LOCAL MARKET

EXPANSION PROJECT

Alternative Agricultural Markets in Alberta, 2008

Report

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Executive Summary

INTRODUCTION

Alberta Agriculture and Rural Development (ARD) has for some time been devoting resources to the development of new opportunities for farmers to market their products. In 2004, ARD established a baseline estimate of the value of five alternative market sectors for agricultural products and services and investigated their growth potential. ARD wished to repeat these measures and obtain current information on three of the sectors, Farmers' Markets, Farm Retail (formerly known as Farm Direct) and Farm Activities (formerly termed On-Farm Ag Activities). Since 2004, increasing interest has been expressed about the trend to purchase Local Food, so this sector was added to the 2008 survey.

These alternative markets were defined to respondents as follows:

- Farmers' Markets: A place or space which is open on a regular scheduled basis, where one can buy fresh fruits and vegetables, flowers, bedding plants, herbs and other farm products, including processed food like honey, jams, pies and sausages, from farmers and growers who sell at stalls or tables there.
- Farm Retail purchasing: Buying products like fresh fruit and vegetables, flowers, bedding plants, herbs, meat and other farm products, including wine, honey, jams, pies and sausages, at a farm or ranch gate, a farm or ranch store or stand, a roadside stall, a greenhouse ON A FARM, a U-Pick farm, or by Internet or mail from a farm.
- Farm or Ranch Activities: This includes things like staying in a farmhouse or on a guest ranch; attending a horseback riding camp on a ranch; taking a wagon or sleigh ride; going through a maze; a petting farm; or going on a tour of different farms with unusual animals like elk, ostrich, llama or bison, or something similar that you PAY to do on a farm or ranch.
- Local Food: Food grown or made in Alberta.

A telephone survey of 1,015 randomly selected Alberta household heads who felt they would be, "in a position to talk about past purchases and expenditures made by your household" was undertaken during September 2008 and a supplementary sample of 53 households that had taken Farm Activities trips was added to this (on a weighted basis) to increase the reliability of the Farm Activities results.

AWARENESS OF FARMERS' MARKETS, FARM RETAIL AND FARM ACTIVITIES

Farmers' Markets remained the best known of the three alternative agricultural markets and depth of knowledge even increased over the past four years (from 57% to 69%, a gain of 12% who felt they knew 'a lot' or 'something' about them). Only 2% of the population had not heard of Farmers' Markets compared to approximately 10% for the other channels. Farm Retail and Farm Activities made modest gains in familiarity (+2% and +3% respectively), but were nowhere near as well understood as Farmers' Markets (37% knew 'a lot' or 'something' about Farm Retail and 33% about Farm Activities).

FARMERS' MARKETS, FARM RETAIL AND FARM ACTIVITIES MARKET SIZE

Market penetration, the proportion of households in the population that purchased from each channel, has remained relatively stable since 2004 – slightly up for Farmers' Markets (from 59% to 60%) and slightly down for Farm Retail (from 34% to 30%) and Farm Activities (from 12% to 10%).

Nevertheless, due to strong population growth, there was a substantial increase in the number of households purchasing from Farmers' Markets. Over the twelve month period September 2007 to August 2008, 847,000 Alberta households visited a Farmers' Market, a gain of 112,000 since 2004. The estimated number of households purchasing from Farm Retail outlets was 433,000 (up 11,000) and the estimated number purchasing Farm Activities was 142,000 (down 12,000).

FARMERS' MARKETS, FARM RETAIL AND FARM ACTIVITIES MARKET VALUE

Average spending per visit increased 30%, from $35 to $45 for Farmers' Markets, an amount well in excess of inflation. Per trip spending changes for Farm Activities was even higher at 40%, from $124 to $174, but there was little change in per visit spending for Farm Retail (from $109 to $116, or 7% – a level below inflation).

Taking the number of visits/trips made in the past twelve months into account, annual spending per household rose for Farmers' Markets from $317 to $449 and for Farm Activities from $335 to $441. However, Farm Retail spending per household appears to have dropped from $453 to $417.

The total estimated market value for each channel was as follows. It should be noted that since the estimates are based on a sample survey, the figures below may not be precise, but fall within a margin of error. The confidence interval for each estimate is shown in the body of the report.

- From September 2007 to August 2008, Farmers' Markets (excluding crafts) were valued at $380 million, up from $233 million in 2004, a 63% increase reflecting both population growth and higher per visit spending.
- Farm Retail was estimated to be worth $181 million, down from $191 million in 2004 (-5%), due both to a loss in market penetration and a limited increase in per visit spending.
- Farm Activities increased from $52 million to $62 million (+21%) despite a loss in the number of households using the product. The change was due to substantially higher per visit expenditures and a small increase in purchase frequency.

Respondent expectations for next year suggest that market growth will come more from higher expenditures by current purchasers than from new market entrants, particularly for Farm Retail. For Farmers' Markets and Farm Retail these higher expenditures will depend on whether the expected increase in frequency of visits/trips takes place, more so than an increase in per visit/trip expenditure. This particularly applies to Farmers' Markets, which now appear to be a maturing rather than a high growth channel. For Farm Activities, little growth can be expected from current purchasers; rather, the ability to attract new market entrants will be key to growing the sector.

SEASONAL USE OF FARMERS' MARKETS, FARM RETAIL AND FARM ACTIVITIES

27% of Farmers' Markets purchasers used this channel year round – the highest of the products examined (20% for Farm Retail and 18% for Farm Activities). The majority of purchasers, 70% for Farmers' Markets, 75% for Farm Retail and 81% for Farm Activities went only in summer, while 3% or fewer purchased only in winter.

In addition, among those who did visit during a season, frequency of purchase was higher in the six-month summer period than the winter (7.4 vs. 5.7 visits for Farmers' Markets and 4.6 vs. 4.3 for Farm Retail)[1] while average spending per household over the summer was higher too ($384 vs. $266 for Farmers' Markets and $380 vs. $233 for Farm Retail).

Once the number of purchasers in each season was also taken into account, it was found that 81% of all visits and 83% of expenditures were made in summer for Farmers' Markets and 81% and 87% respectively for Farm Retail. In both cases, but particularly for Farm Retail, the trend since 2004 has been to a higher proportion of visits and expenditures occurring in summer. Extending the season could provide new growth opportunities, since the majority of frequent purchasers and the majority of heavy annual spenders were year round customers.

FARMERS' MARKETS, FARM RETAIL AND FARM ACTIVITIES MARKET PROFILES

Distinctive market characteristics for each of these markets were as follows:

- The most distinguishing feature of Farmers' Markets shoppers was income, with a substantially higher penetration rate being found in the highest household income group (over $120,000).

  Empty nesters and 45-54 year olds, married/common-law household heads and females had a higher propensity to shop at Farmers' Markets, along with Calgary residents who were also more likely to buy year-round.

  Younger adult households (singles and couples), older singles, farm/ranch residents and those with the lowest education (high school or less) and income (under $50,000) were less likely to use the channel. Residents of major urban centres (Fort McMurray, Grande Prairie, Lethbridge, Medicine Hat and Red Deer) were especially likely to be summer-only purchasers.

  Higher expenditures at Farmers' Markets were associated with larger size households while high purchase frequency and high expenditures were most likely to be found in the highest income group (over $120,000).
- Farm Retail purchasers were more often young families (with the youngest children in elementary school). Equally differentiating of this market was that users were found

1. Estimates are not available for Farm Activities' winter purchases due to very small sample bases.

proportionately more often in rural locations – living on farms/ranches or in small towns, villages and hamlets. Rural residents were also more familiar with Farm Retail than people living in large urban centres and farmers/ranchers were themselves more likely than average to buy year-round.

The channel was used relatively less often by young singles/couples, 18-34 year olds, those who were separated/divorced/widowed and in the lowest education group.

- The key distinguishing criterion for purchase of Farm Activities was the presence of pre-school and elementary school-age children in the household, with the result that Farm Activities purchasers had the largest family size. The chance of participating in Farm Activities declined steadily with respondent age, being at its peak among the child-raising 18-34 year old age groups.

  Farm Activities also appealed somewhat more to residents of the City of Edmonton – who tended to be summer-only visitors – and to residents of small (rural) towns, villages and hamlets. Awareness and year-round visitation was higher in rural areas and among farm/ranch residents.

  Higher expenditures on Farm Activities were associated with the presence of young children (6 to 12 years of age) and an above average household income.

LOCAL FOOD

Market size and growth

90% of Alberta households indicated that they had purchased Local Food in the past twelve months (September 2007 to August 2008), the equivalent of 1,279,000 households.

Of the total population, almost one-third of households thought they would either buy more Local Food in the next year (27%) or would start to purchase Local Food (5%). As only 3% thought they would buy less, this is likely to be a growing market.

Market value

Market value for Local Food purchased at Farmers' Markets and Farm Retail outlets was investigated when asking questions about these alternative channels.

- On average, $38 of the $45 spent per visit to Farmers' Markets was thought to be on Local Food. The average spent by purchasing households over the past year was estimated at $363.

  The total value of Local Food purchased at Farmers' Markets was estimated at $302 million, 82% of which was spent over the six month summer period. Local Food made up 79% of total estimated Farmers' Market expenditures.
- For Farm Retail outlets, $92 of the $116 spent per visit to was thought to be on Local Food, with the average spent by purchasing households over the past year being estimated at $359.

The total value of Local Food bought through this channel was estimated at $154 million, 86% of which was spent during the summer and 14% in winter. Local Food made up 85% of total estimated Farm Retail expenditures.

Purchasing outlets

At the start of the survey respondents were asked on a spontaneous basis where they had bought food in the past 12 months. Later they were asked the same question about Local Food. Two dominant suppliers of Local Food in Alberta were identified:

- The primary source was a Supermarket (56%). However, Supermarkets were not nearly as important as suppliers of Local Food as they were for food generally (90%).
- The second most widely used outlet was Farmers' Markets at 45%, mentioned by a much higher proportion for Local Food than for general food purchases (10%).
- Other outlets mentioned by a substantial number of Local Food purchasers were Farm Retail channels (15% vs. 1% for food in general) and Small Grocery stores (11% vs. 9%).
- Other important general suppliers of food, Warehouse Club stores and Supercentres/Mass Merchandisers (mentioned by 18% and 16% of households respectively) were rarely thought to be a source of Local Food purchases (4% and 3%).

Four Local Food purchasing segments were identified based on demand-side purchasing patterns:

- Segment I: 33% of the market focused their Local Food purchases at Supermarkets and did not mention using any of the outlets used by Segment II.
- Segment II: 36% of the market bought Local Food from Farmers' Markets, Farm Retail, Small Grocery stores (often in rural areas) and/or a CSA/Box Program, but not from Supermarkets.
- Segment III: 22% of households patronized both the above groups of outlets for Local Food.
- Segment IV: The balance, 9%, purchased Local Food only from other types and combinations of outlets.

Perceptions of Local Food

In response to an open-ended question, Albertans identified three key benefits for buying Local Food as well as a variety of other less widely held beliefs.

- 35% felt that Local Food is fresher than food that was picked earlier in order to be shipped a longer distance. Freshness was associated with having a better taste (mentioned as a benefit by 7%) as it was picked riper and was also not "processed" to preserve or ripen the food. Purchasers were more concerned about freshness than non-purchasers (37% vs. 14%), emphasizing the influence of this benefit.

- The 31% who identified that buying Local Food helps support the local economy saw the benefit as accruing to local people, families and neighbours, stores, businesses and industry.
- Support to the local farmer was mentioned by 25%. Some had in mind local or Alberta farmers, some the broader agricultural industry, which they thought needed help to stay in business. Non-purchasers were particularly likely to see this as a benefit of buying Local Food (35%).
- While about half the respondents mentioned either or both support for the local economy and/or local farmers (49% unduplicated), many more referred to benefits to the local community rather than the province overall. Only 15% specifically mentioned that Local Food supports the Alberta economy, Alberta farmers, Alberta products and Albertans living and working here, or expressed patriotic sentiments about the province.
- The next most frequently mentioned benefit was inexpensive or cheaper price at 14%, but often these comments were made on the basis of expectations (due to lower transportation costs) than knowledge.
- Trust in the food and knowing its origin was strongly linked to the category of safety. Together, the two were referred to by 14% of households (unduplicated). Trust was sometimes based on knowledge of individual farmers and sometimes on confidence in the national and provincial regulatory systems. Trust was important in generating assurance that the food is what it claims to be (e.g., organic). Safety was explicitly described as food cleanliness and the lack of bacterial contaminants or unwanted additives.
- 12% thought that Local Food is of "good quality". This term appeared to embrace perceptions of taste and freshness or other intrinsic food qualities, and confidence in local standards and the conscientiousness of local farmers.
- There was a perception or expectation that Local Food is healthy as it has fewer chemicals, pesticides, additives and preservatives, is nutritious/wholesome or is organic. 11% (unduplicated) mentioned one or more items within this theme.
- Other benefits included being grown close to home (10%) and reduced environmental impacts due to less transportation being needed (8%).

There were three key barriers to buying Local Food:

- Lack of product availability, mentioned by 35%, mainly reflected a lack of ready availability and choice in the supermarket or store where they usually shop. It also included not being able to get items that are not grown or produced here and seasonal availability. There was a perception either that not much food is grown in Alberta or that not much stays in the province, and that there are not enough places to buy Local Food. This issue was predominantly raised by Local Food purchasers (38% vs. 9% of non-purchasers) suggesting that availability is limiting increased consumption.
- Inconvenience was mentioned by 26% and included: resistance to shopping at non-usual food suppliers; the days and hours of operation, traffic, crowding and parking at Farmers' Markets; and less convenient locations of places to buy Local Food (it takes planning and an effort, while transportation may be an obstacle). Inconvenience was mentioned more often by non-purchasers and is a particular barrier to increasing market participation.
- Information and labelling was a barrier to 17%. This covered lack of knowledge of where to buy Local Food; deficiencies in in-store identification of product origin, particularly in

supermarkets; perceived poor marketing and advertising for Local Food, including awareness promotion to raise interest in buying it. Product labelling by manufacturers/ producers was suggested as one way to address some of these issues. These concerns were more important to non-purchasers than purchasers.

- Other barriers were: not needing to purchase Local Food (e.g., grow their own) at 13%, perceived high/er costs (13%) and limited selection or variety (5%, mentioned only by purchasers).

Ease of identification of Local Food

Comments made when respondents were talking about benefits and barriers suggested that there would be preference for Alberta made or grown food over non-local and that one of the barriers to choosing it was being unable to identify it.

- When asked how often they choose to buy items grown or made in Alberta rather than elsewhere when a choice is available, almost two-thirds said they ‘always’ (27%) or ‘frequently’ (37%) do so, confirming a high level of interest in Local Food.
- However, only one-third found it easy to recognize items that are grown or made in Alberta, with 10% saying it is ‘never’, 25% ‘rarely’ and 29% ‘occasionally’ easy to do so.

Non-purchasers of Local Food purchasers found it more difficult to recognize Alberta products, but close to two-thirds of purchasers had difficulty too, so this is clearly an important barrier.

Market profile

Because of the high proportion of households purchasing Local Food, the market profile was similar to that of the overall population. The main distinguishing characteristics were that incidence of use of Local Food was slightly higher than average in empty nester households, while lower market penetration occurred in younger households – among young singles, couples and groups and in pre-school families where the household head tended to be under 35 years of age. A lower level of use was also found in the lowest education group.

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Introduction

Alberta Agriculture and Rural Development (ARD) has for some time been devoting resources to the development of new opportunities for farmers to market their products. This has included research, distribution channel support and advice on how farmers can access and maximize their returns, among other activities.

Alternative markets for agriculture products and services may be significant contributors to economic impact across North America and a viable alternative for agriculture producers and processors seeking to diversify their operations. It is a way to market goods and services to bypass other intermediary channels, with a potential increase in income.

In 2004, ARD established a baseline estimate of the value of five alternative market sectors for agricultural products and services and investigated their growth potential. ARD would now like to repeat these measures for three of the sectors, Farmers' Markets, Farm Retail (formerly known as Farm Direct) and Farm Activities (formerly termed On-Farm Ag Activities). Infact Research and Consulting Inc. prepared the 2004 baseline estimates.

Since 2004, increasing interest has been expressed within ARD about the trend to purchase Local Food, defined as, "Food grown or made in Alberta". In preparation for building a business case for promoting the purchase of Local Food, research from other jurisdictions has been reviewed and a major three-pronged effort is underway to examine the provincial market. The specific component that the present study dealt with was the Alberta consumer perspective of Local Food.

For the purpose of this study, Local Food was defined as:

"Food grown or made in Alberta"

Purpose and objectives

The purpose of the study was two-fold:

- To obtain current information on each alternative market, including growth over the past four years, along with continuing growth potential; and
- To obtain benchmark information on the proportion of these alternative markets that is made up of Alberta grown or made foods and to investigate Alberta consumers' perceptions of Local Food.

For each alternative market channel, ARD was interested in tracking changes in …

1. Consumer awareness
2. Market penetration
3. Total market value
4. Market growth potential
5. Market profiles

… and in determining:

6. Market value of Local Food purchased through these alternative market channels
7. Market growth potential for Local Food
8. Consumer perceptions of Local Food, and
9. Consumer market profiles for Local Food.

Methodology

Survey method

A telephone survey of randomly selected households located throughout the province of Alberta was undertaken during September 2008. Interviews were conducted with male or female household heads who felt they would be, "in a position to talk about past purchases and expenditures made by your household". As a result, answers reflected the purchasing behaviour of all members of the household. Since this was the overriding criterion for respondent selection, a gender quota was not imposed for the initial sample. (One was added for the oversample to ensure a minimum of 40% males and maximum of 60% females). As it transpired, the views of both men and women were well represented through the achieved 41:59 split, the same as in 2004.

Separate samples were prepared for six geographic areas. Random digit dialling was conducted, which included unlisted, non-published numbers (these make up a substantial proportion of large urban centres' residential telephone bases).

An average of 2.5 and up to 8 calls was made to each valid in-service telephone number. Appendix II shows the disposition of attempted and successful calls, using the call summary standard endorsed by the Market Research and Intelligence Association (MRIA).

Interviews were conducted using Computer Aided Telephone Interviewing (CATI).

Sample size

The initial survey wave included a sample of 1015 completed interviews, covering both user and non-user households.

As the number of respondents who would qualify as purchasers of Farm Activities was anticipated to be limited, an “oversample” of 501 households was completed, increasing the number of Farm Activities qualifiers by 53.

The additional qualifying interviews were folded into the original sample by proportionately downweighting the responses of all households taking at least one Farm Activities trip (both from the initial sample and oversample). The incidence rates were very similar in the two samples (10.0% and 10.6%). However, to maintain the integrity of the initial sample results and to replicate the procedure used in 2004, it was decided to weight to the incidence rate measured in the initial round, rather than to average the two.

By increasing the sample size and applying these weights, the reliability of the Farm Activities results was increased, i.e., the margin of sample error and the confidence interval were reduced, without changing the base numbers.

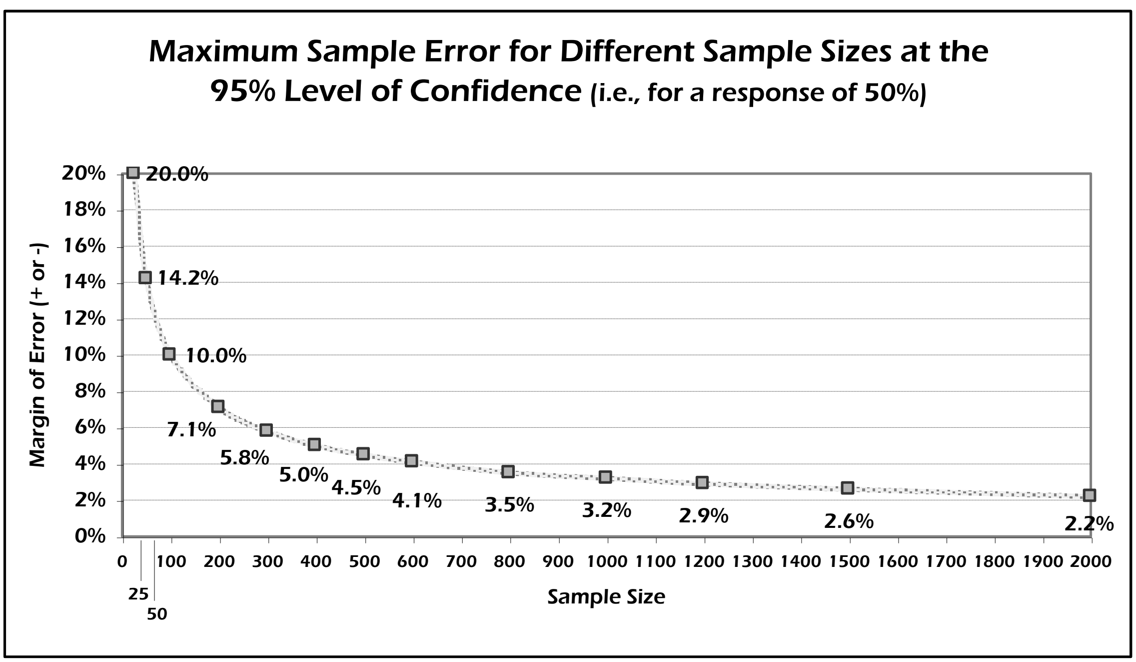
At the 95% level of confidence, the maximum sample margin of error for a random sample of 1068 (the total sample used in the analysis) is ±3.1%. This means that if the survey were to be repeated 20 times, we would expect to see the total line results within 3.1% of those measured in this sample on 19 of those occasions.

The sample size obtained for each product, including Local Food, and the associated margin of error, is shown in Table 1.

Table 1: Sample size and margin of error for purchasers of each product

	Number of purchasing households		Margin of error (95% level of confidence)
	Unweighted sample	Weighted sample	
Farmers' Markets	604	n/a	± 4.1%
Farm Retail	309	n/a	± 5.7%
Farm Activities	154	101	± 8.1%
Local Food	912	n/a	± 3.3%
Total Sample	**1068**	**1015**	**± 3.1%**

Other sub-sample findings, such as those of different geographic, demographic and purchase intensity groups, have larger margins of error associated with their results, since sub-sample sizes were smaller. The graph below provides a reference to the margin of error associated with various (unweighted) sample sizes.



SAMPLE DISTRIBUTION

The sample was distributed proportionately to the population of households in each of six regions, based on Canada Post statistics for "total residential points of call" during September/October 2008. The distribution, and the obtained sample is shown in Table 2:

Table 2: Population and sample size by sampling region

	Number of Households	Household Distribution %	Obtained Sample - Unweighted	Obtained Sample - Weighted
City of Calgary	434,514	30.5	329	314
Calgary Region	27,543	1.9	28	19
Total Calgary CMA	*462,057*	*32.4*	*357*	*333*
City of Edmonton	331,875	23.3	249	234
Edmonton Region	120,540	8.5	114	88
Total Edmonton CMA	*452,415*	*31.8*	*363*	*322*
Other Major Centres (Fort McMurray, Grande Prairie, Lethbridge, Medicine Hat, Red Deer)	140,599	9.9	105	101
Rural	367,887	25.9	274	260
Total Alberta	**1,422,958**	**100.0**	**1,068**	**1,015**

CMA = Census Metropolitan Area
Note: Rural = All areas other than those listed.

QUESTIONNAIRE

For the three alternative markets being monitored, the same question approach was used as in 2004 to ensure that any changes were real and not a by-product of the research design itself. However, one change needed to be made and another was introduced at client request. These are discussed in Appendix III for future reference and action.

In addition, a new set of questions was introduced to address purchase and perceptions of Local Food. Questions on the value of Local Food purchased at Farmers' Markets and via Farm Retail channels were also added.

The questionnaire was pre-piloted to assess the time needed for the repetition of the three alternative market sections and the Local Food questions were geared to the estimated time remaining. A pilot test resulted in further scaling down of this section.

Final survey times averaged 12.3 minutes for the main sample and 3.3 minutes for the oversample. The main sample questionnaire is included as Appendix V. The oversample questionnaire included three sections: screening, Farm Activities and demographics, with the only change being that non-purchasers of Farm Activities were terminated immediately.

The approach used to measure the value of the alternative markets was developed on the basis of research conducted in 2004 with members of the public. It was designed to assist respondents in providing the most accurate data from which to derive market estimates. The downside was that it did result in a complex questionnaire, with greater than normal challenges in questionnaire programming and data analysis.

The survey was analyzed using SPSS, an advanced statistical analysis program. All questions were extensively cross-tabulated. In addition, special programs were written to prepare case-based per purchase and annual visit/trip and expenditure estimates, as well as confidence intervals for key incidence and expenditure measures. These were then extrapolated to the population of Alberta households using formulae in Excel. The output from the SPSS analysis for each of the products is shown in a separate volume of tabulations. The output from the Excel analyses is included in tables in the written report.

Minor differences between the tabulations and the graphs or charts in this report are due to rounding of numbers.

VALIDATION OF SAMPLE QUALITY

It is useful to examine how representative of the population the final sample proved to be. Obviously, not all populations can be reached in a household telephone survey – for example, the homeless, residents of continuing care facilities, prisons and households without a land line.

Since the sample was based on household heads rather than individuals in the population, the most appropriate comparisons are with household measures. Three estimates could be obtained from Statistics Canada data for this study: household structure, household size and household income. The validating figures are based on the 2006 Census, which had slightly different definitions; also some changes may reasonably be expected to have taken place since then. Furthermore, it should be remembered that since the survey is a sample, there is a margin of error associated with each survey figure (see Table 3).

The obtained distribution indicates that the survey included somewhat more families and couple households, and somewhat fewer non-family households, than are found in the general population.

A comparison of individual respondent-based information (rather than household statistics) with available Census 2006 profiles is shown in Appendix II. These results suggest that the individuals surveyed may have included fewer younger households (with household heads under age 35) and more mature households, a direction that is consistent with the above household data.

Perhaps a more important comparison is between the 2008 and the 2004 surveys, since that influences the estimates and conclusions about trends. This comparison is shown in Appendix IV. Any differences are in the same direction as noted above, but much less significant than when compared to the Census-based population data.

Table 3: Comparison of survey distribution with Census data

Category and Definition	2006 Census %	Survey (n=1015) %
Household Structure Census: One family household – couple with children at home Survey: A married/couple respondent in a 2+ person household with children of any age	31	38
Census: One family household – couple without children at home Survey: A married/couple respondent without children of any age in the household	25	33
Census: One family household - Lone parent families Survey: A non-married/couple respondent in a 2+ person household with children of any age	8	8
Census: Multi-family household or one family household with additional persons Survey: Not available	6	Included above
Census: Two or more person, non-family household Survey: Household with 3+ persons, no children	5	3
Census: One person household Survey: One person household	25	18
Average Household Size	2.6	2.8
Average Household Income *	$84,000	$81,000

* Census data covers the year 2005; survey data refers to 2007. The survey calculation is based on mid-point estimates of a limited number of categories.

REPORT FORMAT

Key findings from the numerous tables and analyses produced for each market are presented and discussed in the remainder of this report. For more detail on answers to each question in the survey, the reader is referred to the tabulations. Data from the 2004 baseline measures are included for comparison, to identify trends.

The remainder of the report is split into five sections:

- The first examines awareness of each product. Since awareness must exist for consumers to move through subsequent phases of interest, desire and action, this is a critical foundation for measuring the potential for market change.
- The second section looks at market penetration, that is, the number of households that purchased each product over the previous twelve months, and the number that plan to enter or exit the market in the next year.

- The third section deals with the estimated value of each market in the previous year and as projected for the next twelve months. It includes a discussion of frequency and value of purchases and addresses expected changes in purchasing behaviour among current purchasers.
- The fourth section profiles the demographic, geographic and behaviour characteristics of each alternative market.
- The fifth and last section examines purchasing behaviour and perceptions relating to Local Food.

Due to sample and sub-sample sizes that were often too small to yield statistically significant differences, the discussion of inter-group differences should be interpreted as being directional only. Distinctions between sub-group profiles and/or behaviours that are suggested by the data may be useful in understanding each alternative market and in planning future development strategies.

