



Capturing Consumer Demand for Local Food

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University of Idaho
Extension



Food Systems

WASHINGTON STATE UNIVERSITY

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Today's Presenter



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Today's Topics

Demand for local food

Identifying your customer

Creating and targeting your messages

Next steps and resources





Local food...

Consumer demand exists....

Increasingly understand what consumers want and need....

You need to....

Meet your customer's needs

Make it an easy choice....

Be authentic!





Know your customer

Values Driving Local
Purchasing

Needs Affecting Purchasing

Best Practices for Selling to
Your Customer

**Research & Assess Your
Market**





Researching your market

Primary data is data you collect yourself

- phoning, visiting, and surveying your target market

Secondary data is research that has already been collected

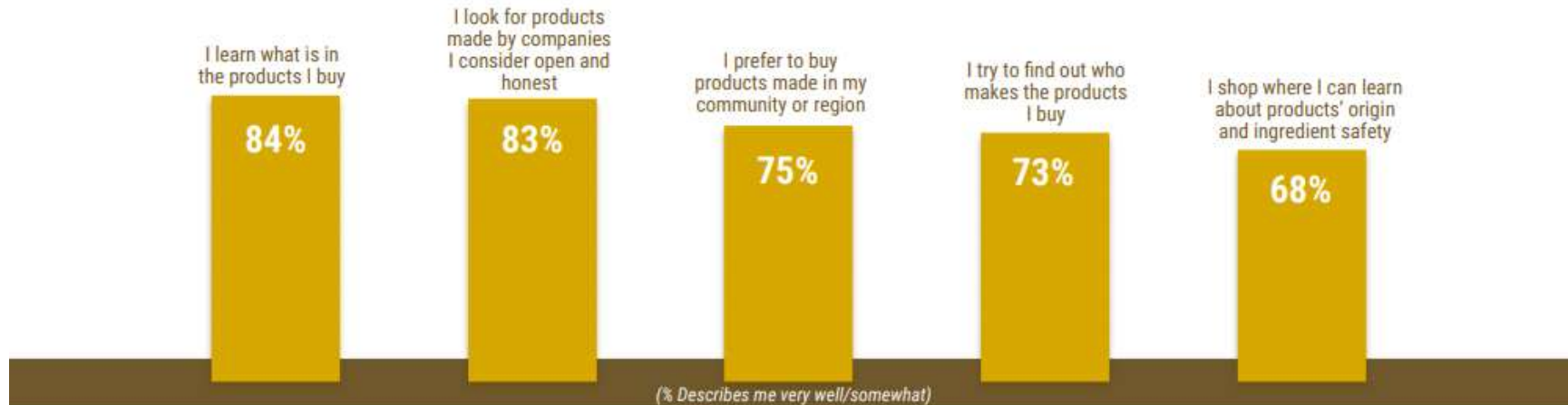
- informs your primary research
- does not replace your primary research



“39% of consumers report buying more local products than a year ago.”

Organic & Natural 2018

Key questions consumers consider when deciding which food and beverage products to buy include *what's in it, where was it made, and who made it*. Country of origin is key, and local companies are preferable.



BUYING LOCAL IS IMPORTANT BECAUSE...

Greater Good Drivers

- Reduces pollution from transporting products
- Supports local families and businesses that are a part of the community

Personal Drivers

- Foods are fresher and seasonal, thus more nutritious
- I can talk to the producer about how they were grown/made



Health, Wellness and Sustainability Lifestyles

Consumers at the Core

- Decreasing food miles
- Shrinking carbon footprints
- Workers' rights

Consumers at the Periphery

- Protecting the local economy & environment
- Consequently protecting one's self & one's family



Health + Wellness 2019, Sustainability 2019

<https://www.hartman-group.com>

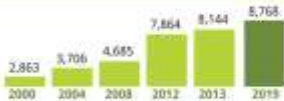
Reasons consumers are choosing to buy local are diverse – messaging matters



WHY FARMERS MARKETS?

AN INFOGRAPHIC BY
FARMERS MARKET COALITION

Number of markets
in the USDA Farmers
Market Directory.



STIMULATE LOCAL ECONOMIES

Growers selling locally create **13 full time jobs** per \$1 million in revenue earned. Those not selling locally create 3.



Locally-owned retailers, such as farmers markets, return more than three times as much of their sales to the local economy compared to chain competitors.

LOCAL

Chain

Locally-owned



INCREASE ACCESS TO FRESH FOOD

\$24 million

in SNAP benefits (food stamps) were spent at farmers markets in 2018. That's fresh food for low-income Americans and increased revenue for local farmers.

60% of farmers market shoppers in low-income neighborhoods say that their market had better prices than the grocery store.

Markets bring fresh food to the neighborhoods that need it most.



PRESERVE FARMLAND + RURAL LIVELIHOODS



The U.S. loses an acre of farmland a minute to development.

The **7** Seattle farmers markets hosted by the Neighborhood Farmers Market Alliance support **9,491 acres of farmland** in diversified production.

25% of vendors derive their sole source of income from the market.



SUPPORT HEALTHY COMMUNITIES



People who shop at farmers markets have **15-20 social interactions** per visit.



