

ECONOMIC AND SOCIAL BENEFITS ASSESSMENT

FINAL REPORT

Kitsilano Farmers Market

Vancouver, 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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Canada 



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 Kitsilano Farmers Market on July 8, 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 Kitsilano Farmers Market:

- **The estimated economic benefit of the Kitsilano Farmers Market on the local economy is approximately \$4.2 million annually**
- **The estimated number of market customers on assessment day: 3,942 customers**
- **Over 400 market visitors participated in the study**
- **Average customer spending per visit: \$37.91**
- **60.8% of the survey respondents visit the market either 'regularly' (almost weekly) or 'frequently' (2-3 times per month)**

This report highlights several areas where the Kits Market is performing extremely well compared to other markets in BC, and to other large markets in Canada.

The average amount spent per customer was almost \$10 higher than average amount spent per customer at other markets that we assessed in BC. Average customer spending at the Kits Market is higher than the average amount spent per customer at Canadian markets, but slightly lower than the average amount spent per customer at other similar sized markets in Canada.

The Market has the highest average number of shoppers per hour out of any other market that we assessed in BC. Located between the community centre and neighbourhood park, the Kits Farmers Market has a strong community feeling. Community activities such as yoga classes and the water park seemed to play an important role in drawing customers to the market on the day of the assessment.

The report also shows several indicators that the market is growing in size. While a majority of customers started coming to the market when it opened in 2007, an almost equal amount started shopping at the market this year. The Kits market has fewer first-time shoppers than the average number of first-time shoppers attending markets in BC, but has more first-time shoppers than other large markets in Canada. The market has more regular customers than other markets in BC but fewer than other large markets in Canada. Although the market is not above average in every category, these trends are healthy indicators that the Market's customer base is steadily increasing, and that those customers who currently visit the market will continue to do so on a regular basis.

The majority of customers visiting the market on the day of the assessment was between 19 and 35 years of age. Events and/or activities catering to an older demographic may aid in further increasing and diversifying the existing customer base. It may also be beneficial to re-arrange the vendors at the south entrance to avoid the bottleneck of customers that occurred on the day of the assessment, and allow shoppers to spread out more evenly throughout the market space.

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 Kitsilano Farmers Market plays an important social, environmental, and economic role in the Kits community.

DESCRIPTION OF MARKET

Kitsilano Farmers' Market

Market Website: www.eatlocal.org

Each week the parking lot of Kits Community Centre fills with organic and conventional product, meat, cheese, seafood and plants as well as tasty baked goods, beautiful crafts and musical entertainment by local musicians. Kids can enjoy the playground and waterpark nearby and parents will find the best selection of organic produce around. Hot coffee and hot food are available on site each week. Bike valet every week so please consider cycling or walking to the market if you can!

Availability:	Open from May 20 to October 21 Sunday 10:00am-2:00pm
# Vendors:	48
Location:	10 th Avenue and Larch in the parking lot of Kitsilano Community Centre
Contact Info:	Roberta LaQuaglia, Operations Manager 2 – 1163 Commercial Drive Vancouver, BC V5L 3X3

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 is your age group?

- 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 Kitsilano 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 hot and sunny. There were approximately 48 vendors present.

Crowd count

The total estimated number of people attending the Kitsilano Market on July 8, 2012 was 3,942.

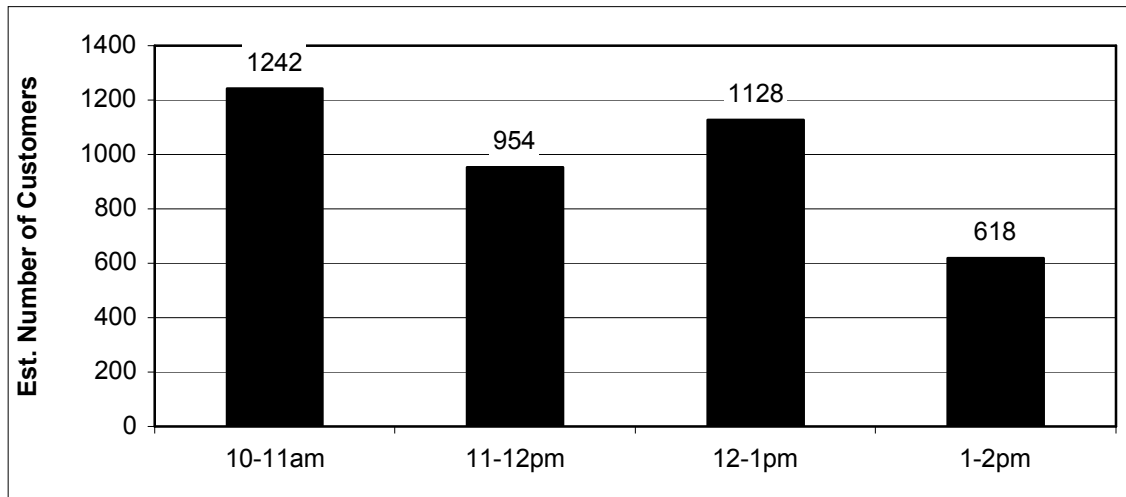
The actual and extended counts for the assessment are shown in Table 1. The total estimated counts are also shown in Chart 1.

