UNIVERSITY OF MINNESOTA EXTENSION

EXTENSION CENTER FOR COMMUNITY VITALITY

Renville County Local Foods and Farmers Market Survey

An analysis of the local food market based on a representative survey of households in the county

Presented by Ryan Pesch, Extension Educator, University of Minnesota

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March 15, 2012

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Appendix of all supporting tables and open-ended comments is a separate document and available at
http://www.extension.umn.edu/community/research/docs/renville-county-local-foods-appendix.pdf

ABSTRACT

University of Minnesota Extension conducted this survey **to profile the food shopping habits and venues preferred by households in Renville County**. County households responding to the survey procure food from a variety of sources, including their own production (nearly 70 percent), farmers markets (40 percent), and direct from farmers (18 percent). The survey found that those who produce food for their own consumption purchase from local sources at a higher rate than those who do not. When asked about the importance of factors in their food purchase decisions, survey respondents ranked freshness, taste, and price highest, in keeping with past research. Households indicate eating *local foods* is very important to them (45 percent), although respondents would be more inclined to buy local foods if there were (1) availability over a longer season, (2) better quality, (3) lower prices, and (4) greater availability at their local grocery stores. Finally, responses indicated that while traditional newspaper advertising reaches some households, promotional materials which give farmers markets greater physical visibility are most effective in attracting customers. These materials include signage and canopies.

BACKGROUND

University of Minnesota Extension conducted this survey in summer 2011 to profile the food shopping habits of households in Renville County. Participants were asked to identify their food sources, including the six farmers markets in the county, as well as their food quality preferences for local foods. Survey results will inform local growers about market opportunities and help guide the promotion and marketing efforts of local farmers market managers.

Renville County received a USDA Farmers Market Promotion Grant in 2011 to fund this research, as well as promote farmers markets through advertising and other strategies. Representatives of Renville County (Sara Folstad, County Adminsitrator, and Chris Hettig, EDA/HRA Director) contracted with University of Minnesota Extension to conduct this research and cooperated to develop a research plan.

University of Minnesota Extension Educator Ryan Pesch developed the survey instrument to provide a general food purchasing profile of Renville households and feedback for county farmers market managers, including which promotional efforts are reaching local households. The questions from two tested survey instruments informed the development of the Renville Food and Farmers Market Survey: (1) the Lakes Area Farmers Market Survey conducted by the author, and the Allamakee County NE Iowa Food Survey conducted by Iowa State University. View the survey at http://www.iowafoodandfitness.org/uploads/PDF_File_34592373.pdf.

Three University of Minnesota staff members with survey and content expertise reviewed the survey instrument; they included faculty members Rob King and Elton Mykerezi, both from the Department of Applied Economics, and Ben Winchester, research fellow with Extension's Center for Community Vitality.

METHODOLOGY

In summer 2011, 502 households chosen randomly from Renville County property tax records received a request to participate in the study. Extension used the Dillman survey method to contact and follow up with households by mail. All households received a pre-survey postcard, the survey itself, and a reminder postcard, followed up by an additional copy of the mailed survey to nonrespondents. Extension also offered $5 in farmers market coupons as an incentive for each household that returned a completed survey. Coupons were numbered and tracked by household, revealing a 41 percent redemption rate. Forty percent of households that redeemed coupons were new to the farmers market.

Extension received 282 competed surveys, for a 56 percent response rate.

APPLICATION OF RESULTS

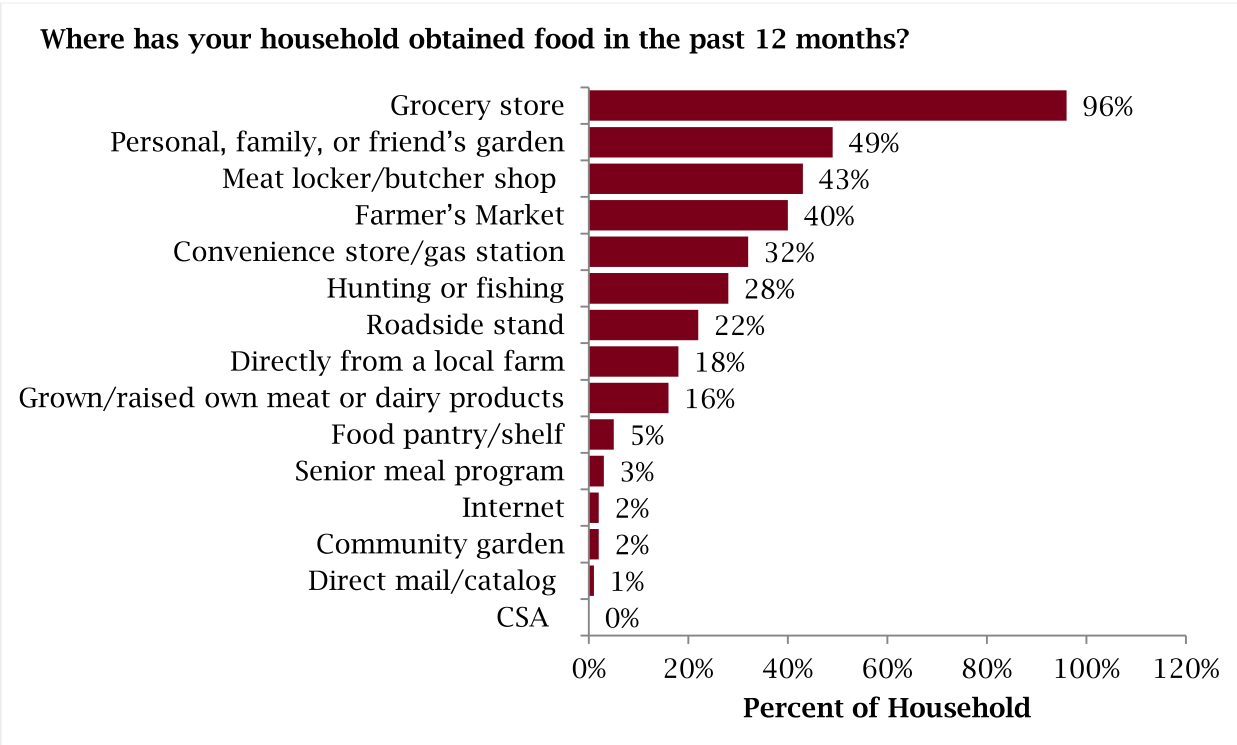
Survey results provided a basic profile of local food shoppers in Renville County and included information that growers and other food businesses should know and appreciate when marketing to these customers. Highlights of survey findings included:

