



Pierce County Farm Technology Days 2010: Economic Impact Report

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Executive Summary

Farm Technology Days – Pierce County (FTD-Pierce County) worked with the Survey Research Center at UW-River Falls to conduct intercept surveys to:

1. Gather information with which to estimate the economic impact of the Farm Technology Days event on the economies of Pierce and St. Croix Counties,
2. Discover which offerings at FTD-Pierce County were most heavily attended and which were most useful and interesting.

A team of 6 enumerators interviewed 267 people during the first two days of the FTD-Pierce County event – day three was, unfortunately, rained out.

Key findings about the people who attended FTD-Pierce County:

- one-third of the participants identified themselves as non-farmers, suggesting that the show had strong appeal to the large non-farm population in western Wisconsin,
- dairy producers were the most common type of farm visitor to FTD-Pierce County,
- more than one-third of those interviewed were under 45 years of age indicating that the event appealed to younger as well as older audiences,
- nearly two-thirds of the visitors interviewed were men and a similar percentage said they live outside of Pierce or St. Croix Counties,
- this was the first FTD for more than one-third of the attendees,
- nearly one-quarter expected to be in the Pierce County area overnight – many staying with friends or family,
- FTD-Pierce County attracted visitors from somewhat further afield than has been typical of recent FTD events (32% drove more than 100 miles to get to the event and 10% were from out of state).

Attendees at FTD-Pierce County generally found the activities offered at the event to be useful or interesting but they were somewhat selective in terms of the activities in which they participated. Only three activities (commercial exhibitors, the Fleet Farm activities, and the heritage tractor events) drew half or more of the attendees. Activities that were distant from the central tent city area (field demonstrations, host farm tours, etc.), attracted fewer visitors. One hypothesis for this relatively low level of participation is that signage and site information could have been more extensive.

Participants were generally satisfied with the quality of the food offered on-site and felt the \$5.00 admission fee was reasonable.

For most participants, FTD is the only activity in which they expected to engage while in Pierce and St. Croix Counties. Nearly 10% said they planned to visit friends or family but fewer than 5% said they expected to engage in any other off-site activity (shop, golf, casino, etc). The off-site tourism potential of FTD appears to be quite limited.

The FTD-Pierce County event is estimated to have generated about \$800,000 in expenditures during its two-day run. We estimate the total local economic impact of the event (including event preparation, expenditures at the event, as well as induced and indirect impacts – defined below) to be a bit more than \$1.8 million, 33 jobs and slightly less than \$200,000 in additional taxes. We believe that the economic impact of the event was less dramatic than some local business expected for two primary reasons. First, a significant portion of the economic impact happened in the month or so leading up to the event as crews and exhibitors prepared for the event. Second, during the event, visitors were directed away from downtown River Falls (located only 2 miles or so from the site), so food, fuel and other expenditures by participants were likely pushed into other parts of the two-county region.

Survey Purpose

The primary purposes of this survey were to:

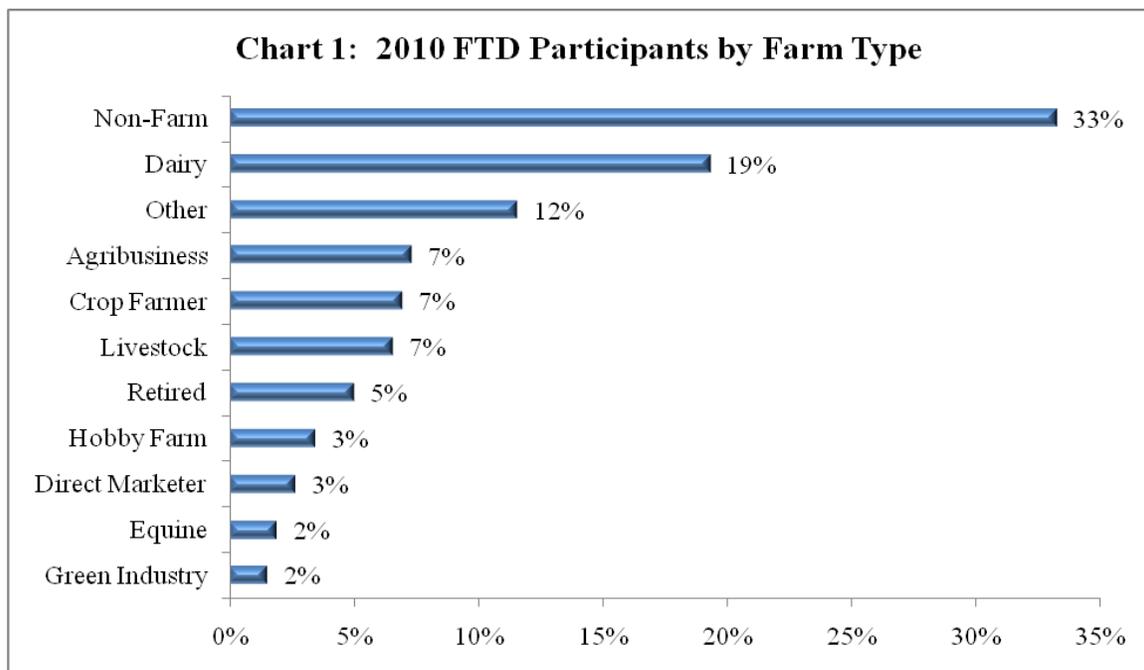
1. Gather information with which to estimate the economic impact of the Farm Technology Days (FTD) event on the economies of Pierce and St. Croix Counties,
2. Discover what aspects of FTD were most frequently visited and found to be useful and interesting.

Survey Methods and Design

Data were gathered through intercept surveys done during the afternoons of the first two days of the FTD event – we had planned to gather additional information on the third and final day but the event was cancelled because of rain. Six enumerators collected the data each day. Each day we divided the event grounds into 6 geographic areas and assigned an enumerator to each area to collect data from as random a set of respondents as possible.

Profile of 2010 Farm Tech Days Participants

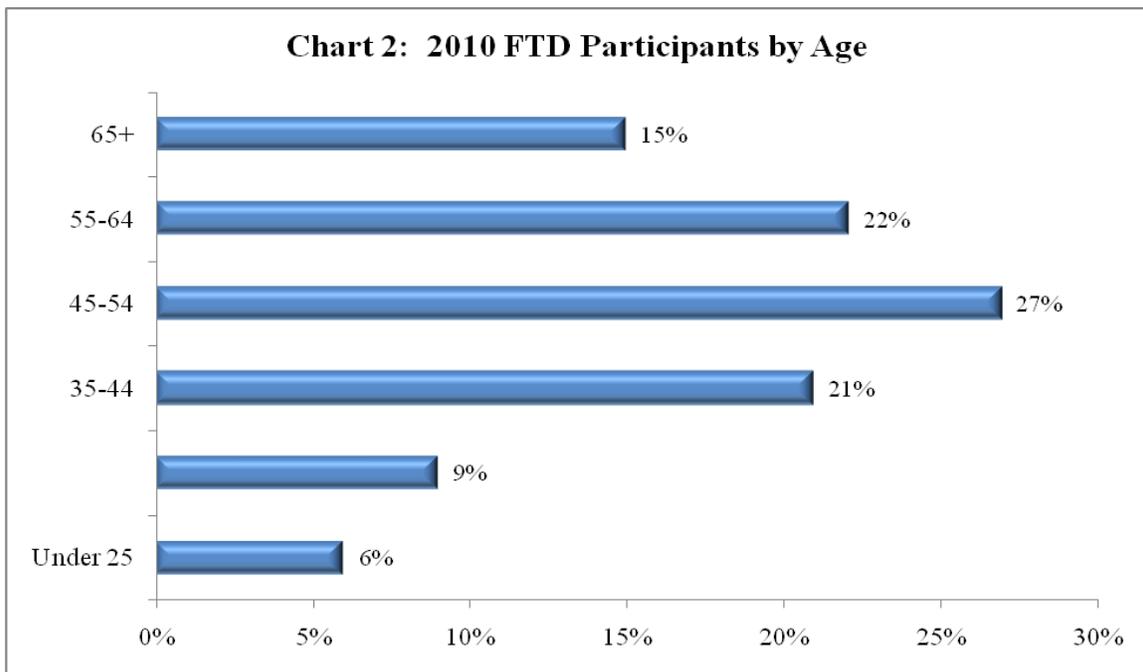
Of the 267 people interviewed, 258 identified themselves as being in one of the categories shown in Chart 1. Surprisingly, one-third of those interviewed said they are not directly involved in production agriculture. This suggests that the Pierce County location of FTD, with its close proximity to the Twin Cities metro area, drew a quite diverse audience.