Summary of Findings

1. Awareness of Alternative Agricultural Markets

Product definitions

Consumer orientated definitions used to describe each of the alternative markets to survey respondents formed part of the first question asked. The definitions for Farmers' Markets and Farm Retail were almost identical to those used in 2004, with the addition of a few further examples, while the definition for Farm Activities was identical. The questions read as follows:

- How much do you know about Farmers' Markets, that is, a place or space which is open on a regular scheduled basis, where one can buy fresh fruits and vegetables, flowers, bedding plants, herbs and other farm products, including processed food like honey, jams, pies and sausages, from farmers and growers who sell at stalls or tables there.
- How much do you know about Farm Retail purchasing, that is, buying products like fresh fruit and vegetables, flowers, bedding plants, herbs, meat and other farm products, including wine, honey, jams, pies and sausages, at a farm or ranch gate, a farm or ranch store or stand, a roadside stall, a greenhouse ON A FARM, a U-Pick farm, or by Internet or mail from a farm.
- How much do you know about Farm or Ranch Activities that you pay to participate in. This includes things like staying in a farmhouse or on a guest ranch; attending a horseback riding camp on a ranch; taking a wagon or sleigh ride; going through a maze; a petting farm; or going on a tour of different farms with unusual animals like elk, ostrich, llama or bison, or something similar that you PAY to do on a farm or ranch.

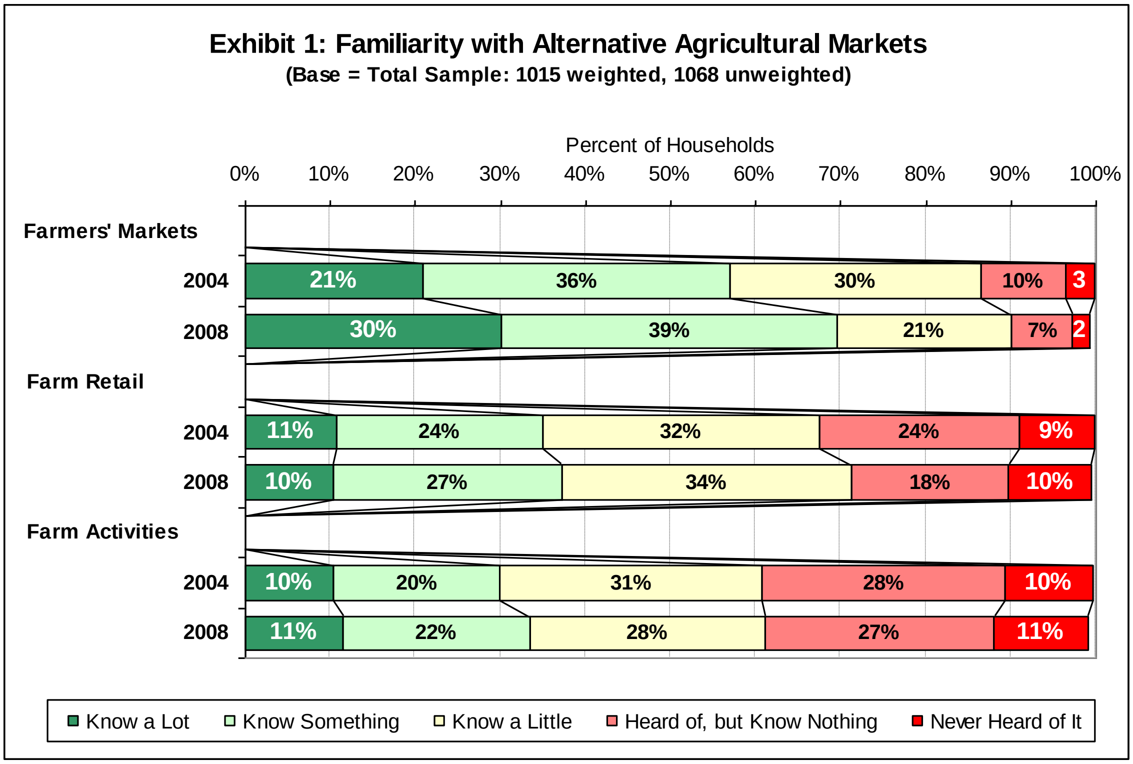
In the remainder of this report, these alternative agricultural markets (a supply-side designation) are also referred to interchangeably as "products", "markets" and "channels".

Awareness and familiarity

Each of the above descriptions was followed by the question: "Overall, would you say you know a lot about it, know something about it, know a little about it, have heard of but know nothing about it or you have never heard of it?"

This measure provides a reading of awareness (have or have not heard of it) as well as familiarity (how much is known about it).

The results are shown in Exhibit 1 and compared to levels achieved in 2004. They show that Albertans remain far more familiar with Farmers' Markets than the other products. This is demonstrated by higher levels of knowledgeability, where over two-thirds knew "a lot" or "something" about Farmers' Markets, while few said they had only heard of them or had never heard of them – and this proportion decreased over the past four years.

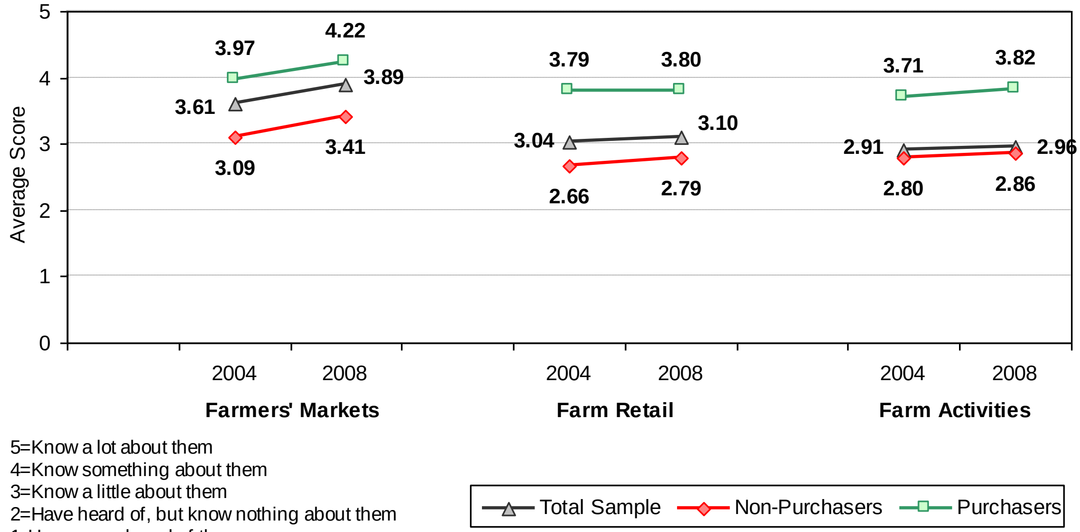


Both Farm Retail and Farm Activities made modest gains in familiarity. However, a substantial proportion of the population – ranging from about 25% to 40% – continued to have no knowledge about them, even if they had heard of them previously.

Potential for market expansion remains should more people understand what the markets have to offer.

Exhibit 2 shows – as might be expected – that purchasers of all products were likely to be more familiar with them than non-purchasers. However, the gains in familiarity that are a necessary precursor to increasing market penetration have not occurred for Farm Retail and Farm Activities. Familiarity remained essentially the same as four years ago among non-purchasers. Gains were found among Farmers' Markets non-purchasers.

Exhibit 2: Average Familiarity Score by Whether Purchased the Product or Not (Base = Total Sample: 1015 weighted, 1068 unweighted)

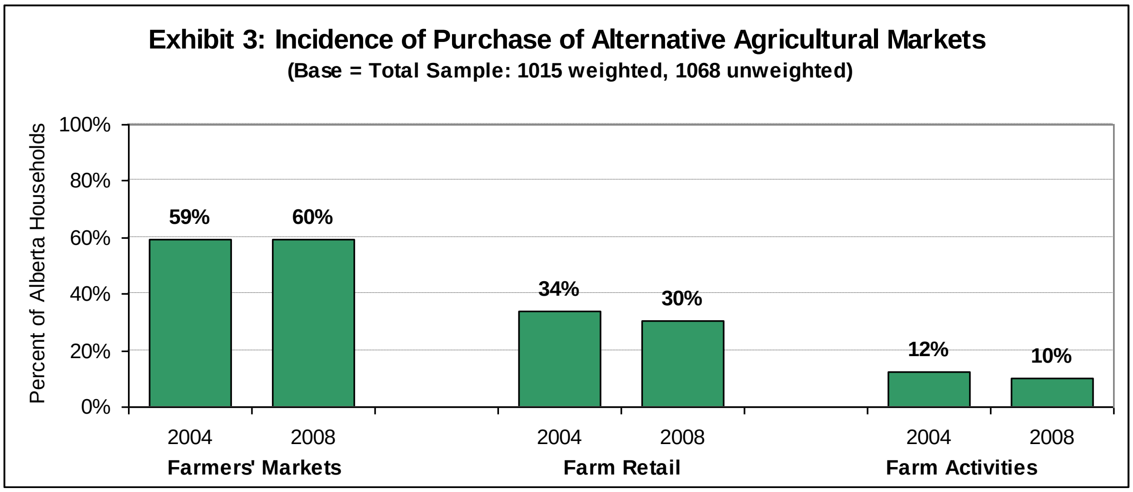


5=Know a lot about them
4=Know something about them
3=Know a little about them
2=Have heard of, but know nothing about them
1=Have never heard of them

2. Current and projected market size

Market Size

Consistent with the far higher level of awareness found for Farmers' Markets, this also remained the most widely used alternative agricultural market, with 60% of the population indicating that they had made at least one purchase at a Farmers' Market in the past year. The figure is not statistically different from the 59% who had purchased from Farmers' Markets in 2004. The results may be seen in Exhibit 3.



The other products showed similar stability. Although both Farm Retail and Farm Activities appeared to have been purchased by fewer households than in 2004, the differences were within the margin of error for the survey.

When projected to the total population of 1.42 million households in Alberta, results suggest that 981,000 households purchased from at least one of the alternative agricultural channels over the period September 2007 to August 2008, the majority from Farmers' Markets.

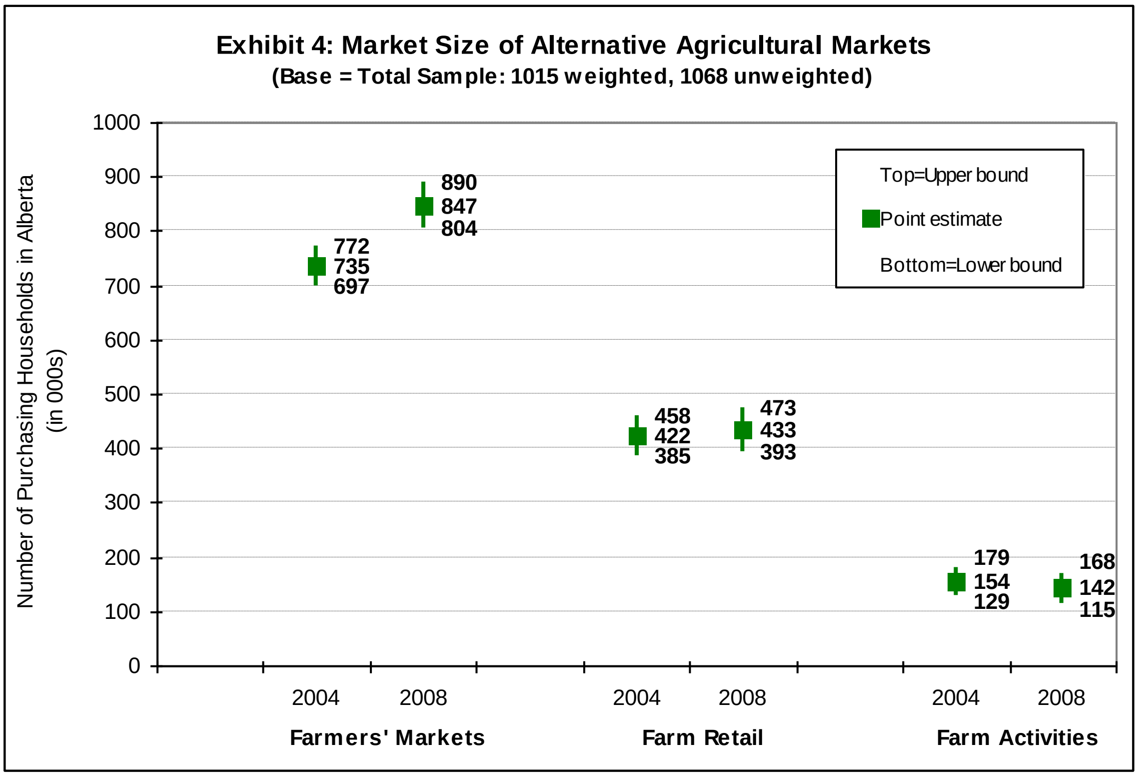
Estimates of the number of households supporting each channel in the past year are shown in Exhibit 4. Along with the point – or "best" – estimate, the upper and lower bounds of the confidence interval are displayed. Based on the sample error associated with the user sample size obtained for each channel, the "true" number may lie anywhere between these bounds, not necessarily at the point estimate. From these results it may be seen that:

- Farmers' Markets gained an additional 112,000 purchasing households, for a total of 847,000. This gain stemmed primarily from population growth[2], but was also a result of slightly increased market penetration. Farmers' Markets were the only product to show a

2. Total number of households in Alberta in 2004 was 1.24 million. There was an increase from 2004 to 2008 of over 180,000 households or almost 15%, based on population growth alone.

statistically significant change over 2004 as demonstrated by the lack of overlap between the 2004 upper bound and the 2008 lower bound.

- There was an increase in the number of households purchasing via Farm Retail channels to 433,000, a gain of 11,000 due entirely to population growth since market penetration decreased. Market size in 2008 was not significantly different to 2004 as demonstrated by the overlap between the estimation lines.
- Despite population growth, there may have been a decline in the number of households engaging in Farm Activities (the best estimate suggests a loss of 12,000 households). However, the difference between the 2004 and 2008 measures was not significant.



PROJECTED MARKET GROWTH

Survey respondents who had not purchased a product in the preceding twelve months were asked about their likelihood of doing so in the next year. The question asked was: "If 0 means 'no chance' and 10 means 'certain or almost certain', what number would you choose between 0 and 10 to describe how likely you and members of your household would be to purchase … (product) in Alberta in the next 12 months?"

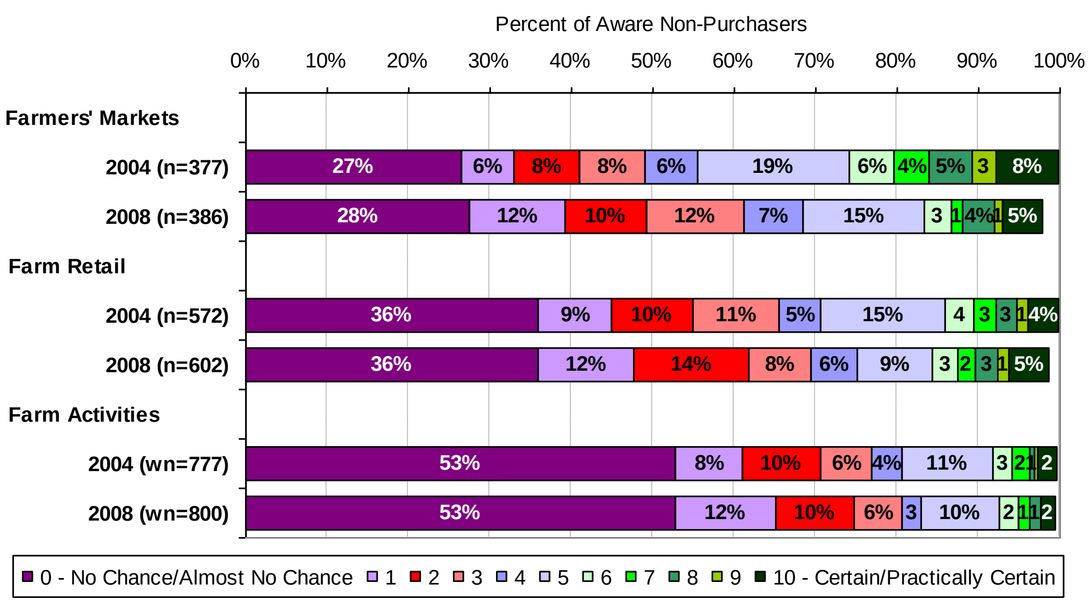
Households that provided a rating above the mid-point (six or higher – see Exhibit 5 for the distribution of responses where ratings of 6+ are shown in green) were assumed to be interested in the product. The results indicate that, among non-purchasing household heads who were aware of a product, higher levels of interest were shown for Farmers' Markets and Farm Retail than for Farm Activities.

However, the degree of interest in Farmers' Markets has dropped substantially among non-purchasers since 2004, declining from 26% to 15% with a rating of six or higher … suggesting that this product is less likely to attract new customers now than previously.

Interest remained stable for Farm Retail at 14% and for Farm Activities at 7% (8% in 2004).

In all cases, the proportion showing very little interest (rated one or two) has grown, while those expressing no interest (zero) remained the same.

Exhibit 5: Non-Purchaser Chances of Purchasing Each Product in the Next Year (Base=Non-Purchasers Who Were Aware of the Product)



These results are used in Table 4, which converts the proportion of the population likely to become purchasers to the total number of new households that may enter the market. The table also shows the current market size and the number of households that do not plan to continue to purchase a product next year. When added together, these numbers provide an estimate of potential market size in the next year. Finally, the table shows the percentage increase the total potential change in market size represents over the existing population of purchasing households.

This information is also summarized graphically in Exhibit 6.

Table 4: Projected growth in market size (number of purchasing households in thousands) in the next year

	2004			2008		
	Estimate (000)	Confidence Interval Lower bound (000)	Confidence Interval Upper bound (000)	Estimate (000)	Confidence Interval Lower bound (000)	Confidence Interval Upper bound (000)
Farmers' Markets	(n=1007)			(n=1015)		
# of new households interested in purchasing in next 12 months	120	97	142	79	59	98
# of households that purchased in the past 12 months	735	697	772	847	804	890
# purchasing households that will not continue to do so	-10	3	17	-8	-2	-15
PROJECTED MARKET SIZE IN 12 MONTHS	**844**	**791**	**898**	**917**	**861**	**973**
Projected rate of growth in the next 12 months %*	14.9%	13.5%	16.3%	8.3%	7.1%	9.4%
Farm Retail	(n=1007)			(n=1015)		
# of new households interested in purchasing in next 12 months	99	78	119	121	96	145
# of households that purchased in the past 12 months	422	385	458	433	393	473
# purchasing households that will not continue to do so	-12	-5	-20	-6	-**	-11
PROJECTED MARKET SIZE IN 12 MONTHS	**508**	**458**	**557**	**548**	**489**	**607**
Projected rate of growth in the next 12 months %*	20.5%	19.0%	21.7%	26.5%	24.4%	28.3%
Farm Activities	(wn=1007 un=1150)			(wn=1015 un=1068)		
# of new households interested in purchasing in next 12 months	76	58	95	77	57	97
# of households that purchased in the past 12 months	154	129	179	142	115	168
# purchasing households that will not continue to do so	-21	-11	-31	-11	-3	-19
PROJECTED MARKET SIZE IN 12 MONTHS	**210**	**176**	**243**	**207**	**169**	**246**
Projected rate of growth in the next 12 months %*	36.0%	36.4%	35.7%	46.5%	46.6%	46.5%

Note: Figures may not add due to rounding.
* Based on consumers' stated expectations (i.e., not projections based on purchasing data or trends).
** Less than 1000 households.

Observations that may be made about the data in Table 4 and Exhibit 6 are as follows:

- Interest among non-purchasers was highest for Farm Retail, a change over the 2004 findings when Farmers' Markets were poised to grow most.
- The number of current buyers that were unlikely to continue purchasing the product next year was again highest for Farm Activities. The fact that these trips are often high value purchases that may only be made intermittently probably contributes to these results.
- The highest rate of annual growth in market size is again expected for the smallest product, Farm Activities.
- The rate of growth in new Farmers' Market customers is expected to be considerably slower next year than four years ago.
- None of the alternative agricultural markets have reached a saturation point; all are projected to grow in size.

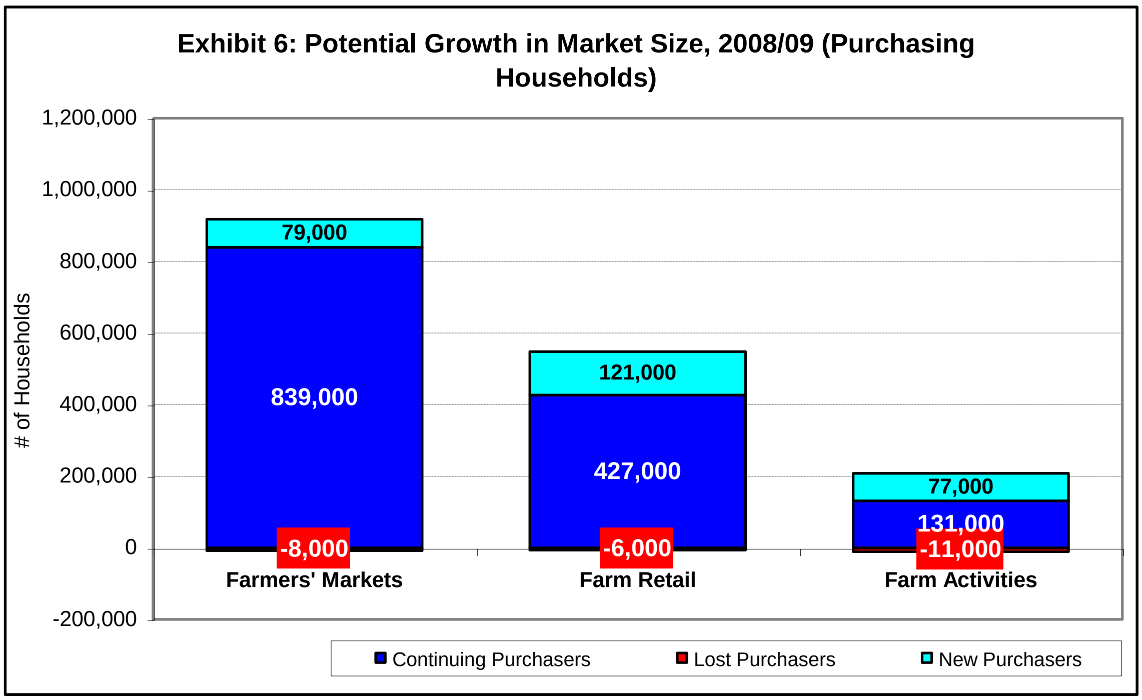


Table 4 also provides an opportunity to compare growth projections made in 2004 with market estimates for 2008. It needs to be recognized that survey participants provided information about what they thought they might do in the next 12 months, so without an annual measure there is no way of knowing whether changes in the predicted direction and of the predicted magnitude took place in 2005 and whether different expectations might have been measured in the intervening years.

However, if one assumes that the 2004 projection should have held true over the past four years, since Farmers' Markets was the only product to have shown growth in the predicted direction – and since most of that growth was accounted for by population increase – the projected changes may better be regarded and treated as a statement of consumer interest and intentions, to be supported and actualized through marketing, rather than as an accurate predictor of future volume.

The 2008 estimated market size for Farm Activities fell short of projections, even at the lower bound of the 2004 confidence interval. For Farm Retail, the one year projection may have been achieved – but only if one assumes the 2008 upper bound estimate is closer to the "true" figure and compares it to the 2004 lower bound. As a result, it is suggested that the projected rate of growth should not be used for any purpose other than to understand consumer interest and intentions.

3. Market value

To estimate the value of each alternative agricultural market, one key objective of this study, respondents were asked to provide several pieces of information. These included:

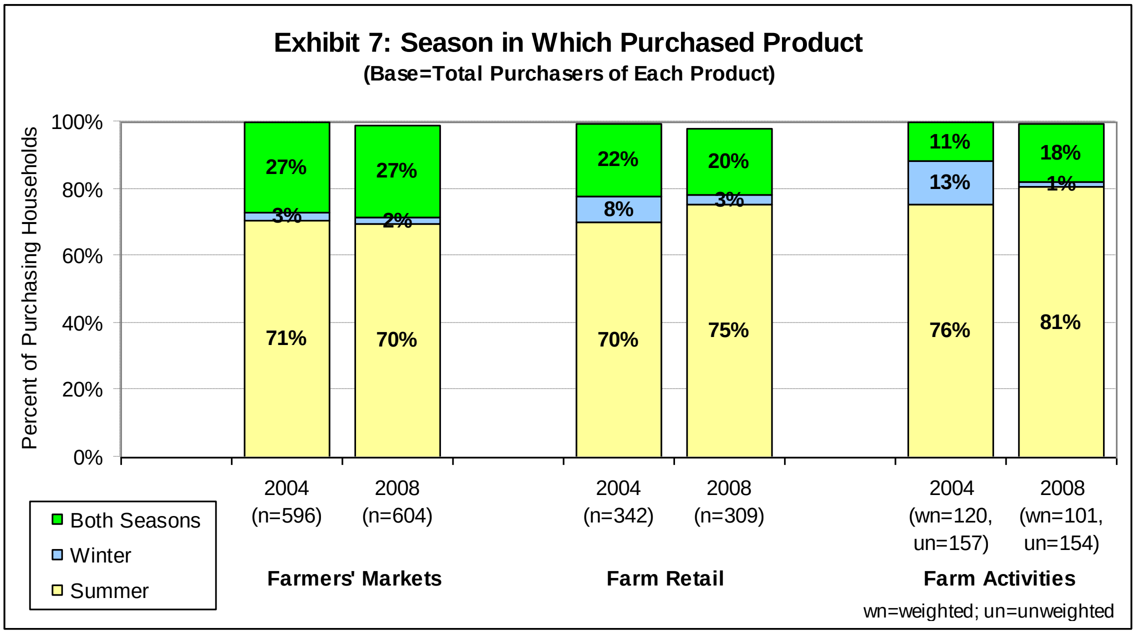
- The season in which each product was purchased. Three seasons were defined in 2008: fall from September to October 2007, winter from November 2007 to April 2008, and summer from May to August 2008. For consistency with the previous survey, fall and summer were combined into a six-month summer period, analogous to the summer of 2003 (May to October 2003), while winter had the same definition (November to April in both 2004 and 2008). The combined 2007/08 fall/summer period is referred to as "summer" throughout this report.
- The number of times purchases were made in each season by any member of the household. The question was phrased, "How many times did you or any members of your household purchase…" or "How many trips did you go on where you or members of your household paid to take part in …"
- Expenditure on the last visit/trip in each season. If a respondent could not remember the exact amount, s/he was asked to estimate. Special instructions were included for several products in both survey years:
    - Purchasers at Farmers' Markets were asked to exclude spending on crafts.
    - Farm Activities purchasers were asked to include expenses for transportation, food and beverages, accommodation, recreation, entertainment and shopping at their destination.

The findings are first discussed separately for each question and then the estimates generated by combining the data are presented.

Seasonality

Seasonal profiles for the alternative markets are depicted in Exhibit 7.

All markets continued to be predominantly seasonal, with greater access in the summer. Summer has become increasingly important to both Farm Activities and Farm Retail, which had a higher proportion of purchasers visit only in summer. Although Farm Activities showed a stronger tendency for purchasing households to make these trips both in summer and winter, the change does not appear to have made up for the loss of winter-only users.

