

# Why Consumers Buy— and Don't Buy—Your Farm Direct Products

Bulletin #1160

## Introduction: The Maine Highlands Consumer Survey

In 2003 we conducted a consumer survey to assess direct marketing opportunities and barriers for farmers in the Maine Highlands region (Piscataquis and Penobscot Counties). The survey addressed five direct marketing methods: farm stand, pick-your-own (PYO), tailgate market, home delivery, and farmers market. Our questionnaire was designed to determine whether the current outlets of farm products satisfy consumer needs, and to identify potential areas of direct marketing of farm products that can better serve the needs of consumers.

The questionnaire covered three major themes:

- Consumer behaviors in finding and accessing farm direct outlets
- Consumer considerations when choosing fresh produce and retail outlets
- Consumer willingness to buy fresh farm products directly from local farmers

We surveyed both a rural and an urban market area. Piscataquis County and adjacent small towns were the rural market area; Bangor and adjacent cities were the urban market area. Questionnaires were mailed to 2,000 randomly selected residents living in each of the two market areas in July and August of 2003.



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Chart 1

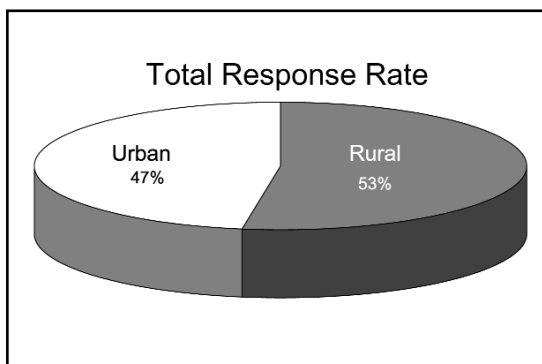
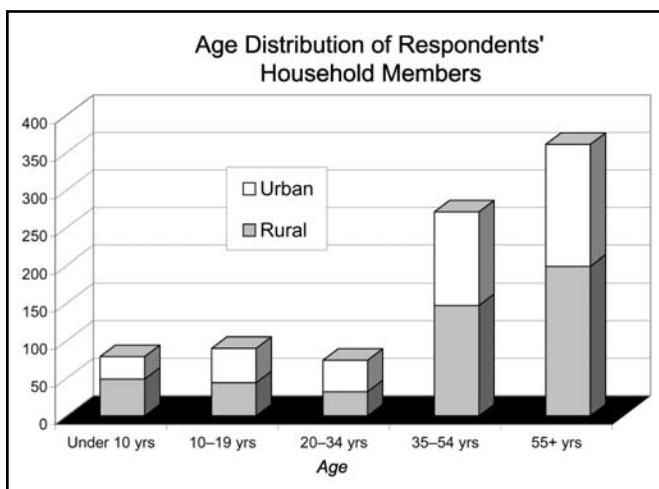


Chart 2



## Response Rate

A total of 393 completed surveys were returned for the two market areas, representing an overall 9.8 percent response rate. The percentage of responses from the rural and urban respondents is displayed in Chart 1.

## Household Demographics

Chart 2 illustrates the age distribution of respondents' household members. The 207 rural respondents reported a total of 471 members in the household, for an average of 2.3 people per household, while the 186 urban respondents reported a total of 404 members in the household, for an average of 2.2 people per household.

Six percent of respondents indicated that someone in their household was participating in the Maine Senior Farm Share program. Two percent of respondents answered that someone in their household was participating in the Maine WIC (Women, Infants, and Children's Nutrition) program.

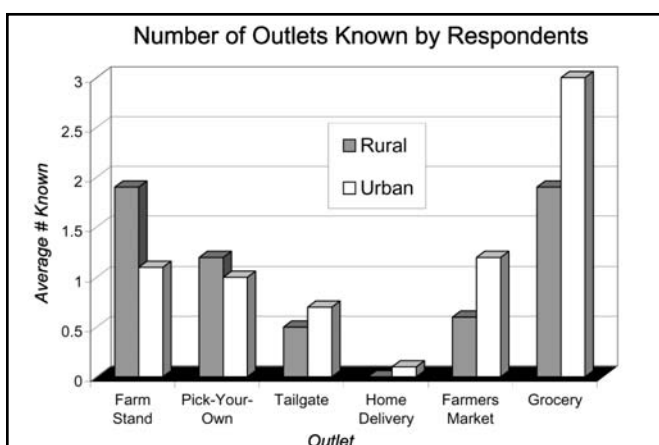
## How Consumers Discover and Access Farm Direct Outlets

### Awareness of and Access to Farm Direct Outlets

Reported awareness of and accessibility to direct farm market outlets differed between rural and urban residents. Our survey found that the majority of rural residents had relatively more knowledge of and access to farm stands and PYO operations, whereas farmers markets were accessible to more urban residents. Tailgate market and home delivery were less available to most of the rural and urban residents.<sup>1</sup>

The average numbers of easily accessible grocery stores were three for urban respondents and two for rural respondents, as seen in Chart 3. Over 86 percent of urban respondents and 80 percent of rural respondents reported having easy access to grocery stores.