- Respondents who raise food for their own consumption are more likely to buy from local growers, possibly demonstrating an "appreciation effect." Growers can leverage this effect by encouraging households to learn about food production and start growing themselves.
- The local foods movement is not only an urban phenomenon. Respondents from this rural county also consider buying local foods important.
- Qualities and features such as"best tasting, freshest," and "supportive of the local economy" rank high with consumers. Growers should communicate these qualities and features in marketing materials.
- Respondents purchase more food directly from farms than at farmers markets, so local growers should carefully explore this marketing channel for potential customers.
- Grocery stores, local meat lockers and butcher shops are popular shopping venues, and growers ought to consider marketing their food products through these outlets.
- Promotional tactics that increase the visibility of farmers markets such as signage promise a greater return than traditional newspaper advertising.
- Farmers market "bucks" or coupons effectively intice new customers to farmers markets. Managers should explore creative ways to use this tactic to drive traffic.
- Respondents are price conscious, but quality remains their most important concern.

PART 1: HOUSEHOLD FOOD SOURCES

The survey asked households to identify all the places where they obtained food in the past 12 months. Clearly the grocery store is a primary source for households, with 96 percent reporting purchasing food there; however, this project pays closest attention to those sources that are usually local. For the purposes of this study, farmers markets, roadside stands, direct purchases from local farms, and CSA are of particular interest, since local growers are the primary suppliers.

Figure 1: Household Food Sources



Forty percent of respondents report buying food at a farmers market, which is very close to a recent national survey of households that reported 41 percent of households source (obtain) food from a farmers market (Mintel, 2011).

Eighteen percent of households also source food directly from a local farm and another 22 percent purchase food from a roadside stand. Twenty-eight percent of households report hunting and fishing, which can be considered local food sources, and a surprisingly high percentage of households reported shopping at a local meat locker or butcher shop (43%).

No respondents report buying from a CSA (or Community Supported Agriculture) operation, where a household signs up to receive a share of farm produce or other products in season. Although CSA is a common means to source local foods in other parts of the country, it trailed last on the list of food outlets.

Household Food Budgets

Households in Renville County spend an average of $96 per week on food, which is close to the national average of $107 spent per week (Consumer Expenditure Survey, 2012), reinforcing the validity of the survey results.

The survey used two categories to estimate the size of the local foods market: spending at local farmers markets and purchases directly from local farms. Although a higher percentage of households indicate buying from farmers markets (41 percent) than farm direct (30 percent), the size of the farm-direct market is larger due to higher spending amounts:

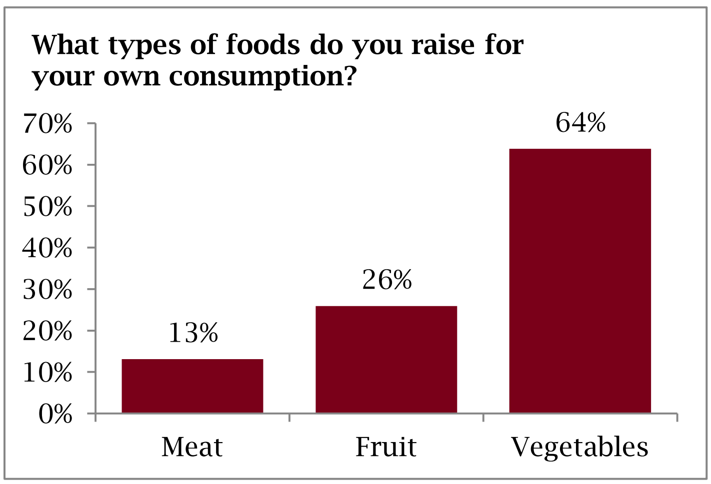
Table 1: Food Spending Estimates by Category

	Median Annual Spending per Person	*Percent of Total Food Spending*
Farm Direct	$325	5.0%
Farmers Market	$107	2.3%

Since the survey is representative of Renville County, extrapolating the figures for median annual spending per person to the total population provides a basic estimate of local food spending in the county. Based on this survey, households spend $27 million on food each year, and—with direct farm and farmers market purchases accounting for 5 percent and 2.3 percent respectively—about $2 million of the total is spent at local growers.