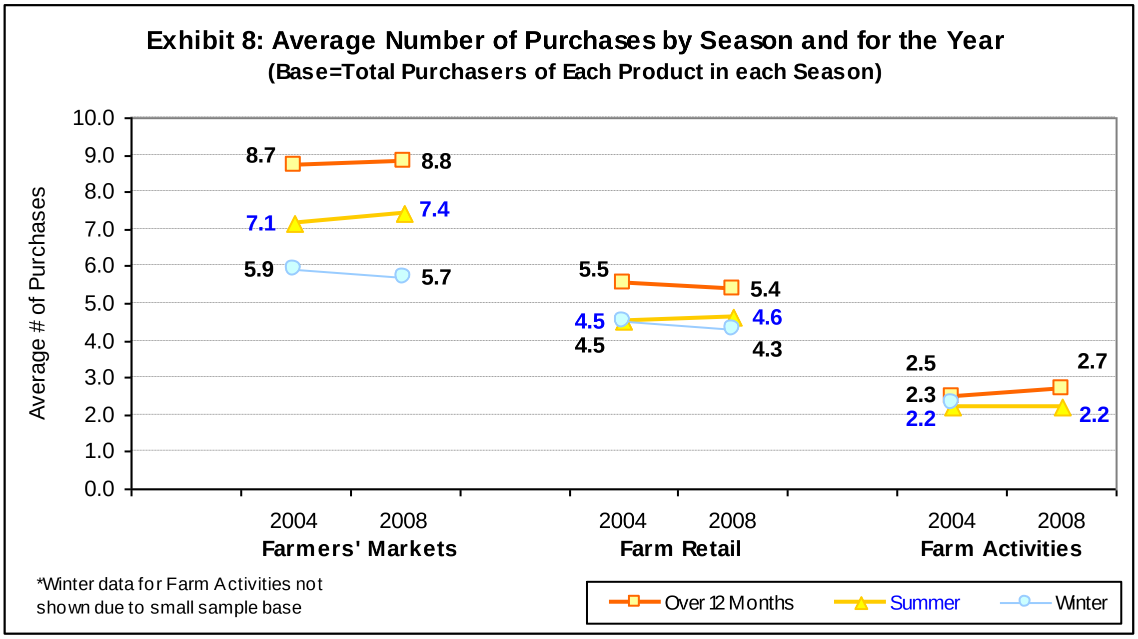


FREQUENCY OF PURCHASE

Exhibit 8 depicts the average number of visits/trips made for each product over the year and during each season by households that purchased in that season. Note that the figure for the annual number of visits/trips is the average number of visits made during the twelve month period by purchasers who provided complete information for all the seasons in which they visited, while the figures for summer and winter are based on people providing complete information just for that season. As a result, the seasonal figures cannot be added, and the bases vary.

From Exhibit 8 it may be seen that:

- More frequent visits were made to Farmers' Markets than for Farm Retail, with the lowest frequency found for Farm Activities.
- The number of visits/trips made in the two six-month seasons – among households purchasing in the season at all – was similar for all products except Farmers' Markets, which were visited more often during the summer.
- No changes of consequence in purchase frequency have taken place since 2004.



Note: The summer and winter averages cannot be added, as people who bought only in one season are not included in the calculation for the other. All purchasers are included in the 12 month average.

While the average number of purchases may have been similar in each season among those who bought in that season, overall, because so many more households purchased these products in summer, roughly four out of five purchases occurred then.

Differences in the proportion of purchasing visits/trips made in each season may be seen in Table 5, along with the estimated number of visits/trips made from September 2007 to August 2008.

What is particularly striking from these numbers is that over one million more trips were made to Farmers' Markets in 2008 than in 2004, yet the number of visits remained stable for Farm Retail and Farm Activities over this period.

Table 5: Estimated number of purchasing visits/trips by season over a 12 month period (in millions of visits/trips)

	Estimate 2004		Estimate 2008		Confidence Interval 2008	
	Visits (million)	% Distrib-ution	Visits (million)	% Distrib-ution	Lower bound (million)	Upper bound (million)
Farmers' Markets						
Summer (n=580/554)*	5.12	80	6.08	81	5.17	7.06
Winter (n=174/151)	1.29	20	1.40	19	.97	1.90
Full Year (n=594/549)	6.38	100	7.43	100	6.25	8.70
Farm Retail						
Summer (n=314/273)	1.76	76	1.89	81	1.46	2.36
Winter (n=101/58)	.56	24	.43	19	.22	.70
Full Year (n=341/276)	2.33	100	2.32	100	1.76	2.95
Farm Activities						
Summer (n=139/144)	.29	77	.30	-	-	1.00
Winter (n=40/22)	.09	23	**	**	**	**
Full Year (n=157/143)	.38	100	.38	-	.22	.59

* Bases are for 2004 and 2008 respectively
** Unreliable data due to small sample base.

Note: Seasonal figures may not add to exactly the same number as annual figures, due to missing data (responses of "don't know") for one or other season.

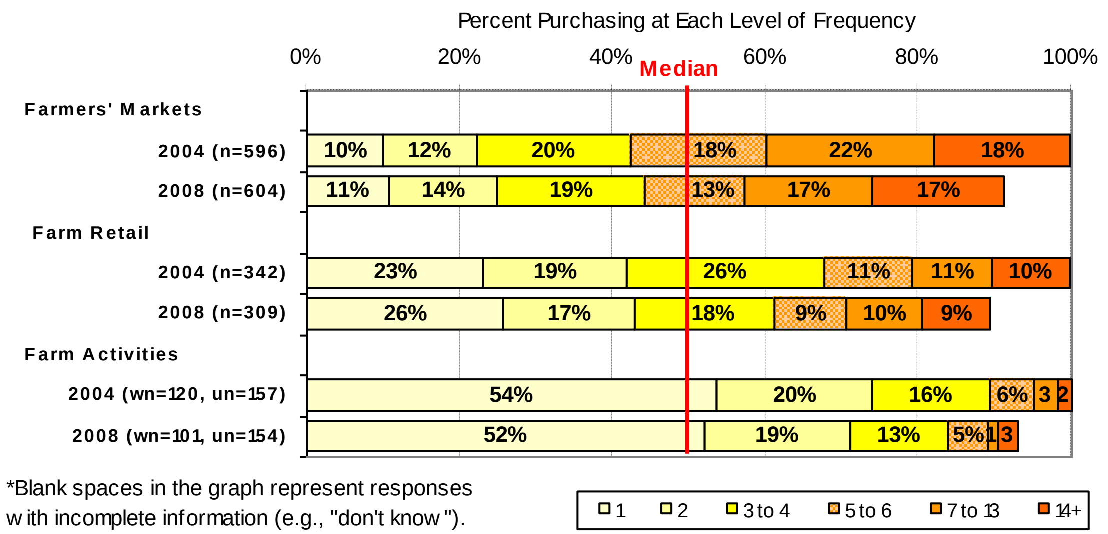
Confidence intervals for annual estimates are smaller than the sum of the seasons would be, since more cases are included.

Figures may not add due to rounding.

Averages, such as those shown in Exhibit 8, do not tell the full story. A small number of households that purchase very frequently can result in a mean that is significantly higher than the median (the point at which half the population purchase more, and half purchase less). Exhibit 9 shows the distribution of the number of purchases made over the twelve month period for each product.

From this graph it may be seen that frequency patterns have not changed since the baseline measure was done.

Exhibit 9: Number of Purchases Made in the Past Twelve Months
(Base=Total Purchasers of Each Product)



*Blank spaces in the graph represent responses with incomplete information (e.g., "don't know").

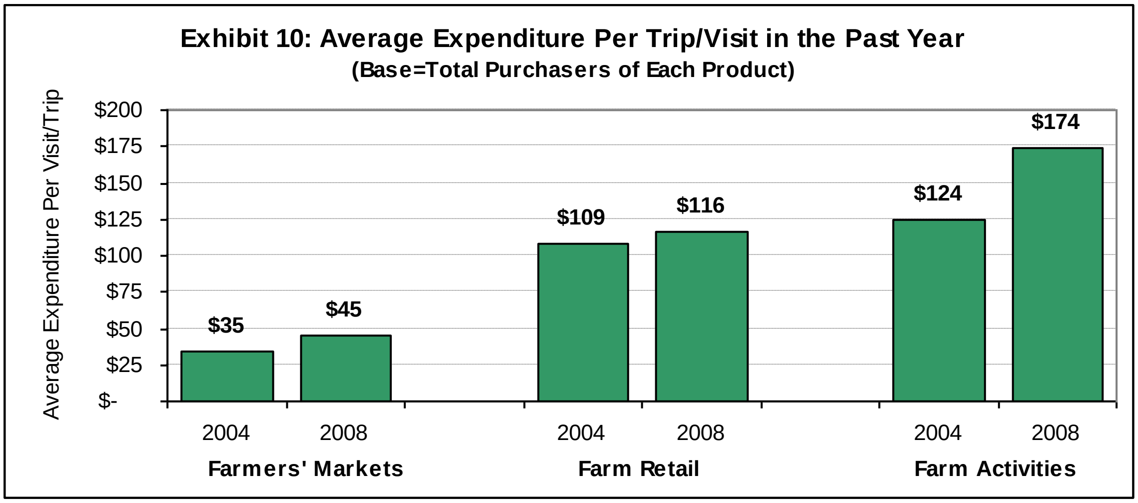
- Farmers' Markets purchasers tend to be regular shoppers; relatively few went only once or twice in the year. Most visited more often than once a quarter, with one in five going more often than once a month.
- The majority of Farm Retail purchasers made between one and four purchases, i.e., quarterly or less often; however, more than a quarter purchased directly from a farm more frequently.
- The largest number of Farm Activities purchasers went on one trip during the past year, the vast majority took two or fewer trips, and very few took more than four trips.

PER VISIT/TRIP EXPENDITURES

The amount that households spent on the average visit/trip during the year September 2007 – August 2008 varied from a low of $45 per purchase at Farmers' Markets, to a high of $174 on Farm Activities (see Exhibit 10).

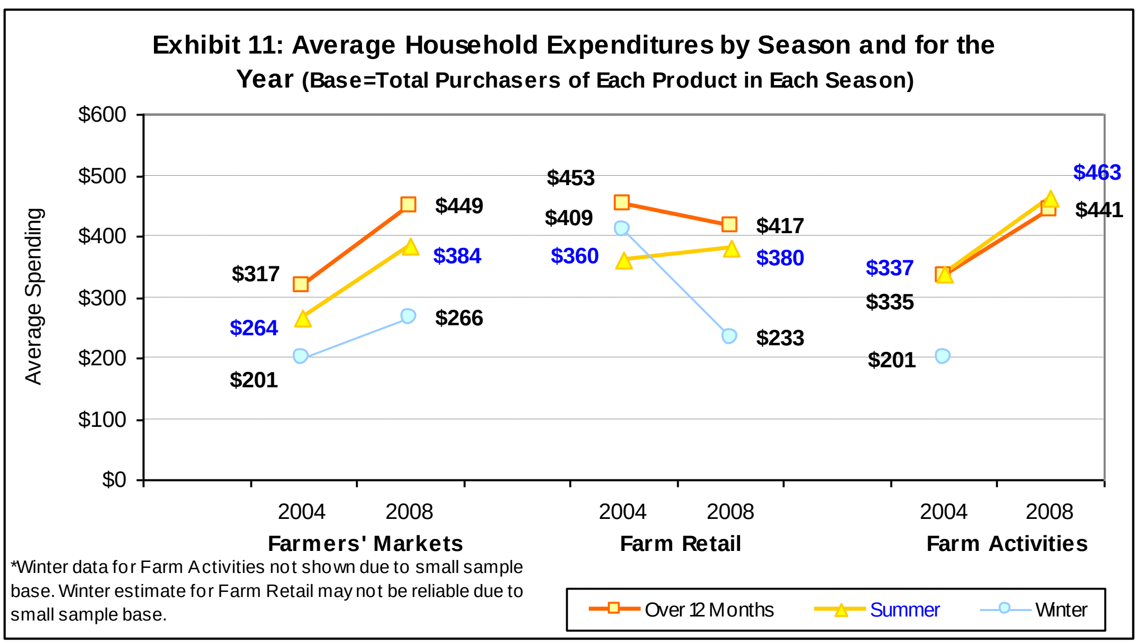
This graph also shows that per visit spending has increased for all products since 2004: 7% for Farm Retail, 30% for Farmers' Markets and 40% for Farm Activities. The cost increases for Farmers' Markets and Farm Activities well exceed the provincial rate of inflation, but fall short for Farm Retail[3].

3. Food 14%, Recreation, education and reading 2%, All-items 9%. Consumer Price Index, 2004 to September 2008.



ANNUAL HOUSEHOLD EXPENDITURES

Average total expenditures over the past 12 months by purchasing households may be seen in Exhibit 11. These figures show the impact that increased per visit/trip expenditures (and minor changes in the number of visits/trips) had on annual household spending.



Note: The summer and winter averages are not additive, as people who bought only in one season are not included in the calculation for the other. However, they are included in the 12 month average.

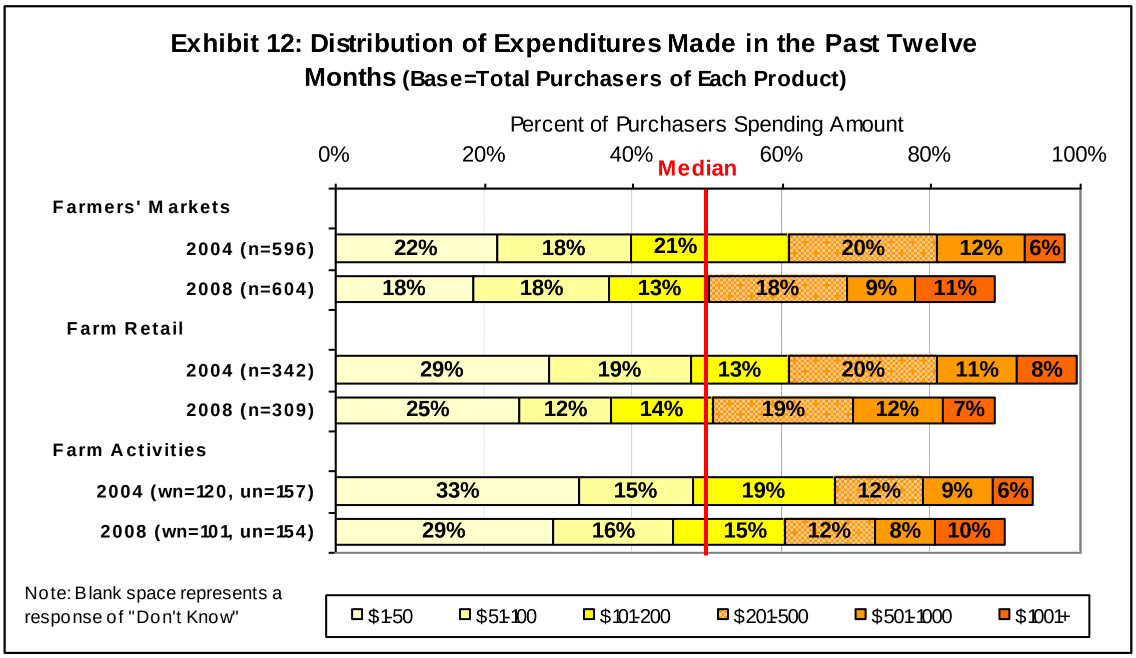
Over the four year period since 2004, annual household expenditures rose substantially for Farmers' Markets (42%) and Farm Activities (32%). However, the overall value of Farm Retail purchases dropped (-8%), though it rose marginally in summer (6%).

Also of interest is that spending in winter was much lower than in summer, and that the disparity appears to be growing compared with 2004 expenditures.

As with purchase frequency, averages hide wide variation in spending. The distribution of estimated annual expenditures for each product is shown in Exhibit 12.

This graph indicates that:

- A substantial proportion of respondents in each individual market (about one in five) made expenditures at the high end of the scale, over $500;
- Farm Activities had a higher proportion of light spenders than the other products (particularly under $100), as well as a lower median.



CURRENT MARKET VALUE

The findings in this section take into account the combination of the number of purchasers, the number of times they purchased each product each season and how much they spent on the last purchase in the season. Annual expenditures were calculated for each respondent in the survey (i.e., creating a case based estimate of expenditures) and then projected to the population of households in the province.

This provides an estimate of the value of each market for the twelve month period, September 2007 to August 2008. The estimates are shown in Table 6, split by season. Farmers' Markets were valued at $380.2 million, Farm Retail at $180.7 million and Farm Activities at $62.5 million.

Table 6: Estimated market value by season for the year September 2007 – August 2008 (in millions of dollars)

	Estimate 2004		Estimate 2008		Confidence Interval 2008	
	Value ($million)	% Distrib-ution	Value ($million)	% Distrib-ution	Lower bound ($million)	Upper bound ($million)
Farmers' Markets						
Summer (n=569/539)*	189.2	81	315.2	83	250.3	385.5
Winter (n=173/143)	43.4	19	65.5	17	41.5	94.2
Full Year (n=583/533)	232.9	100	380.2	100	302.0	464.8
Farm Retail						
Summer (n=312/268)	139.4	73	156.7	87	108.1	212.4
Winter (n=101/57)	50.9	27	23.2	13	12.1	37.7
Full Year (n=339/270)	191.1	100	180.7	100	126.9	242.1
Farm Activities						
Summer (n=132/141)	45.2	85	64.9	-	27.9	113.4
Winter (n=35/21)	7.7	15	**	**	**	**
Full Year (n=148/139)	51.6	100	62.5	-	30.6	103.6

* Bases are for 2004 and 2008 respectively.

** Unreliable data due to small base.

Note: Seasonal figures may not add to the same number as annual figures due to missing data (responses of "don't know") for one or other season.

Confidence intervals for annual estimates are smaller than the sum of the seasons would be, since more cases are included.

Figures may not add due to rounding.

The value of Farmers' Markets has grown by $147.3 million since 2004, a 63% increase, reflecting both the growth in the size of the population and substantially higher spending per visit.

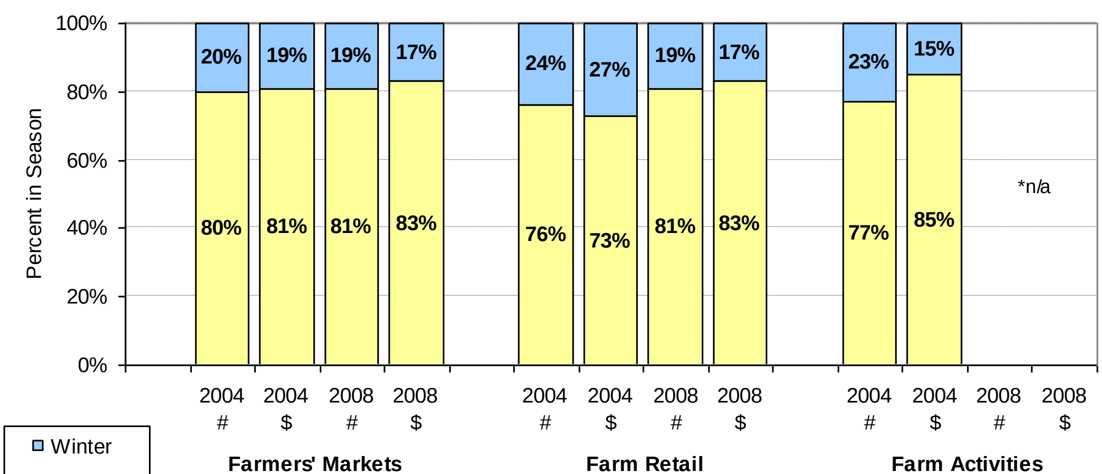
The value of Farm Activities increased by $10.9 million, which represents a 21% change. This occurred despite a net loss in the number of purchasing households. It was due to slightly increased frequency of purchase and, most importantly, substantially increased per visit expenditures.

Farm Retail is the only market to have declined, with the current value estimated at $10.4 million less than in 2004 (-5%). This was primarily due to a loss in market penetration (although the number of purchasing households increased very slightly due to population growth) and the small, below inflation, average increase in spending on each purchase.

The wide variation in value reflected at the upper and lower bounds of the estimates was in large part due to the size of the samples of purchasers interviewed. For example, for Farm Activities, which included a sample of 139 purchasers (unweighted) who provided the necessary information for all seasons, the range represented by the confidence interval was in excess of 50% of the point estimate. In contrast, for Farmers' Markets, which had a usable sample size of 533, the confidence interval represented a spread of 20% to 25% around the point estimate. Another influence on the size of the confidence interval was the wide variation in estimated annual expenditures per household on the products (from less than $10 to over $5,000).

The seasonal distribution of expenditures in 2008 showed an even lower value being generated by winter sales than suggested by the number of visits made. The vast majority of expenditures occur in the six month summer period. Exhibit 13 shows a comparison for both years. The graph clearly shows the impact of the loss of winter sales for Farm Retail.

Exhibit 13: Comparison of Seasonal Distribution of Number of Purchases (Visits/Trips) and Total Expenditures

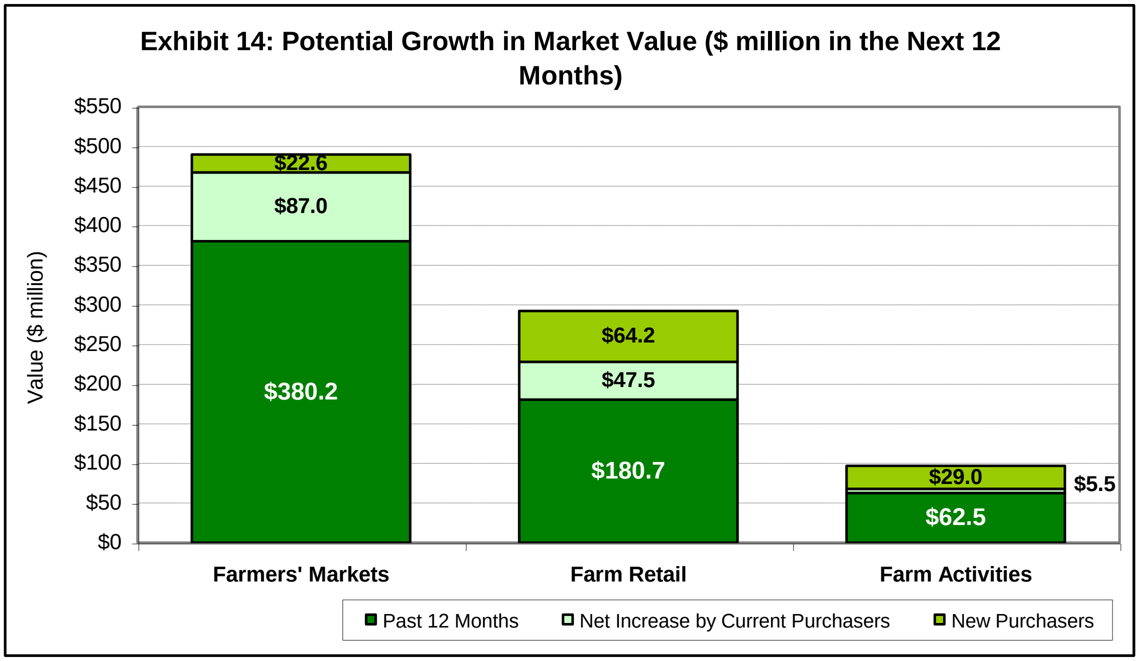


*Winter data for Farm Activities not shown due to small sample base

PROJECTED MARKET VALUE

Table 7 presents figures relating to the projected value of the market in the next twelve months. It includes: the value of purchases that may be made by households not currently in the market,[4] the value of purchases made in the past year, the change in the value of purchases anticipated by current purchasers in the next year, the total estimated value in the next year and the percent change this represents over the previous twelve months.

Exhibit 14 shows the same information graphically.



Observations which may be made about these figures are that:

- All three alternative agricultural markets appear to be set to grow in value.
- The major change in spending for Farmers' Markets comes from increased spending by existing purchasers, suggesting that this may be a maturing market.
- Both new purchasers and existing participants will increase the value of the Farm Retail market.
- Little growth can be expected from households currently purchasing Farm Activities; rather, the ability to attract new market entrants will be key to growing this sector.
- The two products that usually require a visit to a farm, Farm Retail and Farm Activities, seem poised to grow most substantially in value, by more than 50%.

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4. Computed by multiplying the number of visits/trips respondents whose chance of purchasing was 6/10 or higher expect to make, by the weighted annual average per trip expenditure of all current purchasers.

Table 7: Estimated growth in market value in the next year (in millions of dollars)

	2004			2008		
		Confidence Interval			Confidence Interval	
	Estimate ($million)	Lower bound ($million)	Upper bound ($million)	Estimate ($million)	Lower bound ($million)	Upper bound ($million)
Farmers' Markets						
Value of purchases by new households interested in purchasing in next year (n=94/50)*	26.1	15.3	39.9	22.6	13.1	34.8
Value of purchases in the past year (n=583/533)	232.9	193.9	274.8	380.2	302.0	464.8
Change in value of purchases by current purchasers in next year (n=579/521)	30.4	14.4	47.9	87.0	53.1	124.1
PROJECTED MARKET VALUE IN 12 MONTHS	**289.4**	**223.5**	**362.6**	**489.9**	**368.2**	**623.7**
Projected rate of growth in the next 12 months %**	24.3%	15.3%	32.0%	28.8%	21.9%	34.2%
Farm Retail						
Value of purchases by new households interested in purchasing in next year (n=78/79)	52.3	26.9	85.3	64.2	37.5	98.0
Value of purchases in the past year (n=339/270)	191.1	118.3	274.6	180.7	126.9	242.1
Change in value of purchases by current purchasers in next year (n=333/273)	25.5	.0	55.4	47.5	17.7	82.4
PROJECTED MARKET VALUE IN 12 MONTHS	**268.9**	**145.2**	**415.3**	**292.4**	**182.1**	**422.5**
Projected rate of growth in the next 12 months %**	40.7%	22.8%	51.2%	61.8%	43.5%	74.5%
Farm Activities						
Value of purchases by new households interested in purchasing in next year (n=77/50)	25.0	15.0	37.6	29.0	15.4	46.7
Value of purchases in the past year (n=148/139)	51.6	23.0	88.1	62.5	30.6	103.6
Change in value of purchases by current purchasers in next year (n=152/134)	2.3	-3.9	10.7	5.5	-2.6	16.8
PROJECTED MARKET VALUE IN 12 MONTHS	**78.9**	**34.1**	**136.5**	**96.9**	**43.3**	**167.2**
Projected rate of growth in the next 12 months %**	52.9%	48.3%	54.9%	55.2%	41.9%	61.3%

* Bases are for 2004 and 2008 respectively.

** Based on consumers' stated expectations (i.e., not projections based on purchasing data or trends).

However, the possible range in the estimates of the rate of change suggested by the upper and lower bounds of the confidence interval is extremely large. Taking these figures into consideration, the three markets may show little change in market value, while Farm Activities could even show a substantial decline.

As with market size, Table 7 also provides an opportunity to compare growth projections made in 2004 with market value estimates for 2008. The data is based on information provided by survey participants about how often they thought they might visit and what they thought they might spend in the next 12 months. Without an annual measure there is no way of knowing whether changes in the predicted direction and of the predicted magnitude took place in 2005 and whether different expectations might have been measured in the intervening years.

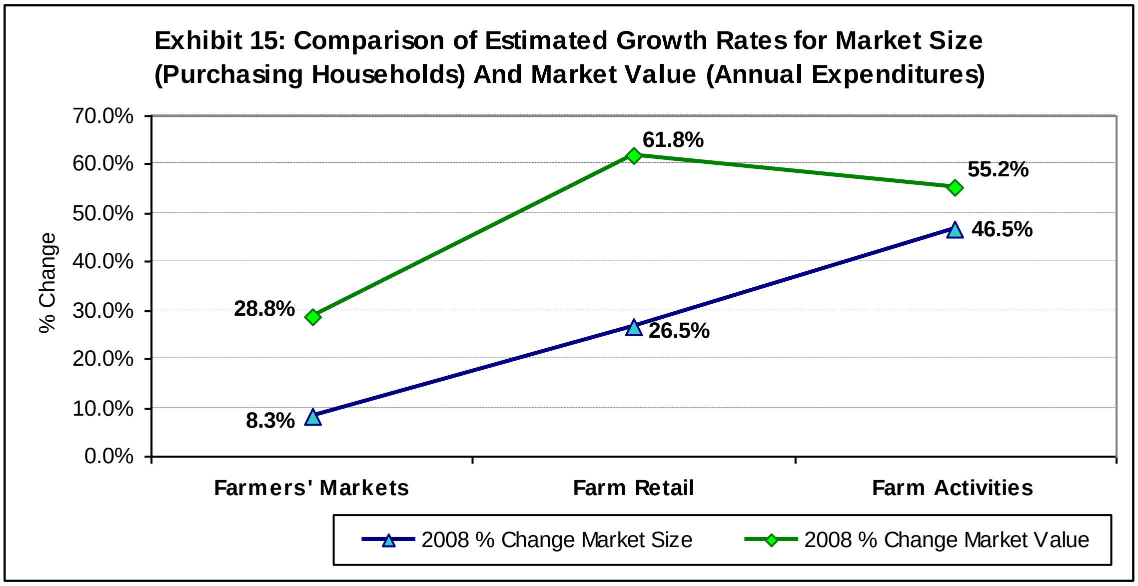
Table 8 shows the annual rate of growth that actually occurred between 2004 and 2008. This was considerably lower than expected from the 2004 projections.

