ECONOMIC AND SOCIAL BENEFITS ASSESSMENT

FINAL REPORT

Kamloops Regional Farmers' Market

Kamloops, British Columbia
Saturday Market

A collaborative project of
British Columbia Association of Farmers' Markets
and
School of Environmental Planning,
University of Northern British Columbia

October 17, 2012

Prepared by:
David J. Connell, PhD MCIP
Jenica Frisque, MA MSc

Funding provided by:

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 Kamloops Regional Farmers' Market on Saturday, August 4th 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[i].

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 Kamloops Regional Farmers' Market:

- **The estimated economic benefit of the Kamloops Regional Farmers' Market on the local economy is approximately $3.1 million annually**
- **The estimated number of market customers on assessment day: 3,606 customers**
- **Estimated number of market visits per year: 86,003**
- **Over 500 market visitors participated in the study**
- **Average customer spending per visit: $32.26**
- **54.6% of the survey respondents visit the market either 'regularly' (almost weekly) or 'frequently' (2-3 times per month)**

The Kamloops 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 Kamloops Regional Farmers' Market was founded over 30 years ago by a group of concerned citizens who took the initiative to provide a positive alternative to the global industrialized food system. Today, the market continues to be a success in the sense that it has an important impact on the local economy and an important role in creating and maintaining Kamloops' vibrant community connections.

The Saturday market takes place on 200 block of St. Paul Street and in the schoolyard, a few blocks from down town, and next to the Kamloops Heritage Artisan market and the schoolyard playground, making the farmers' market an important part of a family's outdoor Saturday in town. About 60% of people surveyed at the market said that they would do additional shopping in the downtown area after visiting the market. The average spent ($16.55) was higher than in 2006 ($14.02).

Although the average amount spent per person is substantially lower than the national average for spending at large markets (over 40 vendors), the average number of people attending the market per hour is one of the highest in the province. The estimated number of market visitors per year is 86,003, which is about 5,000 people higher than in 2006 (81,282).

The study shows that people come from all parts of Kamloops from North Kamloops and Brocklehurst (21% of surveyed customers) to Valleyview and Dallas (9.4%) and a substantial percentage (16.9%) are visitors from out of town (see the rest of the results in Chart 6). Besides drawing people to downtown, the market also provides an important space for vendors to sell their produce, prepared food, arts and crafts, and for the musicians and artists to show their talents. When asked what draws people most to the market, the majority (80.6%) expressed that they were drawn most to the market to support local producers and for the local, fresh and organic produce and food itself.

Both the Wednesday and Saturday Kamloops Markets are actively promoting their special market days (such as the Scarecrow building contest) through online social media. By posting reminders and photos on the Internet, the market is able to reach a broader audience. By fostering existing support from the City of Kamloops and the public, and through the development of their online presence, the Kamloops Regional Market will continue to be successful in its founding commitment to provide citizens with the opportunity to support local food systems.


KAMLOOPS
FARMERS MARKET
8:00 - 12:00
LOCAL FRESH
AND
HOMEGROWN

DESCRIPTION OF MARKET

The Kamloops Regional Farmers' Market: description

Market Website: www.kamloopsfarmersmarket.com

Thirty years after it first started, the Kamloops Regional Farmers' Market is thriving and continues to be an inspiration - a great gathering place to make and/or meet friends and exchange ideas - a place to share your passion for food and community. It's a family place with a festival atmosphere, often complete with clowns and musical entertainment.

Markets take place on Wednesday and Saturday and vendors offer a huge and growing variety of products, from bedding plants to fresh fruit, vegetables, meat, baking, eggs, and dairy products. There are also specialty items such as locally made noodles, salsa, condiments and even dog treats.

Availability: Open from April 21st to October 27th

Saturdays from 8:00am – 12:00pm

 # Vendors: 60

Location: 200 block of St Paul Street

Contact Info: Deanna Hurstfield

Kamloops Regional Farmers Market Society
Box 1282 Kamloops, BC
V2C 6H3

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. Due to the fact that the market assessment took place at both the Wednesday and Saturday market, the Saturday Market chose to ask three of the standard questions, and developed two additional questions to ask, listed as the fourth and fifth questions.

   Box 1. Flip-chart survey questions

   1. How often do you come to this farmers' market?
   2. How much have you spent, or do you plan to spend, at the market today?
   3. If you plan to do additional shopping or eating while in this area of town today, how much do you plan to spend?
   4. Where do you live?
   5. What draws you most to 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 Saturday Kamloops Regional 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

<u>Rapid Market Assessment</u>

The weather on the day of the assessment was sunny and hot. There were 36 vendors selling handmade arts and crafts, 41 vendors selling produce, plants, baked goods and other food products, making at total of 77 vendors. There were also four community groups with information booths.

Crowd count
The total estimated number of people attending the Kamloops Farmers' Market on Saturday, August 4, 2012 was 3,606.

When asked, vendors at the market said market attendance was normal for that time in the season, as compared with past years. August through September is the peak season for the Kamloops market, and the Saturday, August 4, 2012 was a typical 'peak day'.

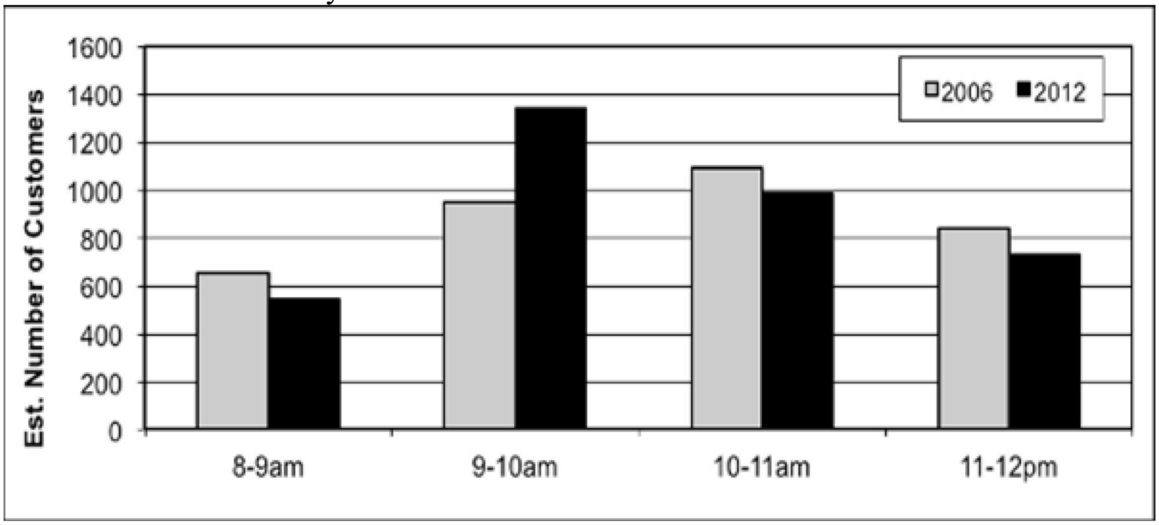
The actual and extended counts for the assessment are shown in Table 1. The total estimated counts are also shown in Chart 1.

