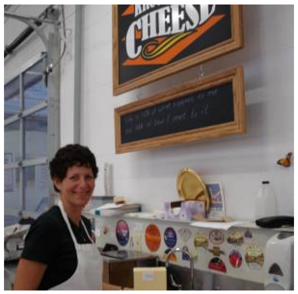


Farmers' Markets Ontario Impact Study 2009 Report

January 2009

Acknowledgment of Funding Support from OMAFRA

Farmers' Markets Ontario, as the organization which contracted for this study, commends the vision of the government of Ontario in allocating $4 million in the 2008 Ontario Budget for the Ontario Farmers' Markets Strategy over four years.

This study was undertaken with Ontario government funding provided to FMO under this Strategy. The Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) is the arm of the Ontario government that has provided this vital financial contribution. Staff at the Ministry have been helpful in providing their support throughout the course of this project.

The findings reported and opinions expressed are the sole responsibility of the consulting firm, Experience Renewal Solutions. Neither the Government of Ontario nor Farmers' Markets Ontario assumes responsibility for the accuracy of the results nor for any opinions expressed.

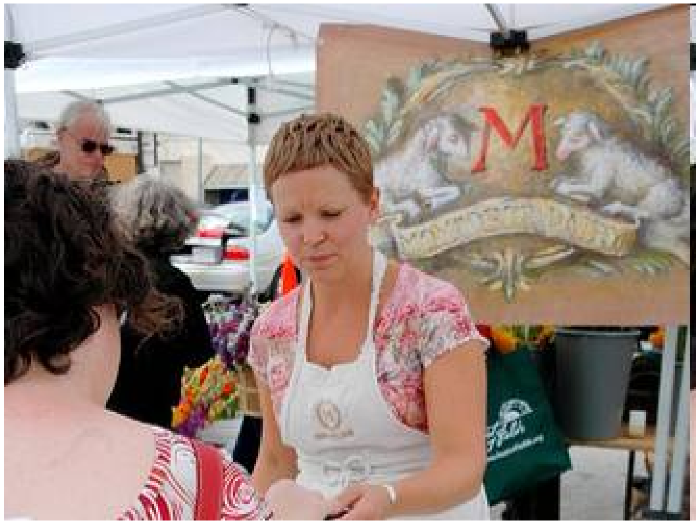
Ontario Budget Commitment 2008

$56 million over four years for the Pick Ontario Freshness strategy and the Ontario Farmers' Markets Initiative, which will help encourage Ontarians to buy locally

Ontario Budget 2008, p. 10

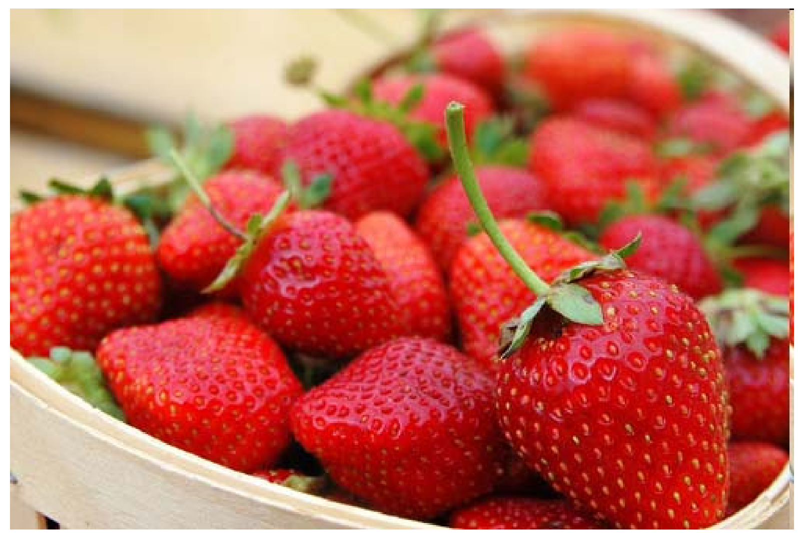
The State of Farmers' Markets in Ontario