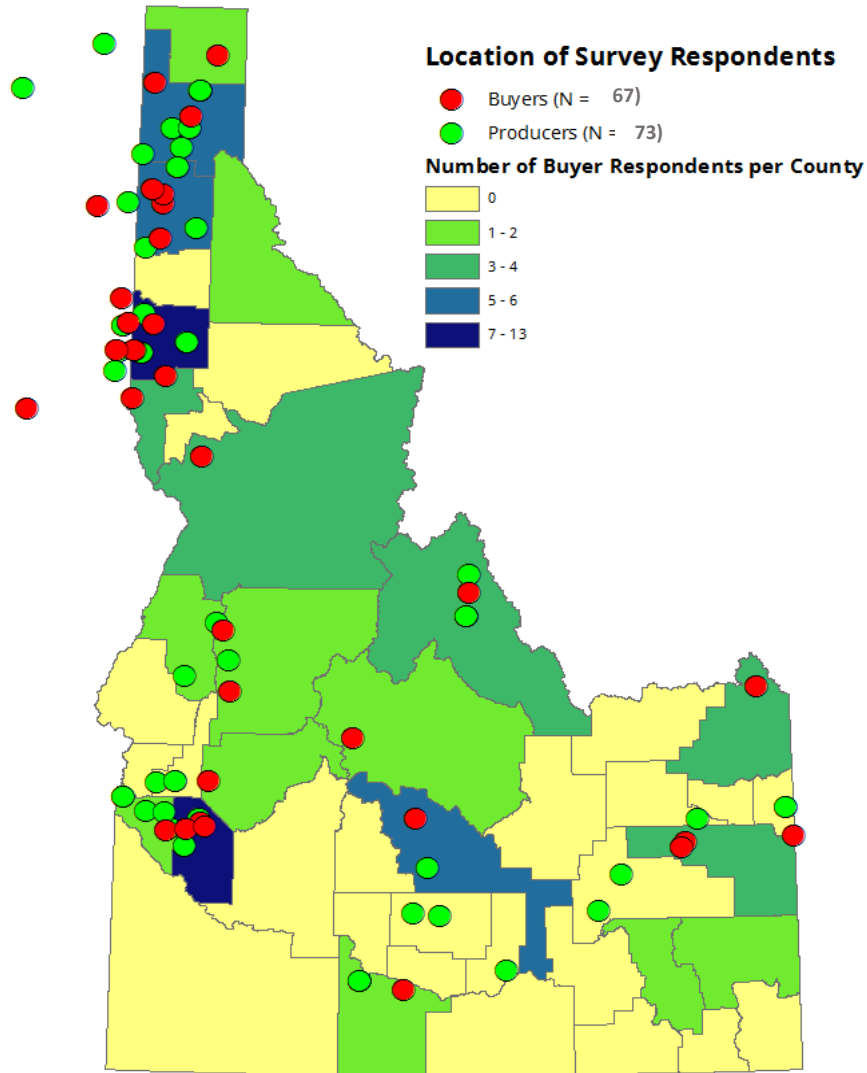
They would have only **1-2** per visit to the grocery store.



Proximity to farmers markets is associated with lower body mass index.



Buyer respondent locations by visible & less visible “local food scene” counties



“Visible” counties

IDAHO

Latah

Bonner

Kootenai

Ada

Blaine

WASHINGTON

Whitman

Spokane

Columbia

County Type	N	%
Visible counties	36	54%
Less Visible counties	31	46%
TOTAL	67	

Source: DePhelps, Newman, and Saul
College of Agricultural and Life Sciences
University of Idaho, 2017

Note: There were also 5 buyers in Whitman Co., WA, 2 in Teton Co., WY, and 2 in Spokane Co., WA.