Table 1. Estimated Crowd Count

Time period	Count period	Actual count	Extended total
1st hour (10:00-11:00)	10:25-10:35am	207	1242
2nd hour (11:00-12:00)	11:25-11:35am	159	954
3rd hour (12:00-1:00)	12:25-12:35pm	188	1128
4th hour (1:00-2:00)	1:25-1:35pm	103	618
Estimated total crowd count on July 8, 2012			3,942

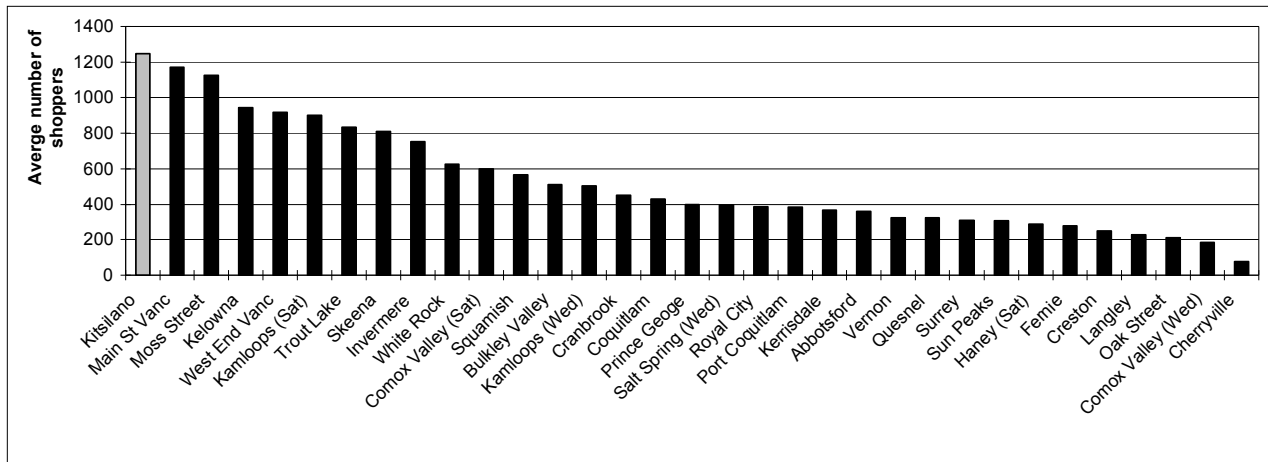
Chart 1 (below) shows the estimated crowd totals for each hour. Market attendance peaks in the first hour, decreases slightly for the second and third hour, and reaches its lowest point during the final hour.

Chart 1. Crowd counts by the hour



As shown in Chart 2, the number of shoppers attending the Kits Farmers Market is higher than all 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)



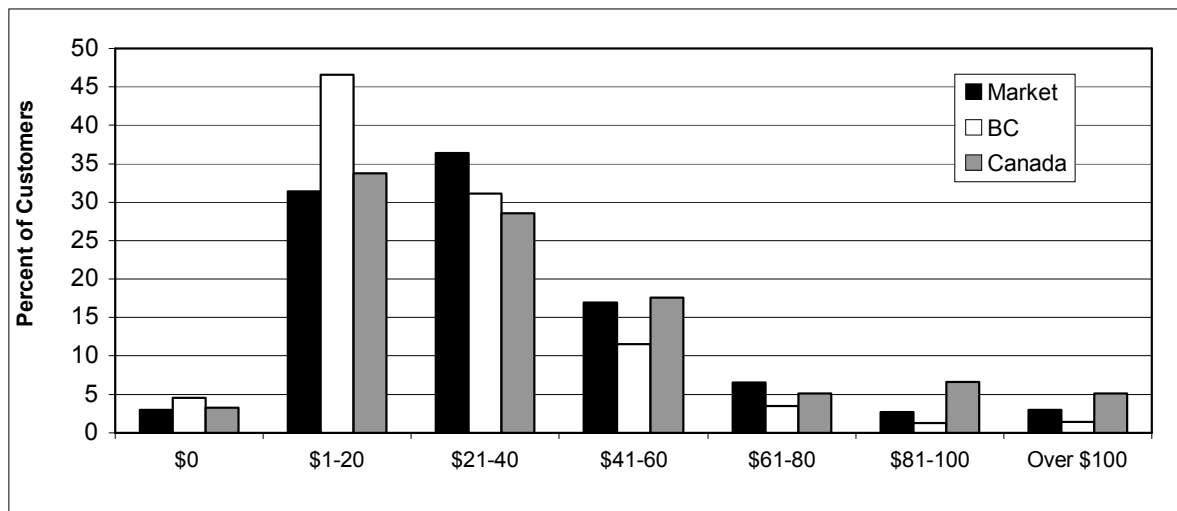
Flip-chart survey

Approximately 405 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?

