

# ECONOMIC AND SOCIAL BENEFITS ASSESSMENT

## FINAL REPORT

### Skeena Valley Farmers' Market

Terrace, 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 Skeena Valley Farmers' Market on July 28, 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<sup>i</sup>.

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 Skeena Valley Farmers' Market:

- **The estimated economic benefit of the Skeena Valley Farmers' Market to the local economy is approximately \$2.1 million annually**
- **The estimated number of market customers on assessment day: 2,754 customers**
- **Over 340 market visitors participated in the study**
- **Average customer spending per visit: \$24.22**
- **48.6% of the survey respondents visit the market either 'regularly' (almost weekly) or 'frequently' (2-3 times per month)**

The Skeena Valley 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 Skeena Valley Farmers' Market is over 20 years old and has grown significantly since its inception. The 2012 assessment displays that the Skeena Valley Farmers' Market has grown significantly since 2006. The estimated number of peak season market visitors has climbed from 2,340 visitors to 3,240. The market's economic impact on the local economy has nearly doubled from \$1.2 million to \$2.1 million.

The Skeena Valley Farmers' Market's average customer spending was noticeably lower than the average for markets nationally and provincially. The average amount spent per customer at the Skeena Valley market was \$24.22, whereas the provincial average was \$28.81 and the national average for all markets was \$32.06. Even though the market's average customer spending was lower for the Skeena Valley Farmers' Market it still has one of the largest impacts compared to other markets assessed in BC. This can be strongly correlated with the high number of market shoppers.

The majority of market shoppers at the Skeena Valley Farmers' Market are from Terrace. However, the market has about 35% of its shoppers coming from areas outside of Terrace. The Skeena Valley Farmers' Market has also seen an increase in percentage of first-time shoppers since 2006 and a decrease in the percentage of regular shoppers since 2006. This means that more people are experiencing the market for the first time, while many of the regular shoppers remain loyal to the market.

The Skeena Valley Farmers' Market is an effective outlet providing locally grown, baked and made goods to the Skeena Valley and many of its visitors. Beyond just providing access to local products, the Skeena Valley Farmers' Market is also an excellent source of entertainment for the entire family. With live entertainment and a variety of ready-to-eat foods the market is a social hub, providing space to connect with old friends and meet new friends. The Skeena Valley Farmers' Market is a prime example of a thriving BC farmers' market that is building on its success.

## DESCRIPTION OF MARKET

### Skeena Valley Farmers' Market

Market Website:

[http://www.terrace.ca/residents/recreation\\_culture/farmers\\_market/](http://www.terrace.ca/residents/recreation_culture/farmers_market/)

<http://www.bcfarmersmarket.org/markets/marketdetails.asp?marketID=174>

Terrace is the furthest point north in BC where fruit trees can be grown, and the wares of the 70 vendors aptly reflect the products of the fertile Skeena Valley. Everything at this market is home grown, made and baked, and coming here on a Saturday morning is the social thing to do; think of it as a community living room! Products run the gamut: fresh veggies; breads; lots of ethnic foods from local multicultural residents; fresh fish; canned foods; artworks; crafts and much more. One regular vendor is an organic farmer, another has a greenhouse and in the Fall there's lots of garden produce. Unique heritage-type bedding plants are available in Spring. The market promotes local musicians, there are community tables for fundraising and/or community information and kids' activities are sometimes offered too.

<b>Availability:</b>	Open from May 5th to Oct. 27th Saturdays, 9am – 1pm
<b># Vendors:</b>	70 +
<b>Location:</b>	Market St. opposite Library Park, Terrace, BC
<b>Contact Info:</b>	Norm Frank, Market Manager 4436 Park Ave Terrace, BC V8G 1T9

## 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 do you live?

- 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 Skeena Valley 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 mild and overcast for the first half, then patches of sunshine arrived for the second half. There were approximately 72 vendors present.

#### *Crowd count*

The total estimated number of people attending the Skeena Valley Farmers' Market on July 28, 2012 was 2,754.

When asked, vendors at the market said market attendance was about 15% slower for that time in the season, as compared with past years. This was attributed to the Kispiox Music Festival, which occurred near Terrace that weekend.

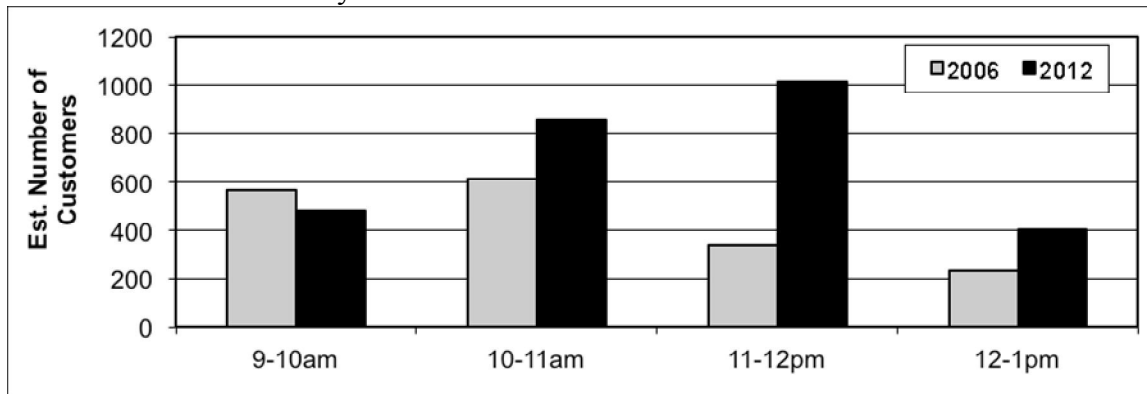
The actual and extended counts for the assessment are shown in Table 1. The total estimated counts are also shown in Chart 1.

Table 1. Estimated Crowd Count

<b>Time period</b>	<b>Count period</b>	<b>Actual count</b>	<b>Extended total</b>
1st hour (9:00-10:00)	9:25-9:35am	80	480
2nd hour (10:00-11:00)	10:25-10:35am	143	858
3rd hour (11:00-12:00)	11:25-11:35pm	169	1014
4th hour (12:00-1:00)	12:25-12:35pm	67	402
<b>Estimated total crowd count on July 28, 2012</b>			<b>2,754</b>

Chart 1 (below) shows the estimated crowd totals for each hour for both 2012 and 2006. Market attendance steadily builds over the first three hours, peaking during the third hour, and then decreases significantly for the final hour. In 2006 market attendance increased over the first two hours, peaking in the second hour. The crowds decreased significantly over the last two hours.

