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*Special Issue*

## The U.S. Food System—From Production to Consumption





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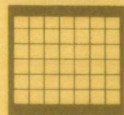


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**\*\*Food-away-from-home photos courtesy of McDonald's Corp.**



**To Our Readers:**

**If you're familiar** with the *National Food Review*, you'll notice a change in format for this issue. Filled with tables and charts, this "Yearbook" is designed as a comprehensive source of historic and current information on the food industry—from food prices to world agricultural trade.

In the seven sections, we've pulled together important facts and figures on America's eating habits, food expenditure patterns, and price projections through 1991. Our Yearbook also provides information on funding and participation levels in Federal food assistance programs.

Data are presented on imports and exports of food and agricultural products. Take a close look at the table on page 46 — did you know the leading export State?

Because the food industry and the general economy are closely linked, we've included a number of charts and tables on selected indicators such as employment and income. One section focuses on employment and the food industry's contributions to the domestic economy.

To help you develop additional reference sources, we've provided names and phone numbers of ERS specialists and details on how to get a host of USDA publications.

The Yearbook is a different way for us to explain trends in the food industry. For that reason, we welcome your reactions. Please drop us a line at USDA/ERS, Room 228, 1301 New York Avenue NW., Washington, D.C. 20005-4788, or call us at (202) 786-1494.



Kathryn L. Lipton  
Economics Editor



Juliana King  
Managing Editor



# Food Consumption

Americans appear to increasingly favor foods that are fresh, lowfat, and sweet. For example, consumers are choosing more lowfat milk products, fresh and frozen vegetables, and fresh fruits. Canned fruit consumption, however, has fallen.

Per capita sweetener use has climbed to record levels, primarily due to rising soft drink consumption and increasing use of high fructose corn syrup and noncaloric sweeteners by the industry. Soft drink consumption has gained despite a more than 170-percent increase in prices between 1970 and 1985.

Beverage consumption in general is up with gains also in fruit juices and drinks. Consumption of these products rose despite a 205-percent increase in price, versus 104 percent for milk.

Losers in the beverage category include coffee, tea, and milk. Coffee consumption was down almost 29 percent since 1965, while total milk fell 18 percent. Within the milk category, whole milk consumption in 1985 was about half the 1965 total. Lowfat and other milk, in contrast, was three times greater than in 1965.

Looking at alcoholic beverages, we drank 41 percent more beer in 1985, 13 percent more hard liquor, and 150 percent more wine than we did 20 years earlier. Even so, alcoholic beverage popularity has fallen from the peak year of 1981. A backlash against drinking and driving and greater consumer interest in nutrition and fitness sparked a 9-percent drop in beer and a 15-percent decline in hard liquor consumption from 1981-85.

We are, however, drinking more wine than in 1981. The gain can partly be attributed to the growing popularity of wine coolers, a mixture of wine and fruit juice. Coolers now account for 14 percent of total wine consumption.





## Change in Consumption of Selected Foods, 1951-55 to 1981-85

	1951-55	1961-65	1971-75	1981-85	1951-55 to 1981-85	1971-75 to 1981-85
	<i>Pounds per capita</i>				<i>Percent change</i>	
<b>Some Gainers...</b>						
Lowfat Milk <sup>1</sup>	.3 <sup>2</sup>	6.8	44.2	77.0	25,566.7	74.2
Yogurt <sup>1</sup>	.1 <sup>2</sup>	.3	1.6	3.0	2,900.0	87.5
Apple juice	.6	1.3	2.8	7.4 <sup>3</sup>	1,133.3	164.3
Frozen potatoes	.4	4.5	15.2	19.4	4,750.0	27.6
Avocados	.9	.5	.7	1.8	100.0	157.2
Fresh and frozen broccoli	1.0	1.0	1.7	2.9 <sup>4</sup>	190.0	70.6
Fresh pineapples	.5	.4	.8	1.6 <sup>5</sup>	220.0	100.0
Frozen corn	.4	.9	1.5	2.2	450.0	46.7
Nectarines	.2	.6	.8	1.5	650.0	87.5
Soft drinks <sup>6</sup>	10.8	16.9	26.2	41.8	287.0	60.0
Frozen orange juice <sup>7</sup>	11.2	14.0	28.4	35.2	214.3	24.0
Cheese	7.6	9.2	13.5	20.6	171.1	52.6
Salad and cooking oils	9.1	12.8	17.2	22.1	142.9	28.5
Chicken	22.0	31.0	40.7	54.3	146.8	33.4
Turkey	4.8	7.2	8.6	11.2	133.3	30.2
Fresh and frozen cauliflower	1.9	1.2	1.1	2.2 <sup>4</sup>	15.8	100.0
Lettuce	15.7	18.8	21.4	23.9	52.2	11.7
Corn sweeteners	12.7	16.5	29.1	71.4	462.2	145.4
Fish	11.1	10.7	12.2	13.3	19.8	9.0
Grapes	4.8	4.3	2.4	5.0	4.2	108.3
Pasta	NA	5.6	8.9	10.6	NA	19.1
<b>Some Losers...</b>						
Lamb	3.8	4.1	2.4	1.7	- 55.3	-29.2
Lard	11.2	6.8	3.4	2.2	- 80.4	-35.3
Veal	7.7	4.4	2.2	2.0	- 74.0	- 9.1
Fresh peaches	8.3	7.2	4.4	4.3	- 48.2	- 2.3
Canned peaches	5.3	6.4	5.2	3.4	- 35.6	-34.6
Butter	8.9	7.0	4.8	4.7	- 47.2	- 2.1
Canned milk	22.0	16.6	10.2	7.3	- 66.8	-28.4
Coffee <sup>6</sup>	38.0	36.8	32.7	26.3	- 31.0	-19.6
Fresh potatoes	92.2 <sup>8</sup>	86.1	52.7	46.5	- 49.6	-11.8
Refined sugar	96.0	96.9	98.0	71.7	- 25.3	-26.8
Eggs <sup>9</sup>	381.8	320.6	292.6	261.4	- 31.5	-10.7
Whole milk <sup>1</sup>	263.6 <sup>2</sup>	239.9	191.1	129.3	- 51.0	-32.3

NA = Not available.

<sup>1</sup>Sales data. <sup>2</sup>1954-55. <sup>3</sup>1981-83. <sup>4</sup>1981-84. <sup>5</sup>1981 only. <sup>6</sup>In gallons. <sup>7</sup>Single-strength equivalent. <sup>8</sup>1950-54 average. <sup>9</sup>Number of eggs.

Contact: Judith Putnam (202) 786-1866.



