



Annual Status Report 2001 and Application for Continuation in 2002

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The Directorate for Food, Fisheries and Agro Business
under the Danish Ministry of Food, Agriculture and Fisheries

1. Research program

Research in organic farming 2000-2005 (DARCOF II)

2. Project title and number

III.1 Consumer Demand for Organic Foods – Domestic and Foreign Market Perspectives

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7. **Start of project: 2000**
End of project: 2004

8. Annual report/Application for continuation in 2002

A. Objectives and expected achievements (from application)

The overall goal is to assess the long-term potential of demand for organic food from Danish agriculture. Thus, we will attempt to identify the market potential at home and abroad and identify the conditions of utilizing this potential - including the effects of various policy instruments, sales channels and information strategies.

B. Project summary (from application)

In *Work Package 1*, we estimate demand functions for Danish household consumption of organic foods. We utilize a household level panel data set with daily registration of food purchases combined with preference information elicited from panel members through a questionnaire surveyed after the registration period.

Background variables make it possible to model demand dependence on household characteristics such as income, geographic location, occupation, age, number of children, etc. Furthermore by combining the detailed registration of consumption behavior with elicited information on underlying attitudes and valued attributes, we hope to be able to shed new light on the structure and relative importance of various motives for purchasing organic foods within various consumer segments. We intend to focus specifically on (1) purchasing motives (personal health, animal welfare, environmental effects, etc.), (2) attitudes towards organic convenience food and underlying processing technology, and (3) attitudes towards conventional versus alternative sales channels.

An estimated demand system including explicit representation of valued good attributes and underlying attitudes makes it possible to evaluate different information and labeling strategies in addition to more traditional evaluation of the demand effects of prices and demography. We will also exploit the possibility of confronting willingness to pay information elicited through a CV-design with revealed demand behavior of the same group of households.

In the work package we conduct similar analyses in one or two neighboring countries, for the following reasons: first, it is highly relevant to explore export markets for Danish organic producers, i.e. identification of foreign consumer preferences and market barriers; second, the importance of specific market factors such as sales channels or labeling of organic products, can be analyzed through comparison between countries that differ with respect to these factors.

Work Package 2 analyzes the driving forces behind the origin and growth of pioneering firms (e.g., organic dairies, slaughterhouses or sales cooperatives/networks) and the barriers for further marketing. The study will highlight differences between established firms and alternative initiatives and differences among alternatives by means of three analytical fields: (1) how reliance between producer and user is established, (2) how various initiatives are organized, and (3) how distribution is carried out. Case studies of success and failure will constitute an essential part of this work package.

Table 1: Work package list (from application)

No.	Work package title	Participants*	Budget (1,000 DKK)	Start	End	Deliverable No:
1	Consumer preferences and demand: potentials and barriers for market expansion	<u>AKF</u> , KU, CIRED, GfK	3,730	2000	2004	1,2,3,5,6,7,8,9,10,11,13,14,15,16,17,21,22,23,24,25,26,27,28
2	Alternative distribution channels: driving forces and potentials	<u>AAU</u>	500	2000	2003	4,12,18,19,20

* Responsible participants are underlined.

C. Progress

C.1 Annual description (résumé) of main results and conclusions

Work Package 1:

In 2000, we finished two main tasks

- **Working paper #1:** Title: *Studies on Consumer Demand for Organic Foods – a Review*. The purpose of this working paper is to give an overview over main results from previous studies on household demand for organic foods or alternatively for foods certified free-from-pesticide-residues. We have concentrated on studies handling
 - willingness-to-pay (in past as well as future WTP),
 - purchasing motives/valued product attributes,
 - concern for food safety, especially risk perception regarding pesticides,
 - consumers' stated propensity to buy,
 - consumers' willingness to accept lower quality of organic products,
 - the importance of labeling and information,
 - the importance of store choice, and
 - relations between consumer values, risk perception, attitudes and behavior regarding environmental protection and WTP.

- Presentation of **Conference Paper:** We have presented a paper (Title: *Modeling Demand for Organic Foods*) at the 13th International Scientific IFOAM conference in Basel, Switzerland, in August 2000. In the paper, we concluded that the consumption of organic foods in Denmark is linked closely to price sensitivity, and that policy measures towards this parameter should be highly effective. (*Please note that this paper is primarily based on a previous DARCOF project*).

