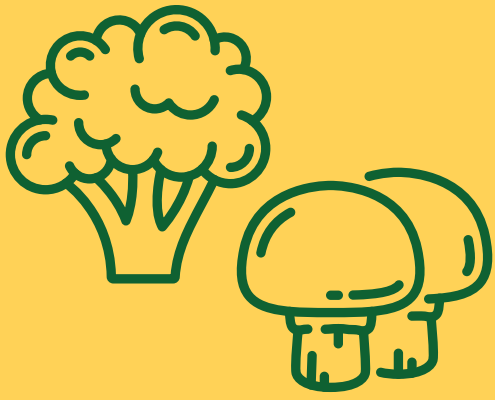




SECTION IV.

CONSUMER BUYING BEHAVIOR AND MARKET TRENDS



PUBLIC AWARENESS AND INTEREST IN LOCAL FOODS USING CONSUMER SURVEY RESULTS

FACTORS INFLUENCING CONSUMER CHOICES

Indiana consumers strongly value local food in principle and show high awareness of where to find it. However, practical barriers, especially price and access, limit how often they buy it. A survey, based on 488 Hoosier grocery decision-makers surveyed in early 2026, explores awareness, behaviors, motivations and barriers related to local food, as well as perceptions of Indiana farmers.

Most Hoosiers do their primary grocery shopping at supermarkets (82%) and large retailers (61%), with fewer than one-in-four regularly visiting farmers markets (24%).

Awareness of local food channels is high, with over 90% recognizing farmers markets and local products in grocery stores. However, frequent usage is much lower across all channels, particularly direct-from-farm options (12%) and institutional settings (8%).

Local products in grocery stores are the most commonly and frequently used local channel (33%), followed by farmers markets (21%).

When purchasing food and beverages in general, price (79%) and taste (71%) dominate decision-making, with nutrition (51%) as the next tier. Fewer than 1-in-5 place “supporting local producers” (18%) or “sustainability” (17%) in their top three factors.

At the same time, nearly two-thirds say it is at least somewhat important that their food comes from local producers (63%), and over 40% say knowing the farmer matters (43%), indicating that local is meaningful but rarely overrides core value drivers like cost and flavor.



Freshness is the single strongest motivator to buy local (63%), followed closely by better taste (55%) and a desire to support the local economy (42%). However, price (51%) and availability (50%) deter.

In open-ended comments, respondents describe “buying local” primarily as purchasing food grown or produced within their town, county or state – often within a defined radius – and emphasize freshness, community support and small businesses as central to that idea.

Supporting local farmers and communities emerges as a consistent value across questions, reinforced by top-of-mind images of Indiana farmers as hard-working, community-oriented and often operating family farms that grow corn and soybeans.

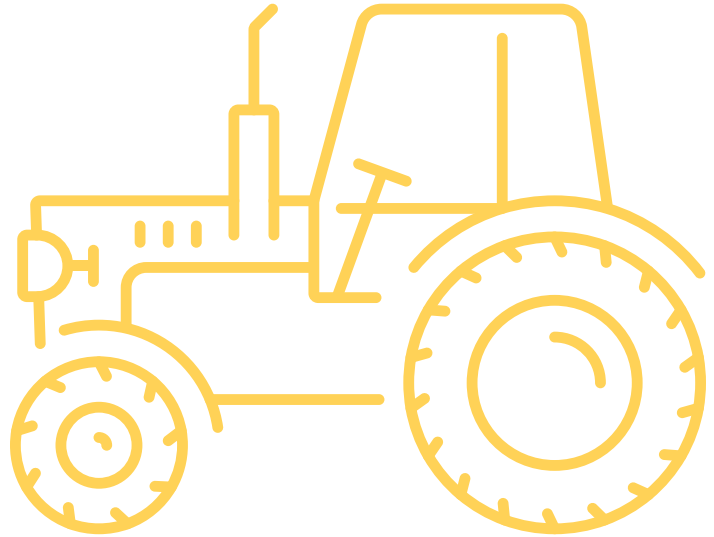
Many respondents see farmers as the “backbone” of the state and express pride in their work, even as they acknowledge economic pressures, consolidation and concerns about conventional practices and sustainability.

Despite these positive attitudes, 90% of Hoosiers report at least one barrier to buying local, with “higher prices” and “limited availability” each cited by about half.

The vast majority do buy local at least occasionally – primarily through farmers markets (63%) and grocery stores with local sections (55%) – and more than half say they would be willing to pay up to 10–25% more for local products (53%), yet cost remains a major constraint for many households.

