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The Kentucky Food Consumer

Timothy A. Woods
University of Kentucky, tim.woods@uky.edu

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The Kentucky Food Consumer

Tim Woods
Extension Agricultural Economist
University of Kentucky

UK
UNIVERSITY OF KENTUCKY
College of Agriculture
Department of Agricultural Economics

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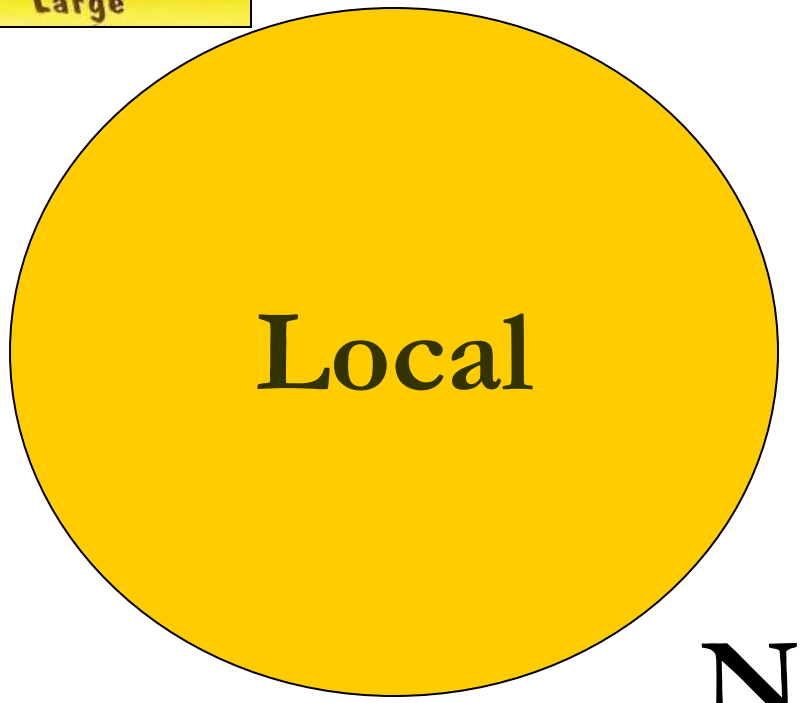
The Local Food Systems Model



Not Local

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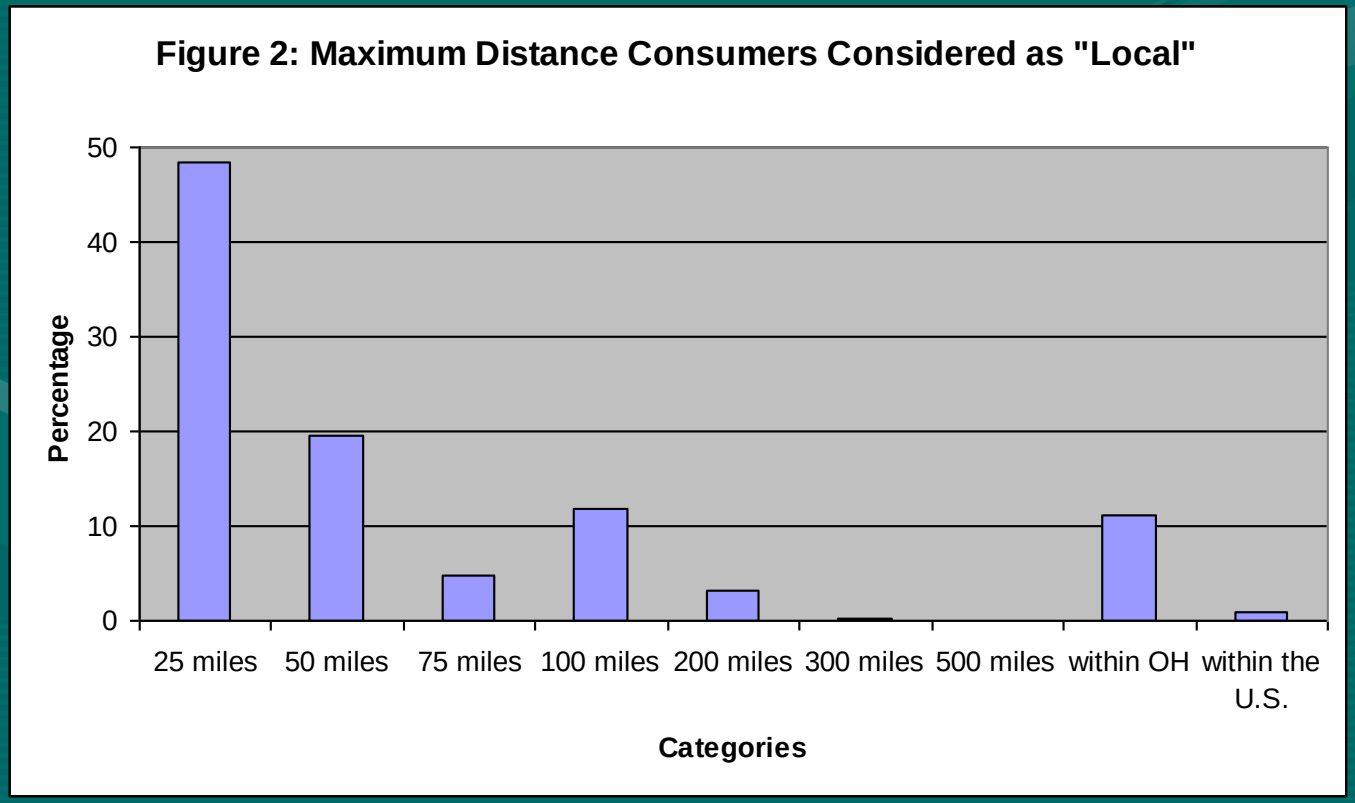
How Local?