Chart 3



<sup>1</sup> Since respondents had very little knowledge of home delivery, this farm-direct market method has been omitted from this discussion.

Only about 45 percent of the urban respondents reported easy access to PYO outlets, while 63 percent of rural respondents knew of PYO outlets, as seen in Chart 4. With regard to farmers markets, 81 percent of urban respondents and 31 percent of rural respondents had knowledge of farmers markets.

Chart 5 presents the average distances from respondents' homes to the different market outlets they patronized. Rural respondents traveled greater distances than urban respondents to frequent farm stands, tailgate markets, farmers markets, and grocery stores. Urban respondents reported traveling a greater distance than rural respondents to PYO operations.

Chart 6 shows the distribution of shoppers by the number of miles they were willing to travel to farm direct market outlets. There were proportionally more rural residents who were willing to travel farther distances than urban shoppers. Over 45 percent of the rural respondents were willing to travel more than 10 miles to shop at farm direct markets, whereas only 22 percent of the urban respondents reported a willingness to do so.

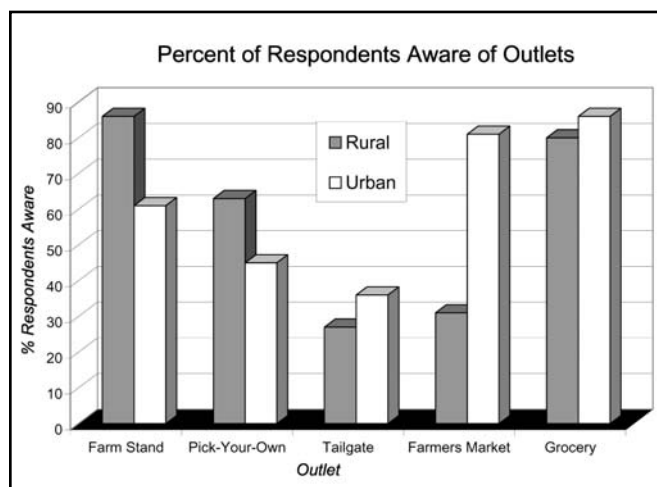
## Discovering Farm Direct Outlets

Respondents were asked to indicate the media through which they got information about farm direct outlets in their area. Charts 7a and 7b on page four show, as percentages, the relative effectiveness of media sources as reported by respondents in this survey.

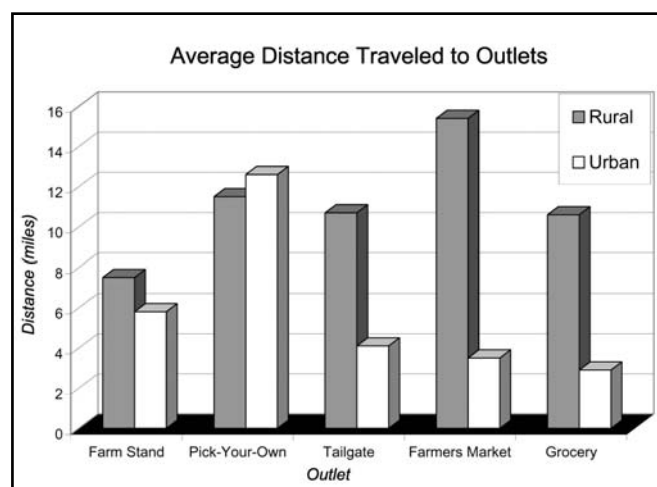
The information that rural and urban respondents received about farmers markets came chiefly from roadside signs, newspapers, and word of mouth. Rural respondents reported that these three sources accounted for 80 percent of the information they received about farmers markets. Urban respondents reported that these three sources accounted for 64 percent of their information about farmers markets.

The information on PYO operations that the rural respondents received came primarily from roadside signs, which accounted for 22 percent of information, followed by newspapers and word of mouth. Urban respondents learned about PYO mainly from newspapers (20 percent), followed by roadside signs and word of mouth.

