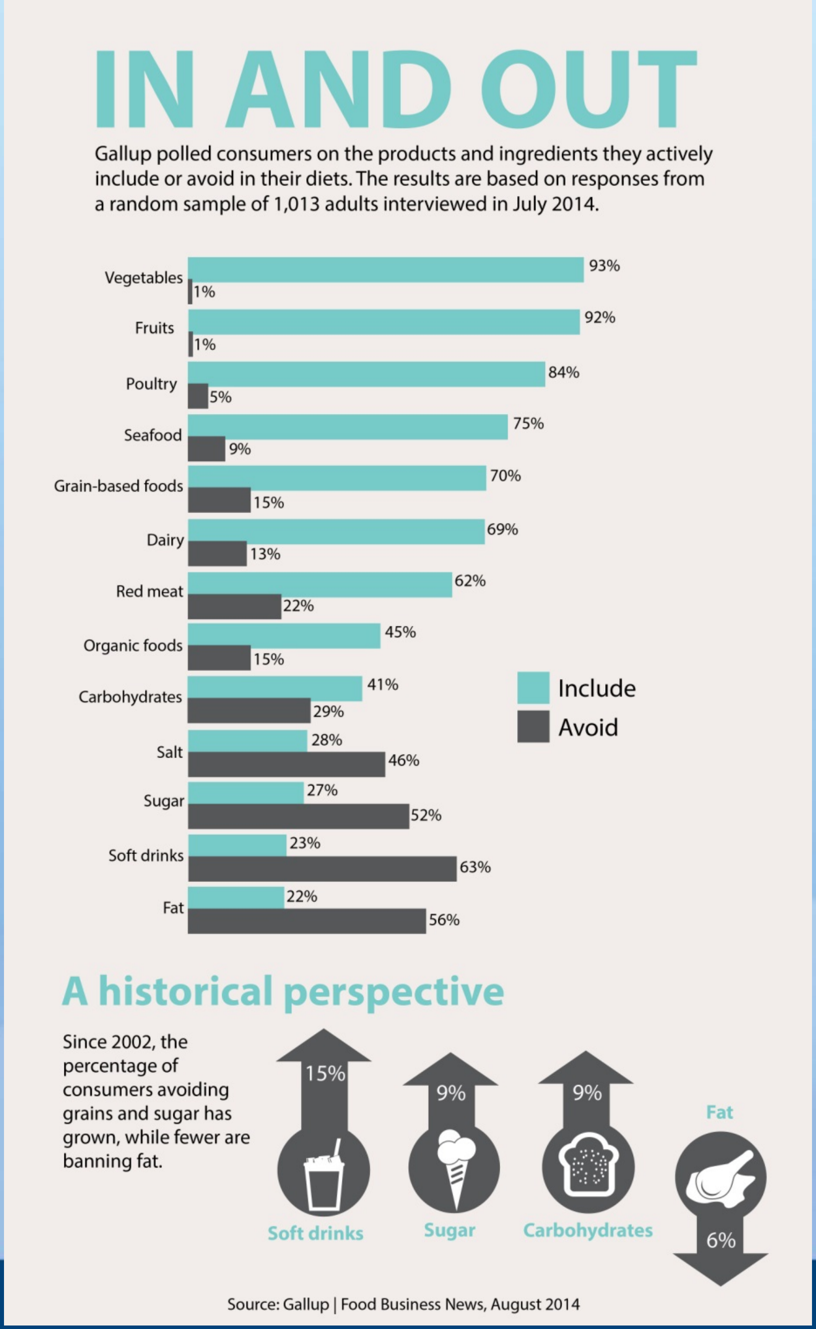
CONSUMER TRENDS 2015

From “Boomers” to “Millennials”

Penn State Extension

Changing tastes



Food Business News

hartbeat ACUMEN

WHO BUYS ORGANIC?

Organic usage is holding steady. The Hartman Group's Organic & Natural 2014 report finds that about three-quarters of U.S. consumers are organic users.

