

ECONOMIC AND SOCIAL BENEFITS ASSESSMENT

FINAL REPORT

Sun Peaks and Region Farmer's Market

Sun Peaks, 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 Sun Peaks and Region Farmers' Market on August 19, 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 2008¹.

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 from the Sun Peaks and Region Farmers' Market:

- **The estimated economic benefit of the Sun Peaks Region Farmers' Market to the local economy is approximately \$299,000 annually**
- **The estimated number of market customers on assessment day: 1,230 customers**
- **Over 250 market visitors participated in the study**
- **Average customer spending per visit: \$21.60**
- **19% of the survey respondents visit the market either 'regularly' (almost weekly) or 'frequently' (2-3 times per month)**
- **Estimated number of annual market visits: 9,840**

The Sun Peaks and Region Farmers' Market assessment is part of a province-wide project. The purpose of the provincial study is to quantify the economic and social contributions of farmers' markets. The Sun Peaks Farmers' Market is a small market with less than 20 vendors that takes place in the heart of Sun Peaks Resort, in the Village Square.

The market gives residents of Sun Peaks the opportunity to bring local, sustainable food home to their dinner table. The market also provides visitors with the chance to purchase handmade arts, crafts, beauty products, and more. Situated in a ski-resort setting, this Sunday market takes place in conjunction with other summer activities that aim to attract people to this resort year round. Many of the visitors to the market are either locals who have been coming to the market since it started, or people who are visiting the resort for mountain biking, hiking or special events. Some of the special events include the Annual Wine and Culture Festival, Annual Quilting in the Mountains, and the Annual Retro Concert Weekend. The market assessment was conducted on Sunday, August 19, 2012, during the Retro Concert Weekend. The results show that an average of 308 people attend the market each hour it is open. This is a similar average to similar small-sized markets in BC.

Average spending at the Sun Peaks Farmers' Market is \$21.60, putting per-customer spending at this market lower than at other markets in BC and Canada, and below average when compared to small markets in Canada. This is likely due to the small number of vendors, and the fact that visitors to the resort are not likely to purchase large amounts of produce for their households. Nevertheless, the 2012 average is about \$5.00 higher than in 2006; when the average amount spent by shoppers was \$16.85.

The majority of market visitors (83.9%) indicated that they would do additional shopping in Sun Peaks. These results are similar to the results of the 2006 assessment where 87.5% of customers indicated they would do additional shopping in Sun Peaks, although the average amount spent has increased from \$20.78 in 2006 to \$30.60 in 2012.

Market organizers were interested in learning how people heard about the market. About 40% of people surveyed indicated that they found out about the market simply by passing by the village area. Many of the people surveyed indicated that they stopped by the market while on their way to the Retro Music Concert. About one-third of respondents indicated that they heard about the market through word of mouth, which included locals who 'just knew' that the market was going on.

The study illustrates that the Sun Peaks Farmers' Market draws in the year-round residents, who have been coming for years (about 15% of respondents indicated they have been coming to the market since it opened), but the majority of shoppers are first-time visitors (about half indicated that it was their first time at the market).

Taken together, the results reflect that this farmers' market is one activity among many that draw people to Sun Peaks Resort as a whole. 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.



DESCRIPTION OF MARKET

The Sun Peaks and Regions Farmers' Market

Market Website:

<http://www.sunpeaksresort.com/farmers-market>

<http://www.bcfarmersmarket.org/markets/marketdetails.asp?marketID=115>

Come stroll through the picturesque alpine village, listen to live music, and take part in the Sun Peaks & Region Farmers' Market.

The Farmers' Market is a perfect opportunity to bring local, sustainable food to your family's dinner table. Local farmers, ranchers, and artisans will be in the village selling fruits, veggies, local meats, seafood, arts, crafts, beauty products, and more.

Availability:	Open from July 1 st to September 9 th Sundays from 9:30am-1:30pm
# Vendors:	16
Location:	Sun Peaks Village Square
Contact Info:	Janice Nankivell tspevents@sunpeaksresort.com

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 hear about the Sun Peaks Farmers' 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 Sun Peaks Farmers' Market successful and how it contributes to the local area, in terms of both its economic and social benefits.

RESULTS

This section reviews the results of the rapid market assessment, including the crowd count estimates and flip-chart surveys. The results for the one-on-one customer interviews and business interviews follow

Rapid Market Assessment

The weather on the day of the assessment was sunny and warm. There were approximately 12 vendors present. The market took place during the Third Annual Retro Concert Weekend, which also drew many people through the market to the Village Square.

Crowd count

The total estimated number of people attending the Sun Peaks Farmers' Market on Sunday, August 19, 2012 was 1,170.

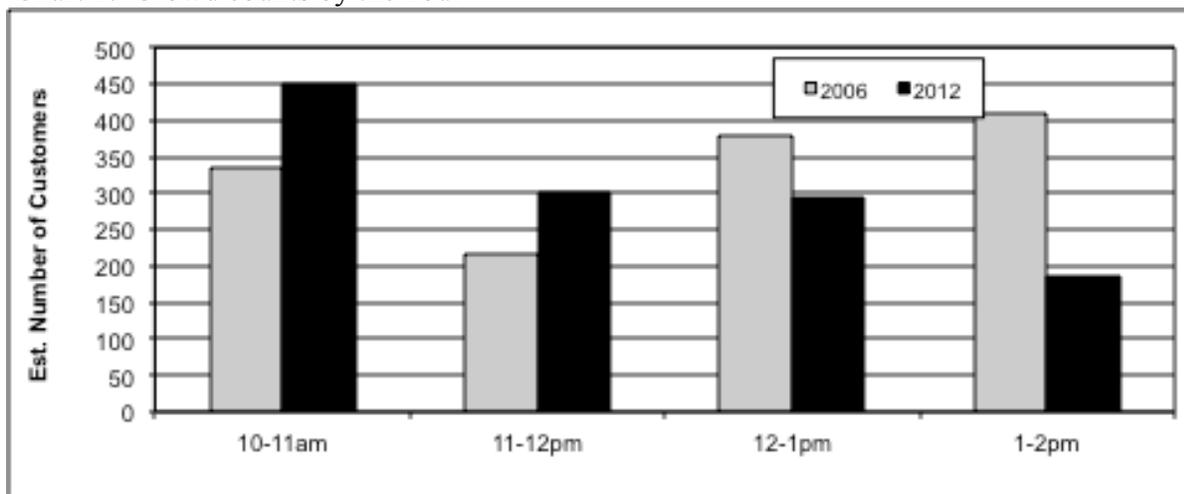
The actual and extended counts for the assessment are shown in Table 1. The total estimated counts are also shown in Chart 1.