By a wide margin, dairy producers were the most common type of farm visitor to Pierce County's Farm Tech Days.

Roughly two-thirds of the visitors (64%) were men and one-third (36%) were women. In terms of the residence of FTD-Pierce County participants, nearly two-thirds (61%) were from outside the immediate area and the remainder (39%) were from Pierce or St. Croix Counties. Virtually all (99%) of those from outside the Pierce/St. Croix County region were in the area primarily to attend FTD.

The event attracted an audience across a range of ages, as shown in Chart 2. Because the overall farm population is somewhat older than the U.S. population as a whole, it is not surprising that there were relatively high percentages of respondents in the 55-64 and 65+ year categories. However, the fact that more than one-third of those interviewed were under 44 years of age suggests that the event also appeals to younger age groups.



Given its location in far western Wisconsin, the organizers were interested in the geographic distribution of those attending FTD-Pierce County. On the following page, two maps answer this question in a couple of ways. Figure 1 shows the distance driven to get to the event. The distance bands show only Wisconsin but the data also include visitors from Minnesota and other states. These data indicate that participants tended to drive a bit further to get to the Pierce County-FTD than has been true in recent years. For instance, 62 percent of visitors to the Dodge County-FTD drove 50 miles or less and 86 percent drove 100 miles or less. The comparable figures for Pierce County are 53 percent who drove 50 miles or less and 68 percent who drove 100 miles or less.

Figure 2 shows the zip codes of participants in the intercept survey – each dot represents a single respondent and the location within a county does not represent their actual residence. The map shows a clear concentration of participants from Pierce and St. Croix Counties in Wisconsin but

also indicates that the event drew visitors from throughout Wisconsin and southeast Minnesota. More than one in every ten visitors interviewed in the intercept surveys turned out to be from outside of Wisconsin. So, the Pierce County location was at least moderately successful in attracting people from outside the region and state.