Convenience also plays a significant role. Many consumers do not want to visit multiple stores or travel long distances, and relatively few regularly use online or delivery platforms for local foods.

Looking ahead, nearly two-thirds of Hoosiers say they are at least somewhat likely to



increase their purchases from local producers in the next year (63%), signaling growth potential if key barriers are addressed.

When asked what would encourage them to buy more local, respondents prioritize lower prices (63%), better availability in mainstream stores (55%) and stronger marketing and awareness campaigns (32%), followed by delivery or subscription options (22%).

Open-ended suggestions reinforce these themes. Consumers call for clearer local labeling and dedicated in-store sections, more variety (including ethnic foods and year-round options), better storytelling about where products come from and more convenient ways to access local foods, such as expanded farmers market hours, mobile markets and delivery.

Together, the findings suggest a clear opportunity for ISDA's Indiana Grown program to shift local food from a niche, values-driven choice to a more everyday, default option by making it easier to find, easier to understand, and easier to afford – without losing the freshness, quality, and farmer connections that Hoosiers already associate with local.



CONSUMER EDUCATION BENEFITS

Local food continues to gain traction because it aligns with what modern consumers value most: freshness, quality, community and authenticity. For shoppers, local signals quality they can trust with food that is harvested at peak ripeness, travels fewer miles and comes from producers whose practices feel closer to home. For retailers and producers alike, local sourcing is no longer a niche differentiator. It is a strategic lever for growth, resilience and shared value.



WHY LOCAL MOVES THE RETAIL NEEDLE

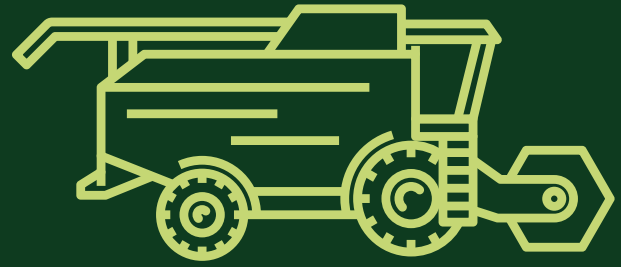
Grocers that invest in local food programs consistently see measurable sales lift. When local products are prominently merchandised, supported by point-of-purchase signage, storytelling about the farms and farmers and identity-preserved branding, produce departments have reported 15–20% sales increases. Local sourcing also reinforces customer loyalty. Shoppers perceive local offerings as fresher and more community-minded, and they reward stores that make those choices visible.

Beyond sales performance, local sourcing helps grocers mitigate supply chain risks. Working with regional suppliers shortens logistics paths and reduces exposure to disruptions that plague long, national networks. If transportation challenges arise, local partnerships give retailers more dependable access to products, especially in highly-perishable categories.

WHY LOCAL MATTERS FOR QUALITY

Quality is one of the strongest drivers of consumer preference for local food. Shorter supply chains allow producers to prioritize ripeness, shelf life and production practices that customers increasingly care about. Local growers can pick closer to peak maturity and deliver to stores within hours.

Retailers working with regional growers and food hubs have demonstrated that produce harvested and shipped within approximately 24 hours reaches shelves with freshness and taste.



WHY LOCAL MATTERS FOR FARMER LIVELIHOODS

For farmers, the economic benefits of local food systems are substantial. In conventional, lengthy supply chains, producers retain just about 17.4 cents of the consumer food dollar on average. By contrast, short supply chains direct to consumer, community-supported agriculture programs, farmers markets, food hubs and select retail partnerships can return up to seven times the share of the retail price to the farmer.

Food hubs demonstrate powerful economic impact, often returning 75%–85% of wholesale revenue back to producers. Successful models across nearby states throughout the Midwest and Great Lakes region illustrate how identity-preserved branding, shared logistics and verified sustainable practices can significantly increase producer income while expanding access to retail markets that were previously out of reach.

When consumers choose local, they respond to freshness, flavor and trust. When retailers source local, they see higher engagement, differentiated offerings and improved supply resilience. And when farmers sell local they retain more value, build stronger regional markets and keep more dollars circulating within their communities.



COMPARISON WITH OTHER STATES’ SUCCESSFUL MODELS

Many states currently operate local food program models with success. Included in the chart below are Indiana’s surrounding states as well as a few other notable examples.

