THE VALUE OF USDA ORGANIC LABELING TO THE UNITED STATES CONSUMER

Linda J. O'Dierno*, Joseph Myers, Ramu Govindasamy, Sho Islam, and Brian Schilling
P.O. Box 330, New Jersey Department of Agriculture
Trenton, New Jersey 08625
linda.odierno@ag.state.nj.us

The United States aquatic farming community has expressed a keen interest in the development of long-term sustainable organic farming systems that will meet the needs of today's consumers. Most Americans eat much less seafood than is recommended for a healthy diet. According to FDA, the average United States per capita consumption is 2.292 ounces of seafood per week, while most health and diet authorities recommend at least two six-ounce fish meals per week. Consumers are increasingly concerned about the environmental impact of aquaculture, presence of contaminants in seafood, and quality of the seafood supply. The development and implementation of USDA organic standards for aquaculture would provide credible certification and allay some of these concerns.

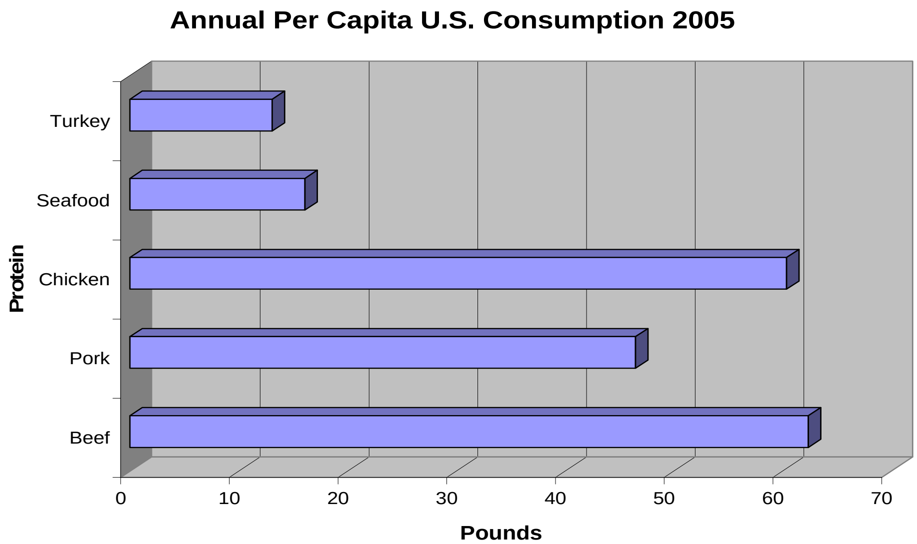

Figure 1-Source USDA

To better understand consumer attitudes and concerns, our group investigated four target markets in different regions of the country (Central New Jersey, Boston Metro, Greater Chicago, and Colorado Springs), each with unique seafood market characteristics. The first phase of the project consisted of focus groups conducted in supermarkets in each of the four target markets. Sites included both upscale stores that carry a broad range of organic products and cater to a health conscious consumer as well as more generic stores.

Information gathered from the focus groups was used to frame questions in a broader telephone survey involving 200 consumers in each of the four target markets for a total of 800 responses. The telephone surveys were limited to individuals who actually purchase seafood for home consumption. Only 69% of those willing to participate in the survey actually purchased seafood for home consumption. Therefore, the 800 responses were drawn from those individuals.

Both the focus groups and the telephone survey took a drill down approach. Initial questions dealt with seafood purchase in general, then farm-raised seafood and finally organically-grown seafood.

Consumer Attitudes-Seafood

When consumers were asked to identify the major reason for consuming seafood, 49% indicated that they liked the taste while 41 percent felt it was a healthy food. Many were familiar with the positive effects of omega-three fatty acids on coronary health, but were hard pressed to elucidate other benefits.

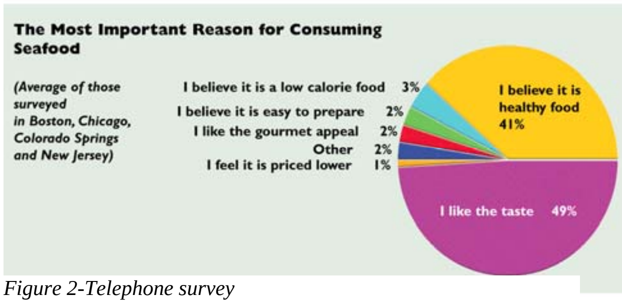

Figure 2-Telephone survey

Clearly, many consumers are interested in the health benefits of increased seafood consumption, but they also expressed reservations about the safety of seafood and the environmental effects of commercial fishing and aquaculture. Availability of a USDA. Organic Label would assist consumers in making educated purchase decisions.