Per Capita Food Consumption Index, 1965-85<sup>1</sup>

	Meat, poultry, and fish				Eggs	Dairy products <sup>3</sup>	Fats and oils		Vegetables	
	Meat <sup>2</sup>	Poultry	Fish	Total			Animal	Vegetable	Fresh <sup>4</sup>	Processed
1967 = 100										
1965	93.8	90.3	101.7	93.8	97.5	102.2	108.1	93.5	98.7	94.2
1966	96.0	96.3	102.6	96.4	97.3	101.7	100.0	101.8	98.1	95.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	102.3	98.9	103.5	101.9	100.0	100.9	103.3	103.7	101.5	107.7
1969	101.9	103.5	104.9	102.3	96.8	100.7	94.0	110.5	101.0	107.8
1970	104.0	107.0	110.6	104.7	96.3	100.3	91.0	115.5	103.3	102.3
1971	106.8	107.6	107.8	106.9	96.8	100.8	90.6	112.7	100.8	103.2
1972	104.8	112.4	117.5	106.4	94.3	101.9	84.6	120.8	102.9	107.4
1973	97.1	108.5	120.1	99.8	90.2	101.8	77.0	125.7	106.3	111.4
1974	103.6	109.7	113.7	104.9	88.5	100.4	75.9	122.3	106.6	107.7
1975	100.0	107.7	113.7	101.7	86.2	101.6	70.6	125.9	107.2	103.8
1976	106.2	115.0	119.6	108.0	84.3	103.6	65.6	135.5	109.9	113.7
1977	105.1	118.2	118.6	107.6	83.5	103.1	67.7	129.4	112.1	105.7
1978	100.5	124.1	125.1	105.2	85.0	103.7	69.4	133.3	111.0	110.4
1979	97.5	134.3	121.7	104.2	86.7	103.3	73.3	135.8	115.2	107.2
1980	98.2	134.3	118.9	104.6	85.0	102.7	76.5	135.7	116.1	106.6
1981	97.0	138.3	120.5	104.3	83.0	103.0	72.6	138.2	114.8	103.7
1982	93.7	141.5	114.2	101.8	82.1	105.3	70.8	140.7	120.7	103.0
1983	96.6	144.3	122.1	105.0	81.3	107.7	77.5	143.6	119.9	107.1
1984	96.5	148.8	127.4	105.9	81.1	109.8	79.3	139.6	128.5	108.5
1985	97.1	153.6	134.8	107.5	79.6	111.4	81.0	154.4	130.0	( <sup>5</sup> )

<sup>1</sup>Quantities of individual foods on a retail-weight basis are combined into indexes using 1965-67 average prices through 1975 and 1977-79 average prices for 1976 and beyond. Index is linked at 1975. <sup>2</sup>Includes edible offals. <sup>3</sup>Excludes butter. <sup>4</sup>Includes consumption of home garden products. <sup>5</sup>Processed vegetable data are being revised and were not available in time for publication.





Per Capita Food Consumption Index, 1965-85<sup>1</sup>, continued

	Fruits		Potatoes and sweetpotatoes <sup>3</sup>		Flour and cereal products <sup>4</sup>	Sugars and other sweeteners	Coffee, tea, and cocoa	All foods	
	Fresh	Processed <sup>2</sup>	Fresh	Processed				Animal products	Crop products
1967 = 100									
1965	101.2	92.5	108.7	86.5	100.9	98.0	99.3	96.8	98.4
1966	102.1	92.6	114.8	97.1	99.4	98.4	99.5	98.0	99.4
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	98.8	96.2	104.5	105.5	100.1	101.6	100.5	101.6	101.5
1969	99.7	103.2	98.0	116.2	99.9	104.1	93.6	101.1	102.5
1970	100.7	104.1	104.1	122.3	97.4	105.4	93.4	102.4	102.7
1971	101.0	107.6	97.0	126.4	97.5	107.3	92.7	103.9	102.5
1972	91.9	106.8	90.8	125.5	96.5	108.1	98.8	103.4	102.7
1973	95.9	108.1	85.5	129.7	99.1	108.5	97.2	98.6	105.2
1974	98.2	103.9	92.0	130.1	98.3	105.6	93.8	101.3	103.0
1975	106.8	117.5	89.5	131.6	101.3	102.9	88.1	99.1	104.4
1976	104.5	116.4	83.5	139.7	104.0	108.5	91.9	103.5	107.7
1977	104.2	115.0	87.0	141.8	103.1	111.4	72.0	103.1	104.5
1978	104.8	106.4	87.2	142.8	100.9	112.2	78.5	101.9	105.4
1979	107.2	110.5	78.8	138.4	106.0	113.2	82.4	101.3	107.6
1980	113.6	109.7	75.9	128.8	105.4	112.5	78.7	101.5	105.6
1981	112.6	111.4	77.2	135.1	105.9	113.9	79.1	101.1	106.7
1982	112.5	110.7	85.3	137.7	108.8	113.5	78.0	100.0	108.7
1983	118.1	119.8	79.2	137.2	105.2	115.6	78.3	102.8	109.2
1984	121.6	109.6	78.4	143.3	105.4	119.4	79.0	103.9	110.7
1985	122.2	118.5	87.4	146.1	110.0	123.9	77.5	105.5	114.5

<sup>1</sup>Quantities of individual foods on a retail-weight basis are combined into indexes using 1965-67 average prices through 1975 and 1977-79 average prices for 1976 and beyond. Index is linked at 1975. <sup>2</sup>Includes juices. <sup>3</sup>Includes consumption of home garden products. <sup>4</sup>Corn sugar and syrup are included in "sugars and other sweeteners."

Source: Bunch, Karen L. *Food Consumption, Prices, and Expenditures* 1985. SB. 749. USDA, ERS. January 1987.

Contact: Judith Putnam, (202) 786-1866.



## Changes in Shares of Per Capita Beverage Consumption, 1965-1985

Item	1965	1970	1975	1980	1985
<i>Percent of total beverage consumption<sup>1</sup></i>					
Coffee	30.9	27.3	24.4	19.9	18.5
Milk	28.2	25.7	23.5	20.6	19.3
Soft drinks	16.4	19.4	21.3	27.9	32.5
Beer	14.2	15.7	17.3	18.6	16.7
Tea	5.4	5.5	5.9	5.4	4.8
Wine and liquors	2.1	2.5	2.9	3.0	3.0
Fruit juices	2.7	3.8	4.8	4.6	5.2

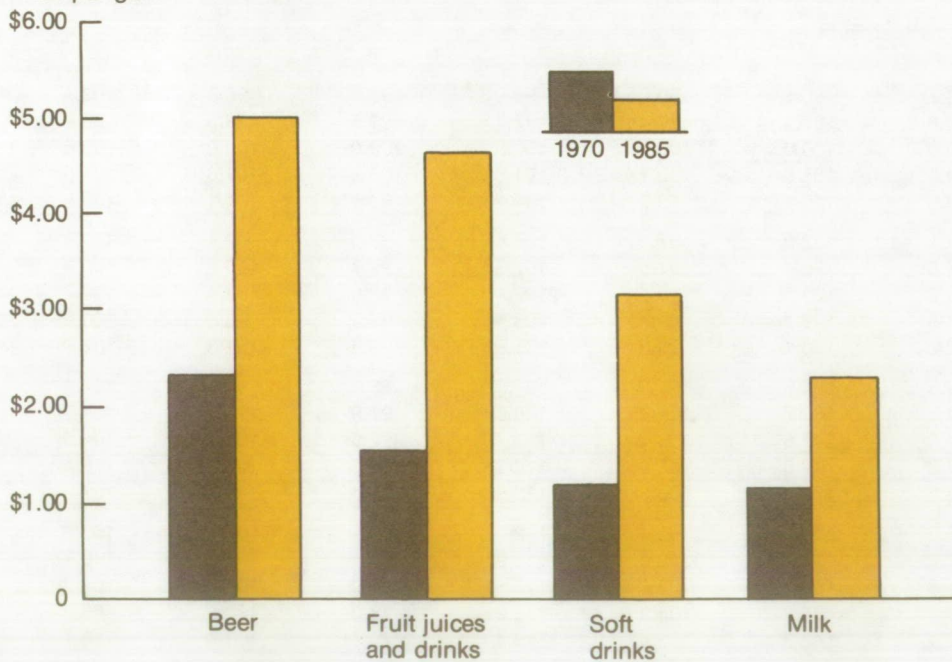
<sup>1</sup>May not add to 100% due to rounding.