Figure 1

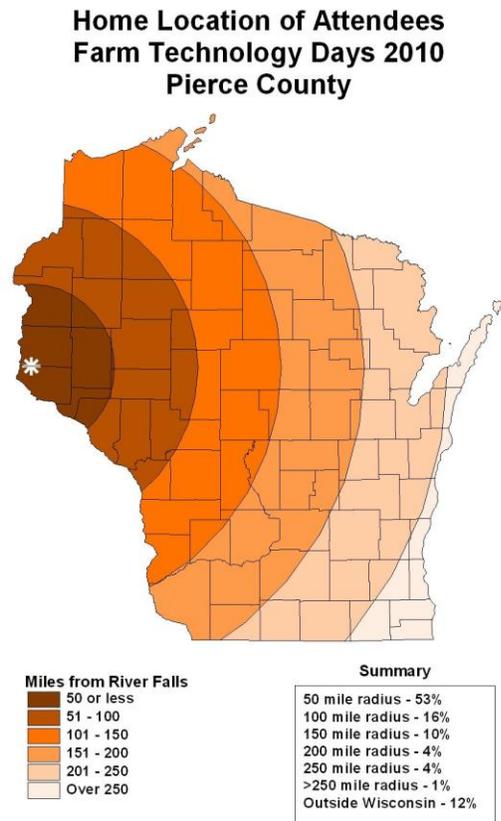


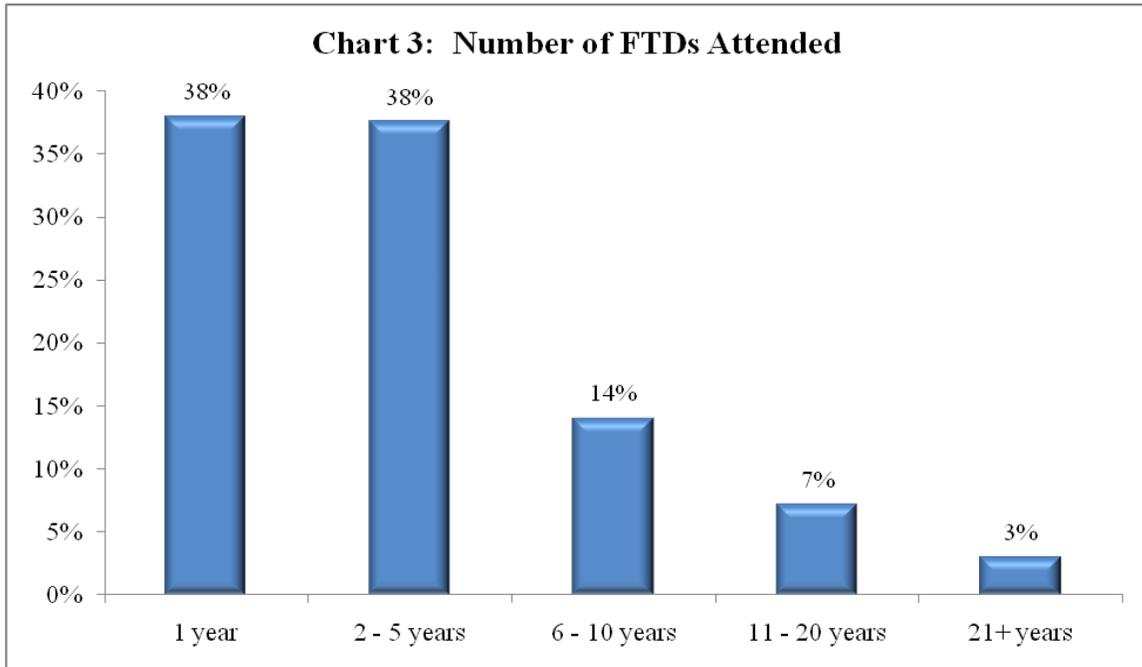
Figure 2



Farm Tech Day Activities

As shown in Chart 3, nearly two out of every five visitors interviewed were at their first show and a comparable number had been to 2 – 5 Farm Tech Days events. At the other end of the spectrum, one visitor reported having attended 47 FTDs and another said he had been to 50! The overall average was about 5 years and the median number of FTD’s attended was 2. Thus, for the most part, the audience at each FTD appears to be relatively new to the event. This suggests that information about the event, both prior to and during, needs to be extensive to ensure that new visitors can easily locate the things in which they are most interested. The magnitude of the physical space occupied by FTD makes signage and information particularly important. While data were not collected on this, a number of those interviewed said that information about the FTD-Pierce County event could have been better.

Not surprisingly, a relatively high percentage of the non-farm participants (55 percent) said that Pierce County Farm Tech Days was the first such event they had attended. In contrast, this was the first visit to a FTD for only about 15 percent of full-time dairy and livestock producers and one-third of full time crop farmers. At the other end of the spectrum, more than 40% of full-time dairy farmers reported having attended 6 or more FTDs and more than half of those who reported being retired had been to 6 or more such events.