Table 1. Estimated Crowd Count

Time period	Count period	Actual count	Extended total
1st hour (9:30-10:30)	10:00-10:10am	75	450
2nd hour (10:30-11:30)	11:00-11:10am	50	300
3rd hour (11:30-12:30)	12:00-12:10pm	49	294
4th hour (12:30-1:30)	1:00-1:10pm	31	186
Estimated total crowd count on August 19, 2012			1,230

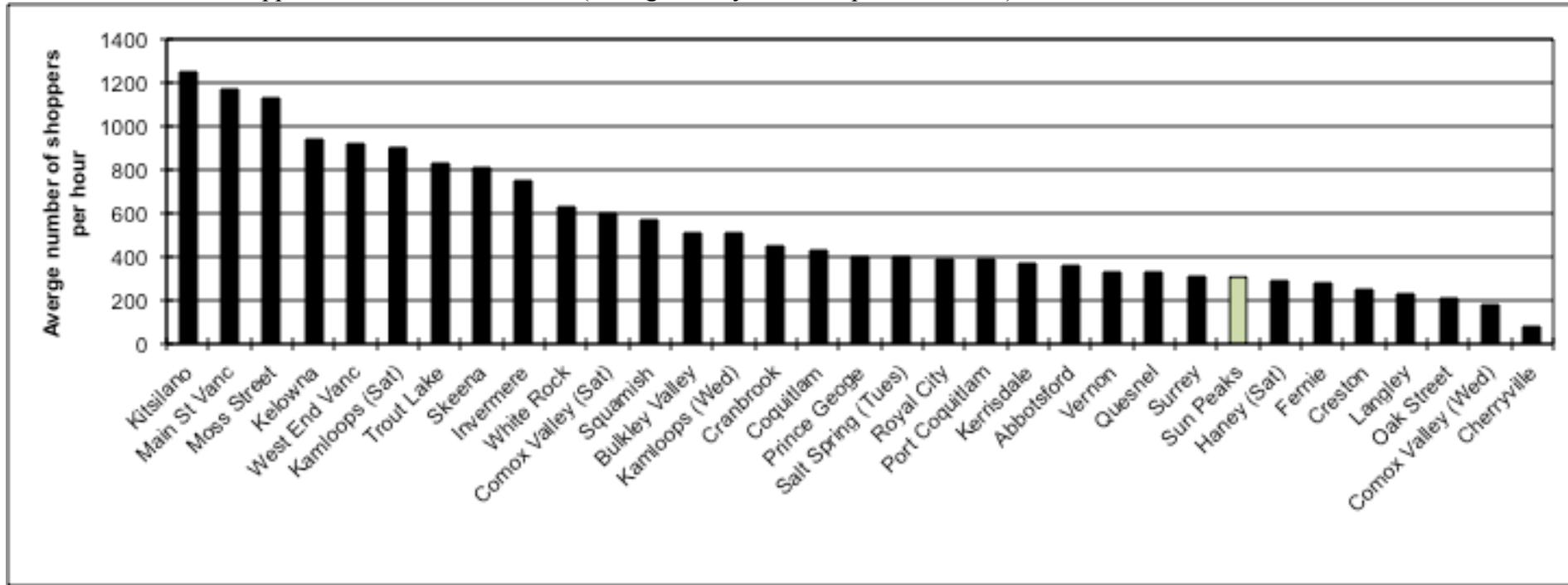
Chart 1 (below) shows the estimated crowd totals for each hour for both 2012 and 2006. Market attendance was highest during the first hour, levelled off for the next two hours and decreased for the final hour. In 2006 market attendance was highest during the final two hours. The live music at Sun Peaks on the day of the assessment in 2012 likely accounts for the high attendance during the first hour, as many visitors stopped by the market on their way to the music festival, which started at 11:00am.

Chart 1. Crowd counts by the hour



As shown in Chart 2 (next page), the number of shoppers attending the Sun Peaks Farmers' 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)



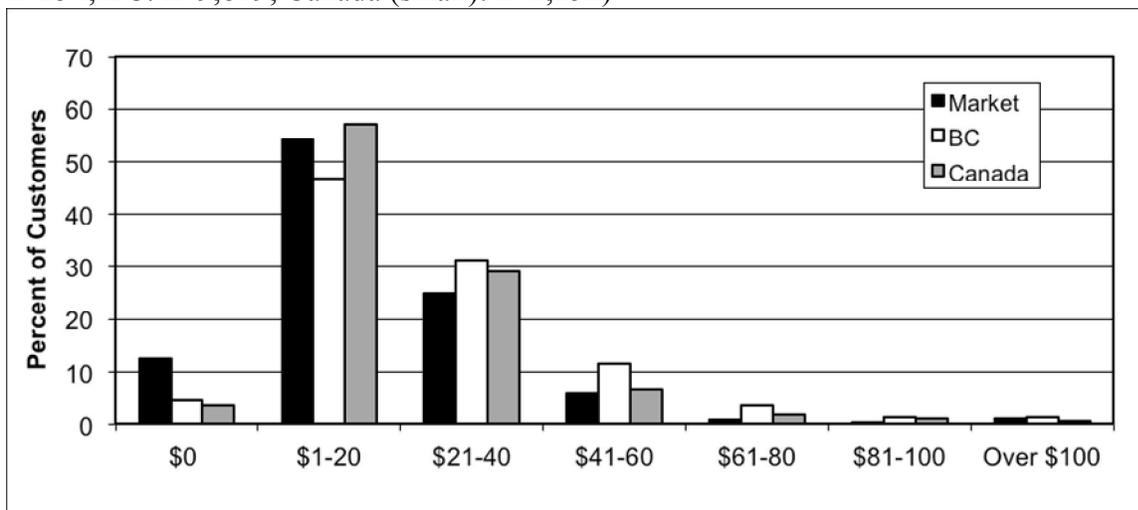
Flip-chart survey

Approximately 250 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?

