



The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

Predicting Consumer Willingness-to-Purchase Value-added Products at Direct Agricultural Markets

Ramu Govindasamy

Farmers' markets are increasingly popular among producers and consumers in the northeastern United States. The high population density of the region and rising land values have forced agricultural producers to search for innovative ways to remain profitable. Having accurate and current information on consumer trends is vital for the economic viability of farmers' markets. This study provides an overview of attitudes, preferences, and characteristics of consumers who purchase value-added products at farmers' markets. Additionally, a logistic model is used to estimate the effects of various consumer characteristics on the likelihood that a consumer would purchase value-added products at a farmers' market. The insights provided by this analysis are expected to help producers and managers of farmers' markets allocate their resources more efficiently to better meet consumer needs. Moreover, patrons' demographic and socio-economic characteristics could aid marketers in the identification of potential target markets.

Consumer interest in purchasing products other than traditional produce at a farmers' market does not appear to be constant across the entire population. Rather, market organizers may be able to maximize consumer patronage by considering several key consumer preferences and characteristics when selecting sites for farmers' markets. Some of the significant findings from this study seem to show a positive relationship between discretionary income and the likelihood of purchasing value-added items at a farmers' market. For instance, those who have several young children could be less likely to purchase value-added items due to income constraints. Similarly, women with higher annual incomes and those with some graduate education—who were more likely to purchase these products—may be less likely to face income constraints. Thus, areas with higher household incomes may prove more successful for introducing value-added items at agricultural direct markets.