



## **SAGE FARMERS MARKET ECONOMIC IMPACT STUDY**

### **2019-2020**



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#### **INTRODUCTION**

The purpose of the SAGE Farmers Market (SFM) is to provide a marketplace for consumers to access locally grown or harvested food directly from the producers, under safe and controlled conditions.

From the first market held on New Year's Day 2013, the SAGE Farmers Market took off. The suspected demand for local produce was validated, evidenced by stalls emptied of produce within half an hour each week. In the 7 years since, the number of vendors and customers has continued to grow. Stall holders began to report that they no longer needed off-farm income to keep their farming business alive. Value-added enterprises have sprung up, using the local primary produce now readily available.

As organizers of the market, we could see there was significant market-related economic activity occurring. But what, exactly? Who was being impacted? Were the impacts positive or negative? In 2014 we attempted to find an interested university to undertake an economic impact study. As a result, we partnered with the University of Canberra to contribute to their existing study of the social impacts of farmers markets (available at [sagefarmersmarket.org.au](http://sagefarmersmarket.org.au)) but we wanted information with a specific economic focus.

Our research led us to SEED (Sticky Economy Evaluation Device), a free online resource for conducting research into farmers markets. This became the starting point for our 2014 study into the economic impacts of the market. Over the 12 months we took to gather and compile the data, we realised the study was too specifically US-centric, so we attempted to customise the methodology to reflect our locality.

#### **METHODOLOGY EXPLAINED**

As in 2014 this study used customer-intercept surveys, head-count tabulation and a combination of in-person and online surveys with surrounding businesses to source data for this report.

The Eurobodalla economy experiences significant seasonal effects due to large numbers of visitors during holiday periods. To obtain data that reflects this seasonality, our study comprises four (4) evenly spaced customer surveys that were conducted over twelve (12) months, both during and outside holiday periods.

The study was initially modelled on the SEED methodology devised by [marketumbrella.org](http://www.marketumbrella.org), a not-for-profit organisation in the USA that both manages farmers markets and provides resources for other farmers markets to better understand their impacts (<http://www.marketumbrella.org/marketshare/>).

The survey comprised a short series of questions:

1. How many times per month do you visit the market?
2. Is the market your primary reason for visiting this area?
3. How much money do you estimate you spent today at the market?
4. Do you have plans to spend money elsewhere in the area?
5. If yes, please estimate how much you have spent or plan on spending today at other businesses.
6. What is your postcode?
7. Male or female?

However, as the study progressed, it became apparent that the SEED model was not specific enough to an Australian context. As such, the SEED data collection process was emulated. However, the processing and use of the data was adapted to provide useful results. Minor corrections to a few of the calculations were required, resulting in a more realistic representation of the market's economic activity.

This report presents the results in their simplest form. The use of input-output multipliers (used to estimate the flow-on effects of an economic activity) has been omitted, as research for an appropriate multiplier for this report revealed that when applied at a regional level, multipliers lead to exaggerations and misrepresentations of true local economic activity.

Adopting an I-O multiplier<sup>1</sup> would require some major assumptions that would be difficult to underpin with data. We are only interested in discussing the economic impacts that are verifiable. Further rigorous research into the multiplying effect of market-related economic activity in this region would be welcomed. The basic results reveal significant impacts without the need for further extrapolation and are presented 'as is' to allow readers of this report to draw their own conclusions. Some simple observations are also presented.

## **NARRATIVE REPORT**

The results show that the total immediate economic benefit of the SAGE Farmers Market to vendors, the host neighbourhood, and the surrounding region is more than \$4,180,000 annually before the application of any economic multipliers. This represents total growth of 29.5% on the 2014-2015 data.

The average number of shoppers per market day has remained remarkably stable at around 722, resulting in an estimated annual attendance of 36,822 shoppers. Average spend has increased by 28%.

Shopper frequency, geography and other important demographic details were also captured. For instance, the top 5 postcodes from where the SAGE Farmers Market shoppers reside are 2537, 2536, 2546, 2545 and 2539.

### **Good for vendors**

The costs of processing, packaging, distributing, transporting and retailing food consumes the bulk of every retail dollar. But growers who sell food directly to shoppers, via public markets, receive a much larger share of retail food dollars. Based on shoppers' average spend, vendors at the SAGE Farmers Market receive an economic benefit of \$2,204,930 annually. The average number of vendors was slightly lower than the 2014.15 survey (23 v 25). This was largely due to the impact of the bushfires which saw a local beef business as well as a honey producer severely impacted.

