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Consumer Behaviour of Organic Food: A Developing Country Perspective

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Abstract

The demand of organic food is increasing despite its premium pricing and lack of availability particularly in developing countries like Bangladesh. This paper aims to provide the insights about organic foods and the intention consumers have to purchase or not to purchase organic food. The pesticide-residue problem has opened a market opportunity for organic food as it is produced without any form of synthetic chemicals. As there was insufficient literature, a survey was conducted on 900 respondents on six major supermarkets selling organic food in the capital city of Bangladesh. It is found that, consumers expect the organic foods to be healthier, tastier, and environment friendly. The organic food buyers tend to be older with child, have higher education level and family income than those of non-buyers. The barrier of organic food is that majority consumers have less knowledge and do not know the main differentiation between organic foods and traditional foods.

Keyword: Organic Food, Developing Country, Consumer Perception, Organic Food Demand, Organic Buyer, GMO

Introduction

Consumer behaviour regarding purchasing organic foods can be seen as a motivation and dedication towards healthiness and better taste. Moreover, the belief towards the protection of environment and animal production welfare also works as a trigger in terms of purchasing organic food (Shafie & Rennie, 2012). Premium prices are charged for organic foods, however, the benefits always outweighs the price (Fillion & Arazi, 2002).

Organic food is not genetically modified (Hsu & Chen, 2014). According to Hsu & Chen (2014), consumers perceive organic foods to be healthier than traditional foods due to more primary nutrients such as vitamin-C, dry matter, minerals and secondary phyto-nutrients (Magnusson, Arvola, Koivisto Hursti, A ˚ berg, & Sjo¨de´n, 2003). Higher Vitamin C content was found in organic food compared to conventional food. Organic orange juice tasted better than conventional orange juice and no difference was described between organic and conventional milk mentioned by the consumers (Fillion & Arazi, 2002).

With an environmentally and socially responsible approach organic foods are grown under a system of agriculture without the use of chemical fertilisers and pesticides (Shafie & Rennie, 2012). The principles used in this farming system apply the benefit of modern scientific understanding and technologies to offer a more sustainable food production. This is a method of farming that works at grass root level preserving the reproductive and regenerative good plant nutrition, capacity of the soil and sound soil management, produces nutritious food rich in vitality which has resistance to diseases (BOPMA, 2015).

Bangladesh is a small country of around 150,000 sq. km. and trying to embrace the organic food farming culture while targeting specific class segments if not in mass market (Sarkar & Itohara, 2008). It is blessed with lot of potential to produce all varieties of organic foods due to the favourable agricultural climate regions. In several

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parts of the country has practicing the inherited tradition of organic farming is an added advantage. This motivates the organic producers to tap the domestic market which is growing steadily along with exporting in foreign countries.

The numbers of organic food producers is not very large in Bangladesh but the trend is increasing in both sectors of buyers and producers. The Bangladesh Organic Products Manufacturers Association (BOPMA) is playing a vital role in promoting the increasing trend. The organisation's goals are to promote the growth of organic trade nationally and internationally to benefit the soil, crops, public health, fisheries, environment, farmers, public, and the economy. The establishment of BOPMA was motivated by the issues such as climate change and good security through Organic farming.

The Bangladeshi organic producers produce foods including vegetables, fruits, dairy, dried vegetables, fruit juices, fishes etc. Currently the active members of BOPMA (2015) producing organic food are listed in Table 1 along with their products name.

Literature Review

In developing countries the demand of organic foods are increasing comparatively slower rate due to the lack of infrastructure (Hsu & Chen, 2005) and price premium. However, in developing countries the organic food has provoked a great controversy facing food security and low agricultural productivity due to the lack of infrastructure and low practice towards organic food production. The farmers of developing countries are more prone towards

Table 1: Member List of Organic Producers (BOPMA, 2015)

