



Commentary: 'Millennial generation' will shape food, farming trends

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By Bob Giblin

The United States is starting to see a shift that could hold profound implications for agriculture and food preferences. This shift will drive change in grocery stores and marketing channels, and it could translate into changes inside the farm gate.

A new research study, "Trouble in Aisle 5," by Jefferies and Alix Partners, outlines serious challenges to traditional grocers, but some of the trends identified point to real opportunities for agriculture to connect to the Millennial generation, and make improvements that appeal to all customers.

In 2001, the Millennial generation (born 1982-2001) surpassed Baby Boomers (born 1946-1964) as a percentage of the U.S. population. By 2020, Baby Boomers will fall to less than 20 percent of the U.S. population, while Millennials older than 25 will reach 19 percent. Twenty-five years old is an important milestone; it's when income and household formation accelerate and form the catalyst for increased consumption. Their influence over the marketplace is poised to skyrocket.

Though many Boomers would paint Millennials as a fast-food generation, Millennials are much bigger "foodies" than their parents or grandparents. Many are more educated and better-traveled than Boomers were at similar ages. Millennials are likely to have been exposed to more ethnic types of food than their parents. They have grown up with the Food Channel, cooking shows, rock-star and celebrity chefs and upscale or specialty food stores. They like exotic, diverse and international cuisines.

The "Trouble in Aisle 5" study says the transformation spurred by the Millennials has the potential to "create a chaotic marketplace that dramatically changes where and how consumers shop for groceries, and what they bring home."

Grocers will be faced with a group of consumers with little loyalty to specific brands or retailers; fewer ties to the community; a high value on convenience; and a conflicting dynamic where they are focused on paying the lowest price, yet are more willing to pay for specific attributes. They are willing to travel and pay more for unique products that they want.

In part, that helps explain the growth in both specialty markets and big box mass merchandisers, which are more popular with Millennials than Boomers.

Natural and organic products are more important to Millennials. They generally want more choices, more flavors and more variety, especially for fruits, vegetables, meats and seafood.

Though more men are now grocery shopping, women typically account for 85 percent of food purchasing decisions. That will continue with a new, powerful group that is emerging: Young, Educated Millennial Mothers. The study predicts that YEMMies will set the trends for spending in the coming years, and are dedicated to shopping on their own terms.

Over the next two years YEMMies, and Millennials in general, say they will increase their purchases of all food categories, especially fresh produce, fresh meat and seafood, dairy and packaged foods.

The way they shop will also be very different. Already, nearly half of all Millennials use tablets and smartphones to make grocery purchases. They use them to check prices, get coupons, order ahead to save time and to gather product information.

The use of technology to gather information about food provides agriculture and retailers alike a great opportunity to connect directly with Millennials. Technology allows farm and ranch families to help this new, emerging group of grocery shoppers understand where their food comes from, and how.

As retail grocers come to grips with changing expectations of this emerging demographic, and adjust to better serve the Millennials, farmers and ranchers will have an even better reason to ramp up their customer relations skills.

As discriminating as the foodie culture has been, the YEMMies are about to take food decisions to the next level. Connecting with them will help not only prevent "trouble in Aisle 5," but it could also improve the food shopping experience for all of us.

(Bob Giblin, who is based in Wisconsin, writes, speaks and consults about agricultural and food industry issues, policies and trends.)

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