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Consumer Preferences for Direct-to-Consumer Value-Added Agriculture in North Carolina: Preliminary Findings of Consumer Focus Groups

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This research focuses primarily on consumers' willingness to pay for value-added agriculture in North Carolina. In this study, we seek to understand consumers' preferences for various direct-to-consumer outlets—farmers markets, on-farm stores, roadside stands, delivery services, online services, and drive-thru services to enhance overall farm profitability among small-scale farmers in North Carolina. Small-scale farming operations make up the majority share of direct-to-consumer sales and constitute the highest percentage of farmers in the United States. A segment of these farms receiving less than \$1,000 in yearly sales and a few with annual sales close to \$50,000 suggests that examining contributors to sustained profitability are warranted to ensure their welfare and prosperity. The objectives of the study are twofold: 1) to conduct an exploratory research study of value-added agriculture in North Carolina and to evaluate consumers' attitudes toward and willingness to pay for value-added products and services in North Carolina.

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We address the objectives of the study respectively by 1) reviewing literature and existing projects addressing value-added agriculture and by 2) conducting informal small focus group interviews with consumers from the Western, Piedmont, and Coastal regions of North Carolina. During the months of June, July, and August of 2020, virtual focus group meetings were conducted via Zoom conferencing. Thirty-nine consumer participants were solicited from five major metropolitan areas across North Carolina (Charlotte, Raleigh/Durham/Chapel Hill, Greensboro, Wilmington, and Asheville) were interviewed and asked a series of questions related to their attitudes toward and purchases of value-added products. QDA Miner, a qualitative analytical software program, was used to identify common themes by applying codes associated with developed focus group questions. Common themes found throughout consumer responses included attitudes toward WTP, sales outlet visit experience, interest in participating in delivery services from farm operations, and knowledge of farmers within a 50-mile radius. Findings reveal that consumers within the Wilmington and Charlotte areas are willing to pay for value-added agriculture. Participants had a clear preference for goods sold by farmers at farmers markets, on-farm stores, and roadside stands. Consumers' ability to know and interact with farmers and on the farm play an important role in agricultural products/services in the Greensboro area more than others. Consumers' awareness of farmer proximity was higher in the more densely populated area—Raleigh/Durham/Chapel Hill and Charlotte. However, consumers appear to share mixed views on their preferences for purchasing value-added products/services online but are collectively more willing to participate in drive-thru services.

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