STATE	LOCAL FOODS-BASED PROGRAM(S)	PROGRAM FUNDING	KEY FUNCTIONS OF STATE DEPARTMENT OF AGRICULTURE
OHIO	Ohio Proud <i>Farm to School Initiative</i> <i>Ohio Agricultural Clearance Program</i> <i>Ohio Food Program</i>	Ohio Proud is a membership fee-based program which also receives both dedicated and general appropriations. The Ohio Proud membership fee is \$50 annually. The Ohio Proud program is comprised of 348 members across 160 farms. The Ohio Agricultural Clearance Program and the Ohio Food Program totaled about \$31 million in 2024.	The Ohio Department of Agriculture (ODA) is a full-service regulatory and market-development agency that spans administration, fairs, animal health, auctioneers, communications, dairy, enforcement, dog breeding, farmland stewardship, food safety, hemp, laboratories, legal, livestock environmental permitting, market development, meat inspection, plant health, soil and water stewardship, and weights and measures. Together, ODA’s market development and meat inspection units complement regulatory divisions to promote Ohio products while safeguarding public health across the farm-to-consumer chain.

STATE	LOCAL FOODS-BASED PROGRAM(S)	PROGRAM FUNDING	KEY FUNCTIONS OF STATE DEPARTMENT OF AGRICULTURE
ILLINOIS	Illinois Product Illinois Grown <i>Illinois Grocery Initiative</i>	Illinois Product and Illinois Grown membership and program funding are not disclosed. The Illinois Grocery Initiative reported about \$10 million in fiscal year 2025 awards. Additionally, the Local Foods Infrastructure Grant launches in fiscal year 2026 with \$1.8 million.	Illinois' agriculture agency pairs traditional inspection and certification roles with marketing and events functions. Divisions cover egg inspection, meat and poultry inspection, weights and measures certification, motor fuel quality testing, agricultural statistics and market news, state and county fair promotion, horse racing administration, animal health and welfare (testing), bees and apiaries, environmental programs, land and water resources, agricultural products inspection, grain dealer and warehouse licensure, and cannabis regulation.



STATE	LOCAL FOODS-BASED PROGRAM(S)	PROGRAM FUNDING	KEY FUNCTIONS OF STATE DEPARTMENT OF AGRICULTURE
KENTUCKY	Kentucky Proud	Kentucky Proud is a free membership program which reports more than 6,600 members spanning around 5,000 farms. Kentucky Proud is backed by the Kentucky Agricultural Development Fund (KADF). The KADF is financed through the 1998 Tobacco Master Settlement Agreement and allocates nearly \$50 million annually to the KADF in support of statewide grant and finance programming.	The Kentucky Department of Agriculture (KDA) is organized around service, marketing, policy, consumer and environmental protection, and clinical oversight through the Office of the State Veterinarian. The Office of Agricultural Marketing steers branding and demand generation, while the Office of Agricultural Policy administers major funding streams — such as Tobacco Settlement-backed programs — that flow to county and state initiatives. Regulatory reach spans a Division of Regulation and Inspection that touches eggs, gas pumps, amusement rides, grain buyers and produce safety. This reflects the KDA's dual role in consumer protection and market facilitation.





STATE	LOCAL FOODS-BASED PROGRAM(S)	PROGRAM FUNDING	KEY FUNCTIONS OF STATE DEPARTMENT OF AGRICULTURE
MICHIGAN	Michigan GROWN, Michigan GREAT	Operating under the Michigan Ag Council, a 501 (c)(6) nonprofit, Michigan GROWN, Michigan GREAT has a tiered membership program with a \$250 annual fee.	Michigan Department of Agriculture & Rural Development (MDARD) consists of four bureaus designed to grow the agricultural economy: The Agricultural Development Bureau, Bureau of Environment and Sustainability, Bureau of Food Safety and Animal Health, and Laboratory and Consumer Protection Bureau. The Bureau of Food Safety and Animal Health houses three divisions — Human Food; Dairy, Feed and Produce; and Animal Industry — that enforce food and feed safety laws, respond to complaints, recalls and emergencies, and ensure humane livestock treatment through education and outreach. The Laboratory and Consumer Protection Bureau safeguards Michigan residents via pathogen testing, pesticide regulation and metrological diagnostics. Additionally, it ensures fuel quality and prevents economic fraud (e.g., credit card skimmers) through weights and measures enforcement, protecting public health and consumer confidence statewide.

