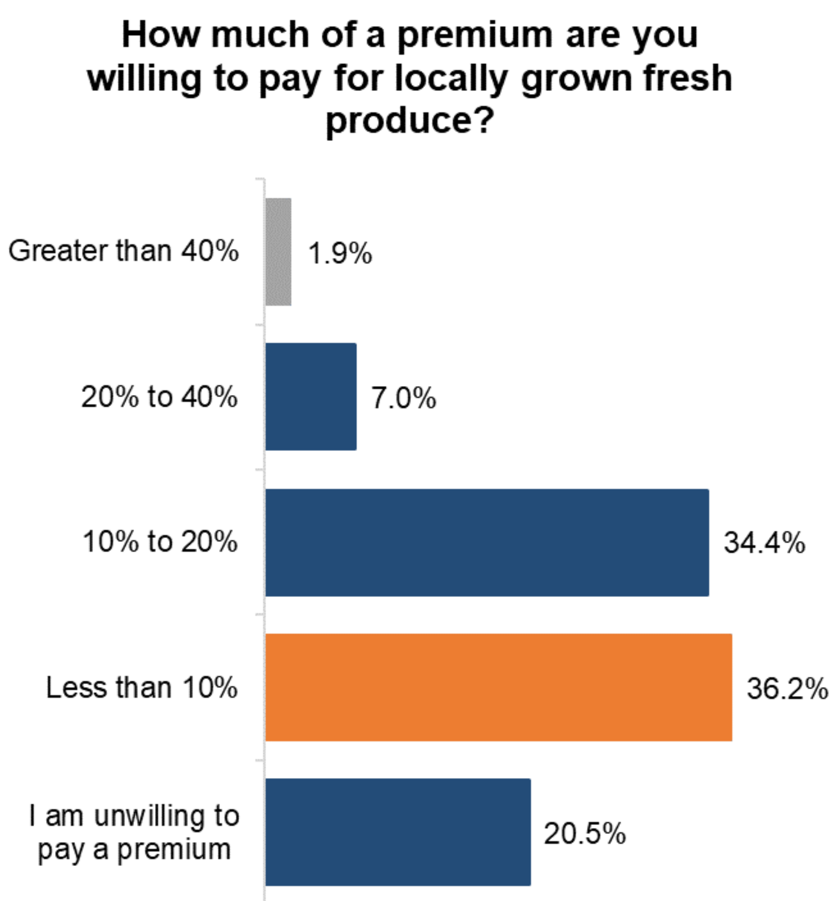
New study suggests 4 in 5 Canadians are willing to pay extra for "locally grown" produce, while few consider provenance to be an important decision factor.

HALIFAX, N.S. (October 22, 2020) – Prior to the COVID-19 pandemic disrupting supply chains and impacting food purchasing habits, Canadian households were expected to spend $12 667 on food during 2020.[1] Following the impact to the supply chain, the pandemic has pushed governments to consider **food autonomy** as a priority and look more at local supply chains. This study was designed to gauge consumer willingness-to-pay for locally grown food as well as the perceptions of greenhouse-grown crops, what factors people consider when purchasing produce, where people purchase their produce, and how important fruits and vegetables are to their diets. This survey was conducted in partnership with **Caddle**, and **10 266 Canadians** were surveyed in early October 2020.



The survey first looked at how Canadians define what local foods are. According to the **Canadian Food Inspection Agency**, food is considered local if it is either grown in the province where it is being sold or when crossing provincial borders, if it is sold within 50 km of the province it was grown in.[2] Previously, food could only be considered local if it was sold within 50 km of where it was produced or within the same municipality or an adjacent one.[3] **Consumer definitions of local, however, vary across the country**.

[1] Canada Food Price Report 10th edition (2020). Dalhousie University and University of Guelph.
[2] Canada Food Inspection Agency (n.d.) *Local food claims interim policy.* Retrieved from https://www.inspection.gc.ca/food-label-requirements/labelling/industry/origin-claims-on-food-labels/local-food-claims/eng/1368135927256/1368136146333
[3] Ibid.