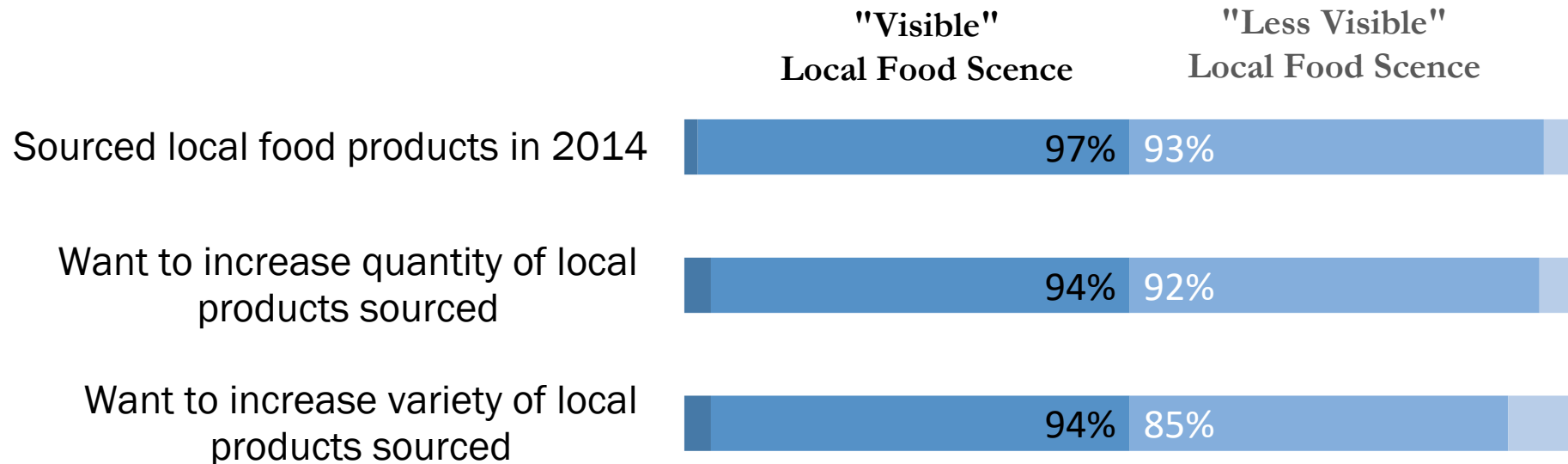


Business and County Type

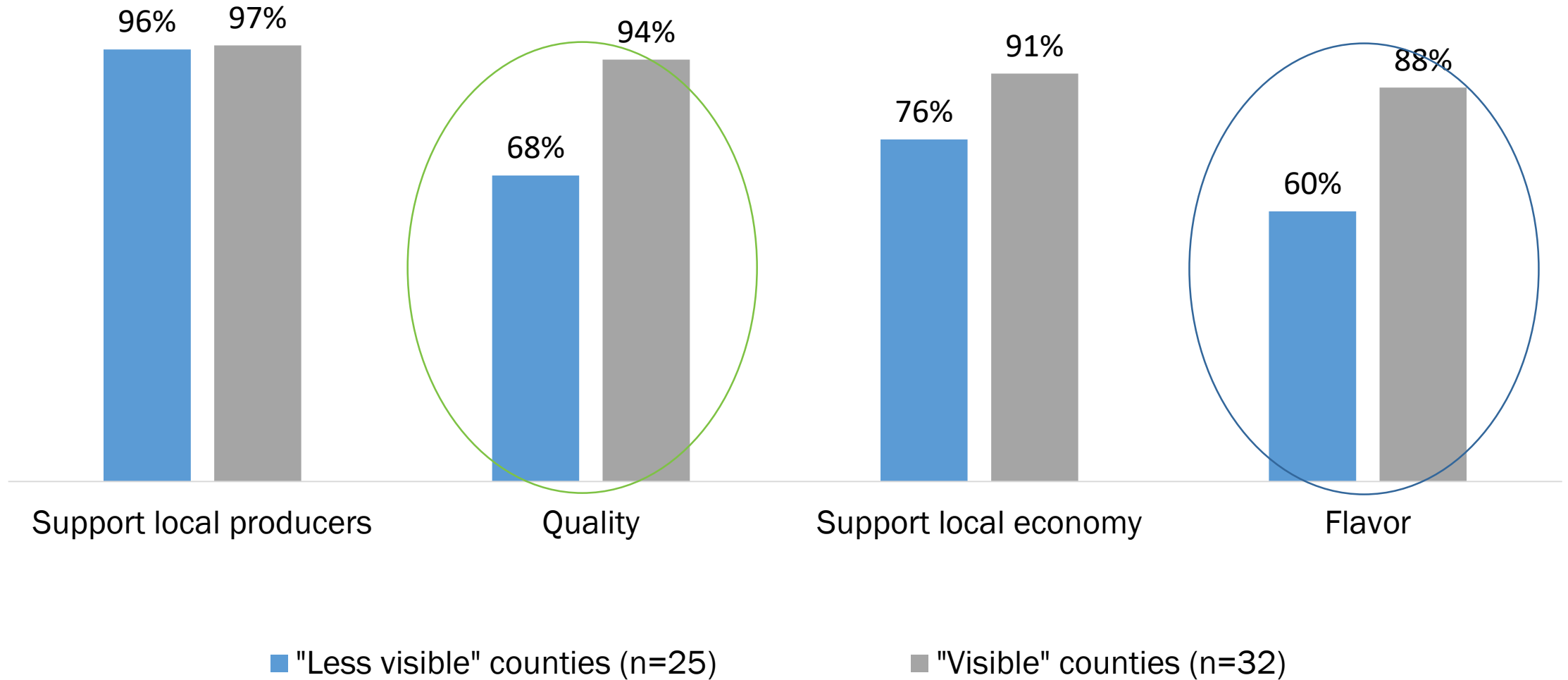




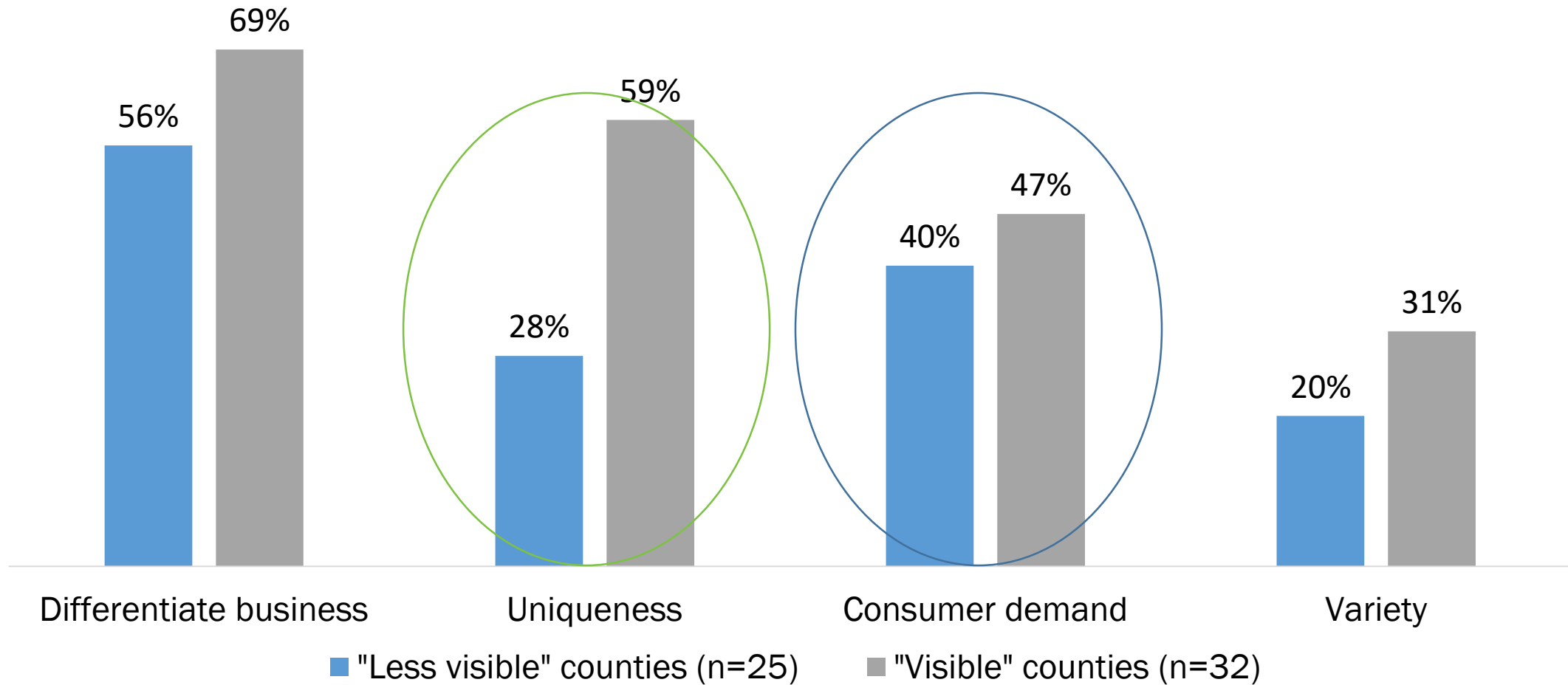