Consumers increasingly care about food origin
Truth in advertising?
Credibility for the 'local' brand

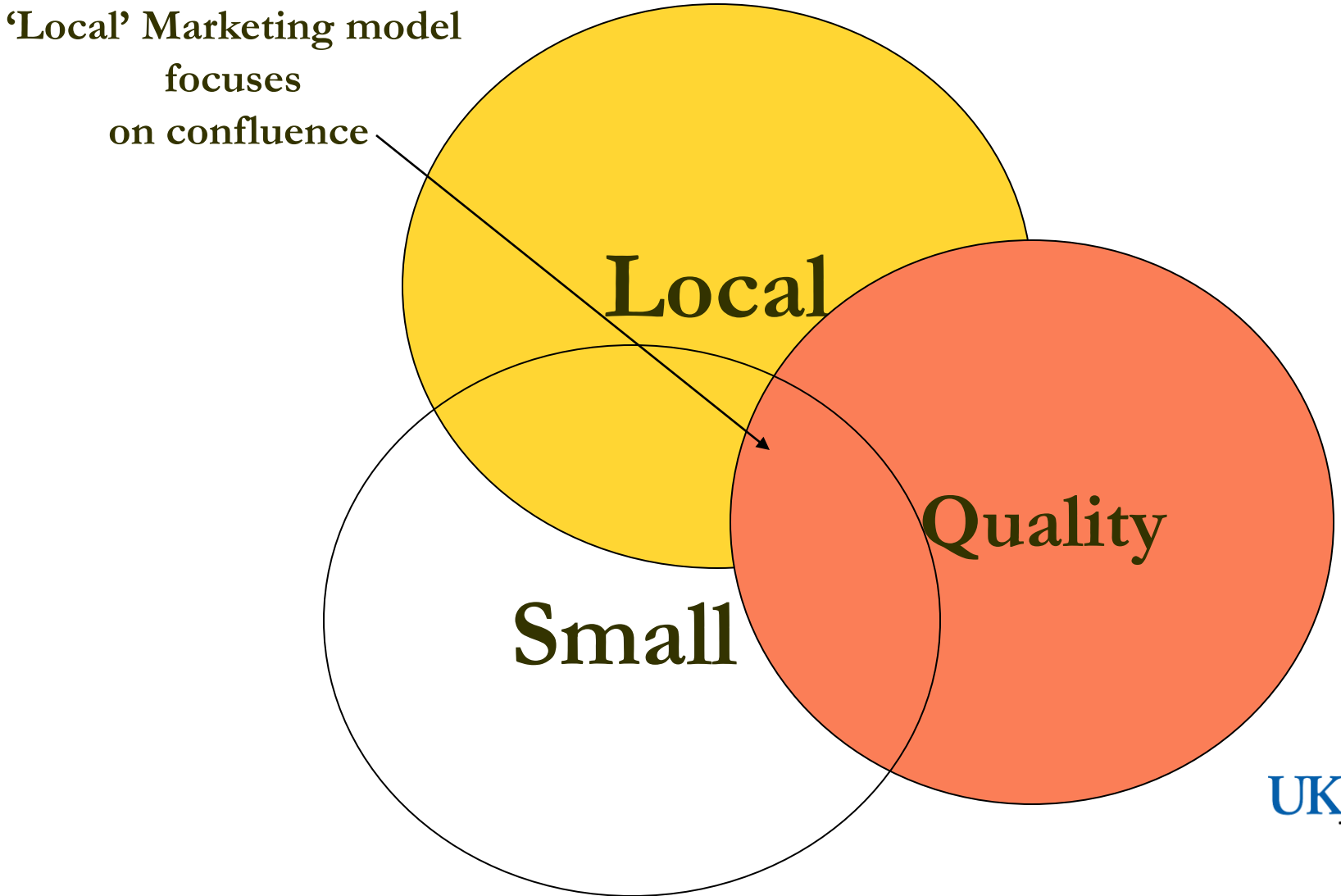
- Farmer only farm markets
- Production within so many miles
- Regional appalachians
- State boundaries
- Made in the USA?