**Chart 4**



**Chart 5**



**Chart 6**

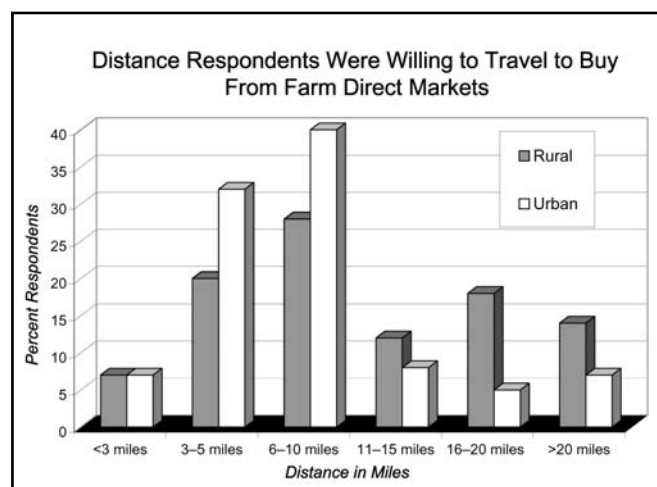


Chart 7a

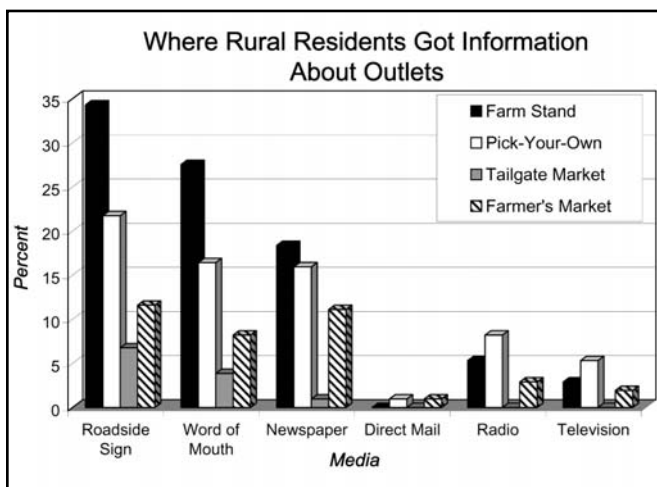
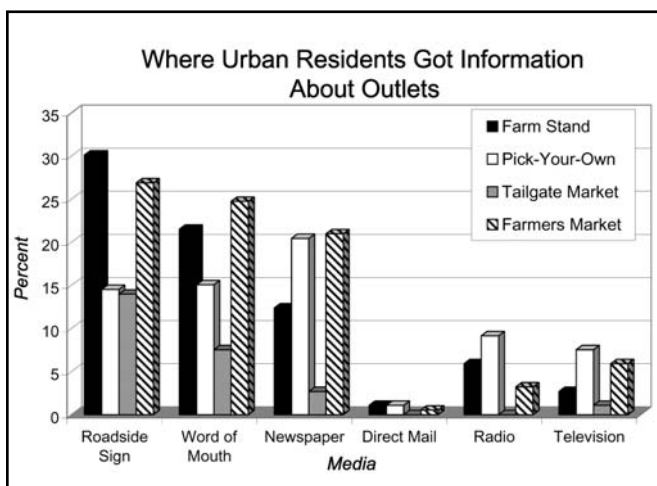


Chart 7b



The information on tailgate markets that the respondents received came chiefly from roadside signs and word of mouth. The most frequently checked source of information for home delivery was “don’t know of any,” implying limited home delivery service in the area surveyed.

## Implications and Suggestions for Farm Direct Marketers

- Roadside signs are an important source of information about farm direct markets for all consumers.
- Newspapers are another key factor in consumer patronage of farm direct markets.
- Urban residents are more familiar with farmers markets.
- Rural residents are more familiar with farm stands and PYO operations.
- Rural residents generally travel farther than urban residents to patronize direct farm markets. Most rural consumers are willing to travel up to 10 miles to buy from direct farm markets. Urban consumers generally travel less than five miles to farm stand, tailgate, or farmers markets.
- Word of mouth significantly influences consumers. Farms should consider strategies to cultivate word-of-mouth marketing.

## Consumer Expenditures and Product Choices

### How Much Do People Spend at Direct Farm Markets?

Charts 8a and 8b on page 5 show average expenditures per visit to farm market outlets by rural and urban respondents. The bars display percentages of respondents typically spending less than \$10, between \$10 and \$20, and more than \$20 at different types of outlets. You can see that the largest percentages of respondents spent less than \$10 at all outlets except pick-your-own (PYO). Urban shoppers tended to make larger purchases than rural shoppers at farmers markets, and smaller purchases at farm stands. Very few people reported using home delivery.



## Typical Expenditure on Food per Visit

Chart 8a

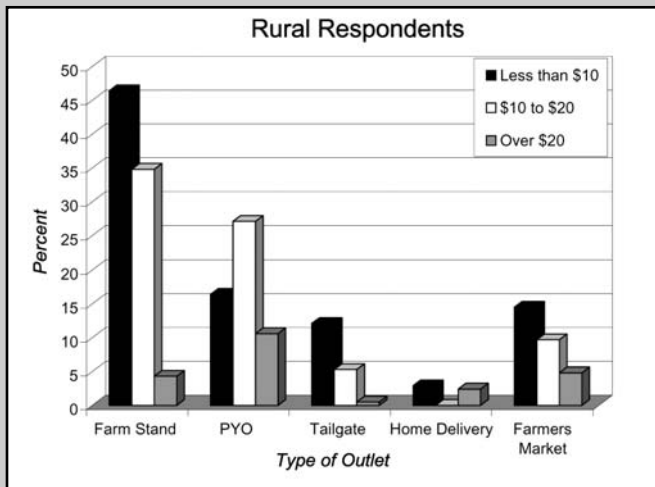
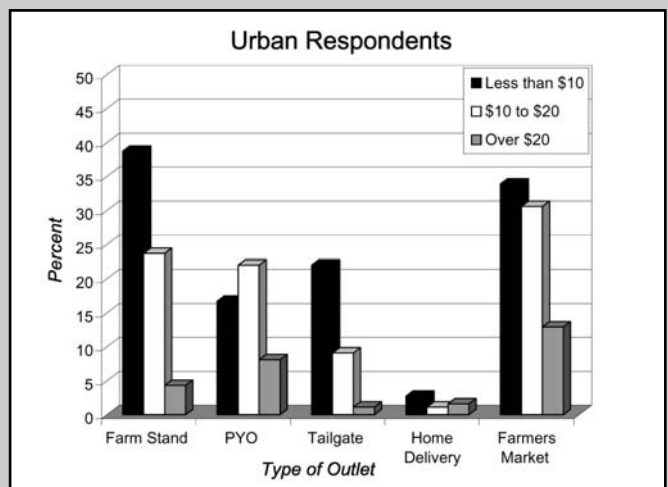


