

ECONOMIC AND SOCIAL BENEFITS ASSESSMENT

FINAL REPORT

Salt Spring Farmers' Market (Tuesday)

Ganges, Salt Spring Island, 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 15, 2012

Prepared by:
David J. Connell, PhD MCIP
Anna Melnik, MA

Funding provided by:

Canada



Investment
Agriculture
Foundation
of British Columbia

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 Salt Spring Tuesday Farmers' Market on July 17, 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 Salt Spring Tuesday Farmers' Market:

- **The estimated economic benefit of the Salt Spring Tuesday Farmers' Market on the local economy is approximately \$638,000 annually**
- **The estimated number of market customers on assessment day: 1,272 customers**
- **Over 120 market visitors participated in the study**
- **Average customer spending per visit: \$25.95**
- **Forty-nine percent of the survey respondents visit the market either 'regularly' (almost weekly) or 'frequently' (2-3 times per month)**

Complementing the popular tourist attraction that is the Saturday Market, the Salt Spring Tuesday Farmers' Market has been in operation, at different times of day and in different locations, for more than ten years. The Tuesday Market is described by some Islanders as aimed at serving local residents. The market happens on Tuesday afternoons, and specializes in farm-fresh produce and products. This market is a project of the Island Natural Growers, a Gulf Islands chapter of the Canadian Organic Growers.

The Salt Spring Tuesday Market sees an average of 400 customers per hour, putting this market near the middle of the pack for customer volume at markets across BC. Most

customers attend this market during the first two hours, from 3:00 pm to 5:00 pm, with attendance rapidly dropping off towards dinner time. Average customer spending has increased substantially from \$15.18 in 2006 to \$25.04 for non-locals and \$26.54 for locals in 2012. Spending at this market is lower than the average for other BC and Canadian markets, and is more on par with spending seen at small markets than at similarly medium-sized markets.

Like other markets in BC and Canada, the majority of Salt Spring Tuesday Market customers are either first-timers or regulars, with infrequent attendees being less common. The proportion of first-time customers has dropped since 2006 while the proportion of regular customers has increased. In contrast to this apparent drop in new customers, surveys also revealed that the majority of customers only started attending the Salt Spring Tuesday Market this year. Most of these new customers are non-locals. One in five customers has been coming to this market for more than ten years, and these are predominantly locals.

Market organizers were curious to know the reasons people first started shopping at the Salt Spring Tuesday Market. The market has recently incorporated special features aimed at drawing in more local customers, such as a Chef Series of demonstrations by local chefs, and live music. Only 1.5% of responses identified these special events as the reason they first came to the market. The majority of responses identified the desire to 'support local agriculture', followed by 'products I like', as the primary reasons customers started shopping at this market.

The Salt Spring Tuesday Market takes place in the same location as the Saturday market – Centennial Park - but only along the front sidewalk of the park. In this location the market faces many local businesses. Market customers reported they would spend much more at other local businesses than at the market, spending an average of \$35.58. Non-locals said they would spend on average \$43.49, significantly more than average spending by locals of \$30.07. These results are similar to those found in 2006. Local business owners noted a neutral or positive effect from the market, and the main positive effect was increased foot traffic. There could be opportunities for more cross-promotion between the market and other nearby businesses if desired, as a couple business employees expressed that they would put up a sign advertising the market if asked.

There is strong sense of community support surrounding the Salt Spring Tuesday Farmers' Market, demonstrated by customers' and local businesses' enthusiasm for this market, and for local farmed food and civic life in general. The market itself has a tight-knit community of active volunteers supporting it. This week-day market brings many good things to the community, and is valued by community members and customers.

BENEFITS ASSESSMENT: Salt Spring Farmer's Market (Tuesday)
Final Report



Photos: Anna Melnik

DESCRIPTION OF MARKET

Salt Spring Tuesday Farmers' Market

Market Website:

<http://www.saltspringtuesdaymarket.com/>

<http://www.bcfarmersmarket.org/markets/marketdetails.asp?marketID=213>

The Salt Spring Tuesday Farmers' Market is about good food and good fun. It offers a diversity of produce, food items, cut flowers and bedding plants. When you shop at the market you are helping to make agriculture sustainable. Support the livelihood of your local producer and support your community. Buy Local! Eat Fresh.

Availability:	Open from June 5 to October 30 Tuesday, 3:00 to 7:00 pm
# Vendors:	25
Location:	Centennial Park, Ganges, Salt Spring Island
Contact Info:	Jacque Harkema, Market Co-ordinator c/o Sue Earle, 134 Tripp Rd Saltspring Island, BC V8K 1K6



Photo: Anna Melnik

RESEARCH METHOD

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

1) Rapid Market Assessment:

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

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

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

Box 1. Flip-chart survey questions

1. How often do you come to this farmers' market?
2. When did you start shopping at this market?
3. How much have you spent, or do you plan to spend, at the market today?
4. If you plan to do additional shopping or eating while in this area of town today, how much do you plan to spend?
5. What was the primary reason you started shopping at this 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 Salt Spring Tuesday 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. There were approximately 30 vendors present, primarily food producers.

Crowd count

The total estimated number of people attending the Salt Spring Tuesday Market on July 17, 2012 was 1,272.

When asked, some vendors at the market said market attendance was a bit slower than they would expect for that time in the season, as compared with past years, while others said it was busier. Vendors gave the impression that attendance was somewhat unpredictable and fluctuated from week to week and year to year.

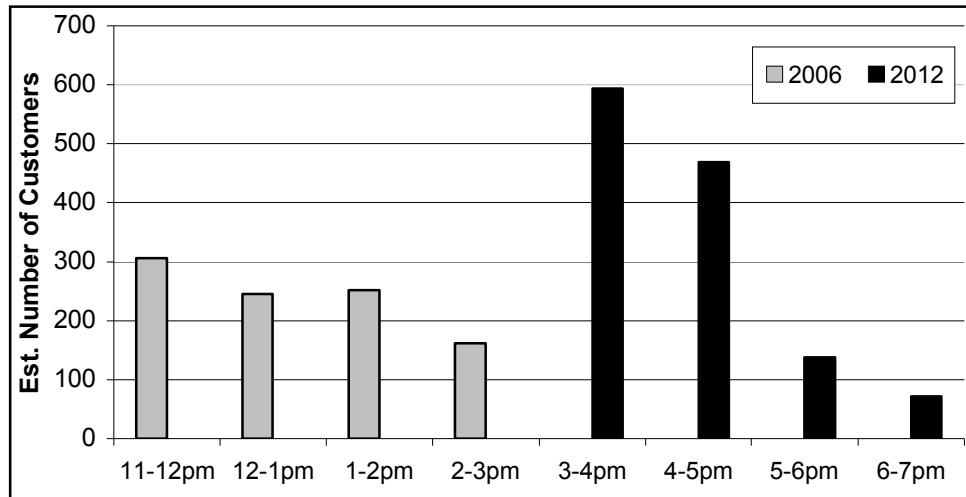
The actual and extended counts for the assessment are shown in Table 1. The total estimated counts are also shown in Chart 1.