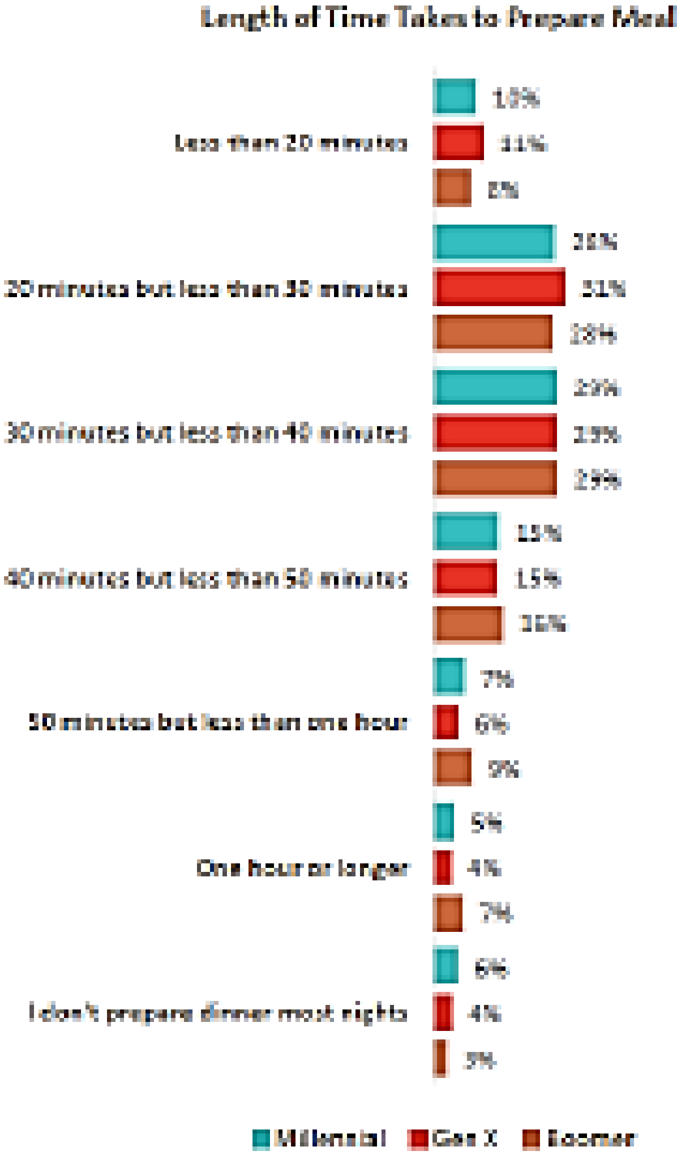
How often have you used organic foods or beverages in the past three months?

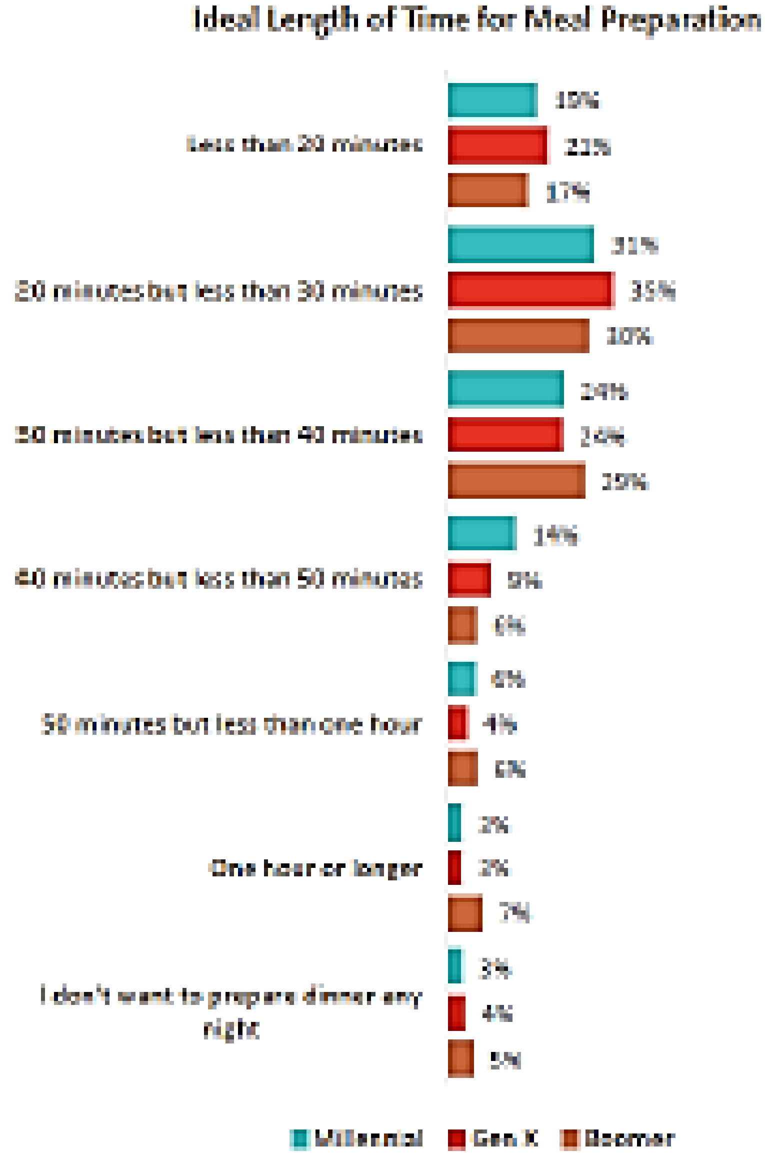
at least occasional usage*		daily usage
73%	TOTAL ORGANIC USERS	9%
86%	MILLENNIALS (18-35)	12%
72%	GEN X (36-49)	8%
63%	BOOMERS (50+)	7%