Table 1. Estimated Crowd Count

Time period	Count period	Actual count	Extended total
1st hour (8:00-9:00)	8:25-8:35am	91	546
2nd hour (9:00-10:00)	9:25-9:35am	224	1,344
3rd hour (10:00-11:00)	10:25-10:35am	164	984
4th hour (11:00-12:00)	11:25-11:35pm	122	732
Estimated total crowd count on Saturday August 4, 2012			**3,606**

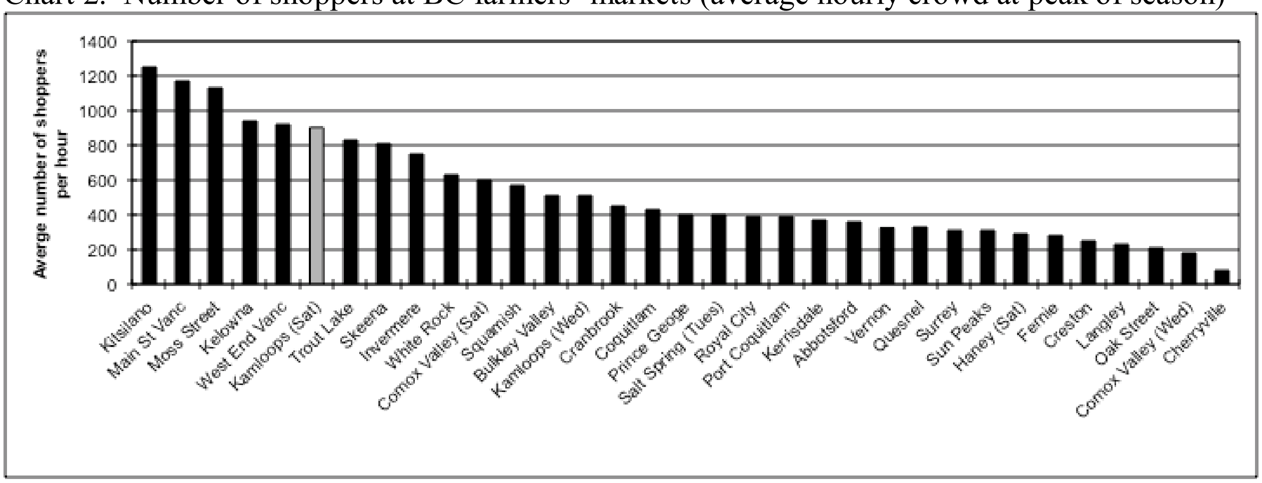
Chart 1 (below) shows the estimated crowd totals for each hour for both 2012 and 2006. Market attendance is slow during the first hour, peaks during the second hour, and then decreases slightly for the third and fourth hours. The crowd totals are very similar to the counts in 2006, with a slight decrease in the first, third and fourth hours in 2012, but a substantial increase in the second hour. The total crowd count was 3534 in 2006, and the study took place on Saturday, August 26, 2006.

Chart 1. Crowd counts by the hour



As shown in Chart 2, the number of shoppers attending the Kamloops Market is relatively high 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)

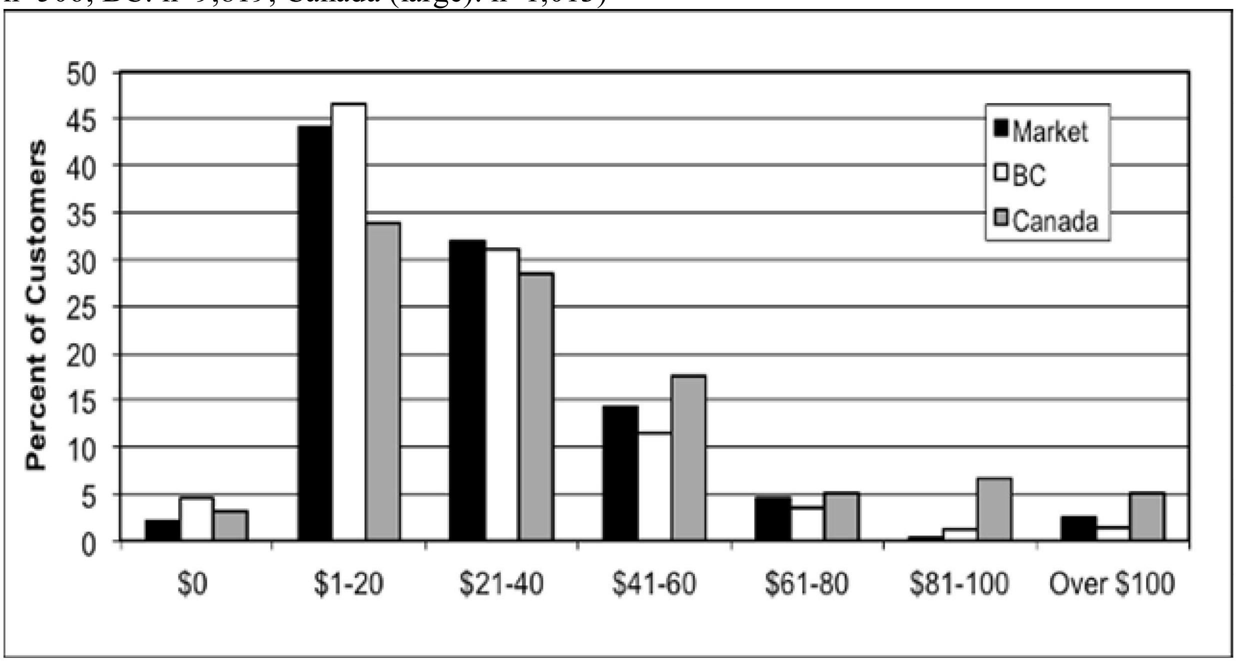


Flip-chart survey

Approximately 500 people responded to the dot survey, which is about 14% of the estimated crowd count. The following five charts show the results for each of the flip chart survey questions.

