

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, based on staffing availability for the Wednesday markets. 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.

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

Fond du Lac's Saturday market includes goods and produce from 85 total vendors. Because of the seasonality of produce and products, the market features 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 travel from the City of Fond du Lac or immediately adjacent towns or Cities, a majority travel significantly further, including the agricultural areas around the fox cities as well as Green Bay and Milwaukee metro communities.

Visitor profile

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 attracts approximately 60,000 visitors to downtown. Attendance fluctuates 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. 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

Vendor Location of Origin



Visitor Location of Origin



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). Although sales were highest during weeks with more visitors, the increase was not directly correlated. In fact, visitors during poor-weather weeks were more dedicated to the market, resulting in higher per-visitor spending and more stable market sales. 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.

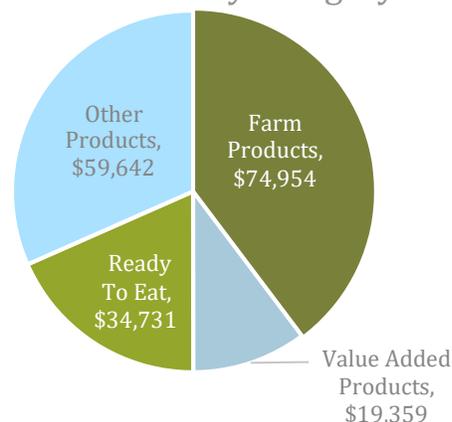


Two percent of spending was done by credit or debit, and an equivalent percent through EBT or SNAP benefits. Although these numbers were fairly small as a percentage of sales, they did allow for an extra \$6,000 in sales over the market season, increasing earnings for vendors and convenience for customers. 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 \$21,913 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. Based on these comparisons, indications are that the ability to use alternative forms of currency may actually increase the average spending per person.

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 match 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

Total Sales by Category

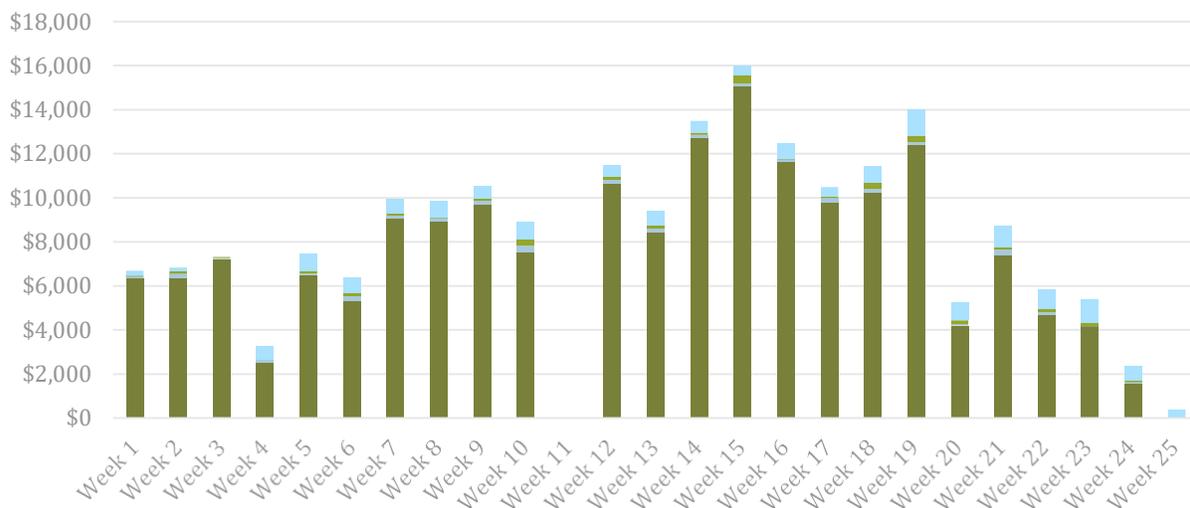


as more produce was in season. This was directly counter to the value-add sales, which were highest during off-peak seasons. Also not surprisingly, ready to eat sales were highest during high-traffic weeks.

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) nearly always represented the lowest-grossing vendors (88% of markets). 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 are highly correlated, making it difficult to determine which factor is more influential of reduced spending. 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.

Recorded & Imputed Sales

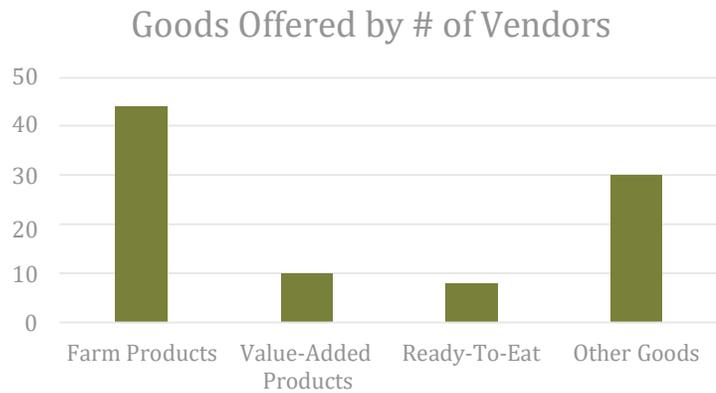


*Week 11 cancelled due to weather. Week 19 represents Fondue Fest.