Chart 1. Crowd counts by the hour



As shown in Chart 2 (next page), the number of shoppers attending the Skeena Valley Farmers' 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).

#### *Flip-chart survey*

Approximately 340 people responded to the dot survey, which is about 12% 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<sup>ii</sup> of \$24.22 each on the day of the assessment. As shown in Chart 3 (below), most customers surveyed (56.6%) said they would spend up to \$20 at the market that day. The average amount spent by shoppers at the Skeena Valley Farmers' Market in 2006 was \$25.11.



Chart 2. Number of shoppers at BC farmers' markets (average hourly crowd at peak of season)

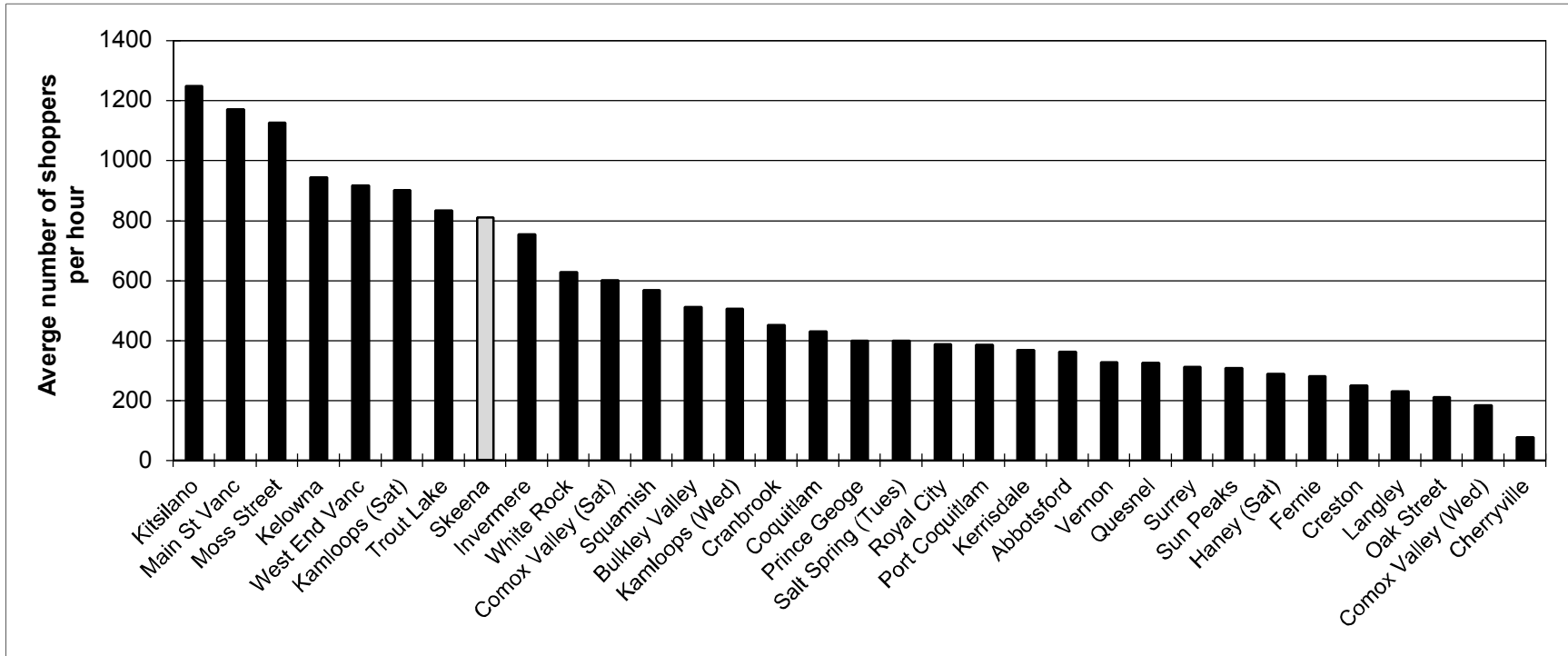
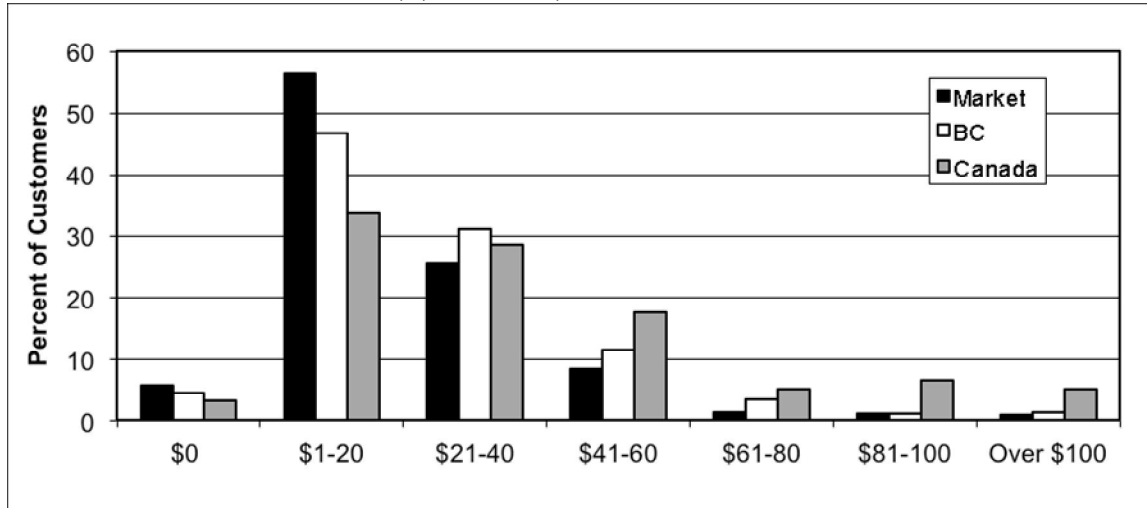
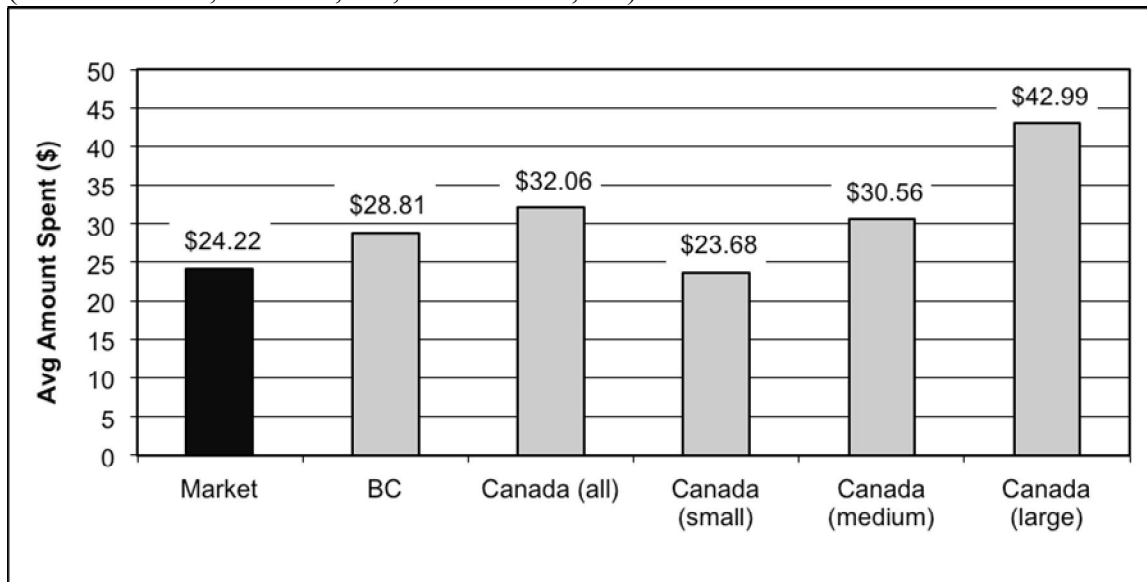