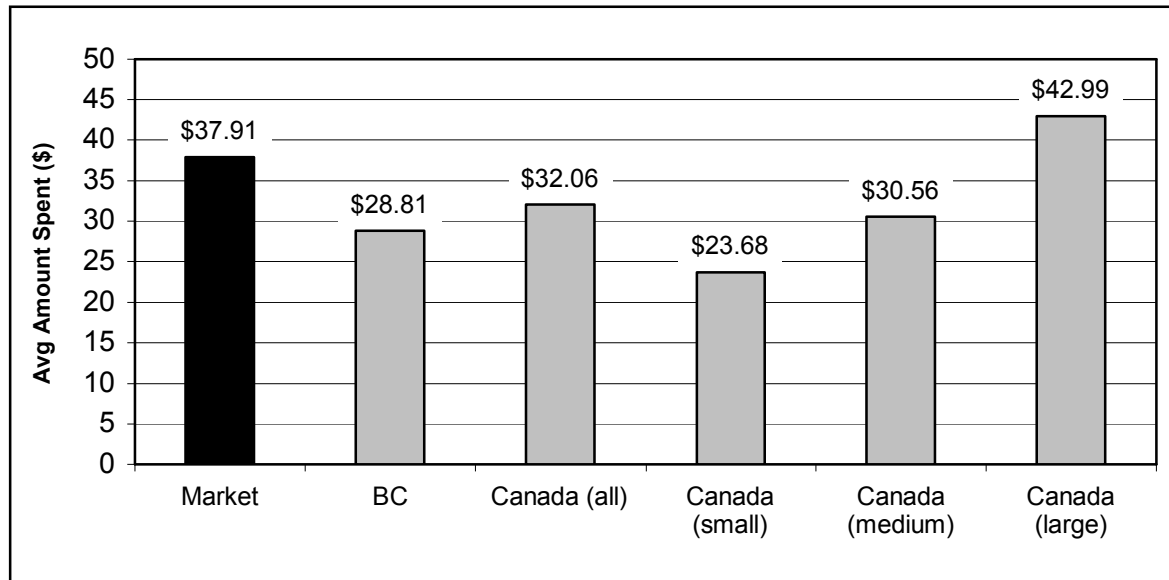
Overall, respondents spent an averageⁱⁱ of \$37.91 each on the day of the assessment. As shown in Chart 3, most customers surveyed (36.4%) said they would spend over \$20 at the market that day.

Chart 3. How much have you spent, or do you plan to spend, at the market today? (Market: n=401; BC: n=9,819; Canada (large): n=1,013)



The results shown in Chart 4 (next page) illustrate how the Kitsilano 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, the Kitsilano Market's average amount spent per customer is higher than the provincial and national averages. Compared to other large markets in Canada, the average spent per customer at the Kits market is slightly lower than the national average.

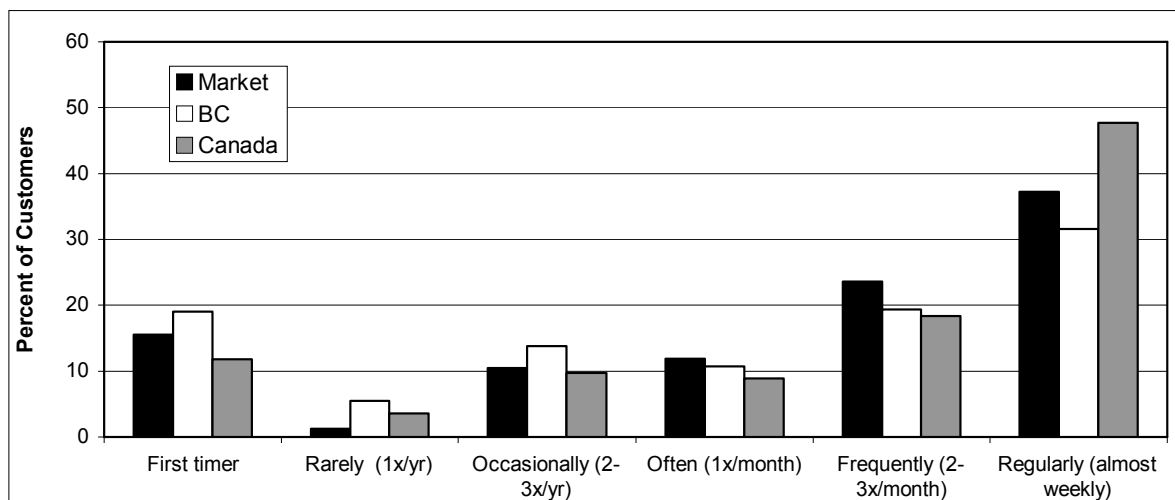
Chart 4. Average amount spent by market shoppers
(Market: n=401; BC: n=9,819; Canada: n=3,167)



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

As shown in Chart 5, the Kits Market has an increasing distribution in the frequency of visits, with regular shoppers accounting for the highest percentage (37.2%). First-time visitors to the market accounted for 15.6% of respondents. Compared to the provincial average, the Kits Market has a higher percentage of regular market visitors and a lower percent of first-time visitors. Compared to Canadian markets of similar size, the Kits market has a lower percent of regular customers, and a higher percent of first time visitors.

