

ECONOMIC AND SOCIAL BENEFITS ASSESSMENT

FINAL REPORT

Surrey Urban Farmers' Market

Surrey, 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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Prepared by:
David J. Connell, PhD MCIP
Dani Craig, Msc

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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 Surrey Urban Farmers' Market on July 18, 2012. It includes results of a province-wide assessment of BC's farmers' markets and incorporates some results from a national study of farmers' markets completed in 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 Surrey Urban Farmers' Market:

- **The estimated economic benefit of the Surrey Urban Farmers' Market to the local economy is approximately \$372,000 annually**
- **The estimated number of market customers on assessment day: 1,087 customers**
- **Over 155 market visitors participated in the study**
- **Average customer spending per visit: \$16.44**
- **38% of the survey respondents visit the market either 'regularly' (almost weekly) or 'frequently' (2-3 times per month)**

The Surrey Urban Farmers' Market is located in a busy hub of Central Surrey. The Surrey Central Sky Train Station, the North Surrey Recreation Centre, and Simon Fraser University, Surrey Campus border the market area. On the day of the assessment, the market and surrounding area was busy with a diverse crowd including students, commuters, people wandering through, protestors, families, employees on their lunch breaks, and people on their way to the gym. CBC was there to do a special on the market. This busy setting thus provides important exposure for the market to people who would otherwise not attend, and potential for expanding this market's existing customer base.

On the day of the assessment, an estimated 1,812 people passed through the market area. Because a significant number of people entering the market area were on their way to either the Recreation Centre or transit, only 1,087 of these people were assumed to be market customers. The number of actual shoppers attending the Surrey Market is low when compared to other markets we assessed in BC. The average amount customers spend at this market is also significantly lower than the amount spent at other markets in BC, and at other medium-sized markets in Canada. By finding ways to engage people who pass through the market area but are not yet market customers, both spending and market attendance could be significantly increased.

On the day of the assessment, food trucks were set up in the surrounding area but were separate from the market. Having food trucks inside the market and an area for people to sit down, eat, and enjoy the entertainment might appeal to students in between classes or people on their way out from a workout. Holding market events which cater specifically to these demographics might encourage them to spend more time in the market as they pass through.

Almost one-third of all customers surveyed first learned about the market by walking past the market area. About a fifth of customers learned about the market via signs posted in the area, and 14% learned about the market via the newspaper. The lowest percentage of shoppers learned about the market through fliers or TV. These data provide helpful information about the most effective avenues in which to focus efforts in advertising.

The findings of this report do suggest that the number of shoppers attending the Surrey Market is steadily increasing and will continue to do so in the coming market seasons. While the average number of regular shoppers attending the Surrey Market is lower than the number attending other markets assessed in BC, and other medium-sized markets in Canada, the number of first-time visitors is much higher than the BC and Canadian averages. Additionally, almost half of shoppers only started coming to the market this year.

As consumers become increasingly conscious about the importance of supporting local food systems, the economic and social benefits of farmers' markets will continue to grow, thereby increasing the number of shoppers, vendors, and amount customers are willing to spend. By providing a space for producers and consumers to connect, the Surrey Urban Farmers' Market plays an important social, environmental, and economic role in the city of Surrey.

The Surrey Urban Farmers' Market

Market Website: www.surreymarket.org

The Surrey Urban Farmers' Market gives community members the opportunity to buy fresh, local produce and handmade artisan crafts directly from the producers themselves in the heart of downtown Surrey. This prime location is within walking distance for 17,000 workers, 20,000 residents, and 5,000 students. Visitors can expect fresh greens, seasonal berries, honey products, free-range eggs, SPCA certified organic fed chickens, flowers, baked goods, premium tea, first nations art, jewelry, a range of natural beauty products, and a great community feeling!

Availability:	Open from June 13 2012 to September 25, 2012. Wednesdays from 1:00pm-6:00pm
# Vendors:	25
Location:	North Surrey Recreation Centre Courtyard – 10275 135 th Street, Surrey BC
Contact Info:	Anne Suite #70 – 13817 102 nd Ave Surrey, BC V3T 1N9

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. Where did you first learn about this 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 Surrey 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 cloudy for the first two hours, and hot and sunny in the evening. There were approximately 24 vendors present.

Crowd count

The total estimated number of people attending the Surrey Farmers' Market on July 18, 2012 was 1,812. However, it is estimated that 40% of these market visitors were passing through the market to enter the North Surrey Rec Center, rather than shop at the market. The Surrey Farmers' Market is located in the courtyard of the North Surrey Recreation Center and

receives substantial traffic from people walking through the market area to the centre's entrance. Therefore the estimated number of people attending the Surrey Farmers' Market on July 18, 2012 was 1,087. For future estimates of crowd counts at the Surrey market we recommend that in addition to counting people entering the market, the number of people entering the Rec Centre is also estimated at the same time using the same technique. The latter estimate can be subtracted from the total crowd count to provide a more accurate estimate of the number of shoppers.

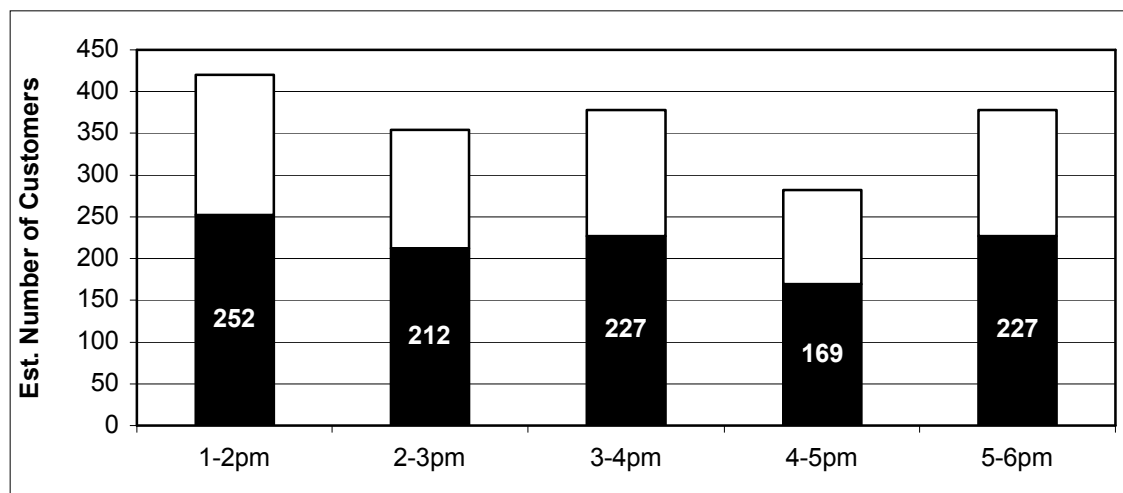
The actual and extended counts for the assessment are shown in Table 1. The total estimated counts are also shown in Chart 1.