Table 1. Estimated Crowd Count

Time period	Count period	Actual count	Extended total
1st hour (3:00-4:00)	3:30-3:40pm	99	594
2nd hour (4:00-5:00)	4:25-4:35pm	78	468
3rd hour (5:00-6:00)	5:25-5:35pm	23	138
4th hour (6:00-7:00)	6:25-6:35pm	12	72
Estimated total crowd count on July 17, 2012			1,272

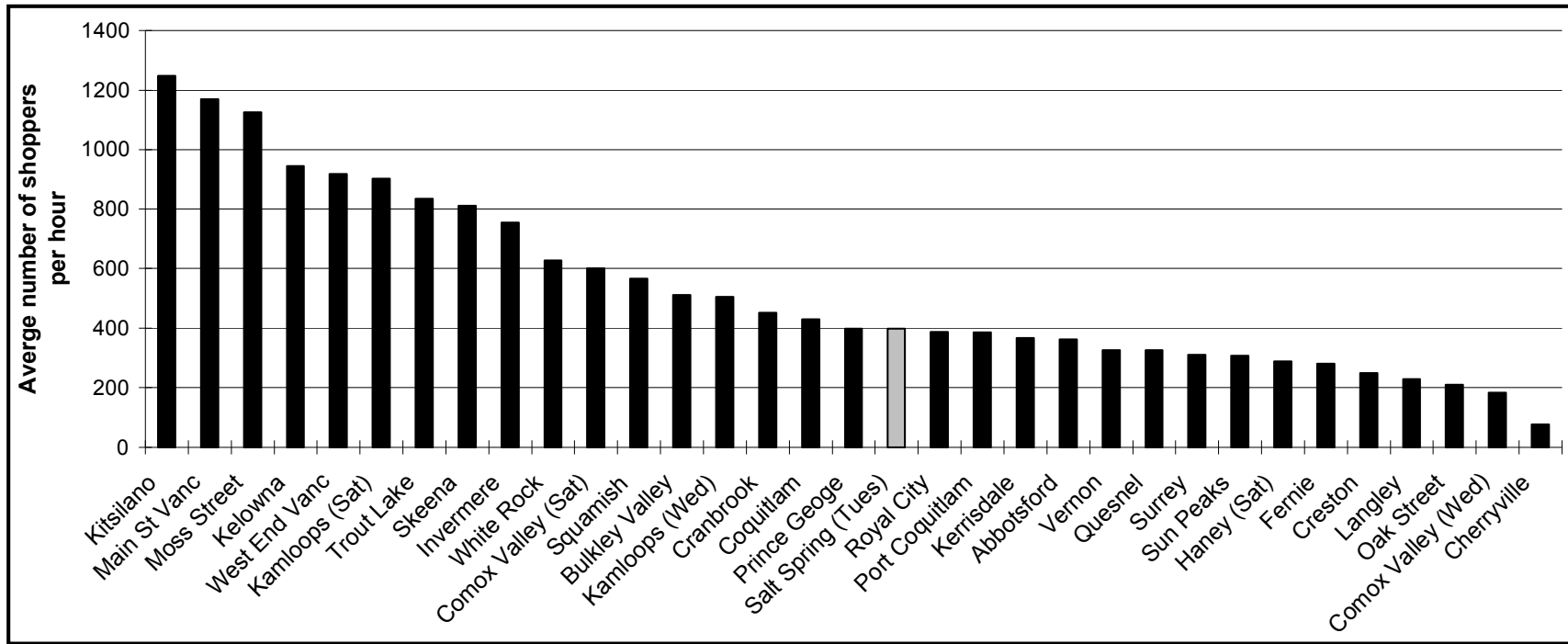
Chart 1 (next page) shows the estimated crowd totals for each hour for both 2012 and 2006. Market attendance for 2012 starts off strong, but steadily drops as the hours go by, with an especially sharp drop going into the third hour after 5pm. Market attendance was steadier in 2006, when the Tuesday market was open in the late morning to early afternoon. The market in 2006 did not see such high crowd counts as associated with the intense attendance at the earlier part of the 2012 market.

Chart 1. Crowd counts by the hour



As shown in Chart 2 (next page), the number of shoppers attending the Salt Spring Tuesday Market in the mid-range 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 123 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 averageⁱⁱ of \$25.95 each on the day of the assessment. As shown in Chart 3, most customers surveyed (52.1%) said they would spend up to \$20 at the market that day. Another third (33.9%) said they would spend up to \$40. As shown in Chart 4 (next page), local respondents spent slightly more on average (\$26.54) than non-local respondents (\$25.04). The average amount spent by shoppers at the Salt Spring Tuesday Market in 2006 was \$15.18.

Chart 3. How much have you spent, or do you plan to spend, at the market today? (Market: n=121; BC: n=9,819; Canada (Medium): n=996)