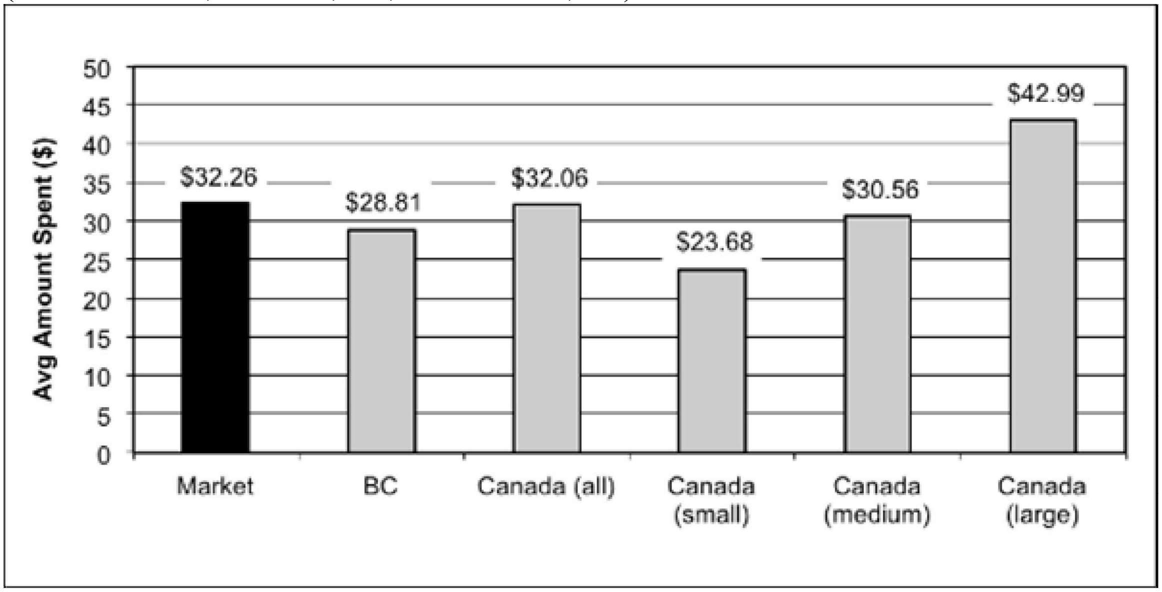
Question 1. How much have you spent, or do you plan to spend, at the market today?
Overall, respondents spent an average[ii] of $32.26 each on the day of the assessment. Most customers surveyed (44.1%) said they would spend between $1-20 at the market that day. The average amount spent by shoppers in 2006 was $25.04.

Chart 3. How much have you spent, or do you plan to spend, at the market today? (Market: n=506; BC: n=9,819; Canada (large): n=1,013)



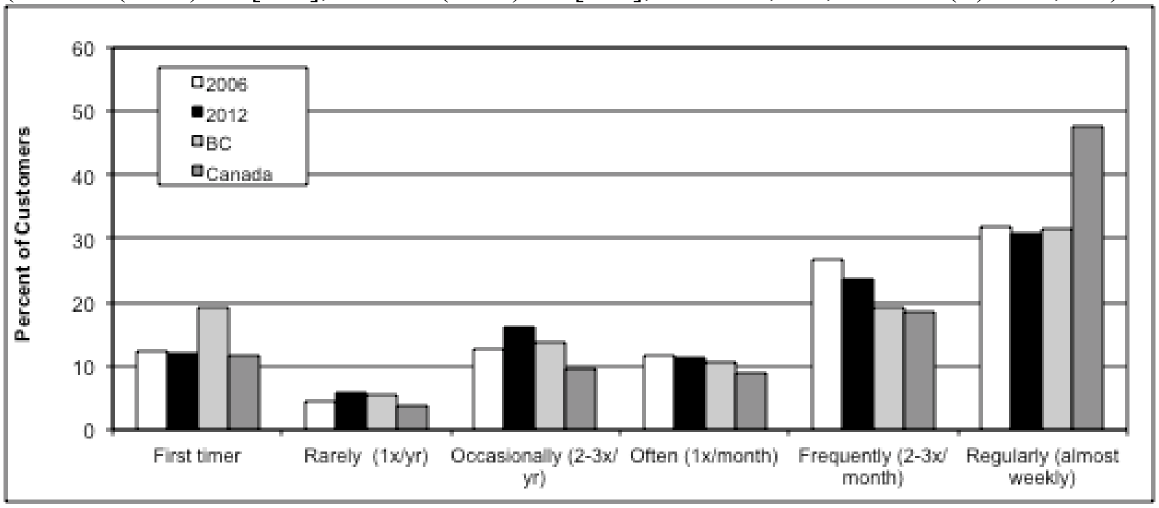
The results shown in Chart 4 illustrate how the Kamloops Regional Farmers' Market compares to the average amount spent by customers at all BC markets and at small (<20 vendors), medium (20-39 vendors), and large farmers' markets (40+ vendors) in Canada. As a large market, Kamloops Market has a lower average than the amount spent nationally on average at large markets. However, the amount spent by customers is very similar to the national average (including all markets) and is slightly higher than the provincial average, which also includes all sizes of markets.

