THE LOCAL AND REGIONAL FOODS RESOURCES & RESEARCH WEBINAR SERIES

REGIONAL FOOD BUSINESS CENTERS PROGRAM HIGHLIGHTS

WEBINAR NOTES

Meeting Details

Date: Thursday, December 19
Time: 1:00pm ET
View Our Presenter Slides.
View Our Webinar Recording.

Meeting Purpose and Overview

Webinar Objectives

- To review how food purchasing patterns have changed since the pandemic
- Discuss drivers of local and regional consumer purchases with a focus on regional opportunities
- Highlight key takeaways for food businesses

Key Program Links

- Consumer Food Insights: https://lfscovid.localfoodeconomics.com/consumer-food-insights/
- Local and Regional Food Systems Response to COVID: https://lfscovid.localfoodeconomics.com/

The Consumer Food Insight Survey is one component of the Local and Regional Food Systems Response to COVID project, a cooperative agreement between USDA Agriculture Marketing Service, Colorado State University, and the University of Kentucky.

This webinar presents findings from the Consumer Food Insight (CFI) Survey 3.0, conducted December 2023 – January 2024, with data from 5,000 households. Findings are framed to support the new USDA Regional Food Business Centers as they lead outreach and technical assistance on market development as part of new USDA investments in resilient food systems.

Key Findings

- Almost 50% of people purchased from a new market since 2020
- Online Food Shopping: increased amid pandemic and continuing to increase
  - 21% spending more on online food shopping
  - 54% of local and regional market shoppers used online options
  - Positive trend in online food shopping (and more types of food retailers) for both values driven shoppers and frugal consumers
  - Online Shopping Intensity across Food Business Center Regions
    - Higher online shopping intensity in values-driven class
    - Lower usage in Island and Remote regions – potential shipping costs

        - North Central – much higher intensity for values-driven class – possibly fewer in-person shopping options

- Regional Findings: Used boundaries of Regional Food Business Centers to segment analysis
    - Overall Changes in expenditures:
        - Changes in weekly expenditures; Sept 19 – Sept 20: Dramatic decrease in farmers market and local restaurants, increases in all other market channels; Oct 22 – Oct 23: Direct from producer finally increased (different than anecdotal trends)
        - Local contingencies shape consumer behavior
    - New vs. Established local shoppers – proportions vary by region, but new users added across all 5 market channels, generally the highest proportion in specialty retain and independent restaurants
    - Channel usage intensity: Core level consumers, mid-level consumers, vs. Peripheral local consumers
        - All benefit when more people use more market channels: opportunity for growth across consumer type
    - Consumer Type by Channel Usage: Consumers continue to diversify spending patterns, differences in regions but continued growth across the board.
    - Expenditures Across Time: How to use numbers:
        - Can see how dynamics are shifting and changing, or look at most recent year
        - Can see dramatic differences between regions, need to look at information by region to understand potential for growth and areas of opportunity

How might we use these numbers to understand market size and dynamics?

- Exploring size of potential sales in your market area: market share, expanding market size
- Planning for various types of buyers using local markets
- Opportunities and tradeoffs of expanding and differentiating markets?

Case studies:

- Piedmont Region, NC: What is the potential market size for direct market sales?
- Delta and Boulder Counties, CO: How do you choose where to sell?

Q & A:

Q: Given that food price increases were significantly above all-items in the Consumer Price Index, does the "accounting for inflation" account for this above average increase? Do we know if people are buying more food or just spending more for the same food?

A: Based on analysis in multiple projects, using Consumer Price Index and Consumer Price Index specifically for food, we still find that consumers are spending a larger proportion of their income on food.

Q: How can producers and grocers collaborate to better meet the evolving needs and preferences of consumers?

A: References Kansas State University Grocers Survey. If people can take this information to demonstrate that people are looking for other ways/markets to access local foods. Local food producers can be an incentive to drive sales to other markets (e.g., specialty retail).