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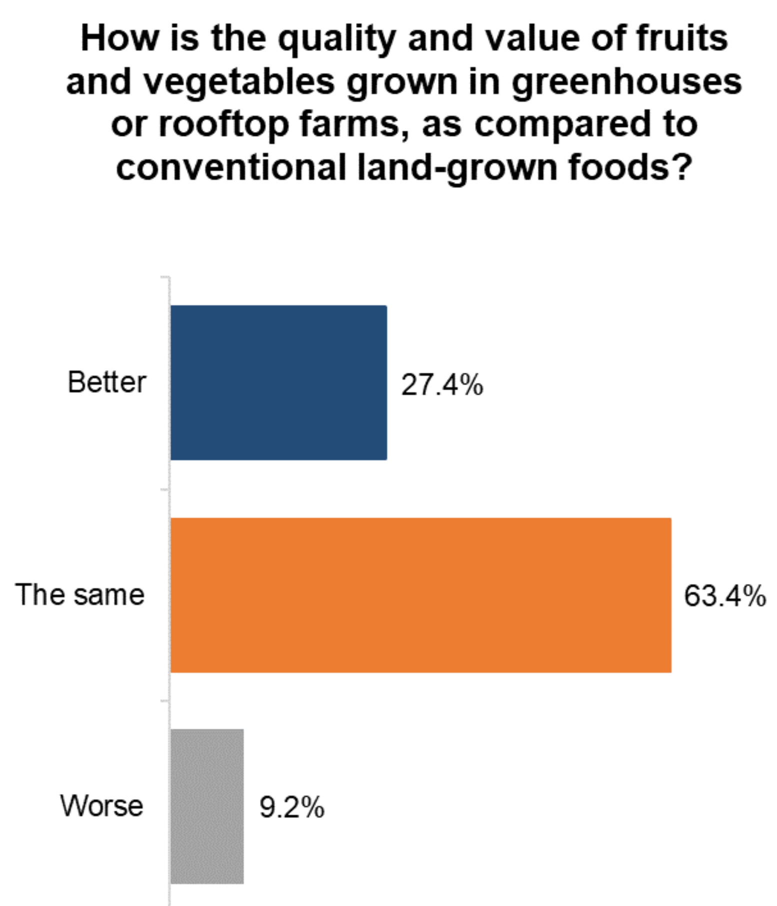
In the **Atlantic provinces** and the **Prairie provinces**, most respondents stated that if food is grown within the province it is considered local, while consumers in **British Columbia**, **Ontario**, and **Quebec** are more likely to consider only food grown within their **region** to be local. **Prince Edward Island** residents consider where produce is grown more than the rest of Canadians, with 38.4 % of respondents saying that they consider where their produce comes from as important when choosing fruits and vegetables at the store.

When deciding what **fruits and vegetables** to buy, **79.5% of Canadians are willing to pay some kind of premium for locally grown produce when grocery shopping**. However, **only one in four (25.0%) Canadians consider where food is grown as important**. This can be called the local food paradox. Most want to pay more, but few are actively looking for opportunities to do so. **Price**, unsurprisingly, is the most common important factor for Canadians, with almost half (47.8%) citing the price of fruits and vegetables as the most important factor.