Chart 8b



## Seasonal Spending Differences

Table 1 displays the average weekly family expenditure on food during the growing season, and during the rest of the year. Fruit and vegetable purchases increased for the middle-spending group (\$10 to \$20 per week) during the growing season. Meat purchases increased for the low-spending group (up to \$10 per week) during the growing season, and decreased for the high-spending group (over \$20).

Table 1: Family Average Weekly Expenditure On Food

	Fruits & vegetables			Meat			Livestock products		
Per week	Up to \$10	\$10 to \$20	Over \$20	Up to \$10	\$10 to \$20	Over \$20	Up to \$10	\$10 to \$20	Over \$20
During growing season (June to October)	20%	35%	36%	16%	31%	31%	23%	16%	13%
During the rest of the year (November to May)	20%	27%	37%	14%	31%	34%	21%	14%	12%



Chart 9a

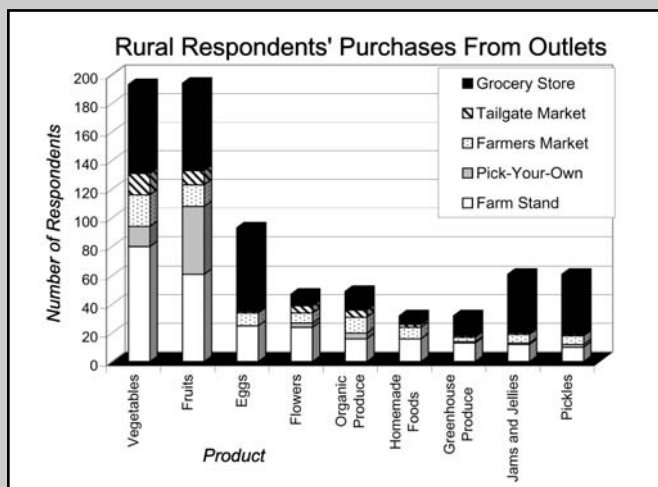
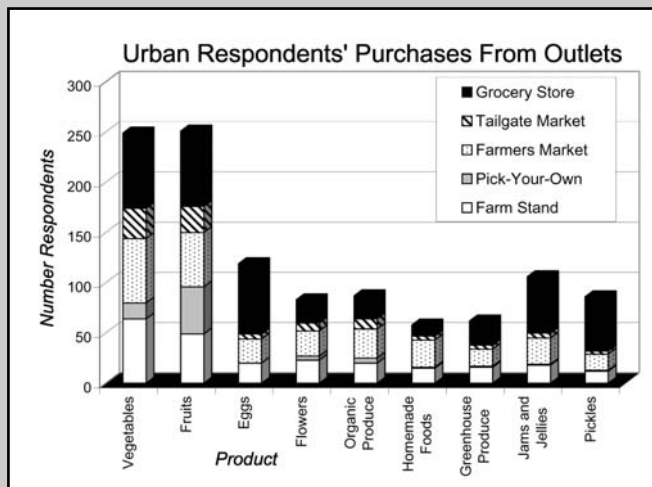


Chart 9b



## Where Do Respondents Buy Particular Products?

Chart 9a shows where rural respondents would be likely to buy particular food products, while Chart 9b shows the same information for urban respondents.

### Fruits and Vegetables

- Fruits and vegetables had the largest percentage of all market types.
- Rural respondents were more likely to buy vegetables from farm stands than grocery stores. However they were more likely to buy fruit from grocery stores, followed by farm stands and PYO operations.
- Urban respondents were more likely to buy fruits and vegetables from grocery stores, followed by farmers markets and farm stands. Farmers markets attracted more urban than rural respondents for the purchase of fruits and vegetables.
- Both urban and rural respondents tended to use PYO for fruit rather than vegetable purchases.

### Organic Produce

- Rural respondents bought organic produce primarily from farm stands, followed by grocery stores. Urban respondents bought organic produce primarily from farmers markets, followed by grocery stores, and then farm stands.