Table 8: Annual growth in market value from 2004 to 2008

	Estimate ($million)	Confidence Interval	
		Lower bound ($million)	Upper bound ($ million)
Farmers' Markets			
2004	232.9	193.9	274.9
2008	380.2	302.0	464.8
AVERAGE ANNUAL RATE OF GROWTH	**+13.0%**	**+11.7%**	**+14.0%**
Farm Retail			
2004	191.1	118.3	274.6
2008	180.7	126.9	242.1
AVERAGE ANNUAL RATE OF GROWTH	**-1.4%**	**+1.8%**	**-3.1%**
Farm Activities			
2004	51.6	23.0	88.1
2008	62.5	30.6	103.6
AVERAGE ANNUAL RATE OF GROWTH	**+4.9%**	**+7.4%**	**+4.1%**

In 2008, market value for all three markets lay within or exceeded the confidence interval established in 2004 for projected value in one year. However, if one presumes that 2004 growth projections should have held true for each of the past four years, the estimate of $380 million spent on Farmers' Markets in 2008 was the only product to have shown change within the confidence interval ($343 million to $835 million projected over 4 years). As a result, projected changes in Table 7 may better be regarded and treated as a statement of maximum potential, based on consumer expectations and intentions, to be supported and actualized through marketing, rather than as an accurate predictor of future value. The discussion that follows describes just what the expectations and intentions for 2009 are.

Comparison of the projected rate of growth for market size and market value in Exhibit 15 demonstrates that more growth is likely to occur from an increase in the value of purchases than from an increase in market size (i.e., the number of purchasing households) for all the products, and this was most noticeable for Farm Retail.



These findings imply that purchase frequency and/or per purchase spending is probably on the rise. Two questions asked of current purchasers provided data relating to likely changes in purchase behaviour. They were:

- "In the next 12 months, do you expect that you and members of your household will spend more, less or the same as last year, on … (product)?"
- "Will that be because you will go … (more/less) often, or because you'll spend … (more/less) per visit, or both or some other reason?"

The responses to these questions are shown in Exhibits 16 and 17. Approximately two-thirds of current purchasers do not expect to change their purchasing behaviour. This is a marked decline from the 75% level measured in 2004.

The direction of change expected is to spend more for Farmers' Markets and Farm Retail, at least in part because there is an expectation of continuing inflationary pressure. Few expect to spend less on food through these channels.

However, the primary direction of change for Farm Activities is to spend less, which should be interpreted as a warning sign.

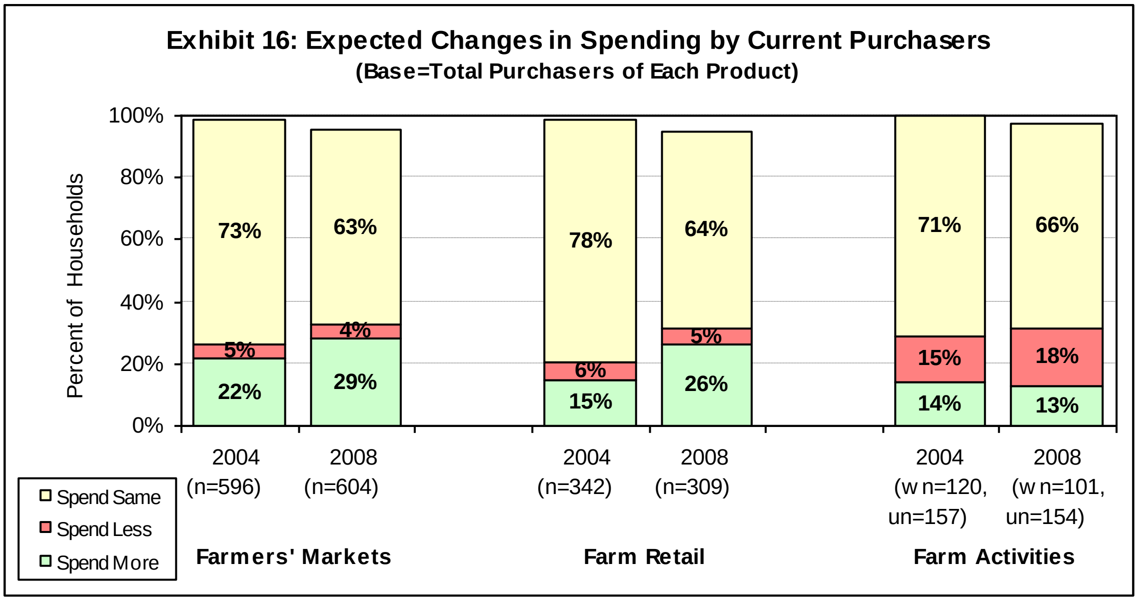


Exhibit 17 shows that the total increase in spending by current purchasers is likely to come more from additional purchases (visits/trips) for Farmers' Markets and Farm Retail than by spending more per purchase. For Farm Activities the small proportion who will increase spending will do so either by taking more trips and/or by spending more per trip.

However, the predominant change for Farm Activities will be to make fewer trips. For Farmers' Markets and Farm Retail, where purchasers thought they would spend less, this was also because they expected to use the channel less often rather than to reduce the value of their purchases.

In all, this means that growth in total expenditures among current purchasers will primarily be the result of changes in purchase frequency, both in terms of increasing expenditures and decreasing expenditures.

Prevention of loss from existing purchasers will depend more on keeping them in the market or preventing erosion of purchase frequency, than on addressing lower spending on each purchasing occasion.

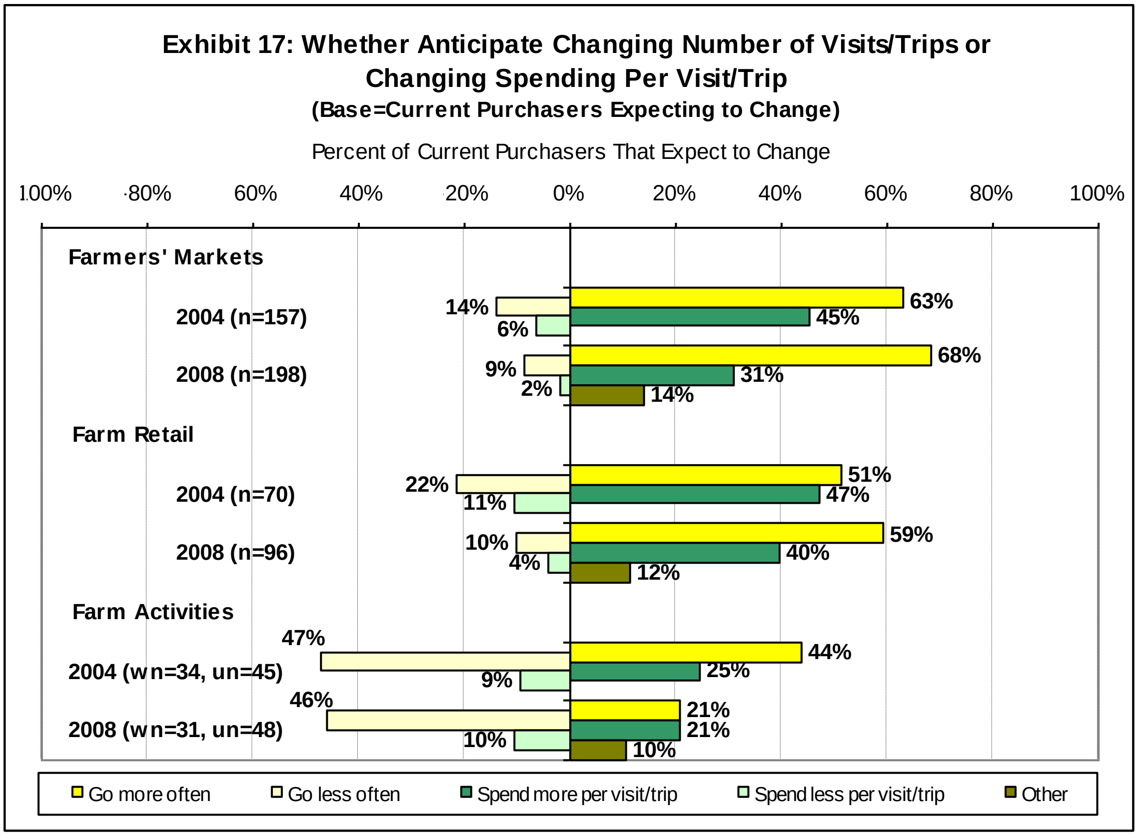


Exhibit 17: Whether Anticipate Changing Number of Visits/Trips or Changing Spending Per Visit/Trip
(Base=Current Purchasers Expecting to Change)
Percent of Current Purchasers That Expect to Change
100% 80% 60% 40% 20% 0% 20% 40% 60% 80% 100%
Farmers' Markets
2004 (n=157)
2008 (n=198)
Farm Retail
2004 (n=70)
2008 (n=96)
Farm Activities
2004 (wn=34, un=45)
2008 (wn=31, un=48)
14% 6% 63% 45%
9% 2% 68% 31% 14%
22% 11% 51% 47%
10% 4% 59% 40% 12%
47% 9% 44% 25%
46% 10% 21% 21% 10%
Go more often
Go less often
Spend more per visit/trip
Spend less per visit/trip
Other

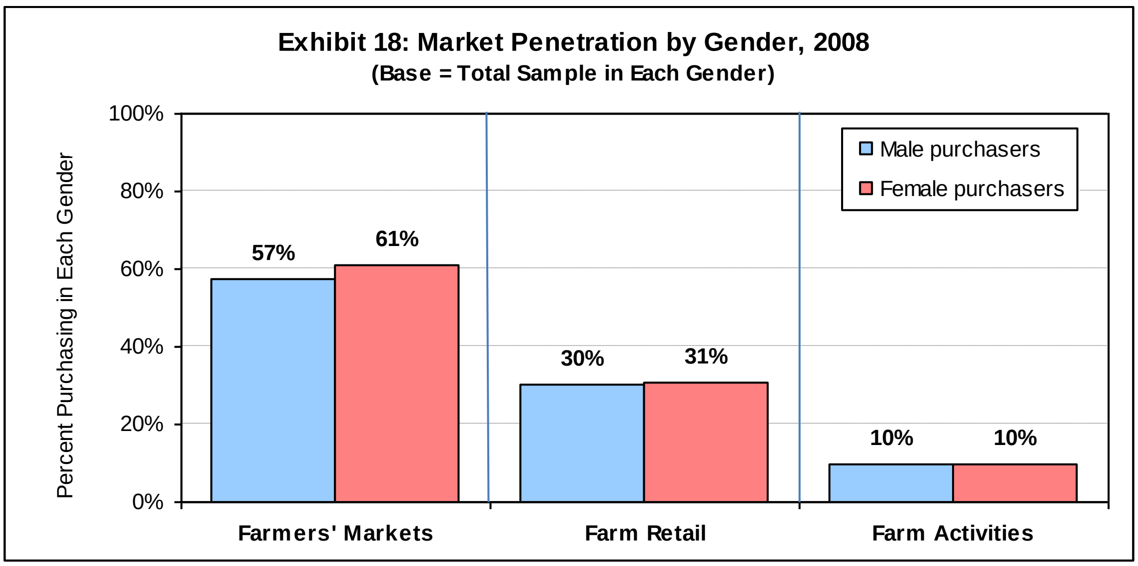
4. Market profiles

DEMOGRAPHIC AND GEOGRAPHIC PURCHASER PROFILES

Demographics can be divided into three broad groups: gender, social characteristics and economic characteristics. Each is discussed separately below.

Gender

Exhibit 18 shows that there were no significant differences between men and women reporting use of the alternative market channels, although more females reported buying from Farmers' Markets. This is to be expected, since both genders described household purchasing behaviour.



Note: Exhibits 18 to 24 show the the proportion of respondents in each demographic group who purchase from each source. The primary comparison is between the demographic groups within the market. Thus 57% of males buy from Farmers' Markets compared to 61% of females, while there is little or no difference between the sexes for Farm Retail and Farm Activities.

Social characteristics

Social characteristics measured in the survey included age, marital status, household size, presence of children and age of the youngest child. Combined, these social measures provide a description of household lifestage. Purchasers in each market are profiled on these characteristics in Exhibits 19 to 21.

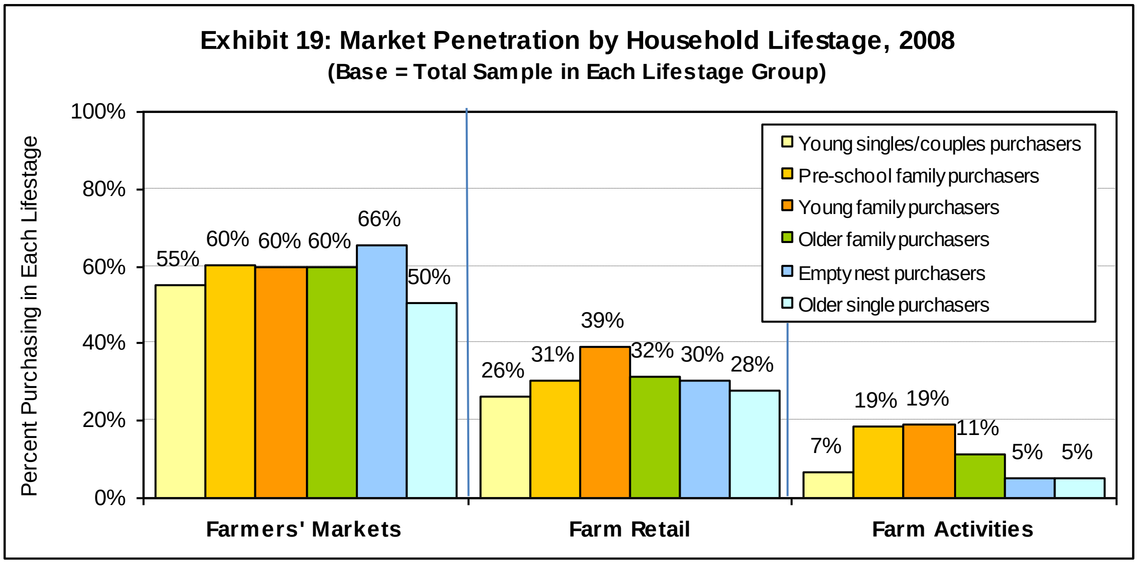


Exhibit 19: Market Penetration by Household Lifestage, 2008
(Base = Total Sample in Each Lifestage Group)
Percent Purchasing in Each Lifestage
100%
80%
60%
40%
20%
0%
Young singles/couples purchasers
Pre-school family purchasers
Young family purchasers
Older family purchasers
Empty nest purchasers
Older single purchasers
55%
60%
60%
60%
66%
50%
26%
31%
39%
32%
30%
28%
7%
19%
19%
11%
5%
5%
Farmers' Markets
Farm Retail
Farm Activities

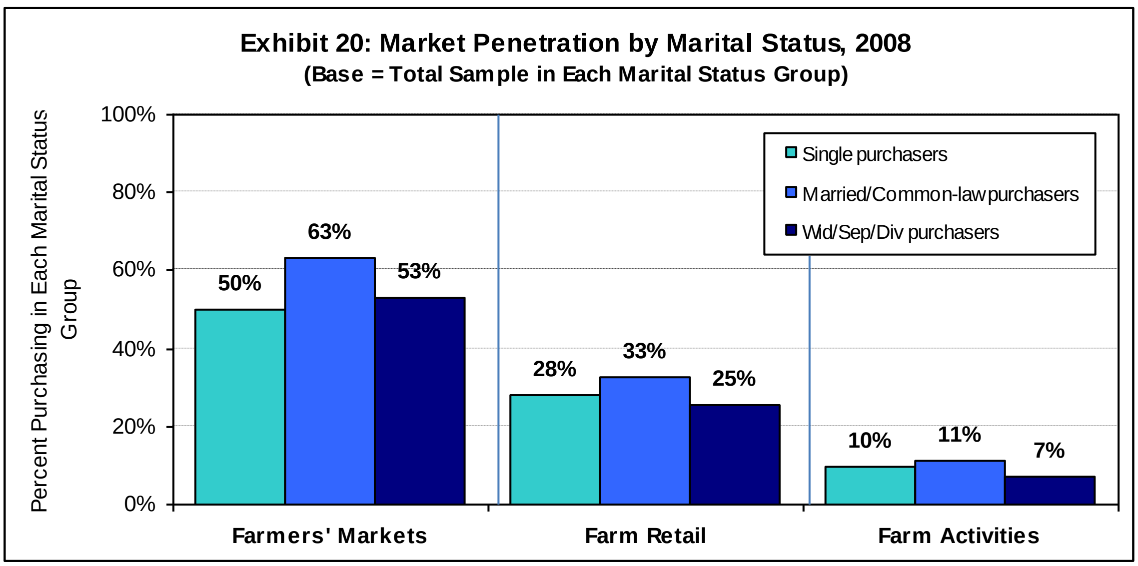


Exhibit 20: Market Penetration by Marital Status, 2008
(Base = Total Sample in Each Marital Status Group)
Percent Purchasing in Each Marital Status Group
100%
80%
60%
40%
20%
0%
Single purchasers
Married/Common-law purchasers
Wid/Sep/Div purchasers
50%
63%
53%
28%
33%
25%
10%
11%
7%
Farmers' Markets
Farm Retail
Farm Activities

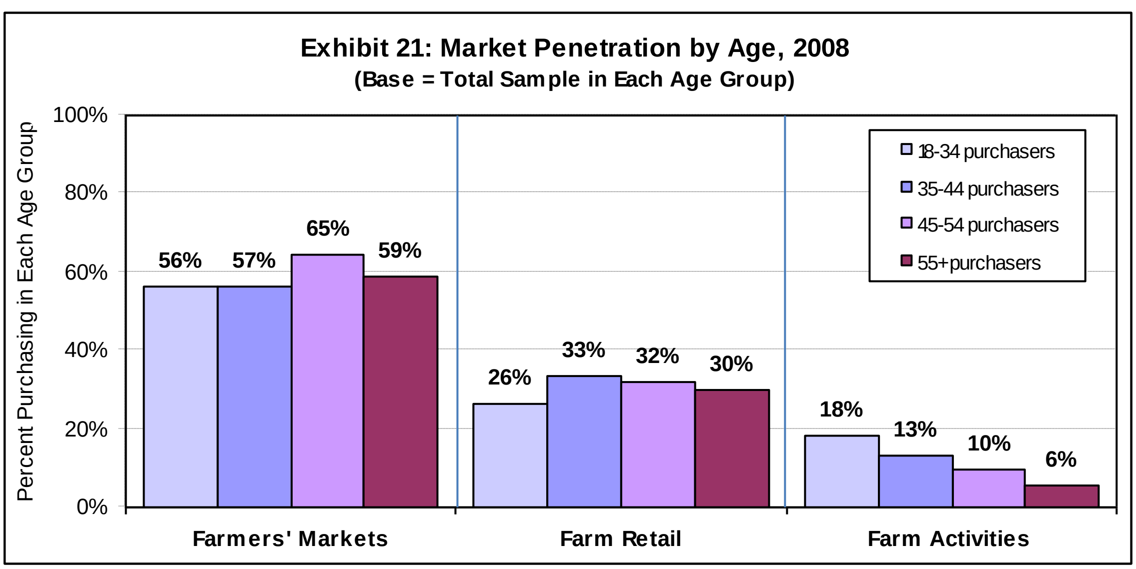


Exhibit 21: Market Penetration by Age, 2008
(Base = Total Sample in Each Age Group)
Percent Purchasing in Each Age Group
100%
80%
60%
40%
20%
0%
18-34 purchasers
35-44 purchasers
45-54 purchasers
55+ purchasers
56%
57%
65%
59%
26%
33%
32%
30%
18%
13%
10%
6%
Farmers' Markets
Farm Retail
Farm Activities

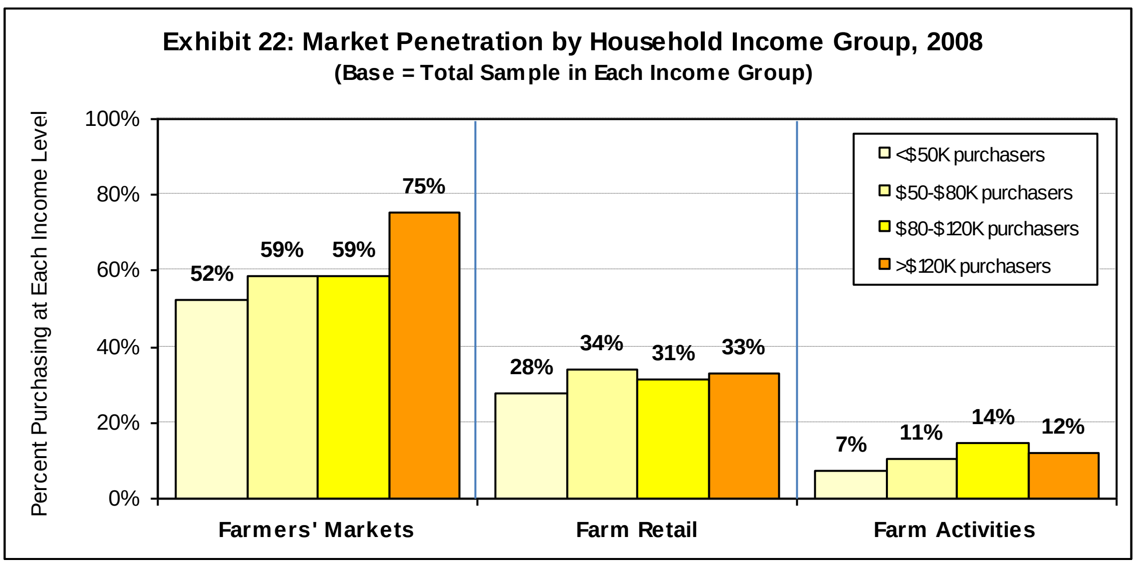
Farmers' Market purchasers were distinctive for being found most often in empty nester households (i.e., older couples) and less often among both older singles and younger couples and singles. Consistent with this, they were found more often among 45-55 year olds and among those who were married/living common-law.

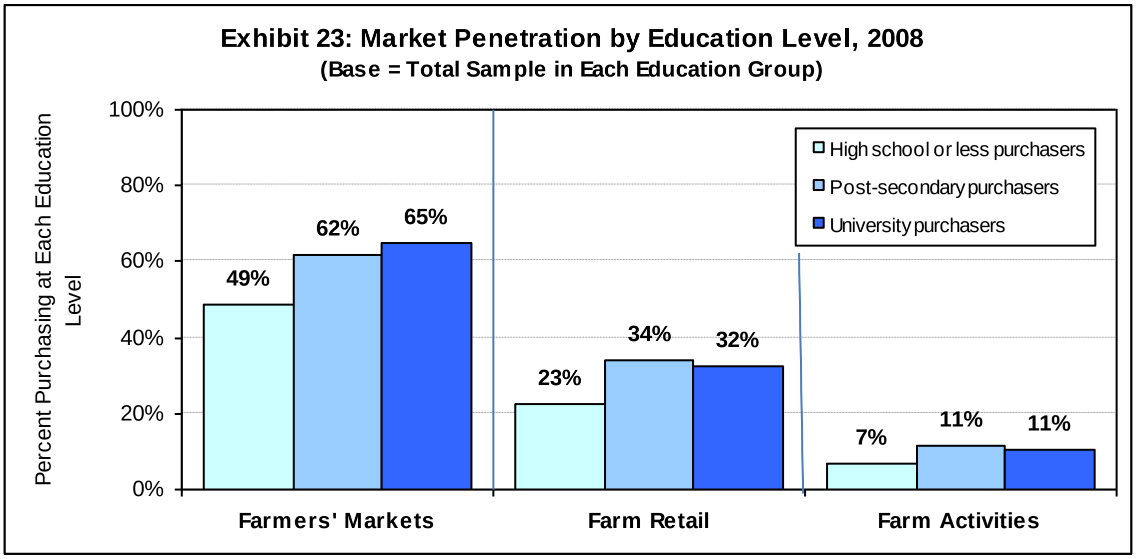
Farm Retail purchasers had a quite different pattern, being used most often by young families (with the youngest children in elementary school). They were used least often by young singles/couples, 18-34 year olds and singles.

Farm Activities showed the most distinctive profile, drawing strongly from households with children, especially pre-school and elementary school children. This corresponded with having the largest family size, an average of 3.5 people per household (refer to purchaser profiles in Table 11, Appendix IV). The chance of participating in Farm Activities declined steadily with age, being at its peak among the child-raising 18-34 year old age groups.

Economic characteristics

Economic characteristics measured in the survey included household income and respondent education. Purchasers in each market are profiled on these characteristics in Exhibits 22 and 23.





All three channels were less likely to be used by households in the lowest income group and among people with an education level of high school or less. This suggests that affordability is one criterion for use.

The highest incidence of Farmers' Market purchasers was found in the highest income group. Farmers' Market purchasers also tended to be more highly educated (post-secondary or university), but income was by far the most distinguishing characteristic.

Among Farm Retail and Farm Activities purchasers, economic factors were not as important as the presence of children in the household.

Geographic location

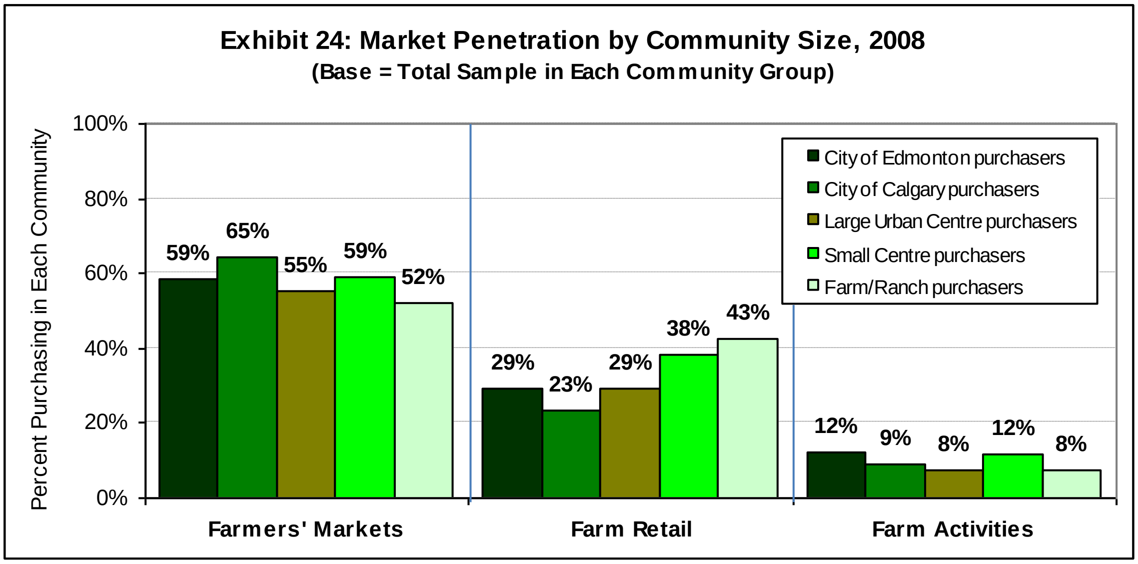
Exhibit 24 examines market penetration for each product by community size and geographic location.

Farmers' Markets proved to be popular in all sizes of community and in both urban and rural locations, though a higher proportion of Calgary residents appear to support the channel.

Farm Retail was quite different in appealing more in less urbanized areas of the province. It was most popular among people living on farms/ranches themselves, followed by those living in small (rural) towns, villages and hamlets. Location was as important a factor as the presence of young families. It is instructive that people living in rural areas – and especially those living on farms/ranches – were considerably more familiar with the channel than those living in the large urban centres.[5]

5. Average rural awareness rated at 3.36 and farm/ranch residents 3.49, compared to urban scores of approximately 3.00 out of 5.00.

Farm Activities appealed somewhat more in the City of Edmonton and among residents of small (rural) towns, villages and hamlets. Awareness of Farm Activities was also higher in rural areas and among farm/ranch residents.[6] However, the presence of children in the household remained the key distinguishing criterion for purchase.



Greater detail is shown in Appendix IV, where the market for each product is profiled. Rather than describing incidence of use, as discussed above, it shows what proportion of all users fell into each demographic or geographic group. Differences were consistent with the more sensitive measure of incidence/market penetration described above. The distribution obtained in 2004 is also shown in the appended table. However, when making comparisons between the years, differences in overall sample make-up should be considered. In general, the direction of differences that distinguished each market was similar, even though the numbers were slightly different in 2004 and 2008.

