



The Value of Farmers' Markets in British Columbia:

Insights from the Farmers' Market Toolkit Pilot

August 30, 2013

Vancity Community Foundation



Table of Contents

Introduction 1

Economic Value..... 2

Food security and sustainability 4

Community Building..... 5

Performance Management of the Market..... 7

Conclusion..... 7

Appendix A: Pilot Market Snapshots 8

Introduction

Vancity Community Foundation (VCF) in association with the BC Association of Farmers' Markets (BCAFM) have developed a Farmers' Market Impact Toolkit that helps markets measure and demonstrate their social, economic and ecological value. The toolkit was piloted with 9 farmers markets in the summer of 2012 in British Columbia, Canada. Six markets completed survey and data files that produced measures related to four outcome areas shown below, representing 117 customers, 84 vendors, 5 market managers and 18 external stakeholders.¹ This report pulls together a collective picture of the value of farmers' markets based on this data. Where helpful, additional research is used to contextualize the findings. The data used in this report are not part of a statistically validated sample that can be used to extrapolate findings to farmers' markets generally. As such they must only be used to provide a glimpse of the dynamics and value at play in the growing farmers' market movement. For more information on the project's methodology and toolkit, see *Farmers' Market Impact Toolkit: Project Report*.²

Figure 1 Toolkit Outcomes



As part of the piloting, most markets produced a Performance Snapshots to communicate how they provide value to their community. These are shown in Appendix A.

¹ Please note that not all respondents are represented in each measure discussed in this report.

² Annie Lambla, Garth Yule, Bryn Sadownik & Camille Narayan, *Farmers' Market Impact Toolkit Project Report* (Vancouver, B.C.: Vancity Community Foundation, 2013).

Economic Value



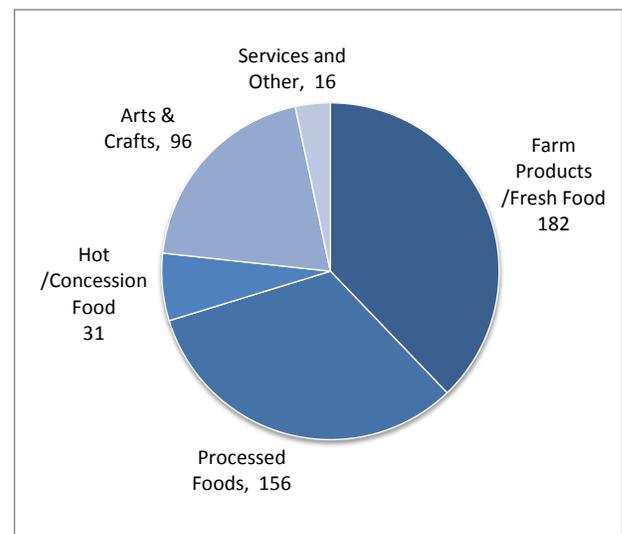
Farmers' Markets promote local business and economic development by creating distribution channels for small-scale producers who typically have limited opportunities to sell into conventional supply chains.³ The toolkit pilot data suggest producers who sell at the market are fairly small-scale. Of the 19 farmer vendors who provided data about the land they work, more than 50% cultivated less than 5 acres of land. By contrast, the average size of a farm in British Columbia in 2011 was 327 acres.⁴

Selling to farmers markets and through other direct marketing channels provides a relatively high degree of independence in production and marketing decisions, lower overhead costs, and premium prices when compared to conventional retail and wholesale channels.⁵ Although it requires a higher investment of time and travel on the farmer's part, farmers' markets offering some of the highest returns available directly to producers that would otherwise be lost to wholesalers or distributors within an extended food supply chain.⁶

Farmers markets provide market development opportunities to a huge number of producers. The six pilot markets alone provide opportunities to 507 registered vendors, according to the market managers surveyed. While the majority of vendors provide farm products and fresh food (182), there are almost as many selling processed food (151). Figure 2 shows the products offered by these vendors. Vendors who have gone on to start their own businesses that operate outside of the market include Prontissima Pasta, Tannadice Farms, DKT Ranch, Pattison Farm, Fibre Manipulator (2011), The Spelt Bakery (1998).