On average, 69% of those surveyed indicated that an environmentally-friendly label would influence their purchase decision. Seventy-four of those surveyed were aware of health concerns related to seafood. When asked which type of seafood tastes better, 52% selected wild caught, 24% farm-raised, and 24% were unsure.

Consumer Attitudes-Organic Seafood

To provide a baseline, results were compared with an earlier study that was conducted in the United Kingdom in 2001. That study was also focused on consumer acceptance of organic seafood. Figure 3 illustrates consumer responses to the purchase of organic foods in general. When comparing the results, it must be remembered that they represent different markets and there is four year time difference.

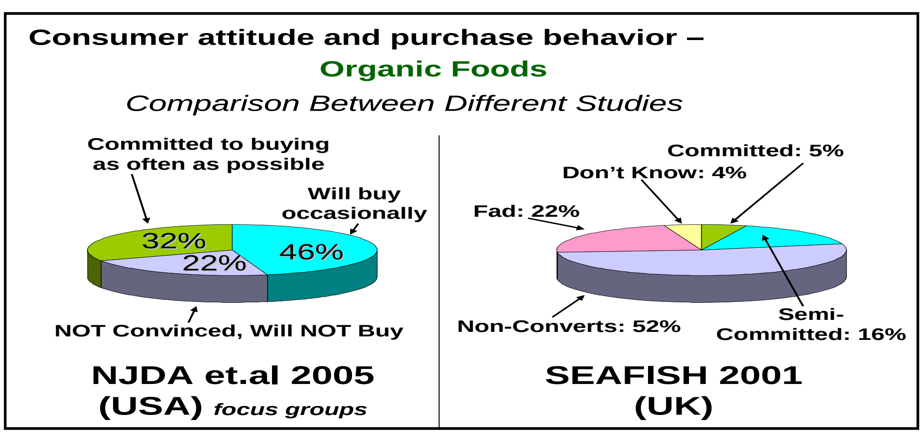

Figure 3

When comparing general purchase behavior toward organic foods with organic seafood, 32% of the respondents in the focus groups indicated that they are committed to purchasing organic food as often as possible while only 20% indicated that they would have the same commitment to organic seafood. This might be attributable to less familiarity with organic seafood and very limited current availability.

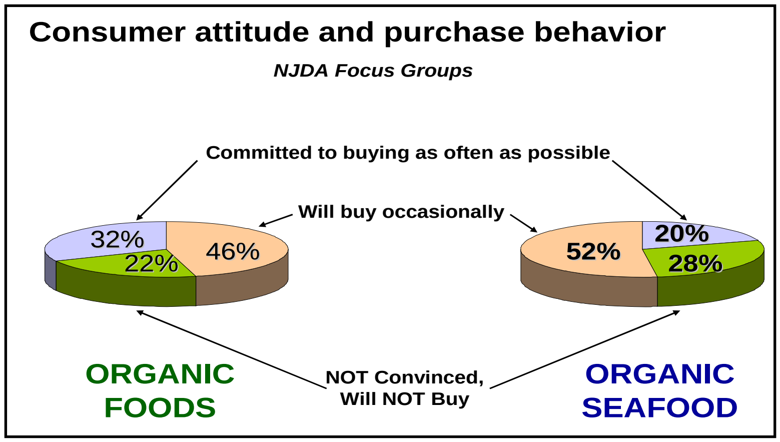

Figure 4

Overall, respondents were enthusiastic about the availability of organic seafood. A large majority (70 percent) indicated they would purchase organic seafood if presented with the opportunity. However, there was reluctance to totally commit. Fifty-two percent of the focus group participants felt that they would purchase those products from time to time, while 28 percent were not convinced of the value of the products and would not purchase them. A major concern expressed was the cost of an organic product, since many consumers already view seafood as an expensive alternative**.**