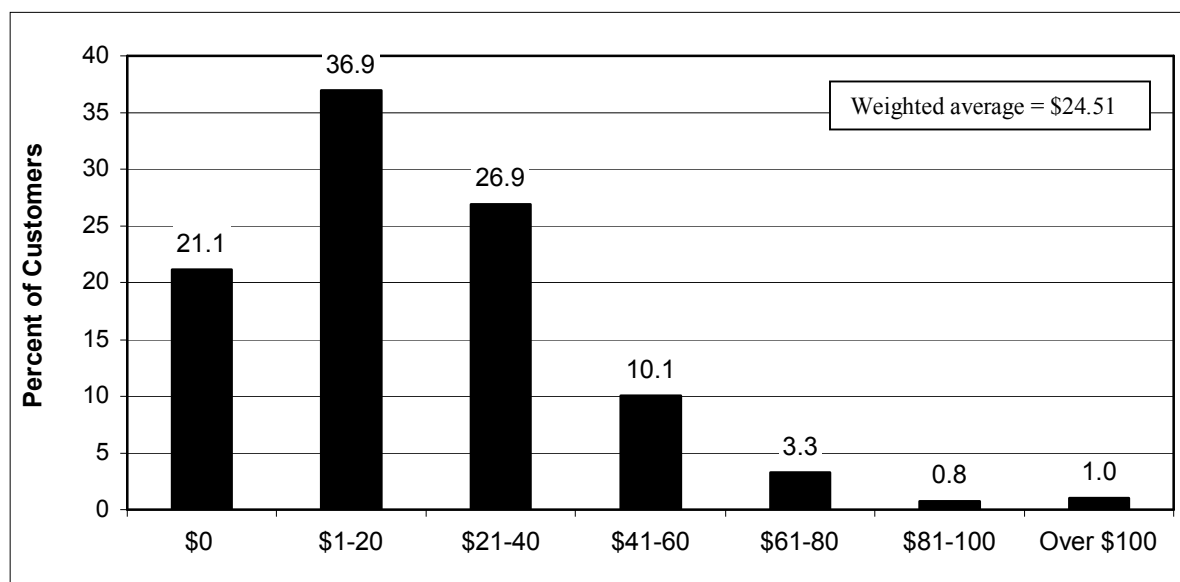
Chart 5. How often do you come to this market?
(Market: n=411; BC: n=9,874; Canada (large): n=1,013)



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, with 78.9% of respondents saying they would do additional shopping at neighbouring businesses that day. 36.9% of customers surveyed said they would spend up to \$20; 26.9% said they would spend up to \$40.ⁱⁱⁱ The average amount spent per customer at neighbouring businesses was \$24.51. Given the variability among markets, no comparison is made with BC or national results.

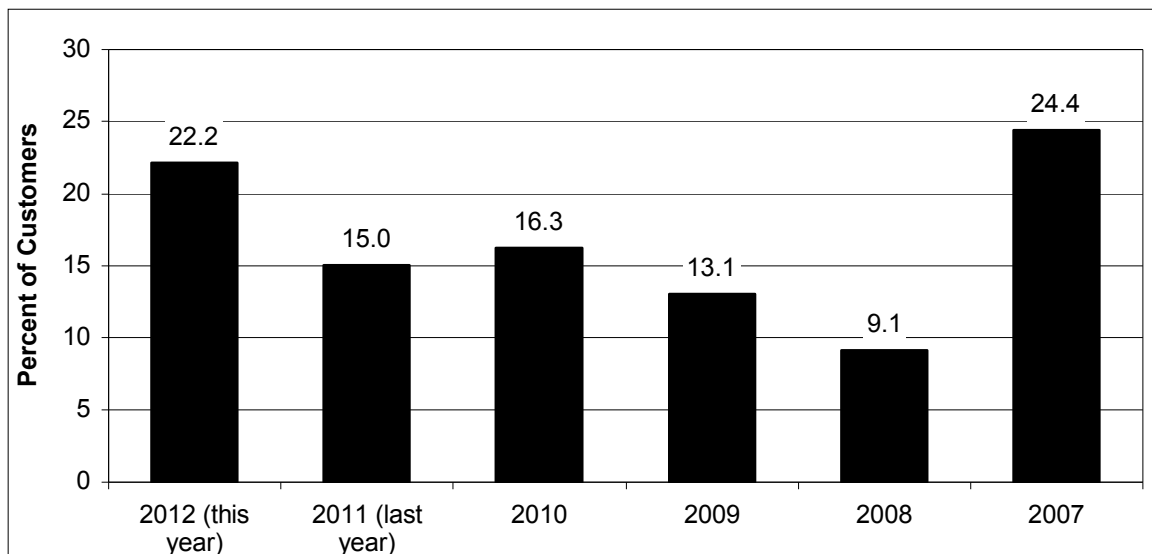
Chart 6. If you plan to do additional shopping or eating while in this area of town today, how much do you plan to spend? (n=398)



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. Almost half of all customers surveyed (46.6%) have been coming to this market for 3 years or more, and 24.4% of all respondents have been coming to this market since 2007 when the market first opened. In addition to the long-time regulars, there were also 22.2% of respondents who were first-time visitors to this market.

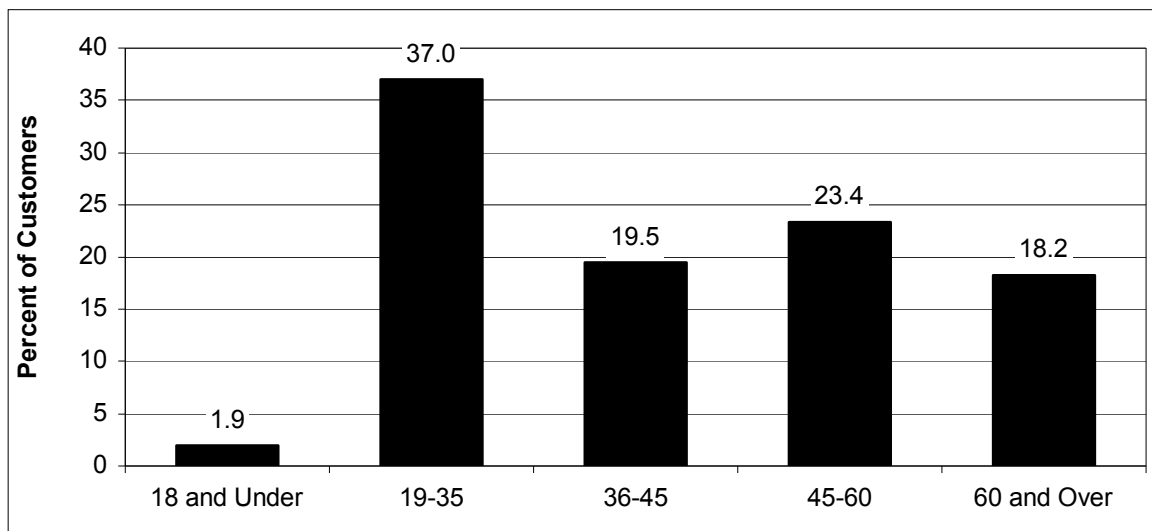
Chart 7. When did you start shopping at this farmers' market? (n=406)