Through surveys, markets received information from 84 vendors about the importance of various income sources. Two thirds of these vendors ranked farmers

Figure 2 Breakdown of registered vendors by product offering (6 markets)



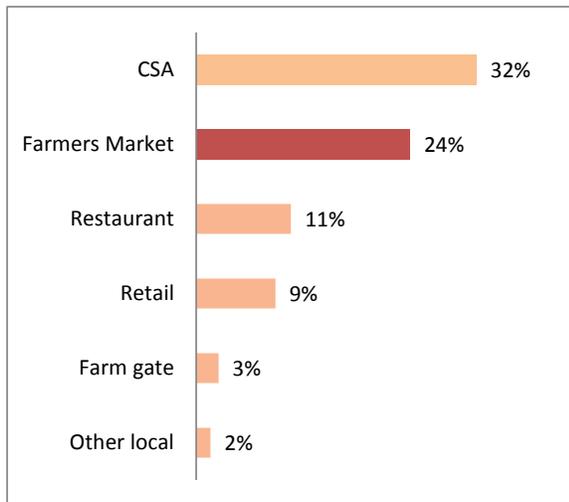
³ H. Wittman, M. Beckie, C. Hergesheimer, "Linking Local Food Systems and the Social Economy? Future roles for Farmers' markets in Alberta and British Columbia," *Rural Sociology* 77,1 (2012): 37.

⁴ Statistics Canada, "2011 Census of Agriculture," *The Daily*: May 23, 2012.

⁵ Wittman et.al, 51.

⁶ Ibid.

Figure 3. Income generated by local sales (18 vendors)



markets in their top 3 most important sales channels. Two markets also received detailed income information from 18 farm product vendors about their sales channels. For these vendors, farmers’ markets and CSAs (“Community Supported Agriculture”) generated the most local sales income (24% and 32% respectively), followed by restaurant sales, retail and farm gate sales (Figure 3).

The markets explored in some detail what particular value they provide to vendors (Figure 4). The strongest value ranked by vendors is the ability to provide significant sales volume, and secondly, to build customer relationships. While networking with other vendors ranked lower, this appears to be significant for some vendors. One vendor noted:

“Being a new vendor, it is very important for me to network with other vendors to receive valuable market knowledge that has come from their experiences. Also I have received a lot of information regarding other venues or markets that are worthwhile to attend. Networking with vendors is a sure way to find out where to buy local produce, and so much more. “

Research into the development of local food systems has found that development is limited by the ability for vendors to meet growing local food demand with limited capacity. The data collected by the markets provide some insight into the limits to growth. On average only 23% of vendors (of the 18 who provided income data) wanted to produce more. Figure 5 shows the primary constraints to growth identified by respondents.

Figure 4 Contribution to sales strategies (87 vendors)

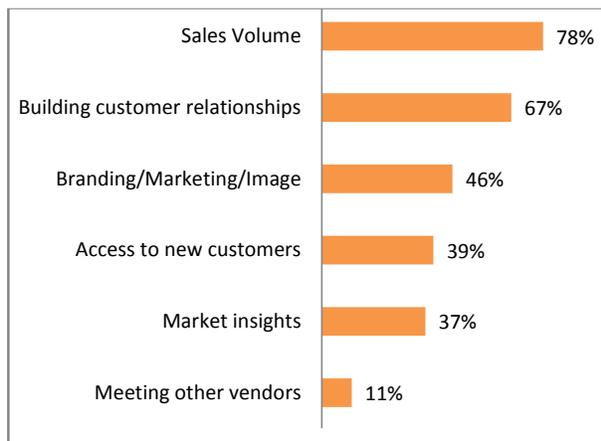
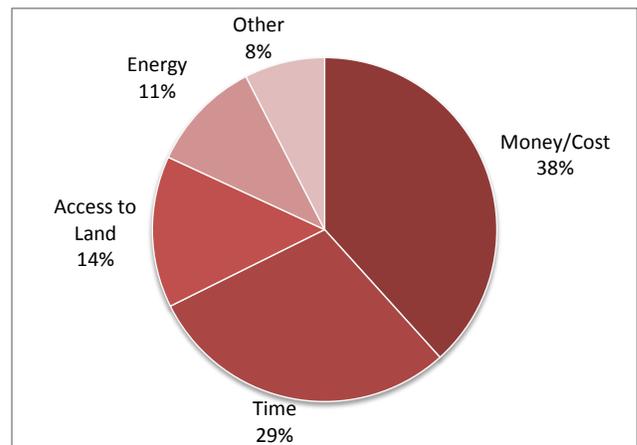


