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Willingness to Buy Organically Grown Ethnic Greens and Herbs: An Econometric Analysis

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Abstract

To increase profitability, many farmers have been adopting the move towards growing specialty crops, such as ethnic herbs and greens. The growing immigrant population also brings a niche demand for familiar foods of their homelands. The total population of United States increased by 9.5% from 282.1 million in 2000 to 309 million in 2010. From 2000 to 2010, Hispanic population increased by 34% from 35.6 million to 47.8 million, while Asian population increased by 32% from 10.7 million in 2000 to 14.2 million in 2010, which exceeded the 9.7% growth rate for the mainstream population in this time period. Organic sector is one of the fastest growing agricultural markets in the U.S and sales of organic products have increased on average by 20% annually, since 1990. Increased consumption of organic produce among ethnic consumers is also a significant contributor to the produce market. But so far no study has made significant attempt to document ethnic consumers' willingness to buy organic ethnic greens and herbs. The main objective of this study is to gather market information on ethnic customer behavior towards willingness to buy organic ethnic greens and herbs in the east-coast region of United States. A survey questionnaire was prepared for ethnic groups including Hispanics and Asians in east-coast region from Florida to Maine including Washington DC and based on random sampling, 1,117 samples of shoppers who purchased ethnic greens and herbs were interviewed in 2010. The survey instrument asked respondents whether they were willing to buy organically grown ethnic produce, and based on this, a logit model was developed to predict the willingness to buy organically grown ethnic greens and herbs. Of the total sample, 75.2% of the respondents were willing to buy organically grown ethnic greens and herbs. The variable AVAILABILITY indicated that better availability and wider variety of ethnic greens and herbs positively influence consumers' willingness to buy organic ethnic greens and herbs. The variable FOODSAFETY indicated that those who are concerned about food safety are more likely to buy organic ethnic greens and herbs. Those who read food label and those who use ethnic greens and herbs for health reasons are more likely to buy organic ethnic greens and herbs. As expected, income played an important role in the willingness to buy organic ethnic greens and herbs.