Table 1. Estimated Crowd Count

Time period	Count period	Actual count	Extended total	Adjusted total
1st hour (1:00-2:00)	1:25-1:35pm	70	420	252
2nd hour (2:00-3:00)	2:25-2:35pm	59	354	212
3rd hour (3:00-4:00)	3:25-3:35pm	63	378	227
4th hour (4:00-5:00)	4:25-4:35pm	47	282	169
5th hour (5:00-6:00)	5:25-5:35pm	63	378	227
Estimated total crowd count on July 18, 2012			1,812	1,087

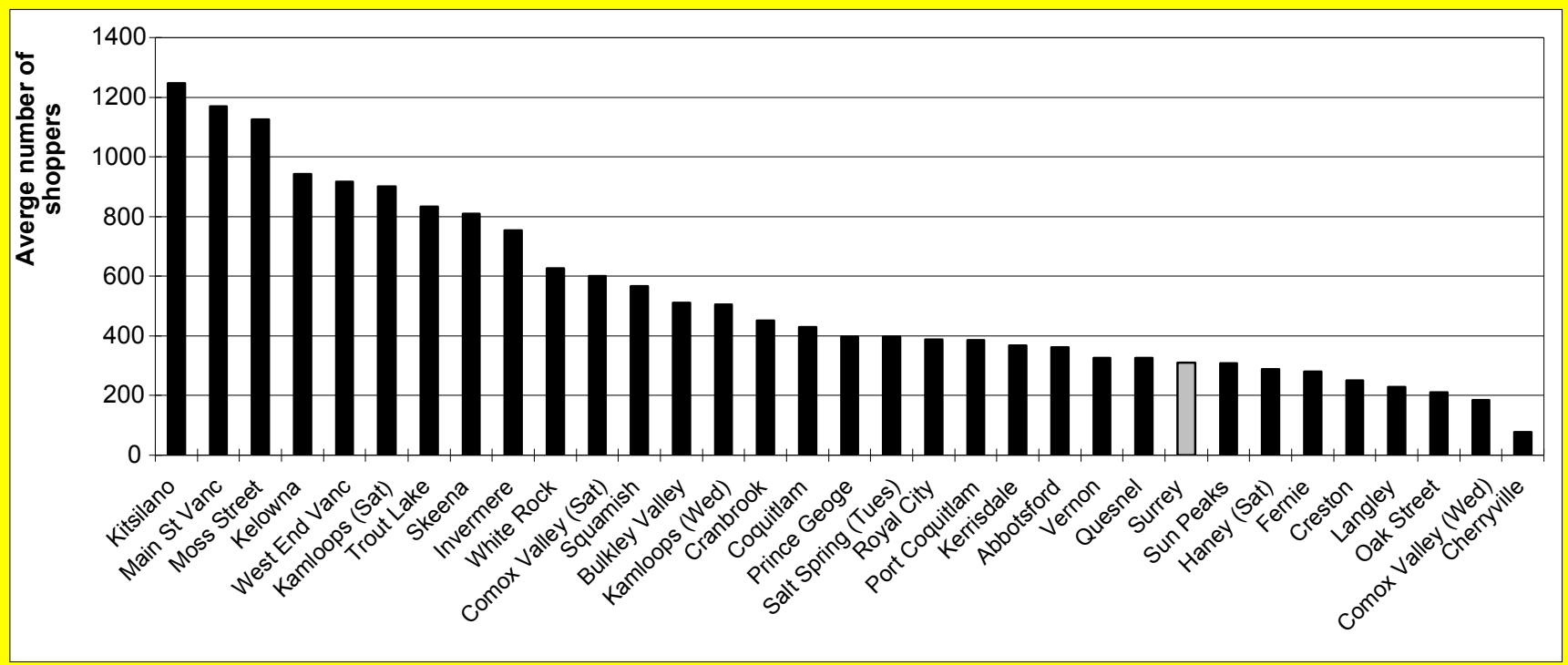
Chart 1 (below) shows the estimated crowd totals for each hour. Market attendance fluctuates slightly during all five hours, peaking during the first hour, and reaching the lowest point during the fourth hour.

Chart 1. Crowd counts by the hour



As shown in Chart 2 (next page), the number of shoppers attending the Surrey 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)



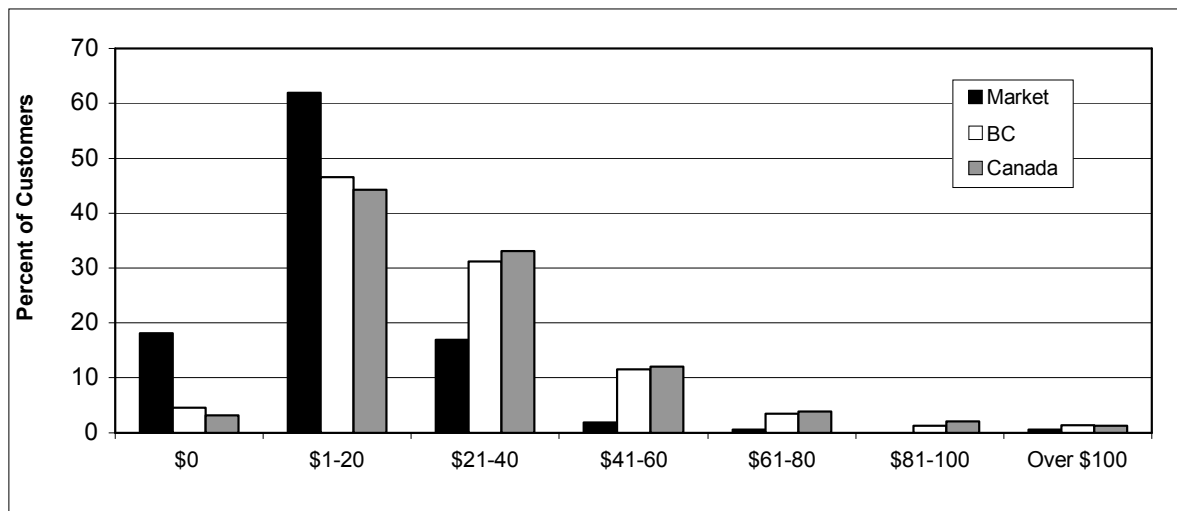
Flip-chart survey

Approximately 157 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?