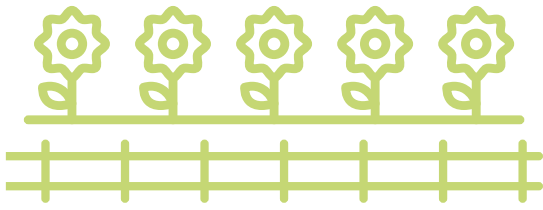
STATE	LOCAL FOODS-BASED PROGRAM(S)	PROGRAM FUNDING	KEY FUNCTIONS OF STATE DEPARTMENT OF AGRICULTURE
WISCONSIN	Something Special from Wisconsin <i>Buy Local, Buy Wisconsin</i> <i>Food Security & Wisconsin Products</i>	The Something Special from Wisconsin marketing program offers tiered memberships ranging from free to \$200 for their more than 500 members. This program receives about \$57,000 annually. The state offers grant programs which directly support the growth of local markets such as the Buy Local, Buy Wisconsin program which provides grants up to \$50,000 with a 50% match. Additionally, the Food Security & Wisconsin Products grant program is reimbursement-based and is allocated \$5 million annually.	The Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) integrates agricultural development and consumer protection under one roof. Its divisions include agricultural resource management, animal health, food and recreational safety, agricultural development, trade and consumer protection, management services and the Office of the Secretary. Produce safety is situated in the Food & Recreational Safety division. Wisconsin's retail food establishments are licensed and inspected by the Division of Food and Recreational Safety, often in partnership with local agencies, forming a statewide network that addresses food safety from production and processing to retail and consumers. Inspection frequency is risk-based. High-risk establishments are typically inspected once or twice annually, medium-risk about once per year and low-risk on a longer cycle, such as every two years. The cadence is designed to maintain compliance and protect public health.





STATE	LOCAL FOODS-BASED PROGRAM(S)	PROGRAM FUNDING	KEY FUNCTIONS OF STATE DEPARTMENT OF AGRICULTURE
MISSOURI	Missouri Grown <i>Missouri Agricultural and Small Business Development Authority (MASBDA)</i> <i>Farm to Table program</i>	The Missouri Grown marketing program is solely funded through membership fees, which is an annual fee of \$50. Currently, Missouri Grown reports 620 members. Missouri invests state allocations to MASBDA for industry-specific grants. MASBDA receives \$1 million for dairy and beef competitive grants respectively, \$600,000 for farmers markets and food insecurity, and \$2 million in loan guarantees. Further, biofuel infrastructure and entrepreneurial agricultural grants are offered through MASBDA as well.	The Missouri Department of Agriculture (MDA) is organized into five divisions: Agricultural Business Development, Animal Health, Grain Inspection and Warehousing, Plant Industries, and Weights, Measures and Consumer Protection. Plant Industries covers the pesticide control program, produce safety, feed and seed, and plant pests, while Animal Health oversees diagnostic labs, poultry, meat inspection, and milk and dairy, aligning regulatory science with frontline inspection. Food safety responsibilities include dairy programs, feed and seed inspection, produce safety, egg law, meat and poultry inspection, training and a Farmers' Market Handbook for compliance. Notably, retail food establishments are inspected by the Department of Health and Senior Services, not the MDA.

STATE	LOCAL FOODS-BASED PROGRAM(S)	PROGRAM FUNDING	KEY FUNCTIONS OF STATE DEPARTMENT OF AGRICULTURE
NORTH CAROLINA	Got to Be NC <i>North Carolina Agricultural Finance Authority</i> <i>North Carolina Agriculture Manufacturing and Processing Initiative</i>	Got to Be NC is a free membership-based program solely for North Carolina producers and processors. Currently Got to Be NC has around 2,100 members with membership focusing on agricultural and food products. The North Carolina Agricultural Finance Authority supports local food efforts through low-interest loans for farming real estate, beginning farmers and agricultural start-ups. The North Carolina Agriculture Manufacturing and Processing initiative offers matching grants of up to \$5 million for building or expanding processing capacity.	The North Carolina Department of Agriculture & Consumer Services (NCDA&CS) organizes its work across marketing, consumer and grower programs. It supplements these core functions with guides and publications that serve producers and buyers. Marketing spans international and livestock marketing, market news, Farm to School, state farmers markets and the statewide Got to Be NC initiative, linking production with domestic and export demand. Consumer programs protect buyers through fuel quality and pump inspections, weights and measures accuracy, and food safety (including meat and poultry inspection, veterinary services, produce safety, GAP reimbursement and retail food establishment inspections). It also handles control programs for red imported fire ants, sleep products, soil testing and termite/pest information. Grower programs advance farm viability with the Agricultural Development and Farmland Preservation Trust Fund, organic certification reimbursement, and dedicated resources for small and minority farmers, tying land stewardship and technical assistance to market access.