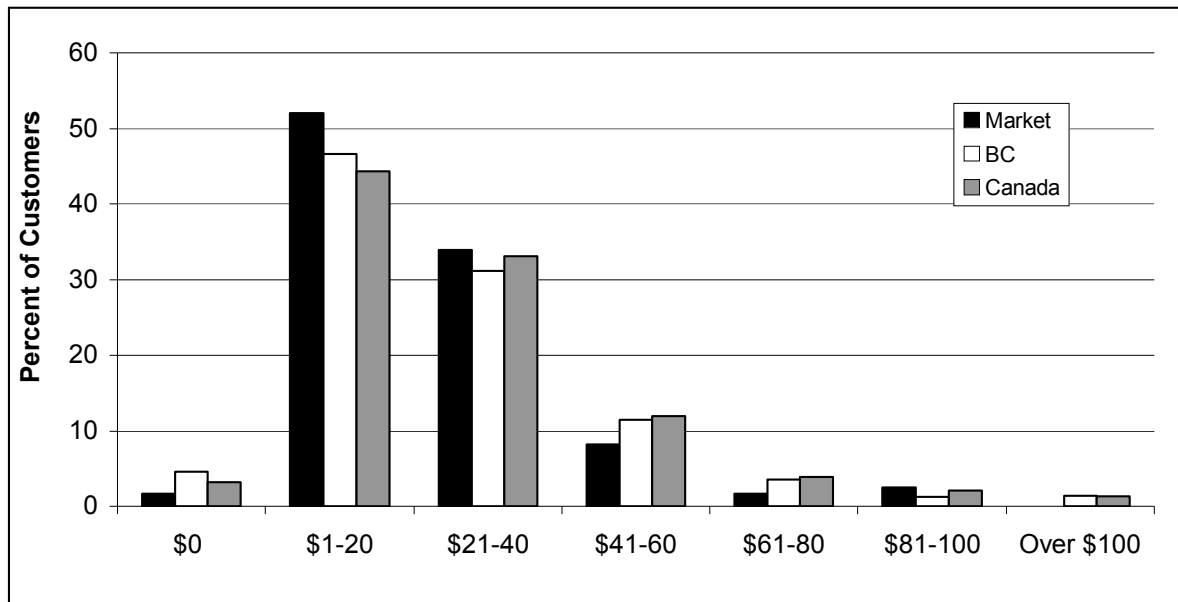
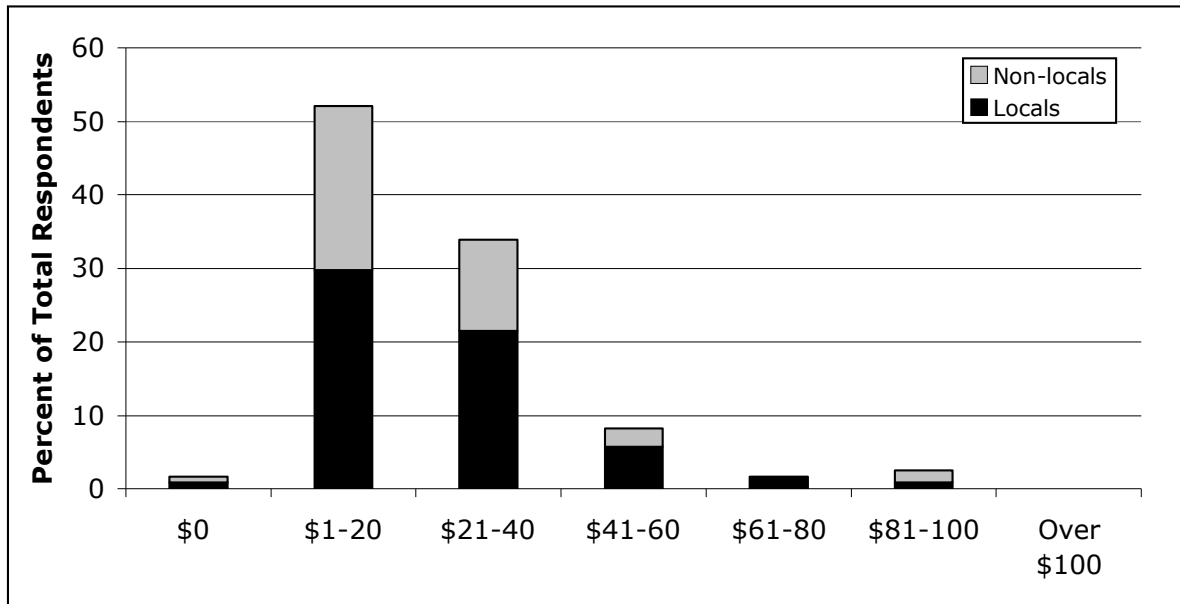
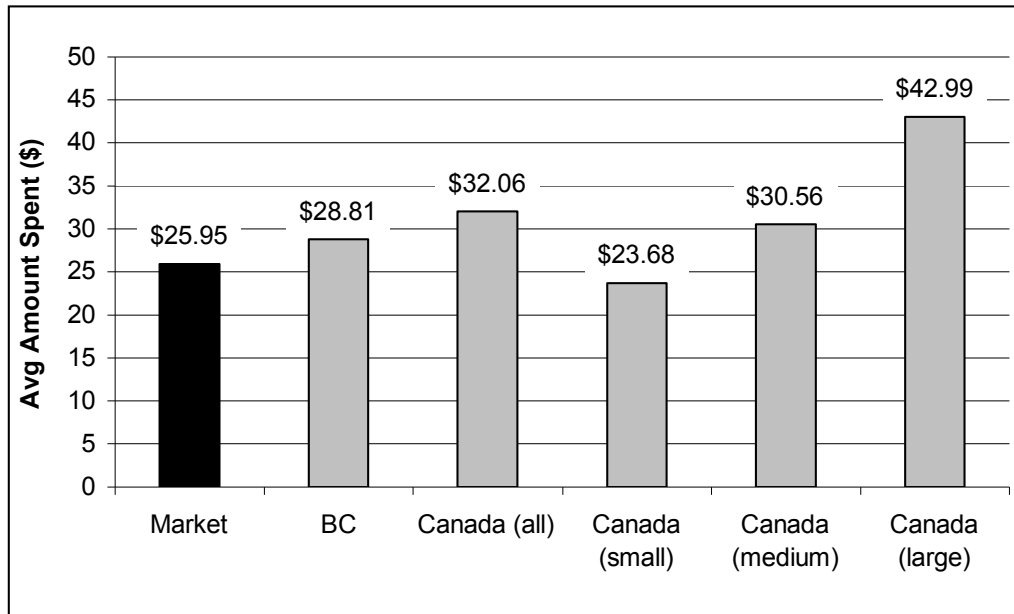


Chart 4. How much have you spent, or do you plan to spend, at the market today? (n=121)



The results shown in Chart 5 (next page) illustrate how the Salt Spring Tuesday 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 Salt Spring Tuesday Market brings in slightly less spending per customer on average than other markets in BC and Canada. Its average spending per customer is more similar to that seen at other small markets in Canada, and is lower than at other similarly-sized medium markets.

Chart 5. Average amount spent by market shoppers
(Market: n=121; BC: n=9,819; Canada: n=3,167)



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

As shown in Chart 6 (next page), the Salt Spring Tuesday Market has a greater proportion of regular and first time shoppers, than visitors of any other frequency. More than one in three customers (39.3%) shop regularly at the market. First-time visitors to the market accounted for 31.1% of respondents. As shown in Chart 7 (next page), the majority of first-time visitors to this market are non-locals (27.9%), while the majority of respondents who visit this market 'regularly' or 'frequently' are locals (45.9%). This pattern is similar to the results of the assessment in 2006, when 'regular' and 'first-timer' were the most common responses, and when regulars were mostly locals and first-timers were mostly non-locals. The Salt Spring Tuesday Market appears to attract more first-timers and regulars than the average BC market. This market also attracts more first-timers, but fewer regulars and more frequent visitors, than an average Canadian market of a similar size.

Chart 6. How often do you come to this market?
(Market (2006): n=207; Market (2012): n=122; BC: n=9,874; Canada (Medium): n=996)