Foods Households Grow or Raise for Their Own Consumption

Figure 2: Percent of Households Raising Food by Type



Renville County clearly has a tradition of households raising food for their own consumption; nearly 70 percent of respondents raise at least one type of food for their own household's consumption, whether vegetables, fruits, or meats.

Some 64 percent of county households report vegetable gardening for some of their own food, over twice the national rate—which ranges from 27 percent (Mintel, 2010) to 31 percent (Butterfield, 2009). In addition, 13 percent of county households raise meats and 26 percent raise fruits.

At the same time, while a large percentage of Renville County households report raising their own food, the level of production is relatively small. Although select households report raising as much as 95 percent of all the food they consume, the average household raises only 11 percent of all the food it consumes.

Growers and farmers market managers often cite rural households producing their own food as a hindrance to marketing local foods. However, the survey showed that households raising some of their own food are more likely to buy food from farmers markets or direct from local farms than households not raising any of their own food.

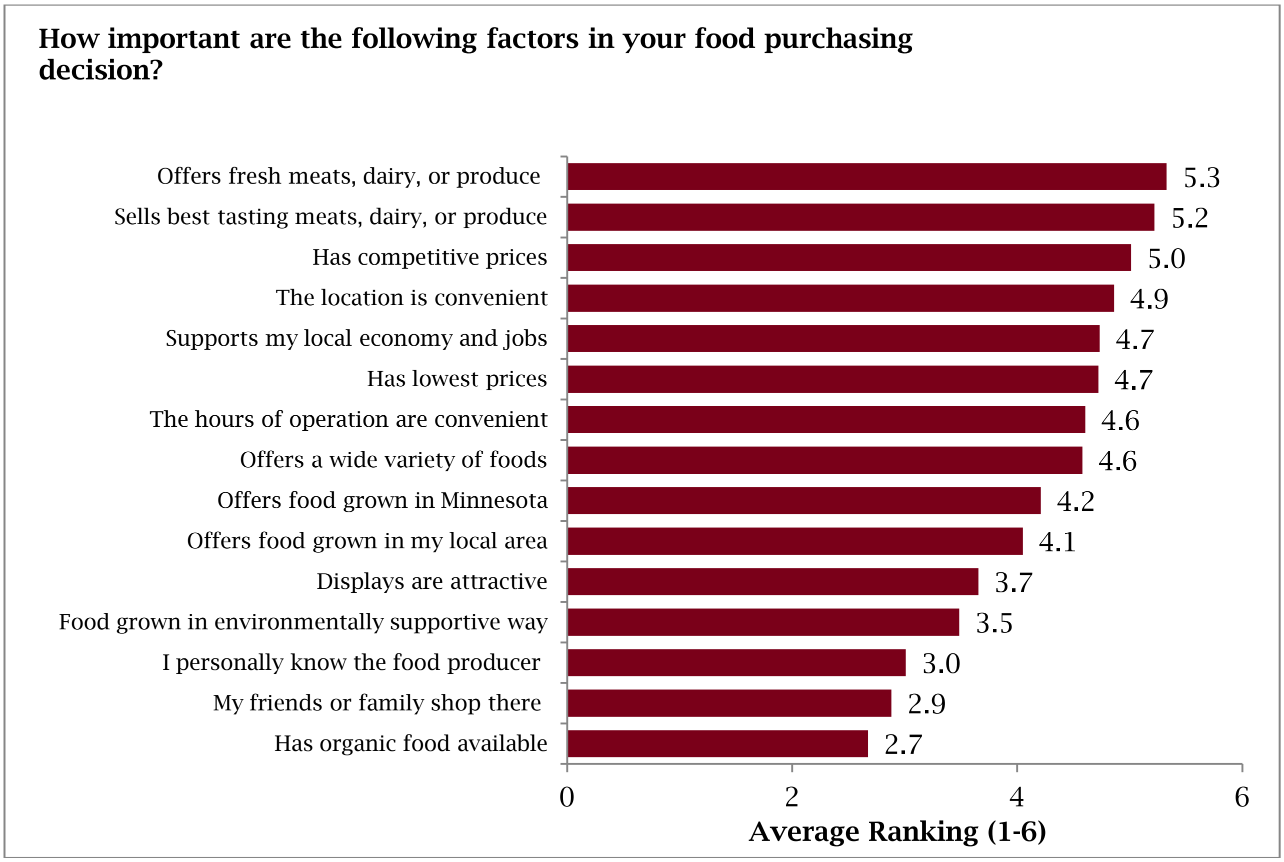
Table 2: Purchasing Habits of Households by Types of Foods Raised

	Purchase from Farmers Market	*Purchase Farm Direct*
Vegetables	47% (n=85)	34% (n=61)
Meat	46% (n=17)	38% (n=14)
No Production	32% (n=28)	20% (n=17)

Factors Affecting Food Buying Decisions

The survey asked households about factors most important to them when deciding where to purchase food. The answers were not a surprise based on past experience and research: customers look to quality and flavor first and foremost. However, the ranking of other factors deserves attention.

