Demand for Ethnic Produce in the Eastern U.S.: Results from Asian and Hispanic Survey

Ramu Govindasamy, Kim Pappas, and Venkata Puduri

Rapid urbanization and continued land development on the east coast of U.S. have put pressure on profitability in agricultural production. Using New Jersey as a case in point, between 1987 and 1997 there was a 6.9-percent drop in total farmland acreage. This puts New Jersey growers at a competitive disadvantage against larger commodity growers from other states where production costs are comparatively lower. There is a need to look for alternative and high-valued crops with competitive advantages. Such opportunity arises in the region because of the ethnic population explosion during the last two decades. Today, for example, one-third of New Jersey's population has a foreign-born background and actively seeks food crops not commonly found in American grocery stores. Other Mid-Atlantic and Northeastern states are experiencing similar patterns of population growth as well, creating tremendous new ethnic-produce market potential. This study documents the demographics of ethnic produce consumers on the East Coast and analyzes market demand for Asian and Hispanic produce.

A survey instrument was prepared for four major selected ethnic groups: Chinese, Indian, Mexican, and Puerto Rican. Based on random sampling, 271 consumers in each selected ethnicity were interviewed in 2006 through a telephone survey, for a total sample size of 1084 respondents. The results show that 75 percent of the consumers reside within a 10 mile-radius of an ethnic grocery store and respondents visit ethnic grocery stores an average of five times per month. Overall, 69 percent of ethnic consumers buy fruits and vegetables from their respective ethnic stores: 87 percent of Chinese, 84 percent of Indians, 59 percent of Puerto Ricans, and 44 percent of Mexicans. On average, each ethnic consumer spends $27 on ethnic produce per visit. The average expenditures per visit were $32 by Indians, $29 by Puerto Ricans, and $23 by both Chinese and Mexicans. The majority of ethnic consumers are willing to buy organically grown fruits and vegetables; few of them are willing to buy genetically modified produce. Most of the ethnic consumers live in urban and suburban areas.

Govindasamy is associate professor, Pappas is project coordinator, and Puduri is post-doctoral associate, Department of Food and Resource Economics, Rutgers University, New Brunswick, NJ.

This project was supported by the National Research Initiative (NRI) of the Cooperative State Research, Education and Extension Service, United States Department of Agriculture (USDA), Award # 2005-35618-15735.