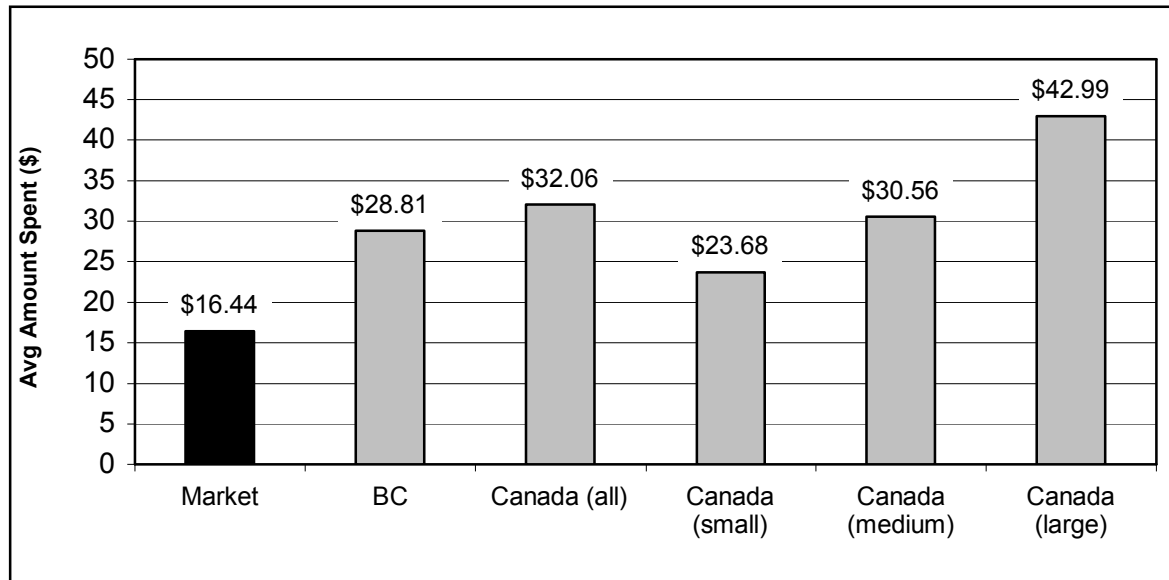
Overall, respondents spent an averageⁱⁱ of \$16.44 each on the day of the assessment. As shown in Chart 3, most customers surveyed (61.9%) said they would spend up to \$20 at the market that day.

Chart 3. How much have you spent, or do you plan to spend, at the market today? (Market: n=160; BC: n=9,819; Canada (medium): n=996)



The results shown in Chart 4 (next page) illustrate how the Surrey 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. Average customer spending at the Surrey Market is lower than at other markets in BC, and lower than other medium-sized markets in Canada.

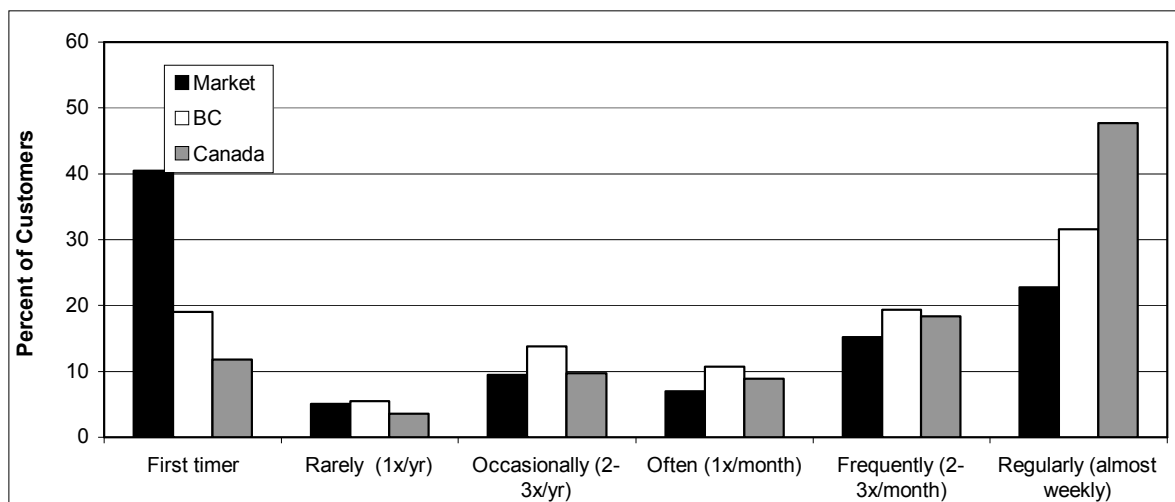
Chart 4. Average amount spent by market shoppers
(Market: n=160; BC: n=9,819; Canada: n=3,167)



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

As shown in Chart 5, the Surrey Market has an unequal distribution in the frequency of visits, with first-time shoppers accounting for the highest percentage (40.5%). Over one in five customers (22.8%) shop regularly at the market. More first-time visitors attend this market than do other markets we assessed in BC and other medium-sized markets in Canada, but the market has fewer regular customers than the average attending other markets in BC and Canada.