Seasonal Profiles

Geographic location proved to be somewhat more important than demographic factors in profiling differences between purchasers in various seasons, as follows:

- For Farmers' Markets, residents of the major urban centres (Fort McMurray, Grande Prairie, Lethbridge, Medicine Hat and Red Deer) were especially likely to be summer-only purchasers (89% vs. 70% for all households). This trend was even stronger than in 2004. City of Calgary households were somewhat more likely to buy year-round (36% vs. 27% overall).

6. Average rural awareness rated at 3.17 and farm/ranch residents 3.49, compared to urban scores of approximately 2.80-3.00 out of 5.00.

- Farmers/ranchers bought Farm Retail more often in both seasons (29% vs. 20% of all households).
- Residents of major urban centres and the City of Edmonton were more likely to concentrate their purchases of Farm Activities in summer only (92%, 91% vs. 81% for all households). In contrast, rural residents took part more often on a year round basis (27% vs. 18% province-wide).
- This is the only market where demographics also played a role in seasonal choice. Young single and couple households without children focused more on summer activities (91%), while women and those in either the lowest or highest income brackets reported somewhat more year-round participation (23%, 24% and 26% respectively).

DEGREE OF USE PROFILES

It is sometimes helpful when defining target markets to focus on those households that contribute most, that is, that make the highest expenditures. For example, the top spenders at Farmers' Markets had annual expenditures averaging $1486 per household (termed heavy spenders), vs. $288 for medium and $65 for light spenders.

Three different Degree of Use groups were defined for each alternative market, each with three levels. They were based on: number of purchases in the past year (i.e., visits or trips during which at least one item was purchased); the amount spent on the last purchase (using a weighted average where seasonal information was provided); and total expenditures in the past year (a combination of number of purchases and value of the last purchase). The three levels defined and the bases obtained are shown in Appendix V. In each case, the "high" or "heavy" level was designed to include approximately the top 20% of the market.

A comparison of the profiles of households associated with the Degree of Use groups yielded a number of differences of note for each product.

Farmers' Markets

- Higher expenditures, both on the last purchase and for the year, were associated with larger size households, while all categories of high/heavy purchasers had an above average household income.
- Higher frequency of visits and expenditures was, understandably, linked to higher familiarity.
- Low or light purchasers were more likely to visit only in summer, while over half of all frequent purchasers and heavy annual spenders visited Farmers' Markets in both seasons.
- Frequency of purchase was more important than amount spent at each visit in contributing to greater annual expenditures.
- Annual expenditures averaged $1486 for heavy spenders, $288 for medium and $65 for light spenders.

- However, it is low and light purchasers who were more likely to change their spending in the next year, being especially likely to feel they will go more often. On the other hand, high spenders were the ones who expected to spend even more, a change that may net an additional average contribution three times higher than the average for all purchasing households ($298 vs. $103).

Farm Retail

- There were no consistent demographic or geographic indicators of higher spending on Farm Retail.
- Higher frequency of visits and expenditures was linked to higher familiarity.
- Low or light purchasers were much more likely to visit only in summer, while over half of all frequent purchasers and many heavy annual spenders made Farm Retail purchases in both seasons.
- Annual expenditures averaged $1470 for heavy spenders, $295 for medium and $58 for light spenders.
- Medium current spenders appear to be poised to increase their annual expenditures most, with an increase twice the average for all purchasing households ($235 vs. $110).

Farm Activities

- Higher expenditures, both on the last purchase and for the year, were associated with the presence of young children (6 to 12 years of age) in the household and all high/heavy purchaser categories had an above average household income.
- Frequent visits and high annual expenditures were found especially among rural Albertans and much less so in the Edmonton and Calgary regions.
- Higher frequency of visits and expenditures was linked to higher familiarity.
- Low or light purchasers were much more likely to visit only in summer, while over half of all frequent purchasers and many heavy annual spenders undertook Farm Activities in both seasons.
- Frequency of purchase was more important than amount spent at each visit in contributing to greater annual expenditures.
- Annual expenditures averaged $1769 for heavy spenders, $270 for medium and $61 for light spenders (note though that bases were very small and results may not be reliable).
- Unlike the other products, frequent and heavy purchasers were more likely to change their spending in the next year, while infrequent visitors and low spenders were the ones indicating they would drop out of the market altogether (bases too small for further analysis).

5. Local Food

Questions on Local Food were asked after all information on the alternative markets had been gathered.

Local Food was defined as:

"Food grown or made in Alberta"

To investigate Local Food, survey respondents were asked about "food grown or made in Alberta" – the definition adopted for this study. It should be noted that if the term "Local Food" had been used instead, it might have triggered different associations, particularly for the perception questions. Incorporating the adopted definition into each question, however, did ensure clarity and consistency in what was being discussed and avoided issues that might have been created where respondents understood the term differently (e.g., as 100 kilometre food, from the local community, etc.)

Although the term "Local Food" was not used in questioning, it is used in the discussion which follows.

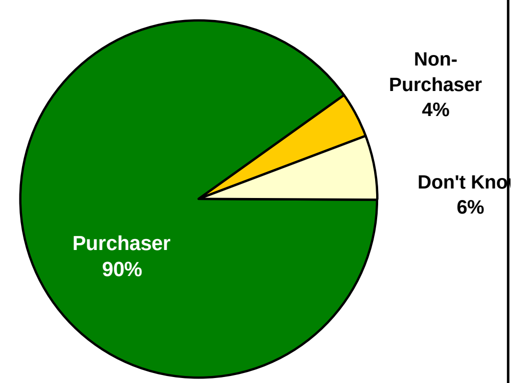
Market Size

90% of Alberta households indicated that they had purchased food grown or made in Alberta in the past 12 months (Exhibit 25).

This translates into 1,279,000 purchasing households.

From a marketing perspective, it is interesting that 6% did not know whether they had purchased Local Food or not.

Exhibit 25: Purchase of Food Grown or Made in Alberta in the Past 12 Months - 2008 (n=1015)

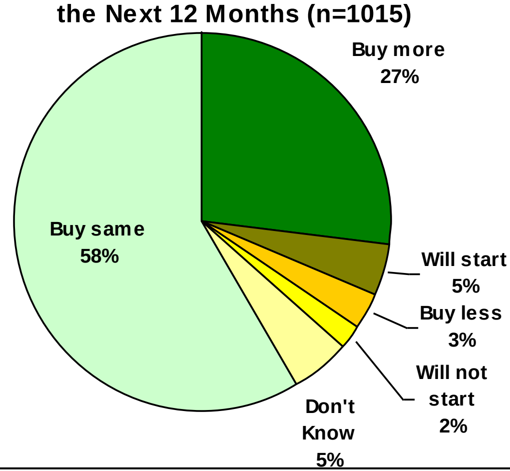


Market Growth

Purchasing households were asked whether they expected to buy more, the same amount or less food grown or made in Alberta in the next 12 months. Non-purchasing households (including those who were not sure of their status) were asked whether they intend to buy such food in the next 12 months.

The results are shown in Exhibit 26. The majority of households do not intend to change current amounts of Local Food

Exhibit 26: Purchase Intentions for Food Grown or Made in Alberta in the Next 12 Months (n=1015)



purchased (58% the same and 2% who won't start buying Local Food).

However, among those who expect to change, the thrust is toward market growth. 27% expect to buy more than at present and 5% intend to start buying Local Food – for a total of one-third who expect to increase consumption.

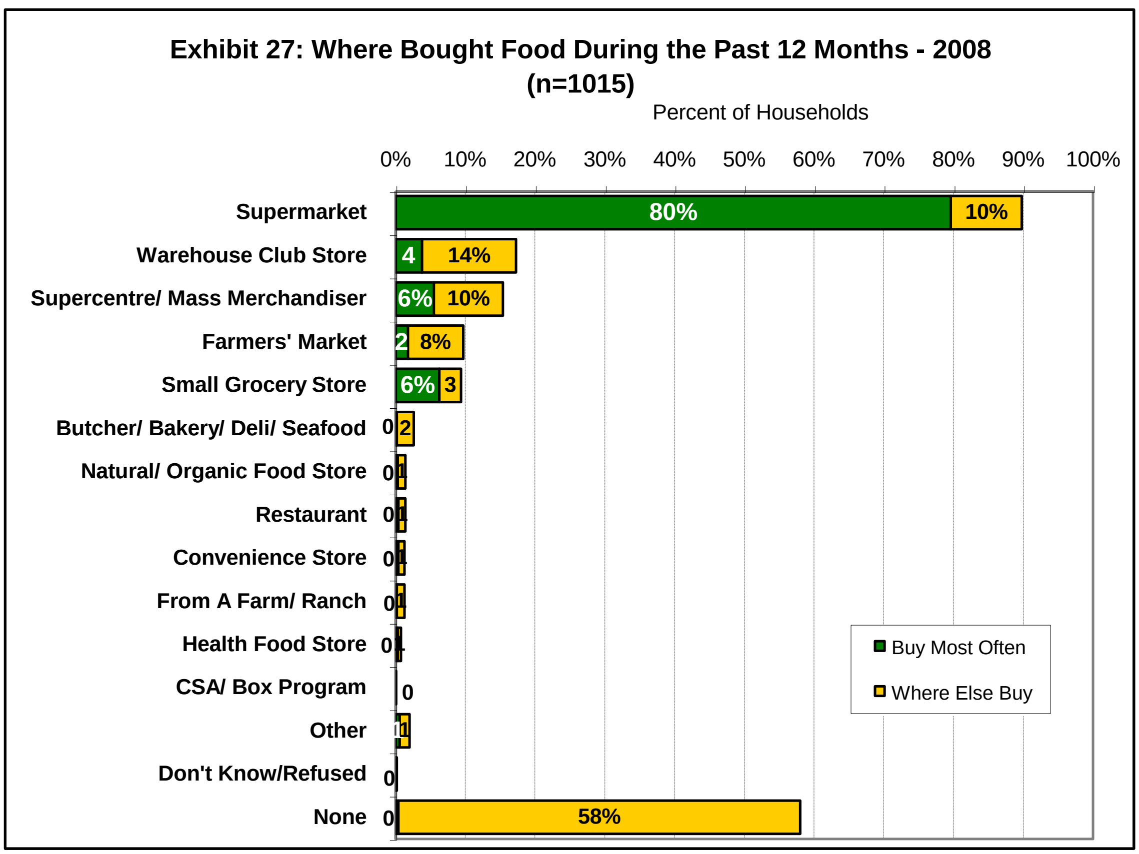
Only 3% will move in the opposite direction of less purchase of Local Food and 5% did not know what they would do.

The trend is clearly toward growth.

PURCHASING OUTLETS

Food in general

All respondents were asked where they generally buy food. The very first question asked in the survey was, "In the past 12 months where did you buy food most often? Where else did you buy food in the past 12 months?" The answers given are based on spontaneous top of mind recall and are shown in Exhibit 27.



It is evident that the vast majority of the population use a Supermarket (e.g., Superstore, Safeway, Sobeys, IGA, Co-op, Save-On Foods) as their main point of food purchase (80%) – and that most did not mention using any other store category (58% overall).

Functioning more as a secondary source were Warehouse Club stores (e.g., Costco), Supercentres/Mass Merchandisers (e.g., Wal-Mart, Zellers, London Drugs, Shoppers Drug Mart) and Farmers' Markets.

Small Grocery stores were more often a primary than secondary source due to respondent location, which was more likely to be rural.

Special analyses considered the mix of sources used and showed that households that mentioned buying food at Farmers' Markets were twice as likely as the average to also purchase food at Small Grocery stores (20%) and vice-versa (21%). Farmers' Market purchasers also had an above average likelihood of buying at Farm Retail outlets (including farm gate, farm store, farm stand, roadside stall, U-pick farms, nurseries and greenhouses – 5%) and Natural/Organic food stores (5%). Farmers' Market users were somewhat less likely than average to mention buying food at Supermarkets, even though the vast majority did (78%).

Other outlet types were almost always secondary food sources and rarely came to mind spontaneously.

Local Food

Exhibit 28 compares where purchasers of Local Food bought Alberta products with where the population reported that they generally shop for food.

The primary source for Local Food was a Supermarket. However, Supermarkets were not nearly as important as suppliers of Local Food as they were for food generally (56% bought Local Food there, compared to 90% who use Supermarkets).

The second most widely used outlet was Farmers' Markets at 45% in total, though only two-thirds of Farmers' Market shoppers considered this the place they buy Local Food most often.

Two other noteworthy sources of Local Food were Farm Retail channels and Small Grocery stores.[7]

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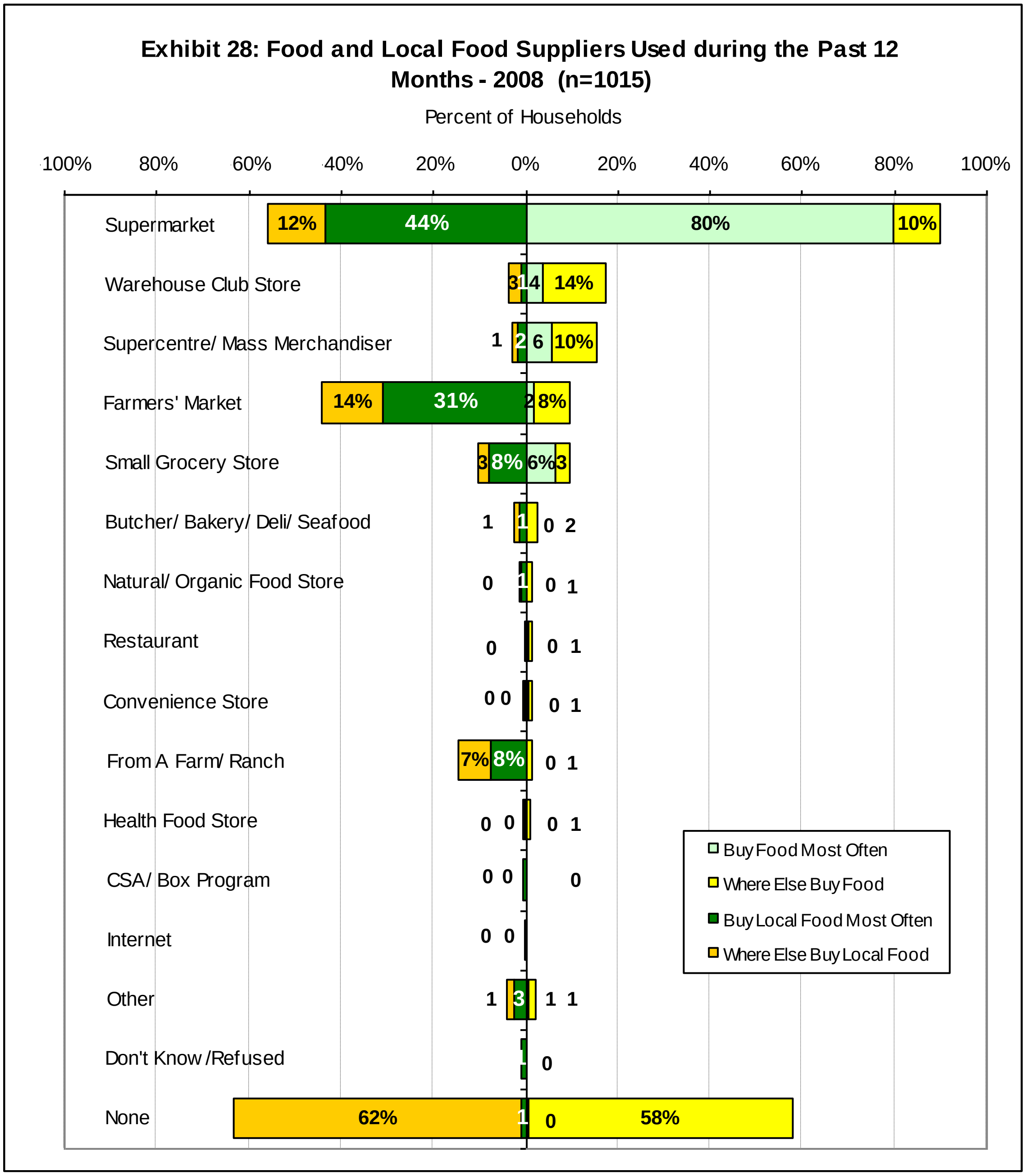
7. About one-third of the "other" outlets (1%) were reported be local stores in small towns, and may have been small grocery stores.



There appear to be two major demand-side purchasing segments, suggested by the findings that:

- Households that buy Local Food most often at Supermarkets were half as likely as the population as a whole to also mention buying Local Food at Farmers' Markets (19%) and Farm Retail (6%), implying that many Supermarket shoppers do not look beyond the Supermarket for Local food purchases.

- Households buying most often through the other major Local Food channels – Farmers' Markets, Small Grocery stores (often rural) and Farm Retail, were much less likely than average to also buy Local Food at a Supermarket (27%, 11% and 16% respectively).

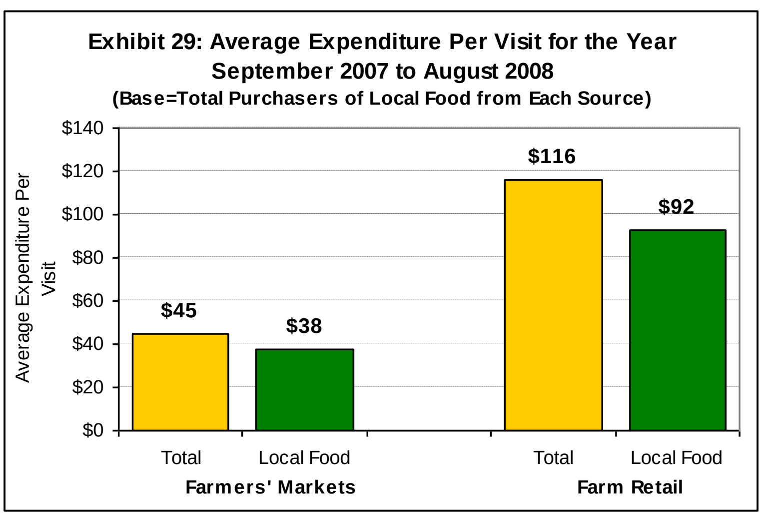
As a result, four Local Food purchasing segments were identified:

Segment I	33%	All households in this segment (100%) focused their Local Food purchases at Supermarkets and did not mention using any of the outlets used by Segment II
Segment II	36%	This group bought Local Food from Farmers' Markets, Farm Retail, Small Grocery stores (often in rural areas) and/or a CSA/Box Program, but not from Supermarkets
Segment III	22%	Segment III patronized both the above groups of outlets for Local Food
Segment IV	9%	These households purchased Local Food only from other types and combinations of outlets, especially Supercentre/Mass Merchandiser, Speciality, Natural/Organic, Warehouse/Club stores and miscellaneous others

These Local Food segments are defined by the dominant consumer purchasing patterns rather than supply-side logistics and perceptions. They do not exclude purchase at other outlets as well, but the proportion doing so was small. For example, 5% of Segment I households also mentioned purchasing Local Food at a Warehouse/Club store.

MARKET VALUE

Part of the value of the Local Food market was assessed in the survey by asking respondents who had made purchases at Farmers' Markets and through Farm Retail channels about their spending on Local Food during their last purchase in each season. The question asked was, "How much of this amount was spent on FOOD grown or made in Alberta. Please exclude any food from BC or elsewhere, and any non-food items". If the respondent was not sure s/he was asked to estimate.



Per visit expenditures

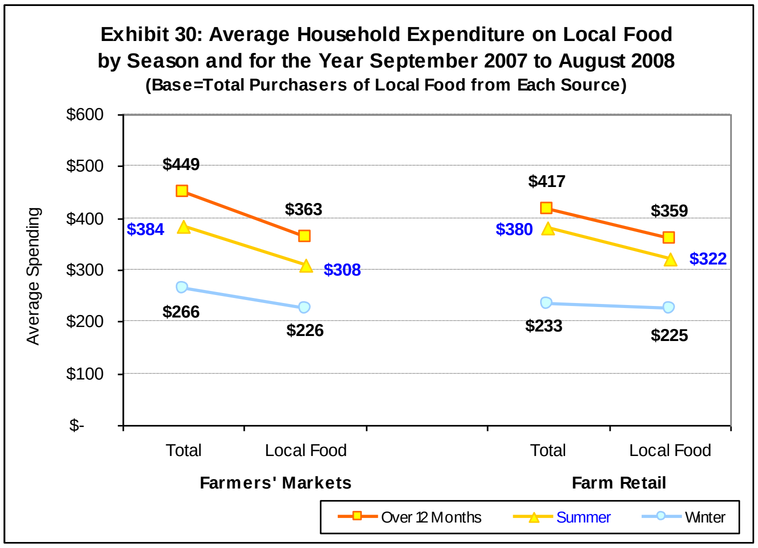
The amount that households spent on the average visit during the year September 2007 – August 2008 is shown in Exhibit 29, along with the average amount spent on Local Food.

This graph shows that spending on Local Food made up the largest portion of sales on each visit at both sources – 83% of Farmers' Market and 80% of Farm Retail spending.

Annual household expenditures

Average total expenditures over the past 12 months by households purchasing Local Food at these venues may be seen in Exhibit 30. The figures show the impact that the number of visits made had on spending.

Spending in winter was lower than in summer both in total and for Local Food. On a per household basis, the proportion of the total represented by Local Food was higher for Farm Retail at 86% than for Farmers' Markets at 81%.



Note: The summer and winter averages are not additive, as people who bought only in one season are not included in the calculation for the other. However, they are included in the 12 month average.

In addition, Local Food made up a higher proportion of total expenditures in winter than in summer (85% vs. 80% for Farmers' Markets, 96% vs. 85% for Farm Retail).

Current market value

The findings in this section take into account the combination of the number of purchasers, the number of times they purchased each product each season and how much they spent on the last purchase in each season. Annual expenditures were calculated for each respondent in the survey (i.e., creating a case based estimate of expenditures) and then projected to the population of households in the province.

This provides an estimate of the value of Local Food purchases by market for the twelve month period, September 2007 to August 2008.

The estimates are shown in Table 9, split by season. Local Food at Farmers' Markets was valued at $302.0 million (79% of the total spent there) and Farm Retail at $154.5 million (85% of the total).[8]

Table 9: Estimated market value of Local Food by season for the year September 2007 – August 2008 (in millions of dollars)

	Estimate 2008		Confidence Interval	
	Value ($000,000)	% Distribution	Lower bound ($000,000)	Upper bound ($000,000)
Farmers' Markets				
Summer (n=511)	$248.6	82	$197.3	$304.2
Winter (n=136)	$55.5	18	$35.3	$79.6
Full Year (n=506)	$302.0	100	$238.7	$370.4
Farm Retail				
Summer (n=268)	$131.7	86	$88.0	$182.1
Winter (n=58)	$22.0	14	$11.3	$36.1
Full Year (n=270)	$154.5	100	$105.4	$210.7

Note: Seasonal figures may not add to the same number as annual figures, due to missing data (responses of "don't know") for one or other season.

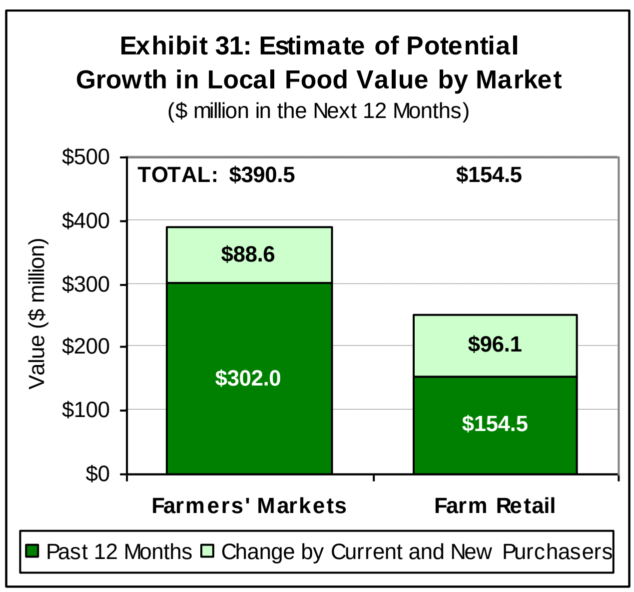
Confidence intervals for annual estimates are smaller than the sum of the seasons would be, since more cases are included.

Figures may not add due to rounding.

Projected market value

Although the survey did not directly address the amount by which households intend to increase or decrease their consumption of Local Food, a rough estimate was made based on the proportion of total expenditures that are made up by Local Food. The results may be seen in Table 10 and Exhibit 31.

These figures suggest that Local Food through Farm Retail channels will grow proportionately faster than through Farmers' Markets, with the total value



8. Since the data here are expanded to include number of visits and projected to the total population rather than being simply based on averages, the percentage estimate for Local Food spending as a proportion of total spending is slightly different than on a per visit basis or a per household basis (both shown on p. 44).

of the increase being similar for both. However, wide variation in the potential value is found in the upper and lower bounds.

Table 10: Estimated growth in market value for Local Food in the next year (in millions of dollars)

	2008		
		Confidence Interval	
	Estimate ($million)	Lower bound ($million)	Upper bound ($million)
Local Food - Farmers' Markets			
Value of purchases in the past year (n=506)	302.0	238.7	370.4
Estimated change in value of purchases in next year (current purchasers and new market entries)	88.6	53.4	128.3
PROJECTED MARKET VALUE IN 12 MONTHS	**390.5**	**292.1**	**498.8**
Projected rate of growth in the next 12 months %*	29.3%	22.4%	34.6%
Local Food - Farm Retail			
Value of purchases in the past year (n=270)	154.5	105.4	210.7
Estimated change in value of purchases in next year (current purchasers and new market entries)	96.1	47.4	155.3
PROJECTED MARKET VALUE IN 12 MONTHS	**250.6**	**152.8**	**366.0**
Projected rate of growth in the next 12 months %*	62.2%	45.0%	73.7%

* Based on consumers' stated expectations (i.e., not projections based on purchasing data or trends)

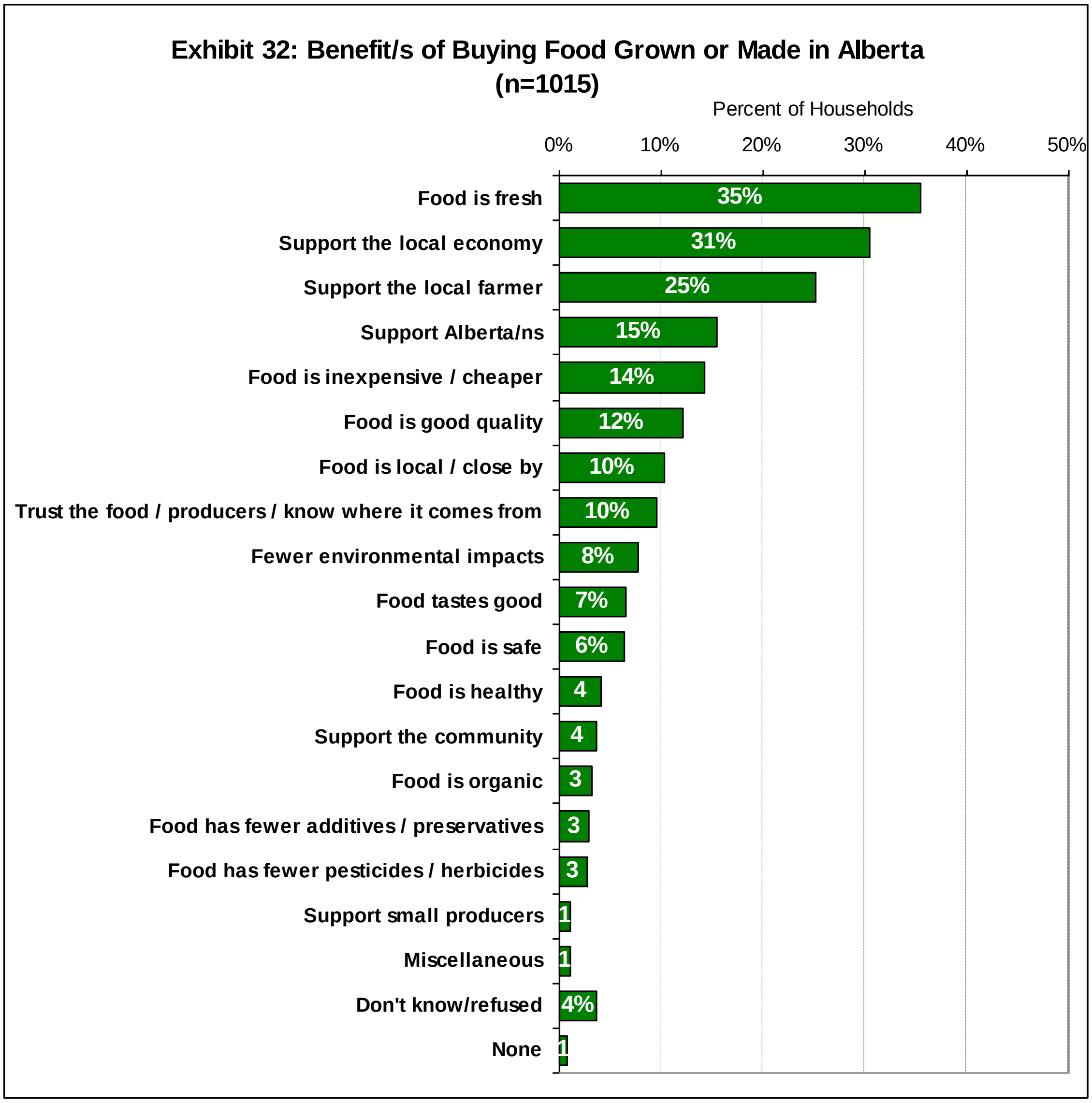
PERCEPTIONS OF LOCAL FOOD

Perceived benefits of buying Local Food

All survey participants were asked, "What do you feel is the main benefit of buying food grown or made in Alberta?" Despite asking for the main benefit, when answers were broken down into their component parts, on average each respondent had mentioned two benefits. These are shown in Exhibit 32.

