

ECONOMIC AND SOCIAL BENEFITS ASSESSMENT

FINAL REPORT

Royal City Farmers' Market

New Westminster, 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 Royal City Farmers' Market on July 26, 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 Royal City Farmers' Market:

- **The estimated economic benefit of the Royal City Farmers' Market to the local economy is approximately \$1.0 million annually**
- **The estimated number of market customers on assessment day: 1,548 customers**
- **Over 230 market visitors participated in the study**
- **Average customer spending per visit: \$28.78**
- **69.8% of the survey respondents visit the market either 'regularly' (almost weekly) or 'frequently' (2-3 times per month)**

The Royal City Farmers' Market is a space where people can discover a great diversity of local produce, prepared food, activities, and arts and crafts that cater to all ages and interests. By connecting local food producers with shoppers, the market brings economic, social, and environmental benefits to the city of New Westminster year-round.

The number of shoppers attending the Royal City Market is slightly lower when compared to other markets that we assessed in BC. Customer spending is also slightly lower when compared to other markets in BC and other medium-sized markets in Canada. This report

highlights ways in which customer spending and market attendance might be improved, as well as trends that suggest the customer base is already increasing.

Market organizers were curious to know how customers traveled to the market on the day of the assessment. More than half of customers walked, suggesting that the majority of shoppers live in the near-by neighbourhood. In order to draw in more shoppers, it would likely be most effective to focus efforts in advertising in this area of the city.

Over a third (38.2%) of respondents drove to the market on the day of the assessment, while only 2% of customers rode their bike. A number of customers and vendors commented that there is very limited parking. Providing free bike parking in the park or having a bike-to-the-market-day where bikers receive a small voucher to use in the market might help to expand the customer base, decrease the percentage of driving customers, solve the parking issue, and contribute to the environmental benefits of the market.

While this market receives fewer first-time visitors than other markets we assessed in BC and other medium-sized markets in Canada, more regular shoppers attend this market than the average percentage who attend other markets that we assessed in BC. A third of shoppers have been coming to this market since it began, and another third only started shopping at the market this year. These are strong indicators that the Royal City Market has a growing customer base, and that the customers who currently visit the market will continue to do so on a regular basis.

As customers 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 space for producers and consumers to connect, the Royal City Farmers' Market plays an important social, environmental, and economic role in the city of New Westminster.

DESCRIPTION OF MARKET

The Royal City Farmers' Market

Market Website: www.rcfm.ca

Welcome to the Royal City Farmers Market Association!

We are a non-profit association dedicated to making a Farmers Market in New Westminster a success.

Our mission: connecting with our heritage of having a vibrant city market, the Royal City Farmers Market Association brings locally grown and produced food to the community, thereby contributing to environmentally sustainable food production, local economic development, healthy eating, and food security.

Our market features farm-fresh produce, plants, quality crafts from local artists and artisans, gourmet prepared foods, community information, live entertainment, and more.

Availability:	Summer Market: Open from June 7 to October 4 Thursdays from 3:00-7:00pm Winter Market: Open from December – May One Saturday/Month from 10:00am – 2:00pm
# Vendors:	35
Location:	Summer: Tipperary Park - 4th Street and Royal Avenue, New Westminster, BC Winter: River Market, 810 Quayside Drive, New Westminster, BC
Contact Info:	Andrew Murray, President 304 - 720 6th Street New Westminster, BC V3L 3C5

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 get to the market today?

- 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 Royal City 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 hot.

Crowd count

The total estimated number of people attending the Royal City Market on July 26, 2012 was 1,548.

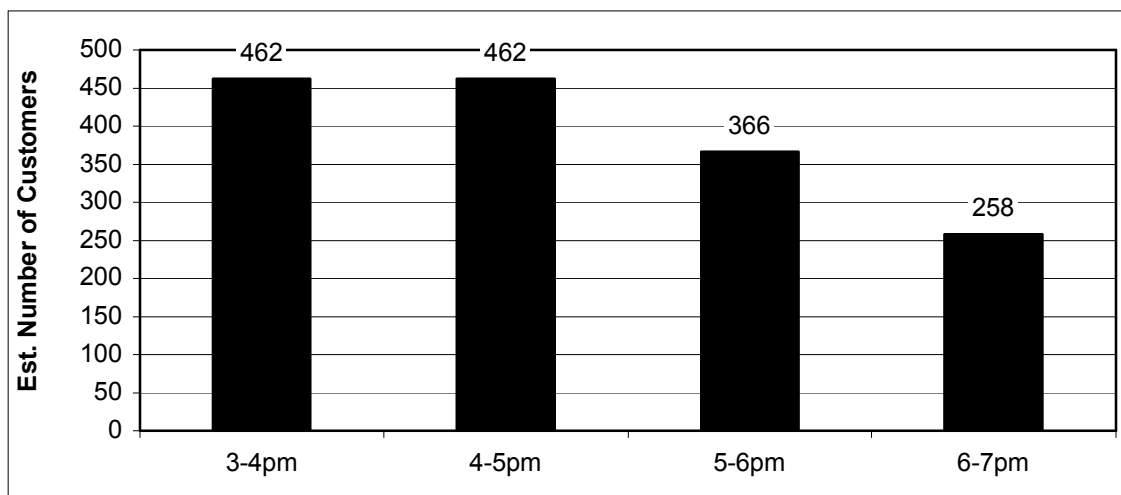
The actual and extended counts for the assessment are shown in Table 1. The total estimated counts are also shown in Chart 1.

