

Target Consumers for Organically Grown Fruit in Utah

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Introduction

Keys to Reaching Target Consumers

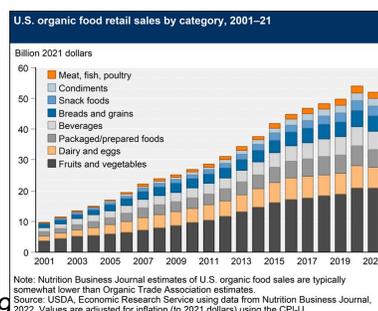
- 1. Educate consumers.** Provide information on labeling programs, nutritional facts, and ingredient lists, appealing to their tendency to review such details and educate themselves.
- 2. Emphasize health and safety.** Emphasize the health, safety, and freshness characteristics of your organic products.
- 3. Label products visibly.** Ensure clear and prominent organic labeling on packaging, product descriptions, and signage.
- 4. Engage with parents.** Parents with means are more inclined to choose organic foods. Tailor marketing messages to highlight the benefits of organic products for family health.
- 5. Offer farm-based activities.** Consider offering farm-based activities to engage and interact with consumers. Establishing relationships and offering on-farm product sales will alleviate their food safety and origin concerns.
- 6. Recognize consumer diversity.** Recognize the growing interest among Hispanic or Latino consumers in organic foods. Consider selling organic foods at Latino grocery stores and markets to access this consumer segment.

In the past decade, U.S. sales of organic food increased by an average of 8 % per year. In 2021, organic retail sales reached \$52 billion, comprising 6% of all retail food sales. Agricultural producers in the U.S. sold nearly \$11

billion in organic products in 2021. Organic produce is the largest organic category, accounting for 40% of all organic food sales, and reaching \$19.2 billion in total retail sales in 2021 (Economic Research Service [ERS], 2024; see Figure 1).

For a product to be certified organic or carry an organic label, it must be produced without the use of genetically modified organisms (GMOs), ionizing radiation, sewage sludge, and most synthetic fertilizers and pesticides. Organic products must be certified by a U.S. Department of Agriculture (USDA)-accredited certifying agent (McEvoy, 2012). In Utah, organic certification is conducted by the Utah Department of Agriculture and Food (UDAF), and fees are based on crop or livestock type and producer annual sales amounts (UDAF, 2023).

Figure 1. Growth in U.S. Farmers Markets,



1994-2019

Organically grown food is generally more expensive to produce due to certification costs, higher organic input costs, and in some cases, lower yields at harvest due to weed and pest issues. Thus, organic foods are often priced higher than conventionally grown food. Research shows that there are consumer groups, or market segments, who value organic food and are willing to pay premiums for them. Consumer preference for organic food is often attributed to perceptions that these foods are healthier, safer, and taste better than conventionally grown food (Drugova et al., 2020; Curtis et al., 2020).

This fact sheet provides an overview of target consumers for organically grown fruits and fruit products in Utah. The data examined here comes from an online survey (via Qualtrics) of Utah consumers conducted in 2023 (see Langford et al., 2024). To understand consumers better who value organically grown foods, or those willing to pay premiums, study consumers were divided into three groups. The groups included those with a high willingness to pay (WTP) for organically grown fruits, those with an average WTP, and finally, those with a low WTP.

We compare the high WTP group with the low WTP group, outlining the distinction between them in terms of their demographics, purchasing patterns and shopping habits,

as well as their lifestyle and attitudes. Consumers in the high WTP group are those willing to pay \$6 or more for a 1-pound package of certified organic strawberries, a price twice the amount of the non-labeled product. Consumers in the low WTP group are those willing to pay \$3 or less for the same package of strawberries, or essentially no premium for the organic product. Of the 384 Utah consumers who participated in the study, 120 comprise the high WTP group and 72 the low WTP group.