Source: Bunch, Karen L. *Food Consumption, Prices, and Expenditures 1985* SB. 749. USDA, ERS. January 1987.

Contact: Judith Putnam (202) 786-1866.

## Cost Per Gallon for Selected Beverages, 1970 and 1985

Price per gallon



Source: Tipton, E. Linwood. "Dairy Marketing Issues." *Outlook '87 Proceedings*. U.S. Dept. Agr., February 1987.





Annual Per Capita Consumption of Beef and Veal and Fish and Shellfish Around the World, 1980-82<sup>1</sup>

Region and country	Beef and veal	Fish and shellfish <sup>2</sup>	Region and country	Beef and veal	Fish and shellfish <sup>2</sup>
<i>Pounds<sup>3</sup></i>			<i>Pounds<sup>3</sup></i>		
North America			Near East		
Canada	92.0	47.2	Egypt	19.3	11.5
United States	105.9	36.6	Israel	38.9	33.7
			Saudi Arabia	14.0	20.3
Latin America			Turkey	9.6	16.8
Argentina	174.8	10.1			
Brazil	35.1	13.9	Far East		
Chile	NA	65.3	Taiwan	3.2	9.5
Colombia	54.7	9.7	Hong Kong	NA	114.9
Ecuador	NA	31.1	India	NA	7.1
El Salvador	13.7	4.4	Japan	11.7	189.6
Honduras	19.6	2.6	Pakistan	NA	5.1
Mexico	39.5	24.9	Philippines	4.7	73.6
Venezuela	56.7	28.7	Republic of Korea	7.6	96.1
Europe			Africa		
Austria	55.7	13.7	Congo (Brazzaville)	NA	77.2
Czechoslovakia	58.3	11.5	Ethiopia	NA	0.2
Denmark	27.1	101.4	Kenya	NA	7.7
Fed. Rep. of Germany	51.9	18.5	Liberia	NA	34.8
Finland	48.5	68.8	Nigeria	NA	35.9
France	70.0	53.6			
Greece	41.5	37.7	Oceania		
Hungary	20.4	8.6	Australia	104.6	32.8
Iceland	NA	177.2	New Zealand	115.4	21.2
Italy	53.9	28.0			
Norway	NA	108.2			
Poland	38.1	35.7			
Portugal	24.2	63.7			
Romania	22.0	15.7			
Spain	25.4	76.7			
Sweden	38.3	71.2			
Switzerland	60.9	24.0			
United Kingdom	49.5	38.6			
USSR	56.0	56.9			

NA = Not available.

<sup>1</sup>Most recent data available for fish and shellfish consumption. <sup>2</sup>Data for most countries are tentative. Aquatic plants are included where applicable. <sup>3</sup>Beef and veal reported in carcass-weight equivalent. Fish and shellfish are pounds of liveweight.

Sources: Foreign Agricultural Service, USDA, and Food and Agriculture Organization, United Nations, Rome.



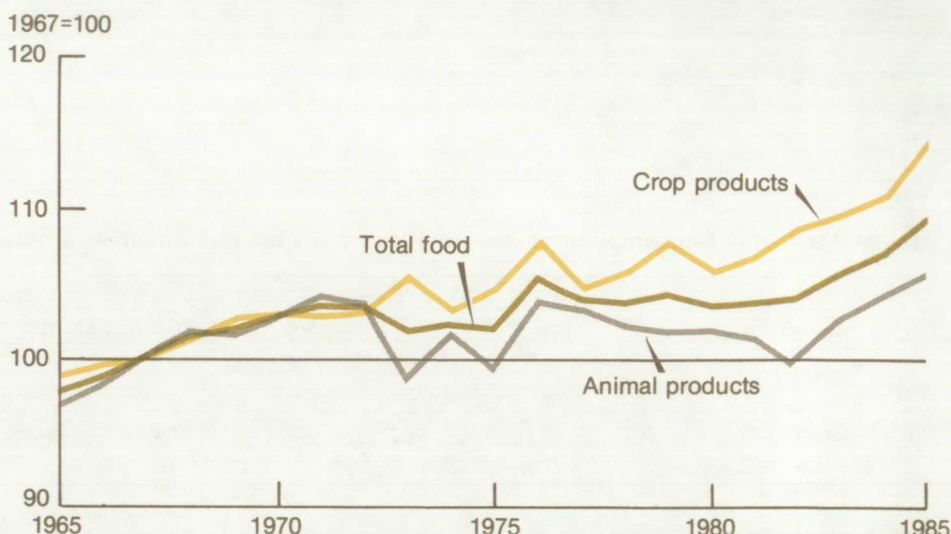
## Food Consumption . . . At a Glance

The index of crop product consumption rose 16 percent between 1965 and 1985, while the index of all animal products increased 8.9 percent. Consumption of foods in most crop categories has risen steadily in the last 20 years, particularly fats and oils, fruits, vegetables, grain products, and sweeteners. In contrast, Americans used less red meat and dairy products, moderating the increase for animal products.

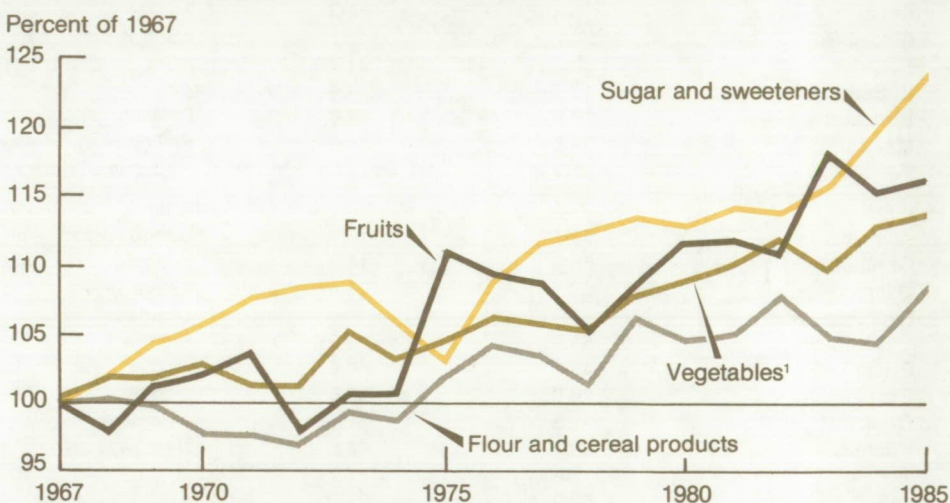
Consumption of most major crop products rose in 1985. Fresh potato use climbed 11.6 percent, followed closely by vegetable oil which rose almost 11 percent in 1985. Per capita consumption of fats and oils reached a record 67.2 pounds in 1985, up 8.7 percent from 1984. Flour and cereal products and caloric sugar and sweeteners each rose about 4 percent last year.