Table 1. Estimated Crowd Count

Time period	Count period	Actual count	Extended total
1st hour (3:00-4:00)	3:25-3:35am	77	462
2nd hour (4:00-5:00)	4:25-4:35am	77	462
3rd hour (5:00-6:00)	5:25-5:35pm	61	366
4th hour (6:00-7:00)	6:25-6:35pm	43	258
Estimated total crowd count on July 26, 2012			1548

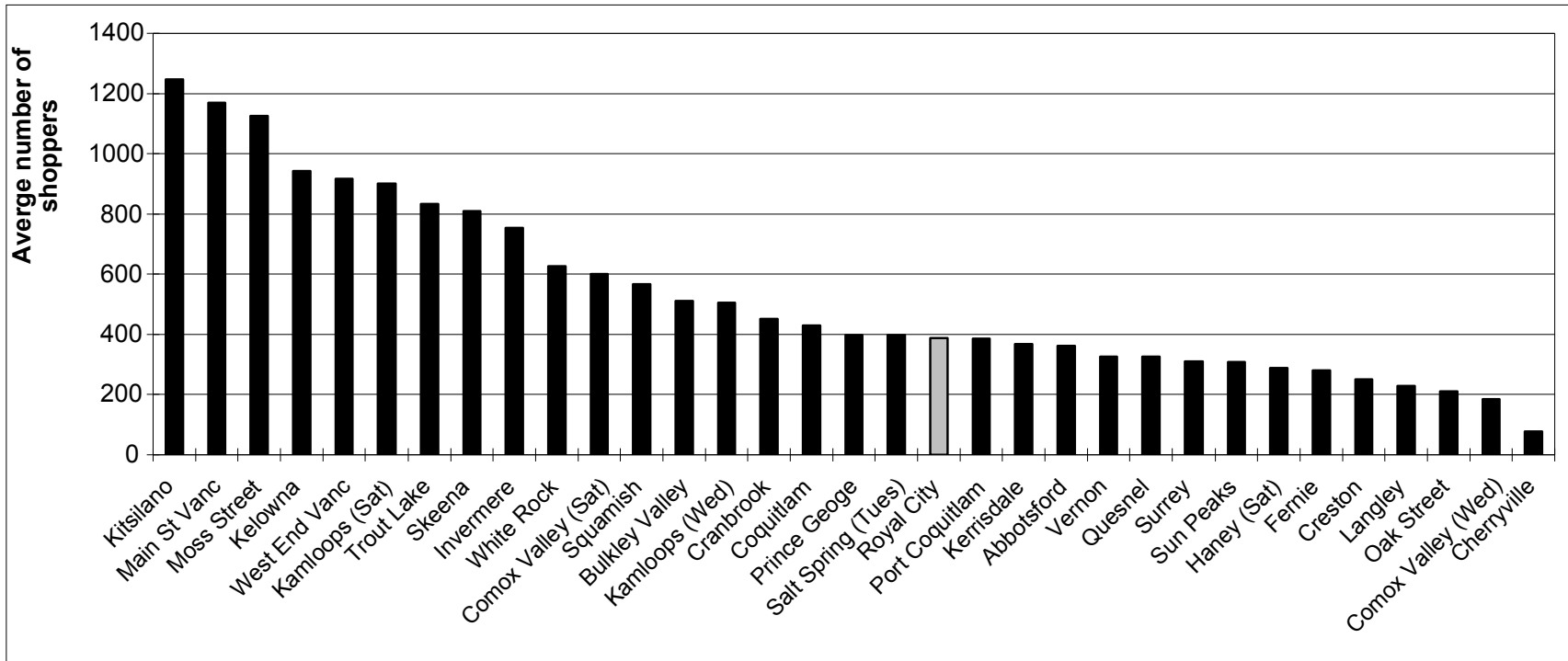
Chart 1 (below) shows the estimated crowd totals for each hour. Market attendance peaks during the first two hours and decreases steadily over the final two hours.

Chart 1. Crowd counts by the hour



As shown in Chart 2 (next page), the number of shoppers attending the Royal City Market is slightly 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)



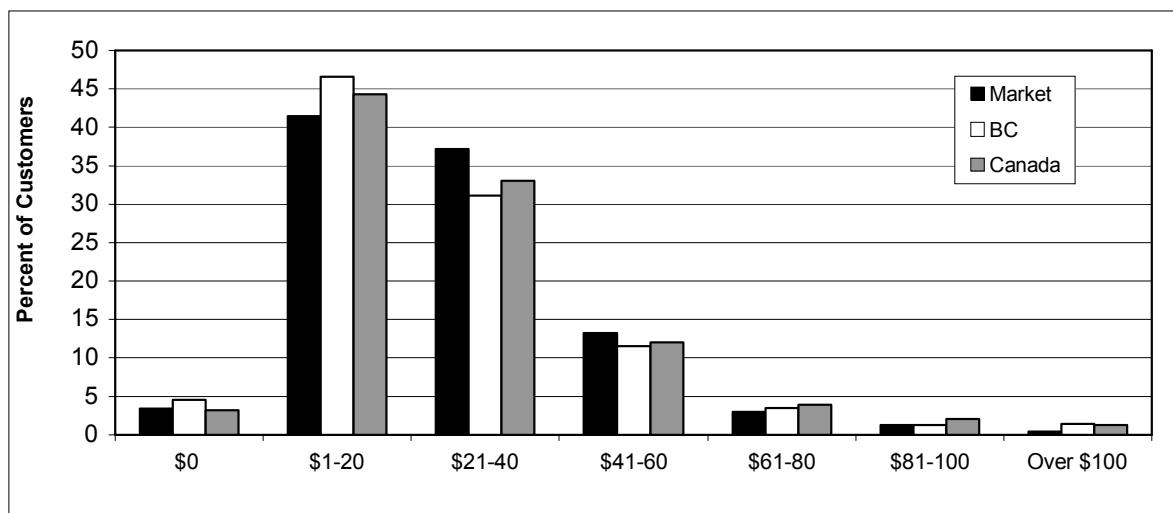
Flip-chart survey

Approximately 234 people responded to the dot survey, which is about 15% 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?