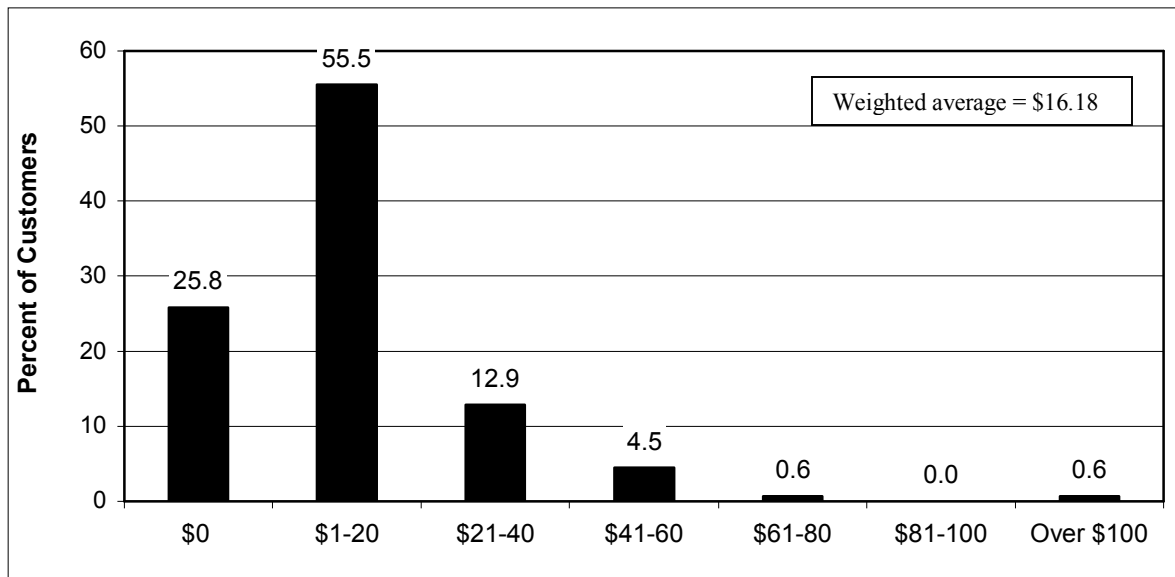
Chart 5. How often do you come to this market?
(Market: n=158; BC: n=9,874; Canada (medium): n=996)



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

Chart 6 shows the range of additional spending by market customers, with 74.2% of respondents saying they would do additional shopping at neighbouring businesses that day. Over half (55.5%) of customers surveyed said they would spend up to \$20; 12.9% said they would spend more than \$20.ⁱⁱⁱ The average amount spent per customer at neighbouring businesses was \$16.18. Given the variability among markets, no comparison is made with BC or national results.

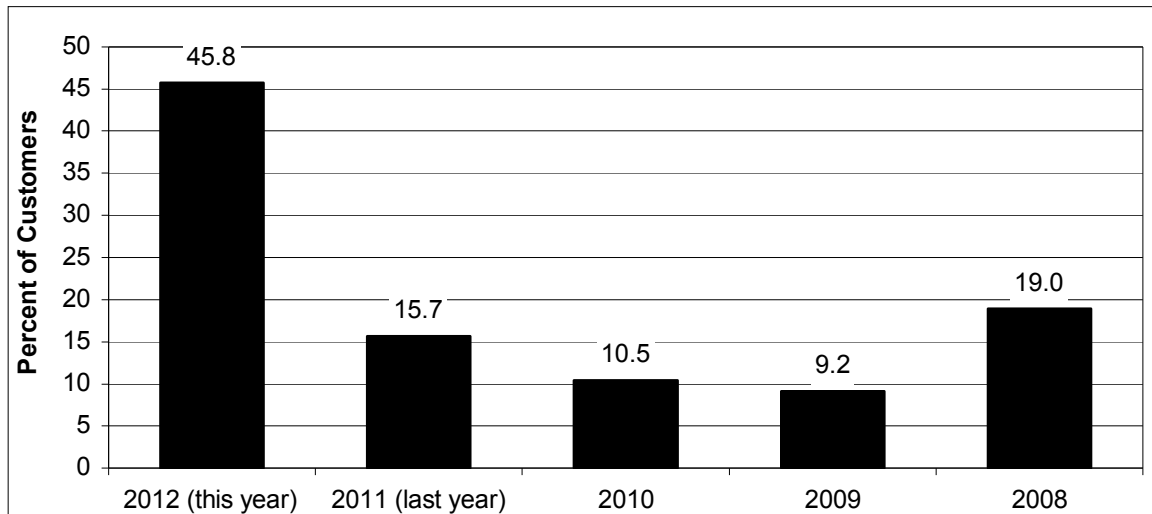
Chart 6. If you plan to do additional shopping or eating while in this area of town today, how much do you plan to spend? (n=155)



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

As shown in Chart 7 (next page), your market has a good portion of long-time, loyal customers. About 19% of all customers surveyed have been coming to this market since 2008 when the market began. In addition to the long-time regulars, 45.8% of respondents were first-time visitors to this market.

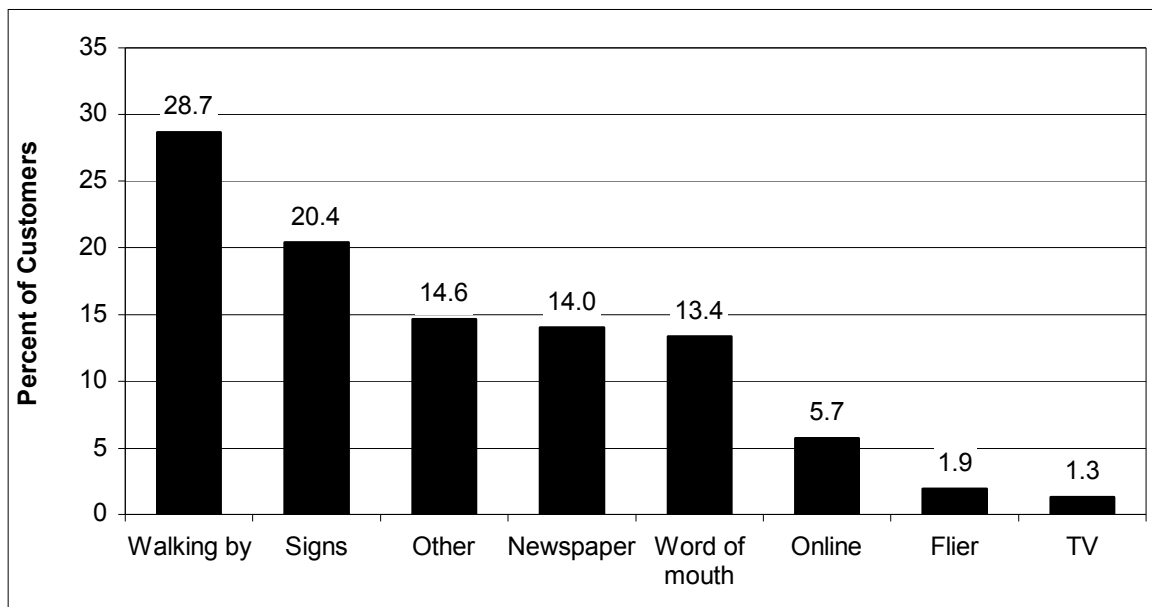
Chart 7. When did you start shopping at this farmers' market? (n=153)



Question 5. Where did you first learn about this farmers' market?