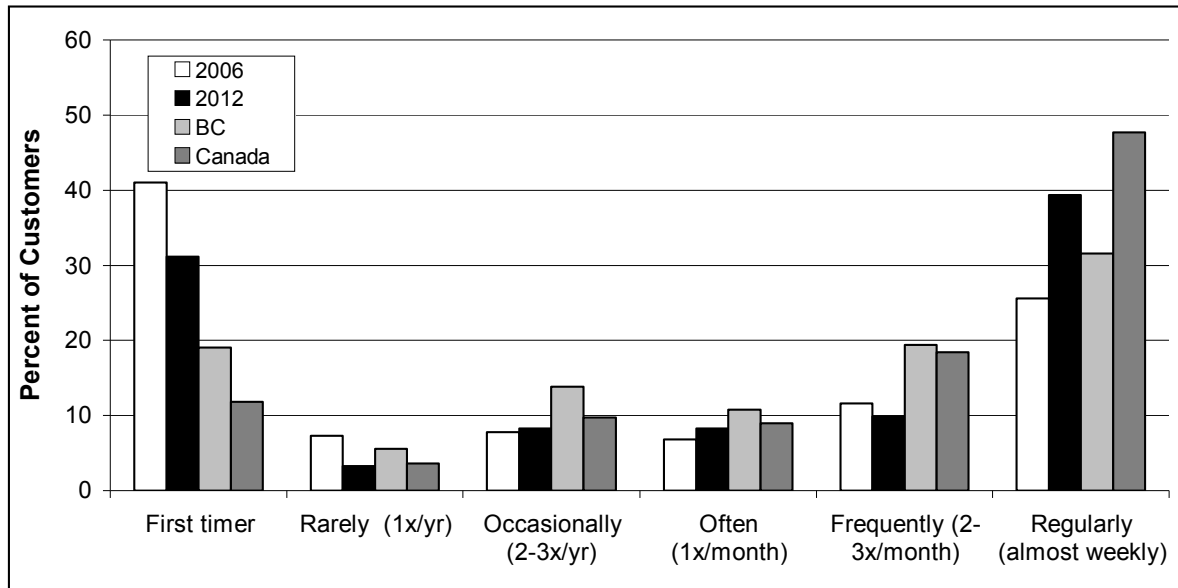
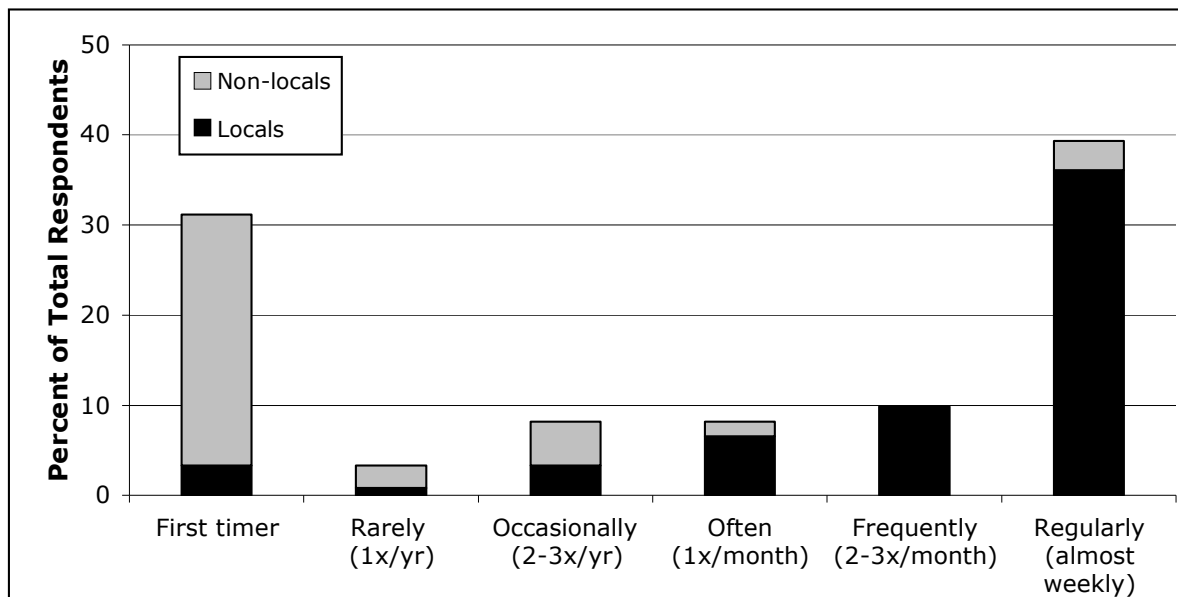


Chart 7. How often do you come to this market? (n=207)

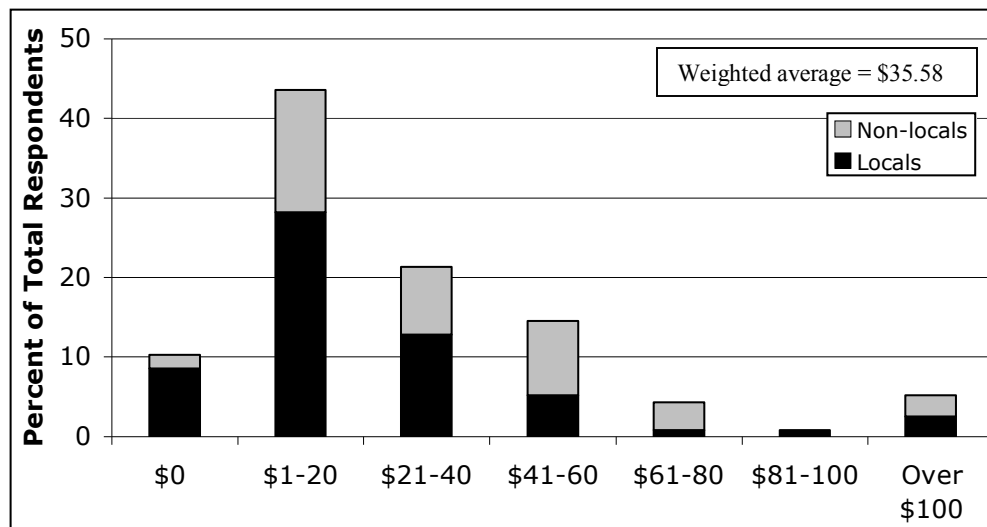


Question 3. If you plan to do additional shopping or eating while in this area of town today, how much do you plan to spend?

Chart 8 (next page) shows the range of additional spending by market customers, with 89.7% of respondents saying they would do additional shopping at neighbouring businesses that day. Almost half (43.6%) of customers surveyed said they would spend up to \$20; 46.2% said they would spend more than \$20. The average amount spent per customer at neighbouring businesses was \$35.58.ⁱⁱⁱ Non-local respondents said they would spend

significantly more (\$43.49) on average at local businesses than local respondents (\$30.07). These results are similar to the results of the 2006 assessment when the average amount spent per customer at neighbouring businesses was \$38.96, and non-locals spent significantly more (\$44.58) than locals (\$35.63). Given the variability among markets, no comparison is made with BC or national results.

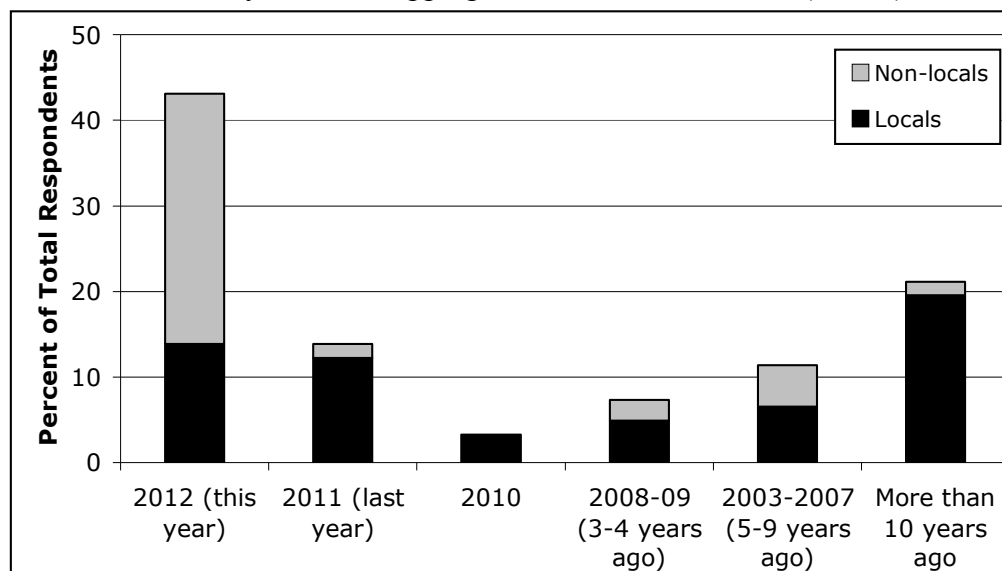
Chart 8. If you plan to do additional shopping or eating while in this area of town today, how much do you plan to spend? (n=117)



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

As shown in Chart 9 (next page), the Salt Spring Tuesday Market is drawing in new customers. Close to half of all customers surveyed (43.1%) started coming to this market this year. There is also a good portion of long-time, local customers. One-fifth of all customers surveyed (21.1%) have been coming to this market for 10 years or more, or since there has been a Tuesday market on Salt Spring Island. Most of the customers who started shopping at this market before this year are locals (46.3%). New customers are mostly non-locals (29.3%), but there is also a strong contingent of new local customers (13.8%). This question was not asked in the 2006 survey.

