Explaining Linkages Among Farmers and Consumers in Local and Regional Food Systems to Enhance Rural Development

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Overall Research Questions

• What are the impacts of local/regional food systems on rural communities?

• Are consumers in both rural and urban areas likely to participate in local food systems?
  – Motivations? Impact of price different?

• How do they impact the prosperity of small and medium-sized farms?
  – Motivations for producing for local markets?
  – Help them address whole life goals?

• How do producer and consumer motivations link with each other?
Overall Research Questions

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• How do they impact the prosperity of small and medium-sized farms?
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• How do producer and consumer motivations link with each other?
Rural Communities of Interest

- Correspond to three of the four community types laid out by the Carsey Institute
  - Each are rural, but quite different in landscape and context
  - Communities represent the spectrum of rural communities located near urban centers and those relatively isolated from large population centers.
**Study Areas – Rural Communities of Interest**

- **Southeast Nebraska** includes the counties of Otoe, Johnson, Nemaha, Pawnee, and Richardson
- **Old Trails Region** includes the counties of Ray, Lafayette, Carroll, Saline, and Chariton
- **Northern Ozarks** includes the counties of Dent, Phelps, Iron, Crawford, Reynolds, Shannon, and Texas
Research Tools

In Progress but not yet finished:

• Input-Output Survey of farmers who participated in initial producer survey to understand their overall revenues, expenses and linkages at the local level

• Focus Groups with urban and rural shoppers – both conventional food shoppers and local food shoppers

• Producer Survey
  – Identified farmers through internet databases, local outreach through extension educators, farmers’ market managers, RC&D personnel, and outreach through farmer and sustainable agriculture listserv
High response rate of 44%  Out of 312 surveys sent, 282 deliverable, 126 returned, 4 invalid surveys resulting in N = 122

Respondents ranged in age from 25 to 80, with an average age of 54. A third of respondents were 60 or older, while only 13% were younger than 40.

Even numbers of women and men responded.

Nearly 60% of respondents had an associate’s degree or higher, while another 20% had some college.

Some respondents have been selling into their local market for almost 30 years while others have been participating for less than 2 years.
Local Distance

When asked how far away is the furthest place considered a local or regional market, producers gave a wide range of answers, including “0 miles” and “the U.S.” It turns out there is a significant difference between regions when the average “local” distance is considered.

- Southeast Nebraska – 36.4 miles
- Northern Ozarks – 47.1 miles
- Overall Average – 50.1 miles
- Old Trails – 66.9 miles

Additionally, producers who sell into non-direct markets, such as retail stores and wholesale outlets consider larger local market distances than producers who sell only into direct markets.
Local Market Participation

Local Food Markets

<table>
<thead>
<tr>
<th>Direct Markets</th>
<th>Non-direct Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>80%</strong> of respondents sell through one or more direct markets</td>
<td><strong>42%</strong> of respondents sell through one or more non-direct markets</td>
</tr>
<tr>
<td>• From Farm - 80%</td>
<td>• School Lunch Programs - 5%</td>
</tr>
<tr>
<td>• Farmers' Markets - 80%</td>
<td>• Retail Stores - 38%</td>
</tr>
<tr>
<td>• CSAs - 16%</td>
<td>• Restaurants - 35%</td>
</tr>
</tbody>
</table>

40% of respondents sell through both direct and non-direct market channels

Producers can be split into two groups based on where they sell

- **Direct –Only**: Sell *only* through direct markets
- **Non-Direct**: Sell through non-direct markets, but often also sell through direct markets
What are Producers Selling?

Most producers are selling vegetables and fruits into their local food markets and many others offer eggs and meats. Note that 11% of survey takers did not respond to questions about what they produce for local sale.

*Value-added* foods include but are not limited to canned jams, jellies and sauces; breads and pastas; and prepared meats such as sausage.

**Other** foods include but are not limited to herbs and spices; mushrooms and gathered foods; honey and nuts.
Survey respondents overwhelmingly agreed that local foods offer the following advantages:

- Freshness (97.5%)
- Quality (94%)
- Short shipping distances (89%)
- Free of Additives or preservatives (84%)

The majority of respondents also agreed that local foods offer the following advantages:

- Heirloom or heritage varieties (71%)
- Free of chemical residues (70%)
- Free of genetic modification (65%)
- Convenience (63%)
- Price (58%)
- Organically grown (52%)

Some regional differences: Appearance and Good Prices – the most urban influenced region (Old Trails) differs from the other 2 regions.
Producer Challenges

Certain challenges and concerns echoed through survey answers and comments. Challenges most identified by producers can be grouped into three categories:

1. Challenges to Scaling Up
2. Challenges to Producing Other Foods
3. Market Challenges
Challenges to Selling Locally/Regionally

