

The Importance of Labeling: Consumer Preferences toward Certification Labels in the Chile Industry

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New Mexico State University



Background: U.S. Chile Industry

- Production efficiencies

SUN-NEWS BUSINESS
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Las Cruces Sun-News
Monday, Aug. 28, 2006

High Country News
For people who care about the West

The red, white and blue of 'red or green?'
- From the June 25, 2007 issue of High Country News
By Laura Paekris
New Mexico's chile industry faces hot global producers

Much has changed over the past century in this country. Nick Carson, president of Rio Valley N.M., remembers when irrigating meant mudding a field with a shovel. Today, thanks to laser-guided combine harvesters, boots rarely see a drop of mud. Green chile

Mechanization

INTERNATIONAL BUSINESS TIMES | Politics & Policy > The Americas

Chile industry seeks tax incentive for farmers

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By MELANIE DABOVICH, AP
20 November 2008 @ 03:23 am ET

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Research Goals

Better understand consumer preferences for regional branding in vegetable market

- Fresh vegetables vs. processed vegetables
- Processing level (minimal vs. extensive)



Data

- Panel survey
- Summer 2008
- Southwest United States
- 300 +/- participants

Methodology

- Simple statistics
- Conjoint analysis

How important is a fresh vegetable's regional certification to your purchase decision? Please rate the importance on a scale from 1 (least important) to 7 (most important).

How important is a processed vegetable's regional certification to your purchase decision? Please rate the importance on a scale from 1 (least important) to 7 (most important).

Many fresh fruits and vegetables have a regional certification. How likely are you to select these regionally certified foods over their generic, non-certified equivalents? Please rate your preferences on a scale from 1 to 7

- Vidalia sweet onions
- Washington apples
- Idaho potatoes
- Walla Walla sweet onions

Consider food items you purchase that contain a certification. How important are the following certifications to you (1 not important; 7 important)

- Regional certification
- Traceability
- Animal welfare
- Nutrition
- Good manufacturing practices
- Good agricultural practices
- Food safety

Conjoint Analysis

Please rate each of the choices below according to the probability that you would select the choice for use in home food preparation (1=least likely; 7=most likely):

Choice A: Certified "Grown in U.S." chile that is also certified "Processed in U.S." and costs \$2.99 per package

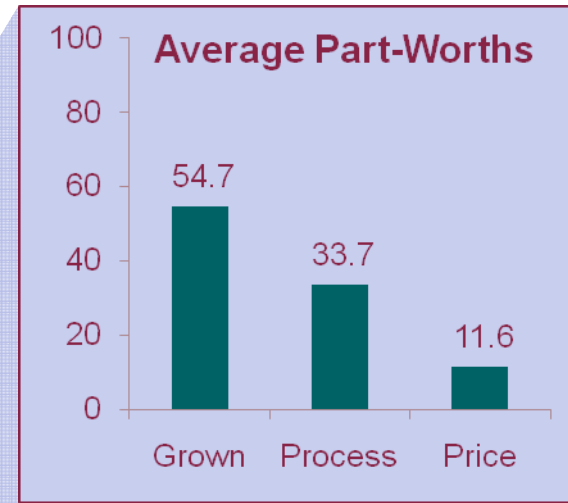
Choice B: Certified "Grown in Mexico" chile that is also certified "Processed in U.S." and costs \$1.99 per package

Choice C: Certified "Grown in U.S." chile that is also certified "Processed in New Mexico" and costs \$2.99 per package

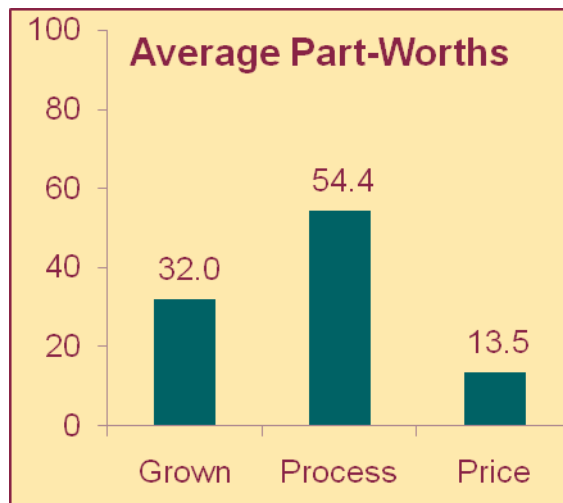
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Conjoint Analysis

Most important product component

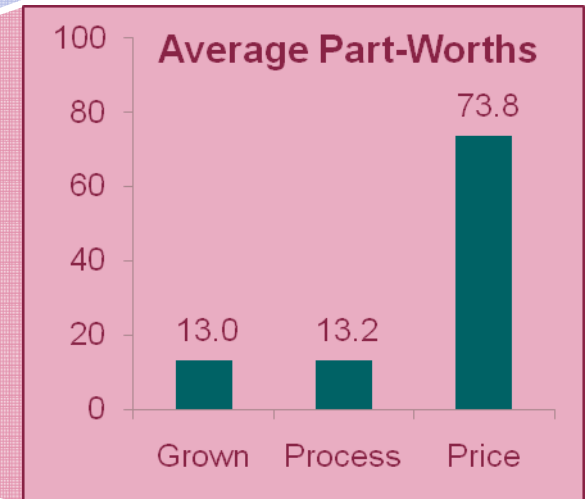


Growing Region
(45%) §



Processing Region
(32%)

Price
(18%)



§ Percent most important

Conclusions

- U.S. Chile industry is facing increasing foreign competition
- Regional branding may play role in demand development
- Growing region appears to be more important to Southwestern consumers than processing region