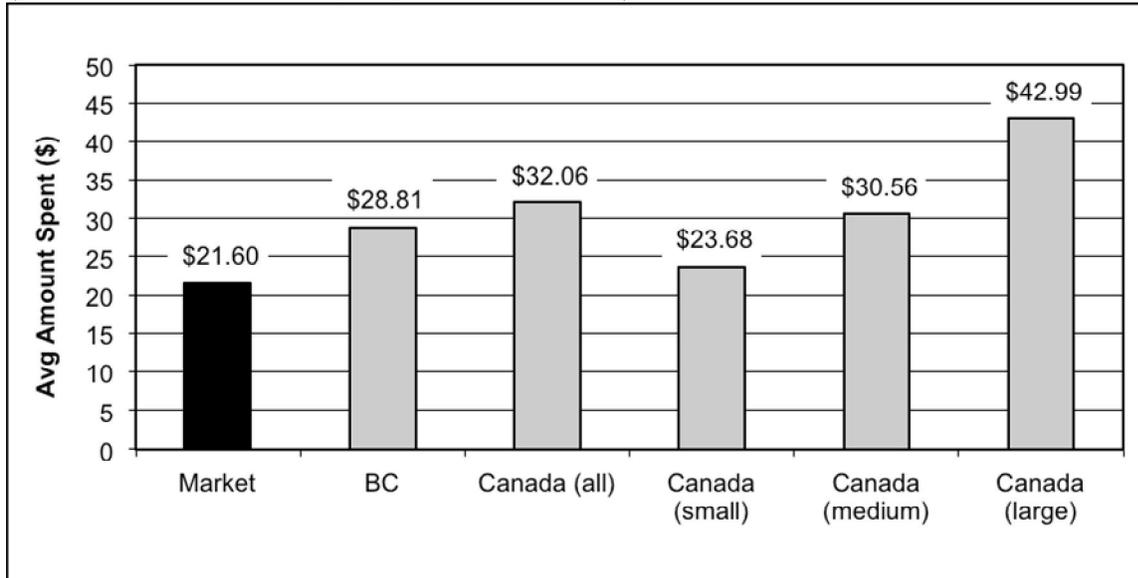
Overall, respondents spent an averageⁱⁱ of \$21.60 each on the day of the assessment. Most customers surveyed (54.3%) said they would spend between \$1-20 at the market that day. The average this year is about \$5.00 higher than in 2006; the amount spent by shoppers in 2006 was \$16.85.

Chart 3. How much have you spent, or do you plan to spend, at the market today? (Market: n=254; BC: n=9,819; Canada (small): n=1,152)



The results shown in Chart 4 illustrate how the Sun Peaks Farmers' Market compares to the average amount shown 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 small market, the Sun Peaks Market has a lower average than both the provincial and national averages.

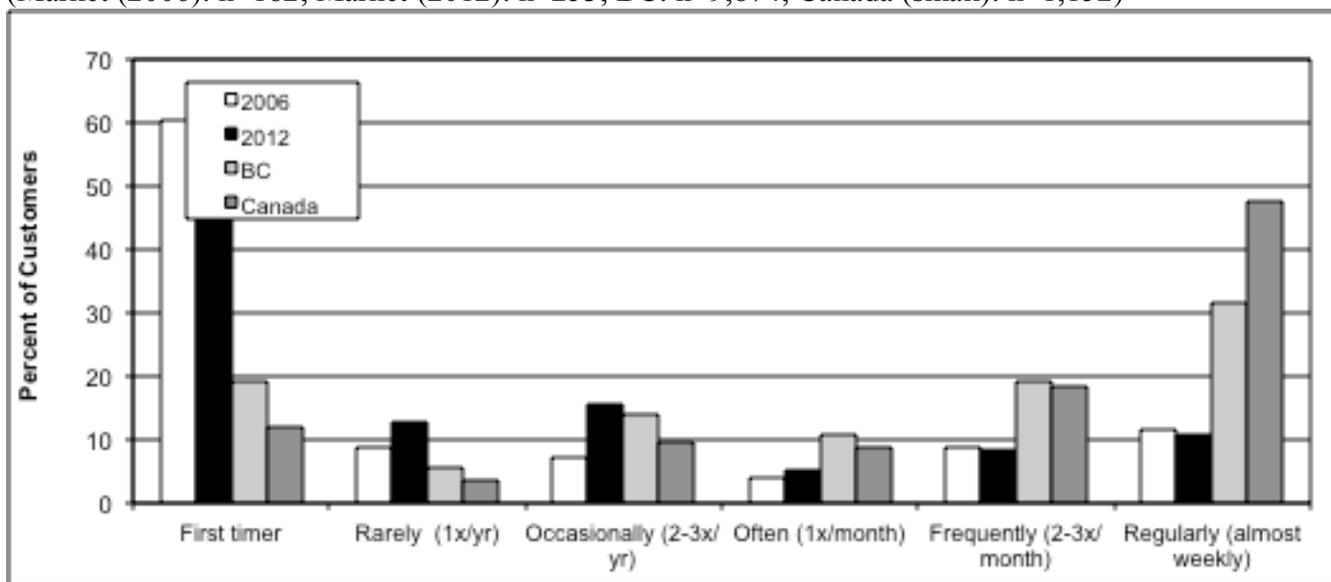
Chart 4. Average amount spent by market shoppers
(Market: n=254; BC: n=9,819; Canada: n=3,167)



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

As shown in Chart 5, the Sun Peaks Farmers' Market has a high percentage of first-time visitors and a fairly equal distribution in the frequency of visits among the rest. About 10% of customers shop regularly at the market. First-time visitors to the market accounted for 47.8% of respondents. This pattern is somewhat different to the results of the assessment in 2006 where 60.3% of customers were first-time visitors, although the percentage of regular visitors stayed the same (11.4% in 2006). The percentage of first-time visitors is still relatively high when compared to provincial and national averages.