**Includes occasional, monthly, weekly and daily*

Source: Organic & Natural 2014 report, The Hartman Group meal preparation

Consumers have adapted the actual time it takes them to prepare a meal to meet their ideal requirements





IN THE SPOTLIGHT

GEN X THE OVERLOOKED GENERATION

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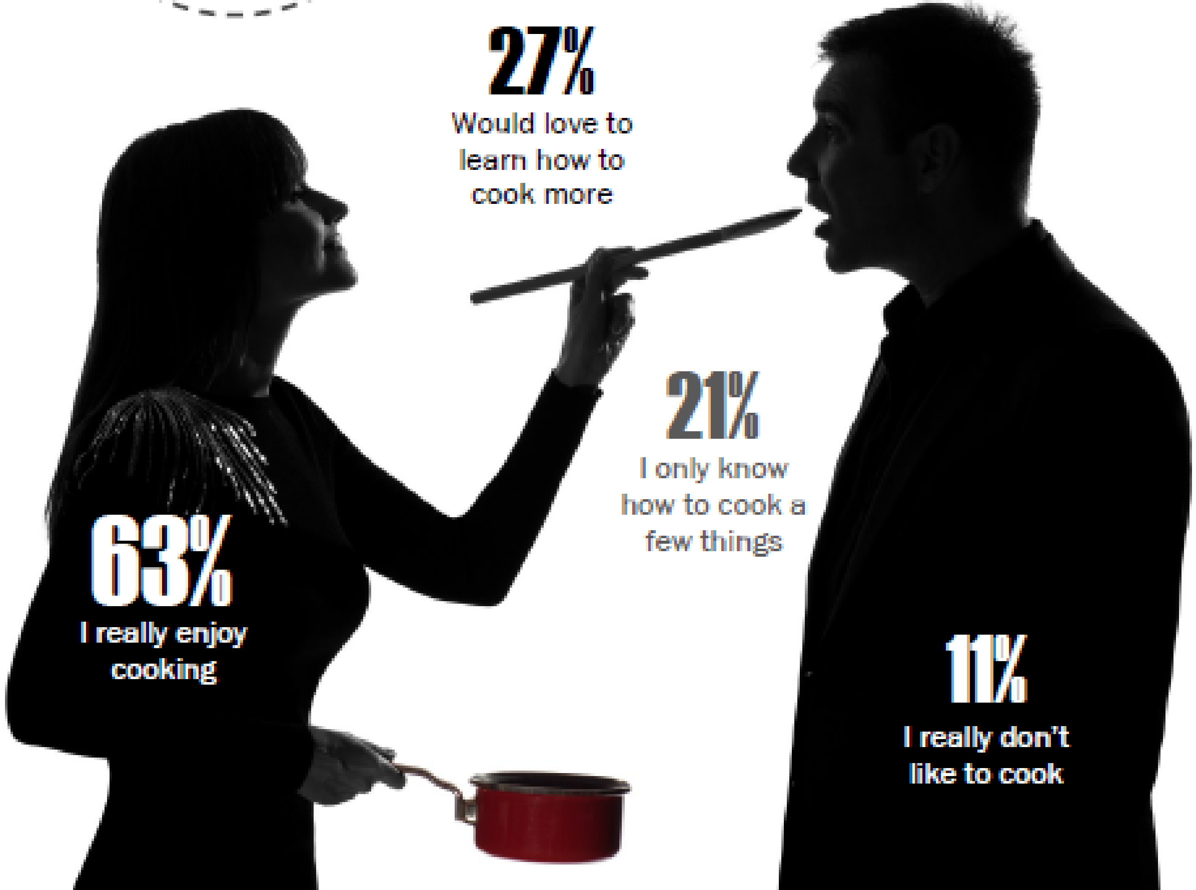
43%

of Gen Xers eat out once a week or more often*

50%

look for and read NUTRITION information when deciding what foods or beverages to purchase



Sandwiched between Millennials and Baby Boomers, Gen X seems barely a whisper in marketing circles.