There have been some big gainers and losers in dairy products consumption. Consumption of whole milk has seen a long-term decline, falling from 143.5 pounds per capita in 1980 to about 121 pounds in 1985. In contrast, other milk (primarily lowfat) has shown tremendous gains, rising from just over 100 pounds in 1980 to 117 pounds in 1985. Cheese consumption has also increased, partially reflecting the growing popularity of ethnic dishes that include cheese.

### Crop Products Consumption Increases More Than Animal Products

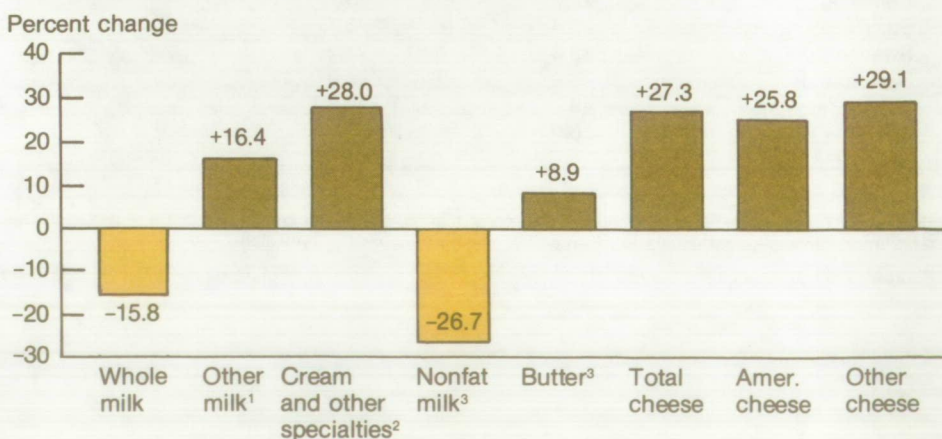


### Per Capita Consumption of Selected Crop Products



¹ Vegetables include potatoes, peas, beans, and melons.

### Dairy Product Consumption Trends, 1980-85



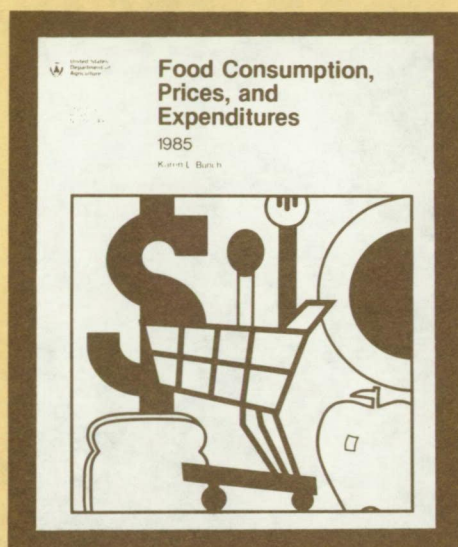
¹ Includes lowfat, skim, buttermilk, flavored drinks, and yogurt.

² Includes cream, milk-cream mixtures, sour cream and dips, and eggnog.

³ Includes quantities used in other dairy products.



# Food Consumption, Prices, and Expenditures



Rounding up data on the food industry should be as convenient as a trip to the supermarket. **Food Consumption, Prices, and Expenditures, 1965-85**, published by USDA's Economic Research Service, provides an up-to-

date and unified source of food data for your analytical work.

Ninety-six tables present USDA's latest annual estimates and historical data for:

- Per capita food consumption for 39 selected categories,
- Food supply and utilization tables for 58 commodities,
- Nutrient availability per capita,
- Retail and producer prices indexes,
- Farm to retail price spreads,
- Indexes of food industry marketing costs, and
- Income, food expenditure, and population statistics.

What's more, narrative highlights the changes in key food sector indicators during 1985 and the previous 20 years. This report shows which foods have a pattern of declining per capita consumption, and which foods are responsible for the longterm rise in total food consumption.

To purchase your copy of **Food Consumption Prices, and Expenditures, 1965-85, SB-749**, write the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Include your name, address and zipcode and a check or money order for \$5.50 (\$7.00 to foreign address). Or charge your purchase to your VISA, MasterCard, or GPO deposit account (include account number and expiration date). For faster service, phone in charge orders to GPO by calling (202) 783-3238.



## Foodservice Trends

Americans are expected to follow a 20-year trend and spend more of their food dollars for prepared meals and snacks away from home. Since the cost for away from home meals is higher than home-cooked ones, total food costs will continue to rise.

Food away from home sales reached \$168 billion in 1985. This equals 43 percent of total food expenditures (excluding alcoholic beverages), up from 26 percent in 1960. About one-third of all meals and snacks are now eaten out, compared to one in four in 1960. Factors associated with growth in food away from home include rising incomes, increases in two-income and single-parent households, and demographic changes like the aging of the population.

Fast food sales have shown the largest increase in the away-from-home market. Consumer spending at these outlets rose from \$20 billion in 1977 to more than \$51 billion in 1985, an increase of about 46 percent after adjusting for inflation.

The mix of food consumed away from home is rapidly changing. For example, more offerings of salads and lighter fare are now competing with the "burger and fries" standard of recent years. Therefore, continued growth in the market for food away from home will have a varied impact on the demand for agricultural commodities, as well as the manner in which they are processed, packaged, and marketed.

Grocery and convenience stores are responding to the erosion in their shares of the market resulting from increased eating out. Convenience stores are introducing fast food and limited-menu food service, such as prepared sandwiches and microwavable dishes—often with customer seating as well as carryout or drive-throughs. Neighborhood grocery stores are also attempting to capture some of the away-from-home dollar by offering in-store salad bars, hot soup, expanded deli service, and ready-to-serve entrees.





### The Aging Population and Foodservice

Americans 25-44 years old eat out more often than other age groups. As this group grows over the next few years, the foodservice industry stands to be a big gainer.

Meanwhile, the number of Americans 50 years and older is expected to grow 23 percent by 2000, compared with 14 percent for the rest of the population. This age

group already accounts for half of the U.S. discretionary income, according to the Conference Board, a New York business research organization. The Bureau of Labor Statistics' Consumer Expenditures Survey indicates older households spend an increasing share of their total food budgets on dining out. Data from the CREST Household Report, 1986 reveals that restaurant use by those 50 and over was rising at a faster than average rate.