Still a lot to learn about local definitions and bounds

- Defining and Marketing 'Local' Foods: Geographic Indications for U.S. Products – Giovannucci et al
- Batte, Hu, Woods, and Ernst



The Local Food Systems Model – In the minds of many, anyway



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THE KENTUCKY FOOD CONSUMER

An insight into our perceptions and behaviors in relationship to food purchasing and consumption.

Kentucky Food Consumer Survey

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Willingness-to-Pay Estimates for Different Product Attributes

Product	Locally grown $	Organic $	Sugar-Free $
Jam (10 oz)	1.14	0.70	0.90
Lime Jam (10 oz)	1.37	0.72	0.63*
Yogurt (32 oz)	0.86	0.83	1.28
Fruit Rollups (0.8 oz)	0.72	0.60	0.65
Dry muffin mix (10 oz)	1.62	0.26*	-0.43*
Raisinettes (4 oz)	1.47	0.49*	1.12

All values based on a 99% confidence level except where noted by (*)

Kentucky Food Consumer Survey

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Understanding the Local Food Market

- Additional WTP studies for local products –
  - Salsa
  - Chocolate truffles
  - Bottled fluid milk
  - Blue cheese, yoghurt
  - Fruit tea
  - Beef
- And not every study has to emphasize WTP
  - Wine industry development

Interest Differences Local by Food Category

	Percent who don't buy this product	Importance Rating (%)[a] Low 1	2	3	4	5	6	High 7	Mean ratings by all in sample
Fresh vegetable	1.73	6.46	3.12	3.19	23.81	13.79	17.68	31.94 ◀	5.16
Processed vegetable	3.35	21.15	10.87	12.70	30.16	11.48	6.22	7.42	3.48
Fresh meat	3.24	6.81	4.57	5.11	20.06	15.22	15.25	32.98 ◀	5.10
Frozen meat	4.74	14.24	8.73	11.64	32.77	13.23	9.12	10.27	3.90
Processed meat	6.52	21.60	11.91	14.45	28.71	9.66	6.57	7.10	3.41
Milk	3.56	7.27	4.31	6.87	20.28	10.61	14.39	36.26 ◀	5.11
Ice cream	3.19	12.91	7.22	12.35	28.92	13.04	11.09	14.46	4.13
Yogurt	9.87	16.85	10.37	14.18	29.71	9.87	8.13	10.88	3.73
Cheese	2.20	12.30	7.91	9.81	25.83	14.41	11.78	17.96	4.29
Egg	2.39	8.02	4.75	6.77	19.31	14.68	16.72	29.74 ◀	4.97
Bread	2.79	8.64	4.44	7.08	21.69	13.63	15.81	28.71 ◀	4.89

[a] Respondents who don't consume this category are excluded.