The results show that Alberta households see three predominant benefits to Local Food: freshness, providing support for the local economy and support to the local farmer.

Closer examination of the types of comments made for the leading categories provides more depth of understanding of how Albertans perceive the main benefits.



- Local Food **freshness** means having the advantage of being fresher than product from elsewhere since it doesn't have to travel, while reducing time to market: "it's certainly a lot more fresh than if it was coming from a truck from a million miles away" (or Mexico or the US), and doesn't "have to sit for a long time waiting" or "rotting in a box".

  Local Food provides the assurance that, "you know it's fresh" or "new" or was "picked the day before".

  Freshness was associated with perceptions of better taste/flavour. 60% of people who mentioned taste also mentioned freshness, sometimes explaining, "the taste has all to do with the freshness". Other descriptions included: "tasting real", being riper ("they are picked when they are supposed to be picked") and not "processed" to preserve or ripen them.

While freshness was the leading benefit overall and for Local Food purchasers, if was mentioned much less often by non-purchasers (14% vs. 37%).

- **Support for the economy** means “supporting our own” rather than distant economies. It includes both the local community and the province. It covers support for local people, families and neighbours, stores, businesses and industry. It involves “reinvesting local dollars into your local economy”, putting money directly back into the hands of locals, keeping money in the province and helping to “keep the economy going” or “strong”. It helps to sustain employment.

- **Support for the local farmer/producer/grower** was closely tied to thoughts about support for the economy, often being mentioned by the same people. However, not everyone mentioned both, and overall fewer people referred to benefits for the farmer as compared to benefits to the economy.

  Many mentioned providing help to local/Alberta farmers in general (“support our own farmers”) and some to the broader agricultural industry (“contribute to the well-being of the agriculture industry”). This included stimulating “an industry in demise” by contributing to the agricultural economy (“they need every bit of help they can get”).

  Others understood the support as helping “the poor farmers” improve their incomes, “keeping the farmers going” so they can avoid selling their land, or helping “the farmer make a few extra bucks” because “things are really getting tougher for them”. Buying Local Food provides money directly to the local/Alberta farmer rather than farmers elsewhere. It may help to preserve small farms, “helping them to continue doing what they do”, “keeping them in business” so we don’t “end up without farmers”.

  A few explained that it encourages local farmers by “giving producers a market” or that it cuts out the middle-man.

  One rather different motive was to “reduce farmers’ dependence on government aid and hopefully reduce our taxes”.

  This was the only benefit that non-purchasers of Local Food were more likely to mention than purchasers (35% vs. 25%).

Many of the remaining categories were strongly associated with one of the three leading benefits or with one another within a broader theme. These are discussed below.

- The category **support for Alberta** identifies specifically the proportion of respondents who mentioned benefits to the province as opposed to only using the term “local” or “community”. In large part, this category is a subset of the two previous ones, “support for the local economy” and “support for local farmers”. It included mentions of the Alberta economy, Alberta farmers, Alberta products and Albertans living and working here. The category also included expressions of patriotism like, “it's Albertan so I guess you want something from where you're from”, “support Alberta because you live in Alberta” and “it is a product of Alberta. It’s our own”. There were somewhat vaguer statements of support too: “it helps Alberta”.

As about half the respondents (49% unduplicated) mentioned either or both support for the economy and/or farmers, this means that many more referred to a local or community benefit than to a provincial one (15%).

- The expectation of **lower, cheaper, better or "reasonable" prices**, being "economical" or offering better value for money, was another perceived benefit of buying Local Food. Lower transportation costs to market ("cost less for gas", "hopefully it keeps the cost of food down because they don't have to transport it from places like China") was by far the most frequent reason given for expecting lower prices. Reduced transportation costs may be beneficial in themselves ("it saves on transport costs").

  One of the striking things about this category was that while some said, "it is usually cheaper" or "it's local, you pay a little less", many did not really know the price and made assumptions: "You'd hope that stuff that is grown locally would be cheaper", "it's probably cheaper than buying from somewhere else", "if they price it right I will buy it".

  However, there were a few who felt, "the cost should be less but I don't think it is" or even that "they tend to cost more".

- ***Trust in the food and knowing its origin*** was strongly linked to the category of safety. Together, the two were referred to by 14% of households (unduplicated). The theme is captured by this respondent: "I know where it is made, I know where it is grown and I trust the system".

  There was advantage to knowing the grower or knowing all the producers in their local area: "Well if you know your farmers you know whether he has a good reputation". They enjoyed connecting directly with the farmer, "you know you're buying it from people in your own community that care about quality", "it means a lot to me to buy food from the person who does the actual work". One person even stated, "it's good food, it's not corporate grown. I don't want to do with any corporate foods, I don't trust them".

  Simply knowing where the food comes from was frequently mentioned: "I like to know where products come from", "If I go to the greenhouse I know it's been grown there". This was important in generating confidence that the food is what it claims to be ("You know that it will be made right"), especially among those who preferred organic, "I know that what we get is organic, it's free range hens".

  Others trust the system: "we know that our health regulations are followed", "I trust how we produce food here basically", "you know it's trustworthy because high standards of quality are always held here as opposed to other places". Respondents drew comparisons with "food guidelines in the US" and pointed to contaminants such as melamine in food from China and health hazards in the form of salmonella, "foreign bugs", "exotic diseases" and other "weird things".

  Trust was a necessary precursor to believing "the food is safe to eat", without actually having to know each producer. This trust was founded on belief in the standards and quality control in the system: "I have more confidence that the food has been inspected and is safe", "the Canadian government and Alberta government has some good rules and regulations for the [beef] processors to follow". One aspect that drew a number of comments was belief in the cleanliness of Local Food, which included a lack of bacterial contaminants, including those from the use of raw sewage for fertilizer, and a lower chance for bacterial development due to shorter time to market.

- Little explanation was offered by respondents relating to what was meant by Local Food being **good quality**, better, "the best" or "at least as good as any international". Many specifically pointed to Alberta beef as an example, "it's the best we have in this country", or this quirky comment: "If it ain't Alberta it ain't beef".

  Factor analysis suggested that quality was aligned with two separate themes. One was the food itself, including good taste and freshness, being picked ripe and without deterioration from sitting in a box for months. The feeling was expressed that if you "buy chickens and turkey, you probably buy a better grade".

  The other association of quality was with trust and food safety, so "you don't have to worry". Confidence was expressed in high local standards, quality control and conscientious farmers, "They keep a very close eye on what they produce - the scare with disease in animals", "You know what you're eating … is healthy and trustworthy because high standards of quality are always held here as opposed to other places". The chances of contamination were considered lower, with less chance of illness, "I know it's clean and been inspected".

- Comments relating to Alberta grown or made food being **local, grown close by or close to home** were frequently associated with the concept of freshness and quality due to the short time to market.

  Being local often meant accessibility and convenience because one doesn't have to travel far to buy, and results in savings in gas when shopping. It also provides support to the local community and local farmers.

  There was occasional reference to local meaning eating from within a 100 km radius, and a link to knowing the origin of the food, "it's fresh and look, grown in front of me" and "it is nice to talk directly to the farmers".

- Because of the key role played by less transportation in containing Local Food costs, there was an association between lower cost and **reduction of environmental impacts**, which were also mainly due to lesser shipping needs. As a result, many people who mentioned being kinder to the environment also mentioned reduced food costs.

  Environmentally friendly contributions by Local Food centred on reduction in the quantity of fuel used, which also leads to savings in energy costs and reduced environmental damage – such as pollution and climate change – from carbon emissions ("greenhouse gases"). Buying Local Food helps people take ownership of the problem, making them happy to be "reducing my carbon footprint", "I feel more sanctimonious".

- The final theme related to **healthy food**.

  Many stated that Local Food "might be" or "probably is" healthier, while others were convinced: "You know what you're eating is healthy". These respondents thought Local Food was more nutritious and wholesome.

  They felt that Local Food is better for you because it has "less pesticides and preservatives" (in particular) and that "less processing and chemicals" is healthier (even "less toxic"). Also drawing approval in this group was lower use of fertilizers, creating "pure" foods, no additives like colouring or hormones, and no antibiotics. The term "chemicals" was used over and over again.

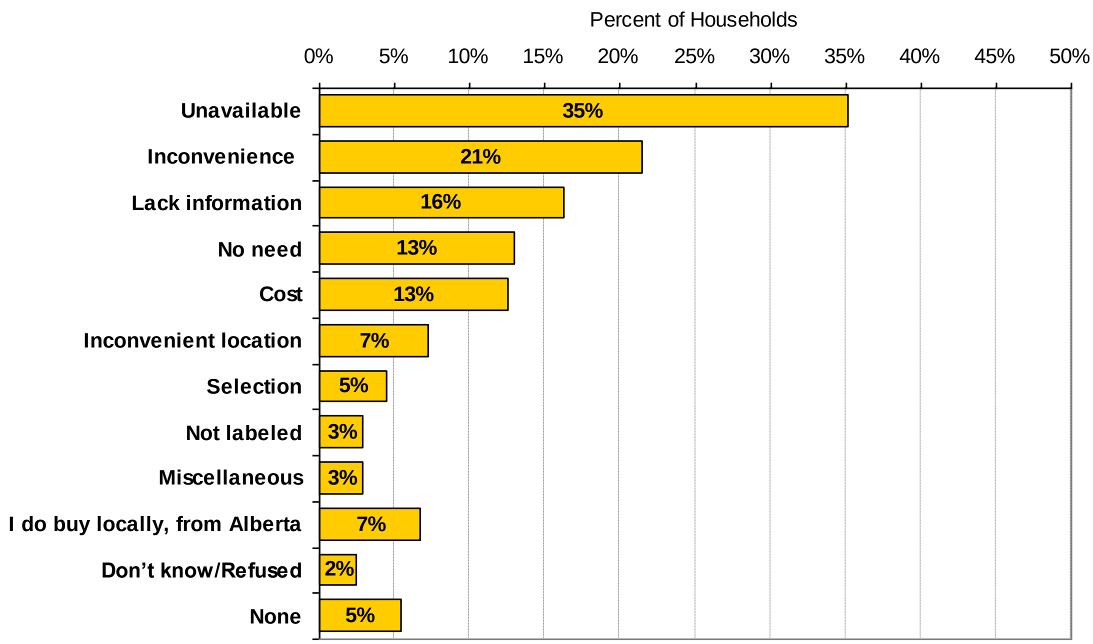
There was a belief that Local Food often included organic or natural foods ("a very big selection of organic"). Among those who stated that their preference was for organic food, the above-noted issues were regularly mentioned – but they were far from the only ones to support organic practices.

Perceived barriers to buying Local Food

In order to investigate the barriers that Albertans perceive to buying Local Food, purchasers were asked, "What is your main reason for not buying more food grown or made in Alberta?", while non-purchasers were asked, "What is your main reason for not buying food grown or made in Alberta?"

On average, respondents provided 1.3 reasons. As may be seen from Exhibit 33, the key inhibitor was product unavailability. Two other widely identified barriers were inconvenience and lack of information about Local Food.

Exhibit 33: Reasons for Not Buying (More) Food Grown or Made in Alberta (n=1015)



- Comments in the major category **unavailable** referred primarily to product availability and included various constraints:

The primary barrier appeared to be a lack of ready availability and choice in the supermarket or store where they usually shop (“It's just not available at the supermarket that I go to”, “if it's there I buy it, if it's not I find an alternative”). Many mentioned that much of the food they see is from elsewhere: “a lot of the food is from the U.S. or South America”, “it seems like a lot of the major supermarkets don't stock Alberta made produce, they are bringing it from Chile instead”.

Some items that people want are just not grown or made here, primarily because of climatic limitations: “if something isn't produced from Alberta farms, we can't buy it”. Examples given where there is no Alberta option were, bananas, peaches, oranges, grapes, rice and other fruit.

Another factor was that produce availability is seasonal, with no supply possible in winter (“you can't get fresh carrots, peas and lettuce all year around”) … and there is a short growing season for products like berries. Only meat was acknowledged to be available year-round and that was rarely mentioned.

Possibly as a result of the lack of visibility of Alberta products, there was a perception that “there isn't a lot of food grown in Alberta”, that “lots of food probably leaves Alberta, but not too much stays”, making it “hard to get”. The same lack of supply was occasionally identified for manufactured products: “Processed food products are generally not from Alberta and if you can't get it made here then it's not available”.

Finally, it was noted that there are not enough places to buy Local Food, and those that do exist may be seasonal. The outlets most strongly associated with Local Food appeared to be Farmers' Markets, followed by roadside stalls and farms.

Non-purchasers of Local Food rarely raised the issue of product unavailability (9% compared to 38% of purchasers).

- The second barrier was ***inconvenience***, which included two main dimensions.

  Tied closely to the first barrier of availability was resistance to shopping at other, non-supermarket/ grocery store, venues: “it's not at my regular grocer usually, so I'd have to make an extra stop”, “when I go to the grocery store what's there is what I get. I don't go looking”. While some in this group might prefer and choose Local Food (“if it's there, like Alberta beef, I'll buy it”), others did not pay attention to origin at all: “whatever is in the store I'll pick up”.

  Another aspect of inconvenience was days and hours of operation (“you can't go at any time”). Seasonal, one day a week, Saturday-only opening and limited or business hour operations appeared to be an issue for people who work on those days, during those hours or have other priorities (“most of them are only open one day a week or so many hours a week, 2-3 hours some of them, it's a limited time”). Traffic, crowding and parking limitations also came into play: “the Farmers' Market I know is on Whyte Ave, very little parking and very inconvenient to get to on a Saturday morning because it's only open for a few hours”.

  Inconvenience was the largest barrier for non-purchasers of Local Food (35% vs. 21% of purchasers).

Many people who talked about these types of inconveniences also mentioned inconvenient location, so this is discussed next.

- The ***inconvenient location of places/s to buy Local Food*** was, on its own, a relatively minor issue, but since it was closely linked to those just discussed, it is much more important as part of a constellation of inconvenience issues. Together, 26% of households (unduplicated) mentioned at least one form of inconvenience as a barrier.

  The convenience of grocery store and supermarket locations which are close to home or on the way from work, compared to outlets for Local Food, were the basis for the category of inconvenient location. It takes more effort to get to a Farmers' Market ("I just won't go out of my way"). For example, "you have to plan to get to a Farmers' Market" and "it's harder to get to, less convenient". It can also take more time to get there. Access time because of location appeared to be the main barrier here … but also "laziness".

  In small centres in particular there appeared to be few choices of where to buy food and often no sources of Local Food nearby (Farmers' Markets, farms or roadside stands were all mentioned), so even if there was a preference for Alberta products, it was harder to act on: "it's not like I can shop around", "just in my area there aren't any roadside stands or stuff like that", "the farms are a little out of the way to get to".

  Location of Local Food sources was a barrier for a number of other reasons: distance and cost of gas or transportation to get there ("basically transportation, we have to have the money to use the vehicle"), lack of transportation and difficulty of taking a bus, especially when physically challenged, and a sense of it not being worth the effort ("five miles to buy carrots or potatoes is not worth it … and you can't buy bulk because you can't store fresh food").

- ***Lack of information and labelling*** are discussed together here since they too were interrelated. In all, since 17% mentioned these issues, labelling per se was not top of mind as a solution to the problem, but may well be one that would address many, if not most, of the concerns.

  One of the key issues here was lack of knowledge of where one can buy Alberta grown or made food. People indicated that they don't often see it on the shelf – and many said that they cannot find it ("I don't know who sells it and where they sell it"). In some cases this reflected a lack of familiarity with existing outlet locations ("I'm not totally familiar where the farm markets are within my neighbourhood") and they lacked sufficient interest to spend time looking for sources of Local Food ("I don't have time to search for it"). It was notable that there were quite a few who specifically referred to foods other than fresh produce in this context: "there is not enough processed food and natural food – we would buy Alberta grain".

  Linked to this was the lack of origin information, particularly in supermarkets, either in a display, in signage or on a product label. Many pointed out that they had no way of knowing whether the food was from Alberta ("it's not clearly identified", "it may well come from Alberta but you'd never know"). What often followed this observation was a statement of interest in purchase if they did know: "I probably would buy more food grown in Alberta if it was advertised as such", "they should have signs at Superstore that says product from Alberta … it just says Canada, it doesn't say Alberta".

Deficiency in in-store identification was one aspect of a perceived lack of marketing and advertising ("when it's advertised as locally produced, I'll pick it up"). Another was the lack of visibility of sources of Local Food ("I don't get any flyers of where I can get this, a lack of marketing, or poor marketing, or inefficient marketing").

In addition, the view was occasionally expressed that there has not been any awareness promotion relating to the purchase of Local Food, so there was little knowledge about it. More people blamed their own lack of awareness or interest, essentially supporting the same need to elevate awareness and knowledge through promotion. They described themselves as "ignorant", "not aware", "not conscious of it", "haven't thought about it", "didn't pay attention to it", and admitted to forgetting or not checking labels to see where food is grown ("I never look or see if its grown in Alberta", "I would have to read the labels more").

Those who specifically pointed to labelling as a need to address these issues felt that would make it easier to find Alberta products – and many re-iterated that they would then buy them (price being the major caveat identified). The current practices of supermarkets to label displays as being from "close by" or "packaged in Alberta" were deemed insufficient and potentially untrue, so the preference appeared to be for manufacturers/producers to put labels or "stickers" on the products themselves: "if the companies that make food in Alberta would put that on their label – Alberta product, something like that – it would make it easier to identify it and buy it", "they should have a sticker on the price tag that says Grown in Alberta".

Non-purchasers were more likely to mention lack of information than purchasers (23% vs. 14%).

- Many people who indicated that the main barrier was that they had **no need for Local Food** grew or raised their own food or bought or received it from relatives or friends. Some felt their food consumption was low (e.g., family has grown up and left home, live alone), that they were on a restricted budget and unlikely to change their purchasing habits, "I can only eat so much, not more".[9] Some were handicapped and unable to shop for themselves or were limited in where they could go. Others simply didn't care where their food comes from: "it's just that where it comes from isn't a big concern of mine".

  All in all, the commercial supply of Local Food was of little interest to this group.

- In the category of **cost**, many respondents indicated that they made purchase choices that were based on affordability, the "best deals" or the lowest price: "I buy sales and sales only", "If some other product is cheaper, I'll buy it; if the price is comparable I will buy from Alberta". They described being on limited budgets or indicated that they "can't afford much", so the price has to be competitive or "right".

  Others reflected a perception that costs at Farmers' Markets and from farms are higher than for imported food: "it's not reasonably priced", "I don't know where to find them other than Farmers Markets and they are more expensive than retail markets". Being more expensive was simply not acceptable in this group: "I would support the Farmers' Markets more than I do, but the prices are too high. It's good quality, but you pay for it too" or, "if

9. This response may be a result of misunderstanding the intent of the question as meaning why they don't buy more Local Food in total, rather than substituting Local Food for non-local.

something is going to be from the States or whatever, and is half the price and just as good, it's good for me".

For those who didn't know, however, there was a perception that Local Food might cost less: "it's probably cheaper buying from the farm than the store – you pay more and they get a lower cut".

- Finally, comments relating to **selection** as a barrier tended to centre on the fact that choice is limited and the variety that is available is not as wide as from elsewhere (e.g., the range of fruit grown in Alberta). At the same time, sometimes what was available in Local Food was not what they wanted to buy.

  As might be expected, selection was a greater consideration for purchasers than non-purchasers (5% vs. 0%).

EASE OF IDENTIFICATION OF LOCAL FOOD

It is evident from the above comments that, other things being equal, there would be preference for Alberta made or grown food over non-local and that one of the barriers to choosing it is being unable to identify it. To investigate just how strong this preference and barrier are, respondents were asked:

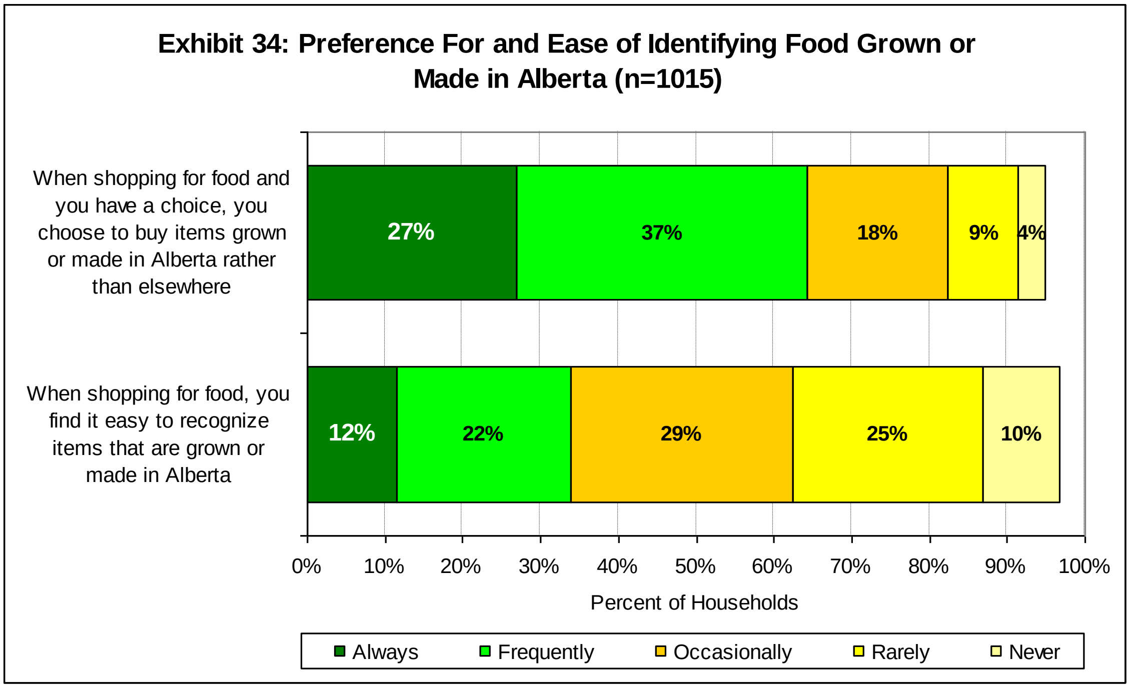
"Please tell me how often the following are true for you:

- When shopping for food, you always, frequently, occasionally, rarely or never find it easy to recognize items that are grown or made in Alberta
- When shopping for food and you have a choice, you always, frequently, occasionally, rarely or never choose to buy items grown or made in Alberta rather than elsewhere"

The results are shown in Exhibit 34. They indicate that two-thirds of Alberta households frequently or always select locally made food items when they have a choice. Of this group, one-quarter said that they always made this choice. The result gives considerable substance to the declarations of preference for purchasing Local Food reported earlier.

However, only one-third believed that it was easy to recognize Local Food – and of that group only 12% thought they can always do so. Another third never or rarely felt they could identify Alberta made or grown items, with the balance saying they could do so occasionally. It was interesting that households that purchased Local Food in the past year found it easier to recognize Alberta products than non-purchasers (36% of purchasers vs. 18% of non-purchasers did so always or frequently).

Taken together, and in the context of the barriers identified, these findings certainly support calls for improved forms of identification to boost sales of local products.



MARKET PROFILES

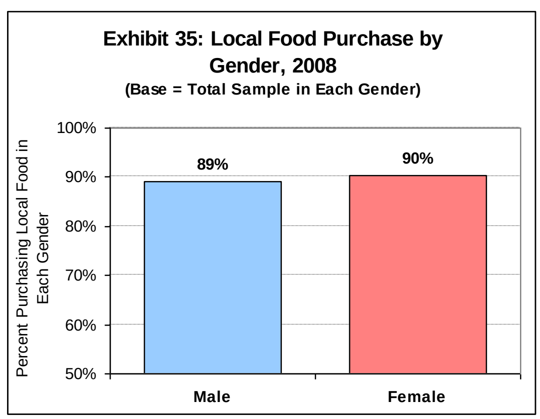
Demographic and geographic purchaser profiles

Since the proportion of the population purchasing Local Food in the past 12 months is so large, the market tends to represent the overall household population (see Appendix IV for a profile of Local Food purchasers).

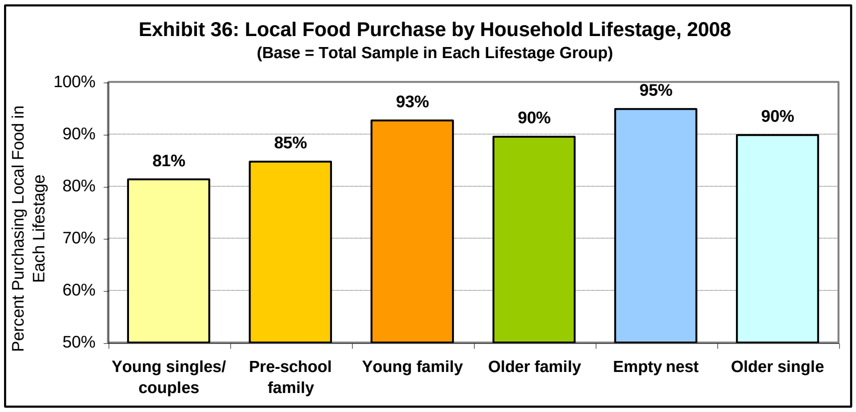
Exhibits 35 to 41 show market penetration by various socio-demographic and geographic groups.

GENDER

There were no differences in consumption between the genders. However, there were differences in perceptions. Women were more likely than men to identify freshness as a benefit of Local Food, to find it easy to recognise Alberta made or grown products and selected them more often when they had a choice.

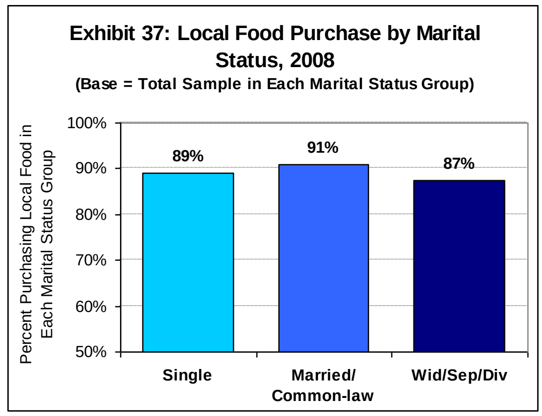


SOCIAL CHARACTERISTICS

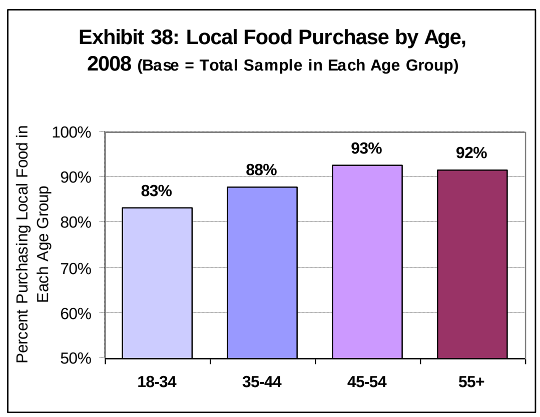


The incidence of use of Local Food is slightly higher in empty nester households (two person households where the household head was aged 45 and older).

