FARMERS MARKET IMPACT STUDY DOWNTOWN FOND DU LAC MARKET PROFILE

The Downtown Fond du Lac market is estimated to be in its 44th season. The market is coordinated by the Downtown Fond du Lac Partnership (DFP), and is located on the street in a 4-block area of South Main Street. The market runs from May 9th through the end of October and includes a Saturday morning market and a Wednesday afternoon market. For the purposes of this study, only the Saturday market was included in survey instruments due as the Wednesday market was newly introduced in 2015. Each of the 26 market weeks was studied, although the market was cancelled for one week in mid-July due to weather. Additionally, the second week in September overlapped with a major festival happening elsewhere in downtown, also impacting market attendance. Because the market spanned a long season, the average temperature on the day of the market ranged from 37 degrees to 74 degrees. The effect of this swing on attendance and purchasing will also be considered.

Although the Saturday market has been occurring for more than forty years, DFP received a Farmers Market Promotion grant from the USDA for the 2015 year, which allowed them to relocate and expand Downtown Fond du Lac Farmers Market with the goals of increasing fruit and vegetable access, availability and affordability to low food access consumers and increasing general attendance and farmers' sales at the market through an extensive marketing campaign. This resulted in a market location which served to re-establish downtown as a gathering place in the center of the community each Saturday morning, which is a key component of the DFP's overall strategic plan for downtown.

ECONOMIC IMPACT

Vendors and customers attracted to downtown for the farmers' market contribute significant energy and economic vitality to both the downtown and the region. Including retail sales at the market and adjacent businesses, employment earnings and taxes, plus relevant multipliers, the economic impact of the event is estimated to represent:

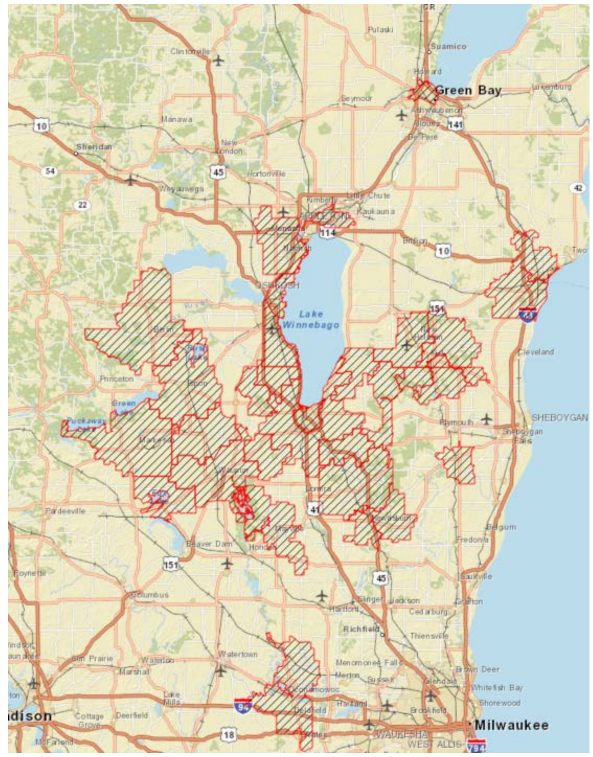
- $813,760 in additional economic activity and 16 jobs in downtown.
- $6.6 million in additional economic activity and 60 jobs in the Fond du Lac Metropolitan area.

VISITOR & VENDOR PROFILE

Economic impact and success of market depend on the makeup of vendors and visitors that attend the market. This section explores the characteristics of vendors and visitors present at the Fond du Lac market.