STATE LISTENING SESSION FEEDBACK

To engage stakeholders across Indiana, we organized a series of regionally hosted listening sessions. Each session grouped counties to reflect shared markets, logistics and policy environments. Sessions were scheduled to maximize participation.

NORTHEAST INDIANA

Counties: Adams, Allen, Blackford, DeKalb, Elkhart, Grant, Howard, Huntington, Jay, Kosciusko, LaGrange, Miami, Noble, Steuben, Wabash, Wells and Whitley

NORTHWEST INDIANA

Counties: Benton, Carroll, Cass, Clinton, Fulton, Howard, Jasper, Lake, LaPorte, Marshall, Newton, Porter, Pulaski, Starke, St. Joseph, Tippecanoe, Tipton, Warren and White

CENTRAL INDIANA

Counties: Boone, Delaware, Fountain, Hamilton, Hancock, Hendricks, Henry, Johnson, Madison, Marion, Montgomery, Morgan, Parke, Putnam, Randolph, Rush, Shelby, Vermillion and Wayne

SOUTHEAST INDIANA

Counties: Bartholomew, Clark, Dearborn, Decatur, Fayette, Floyd, Franklin, Harrison, Jackson, Jefferson, Jennings, Ohio, Ripley, Scott, Switzerland, Union and Washington

SOUTHWEST INDIANA

Counties: Brown, Clay, Crawford, Daviess, Dubois, Gibson, Greene, Knox, Lawrence, Martin, Monroe, Orange, Owen, Perry, Pike, Posey, Spencer, Sullivan, Vanderburgh, Vigo and Warrick



STATEWIDE THEMES: WHAT'S WORKING WELL, WHAT BARRIERS EXIST

REGIONAL NARRATIVES

NORTHEAST INDIANA (SESSION #1)

STRENGTHS & MOMENTUM

Farmers markets and direct-to-consumer channels are strong statewide, with year-round market activity in central Indiana and robust summer access across regions. These markets serve as reliable access points, informal distribution hubs and community spaces.

Institutional purchasing and food-as-medicine continue to gain traction. Allen County and hospital partners were highlighted, and multiple counties are integrating local products into nutrition initiatives.

Organizations highlighted as key partners, such as Purdue Extension, Indiana Grown and local food councils, provide technical assistance, vendor training, SNAP-Ed classes and market promotion, consistently connecting families to local food.

BARRIERS & GAPS

Regulatory confusion and county inconsistency, such as home-based vendor regulations, create uncertainty and slow innovation for small businesses. Stakeholders reported mixed interpretations across agencies and counties. Procurement capacity loss due to the discontinuation of the Local Food Purchase Assistance program and cuts to nutrition-education of LFPA and reductions in nutrition-education staffing weakened the connective tissue between farms and families or institutions. Regions asked for state-backed local procurement to restore reach.

Middle-mile logistics and processing gaps persist, such as aggregation hubs, refrigerated routes and vehicles, cold storage, light processing like slicing and packing, ultimately limiting the ability to serve schools, hospitals and retailers.





NORTHEAST INDIANA (SESSION #2)

STRENGTHS AND MOMENTUM

Farm-to-school progress, strong farmers markets, Double Up Food Bucks improving affordability, food-as-medicine collaborations, and broad support from Purdue Extension, Soil and Water Conservation Districts, Natural Resources Conservation Service, FARMWISE and the Northeast Indiana Local Food Network. Producers are eager to expand sales to institutions beyond direct-to-consumer.

BARRIERS AND GAPS

Significant last-mile logistics and the absence of pre-processing capacity, such as for sliced apples and diced vegetables, for institutional buyers; land-access costs plus zoning and development pressure; limited USDA-inspected small-livestock processing; and calls for K-12 food literacy and expanded grant support.

Create co-op cold storage, support local food councils, define “local,” accelerate food-as-medicine initiatives, seed exchanges, and develop a Northeast food hub to shorten food miles and stabilize supply.

NORTHWEST INDIANA STRENGTHS AND MOMENTUM

The initiatives include cross-sector collaboration via the Northwest Indiana Food Council; a partnership between Region Roots and the Food Bank of Northwest Indiana to focus on food-as-medicine programs; and a community supported agriculture aggregation model coordinating 20 farms and more than 100 shares across the summer and winter seasons. Culinary education (Ivy Tech) ties local food to workforce skills.