In 2001, we finished 6 main tasks, each of those resulting in either working papers, an international article or a conference paper:

- **Working paper #2: Documentation of household panel data. The primary data source in this project is “GfK – ConsumerScan (Dansk HusstandsPanel)”.** Each week households in the panel report their shopping to GfK, and state whether each good purchased is organic or conventional. The working paper explains the nature and contents of the panel data. It gives a general overview of the information available in the data, and as well as examples of the data recorded by GfK. In addition to data of household purchases, GfK has the following background information on households: demographic and socio-economic characteristics, attitudes to food and shopping, eating patterns and media habits We have access to these data at their most detailed level starting in 1997.
- **Working paper #3: Title: Designing and Testing the Questionnaire – Results and Considerations.** Documentation on procedure and results from testing the questionnaire. In this working paper, we document the procedure and results from the test version of the questionnaire. The questionnaire is designed to provide information for model estimation, in addition to panel data. The questionnaire was first discussed with a large number of experts outside the project, then tested in focus group interviews. Ultimately, it was mailed to 400 randomly chosen households. Elaborating on results from test sample gave rise to re-assessment of the questionnaire, resulting in a new version. All changes are documented in this working paper. In addition, the working paper highlights main results on behavior and attitudes of the test sample.

The elaboration of test results points towards the following (*in the following, please note that respondents willing to pay more for all four types of organic products are denoted “buyers” and respondents not willing to pay more for any organic product are denoted “non-buyers”*):

- Salmonella, pesticide and medicine residues are top food safety concern. Cholesterol and mad-cow-disease are ranked lower.
- Consumers generally believe that the Ø-label is more comprehensive than it actually is. 6% have all answers right. Most consumers are confused about rules for packaging and energy.
- Trust in Ø-label is lower than in previous Danish studies.
- Note that only 24% agree that organic convenience food is not trustworthy.
- Order of valued attributes does not vary across organic product types.
- Avoidance of chemicals is a top concern and top valued product attribute for organic foods.
- Very few Danish consumers value local/small-scale production. Buyers value it more.
- 15% value ‘organically produced’ more than other product attributes.
- 64% of consumers lack confidence in imported organic foods.
- Gender, presence of children and age have no importance.
- Barriers to non-buyers are ‘not enough time to search for organic products’, ‘not enough knowledge about organic products’, ‘too high prices’, ‘appearance’, ‘organic products going bad to fast’, ‘lack of trust in control’, and ‘no observed taste difference between organic and conventional products’.
- Buyers are less willing to support their local grocery store – most probably because small, local stores most often hold little supply of organic foods.
- Buyers are more concerned for salmonella than non-buyers.
- In general, non-buyers have higher trust in not getting ill from food, and buyers have higher disbelief in conventional food industry.
- Buyers understand Ø-label a little better.
- Buyers knew Swan label better before TV campaign, but not after.
- Non-buyers value low prices more.
- Non-buyers have lower trust in foreign organic products.
- Some differences in environmental behavior are observed between buyers and non-buyers, and less environmental knowledge is observed among non-buyers.

- Twice as many buyers (than non-buyers) have been members of an organization, because it protects nature.
- Buyers feel to a much higher extent that consumers are responsible for environmental degradation.
- Non-buyers have lower trust in highly processed organic food and organic convenience food.
- Consumers that believe organic products are more healthy and more environment friendly, also buy organic products.
- No significant differences between buyers and non-buyers in
 - being embarrassed by buying eggs from hens in small cages,
 - valuation of nutrition, freshness, low-fat products, easy to prepare food,
 - concern for BSE, GMO's, contaminated foods and pesticide/medicine residues,
 - understanding and perceiving the Swan label.
- **Working paper #4: Title: Modeling Demand for Organic Products - Implications for the Questionnaire.** The working paper is a discussion of the type of information we seek to capture with the questionnaire, how we will use this information in the modeling and how questions eliciting information should be formulated. The uniqueness of our study is the availability of detailed self-reported consumption diaries and the opportunity of connecting questionnaire answers with these at family/person level. With this in mind one can seek information for three purposes:
 - to supplement GfK-data with information that would allow us to construct a demand model for the individual consumer based on a richer/deeper utility function specification including underlying consumer attitudes, perceived good attributes and information gathering skills/attitudes.
 - to supplement GfK-data socio-demographic variables allowing a richer analysis of correlation between these and attitudes, attributes and modelled demand behaviour and potentially giving a better formulation of parameter homogeneity restrictions across consumers.
 - to duplicate GfK-data through CV/stated preference elicitation methods thus allowing confrontation of these methodologies with actual behaviour.