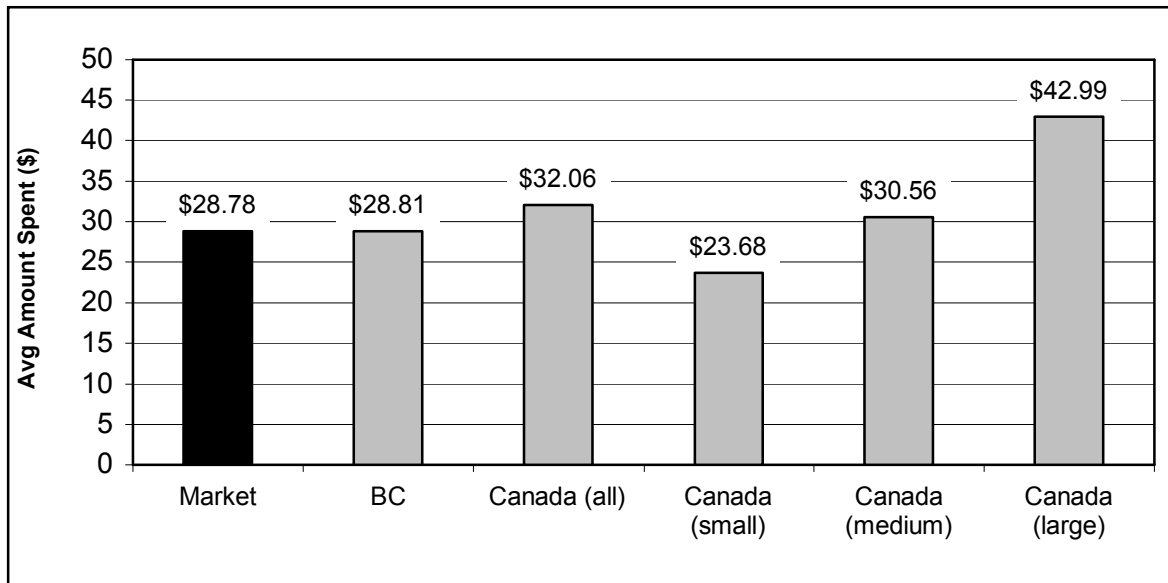
Overall, respondents spent an averageⁱⁱ of \$28.78 each on the day of the assessment. As shown in Chart 3, most customers surveyed (41.5%) said they would spend up to \$20 at the market that day; 37.2% of customers surveyed said they would spend up to \$40.

Chart 3. How much have you spent, or do you plan to spend, at the market today? (Market: n=234; BC: n=9,819; Canada (medium): n=996)



The results shown in Chart 4 (next page) illustrate how the Royal City 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-sized market, average customer spending is similar to the average spent at other markets we assessed in BC. Shoppers spend slightly less at this market than at other medium-sized markets in Canada.

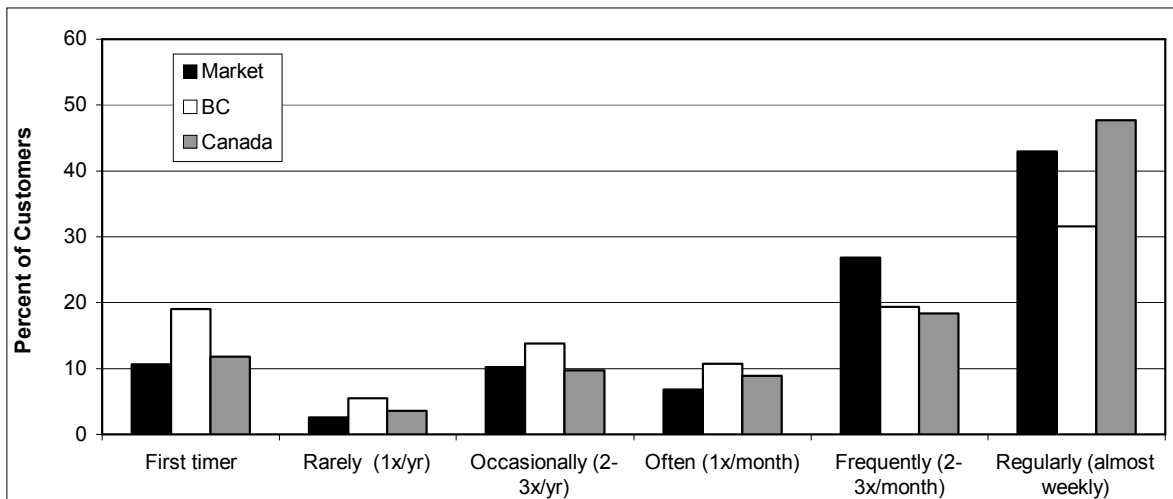
Chart 4. Average amount spent by market shoppers
(Market: n=234; BC: n=9,819; Canada: n=3,167)



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

As shown in Chart 5, the Royal City Market has an unequal distribution in the frequency of visits, with regular shoppers accounting for the highest percentage. Almost half of customers (43.0%) shop regularly at the market. First-time visitors to the market accounted for 10.6% of respondents, which is fewer than the average who attend other markets assessed in BC, and medium-sized markets in Canada. The market has more regular shoppers than other markets assessed in BC, but fewer than the national average.