Figure 3: Factors Influencing Food Purchases



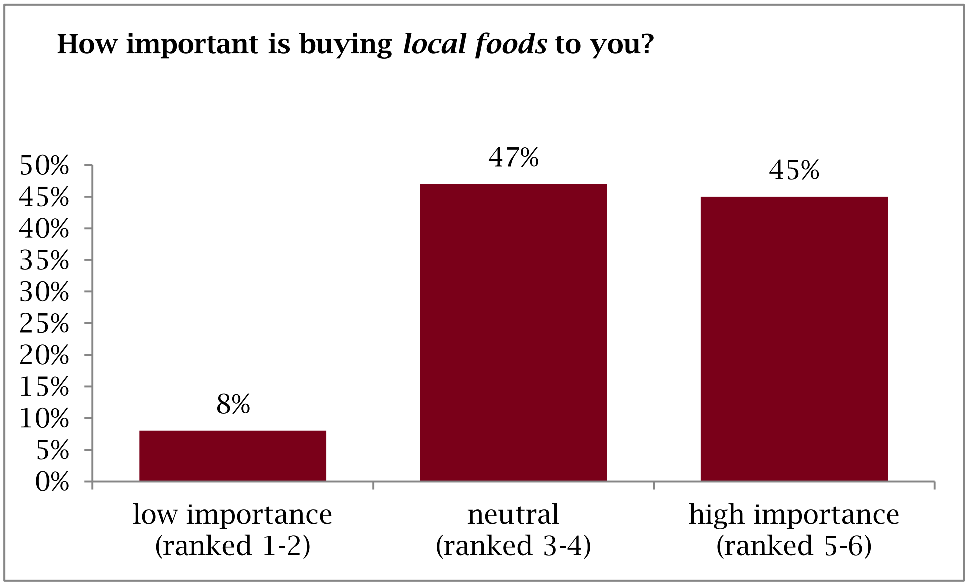
Note the relatively high rank of "supports my local economy and jobs." Other studies have also cited this as a common reason for sourcing local food (Onozaka, 2010). Conversely, environmental factors, such as the availability of organic foods, and relationship factors, such as knowing the food producer, ranked fairly low on the scale.

Considering these findings, local growers would do well to emphasize economic contributions to their local communities, as well as freshness and taste, in their advertising and marketing over environmental or relationship factors.

Lastly, the higher ranking of "has competitive prices" over "has lowest prices" is significant. Renville County households are not putting price above all other factors, but instead price is one factor among many.

PART 2: BUYING LOCAL FOODS

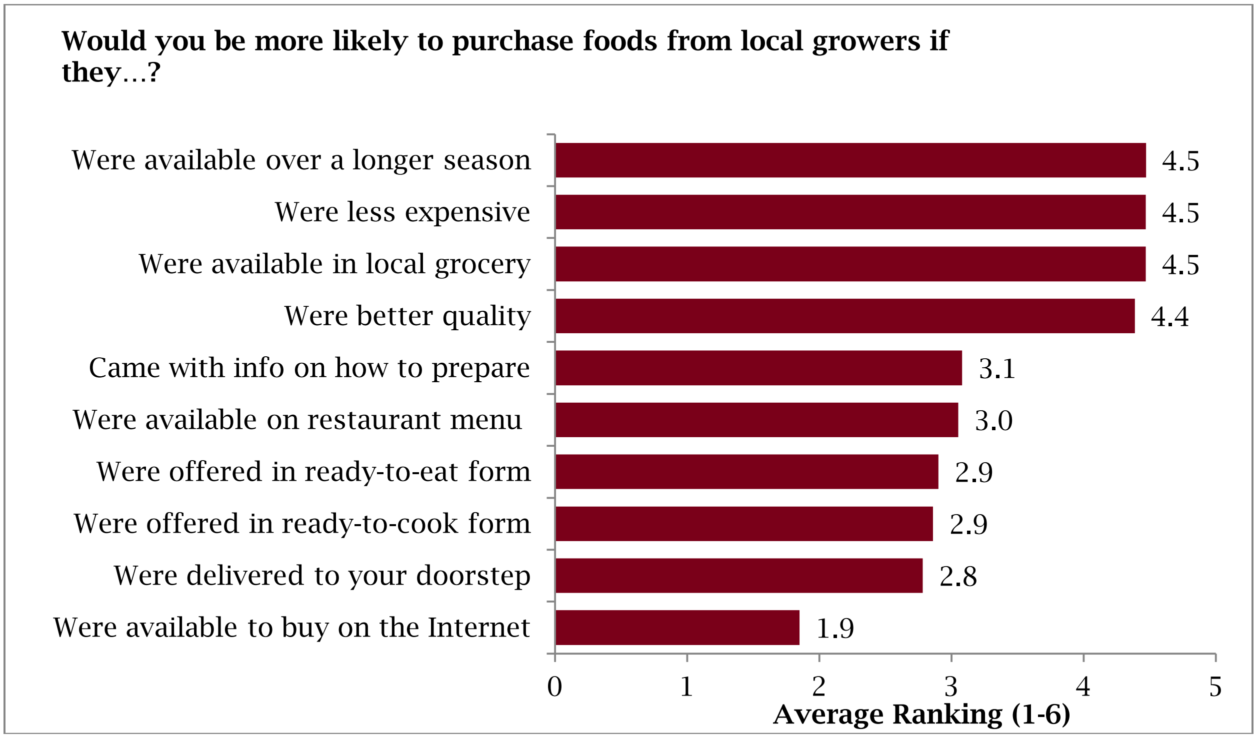
The survey asked households to rank the importance of buying *local foods* from 1-6, with 1-2 indicating low importance, 3-4 indicating neutral, and 5-6 indicating high importance. In this case, respondents were generally split between "neutral" and "high," with a few households ranking buying local foods of low importance. When examining the differences between customers who ranked buying local foods of high importance and those who ranked this neutral or low, we (survey sponsors) found no significant difference when comparing the educational level or age of respondents. We expected education to positively correspond to local foods importance as local food customers are often portrayed as well-educated and middle to upper class. Instead, survey findings indicate that the proportion of high school graduates ranking local foods as important is the same as college and advanced-degree graduates.