Demographics

Demographic information was collected from all study survey respondents. As shown in Table 1, consumers willing to pay premiums (high WTP group) tend to be younger, highly educated adults, working full-time, with a high annual household income. While many in the high WTP group were married and didn't have children in the household, they are less likely to be married and more likely to have children than the low WTP group. These results mirror studies documenting demographic groups that generally consume more fruits and vegetables (Langford & Curtis, 2024), specifically, smaller families with children, and those with high income and education levels. Parents may be willing to pay more for foods they perceive to be healthier for their children, which follows studies indicating that parents tend to prioritize organic food choices for their children (McNeil, 2014; Nickle, 2019). Additionally, those at high- and consistent-income levels due to full-time employment are less likely to be price-sensitive and more willing to spend more on their food, whereas those that are retired may have fixed incomes and be less willing to pay the higher cost of organic products.



- **Age:** A larger proportion of the high WTP group is in the 18–54 age range, with a notable 40% between 35 and 54 years old. Only 22% of the high WTP group are over 55 years old, compared to 30% of the low WTP group.
- **Gender:** When comparing the two groups, a higher percentage of males fall into the high WTP category (35%) compared to those in the low WTP category

(25%). However, females outnumber males overall in both groups.

- **Marital status:** The high WTP group has a higher proportion of married individuals, but respondents in this group are less likely to be married and more likely to be single than the low WTP group.
- **Children in household:** Nearly half of the high WTP group (47%) have children under 18 in their household, compared to 37% in the low WTP group.
- **Education:** The high WTP group has a higher proportion with graduate degrees (18%) and a significant number with a high school education (37%).
- **Employment status:** In the high WTP group, 56% of respondents are employed full-time and 13% part-time. The low WTP group has only 38% employed full-time, with 15% retired compared to 8% in the high WTP group.
- **Household income:** The high WTP group has a higher annual income, with 40% earning more than \$100,000 annually, compared to 28% in the low WTP group. The high WTP group also has fewer respondents with an annual income under \$40,000.
- **Ethnic background and location:** The high WTP group includes a higher proportion of white and Hispanic respondents, but fewer Asian, Islander, or American Indian respondents. They are also more likely to live in rural areas (24% vs 15%) than the low WTP group. However, a larger percentage of both groups live in urban areas.

Table 1. Respondent Demographics

Characteristic	Category	High WTP	Low WTP
Age	18–34 years	38%	38%
	35–54 years	40%	33%
	55–64 years	13%	17%
	65 years and over	9%	13%
Gender	Male	35%	25%
	Female	62%	72%
Location	Rural	24%	15%

	Urban	76%	85%
Marital status	Single	43%	33%
	Married	50%	53%
	Other	7%	14%
Children in household	No	53%	63%
	Yes	47%	37%
Education level	High school graduate/ GED	37%	36%
		18%	18%
	Some college	21%	32%
	Associate/ bachelor's degree	18%	10%
Employment status	Retired	8%	15%
	Homemaker	12%	21%
	Part-time employed	13%	8%
	Full-time employed	56%	38%
Annual household income (2022)	Less than \$39,999	24%	39%
		16%	14%
	\$40,000 to \$59,999	12%	8%
	\$60,000 to \$79,999	8%	11%
	\$80,000 to \$99,999	40%	28%
Ethnic background	\$100,000 and more		
	White	84%	76%
	Hispanic or Latino	10%	7%

	Other (Asian, American Indian)	2.5%	10%
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Purchasing Patterns and Shopping Habits

A large percentage (67% and 71%) of respondents in both groups are the primary shopper for their households. There are several notable differences in purchasing patterns and shopping habits between the two groups (see Table 2). The high WTP group purchases fruit more often from direct-to-consumer outlets such as farmers markets, farm stands, and local coops. They purchase and consume fruit more frequently, are less price sensitive, and consume foods with specialty labels more often. They are more familiar with food labeling programs and inspect food labels more often.

- **Shopping locations:** Grocery stores are the primary shopping location and the most popular location to purchase fresh fruit for both groups. More than half of the high WTP group also reported purchasing fresh fruit from farmers markets, farm stands or stores, and local farms or orchards.
- **Frequency of purchase:** Although at least 70% of the respondents reported eating apples, strawberries, and bananas regularly, the high WTP group purchases and consumes fresh fruit more frequently than the low WTP group (27% vs 17% consume at least two servings of fruit per day).
- **Purchase considerations:** The high WTP group places more emphasis on product taste and the organic label, but less on price than the low WTP group. The high WTP group is also more likely to consider specialty characteristics such as locally grown, non-GMO, etc.
- **Preferences for specialty labeled foods:** The high WTP group consumes foods with specialty labels more frequently, with 59% reporting weekly consumption of specialty foods as compared to 40% in the low WTP group.
- **Familiarity with labeling programs:** The high WTP consumers are similarly more familiar with various labeling programs and review nutritional information and front labels more frequently.
- **Organic food perceptions:** Respondent perceptions of organically grown foods were very different between the two groups as shown in Table 2. Overall, the high WTP group more strongly agreed with statements about the health, safety, and taste

aspects of organic products. Also, they disagreed that organic products are too expensive and that they are not important.