- Executive Summary



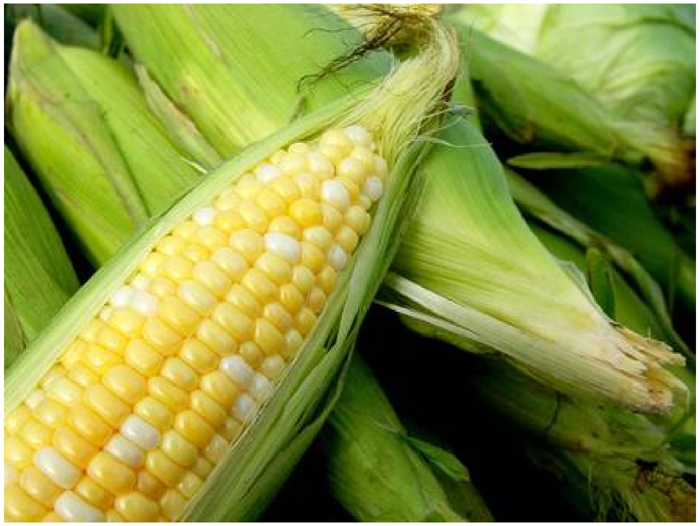
- Farmers' markets are a great success story for Ontario, with strong consumer and vendor support as evidenced by the growth in attendance and number of markets. Success is built upon many factors including a desire to return to healthier, fresher, locally produced products and a strong belief in the integrity of shopping in the community
- The diversity of market types across the 154 Ontario markets provides consumers with a large number of alternatives when seeking community shopping experiences and local products
- Markets offer a vast array of food and non-food items but clearly the largest demand is for fresh fruits, vegetables and baked goods

- Customers feel a strong sense of community and local pride in attending farmers' markets. Most customers attend markets regularly and are strong supporters of the farmers' market industry. They are highly motivated to purchase fresh, in-season produce in clean, simple surroundings
- The market customer is uniquely sensitive to the need to support local primary producers. In fact, 67% said it was extremely important to buy produce from the farmer that grew it rather than buying it from a person who buys it from a food terminal or another farmer and resells it at the market
- Current customers will increasingly look for more product selection and convenience in locations, payment options and lifestyle amenities to ensure their loyalty



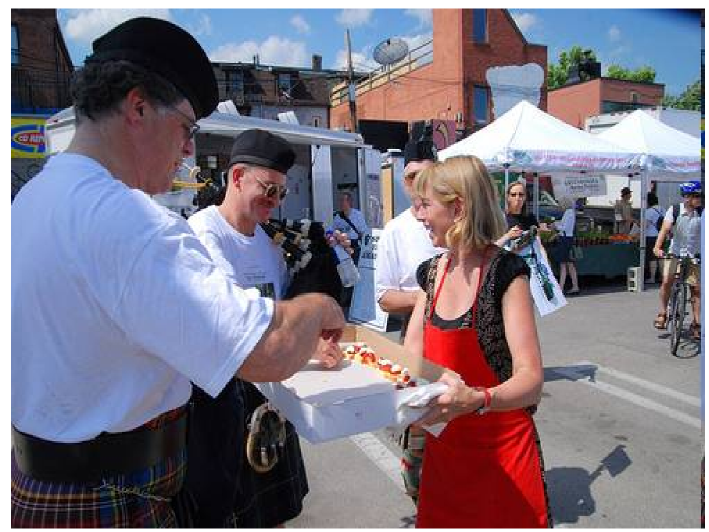
The State of Farmers' Markets in Ontario