Transportation and Infrastructure

- Buyer cannot adequately process my product
- Unable to deliver product
- Distance to farmers' market too far
- No infrastructure to deliver my product
- No processing facilities available
- Transportation to market too expensive

Note that the vast majority of respondents did not identify these as problems.
Only a third of the folks had significant concerns about certification and liability – but these are the most pressing concerns when you look at the overall responses. Volume (next page) is also an issue for a significant set of producers.
Marketing

- Buyers won't accept seasonality
- Buyers require specific training
- Buyers require too much...
- Cannot provide low enough prices
- Do not have contact with local buyers
- Cannot provide enough volume

Yes | No
---|---
| 0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
Especially in light of the possibilities of using local foods as a rural development tool, the concern over profit margins (about a third) should give pause.
Challenges articulated:

“What does a case of lettuce mean in rows or plants?”

“We often don’t speak the same language – they buy by the case lot while we sell by the pound.”

“Usually, selling locally requires more labor, time and does not move enough product.”

“I’m told I need a certified kitchen to sell into the larger cities.”
Producer Motivations: Few Regional Differences

Farmers surveyed indicate that producing food and food products for their local market …
• Provides an additional level of pride in their products (91.3%)
• Provides an added level of satisfaction (88.7%).

A high number of respondents are motivated by their …
• Contribution to the quality of life in their community (78.6%)
• Additional income local foods provides to their operation (79%)
• …and to family members (63.7%).

Many respondents agree that local food markets …
• Provide an added level of independence for agricultural producers (79.1%)
• Provides for a better working environment for themselves, their families and workers (64.1%),
• Allows them to concentrate on high quality products (77.2%)
These variables showed no significant variation between our three different regional typologies. We used conventions theory to classify motivations according to world of justification.

<table>
<thead>
<tr>
<th>Survey Question: The local foods market...</th>
<th>World of Justification</th>
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</thead>
<tbody>
<tr>
<td>Provides additional income for my operation.</td>
<td>Market</td>
</tr>
<tr>
<td>Provides work and income for family members.</td>
<td>Market</td>
</tr>
<tr>
<td>Provides a growth opportunity for producers.</td>
<td>Industrial Efficiency</td>
</tr>
<tr>
<td>Requires me to acquire too many new skills.</td>
<td>Industrial Efficiency</td>
</tr>
<tr>
<td>Provides an opportunity for value added production.</td>
<td>Industrial Efficiency</td>
</tr>
<tr>
<td>Is what allows our family to stay on the farm.</td>
<td>Industrial Efficiency/Domestic</td>
</tr>
<tr>
<td>Is time consuming and wears me thin.</td>
<td>Industrial Efficiency/Domestic</td>
</tr>
<tr>
<td>Provides an added level of satisfaction for agricultural producers.</td>
<td>Inspired/Renown</td>
</tr>
<tr>
<td>Lets me concentrate on high quality products.</td>
<td>Inspired/Renown</td>
</tr>
<tr>
<td>Contributes to the quality of life in my community.</td>
<td>Civic</td>
</tr>
<tr>
<td>Provides for a better working environment for me, my family and my workers.</td>
<td>Civic/Green</td>
</tr>
<tr>
<td>Allows producers to treat their soil, water, and/or livestock with care.</td>
<td>Green</td>
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</tbody>
</table>
There were a few regional differences discovered. (Remember that N. Ozarks is least urban influenced area.)

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<th>The local foods market...</th>
<th>World of Justification</th>
<th>Regional Differences</th>
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<tr>
<td>Helps me feel integrated into my community. *</td>
<td>Domestic Worth</td>
<td>Both SE Nebraska and N. Ozarks were more likely to agree with this statement, while Old Trails producers were neutral.</td>
</tr>
<tr>
<td>Allows me to support and work with other local businesses. **</td>
<td>Domestic Worth</td>
<td>Old Trails was more likely to disagree or be neutral with this statement, while N. Ozarks was more likely to agree, and SE Nebraska was neutral to agree.</td>
</tr>
<tr>
<td>Provides an additional level of pride in my product. *</td>
<td>Renown/Inspired</td>
<td>Except for one person, every producer in the N. Ozarks agreed with this statement.</td>
</tr>
<tr>
<td>Is more work than my other farming enterprises. **</td>
<td>Industrial</td>
<td>The N. Ozarks were more likely to disagree with this statement.</td>
</tr>
</tbody>
</table>

*Significant at the <.05 level, **Significant at the <.10 level.
Potential Factors:

Factor 1: Autonomy, Satisfaction and Pride
- Mix of civic, inspired and green motivations

Factor 2: Family Strategy for Staying on Farm
- Mix of industrial and inspired

Factor 3: Embeddedness
- Domestic worth and Civic Equality

Factor 4: Farm Longevity
- Market performance

Factor 5: Drudgery
- Industrial Efficiency
For more information:

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