Southern Organic Buyers' Profiles And Preferences When Purchasing Fresh Produce

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Introduction

According to recent national surveys (Hartman Group, 2022), fresh produce is the first food category purchased by organic buyers (60%).
The motives for consuming organic food are manifold. They include environmental concerns and animal welfare, health concerns and food safety, as well as higher quality, and better taste (Truong et al., 2021). When buying fresh produce directly from farmers, buyers have different consumption behaviour and values depending on their frequency of purchase: frequent or occasional (Bond et al., 2006). Frequent buyers prefer to make primary fresh produce purchases at farmers' markets or direct from producers whereas the occasional will mainly make seasonal purchases from farmers.
Additionally, Meas et al. (2014) (cited in Jensen et al., 2019) found **strong substitution between organic and local production claims** in consumers' willingness to pay for these products.

Sponsored by Southern Sustainable Agriculture Research and Education (SSARE), our study focuses on **a further understanding of buyers' preferences and perceptions on labeling and co-labeling strategies in the South** when purchasing fresh produce with a particular emphasis on direct marketing from local farms. This study is part of a bigger project aimed at increasing small producers' long-term profitability and buyers' retention.

Methodology

An **online survey** was administered equitably in six Southern states; Alabama, Florida, Georgia, North Carolina, South Carolina and Tennessee, in December 2021, using a panel provider, Qualtrics. In addition to this online survey, we partnered with 12 small Georgia farms who provided a list of their final and business buyers to be interviewed.

SPECIFIC OBJECTIVES:

1. ONLINE SURVEY: A sub-part focused on USDA Organic label preferences. Respondents were prompted to indicate the **frequency of their purchase of USDA Organic fresh produce**, their level of expenses and place of purchase. Using a 7 point-Likert scale, respondents were also asked to rate the **importance of other labels on their purchasing decision** as well as their self-reported intention of purchase.

2. INTERVIEWS: 24 final buyers were interviewed between September 2021 and May 2022. Respondents were asked to establish the most important factors when deciding to purchase produce directly from a local farm. Additionally, they were to point out if they specifically look for **a particular label and provide details about the value** that it represents in their opinion. A comparison between labels was established by the respondent in order to identify their perceptions.

References
- Bond J. K., Thilmany D. and Bond C. A., 2006, Direct Marketing of Fresh Produce: Understanding Consumer Purchasing Decisions. *Choices*, Vol. 21, No. 4, pp. 229-235.
- Jensen J. D., Christensen T., Denver S., Ditlevsen K., Lassen J., and Teuber R., 2019, Heterogeneity in consumers' perceptions and demand for local (organic) food products. *Food Quality and Preference, #73*, pp. 255-265.
- Hartman Group, Inc., 2022, Organic and Natural 2022 study overview.
- Truong V. H., Lang B. and Conroy D. M., 2021, Are trust and consumption values important for buyers of organic food? A comparison of regular buyers, occasional buyers, and non-buyers. *Appetite*, 161

SURVEY Results

✓ Nearly half **(48%)** of the respondents (Six Southern States, N=1820) purchase USDA Certified Organic fresh produce **ONCE or MORE per WEEK (frequent buyers)** whereas **42%** indicated **LESS THAN ONCE A WEEK (occasional buyers)**. Nearly **10% NEVER** purchase organic produce **(non-buyers)**.

✓ Socio-demographic **profiles:**
- **FREQUENT**: **Younger generations** (born after 1980) - **Urban and higher income buyers - Households with 1 or 2 children.**
- **OCCASIONAL & NON-BUYERS**: **Older generations** (born before 1980) - **Rural and lower income buyers - Households with no children.**

✓ **Figure 1** describes the frequency of purchase and generational preferences for **POINT OF SALES** when purchasing organic fresh produce:
- **Frequent buyers and older generations** make most of their fresh produce purchase at a local or online farmers market
- **Occasional and younger buyers** opt for major supermarkets and local grocery stores.