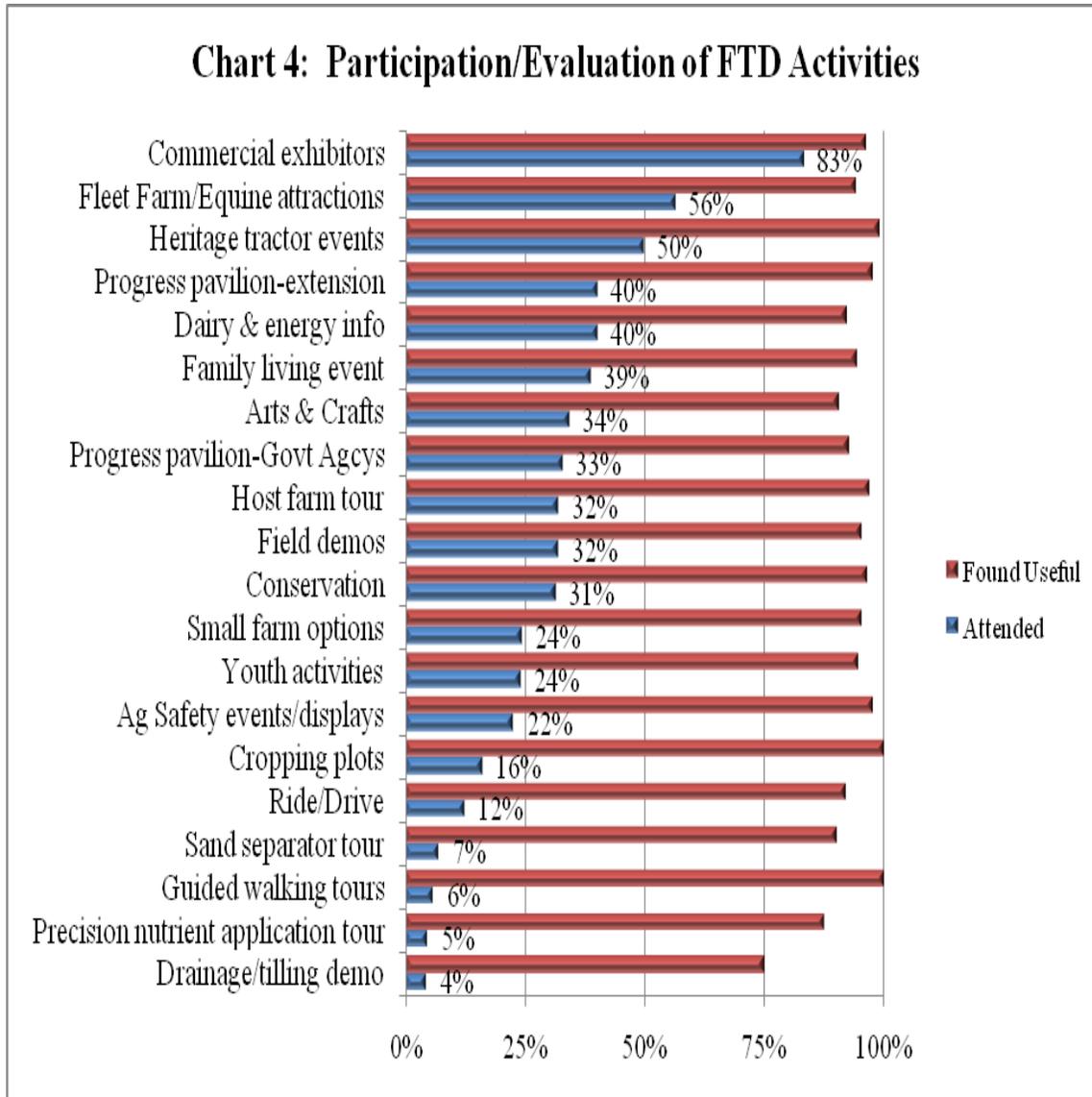


We asked attendees who were not from Pierce or St. Croix Counties, when they had arrived in Pierce County and when they expected to leave. Of the 97 respondents who answered these questions, 24 (25 percent) said they expected to spend at least one-night in the area and the remaining 73 were day visitors only. Of those expecting to be in the Pierce County area overnight, 75 percent were here for one or two nights. A substantial proportion of those spending the night in the area may have been staying with friends or family because fewer than half of those spending multiple days at FTD reported expenditures for a motel, hotel or campground. Nevertheless, the River Falls Chamber of Commerce and phone conversations by the SRC with local managers indicates that essentially all the hotels/motels in town were full during the FTD event. In comparison, the occupancy rate in River Falls during the summer months is typically in the 30-50 percent range. Clearly, FTD had a very beneficial, if short-term, impact on the area's lodging industry.