Buyer respondents' interest in buying local food products



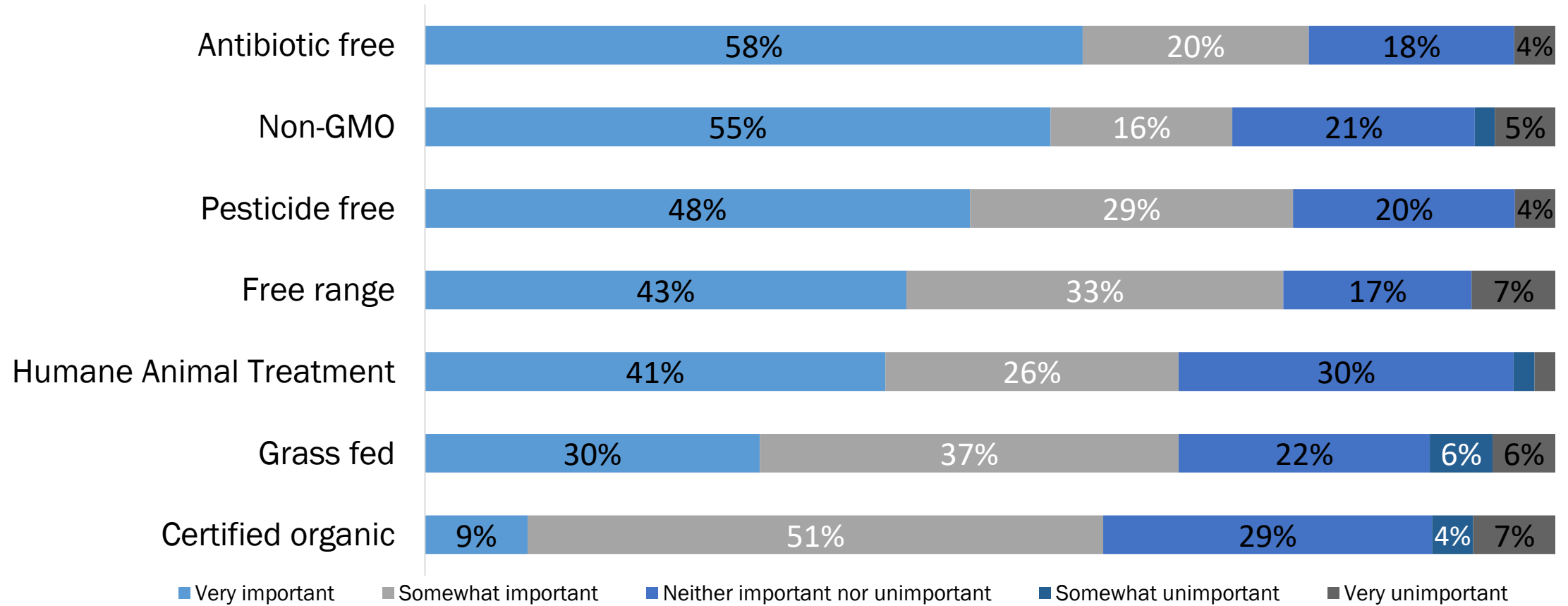
Top-4 motivations to buy local food products