How can they be ignored?

After all, they are the generation of Barack and Michelle Obama, Brad Pitt and Angelina Jolie, George Clooney, Sarah Jessica Parker, Jon Bon Jovi, Jennifer Aniston, Michael J. Fox, Tiger Woods and Marissa Mayer and Jeff Bezos.

They grew up with technology: video games, personal computing and the Internet. They flourished and went bust with dot-com.

They no longer can be defined as the "whatever" generation. Gen X has far more influence on the marketplace than we may think. So take notice. Here are a few snippets of their views and behaviors on cooking, eating out and shopping for foods and beverages.

*Source: Outlook on the Millennial Consumer 2014 report. The Hartman Group, Inc. Based on past three months purchase or eating out. www.hartman-group.com

hartman GROUP

Decline in Fast Food Sales

- Boomers – 18% drop in visits to fast-food restaurants

Source: Brand Keys

Decline in Fast Food Sales

- Boomers – 18% drop in visits to fast-food restaurants
- Millennials – 20% drop

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Decline in Fast Food Sales

- Boomers – 18% drop in visits to fast-food restaurants
- Millennials – 20% drop
- Gen X – 11% drop

Source: Brand Keys

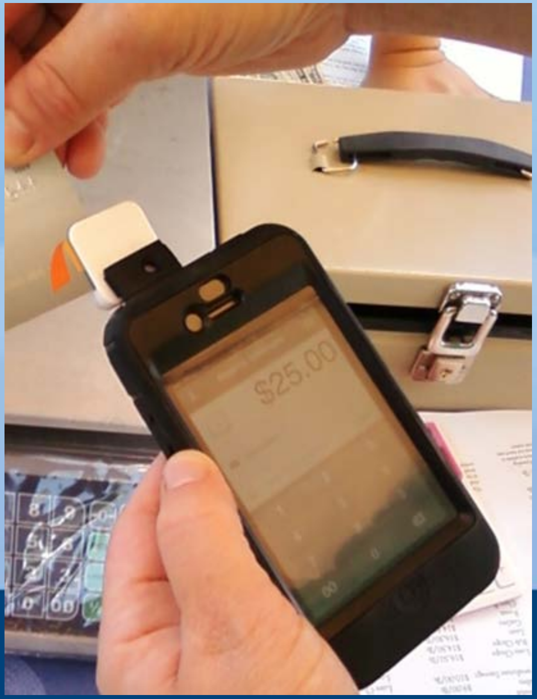
Increase in Fast Casual Restaurants

- Boomers – 20% *increase* in visits to fast-casual restaurants (Applebee's, Panera, etc.)
- Millennials – 42% increase
- Gen X -11% increase

Source: Brand Keys

Millennials

- Expanding on the notion of food



Millennials

- knowledgeable and passionate about social and environmental issues (e.g., organic, non-GMO)

Millennials

- love a good story that allows them to personally connect with a brand or product

