



Midterm Status Report 2003 and Application for Continuation in 2004

For research projects financed by grants from
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

The Role of the Distribution Channel in the Establishment and Maintenance of Consumer Trust in Organic Foods: A Qualitative Sociological Investigation

Project nr. III.8

3. Head of project

Associate Professor Katherine O'Doherty Jensen (KOJ)
Research Department of Human Nutrition & Centre for Advanced Food Studies, The Royal Veterinary and Agricultural University,
Rolighedsvej 30, DK-1958 Frederiksberg C, Copenhagen, Denmark.
Telephone: (+45) 35 28 24 88; Fax: (+45) 35 28 24 83; E-mail: koj@kvl.dk

4. Participating institutes

The only participating institute is:
Research Dept. of Human Nutrition & Centre for Advanced Food Studies

5. Other project staff

Research Assistant Per Dissing Odgaard (full-time for the period: 01.01.03-31.01.03 and

part-time for the period 01.02.03-30.04.03)

Research Assistant Lotte Sangstad (full-time for the period 09.01.03 - 31.01.03)

Technical Assistant: NN (to be appointed as from 15.10.03)

6. Project period (month, year)

Start of project: 01.10.2002

End of project: 31.12.2004

7. Midterm description of the project, its results and progress, and application for continuation in 2004

A. Project summary

This project is designed to follow up insights that emerged from a critical review of the available national and international social research concerning consumer motives for buying organic foods (O'Doherty Jensen et al., Økologiske Fødevarer og menneskets sundhed. [Organic foods and human health] Foulum: FØJO-rapport nr. 14, 2001). Most of the available research is based on the premise that risk perception plays a significant role in motivating consumers, such that product advantages are seen as accruing to organic foods in so far as they do *not* incorporate such risks. A more general premise of marketing theory and market research to the effect that consumers are only interested in product advantages, and not in production or distribution processes, also underlies these approaches. In contrast, the present project was designed to develop an alternative conceptual framework regarding these issues, originally inspired by Polanyi's economic theory. This approach is one that yields the possibility of conceiving buyer motives with regard to 'alternative' foods in positive terms, and it suggests that consumers' discernment of both the trustworthiness of products and of food risks are dependent upon their discernment of the trustworthiness of producers. Since distribution channels comprise the interface between consumers and producers, this project was accordingly designed to compare differences between consumers who purchase organic foods through distinct channels, exploring a new set of hypotheses regarding the basis for consumer trust in and demand for organic foods.

It is planned to undertake a qualitative sociological investigation of Danish adults who purchase organic foods through one of three distribution channels. The sample ($n = 100$) is stratified and includes 3 sub-groups of consumers. Qualitative data will be collected primarily by means of focus group interviews, while observation and personal interview will be employed as secondary methods of data collection. The objective of the analysis is to compare differences among and between sub-samples in regard to their conceptions and assessments of organic foods, producers and production methods. The analysis will be based on complete transcripts of all audio-recorded data collected in the course of interview sessions and coded by means of a standard computer programme. The preliminary hypotheses are that conceptions and assessments of products are not divorced from conceptions and assessments of producers, that consumer assessments of both are viewed in moral as well as market terms, and that the distribution channel exerts an influence on conceptions and assessments of producers, production methods and products. Following the completion of this analysis, the attempt will be made to assess the practical implications of its results, seen from the viewpoints of organic farmers and consumers respectively, with particular reference to the principle of 'proximity' (*‘nærhedsprincippet’*).

Apart from making a contribution to the on-going debate regarding the principles of organic farming, this project will yield an analysis of new empirical data regarding consumer conceptions of organic products and producers. It also aims to present a challenge to current theory in this area, which tends to inspire consumer research undertaken within somewhat narrow conceptual frameworks and with a view to serving marketing interests in the shorter term.

Table A.1: Work package list (from application)

No.	Work package title	Participants*	Budget (1.000 DKK)	Start	End	Deliverable no(s):
1**	Consumer trust in organic foods	<u>K. O'Doherty</u>	1.550	10.02	12.04	1-3
		<u>Jensen</u>				
		P. Dissing				
		Odgaard				

* Responsible participant is underlined

** This research project comprises a single workpackage

B. Objectives and expected achievements

The main objectives are:

- To contribute to sociological theory of consumption by developing a more adequate conceptual framework for understanding and explaining consumer demand for organic foods
- On the basis of data obtained from 3 sub-groups of Danish consumers, to identify differences and similarities with regard to factors motivating preferences for organic foods among supermarket customers as compared to customers of direct sales outlets.
- To assess the practical implications of this empirical analysis for producers, processors and consumers of organic foods with specific regard to the principle of 'proximity' (*nærhedsprincippet*), as this principle impinges on strategic selections of distribution/shopping outlets.