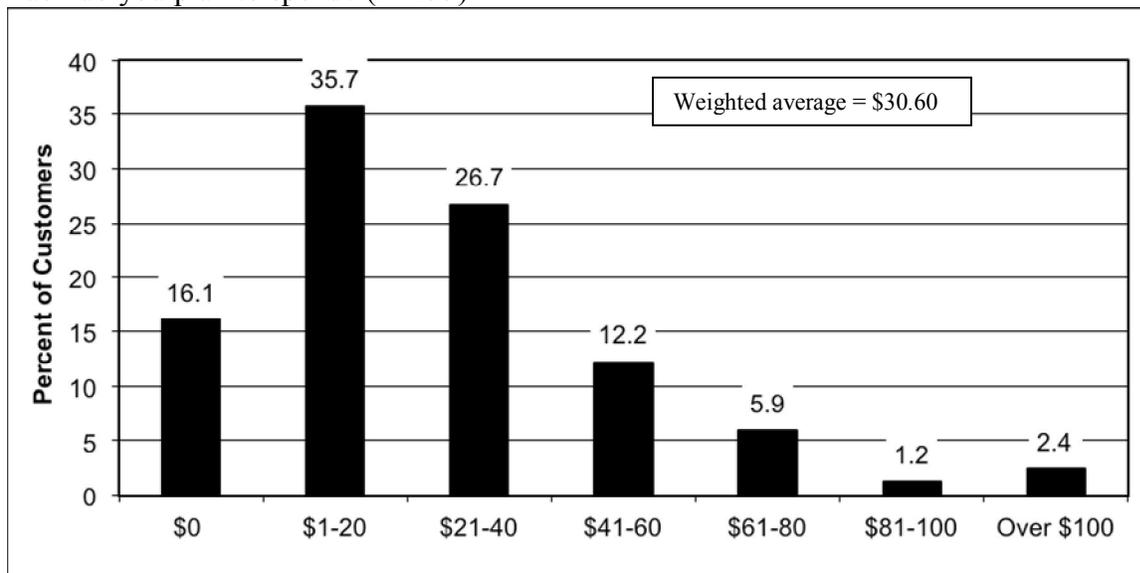
Chart 5. How often do you come to this market?
(Market (2006): n=182; Market (2012): n=253; BC: n=9,874; Canada (small): n=1,152)



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 83.9% of respondents saying they would do additional shopping at neighbouring businesses that day. Over one-third (35.7%) of customers surveyed said they would spend up between \$1-20; 26.7% said they would spend between \$21-40. The average amount spent per customer at neighbouring businesses was \$30.60.ⁱⁱⁱ These results are similar to the results of the 2006 assessment where 87.5% of customers indicated they would do additional shopping in Sun Peaks, although the average amount spent has increased from \$20.78 in 2006 to \$30.60 in 2012.

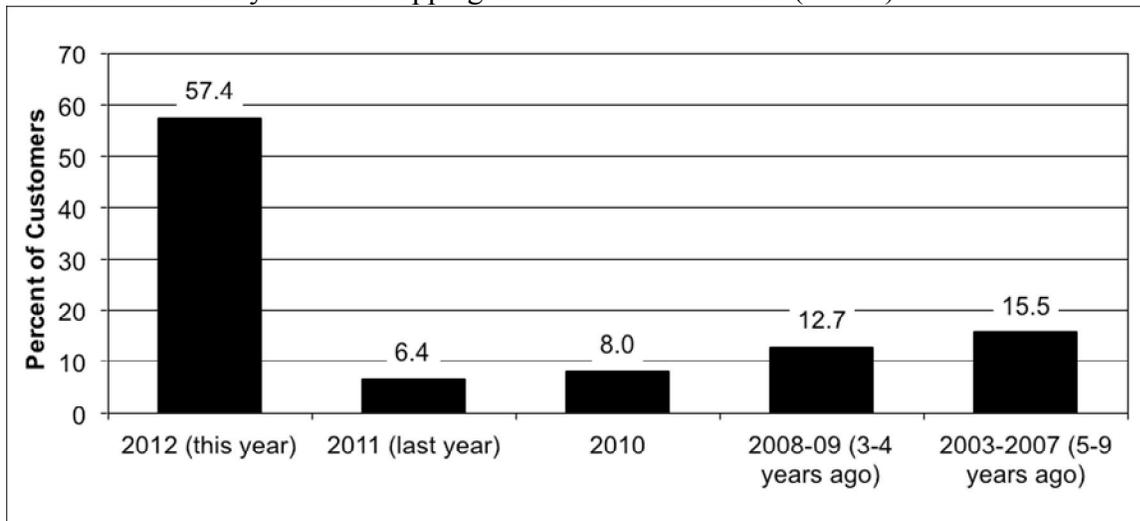
Chart 6. If you plan to do additional shopping or eating while in this area of town today, how much do you plan to spend? (n=255)



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

As shown in Chart 7, the Sun Peaks Farmers' Market has a good portion of new customers. More than half of all customers surveyed (57.4%) started shopping at the market this year, and 15.5% of all respondents have been coming to this market since it began over five years ago.

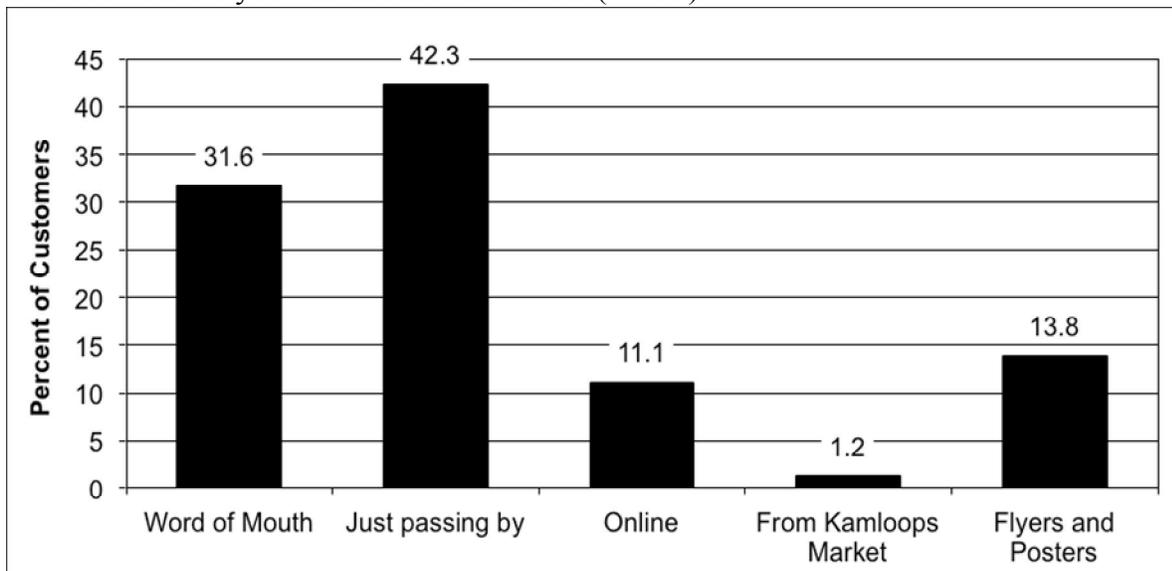
Chart 7. When did you start shopping at this farmers market? (n=251)



Question 5. How did you hear about the Sun Peaks Farmers' Market?