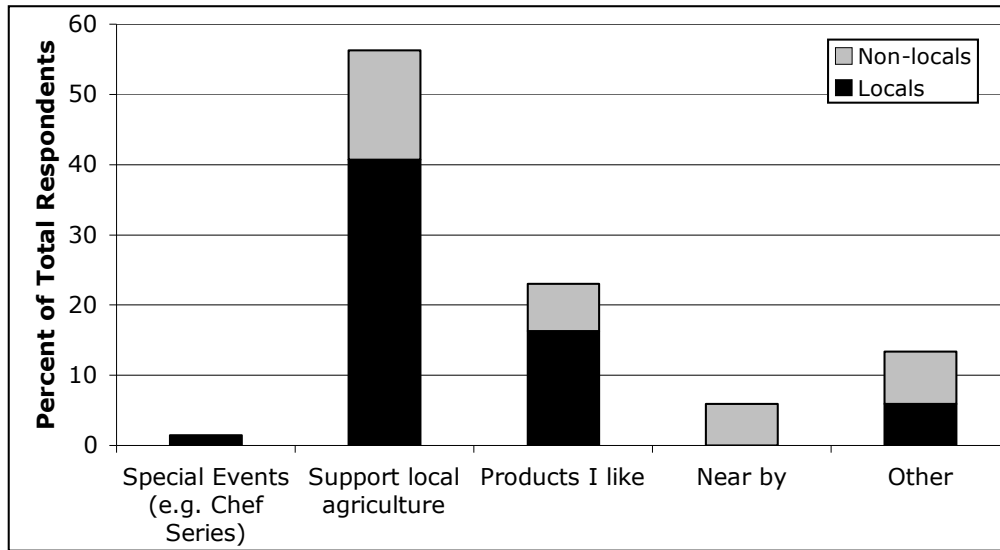
Chart 9. When did you start shopping at this farmers' market? (n=123)



Question 5. What was the primary reason you started shopping at this market?

Chart 10 (next page) shows respondents' reasons for starting to shop at this market. The majority of responses identified the desire to support local agriculture (56.3%) as the reason for starting to shop at this market. The 'products I like' option was also a common reason for people to start shopping at the market, with 23.0% of responses identifying this reason. Although the Salt Spring Tuesday Market has made recent efforts to draw customers with special features including demonstrations by local chefs and live music, only 1.5% of responses identified such events as a primary reason for starting to shop at this market, however all of these respondents were locals, suggesting that these events may be drawing a small number of locals to shop at the market. The answer of 'near by' was meant to capture the reasons of those who started shopping at the market because it was located at a convenient distance to their place of residence, but surprisingly all who responded with this answer were non-locals, suggesting there was a misunderstanding in what was meant by this answer. For the category of 'other', respondents could write an answer on the flip chart. Out of the 18 respondents to this answer, five chose to write in a reason why they started shopping at this market, and these were: "time" (i.e. in the afternoon), to "get a flavour of town, see what local artistry is like", to "socialize with friends and vendors", "fresh veggies", and "hunger". This question was not asked in the 2006 survey.

Chart 10. What was the primary reason you started shopping at this market? (n=135)



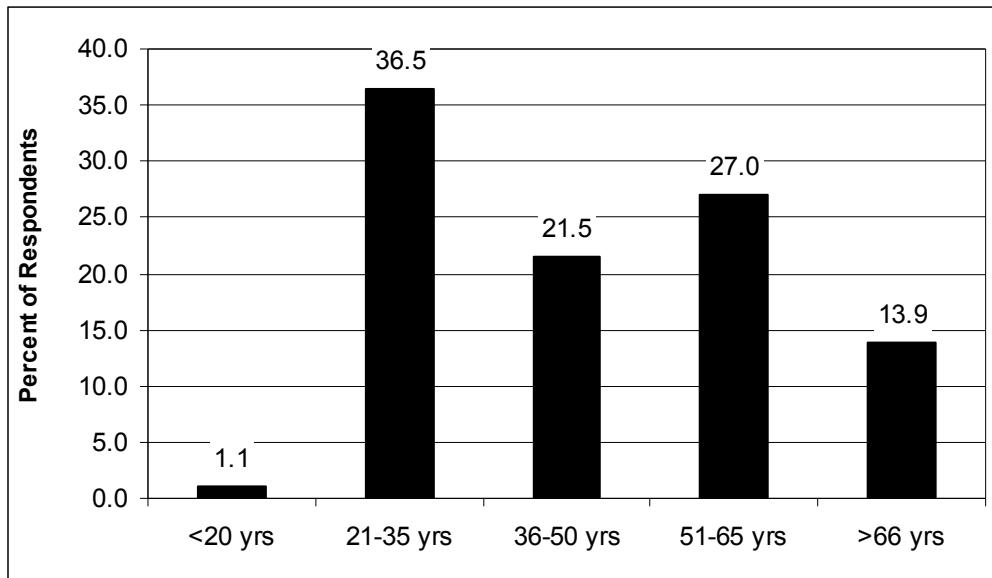
Market surveys

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.

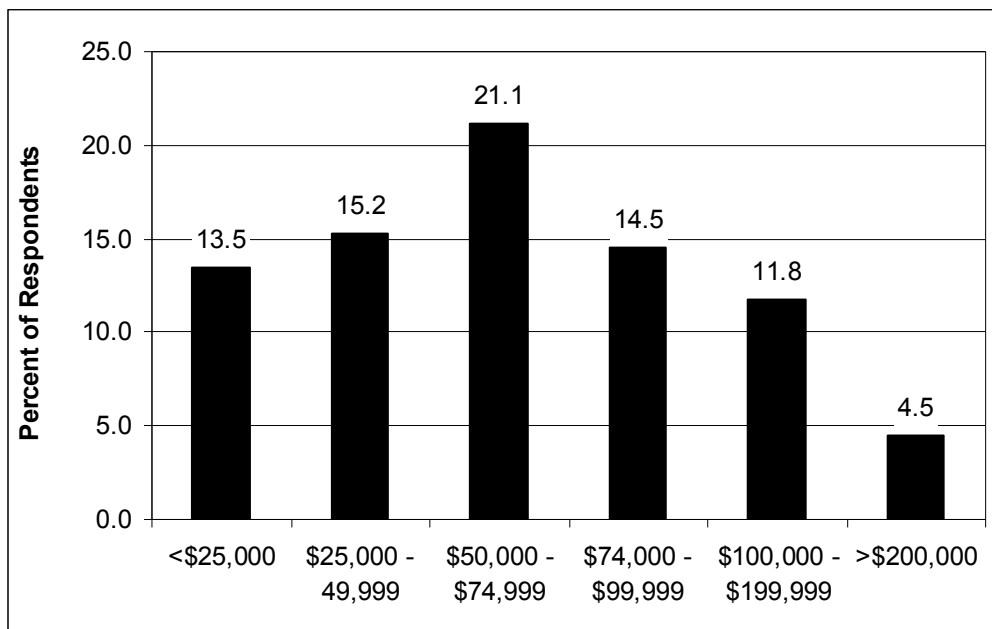
The results in Chart 11 show the age range of farmers' market customers in BC.

