

Labeling Success

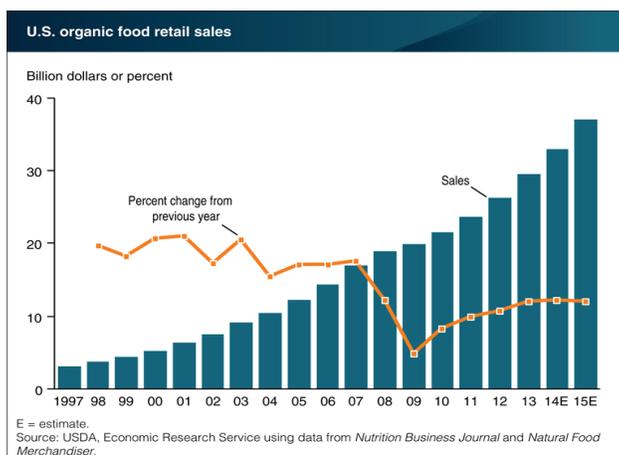
People's behaviors are motivated by labels. Labeling environmental practices used in food production can lead to higher consumer satisfaction, producer profits, and improved environmental outcomes. Could your program use labels to be more successful?

Background

Walk around any grocery store. Everywhere you can see efforts to use labels to influence consumer behavior. Products are labeled with bright sale prices. Yogurt labels tout nutritional benefits. Bacon is labeled as reduced fat. Fresh fruits and vegetables have an entire section labeled as organic.

The distance between the consumer and producer in today's global food system poses obstacles for effective communication and the establishment of trust. Consumers cannot directly observe the food production process and its impacts on the environment, yet consumers are increasingly paying attention to the environmental impacts of their food. Buying foods labeled as environmentally-friendly is no longer a niche phenomenon.

Environmental labeling is a type of "process label" that seeks to reward farmers who employ environmentally-friendly methods to grow crops or raise animals. Many experimental studies have found that consumers are willing to pay significant premiums for production processes they find desirable.



For references and more information about Labeling Success (Behavioral Insights Brief no. 7), visit www.centerbear.org or email CBEAR co-Directors, Paul Ferraro (pferraro@jhu.edu) and Kent Messer (messer@udel.edu).

Funded by USDA, CBEAR is a consortium of major research universities that uses the most modern science and methods to improve agri-environmental programs.

Success Stories

The most common example is the organic label, yet the range of environmental labels is vast, including Rainforest Alliance bananas, dolphin-safe tuna, shade-grown coffee, or even salmon-safe wine. There are more than 450 eco-labels in nearly 200 countries. The organic sector, for example, has experienced continuous growth in the last two decades (see figure), while price premiums for organic food have remained high.

The dolphin-safe tuna program has reduced dolphin deaths from more than 100,000 in the 1970s to less than 1,000 per year today. Importantly, after introducing the dolphin-safe label, the market shares of canned tuna increased as consumers felt more comfortable purchasing it.² Perhaps more foods could be labeled in this manner, such as oysters that improve water quality or foods that have low water footprints.

Success Stories

Agri-environmental programs can also use labels to reward farmers for being good environmental stewards. States like Michigan and Minnesota have programs that award posted lawn signs to farms that publicly announce the farms' good stewardship practices. These efforts could be expanded to other states and could be differentiated further, such as award categories for different levels of environmental stewardship—like Leadership in Energy and Environmental Design, or LEED, building certifications (Platinum, Gold, and Silver).

Testing Ideas

Before implementing a new label, field testing can evaluate the effectiveness of different designs. With testing, we can design evidence-based labels that lead to higher consumer satisfaction, producer profits, and improved environmental outcomes.