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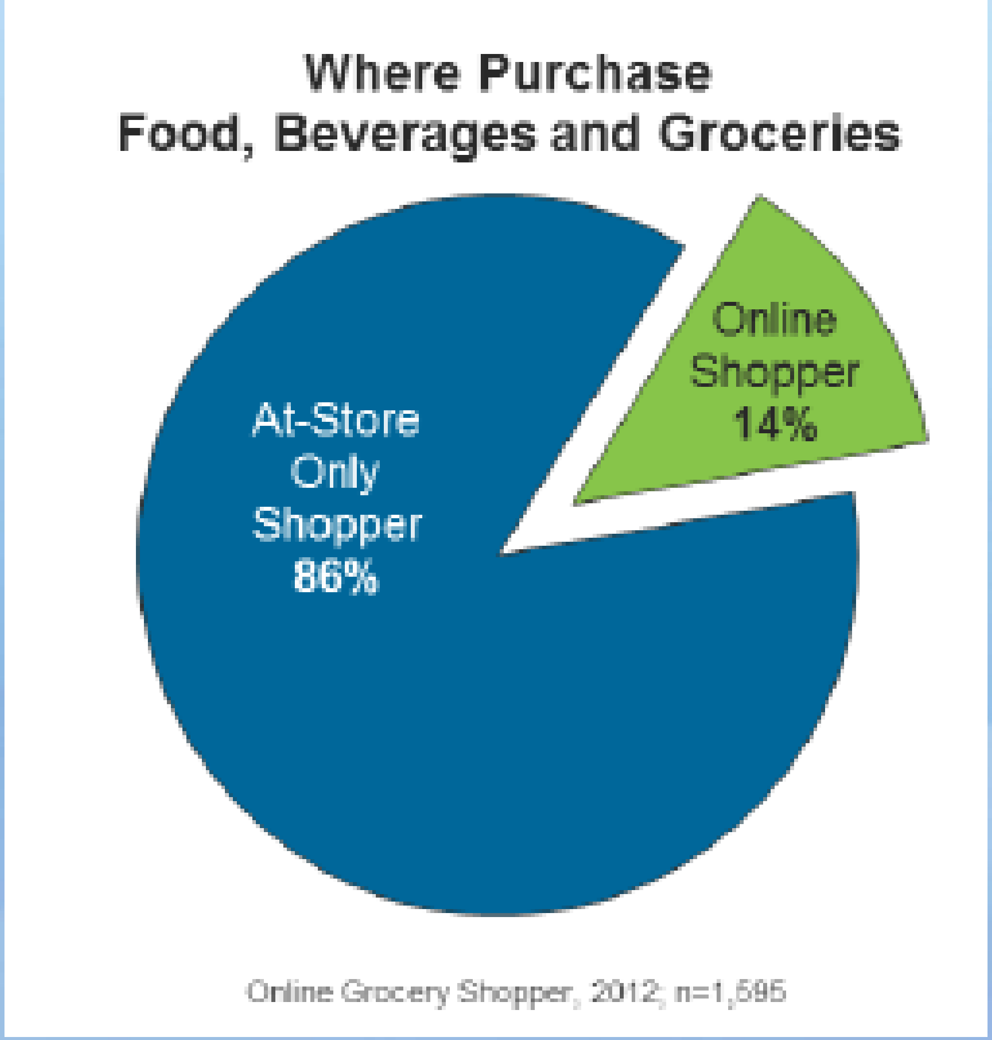
- love a good story that allows them to personally connect with a brand or product
- Millennials tend to be skeptical of claims, so authenticity and transparency are paramount when trying to connect with them.

Boomers

- Growing in numbers
- Moving towards higher-quality food
- Searching for a brand and company they can connect with

Online Purchases

One quarter of Millennials purchase on a mobile device



Source: Hartman Group

Local is the New Organic

- speaks to consumer desires for a food system with integrity

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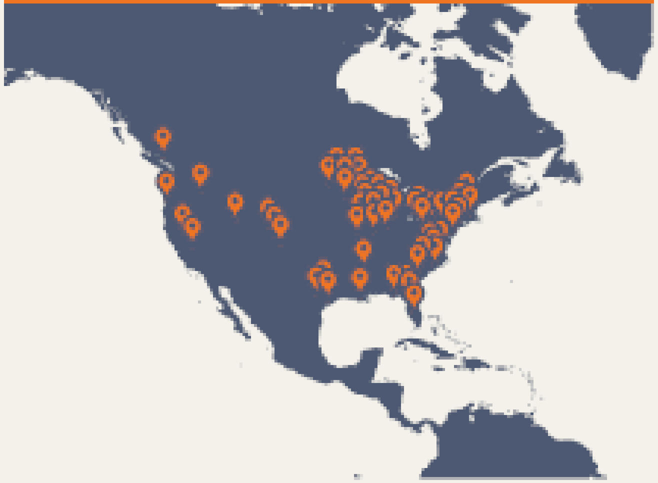
The 2014 CSA Farming *Annual Report*

Trends and Statistics in CSA farming

248
CSA FARMS

We studied 248 CSAs from across the United States and Canada that used our software to manage their CSA and this is what we learned.

Who did we study?