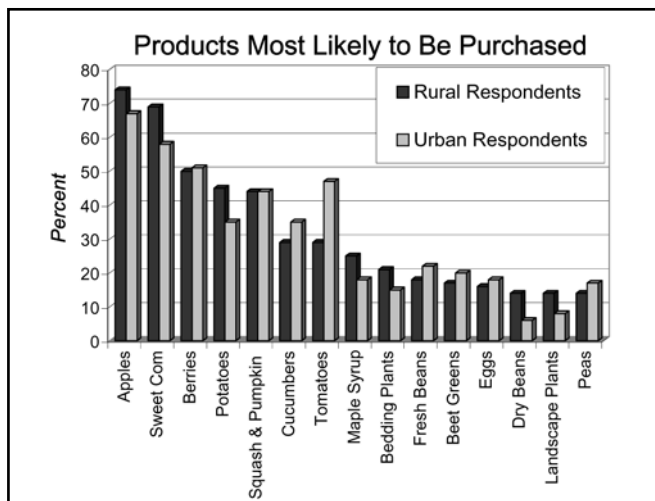
### Flowers

- Respondents bought flowers in most markets, with the most-used outlets being farm stands, grocery stores, and farmers markets. Urban respondents are more likely to buy flowers from farmers markets and grocery stores. Rural respondents are more likely to buy them from farm stands.

### Cheese, Butter, and Eggs

- Our survey group bought cheese, butter, and eggs chiefly from grocery stores, followed by farmers markets and farm stands. Eggs follow vegetables and fruits as the type of item purchased most often.

Chart 10



## Homemade Foods

- Respondents bought homemade foods primarily from farmers markets and farm stands. Urban respondents are more likely than rural respondents to prefer farmers markets for homemade foods.

## Top Foods Purchased

Chart 10 on page 6 displays the products most likely to be purchased directly from farmers by rural and urban shoppers. Top products purchased by all respondents were apples, sweet corn, berries, squash and pumpkins, potatoes, tomatoes, and cucumbers. More urban than rural respondents bought tomatoes.

A small number of respondents indicated that they bought the following products directly from farmers: bison, chevon (goat), jerky, ready-to-eat meals, and wool.

## An Unexpected Finding: Home Food Processing

About half (49.9 percent) of our respondents indicated that they process food products in bulk for winter by storing, canning, or freezing. This surprising finding suggests resurging interest in home food preservation by all shoppers, not just those who home garden.

Chart 11 shows the relative amounts of fruits and vegetables typically processed by our survey group. Respondents more often processed or stored potatoes, tomatoes, carrots, sweet corn, and apples.

Chart 11

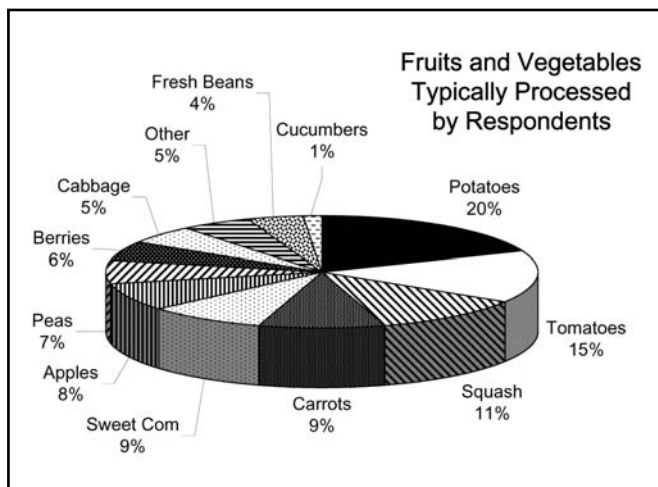


Chart 12a

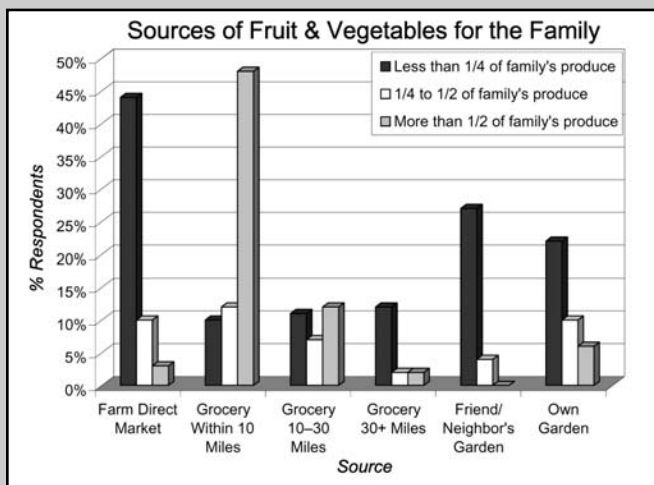
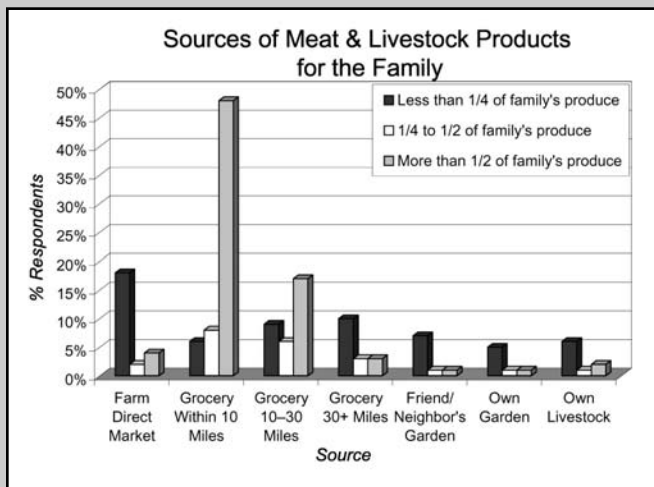


Chart 12b



## Grocery Stores Claim the Bulk of Food Purchases

Charts 12a and 12b show which outlets claimed what share of our survey group's business for annual produce and meat purchases.

