

## **Food Expenditures: Organic Food Shoppers versus Non-Organic Food Shoppers**

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As the demand and the supply of organic food both increase rapidly in recent years, the question remains as to whether the expansion in organic food demand will keep pace with the increasing supply. In this study, this question will be answered by quantifying the extent of organic food market. Food expenditures of organic versus non-organic food shoppers are compared to assess the potential market size of organic food. An endogenous switching regression model is used to analyze the data from a national survey of food shoppers. Shopping venue, awareness of USDA label, positive belief of organic food and positive attitude toward cooking are found significantly related to organic purchasing behavior. Income and the number of kids from 6 to 17 years old have a higher marginal effect on non-organic food shoppers than organic food shoppers. These results suggest that organic food market may not be a potentially big one due to the constraints of search cost and different diet pattern.

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### Endnote

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