By 2000, the 50-year old age group will include the generation that grew up on fast foods, salad bars, and home-delivered pizzas. With the children grown and on their own, and with the home mortgage paid off (80 percent of homeowners 55-64 years old own their homes), the interest in convenience foods and dining out will probably continue.

### Population Changes in Various Age Categories, 1950-85

Years	Total All ages	Under 5 years	5-13 years	14-17 years	18-24 years	25-34 years	35-44 years	45-54 years	55-64 years	65 years and over
<i>Percent change</i>										
1950-55	9.0	13.1	24.5	9.5	- 6.9	1.0	5.9	8.2	9.2	17.2
1955-60	8.9	9.6	18.0	21.3	7.7	-5.6	5.7	9.0	6.9	14.8
1960-65	7.5	-2.5	8.5	26.2	25.8	-2.0	0.9	6.1	9.3	10.7
1965-70	5.4	-13.5	2.5	12.4	21.6	12.6	-5.3	6.7	9.3	8.9
1970-75	4.2	-7.4	-8.7	6.4	11.8	22.2	-1.4	1.9	5.9	11.5
1975-80	5.4	2.0	-8.4	-5.8	8.5	19.5	13.4	4.3	8.5	13.3
1980-85	5.1	9.9	-3.1	-7.9	-5.3	12.3	23.0	-0.6	2.7	11.0

Sources: U.S. Department of Commerce, Bureau of the Census, *Current Population Reports*, Series P-25, No. 949, May 1984.

U.S. Department of Commerce, Bureau of the Census, *Current Population Reports*, Series P-25, No. 1000, February 1987.

Contact: Linda Swanson, (202) 786-1534.



### Average Weekly Per Person Spending for Food-Away-From-Home by Region, 1984<sup>1</sup>

	SMSA <sup>2</sup>				
	All	Northeast	North Central	South	West
	<i>Dollars</i>				
Breakfast and brunch	.53	.57	.56	.45	.71
Lunch	2.94	3.08	2.75	3.15	3.22
Dinner	3.53	3.92	3.38	3.32	4.23
Snacks and other	1.03	.96	.92	1.33	1.01
Total <sup>3</sup>	8.03	8.53	7.61	8.25	9.17

<sup>1</sup>Urban households only. <sup>2</sup>Standard Metropolitan Statistical Areas defined by the Office of Management and Budget. <sup>3</sup>Numbers may not add due to rounding.

Source: *Food Spending in American Households, 1982-84*. USDA, ERS. (forthcoming).

Contact: Jim Blaylock (202) 786-1862.



### Average Weekly Per Person Spending for Food-Away-From-Home by Income Quintile, 1984<sup>1</sup>

	All	Lowest	Second	Middle	Fourth	Highest
	<i>Dollars</i>					
Average household income before taxes <sup>2</sup>	23,547	4,362	11,050	18,908	30,022	53,676
Breakfast and brunch	.53	.30	.37	.63	.58	.77
Lunch	2.94	1.38	2.14	2.84	3.39	4.66
Dinner	3.53	1.80	2.40	3.42	3.87	5.64
Snacks and other	1.03	.77	.69	.99	1.16	1.24
Total <sup>3</sup>	8.03	4.24	5.60	7.87	9.00	12.31

<sup>1</sup>Urban households only. Respondents' total before-tax incomes are ranked in ascending order and divided into five equal groups called income quintiles. <sup>2</sup>Average income of each quintile. <sup>3</sup>Numbers may not add due to rounding.

Source: *Food Spending in American Households, 1982-84*. USDA, ERS. (forthcoming).

Contact: Jim Blaylock (202) 786-1862.



### Average Weekly Per Person Spending for Food-Away-From-Home by Household Size, 1984<sup>1</sup>

	Number of household members						Six or more
	All	One	Two	Three	Four	Five	
	<i>Dollars</i>						
Breakfast and brunch	.53	1.20	.67	.61	.30	.37	.14
Lunch	2.94	5.02	3.43	2.87	2.60	2.29	1.55
Dinner	3.53	6.82	4.75	3.52	2.61	2.33	1.22
Snacks and other	1.03	1.45	.98	.91	.84	.71	1.69
Total <sup>2</sup>	8.03	14.49	9.82	7.91	6.36	4.20	4.59

<sup>1</sup>Urban households only. <sup>2</sup>Numbers may not add due to rounding.

Source: *Food Spending in American Households*, USDA, ERS. (forthcoming).

Contact: Jim Blaylock (202) 786-1862.



### Food-Away-From-Home Spending by Age of Householder, 1984<sup>1</sup>

	All	Under 25	25-34	35-44	45-54	55-64	Over 65
	<i>Dollars</i>						
Breakfast and brunch	.53	.49	.47	.48	.58	.66	.55
Lunch	2.94	2.67	3.02	2.96	3.17	2.93	2.58
Dinner	3.53	3.41	3.20	3.39	3.71	4.21	3.55
Snacks and other	1.03	1.42	1.01	.89	1.74	.78	.44
Total <sup>2</sup>	8.03	8.00	7.70	7.72	9.20	8.58	7.12

<sup>1</sup>Urban households only. <sup>2</sup>Numbers may not add due to rounding.

Source: *Food Spending in American Households, 1982-84*. USDA, ERS. (forthcoming).

Contact: Jim Blaylock (202) 786-1862.



### Leaders in Foodservice Sales

McDonald's Corporation, Oak Brook, Illinois, is by far the leading foodservice chain. Domestic and international sales totaled \$11 billion in 1985 and likely reached \$12.4 billion last year. The rapidly expanding fast food chain has approximately 9,410 units—more than 2,000 of them in 43 foreign countries. McDonald's estimates that one new outlet opens somewhere in the world about every 15 hours.

The Pillsbury Company Restaurant Group, which includes Burger King, is McDonald's closest competitor, with

systemwide sales of \$5 billion in 1985.

Pillsbury also owns Bennigan's, Steak and Ale, Bay Street, Godfather's, and Quik Wok.

Wendy's International, Inc., Dublin, Ohio had sales of \$2.7 billion in 1985. The company places third among burger chains and sixth among all restaurant chains. Kentucky Fried Chicken, a subsidiary of PepsiCo, Inc., was fifth in restaurant chains, with sales of \$3.1 billion in 1985 and projected 1986 sales of \$3.5 billion. PepsiCo, Inc., which also owns Pizza Hut and Taco Bell, acquired Kentucky Fried Chicken from RJR Nabisco, Inc., in late 1986.

Kentucky Fried Chicken has joined other franchises in the race for the international market. The Louisville-based firm has 1,850 units abroad, followed by Pizza Hut, with 630.

In key international markets, store volumes and inflation adjusted market growth continues to outpace the U.S. averages. For instance, the highest volume Pizza Hut in the world is in Hong Kong. Its volume is nearly four times that of the average U.S. Pizza Hut.