In the working paper, we specify the utility function we wish to model. First, we discuss good characteristics and quality generally, and then proceed to formal modelling.

- **Working paper #5: Title: Demand for Organic Products - Specification of Functions to be Estimated.** The purpose of this working paper is to present and discuss possible specifications of the demand system to be estimated with the GfK panel and survey data. We present potential problems/criteria and evaluate different possible specifications with regard to these. First, we summarize the specific structure of the data on which estimations will be based. Then we put forth some potential estimation/modelling problems, and finally propose specific models and evaluate how they are expected to perform with respect to the potential estimation/modelling problems.
- Presentation of **Conference Paper:** We have presented a paper (Title: *Explaining Demand for Organic Foods*) at the 11th annual EAERE (European Association of Environmental and Resource Economists) conference in Southampton, UK, in June 2001. In the paper, we analyze the consumption of organic foods in Denmark in the late 1990s. The aim of our study is to identify the influence of price premiums on buying propensity. The methodological approach is econometric estimation based on four weekly observations of purchases of organic and conventional dairy products. We apply the AIDS demand system and estimate dynamic as well as static specifications, homothetic as well as non-homothetic specifications, and furthermore specifications with and without trends. The preferred model is a homothetic, static model with a linear trend. At the end of the paper, we outline perspectives for our ongoing research on organic foods (*Please note that this paper is partly based on a previous DARCOF project*).
- Published an international peer-reviewed article (Title: Market Potential for Organic Foods in Europe, forthcoming in British Food Journal, 2001. (Please note that this publication is partly based on a previous DARCOF project).

In addition to these tasks, we have carried out:

- A **workshop** on October 4th and 5th, 2001: We invited Dr. Ian Crawford, Director at Institute for Fiscal Studies (Consumption and Savings Research), Deputy Director at Centre for Microdata Methods and Practice, and Research Fellow at Department of Economics, University College London, UK, for a two-day workshop on model design and estimation approach. Ian Crawford is a specialist on modeling demand for various product characteristics based on panel data. Decisions and results from this meeting are included in latest versions of working paper #3, #4 and #5.
 - An oral presentation on preliminary results on a Seminar on Animal Welfare at the Economics Department, Swedish University of Agricultural Sciences, Ultuna, on November 7, 2001.
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 - A book contribution (Title: Market potential and price premiums) in Christensen, J. and S.E. Frandsen (2001): Økonomiske perspektiver for økologisk jordbrug. SJFI report #124, SJFI, Copenhagen. (Please note that this publication is primarily based on a previous DARCOF project).
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 - An oral presentation (Title: Relations between consumers and producers) at a Summer Meeting on “Principles and Goals for Organic Farming” at Askov Højskole, June 21st, 2001.
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 - An oral presentation (Title: Market potential and price premiums) at SJFI Seminar on “Economic Perspectives for Organic Farming” at Falconer Conference Center, June 7th, 2001.
 -
 - We have made a home page at www.akf.dk/organicfoods/, where all papers from the project can be downloaded.
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 - We have arranged 2 meetings in the Coordination Group, on March 3rd, and October, 8th, 2001. The group is gathering all active Danish researchers working with demand for organic foods and related issues. Mette Wier is responsible for arranging, planning and chairing all meetings. The purpose is to
 - exchange ideas,
 - disseminate preliminary and final findings from the projects to other researchers,
 - discuss methods,
 - elaborate on results from the projects, and finally
 - coordinate the projects, to ensure we base our research on previous findings.

Work Package 2:

In Work Package 2, a PhD scholar was appointed in the early spring this year. However, the appointed scholar was a researcher with some training and according to the possibility in Danish universities, he applied for a conversion of the 3-year PhD scholarship to a 2½-year scholarship for trained researchers (“kandidatstipendium”). By agreement with The Directorate for Food, Fisheries and Agro Business, the 3-year PhD scholarship was changed and a new selection committee had to be appointed to assess the qualifications of the applicant. The assessment was completed in August with a positive result and the applicant (Chris Kjeldsen) appointed as “kandidatstipendiat”. He will take up the position December 1st, 2001, after agreement with his present employer.