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



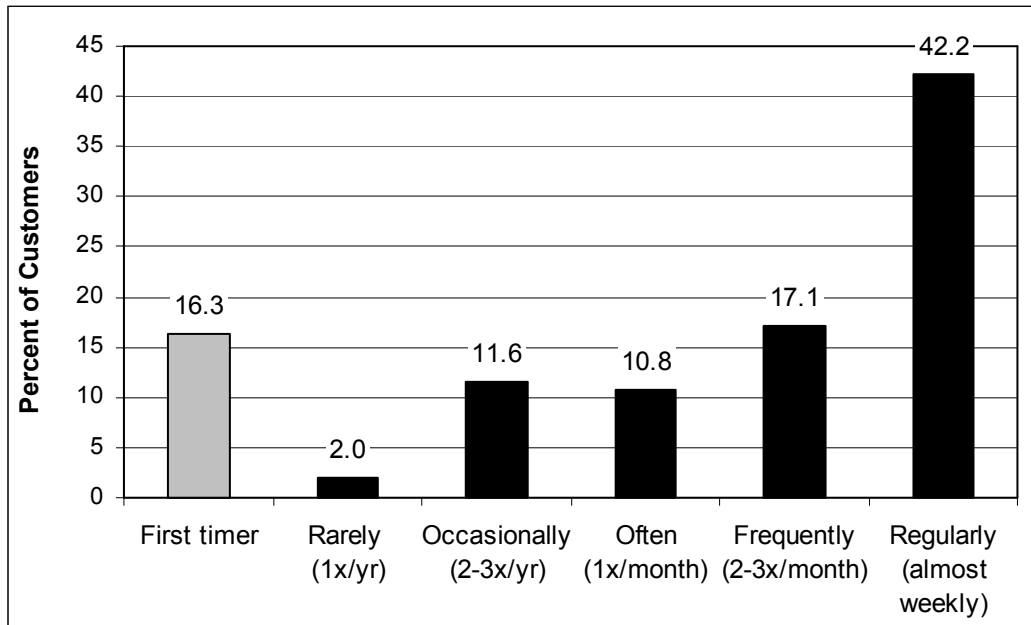
The household income of shoppers at farmers' markets in BC is shown in Chart 12. The results show that people from households with a range of incomes shop at BC's markets.

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



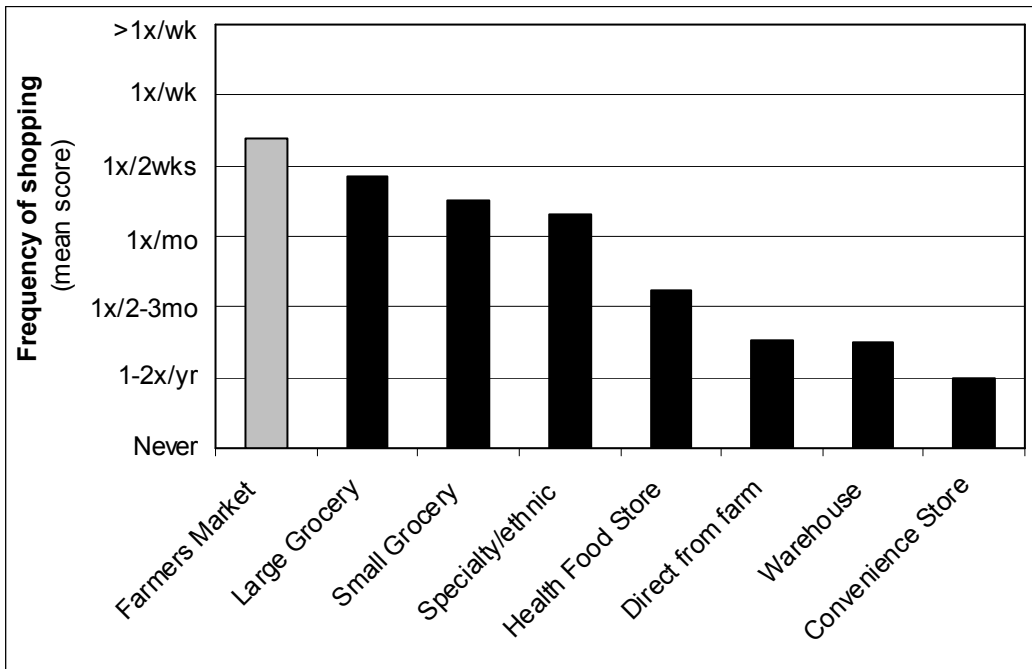
Over 40% of customers surveyed in BC shop at the market regularly (almost weekly), with an additional 17% shopping at least two to three times per month (Chart 13). Together, these results indicate that almost six of ten shoppers can be considered among the core group of market shoppers at BC markets, 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, next page).

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.

