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Willingness to Buy New Ethnic Produce Items: A Study of Hispanics in the East Coast of the U.S.

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Commercial growers in the East operate on a relatively small land base with production costs that are generally higher per unit of crop output. This places them at a competitive disadvantage against larger commodity growers from other states where production costs are comparatively lower and the market window may be longer (Govindasamy et al. 2007). Encroachment of farmland by development coupled with the difficulty to maintain profitability create a challenge for many farming enterprises, especially for agronomic crops such as corn and soybeans that require large acreage and lower per acre cost of production to remain viable (Mendonca et al. 2006). Success in commercial farming in the East will depend largely on the ability of the growers to focus on higher-value specialty crops, such as ethnic produce targeted at specific niche markets, for favorable competitive advantages (Tubene 2001; Govindasamy et al. 2006). According to the most recent 2000 U.S. Census Bureau report, Hispanics and Asians continue to be the two fastest-growing minorities in the U.S (U.S. Census Bureau 2000). There are 45.5 million Hispanics living in the United States, accounting for 15 percent of the U.S. population. The population growth among Asians and Hispanics is being fueled largely by immigration. The Hispanic or Latino population grew from about nine percent of the country's population in 1990 to 13 percent in 2000, a total of 35 million people. According to the Census Bureau the Hispanic population mushroomed by 58 percent from 1990 to 2000, making it the fastest-growing minority group in the United States (U.S. Census Bureau 1990, 2000).

This study predicts Hispanic consumer's willingness to buy ethnic produce that has been recently introduced or new to the market. Specifically, this study analyzes and compares the effects of Hispanic consumers' socio-economic characteristics and their expressed value judgments on their willingness to buy ethnic produce that is recently introduced or new to the market. A survey questionnaire was prepared for Hispanic ethnic sub-groups including Mexicans and Puerto Ricans in 16 East Coast states and Washington, DC based on random sampling; 271 individuals from each ethnic group (a total of 542 samples) were interviewed by a private company using a telephone survey between April and May in 2006. The survey instrument asked respondents whether they were willing to buy ethnic produce that is recently introduced or new to market. Based on their answers, a logit model was developed to predict the willingness to buy these specialty items. The results indicate about 54 percent of Mexican

consumers were willing buy ethnic produce that is recently introduced or new to market and the remaining 46 percent were not. The findings may help for policy makers, market intermediaries, and farmers better understand Hispanic consumer's perceptions and the factors that drive willingness to buy ethnic produce that has been recently introduced or is new to market. Characteristics that were found to increase the likelihood of a Mexican consumer's compared to a Puerto Rican ethnic consumer's willingness to buy a new ethnic produce item include respondent's expenditure on overall produce and ethnic produce and perceptions such as the importance of store availability, language, and willingness to buy locally grown, organic, genetically modified, country-of-origin labeled produce items.

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