Additional motivations to buy local food products

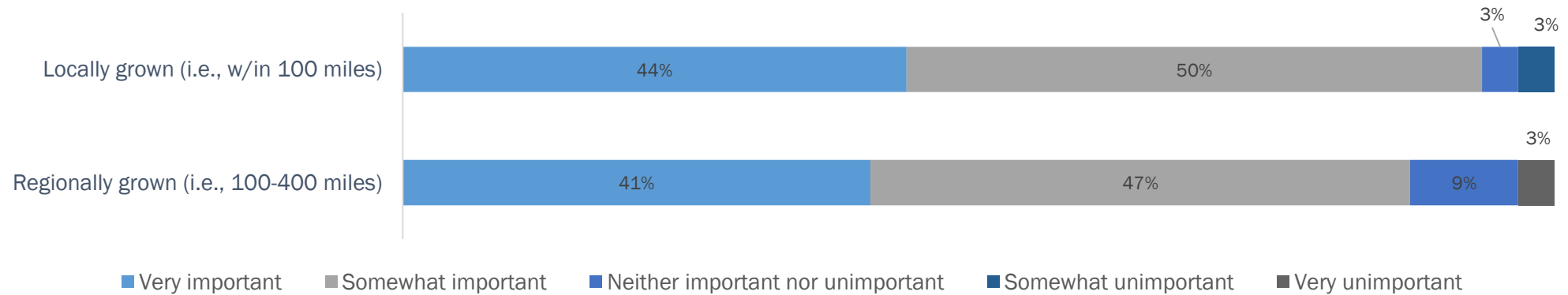


Importance of select product characteristics to intermediated buyers (n=56)

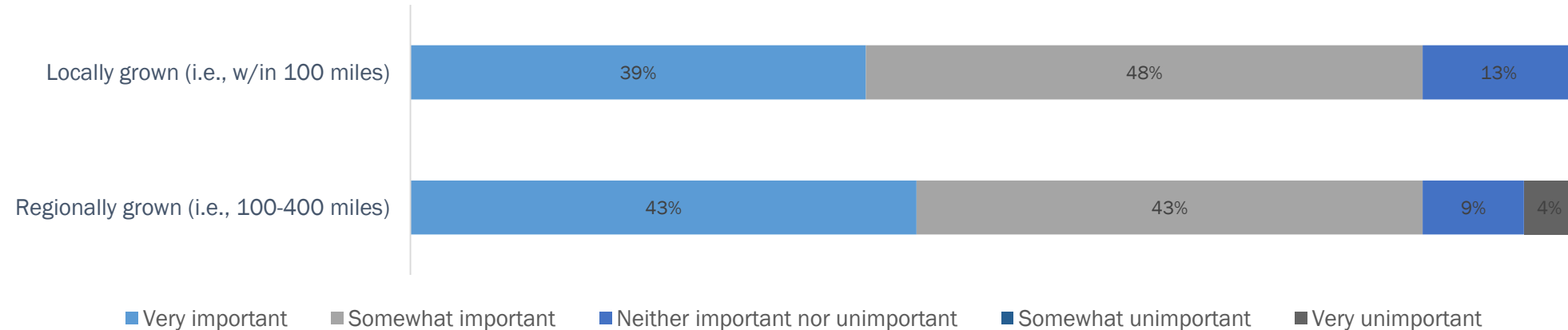


Importance of locally and regionally grown to buyers

“Visible” counties (n=32)



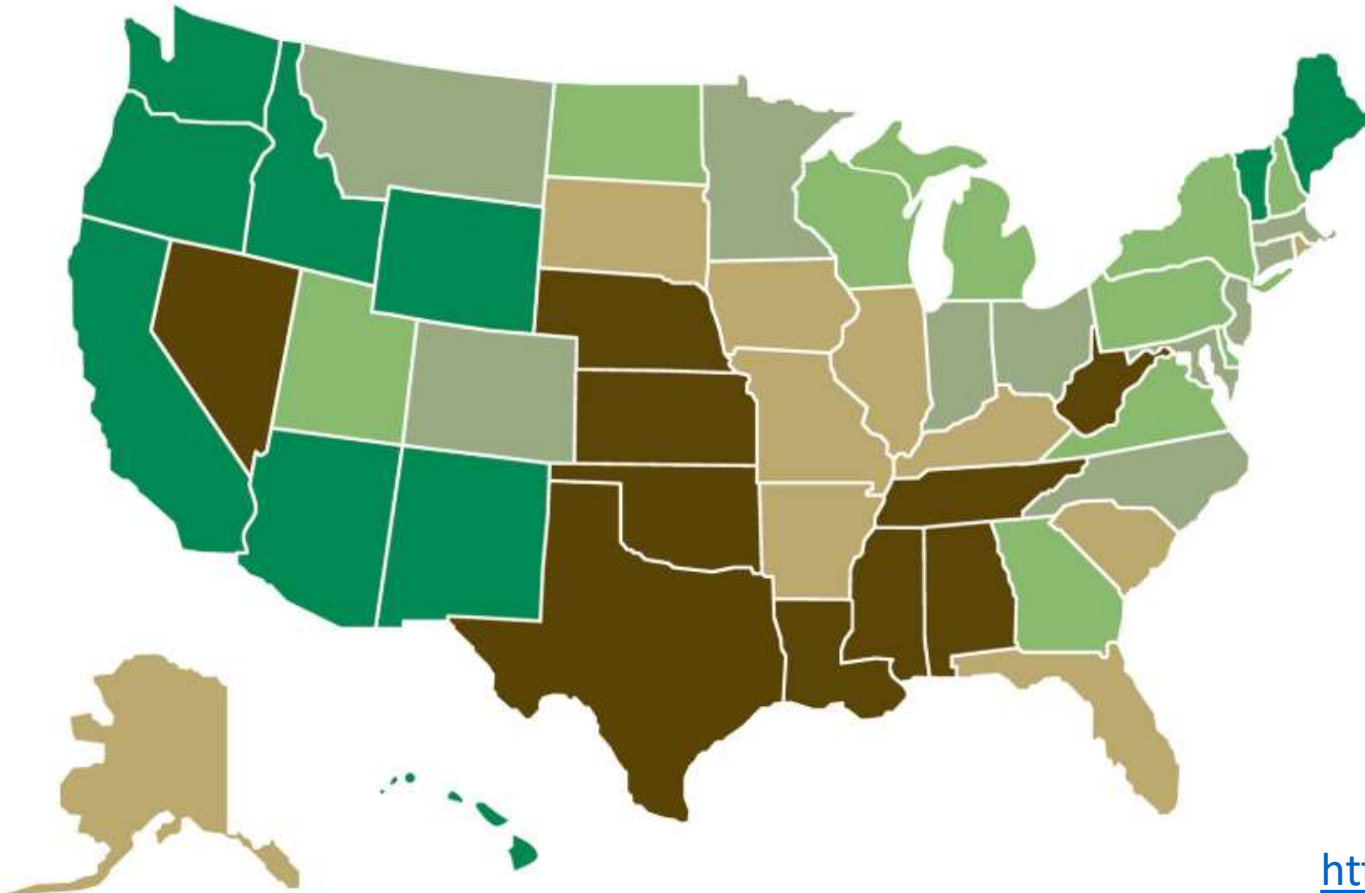
“Less Visible” counties (n=23)





