

Local Food Purchasing
by
Highly Motivated Businesses and Consumers
in
Western North Carolina

Prepared for
the Appalachian Sustainable Agriculture Project



by
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The Appalachian Sustainable Agriculture Project (ASAP) is a nonprofit organization dedicated to sustaining farms and farming in Western North Carolina (WNC) through programs and services designed to promote local consumption of locally-grown food and farm products. The main strategy used by ASAP to accomplish its goals is a Local Food Campaign, which involves public education and promotional work, farmer training and support, and efforts to build and strengthen local markets for local farm products.

A basic assumption of this work is that as demand for locally-grown items increases, so will spending on local food and farm products. In order to test this assumption ASAP initiated two surveys exploring local food purchasing by highly motivated buyers. One was an online survey for consumers regarding various types of food they purchase or would like to purchase from local producers. The second was a written questionnaire for larger scale buyers, places like restaurants, food stores and institutions that serve or sell food. The research was guided by two questions:

- Are businesses and consumers with high interest in locally-grown foods able to get the foods they want from local producers? and
- If not, which foods are they able to get?

Both surveys were targeted to buyers with established high interest in buying locally-grown foods. In other words, survey results may not be generalized to the entire population of Western North Carolina but may be representative of demand by individuals and organizations in the region with high interest in buying locally-grown food.

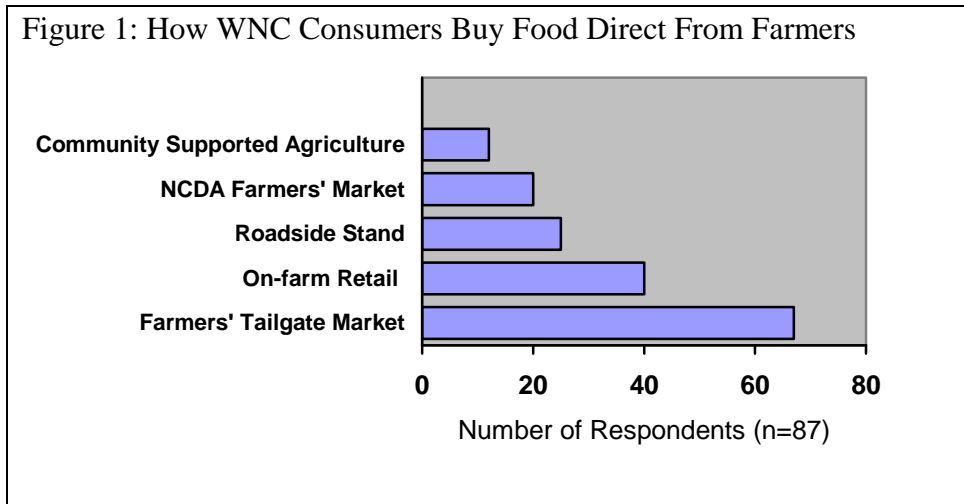
Both surveys were part of a larger research project examining interest in locally produced poultry and rabbit meat for the purpose of determining the feasibility of establishing an independent small-animal processing facility in the region. Consequently, survey respondents likely had more interest in meats than non-respondents. Also, the fact that both surveys featured more questions about poultry and rabbit than any other type of food may have skewed the results to overemphasize interest in those products.

Consumer Data

The online survey for consumers was made available on the ASAP website over a period of three weeks in the fall of 2006.¹ The survey was completed by 87 individuals who reported purchasing local food direct from farmers in a variety of ways (see Figure 1, next page.)