Name of the company	*Products Name*
Shams Enterprise	Instant foods, healthcare products, baby foods, soymilk, soy foods, food supplements, nutrition supplements
Organic Bangladesh Ltd.	Certification body
Northern Agro Products Ltd.	Organic foods, food stuffs, healthcare products, vegetables, fruits, dehydrated/ dried vegetables, fruit juices etc.
Uttarbanga Fertiliser Ind. Ltd.	Organic fertiliser & organic pesticides
Global Green Energy Ltd.	Jatropha plantation & biodiesel production, solar energy production & supply
Natural Resources Development Program	Organic agriculture, soybean production
Bangladesh Soybean & Soy foods Producers Association.	Soybean cultivation & soy foods production
Kartoa Agro Products Ltd.	Organic fertiliser and organic farming
Majumdar Agro Services	Organic fertiliser & organic pesticides
Mamun Agro Services Ltd.	Organic foods, personal care products, healthcare products, fertiliser & pesticides
Modern Agro Chemicals	Organic fertiliser & organic pesticides
Agro-Organic Food Complex Ltd.	Organic fertiliser & organic pesticides
Alo Organic Fertiliser Ltd.	Organic fertiliser & organic pesticides
Mridha Agricare Ltd.	Organic foods, fertiliser & pesticides
MSA Agro Chemicals Co.	Organic fertiliser & organic pesticides
Dhaka Agro Industries	Organic fertiliser & organic pesticides
GSNS Agro Products Ltd.	Dairy products & organic fertiliser
Biswas Traders	Organic fertiliser & organic pesticides, organic farming
Muslim Mission	Organic fertiliser & organic pesticides, organic farming
Parvez Enterprise	Organic foods, fertiliser, pesticides and organic farming
Muhammadabad Krishi Khamar	Organic foods, fertiliser, pesticides, and organic farming
Meer Traders	Organic fertiliser & organic pesticides, organic Farming
Shauli Agro Organic Farm Ltd.	Organic foods, fertiliser, pesticides, farming
Social Welfare Association for the Needy	Organic foods, fertiliser, pesticides, organic farming
Matirhashi Unnayan Sangtha	Organic foods, fertiliser, pesticides, organic farming

producing the genetically modified (GM) products due to the higher productivity and less cost. The critical decision is whether make more profits producing GM products or encouraging more social-economic, healthier and environment friendly organic products (Azadi & Ho, 2010). The following literatures will raise more issue on organic food consumption and behaviour of the consumers.

Growing Demand for Organic Food

Growing demand in organic foods is the result of increasing environmental awareness along with the food safety incidents. The less damaging attitude towards environment and healthier option compared to traditionally grown foods also plays a vital part is changing the attitude towards organic foods (Hsu & Chen, 2014). The connection between health benefits along with environmental welfare should be strengthened to grow the demand of organic food amongst the consumers (Magnusson et al, 2003, (Shafie & Rennie, 2012).

In most Asian countries the organic food production are still very low. Even though, the positive attitude towards organic foods are increasing in developing country but due to the high price and lack of rules and regulations plays a vital role to pursue it further (Rehber & Turhan, 2002). According to Commission of Sustainable Development, there are risks and limitations in the agricultural sector in developing countries for producing organic foods. Moreover, organic food farming should not be the solution to the needs of developing countries. The reason behind this statement could be the low availability of the organic agricultural techniques to sustain the agricultural and rural development. Sarker and Itohara (2007) stated that the production of organic food in developing countries should be to export and earn foreign currency. As the demand is growing worldwide the developing countries can earn profit using this opportunity.

The strength of developing countries producing organic foods indicated by Sarker and Itohara (2008) is high availability of comparatively cheap labour, low level of external-input use, favourable natural conditions, and diversified farming structure. The opportunities could be the new lucrative foreign markets for exporting, increasing development of demands in home markets. However, to produce organic foods the dependence on foreign markets and lack of R&D might act as a threat as well (Rehber & Tarhan, 2002).

Gender Affects the Purchase Decision Towards Organic Food

Usually the organic food consumers are older females having children in the household (Renne *et al*., 2007). Women were identified to have higher health consciousness and were seen as innovators for changed diet (Rodríguez *et al*., 2007). Moreover, women are more committed to natural foods and environmental values while paying a premium for organic food. Even though, the younger consumers show more interest and positive attitudes towards organic food but the older consumers are the main purchasers (Magnusson *et al*., 2003). The family eating habits are changing dramatically as it has been seen new parents tend to buy more organic baby food. Moreover, parents tend to take huge interest in organic food when they buy it for their family or with the arrival of a baby (Hughner, McDonagh, Prothero, Shultz, & Stanton, 2007). The consumers who tend to follow green consumption practice are more likely to consumer organic foods (Lockie, Lyons, Lawrence, & Mummery, 2002). The awareness regarding the benefits of organic food and the food hazards in conventional food were higher in females and individuals with more income and education.

