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## “GREEN” MARKETS FOR FARM PRODUCTS

**CURRENT TOPIC**

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January 2001

Made any money recently selling wheat or barley without a government payment shoring up your income? How has the wholesale vegetable market been treating you? Getting a good price for your cattle at the sale barn? If you're making a good living from commodity production, feel free to find another article to read. If the bulk markets are taking you for a ride, join the many farmers and ranchers wondering what their choices are for the future.

Selling grain and other bulk commodities that stay priced below the cost of production is scary enough. Raising the same crops year after year with little hope of price increases – barring weather or political disruption of some sort – is only scarier. But what are the alternatives, other than quitting farming or increasing your time working off the farm?

A growing number of farmers and ranchers are seeking to capture more of the food consumer's dollar by closing the gap between their farm and the consumer. Producers are doing this by differentiating or adding value to the food they raise.

Three approaches that help close the gap with consumers are:

- direct marketing locally grown and processed products,
- marketing a specialty, value-added product processed on-farm or in the local community (jams, split peas, jerky, safflower oil...the list is truly endless), or
- raising food for customers seeking organic or otherwise identifiable “earth-friendly” products.

This article addresses that third approach, summarizing what some interesting research is telling us about food consumers' views of the environment and the food they eat. We also list below some excellent resources, both in print and on the Internet, for growers who are starting to think about how they might capture a share of the “green” market.



The ATTRA Project is operated by the National Center for Appropriate Technology, under a grant from the USDA's Rural Business-Cooperative Service.

Now unless you have experience running a food retail or wholesale business that caters to these green customers, there are a whole lot of questions that have to be answered, the first being:

- Who are they?
- Where are they?
- How many of them are there?
- Under what circumstances will they buy my product?

Two reports by the Hartman Group, a research firm based in Bellevue, Washington, go a long way toward answering these questions. In the mid-1990s the Hartman Group conducted a very carefully designed national study to assess consumers' attitudes and behaviors about the food they eat—specifically asking whether, and under what circumstances, they would buy “earth-sustainable” foods. Earth-sustainable is the researchers' term for foods grown using practices that are environmentally beneficial, or at least benign.

The fascinating results of this research were published in two volumes in 1996 and 1997. Here's just a sample of what's in the reports:

- If you're thinking about tapping a national “earth-sustainable” food consumer market, scratch off half the population immediately. Forty-eight percent of those surveyed said they would not buy these foods under virtually any circumstances, because they were either unconcerned (18%) or overwhelmed (30%).
- About half of all consumers represent your market opportunity. Seven percent are *eager* to buy earth-sustainable foods, and beyond these “true naturals” (as the Hartman report calls them), 45% percent of the population is basically willing to buy these products. The report breaks this 45% down into three groups. The “new green mainstream” (23%) show a strong commitment to purchasing earth-sustainable foods, but will do so only if the product meets their expectations of convenience and price. “Affluent healers”(12%) and “young recyclers” (10%) are much less committed to buying earth-sustainable foods, though both rate environmental issues fairly high. Affluent healers' buying commitment grows significantly if they perceive the product as genuine, and as having greater nutritional value.
- Core purchasing criteria for consumers in general are price, taste, quality, availability, and convenience. These criteria apply as well to green consumers, who also need to feel trust in the product, based on understandable labeling and product identification.

- Surface and ground water contamination by pesticides scored as the greatest concerns among all survey respondents, followed closely by pesticides’ impacts on birds and wildlife, and residues on food.
- Environmental concern is not always followed through with action or behavior consistent with that concern. When the Hartman group asked all survey participants about their environmental concern and then compared that concern to shopping patterns, they found that only about half of the concerned “walked their talk”. Many factors came into play here, such as price premiums, availability of products, and vague, unfocused environmental concern.

The Hartman reports are packed with lots more useful information than can be shared here. Profiles of consumers’ views on price premiums; their food purchasing patterns; magazine and radio station choices; and views on the work ethic, thriftiness, self-reliance, and much more make the Hartman reports among the very best resources for understanding food consumers and the emerging green food market. If you want to move away from undifferentiated commodity production toward some sort of “green” product identity, an important first step is to identify your potential market, and careful study of the Hartman reports is a great place to start.

**ATTRA publications that can help you determine whether green marketing, value-adding, direct marketing, and similar approaches are for you:**

- Direct Marketing*
- Evaluating a Rural Enterprise*
- Organic Marketing Resources*
- Keys to Success in Value-Added Agriculture*
- Adding Value to Farm Products*
- Alternative Meat Marketing*
- Alternative Beef Marketing*
- Grain Processing: Adding Value to Farm Products*
- Alternative Agronomic Crops*
- Overview of Organic Crop Production*

You can order the Hartman reports by contacting:

The Food Alliance

1829 NE Alberta

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Portland, OR 97211-5803

503-493-1066

[www.thefoodalliance.org](http://www.thefoodalliance.org).

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