C.2 Fulfilment of tasks and deadlines in individual work packages

WP1 Consumer preferences and demand: potentials and barriers for market expansion	Time schedule according to application	Deviations, if any*
Task		
T1 Specification of the theoretical model taking outset in literature and focus group interviews	2001-2002	
T2 Design of questionnaire through use of focus groups and tests	2001	
T3 Surveying the questionnaire	2001	
T4 Estimation of price and income elasticities of various products	2001-2002	
Deliverables		
D1 Working paper with literature review	12.2000	
D2 Time table version 2	11.2000	
D3 First annual status report	11.2000	
D5 Working paper on Modeling and Estimation Approach	06.2001	
D6 Working paper on Interviews and Questionnaire	06.2001	
D7 Time table version 3	10.2001	
D8 Second annual status report	10.2001	
<i>Additional deliveries, not in application</i>		
Ifoam Conference paper Note that this publication is primarily based on a previous DARCOF project	08.2000 (not planned, additional work)	
EAERE Conference paper. Note that this publication is partly based on a previous DARCOF project.	06.2001 (not planned, additional work)	
Article accepted in British Food Journal. Note that this publication is partly based on a previous DARCOF project.	06.2001 (not planned, additional work)	
Working paper documenting Household Panel Data	09.2001 (not planned, additional work)	
Working paper on Modeling Demand for Organic Products – Implications for the Questionnaire.	06.2001 (not planned, additional work)	
Contribution to SJFI report Note that this publication is primarily based on a previous DARCOF project.	06.2001 (not planned, additional work)	
An oral presentation on preliminary results at a Seminar on Animal Welfare at the Swedish University of Agricultural Sciences	11.2001 (not planned, additional work)	
Milestones		
M1 Decision of modeling approach	06.2001	

WP2 Alternative distribution channels: driving forces and potentials	Time schedule according to application	Deviations, if any*
Task		
T1 Final description of PhD Scholarship for advertising	2000	
T2 Appointment	2000	2001
T3 Final description of educational program for appointed scholar		
T4 Preparing historical review	2000-2001	2001-2002
T5 Selection of adequate cases	2000	2001
T6 Selection of adequate evolutionary theories	2000-2002	2001-2002
Deliverables		
D4. Working paper: Historical Review	04.2001	04.2002
Milestones		
M1 Final appointment	08.2000	09.2001
M2 Final selection of cases	12.2000	12.2001

* *Deviations are to be further discussed in C3.*

C.3 Discussion on the progress, incl. deviations and achievements in the project as a whole and in the individual work packages

Work Package 1:

In WP1, there are no deviations. We have achieved the following in 2001:

- Decided on modeling and estimation approach
- Carried out focus group interviews
- Designed the questionnaire
- Tested the questionnaire on 400 households
- Elaborated on results from test sample
- Begun estimations
- Published 1 international peer reviewed article, 4 working papers, 1 conference paper, 1 book contribution and 3 oral presentations
- Held a two-day workshop with a visiting scientist (Dr. Ian Crawford)

Work Package 2:

WP2 is delayed. A PhD scholar was appointed in the early spring this year. However, the appointed scholar was a researcher with some training and according to the possibility in Danish universities, he applied for a conversion of the 3-year PhD scholarship to a 2½-year scholarship for trained researchers ("kandidatstipendium"). By agreement with The Directorate for Food, Fisheries and Agro Business, the 3-year PhD scholarship was changed and a new selection committee had to be appointed to assess the qualifications of the applicant. The assessment was completed in August with a positive result and the applicant (Chris Kjeldsen) appointed as "kandidatstipendiat". He will take up the position December 1st, 2001, after agreement with his present employer.

The conversion of the scholarship and appointment of a new selection committee imply a delay compared to the original time schedule but no further changes are planned. Thus, the tasks and deliveries are unchanged and WP2 will start up with T4, T5, and T6 in December this year and carry on with T7 in 2002. WP2 will be ended with D20 by the end of May 2004. Correspondingly, we apply for transfer of funding.

D. Description of plans and future work in the project as a whole and in the work package (including plans for publication and communication)

Work Package 1:

In the following years we will

- Estimate income elasticity of various organic products and of cross-price elasticities between organic and non-organic products.
- Investigate alternative model approaches implementing relevant socio-economic and demographic variables, plus underlying attitudes.
- Evaluate the implications of the estimated price sensitivity of demand for organic foods, including evaluation of the effect of economic policy instruments such as levies and subsidies.
- Examine difference between postulated and observed willingness to pay.
- Identify differences in purchasing motives, attitudes towards convenience food and towards alter-

native sales channels and processing technology and in the demand (and in its price sensitivity) between different consumer groups dependent on age, number and age of children, income, education, number of preschool children and place of residence.