Achievements currently expected are:

- *Theoretical development* will account for (a) the influence of tacitly conceived gradient characteristics of food products (e.g. as being more or less 'natural', 'environmentally friendly', 'fair', 'trustworthy', 'healthy', 'harmful' or 'authentic', etc.) on product preferences, and (b) relationships between 'product' and 'process' characteristics of food, as conceived by consumers.
- *Empirical results* will regard an issue that is virtually unexplored at present: relationships between consumer conceptions of supply chains (producers, processors, distributors and production/marketing processes) and conceptions of/preference for organic products.
- *Practical implications*: It is anticipated that a popular presentation of results will contribute to debate in two circles on some of the following issues. (a) Organic farmers, growers and processors and their organizations, regarding the relative importance of local food links and/or short supply chains in marketing strategy; advantages and disadvantages of direct distribution, as seen from a consumer viewpoint; and the need to explicitly incorporate a wider range of social and ethical issues in future discussions of organic policy and principles. (b) Consumers, regarding some differences between local and global supply chains; reasons why some farmers and small processors opt for direct distribution of products; some consequences of supporting local/short chain suppliers; and some advantages that might accrue to organized consumer involvement in shopping for organic foods, e.g. bulk buying by tenants' associations.

C. Midterm results and progress

C.1 Description (summary) of main results and conclusions

Empirical results will first be available when the analysis of consumer data has been completed as

scheduled in 2004. Points noted here regard a progress report on the work process to date.

Part of the conceptual framework that will be employed in this study draws upon a particular development of consumption theory undertaken by KOJ during the period Jan. 01-Nov. 02. It concerns the cognitive process whereby consumer decisions and actions are influenced by tacit conceptions of 'proper', 'appropriate' or 'better' actions. It has been reported as a contribution to theory and to empirical research regarding food practices and preferences (O'Doherty Jensen 2002; 2003c), and in a more popular form (O'Doherty Jensen 2003d).

Following completion of this work, an extensive bibliographical search was carried out with reference to social scientific literature (theory and empirical research) regarding: 'alternative' distribution systems, global/local supply systems for organic foods and other non-mainstream products (e.g. fair trade). A bibliographical search was also made with reference to recent consumer literature on organic foods, supplemented by a specific search regarding types of sales channels used in relation to organic purchases. These bibliographies (800 titles approx.) are currently being entered into a combined 'Reference Manager' database, which can later be made available to other researchers. A relatively extensive search for information and data regarding direct sales outlets for organic foods in Denmark, available via Internet portals and homepages, was undertaken. The results of this search have been made available as an appendix to D1 (report: working paper).

Parallel to these activities, 11 personal interviews, 28 telephone interviews and 18 hours of observation on the sites of farm shops, packing and sorting facilities and market stalls in urban areas, were carried out. Most interviewees were organic farmers or advisors and sales consultants involved in direct distribution schemes in Denmark. Visits to farms included 3 that were collectively owned or managed, in which the roles of producer, distributor and consumer were partly conflated in a variety of ways. Two forms of direct distribution, which have met with success in other countries in recent years, 'community supported agriculture' and 'farmers' markets', were found to be under-developed in Denmark. The conclusion drawn from this phase of the study is that 'box schemes' and 'market stalls' in urban areas will comprise the direct sales outlets selected for further investigation during the main phase of data collection. The principle reasons for this selection are the relatively satisfying experiences and optimistic views of both outlets as reported by farmers, and the fact that each outlet provides consumers with distinct shopping experiences - whether viewed in terms of the deployment of household resources, producer-consumer interaction at point of sale or the distinct types of communication offered. It is also considered that consumer data with reference to 'market stalls' will prove relevant in regard to assessing some practical implications of this research, given current interest among some producers in developing a 'farmers' market'.

