



**March 2007**

## **Beyond Growing, Part I: Buyers Looking for “Local”**

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### **Introduction**

The Department of Applied Economics and Management at Cornell University and Cornell Cooperative Extension of Dutchess County, New York sponsored the annual Cornell University Strategic Marketing Conference “Beyond Growing – Strategies and Technologies That Transform Products to meet Market Demand”, November, 2006. The conference was held in the heart of food country, down the road from the Culinary Institute of America in Hyde Park, NY and 50 miles from Manhattan. Buyers from retail, foodservice distribution and restaurant channels shared their insights on buying directly from agricultural producers. Growers discussed their experiences on the market’s demands, including quality standards, packaging, varieties, delivery schedules, and methods of conducting business. This Smart Marketing article is one of a two part series which will delve into some of the lessons that were shared at the conference.

### **Buying local is a growing trend.**

The market interest in the “Buy Local” movement has been increasing for some time now. Recently however the market seems to have accelerated (Park, 2006). Several factors are thought to account for this.

With fuel prices on the increase and with no apparent decrease in the forecast, some New York buyers find local foods becoming more appealing as they travel fewer miles from farm to fork. Buyers are finding that locally produced products are becoming more cost competitive compared with some California or globally-sourced products. We have to qualify this advantage by saying that some economic studies find that total energy consumption which includes farm production costs, still find energy cost advantages in large growing regions, such as California.

Many consumers also find locally produced food more appealing and want to know specifically where their food is coming from. “The consumer wants to know more about how the food product was raised, rather than just what the product is and they are becoming more “educated” about food and are asking more questions,” Dan Barber (keynote speaker at the Strategic Marketing Conference and owner and chef at the famous NYC “Blue Hill” restaurant and the more rural “Blue Hill at Stonebarn” restaurant). Because local growers are more accessible, consumers can ask questions about production practices and receive answers in person. Barber believes that buying products from around the world is one of his biggest weaknesses. Although the global sourcing is necessary and product is excellent, he cannot visit the producers regularly to see their production practices first-hand or to hear their personal stories. Buying locally can provide him with the information which helps him sell his food.

Some of the more recent food safety breaches (particularly the California spinach *E.Coli* incident in summer 2006) has heightened the interest in local product. True or not, consumers believe that a local producer is more visible, more accountable, and more interested in providing safe food products to their own local community.

Theoretically, of course, product that is sourced locally may be fresher, having had to travel for a shorter distance. Product quality was an issue that was discussed extensively at the Strategic Marketing conference and is one that will be discussed further in the next Smart Marketing article.

The message from all three food sector buyers (retail, wholesale, restaurants) at the Strategic Marketing conference was that good quality local food is in such demand that some buyers are struggling to secure enough product for their customers. This is particularly the case in metropolitan and suburban areas where there are fewer farmers and where larger direct markets attract farm product away from retail outlets. In New York City, the large network of Green (Farmers) Markets (<http://www.ny.com/dining/green.html>) are competing with retailers for quality local produce. The retailers and restaurants in the suburban areas of New York City subsequently struggle to find local production.

Wendy Carter, Locally Grown Coordinator for the supermarket chain, Hannaford, summarized her panel presentation by saying “Producers should have conversations in the winter with produce managers to find out what they want and can then grow to meet the customers’ needs. Build that relationship now. Relationships need building through conversations. Understand what they need, deliver when they want it, make it easy for the produce manager to do their job”.

The general consensus for food service and wholesale is that people want to know where their food is coming from and they want to know it is nutritious, wholesome and safe.

### **References and Resources**

A full review of the 2006 Cornell University Strategic Marketing Conference can be found at [www.stewartpostharvest.com](http://www.stewartpostharvest.com) (Issue 1, February 2007) or at <http://marketingpwt.aem.cornell.edu/> Park, K. The Marketing System. In: New York Economic Handbook: 2007. New York. Department of Applied Economics and Management, Cornell University, Ithaca, NY 14853. 2006. pp 2.1-2.7 <http://aem.cornell.edu/outreach/outlook/2007/Chap2Mktg2007.pdf>

**"Smart Marketing"** is a monthly marketing newsletter for extension publication in local newsletters and for placement in local media. It reviews the elements critical to successful marketing in the food and agricultural industry. Articles are written by faculty members in the Department of Applied Economics and Management at Cornell University.

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