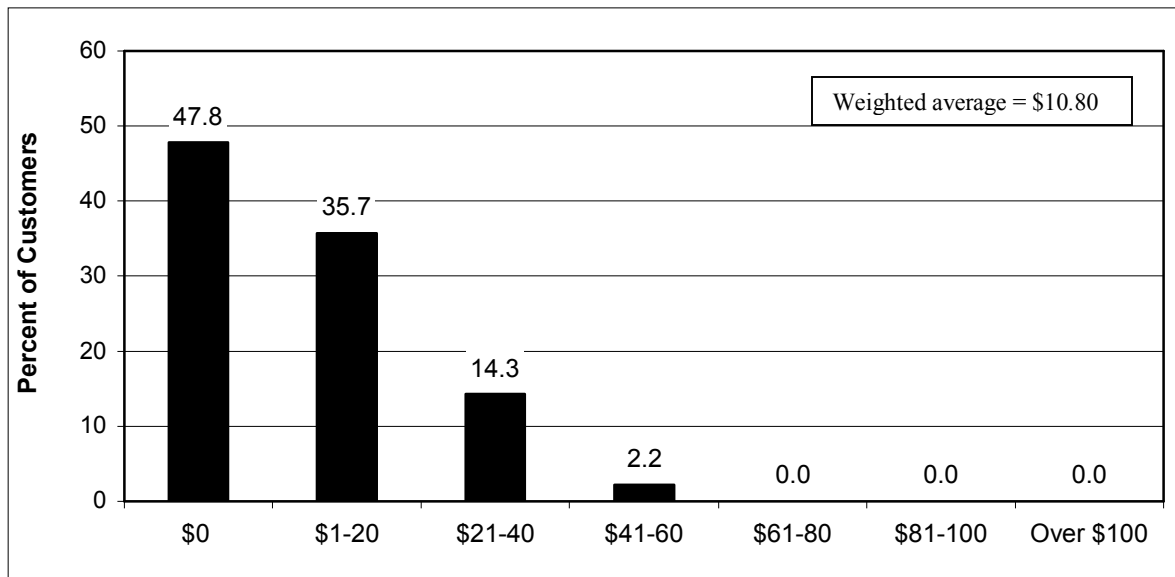
Chart 5. How often do you come to this market?
(Market: n=235; BC: n=9,874; Canada (medium): n=996)



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 52.2% of respondents saying they would do additional shopping at neighbouring businesses that day. Over a third (35.7%) of customers surveyed said they would spend up to \$20; 16.5% said they would spend up to \$40.ⁱⁱⁱ The average amount spent per customer at neighbouring businesses was \$10.80. Given the variability among markets, no comparison is made with BC or national results.

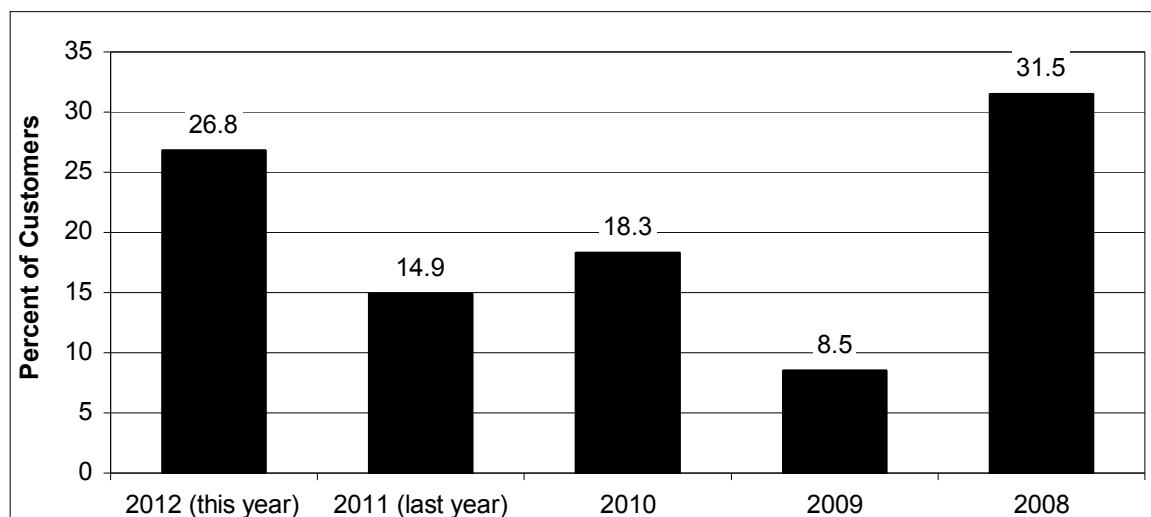
Chart 6. If you plan to do additional shopping or eating while in this area of town today, how much do you plan to spend? (n=230)



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

As shown in Chart 7 (next page), your market has a good portion of long-time, loyal customers. Over half of all customers surveyed (58.3%) have been coming to this market for 3 years or more, and 31.5% of all respondents have been coming to this market since it began in 2008. In addition to the long-time regulars, there were also 26.8% of respondents who were first-time visitors to this market.