Following completion of this fieldwork and a draft report (D1), a critical review of the scientific literature on distribution/food supply channels was initiated with a view to planning and preparing the collection of consumer data. The sociology of food/ consumption (KOJ's area of expertise) is a specialisation that has not hitherto focussed upon the function of the consumer/household in supporting commodity supply chains. Viewed from the supply side, however, it transpires that distribution research tends to stop short at the end of chains of supply as such (the point of purchase by consumers), either ignoring or tending to make highly questionable assumptions about characteristic differences between consumers of mainstream and non-mainstream supply chains. It has therefore become clear that the topic of this study addresses a gap in current research, which regards the interdependence of distribution and consumption. Some of these perspectives with regard to distribution have been incorporated into a later draft of D1 (Odgaard & O'Doherty Jensen 2003b) and into a review of literature regarding consumer concerns among buyers of organic food products (Sangstad et al 2003a). They are currently being incorporated into the preparation of interview schedules to be employed in data collection by means of consumer focus groups.

C.2 Fulfilment of deliverables and milestones

(To be completed for each work package)

WP 1 Consumer trust in organic foods	Time schedule according to application	Deviations, if any*
Deliverables		
1. Report: data on direct distribution channels (working paper)	03.03	04.03 (2 nd draft: 07.03)*
2. Report: practical implications of results (popular article)	09.04	
3. Report (scientific articles submitted)	12.04	
Milestones		
1. Producer data on distribution channels collected	03.03	04.03
2. Consumer data on distribution channels collected	07.03	12.03*
3. Data analysis completed	05.04	

* *Deviations further discussed in D*

By agreement with the leader of DARCOF, the above table of deliverables and milestones has been changed from that which appeared in the original application such that all deliverables now refer to publicly accessible products only, and milestones to main stages in the research process. Detailed points regarding internal phases of the work process have now been omitted.

D. Description of deviations and subsequent adjustments of plans

Changes in the planning of the period during which consumer data would be collected and by which this phase of the study would be completed (M2 above) were made for extrinsic reasons. The main reason was due to changes in the planning of an EU funded research project (acronym: ISOHEART) that is being undertaken concurrently with this project, and to which Katherine O'Doherty Jensen is contributing. Four months of KOJ's employment in 2003 has been financed by ISOHEART and 2.5 months will be financed by ISOHEART in 2004. As a consequence of decisions reached at a project management meeting of ISOHEART in September 2002, and following the untimely death by cancer of the co-ordinator in October 2002, it became clear that consumer survey data to be collected in the workpackage of which KOJ is leader, should be accomplished earlier than originally planned. The solution adopted by KOJ in this situation was to exchange the two periods of data collection/ employment between both projects during 2003, whereby the Spring months of 2003 became devoted to data collection for the ISOHEART project, rather than the Autumn as originally planned, and data collection for the present study (acronym: DISTRUSTING) will now be made during the Autumn of 2003 rather than the Spring as originally planned. (The summer period is a notoriously bad time in which to try to recruit participants to focus groups.) This decision entails that some of the theoretical work planned to take place in 2004 has already been undertaken, while relatively more time in 2004 will be devoted to empirical aspects of this project. These changes do not entail delays with regard to dates of deliverables due in 2004.

Apart from offering more time to develop the conceptual framework in the present study during the summer months, there was a further reason why this change of plan proved to be generally satisfactory. As from November 2002, KOJ was awaiting notification of the date on which the defence of her Ph.D. thesis would take place. In the event notification was first given in April 2003 of a date in early May. Uncertainty on this point was not compatible with data collection by focus groups for which specific dates need to be set prior to each period of recruitment. While awaiting notification of the date of defence, it was however possible to develop a postal questionnaire and supervise data collection in a pan-European survey. On the negative

side, the demands of the ISOHEART survey contributed to a minor delay in completing the first draft of DI, and some improvements called for were later made (Working paper: direct distribution channels in DK).

E. Project publications and other products

Funded by DARCOF: ** = 5-25% funding; * = 25-75% funding; no asterisks = 75-100% funding

1. Articles in international, scientific journals with review procedures/ other publications with review procedures:

**O'Doherty Jensen K (2002): 'Gradient Blends: The Art of Discerning and Doing the Appropriate Thing'. In: Hougaard A & Lund M (eds.): *The Way We Think*, Vol. I, Odense Working Papers in Language and Communication, No. 23. Odense: University of Southern Denmark, pp. 245-265.