Total Members Analyzed
52,783

Largest CSA
6,826

Average CSA membership size
213

Smallest CSA
10


How much did members spend for their CSA?
Most expensive CSA membership
$12,650
$460.12
2013
$3.13 increase
$463.25
2014
www.memberassembler.com
MEMBER ASSEMBLER

Growth and Income

$26 million

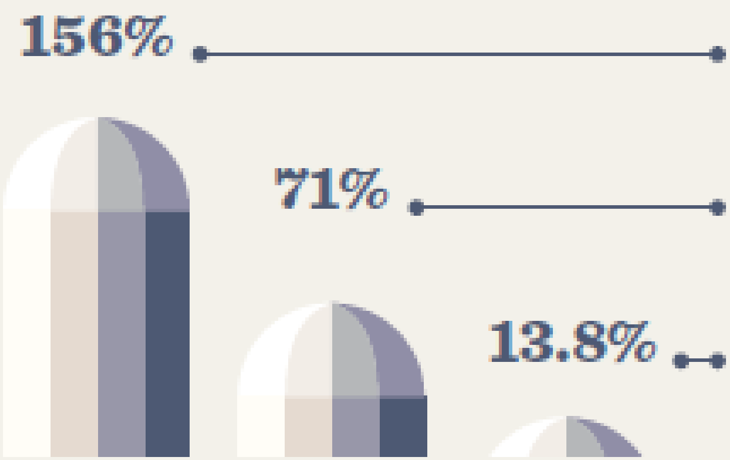
Total amount of money spent at these CSA farms.

$30,342

Average CSA income in 2014.

79% growth over 2013

Average CSA growth, in memberships sold

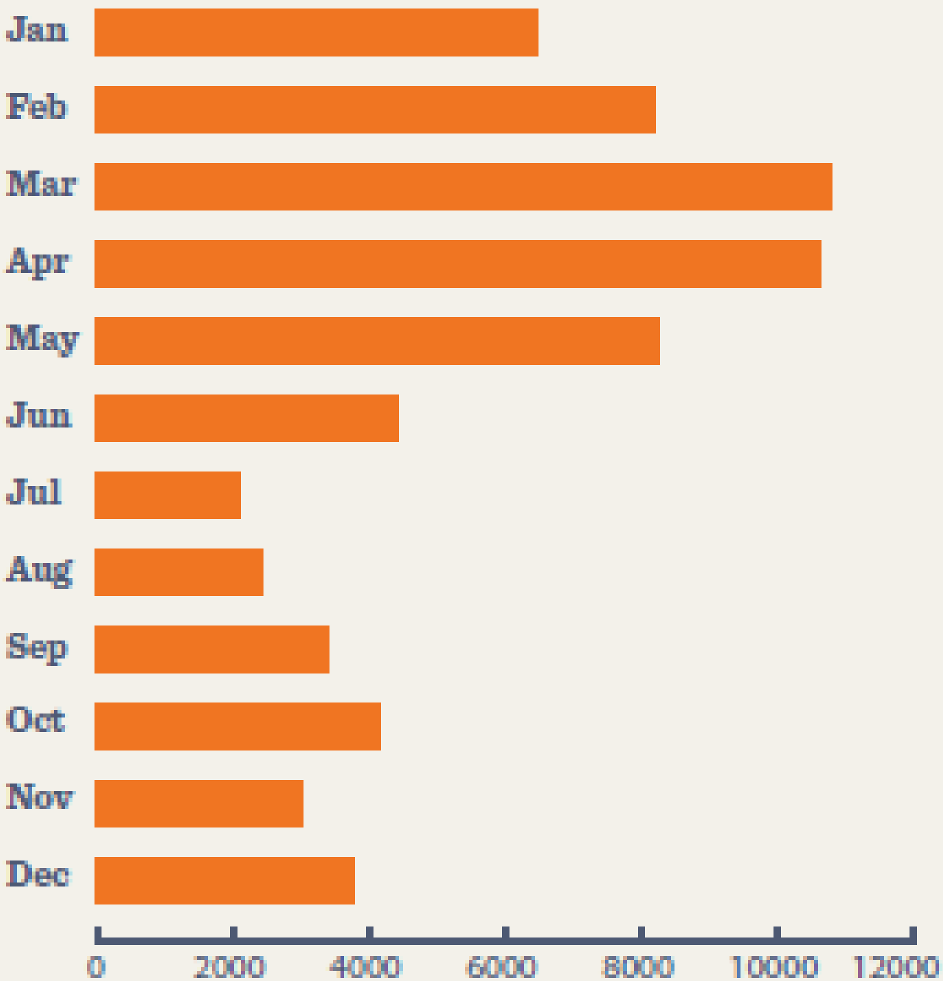


Growth of CSAs with fewer than 100 members.

