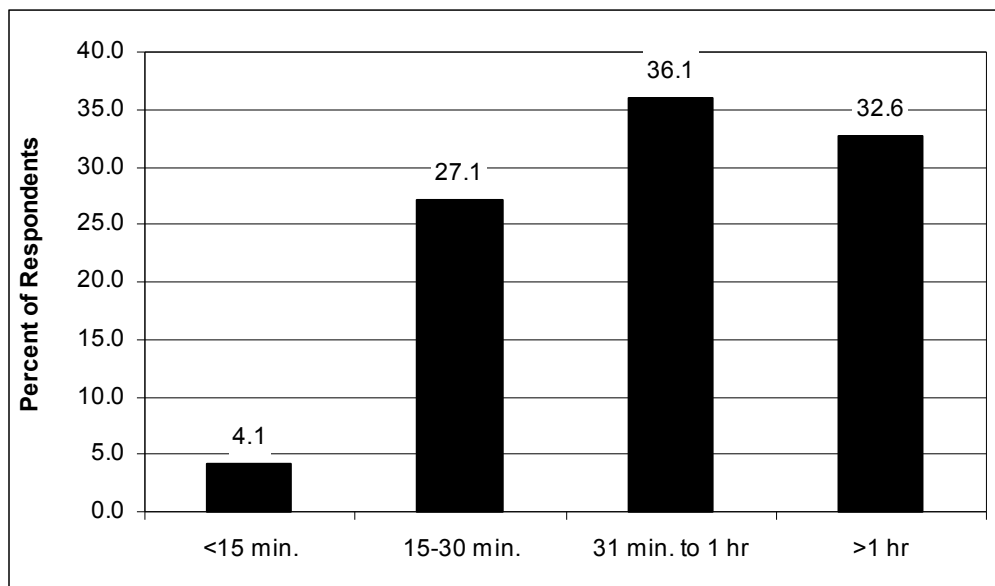
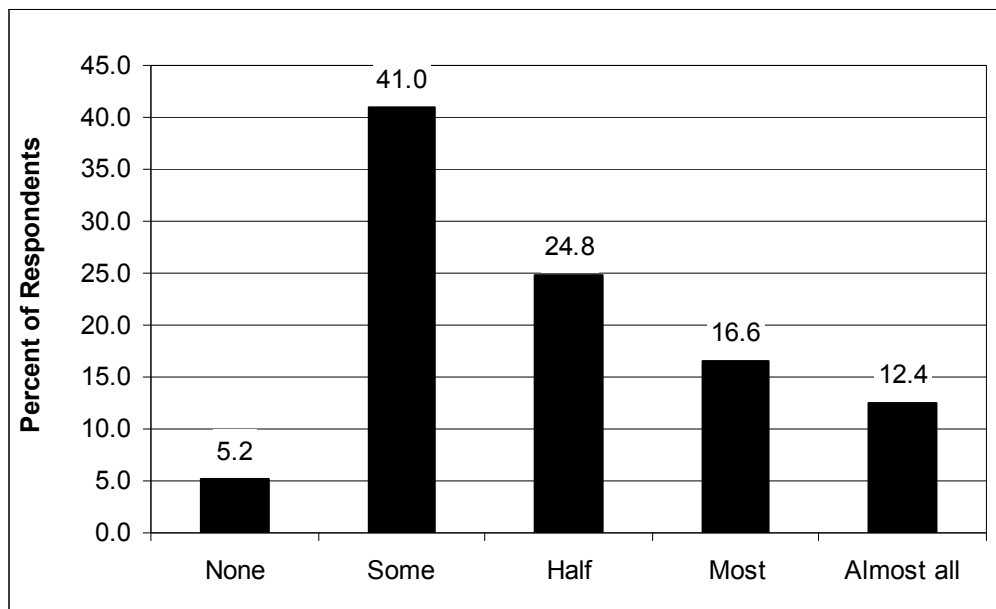


Chart 15. Time spent talking with others at the market (BC: n=290)



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 Kelowna Farmers' and Crafters' 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:

$$\begin{array}{ccccccc} \text{Average expenditure} & \times & \text{Number of spending} & \times & \text{Number of sessions} & \times & \text{Seasonal} \\ \text{by customer} & & \text{customers per session}^v & & \text{per year}^vi & & \text{factor}^vii \\ \\ \$32.44 \text{ per customer visit} & \times & 3538 \text{ spending customers} & \times & 31 \text{ (adjusted) sessions} & = & \\ & & & & & & \$2,760,000 \end{array}$$