As shown in Chart 8, the majority of all customers surveyed (28.7%) first learned about the market by walking past the market area. About a fifth (20.4%) of customers learned about the market via signs posted in the area, and 14% learned about the market via the newspaper. The lowest percentage of shoppers learned about the market through fliers or TV. The 'Flier' and 'TV' categories were added later in the day upon customer request. Shoppers doing the survey earlier in the day did not have the 'flier' and 'TV' options and would have responded 'other,' instead. Thus, the 'other' category may represent a significant number of flier or TV responses.

Chart 8. Where did you first learn about this farmers' market? (n=157)



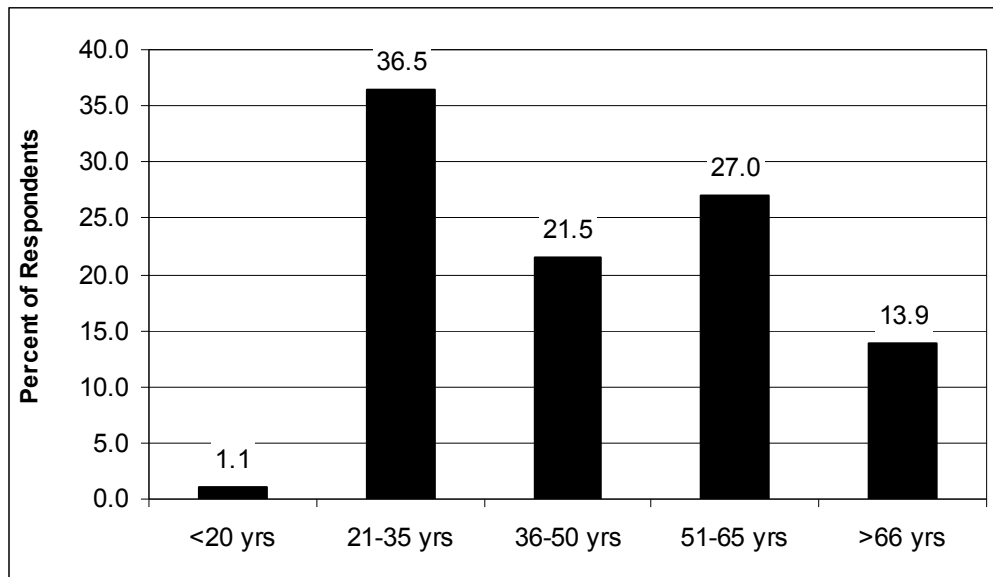
Market surveys

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.

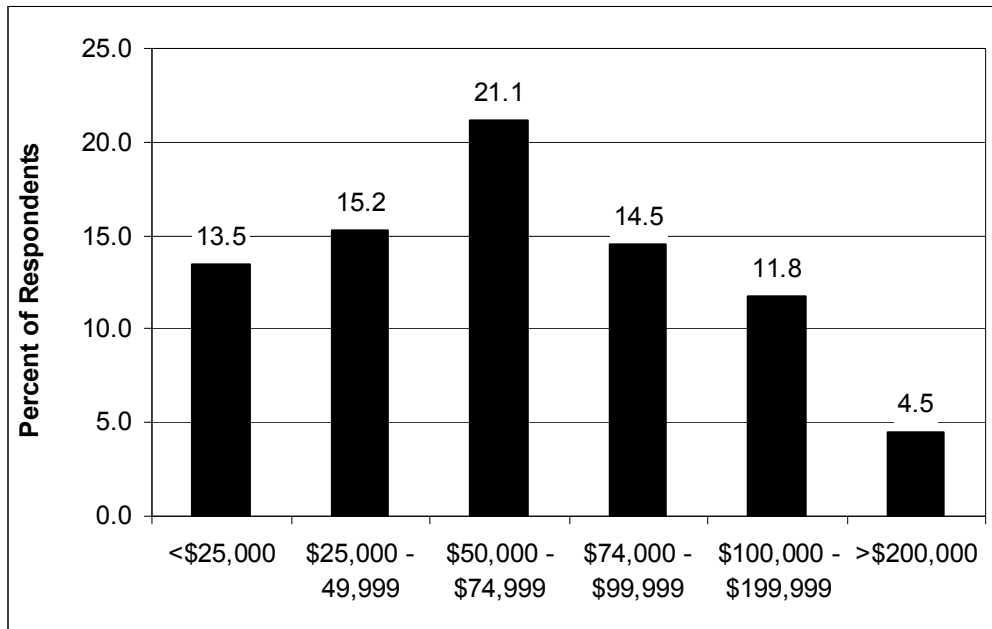
The results in Chart 9 show the age range of farmers' market customers in BC.

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



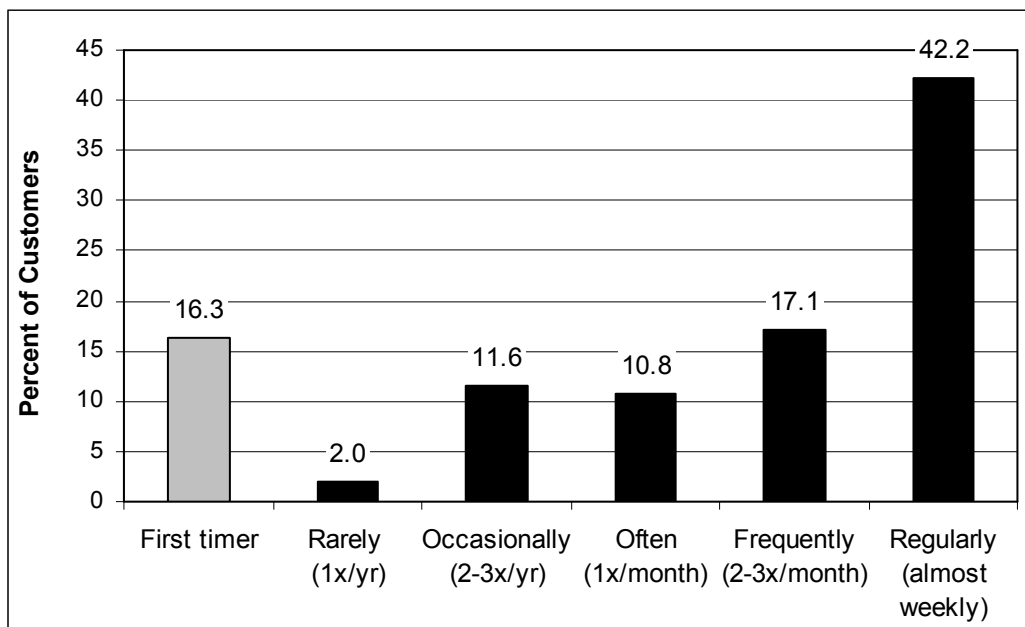
The household income of shoppers at farmers' markets in BC is shown in Chart 10. The results show that people from households with a range of incomes shop at BC's markets.