We asked those interviewed for this survey if they had participated in 20 different FTD events, programs, or exhibits and for those who had participated, if they found the experience useful or interesting. In Chart 4, the blue bars (lower) indicate the percentage of participants who said they had attended or participated in a given activity and the red bar (upper) the percentage who found the event useful or interesting. There is relatively modest variation in the percentage who found an activity useful or interesting – at least 75 percent of those attending an event found it

interesting or useful and 100 percent felt that way about the guided tours and crop plots. In contrast, there was a substantial degree of variation in terms of participation rates. More than 4 out of every 5 visitors interviewed said they had visited at least one commercial exhibitor and about half said they took in some of the Fleet Farm equine attractions and the heritage tractor exhibit. In contrast, relatively few (under 10 percent) reported going on the sand separator tour, the guided walking tour, the nutrient application tour or taking in the drainage/tiling demonstration. Since many of these activities took place on the periphery of tent city, logistical challenges may explain the relatively low rate of participation.

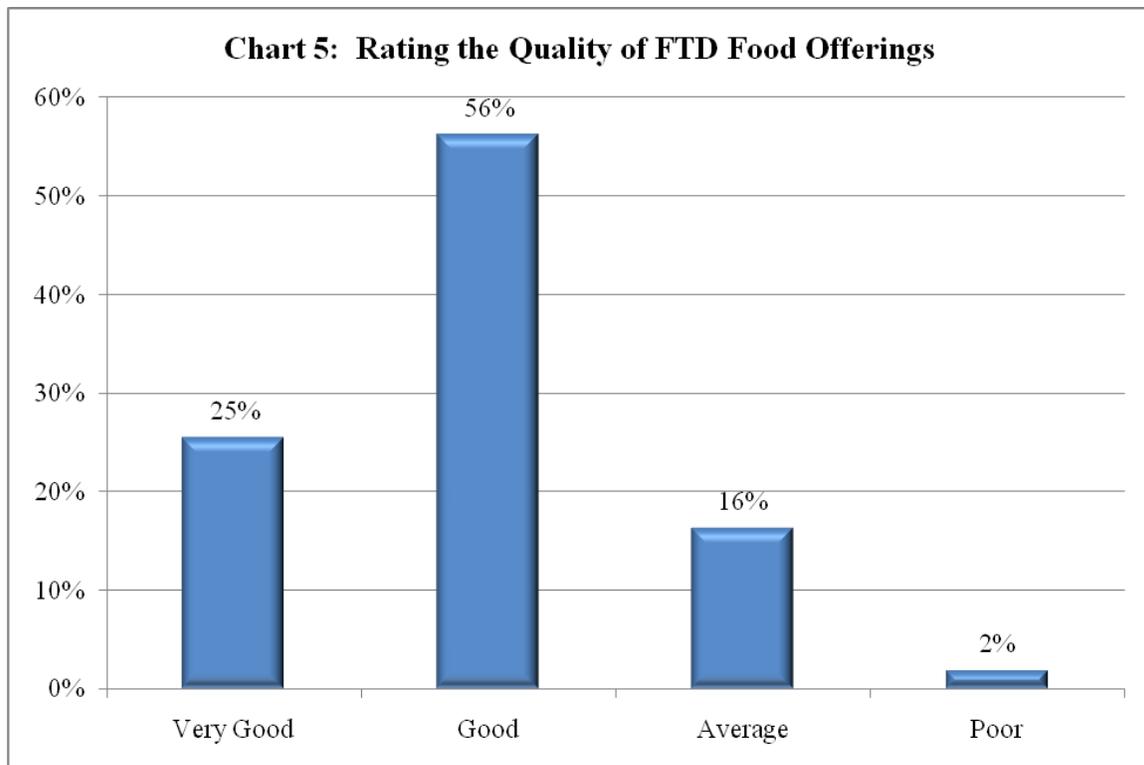
Chart 4: Participation/Evaluation of FTD Activities



Evaluation of Food and Entry Fee

Respondents were asked to evaluate the quality of food available on the FTD site. As Chart 5 indicates, most of the 208 FTD participants who responded to this question thought the food was good or better; less than 1 in 5 rated the food as average or worse and none rated it as “very poor.” There were no statistically significant differences in how different demographic groups (men vs. women, young vs. older, new vs. long-term FTD attendees) assessed the quality of food at FTD.

Some survey participants voiced complaints about the cost and, in particular, about the limited availability of water other than purchased bottle water. The complaint about water availability is understandable given that both days during which we gathered data were quite warm.



