AGRICULTURAL ECONOMICS

Come Join Us!
June 21, 2022
210 Filley Hall
Online and In-Person
Time: 3:00pm - 4:30pm

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Meeting ID: 998 9236 4834

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Title: A Comparative Choice Experiment with Leafy Green Consumers

Abstract

As technology evolves at a fast pace, consumers remain somewhat bound to traditional concepts of agricultural systems, showing adverse reactions to ag-tech developments. On the other hand, these very consumers state their appreciation for some of the most important improvements offered by ag-tech, such as easy access to year-round and consistent supply of higher-quality product. Information exchange between producers and consumers becomes key to ascertain the speed and direction of innovative technology development that meets consumer expectations and understanding. The emerging Indoor Agriculture (IA) industry is an example in which technology evolves rapidly, and billions of dollars are being invested in large-scale leafy green production systems. Some of the main attributes of this industry are associated with year-round production, consistent quality and supply, potentially pesticide-free and locally produced fresh produce, revitalization of local communities and lower carbon footprint. However, this industry struggles to grow, despite significant crop production research development, mostly because producers face the risk of large capital investments coupled with the uncertainty associated with consumer perceptions and acceptance of IA technology. Through a discreet choice experiment and latent class analysis three distinct groups of consumers with diverging preferences and willingness to pay for attributes were identified. Results show that although heterogeneity was significantly higher for production methods (i.e. IA, greenhouse and field farming) than product attributes, 55% of consumers accept the technology and are willing to pay a premium for attributes that IA offers. Penultimately, these results help producers to create marketing strategies that appropriately target consumers supportive of the enhanced production or product attributes achieved by urban-located indoor leafy food production systems, and the development of this industry which carries strong environmental and social advantages.