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



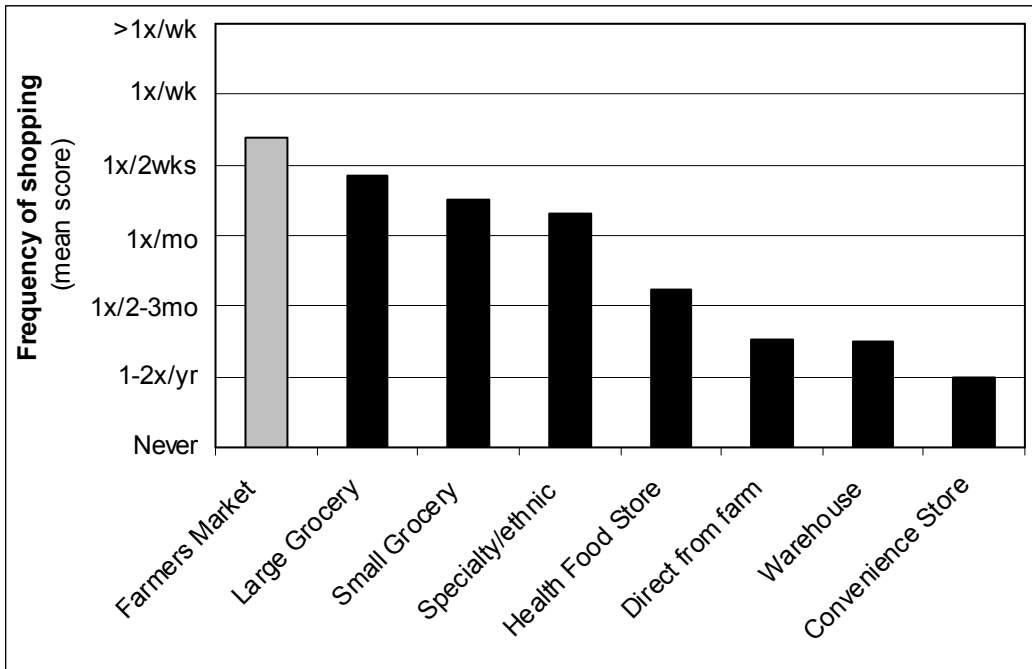
Over 40% of customers surveyed in BC shop at the market regularly (almost weekly), with an additional 17% shopping at least two to three times per month (Chart 11). Together, these results indicate that almost six of ten shoppers can be considered among the core group of market shoppers at BC markets,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



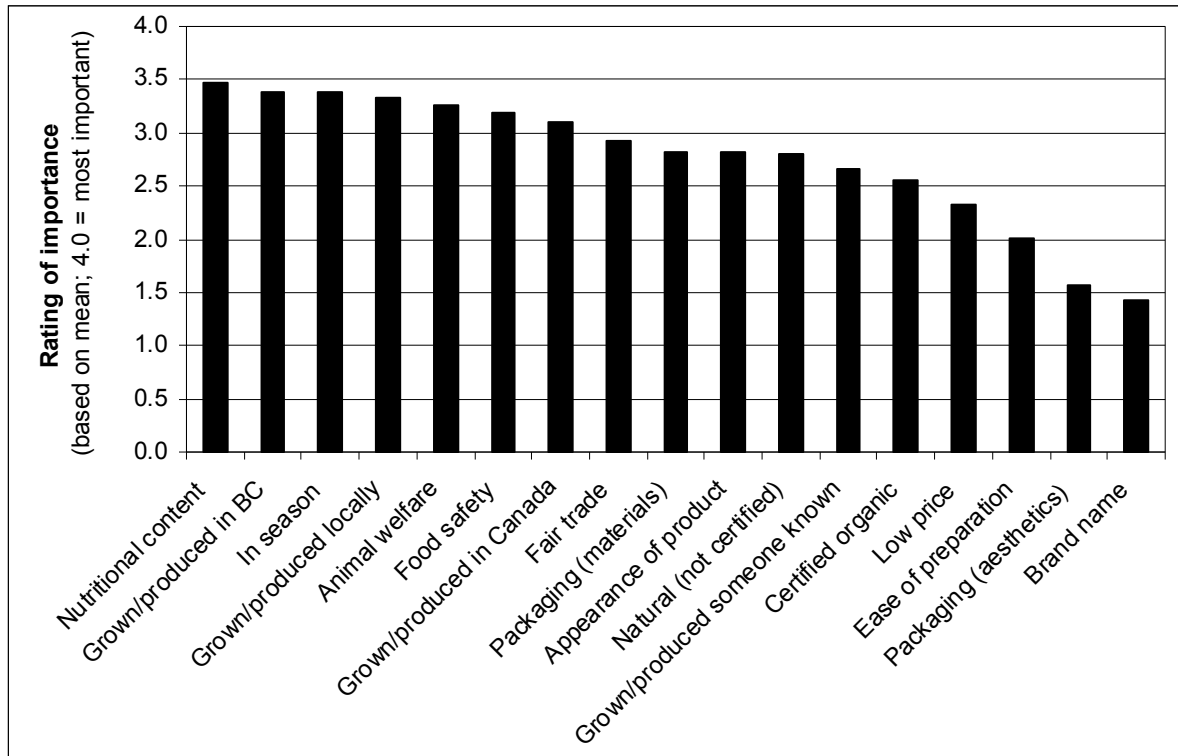
Part of the answer to explain the shopping pattern of market customers is evident in Chart 13, which shows the relative importance of factors customers consider when buying food.