Average CSA growth in 2014

Growth of CSAs with more than 100 members.

When do people sign up for CSA shares?



Feb 28th

Most popular day to sign up for a CSA share.

45.2%	Average Retention Rate
72%	Farms have member agreement

What's in the box?

Most common products in the box

#1 Lettuce

#2 Kale

#3 Swiss Chard

#4 Summer Squash

#5 Cucumbers

#6 Carrots

#7 Basil

#8 Spinach

#9 Broccoli

#10 Beets

Selling extras

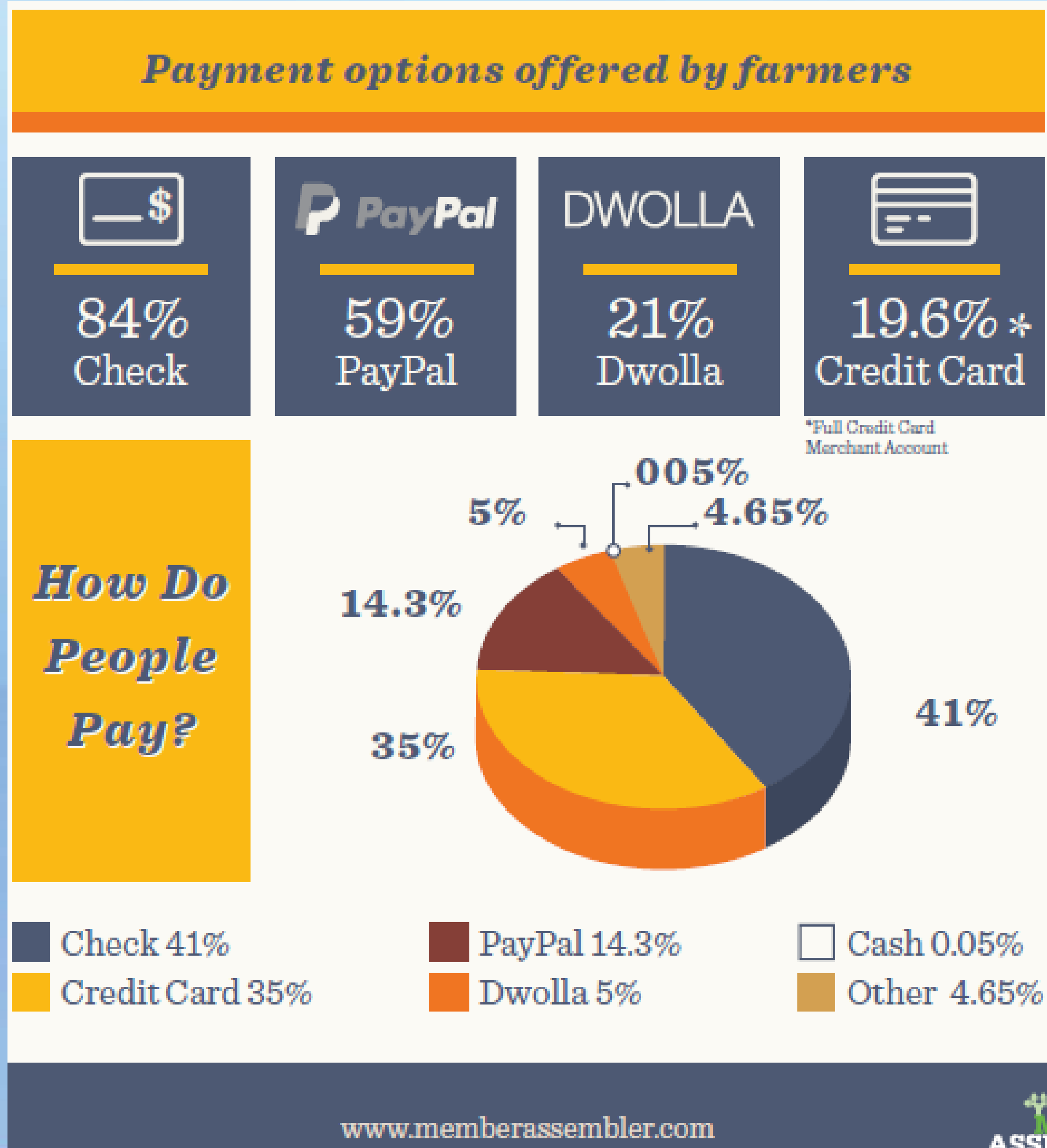
44% Sold items on a weekly basis

$7,384 Average total yearly sales

All about pickup locations