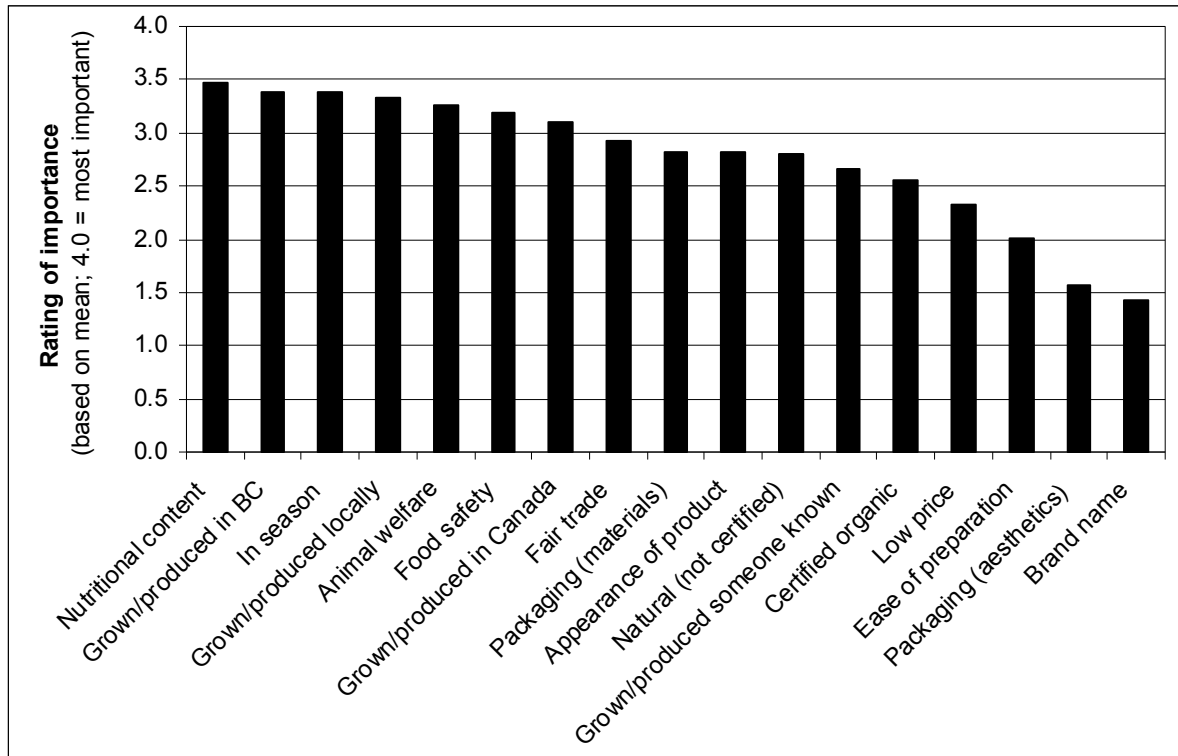


Part of the answer to explain the shopping pattern of market customers is evident in Chart 15 (next page), which shows the relative importance of factors customers consider when buying food. During the farmers' market season the five most important factors to market customers are:

- 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, next page) and how much of that time they spend talking with vendors and friends (Chart 17, next page). 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)

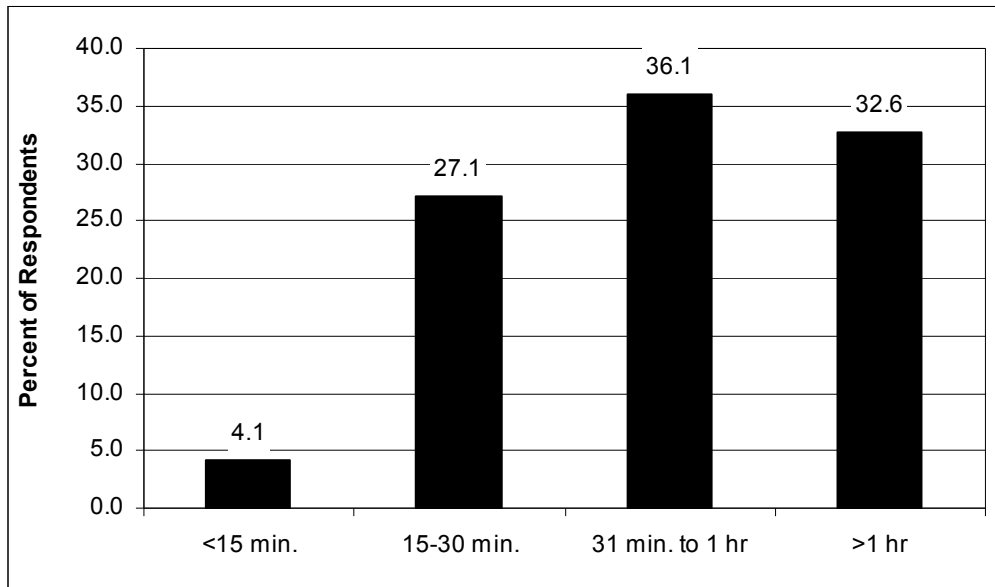
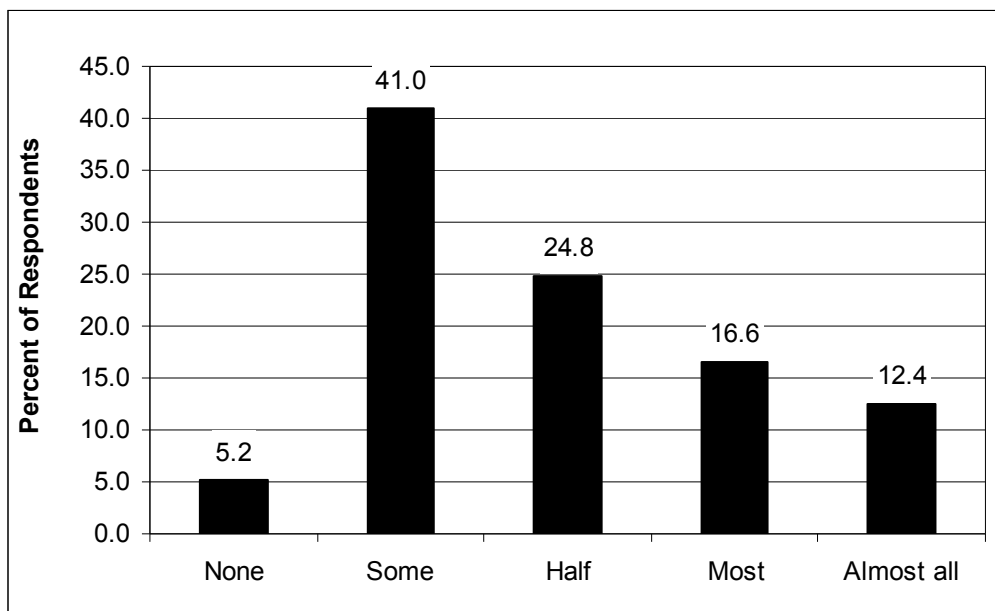


Chart 17. Time spent talking with others at the market (BC: n=290)



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

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

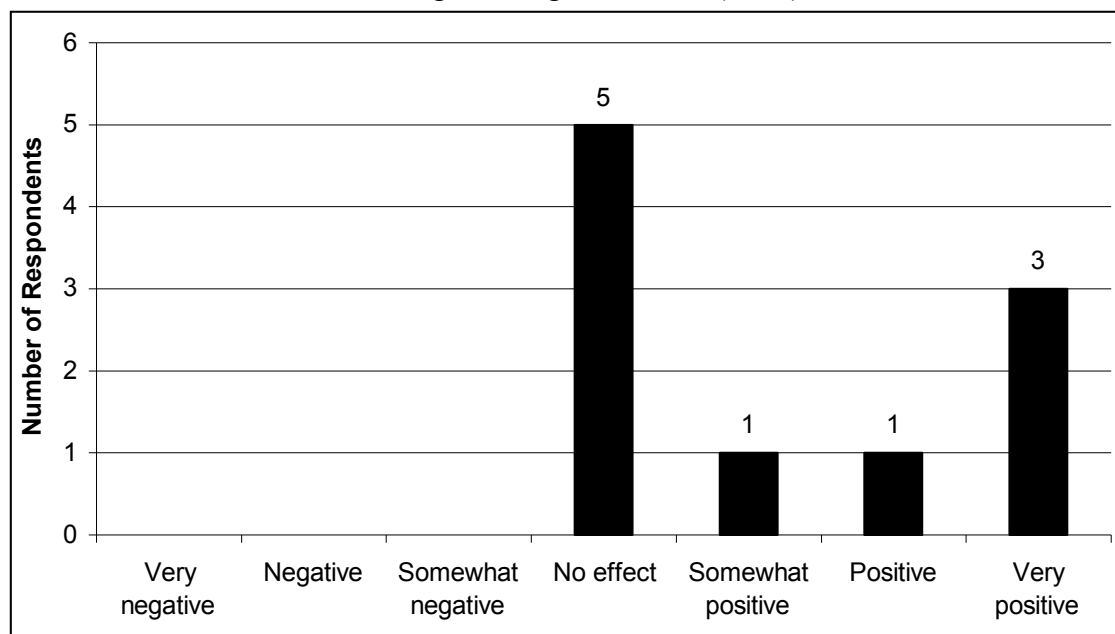
		How time spent					Total
		None	Some	Half	Most	Almost all	
Time spent at market	<15 min.	1	2	0	0	0	4
	15-30 min.	2	17	5	3	0	27
	31 min. to 1 hr	1	16	11	5	4	36
	>1 hr	1	7	9	9	8	33
Total		5	41	25	17	12	100