Chart 4. Average amount spent by market shoppers
(Market: n=506; 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 Kamloops Farmers' Market has a varied distribution in the frequency of visits, though regular shoppers account for the highest percentage. One in three customers (30.9%) shop regularly at the market. First-time visitors to the market accounted for 11.9% of respondents. This pattern is very similar to the results of the assessment in 2006. In addition, this pattern is similar to the provincial data, although it differs slightly from the national data in the percentage of regular visitors (which is higher nationally).

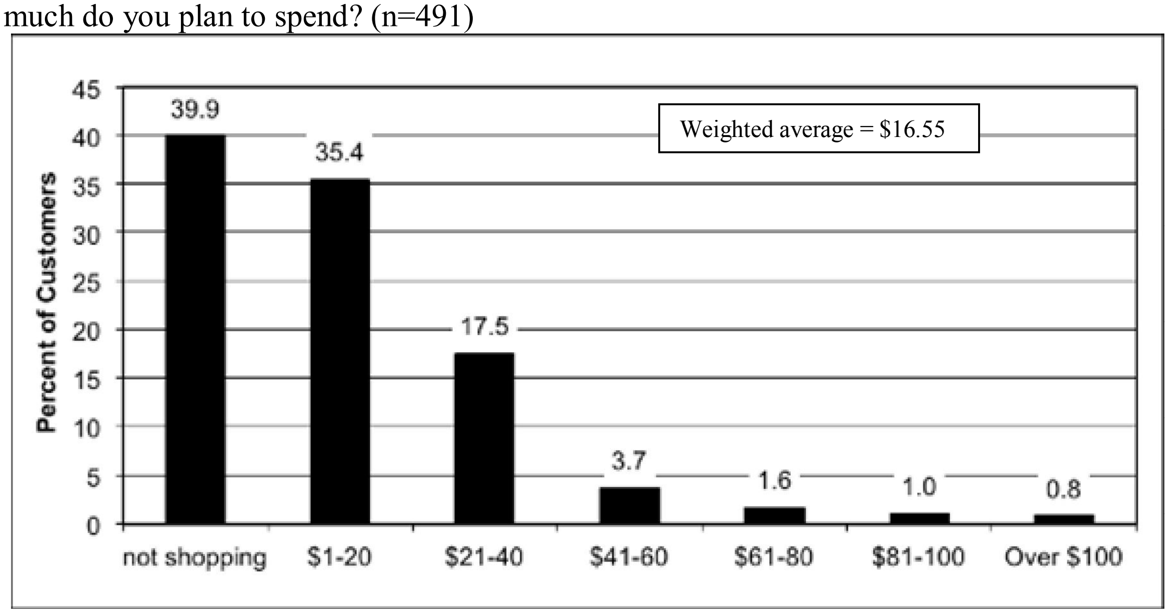
Chart 5. How often do you come to this market?
(Market (2006): n=[408]; Market (2012): n=[511]; BC: n=9,874; Canada (L): n=1,013)



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. The location of the market, on St. Paul Street, is not in immediate proximity to any businesses. However, 60.1% of respondents said they would do additional shopping at neighbouring businesses that day. Over one-third (35.4%) of customers surveyed said they would spend between \$1-20 and 17.5% said they would spend between \$20-40 in the downtown area that day. The average amount spent per customer at neighbouring businesses was \$16.55.[iii] These results differ slightly to the results of the 2006 assessment, where 66% of customers said they would do additional shopping and the average customer spent \$14.02. Given the variability among markets, no comparison is made with BC or national results.

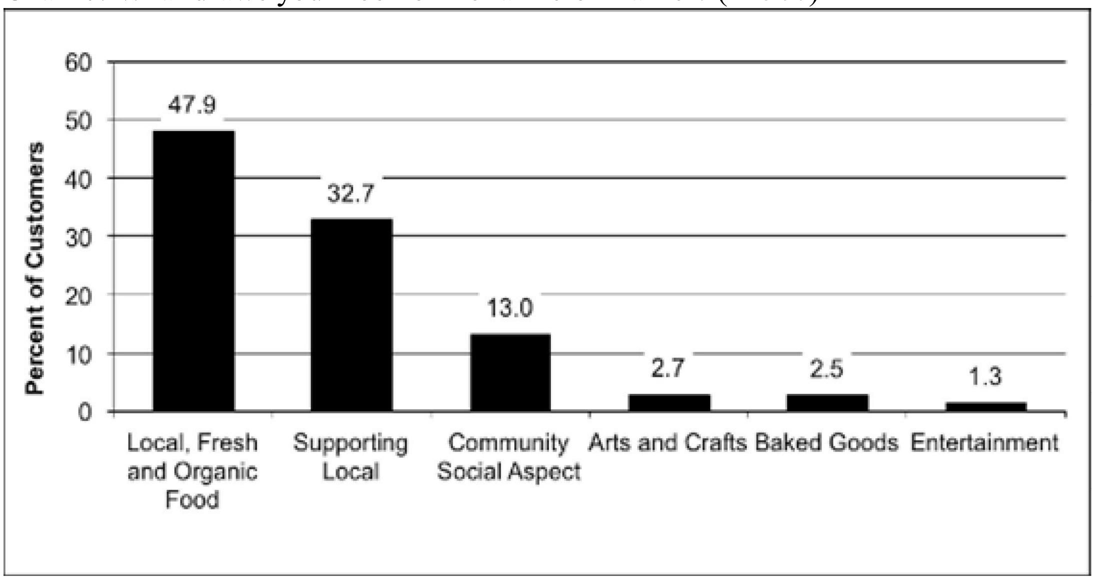
Chart 6. If you plan to do additional shopping or eating while in this area of town today, how much do you plan to spend? (n=491)



Question 4. What draws you most to this farmers' market?

As mentioned in the beginning of the report, the Saturday Kamloops Market chose two market specific questions, rather than asking "When did you start coming to this Farmers' Market." The fourth question asked during the assessment was "What draws you most to the Kamloops farmers' market?" As shown in Chart 7, over three-quarters (80.6%) of customers surveyed stated 'Local Fresh and Organic Foods' and 'Supporting Local Producers' as the factors that drew them to the market. The third highest (13%) was the community and social aspect of the market. Many participants expressed that it was difficult for them to choose between the first two options, stating that they are inherently connected. This sentiment was expressed among participants at other markets in BC who asked this same question.