When asked about what would increase their local food purchases, households cited four factors most often. As the chart below indicates, those factors are:

- Available over a longer season,
- Less expensive,
- Available in local grocery store, and
- Better quality.

Figure 4: Factors important for increasing purchases of local foods



Local growers would do well to pay attention to these four factors as they look for new opportunities in the county. A couple factors relate to production— keeping quality of food high and extending the growing season; strategies such as season extension and the use of high or low tunnels could overcome these production challenges. The remaining factors relate to marketing such as keeping prices competitive and approaching local grocers as possible customers. Clearly grocers are a real market opportunity as nearly all households source food from grocery stores. In addition, consistent shopping of the competition, including grocery stores and other sources of fresh foods in the area, is always good homework for any business to understand the competitiveness of their pricing. Growers should keep a close eye on their financial statements, however, to be assured their pricing strategy keeps them profitable instead of letting competitive pressures price themselves out of business.

Foods Customers Would Like to Purchase if Available Directly from Local Producers

Respondents mentioned 149 different items when asked about the top six foods they would most likely purchase if available locally (see question 9 in the separate appendix). Responses were categorized this way:

Table 3: Foods respondents would likely purchase by type

	Number of Mentions
Vegetables	677
Fruits	207
Meats	166
Canned goods	47
Bakery items	55

Dairy	15
Flowers/Ornamentals	14
Other	12

Clearly customers are coming for the vegetables, but would like a wider range of products. Meats, canned goods, and bakery items help fill out any farmers market, and a significant number of customers are looking for these products.

The "other" category includes honey and miscellaneous items such as wine, beer, and grains.

The following table lists top-ranked foods by category; (foods named reflect exact words used by respondents):

Table 4: Foods respondents requested by category

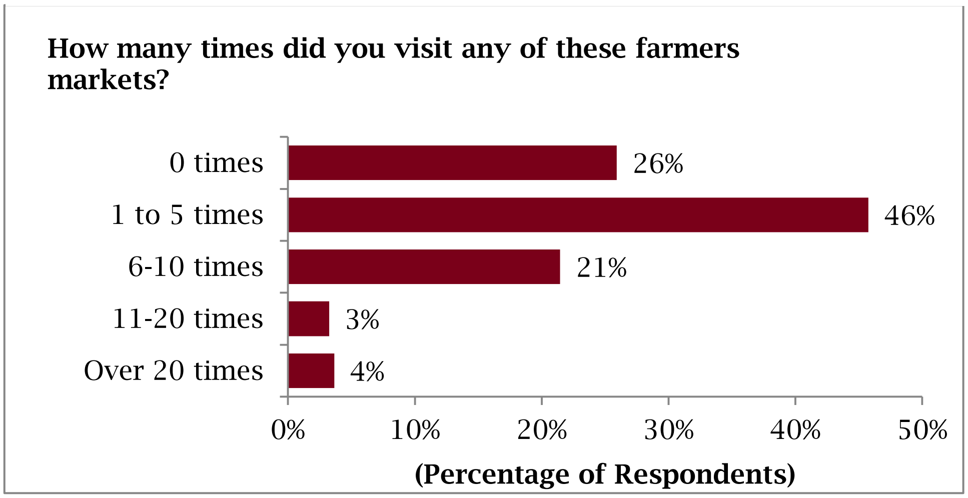
Rank	Categories				
	Vegetables	**Fruit**	**Meat**	**Canned Goods**	**Bakery Items**
1	Tomatoes	Fruit	Eggs	Jams/Jellies	Bread
2	Sweet corn	Apples	Meat	Pickles	Baked goods
3	Potatoes	Strawberries	Beef	Canned goods	Pies
4	Vegetables	Watermelon	Chicken	Preserves	Cookies
5	Cucumbers	Melons	Pork	Canned peaches	Lefsa

There are few surprises in many of these top-ranked items. The challenge for the Renville County farmers markets is how to begin filling these gaps, especially considering the #1 improvement idea was to expand the number of vendors and variety of products. See responses to question 16 in the separate appendix, which also provides a full list of foods respondents said they would buy if available directly from local producers.