Chart 3. How much have you spent, or do you plan to spend, at the market today? (Market: n=343; BC: n=9,819; Canada (L): n=1,013)



The results shown in Chart 4 illustrate how the Skeena Valley 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, Skeena Valley Farmers' Market shoppers spend less than the average spent by provincial market shoppers and significantly less than shoppers at large farmers markets nationally.

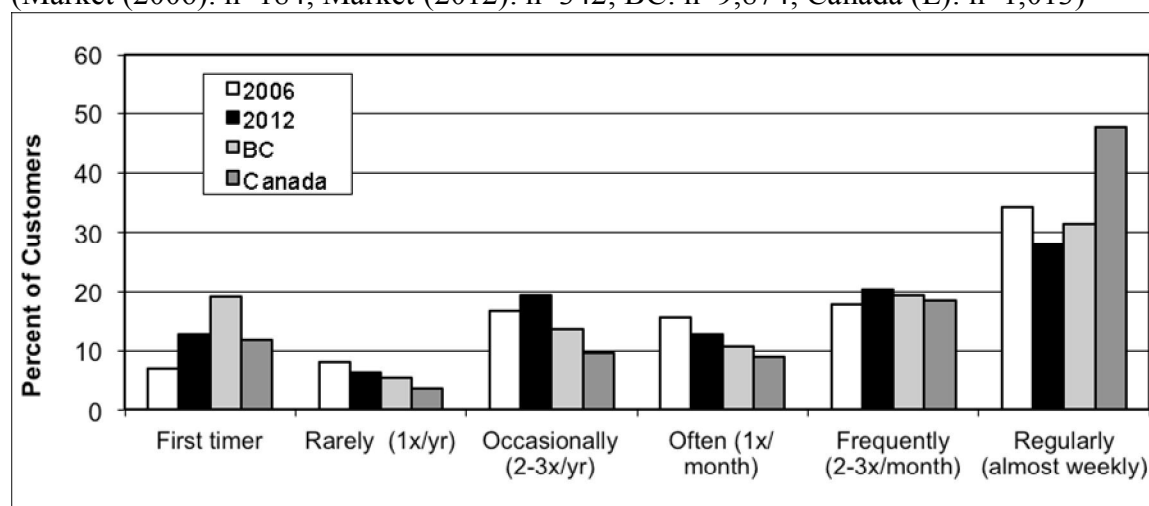
Chart 4. Average amount spent by market shoppers  
(Market: n=343; BC: n=9,819; Canada: n=3,167)



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

As shown in Chart 5, the Skeena Valley Farmers' Market has a wide distribution in the frequency of visits, though regular shoppers account for the highest percentage. One in three customers (28.1%) shops regularly at the market. First-time visitors to the market accounted for 12.9% of respondents. This pattern is similar to the results of the assessment in 2006. Although in 2006 first-time visitors only accounted for 7.1%, and regular visitors accounted for 34.2% of respondents. These results are similar to the provincial and national results. However, the Skeena Valley Farmers' Market has a noticeable higher percentage of occasional shoppers and lower percentage of regular shoppers than the national average.