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)

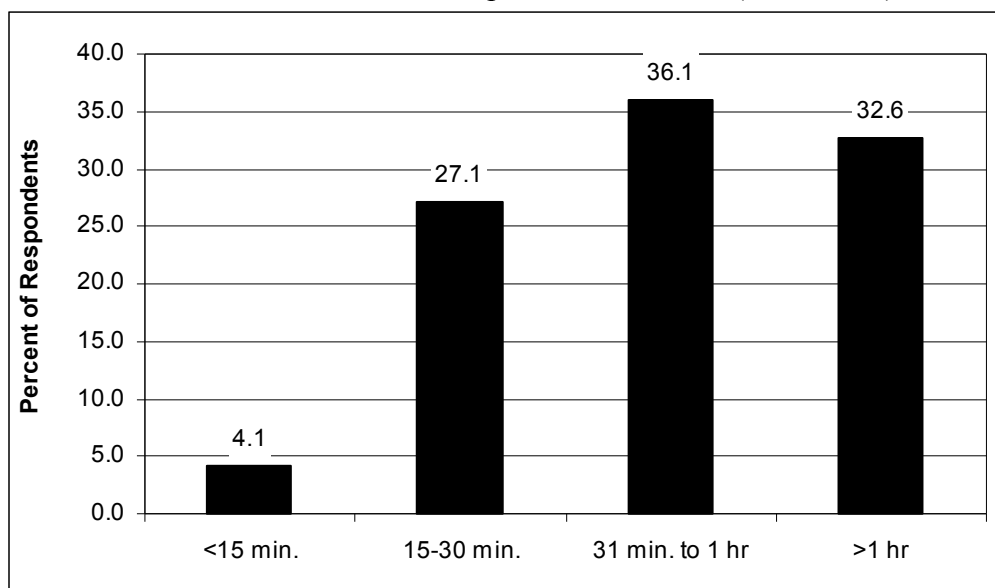
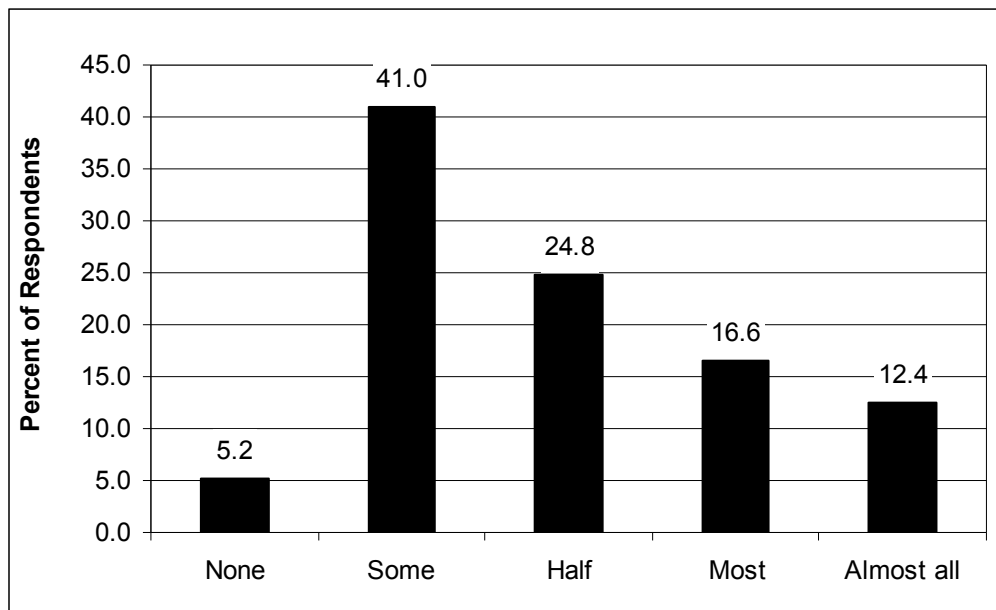


Chart 15. Time spent talking with others at the market (BC: n=290)



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)

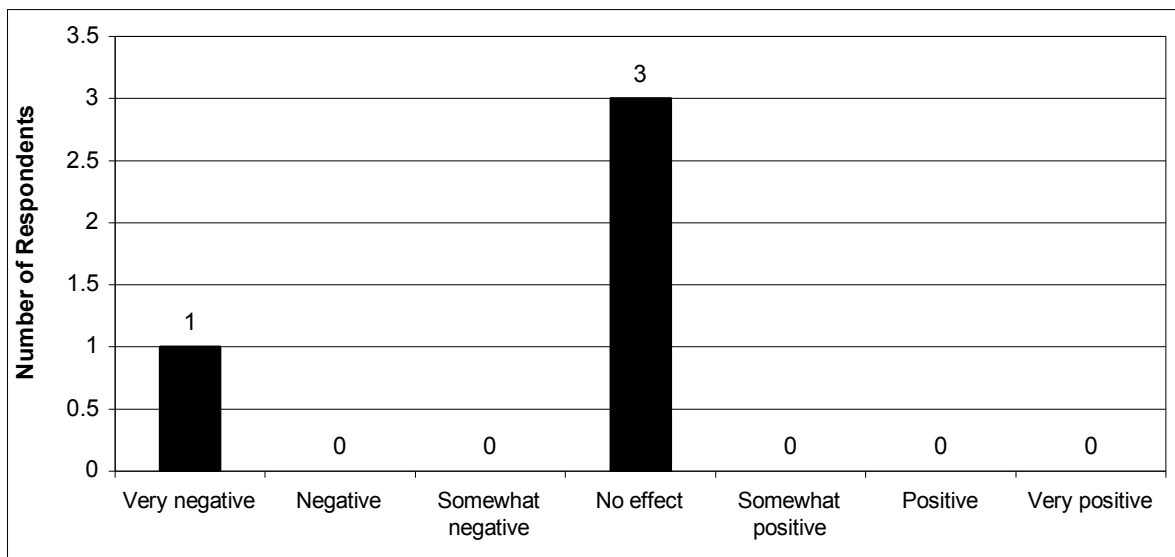
		How time spent					Total
		None	Some	Half	Most	Almost all	
Time spent at market	<15 min.	1	2	0	0	0	4
	15-30 min.	2	17	5	3	0	27
	31 min. to 1 hr	1	16	11	5	4	36
	>1 hr	1	7	9	9	8	33
Total		5	41	25	17	12	100

Business survey

There were several businesses located within visible range of the Surrey Farmers' Market, including coffee shops, restaurants, convenience stores and cafes. Based on availability of businesses for interviews, and whether they are open on market days, we conducted surveys with 4 neighbouring businesses (Chart 16).

