

Michigan Association of Fairs & Exhibitions

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www.mifairs.com

Mission Statement

Michigan Association of Fairs & Exhibitions will promote the development of agriculture and related industries, coordinate the objectives of fairs and exhibitions across the state, inform and educate its members through meetings and an annual convention and encourage the participation of youth in these endeavors.

The Michigan Association of Fairs & Exhibitions (MAFE), the statewide association that was organized in 1885, represents our 86 local and county fairs. This includes the 11 fairs in 2018 that had harness racing.

In addition, our approximately 130 Associate members consist of carnival ride companies, food concessionaires, attractions & grandstand entertainers, trophy providers, special event insurance companies, and other groups that make the fair industry in Michigan such a family entertainment event.

Our county fairs & fairground facilities in Michigan and the MAFE promote:

- 1. Youth development
- 2. Help educate the public of the importance of agriculture to the economy of Michigan
- 3. Help promote agriculture and the development of agriculture
- 4. Contribute to tourism and especially agritourism throughout the state (fairs are the original agritourism concept)
- 5. Economic impact of fairground facilities in our communities for not only the Fair but being available to host so many other activities at the fairgrounds
 - Attendance for 2018 was 4,460,877
 - Volunteers donated more than 803,079 hours
 - More than 62,236 exhibitors
 - Youth exhibitors for 2018 was 41,076
 - Open class participants were 21,260
 - Livestock sales amounted to \$22,821,703 Most of which is used by our youth to advance their education in agriculture.

While the fair is an important event on the fairgrounds, it is important to note that fairgrounds are community centers that bring people to the area for several months of the year, sometimes year-round. Horse shows, car shows, weddings, swap meets, antique festivals and much more find fairgrounds to be a logical place for their event. This year we had 54 fairs that reported that they had attendance at non- fair events totaling 1,883,489. One example is the Michigan Antique & Collectible Festivals, at the Oakland County fairgrounds and the Midland County fairgrounds, which boasts attendance of 75,000. The attendees of these non-fair events stimulate the local economy by patronizing gas stations, hotels, grocery stores, restaurants and more.

Reference is often made to "county" fairs there is no reason to believe that county lines have a profound influence or restriction on the appeal, attendance or participation in fair activities.

> MAFE 135th Annual Convention - January 9-11, 2020 Future Convention dates: January 14-16, 2021; January 13-15, 2022 All events held at the Amway Grand Plaza Hotel & DeVos Place, Grand Rapids MI.

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Only a few of our local fairs receive any money from their local county or municipalities. Just because they have the word of whatever county in their name, doesn't mean they receive monetary support from their county or municipality. Our fairs are mostly independent agricultural societies formed under Act 80 guidelines and 7 fairs are organized under Act 11. These guidelines are referenced in the Horse Racing Law of 1995.

County Fair Capital Improvement Grant Program

Twenty- two County Fairs throughout the State of Michigan were awarded over \$600,000 for capital improvements in early 2018. This competitive grant required a dollar-for-dollar cash match and must be used for building or capital improvements. Thirty six applications were received by the Michigan Department of Agriculture and Rural Development requesting more than \$1,061,583. These applications included more than \$2.8 million in proposed enhancements to fairground.

Harness Racing at County Fairs

The County Fairs is an important part of the strong tradition of horse racing in this state. County fairs provide training facilities and racing opportunities for young and inexperienced horses and drivers. Basically the fairs are the minor leagues of harness racing and provide opportunities to develop and prepare horses for parimutuel competition.

In many rural areas of our state the production and training of horses is a significant portion of the local economy. It provides employment for farmers, caretakers, veterinarians, farriers, etc. and year round markets for hay and grain; and horse interests pay taxes to local communities on breeding and training facilities. The horse racing industry in Michigan employs over 12,000 people.

Sales Tax Example

Please reference the Sales Tax Example below. This is a small example of the amount of sales tax generated by a single item purchased at your county fairs, based on the total reported attendance in 2018. If each attendee purchased a \$5.00 food item at the local food concession booth at the Fair, that would generate total gross food sales of \$ 22,304,385. Sales tax from those food sales to the State of Michigan would be \$1,62,512.36. We all know most folks and families will purchase much more than \$5.00 on food at the fair.

Just think of the economic impact that 100,000 visitors have to local communities. Even our smaller attended fairs have a significant impact to their local communities. Fourteen of our fairs reported this size of attendance. Overnight facilities are filled for miles around.

If we look at the additional use of the fairgrounds and facilities during the other 51 weeks of the year outside of fair week, increases this economic impact tremendously along with having these types of facilities available for the untold use for training, livestock exhibitions, horse shows, antique shows, company picnics and rallies of all types. Most of our fairground facilities are an intricate part of county emergency planning programs.

Local businesses profit from higher fair attendance with increased revenue generated by these visitors. The gasoline bought (tax to the state on fuel), grocery stores, restaurants, motels, hardware stores, restaurants, ice purchased and so forth.

Your local fairs are the least expensive family oriented entertainment venues in the state. Families get to spend quality time together and grow; whether they are exhibiting or just spectators. Fairs help teach responsibility and good sportsmanship to our participants, especially our youth. Studies have shown that youth who are regularly engaged in quality extra-curricular activity are less apt to have problems with the law or drug abuse, and kids of all ages build memories by attending our local fairs.

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Sales tax example

Of one Item Purchased at a Local Fair

Purchases	\$ 5.00	\$ 8.00	\$ 10.00	\$ 12.00
Attendance	4,460,877	4,460,877	4,460,877	4,460,877
Gross Sales	\$22,304,385.00	\$35,687,016.00	\$44,608,770.00	\$53,530,524.00
tax included in Gross	64 060 540 22	62 020 010 74	\$2,525,024.67	\$3,030,029.60
Sales	\$1,262,512.33	\$2,020,019.74	\$2,323,024.01	Ψ0,030,023.00
Taxable Sales	\$21,041,872.67	\$33,666,996.26	\$42,083,745.33	\$50,500,494.40
Sales tax	\$1,262,512.36	\$2,020,019.78	\$2,525,024.72	\$3,030,029.66

This is a small example of the amount of sales tax generated by your county fairs based on the total reported attendance in 2018 of a single item purchased.

If each attendee purchased a \$5.00 food item at the local food concession booth at the Fair, that would generate total gross food sales of \$21,041,872.67

Sales tax from those food sales to the State of Michigan would be \$1,262,512.36. We all know most folks and families will purchase much more than \$5.00 on food at the fair.

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