Strolling of the Heifers 2019 LOCAVORE INDEX

Ranking the 50 states terms of their commitment to healthy local food



2019 Rank

4 Washington

7 Idaho

2018 Rank

11 Washington

12 Idaho

<https://www.strollingoftheheifers.com/locavore/>



A closer look at Idaho's 2019 Locavore Index

Population	Value of food sold directly to consumers	Direct sales per capita	Value of ag products sold to retail markets, institutions or food hubs	Retail, institution, food hub sales per capita	Total local sales per capita
1,754,208	\$28,001,000	\$15.96	\$85,547,000	\$48.77	\$64.73

<https://www.strollingoftheheifers.com/locavore/>



Not everyone is *your* customer...
Who is *your* customer?





Who are your competitors?





YOU CAN'T COMPETE ON PRICE

*Your **uniqueness** is your only source of profitability that cannot be competed away, and thus, is the only source of sustainable profits.*

– John Ikerd *

*Professor Emeritus of Agricultural & Applied Economics, University of Missouri Columbia



Your product & service definition

Product Features

Service Features

Marketing Season

Benefit to the Buyer or User

Capsule Definition





Target Market Description

Describe the characteristics of the people for whom you are trying to provide your product or service.

Individuals

Restaurant

Retailer

Institution





Quality & Quantity

Harvest & Post harvest practices

Food Safety – have a plan & follow it

100% money back guarantee, no questions asked

Learn the minimum & maximum quantities your market needs





Reliability Consistency Convenience

Don't promise what you can't deliver

Be consistent in quality, communication, timeliness

Ask what works best for your customer

Provide samples, bonus items





Increase your intermediated sales

Increase **quantity & variety** of products

Maintain **quality**

Be **reliable**

Show **commitment to buyers'** profitability

Provide **convenience**

Be **consistent**





Commit to their profitability

Restaurant & Grocery margins are slim – they can't afford to pay retail prices

Their customers are price & quality sensitive – shoppers ~13% are core, 64% mid-level





Create Value-Chains

Everyone receives a fair return on their investment

Sharing profits

Commitment to the relationship



Grains are part of today's food Culture

Restoring flavor

Discovery

Nutrition

Wellness

Community

Art





Can you address intermediated buyers' top challenges to sourcing locally?

- 95% **Unavailability** of specific products
- 87% Inability to access **products when needed**
- 84% Inability to access the **variety of products** needed
- 80% **Price** of products
- 79% **Lack of distribution** system for local products
- 78% Inability to access a **large enough quantity**





Possible next steps

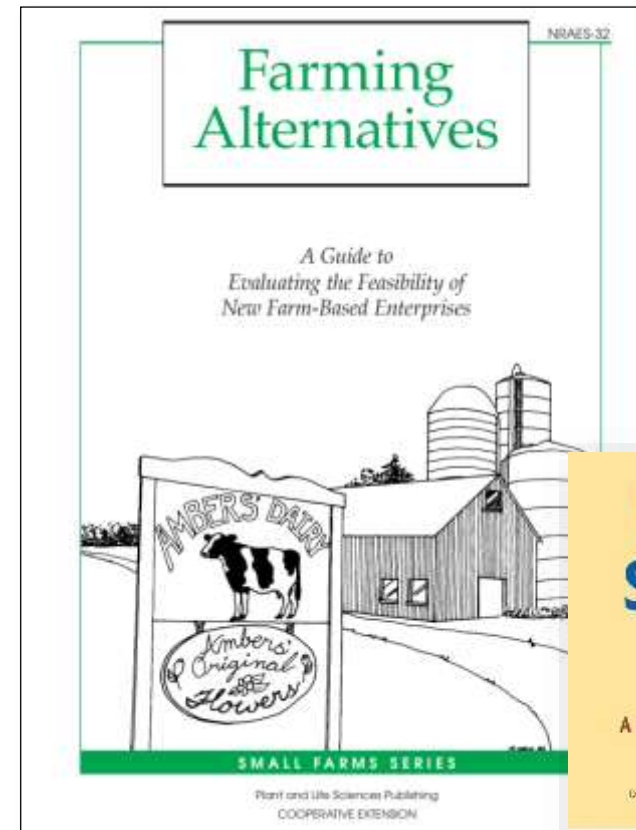
- ✓ Conduct your own market research
- ✓ Analyze & know your price points
- ✓ Build relationships
- ✓ Grow for your market