### Sales of Top 25 Foodservice Operators

Company	1985		1984	
	Rank	Sales	Rank	Sales
		<i>Million dollars</i>		<i>Million dollars</i>
McDonald's Corporation	1	11,000	1	10,006
Pillsbury Restaurant Group	2	5,538	2	4,364
Pepsi Cola Foodservice Division	3	3,671	4	3,159
Marriott Corporation	4	3,394	6	2,921
Kentucky Fried Chicken	5	3,100	3	3,328
Wendy's International	6	2,694	7	2,423
USDA, Food and Nutrition Service	7	2,671	5	3,032
ARA Services, Inc.	8	2,380	10	1,960
Imasco U.S.A.	9	1,936	8	2,200
Trans World Corporation	10	1,815	11	1,712
Holiday Corporation	11	1,622	9	2,020
International Dairy Queen	12	1,604	12	1,423
Denny's, Inc.	13	1,280	13	1,237
Saga Corporation	14	1,254	14	1,130
Sheraton Corporation	15	1,162	15	1,095
Domino's Pizza	16	1,084	32	626
General Mills Restaurant Group	17	1,050	16	1,080
W.R. Grace Restaurant Group	18	1,036	21	771
Service America Corporation	19	1,000	19	980
Shoney's, Inc.	20	985	17	932
Collins Foods International	21	895	23	752
Hilton Hotels	22	881	20	790
U.S. Navy Foodservice	23	852	18	873
Arby's, Inc.	24	811	22	756
Southland Corporation	25	810	37	508

Source: American Institute of Food Distribution, Inc. *The Food Institute Report*. Fair Lawn, NJ (selected issues).

Contact: Harold Linstrom (202) 786-1866.

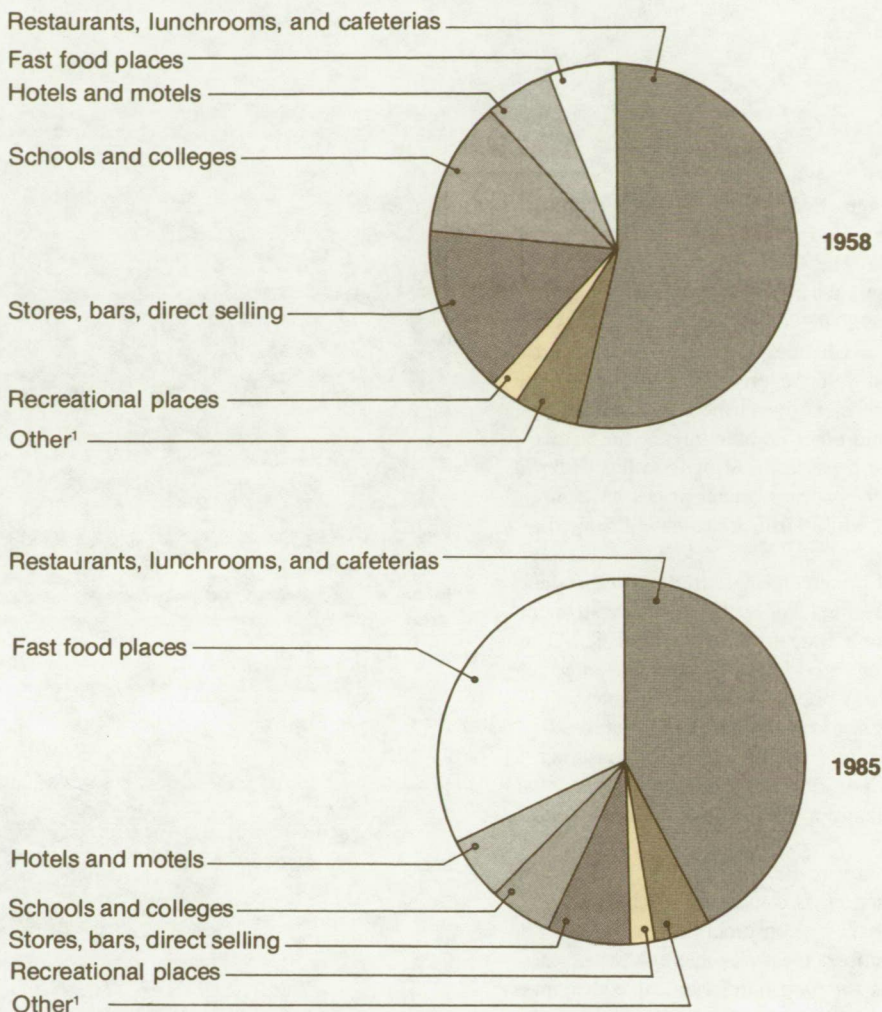




## Food Away from Home . . . At a Glance

This country has more than 700,000 places to eat out, ranging from hot dog vendors at the ball park to school cafeterias. In 1985, these establishments sold \$168 billion worth of meals and snacks (excluding alcoholic beverages). Fast food establishments have been big winners in the market share battle. These restaurants accounted for 32 percent of away-from-home sales in 1985, compared with 5 percent in 1958. At the same time, however, conventional restaurants, lunchrooms, cafeterias, and other commercial food-service establishments have seen their share of away-from-home sales decline from 54 percent to 42 percent.

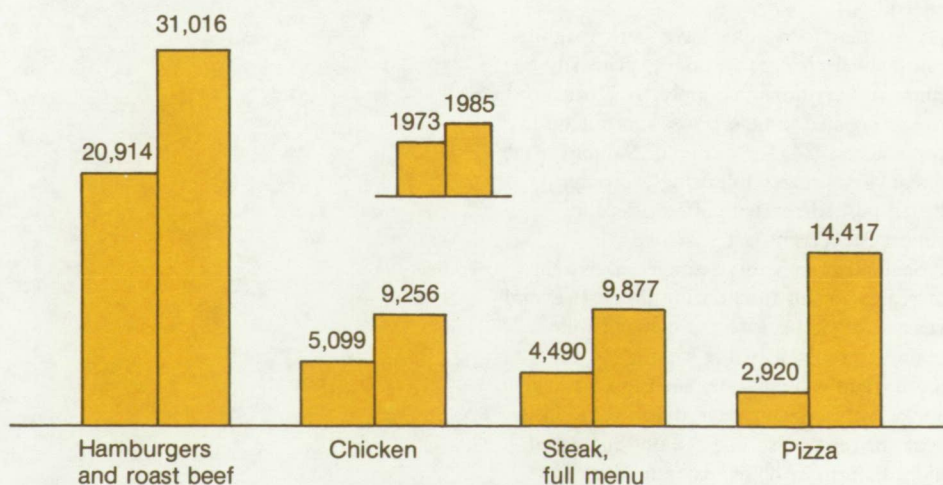
### Shares of Away-from-Home Food Market Sales



<sup>1</sup> Includes military clubs and exchanges, civic clubs and organizations, manufacturing plants, offices, child day care, and dining cars.

Eating away from home increased from 26 percent of our food spending in 1960 to over 43 percent in 1985, with fast food outlets winning a growing share. Between 1973 and 1985, the number of franchise establishments that primarily sell chicken rose almost 82 percent. Those selling primarily hamburgers and roast beef increased 48 percent. Pizza franchises were the big winners, rising almost 400 percent between 1973 and 1985.