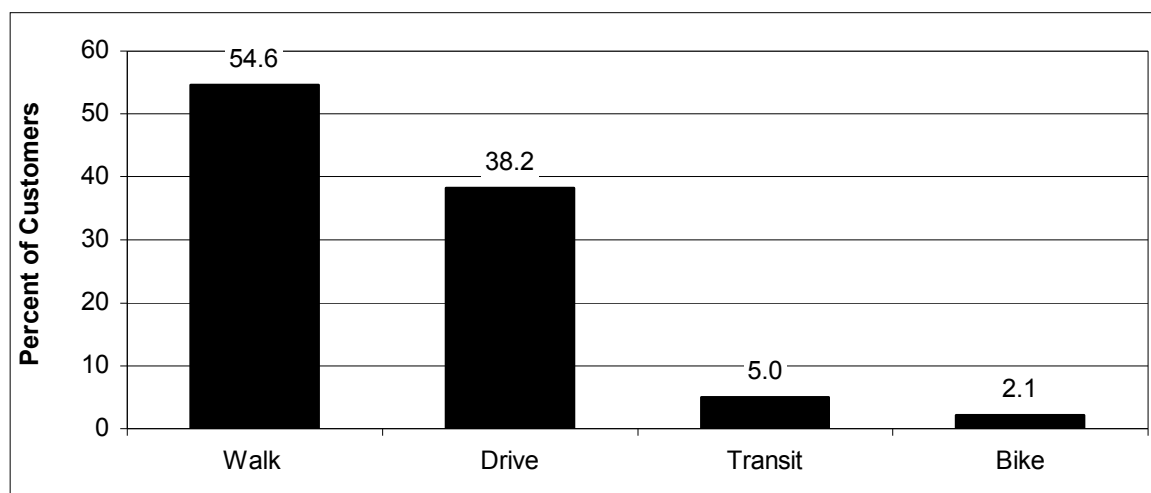
Chart 7. When did you start shopping at this farmers' market? (n=235)



Question 5. How did you get to the market today?

Chart 8 shows that most (61.8%) customers travelled to the market by means other than driving. Over half (54.6%) of customers walked to the market, while 7.1% came by bike or public transit. An additional 38.2% of customers drove to the market.

Chart 8. How did you get to the market today? (n=238)



Market surveys

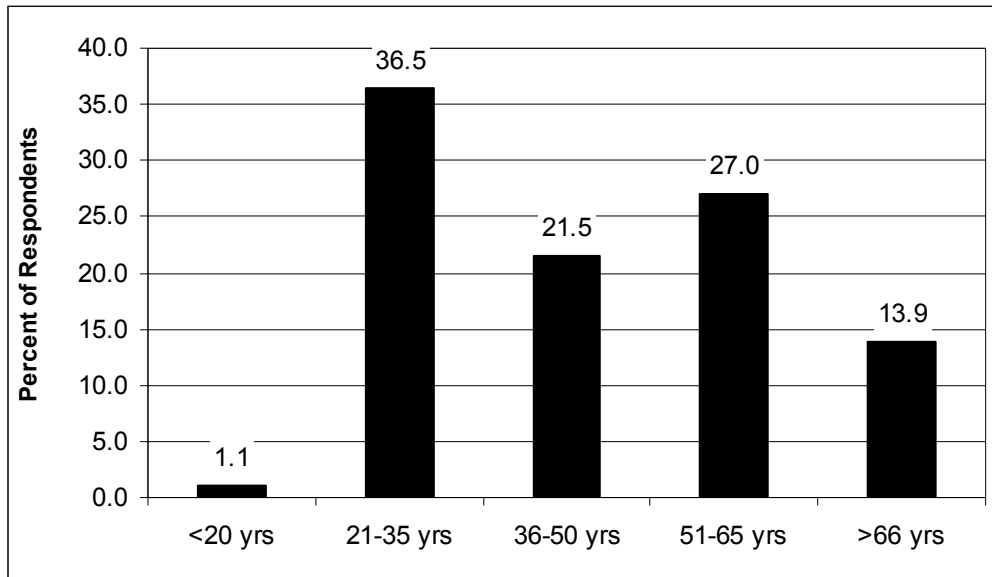
Customer Survey

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.

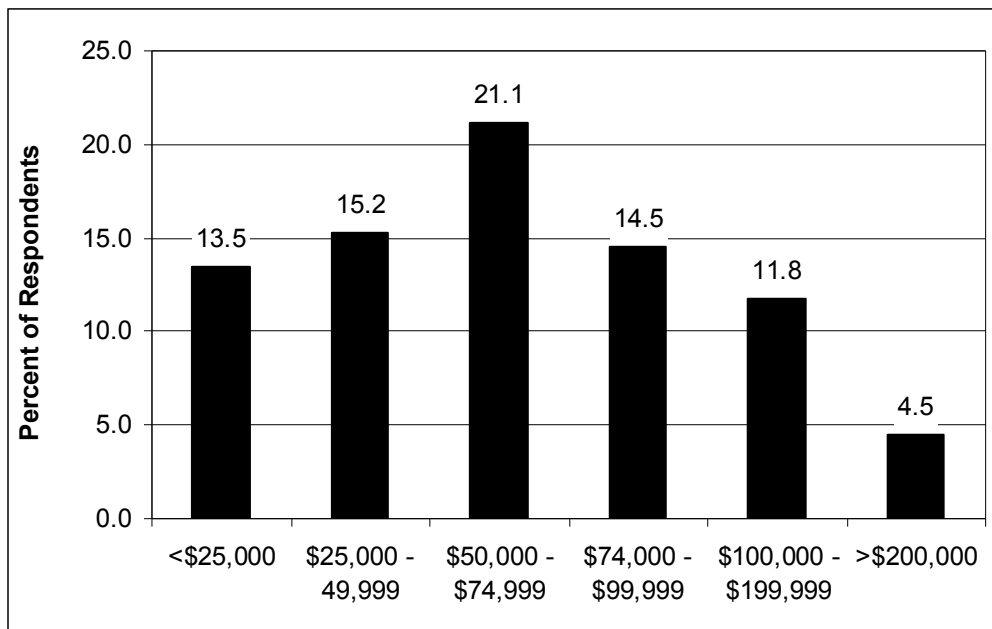
The results in Chart 9 show the age range of farmers' market customers in BC.