- Executive Summary



- Farmers' market vendors are typically primary producers (77%) who achieve a significant portion of their income from participation in the markets; they also find a great deal of local support at markets and are attracted by the social and communal nature of the market experience
- Market vendors are challenged to provide the selection of fresh products required as primary producers while dealing with issues of labour shortages and rising costs of production inputs
- In some markets there is a growing concern about the role of reseller vendors who are threatening the economic viability of the primary producer vendor
- Vendors are looking for more support in marketing of their locations through signage, advertising and website information and would like to attract new vendors in desired local product categories to increase customer traffic

- Market managers are seeking to develop farmers' markets business growth by attracting and promoting more primary producers and increasing the attractiveness and convenience of the market facilities
- Management and Association opportunities should focus on improving marketing efforts and making the physical market presence an attractive and more accessible venue
- Increasing pressures will occur from Health and Safety requirements, parking needs for vendors and customers and balancing of primary producer capabilities and customer demands for year-round product selection



The State of Farmers' Markets in Ontario

- Executive Summary

- The majority of Ontario grocery shoppers are not using farmers' markets. Non-users are a target growth sector; they express a willingness to become patrons and are not visiting primarily because of convenience and lack of awareness issues. Future growth in the sector will require engaging non-users through increased awareness of benefits, locations and product selection. Trial usage among non-users will be dependent on making local market hours and locations more accessible to time-challenged, health-conscious consumers

- The future for farmers' markets in Ontario is promising with consumer demand and interest closely aligned with support for local production and fresh, healthy food choices
- Ontario farmers' markets are an important contributor to the Ontario economy with impacts ranging from $641 million to $1.9 billion annually

Project Objectives

- This Ontario Farmers' Market study is the fourth in a series of studies for Farmers' Markets Ontario (FMO) that build an understanding of the growth, changes and opportunities for the farmers' markets movement over the last decade and into the future. Three previous studies were undertaken by FMO in 1998, 2002, and 2005.

- This 2008 study leverages the "National Farmers' Market Impact Study" that was conducted in the same 2008 field period (July through October) by over-sampling the Ontario market and asking additional core and specific questions of interest to market leaders and specific local markets.

The goals of this study were four-fold:

1. To develop a **Market Census** of farmers' markets in Ontario that will serve as a benchmark in successive years (planned over 4 years) to detail a range of measurable attributes.
2. To calculate the economic impact of Ontario farmers' markets.
3. To understand the barriers faced by non-users and the opportunities to serve new demographic groups at Ontario farmers' markets.
4. To provide a detailed provincial profile of farmers' markets from 6 perspectives:
   - *Current Market Shoppers* through a face-to-face interview during a market experience
   - *Current Market Non-Shoppers* through an on-line interview
   - *Market vendors* through a personal in-market interview and an on-site audit
   - *Market managers* through a personal telephone Interview
   - *Economic Impact Analysis* using research inputs
   - *Specific market reports focusing on local questions*

- This 2009 report will contribute to the ongoing benchmarking of the industry in Ontario, and provide new insights to fuel the resurgence and growth of markets across the province.

Fact Sheet

Farmers' Markets Ontario Insights

HIGHLIGHTS

- Farmers' markets remain strong contributors both to the economy and to the fabric of communities in Ontario
- Over 15 million shopper-visits were made to farmers' markets in Ontario in 2008
- Farmers' markets continue to show growth on an annual basis. Between 1998 and 2008, the estimated compound annual growth in direct sales at farmers' markets was 7.3%
- Farmers' markets play a key role in the marketing of Ontario agricultural products; they play a significant role in generating farm incomes
- More aggressive marketing and promotion of markets; encouraging additional vendors and vendor capabilities; improved access to labour; and the development of more and improved facilities are all identified opportunities for growth for Ontario farmers' markets

2008 Field Research Summary – Sample Sizes

- There are 154 identified farmers' markets in Ontario
- The 2008 Field Research profile:
  - 36 farmers' markets were visited (14% sample)
  - 1824 shoppers were interviewed on-site
  - 634 non-users were surveyed online (people who have not visited a farmers' market)
  - 318 vendors were interviewed on-site
  - 84 market managers were interviewed by telephone or emailed survey
  - Traffic counts and vendor audits were taken at surveyed markets