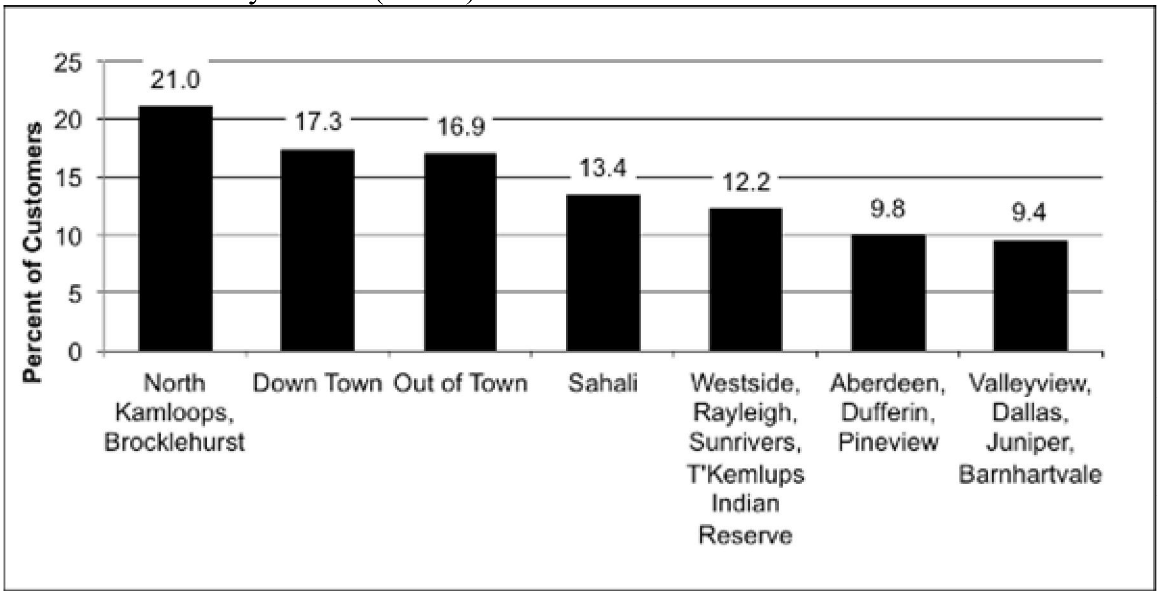
Chart 7. What draws you most to this farmers' market? (n=560)



Question 5. Where do you live?

Chart 8 illustrates where the visitors to the market live in Kamloops. The numbers are fairly evenly distributed amongst the Kamloops neighbourhoods, although North Kamloops and Brocklehurst residents made up almost a quarter of the responses (21%). Among Kamloops residents, the second highest percentage was residents from downtown (17.3%). The number of out of town visitors made up 16.9% of respondents. The same question was asked in 2006, and although the numbers were similarly distributed, only the percentage of out of town visitors was slightly higher (21%). However, this could be accounted for due to the fact that in 2006, the category of "other" was used instead of "out of town" so some Kamloops residents may have fell into that category in 2006, if their neighbourhood was not mentioned.

Chart 6. Where do you live? (n=431)

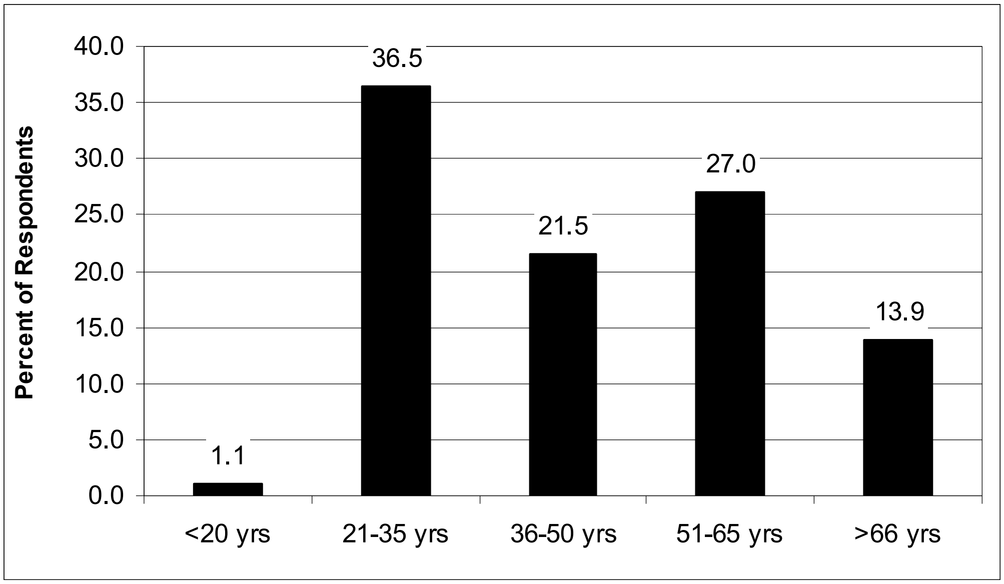


Market surveys

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 interpretting 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.