■ Cash Sales

■ Debit/Credit Sales

Of course, the amount of vendors offering various types of goods for sale. The chart at right 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.



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% - including those not open during the event), and 8 percent experienced a decrease in business as a result of the market. A copy of the survey questions and raw data is attached.

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 are provided below.

MIFI was created through the support of the United States Department of Agriculture-Agriculture and Food Research Initiative [2014-68006-21857, PI Morales]

2015 Downtown Fond du Lac Farmers Market Wrap-Up Report

Saturdays & Wednesdays - Main Street & Main Street Plaza

Staff: Dusty Krikau & Tracy Reinhart

FM Steering Committee: Colleen Lubbert, Tracy Salter, William Turner, Bryon Pegram, Lisa Pauly, Rick Slager, Kya Schnettler, Amanda Miller, Bill & Lynda Zeleske

Collaborators/Sponsors:

Agnesian HealthCare, United HealthCare Community Plan, Action/Reporter, Sodexo Catering at Marian, UW-Extension, Essential Rock Church, Master Gardeners, Mike's Music

Operating Costs & Financial Resources:

Gross Income	\$81,130 <u>Total</u>
<u>Expenses</u>	<u>\$67,607</u>
Net Income	\$13,523

The move to Main Street includes new annual operation costs. Barricades and attendance by a Community Service Officer (CSO) on a weekly basis will be incurred each year at an approximate cost of \$5,000. Weekly music, while not essential to the operation of the market, was commented on by anecdotally by attendees as a positive addition to the market and something they hoped would continue. Artists were paid a nominal amount of \$100 for solo artists and \$200 for larger acts. The total cost for a summer could range from \$3,000 to \$5,200.

The FMPP Grant was key in the overall income from the Farmers Market and was utilized to cover the cost of musicians and the CSOs. These costs will not be covered by grant funds in 2016 and represent \$6,000 in operational expenses.

Due to barricade requirements and an expanded footprint, more staffing and financial support is required to effectively supervise the market on Main Street. Vendor fees and sponsorships must increase in 2016 to cover these new costs.

Reactions:

The market hours and locations will be maintained for 2016 with some minor changes to the layout of the Saturday Market based on customer feedback and safety concerns.

- The curb bumpout locations will be used for vending to avoid long gaps in market vendors.
- The Market will extend to the southern edge of Forest Avenue intersection based on the number of vehicles that created safety concerns as they drove around barricades and into the market area in 2015. The market may be expanded to Sheboygan street in the future if vending space becomes scarce, but with the use of the curb bumpouts, it is unlikely that there will be a need to expand to that intersection.

Marketing:

Grant funds covered nearly all marketing costs in 2015. This included 25 weekly radio ads on each of three radio stations in the Fond du Lac listening area, weekly print advertisements in the Action/Reporter, and a full cover story on the farmers market, plus numerous digital ads on media webpages, Facebook pages, and billboards.

Despite the extensive traditional marketing efforts, EBT sales remained relatively flat when compared year over year. New methods have been considered for 2016 and are covered in the new marketing grant funds to target this specific population.

Education and Events:

Educational events received positive feedback. Educators tailored their activities into FAQ style sessions when it was realized that most visitors stopped in to ask individualized questions and did not come at the specific "class" times. Education events were also moved mid-season based on feedback that it was difficult to hear educators close to the amplified musicians.

Due to a reduced marketing budget in 2016, educational events will be themed by weekend (i.e. 1st Saturdays for preservation workshops, 2nd Saturdays for display cooking, etc.). This will make it is easier for customers to remember the weekends of the educational events they wish to attend and reduce the need for weekly advertisements.

Requests have been made by several businesses to offer retail focused events on specified Saturdays throughout the summer to help increase traffic for businesses outside the area of the market.

Downtown Fond du Lac Farmers Market Visitor Survey

Sample Interval Respondent / Volunteer Respondent

Date: _____

1. Did you arrive at the market today in a personal vehicle?
Yes / No (if no, proceed to question 2)
2. What method did you use to get to the market today?
 - a. Bicycle
 - b. Walking
 - c. Bus or other public transportation
 - d. Taxi
 - e. Other, please provide:
3. How much money have you spent or do you plan to spend at the market this morning?
Money includes cash, credit/debit, food assistance vouchers, and market tokens.
\$ _____
4. Did you or do you plan on doing additional shopping, eating, or other activities in this neighborhood/downtown area this morning?
Yes (if yes, proceed to question 5) / No
5. How much money have you spent or do you plan to spend in the neighborhood/downtown area this morning?
\$ _____
6. What is your home Zip code?



DOWNTOWN FOND DU LAC
**FARMERS
MARKET**

Vendor Sales Reporting Slip

Date of Market: _____

*Total Gross Sales (\$):

Product Categories:

(If you sell no food products, you only need to report gross sales.)

*Farm product sales (\$): _____

*Value-added sales (\$): _____

*Ready-to-Eat (Prepared) food sales: (\$): _____

*'Gross sales' and 'product category sales' includes cash, credit/debit, food assistance vouchers, and market token transactions.

Please fold & return this slip to the market manager before you leave the market or the following week.

Individual sales information is confidential and private.

Thank you!