Chart 8 illustrates that 42.3% of people surveyed found out about the market while passing through the village square and almost one-third (31.6%) found out through word of mouth. Many of the people surveyed mentioned that they saw the market on their way to the music festival.

Chart 8. How did you hear about this market? (n=253)



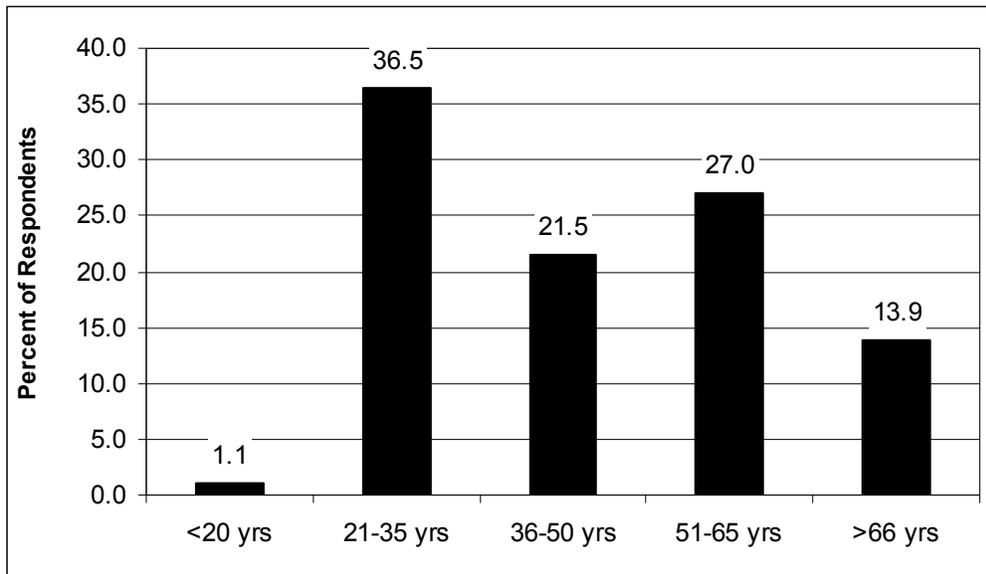
Market surveys

Customer Survey

We conducted interviews with 291 customers at 33 markets in BC. The following charts show results of all the customers surveyed across the province. When interpreting the results of these surveys, it should be noted that the people who agreed to participate in the one-on-one interviews over-represent regular shoppers, as these people are also the ones who are more likely to participate in such market surveys. The over-representation of regular shoppers is evident when we compared the customer survey results (291 responses) against the results gathered from the flip chart surveys (9,819 responses). The flip chart surveys show a wider representation of market shoppers.

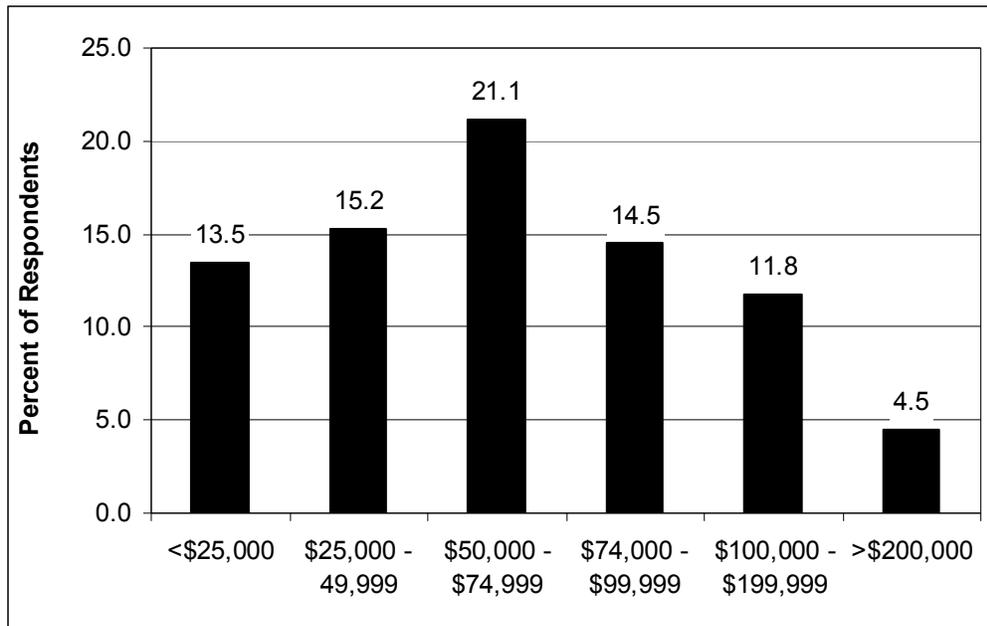
The results in Chart 9 show the age range of farmers' market customers in BC.

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



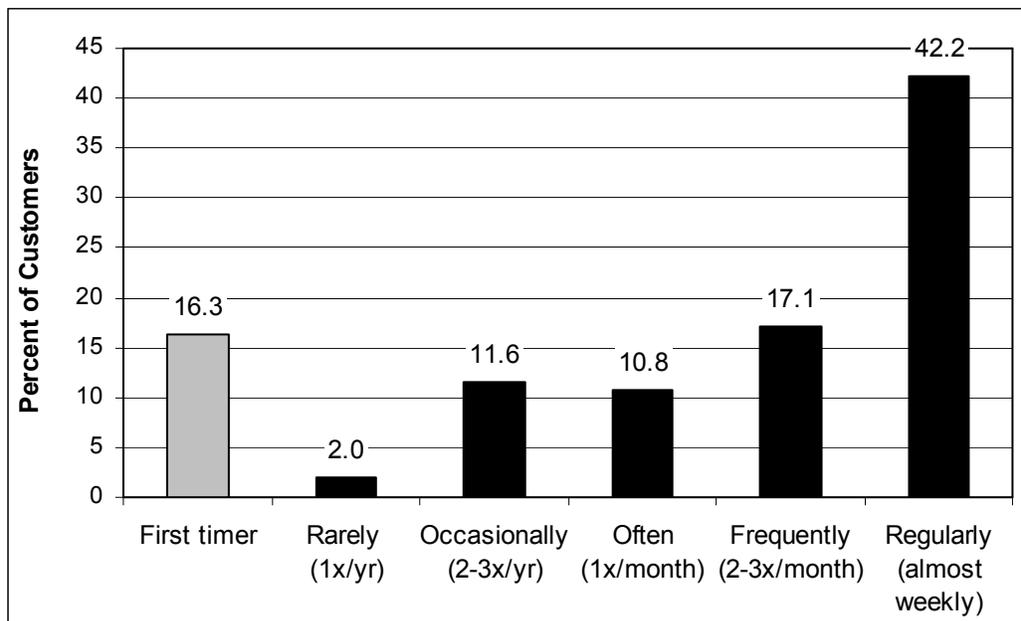
The household income of shoppers at farmers' markets in BC is shown in Chart 10. The results show that people from households with a range of incomes shop at BC's markets.