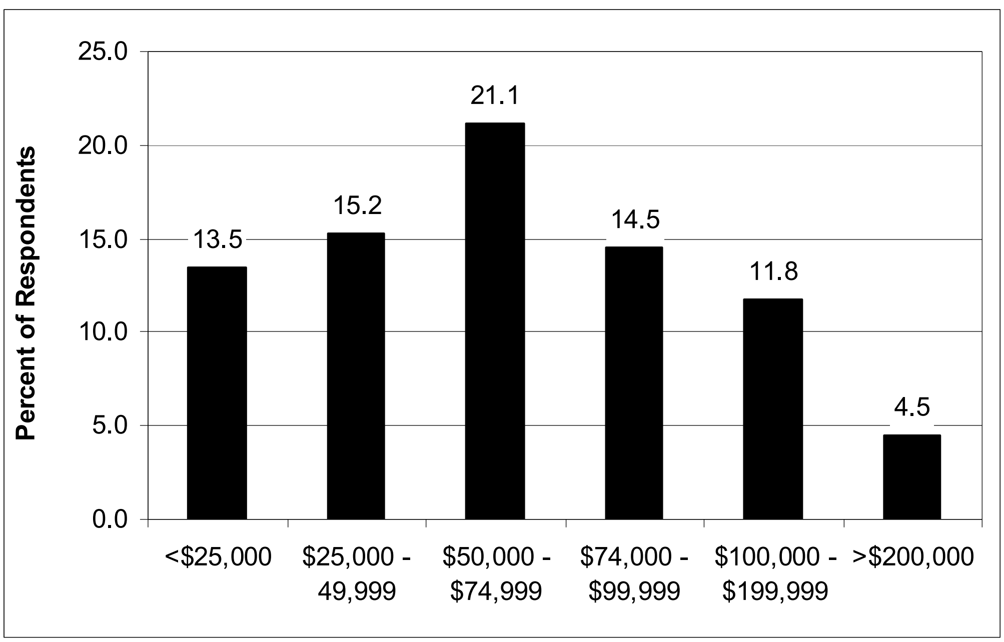
The results in Chart 9 show the age range of farmers' market customers in BC.

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



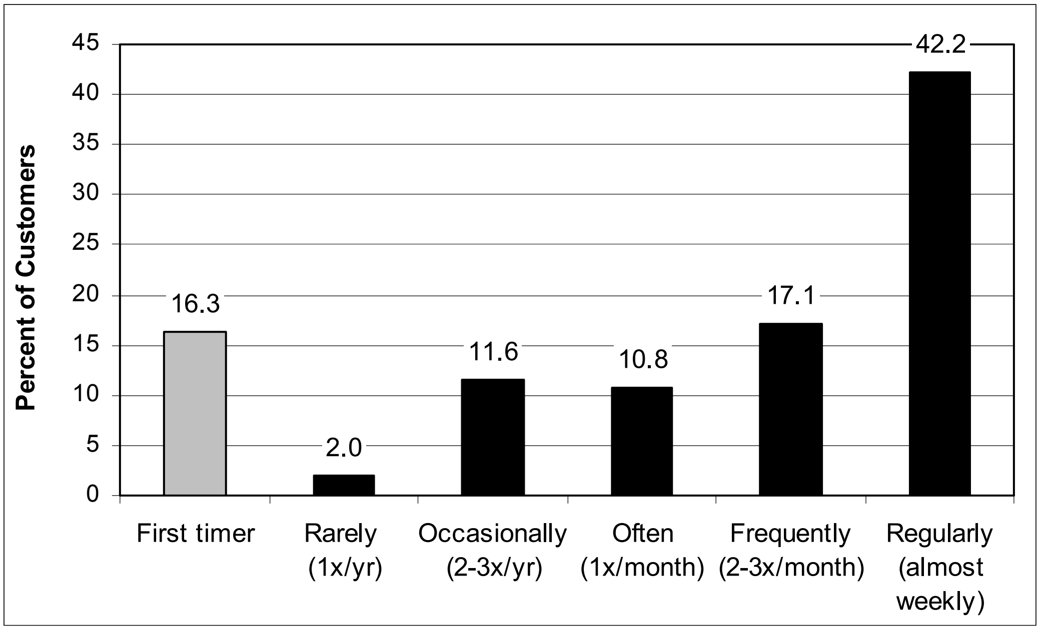
The household income of shoppers at farmers' markets in BC is shown in Chart 10. The results show that people from households with a range of incomes shop at BC's markets.

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



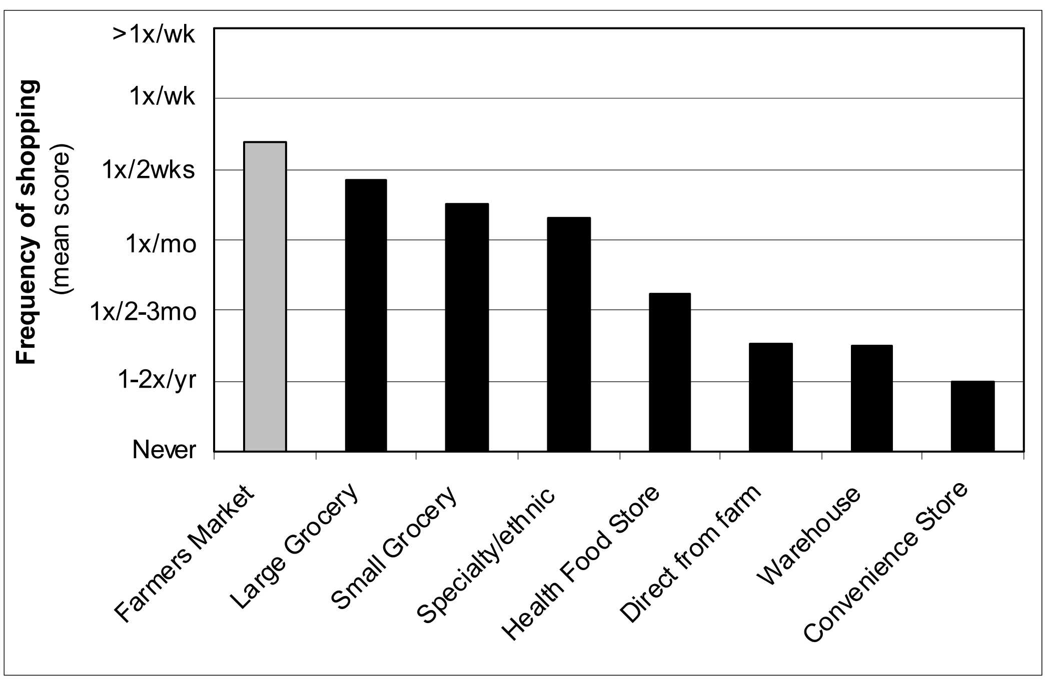
Over 40% of customers surveyed in BC shop at the market regularly (almost weekly), with an additional 17% shopping at least two to three times per month (Chart 11). Together, these results indicate that almost six of ten shoppers can be considered among the core group of market shoppers at BC markets, 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.