Question 5. What is your age group?

Chart 8 shows the age range of shoppers at the market. 37.0% of shoppers fall in the 19-35 age category, while the lowest percentage of shoppers (1.9%) are 18 and under. Similar percentages of shoppers fall in the 36-45, 45-60, and 60 and over categories (19.5%, 23.4% and 18.2% respectively)

Chart 8. What is your age group? (n=411)



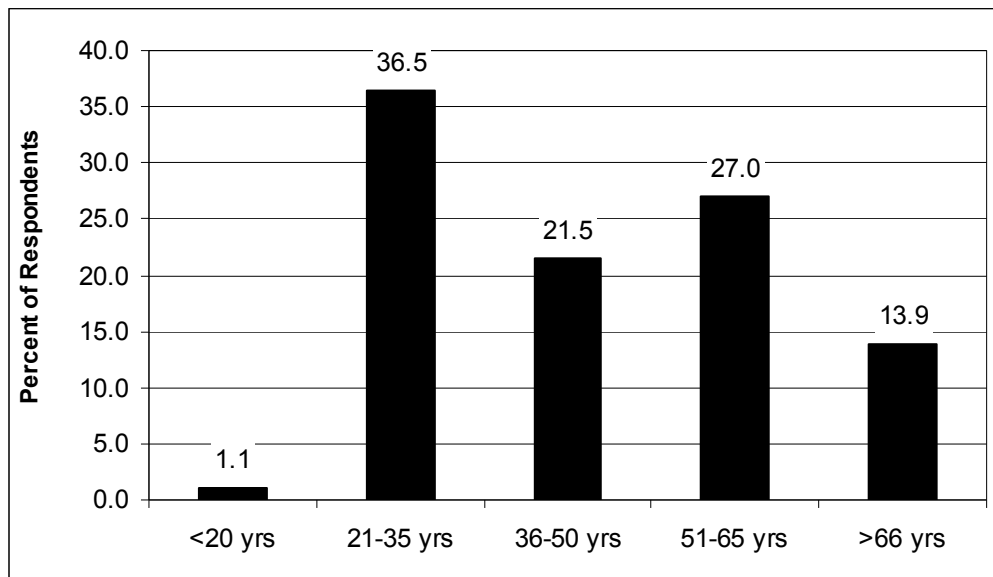
Market surveys

Customer Survey

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

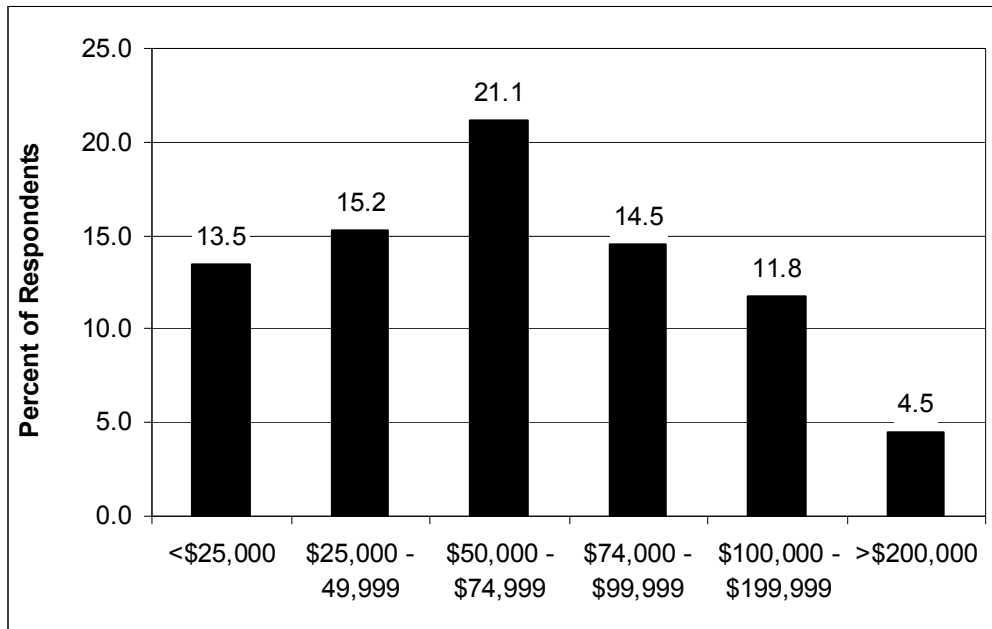
The results in Chart 9 show the age range of farmers' market customers in BC.

