

Consumers Consider COOL A Hot Topic

As members of the produce industry, we know today's supermarket cornucopia is made possible by our now-global marketplace for fruits and vegetables. According to our latest consumer survey, American consumers want to know the origin of their produce, as availability is increasingly accomplished with the help of imports, and they have strong attitudes on the subject. Behind these strong attitudes lies a rash of recent safety scares that have hit everything from food to toys.

Working with Opinion Dynamics Corporation to conduct a national telephone survey in late August, PMA learned a majority of consumers place high importance on knowing the origin of their fresh fruits and vegetables. Almost 7 in 10 claim they are aware of where their produce comes from at least some of the time, and 51 percent assign the highest importance to that knowledge. Meanwhile, 18 percent view the issue as unimportant.

When asked why they want to know country of origin, 14 percent of consumers cite their general interest in being informed, while 10 percent want to know because they prefer to buy local and 7 percent to buy US-grown. When responses related to food safety are combined, those worries rank highest with consumers, totaling 18 percent: Five percent point to general safety concerns, another 5 percent point to lack of trust, 4 percent cite poor regulations and inspections, and another 4 percent cite apprehension for how imported produce is grown and handled.

Our research also tested how perceptive consumers are. Only one shopper in five (20 percent) claims to know the origin of the produce he/she buys all the time, while 49 percent say they are aware of their fruits' and vegetables' origin some of the time. Just under one-third (29 percent) say they either hardly ever or never know from where their produce originates.

Among those claiming at least some level of awareness of country of origin, 55 percent report they get their information from packaging and another 42 percent cite stickers, while 17 percent reference signage.

While 62 percent of primary shoppers indicate they don't single out locales to avoid, a full one-third (33 percent) indicates they avoid purchases from specific countries or places. China (42 percent) stands out as the country most likely to be avoided, while 11 percent said they don't purchase imported produce at all. China's recent spate of product recalls appears to be the main concern behind boycotting that nation.

In contrast, 54 percent of consumers say they have preferred produce sources. The United States is the overwhelming choice for 68 percent, followed by 13 percent referencing local/homegrown. Among those singling out the United States as preferred, "buy American" patriotism (24 percent) and a sense of superior regulations (21 percent) are the main reasons cited.

Shoppers appear divided on how they cope with the unavailability of US-grown produce. Twenty-six percent opt to buy similar imported produce or to switch to a different produce item altogether, while 21 percent say they don't buy the produce at all if a US-grown item is not available.

The version of the 2007 Farm Bill already passed by the US House of Representatives includes language that would impose mandatory labeling on all fresh produce at retail, allowing a variety of means to convey that information to shoppers. Though the fate of this legislation in the Senate remains unclear at this writing, the much-delayed COOL provisions of the 2002 Farm Bill do go into effect on Sept. 30, 2008 — unless new legislation is passed to replace them. That leaves anyone marketing produce in the United States — whether domestic or imported — between a rock and a hard place: having to plan for labeling products at retail point of sale but not sure which provisions will rule the day.

While consumers certainly appear to want and deserve COOL, we must be realistic about what is feasible. In-store research done previously shows more than 60 percent of the top 20 fruits and top 20 vegetables by consumption are already labeled as to origin if one counts US state or regional designations

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(which the 2007 House bill does).

This includes the full range of labeling options: stickers, bags, twist ties, etc. We must not throw the baby out with the bath water: We should not alter produce merchandising practices so much that we deny consumers the opportunity they crave to select many produce items from bulk displays, thereby driving down consumption. It isn't possible to label all produce at the point of packing, so there will be a need for retailers to supply information to customers in ways other than labeling on the product, bag, etc.

Might we see a reduction in the variety of produce items offered at retail? Could packaging get a boost so more labeling of tough-to-label bulk items (think green beans, for example) can be done upstream from the store? How will COOL impact on the increasing interest in locally grown produce? These and other questions spring to mind and cannot easily be answered.