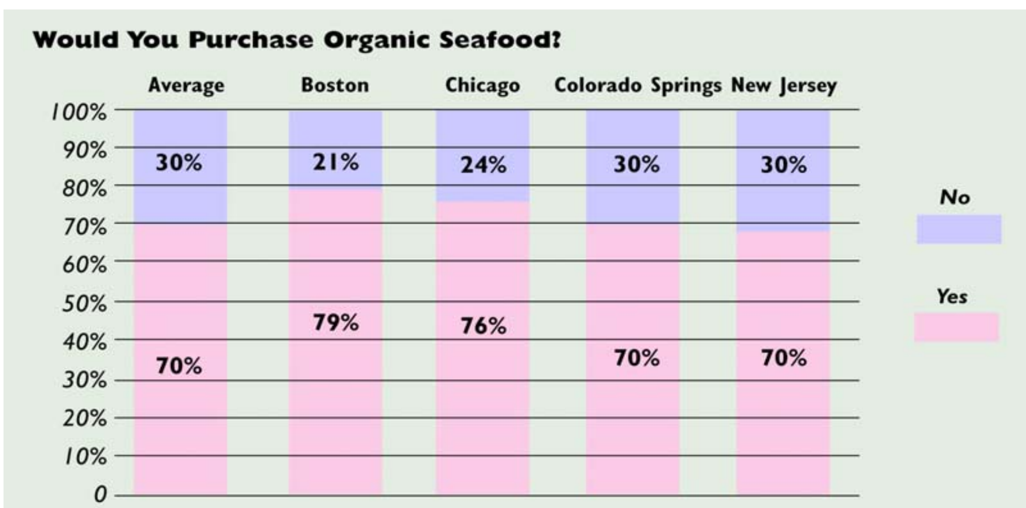

Figure 5-Telephone Survey

Seventy percent indicated that they would trust an organic label for seafood and many wanted some third part assurance of the quality of the seafood products. Currently many consumers depend heavily on the reputation of the store and the recommendations of sales associates when purchasing seafood. Many indicated that they limit their purchase of seafood products to specific stores. Fifty percent indicated that they would actually change their shopping location to purchase organic seafood.

During the focus groups, aquaculture production systems raised additional concerns about the use of synthetic hormones and genetically modified organisms. Ninety-five percent of the consumers in the focus groups felt that a major advantage of organic seafood was that it was chemical/pesticide free and this was a major driving force in the purchase of organic products. In the larger telephone survey, 77% felt that organic products would be chemical, pesticide and antibiotic free compared with conventional seafood products.