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



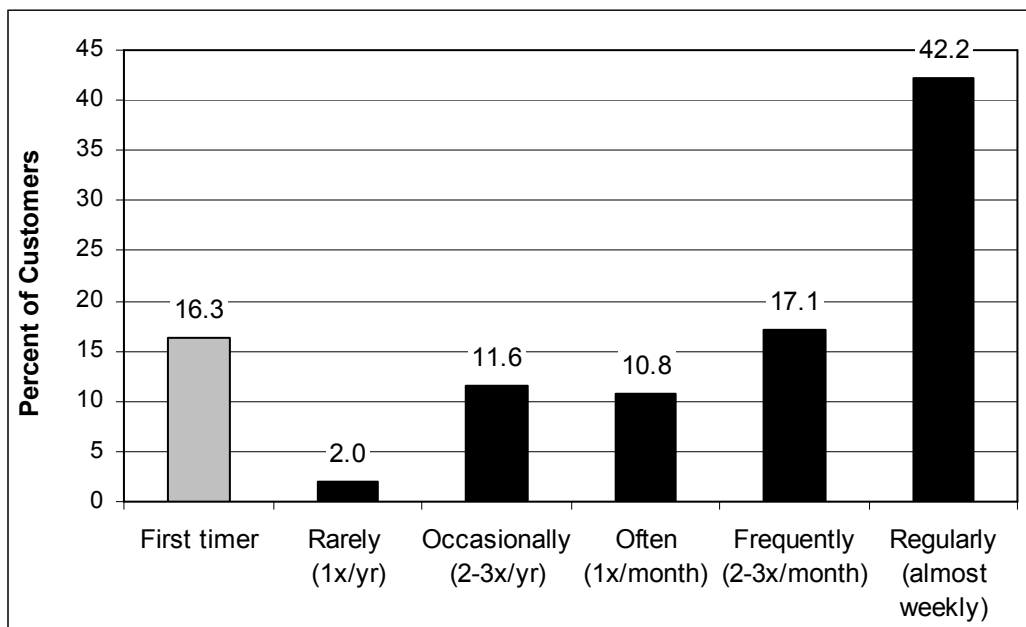
The household income of shoppers at farmers' markets in BC is shown in Chart 10. The results show that people from households with a range of incomes shop at BC's markets.

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



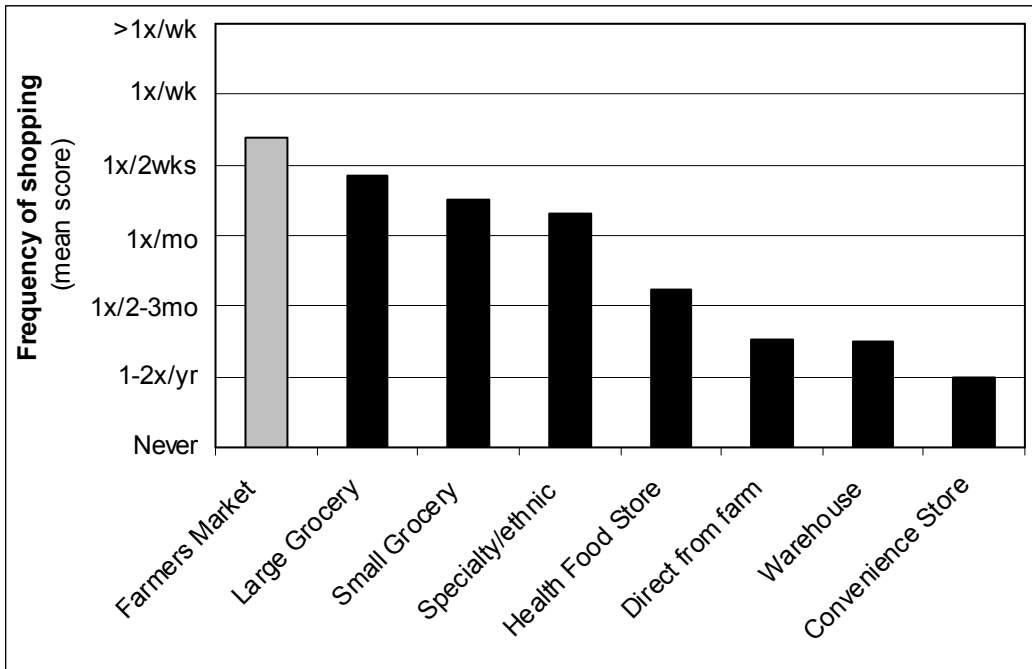
Over 40% of customers surveyed in BC shop at the market regularly (almost weekly), with an additional 17% shopping at least two to three times per month (Chart 11). Together, these results indicate that almost six of ten shoppers can be considered among the core group of market shoppers at BC markets,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

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



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

Chart 12. Where shoppers shop during the outdoor market season (BC: n=290)
Note: a higher bar means shopping more often at the corresponding store.