- Examine differences in people's confidence in organic product labeling among countries and among different consumer groups within the individual countries.
- Analyze differences in food consumption and consumer preferences from country to country, and identification of key factors behind the differences. Of particular interest is differences in food culture (favorite types of food, attitudes towards imported goods, preferences of prepared/unprepared products etc.), and differences in sales channels (whether the products are sold in supermarkets, through alternative sales channels like health-food shops, food co-ops, in farm shops or on markets).
- Examine differences in purchasing motives, willingness to pay, store choice and the importance of socio-demographic variables for different types of organic products.
- Analyze the effect of policy instruments such as levies, subsidies, information campaigns and different types of labeling depending on both market conditions like sales channels as well as on consumers' socio-demographic characteristics and purchasing motives.
- Make scenario calculations.

Planned publications:

- International paper documenting results concerning the importance of prices and income for different types of organic products
- International paper documenting estimation results concerning the importance of socio-demographic variables
- International paper, with examination of difference between postulated and observed willingness to pay
- International paper, analyzing differences in purchasing motives, willingness to pay, and the importance of socio-demographic variables for different types of organic products
- International paper, with identification of differences in purchasing motives, attitudes towards convenience food and towards alternative sales channels and processing technology between different consumer groups
- International paper, with examination of differences in people's confidence in organic product labeling among countries and among different consumer groups within the individual countries
- International paper, with an analysis of differences in food consumption and consumer preferences from country to country, and identification of the explaining factors behind the differences. Of particular interest is differences in food culture and differences in sales channels
- International paper, with an analysis of the effect of policy instruments like subsidies, information campaigns and different types of labeling depending on both market conditions like sales channels as well as on consumers' socio-demographic characteristics and purchasing motives
- International paper, with results from scenario analyses.

We will continue to present papers at the international EAERE and IFOAM scientific conferences in the following years, as well as other relevant conferences. Most often, such presentations will be based on working papers or preliminary versions of scientific articles.

Furthermore, we will continue making presentations on national seminars and meetings on a regular basis.

Work Package 2:

In the following years, we will

- prepare historical review,
- select adequate cases,
- select adequate evolutionary theories,
- prepare case studies,
- prepare outlook,
- prepare final PhD dissertation.

Planned publications:

- Working paper on historical review
- Working paper on theoretical foundation
- Working paper on case studies
- Working paper: Outlook
- PhD Dissertation.

E. Project publications

Until 2001:

1. Articles in international, scientific journals with review procedures

Wier, M. and C. Calverley (2001): Market Potential for Organic Foods in Europe. Accepted for publication in *British Food Journal*, 2001. (Note that this publication is partly based on a previous DARCOF project).

2. Presentations at congresses, symposiums etc.

Wier, M. and S. Smed (2000): Modeling demand for organic foods. The 13th International Scientific IFOAM Conference, Basel, Switzerland, 28-31 August 2000.

Wier, M., L.G. Hansen and S. Smed (2001) Explaining Demand for Organic Foods.

Paper presented at the 11th annual EAERE (European Association of Environmental and Resource Economists) Conference, June 2001, Southampton, UK. (Note that this publication is partly based on a previous DARCOF project).

Millock, K. (2001): Explaining Consumer Demand for Organic Food : A Survey on Danish Consumers. Seminar on Animal Welfare at the Economics Department, Swedish University of Agricultural Sciences, Ultuna, November 2001.

3. Articles in agricultural journals etc.

Wier, M (2001): Markedspotentiale og merpriser, in Christensen, J. and S.E. Frandsen (2001): Økonomiske perspektiver for økologisk jordbrug. SJFI report #124, SJFI, Copenhagen. (Note that this publication is primarily based on a previous DARCOF project).

4. Other presentations at meetings, field days etc.

Wier, M: "Relationer mellem forbrugere og producenter". Presentation at Summer Meeting on "Principles and Goals for Organic Farming" at Askov Højskole, June 21st, 2001.

Wier, M: "Markedspotentiale og merpriser". Presentation at SJFI Seminar on "Economic Perspectives for Organic Farming" at Falconer Conference Center, June 7th, 2001.