Education Level Affects the Purchase Decision Towards Organic Food

Strong correlations between increasing consumption of organic food with levels of formal education were seen in research (Lockie *et al*., 2002). Income and education have been mixed to classify organic food purchasers. Both negative and positive relationships between these demographic variables and organic food preference have been found in various studies (Roitner-Schobesberger, Darnhofer, Somsook, & Vogl, 2008). For regular consumer of organic foods (RCOFs), ‘‘organic food consumption is part of a lifestyle. It results from an ideology, connected to a particular value system that affects personality measures, attitudes, and consumption behaviour’. The values of relationship with others, harmony with the universe and sustainable future, protection of the welfare of all people and nature, enhancing the welfare of people with whom one is in frequent personal contact, inner harmony and

unity with nature and independent thought have all been connected to regular consumers of organic foods (Zanoli & Naspetti, 2002; Hughner *et al*., 2007).

Income level affects the purchase decision towards Organic Food

While segmenting the target market of organic food, it will depend on the demographic variables along with lifestyle and environmental attitudes. Regular consumers of organic food tend to be of higher social class, affluent and educated. However, the unsafe and unhealthy traditional food has leaded the consumers to increase more positive attitudes toward the organic food demand. In developing countries the younger and wealthier individuals are more attracted towards organic food compare to others (Pugliese, Zanasi, Atallah, & Cosimo, 2013). Due to the premium pricing organic foods are accessible to the middle classes and onwards. Even though, the consumers doesn't want to make a choice between organic and conventional foods rather then they want to have many options specifically in organic foods.

To make the purchase choice of foods consumers rely on information about the product attributes and experience with it. Consumer's values and priorities play a vital role in purchase decisions as well. To develop the motivational state, experience is also a major factor. Moreover, nutritional content is a part of a quality aspect that consumers connect with personal health welfare. Reasons for purchasing organic food were high content of vitamins, healthy diet, and more nourishing meals (Shafie & Rennie, 2012).

Research Setting

This study aims to address the gap by providing insights into the knowledge about the consumer behaviour of organic vegetables and fruits in Dhaka along with the reason for not buying. The focus is on fresh vegetables and fruits because it is the most widely available organic foods in Dhaka. Also, very little literature is present in terms of Asian consumer behaviour in purchasing organic food compare to western countries. This paper will add value to the literature as there has been no study previously done on consumer behaviour of organic food focusing on Dhaka.

Research Method

A questionnaire was designed to gather exploratory data on consumer behaviour of organic foods. The questionnaire was pre-tested in English, then translated into Bengali to ensure that the questions had retained their original meaning. The questionnaire was divided into two parts. In the first part of the questionnaire, respondents who have indicated that they had heard the term 'organic' were presented with statements regarding organic agriculture and food, and asked whether they agree with these statements. Also, reasons to purchase or not to purchase organic products were assessed. In the last part of the questionnaire, basic demographic data were collected. The data were collected in late January and early March 2015.

Six supermarkets carrying organic foods as well as a range of fruits and vegetables displaying 'Organic' were selected for the interviews. Shops both at the centre and at the outskirts of Dhaka were selected to ensure that a range of customer types are included in the study. Eight Bangladeshi students were trained to administer the questionnaire personally to 900 customers. The sample is mostly a convenience sample, i.e. customers were approached randomly. However, to reduce a potential non-coverage bias, a sampling frame covering age, gender and education level was used. Although there is no way of knowing if those included are representative of the overall population, the survey is still expected to give a first overview of relevant issues and to allow to derive insights into the behaviour of organic foods by consumers in Dhaka. The collected data were summarised using descriptive statistics. To analyse differences between consumer types, the respondents were divided into three groups: those who had never heard of 'organic' (the 'never heard organic': 297 respondents, i.e. 33%), those who have heard of organic, but never purchased any organic products (the 'organic non-buyers': 243 respondents, i.e. 27%), and those who have heard of organic and have purchased organic foods in the past (the 'organic buyers': 351 respondents, i.e. 39%). The significance of differences between the three consumer groups was established using contingency tables and the v2-test (at a 5%-level of significance). The issues mainly motivating consumers to purchase organic food were identified with an exploratory factor analysis such as principal component analysis, varimax rotation.