### **Good for main street**

By increasing the number of consumers visiting the market's neighbourhood, the SAGE Farmers Market increases the revenue collected by local businesses. Based on shoppers' average spend, businesses near the market receive an economic benefit of almost \$1,976,000 annually.

Almost 80% of shoppers surveyed said the market was their *primary reason* for coming to town that day. Of those 577 shoppers, 72% said they would also spend at other businesses in town. 74% of all shoppers said they would also spend at other businesses, regardless of their primary reason for being in town.

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<sup>1</sup> The Australian Bureau of Statistics has this to say about I-O multipliers: **Not applicable for small regions:** *Multipliers that have been calculated from the national I-O table are not appropriate for use in economic impact analysis of projects in small regions. For small regions multipliers tend to be smaller than national multipliers since their inter-industry linkages are normally relatively shallow. Inter-industry linkages tend to be shallow in small regions since they usually don't have the capacity to produce the wide range of goods used for inputs and consumption, instead importing a large proportion of these goods from other regions.*

## MARKET STATISTICS REPORT

### A. Core Market Statistics

	2019-2020	2014-2015
Days open for business each year	51	52
Total number of surveyed shoppers	412	673
Average number of shoppers (per market)	722	728
Estimated annual market attendance	36,822	37,856
Average dollars spent at the market (per shopper)	\$59.83	\$46.73
Percentage of shoppers who spend at nearby businesses (per market)	79.85%	74%
Average dollars spent at nearby businesses (per shopper)	\$67.03	\$52.05
Gender ratio	F 74% / M 26%	F 66% / M 34%
Average vendor stall space (m <sup>2</sup> )	10m <sup>2</sup>	10m <sup>2</sup>
Average number of vendors	23	25
Average vendor gross receipts per market	\$1,862.03	\$1,360.78

### B. Market Visitation

Shoppers we interviewed attend the market

	2019-2020	2014-2015
First time	13.02%	16.49%
Weekly	41.88%	45.32%
Several times per month	14.02%	13.82%
Monthly	8.20%	7.43%
Several times per year	16.41%	9.51%
Rarely	6.48%	7.43%

  

Shoppers' motivation and behaviour	2019-2020	2014-2015
Primary reason for visiting the area	77.67%	77.86%
Primary reason for visiting the area AND will spend elsewhere in the area	41.99%	56.91%

### C. Market Economic Impact on Vendors

The following figures show this market's economic benefit to its vendors

	2019-2020	2014-2015
Average gross receipts (per market)	\$43,199.08	\$34,019.44
Projected gross annual receipts	\$2,203,153.21	\$1,769,010.88

### D. Market Economic Impact on Nearby Businesses

These figures show this market's economic benefit to nearby businesses

	2019-2020	2014-2015
Average gross receipts at businesses near the market (per market)	\$38,643.97	\$28,054.95
Projected gross annual receipts at businesses near the market	\$1,970,842.45	\$1,458,857.40

### E. Total Combined Economic Impact

The total economic benefit to vendors, nearby businesses, and the local community, before the application of any economic multipliers:

	2019-2020	2014-2015
Total immediate economic benefit to vendors,	\$2,203,153.21	\$1,769,010.88
nearby businesses, and the local community:	+ \$1,970,842.45	+ \$1,458,857.40
	<b>\$4,173,995.66</b>	<b>\$3,227,868.28</b>

### F. Shopper Profile of Top Postcodes

This report also analyses shopper data. The following table shows the top postcodes where the market's shoppers live as well as how much they spend at the market. The number in bold indicates the largest value for that column. Numbers in parentheses are results from the 2014-2015 study.

Postcode	Average % of shoppers (per market)	Average \$ spent per shopper (per market)	Estimated number of shoppers (annual)	Estimated revenue (annual)
2537	<b>50.16% (50.07%)</b>	\$47.48 (\$44.83)	<b>18,472 (18,943)</b>	<b>\$889,870.16 (\$849,174.91)</b>
2536	13.74% (15.75%)	<b>\$66.19 (\$50.03)</b>	5,061 (5,958)	\$334,987.59 (\$298,068.61)
2546	5.20% (5.20%)	\$45.75 (\$48.54)	1,916 (1,967)	\$87,657.00 (\$95,483.88)
2602	0.83% (0.59%)	\$39.00 (\$40.00)	305 (224)	\$11,895.00 (\$8,960.00)