We also asked if the respondent thought that the \$5.00 admission fee for FTD was reasonable or not. The overwhelming majority (98%) agreed that the admission fee was reasonable. Only 5 of the 260 who responded to this question disagreed. Some said that the \$5.00 admission fee was reasonable so long as children continued to get in free of charge. While not quite statistically significant, a slightly higher percentage of those who reported having attended more than 5 FTDs (4.7%) felt the admission fee was unreasonable compared to those who had been to 2-5 FTDs (2%) or had only been to the Pierce County event (0%).

Off-Site Activities

FTD attendees who were not from Pierce or St. Croix Counties were asked if they planned to engage in a number of off-site activities while they were in the area. As Table 1 indicates, by far the most common thing for FTD visitors to do off-site was to visit friends or family in the area. If we multiply the percentage of respondents who said that they planned to engage in a given activity by the estimated number of FTD-Pierce County attendees who came from somewhere other than Pierce or St. Croix Counties (61% of the 38,600 attendees), we find that:

	Percent	Estimated Total Number
Visit Friends/Family	8.2%	1,940
Shop Locally	3.4%	794
Cultural Event	2.2%	529
Visit UWRF	1.9%	441
Visit River Towns	1.9%	441
Golf	0.4%	88
Fish	0.4%	88
Gambling	0.4%	88
Visit Park	0.4%	88
Shop Twin Cities	0.4%	88
Sporting Event	0.0%	0

- Nearly 800 people went shopping in Pierce or St Croix County,
- More than 400 attended a cultural event, visited the UWRF campus, or visited one or more St Croix River towns (Prescott, Hudson, Stillwater),
- Approximately 88 are likely to have played a round of golf, gone fishing, visited a casino, visited a park or local natural attraction, or gone to the Twin Cities to shop.

Economic Impact of FTD-Pierce County

This portion of the survey focuses on people who attended FTD-Pierce County but who live somewhere other than Pierce or St. Croix Counties. Expenditures by residents of other counties create local economic activity that, for the most part, would not have occurred in this region in the absence of FTD-Pierce County. Likewise, we wanted to exclude expenditures by people who live in Pierce or St. Croix Counties on the assumption that money they spent in association with FTD-Pierce County would have been spent at some other Pierce or St. Croix County venue if the event hadn't been in this region. We estimate that 61 percent of the visitors to FTD-Pierce County were from outside the Pierce and St. Croix County area. Based on an estimated total attendance of 38,600, this means that roughly 23,550 came from outside the immediate area.

Non-resident visitors to the Pierce County FTD were asked two sets of expenditure questions: did they expect to make any significant purchases (e.g. buildings, services, equipment) at FTD and how much did they spend in Pierce County during the previous 24 hours on such things as lodging, food, and recreation.

Only 10 participants (out of 267) reported that they had made or expected to make a significant purchase while at FTD. A few others said that they were still in negotiations or hadn't made up their minds about a purchase decision. By far the most common type of purchase made at FTD was equipment; seven people said they had or expected to make an equipment purchase at FTD and they totaled nearly \$84,000 in value. Two people (\$20,000) said they had or expected to purchase feed or seed and one (\$9,500) bought building or construction products or services. FTD may well be a place where attendees gather information that leads to future purposes, but relatively little actual commerce occurred at the site.

The following table summarizes expenditures associated with the visit to Pierce County's FTD. Again, only visitors who said that they live outside of Pierce and St. Croix Counties were asked about their expenses associated with attending FTD-Pierce County. Expenditures are broken into categories (lodging, food on site, etc.) and we report:

- The average amount spent per visitor,
- The number of visitors who reported expenditures in a category,
- The total expenditures in that category (based on an estimated attendance of 38,600 people),
- The minimum and maximum total expenditures based on the estimated accuracy of our estimates (+/- 5.9 percent with 95 percent confidence).