The majority of respondents bought most of their food from grocery stores within 10 miles of their home. After nearby grocery stores, folks turned to farm direct markets to complete their family food purchases, followed by their own gardens, and friends' or neighbors' gardens. More distant grocery stores distant were used to a lesser extent.

## Implications and Suggestions for Farm Direct Marketers

- Urban shoppers are more likely to spend over \$10 at each visit to a farmers market, while rural shoppers are more likely to spend over \$10 at each visit to a farm stand.
- Offer a variety of vegetables and fruits for consumers to buy.
- Consider adding eggs, flowers, and organic produce.
- Increase promotion of PYO activities to rural residents.
- Include apples, sweet corn, berries, potatoes, pumpkins, squash, cucumbers, and tomatoes among your basic farm offerings.
- Offer bulk quantities of potatoes, tomatoes, squash, carrots, and sweet corn for home food processors.
- Don't fear home vegetable gardens; they contributed to less than a quarter of family produce needs, and only in a small number of families. Most produce was purchased within 10 miles of home at grocery stores or farm direct markets.



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## Factors in Consumers' Retail Outlet Choices

### Why Consumers Patronize Particular Outlets

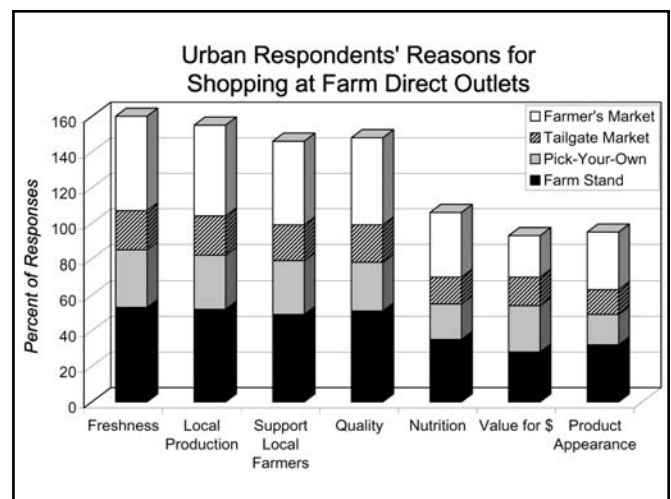
#### *Urban Respondents*

**Farm Direct Outlets:** Chart 13 displays the reasons reported by the urban respondents for shopping at each market outlet. The top reasons given were

- freshness (53 percent),
- local production (51 percent),
- quality (49 percent), and
- support for local farmers (47 percent).

Nutrition, appearance of products, and selection followed the top reasons that respondents shopped at direct farm markets.

Chart 13





**Grocery Stores:** The top reasons that urban respondents shopped at grocery stores included

- convenience (82 percent),
- selection (62 percent),
- volume (48 percent),
- value for money (44 percent),
- appearance of products (35 percent), and
- quality (32 percent).

### ***Rural Respondents***

**Farm Direct Outlets:** Chart 14 shows the reasons reported by the rural respondents for shopping at each market outlet. The top reasons given were

- freshness (69 percent),
- local production (66 percent),
- support for local farmers (61 percent), and
- quality (60 percent).

Nutrition, value for money, appearance of products, and convenience followed the top reasons that rural respondents shopped at direct farm outlets.

Freshness and local production were the main reported reasons that rural *and* urban respondents shopped at both farmers markets and farm stands. Farm stand shoppers weighed support for local farmers somewhat more heavily than quality, while farmers market patrons ranked quality slightly above support for farmers.

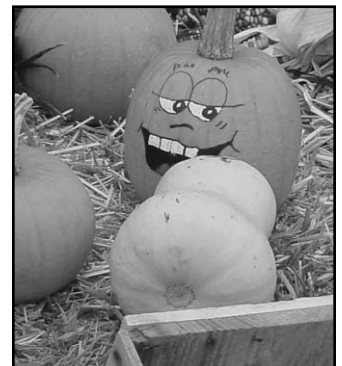
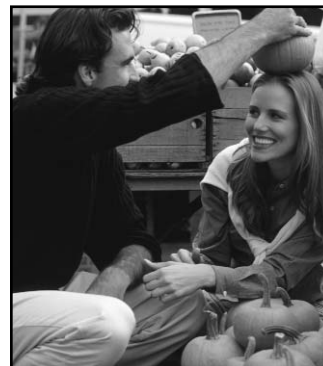
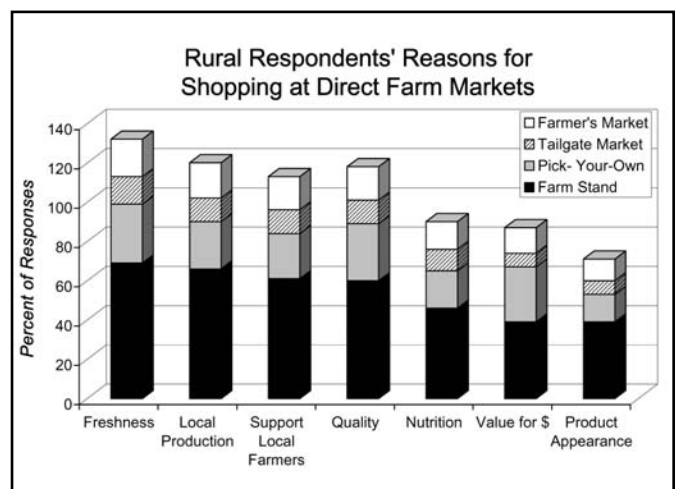
The top reasons given by *all* respondents for shopping at PYO operations were freshness, quality, local production, value for the money, and support for local farmers. The top reasons given by all respondents for shopping at tailgate markets were freshness, local production, quality, and support for local farmers. Convenience was the top reason given for shopping by home deliver, but by only four percent of respondents.