Ohio and Kentucky food consumers, 2009

Source: Hu, Batte, Woods & Ernst

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The Local Foods Research Agenda for Ag Economists

- Institutional Development
  - Market information tools
    - Local prices and outlook information
    - Dynamic directories
  - Program design with State Departments of Agriculture
  - Scale neutral QA and distribution programs

The Local Foods Research Agenda for Ag Economists

- Institutional Development
  - CSA sales through institutional wellness programs
  - Food consumer coops and local food procurement/merchandising
  - Sustainable local sourcing business models

Facilitating Grower Collaborations

Delivery, cooperative marketing, production planning

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Kentucky Farm Markets

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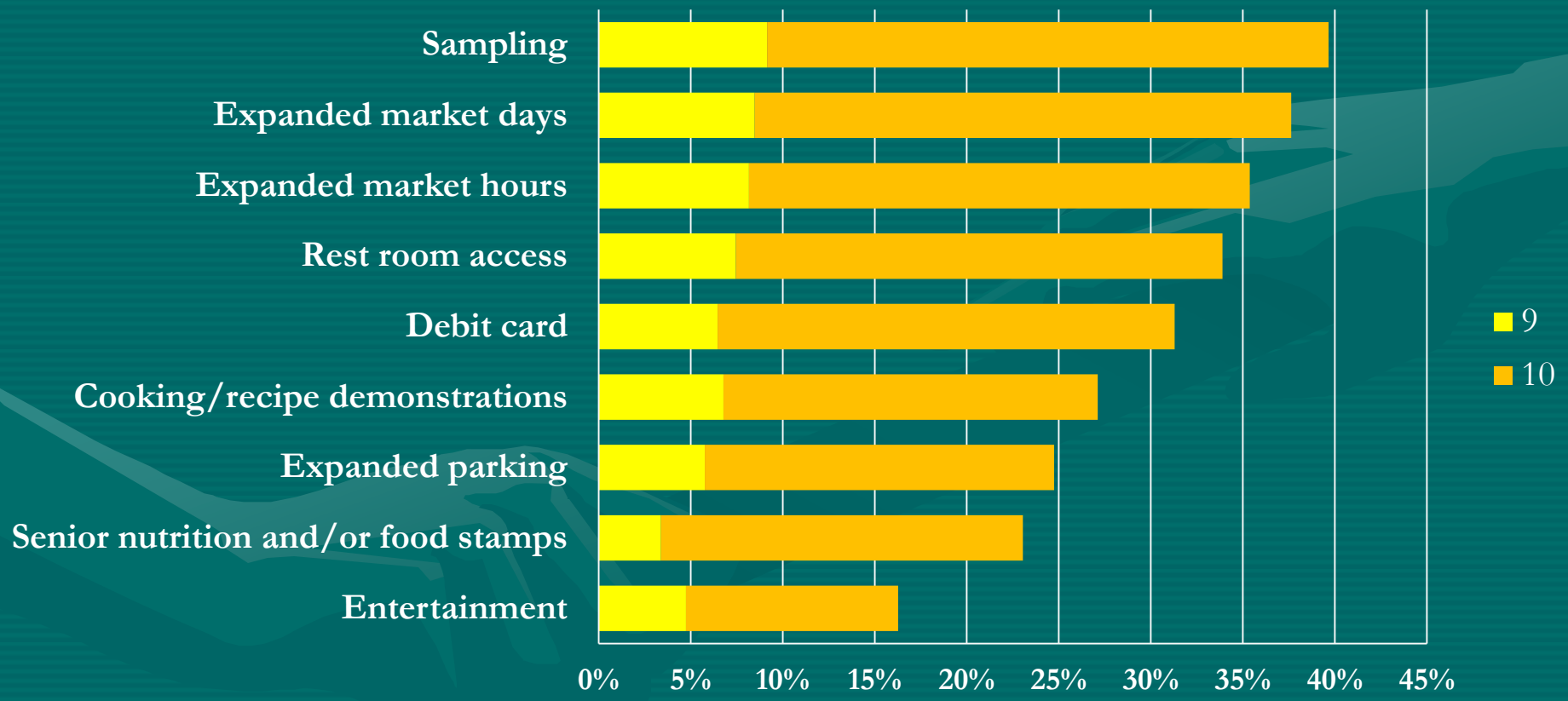
Source: KDA and UK