Vendor profile

Vendor Location of Origin



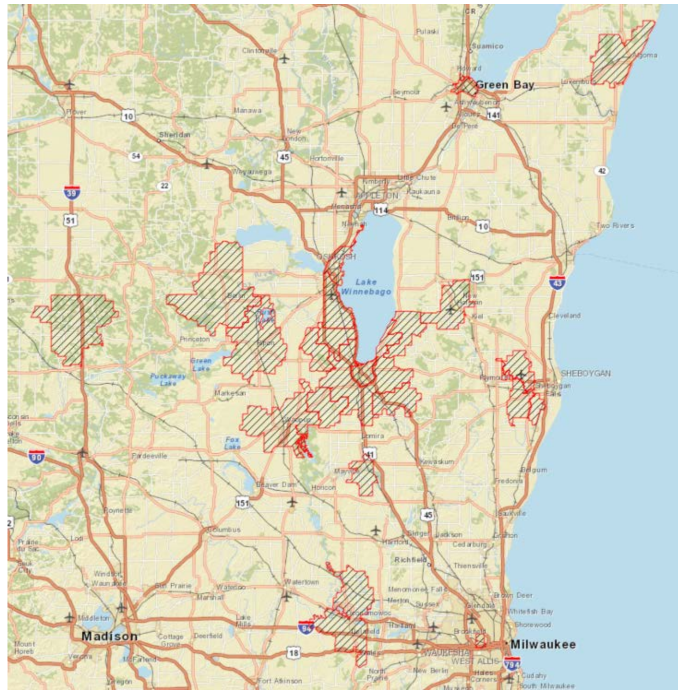
In 2015, Fond du Lac's Saturday market included goods and produce from 85 total vendors. Because of the seasonality of produce and products, the market featured an average of 42 vendors per week ranging from a low of 13 vendors at the final market to a high of 57 vendors in mid-August. Each vendor appeared at the market an average of 13 times, 27 percent attended at least three-quarters of market dates, and one-quarter attended five or fewer markets. There was no pattern in the type of vendors which appeared multiple times versus those appearing sporadically, with a similar mix of goods available at most markets.

Vendors at the Fond du Lac market come from a broad geographic area, as shown on the map at right. While 43 percent of vendors travelled from the City of Fond du Lac or immediately adjacent towns or Cities, a majority travelled significantly further, including the agricultural areas around the fox cities as well as Green Bay and Milwaukee metro communities.

Of course, the amount of vendors offering various types of goods for sale. The chart below illustrates the relative breakdown of vendors by the type of products sold. Vendors offering more than one type of product (i.e. farm goods plus value-add products) are included in both categories, so totals will add up to more than the 85 total vendors. In this study, farm products include fresh foods planted, grown and harvested with no or minimal processing. Value-added projects are those that are made from raw ingredients that they produce and process through baking, cooking, canning or other preserving or processing. Prepared food includes products that are made from goods primarily purchased and intended for immediate consumption. The other category includes artisan crafts or other handmade or resold goods, typically non-food related.

Visitor profile

Visitor Location of Origin



In contrast to the vendor slips, which were recorded weekly, visitor counts and surveys were conducted only three times during the course of the season. These counts occurred at various points in the season and included normal activity dates as well as event dates. Surveys were conducted by interviewing every 24th visitor entering the market with a goal of achieving a pre-determined and standardized minimum threshold of surveys based on market size. It should be noted that the number of visitors surveyed on the first date was 20 individuals short of a representative sample, although all visitors were counted.

Over the season, the Saturday market attracted approximately 60,000 visitors to downtown. Attendance fluctuated based on the weather and time of year, with the average Saturday market in Fond du Lac attracting approximately 2,400 visitors, with the total number of customers increasing steadily from the 8 am opening through 11 am, and then declining slightly for the final hour of the market. Based on imputed data, the average attendance during peak season is estimated at 3,150 visitors per week. As with vendors, visitors to the market traveled from a large geographic area, as shown in the map at right. In total, 79 percent of visitors to the market were from the City of Fond du Lac or immediately adjacent communities, 13 percent traveled from tertiary markets generally 10-30 miles distant, and 7 percent from communities much further away, including out of state visitors.

Although visitors were not asked specifically if the market was the main purpose of their visit, the fact that 70 percent of visitors did not anticipate any additional spending outside the market indicates that this is likely the case. Given the geographic dispersion of visitors, it is not surprising that the vast majority arrive via automobile. Depending on the survey date, between 0 and 13 percent of attendees reported walking to the market. No other modes of transportation were reported.

CUSTOMER SPENDING

Customers at the market spend dollars both at the market and at other downtown establishments as part of their trip. Both types of spending are important factors when evaluating the success of the market from a downtown development perspective.

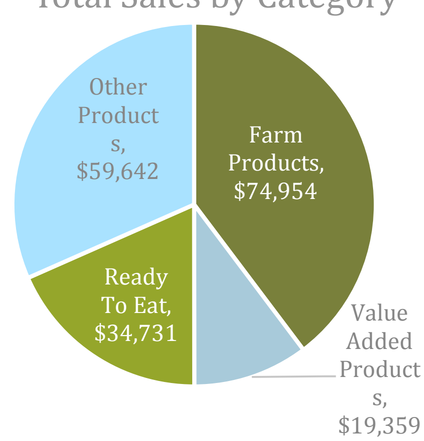
Market Spending

Over the course of the season, the market generated $188,687 in total reported sales (sales data for the final two markets was not collected, and not all vendors provided sales information). Sales were highest during weeks with more visitors, although visitors during poor-weather weeks were more dedicated to the market, resulting in higher per-visitor spending during these weeks. In contrast, high attendance weeks seemed to include a greater share of attendees who purchased limited or no goods (whether because they were there for ambiance, or because high traffic made purchases more difficult), resulting in lower total sales than would otherwise be expected.