Chart 10. Household income (BC: n=233)



Over 40% of customers surveyed in BC shop at the market regularly (almost weekly), with an additional 17% shopping at least two to three times per month (Chart 11). Together, these results indicate that almost six of ten shoppers can be considered among the core group of market shoppers at BC markets, although, as noted, the results do over-represent regular shoppers. The actual results are likely to be lower but still significant.

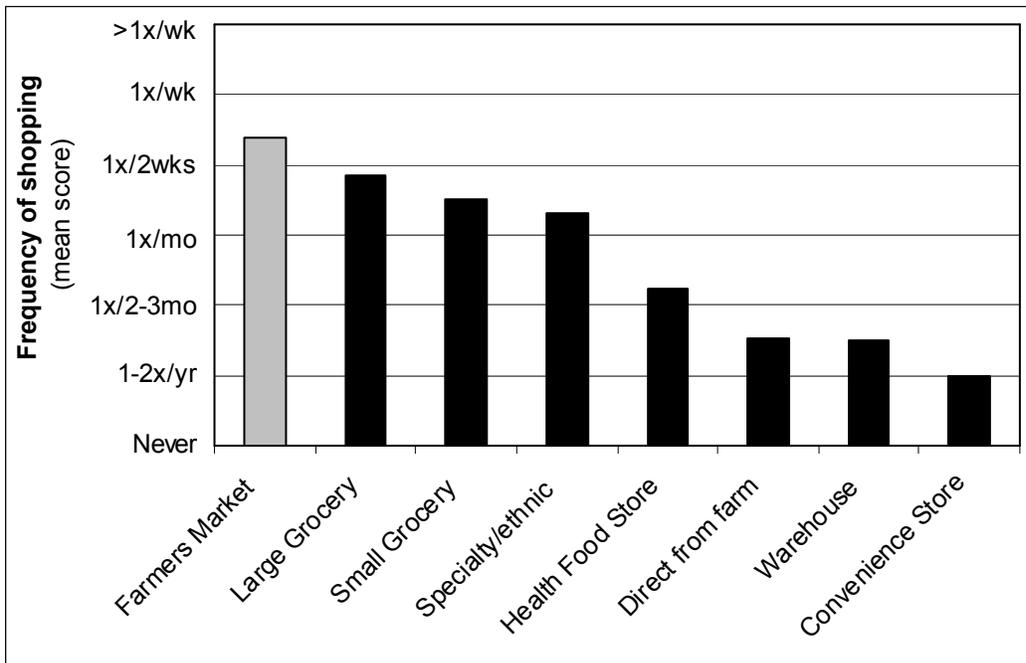
Chart 11. Frequency of shopping at farmers' markets (BC: n=251)



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

Chart 12. Where shoppers shop during the outdoor market season (BC: n=290)

Note: a higher bar means shopping more often at the corresponding store.

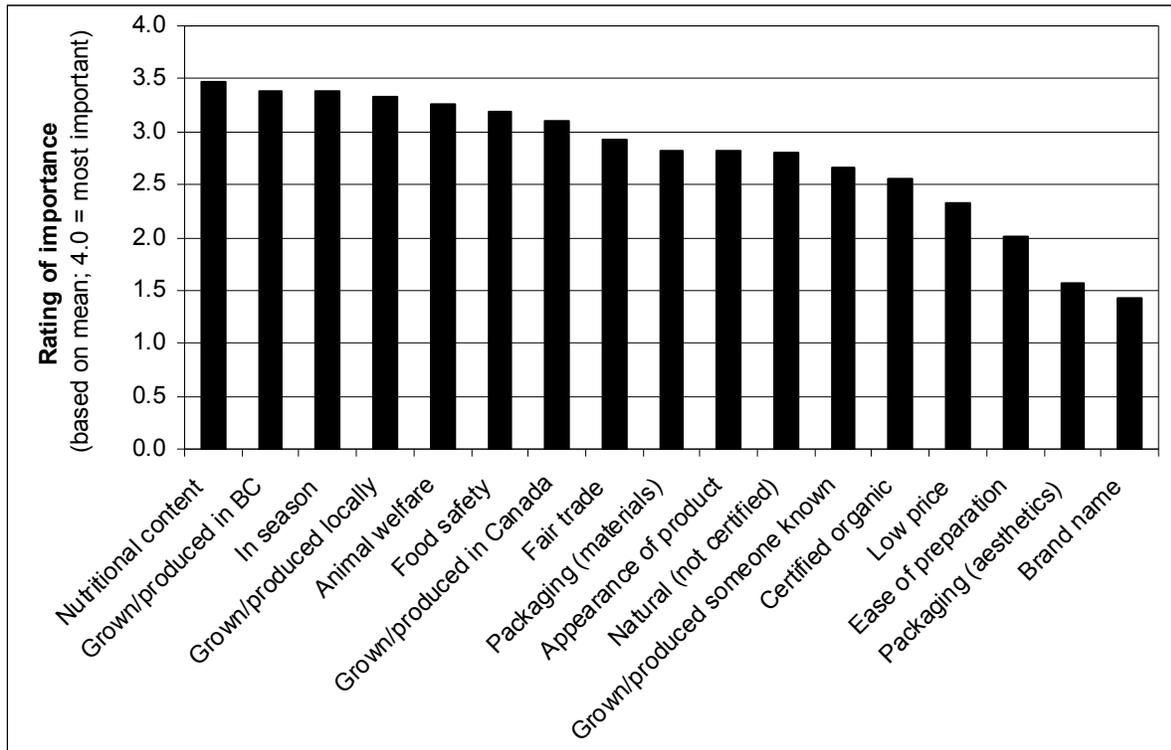


Part of the answer to explain the shopping pattern of market customers is evident in Chart 13, which shows the relative importance of factors customers consider when buying food. During the farmers' market season the five most important factors to market customers are:

- Nutritional content
- Grown/produced in BC
- In season
- Grown/produced locally
- Animal welfare

Brand name, low price, and certified organic are among the lowest rated factors that influence food purchasing decisions.