Figure 1

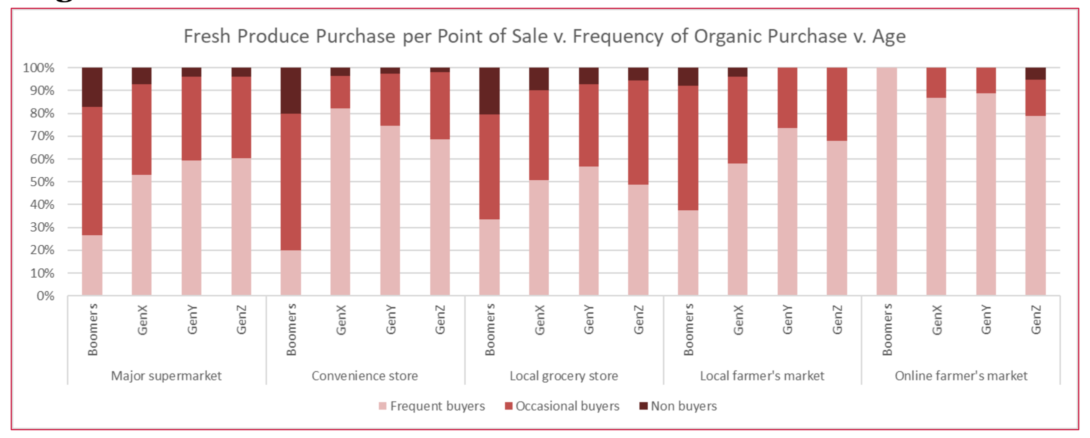


Figure 2

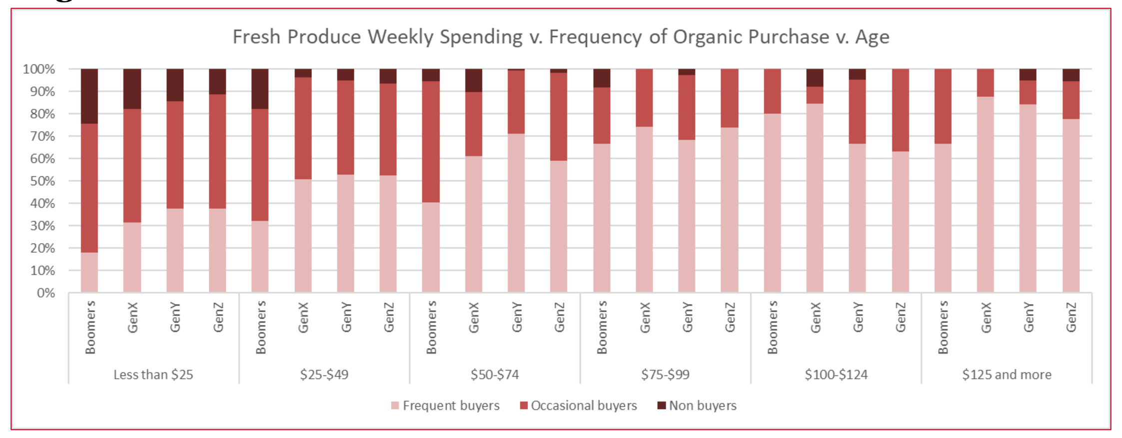
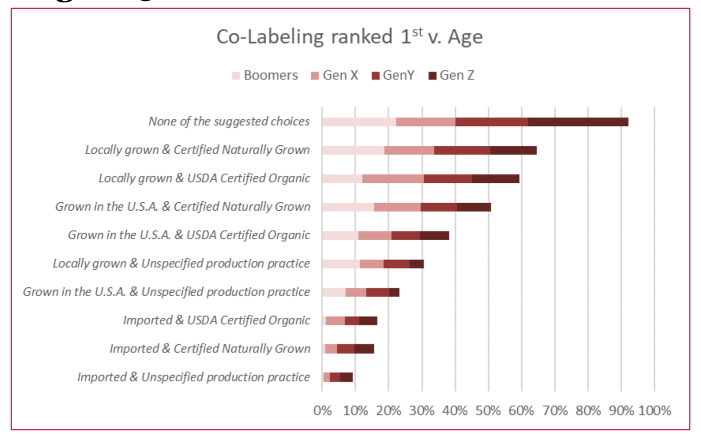


Figure 3



✓ **Figure 2** summarizes responses regarding the **WEEKLY AMOUNT SPENT** on organic produce according to frequency of purchase and respondents' generation.
- The majority of respondents (69%) spend **$50 or less** on produce per week.
- **Weekly spending** increases with frequency of organic purchase.
- **GenX** (born between 1965 and 1980) tend to spend more than other generations.

✓ **Figure 3** describes generational preferences (rated 1 to 7, 7 being the most preferred) for **co-labeling related to origin and production practices** when purchasing fresh produce :
- Homogeneous preferences for older generations (born before 1964) on "Locally Grown" and "Grown in the U.S.A." associated with "Certified Naturally Grown".
- **GenX and GenY** (born between 1965 and 1996) favor a **combination of origin and USDA Certified Organic**.
- 1/5 of the total sample of respondents would not prioritize any of the suggested choices.

INTERVIEWS Results

The analysis of 30 buyers interviews provides insights on **beliefs on organic production practices** across generations.

Final buyers – 30 years and older	Final buyers – Less than 30
Healthier (no use of pesticides and fertilizers)	Guarantee of safety and quality
Way of life (more trust in organically grown)	More expensive
	No difference with other production practices

- For older respondents, organic is part of a more **holistic vision of farming and eating**.
- For younger respondents, organic represents a **certification that ensures safety and quality** but also has the reputation of being **more expensive and overrated** compared to other production practice.

Discussion

Based on these results, it seems that establishing co-labeling strategies for family farm businesses in the South increases consumers' patronage. There are several components of the strategy that should be considered:

- **Buyers' preference on a combination of farm reputation, indication of "local" origin and a well-known production practice certification** such as USDA Organic.
- **Younger buyers leaving in an urban area with a higher disposable income** represent an opportunity for local producers to build on.
- **Partnership with local grocery stores is recommended** when selling to younger buyers in search for convenience.
- **More information on production practices** is recommended to increase the buyers' knowledge and trust.