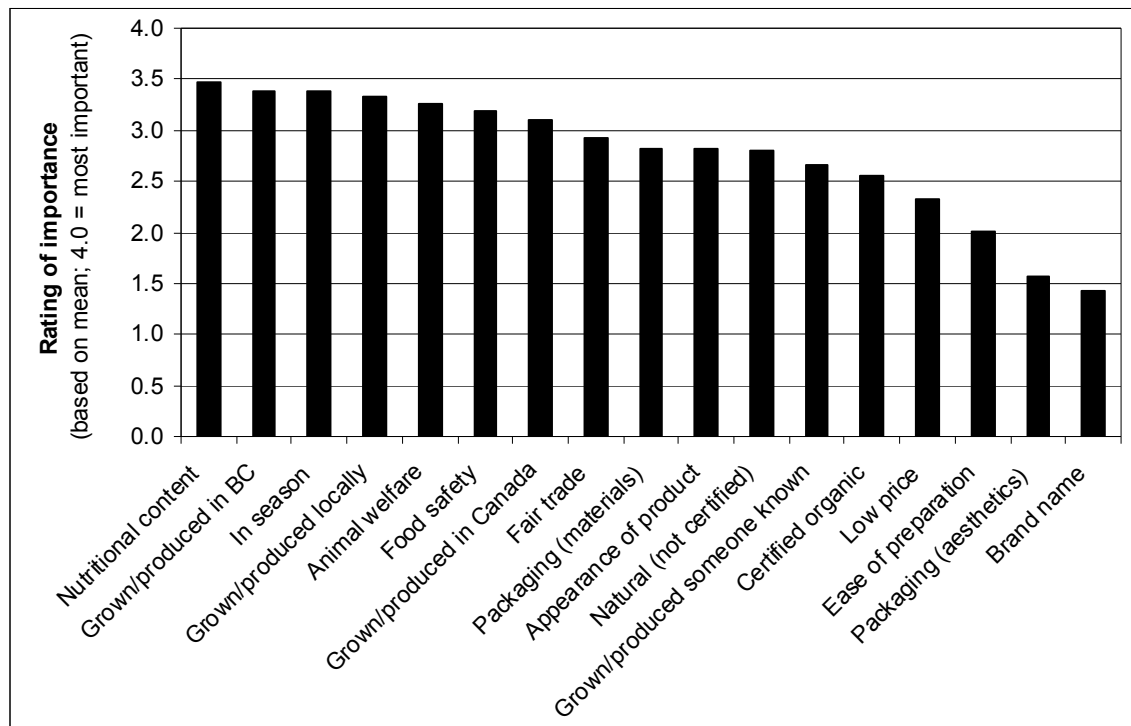
Part of the answer to explain the shopping pattern of market customers is evident in Chart 13, which shows the relative importance of factors customers consider when buying food.

During the farmers' market season the five most important factors to market customers are:

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

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

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



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

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

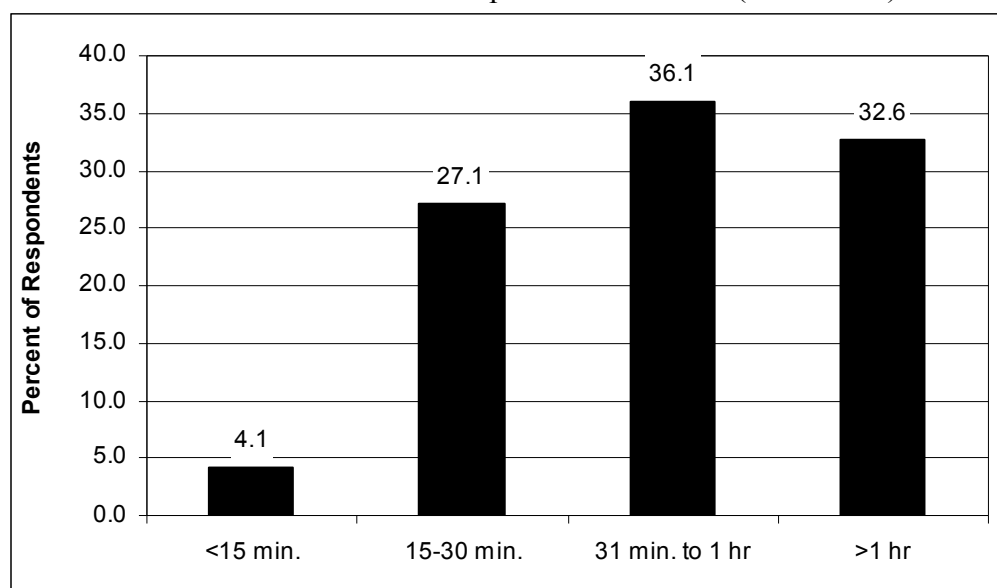
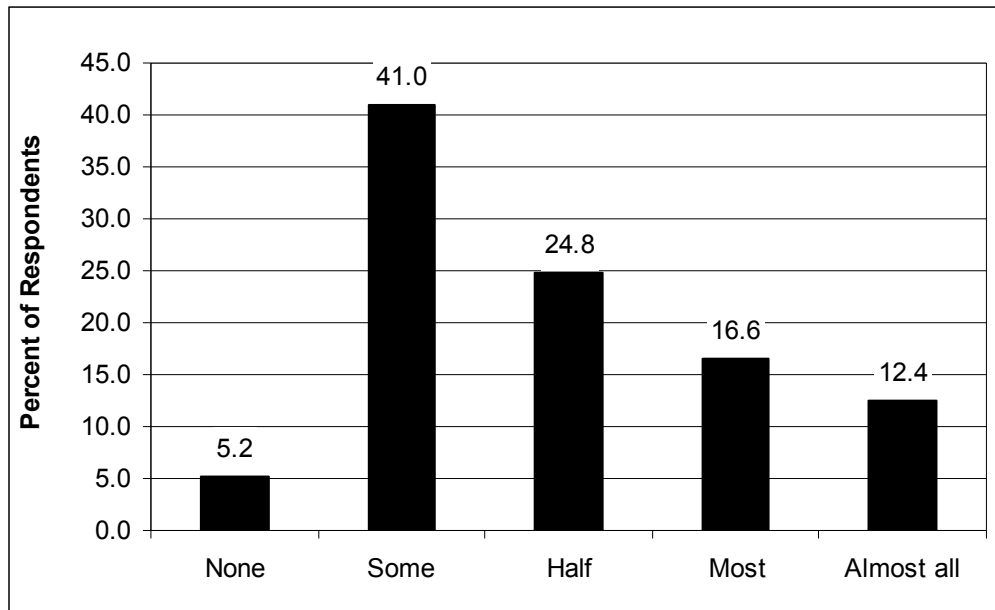