The primary reason for shopping at grocery stores given by all respondents was convenience, (75 percent), followed by volume, and value for money.

**Grocery Stores:** The top reasons that rural respondents shop at grocery stores included

- convenience (69 percent),
- selection (55 percent),
- volume (33 percent),
- value for money (30 percent),
- quality (22 percent),
- precut/packaged produce (22 percent), and
- appearance of products (21 percent).

**Chart 14**



## Why Consumers DON'T Patronize Particular Outlets

The survey respondents were asked to identify the reasons they avoided or were disappointed with given outlets. Major complaints about each type of market outlet by urban and rural survey groups are presented in Chart 15.

Few urban or rural respondents identified reasons for dissatisfaction with PYO and tailgate markets, since a relatively low proportion of respondents had access to these markets. The proportion of respondents who participated in home delivery was even lower; hence information about home delivery was excluded in the charts.

Chart 15

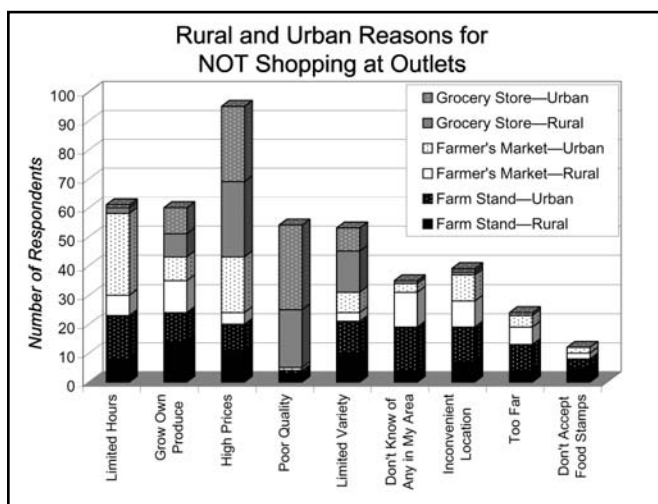
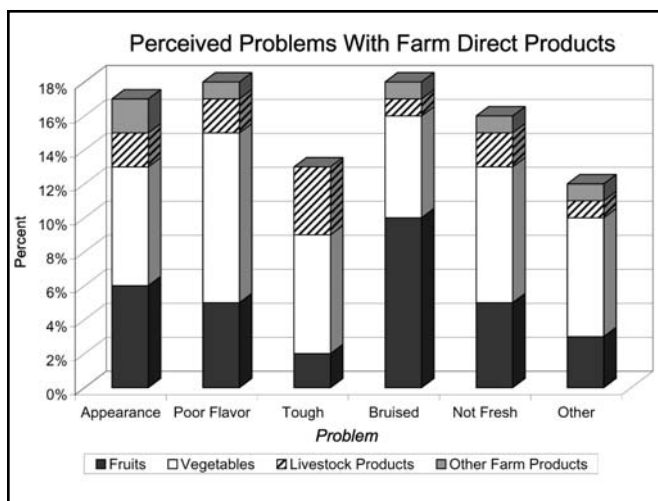


Chart 16



The biggest complaints overall were high prices and poor product quality at grocery stores, and limited hours at farmers markets and farm stands. High prices were also a complaint about farmers' markets and farm stands, but not as frequently as for grocery stores.

Urban respondents were more concerned with limited hours and higher prices than rural respondents. Rural respondents were more likely to cite having a garden as reason NOT to shop at outlets.

## Problems With Farm Direct Products

Chart 16 displays respondents' complaints about types of farm direct products. The chief problem cited for fruit was "bruised"; the most frequently reported objections to vegetables were "poor flavor" and "not fresh"; the top complaint about livestock products was "tough."

## Preferred Shopping Times

Table 2 on page 11 displays respondents' preferred shopping days and times. Most (59 percent) respondents had no preferred shopping days. People who had preferred shopping times generally preferred daytime to nighttime.