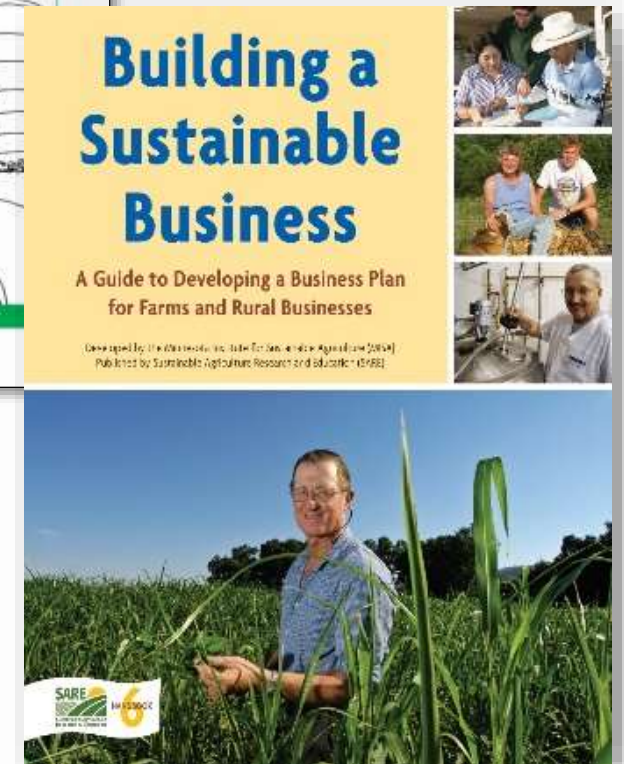


Market Assessment & Business Planning

- ***Farming Alternatives: A Guide to Evaluating the Feasibility of New Farm-based Enterprises***, Nancy Grudens Schuck et. al. Cornell University
- ***Fearless Farm Finances: Farm Financial Management Demystified***, Midwest Organic and Sustainable Education Service (MOSES)
- ***The Organic Farmer's Business Handbook: A Complete Guide to Managing Finances, Crops and Staff – and Making a Profit***, w. companion CD, Richard Wiswall



[Farming Alternatives](#)



<http://www.sare.org/Learning-Center/Books/Building-a-Sustainable-Business>



Marketing Resources

Selling to Intermediated Markets

Selling to Direct Markets

Post Harvest Handling

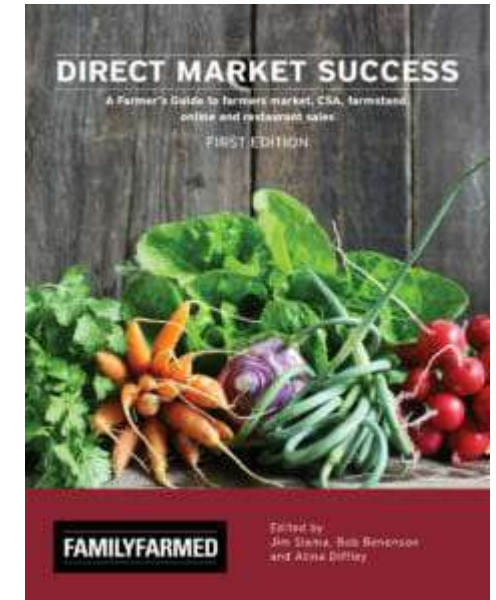
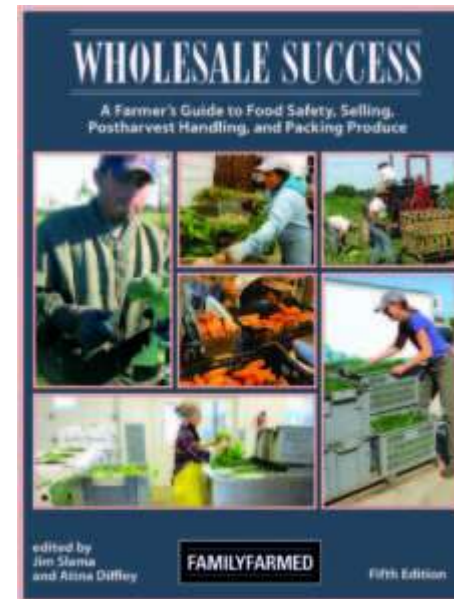
Maintaining the Cold Chain