Table 2: Expenditures Associated with Trip to FTD-Pierce County					
	Ave/Visitor	Number	Total Expected FTD Expenditures	Min Total Expenditures	Max Total Expenditures
Lodging	\$4.74	9	\$111,534	\$104,875	\$118,192
Camping Fees	\$0.43	4	\$10,142	\$9,536	\$10,747
Food On-Site	\$8.54	114	\$201,067	\$189,063	\$213,071
Food Off-Site	\$6.84	52	\$161,030	\$151,416	\$170,643
Auto Expenses	\$9.66	69	\$227,435	\$213,857	\$241,013
Entertainment Expenses	\$0.31	3	\$7,231	\$6,800	\$7,663
Gifts/Souvenirs	\$3.89	31	\$91,538	\$86,074	\$97,003
Total	\$34.40		\$809,977	\$761,621	\$858,332

The average FTD-Pierce County visitor reported spending a bit more than \$34.40 and the event generated an estimated \$809,977 in direct additional economic activity. Some of this activity would be expected to have a much greater local economic impact than others. For instance, most of the food purchased on the FTD site was provided by a caterer from outside the area and little of the roughly \$200,000 in expenditures is likely to have found its way into the local economy. In contrast, a much greater percentage of the lodging and off-site food expenditures would provide a boost to the local economy. However, even in these categories, the impact of the event was likely to be somewhat diffuse across the two counties. Given that the hotels in River Falls were full and traffic coming and going to the FTD-Pierce County site was routed around downtown River Falls, many of the off-site food purchases and lodging expenditures were likely spread across the two-county region.

The economic impact of an event like FTD-Pierce County includes the direct impacts discussed above and the “**indirect**” and “**induced**” economic impacts. Indirect and induced economic impacts measure the economic activities that occur because the event happened.

Indirect economic impacts are business-to-business transactions. For example, the purchases of FTD exhibitors cause the businesses from which they buy to increase their production. This increased production creates additional economic activity. For example, when an exhibitor buys trees to landscape their space, the supplying nursery will likely replace their nursery stock, hire more labor, use more transportation services, and so on. Some of these economic activities stimulate the local economy (e.g. the wages paid to the local person who delivers the trees) and some leaks out into the national or international economy (e.g. the purchase of the diesel fuel used in the delivery). Indirect impacts measure the total additional local economic activity generated by these types of business-to-business transactions.

Induced impacts are the additional economic activity generated by the way workers and owners spend the incomes they earned from the FTD-Pierce County event. To illustrate, consider the employee at the nursery that sold the landscaping material to an exhibitor. When she/he receives a paycheck, the money is likely to be used to pay for rent/mortgage, groceries, utilities, fuel for the vehicle, and so on. As the paycheck is spent, some of it “leaks” out of the local economy (e.g. to pay for food shipped to the local grocery store from an out-of-state wholesaler) but some of it remains in the local economy (e.g. to pay the wages for the cashier at the grocery store). Likewise, some of the cashier’s wages remain in the local economy and some of it pays for products coming from outside the local economy. Induced impacts measure the total local economic value of these expenditures.

The standard way that the total economic impact (direct + indirect + induced effects) is estimated is via an input-output model. Dr. Steve Deller (UW-Madison) used the direct impact estimates generated by the SRC survey in a well-accepted input-output model called ImPlan. The results of the ImPlan model indicate that FTD-Pierce County generated:

- \$1,863,042 of total economic impact,
- 33 jobs and \$595,186 in labor income (\$17,661/job),
- \$1,066,762 in total income in Wisconsin,
- \$191,277 in additional taxes (e.g. sales taxes, state income taxes, etc.).

Finally, it should be noted that a significant portion of the total economic impact of FTD-Pierce County happened in advance of the actual event from the expenditures of crews and exhibitors preparing for the event. The likely diffused nature of off-site expenditures and the importance of pre-event, and to a lesser extent, post-event expenditures may explain the local impression that FTD-Pierce County had limited impact on the local (River Falls) economy.

Conclusions

Despite the unfortunate bout of weather that ended FTD-Pierce County one day early, the event was a success on many levels. The engagement of a large number of volunteers over an extended time frame provided a host of non-economic benefits for the region (networking, leadership development skills, etc.). The event itself drew a diverse audience who generally found the event to be useful and the logistics (food quality, entrance fee) to be very acceptable. The local economic impact of the event was a bit disappointing to some local (River Falls) businesses. The data reported in this paper indicate that the economic impact was significant but had somewhat of a stealth impact (with a significant amount occurring during the run-up to the event). Further, the impact was likely diffused throughout the two-county region (because of traffic flow patterns).