Consistent with this, empty nesters were more likely to feel they can recognise Alberta products and choose them when available. They were less likely to view cost or a lack of information as barriers. However, the amount spent by empty nesters on Local Food at Farm Retail outlets was lower than average ($221 vs. $359 p.a.), but average for Farmers' Markets.



Lower market penetration occurred in younger households – among young singles, couples and groups and in pre-school families. Here the household head tended to be under 35 years of age. They were more likely to identify low price, trust in the food or producer and fewer environmental impacts as benefits of purchasing Local Food and less likely to be concerned about freshness. Lack of information/ labelling was a particular barrier to them as they were less likely to feel that they can identify Alberta grown or made items. Convenience or inconvenience of access appeared to be another distinguishing factor.



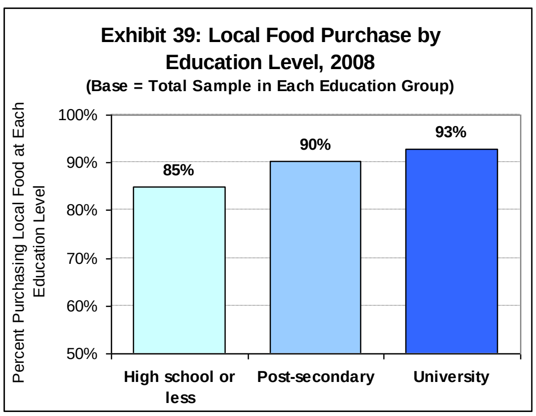
One of the reasons that market penetration is lower among older singles and in the oldest age group than among empty nesters, may be that a higher than average proportion grow their own produce or feel they have no need for (more) Local Food.

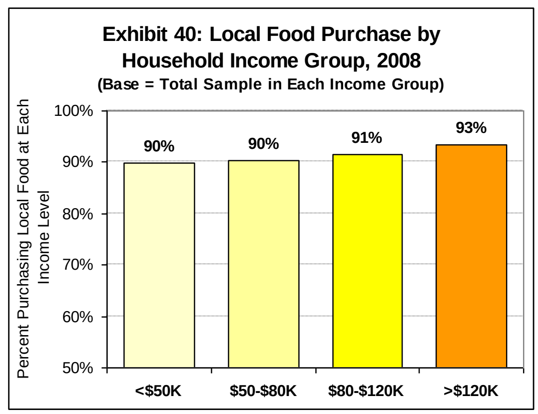
ECONOMIC CHARACTERISTICS

Incidence of Local Food purchase was higher in the higher education groups and below average among those with high school or less.

These differences were supported by differences in perceptions. With increasing education, there was increasing interest in food freshness and having fewer environmental impacts, and a stronger impression that Local Food is inexpensive. There was also increasing concern about a lack of availability and selection. With decreasing education, benefits were more likely to be identified as providing support to Alberta and Albertans, while a differentiating barrier was not needing (more) Local Food.

Fewer differences were found for income. One was increasing likelihood of appreciation for the contribution that Local Food purchases can make toward the local economy. A barrier mentioned increasingly with increasing income was lack of availability.

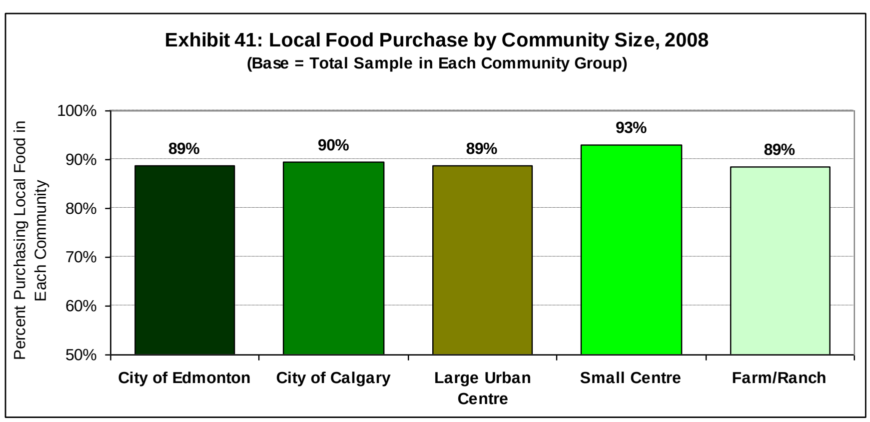




GEOGRAPHIC LOCATION

In terms of geographic location, there were no significant differences in market penetration.

However, despite average penetration rates, households in the major urban centres of Fort McMurray, Grande Prairie, Lethbridge, Medicine Hat and Red Deer were less likely than average to say they would increase their purchases of Local



Food or to start purchasing. Residents in major urban centres also appeared to spend less on Local Food at Farmers' Markets and from Farm Retail sources. Lack of information on Local Food appeared to be a particular barrier here.

People who lived on a farm or ranch were more likely to report that they had no need to buy more Local Food and were less likely to consider lack of information and cost to be a barrier. They were the most likely of all to find it easy to recognize Alberta products.

Differences by type of store

A number of findings of interest relate to the type of store used for food in general and/or Local Food purchases.

- Farmers' Markets were mentioned more often as place that food is purchased by people with a university education and by residents of the Calgary CMA.
- Households that purchase food at Farmers' Markets were more likely than average to say they expected to buy more food made or grown in Alberta or to start buying Local Food in the next 12 months. They were the group most likely to recognise local products and to choose them in preference to others.
- Benefits of purchasing Local Food that were more important in this group (i.e., those mentioning Farmers' Markets as a place they buy food in general) were: low price, quality, fewer environmental impacts, the fact that the food is from close by, trust in the producers and the belief that fewer pesticides/herbicides are used or that the food is organic. Freshness was especially important to those identifying Farmers' Markets as a place they buy Local Food.
- Barriers to the purchase of more Local Food that were particularly important to Farmers' Market users were product unavailability and selection. Cost was less important than to the overall population.
- Shopping at Specialty shops like a butcher, bakery, deli or seafood outlet was associated with an above average increase in intent to purchase Local Food.
- Farm Retail was used more by young families for Local Food purchases, was overrepresented among those with a high school education and underrepresented among university graduates.
- People purchasing Alberta foods at Farm Retail outlets were somewhat more likely than average to feel that they select Local Food when they have a choice. Motivators that distinguished Farm Retail purchasers were: trust in the food or producers and that the food is healthy, with fewer additives. Cost was less of a barrier than for the population overall and these purchasers were less likely to feel they lacked information about Local Food.
- Warehouse Club stores were used more often for general food purchases in married/common-law households of larger size, with adult children still living at home.
- Supercentres/Mass Merchandising stores were used more often for food purchases by young family households with the youngest child aged 6 to 12 years and less by empty nesters. More respondents with less than a high school education and fewer who were

university educated used them. They were disproportionately strong in the major urban centres.

- Shoppers who buy most often at these stores were less likely than average to choose Local Food when it was available and frequently felt that they could “never” recognise them. The perceived benefit of Local Food that distinguished this group was quality, while the distinguishing barrier was lack of information.
- Small Grocery stores were particularly likely to be used by males in rural Alberta and more by pre-school families, both in general and for Local Food. These shoppers were less likely to be able to recognise Alberta made or grown products and, among those who purchased Local Food there, selection was a bigger concern than average.

Conclusion

Three channels were addressed in this monitoring study of alternative agricultural markets: Farmers' Markets, Farm Retail and Farm Activities, while a new section on Local Food was added.

Information was collected to provide an updated demand-side estimate of the value of each market by surveying households throughout the province of Alberta. For Farmers' Markets, Farm Retail and Farm Activities, the survey investigated purchases over a twelve month period from September 2007 to August 2008, changes in purchasing behaviour expected by current purchasers and the likely spending of new purchasers entering the market in the next twelve months. For Local Food, the survey examined purchase behaviour and perceptions.

Current and future market value was projected from the information provided. In addition, estimates of market size (penetration) were obtained and present levels of awareness/ familiarity with each market established. Demographic, geographic and degree of use profiles were prepared as well.

As in the previous study, this proved to be a substantive and challenging project at all levels. We trust that the Ministry, the retail industry and agricultural suppliers will make use of the information and continue to successfully develop these emerging and growing markets.

Appendix I:
Record of Contact

Empirical Method of Response Rate Calculation (MRIA)

	Main Sample	Oversample
Total Numbers Attempted	29,733	10,364
Invalid		
NIS, fax/modem, business/non-residential/dialler returns.	10,980	3,984
Unresolved (U)		
Busy, no answer, answering machine	11,807	3,488
In-scope - Non-responding (IS)		
Language problem	234	96
Illness, incapable	31	17
Selected respondent not available	1,964	965
Bad line	247	60
Region quota filled	11	29
Household refusal	1031	416
Respondent refusal	2227	732
Qualified respondent break-off	69	-
In-scope - Responding units (R)		
Language disqualify	-	-
No one 18+	-	-
Other disqualify - Make commercial purchasing decisions	147	68
- Gender quota filled	-	8
Completed interviews	1015	501
Response Rate = R/(U+IS+R)	**6.2%**	**9.0%**

Additional Calculation for Co-operation Rate

Co-operation Rate = R/Total asked	**25.9%**	**33.4%**

Higher response and co-operation rates for the oversample were the result of a shorter interview.

Appendix II:

Ancillary comparison of respondent and population profiles

Comparison of survey (household heads who could report on household purchasing) and population profiles

	Census 2006		Survey Distribution	
	Primary Household Maintainer* %	Population 15+** %	Initial Sample n=1015 %	Weighted Sample wn=1015 un=1068 %
Age of Household Head				
Under 25 years	5	18	2	2
25-34 years	18	18	12	12
35-44 years	22	19	21	21
45-54 years	23	19	26	26
55-64 years	15	12	20	20
65 years and over	17	13	18	18
Refused	-	-	1	1
Gender				
Male	65	50	41	41
Female	35	50	59	59
Marital Status				
Single (never married)		28	11	11
Married/living together as a couple		59	69	70
Widowed	Not available	5	6	6
Separated		2	3	3
Divorced		6	9	9
Refused		-	2	2
Education				
Less than high school		23	7	7
High school graduation and/or some post-secondary	Not available	26	35	35
College or trade certificate		33	22	22
University degree		18	34	34
Refused		-	2	2

* Census 2006 primary household maintainer data do not include second and other household maintainers, who would be included in the survey. If the assumption is made that the gender of the second maintainer is female and that half the remaining maintainers are female, the gender profile for all household maintainers would be 55% female, 45% male.

** Census 2006 population data are based on all individuals aged 15+, some of whom have not completed their education and are not living independently and are also single, while survey data are based on household heads who could report on purchasing behaviour.

Appendix III:
Notes on questionnaire changes

Notes on questionnaire changes

Seasonal information

One change to the questionnaire was necessitated by the timing of the survey. Rather than asking about the number of visits and expenditures over a six month summer period from May to October the previous year, these questions were split into a fall period covering September/October 2007 and a summer period covering May to August 2008 (just prior to the survey in September).

For reporting purposes, the two seasons were combined so that comparisons could be drawn to the 2004 results. This change added to the length and complexity of the interview and of the analysis required. It is strongly recommended that any future tracking waves be conducted at a time of year where the original definitions can be easily applied.

Future changes in purchase

At the request of the client team, other answer options were added to a question about the reason for anticipated changes in purchasing in the future. Virtually no one used these options (2 Farmers' Markets, 2 Farm Retail, 1 Farm Activities), and those who did all gave incomplete responses to related questions.

Other people provided inappropriate responses (usually explanations of reasons for the change) that also could not be used for the necessary estimation purpose. Many of these would easily have fitted the original options. They included comments on price increases/inflation, changes in accessibility, and comments on product quality, among others.

Since the question had been asked successfully in 2004, we recommend returning to the original selection among a limited number of answers. This will reduce both CATI programming complexity and issues that arose during the data analysis. It will also provide 12% - 15% larger sample bases for estimation of the value of future changes.

Appendix IV:
Market profiles

Table 11: Alternative Market and Local Food demographic and geographic purchaser profiles

	Total Sample		Farmers' Markets		Farm Retail		Farm Activities		Local Food
	2004 (wn=1007 un=1150) %	2008 (wn=1015 un=1068) %	2004 (n=596) %	2008 (n= 604) %	2004 (n=342) %	2008 (n=309) %	2004 (wn=125 un=167) %	2008 (wn=101 un=154) %	2008 (n=912) %
Gender									
Male	41	41	37	39	39	41	37	41	40
Female	59	59	63	61	61	59	63	59	60
Household Life Stage									
Bachelor	5	4	5	3	3	3	3	3	4
Young group	2	1	2	1	3	+	2	1	1
Young Couple	11	6	9	6	10	6	9	3	5
Pre-school family	15	13	16	13	17	13	24	24	12
Young family	13	12	13	12	16	16	24	23	12
Teen family	11	10	11	10	14	10	10	12	10
Grown family	7	11	8	11	6	11	5	12	10
Empty nester	22	27	23	29	21	26	15	14	28
Older group	3	2	4	2	3	4	1	3	2
Solitary survivor	9	13	9	11	6	11	6	5	13
Refused	1	2	1	2	1	+	1	1	2
Household Size	2.86	2.76	2.86	2.82	3.09	2.94	3.42	3.47	2.76
Age									
18 to 24	7	2	6	2	6	3	9	7	2
25 to 34	18	12	16	12	13	9	22	19	11
35 to 44	25	21	25	20	28	23	32	28	21
45 to 54	23	26	27	28	29	27	23	25	26
55 to 64	14	20	14	19	15	21	8	12	20
65 and over	12	18	12	18	7	17	6	9	19
Refused	1	1	1	1	2	+	+	-	1
Marital Status									
Single	14	11	12	9	11	10	13	10	11
Married/couple	71	70	73	74	77	74	75	77	70
Widowed	5	6	4	6	3	6	2	4	6
Separated	2	3	2	1	2	2	3	2	2
Divorced	7	9	8	9	6	7	6	7	9
Refused	1	2	1	1	1	1	1	-	2
Education									
Less than high school	9	7	7	5	7	5	8	5	6
High school graduation/ some post-secondary	40	35	40	34	41	35	40	33	35
College/trade certificate	19	22	18	23	16	23	18	24	22
University degree	31	34	34	37	36	36	34	37	35
Refused	1	2	1	1	1	1	-	1	2

	Total Sample		Farmers' Markets		Farm Retail		Farm Activities		Local Food
	2004 (wn=1007 un=1150) %	2008 (wn=1015 un=1068) %	2004 (n=596) %	2008 (n= 604) %	2004 (n=342) %	2008 (n=309) %	2004 (wn=125 un=167) %	2008 (wn=101 un=154) %	2008 (n=912) %
Average Household Income ($000)	$66	$81	$71	$86	$74	$83	$76	$88	$82
Region									
Edmonton CMA	32	32	32	31	33	30	38	34	31
Calgary CMA	32	33	33	35	26	25	30	31	33
Major Urban Centre	10	10	10	9	9	10	8	8	10
Rural Area	25	26	25	25	31	35	24	27	26
Community Size									
City of Edmonton	24	23	23	23	25	22	26	28	23
City of Calgary	30	31	31	34	25	24	26	29	31
Large urban centre	15	16	16	15	13	15	15	12	16
Small urban centre	12	20	22	20	24	26	24	24	21
On a farm/ranch	10	9	8	8	12	13	10	7	9
Refused	8	+	-	+	-	-	-	-	+

Figures may not add due to rounding. + = Less than 0.5%

Appendix V:
Degree of Use categories and bases

Degree of Use category definitions

	Farmers' Markets	Farm Retail	Farm Activities
Number of purchases in past year (visits/trips)			
High	13+	7+	4+
Medium	4-12	4-6	2-3
Low	1-3	1-3	1
Amount spent on last purchase ($)			
Heavy	50+	151+	201+
Medium	20-49	51-150	51-200
Light	1-19	1-50	1-50
Total expenditure in past year ($)			
Heavy	501+	501+	501+
Medium	151-500	151-500	151-500
Light	1-150	1-150	1-150

Degree of Use bases

	Farmers' Markets	Farm Retail	Farm Activities	
	n	n	wn	un
TOTAL	**604**	**309**	**101**	**154**
Number of purchases in past year				
High	107	58	12	19
Medium	236	56	29	44
Low	206	162	52	80
Expenditure on last purchase				
Heavy	162	48	16	25
Medium	278	57	33	50
Light	89	165	42	64
Expenditures in past year				
Heavy	120	55	18	27
Medium	153	82	21	32
Light	260	133	52	80

Appendix VI: Questionnaire

Alternative Agricultural Markets
September 5, 2008

ASK TO SPEAK WITH HEAD OF THE HOUSEHOLD.

INTRODUCTION:
Hello, this is . . . . . from Infact Research. We're conducting a short research project on behalf of the Government of Alberta that will help Alberta farmers in supplying products and services directly to the Alberta public.

READ IF NECESSARY: The survey will take about 10 minutes, depending on your answers.

READ IF NECESSARY:
Your responses will be kept totally confidential in accordance with the Freedom of Information and Privacy Act. I can assure you that we are not selling or promoting anything.

IF RESPONDENT WOULD LIKE TO VERIFY THAT WE ARE CALLING ON BEHALF OF THE ALBERTA GOVERNMENT YOU CAN GIVE OUT THIS CONTACT. ONLY IF NECESSARY:

LINDA RENTZ, PROJECT CO-ORDINATOR
ALBERTA AGRICULTURE AND RURAL DEVELOPMENT
PHONE: (780) 674-8248 (TOLL FREE IN ALBERTA 310-0000)
E-MAIL: LINDA.RENTZ@GOV.AB.CA

~

SCREENER
(QA.) Are you a head of your household?

1 YES
2 NO

[IF NO, ASK TO SPEAK TO A HOUSEHOLD HEAD AND REINTRODUCE. RECORD NAME AND ARRANGE TO CALL BACK IF NECESSARY. IF YES CONTINUE]

(QB.) Some of the discussion will be about purchasing products and services. Would you be in a position to talk about <u>past</u> purchases and expenditures made by your household?

1 YES
2 NO

[IF YES CONTINUE. IF NO, ASK TO SPEAK TO A HOUSEHOLD HEAD <u>WHO CAN DO THIS</u>, AND REINTRODUCE. RECORD NAME AND ARRANGE TO CALL BACK IF NECESSARY]

(QC.) Do you or any members of your immediate family make purchasing decisions about food for **commercial purposes** such as restaurants or other food service business: (DO NOT READ)

1 YES
2 NO

[IF QC=1 TERMINATE; OTHERWISE CONTINUE]

This call may be monitored or recorded for quality control purposes.

(Qlf1a.) In the past 12 months where did you buy food most often?
(DO NOT READ LIST)
INTERVIEWER NOTE: PROBE FOR CATEGORY IF NEED BE

01 SUPERMARKET (E.G., SUPERSTORE, SAFEWAY, SOBEYS, IGA, CO-OP)
02 SMALL GROCERY STORE
03 WAREHOUSE CLUB STORE (E.G., COSTCO)
04 SUPERCENTER/MASS MERCHANDISER (E.G., WAL-MART, ZELLERS)
05 CONVENIENCE STORE (E.G., MAC'S, 7-ELEVEN)
06 HEALTH FOOD STORE
07 NATURAL/ORGANIC FOOD STORE (E.G., PLANET ORGANIC, AMARANTH WHOLE FOODS, BLUSH LANE, COMMUNITY NATURAL FOODS)
08 BUTCHER/BAKERY/DELI
09 FARMERS' MARKET
10 FROM A FARM/RANCH (FARM GATE/FARM STORE/FARM STAND/ROADSIDE STALL/U-PICK FARM)
11 CSA (COMMUNITY SUPPORTED AGRICULTURE)/BOX PROGRAM
12 RESTAURANT
13 ON THE INTERNET
91 OTHER (SPECIFY)
00 NONE/NO OTHER

(Q1b.) Where else did you buy food in the past 12 months?
(DO NOT READ LIST)

01 SUPERMARKET (E.G., SUPERSTORE, SAFEWAY, SOBEYS, IGA, CO-OP)
02 SMALL GROCERY STORE
03 WAREHOUSE CLUB STORE (E.G., COSTCO)
04 SUPERCENTER/MASS MERCHANDISER (E.G., WAL-MART, ZELLERS)
05 CONVENIENCE STORE (E.G., MAC'S, 7-ELEVEN)
06 HEALTH FOOD STORE
07 NATURAL/ORGANIC FOOD STORE (E.G., PLANET ORGANIC, AMARANTH WHOLE FOODS, BLUSH LANE, COMMUNITY NATURAL FOODS)
08 BUTCHER/BAKERY/DELI
09 FARMERS' MARKET
10 FROM A FARM/RANCH (FARM GATE/FARM STORE/FARM STAND/ROADSIDE STALL/U-PICK FARM)
11 CSA (COMMUNITY SUPPORTED AGRICULTURE)/BOX PROGRAM
12 RESTAURANT
13 ON THE INTERNET
91 OTHER (SPECIFY)
00 NONE/NO OTHER

FARMERS' MARKETS

(Qfm2.) How much do you know about Farmers' Markets, that is, a place or space which is open on a regular scheduled basis, where one can buy fresh fruits and vegetables, bedding plants and flowers, herbs, honey and other farm products, including processed food like jams, pies and sausages, from farmers and growers who sell at stalls or tables there. Overall would you say you: (READ LIST)

5 Know a lot about them
4 Know something about them
3 Know a little about them
2 Have heard of but know nothing about them
1 or, You have never heard of them
? DON'T KNOW/REFUSED

[IF Qfm2=1, SKIP TO FARM RETAIL QFD13; OTHERWISE CONTINUE]

(Qfm3.) In the past 12 months, that is, between September 2007 and August 2008, which includes last fall and winter and this summer, did you or any member of your household purchase products other than crafts from a farmers' market in Alberta?
(DO NOT READ)

1 YES
2 NO
? DON'T KNOW/REFUSED

[IF QFM3=2 SKIP TO QFM11, IF QFM=?,! SKIP TO FARM RETAIL QFD13; OTHERWISE CONTINUE]

(Qfm4.) Was that in the fall, from September to October last year, in winter from November to April, or in summer, from May to August this year, or in more than one season?
(DO NOT READ)(IF MORE THAN ONE SEASON PROBE: Which seasons?)

0 FALL
1 SUMMER
2 WINTER
3 ALL 3
4 FALL AND SUMMER
5 FALL AND WINTER
6 SUMMER AND WINTER
? DON'T KNOW/REFUSED

[QFM4=0 GO TO QFM4A]
[QFM4=1 SKIP TO QFM5A]
[QFM4=2 SKIP TO QFM6A]
[QFM4=3 GO TO QFM4A]
[QFM4=4 GO TO QFM4A]
[QFM4=5 GO TO QFM4A]
[QFM4=6 SKIP TO QFM5A]
[QFM4=? SKIP TO FARM RETAIL QFD13]

(Qfm4a.) In the FALL, from September to October last year, how many times did you and members of your household purchase products from a farmers' market in Alberta? (RECORD NUMBER)

________ # Times last fall

(Qfm4b.) Please think back to the LAST visit you made to a farmers' market in Alberta last FALL. How much did you and members of your household spend? Please do not include purchases of crafts. (ASK TO ESTIMATE IF CAN'T REMEMBER EXACTLY)

___________ $ SPENT ON THE LAST FALL VISIT

(Qfm4c.) How much of this amount was spent on FOOD grown or made in Alberta. Please exclude any food from BC or elsewhere, and any non-food items. (ASK TO ESTIMATE IF CAN'T REMEMBER EXACTLY

___________ $ SPENT ON ALBERTA FOOD

[IF QFM4= 0 (FALL ONLY), SKIP TO QFM7]
[IF QFM4= 3 OR 4 (ALL, + SUMMER), GO TO QFM5A]
[IF QFM4= 5 (+ WINTER), GO TO QFM6A]

(Qfm5a.) In SUMMER, from May to August this year, how many times did you and members of your household purchase products from a farmers' market in Alberta? (RECORD NUMBER)

________ # TIMES LAST SUMMER

(Qfm5b.) Please think back to the LAST visit you made to a farmers' market in Alberta this SUMMER. How much did you and members of your household spend? Please do not include purchases of crafts. (ASK TO ESTIMATE IF CAN'T REMEMBER EXACTLY)

___________ $ SPENT ON THE LAST SUMMER VISIT

(Qfm5c.) How much of this amount was spent on FOOD grown or made in Alberta. Please exclude any food from BC or elsewhere, and any non-food items. (ASK TO ESTIMATE IF CAN'T REMEMBER EXACTLY)

___________ $ SPENT ON ALBERTA FOOD

[IF QFM4= 1 OR 4 (SUMMER ONLY, FALL + SUMMER), SKIP TO QFM7]
[IF QFM4= 3 OR 6 (ALL, + WINTER), GO TO QFM6A]

(Qfm6a.) Last WINTER, from November to April, how many times did you and members of your household purchase products from a farmers' market in Alberta? (RECORD NUMBER)

________ # TIMES LAST WINTER

(Qfm6b.) Please think back to the LAST visit you made to a farmers' market in Alberta last WINTER. How much did you and members of your household spend? Please do not include purchases of crafts. (ASK TO ESTIMATE IF CAN'T REMEMBER EXACTLY)

___________ $ SPENT ON THE LAST WINTER VISIT

(Qfm6c.) How much of this amount was spent on FOOD grown or made in Alberta. Please exclude any food from BC or elsewhere, and any non-food items. (ASK TO ESTIMATE IF CAN'T REMEMBER EXACTLY)

___________ $ SPENT ON ALBERTA FOOD

(Qfm7.) IN THE NEXT 12 MONTHS, do you expect that you and members of your household will spend more, less or the same as last year on purchases from farmers' markets in Alberta?
(DO NOT READ)

1 MORE
2 LESS
3 SAME
? DON'T KNOW/REFUSED

[IF QFM7=1 GO TO QFM8 (A)]
[IF QFM7=2 GO TO QFM8 (B)]
[IF QFM7=3 AND ? SKIP TO FARM RETAIL QFD13]

(Qfm8a.) Will that be because you will go more often, or because you'll spend more per visit, or both or some other reason? (DO NOT READ) (PROBE IF OTHER)

01 GO MORE OFTEN
02 SPEND MORE PER VISIT
03 BOTH MORE
07 GO LESS OFTEN & SPEND MORE PER VISIT
08 GO MORE OFTEN BUT SPEND LESS PER VISIT
91 OTHER SPECIFY________
?? DON'T KNOW/REFUSED

[IF Qfm8a=1,3,7,8 GO TO QFM9A, IF=91 AND ? SKIP TO FARM RETAIL QFD13]
[IF Qfm8a=2, SKIP TO Qfm9b IF VISITED IN FALL or SUMMER (Qfm4=0,1,3,4, 5 or 6) or SKIP TO Qfm10b IF VISITED ONLY IN WINTER (Qfm4=2]

Qfm8b.) Will that be because you will go less often, or because you'll spend less per visit, or both or some other reason? (DO NOT READ) (PROBE IF OTHER)

04 GO LESS OFTEN
05 SPEND LESS PER VISIT
06 BOTH LESS
11 GO LESS OFTEN & SPEND MORE PER VISIT
12 GO MORE OFTEN BUT SPEND LESS PER VISIT
91 OTHER SPECIFY________
?? DON'T KNOW/REFUSED

[IF Qfm8b=4,6,11,12 GO TO QFM9A, IF=91 AND ? SKIP TO RARM RETAIL QFD13]
[IF Qfm8b=5, SKIP TO Qfm9b IF VISITED IN FALL or SUMMER (Qfm4=0,1,3,4,5 or 6) or SKIP TO Qfm10b IF VISITED ONLY IN WINTER (Qfm4=2]

(Qfm9a.) You and members of your household made … **[INSERT ANSWER TOTAL FOR QFM4A PLUS QFM5A, OR '0']** visits to a farmers' market last FALL and this SUMMER. How many times do you think you will go next summer and fall, between May and October 2009? (RECORD NUMBER. GET BEST ESTIMATE IF UNSURE)

______TOTAL EXPECTED VISITS NEXT SUMMER/FALL

[IF '0' IN QFM9A, SKIP TO QFM10A]
[IF QFM8=1 OR 4, SKIP TO QFM10A]
[IF QFM8=3 OR 7 OR 8, OR 6 OR 11 OR 12, GO TO QFM9B]

