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Attitudes toward Locally Produced Food Products" Households and Food Retailers

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"Locally produced" is generally defined as the production and marketing of food products within a certain geographic proximity of farmers and consumers. Locally produced sector includes business operations such as farmers' markets, farm-to-school programs, and community supported agriculture (CSA) among others. In 2008, farm level value of locally produced agricultural products was estimated at $4.8 billion, or approximately 1.6% of the market value of agricultural products (Johnson et al., 2012). Nearly 5% of the farms of all categories took part in locally produced market. Increasing gasoline and food prices, the demand for organically produced food, the demand for fresher and higher quality foods, the desire to support local farming economies, the environmental movement and trends in horticulture research have led to growing popularity of locally produced fruits and vegetables (Roth 1999; Andreatta and Wickliffe 2002; Brown 2002). The influence of current food shopping trends - local food, support for local farmers and agribusinesses, and fresh quality produce and meat - are considered to be behind the strong surge of farmers who utilize direct marketing. (LeRoux et al. 2009; Mark et al. 2009) In addition to farmers markets, road-side markets and u-pick markets, producers have found direct sales to the local restaurants, food service institutions, and schools profitable marketing strategies (USDA 2001). In various studies, buyers of fresh fruits and vegetables have also reported a favorable attitude toward local production.

While examining the perceived attitude of food service directors in Midwest schools, Gregoire and Strohbehn (2002) have reported several perceived benefits to purchasing locally produced food including ability to purchase smaller quantities and fresher food, support to local economy, and good public relation. Similarly, the barriers to local purchases were reported as year round supply, adequate quantity, and consistent quality (Gregoire and Strohbehn 2002; Cottingham et al. 2000). Perceived benefits and obstacles to buying locally produced food, however, are likely to vary across types of food service institutions. There are many sub-sectors within the broad sector of hotel, restaurant and institutional (HRI) market, including fast food to fine dining restaurants, health care, schools, and business. Vendor selection decisions vary across these

sub-sectors depending on ownership type, menu, capacity of the restaurant, and compliance with Federal and State agencies. For example, locally owned and operated restaurants may have a different set of purchase practices and programs regarding locally produced food compared to a restaurant owned and operated under national franchise.

Objectives and Method

The objective of this study was to examine purchasing practices of locally produced fresh vegetables and dairy products among restaurants and grocery stores. Samples were drawn from restaurants and grocery stores belonging to national or regional chains, and the locally and independent owned. A comparative analysis was conducted to highlight key differences between these two types of retail outlets. The study examined 1) factors affecting the purchase decisions of locally grown fresh vegetables and dairy products; 2) willingness to buy locally grown produce; 3) key attributes desired while supplying locally grown produce to these restaurants and grocery stores; and 4) perceived attitude toward locally produced food. Part of the study was sponsored by Missouri Department of Natural Resources (MDNR) to support Renewable Energy-Sustainable Food Feasibility Project. The sample for the study included managers of 75 restaurants and dining centers out of a total of nearly 700 food service outlets in a mid-size metropolitan city in Midwest with a population of about 200,000. In addition, 72 grocery store managers and 150 households were surveyed. The retail questionnaire consisted of five sections: 1) characteristics of food retail facilities including ownership (independent locally owned and operated vs. national franchise); capacity in terms of seats and customer served; 2) usage of fresh vegetables and dairy products, sources of supply and prices paid; 3) existing practices of purchasing locally produced fresh vegetables and dairy products; 4) attributes desired while selecting vendors to supply locally produced food; and 5) perception and attitude of restaurant and grocery store managers toward locally produced food. Grocery shoppers were intercepted at the grocery stores to examine their food purchase habit. Questionnaire included attitude and perception toward locally produced food products.

Preliminary Results and Implications

The study findings show differential preferences between national/regional chains and the local independently owned restaurants and grocery stores for the locally produced fresh vegetables and dairy products. Although managers across the board expressed willingness to buy local, actual purchasing decisions were largely driven by price, freshness, quality and availability. Interestingly, store managers and grocery shoppers were closely aligned in terms of reported importance of dairy product attributes. Shoppers considered price (53%) followed by freshness (22%) as the most important attributes while making dairy product purchase decisions. Similarly, 45.8% of the store managers thought price was “extremely important” followed by 32% saying “farm fresh” was “extremely important.”

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