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



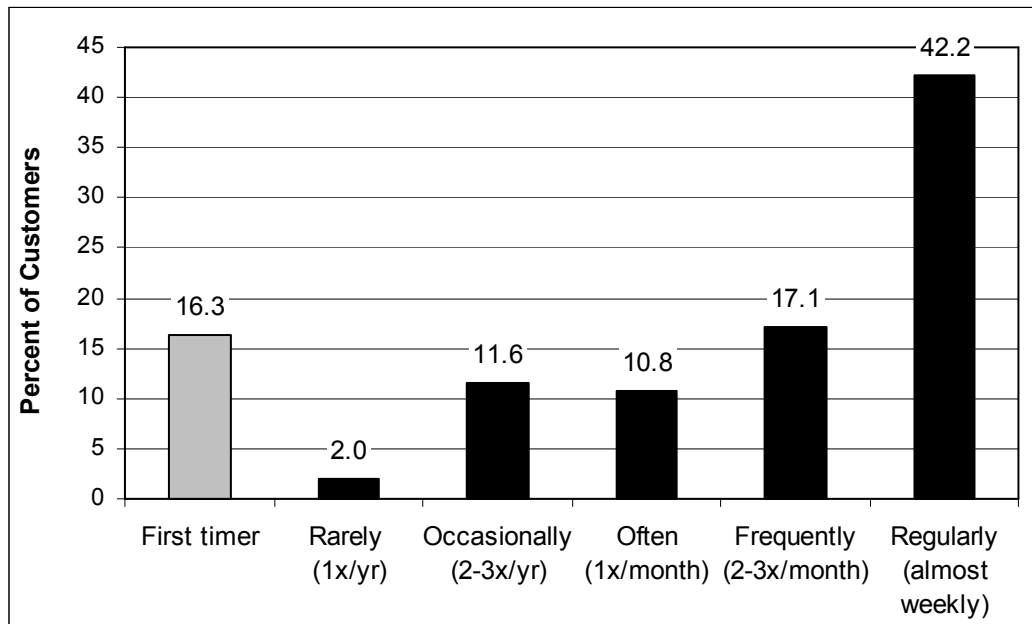
The household income of shoppers at farmers' markets in BC is shown in Chart 10. The results show that people from households with a range of incomes shop at BC's markets.

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.

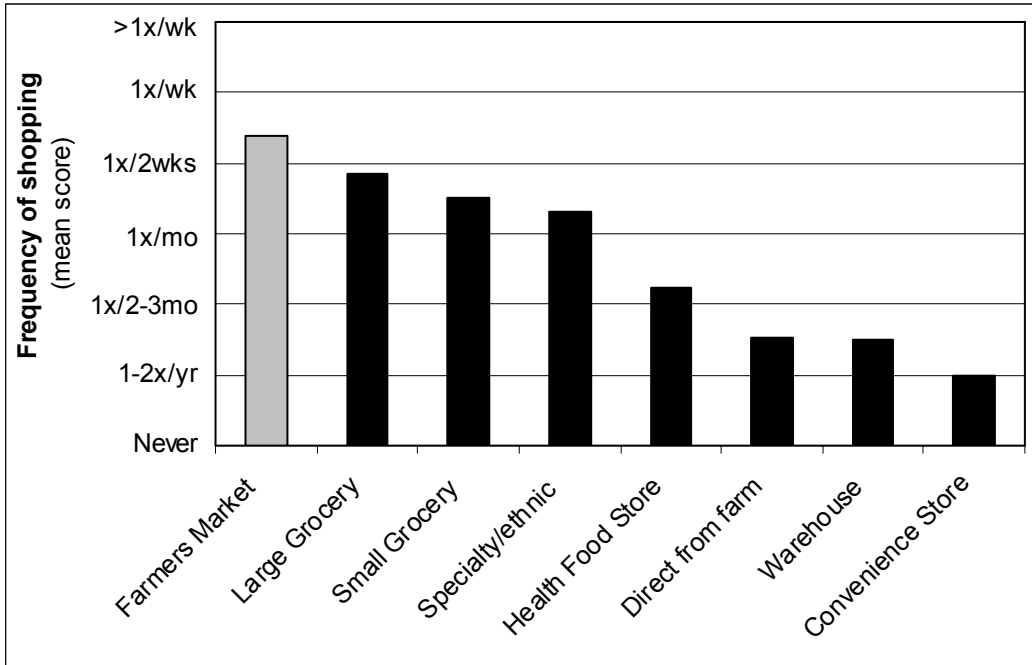
Chart 11. Frequency of shopping at farmers' markets (BC: n=251)



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.