PART 3: FARMERS MARKET

Awareness and Spending

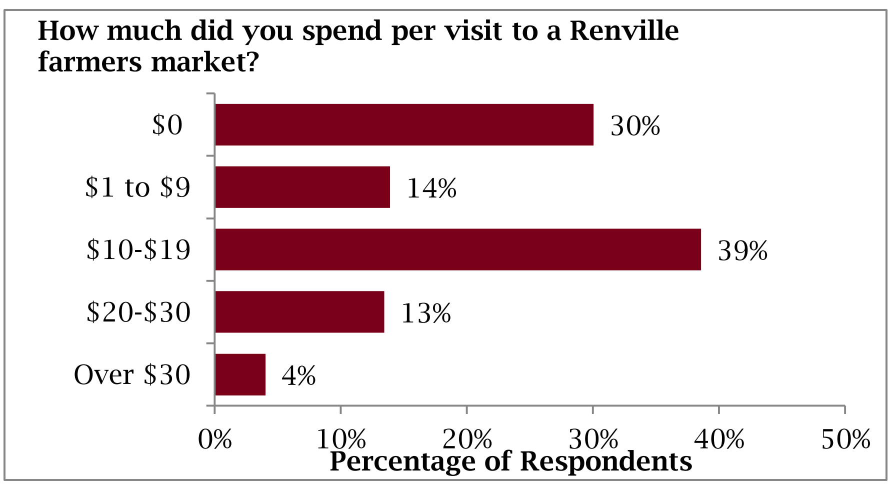
Figure 5: Number of visits to any Renville County farmers market



A large majority of households (70 percent) are aware of the farmers markets operating in Renville County and a good majority has visited the markets—only 26 percent of respondents reported not visiting any of the county's farmers markets in 2010. Of the visitors, 46 percent reported visiting only 1 to 5 times, while only 7 percent could be considered loyal customers—visiting any of the farmers markets more than 11 times in a season.

The average amount of money spent per visit to a farmers market is fairly low, indicating that many households are casual shoppers who visit a few times for select items throughout the season. The average amount spent per visit was $11.74. Considering a large majority of households know about and visit the markets, the opportunity exists to move those casual shoppers to become regular shoppers. As indicated in question 16, many households would like to see more variety and vendors to choose from, so a campaign to recruit vendors would be a good strategy.

Figure 6: Amount spent per visit to farmers market

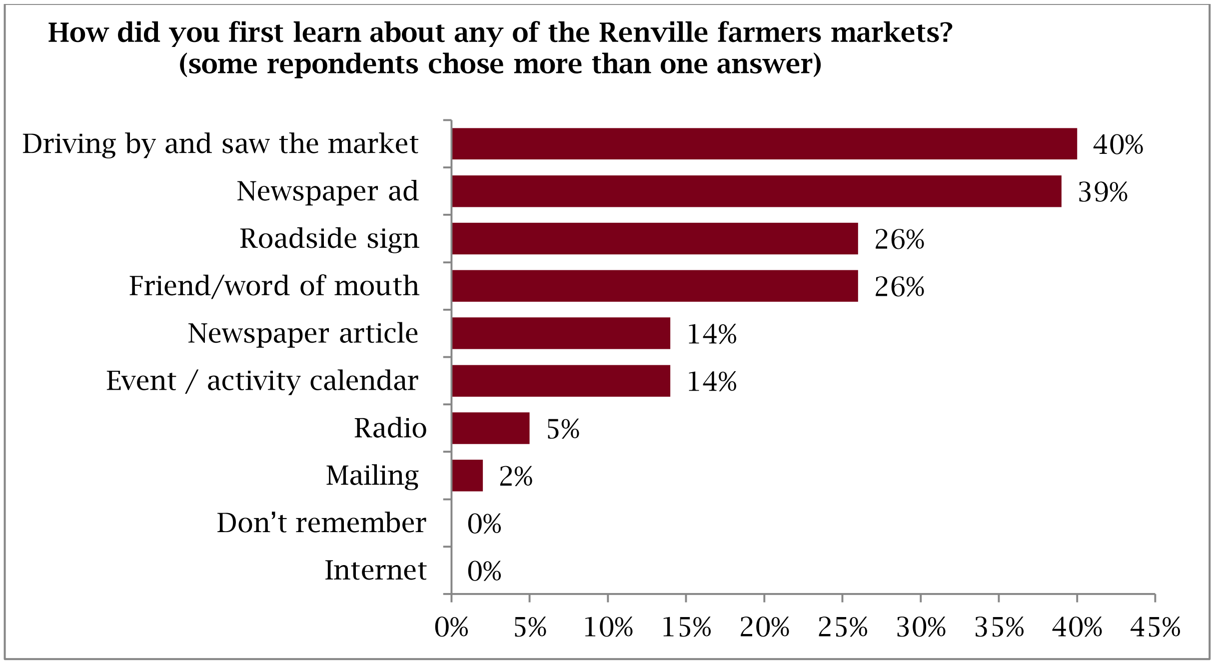


The Olivia farmers market was cited as most visited of all the county farmers markets, with 34 percent of respondents indicating they had stopped by in 2010. Visitation rates for the remaining five farmers markets were: Fairfax at 17 percent, Buffalo Lake at 13 percent, Renville at 11 percent, Hector at 8 percent, and Morton at 7 percent.

Farmers Market Promotion

Since two key survey goals were to better understand the effectiveness of current Renville County farmers market promotional strategies and obtain ideas for improvement, the survey asked how households had first heard about the farmers markets operating in the county. See the following chart for results.