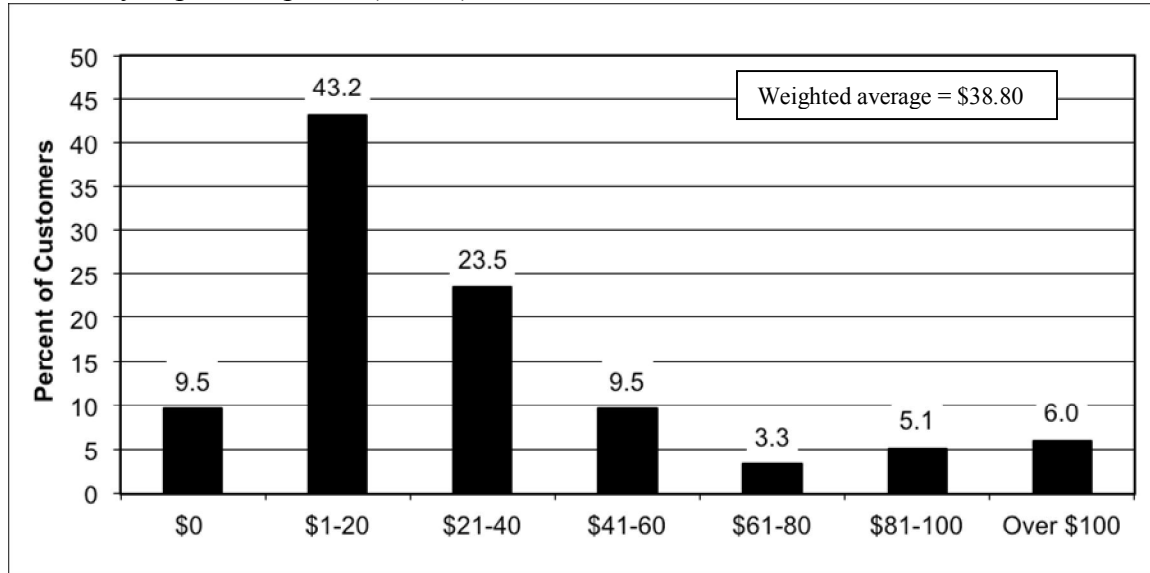
Chart 5. How often do you come to this market?  
(Market (2006): n=184; Market (2012): n=342; BC: n=9,874; Canada (L): n=1,013)



**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 (next page) shows the range of additional spending by market customers, with 90.5% of respondents saying they would do additional shopping at neighbouring businesses that day. Almost half (43.2%) of customers surveyed said they would spend up to \$20; 47.3% said they would spend more than \$20.<sup>iii</sup> The average amount spent per customer at neighbouring businesses was \$38.30. These figures are slightly higher than the results of the 2006 assessment. Given the variability among markets, no comparison is made with BC or national results.

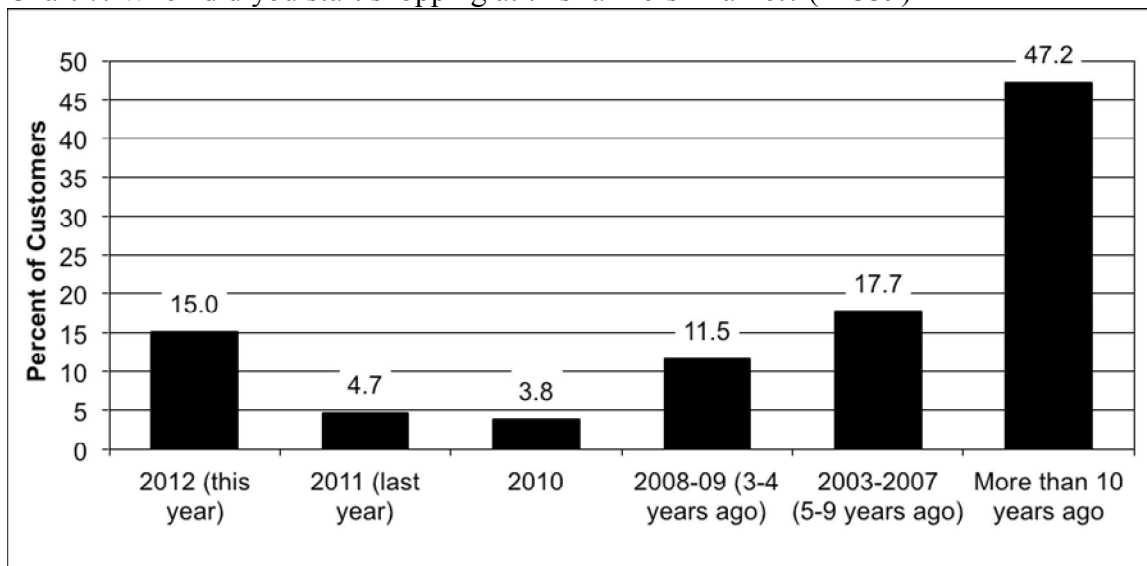
Chart 6. If you plan to do additional shopping or eating while in this area of town today, how much do you plan to spend? (n=336)



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

As shown in Chart 7, your market has a good portion of long-time, loyal customers. Half of all customers surveyed (47.2%) have been coming to this market for more than ten years, and 37.8% of all respondents have been coming to this market for more than one year. In addition to the long-time regulars, there were also 15.0% of respondents who were first-time visitors to this market.

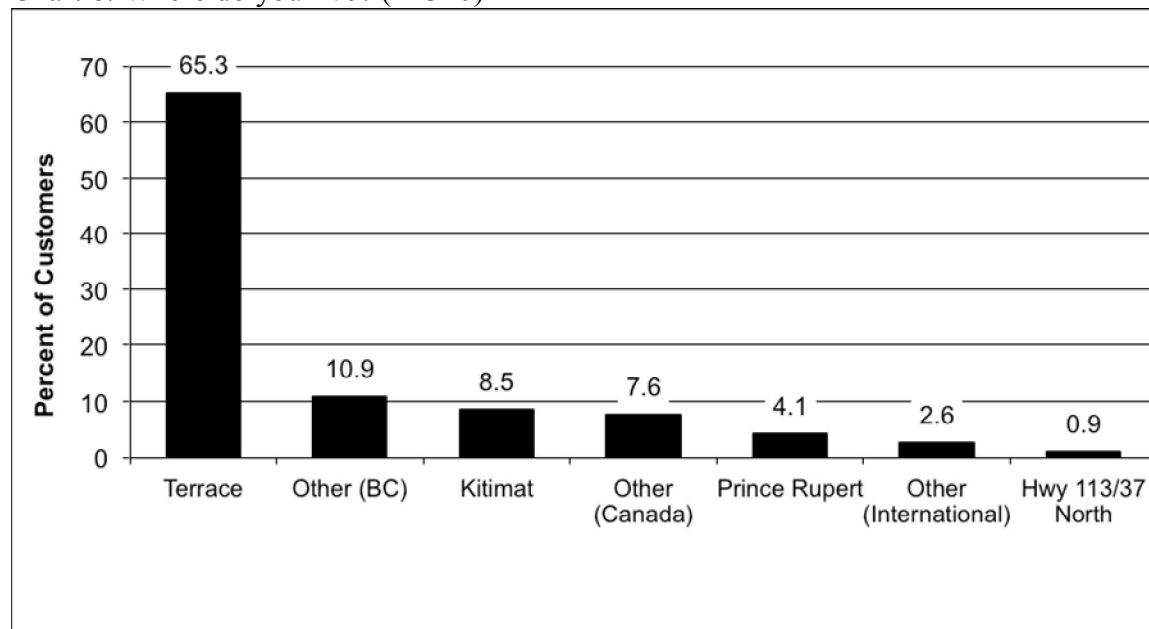
Chart 7. When did you start shopping at this farmers' market? (n=339)



### Question 5. Where do you live?

As shown on Chart 8, the majority (65.3%) of market respondents live in Terrace. Visitors from nearby areas including Kitimat, Prince Rupert and the Highway 113/37 North region accounted for 15.9% of market shoppers. Visitors from other parts of BC accounted for 10.9% and visitors from other parts of Canada represented 7.6% of respondents. International visitors accounted for 2.6% of Skeena Valley Farmers' Market visitors.