### Growth in Franchises, 1973-85



Source: U.S. Department of Commerce, *Franchising in the Economy*.



# Food Price Measures and Trends

Changes in food prices can be measured at various stages from farm to retail. The farm value, for example, represents what farmers receive for a representative sample, or "market basket", of foods. Changes in farm value share of the food dollar over time reflect changes in prices received by farmers for cattle, hogs, milk, and other commodities. The farmer's share of the retail cost of food has dropped since 1979 because retail prices have increased while farm prices have changed little.

Food prices are measured at the producer or processor level by the U.S. Department of Labor's Bureau of Labor Statistics. The Producer Price Index measures average changes in prices received by domestic producers of commodities in all stages of processing. For example, the "consumer foods" portion of the index measures what manufacturers receive for consumer-ready products.

In contrast, the Consumer Price Index (CPI) serves as a measure of changes in prices paid by consumers for products. The CPI for food measures average price changes for food purchased for consumption at home and prices of restaurant meals and snacks.

Since 1982, the CPI for food has increased at an average annual rate of 3 percent. Away-from-home prices have increased faster, averaging about 4 percent annually.

Particular food items have shown significant annual changes in prices, primarily because of variations in supply. A Florida freeze boosted orange prices more than 35 percent in 1984, for example. Similarly, the threat of shortages following a drought in Brazil pushed roasted coffee prices up almost 31 percent last year.

Seafood price gains averaged above the increases for all food during the last several years. This is because the demand for seafood has risen, while supplies of the more traditional species, such as cod, haddock, and flounder, have diminished. Last year, prices of fish and seafood increased more than most other major food components of the CPI.





## U.S. Average Producer Price Indexes

	1983	1984	1985	1986 <sup>1</sup>
1967 = 100				
Finished consumer foods <sup>2</sup>	261.8	273.3	271.2	278.0
Meats	236.4	236.8	227.5	235.2
Beef and veal	236.3	237.1	220.1	216.0
Pork	227.5	226.5	224.0	250.9
Processed poultry	185.3	206.0	197.5	207.8
Fish	445.2	476.0	492.1	530.4
Eggs	NA	210.8	171.0	177.9
Dairy products	250.6	251.7	249.4	248.8
Processed fruits and veg.	277.4	294.3	296.7	287.9
Fresh vegetables excluding potatoes	210.0	219.1	205.9	204.0
Shortening and cooking oils	254.7	311.6	290.6	NA
Alcoholic beverages	205.0	209.8	213.0	217.8
Soft drinks	327.4	340.2	344.2	349.7
Intermediate materials <sup>3</sup>	312.3	320.0	318.7	307.6
Materials for food manufacturing	258.4	271.1	258.7	250.9
Flour	186.2	185.2	183.1	173.4
Corn syrup	224.3	227.8	NA	NA
Crude vegetable oils	194.2	262.2	219.4	135.8
Crude materials <sup>4</sup>	323.6	330.8	306.2	280.0
Food and feedstuffs	252.2	259.5	235.0	230.6
Fruits and vegetables <sup>5</sup>	262.1	278.1	260.5	261.2
Grains	240.4	239.7	202.7	167.2
Livestock	243.1	251.8	229.7	236.1
Live poultry	206.5	240.6	226.2	248.8
Fluid milk	282.0	278.3	264.6	256.9
Oilseeds	245.3	253.3	202.7	196.2
Sugar, raw cane	315.9	312.0	291.2	292.2
All commodities	303.1	310.2	308.8	299.8
All foods <sup>6</sup>	257.5	269.2	264.6	268.4
Farm products	248.2	255.8	230.4	224.7
Processed foods and feeds <sup>6</sup>	255.9	265.0	260.5	265.1

NA = Not available.

<sup>1</sup>Preliminary. <sup>2</sup>Foods ready for sale to ultimate consumer. <sup>3</sup>Commodities requiring further processing.<sup>4</sup>Products entering market for the first time which have not been manufactured at that point. <sup>5</sup>Fresh and dried. <sup>6</sup>Includes 11 raw, intermediate, and processed foods (except soft drinks, alcoholic beverages, and manufactured animal feeds).

Source: U.S. Department of Labor, Bureau of Labor Statistics. For more information, call (202) 523-1913.

## Categories of the Producer Price Index

The Producer Price Index identifies products by the stage of processing. Finished goods, for example, are commodities that will not undergo further processing and are ready for sale to consumers or businesses. Consumer foods include unprocessed foods, such as eggs and fresh vegetables, as well as processed products, such as bakery items and meats.

The intermediate materials category consists partly of commodities that have been processed but require further processing. This includes semifinished products such as flour, cotton yarn, and lumber. The intermediate goods category also encompasses items that are physically complete but that are purchased by business firms as inputs for their operations. Examples include diesel fuel, paper boxes, and fertilizers.

Crude materials for further processing are products entering the market for the first time that have not been manufactured or fabricated and that are not sold directly to consumers. Grains and livestock are examples.



## Farm Value Share of Food Prices, by Product and Year

Product	Farm value share of food dollar		
	1980	1983	1986
	Percent		
Unprocessed foods <sup>1</sup>			
Animal products:			
Eggs, Grade A, large, 1 doz.	60	64	62
Pork, 1 lb.	45	45	46
Beef, choice, 1 lb.	61	57	54
Chicken, broiler, 1 lb.	54	52	55
Crops:			
Lettuce, 1 lb.	10	10	11
Potatoes, Northeast, 10 lbs.	35	35	32
Oranges, Calif., 1 lb.	14	14	17
Processed foods			
Animal products:			
Fresh milk, 1/2 gal.	53	53	49
Cheese, natural cheddar, 1 lb.	NA	NA	36
Crops:			
Shortening, 3 lb. can	30	28	18
Peanut butter, 1 lb.	NA	NA	27
Margarine, 1 lb.	28	NA	16
Orange juice, frozen, 12 fl. oz.	42	42	37
Sugar, 1 lb.	40	41	39
Flour, wheat, all purpose, 5 lbs.	36	33	27
Rice, long grain, 1 lb.	30	24	16
Potatoes, french fried, frozen, 1 lb.	NA	NA	11
Tomatoes, canned, 1 lb. can	12	10	9
White bread, 1 lb.	10	10	7
Average of all foods	37	33	30

<sup>1</sup>Some processing is involved for almost all products. Foods classified as unprocessed are sold mostly in fresh form in contrast to processed foods which are derived mostly from animal products and crops.

Source: *Food Cost Review*, 1985. USDA, ERS. Ag. Econ. Rpt. 559. July 1986.

Contact: Denis Dunham (202) 786-1870.