BARRIERS AND GAPS

Vendor mix at markets toward crafts instead of a focus on fresh foods and/or prepared foods; competition from larger Chicago/Indy markets; insufficient cold storage/transport; need for regional hubs that add light processing/packaging; weak retail access due to pricing caps/low offers; and thin risk management/insurance tools for small farms.



CENTRAL INDIANA

STRENGTHS AND MOMENTUM

The community's local food network features chef-farmer partnerships, with some restaurants working with more than 15 farms. It relies on year-round farmers markets — including the Garfield Park, Broad Ripple and Indy Winter Market — and strong collaborations with groups like Indiana Grown, Purdue Extension and Fresh Bucks. A farm stop in Indianapolis is a widely shared goal.

BARRIERS AND GAPS

Good Agricultural Process certification costs/navigation and buyer requirements; distribution/middle-mile logistics; need for a communications platform and potentially a Farmers Market Association; food recovery liability concerns; staffing constraints and cuts to nutrition-education capacity.

SOUTHEAST INDIANA

STRENGTHS AND MOMENTUM

A tight-knit producer collaboration, strong cross-border demand and agritourism are generating measurable gains from digital marketing, such as a website funded by a Value-Added Producer Grant. Economic development activity shows momentum across the region, including projects like Whitewater Processing, dairy expansion and the Interstate 74 corridor strategy.

BARRIERS AND GAPS

Large projects should keep products local and support small producers. The plan promotes institutional consistency through cooperative models, such as the Berry Center. It provides grant-finding and grant-writing support. It also creates clearer pathways for meat and dairy processing. Additionally, the plan addresses affordability and transportation barriers, while expanding food-as-medicine programming.



SOUTHWEST INDIANA

STRENGTHS AND MOMENTUM

Abundant farms; Bloomington/Bethel Lane farm stops; 9–12 regional markets; mobile stands; collaborative aggregation (Local Source); Amish networks; SNAP/WIC acceptance; restaurant sourcing local through distribution channels; and households setting 10% local-purchase goals.

BARRIERS AND GAPS

Regulatory overlap with the Department of Health and the BOAH; unclear rules for wholesale versus retail licensing; restrictions on egg deliveries; processing options are limited for specialty animals, such as rabbits and quail; producers want mobile and on-farm processing options; county health regulations vary too much and need consistency; the state needs a dedicated producer liaison to help farmers; and funding should target new processors, rather than just upgrading old facilities. Stakeholders asked state leaders to support local food by purchasing from these producers.



ALL REGIONS

STRENGTHS AND MOMENTUM

Farmer innovation; consignment farm stop models; strong farmers markets activities; progressing farm-to-institution efforts; and robust Purdue Extension.

BARRIERS AND GAPS

Regulatory Department of Health inconsistencies, the loss of LFPA and SNAP-Ed expansions, aggregation and distribution gaps, scarce community kitchens, institutional equipment and staff limitations, winter-season access challenges, consumer awareness campaigns and the promotion of Indiana's food and farming businesses.





COMMON PRIORITIES FROM ALL STAKEHOLDERS EMERGED:

COUNTY DEPARTMENT OF HEALTH CONSISTENCY

Provides support, standardizes training for local health departments, and adds an appeals process and reciprocity for inspection inconsistencies.

FOOD HUBS & MIDDLE-MILE SUPPORT

Prioritize regional hubs, fund refrigerated vehicles, shared routes, cold storage and processing equipment to meet institutional specifications, such as slicing and packing.

SHARED USE KITCHEN ACCELERATOR & LIGHT PROCESSING

Expand affordable commercial kitchen access and fund mid-supply chain equipment statewide.

PRODUCE SAFETY CERTIFICATION & ALTERNATIVE CERTIFIED PATHWAYS

Reduce certification barriers for farms and educate buyers on acceptable safety options beyond Good Agricultural Practices when appropriate.

BEGINNING-FARMER TOOLS

Develop Northeast land-transition incentives, mentorships, incubator and land-link programs, and zoning navigation to help shift acreage into specialty crops.

CONSUMER AWARENESS CAMPAIGNS AND EDUCATION

Funding consumer campaigns to raise awareness of Indiana's food and farming businesses, enhancing the Indiana Grown initiative and creating the agricultural-market development fund.