Cleaning & Drying

Packing & Grading

Food Safety Best Practices

<https://familyfarmed.org/farmer-training/>





Legal Resources



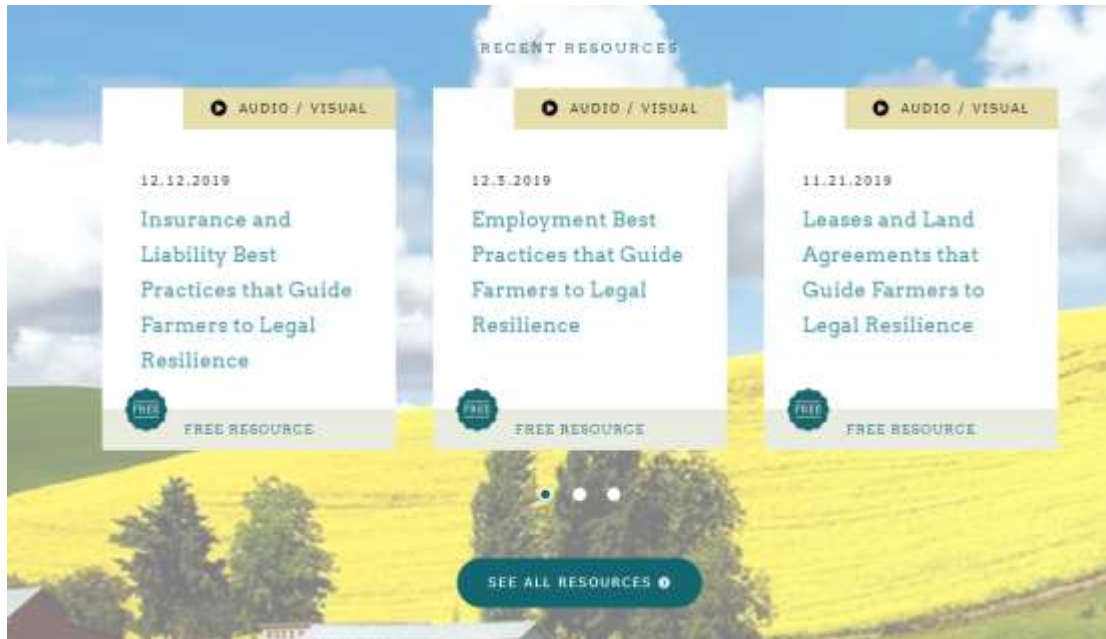
Contracts

Liability insurance

Business entities

Food safety risk management

Labor



<https://farmcommons.org/>



PASTA MAMA'S PRODUCTS ARE HANDCRAFTED IN THE PACIFIC NORTHWEST USING FRESH, LOCAL INGREDIENTS AND MADE IN SMALL BATCHES RESULTING IN UNRIVALED FLAVOR AND NUTRITIONAL CONTENT. THE FLOUR WE USE IS 100% NON-GMO VERIFIED AND LOCALLY SOURCED FROM NO-TILL, DIRECT SEED FARMERS AT SHEPHERD'S GRAIN. WE PRIDE OURSELVES ON PROVIDING GOURMET PRODUCTS MADE WITH THE HIGHEST QUALITY INGREDIENTS FROM OUR FARMS TO YOUR TABLE!

COOKING INSTRUCTIONS:

Add pasta to a large pot of boiling water and stir. After the water returns to a rolling boil, cook for 2-3 minutes. Do not overcook. Drain and rinse with cool water, drain again and toss immediately with Pasta Mama's sauces, pesto's, oil or butter.

MADE WITH ALL NATURAL INGREDIENTS.

INGREDIENTS:

Shepherd's Grain Durum Wheat Semolina, Tomato. Contains Wheat.

Follow us @PastaMamas



Handcrafted at Pasta Mama's Richland, Washington, USA
For recipes and full range of products, visit pastamamas.com



\$ 5.99

Nutrition Facts

Serving Size (2 oz)
Servings Per Container 6

Amount per Serving
Calories 200
Calories from Fat 5

%Daily Value*

Total Fat	0.5g	1%
Saturated Fat	0g	0%
Cholesterol	0mg	0%
Sodium	5mg	0%
Total Carbohydrate	42g	14%
Dietary Fiber	3g	10%
Sugars	4g	
Protein	7g	

Vitamin A	0%	Vitamin C	0%
Calcium	0%	Iron	15%

*Percent Daily Values (DV) are based on a 2,000 calorie diet. Your daily values may be higher or lower depending on your calorie needs.

		Calories	2,000	2,500
Total Fat	Less than	65g	80g	
Saturated Fat	Less than	20g	25g	
Cholesterol	Less than	300mg	300mg	
Sodium	Less than	2,400mg	2,400mg	
Total Carbohydrate		300g	375g	
Dietary Fiber		25g	30g	

Calories per gram

Fat	9	Carbohydrate	4	Protein	4
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transparent
&
authentic

convenient
&
affordable



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CULTIVATING SUCCESS™

sustainable small farms education

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Increasing the number and success of small farmers and ranchers in Idaho.



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The vision of the Cultivating Success™ program is to increase producer and consumer understanding, value, and support of sustainable local farming systems in Idaho through educational and experiential opportunities. Partners in this program strive to create strong communities with infrastructures that provide the resources and skills needed to produce local and sustainable food and agricultural products for the residents of the Inland Northwest.



www.cultivatingsuccess.org



Upcoming Webinars

Small Farm & Ranch Webinar Series

Cultivating Success offers a **FREE** lunchtime webinar series designed to help you explore, strengthen or expand your small farm or ranch operation!

Mondays and Tuesdays at 11 am PST / 12 pm MST



Tuesday, February 25th – Quicken vs. QuickBooks: Record Keeping 101

<https://www.cultivatingsuccess.org/webinar-series>



Please take our post-webinar survey!

Our post-webinar surveys are short and quick! And, your feedback is important!

Click on the link below to take the survey:

https://www.surveymonkey.com/r/Consumer_Demand_Webinar



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