Chart 8. Where do you live? (n=340)



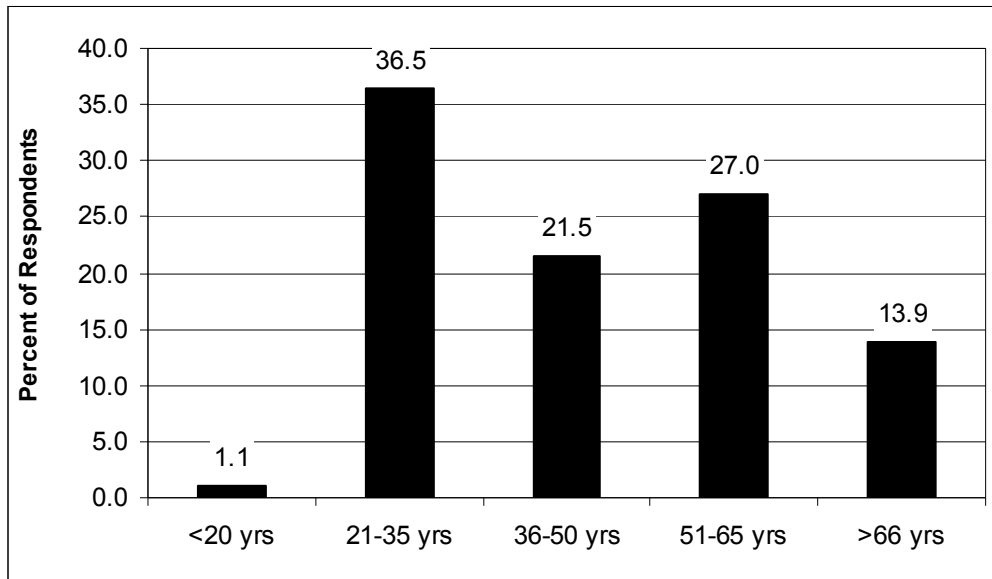
### Market surveys

#### *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.

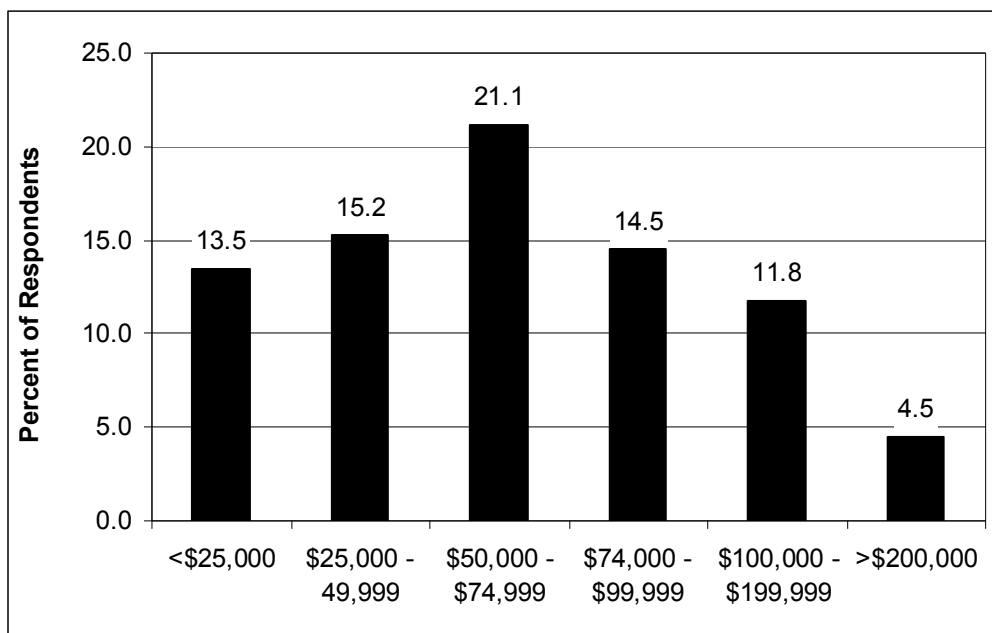
The results in Chart 9 show the age range of farmers' market customers in BC.

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



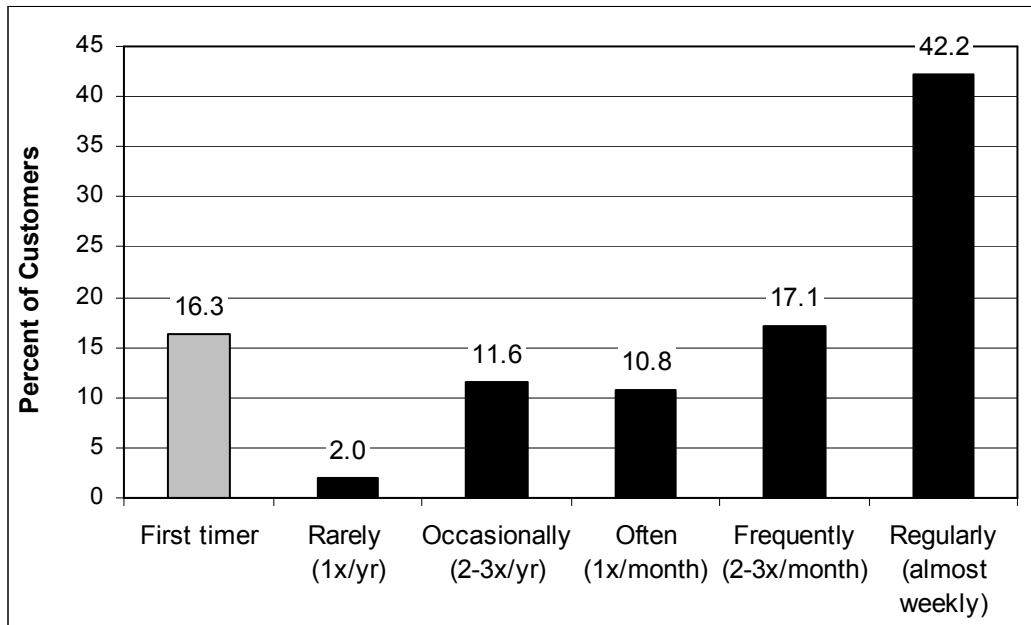
The household income of shoppers at farmers' markets in BC is shown in Chart 10. The results show that people from households with a range of incomes shop at BC's markets.