Figure 5 Constraints to growth (Share of respondents who selected this factor as their primary constraint)



The toolkit pilots reveal less about the impact of farmers markets on the local economy. We found that stakeholders of the market strongly value the market contribution to the local economy: 92% agreed or strongly agreed with the statement that the farmers market’s positively supporting the local economy. A 2012 study by the University of Northern British Columbia estimated the economic impact of farmers

markets across the province to be over \$170 million, including \$113 million in direct sales.⁷ The economic impact has increased by 147% relative to 2006.

Food security and sustainability

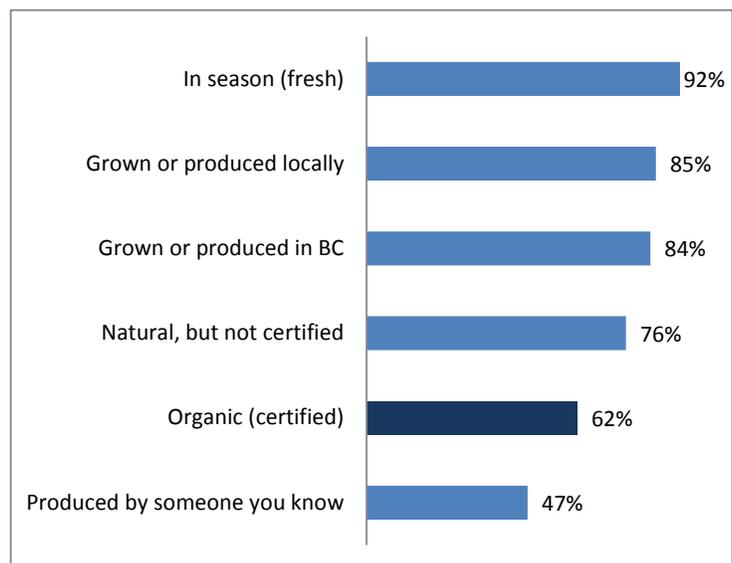


The previous section suggests farmers' markets play an important role in increasing food security by providing a marketing outlet for smaller, local producers, and in incubating local food processing businesses. While measures that link the role of farmers' markets to local farmland are an important part of the toolkit, data received through the piloting about this link are limited in aggregate. Comox Valley Farmers' Market received data from 11 farm vendors that described both sales income and land use. Based on

this limited data set, we calculated that on average, each dollar spent at the Comox market supports 3.75 m² of local agricultural land. For these 11 farm vendors, this accounts for 500 acres in 2013. (The total for the market would be much higher since they reported 62 registered vendors that sell farm fresh food).

Buying and selling locally connects the community's resources to its needs, which can contribute to a community's environmental sustainability goals. In industrial food systems, consumers don't often make the connection between their actions and environmental impacts due to the wide distances between causes and effects.⁸ In the toolkit pilot, we found that stakeholders place a high value on the market's value in supporting sustainable agriculture – 92% of all stakeholders (customers, vendors, market managers and external stakeholders) agreed or strongly agreed with the statement that buying at the farmers' market supports sustainable agricultural practices. While important, buying or consuming organic and sustainably produced food was

Figure 6. Customer values in purchased food (117 respondents)



⁷ David J. Connell, *Economic and Social Benefits Assessment of Farmers' Markets: Provincial Report, British Columbia, Canada* (Prince George, B.C.: School of Environmental Planning, University of Northern British Columbia / Vancouver, B.C.: BC Association of Farmers' Markets, 2012): 2.

