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Direct Marketing Local Foods: Differences in CSA and Farmers' Market Consumers

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Introduction

Extension programming focused on assisting farmers in moving to or expanding their direct marketing efforts often considers all direct marketing outlets (farmers' markets, community supported agriculture programs (CSAs), farm stands, etc.) and associated consumers as one general marketing channel or group. However, the benefits and costs to agricultural producers vary across direct marketing outlets, and it's likely the customers they serve and appropriate marketing strategies vary as well. Success at each direct outlet entails a different set of skills, risks, and impact on farm profitability. Producers may benefit from primarily focusing on the direct marketing outlet which more closely aligns with their skills, risk tolerance, and other preferences.

This publication compares differences in consumer demographics, attitudes, and lifestyle measures between farmers' market and CSA consumers based upon two surveys conducted in Nevada. Results show that CSA consumers are more educated, more fully employed, more involved in meal and food preparation such as canning/preserving and home gardening, and concerned with health/diet and supporting local farmers. Recommendations for communication, education, and service needs, as well as marketing strategies which cater to CSA consumers are provided.

Farmers' markets, a primary direct market, gained popularity in the 1990s, with the number of markets doubling between 1994 and 2004 (USDA AMS, 2010). Since 2004, the number of markets has steadily increased (65%). An increasingly popular direct market outlet is the CSA, or basket program. While CSAs were few in 1990, numbering only 60 (Groh and McFadden, 2006), their numbers have doubled since 2004, expanding from 1,700 to 3,300 in 2010 (Local Harvest, 2010a). Local Harvest estimates that CSAs currently provide 380,000 shares across the country, accounting for one-half of one percent (0.5%) of all households in the U.S. (Local Harvest, 2010b). Other direct marketing outlets include roadside stands, restaurants, and farm-to-school programs.

Overview

The first survey, a farmers' market consumer survey was conducted by 664 in-person interviews at 12 urban markets across Nevada in the summer and fall of 2008. The second survey was given the members of the Great Basin Basket CSA in northern Nevada in the fall of 2009, and conducted by internet using Survey Monkey. A total of 135 members completed the survey.

Demographics

The largest demographic differences between the CSA and the farmers' market respondents are educational level, gender, and employment status. Both samples show a high level of education, but 51% of the CSA respondents versus 24% of the farmers' market respondents have a graduate degree or higher. Additionally, the CSA respondents were more fully employed (60% versus 47%) and a greater number were female (84% versus 72.5%). Annual household income levels for CSA respondents were higher in the $50,000 to $100,000 range, but slightly lower than the farmers' market respondents in the $100,000 and above category.

CSA Characteristics

- Marketing occurs before growing season
- Share payments made in advance
- Develop relationship with customer
- Risk sharing with customer
- Shareholder administration and communication
- Turnover in shareholders from year to year
- Provide high quality diverse products
- Cleaning and packaging requirements
- Provide several drop-off locations

Purchasing Habits and Activities

We see in Table 1 that CSA respondents were more involved in recycling and composting than the farmers' market respondents. However, this may be due to the higher education level of the CSA respondents, as Duggal et al. (1991) and Leonas and Cude (1991) find that recycling and composting are more common among the highly educated. The CSA respondents were also more involved in home gardening, food canning/preserving, beer/wine making, and prepared more meals at home, with 69% versus 49% consuming 16-21 meals at home per week. The CSA respondents purchased groceries more often at traditional grocery stores and specialty stores such as Whole Foods, and shopped at bulk stores and multi-purpose stores less. A larger percentage traveled 16-20 miles to the purchase groceries, likely the result of the greater distance between specialty stores. Additionally, CSA customers traveled less distance to the basket pick-up location than to the farmers' market, but spent $32.50 weekly on the CSA basket, roughly 43% more than was spent at farmers' markets.

Table 1: Sample Statistics: Activities and Purchasing Habits

Variable	Description	Frequency /Mean FM	Frequency/ Mean CSA
Activity Participation	1: Composting	24.5%	58.0%
	2: Home gardening	51.0%	72.0%
	3: Recycling	70.0%	93.0%
	4: Food canning/preserving	24.0%	48.0%
	5: Home beer/wine making	8.0%	18.0%
Weekly FM/CSA Expenditure		$22.78	$32.50
Primary Grocery Outlet	1: Grocery (Raley's)	45.0%	48.0%
	2: Bulk (Costco)	10.0%	7.0%
	3: Multi-Purpose (WalMart)	17.0%	6.0%
	4: Specialty (Whole Foods)	23.0%	27.0%
	5. Discount (Winco)	5.0%	12.0%
Miles to Grocery	1: 1-7 miles	84.5%	75.0%
	2: 8-15 miles	12.0%	14.0%
	3: 16-20 miles	1.5%	9.0%
	4: 21 or more miles	2.0%	2.0%
Miles to FM or CSA Pick-up	1: 1-7 miles	70.0%	86.0%
	2: 8-15 miles	23.0%	11.0%
	3: 16-20 miles	4.0%	1.0%
	4: 21 or more miles	3.0%	2.0%
Home Meals	1: <5	4.0%	1.0%
	2: 6-10	14.0%	13.0%
	3: 11-15	32.0%	17.0%
	4: 16-21	50.0%	69.0%

