

# The importance of local food products in a consumers' oriented market

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1st Meeting of the Mediterranean Macro-regional NRN Cluster  
February 1<sup>st</sup>, 2012, Thessaloniki

# Introduction

Increasing interest in locally produced foods due to:

- the perceived failings and injustices of the global industrial food system
- Consumers' "nostalgia" about "real", "healthy", "authentic", "traceable" and "wholesome" foods
- In 2007, the word 'locavore' (a person with an eating preference for local foods) was added to the New Oxford English Dictionary
- The value of local food in the US market jumped from an estimated \$4 billion in 2002 to about \$5 billion in 2007, and is expected to increase to \$7 billion by 2012

# Definition

- The concept of local food has been launched to describe food produced near the consumer, but it is not yet well-defined and consumers may understand it in different ways
- There is no clear agreement of a limiting distance
- Despite a lack of legal definition for local, the term is used with increasing frequency at the retail level, particularly in promoting fresh fruits and vegetables.

# Benefits associated with local food products

## ■ Environmental

- Reduction of energy inputs
- Diversification – eliminate soil erosion

## ■ Economic

- Business survival – support for local services
- New sources of income
- Higher farmer prices
- New job opportunities in rural areas
- Source of attraction in rural tourism

## ■ Social

- Trust and confidence because the distance between producers and consumers is shortened (short supply chain)
- Increase in food security and food safety as consumers know the producers of their food

# Market opportunities for local food

## High pressure for farmers; two options

cost leadership (due to economies of scale)

quality leadership and product differentiation (local food)

## Consumers; two options

“day to day” foods produced and distributed by multinational corporations

lower volume niche or specialty products produced in local areas (short chain)

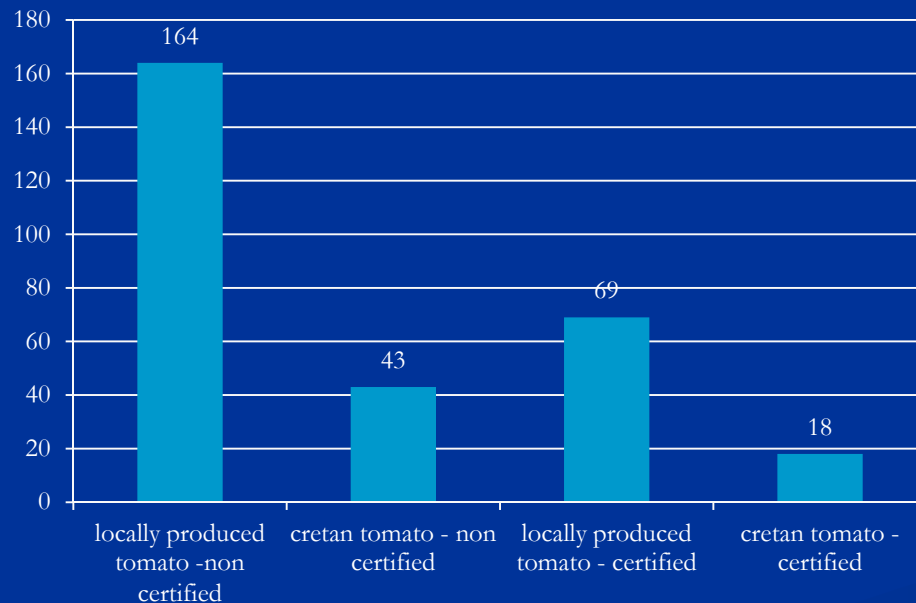
# Consumer survey for local food

- 410 participants living in Thessaloniki region
  - randomly recruited from the general population
  - involved in food purchases
- 58% female, 42% male
- Mean age 43
- Average family size: 3
- Average monthly household income: 1715 €
- Average week food expenditure: 76 €
- Average monthly expenditure for certified food: 72 €
- Studied product: Tomato (4 cases)
  - 1<sup>st</sup>: locally produced tomato – non certified
  - 2<sup>nd</sup>: Cretan tomato – non certified
  - 3<sup>rd</sup>: locally produced tomato – certified
  - 4<sup>th</sup>: Cretan tomato - certified