Chart 13. Factors people consider when buying food: BC (n=289)



We also asked customers how long they spend at the market (Chart 14) and how much of that time they spend talking with vendors and friends (Chart 15). The results for all BC shoppers surveyed highlight the important social aspect of farmers' markets. Almost 70% of all respondents said that they spend over 30 minutes at the market, and over half (53.8%) of all respondents said they spend at least half their time at the market socialising with others.

Chart 14. Amount of time customers spend at the market (BC: n=290)

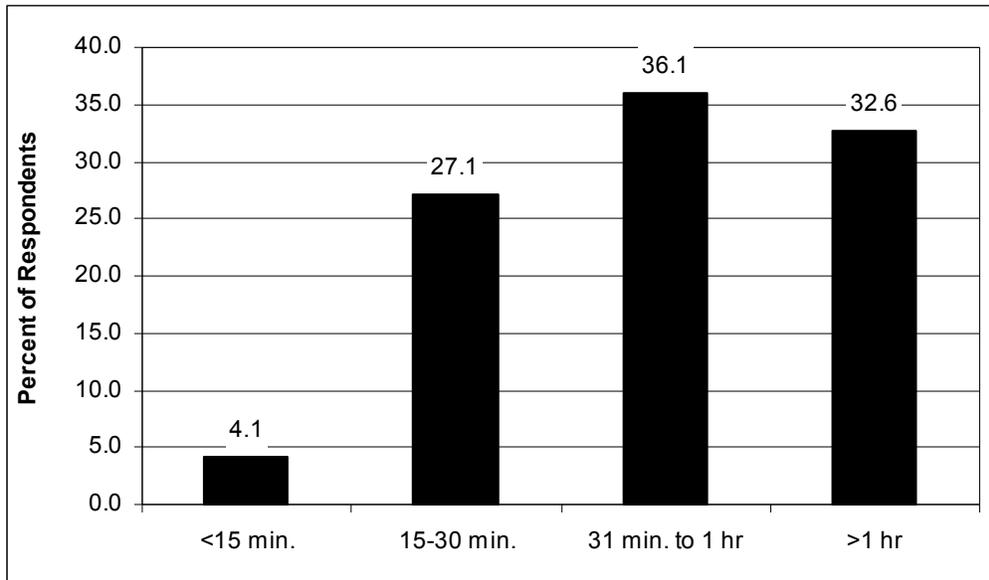
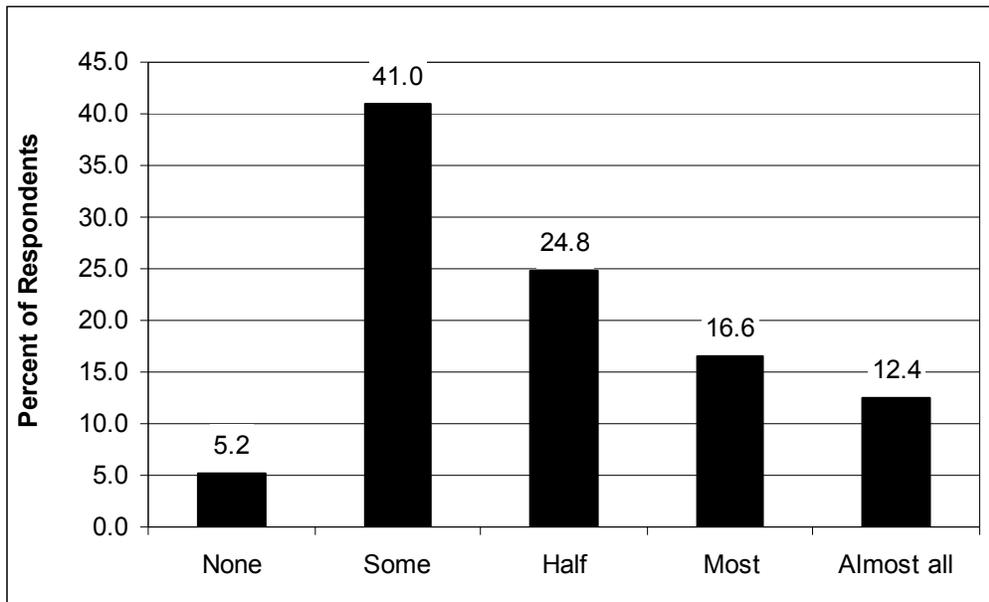


Chart 15. Time spent talking with others at the market (BC: n=290)



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

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

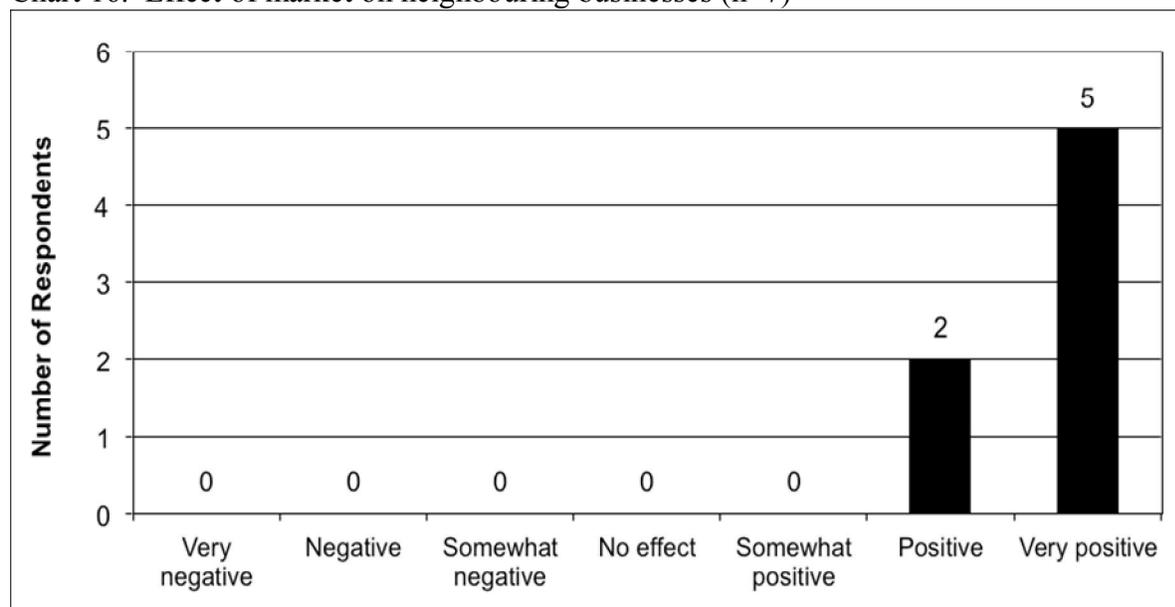
		How time spent					Total
		None	Some	Half	Most	Almost all	
Time spent at market	<15 min.	1	2	0	0	0	4
	15-30 min.	2	17	5	3	0	27
	31 min. to 1 hr	1	16	11	5	4	36
	>1 hr	1	7	9	9	8	33
Total		5	41	25	17	12	100