Table 2: Demographics Characteristics of Respondents

Variables	*Number of interviewees*	*Never-heard organic*	*Organic non-buyers*	*Organic buyers*	*Significance of the difference between the groups**
Average age (in years)	900	34.3	34.5	42.0	*
Sex				*	
Female	586	38.0%	23.6%	39.9%	
Male	314	24%	33.7%	39.8%	
Children in the household?				ns	
Yes	570	29.4%	26.9%	43.5%	
No	330	36.4%	27.4%	36.8%	
Highest Education Level				*	
S.S.C	188	51.1%	25.9%	23.0%	
H.S.C	287	34.7%	28.3%	37%	
BSc	324	23.0%	28.5%	48.5%	
MSc or more	101	25.5%	21.4%	53.1%	
Family Income per month				*	
<10,000 BDT	70	51.6%	30.8%	17.6%	
10,000-30,000 BDT	200	43.8%	25.3%	30.9%	
30,000-50,000 BDT	210	28.9%	30.5%	40.6%	
>50,000 BDT	420	24%	26.3%	49.7%	

Results of the Consumer Survey

Consumers with a lower income and a lower level of education are least likely to have heard of organic foods. On the other hand, those who have a higher income and hold an academic degree are more likely to have bought organic products in the past. In most demographic variables there is a significant difference between the three groups (Table 2). Indeed, most 'organic buyers' (48.5%) tend to have an academic degree, whereas 28.5% of 'non-buyers' and 23% of 'never heard' hold a Bachelor degree or higher academic degree. Regarding income, 49.7% of 'organic buyers' have a monthly family income of over 50,000 BDT, compared to 26.3% of the 'non-buyers' and 24% of the 'never heard'. This shows that there is a strong relationship between education level and income. 'Organic buyers' tend to be older than the other two groups and likely to be women. Of the organic buyers, more than 39% are over 40 years old and only 22% are under 30 years old, whereas in the two other groups, more than 40% of the respondents are under 30 years old. 'Organic buyers' are slightly more likely to be women: 39.9% of female respondents said that they had purchased organic products in the past, compared to 39.8% of the men. There is no statistical difference in the household income level between the interviewed men and women. However, there is a statistical difference in the education level: whereas approx. 35% of men and women have Bachelor degree, 16% of men hold a Masters degree or higher compared to only 10% of women. Also, the men are slightly more likely to have a child living in their household (52% of interviewed men, compared to 48% of women) and to be older (men were on average 40 years old, women 37 years old).

Significance: *= $\alpha \leq 0.5$; ns: not significant

- The Household Income and Expenditure Survey 2010 by Bangladesh Bureau of Statistics the monthly family income of Dhaka in 2010 was approx. 13226 BDT (100BDT= 1.28 USD).

Although the 'organic buyers' are more likely to have children living in their household, the relationship is not significant. Of the organic buyers 43.5% reported having a child living in their household, compared to 26.9% of non-buyers and 29.4% of 'never heard'. The age of the youngest child living in the household is similar for all respondents (6.7 years for 'organic buyers', 6.3 years for 'non-buyers' and 5.3 years for 'never-heard'). Asked about their concerns regarding pesticide residues on vegetables and fruits, over half of the respondents stated

Table 3: Concerns About Pesticide Residues and GMO in Percent (n = 900)

Question	*Very much*	*Often*	*Sometimes*	*Not at all*	*No answer*
Are you concerned about pesticide residues on vegetable and fruits?	52.0	18.2	19.1	10.6	0.1
Are you concerned about the use of GMO in food products?	10.0	9.4	27.5	46.4	6.7

that they were 'very much' concerned (Table 3). Not surprisingly there is a significant relationship between the consumers who are concerned about pesticide residues in food products and those purchasing organic foods: of those who are 'very much' concerned, 52% are 'organic buyers', whereas 26% belong to the group 'never heard organic'. The respondents were also asked whether they are concerned about the use of GMOs (Table 3). Only some 10% stated that they were 'very much' concerned, which might raise an issue of lack of awareness regarding GMO in food products and there has been only limited public debate about GMOs in the media. This lack of discernment might be related to the fact that only some supermarkets have distinct sections for labeled and non-labeled vegetables. Even specialised retail shops usually carry organic products together with labeled conventional items, with little information on the different production systems (Panyakul, 2002).