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.

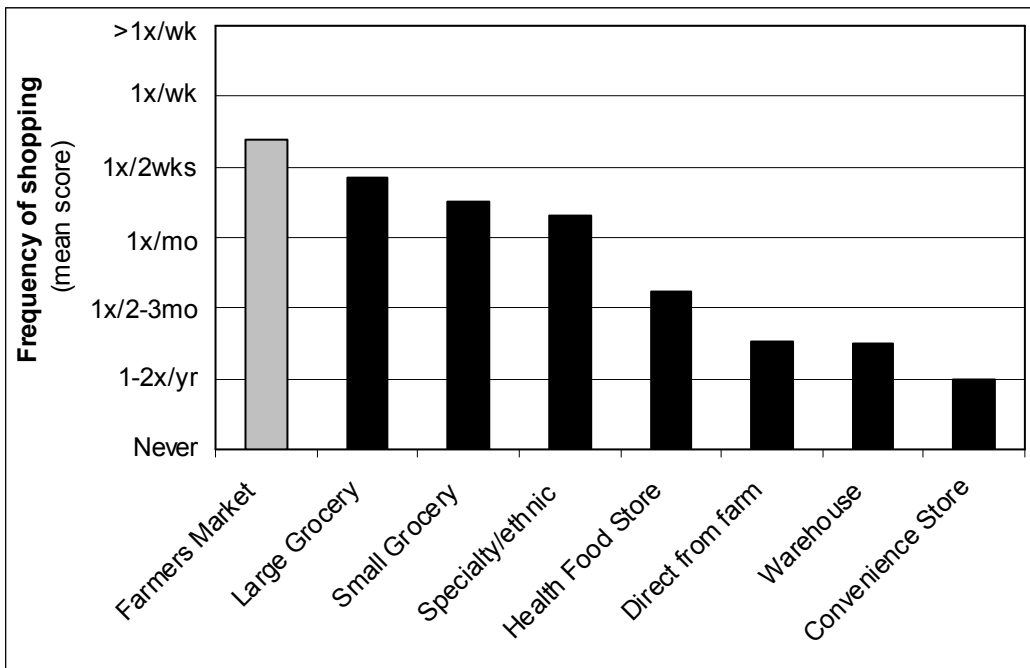
Chart 11. Frequency of shopping at farmers' markets (BC: n=251)



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.



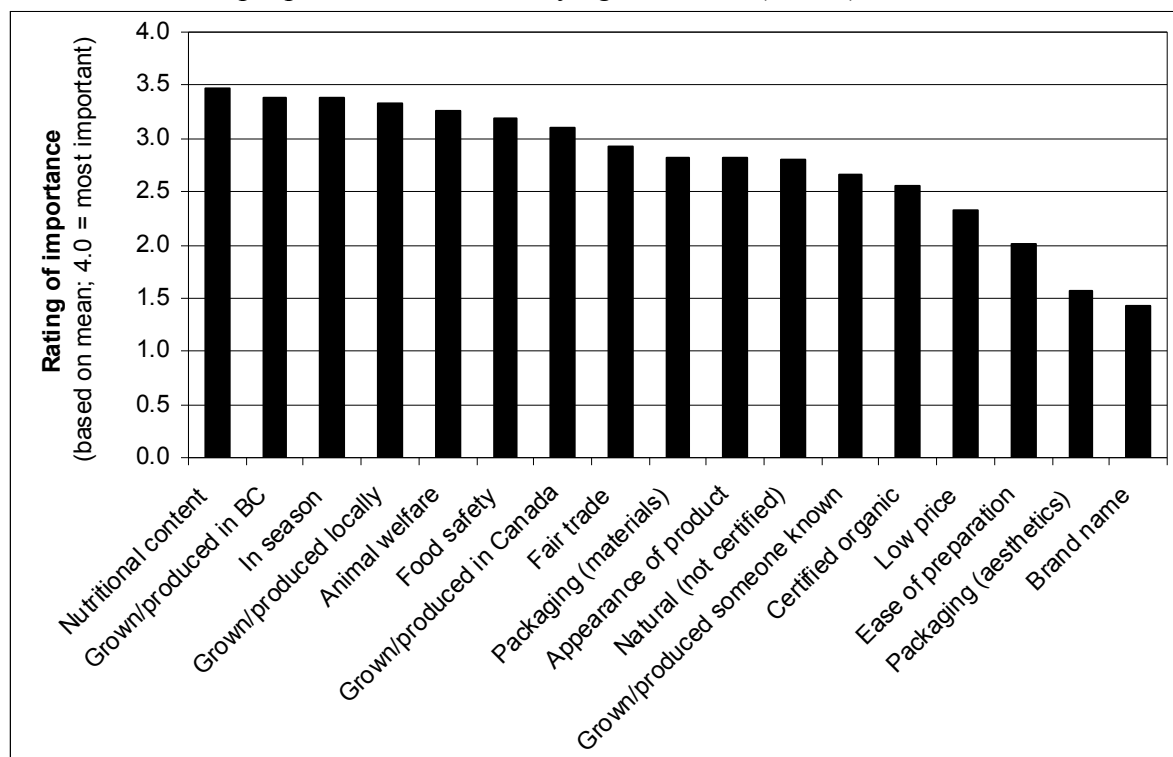
Part of the answer to explain the shopping pattern of market customers is evident in Chart 13, which shows the relative importance of factors customers consider when buying food.