Two of the businesses who reported that the market does not have any influence on their business also reported that the market provides other benefits such as increased foot traffic and an improved atmosphere in the area. The manager who reported that the market has a negative impact also expressed how much they enjoyed getting to know the vendors and market managers, and gratitude for the market being in the community.

Chart 16. Effect of market on neighbouring businesses (n=4)



Economic Benefits

The information collected in this assessment enables us to measure the economic benefits of the Surrey Farmers' Market.

To measure the economic benefits of farmers' markets means to measure the ripple effect of people spending dollars at the market: if I spend \$1 at the market then how does this dollar benefit the local economy? The ripple effect includes both the profit to the market vendor and the monies the vendor spent on inputs to get to the market (e.g., seeds, feed, ingredients, etc.).

Economic benefits, which can include direct, indirect, and some induced effects, are measured in terms of revenue (\$), output (\$), and employment (jobs). In this study we measure only revenues. We chose to calculate revenue benefits using a multiplier of 1.5^{iv}. This multiplier means that for every dollar spent at the market, another \$0.50 is spent in the local economy. Compared to some other studies of farmers' markets, this multiplier is conservative.

The annual economic benefit is calculated by multiplying direct annual sales by the multiplier (1.5). Direct annual sales are calculated as follows:

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

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

$$\$16.44 \text{ per customer visit} \times 1,165 \text{ spending customers} \times 16 \text{ (adjusted) sessions} = \$248,000$$

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

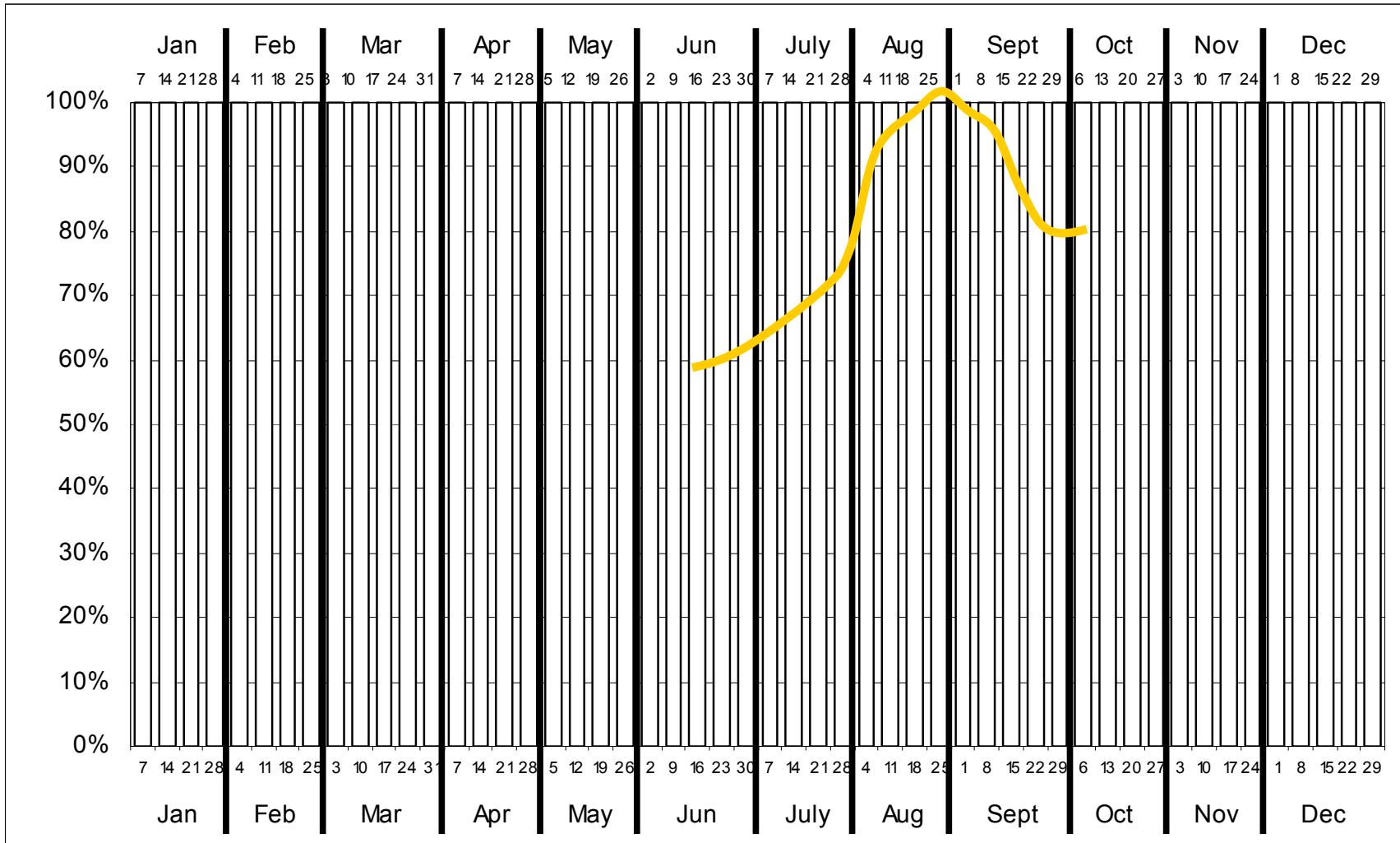
Annual economic benefit (2012): \$372,000

This calculation means that the Surrey Urban Farmers' Market contributes an estimated \$372,000 to the local economy each year. These monies benefit not only market vendors but also the local businesses that supply these vendors.

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

We can also assess the 'spillover' effect that the 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 **\$272,000**.

Appendix: Seasonal activity chart for Surrey Urban Farmers' Market



Acknowledgements

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