Chart 15. Time spent talking with others at the market (BC: n=290)



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

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

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

Economic Benefits

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

$$\$37.91 \text{ per customer visit} \times 3,742 \text{ spending customers} \times 23 \text{ (adjusted) sessions} = \$2,800,000$$

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

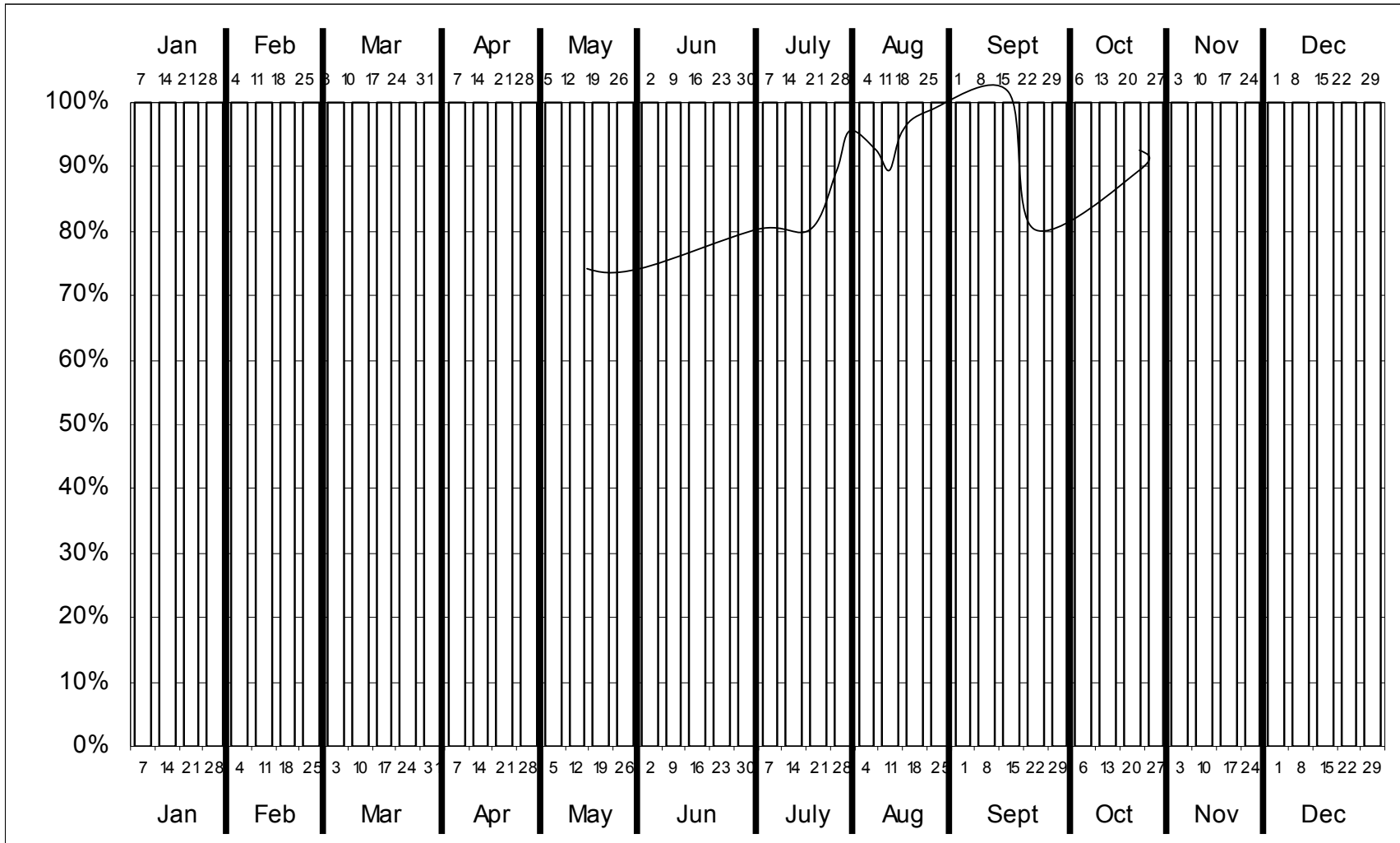
Annual economic benefit (2012): \$4.2 million

This calculation means that the Kitsilano Farmers Market contributes an estimated \$4.2 million to the local economy each year. These monies benefit not only market vendors but also the local businesses that supply these vendors.

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

We can also assess the 'spillover' effect that the Kits 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 **\$2.1 million**

Appendix: Seasonal activity chart for Kitsilano Farmers Market



Acknowledgements

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