Two percent of spending was done by credit or debit, and an equivalent percent through EBT or SNAP benefits. Although these numbers were fairly small as a percentage of sales, they did allow for an extra $6,000 in sales over the market season, increasing earnings for vendors and convenience for customers. These purchases were made possible through a token system. Customers were able to visit a central location to purchase market tokens via credit card or EBT card, shown in the image at right. In addition to the token system, market visitors could use WIC funds through the Farmers Market Nutrition Program to make purchases at the market. Of the allocation of $13,056 in funds issued in Fond du Lac County, 37 percent were redeemed at the market in a fairly consistent pattern over the season. This spending represented an additional $4,834 in income for market vendors.

The average EBT transaction was just over $19, and the average credit/debit transaction was $26. In comparison, the average market spending for all visitors surveyed was $16.54 per visit, or $17.59 per visit excluding those who made no purchases on the day surveyed. It is also possible that patrons using EBT or credit made additional cash purchases while at the market, further increasing their spending. In addition to dollars spent at the market, thirty percent of visitors spent additional dollars downtown, generating an additional $439,200 in downtown retail sales over the season.

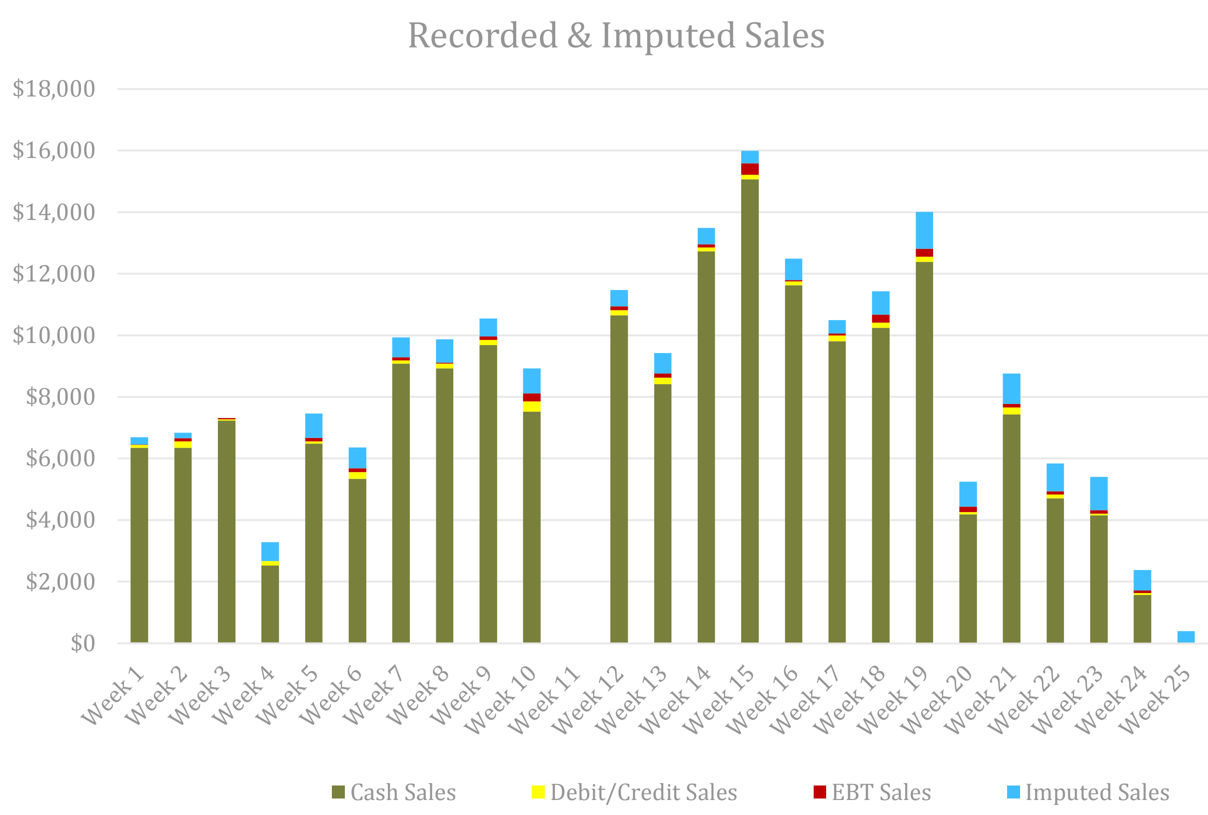
Total Sales by Category



Over the entire season, the most consumer dollars were spent on farm products, followed by non-food (other) vendors, as shown in the chart at right. Spending totals most closely matched the mix of vendors at the market as opposed to the amount of sales generated by each vendor, as discussed in the following paragraph. Not surprisingly, the percentage of sales going toward farm products increased steadily over the course of the season as more produce was in season. This was directly counter to the value-add sales, which were highest during off-peak seasons. Also not surprisingly, ready to eat sales were highest during high-traffic weeks.

Examining individual vendor sales records, individual vendors earned an average of $350 per week, although revenues ranged from an average low of $30 to an average high of $1,307. Vendors selling non-farm and non-food items (other) represented the lowest-grossing vendors at 88 percent of markets over the course of a full season. In contrast, the highest grossing vendor varied from week to week, with top sales going most often to farm and ready to eat vendors. The highest grossing vendor reporting for the entire season was a prepared food vendor reporting $3,675 in weekly sales.

The average market Saturday generated $8,203 in sales for all vendors, although sales varied widely across the season, as shown in the chart below. Variation in sales was impacted by a number of factors, including temperature, number of vendors, and also the number of sales slips collected. Generally, lower temperatures and reduced numbers of vendors were highly correlated, making it difficult to determine which factor influenced consumer spending most significantly. However, sales slip collection has a significant impact on sales reported. Despite the best