5. Working papers

Wier, M. and L.M. Andersen (2000): Studies on Consumer Demand for Organic Foods – a Review. *Working paper #1*

Andersen, L.M. (2001): Documentation of household panel data. *Working paper #2*

Wier, M. and L.M. Andersen (2001): Designing and Testing the Questionnaire – Results and Considerations. *Working paper #3*

Hansen, L.G. (2001): Modeling Demand for Organic Products - Implications for the Questionnaire. *Working paper #4*

Hansen, L.G. (2001): Demand for Organic Products - Specification of Functions to be Estimated. *Working paper #5*

F. Scientific education (PhD and Post Doc.), including visiting scientists and visits abroad

Dr. Ian Crawford has visited us for a two-day workshop in October 2001. Ian Crawford is Director at Institute for Fiscal Studies (Consumption and Savings Research), Deputy Director at Centre for Microdata Methods and Practice, and Research Fellow at Department of Economics, University College London, UK.

G. National and international co-operation

National co-operation

We have appointed a coordination group, in which we gather contact persons from other related ongoing projects, and discuss our research results. The group has had two meetings in 2000, two in 2001, and will continue to meet twice a year. Mette Wier is responsible for arranging, planning and chairing all meetings. The purpose is to

- exchange ideas,
- disseminate preliminary and final findings from the projects to other researchers,
- discuss methods,
- elaborate on results from the projects, and finally
- coordinate the projects, to ensure we base our research on previous findings.

The coordination group has the following members:

- Suzanne Beckmann, Copenhagen Business School/Saatchi & Saatchi
- Helle Bossen, Økologisk Landscenter
- Thomas Roland, Forbrugerrådet
- Tino Bech-Larsen and John Thøgersen, Aarhus Business School
- Søren Frandsen, Sinne Smed and Jørgen Deigaard Jensen, SJFI
- Niels Heine Kristensen and Martin Haring Boll, DTU
- Dorthe Ilsøe, RUC
- Bea Nielsen, KVL
- Jan Holm Ingemann, Aalborg University
- Lars Gårn Hansen, Laura Mørch Andersen and Mette Wier, AKF

International co-operation

The French institute CIRED is a partner in the project.

GfK, another partner in the project, is an international institute having departments in several European countries. Data from one of these countries (UK, Germany, Sweden or France) will be applied in the project.

We have established good contact with Dr. Ian Crawford, who has visited us for two days in October 2001. Ian Crawford is Director at Institute for Fiscal Studies (Consumption and Savings Research), Deputy Director at Centre for Microdata Methods and Practice, and Research Fellow at Department of Economics, University College London, UK.

We have good contact with Professor Gary Thompson, University of Arizona, Department of Agricultural and Resource Economics. Gary Thompson works with micro-estimations on demand for organic foods himself, and follows our project with interest.

H. Possible elaboration of project and achieved results

Organic farming is pesticide free and is attributed a number of other environmental advantages as well. This is why increasing the proportion of cultivated area that is organically farmed is an important element of Danish environmental policy.

Accurate estimates of current organic food demand functions are important steps towards assessing the feasibility of large increases in Danish organic food production. However, understanding and quantifying the underlying motives for organic food demand is also important for at least three reasons.

- First, organic foods are an emerging market where development of products in new areas and consumer learning of product attributes may cause substantial shifts in demand functions. A good understanding of motives and valued attributes is essential if meaningful predictions of such shifts are to be attempted.
- Second, such an understanding is also essential for assessing the future role of alternative versus conventional sales channels, different types of information and labeling strategies and, ultimately, alternative development strategies for organic farming practices.
- Third, such an understanding is important for assessing potential sales on export markets. A good understanding of the importance of differences in supply channels, labeling, price premiums and consumer demand across countries is a prerequisite for exploiting potential demand abroad.

In our project, we have access to a unique panel data set (Danish as well as foreign), in combination with elicited information from interviews on underlying attitudes and valued attributes. Thus, we hope to be able to shed new light on the structure and relative importance of various motives for purchasing organic foods within various consumer segments. We intend to focus specifically on (1) relations between purchasing motives, willingness to pay, household characteristics, and market conditions, on (2) attitudes towards organic convenience food and underlying processing technology, and on (3) attitudes towards conventional versus alternative sales channels.

For results achieved in 2001, please see C1.