Table 2. Agreement With Statements About Organic Products

Statement	High WTP	Low WTP	Difference
	Mean	Mean	
Organic products are healthier than conventional products.	3.69	3.17	0.52
Organic products are fresher than conventional products.	3.53	2.99	0.54
Organic products are safer than conventional products.	3.7	3.18	0.52
Organic products taste better than conventional products.	3.47	2.93	0.54
Organic products are too expensive.	3.93	4.11	-0.18
The selection of organic products isn't good.	3.11	3.07	0.04
Organic products are not important to me.	2.76	3.32	-0.56

Note. The rating scale is 1 to 5, *strongly disagree* to *strongly agree*.

Lifestyle and Attitudes

Survey respondents were asked to rate their agreement with statements about their lifestyle and attitudes (see Table 3). Patterns were similar across both groups, but the high WTP group agreed more with all statements. The statements with the largest difference between groups included food safety concerns, following a vegetarian or vegan diet, and purchasing food from local farmers when available.



- **Food safety concerns:** The high WTP group is more concerned about food safety. The difference in the agreement ratings for this statement is the largest between the two groups.
- **Food-related activities:** The high WTP group is more likely to purchase food from local farms when available. They are also more likely to grow their own food. This makes sense as they are also more concerned about food origin than the low WTP group.
- **Diet and food preferences:** The high WTP group is more likely to follow a vegetarian or vegan diet. They also eat out more frequently and report slightly higher food allergies and restrictions.
- **Participation in agritourism activities:** Respondents were asked about their participation in farm-based or agritourism activities,

and a higher proportion of the high WTP group had participated in almost all activities than the low WTP group. Shopping at and visiting local farms were especially popular among the high WTP group.

Table 3. Agreement With Statements About Consumer Lifestyle/Attitudes

Statement	High WTP	Low WTP	Difference
	Mean	Mean	
I follow a vegetarian or vegan diet.	1.83	1.46	0.37
I eat fresh produce daily.	3.88	3.88	0
I avoid eating processed foods.	2.88	2.86	0.02
I avoid eating food products with additives.	2.88	2.83	0.05
Physical activity or exercise is important.	3.73	3.58	0.15
I grow/raise my own food.	2.44	2.21	0.23
I buy food from local farmers when available.	3.65	3.28	0.37
I am concerned about food origin.	3.24	3.08	0.16
I am concerned	3.97	3.56	0.41

about food safety.			
I eat out frequently.	3.20	2.85	0.35
I have food allergies/restrictions.	2.30	2.13	0.17

Note. The rating scale is 1 to 5, *strongly disagree* to *strongly agree*.

Conclusions

The target market (high WTP) for organically grown fruits in Utah includes consumers who are younger, well educated, employed full-time, and have a high annual household income, especially above \$100,000. Hispanic/Latino consumers and those living in rural areas are also more interested in organic products. These consumers value product attributes like taste and organic certification when making purchasing decisions, and perceive organic products to be healthier, safer, and fresher than those grown conventionally. Moreover, these consumers show a strong preference for foods with specialty labels such as organic and non-GMO, indicating a heightened awareness for these product attributes. They are also more familiar with organic production and labeling standards as well as other specialty labelling programs compared to their counterparts. These consumers prioritize health and wellness, engaging in physical activity and consuming fresh produce daily. They are also conscientious about food safety and the origin of their food, preferring to shop at local farmers markets, farm stands, and farms where they can access fresh, locally sourced products. These results indicate that organic labeling and marketing or selling products at direct-to-consumer markets may be effective in reaching consumers who value and are willing to pay more for organic products.

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