The respondents themselves are aware of their limited knowledge regarding organic agriculture: 52% of those who have heard the term 'organic' said they were not sure what it meant. Even those who purchase organic products do not feel well informed: 40% of 'organic buyers' said they only know 'a little' about the meaning of organic, 5% said they know 'a lot'. Nonetheless, the 'organic buyers' feel better informed than the 'organic non-buyers': of the 287 respondents who said that they know 'a little' about the meaning of organic, 71% were 'organic buyers' and 29% 'organic non-buyers'. Of the 27 respondents who said they know 'a lot' about organic, 88% were 'organic buyers'. The respondents, who had heard of organic farming, were presented with 13 statements and asked whether they though these statements were true, false or whether they did not know if the statement is true or false (Table 4). The survey shows that respondents are convinced that organic farming is good for the environment and that organic foods are healthy. However, the responses also show that the consumers are unsure about the differences between the agricultural production methods underlying those of organic farming. Although 72% of respondents agree with the statement 'organic farming does not use synthetic pesticides, 54% agree with the statement 'organic farming uses synthetic pesticides, but less than other production

Table 4: Assessment of Statements About Organic Farming by the Respondents who Have Heard of 'Organic' in Percent (N = 594)

Statement	*Yes, I agree*	*No, I do not agree*	*I do not know*
Organic farming is good for the environment	90.0	1.3	6.0
Organic products are healthy	88.0	3.5	5.5
Organic products do not carry pesticide residues	72.0	12.9	12.6
Organic farming does not use synthetic pesticides or herbicides	72.0	11.7	13.5
Organic products are produced without using chemical fertilisers	70.1	11.8	14.8
Organic farming is the same as natural farming	65.2	16.8	13.7
You can trust a product that carries an organic certificate	64.9	17.9	13.8
The rules for organic production are stricter than for other production methods	57.4	15.9	23.3
Organic farming uses synthetic pesticides, but less than other production methods	53.7	28.6	14.9
Organic food products never contain GMOs	51.2	12.9	32.4
The production and processing of organic products is strictly controlled	47.5	22.8	26.4
There is no difference between organic products and hygienic products	43.0	31.7	21.7
Organic is just a luxury marketing promotion	42.4	41.9	12.4

Note: The missing percent did not give an answer.

Table 5: Principal Component Analysis of the Reasons for Organic Food Purchase

Principal component name	*Percent explained variance*	*Cronbach's α*	*Items*	*Loading*
Healthy and environmentally friendly	29.41	0.712	Organic food is good for my health	0.822
			Organic food is good for my children	0.794
			Organic food does not contain pesticides	0.6996
			Organic food is good for the environment	0.612
Fun and fresh	18.68	0.447	I just wanted to try them/ try something new	0.795
			It is trendy to buy organic products	0.671
			Organic food is fresher than the other products	0.558
Tasty	12.51	-	Organic products have a better taste	0.955

methods'. Asked directly about the difference between organic and hygienic products, 43% said that there is 'no difference'. Still, the respondents are somewhat aware that organic farming is based on defined standards and that farms need to be certified. Indeed, 47% agree with the statement 'the production and processing of organic products is strictly controlled' and 42% disagree with the statement that 'organic is just a luxury marketing'.

Those respondents who had purchased organic products in the past were asked about their motives. The most important motive is the expected positive health effects (a reason for 93% of the 'organic buyers'). These expected positive health effects may be related to the absence of pesticide residues, as 92% of the 'organic buyers' said that they purchase organic products because 'they do not contain pesticides/have lower residues'. Some 84% of 'organic buyers' purchase organic products because they are 'good for the environment', which reflects the high level of agreement with organic farming being environmentally friendly by those respondents who had heard of 'organic' (Table 4). Further reasons to purchase organic products were because 'they are fresher than the other products' (54%), because 'they have a better taste' (29%) and because 'I just wanted to try them/try something new' (22%). The reasons for purchasing organic products were subjected to a Principal Component Analysis (PCA). It yielded three principal components with an eigen value greater than 1. Together they explain 60% of the variance (Table 5). The three principal components indicate that there may be three main reasons for purchasing organic food: out of health concerns, out of curiosity or because they are tastier than other foods. The degree of cohesion within each component showed that the first principal component has an acceptable alpha (0.7) and thus displays a good internal consistency. The second principal component has a low alpha (0.4) which may be due to the fact that it encompasses only three items. The respondents who had purchased organic products were also asked about the availability of organic products and how often they purchase organic products. The majority (58%) of 'organic buyers' were satisfied with the range of organic products available at supermarkets. However an important share (41%) said they would like to buy more organic products, especially a wider range of vegetables and fruits. Regarding their purchasing habits, 51% of the 'organic buyers' stated that they purchase organic products weekly, 24% said once per month and 23% said they purchase organic foods less than monthly.