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)

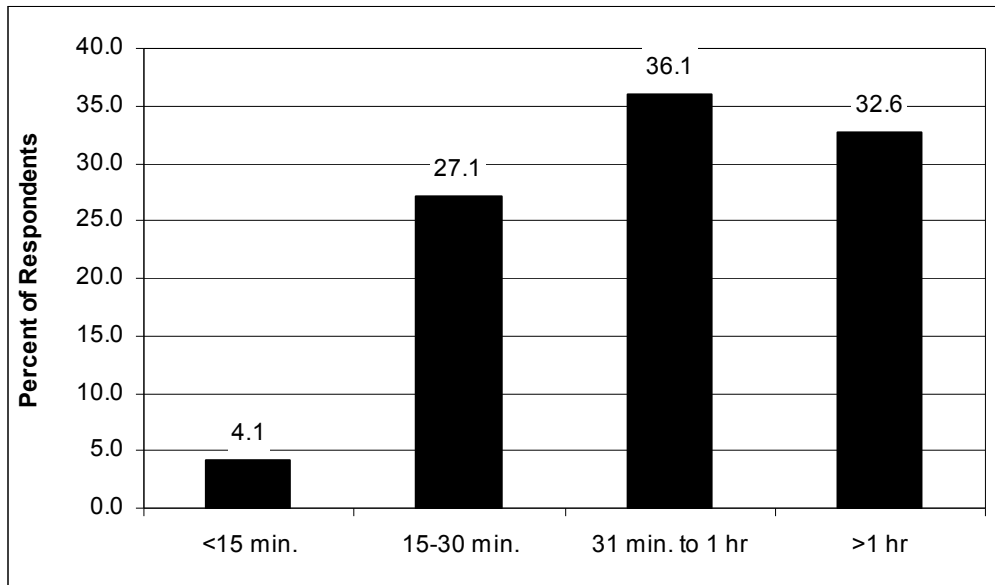
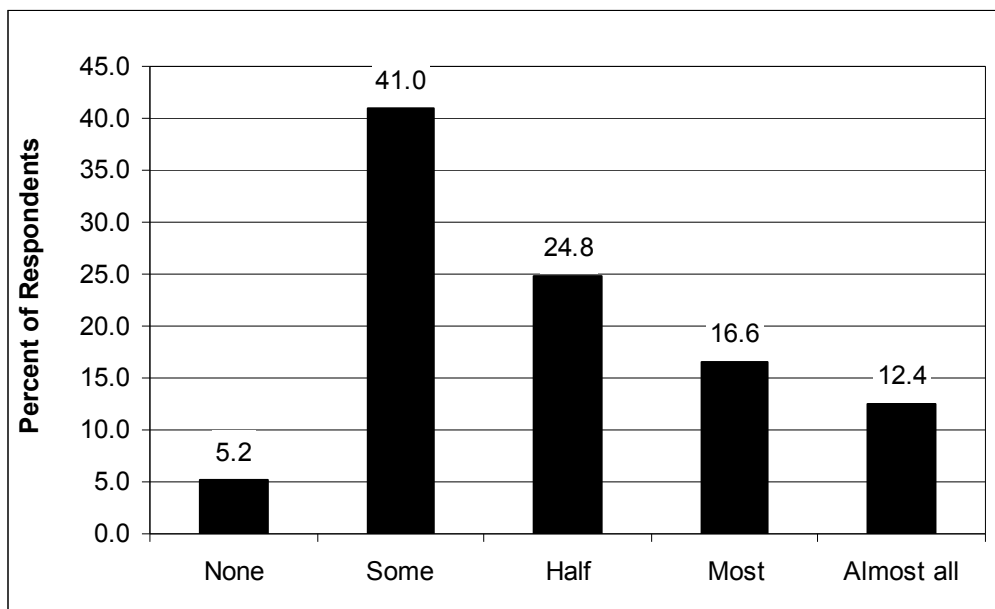


Chart 15. Time spent talking with others at the market (BC: n=290)



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)

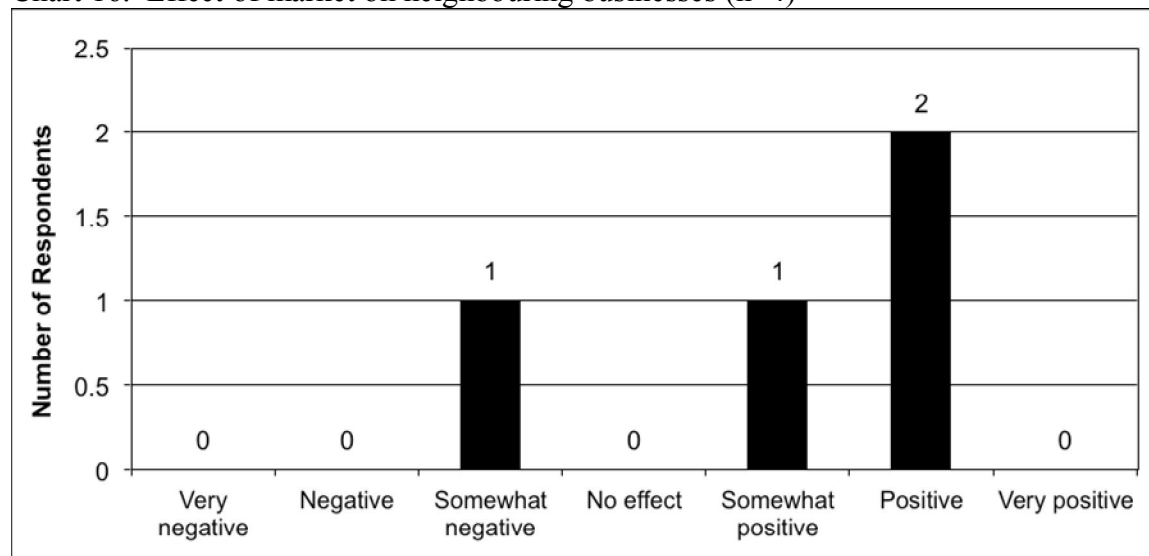
		How time spent					Total
		None	Some	Half	Most	Almost all	
Time spent at market	<15 min.	1	2	0	0	0	4
	15-30 min.	2	17	5	3	0	27
	31 min. to 1 hr	1	16	11	5	4	36
	>1 hr	1	7	9	9	8	33
Total		5	41	25	17	12	100

*Business survey*

There were several businesses located within visible range of the Skeena Valley Farmers' Market, including a consignment clothing shop, bakery, quilting store and delicatessen. Based on availability of businesses for interviews, and whether they are open on market days, we conducted surveys with four neighbouring businesses (Chart 16).