FM=Farmers' Market; CSA=Community Supported Agriculture Program

Produce Product Attributes

Survey respondents were asked to evaluate 11 produce attributes on a scale of 1-5 with *1* indicating "Not Important," *2* indicating "Somewhat Important," *3* indicating "Important," *4* indicating "Very Important," and *5* indicating "Extremely Important." The average ranking for each sample is given in Table 2. Both samples rated product taste as the most important attribute, but the CSA sample rated quality, local origin, and organic more important. Additionally, product appearance, value, and variety were less important to the CSA respondents. Although product pricing was ranked equally among the two samples, its importance was less with the CSA respondents rating it a 3.43 out of 5, versus the farmers' market respondents rating it at 3.91. Knowledge of the producer and the product being a specialty product were also rated lower by the CSA respondents.

Table 2: Produce Product Attribute Rankings

Attribute	Ranking FM	Ranking CSA
Taste	1	1
Freshness	2	3
Quality	3	2
Value	4	5
Appearance	5	10
Variety	6	8
Pricing	7	7
Local	8	4
Organic	9	6
Know producer	10	9
Specialty	11	11

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Attitudes and Lifestyle

Survey respondents were asked to indicate their level of agreement with eleven statements regarding their attitudes, lifestyle, and concerns. Agreement levels were based on a five point scale, with *1* indicating "Strongly Disagree," *2* indicating "Disagree," *3* indicating "Unsure," *4* indicating "Agree," and *5* indicating "Strongly Agree." The results for both samples are shown in Table 3. Amongst the CSA respondents we see that supporting local farmers, concern for health/diet, vegetarianism, and home meal preparation were more prevalent. Physical activity as a part of daily routine was more common as well. Concern for food safety and food origin were less prevalent in the CSA sample.

Table 3: Attitude and Lifestyle Statement Rankings

Attitude/Lifestyle Statement	Ranking FM	Ranking CSA
I am concerned about the safety of my food	1	3
I am concerned about my health/diet	2	1
I am concerned about the origin of my food	3	4
Agricultural open space is important to me	4	7
Supporting local farmers is important to me	5	2
Physical activity is an important part of my routine	6	6
I buy products with low environmental impact	7	8
I have little time to prepare meals	8	10
I eat out frequently	9	11
Eating out is an event in my family	10	9
I am a vegetarian or vegan	11	5

FM=Farmers' Market; CSA=Community Supported Agriculture Program

Discussion and Suggestions

Consumers responding to the farmers' market survey were asked why they attend the farmers' market and were given seven alternatives. The primary reason was purchasing produce at 80%, but the other 20% was due to social interaction, purchasing prepared foods and attending events/activities. Interestingly, almost half of the farmers' market respondents would not consider joining a CSA (46%), or needed more info before doing so (20.5%). Those looking for social interaction or events/activities at the farmers' market would not find CSA membership a suitable substitute. As the farmers' market respondents placed a higher value on variety and product appearance, farmers' markets provide them opportunities to choose product variety and appearance according to their preferences. These choices would not normally be possible with CSA membership.

The CSA members were asked why they joined the CSA and were given four options to choose from. Respondents rated purchasing local produce and supporting local farmers equally at 85% each. Product freshness/taste/flavor was second at 77% and, finally, purchasing organic produce was 65%. Russell and Zepeda (2008) found that CSA consumers were more likely to modify their cooking habits, and thus, were less concerned about product variety, had an increased consideration of food seasonality, and an appreciation for farming. The CSA respondents in our study were very similar. Interestingly, 85% of the CSA respondents indicated that they also attend local farmers' markets, perhaps seeking occasional social interaction or attending events. The respondents indicated that the primary way in which they found out about the CSA was through word-of-mouth, with internet/websites a close second. Offering incentives to current members who bring in new members may be a good way to enhance participation (Kolodinsky and Pelch (1997) find that those who heard of the CSA through word-of-mouth were 35% more likely to join the CSA).

How did you hear about the Farmers' Market or CSA?

Farmers' Market	CSA
Word-of-mouth	Word-of-mouth
Drop by	Website/internet
Roadside sign	Flyer/poster
Newspaper	Newspaper
Website/internet	Farmers' market

Overall the results show that CSA consumers are more educated, more fully employed, more involved in meal and food preparation such as canning/preserving, wine/beer making, and home gardening. They are more commonly vegetarians, concerned with health/diet, and looking to support local farmers. Variety, price, and product appearance were more important to farmers' market consumers. CSA consumers spent 43% more per week on their CSA basket than farmers' market consumers spent. Suggestions for servicing CSA consumers include the following:

- Provide recipes with share baskets
- Hold cooking demonstrations
- Provide educational information on food preserving and gardening
- Allow own share packaging, or half shares
- Include weekly newsletter addressing seasonality and current weather issues
- Provide home delivery service

Resources on Farmers' Market Consumers

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