Figure 7: Ways households first learned about farmers markets



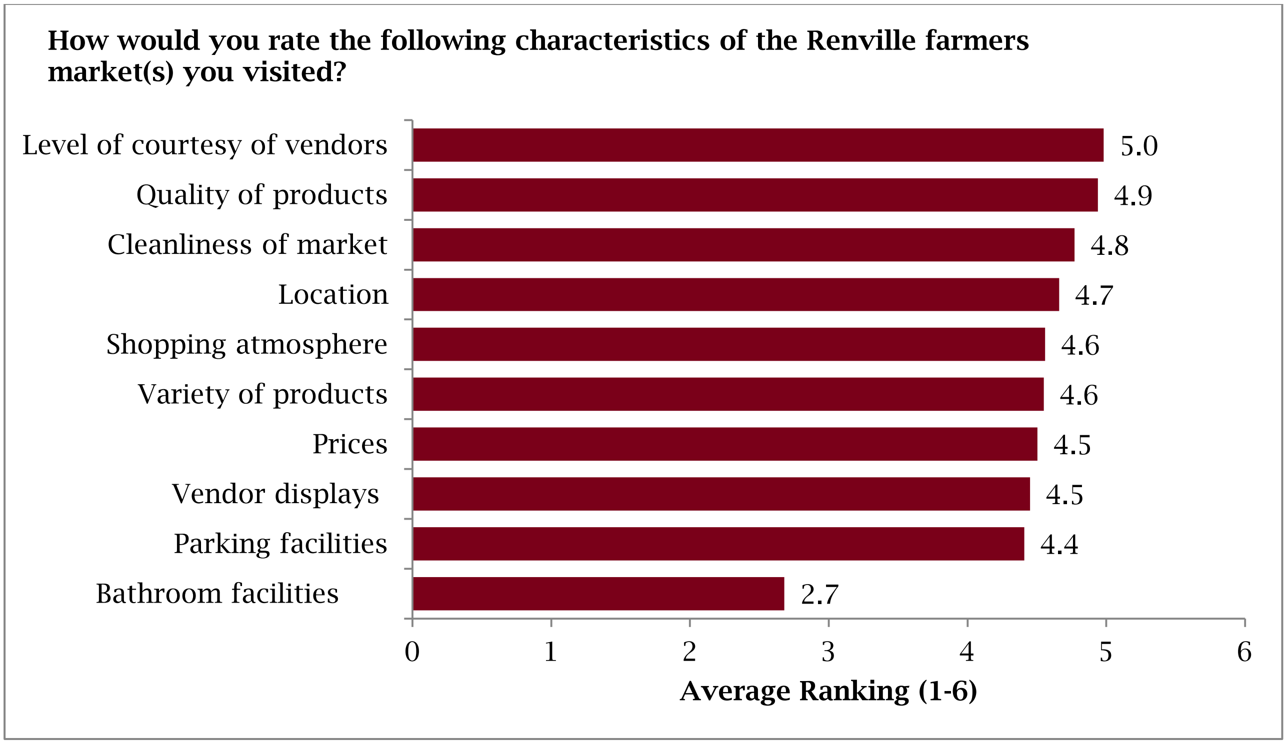
Although traditional newspaper advertising reaches some households, the survey indicates that promotional materials giving the farmers markets greater physical visibility constitute the most effective marketing method. Forty percent of households said they became aware of farmers markets simply by driving by and seeing them; another 26 percent learned about the markets from roadside signs. Given that these findings are reinforced by some of the comments to open question 16 urging more signs, each market would do well to increase the visibility of its current location through on-site and roadside signage. It appears this tactic will provide the best return on any promotional effort.

Another interesting finding is that newspaper ads are effective, while—somewhat surprisingly—the Internet is not. This could reflect the high percentage of older respondents to the survey, or the wording of the question which asked about the "first" time they had learned of the markets.

Farmers Market Quality

To provide feedback to farmers markets about their current quality and how to improve the experience of their customers, the survey asked households to rank a wide range of farmers market characteristics. See the following chart for results.

Figure 8: Ranking of farmers market characteristics



Clearly the bathroom facilities are a significant issue that markets should address. Respondents' comments to question 15 on how to improve farmers markets indicate that variety, location, and prices are issues as well.

Suggestions for Improving Farmers Markets

As noted, respondents provided input to an open-ended question about how to improve farmers markets in Renville County (question 15). Responses were coded to summarize responses; see the following table for details.

Table 5: Suggestions for farmers market improvement

	No. of Responses
"More Variety" or "More Vendors"	35
"Better Advertising"	31
"Don't Know" or "No Input"	28
"Better Hours"	23
"Better Location"	17
"Better Prices"	9
"Other"	7

Responses indicate that more product variety and more vendors, as well as better advertising, are primary targets for improvements. Customers want to see bigger farmers markets with a greater variety of products to choose from. Many of the comments about advertising are about better or improved signage, as well as traditional advertising.

It is difficult to generalize about survey findings regarding location and hours, since customer preferences varied widely on the ideal time and place for farmers markets. A couple preferences did come through on location, however, including a preference for the downtown Olivia site (n=5) and park settings over asphalt (n=4).