**Sangstad L S, Torgusen H & O'Doherty Jensen K (forthcoming 2003a): *European Consumers' Conceptions of Organic Foods. A Review of Available Research as a Contribution to the Development of Organic HACCP*. Oslo: National Institute for Consumer Research. (draft manus. pp. 147)

2. Papers presented at congresses, symposiums, etc.

None

3. Reports, articles in agricultural journals, etc.

Odgaard PD & O'Doherty Jensen K (2003b): *Det direkte salg af økologiske fødevarer i Danmark. En arbejdsrapport vedrørende den første fase i en kvalitativ forbrugerundersøgelse*. [Direct sales outlets for organic foods in Denmark: A working paper regarding the first phase of a qualitative consumer study]. Copenhagen: Dept. of Human Nutrition, Royal Veterinary and Agricultural University. (pp. 65)

**O'Doherty Jensen K (2003d): 'Hvad er "rigtig mad"?' [What is "Proper Food"?]. In: Lotte Holm (ed.) *Mad, mennesker og måltider – samfundsvidenskabelige perspektiver* [Food, people and meals – perspectives from the social sciences]. Copenhagen: Munksgaard, pp. 51-64.

4. Oral presentations, public meetings, field days, etc. / other publications

A summary presentation of this project was made at a meeting of social researchers engaged in organic research, organized by Senior Researcher Mette Wier and held at AKF, Copenhagen, in November 2002.

K O'Doherty Jensen (2003c): *The Contribution of Cognitive Semantics to the Development of Sociological Theory of Food Culture and Food Practices* (Ph.D. thesis). Copenhagen: Samfundslitteratur Grafik (pp. 182)

F. Scientific education

This project has provided a newly qualified anthropologist, Per Dissing Odgaard, with work ex-

perience relevant for his future career for a limited period of 3 months, regarding bibliographical search, interviewing and observation methods. Relevant experience has also been gained by a newly qualified sociologist, Lotte Sangstad. The financial contribution of this project to her work was, however, minimal and only regarded a specialised bibliographical search. The project has also made a small contribution (2 person months) to the completion of a Ph.D. thesis, submitted to KVL Nov. 30th 2002 and conferred on Katherine O'Doherty Jensen on May 7th, 2003.

G. National and international cooperation

Aspects regarding consumer research with particular reference to the sociology and anthropology of food practices have been developed and will be further developed in discussion with the Research Group regarding Sociology of Food, Research Dept. of Human Nutrition, KVL, and members of departments of sociology at a number of European universities represented in the Consumer Research Network of the European Sociological Association. The cognitive theory to be employed in the analysis of data was presented to two international conferences in August 2002, and will be further discussed with specialists in the theory of 'conceptual blending' in Denmark (members of the NTSMB-network based at Dept. of Philosophy, University of Southern Denmark, and members of the Dept. of Semiotics, University of Århus) and in the USA (members of cognitive science departments at University of San Diego and University of Maryland). Research methodology is discussed with consumer research partners engaged in the EU funded project: 'Isoflavones for prevention of coronary heart disease in postmenopausal women' (acronym: ISOHEART).

Aspects with specific reference to organic foods have been presented to and will be discussed with the network of social researchers currently engaged in projects financed by the DARCOF II programme in Denmark. Close co-operation with researchers in this field at the National Institute of Consumer Research, Norway, has been established and will be further developed with other partners in the course of the EU funded concerted action: 'Recommendations for improved procedures for securing consumer oriented food safety and quality of certified organic foods from plough to plate' (acronym: Organic HACCP). As from 2004/05, current contact with a number of researchers in the field of organic foods at European centres will be further developed in the course of undertaking the EU funded IP project: 'Improving quality and safety and reduction of cost in the European organic and "low input" food supply chains' (acronym: QualityLowInputFood).

H. Critical reflection on the project

I regret that changes in the planning of this study were made for reasons extrinsic to the study itself, being mainly due to the demands of another research project (see section D above). I also wish to note that my submission of a Ph.D. thesis in November 2002 was the result of departmental policy, not a personal initiative. The period immediately prior to the start of this project was one of very intense work, since a dispensation to submit a thesis without having been registered as a Ph.D. student was granted in January 2002. This work in consumption theory is being employed in the present project. The change of plan regarding the timing of data collection in this project presented me with a further opportunity to undertake a brief period of intense work with respect to distribution theory and research in 2003. My present assessment is that the timing of these events has in fact contributed fruitfully to the planning of data collection and to the theoretical perspectives raised by the present project.