Business survey

There were several businesses located within visible range of the Salt Spring Tuesday Market, including a few restaurants, cafés, a health food store, gift shop, and an independent book store. Based on availability of businesses for interviews, and whether they are open on market days, we conducted surveys with 10 neighbouring businesses (Chart 18).

Businesses near the market expressed support for this community service, and many saw the market having a positive effect on their businesses or the community. The three businesses that described the effect of the market as ‘very positive’ noted that it brought increased foot traffic to the area and into their shops. One business noted an increase in sales on Tuesday although was not sure if it was due to the market. An employee at another business said the market is beneficial because it brings people downtown during the week and keeps the park in which the market is held more family-friendly.

Chart 18. Effect of market on neighbouring businesses (n=10)



Economic Benefits

The information collected in this assessment enables us to measure the economic benefits of the Salt Spring Tuesday 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 Salt Spring Tuesday Market, seasonally adjusted annual direct sales are:

$$\$25.95 \text{ per customer visit} \times 1,193 \text{ spending customers} \times 22 \text{ (adjusted) sessions} = \$425,000$$

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

Annual economic benefit (2012): \$638,000

This calculation means that the Salt Spring Tuesday Farmers' Market contributes an estimated \$638,000 to the local economy each year. These monies benefit not only market vendors but also the local businesses that supply these vendors.

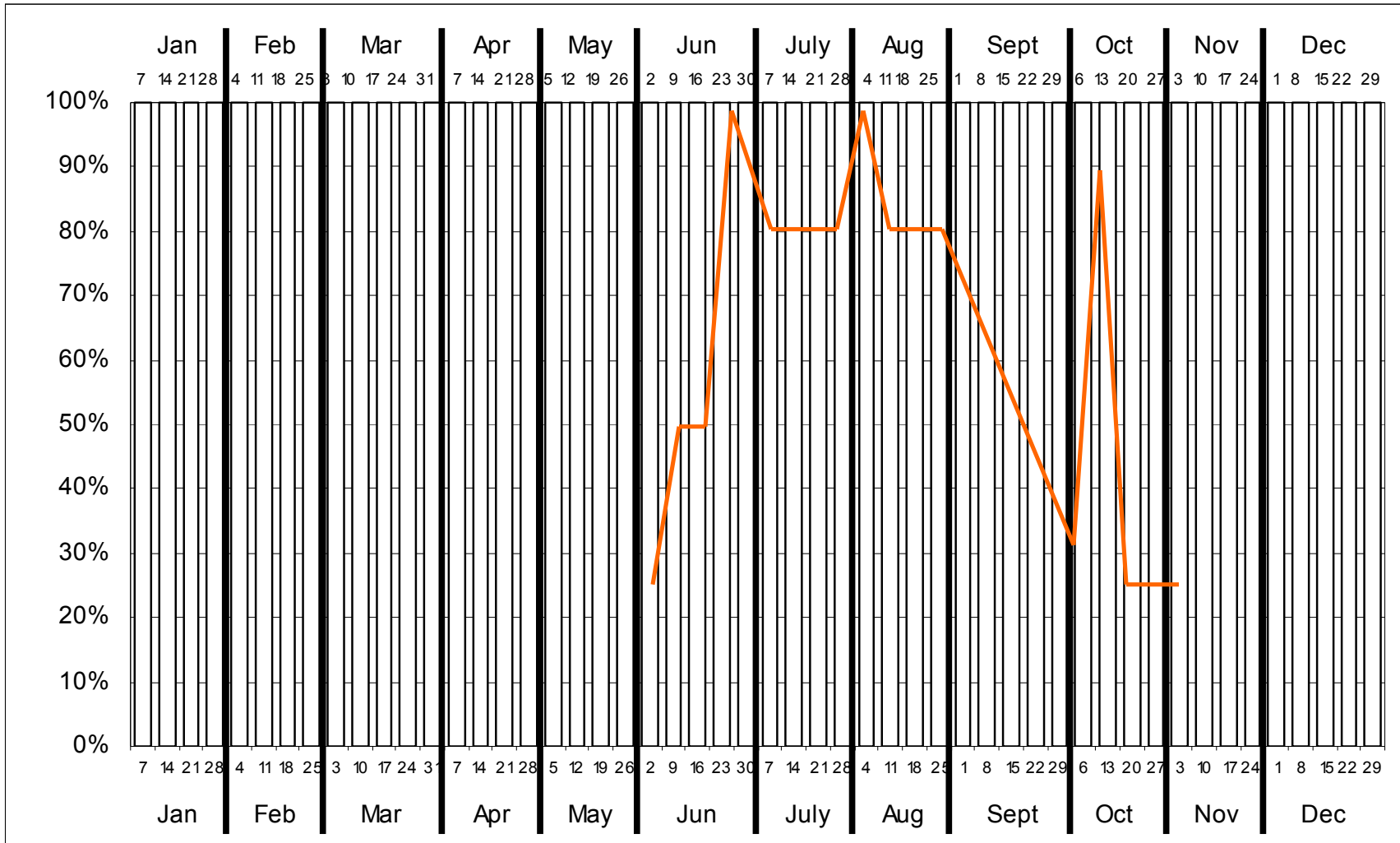
In 2006, the economic benefit of the Salt Spring Tuesday Market was estimated at \$327,000.^{viii} This supports the general view that the market has grown over the past six years. The market has also extended its season since 2006, from 15 sessions to 22 sessions. The estimated economic contribution for the 2012 market between July and mid-October (the 2006 market season) is approximately \$510,500. Even, when considering only the estimated economic benefit for the same number of sessions as the 2006 market season, the impact of the Salt Spring Tuesday Market has increased significantly.

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 Salt Spring Tuesday 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 **\$785,000**, which is up slightly from the estimated 'spillover' community benefit of \$775,000 in 2006.

Appendix: Seasonal activity chart for Salt Spring Tuesday Farmers' Market



Acknowledgements

The BC Association of Farmers' Markets and the project team would like to thank the Salt Spring Tuesday 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 BCAFMs 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.