⁹ Francis, et.al., "Food Systems and Environment: Building Positive Rural-Urban Linkages," *Human Ecology Review*, 12, 1 (2005): 61.

not as important as buying locally, according to surveys of what customers value in purchased food (see Figure 6). The vendor data showed that farmers market are an outlet for a diversity of farming practices, including certified and non-certified organic, and production of heirloom/heritage varieties and non-GMO products.

It was beyond the scope of the toolkit to connect farmers markets to community measures of environmental sustainability such as changes in greenhouse gas emissions and ecosystem integrity, etc.). The relationship is complex and controversial.⁹ In general, production choices tend to dwarf transportation distance in determining the carbon footprint of agriculture.¹⁰

Community Building

Trust and strong relationships between community members ('social capital') support healthy communities and civic engagement.¹¹ When neighbours know and trust one another, they can work together to identify and solve local problems in ways that serve everyone's interests and that help make their neighbourhood a better place to live. Recent research in Vancouver suggests that the strength of our community connections is fairly weak. A 2012 report by the Vancouver Foundation found that residents of Metro Vancouver do not connect with neighbours beyond learning their names and that many people are retreating from community life.¹²

The most often-cited reason for not knowing neighbours is that people seldom see each other. Farmers' markets create an on-going shared local community event, enabling gathering and socializing. This provides a venue for building relationships not only between neighbours, but also between producers and consumers, which builds needed connections between rural and urban communities.¹³

Customer perspectives how markets act as community hubs

(pulled from survey responses)

"Once you become acquainted with the vendors and shoppers, when you see them in town they are like old friends."

"This is often a place to meet your friends - people you may not take time to see otherwise."

"It is not just commerce, or food, or art, but rather all these things and more - it is community at its best."

"We really plan our weekend around the market."

"It represents everything positive about community."

⁹ For a good discussion of the complexity involved in measuring the carbon footprint of food production see: W. Wakeland, S. Cholette, and K. Venkat "Food transportation issues and reducing carbon footprint." *Green Technologies in Food Production and Processing*, eds. Y. Arcand & J. Boye, (Berlin: Springer, 2012): 211-234.

¹⁰ A calculation of the carbon footprint of food was attributed to 83% for production relative to 11% for transportation. "Pierre Desrochers, "Will buying food save the planet?" Economic Note. Montreal Economic Institute

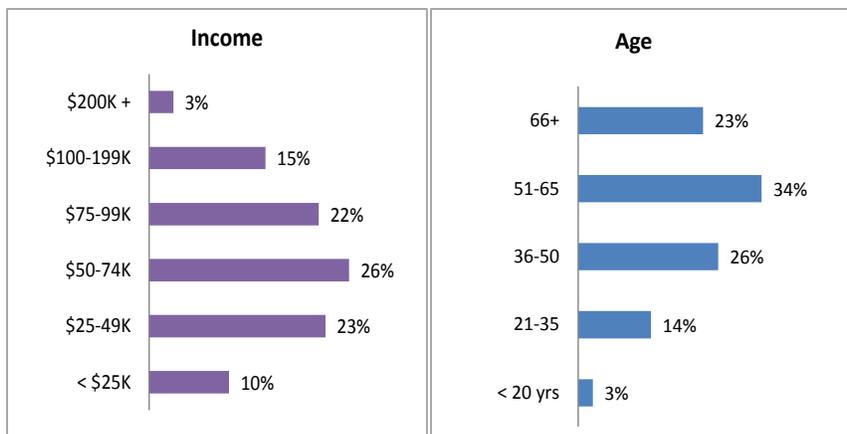
¹¹ Robert Putnam, "E Pluribus Unum: Diversity and Community in the Twenty-first Century -- The 2006 Johan Skytte Prize Lecture," *Scandinavian Political Studies* 30 (2): 137-174.

¹² Vancouver Foundation, *Connections and Engagement: A Survey of Metro Vancouver*, Vancouver, B.C.: Vancouver Foundation, 2012.

