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The Kentucky Food Consumer

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The Kentucky Food Consumer

Tim Woods
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The Local Food Systems Model

Local

Not Local

Agricultural Economics
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

‘Local’ Marketing model focuses on confluence
An insight into our perceptions and behaviors in relationship to food purchasing and consumption.
## Willingness-to-Pay Estimates for Different Product Attributes

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

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

<table>
<thead>
<tr>
<th>Percent who don't buy this product</th>
<th>Importance Rating (%)(^a)</th>
<th>Mean ratings by all in sample</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>1</td>
</tr>
<tr>
<td>Fresh vegetable</td>
<td>1.73</td>
<td>6.46</td>
</tr>
<tr>
<td>Processed vegetable</td>
<td>3.35</td>
<td>21.15</td>
</tr>
<tr>
<td>Fresh meat</td>
<td>3.24</td>
<td>6.81</td>
</tr>
<tr>
<td>Frozen meat</td>
<td>4.74</td>
<td>14.24</td>
</tr>
<tr>
<td>Processed meat</td>
<td>6.52</td>
<td>21.60</td>
</tr>
<tr>
<td>Milk</td>
<td>3.56</td>
<td>7.27</td>
</tr>
<tr>
<td>Cheese</td>
<td>2.20</td>
<td>12.30</td>
</tr>
<tr>
<td>Egg</td>
<td>2.39</td>
<td>8.02</td>
</tr>
<tr>
<td>Bread</td>
<td>2.79</td>
<td>8.64</td>
</tr>
</tbody>
</table>

\(^a\) Respondents who don't consume this category are excluded.

Ohio and Kentucky food consumers, 2009

Source: Hu, Batte, Woods & Ernst
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
Kentucky Farm Markets

Community Market Vendors

Certified On-Farm Retail Markets in KY

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

- Sampling
- Expanded market days
- Expanded market hours
- Rest room access
- Debit card
- Cooking/recipe demonstrations
- Expanded parking
- Senior nutrition and/or food stamps
- Entertainment

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

Local

Superior Quality Attributes

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

Agricultural Economics