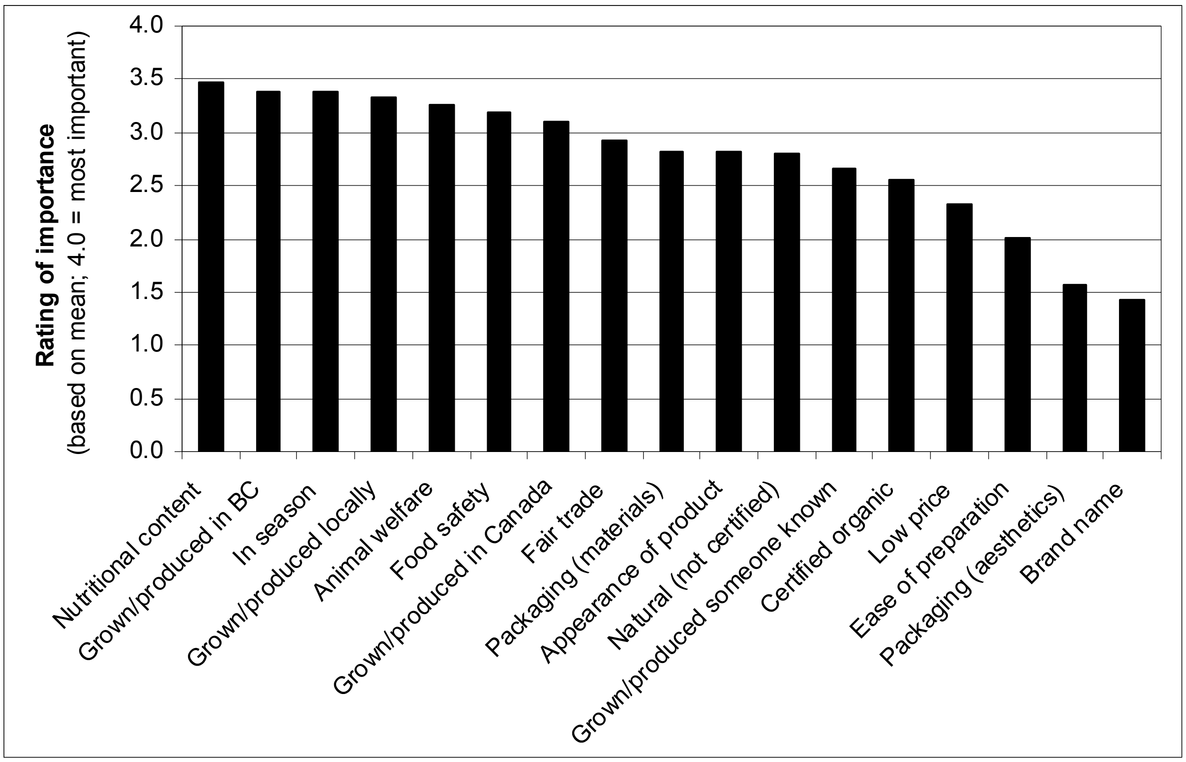


Part of the answer to explain the shopping pattern of market customers is evident in Chart 13, which shows the relative importance of factors customers consider when buying food. During the farmers' market season the five most important factors to market customers are:

- 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)

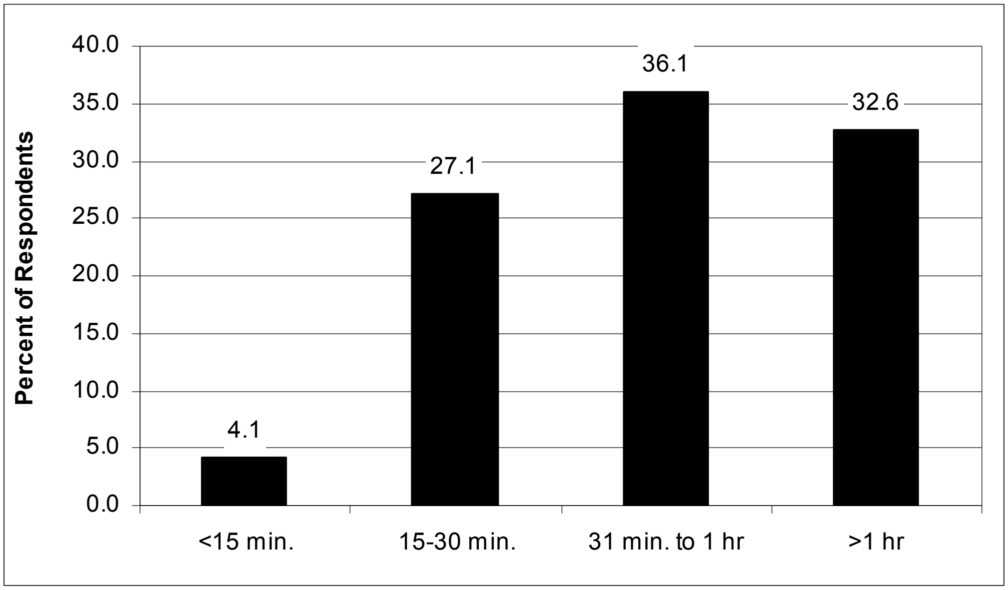
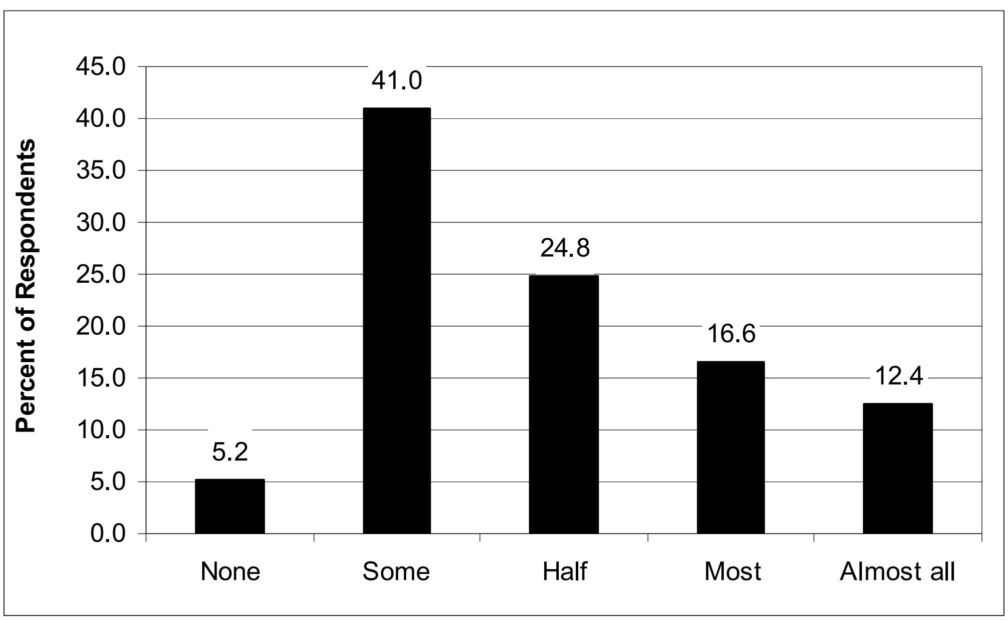