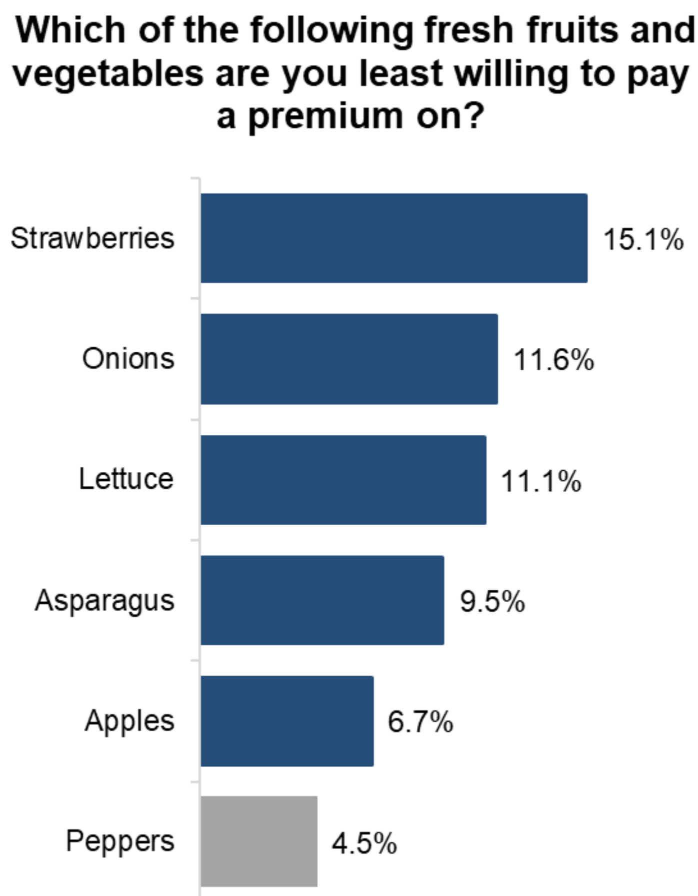


Of the factors people consider important when choosing what produce to buy, women are more likely than men to factor in **taste** and where food was grown. Of the respondents, 30.1% of women found **taste** to be an important factor when shopping for produce and 25.6% of women found **where it was produced** to be important compared to 25.1% of men finding **taste** important and 22.7% of men finding **where it was produced** important.

Over half of respondents (51.6%) either agreed or strongly agreed with the statement "**I would pay a premium for off-season**

fresh produce grown locally in greenhouses (or using other technologies) versus imported alternatives" while only 18.3% of respondents either disagreed or strongly disagreed with the statement, though 20.5% of respondents overall said that they were unwilling to pay a premium for locally grown fresh produce in an earlier question.

Young Canadians are more willing to pay a premium for locally grown produce. Over half of **Generation Z** are willing to pay a premium greater than 10% for locally grown produce, with only 15.9% stating that they are unwilling to pay any premium at all. **Baby Boomers** are the least willing to pay a premium, as 25% of respondents in that age category said that they were unwilling to pay any premium at all and only 38% are willing to pay a premium greater than 10%. The survey also looked at different products. Interestingly, **strawberries** are the one product Canadians are least likely to want to pay a premium on, should it be grown locally.



Major grocery stores are the main source of most Canadians' produce, with 74.9% of respondents saying that they get most of their produce there. Only 10.8% of respondents get most of their produce at farmer's markets. Of those who go to **farmer's markets**, price is still a priority, but they focus heavily on natural and organic food – even more than where the food was grown. Compared to those who shop at major grocery stores, people who shop at farmer's markets are less likely to see fruits and vegetables as an important part of their household's diet, as 88% of those who shop at major grocery store chains either agreed or strongly agreed with the statement that "Fruits and veggies are an important part of my household's diet" compared to 61% of those who shop primarily at farmer's markets.

Most respondents perceive crops grown in greenhouses to be the same quality as those grown conventionally, **with 63.4% saying they are the same quality**, 27.4% saying they are better, and only 9.2% saying they are worse. Only the respondents who grew their own produce had more people say that greenhouse grown produce was worse than those saying it was better, with 24.7% claiming it was worse compared to 15.9% saying it was better than conventionally grown. Those who shopped **at independent stores** had the highest opinion of greenhouse grown crops, with 38.9% saying they were better compared to 8.8% saying they were worse.

Results of this survey must be taken with some caution as people may be more inclined to say that they would pay a premium for local produce when asked and make a different decision when they are faced with cheaper alternatives at the grocery store. Local options may not be easily labelled or easy to find for consumers, nor may they be available, meaning that there may be other barriers to buying local other than cost for consumers. This study does, however, provide some evidence of a willingness-to-pay for local produce among consumers.

End of report. More data/results available upon request.

Methodology: A total of 10 266 Canadians were surveyed. Omnibus panel, Caddle, October 2020. The sample carries a margin of error of +/- 1.2 percentage points, 19 times out of 20. Discrepancies in or between totals are due to rounding. Data was collected by Caddle.

Research Ethics Board Approval # 2020-5215.

Disclosure: Funding for this survey was provided by Caddle (https://getcaddle.com/partners/solutions/) and Dalhousie University.

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