Organic or Local Food: Consumers’ Attitudes and Preferences for Vouchers

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Motivation

• price is the most important perceived barrier to the purchase of organic food.
• Consumers with limited budgets, such as low-income households, are less likely to buy organic food (literature review by Aschemann-Witzel & Zielke 2017)
• This barrier requires policy action if policymakers want to increase organic consumption.
Vouchers for local, organic, or all fruit and vegetables

• Providing food vouchers have been shown
  – to stimulate the consumption of the given foods among low-income households,
  – to improve availability and variety of the foods (Hawkes et al., 2015).
• Food vouchers for the poor or vulnerable population segments may be highly effective, according to the literature review (Brambila-Macias et al., 2011). Such a measure can facilitate health equity.
• can be provided to employees (as in CZ), other population segments (low income pregnant women in the UK), or even to all inhabitants
Objectives of the Research

• shedding light on demand stimuli in five EU countries with small organic food market shares
• identify shares and segments of the populations of the five countries that would apply for vouchers for:
  – fruits and vegetables,
  – organic fruits and vegetables,
  – fruits and vegetables grown in the respondent’s country (local)
Methods

- questionnaire survey conducted in five European countries: **Spain, United Kingdom, Czech Republic, Latvia, Portugal → CUNI, UNEXE, RIGA, BC3, ISCTE-IUL**

1. Qualitative pre-survey - 27 one-on-one semi-structured interviews

2. Quantitative questionnaire survey
   - representative of national populations aged 18 to 65 years in terms of several sociodemographic characteristics.
   - CAWI internet panels (on-line web based survey)
   - **10288 respondents** interviewed (excluding speeders)
Results

I. CURRENT TRENDS IN FOOD CONSUMPTION
**Fruit and vegetables consumption**

- Czech and Latvian respondents consume fruits slightly less frequently compared to their counterparts from the UK, Spain and Portugal.
- Vegetables are eaten overall somewhat more by British respondents.
- The most common frequency of fruit and vegetable consumption is 1-2 portions a day.
- The majority of people eat less than the recommended 5 portions of fruit and vegetables a day.

### How many portions of FRUITS do you eat? (count fresh and canned fruit)

- None
- Less than one portion a month
- Less than one portion a week
- One portion per week
- 2-3 portions per week
- 4-6 portions per week
- 1-2 portions per day
- 3-4 portions per day
- 5+ portions per day

### How many portions of ... do you eat (drink)?

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<tr>
<td>Fruits</td>
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<th>PT</th>
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<tbody>
<tr>
<td>Vegetables</td>
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<tr>
<td>6%</td>
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<td>5%</td>
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*One portion is e.g.: half of an apple*

*Handful of grapes*
In the last seven purchases of food, how often did you choose organic vegetables and fruits?

<table>
<thead>
<tr>
<th>Country</th>
<th>Never</th>
<th>Rarely</th>
<th>4 times and more often</th>
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<tbody>
<tr>
<td>UK</td>
<td>41%</td>
<td>19%</td>
<td>31%</td>
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<tr>
<td>PT</td>
<td>21%</td>
<td>28%</td>
<td>44%</td>
</tr>
<tr>
<td>LV</td>
<td>27%</td>
<td>25%</td>
<td>35%</td>
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<tr>
<td>ES</td>
<td>23%</td>
<td>23%</td>
<td>45%</td>
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<tr>
<td>CZ</td>
<td>43%</td>
<td>27%</td>
<td>21%</td>
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</table>
Results

II. VOUCHERS FOR ORGANIC, LOCAL OR ALL FRUIT AND VEGETABLES
Vouchers for local, organic, or all fruit and vegetables

• Imagine that your government decided to provide all residents with vouchers for *organically grown fruit and vegetables*.

• These vouchers will be valid for 12 months following the month when they were issued.

• They will be accepted in most grocery shops, including supermarkets, hypermarkets, and at most farmers’ markets.

• It will be easy to get them (apply online and the vouchers will be sent to you by post, downloaded to your mobile phone, available from your employer or at your health insurance provider) and any fraud will be prevented.

• If you already use some meal vouchers, it will be up to you whether you will get both the current vouchers and the new vouchers or only the new vouchers.
Vouchers for local, organic, or all fruit and vegetables

- You would pay £XX1 per month for XX2 vouchers for organically grown fruits and vegetables that have a total value of £XX3 per month.