The aspect of the work process and progress with which I am least satisfied regards my experience of functioning as a leader and supervisor of newly qualified graduates. Both research as-

sistants who were briefly employed in the present study undertook their tasks admirably well. Being new to this role, however, I had underestimated the amount of time required for supervision and feedback on work undertaken. The fact that this was being done concurrently with work on a different project proved to be demanding and led to some delay in the production of the working paper (DI). A decision to write this paper in Danish was made with a view to obtaining critical and constructive input and additional information from readers engaged in the practical tasks of distribution. It may entail, however, that readers engaged in the mid-term evaluation of this project do not have access to a Danish language document, which is regrettable. In self-criticism the point should also be made that it was not possible to resolve all of the methodological issues it had been hoped to solve during this first phase of the investigation. Specifically, the sampling procedure that will prove feasible in regard to consumers of 'box-schemes' is an issue that remains to be resolved as the work proceeds.

It has transpired from the review of literature undertaken to date that some of the most exciting recent research regarding food supply analysis is interdisciplinary work combining economic and sociological perspectives. The notion of introducing Polanyi's economic theory to the sociology of consumption may be somewhat less original than conceived earlier since similar perspectives are raised in distribution research and in the literature regarding 'ethical trade'. The new departure taken by the present study can now be more accurately described as that of introducing these perspectives to consumption theory in a manner that can throw light on aspects of interdependence between consumption and distribution. Among the concepts that may prove fruitful in this regard is the account of 'conventions' developed by Thévenot, and employed by some researchers in recent analyses of distribution and marketing processes.

Given that consumer practices support in effect a variety of supply chains, a central issue to be illuminated by data collected in the present study regards the extent to which these practices reflect taken for granted routine choices or deliberate reflection on the part of consumers. In both cases it will be important to seek to identify the variety of tacit conceptions underlying these practices. It is on this point that my recent work on the development of consumption theory will be applied.

It has emerged from the first phase of the investigation that many farmers function as distributors of products produced by others, including imported products, and that the realities behind many forms of 'direct distribution' are often less direct producer-consumer chains than had been envisaged. This in turn raises a wider range of issues that will need to be considered in connection with the practical implications of the findings of this study. These include familiar questions, such as whether the principle of 'proximity' is to be understood in geographical terms ('food miles'), in social terms ('social distance' between producers and consumers) or as an issue regarding sustainability, which potentially includes both perspectives. The conflation of producer and distributor roles also raises the question as to whether organic principles and policy should be conceived as 'agricultural policy' or should be expanded to include a 'food policy' as such. The particular aspects that will be taken up and focussed upon with regard to the practical implications of this project will depend upon its empirical findings.

8. Budget

A. Account for any change in budgets

1.5 person months (0.5 scientific personnel and 1.0 technical personnel) are moved from 2003 to 2004, due to the change in the research plan whereby the primary period of data collection is now

taking place later in 2003 than originally planned (see under point D above). This change will allow for a possible need to collect supplementary data in 2004 and for the fact that some transcripts of data may not be completed before the conclusion of 2003. The current estimate of operational costs is likewise slightly higher for 2004, this factor being balanced by the correspondingly lower costs in 2002. These changes do not entail any significant difference in the total budget.

B. Budget for the whole project (1.000 DKK)**

Total consumption of funds from DARCOF and expected consumption this year and coming years

Year:	Consumption before 2003	Expected consumption 2003	2004	2005	Total
Man-months					
Scientific personnel	03	11,5*	9,5		24
Technical personnel	00	02	01		03

Year:	Consumption before 2003	Expected consumption 2003	2004	2005	Total
Salaries					
Scientific personnel	118	436	403		957
Technical personnel	0	30	16		46
Other operational costs	25	225	38		288
Equipment					
Others (please specify)					
Direct costs	143	691	457		1291
Indirect costs (20% of direct costs)	29	138	91		258
Total	172	829	548		1549

Comments:

* This item includes 3 remaining months of 2003 as well as 3.5 person months to which research assistants were appointed.

** Since only one Institute is participating in this project, the budget for the entire project and the budget for each participating institute/department are one and the same. The institute at issue is: Department of Human Nutrition and Centre for Advanced Food Studies, KVL.

9. Signatures and stamps

Name	Institute	Date	Signature
Head of project Katherine O'Doherty Jensen	Department of Human Nutrition & Centre for Advanced Food Studies	September 30 th 2003	