2545	0.92% (2.67%)	\$28.20 (\$42.78)	339 (1,011)	\$9,559.80 (\$43,248.36)
2539	0.99% (1.78%)	\$23.67 (\$44.58)	364 (674)	\$8,615.88 (\$30,049.14)
2614	0.95% (0.00%)	\$24.32 (\$0.00)	349 (0)	\$8,487.68 (\$0.00)
2620	0.98% (0.45%)	\$22.67 (\$48.33)	363 (168)	\$8,229.21 (\$8,119.99)
2617	1.16% (0.00%)	\$18.25 (\$0.00)	427 (0)	\$7,792.75 (\$0.00)
2605	0.62% (0.45%)	\$23.60 (\$48.67)	228 (168)	\$5,380.80 (\$8,176.01)
2600	0.50% (0.00%)	\$12.80 (\$0.00)	185 (0)	\$2,368.00 (\$0.00)
2905	0.47% (0.00%)	\$10.60 (\$0.00)	171 (0)	\$1,812.60 (\$0.00)
2603	0.31% (0.59%)	\$14.00 (\$70.00)	115 (224)	\$1,610.00 (\$15,680.00)
2612	0.35% (0.00%)	\$10.00 (\$0.00)	128 (0)	\$1,280.00 (\$0.00)
3149	0.17% (0.00%)	\$20.00 (\$0.00)	64 (0)	\$1,280.00 (\$0.00)
2125	0.31% (0.00%)	\$8.00 (\$0.00)	114 (0)	\$912.00 (\$0.00)
2550	0.17% (0.74%)	\$12.00 (\$70.00)	64 (281)	\$768.00 (\$19,670.00)
2604	0.26% (0.45%)	\$8.00 (\$56.67)	96 (168)	\$768.00 (\$9,520.01)
2065	0.35% (0.00%)	\$5.00 (\$0.00)	128 (0)	\$640.00 (\$0.00)
2538	0.16% (0.59%)	\$4.00 (\$75.00)	57 (224)	\$228.00 (\$16,800.00)
3630	0.00% (0.30%)	\$0.00 (\$130.00)	0 (112)	\$0.00 (\$14,560.00)
2147	0.00% (0.15%)	\$0.00 ( <b>\$200.00</b> )	0 (56)	\$0.00 (\$11,200.00)
2682	0.00% (0.15%)	\$0.00 ( <b>\$200.00</b> )	0 (56)	\$0.00 (\$11,200.00)
2650	0.00% (0.30%)	\$0.00 (\$90.00)	0 (112)	\$0.00 (\$10,080.00)
2779	0.00% (0.30%)	\$0.00 (\$75.00)	0 (112)	\$0.00 (\$8,400.00)
2590	0.00% (0.30%)	\$0.00 (\$75.00)	0 (112)	\$0.00 (\$8,400.00)
2267	0.00% (0.15%)	\$0.00 (\$150.00)	0 (56)	\$0.00 (\$8,400.00)
2204	0.00% (0.45%)	\$0.00 (\$46.67)	0 (168)	\$0.00 (\$7,840.01)
2587	0.00% (0.30%)	\$0.00 (\$70.00)	0 (112)	\$0.00 (\$7,840.00)

## MARKET PORTRAIT

### Place

SAGE Farmers Market is held every Tuesday at 3pm at Riverside Park Moruya. It is an open-air market in an attractive location, with good parking and close proximity to the retail area and main street. It operates rain or shine, and is cancelled only for extreme weather events (since 2013 only 2 markets have had to be cancelled).

SAGE (NSW) Inc. holds a five-year license from Eurobodalla Shire Council to operate on the site.

### Procedures

The market has a set of written rules and procedures which are available on the markets website. In summary, we welcome all primary producers to have a stall at the market selling their produce directly to the public. Value added products (baked items, preserves, jams etc.) and ready to eat products are also welcome. The market rules state:

*Any ingredient ..... which can be grown locally (such as eggs, milk, fruit, vegetables) shall be sourced from local primary producers. All other ingredients (such as dry goods etc.) shall be Australian.*

The market does not allow resellers (agents) or the sale of craft or merchandise.

The market has one paid contractor who manages the market and there are typically 5 volunteers providing information and running the e-market. The SFM management committee consists of stallholders, shoppers and SAGE (NSW) Inc. members.

## BUSINESS SURVEYS

The final data collection activity was to consult and survey independently owned businesses in the CBD of Moruya.