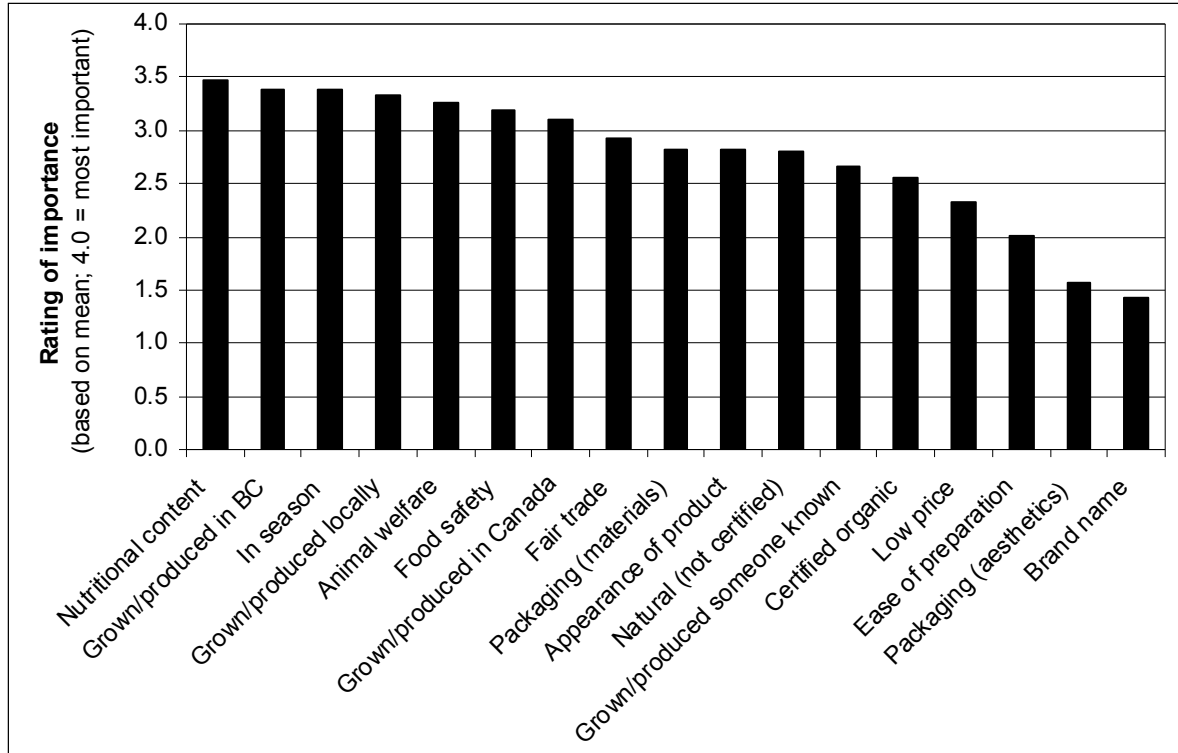
Part of the answer to explain the shopping pattern of market customers is evident in Chart 13, which shows the relative importance of factors customers consider when buying food.

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)

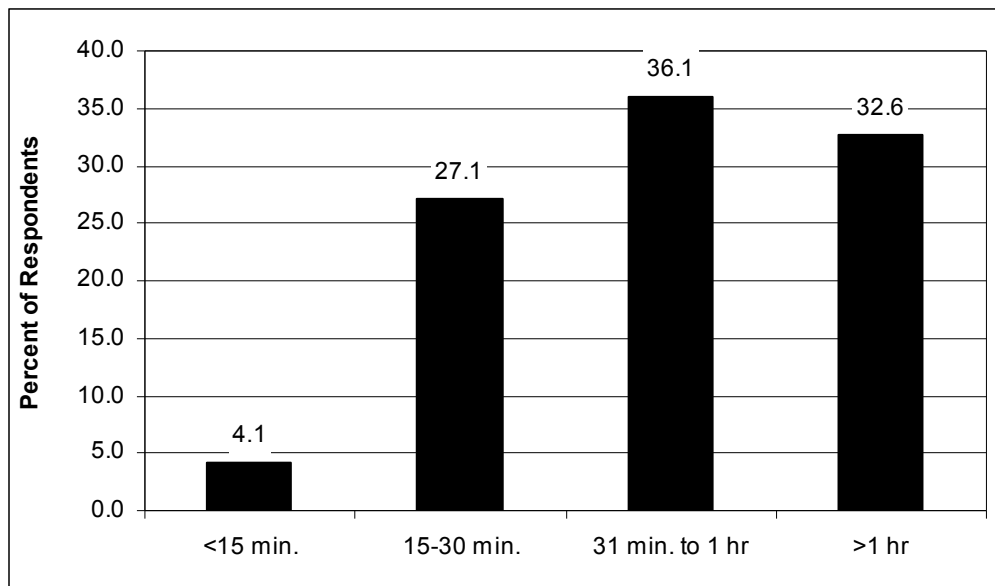
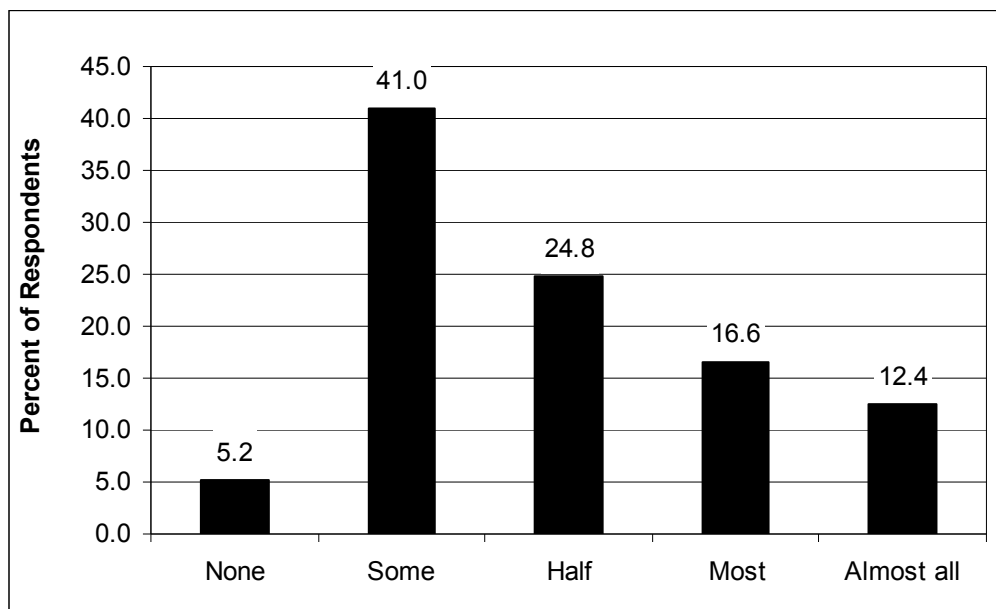