The Local Foods Research Agenda for Ag Economists

- Producer Training on Retailing
  - MarketReady (Restaurant & Grocery)
- Sampling
- Nutrition merchandising
- CSA business management

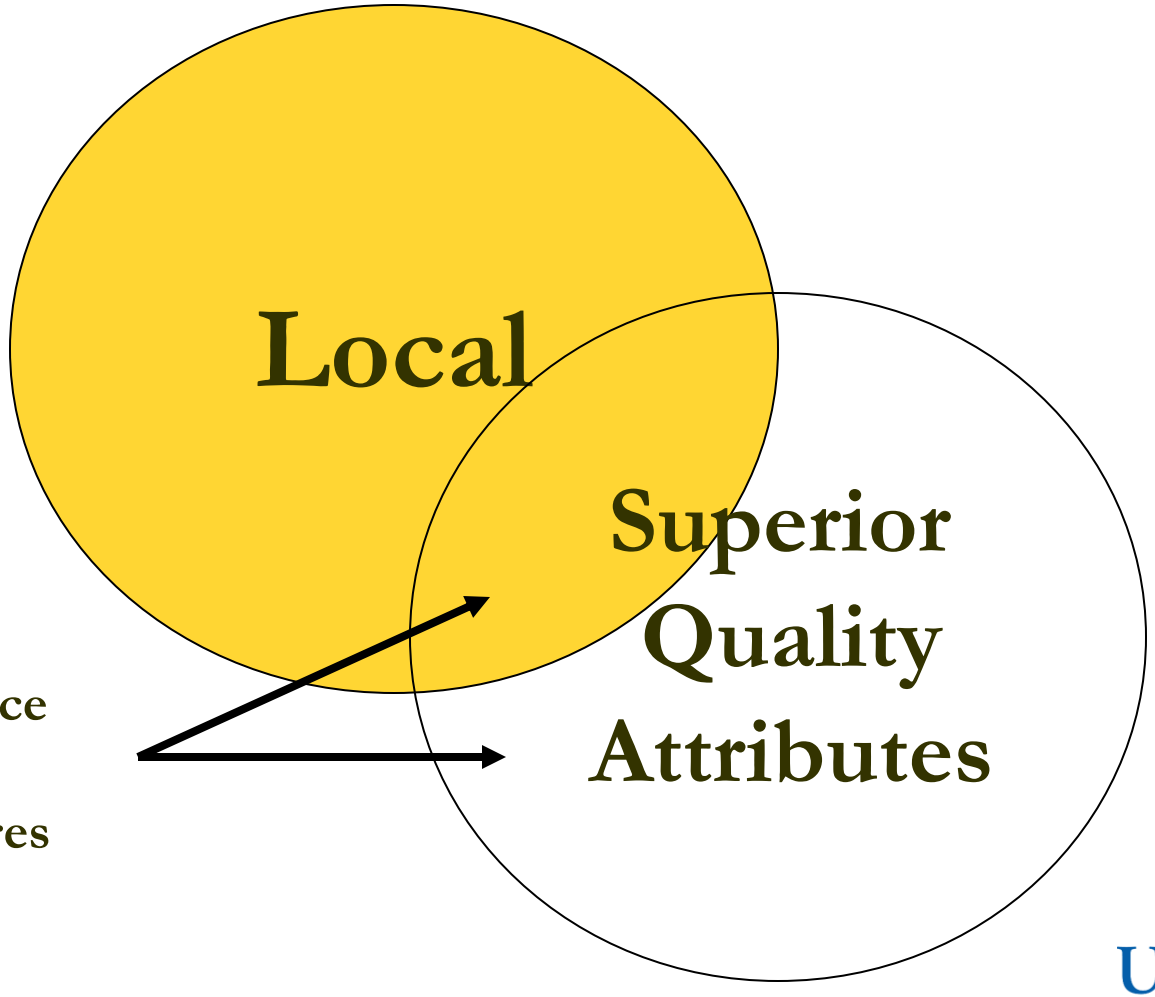
Sampling & Demonstration Services in Perspective

Services in most demand in KY Farmers' Market



Based on 302 patron intercepts in 11 different KY Farm Markets, Summer 2009
Services rated on 1 = 'not important' to 10 = 'very important'

The Local Food Systems Model



Freshness
Safety/Quality Assurance
Taste
Limited shipping features
Local VA recipes
Certified Organic

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