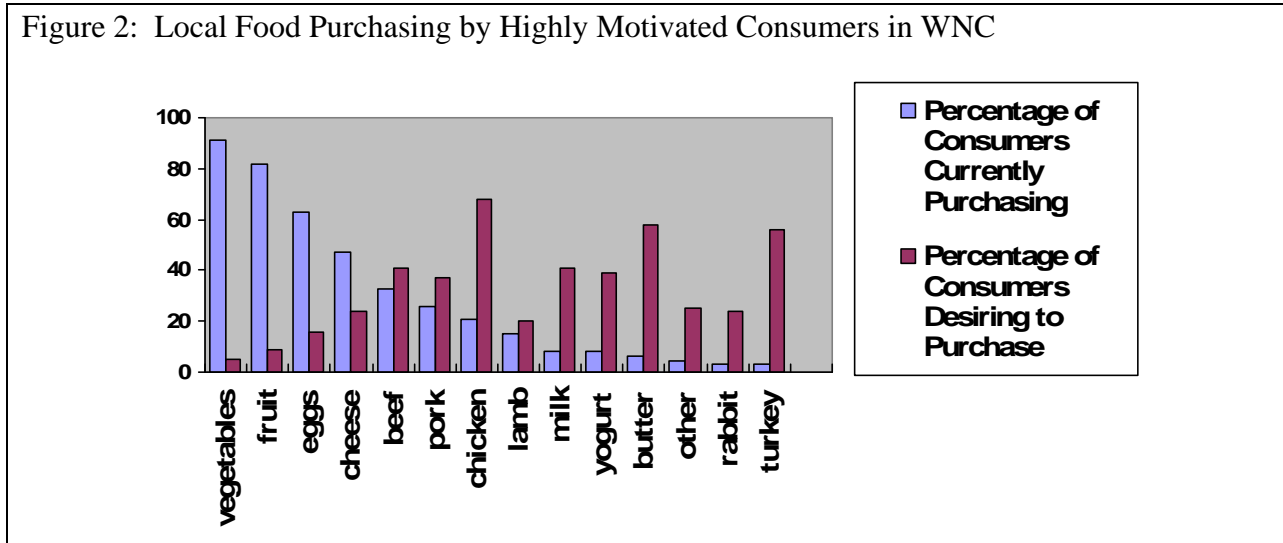
¹ www.asapconnections.org

Figure 1: How WNC Consumers Buy Food Direct From Farmers



Survey respondents were asked to name which categories of food they currently purchase and which categories of food they would like to purchase direct from local farmers. In Figure 2, this information is presented visually to show that there is significant unmet demand for most categories of meat and dairy products. The unmet demand is represented by the percentage of consumers who reported wanting a particular type of local food but not buying it. It is important to note that this data does not show whether consumers are able to get as much as they want of any particular type of locally-grown food, simply whether or not they can get it at all.

Figure 2: Local Food Purchasing by Highly Motivated Consumers in WNC



Note: The high percentage of consumers interested in poultry and rabbit meat may reflect the fact that this survey was part of a needs assessment examining interest in those products.

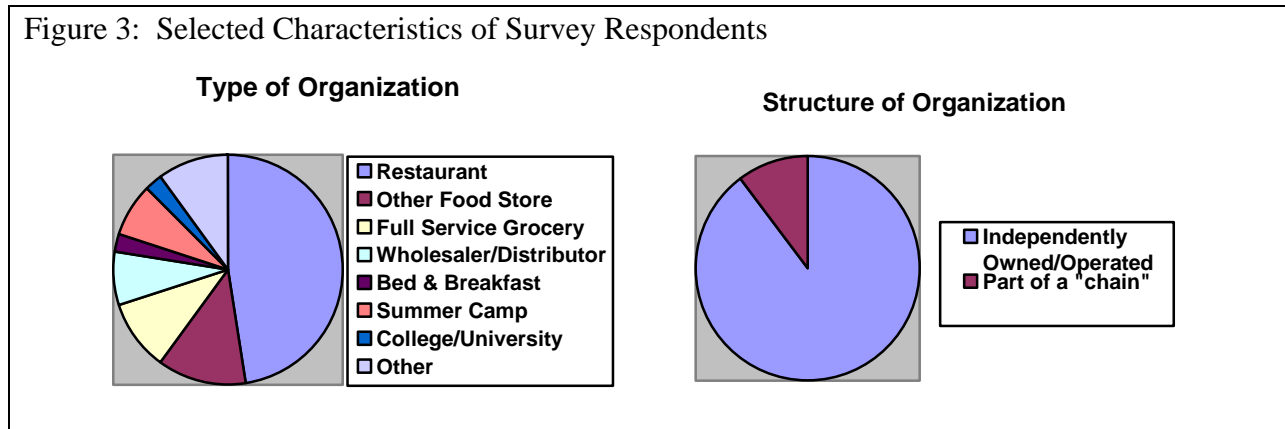
Consumers with high interest in local food reported buying fresh produce from local producers more than any other type of food, followed by eggs and then cheese. Specifically, out of 87 consumers completing the online survey:

- 91% reported buying vegetables direct from local producers;
- 82% reported buying fruit direct from local producers;
- 63% reported buying eggs direct from local producers; and
- 47% reported buying cheese direct from local producers.

Most of the foods these consumers want but are not purchasing from local producers require some level of processing – including several types of meat, milk, yogurt and butter. The lack of local processing options for WNC producers appears to be at least one contributor to demand for local food by highly motivated consumers.