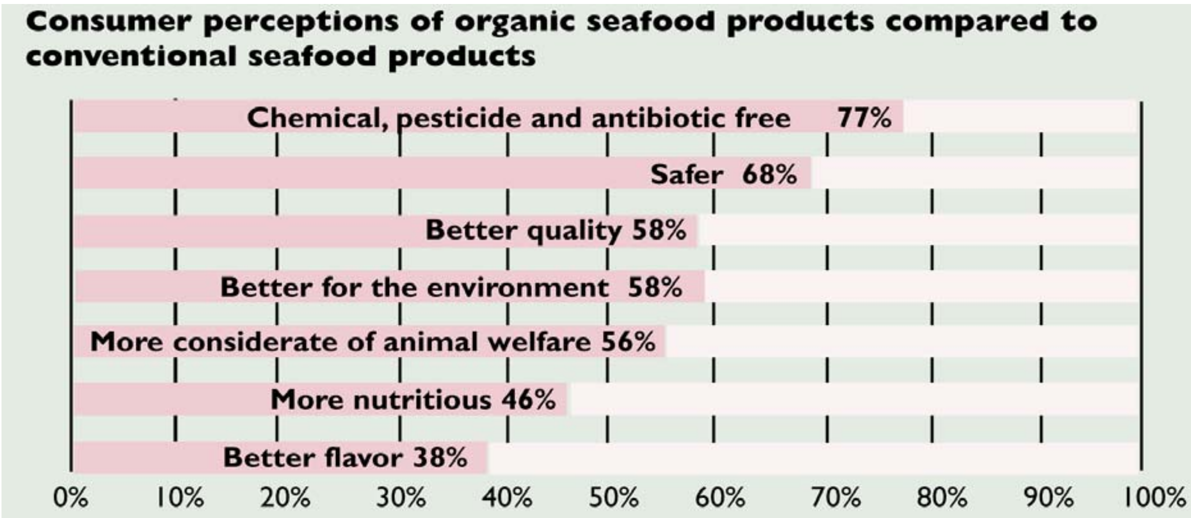

Figure 6-Telephone Survey

Reasons for not wanting to purchase organic seafood were that it: is too expensive (67 percent); has no credible standards (53 percent); is not worth the price differential (40 percent); and has limited availability (13 percent). When asked about the attributes of organic products, thirteen percent of those surveyed indicated that they were not concerned about additives, chemicals or residues. Because they are not concerned, most felt that purchasing organic product was not worth the price differential**.**

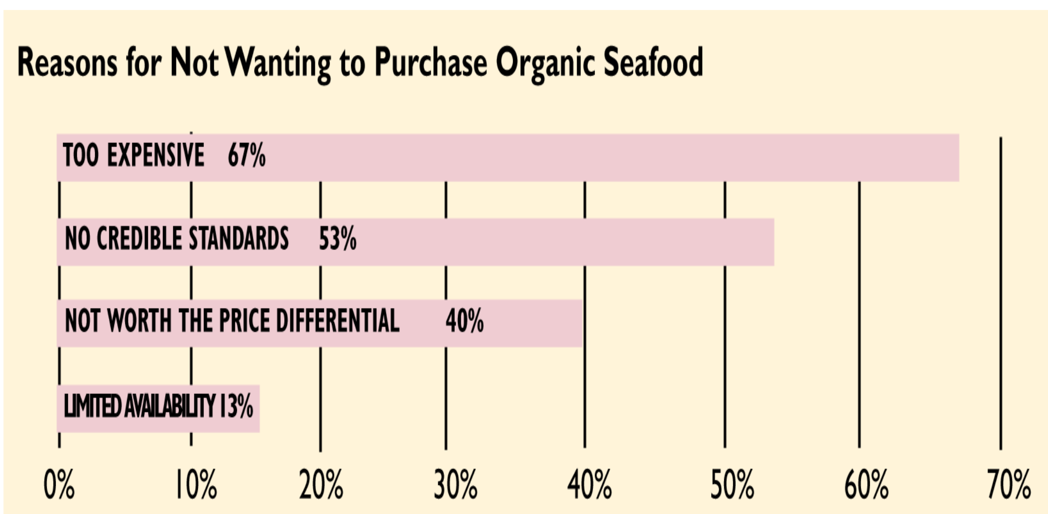

Figure 7-Telephone Survey

Retail Perspective

A sample of chain store retailers was surveyed to determine their attitudes toward organic seafood. Forty-two percent felt that their customers would purchase more seafood if it were labeled organic. Sixty-nine percent felt that an organic label would increase consumer confidence in the wholesomeness of the product. Seventy-two percent indicated that a organic product would fit into their seafood program. Retailers felt that their customers would place greater value on organic seafood because of: 1) greater product safety, 2) wholesomeness; and 3) environmental stewardship.

Conclusions

When compared with other protein choices, the United States is not a seafood consuming nation on a per capita basis. American consumers are increasingly concerned about food safety. These concerns are often magnified in the case of aquacultured seafood. Participants in the focus groups discussed a number of concerns including: 1) use of antibiotics, hormones, chemicals and pesticides during production: 2) poor water quality in production systems; 3) non-natural feeds; 4) aquaculture is not good for the environment; 5) aquaculture production systems are artificial; and 6) the taste is not as good as wild-caught seafood. It was interesting to note that some focus group participants felt that fish-based feeds weren't natural while others expressed the same concerns about grain-based feeds.

Currently, a number of upscale retailers across the country are offering imported organic seafood products that have been certified by overseas groups. It is anticipated that U.S. consumers would be more comfortable with a recognizable USDA Organic Label with a set of clear production standards.

For consumers, the availability of clearly labeled USDA organic aquatic products will increase their comfort level and may increase their willingness to purchase and prepare seafood products for their families. This shift would greatly add to the quality of the American diet.

More Information is available at: www.jerseyseafood.nj.gov