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

Annual economic impact (2012): **\$4,141,000**

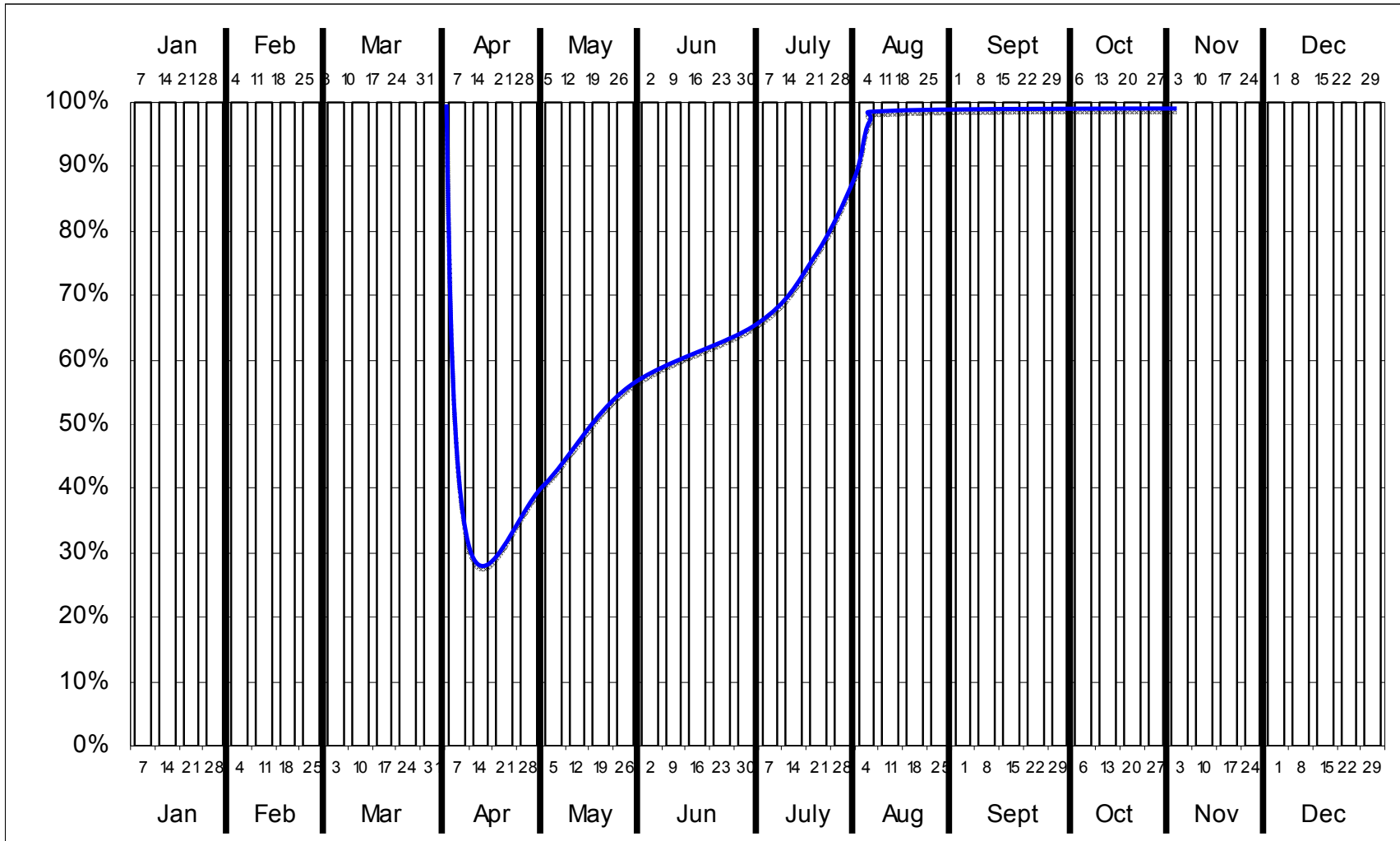
This calculation means that the Kelowna Market contributes an estimated \$4,141,000 million to the local economy each year. These monies benefit not only market vendors but also the local businesses that supply these vendors. These calculations reflect the Wednesday market sessions only.

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

The Kelowna Farmers' and Crafters' Market also operates on Saturdays, which draws approximately 30% more customers to the market. The Kelowna Farmers' and Crafters' Market has several Indoor Winter Market sessions, which draw approximately 25% of the Wednesday session crowds. "Using the same formula above with appropriate adjustments, the total estimated annual economic benefit of the Saturday and indoor winter sessions is \$6.6 million (\$5,987,000 and \$646,000 respectively)."

The total estimated annual economic impact for the Wednesday, Saturday and winter sessions of the Kelowna Farmers' and Crafters' Market is **\$10.7 million**.

**Appendix: Seasonal activity chart for Kelowna Farmers' and Crafters' Market (Wednesdays):**



## Acknowledgements

The BC Association of Farmers' Markets and the project team would like to thank the Kelowna Farmers' and Crafters' Market for participating in this 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

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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.