Business survey

There were many businesses located within visible range of the Sun Peaks Farmers' Market, including outdoor equipment stores, cafes and small boutiques. Based on availability of businesses for interviews, and whether they are open on market days, we conducted surveys with seven neighbouring businesses (Chart 16).

The businesses that reported noticeable impacts from the market said that the market is good for getting people downtown and into their stores. One business said that the market is great for them, as people come in to their business to eat both before and after the market.

Chart 16. Effect of market on neighbouring businesses (n=7)



Economic Benefits

The information collected in this assessment enables us to measure the economic benefits of the Sun Peaks 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:

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

For the Sun Peaks and Region Farmers' Market seasonally adjusted annual direct sales are:

$$\text{\$21.60 per customer visit} \times \text{923 spending customers} \times \text{11 (adjusted) sessions} = \text{\$199,000}$$

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

Annual economic impact (2012): \$299,000

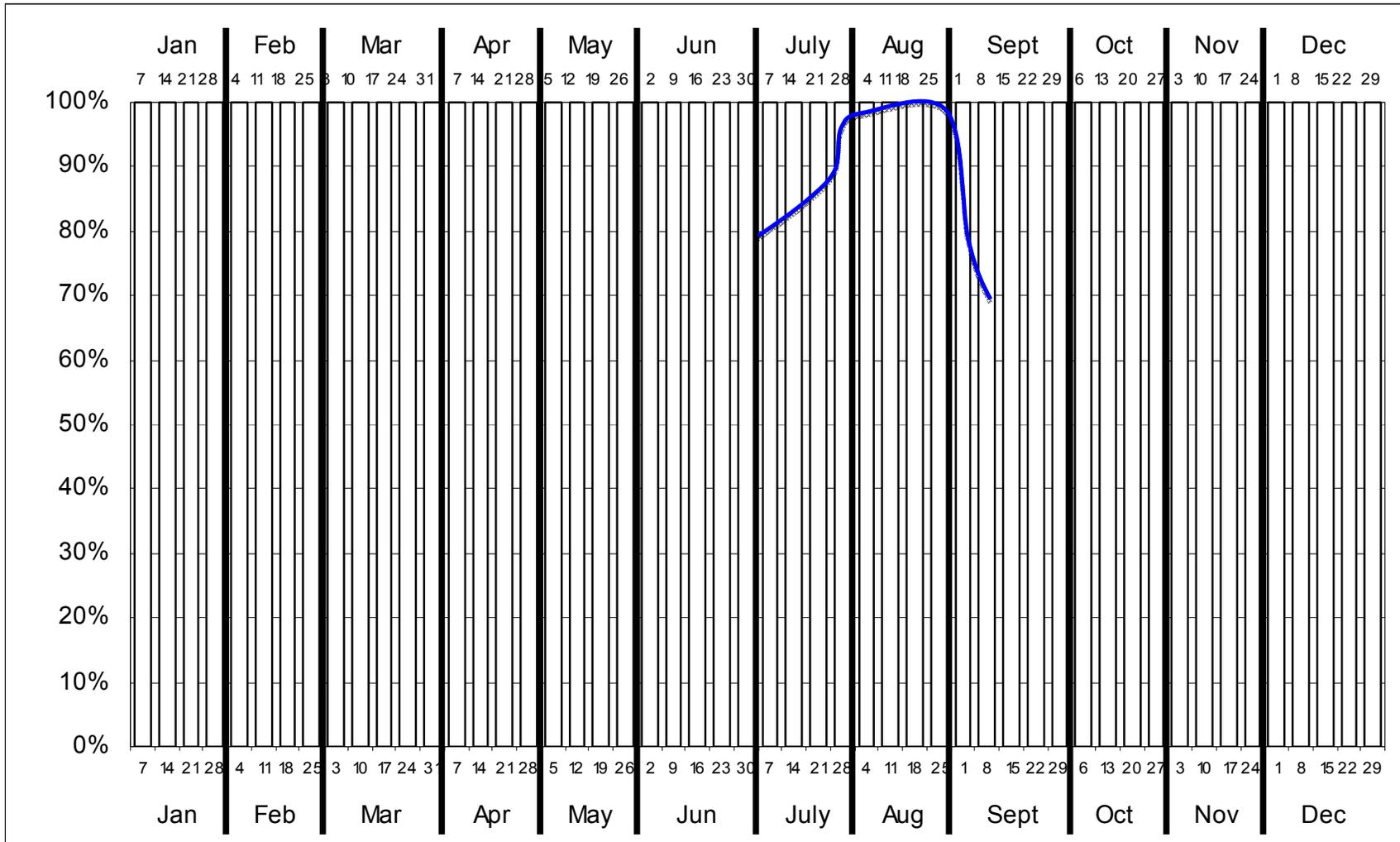
This calculation means that the Sun Peaks Farmers' Market contributes an estimated \$299,000 to the local economy each year. These monies benefit not only market vendors but also the local businesses that supply these vendors.

In 2006, the economic benefit of the Sun Peaks Farmers' Market was estimated at \$469,000.^{viii} The Sun Peaks Farmers' Market had 20 market sessions in 2006 and only 11 market sessions in 2012, which explains why the 2012 economic benefit is substantially lower.

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 Sun Peaks Farmers' Market has on its neighbouring businesses. Based on survey results, we can estimate the impact of market customers spending additional dollars at local businesses on the day of the market. Using the same formula as above, the annual economic impact of additional spending at other neighbouring businesses is over **\$355,000**.

Appendix: Seasonal activity chart for the Sun Peaks and Region Farmers' Market



Acknowledgements

The BC Association of Farmers' Markets and the project team would like to thank the Sun Peaks and Region 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.

^{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.