The “better prices” and “other” categories were not significant. The “other” category includes a mix of single issues from requests for higher quality and cleaner food to queries about state food regulations.

See the appendix separate from the report for all responses at http://www.extension.umn.edu/community/research/docs/renville-county-local-foods-appendix.pdf

PART 4: RESPONDENT CHARACTERISTICS

Respondents are fairly representative of county residents; however, older households (with adults over 50) are disproportionally represented—perhaps because we used property tax records to obtain our survey sample, and homeowners are usually older. Our survey used a representative sampling of the households across Renville County. For example, since Olivia addresses account for 19.5 percent of Renville County property tax records, Olivia addresses also accounted for 19.5 percent of the sample.

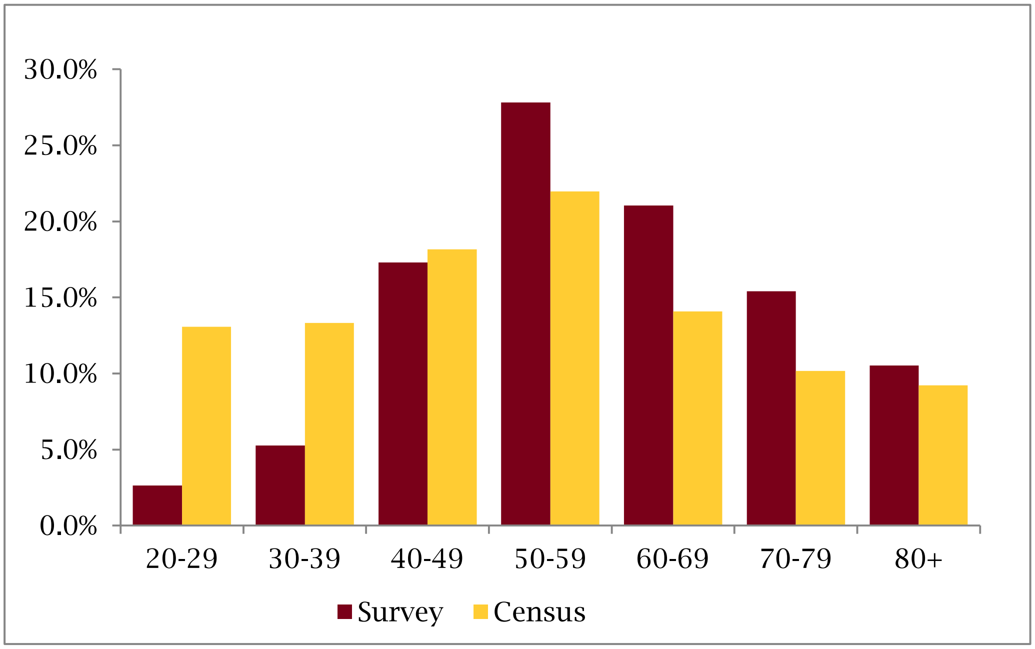


Figure 9: Age Categories of Survey Respondents Compared to 2010 Census

As the chart here indicates, respondents' ages ranged from their 20s to 80+, although—as noted—respondents over 50 were disproportionately represented relative to the 2010 Census. The chart below shows the range of household size represented in the survey. See the appendix for more details on respondent characteristics, including place of residence and education level.

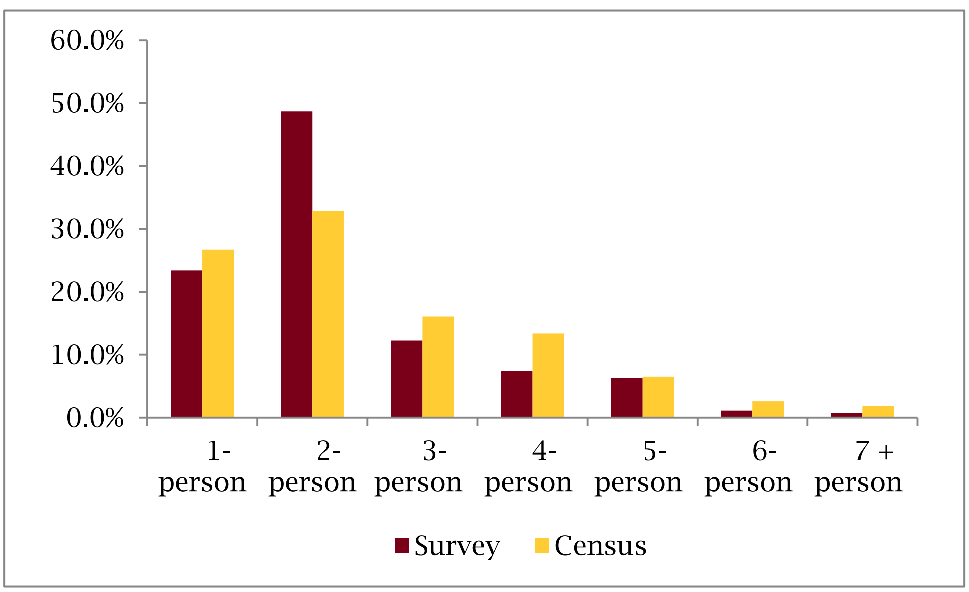


Figure 10: Household Size of Respondents vs. 2010 Census

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