Chart 15. Time spent talking with others at the market (BC: n=290)



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

Economic Benefits

The information collected in this assessment enables us to measure the economic benefits of the Royal City 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:

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

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

$$\$28.78 \text{ per customer visit} \times 1,161 \text{ spending customers} \times 24 \text{ (adjusted) sessions} = \$706,000$$

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

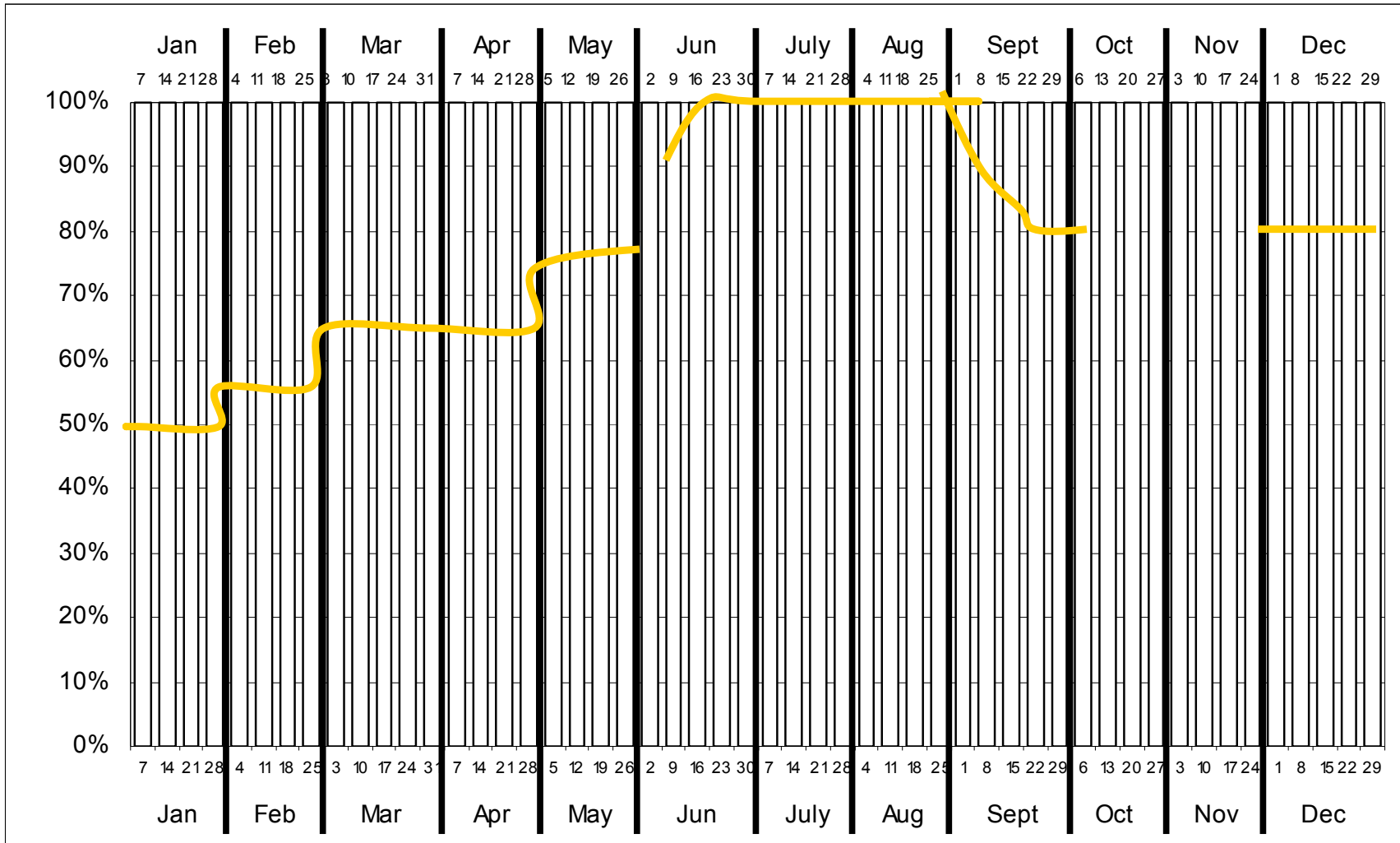
Annual economic benefit (2012): \$1.0 million

This calculation means that the Royal City Farmers' Market contributes an estimated \$1.0 million 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 Royal City Market has on its neighbouring businesses. 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 **\$207,000**.

Appendix: Seasonal activity chart for Royal City Farmers' Market



Acknowledgements

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