From the toolkit pilots, we learned that farmers’ markets are a fixture in the community and strongly support community connections. Customers come often, stay a while and are loyal, returning to the market year after year. A strong majority (84%) of all stakeholders to the markets (customers, vendors, market management, and external stakeholders, totaling 229 survey respondents at six markets) agreed or strongly agreed with the statement that the farmers’ market provides a social hub/good place to socialize. Almost all of the 117 customers surveyed by the markets (97%) reported that they spend some, half, most, or all of their time talking to vendors, friends, and other acquaintances. Most customers also visited the market often, frequently or regularly (77%), and had been returning year after year – the majority had been shopping there for more than 3 years. People lingered – the majority of customers stayed for more than half an hour, longer than an average grocery store trip of about 20 minutes for a similar dollar size purchase.¹⁴

An important factor in building strong communities is to be able to develop trust across individuals that would not normally connect (“bridging capital”). From the findings, farmers’ markets appear to be inclusive and accessible to a diverse range of people. The share of total respondents who value this aspect is strong: 92% of all stakeholders (229 respondents) agreed or strongly agreed with the statement that the market “welcomes all people,” and 87% with the statement that the market creates “trusting relationships between vendors and customers.” The pilot data also suggest that markets appear to attract customers representing a range of ages and income levels (Figure 7).

Figure 7 Customer distribution: age and household income



¹³ Gilbert W. Gillespie, Duncan Hilchey, C. Clare Hinrichs, and Gail Feenstra, “Farmers’ Markets as keystones in Rebuilding Local and Regional Food Systems,” in *Rebuilding the North American Food System: Strategies for Sustainability*, edited by C. Clare Hinrichs and T. Lyson, 65–83 (Lincoln, NE: University of Nebraska Press, 2007).

¹⁴ Canadians go on 37 general stock-up trips per year at an average of 44 minutes in the store. Canadians also go on an average of 76 quick pick-up trips per year at an average of 18 minutes in the store. Quick trips (\$34.21 vs. \$31.30 for men). *Checking Out the Canadian Grocery Shopping Experience*. MasterIndex™ Report: 2008 <www.mastercard.com/ca/wce/PDF/TRANSACTOR_REPORT_E.pdf> [accessed June 26, 2013].

Performance Management of the Market

The toolkit focuses on many measures that provide insight into the operations and development of the market. Core management issues include financial sustainability, managing growth sustainably, and successfully matching demand with an adequate volume and range of products. For instance, a British Columbia market manager commented on this balancing act: “Most farmers’ markets in Vancouver have a hard time finding new producers to fill the growing demand. So right now, demand is outpacing supply. Stimulating more supply has to go in tandem with more demand—they both need to keep increasing simultaneously for the system to work.”¹⁵

A selection of measures that provides insight into this issue is summarized in Table 1. This is a subset of measures in the toolkit that supports market management, and reflects data from 5 markets.

Table 1. Performance Measures

Measure	Average of responses
Vendor turnover rate	10%
Vendor growth rate	14%
Proportion of regular vendors	47%
Average customer spend	\$ 37.79
Product reliability*	76%
Revenue from operations	84%

*Customers who agree or strongly agree with the statement 'I can reliably find what I am looking for'.

Conclusion

While the primary objective of the Farmers’ Market Impact Toolkit project was to develop tools to demonstrate the value of markets, the piloting of this toolkit yielded a rich glimpse into the value and performance of farmers’ markets, particularly in terms of their impact on community development. The toolkit provides markets across British Columbia with the means to understand and show their value and can be downloaded at www.demonstratingvalue.org/resources/farmers-market-toolkit

¹⁵ Wittman et.al, 48.

Appendix A: Pilot Market Snapshots

A snapshot is an at-a-glance report that efficiently communicates organizational impact through narrative, metrics and visual information. Snapshots are designed for specific audiences to support decision-making, fundraising and communications. The toolkit combines inputted data into visual graphics and key metrics that can be incorporated into a snapshot with the data analysis file. Templates are also provided to guide design. For more information on snapshots and their use see: www.demonstratingvalue.org

This appendix shows the snapshots completed by the pilot markets.