

# Dealing with Uncertainty in Consumer Demand & Value Chain

A Government Perspective

Andrew Knight

Sr. Planning &  
Development Officer

NS Dept. of Ag.



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# My World

- Conduct research to inform policy, strategic initiatives, evaluation, and the food-product industry
- Farmers/harvesters/fishers; industry; public



# Framework of My World

- Homegrown Success
  - 10 year plan for agriculture
  - 3 core objectives and outcomes
    - Economic viability
      - e.g., diversification, branding, research & development
    - Environmental stewardship
      - e.g., preservation, protection, sustainability
    - Social well being
      - e.g., public appreciation

# Verbeke Meets My World

- Buy local program
  - Select Nova Scotia
- Value added opportunities
  - Grass fed beef

# Select Nova Scotia



- Launched in July 2007
- “Goal is to increase awareness and consumption of Nova Scotia produced and processed agri-food products by Nova Scotians and visitors”
  - Campaigns
  - Events
  - Logo

<http://www.selectnovascotia.ca/>

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# Factors in Food Purchase Decisions

Factor	Meat	Seafood	Fruits and Vegetables
Price	19.5	18.3	17.2
Taste	15.1	15.6	16.2
Safe to consume	14.7	14.5	11.8
How it looks, smells or feels	12.6	14.4	13.0
Healthy/nutritious	12.5	11.7	13.8
Grown/harvested/made in NS	6.6	8.6	8.8
Grown/harvested/made in Canada	5.6	4.5	5.2
Grown/harvested/made in Atlantic Canada	5.4	6.0	5.8
Grown/harvested/made in an environmentally friendly way	4.5	3.7	4.3
Natural/organic	3.6	2.8	3.8



# Select NS Effect on Benefits, Controlling for Food Skills and Interest, Social and Socio-Demographic Variables

	Price	Societal	Attribute	Social
Awareness of Select NS	-.105	.825**	.075	.211

^p≤.10; \*p≤.05; \*\*p≤.01; \*\*\*p≤.001

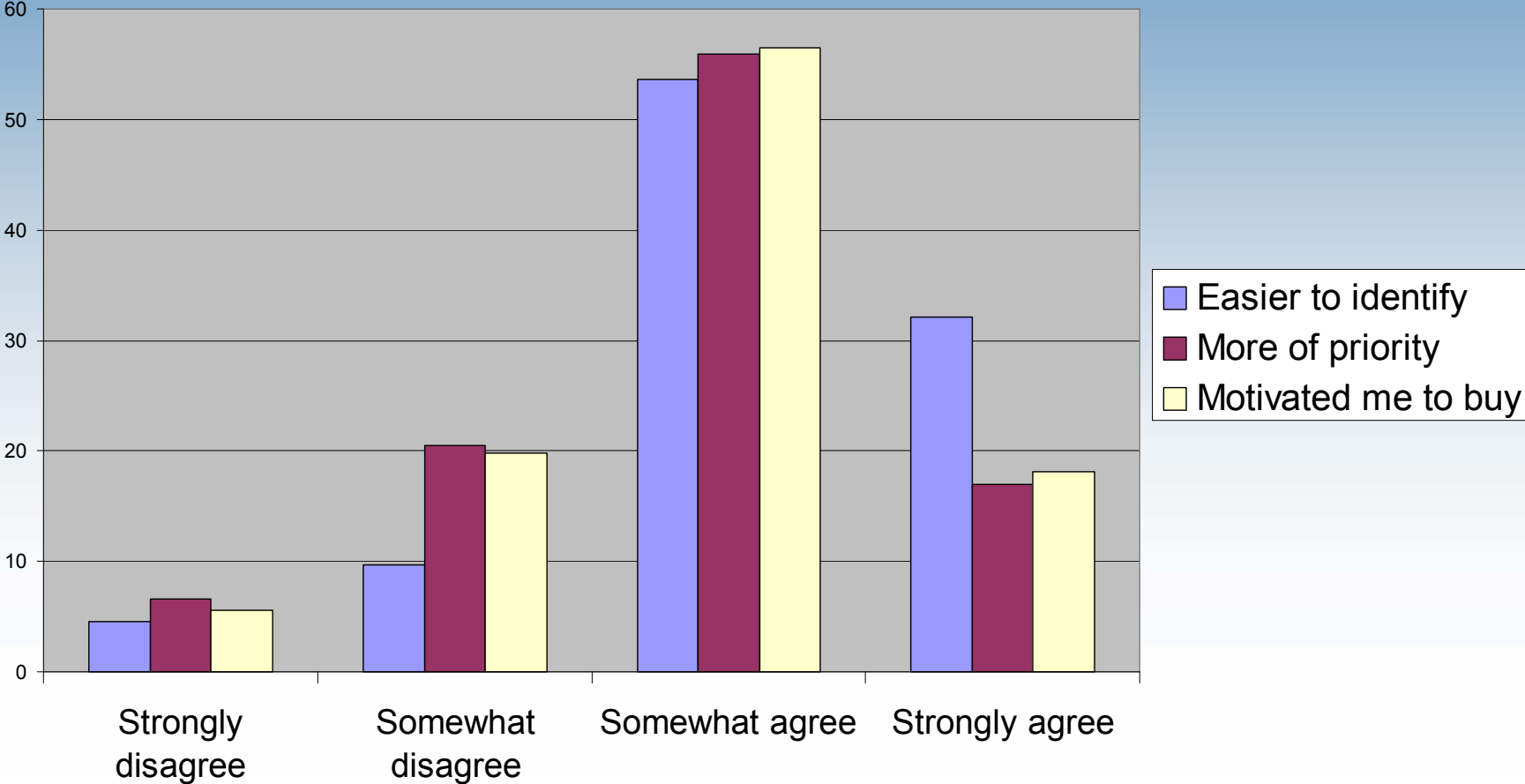
# Select NS Effect on Barriers, Controlling for Food Skills and Interest, Social and Socio-Demographic Variables