(Qfm9b.) How much … **[INSERT 'MORE/LESS' ANSWER IN FM8a/b]** do you think you and members of your household will spend PER VISIT next SUMMER and FALL? **[<u>RECORD</u> IN $, % OR MULTIPLES]**
PLEASE RECORD IN ONE ANSWER AREA ONLY

_______________ % MORE/LESS PER VISIT
_______________ $ MORE/LESS PER VISIT
_______________ x MORE/LESS PER VISIT

[IF QFM8= 1 OR 3 OR 7 OR 8, OR 4 OR 6 OR 11 OR 12, GO TO QFM10A]
[IF QFM8a/b=2 OR 5 AND VISITED IN WINTER AS WELL (QFM4=3,5 OR 6), SKIP TO QFM10B; ELSE SKIP TO FARM RETAIL QFD13]

(Qfm10a.) You and members of your household made …**[INSERT ANSWER FROM QFM6A, OR ‘0’]** visits to a farmers' market last WINTER. How many times do you think you will go this winter, between November and April? (RECORD NUMBER)

______TOTAL EXPECTED VISITS THIS WINTER

[IF ‘0’ IN QFM10A, SKIP TO FARM RETAIL QFD13]
[IF QFM8= 1 OR 4, SKIP TO FARM RETAIL QFD13]
[IF QFM8 = 3 OR 7 OR 8,OR 6 OR 11 OR 12, GO TO QFM10B]

(Qfm10b.) How much … **[INSERT ‘MORE/LESS’ ANSWER IN QFM8a/b]** do you think you and members of your household will spend PER VISIT this WINTER? [RECORD IN $, % OR MULTIPLES]
PLEASE RECORD IN ONE ANSWER AREA ONLY

_______________ % MORE/LESS PER VISIT
_______________ $ MORE/LESS PER VISIT
_______________ x MORE/LESS PER VISIT

[SKIP TO FARM RETAIL QFD13]

(Qfm11.) If 0 means 'no chance' and 10 means 'certain or almost certain', what number would you choose between 0 and 10 to describe how likely you and members of your household would be to PURCHASE products other than crafts at a farmers' market in Alberta in the next 12 months?
(DO NOT READ)

NO CHANCE										CERTAIN/ALMOST CERTAIN
0	1	2	3	4	5	6	7	8	9	10

[IF "0 - 5",?,! SKIP TO FARM RETAIL QFD13]

(Qfm12.) In the next 12 months, how many times do you think you and members of your household will PURCHASE products at a farmers' market in Alberta? (RECORD NUMBER)

________ # TIMES

[GO TO FARM RETAIL QFD13]

FARM RETAIL

(Qfd13.) How much do you know about Farm Retail purchasing, that is, buying products like fresh fruit and vegetables, flowers, bedding plants and nursery stock, herbs, meat and other farm products, including wine, honey, jams, pies and sausages, at a farm or ranch gate, a farm or ranch store or stand, a roadside stall, a greenhouse ON A FARM, a U-Pick farm, or by Internet or mail from a farm. Overall would you say you:
(READ LIST)

5 Know a lot about them
4 Know something about them
3 Know a little about them
2 Have heard of but know nothing about them
1 or, You have never heard of them
? DON'T KNOW/REFUSED

[IF CODE 1 SKIP TO FARM ACTIVITIES QON24; OTHERWISE CONTINUE]

(Qfd14.) In the past 12 months, that is, between September 2007 and August 2008, which includes last fall and winter and this summer, did you or any member of your household PURCHASE these types of agriculture or food products directly from a farmer in Alberta? (DO NOT READ)

1 YES
2 NO
? DON'T KNOW/REFUSED

[IF CODE 2 SKIP TO QFD22 and IF ? SKIP TO FARM ACTIVITIES QON24; OTHERWISE CONTINUE]

(Qfd15.) Was that in the fall, from September to October last year, in winter from November to April, or in summer, from May to August this year, or in more than one season? (IF MORE THAN ONE SEASON PROBE: Which seasons?)(DO NOT READ)

0 FALL
1 SUMMER
2 WINTER
3 ALL 3
4 FALL AND SUMMER
5 FALL AND WINTER
6 SUMMER AND WINTER
? DON'T KNOW/REFUSED

[IF QFD15=0 GO TO QFD15A]
[IF QFD15=1 SKIP TO QFD16A]
[IF QFD15=2 SKIP TO QFD17A]
[IF QFD15=3 GO TO QFD15A]
[IF QFD15=4 GO TO QFD15A]
[IF QFD15=5 GO TO QFD15A]
[IF QFD15=6 GO TO QFD16A]
[IF QFD15=? SKIP TO FARM ACTIVITIES QON24]

(Qfd15a) In the FALL, from September to October last year, how many times did you and members of your household purchase agriculture or food products directly from a farmer in Alberta? (RECORD NUMBER)

________ # TIMES LAST FALL

(Qfd15b.) Please think back to the <u>LAST</u> purchase you made directly from a farmer in Alberta last FALL. How much did you and members of your household spend? Please do not include purchases of crafts. (ASK TO ESTIMATE IF CAN'T REMEMBER EXACTLY)

___________ $ SPENT ON THE LAST FALL VISIT

(Qfd15c.) How much of this amount was spent on FOOD grown or made in Alberta. Please exclude any food from BC or elsewhere, and any non-food items. (ASK TO ESTIMATE IF CAN'T REMEMBER EXACTLY)

___________ $ SPENT ON ALBERTA FOOD

[IF QFD15= 0 (FALL ONLY), SKIP TO QFD18]
[IF QFD15= 3 OR 4 (ALL, + SUMMER), GO TO QFD16A]
[IF QFD15= 5 (+ WINTER), GO TO QFD17A]

(Qfd16a.) In SUMMER, from May to August this year, how many times did you and members of your household purchase agriculture or food products directly from a farmer in Alberta?
(RECORD NUMBER. GET BEST ESTIMATE IF UNSURE)

________ # TIMES LAST SUMMER

(Qfd16b.) Please think back to the LAST purchase you made directly from a farmer in Alberta this SUMMER. How much did you and members of your household spend? Please do not include purchases of crafts.
(ASK TO ESTIMATE IF CAN'T REMEMBER EXACTLY)

___________ $ SPENT ON THE LAST SUMMER VISIT

(Qfd16c.) How much of this amount was spent on FOOD grown or made in Alberta. Please exclude any food from BC or elsewhere, and any non-food items.
(ASK TO ESTIMATE IF CAN'T REMEMBER EXACTLY)

___________ $ SPENT ON ALBERTA FOOD

[IF QFD15= 1 OR 4 (SUMMER ONLY, FALL + SUMMER), SKIP TO QFD18]
[IF QFD15= 3 OR 6 (ALL, + WINTER), GO TO QFD17A]

(Qfd17a.) Last WINTER, from November to April, how many times did you and members of your household purchase agriculture or food products directly from a farmer in Alberta? (RECORD NUMBER)

________ # TIMES LAST WINTER

(Qfd17b.) Please think back to the LAST purchase you made directly from a farmer in Alberta last WINTER. How much did you and members of your household spend? Please do not include purchases of crafts.
(ASK TO ESTIMATE IF CAN'T REMEMBER EXACTLY)

___________ $ SPENT ON THE LAST WINTER VISIT

(Qfd17c.) How much of this amount was spent on FOOD grown or made in Alberta. Please exclude any food from BC or elsewhere, and any non-food items.
(ASK TO ESTIMATE IF CAN'T REMEMBER EXACTLY)

___________ $ SPENT ON ALBERTA FOOD

(Qfd18.) IN THE NEXT 12 MONTHS, do you expect that you and members of your household will spend more, less or the same as last year, on direct purchases from farmers in Alberta?
(DO NOT READ)

1 MORE
2 LESS
3 SAME
? DON'T KNOW/REFUSED

[IF CODE 1 GO TO QFD19 (A)]
[IF CODE 2 GO TO QFD19 (B)]
[IF CODE 3,? SKIP TO FARM ACTIVITIES QON24]

(Qfd19a.) Will that be because you will go more often, or because you'll spend more per visit, or both or some other reason? (PROBE IF OTHER)

01 GO MORE OFTEN
02 SPEND MORE PER VISIT
03 BOTH MORE
07 GO LESS OFTEN & SPEND MORE PER VISIT
08 GO MORE OFTEN BUT SPEND LESS PER VISIT
91 OTHER SPECIFY________
?? DON'T KNOW/REFUSED

[IF QFD19A=1 GO TO QFD20A]
[IF QFD19A=2, SKIP TO QFD20B IF VISITED IN FALL OR SUMMER (QFD15=0,1,3,4,5, OR 6) OR SKIP TO QFD21B IF VISITED ONLY IN WINTER (SEE QFD15=2)].
[IF QFD19A=3 GO TO QFD20A]
[IF QFD19A=7 GO TO QFD20A]
[IF QFD19A=8 GO TO QFD20A]
[IF QFD19A=91,? SKIP TO FARM ACTIVITY QON24]

(Qfd19b.) Will that be because you will go less often, or because you'll spend less per visit, or both or some other reason? (PROBE IF OTHER)

04 GO LESS OFTEN
05 SPEND LESS PER VISIT
06 BOTH LESS
11 GO LESS OFTEN & SPEND MORE PER VISIT
12 GO MORE OFTEN BUT SPEND LESS PER VISIT
91 OTHER SPECIFY____________
?? DON'T KNOW/REFUSED

[IF QFD19B=4 GO TO QFD20A]
[IF QFD19B=5, SKIP TO QFD20B IF VISITED IN FALL OR SUMMER (QFD15=0,1,3,4,5, OR 6) OR SKIP TO QFD21B IF VISITED ONLY IN WINTER (SEE QFD15=2)].
[IF QFD19B=6 GO TO QFD20A]
[IF QFD19B=11 GO TO QFD20A]
[IF QFD19B=12 GO TO QFD20A]
[IF QFD19B=91,?? SKIP TO FARM ACTIVITY QON24]

(Qfd20a.) You and members of your household made … **[INSERT ANSWER TOTAL FOR QFD15A PLUS QFD16A, OR '0']** purchases directly from a farmer last FALL and this SUMMER. How many times do you think you will go next summer and fall, between May and October 2009? (RECORD NUMBER)

______TOTAL EXPECTED VISITS NEXT SUMMER/FALL

[IF '0' IN QFD20A, SKIP TO QFD21A]
[IF QFD19 = 1 OR 4, SKIP TO QFD21A]
[IF QFD19 = 3 OR 7 OR 8, OR 6 OR 11 OR 12, GO TO QFD20B]

(Qfd20b.) How much … **[INSERT 'MORE/LESS' ANSWER IN Qfd19a/b**] do you think you and members of your household will spend PER VISIT next SUMMER and FALL? **[WRITE IN $, % OR MULTIPLES]**

PLEASE RECORD IN ONE ANSWER AREA ONLY

_______________ % MORE/LESS PER VISIT
_______________ $ MORE/LESS PER VISIT
_______________ x MORE/LESS PER VISIT

[IF QFD19A/B = 1 OR 3 OR 7 OR 8, OR 4 OR 6 OR 11 OR 12, GO TO QFD21A]
[IF QFD19A/B = 2 OR 5 AND VISITED IN WINTER AS WELL (QFD15=3,5 OR 6), SKIP TO QFD21B; ELSE SKIP TO FARM ACTIVITIES QON24]

(Qfd21a.) You and members of your household made … **[ANSWER IN Qfd17a, OR '0']** purchases directly from a farmer last WINTER. How many times do you think you will go this winter, between November and April? (RECORD NUMBER)

______TOTAL EXPECTED VISITS THIS WINTER

[IF '0' IN QFD21A, SKIP TO FARM ACTIV QON24]
[IF QFD19a/b = 1 OR 4, SKIP TO FARM ACTIV QON24]
[IF QFD19a/b = 3 OR 7 OR 8 OR 6 OR 11 OR 12, GO TO Q10B FD21B]

(Qfd21b.) How much … **[INSERT 'MORE/LESS' ANSWER IN Qfd19a/b]** do you think you and members of your household will spend PER VISIT this WINTER? **[WRITE IN $, % OR MULTIPLES (X)]**
PLEASE RECORD IN ONE ANSWER AREA ONLY

_______________ % MORE/LESS PER VISIT
_______________ $ MORE/LESS PER VISIT
_______________ x MORE/LESS PER VISIT

[SKIP TO FARM ACTIVITIES ON24]

(Qfd22.) If 0 means 'no chance' and 10 means 'certain or almost certain', what number would you choose between 0 and 10 to describe how likely you and members of your household would be to PURCHASE these types of agriculture or food products directly from a farmer in Alberta in the next 12 months?

NO CHANCE CERTAIN/ALMOST CERTAIN
0 1 2 3 4 5 6 7 8 9 10

[IF "0 - 5",?,! SKIP TO FARM ACTIVITIES QON24]

(Qfd23.) In the next 12 months, how many times do you think you and members of your household will PURCHASE agriculture or food products directly from a farmer in Alberta? (RECORD NUMBER)

________ # Times

[GO TO FARM ACTIVITIES QON24]

FARM ACTIVITIES

(Qon24.) How much do you know about Farm or Ranch Activities that you pay to participate in. This includes things like staying in a farmhouse or on a guest ranch; attending a horseback riding camp on a ranch; taking a wagon or sleigh ride; going through a maze; a petting farm; or going on a tour of different farms with unusual animals like elk, ostrich, llama or bison, or something similar that you PAY to do on a farm or ranch. Overall would you say you: (READ LIST)

5 Know a lot about them
4 Know something about them
3 Know a little about them
2 Have heard of but know nothing about them
1 or, You have never heard of them?
? DON'T KNOW/REFUSED

[IF Qon24=1 SKIP TO Qlf2,OTHERWISE CONTINUE]

(Qon25.) In the last 12 months, that is, between September 2007 and August 2008, which includes last fall and winter and this summer, did you or any member of your household take a trip to a farm or ranch in Alberta and PAY to take part in these types of activities? (DO NOT READ LIST)

1 YES
2 NO
? DON'T KNOW/REFUSED

[IF Qon25=2 SKIP TO Qon35, IF=?,! SKIP TO Qlf2,OTHERWISE CONTINUE]

(Qon26.) Was that in the fall, from September to October last year, in winter from November to April, or in summer, from May to August this year, or in more than one season? (IF MORE THAN ONE SEASON PROBE: Which seasons?) (READ LIST)

0 Fall
1 Summer
2 Winter
3 All 3
4 Fall and summer
5 Fall and winter
6 Summer and winter
? DON'T KNOW/REFUSED

[IF Qon26=1 or 6, SKIP TO com ABOVE Qon27a,IF=2 SKIP TO COM ABOVE Qon28a,IF=?,! SKIP TO LOCAL FOOD Qlf2, OTHERWISE CONTINUE]

(Qon26a.) In the FALL, from September to October last year, how many trips did you go on where you and members of your household paid to take part in activities on a farm or ranch in Alberta? (RECORD BELOW)

________ # TRIPS LAST FALL

(Qon26b.) Please think back to your LAST FALL trip where you paid to take part in activities on a farm or ranch in Alberta. How much did you and members of your household spend? Please include expenses for transportation, food and beverages, accommodation, recreation, entertainment and shopping at your destination. (RECORD BELOW)

INTERVIEWER NOTE: ASK TO ESTIMATE IF CAN'T REMEMBER EXACTLY

___________ $ SPENT ON THE LAST FALL TRIP

[IF Qon26= 0 (FALL ONLY), SKIP TO Qon31]
[IF Qon26= 3 or 4 (ALL, + SUMMER), GO TO Qon27a]
[IF Qon26= 5 (+ WINTER), GO TO Qon28a]

(Qon27a.) In SUMMER, from May to August last year, how many trips did you go on where you and members of your household paid to take part in activities on a farm or ranch in Alberta? (RECORD BELOW)

________ # TRIPS LAST SUMMER

(Qon27b.) Please think back to your LAST SUMMER trip where you paid to take part in activities on a farm or ranch in Alberta. How much did you and members of your household spend? Please include expenses for transportation, food and beverages, accommodation, recreation, entertainment and shopping at your destination. (RECORD BELOW)

INTERVIEWER NOTE: ASK TO ESTIMATE IF CAN'T REMEMBER EXACTLY

___________ $ SPENT ON THE LAST SUMMER TRIP

[IF Qon26= 1 or 4 (summer only, fall + summer), SKIP TO Qon31
[IF Qon26= 3 or 6 (all, + winter), GO TO Qon28a]

(Qon28a.) From November to April last WINTER, how many trips did you go on where you and members of your household paid to take part in activities on a farm or ranch in Alberta? (RECORD BELOW)

________ # TRIPS LAST WINTER

(Qon28b.) Please think back to your LAST WINTER trip where you paid to take part in activities on a farm or ranch in Alberta. How much did you and members of your household spend? Please include expenses for transportation, food and beverages, accommodation, recreation, entertainment and shopping at your destination. (RECORD BELOW)

INTERVIEWER NOTE: ASK TO ESTIMATE IF CAN'T REMEMBER EXACTLY

___________ $ SPENT ON THE LAST WINTER TRIP

(Qon31.) IN THE NEXT 12 MONTHS, do you expect that you and members of your household will spend more, less or the same as last year on participating in activities on a farm or ranch in Alberta? (DO NOT READ LIST)

1 More
2 Less
3 Same
? DON'T KNOW/REFUSED

[IF Qon31=2 SKIP TO Qon32b,IF=3 OR ?,! SKIP TO Qlf2,OTHERWISE CONTINUE]

(Qon32a.) Will that be because you will take more trips, or because you'll spend more per trip, or both or some other reason?

01 GO MORE OFTEN
02 SPEND MORE PER TRIP
03 BOTH MORE
07 GO LESS OFTEN & SPEND MORE PER TRIP
08 GO MORE OFTEN BUT SPEND LESS PER TRIP
91 OTHER (SPECIFY)
?? DON'T KNOW/REFUSED

[IF Qon32a=91 OR ?,! SKIP TO Qlf2, IF=2 SEE INSTRUCTION BELOW Qon32b, OTHERWISE SKIP TO Qon33a]

(Qon32b.) Will that be because you will take less trips, or because you'll spend less per trip, or both or some other reason?

04 GO LESS OFTEN
05 SPEND LESS PER TRIP
06 BOTH LESS
11 GO LESS OFTEN & SPEND MORE PER TRIP
12 GO MORE OFTEN BUT SPEND LESS PER TRIP
91 OTHER (SPECIFY)
?? DON'T KNOW/REFUSED

[IF Qon32b=91 OR ?,! SKIP TO Qlf1a, IF=5 SEE INSTRUCTION BELOW. OTHERWISE CONTINUE TO QON33A]

INSTRUCTION
[IF Qon32a/b= 2 or 5, SKIP TO Qon33b IF VISITED IN FALL or SUMMER (Qon26=0,1,3,4,5, or 6) or SKIP TO Qon34b IF VISITED ONLY IN WINTER (see Qon26=2)]

(Qon33a.) You and members of your household made ... **[ANSWER Total of on26a plus on27a, or '0')]** trips where you paid to take part in activities on a farm or ranch last FALL and this SUMMER. How many trips do you think you will take next summer and fall, between May and October 2009?
(RECORD BELOW)

______TOTAL EXPECTED TRIPS NEXT SUMMER/FALL

[IF '0' IN Qon33a, SKIP TO Qon34a]
[ELSE IF Qon32 = 1 or 4, SKIP TO Qon34a]
[ELSE IF Qon32 = 3 or 7 or 8, or 6 or 11 or 12, GO TO Qon33b]

(Qon33b.) How much **[INSERT 'MORE/LESS' ANSWER IN Qon32a/b]** do you think you and members of your household will spend PER TRIP next SUMMER and FALL? Please include expenses for transportation, food and beverages, accommodation, recreation, entertainment and shopping at your destination. (RECORD BELOW)
[WRITE IN $, % OR MULTIPLES (X)]
PLEASE RECORD IN ONE ANSWER AREA ONLY

_______________ % MORE/LESS PER VISIT
_______________ $ MORE/LESS PER VISIT
_______________ x MORE/LESS PER VISIT

[IF Qon32 = 1 or 3 or 7 or 8, or 4 or 6 or 11 or 12, GO TO Qon34a]
[IF Qon32 = 2 or 5 AND VISITED IN WINTER AS WELL (Qon26=3,5 or 6), SKIP TO Qon34b; ELSE SKIP TO LOCAL FOOD lf37]

(Qon34a.) You and members of your household made …**[ANSWER IN Qon28a, OR '0')]** trips where you paid to take part in activities on a farm or ranch last WINTER. How many trips do you think you will take this winter, between November and April? (RECORD BELOW)

______TOTAL EXPECTED TRIPS THIS WINTER

[IF '0' IN Qon34a, SKIP TO LOCAL FOOD Qlf2]
[ELSE IF Qon32 = 1 or 4, SKIP TO LOCAL FOOD Qlf2]
[ELSE IF Qon32 = 3 or 7 or 8, or 6 or 11 or 12, GO TO Qon34b]

(Qon34b.) How much **[INSERT 'MORE/LESS' ANSWER IN Qon32a/b]** do you think you and members of your household will spend PER TRIP this WINTER? Please include expenses for transportation, food and beverages, accommodation, recreation, entertainment and shopping at your destination? (RECORD BELOW)
[WRITE IN $, % OR MULTIPLES (X)]
PLEASE RECORD IN ONE ANSWER AREA ONLY

_______________ % MORE/LESS PER VISIT
_______________ $ MORE/LESS PER VISIT
_______________ x MORE/LESS PER VISIT

[SKIP TO LF2]

(Qon35.) If 0 means 'no chance' and 10 means 'certain or almost certain', what number would you choose between 0 and 10 to describe how likely you and members of your household would be to PAY to take part in these types of farm activities in Alberta in the next 12 months?

NO CHANCE										CERTAIN
0	1	2	3	4	5	6	7	8	9	10

[IF "0 - 5",?,! SKIP TO LOCAL FOOD Qlf2]

(Qon36.) In the next 12 months, how many trips do you think you and members of your household will take to a farm or ranch in Alberta where you will PAY to participate in farm activities?
(RECORD BELOW)

________ # TRIPS

[GO TO LOCAL FOOD Qlf2]

LOCAL FOOD
I'd now like to ask you some questions about food that is grown or made in Alberta.

[IF QFM4C OR QFM5C OR QFMQ6C OR QFD15C OR QFD16C OR QFD17C >$0, AUTOPUNCH 'YES']

(Qlf2.) Did you buy food grown or made in Alberta in the past twelve (12) months?
(DO NOT READ LIST)

1 YES
2 NO
? NOT SURE/DON'T KNOW

[IF Qlf2=1 ASK Qlf3a,IF=2 OR ?,! ASK Qlf3b]

(Qlf3a.) In the next 12 months, do you expect that you will buy more, the same amount or less food grown or made in Alberta?
(DO NOT READ LIST)

3 MORE
2 SAME AMOUNT
1 LESS
? DON'T KNOW

[SKIP TO QLF4]

(Qlf3b.) In the next 12 months, do you intend to buy food grown or made in Alberta? (DO NOT READ LIST)

1 YES
2 NO
? DON'T KNOW

[IF Qlf3b=2 OR ?,! SKIP TO Qlf6,IF=1 SKIP TO Qlf5]

(Qlf4.) In the past 12 months, where did you buy food grown or made in Alberta most often? (PROBE) Where else?
(DO NOT READ LIST)

INTERVIEWER NOTE: PROBE FOR CATEGORY IF NEED BE

01 SUPERMARKET (E.G., SUPERSTORE, SAFEWAY, SOBEYS, IGA, CO-OP)
02 SMALL GROCERY STORE
03 WAREHOUSE CLUB STORE (E.G., COSTCO)
04 SUPERCENTER/MASS MERCHANDISER (E.G., WAL-MART, ZELLERS)
05 CONVENIENCE STORE (E.G., MAC'S, 7-ELEVEN)
06 HEALTH FOOD STORE
07 NATURAL/ORGANIC FOOD STORE (E.G., PLANET ORGANIC, AMARANTH WHOLE FOODS, BLUSH LANE, COMMUNITY NATURAL FOODS)
08 BUTCHER/BAKERY/DELI
09 FARMERS' MARKET
10 FROM A FARM/RANCH (FARM GATE/FARM STORE/FARM STAND/ROADSIDE STALL/U-PICK FARM)
11 CSA (COMMUNITY SUPPORTED AGRICULTURE)/BOX PROGRAM
12 RESTAURANT
13 ON THE INTERNET
91 OTHER (SPECIFY)
00 NONE/NO OTHER

(Qlf6a.) What do you feel is the main benefit of buying food grown or made in Alberta?
(RECORD VERBATIM) (PROBE FOR COMPREHENSION)

[IF LF6A=?,! SKIP TO INSTRUCTION ABOVE LF7A]

[IF 'YES' IN Qlf2 ASK Qlf7a]
(Qlf7a.) What is your main reason for **not** buying <u>more</u> food grown or made in Alberta?
(RECORD VERBATIM) (PROBE FOR COMPREHENSION)

[IF 'NO/DK',! IN Qlf2 ASK Qlf7b]
(Qlf7b.) What is your main reason for not buying food grown or made in Alberta?
(RECORD VERBATIM) (PROBE FOR COMPREHENSION)

[IF LF7A,B=?,! SKIP TO LF8]

(Qlf9.) Please tell me how often the following are true for you: (READ LIST)

5 ALWAYS
4 FREQUENTLY
3 OCCASIONALLY
2 RARELY
1 NEVER

1 When shopping for food, you always, frequently, occasionally, rarely or never find it easy to recognize items that are grown or made in Alberta
2 When shopping for food and you have a choice, you always, frequently, occasionally, rarely or never choose to buy items grown or made in Alberta rather than elsewhere

[GO TO DEMOGRAPHICS]

DEMOGRAPHICS

Finally, I have a few questions about you and your household that will be used for statistical classification purposes only. No results will be released on an individual basis and the information will only be used for this project.

(Q58.) How many people, including yourself and any babies, live in your household?
INTERVIEWER NOTE: DON’T KNOW IS NOT AN ACCEPTABLE RESPONSE

________ NUMBER IN HOUSEHOLD

[IF Q58=1 SKIP TO Q60, OTHERWISE CONTINUE]

(Q59.) How old is the youngest child living in your household? (READ LIST)
INTERVIEWER NOTE: DON’T KNOW IS NOT AN ACCEPTABLE RESPONSE

1 Up to 5 years
2 6 to 12 years
3 13 to 17 years
4 18 or older
5 No children in household

[IF AREA=4, 5 or 6 FROM SAMPLE ASK Q60]

(Q60X.) Do you live on a farm or ranch? (DO NOT READ LIST)
INTERVIEWER NOTE: DON’T KNOW IS NOT AN ACCEPTABLE RESPONSE

1 YES
2 NO

(Q62.) Please tell me when I read out your age group (READ LIST)
INTERVIEWER NOTE: DON’T KNOW IS NOT AN ACCEPTABLE RESPONSE

1 18-24
2 25-34
3 35-44
4 45-54
5 55-64
6 65 and over

(Q63.) What is the highest level of education you have completed to date: (READ LIST)
INTERVIEWER NOTE: DON'T KNOW IS NOT AN ACCEPTABLE RESPONSE

1 Less than high school
2 Graduated high school
3 Some commercial, technical or vocational college or trade certificate
4 Graduated commercial, technical or vocational college or trade certificate
5 Some university
6 Completed university
7 Post-graduate

(Q64.) Which of the following best describes your marital status? Are you: (READ LIST)
INTERVIEWER NOTE: DON'T KNOW IS NOT AN ACCEPTABLE RESPONSE

1 Single, that is, never married
2 Married or living together as a couple
3 Widowed
4 Separated
5 Divorced

(Q65a.) Was your total household income, before taxes and other deductions, under or over $80,000 in 2007?

1 Under $80,000
2 Over $80,000

[IF Q65a=1 ASK Q65b, IF=2 ASK Q65c]

(Q65b.) Was it under or over $50,000?

1 Under $50,000
2 Over $50,000
? DON'T KNOW
! REFUSED

(Q65c.) Was it under or over $120,000?

1 Under $120,000
2 Over $120,000
? DON'T KNOW
! REFUSED

(Q66.) RECORD GENDER BY OBSERVATION (DO NOT READ LIST)

1 MALE
2 FEMALE

On behalf of Infact Research and the Government of Alberta, thank you for taking the time to answer these questions to improve their services to you.