

What's Happening with Local?

The Ins and Outs of Local Purchasing



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Local is the new hip term in food and plant marketing with the USDA noting sales exceeding \$4.8 billion in 2008 with expected further growth. The meaning of the word local seems simple. According to the Merriam-Webster dictionary, local is defined as, "relating to or occurring in a particular area, city or town" or "located or living nearby." As this definition implies, local is a geographic term that relates a distance to an object or product. However, the regulatory environment surrounding the term is far from standardized. For instance, the 2008 U.S. Farm Bill (2008 Food, Conservation, and Energy Act — H.R. 6124) defines a "locally or regionally produced agricultural food product ... [as being transported] less than 400 miles from the origin of the product ... [or in] the State in which the product is produced." Complicating this definition is that other levels of government define local in different ways. In particular, Connecticut defines local as produced within the state or 10 miles from point of purchase. This definition applies to all commodities sold in Connecticut, not just food.

Beyond the complexity of regulatory definitions is the divergence of consumer

perceptions with the production and regulatory reality of the term local. According to a 2012 survey by the Department of Agricultural and Resource Economics (DARE) at the University of Connecticut and funded by a Connecticut Department of Agriculture's Specialty Crop Grant, 73% of Connecticut consumers believe local products are produced in the state or a small distance into neighboring state. So approximately three-fourths of Connecticut consumers have an understanding of local that is consistent with state government. On the flip side, one-quarter of consumers have a very different definition of local that includes the New England region, east coast, the U.S. or the entire world.

Taking perception of local a step further we see that consumers add other attributes to local that are outside a geographical boundary context. Notably consumers generally indicate that local products have increased freshness and purchasing them helps the local economy. For instance, research from Dr. Benjamin Campbell at DARE, in collaboration with colleagues throughout the U.S. and Canada, has shown that consumers have varying

definitions of local which in many cases are inaccurate. Surveying consumers from around the U.S. they found several interesting insights about how consumers perceive local:

- 65% of consumers correctly indicated local means decreased miles to transport;
- 37% stated it is better for the environment;
- 44% identified better taste.

However, inaccurate perceptions exist:

- 17% think it means no synthetic pesticides used;
- 10% identify no natural pesticides used;
- 25% state the product is produced organically.



Based on these findings it is apparent that local has perceived benefits, but there are considerable inaccuracies with respect to perception versus reality. The fact that 25% of consumers perceive local as organic should be an extremely important wake-up call to businesses that promote their products as local. For instance, if a consumer purchases a product and the expectation is organic but it is not, then the business will be blamed. So the labeling of products is easy, but managing what consumers perceive is more complex. Further research has revealed that Connecticut consumer perceptions are similar to those of the U.S. study.

Research efforts by numerous entities continue to allow for a better understanding of preferences, willingness to pay and barriers to purchasing local products. Below are some insights into findings from a variety of projects conducted by the DARE at UConn and funded by the Connecticut Department of Agriculture and the United States Department of Agriculture.

- Not all consumers will pay more for local products. There are segments of the market that will pay a premium, with the premium varying by product and retail location. Farmers' markets and farm stands, in general, are able to charge a premium compared to grocery stores. Several studies by DARE have reached this conclusion with the most recent studies indicating that consumers shopping at a supermarket, wholesaler, or discount grocery store are more likely to indicate price is a major concern for purchasing local.
- High prices are the single biggest factor why consumers do not purchase more local products.
- Retail outlets not carrying or labeling local products are the next biggest reasons for not purchasing more local products.
- Consumers who purchase a lot of local products are more likely to say quality issues are the main reason they do not purchase more. Non-buyers of local products are more likely to say price is the reason.
- As the number of farmers' markets increases in an area, consumers are more likely to indicate they cannot

find the products they want. Thus adding farmers' markets may not be the key to increasing local.

Taking all the research as a whole, it is clear that there is demand for local food, plants, and other products. However, producers and retailers should be aware that the meaning of the term local varies by consumer even though there are regulatory guidelines that define the term.

When consumers think about production characteristics of local it is essential to understand that perceptions and reality vary significantly. Furthermore, marketing local foods are not as simple as slapping a locally grown label on a product and charging a higher price. Instead of thinking in terms of premiums for local, many producers and retailers should think in terms of — does a local label increase the odds of a

consumer purchasing a product? In many cases the answer is yes. So adding the local label without a premium can be more effective than charging a higher price. A premium may still be a successful pricing strategy, however, charging a higher premium should be a well thought out decision whereby the product, retail location, and demographics of the area are also considered. As such, local can be an effective part

of a producer and/or retailer's arsenal, but it should be used in a thought out way and not on a whim.



CFBA Urges Farmers to Share Surplus Food with Neighbors in Need



Audrey Campos of Connecticut Food Bank and Steve Slipchinsky of Foodshare attended the Connecticut Farm Bureau's annual meeting in November to meet farmers and provide information on how these organizations can facilitate providing surplus food to families who appreciate it.

Hunger never takes a vacation. That's why the efforts of Connecticut Food Bank and Foodshare in securing food is critical to the lives of many Connecticut families.

Connecticut Farm Bureau encourages all of its members—farmers and backyard gardeners—to share surplus produce, fruit and other farm products with neighbors. American Farm Bureau initiated a national focus on supporting Feeding America about 14 years ago, leading to the formation of the Harvest for All program. Connecticut is one of 23 states involved with the program which supplied 46 million meals nationally in 2014.

Feeding America oversees support of the states' hunger relief, including Foodshare and Connecticut Food Bank.

Foodshare serves families in cooperation with 300 partner programs in central Connecticut who live Hartford and Tolland Counties, while Connecticut Food Bank serves the remaining six counties through 600 hunger relief organizations. Farmers can identify and work directly with a local soup kitchen or other relief provider if that is most convenient or appealing, but both organizations are willing to coordinate pickup or farmer drop-off to their central distribution warehouses.

Connecticut Farm Bureau formalized its relationship with these organizations in 2013, and last year 354,438 pounds of food was recorded as donated by

Farm Bureau members. CFBA, Foodshare and Connecticut Food Bank collaborated on a presentation at the Northeast Organic Farming Association's (NOFA) Winter Conference in Danbury to rally support of all farmers and gardeners to share excess produce.

At the end of a busy day of harvest or when the season is closing out what motivates farmers to donate and participate with these organizations? "Contributing to meet local food need is something that our family and our CSA members feel passionate about," shared Jonathan Griffin, a representative of the Griffin, Mandirola and Oliver Families who operate Oxen Hill Farm, an organic farm in Suffield.

"Any unclaimed shares and other excess produce will often



Oxen Hill Farm in Suffield supports Foodshare with donations. "We feel good knowing that quality fresh produce does not go to waste, and it can be used by those who need it most."

be provided for local families through Foodshare or community food pantries. We feel good knowing that quality fresh produce does not go to waste, and it can be used by those who need it most."

Help Connecticut Farm Bureau exceed 400,000 pounds of donated food in 2015. To find out how your farm or family can donate, please contact these organizations directly. Gleaning services are available with advance planning, and with some crops it may be possible for farmers to be compensated for some of the costs associated with harvest and transport.



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