## How Respondents Rate Production Methods and Origin Labels

### Organic, Hormone-Free, GMO-Free, and Raised-on-Range Food

Chart 17 on page 11 displays the percentages of respondents who were interested in buying—and who were willing to pay more for—foods grown under different production management methods. Almost half (49 percent) of the respondents were interested in buying organic foods, while a third of the respondents (32 percent) were willing to pay more for this production technique.

Forty percent of respondents were interested in buying hormone-free meat, although only a quarter (24 percent) were willing to pay more for this production method. A third were interested in buying chicken and other raised-on-range meats, but only 22 percent were willing to pay more for this livestock production method.

A third (30 percent) were interested in buying genetically modified organism (GMO)-free food, while 19 percent were willing to pay more for this production option.

### Origin Labels

Chart 18 displays how respondents felt about origin labels on fresh produce, meat, or livestock products. A clear majority of respondents believed that origin labels helped them make purchasing decisions: 44 percent described origin labels as very useful, and 35 percent as somewhat useful.

### Implications and Suggestions for Farm Direct Marketers

- Sell fresh, high-quality produce! Freshness is the major reason people patronize farm direct markets. Freshness sets farm markets apart from grocery stores.
- Label or identify locally grown products. Consumers want to support their local farmers. Let them know who you are!
- Being perceived by consumers as inconvenient, or worse, nonexistent, is a barrier to farm direct patronage. Overcome such negative perceptions with a mix of strategies including advertising, good directions and signage, consistent hours of operation, and easy parking.
- Consider increasing the variety of items that are offered to consumers.
- Consider increasing your hours of operation if you are located in an urban area.
- Organic, GMO-free, hormone-free or raised-on-range products should be identified to consumers.

Chart 17

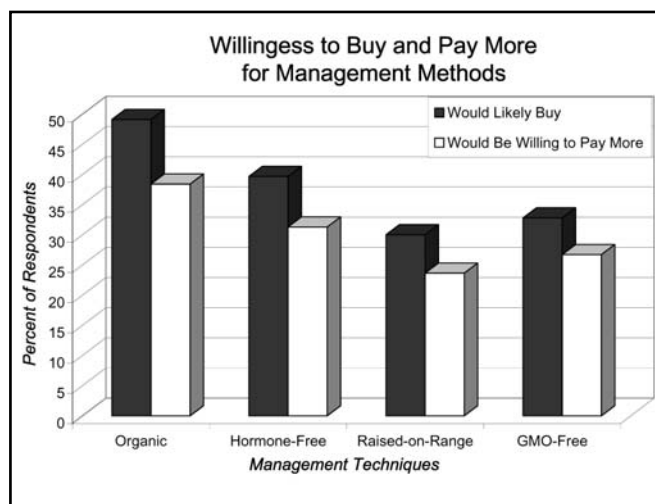


Chart 18

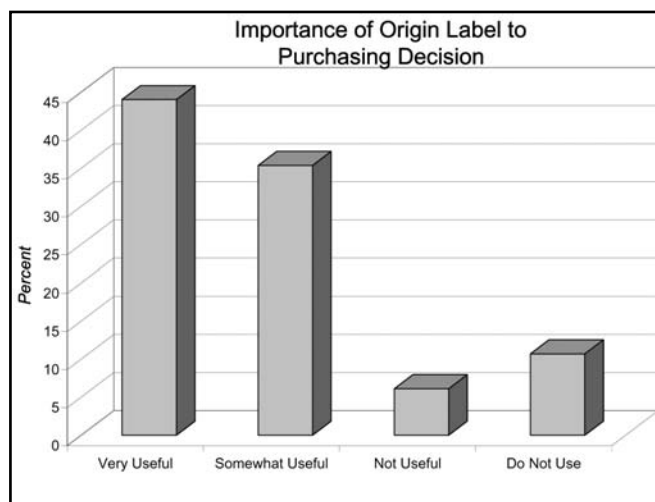


Table 2: Time Preferred for Shopping\*

	Weekdays	Weekends	No Preferred Day	Morning	Afternoon	Evenings	No Preferred Time
Rural	22%	27%	56%	33%	31%	18%	42%
Urban	18%	18%	62%	34%	36%	25%	28%

\*Note that some respondents indicated more than one preferred time

## Summary

The data in this publication came from a survey conducted in the Maine Highlands region, consisting of Penobscot and Piscataquis Counties, in 2003. Our goal was to discover whether farm direct marketers are meeting consumer demand, and if not, how they can better do so. The survey rendered a great deal of valuable information about consumer habits and decisions. It also identified the following very clear opportunities for farmers who want to increase their farm direct business:

- Help consumers find you. Make generous and thoughtful use of roadside signs, newspapers, and events or gimmicks that stimulate word-of-mouth publicity.
- Offer increased variety.
- Offer top-selling items such as apples, sweet corn, berries, potatoes, pumpkins, squash, cucumbers, and tomatoes.
- Add eggs, flowers, and/or organic produce.
- Offer fresh, high-quality produce.
- Offer bulk quantities of potatoes, tomatoes, squash, carrots, and sweet corn for home food processors.

- Offer expanded hours of operation if you serve an urban area.
- Keep your hours of operation consistent.
- Offer easy parking.
- Identify locally grown products.
- Identify organic, GMO-free, hormone-free or raised-on-range products.

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