One of the businesses that reported impacts from the market said that the market is good for getting people downtown and into their stores. Two businesses said that the market is great for them, as people come in to their business to eat both before and after the market. This business also reported a definite sales increase during the market season, as compared to the winter season. One business reported that their business is slower during market days because potential customers are at the market instead of in their business.

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 Skeena Valley 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<sup>iv</sup>. 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 Skeena Valley Farmers' Market, seasonally adjusted annual direct sales are:

$$\$24.22 \text{ per customer visit} \times 2,430 \text{ spending customers} \times 26 \text{ (adjusted) sessions} = \$1,414,000$$

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

**Annual economic benefit (2012): \$2.1 million**

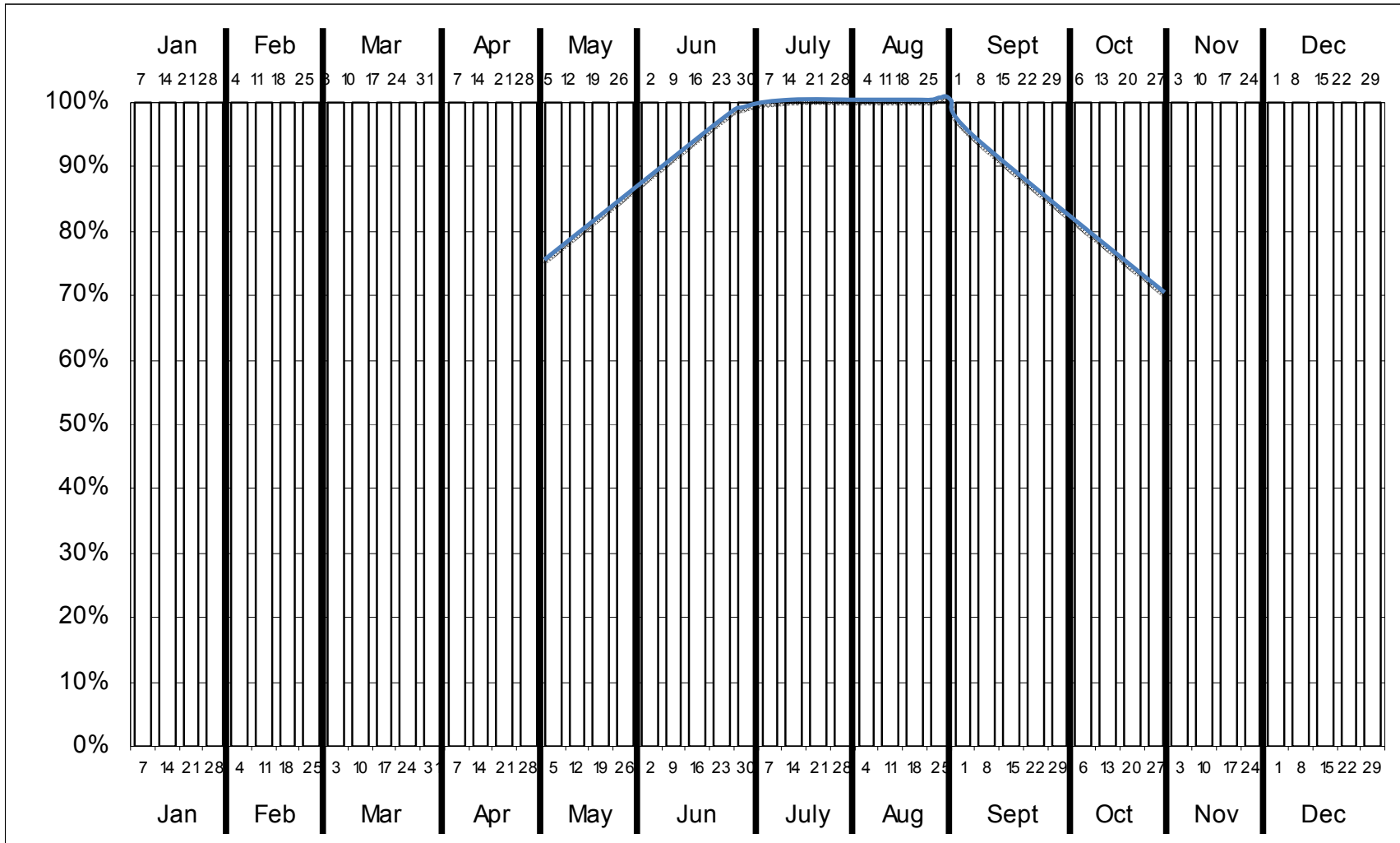
This calculation means that the Skeena Valley Farmers' Market contributes an estimated \$2.1 million to the local economy each year. These monies benefit not only market vendors but also the local businesses that supply these vendors.

In 2006, the economic benefit of the Skeena Valley Farmers' Market was estimated at \$1.2 million.<sup>viii</sup> 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 Skeena Valley 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 **\$3.1 million**

**Appendix: Seasonal activity chart for the Skeena Valley Farmers' Market**



## Acknowledgements

The BC Association of Farmers' Markets and the project team would like to thank the Skeena Valley 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

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<sup>i</sup> Source: Experience Renewal Solutions and David J. Connell (2009). National Farmers' Market Impact Study 2009 Report. Prepared for Farmers' Markets Canada.

<sup>ii</sup> The average spent per customer is weighted by category based on results of a national study of farmers' markets completed in 2008.

<sup>iii</sup> The average spent at nearby businesses is weighted by category based on results of a national study of farmers' markets completed in 2008.

<sup>iv</sup> 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.

<sup>v</sup> 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.

<sup>vi</sup> Includes special days, if any, such as 'Christmas markets'.

<sup>vii</sup> 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.

<sup>viii</sup> 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.