

Research Update: Developing a Consumer Profile for Value-added Products in North Carolina

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Extended Abstract

Although small family farms make up about 89% of the farms in the United States, they only hold about 20% of the value of production (Kassel, 2022). With the number of farms decreasing on a yearly basis, it is imperative for small farmers to attract and retain consumers to remain economically viable. Value-added products give farmers the opportunity to sell beyond their produced commodities by adding value (e.g., milling wheat into flour or making jam from

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strawberries). Value-added products are a possible solution for a lack of revenue for small farmers (Straughter, 2021). With the demographic diversity of consumers in North Carolina, it is important to understand what drives them to purchase value-added products.

This study specifically focuses on consumers' preferences for value-added products in North Carolina, with an objective to develop a consumer profile for targeting those purchasing value-added products within the state.

The primary data collection process consisted of an internet-based survey administered by Qualtrics XM. More than 1,000 participants responded, with 884 usable surveys, who were randomly selected to provide demographic, home gardening, and consumption information. Our survey was conducted from August 2022 to September 2022. The average survey participant was a white female, aged 46, with some college education (i.e., taken college courses without receiving a degree) and a household income of \$20,000–\$29,999. XLSTAT, a statistical software often used in market research, was used to analyze the data. Descriptive statistics including mean, median, and mode for each variable were analyzed, in addition to cross tabulations of two corresponding variables.

We asked our participants about their thoughts on purchasing, about their willingness to purchase more, and about their willingness to purchase locally sourced, produced, and trusted value-added products. Most responded, “yes,” to the questions. We were able to construct our consumer profile by asking participants, “Would you purchase any of the commodity-food product combinations such as milk-cheese and strawberries-jams, apple-pies?” With the data from this question, we were able to create a consumer profile that reflects the preferences of consumers who are interested in purchasing value-added products in North Carolina. Preliminary results illustrate the demographics of those who are interested in value-added products are 22-year-old females with some college education and a household income of \$30,000–\$39,999; however, the age and income range of the consumer profile is lower than expected as indicated in Shi, Halstead, and Huang (2016). By increasing their marketing efforts and knowing their target audience, farmers can better understand how to effectively promote their value-added products and services. This study will also provide policy makers with information on the prospective marketing gaps that exist in support of value-added agriculture and its respective programming.

References

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