The 'organic buyers' were asked how they rate the prices of organic products. In March 2015 the price difference between organic and non-labeled conventional vegetables in Dhaka varied between 50% (for cauliflower) and 100% (for Carrot), with most organic vegetables (e.g. okra, eggplant, beans, tomato, cucumber) having a price premium of 100–170% above conventional products. Despite the price difference, nearly 60% of the 'organic buyers' said that the price of organic products was not a problem. The 'organic non-buyers', i.e. those respondents who had not previously bought organic products were asked why they do not purchase organic products. The main reason was that they 'don't know what organic means' (51%). Further reasons were 'not sufficient enough for me' (39%); 'they are too difficult to get' (39%); that they 'don't think there is anything special about them which justifies a higher price' (30%) and that they are 'too expensive' (29%). Some (14%) stated that they 'do not trust or think it is really organic'.

Discussion

The consumers of organic fruits and vegetables in Dhaka tend to be older, hold an academic degree and have a higher income than those not purchasing organic products. This profile is similar to results from studies in Western countries (Lockie *et al*., 2002; Padel & Foster, 2005). However, men in Dhaka seem to be more likely to purchase organic foods than women unlike the literature. This result might be compatible as men are more willing to pay a higher price for organic products than women. Also, the effect of gender is likely to be interlinked with education level, since the men included in the survey were more likely to hold an academic degree.

Consumer behaviour in purchasing organic food in Dhaka has three motives: the tastier food search, expected health benefits, and the attraction of new and fashionable products. Health benefits have been reported as a main motive for purchasing organic food by most studies (Iqbal *et al*., 2015; Lockie *et al*., 2002; Magnusson *et al*., 2003; Zanoli, 2004; Padel & Foster, 2005). The first important motive is related to the better taste of organic fruits and vegetables. This is in line with other studies: many organic buyers believe that organic produce tastes better than conventionally grown produce, even if sensory evaluations have yielded inconsistent results (Fillion & Arazi, 2002; McEachern & McClean, 2002; Iqbal *et al*., 2015). The share of respondents who report having purchased organic products in the past (39%) is close to the 33% of respondents in Asia-Pacific who stated that they 'regularly' purchase organic vegetables (ACNielsen, 2005). Lockie *et al*. (2002) pointed that health is the one aspect consumers are least willing to compromise. In Dhaka, as this study confirms, the importance of health as a motive and the link between health concerns and the fear of pesticide residues. The third important motive to purchase organic food is the consumer's search for new, trendy and fresh products. Freshness is generally a key criterion in the purchase of vegetables and fruits (Pe´nau, Hoehn, Roth, Escher, & Nuessli, 2006; Sakagami, Sato, & Ueta, 2006) and if Bangladeshi organic vegetables and fruits can score highly on this criterion, they are more likely to be purchased. However, it may be necessary to clearly position organic foods as distinct from other conventional food to tap this potential customer base.

The lack of information consumers have on organic farming methods works as main barrier to purchase organic products is. Indeed, the study reveals that the main reason for not buying organic products was that they 'do not know what organic means'. However, most urban consumers might not have any detailed knowledge of agricultural practices in production. For consumers in Dhaka the claims made by these various super markets are very similar to the health benefits they expect from organic products such as fresh food, produced with strict controlling etc. these claims confuse the consumers regarding the difference between organic and fresh foods. It is thus not clear what additional benefits organic products have, leading 43% of respondents to state that there is 'no difference between organic and fresh produce'. However, consumers who have never heard of 'organic' or who are not aware which labels truly indicate organic products are not likely to purchase them. It thus seems that in Dhaka as elsewhere, the lack of consumer knowledge about the specificities of organic agriculture can be a key issue hampering the development of the demand for organic foods.

Price premium is another factor often mentioned as limiting the market share of organic products, especially the price difference between organic and conventional products (Lohr, 2001; Padel & Foster, 2005). The current premium for organic products in Dhaka is approximately 50% above the price of conventional foods. This is higher than the premium of 10-20% over conventional products reported as acceptable by studies on the willingness-to-

pay for organic products. However, in Dhaka, it is unclear to what extent price is really a key factor in the choice between organic and conventional products. The study has shown that of the 'organic buyers', 60% do not see price as limiting factor, and only 29% of the 'organic non-buyers' mention it as a reason for not purchasing organic products which is quite different from the literature. Indeed, organic products that have a premium higher than 20% over comparable conventional products get purchased in many countries. Thus, the price of organic fruits and vegetables in Dhaka is not likely to be a key issue limiting sales unlike the research done by Iqbal *et al*. (2015).

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