Organizational Buyers

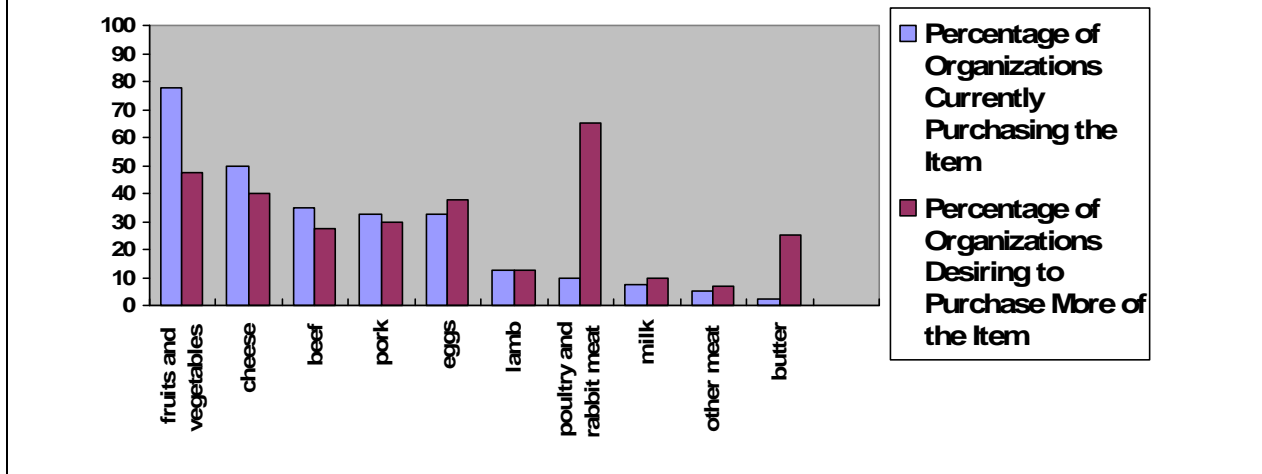
The written questionnaire was mailed to 69 restaurants, retail food stores and other food-purchasing organizations listed in ASAP’s *Local Food Guide* in 2006 as well as 33 others not in the guide but believed to have high interest in local food.² A total of 40 organizations completed the survey for a response rate of 39%. Selected characteristics of survey respondents are provided below. The high proportion of restaurants among survey respondents indicates the high number of restaurants on the survey recipient list rather than a disproportionately high response rate with that group.



As with consumers, the organizational buyers reported higher rates of purchasing local produce than all other categories of food. For this group of buyers the gap is represented by businesses and organizations who reported that they would like to buy *more* of a particular product than they are currently buying (Figure 4, next page).

² The assumption of high interest in local food is based on data collected through other market surveys conducted by ASAP during 2005 and 2006.

Figure 4: Local Food Purchasing by Highly Motivated Organizations in WNC



Note: Like the consumer survey, this survey was part of a needs assessment determining interest in poultry/rabbit meat. The high percentage of potential buyers interested in those products may reflect the extra attention given those products in the survey.

For each category of local food named on the survey there were at least some organizations who reported that they would like to purchase more of it. Even for foods like fruits and vegetables – which are able to move from farm to market pretty well – there is significant unmet demand reported by these buyers. The data suggest that even beyond the need for greater local processing of locally-grown foods, there are other issues preventing the supply of local food from reaching organizational buyers.

Barriers

Data highlighting organizations’ perceptions of barriers and motivators regarding local purchasing are useful in evaluating the relationship between *interest* in local food and local food purchasing *behavior*. As this research was part of a larger assessment of potential demand for poultry and rabbit meat, organizations were asked to rate various barriers to buying locally produced poultry and rabbit meat. Although some barriers may be specific to buying meat from local producers, it is reasonable to assume that similar barriers could apply to other types of food. Using a scale from 1 to 10, a higher rating represents a bigger challenge or a more significant barrier (see Table 1).

	Average Rating
Coordinating purchase and delivery	6.2
Price	6.0
Obtaining sufficient local product supply	5.8
Need for standard packaging/product size	5.4
Food safety concerns	4.3
Quality of food	3.9
Contracts/company policies	3.7

Similarly, survey respondents were asked to rate motivators or reasons why they might be interested in purchasing locally produced poultry or rabbit meat (Table 2). In this case, higher ratings indicate more compelling reasons.

	Average Rating
Supporting local farmers / the local economy	9.5
Higher quality food	8.9
Producer practices (i.e., naturally or humanely raised animals)	8.6
Meeting demand from customers for local food	7.8
Differentiation from competitors	6.9

Conclusions

The data presented in this paper confirm that there is a gap between the amount and/or type of local food that highly motivated consumers and businesses in Western North Carolina are interested in buying and the amount and/or type of local food they are actually buying. For meat, dairy and other processed products, processing is likely part of the problem. Other significant barriers for organizational buyers may include difficulties associated with coordinating purchase and delivery, price, and the availability of locally-grown foods.

Better information about the influence of barriers and motivators on local food purchasing behavior is needed. This information is critical in evaluating the market potential for locally-grown food in the region. If locally-grown food is available but the quality is lacking or the price is too high, for example, even the most interested organizations may not buy it. Similarly for consumers, issues like price, convenience and quality may be more important determinants of purchasing behavior than interest.