QV1. Would you apply to get these vouchers for at least one month?
1. Definitely not
2. Probably not
3. Maybe
4. Probably yes
5. Definitely yes

3 randomized treatments- vouchers for:
- fruits and vegetables,
- organic fruits and vegetables,
- fruits and vegetables grown in the respondent’s country.
Vouchers for local, organic, or all fruit and vegetables

• contingent behaviour experiment
• We randomly assigned the number of vouchers to each participant, either 10 or 20 vouchers per month.
• We chose to offer more vouchers with a lower value to having one voucher with larger value so that these vouchers can be used even for small (daily) purchases.
• Each voucher is of £3 value in the UK, 3 € in Portugal and Spain, 2 € in Latvia, and 50 CZK in the Czech Republic.
Vouchers for local, organic, or all fruit and vegetables

- 36% to 47% of respondents would apply for vouchers for **organic** fruit and vegetables
- 45% to 65% respondents would apply for vouchers for **local** fruit and vegetables
- 45% to 60% would apply for vouchers for **all** fruit and vegetables (Czechs are more likely to apply)
Vouchers for local, organic, or all fruit and vegetables

- the likelihood to apply decreases with the rising rate of co-payment needed to obtain the vouchers.
- Vouchers for fruit and vegetables with a co-payment rate in the vicinity of 60% seem to be most promising.
- Vouchers for fruit and vegetables with local origin need not work better or worse.
- the likelihood of applying for the vouchers decreases when vouchers are provided only for organic fruits and vegetables.
Respondents from the low income segment are significantly less willing to apply for such vouchers compared to the high income segment of respondents (by approx. 15 percentage points in four survey countries and by 35 percentage points in Portugal). Still, about 50% of low income respondents would definitely or probably apply for the vouchers in all survey countries except for Portugal.

### Would you apply to get these vouchers?

<table>
<thead>
<tr>
<th></th>
<th>income: 1st tercile</th>
<th>income: 2nd tercile</th>
<th>income: 3rd tercile</th>
<th>income: DKN/no response</th>
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<tbody>
<tr>
<td>UK</td>
<td>26% 22% 27% 3% 12%</td>
<td>24% 30% 21% 13% 10%</td>
<td>48% 19% 19% 8% 5%</td>
<td>20% 18% 25% 16% 13% 9%</td>
</tr>
<tr>
<td>CZ</td>
<td>30% 20% 31% 9% 10%</td>
<td>34% 30% 23% 10% 15</td>
<td>48% 26% 12% 8% 5%</td>
<td>31% 21% 20% 16% 20% 9%</td>
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<td>18% 36% 20% 12% 8%</td>
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<td>20% 26% 23% 10% 9% 5%</td>
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<td>27% 24% 26% 8% 15%</td>
<td>21% 30% 26% 14% 10</td>
<td>27% 39% 14% 10% 5%</td>
<td>8% 21% 36% 11% 8% 16%</td>
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<tr>
<td>PT</td>
<td>8% 16% 28% 20% 17% 11%</td>
<td>22% 29% 20% 15% 11%</td>
<td>33% 27% 24% 10% 5%</td>
<td>24% 15% 22% 21% 9% 5%</td>
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- Definitely yes
- Probably yes
- Maybe
- Probably not
- Definitely not
- I don't know
In case of vouchers for organic fruits and vegetables the share of those who think that the quality would be better is higher by 4-11 percentage points depending on respondents’ country.
Where would your household use the vouchers most often?

- the majority of respondents chose large grocery stores, between 63% and 85% depending on country of residence and type of voucher
- respondents offered vouchers for organic fruits and vegetables would more often use them in organic food shops (except for the UK respondents).
Conclusions

• Even though more people would apply for vouchers for local or all types of fruit and vegetables (45% to 65% of respondents), the share of respondents who would apply for vouchers for organic fruit and vegetables is still large: **36% to 47% of respondents**

• **Only the organic option can lower the environmental impacts as well as improve health of people** (no conclusive evidence for local food)

• We only provided a brief information in the questionnaire. The share of people might be larger, when an awareness campaign would be launched.

• **Vouchers for fruit and vegetables with a co-payment rate in the vicinity of 60% seem to be most promising.**

• feasible option to successfully stimulate consumer demand for organic fruit and vegetables?
THANK YOU FOR YOUR ATTENTION!

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**Relative Frequencies**

- **All Fruit & Veg:**
  - Definitely yes: 26%
  - Probably yes: 31%
  - Maybe: 20%
  - Probably not: 16%
  - Definitely not: 8%
  - I don't know: 4%

- **Organic Fruit & Veg:**
  - Definitely yes: 21%
  - Probably yes: 29%
  - Maybe: 26%
  - Probably not: 28%
  - Definitely not: 15%
  - I don't know: 10%