

*Keeping the Value with the Farm: Developing Local Food Messaging that Works* is a four-year USDA-funded research project being conducted by the University of North Carolina Asheville, Texas Tech University, and the nonprofit Appalachian Sustainable Agriculture Project (ASAP). The goal of the project, which began in 2012, is to develop and implement effective messaging and marketing strategies for a model local food branding program that will increase the visibility and competitiveness of food from local farms in Western North Carolina. Research results are applied to a regional local food branding program to increase the visibility and appeal of local food, provide farmers with marketing assistance, and provide retail buyers, managers, and other personnel with the tools and materials they need to effectively use this local food branding program at the store level.

Western North Carolina has nearly 12,000 farms, about one-quarter of the state total. Due to the mountainous landscape, the farms of the region are smaller, on average 75 acres with more than half operating on less than 50 acres. Between 1949 and 2007, Western North Carolina lost over 70 percent of its farmland, and according to recent Agricultural Census data, nearly half the farms in the region are not profitable. In 2007, ASAP completed a multiyear research project that identified abundant local market opportunities for the region's farms (to view report visit: <http://www.asapconnections.org/research.html>). Eighty-two percent of consumers surveyed indicated that they would buy more locally produced food if it were labeled as local. More than 75 percent of respondents said that when local foods cost a little more, they are worth the extra cost. Matching regional consumption with farm production capabilities of the region, the study quantified desire by consumers and businesses for products that could be grown in the region at more than \$450 million.

ASAP's previous research also documents a gap between production and consumption and demonstrates that locally grown food is rarely differentiated in the marketplace. Among a myriad of reasons, the gap is both a consequence of inconsistent or nonexistent local food labeling and of distribution bottlenecks that exist with particular types of gatekeepers. Consumers want local food but do not always buy it due variously to a lack of commitment to local farms and food by food chain intermediaries, inconsistent and unclear labeling, and poorly informed food buyers and frontline personnel. To compete effectively, local food must be clearly distinguished in the marketplace so that consumers can make informed purchasing decisions; demand for local food can only be realized if consumers can identify local products.

ASAP developed the Appalachian Grown™ certification and regional branding program to maintain the identity of local farm products through the value chain and protect the integrity of the local market. The program verifies that Appalachian Grown products are grown on family farms in the program's region, a 100 mile radius from the city of Asheville, the region's largest urban center. When consumers purchase a farm product with the Appalachian Grown logo, the product will truly come from a local farm in the region and farmers will receive any price premium associated with their local products. Appalachian Grown also allows for tracking of farm products from the farm through delivery channels to the point of purchase.

This project integrates research, extension, and education based activities. Research and extension activities identify messages and strategies that impact consumer purchasing decisions and assess the best ways to engage buyers and store personnel in the branding program. In 2013, baseline consumer surveys were conducted at three grocery stores in Western North Carolina to identify the most effective messages and promotional strategies and best branding practices for the Appalachian Grown program to use in a retail setting. In 2014, the project team took this information and applied it to a full promotional campaign in two of the stores, changing the environments of these stores to one that actively promoted local Appalachian Grown certified product using a variety of customized, informative visual displays. The third project store was used as a control during the initial treatment phase of 2013 and did not receive a treatment between the baseline and follow-up customer surveys.

In 2014, follow-up surveys were completed in all of three of the project's intervention stores. The post-assessments were designed to measure the impacts of local Appalachian Grown messaging and promotions on consumer perceptions, knowledge, and purchasing of Appalachian Grown branded product. Findings showed that the applied promotional campaign interventions increased customer knowledge, awareness, and purchasing of local product. For example, prior to the in-store intervention, 28 percent of shoppers at one store said they had never seen the Appalachian Grown logo; 21 percent said they had seen it but didn't pay attention to it, and 51 percent said they had seen it and used it to identify and purchase local foods. After the intervention, only 18 percent of shoppers said they had never seen the logo, just seven percent said they were familiar with the logo but didn't pay attention to it, but a majority, 75 percent, said they were not only familiar with the Appalachian Grown logo, but used it to identify and purchase local foods. This is compared to the control store, where knowledge and use of the Appalachian Grown logo essentially didn't change. During baseline surveys, 30 percent of the control store's customers had never seen the Appalachian Grown logo; post-surveys showed 33 percent had never seen the logo. Similarly, baseline surveys showed that 70 percent of the control store's customers were aware of the logo (only 33 percent used it to identify and purchase local). Post-surveys showed 67 percent of customers were aware of the logo with 34 percent reporting use of the logo to identify and purchase local foods.

Complementing these research activities are education elements designed to enhance the undergraduate educational experiences of students, deliver science-based knowledge to students, and foster interest in food and agricultural research. These activities were used to complement UNCA's *Food for Thought* cluster of courses. Continuing education activities outside the classroom, student research assistants are employed and utilized in all phases of the project, including data collection, analysis, and dissemination of results. The project also includes an undergraduate research fellowship of UNCA students who have designed and conducted complementary research regarding local food systems. Utilizing evaluations of current literature, interviews, data collection and analysis, the topics of research include assessments of local food regarding student engagement, interventions in food insecurity, and local food perceptions in the Mountain South.

Extension and outreach activities are conducted by ASAP. The knowledge from the research has been applied to the branding program to increase the visibility and appeal of the brand, provide farmers with marketing assistance, and provide retail buyers, managers, and other personnel with the tools and materials they need to effectively use the program at the store level. Extension activities are implemented to provide farms and area food businesses with support and training around marketing and promoting local farm products, with specific focus on methods of maintaining consistent local labeling using the Appalachian Grown program. Evidence of the impact of these trainings and resources are found in ASAP's annual survey of Appalachian Grown certified businesses. Results show that in 2014, 34 percent of the program's 475 certified businesses used the Appalachian Grown logo on their business websites, 53 percent used the logo on in-house materials to identify local product, and nearly half (47 percent) used customized Appalachian Grown farmer profiles to highlight the local farms they purchase from for their customers. When asked if their participation in the Appalachian Grown program helped increase sales in their business in 2014, 64 percent of participants indicated that it had. This positive impact perhaps led to the trend of 98 percent of participants indicating they increased their purchases of Appalachian Grown certified product in 2014 to meet customer demand.

In its final year, the project team will continue to focus on gathering the data and performing statistical analysis around changes in farmer willingness to pay for membership in the Appalachian Grown program. Researchers hypothesize that the increasing value of Appalachian Grown branding to area residents will result in farmer willingness to pay a fee to be a part of a successful, highly visible (yet currently grant supported) local food marketing and support program. In addition to examinations of willingness to pay by farmers, the research team will conduct an analysis of experiment store sales data to see if there were changes in customer purchases of local product during the treatment phase of the project. ASAP staff will also continue to provide extension support to farms and food businesses in marketing and promotions assistance, as well as market connection.

Word Count: 1447