Chart 15. Time spent talking with others at the market (BC: n=290)



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 Kamloops Regional 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 1.5iv. 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:

Average expenditure by customer X Number of spending customers per session[v] X Number of sessions per year[vi] X Seasonal factor[vii]

For the Kamloops Farmers' Market (Saturdays), seasonally adjusted annual direct sales are:

$32.26 per customer visit X 2,705 spending customers X 27 (adjusted) sessions = $2,081,000

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

Annual economic impact (2012): $3.1 million

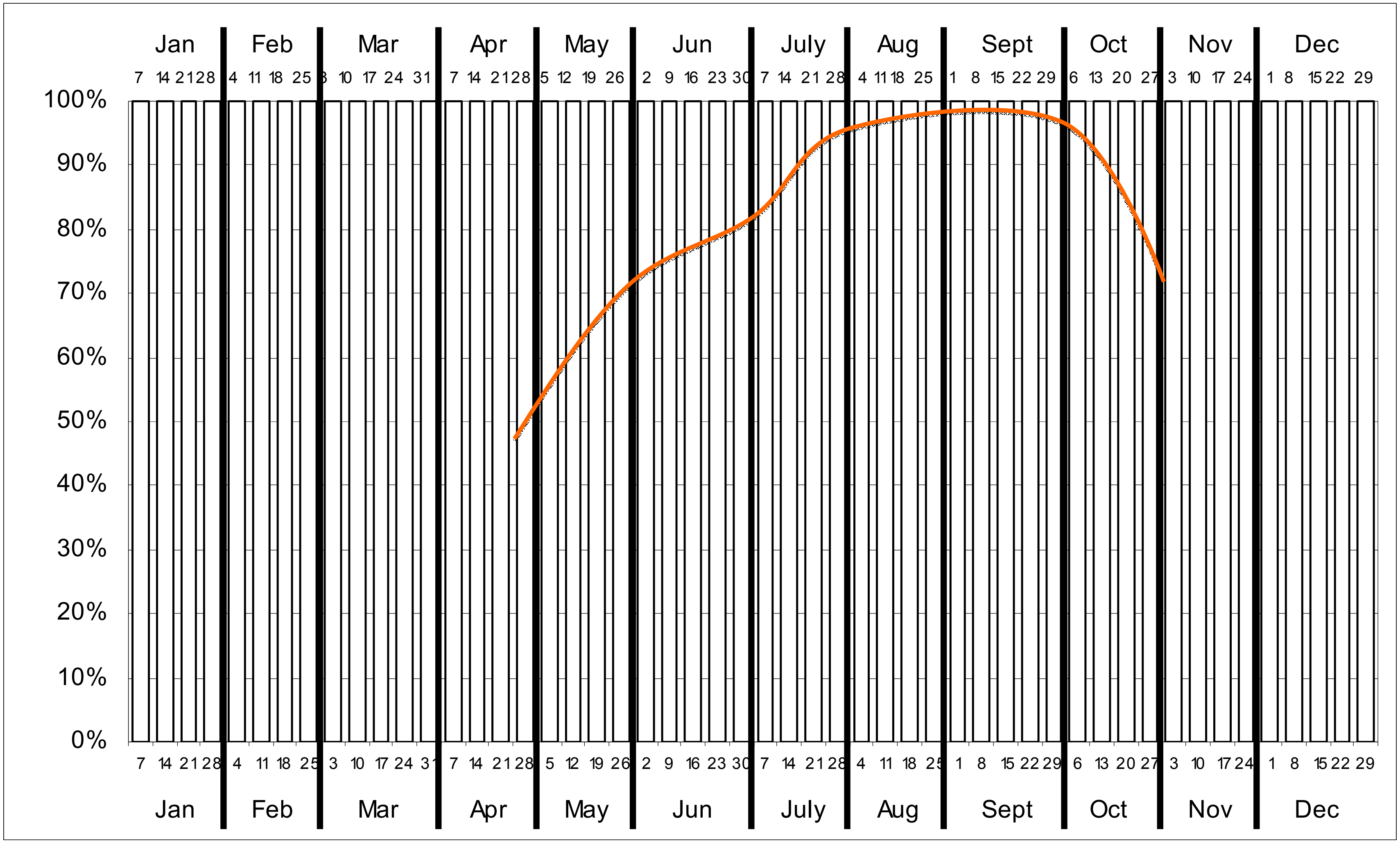
This calculation means that the Kamloops Farmers' Market contributes an estimated $3.1 million to the local economy each year. These monies benefit not only market vendors but also the local businesses that supply these vendors.

In 2006, the economic benefit of the Kamloops Farmers' Market was estimated at $2.3 million.[viii] This supports the general view that the market has grown over the past six years.

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

We can also assess the 'spillover' effect that the Kamloops Farmers' 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 $950,000.

Appendix: Seasonal activity chart for Kamloops Regional Farmer's Market (Saturday)



Acknowledgements

The BC Association of Farmers' Markets and the project team would like to thank the Kamloops Regional 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 crown 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.