The following results were gathered by face-to-face interviews, conducted by the SAGE Farmers Market. The 2014-2015 business survey was bolstered by an additional online survey conducted by the Moruya Business Chamber. In 2019-2020, only the face-to-face interviews were conducted.

### 1. Do you experience or notice an increase or decrease in trade on Tuesdays?

	2019-2020		2014-2015	
Increase	7	43.75%	12	36.36%
Decrease	1	6.25%	1	3.03%
Neither – about the same	8	50.00%	20	60.61%

### 2. How do you rate the impact of the farmers market on the town on Tuesdays?

	2019-2020		2014-2015	
Very positive	7	43.75%	7	21.21%
Positive	5	31.25%	16	48.49%
No impact	3	18.75%	8	24.24%
Very negative	0	0.00%	1	3.03%

### 3. Add any comment on the impact of the farmers market on your business (2019-2020 only)

It's a good thing for the town, but never get a chance to go as always working.

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Never been to the market.

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Attended once because always at work. Thought it was great.

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Both markets good for the town.

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Aware of online ordering option. Clients talk about it and love it. Think it's a really great thing.

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Think it's great for the town. We always encourage visitors/tourists to attend.

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Definitely a good thing for the town.

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Been only once, always working. Definitely a positive thing for the town.

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We always suggest visitors head in that direction. We sometimes go ourselves.

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Family goes to the market and we love it.

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We love having the market. It's an added bonus to business.

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Positive thing for the town.

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Best thing for the town!

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Great for business.

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### **CONCLUSIONS**

This study provides some valuable insight into the economic impact of the SAGE Farmers Market on some members of the community.

At the very least, a weekly average of 23 stall holders are earning a combined annual income of \$2.205 million, which wasn't available to them before the market began. It is important to note here, that the total number of individual stall holders sharing this income is far greater than 23, due to seasonal fluctuations and variability in attendance, but the impact is nonetheless significant. It is also important to note that market income for individual stallholders varies greatly, and the market stall fees (almost half of the fees charged are paid to Eurobodalla Shire Council) charged are seen as modest by some and on the high side by many. It is vital that farm based businesses in their start up phase are able to afford the market fees. With variety comes increased patronage for all.

It could be argued that this income has been cannibalised from elsewhere in the local economy. If so, then our research fails to identify the source, with only 3% of the independently owned businesses we surveyed indicating a decrease in trade and only 6% feeling the market has a negative impact on their business.

What the results do show, is that local businesses receive income from market shoppers of almost \$2 million annually. Almost 57% of that trade is from shoppers whose primary reason for visiting Moruya is to shop at the market, representing \$1,145,000 annually that can be attributed to the market's power to draw customers into the town.



The survey also revealed that only 50% of market shoppers reside within the 2537 postcode, suggesting that the market is drawing in non-local trade, however further research would be needed to be able to quantify this and determine whether this is new income for the Moruya economy.

From the first market in 2013 to the time of this report in February 2021, the number of stall holders has increased slowly but steadily. This indicates that the SAGE Farmers Market attracts enough trade to support continued, measured growth. Being an authentic farmers market, adhering to the best practice guidelines of the Australian Farmers' Markets Association, there are strict policies in place that ensure a strong focus on local businesses and the exclusion of agents and resellers. As such, every stall that joins the market represents the development of another business, whether starting up or extending its trade, and therefore represents growth in local employment.

The SAGE Farmers Market is now established as a benchmark for other farmers markets in Australia and a large part of achieving that status is due to the efforts taken to ensure authenticity. It has certainly been a major contributing factor in the consecutive national awards that the market received in 2014 and 2015.

None of the results presented here consider the flow-on (multiplying) impacts of money spent locally. Our research continues into determining a credible and regionally relevant measurement device to be able to analyse the data further. In the meantime, the only comment we will make on this subject is to acknowledge that it is widely accepted that money spent with locally owned businesses, which includes market stalls, circulates and remains within the local economy to a greater extent than money spent with corporate-owned businesses.

The final consideration when discussing the economic impact of a farmers market is the industry it supports. Any local industry strengthens a local economy, but communities become truly resilient and robust when they have a strong local primary industry. As determined by the market's rules, primary products sold at the SAGE Farmers Market are grown, raised and harvested within a 160km radius of Moruya. In fact, around 70% of stall holders at the market are located within a 30km radius of Moruya.

Further research into and analysis of the economic impacts of the SAGE Farmers Market continues.