	Availability	Price	Location	Appearance
Awareness of Select NS	-.187 <sup>^</sup>	-.257*	-.278*	-.049

<sup>^</sup>p≤.10; \*p≤.05; \*\*p≤.01; \*\*\*p≤.001



# The Select NS program has....



# Select NS Effect on Buy Local Index, Controlling for Food Skills and Interest, Social and Socio-Demographic Variables (High is Reference)

Motivation/Effort	Low (30.7%)	Medium (32.7%)
Awareness of Select NS	-.738**	-.549*

^p≤.10; \*p≤.05; \*\*p≤.01; \*\*\*p≤.001

# Niche Market Opportunities for Grass Fed Beef



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# Social Conscious Consumers--Values

- Health
  - Natural, organic, grass fed, no antibiotics, hormone free
- High quality and safety standards
  - Taste, tenderness, certification
- Sustainable production
  - Protect the environment, local production
- Animal welfare
  - Treat farm animals humanely
- Fair compensation and treatment of farmworkers?

# Social Conscious Consumers--Profile

- 10% of US consumers
- Additional 20% are occasional SCC
- Millennials (young adults 20-34)
- Women
- Only 2% vegetarian; 6-7% do not eat one protein source
- Medium beef consumers (1-6 servings per week)

Beef Checkoff (2009)

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# Social Conscious Consumers--Importance

- 69% willing to pay more
- 60% believe ethical foods are healthier
- 58% believe ethical foods are safer
- 58% willing to learn more
- 55% willing to recommend to others
- 48% state animal welfare important in dinner choice

Beef Checkoff (2009)  
Context Marketing (2010)

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## Figure 6. Ethical Factors Influence Purchase Decisions For Many Consumers

**70%**

Believe whether a company or brand acts ethically has a bearing on their decision to buy its products

**59%**

Hold favorite brands to higher standards when it comes to socially responsible behavior

**48%**

Have stopped buying a brand because they learned the company producing it was acting in a way they consider to be socially irresponsible or unethical

**43%**

Have purchased a brand that was new to them mainly because they saw that the company producing it embraces socially responsible practices

**42%**

Believe that the products they purchase must always express personal values

**36%**

Report lower price is not the main reason why they purchase a product in the supermarket

Context Marketing (2009)

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# Some Final Thoughts

- Consumer behaviour complex
- Link between values/attitudes and behaviour may be contextual/situational
- Benefits & risks present opportunities
- Identify & target niche consumer segments
- Consumers assume food is safe
- Significance of others/social media