Economic Impact in Ontario 2008

- Total farmers' market direct sales in Ontario in 2008 are estimated to be in the range of $427 million to $ 641 million
- The economic impact of farmers' markets in Ontario is calculated to be in the range of $641 million to $ 1.9 billion based on a multiplier range of 1.5 to 3.0.
- Average in-market spending by principal shoppers in Ontario is $27.67 per visit; ranging from $21.99 at small markets to $33.94 at large markets

Fact Sheet

Farmers' Markets Ontario Insights

Farmers' Markets Ontario Shopper Profile

Demographic Highlights

The results showed that, on average:

- 72 % of market shoppers are female and 28% are male, over a 2.5:1 ratio
- 71 % of the principal shoppers are 40 and older; 29% of customers are 18-39
- 96 % of shoppers are Canadian born (82%) or have lived in Canada 20 years or more (14%)

Shopping Patterns

- 57 % state that fresh produce is their number one reason for visiting Ontario markets
- 60 % of Ontario shoppers use their own car to reach the market; 40 % walk, bike or take the transit
- 71 % of Ontario shoppers take less than 15 minutes to get to the market from home
- 51 % of Ontario shoppers visit the market regularly (almost once a week)
- 63 % of Ontario market shoppers visit the market alone; 37% visit in groups
- 67% of Ontario shoppers state that buying directly from a local farmer is extremely important
- 22 % of shoppers are new or infrequent users, representing a growth opportunity

Shopper Satisfaction

- 96 % of shoppers find that their market experience meets or exceeds their expectations
- 16 % of shoppers identify the need for **more variety** of products through **more vendors**
- 83% of Ontario shoppers believe that food safety practices are better (48%) or about the same (35%) as grocery stores
- Market shoppers are generally pleased with the products they buy at their farmers' markets, but would appreciate more vendors providing fresh, in-season produce

Non-User Opportunities

- Non-users identify that location, convenience and variety will attract them to farmers' markets

Fact Sheet

Farmers' Markets Ontario Insights

Market Profile from Market Manager Reports

- 65 % of markets are open Saturdays; 19% Fridays; 13% Thursdays
- 45 % of markets are open more than 26 days per year; 46% of markets are open between 16 and 25 days
- August is the peak sales month
- 68 % of markets are outdoor; 8% indoor; 24% both indoor and outdoor
- 38 % of markets serve municipalities with populations below 10,000
- Market managers classify 71% of their vendors as "primary producers"
- 82% of market managers report that the number of "primary producer" vendors has increased (35%) or stayed the same (48%)
- 85 % of market managers report that the number of shoppers has increased (62%) or stayed the same (23%)
- 86% of market managers report that the number of vendors at their markets have increased (43%) or stayed the same (43%)
- 95% of markets are funded by vendor/booth rentals
- 60% of market managers report no financial support from governments or associations in the past 5 years
- 85% of markets have not had an economic impact assessment
- At markets reporting insurance policies, the average market premium is $636 annually; 93% of markets have no claim history

Ontario Vendor Profile

- 60 % of vendors sell fresh fruit and/or vegetables
- 77 % of vendors identify themselves as "primary producers"
- 49 % of vendors sell at only one market
- 47% of Ontario vendors report greater than 50% of total farm income is generated through farmers' market sales
- 81 % of vendors report their business has grown bigger (46%) or stayed the same (35%)
- 67 % of vendors travel less than 50 km to reach the market
- 50 % of vendors report the creation of up to 5 jobs as a result of market participation
- 45 % of vendors serve 100 and more customers on each market day
- 28 % of vendors sell over $1000 on a market day
- Cost of fuel and cost of inputs are major negative factors impacting vendors
- Community and social aspects of the farmers' markets are a major attraction for vendors
- Physical facilities and parking are primary concerns for vendors