efforts of market managers, vendor variability and cooperation resulted in less than perfect collection rates ranging from a low of 14 percent toward the end of the season to more than 80 percent in early weeks. Average week collection efforts resulted in half of sales slips being returned. Using the average low vendor sales (according to market managers, the slips not collected were largely from non-farm vendors), an imputed amount of additional sales has been added to the graph for each week based on the number of vendors not reporting, as shown on the following chart. It is interesting to note that although total sales volume varied by week, the variation in credit and EBT sales was much smaller, with a relatively consistent level of spending via these means regardless of total spending.



*Week 11 cancelled due to weather. Week 19 represents Fondue Fest.

Downtown Spending

In addition to dollars spent at the market, many visitors also visited merchants elsewhere in downtown, whether for dining, shopping or services. Just less than one-third (30%) of visitors surveyed reported spending additional dollars downtown as part of their visit to the farmers' market. Of those spending additional money downtown, the average per person expenditure outside the market was $24.40. Despite this outside spending, visitors making outside purchases did not spend significantly less at the market, with an average per person spending of $13.32. Excluding the individuals who purchased nothing at the market but anticipated outside expenditures (potentially attending the market as a side trip or accompanying a friend), the average per person spending at the market was $13.85.

A separate survey of businesses located adjacent to the farmers market conducted by the Downtown Fond du Lac Partnership in 2015 indicated that 39 percent of businesses experienced a positive impact from the presence of the farmers' market, including an average increase in foot traffic of 15 percent and a 6 percent average increase in sales. Other businesses indicated no effect (54 percent overall, or 31 percent of those open during the market), and 8 percent experienced a decrease in business as a result of the market.

METHODOLOGY

This study was completed as part of a national pilot study conducted by the University of Wisconsin-Madison titled Indicators for Impact: Farmers Markets as Leaders in Collaborative Food System Data Collection and Analysis. Five markets in Wisconsin operated by Wisconsin Main Street affiliated communities were included in the study in a partnership with WEDC which coordinated participation and provided data analysis for these markets. Data included in this report was collected through a combination of vendor applications, information collected from vendors weekly on sales, data from EBT, WIC and credit processing offered at a central location in the market, and also through attendee counts and visitor surveys conducted by market volunteers. Vendor sales slips were collected weekly, while visitor counts and surveys were conducted at three separate markets over the course of the seasons that were representative of various aspects of market seasonality and attendance. A copy of the vendor sales slip and survey instrument, as well as excerpts of collected data are provided in the appendix.