# Awareness and purchase of local food

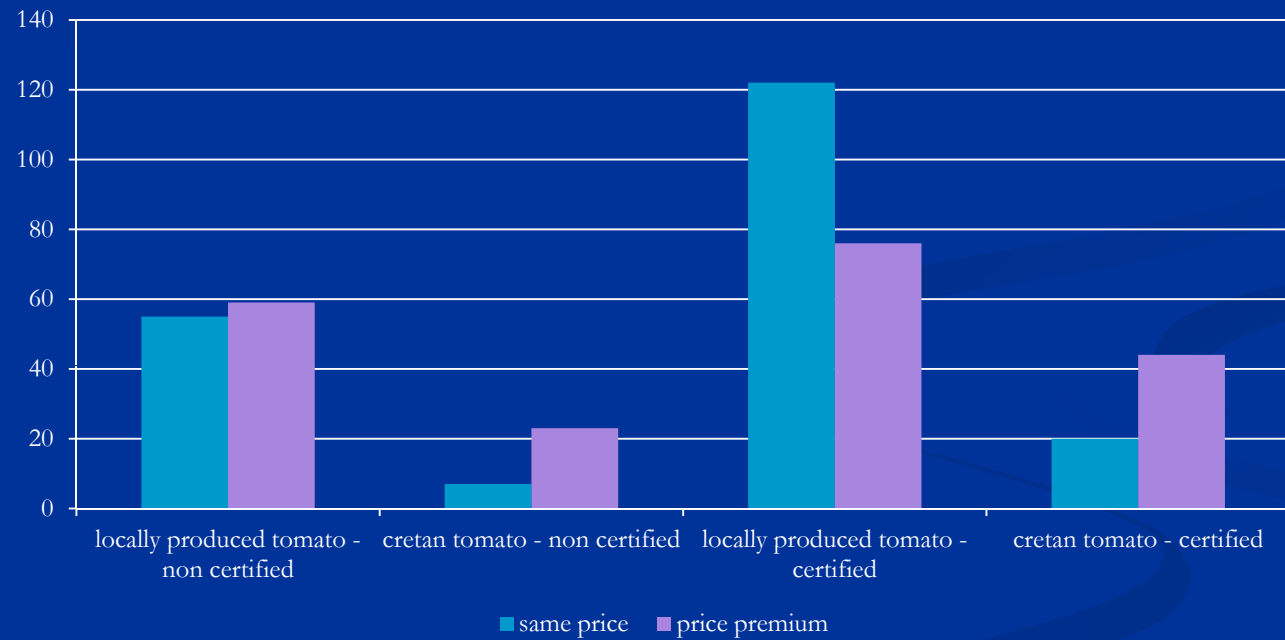
- 57.8% are aware of local food products such as: Fruits, Vegetables, Dairy food, Olive oil, Wine, Legumes

Purchases of local – non local tomatoes per week



Product	Average price / kgr
1 <sup>st</sup> : locally produced tomato – non certified	1.4 €
2 <sup>nd</sup> : Cretan tomato – non certified	1.5 €
3 <sup>rd</sup> : locally produced tomato – certified	2.1 €
4 <sup>th</sup> : Cretan tomato - certified	2.2 €

# WTP for local food





# Conclusions (1)

- Local food as a concept is still in its relative infancy, without the benefit of well established institutional and policy support
- The promotion of local food consumption is important because local food consumption can contribute to agricultural sustainability, to the decrease of food miles travelled and it can support the local economies

## Conclusions (2)

The survey in northern Greece revealed that:

- The majority of consumers are aware of certified quality food and local food production
- Prefer to buy locally produced and distributed food
- Are willing to pay a price premium for local certified food
- Consider local foods of higher quality, better taste, healthier and more fresh