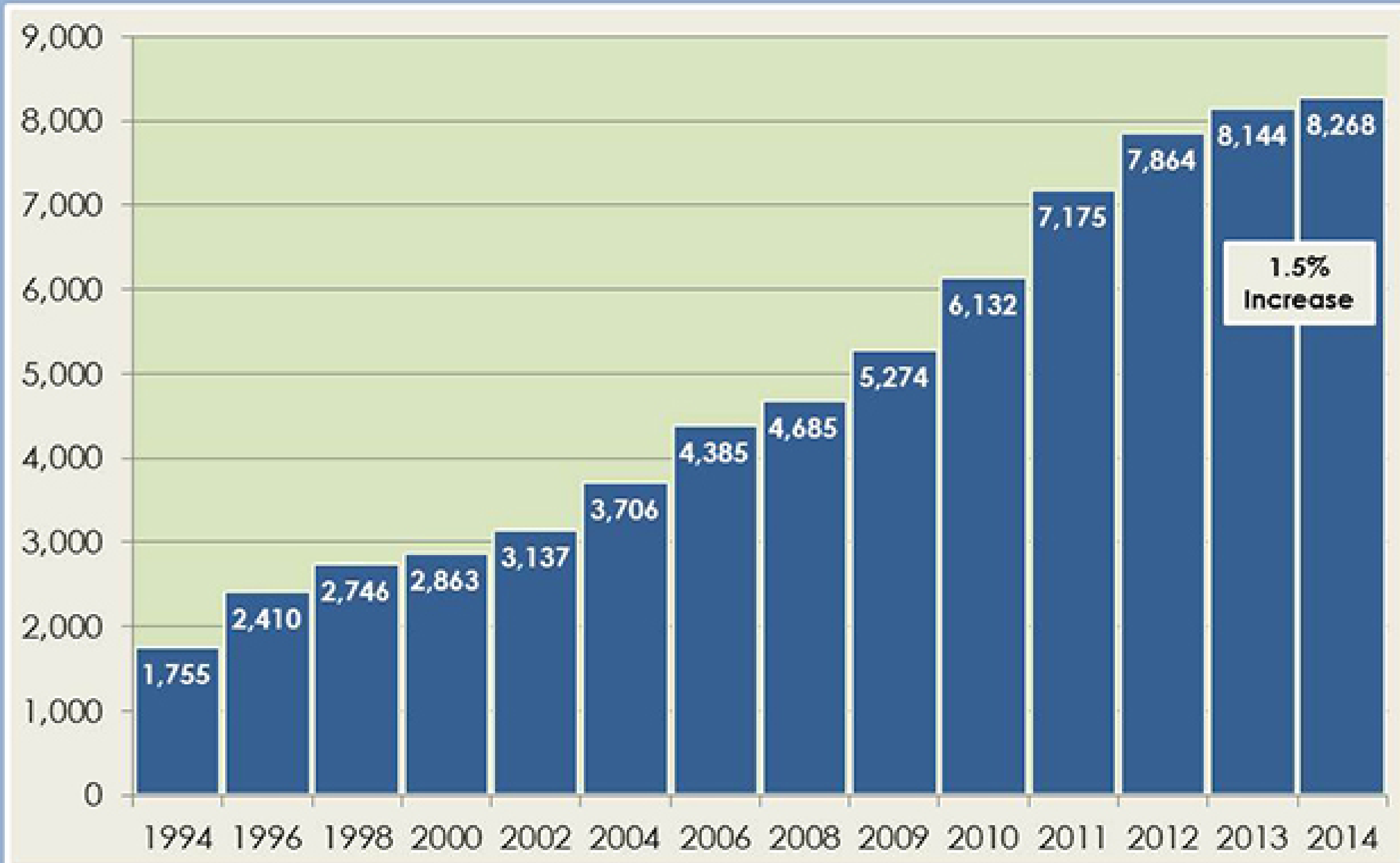
The average farm has **10** pickup locations per season.	With an average of **20.9** members per pickup location.	The largest pickup location has **597** members!

Is On-Farm Pickup Offered?	***51%YES***	***49%NO***



Penn State **Extension**

National Count of Farmers Market Directory Listings



Source: USDA-AMS-Marketing Services Division

Farmers Market information is voluntary and self-reported to USDA-AMS-Marketing Services Division

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