Whichever version of COOL finally gets implemented, our challenge as an industry is surely to give concerned shoppers the information they want about produce origin without adding excessive cost in the process. Some shoppers seem concerned enough to avoid particular places, while others want to support their local growers. Wherever they are on this spectrum of beliefs and behaviors, we need to accept that the current mindset of many consumers has changed the dynamics of COOL. We must work to keep the government's mandate practical and avoid reducing consumption as an unintended consequence. But we must also accept that the rules of engagement have changed.



Behavior May Reveal Otherwise

Sometimes reading consumer surveys on country-of-origin labeling is enlightening, principally because of what it tells us about the limitations of consumer surveys.

We can applaud PMA for taking on the thankless task of trying to get meaningful answers from consumers on this subject. It is not easy. When, as Bryan explains, almost seven in 10 consumers claim they “are aware of where their produce comes from at least some of the time,” we don’t know whether that means they have actively sought that knowledge or happened to see some signage. We don’t know if they remember once seeing a sign or if they are typically aware of where their produce comes from.

A reader is also left scratching his head at how it could be possible more than three out of 10 consumers are never — not even some of the time — aware of where their produce comes from? These people have never seen an Idaho potato? Never once noted a sign or label? Not once saw a “locally grown” promotion? It is hard to imagine this could be true.

The PMA study finds a majority — fully 51 percent — assigns the “highest importance” to where their produce comes from, yet only 20 percent of consumers actually claim to know the origin of their produce all the time. So whatever “highest importance” might mean, it doesn’t mean these consumers won’t buy produce if the information isn’t available. This, of course, raises the question of whether this information really means anything at all to most consumers.

Consumer confusion on this matter is evidenced by the fact that when asked precisely why they might want to know about the country of origin of produce, nothing seemed a particularly significant concern. The biggest specific reason given — “general interest” at 14 percent, which seems likely to be a catchall for people who feel they “should” want to know this but can’t actually think of a reason why.

Even claims that a third of consumers are looking to avoid purchases from China seem odd — after all, there is scarcely any Chinese

fresh produce sold in US supermarkets.

Ahh, there is at least one area with a large majority — 68 percent of consumers prefer US produce and 13 percent want locally grown. This seems overwhelming, yet even here, how do we square this information with Bryan’s report that only 21 percent of consumers say they won’t buy the item if US produce is not available? This seems like a weak preference for US product — especially because no supermarket has ever reported sales dropping 21 percent because it shifts to imported product.

This is a classic example of the kind of question that consumers feel they should care about and have an opinion on but rarely do. Sure, if you shove a microphone in someone’s face, you get answers — but you don’t get the truth.

Because few consumers ever want to say they prefer to be ignorant.

Certainly, once in a while, consumers care about country of origin. If the newspapers are filled with stories of poisoned food from China, they may shy away.

If they see food imported from their ancestral homeland, they may want to buy it. If there is a special promotion — locally grown, Caribbean fun days, Cinco de Mayo — they may like the authenticity of buying those products from those places.

Day to day, though, consumers really don’t care. This is not surprising. They buy imported cars and electronics, almost all clothing is imported, they fly on Airbus jets, they eat imported canned and frozen foods — what would make us think that they will make a stand against imports in the fresh produce department?

If they are presented with a choice, consumers may even have preferences for one country over another.

None of this, though, is significant enough to have any long-term noticeable effect on sales. In fact, as Bryan points out, we already have quite a bit of produce in the stores identified by production source.

So why are we moving to country-of-origin labeling? The power of an odd coalition of

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self-professed consumer advocates and US farmers, who mistakenly think this will make a difference in their sales, got it into the law.

PRODUCE BUSINESS just completed some focus groups in the United Kingdom where country-of-origin labeling is on every produce item and virtually every produce item is packaged. The packaging typically includes not only the name of the country of origin but also the flag of the country of origin. Despite all this, many consumers in our focus groups were shocked to learn the information was available — so little attention did they pay to the information.

We are likely headed for the same result in the United States — a lot of work and trouble for an audience that simply doesn’t care. Sadly, the hope that country-of-origin labeling may make a difference might be causing some growers to hold off on the kind of innovation and marketing that is really necessary to boost their sales and profits.