## Consumer Price Indexes, 1965-86

	Consumer Price Index			
	Food at home	Food away from home	All food	All items
1967 = 100				
1965	95.5	90.9	94.4	94.5
1966	100.3	95.1	99.1	97.2
1967	100.0	100.0	100.0	100.0
1968	103.2	105.2	103.6	104.2
1969	108.2	111.6	108.9	109.8
1970	113.7	119.9	114.9	116.3
1971	116.4	126.1	118.4	121.3
1972	121.6	131.1	123.5	125.3
1973	141.4	141.4	141.4	133.1
1974	162.4	159.4	161.7	147.7
1975	175.8	174.3	175.4	161.2
1976	179.5	186.1	180.8	170.5
1977	190.2	200.3	192.2	181.5
1978	210.2	218.4	211.4	195.4
1979	232.9	242.9	234.5	217.4
1980	251.5	267.0	254.6	246.8
1981	269.9	291.0	274.6	272.4
1982	279.2	306.5	285.7	289.1
1983	282.2	319.9	291.7	298.4
1984	292.6	333.4	302.9	311.1
1985	296.8	346.6	309.8	322.2
1986	305.2	360.1	319.6	328.4

Contact: Ralph Parlett (202) 786-1870.





## Changes in the Consumer Price Index for Selected Items, 1983-1986

	1983	1984	1985	1986		1983	1984	1985	1986
Food	2.1	3.8	2.3	3.2	Processed fruit	1.5	7.2	4.1	-2.9
Food away from home	4.4	4.2	4.0	3.9	Frozen fruit and				
Food at home	1.1	3.7	1.4	3.2	juices	-1.7	13.5	5.8	-11.1
Beef and veal	-1.5	1.2	-2.1	0.6	Canned and dried				
Sirloin steak	-0.2	2.7	-2.0	2.6	fruits	3.4	4.3	2.4	1.4
Ground beef	-2.6	-1.0	-2.6	-1.1	Processed vegetables	.4	4.7	1.1	-0.2
Chuck roast	-3.1	0.9	-3.9	-0.6	Frozen	4.0	2.9	3.5	0.7
Pork	0.9	-1.3	0.2	8.2	Canned <sup>2</sup>	0.0	5.8	0.1	-0.8
Chops	-0.8	0.3	-1.2	10.9	Fats and oils	1.3	9.5	2.2	-2.2
Bacon	-2.1	-2.1	3.5	7.1	Margarine	1.0	10.5	4.3	-2.0
Sausage	-0.3	-1.0	-0.3	6.1	Other fats, oils,				
Canned ham	2.2	-4.6	0.5	2.6	and salad dressings	3.5	11.9	0.7	-4.2
Other meats	-0.4	0.4	0.6	2.6	Nondairy substitutes				
Frankfurters	-0.9	0.0	0.2	2.1	and peanut butter	-2.5	2.6	3.2	1.8
Lunch meats <sup>1</sup>	0.4	0.4	1.6	3.1	Sugar and sweets	1.9	3.9	2.5	3.1
Poultry	1.2	10.6	-1.0	7.5	Candy and chewing gum	0.8	5.4	3.8	4.4
Fresh whole chicken	1.6	13.2	-4.1	10.4	Sugar and artificial				
Fresh and frozen					sweeteners	3.6	1.7	-0.5	0.1
chicken parts	1.8	12.2	-3.5	9.5	Nonalcoholic beverages	1.9	2.5	2.0	5.9
Fish and seafood	1.2	3.2	4.9	9.2	Cola drinks, excluding	2.5	1.3	1.5	0.5
Canned fish	-2.6	-2.3	0.2	0.9	diet cola				
Fresh and frozen					Carbonated drinks,				
fish and seafood	3.3	6.2	7.4	13.1	including diet cola	2.4	2.0	-0.1	1.4
Eggs	4.7	11.7	-16.6	6.9	Roasted coffee	-1.4	3.6	1.6	30.9
Dairy products	1.2	1.3	1.9	0.2	Freeze dried and				
Fresh whole milk	0.7	0.8	1.6	-0.6	instant coffee	2.0	4.2	3.7	21.0
Other fresh milk	0.9	1.0	1.3	-0.4	Alcoholic beverages				
and cream	0.9	1.0	1.3	-0.4	(at home)	3.6	1.7	2.7	3.9
Butter	1.2	2.4	1.1	0.3	Beer and ale	5.8	3.5	2.5	1.9
Cheese	1.7	1.1	1.9	0.3	Whiskey	2.2	1.2	3.3	7.2
Fresh fruit	-4.3	11.1	10.1	2.1	Wine	0.1	-1.3	1.0	2.3
Apples	-4.2	12.7	6.1	15.5	Alcoholic beverages				
Bananas	10.3	-7.6	2.1	5.1	(away from home)	4.8	5.4	5.7	6.6
Oranges	-20.4	35.3	6.5	-9.3	Cereal and bakery				
Fresh vegetables	3.6	10.7	-4.3	4.0	products	3.2	4.4	3.8	2.8
Potatoes	-1.5	27.0	-12.4	-5.3	Flour and prepared				
Lettuce	2.5	-6.9	10.5	6.2	mixes	0.6	2.6	3.4	1.2
Tomatoes	7.7	4.9	-1.9	7.4	White bread	3.3	3.3	2.5	1.8
					Cookies	3.7	6.1	5.4	3.5

<sup>1</sup>Bologna, liverwurst, and salami. <sup>2</sup>Cut corn and canned beans except lima beans.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Contact: Ralph Parlett (202) 786-1870.



## Food Price Changes, 1960-90

Item	1960-71	1972-81	1982-85	Forecast 1986-90 <sup>1</sup>
Consumer Price Index	Average annual percent change			
Food	2.6	8.9	3.0	2.8
Food away from home	3.9	8.7	4.5	3.5
Food at home	2.3	8.8	2.4	2.5
Meats	2.4	8.5	0.8	2.6
Beef and veal	2.4	8.6	-0.3	2.1
Pork	2.3	8.7	2.7	4.0
Other meats	2.4	6.8	2.2	2.3
Poultry	0.4	6.8	2.3	2.8
Eggs	0.7	6.3	0.7	1.7
Dairy products	2.4	7.9	1.4	1.1
Fats and oils	NA	9.5	2.6	0
Sugar and sweets	2.5	13.0	2.0	1.6
Cereals and bakery products	2.4	9.4	3.9	3.2
Macroeconomic assumptions				
Real per capita disposable personal income	2.7	2.0	2.4	1.8
Inflation rate (GNP deflator)	3.0	7.4	4.1	4.0

<sup>1</sup>Based on May 1987 estimates. NA = Not available.

Contact: Ralph Parlett (202) 786-1870.



## A Little History. . .

A bushel of potatoes for 75 cents? Roast beef at 14 cents a pound? A quart of milk for 9 cents? More than 100 years ago, that's what the average shopper in the United States paid for these food items.

But was food really so cheap? To find the answer, ERS compared what consumers spent for food as a share of their incomes. The average American brought home \$791 a year in 1869—of which \$479 went for groceries. That meant food spending accounted for 61 percent of income, compared with about 14 percent today. Food's share has declined consistently over the years as the rate of growth in incomes has outpaced that of prices and consumption—the two components of food spending.



## U.S. Average Retail Food Prices of Selected Items, 1869 and 1886

Item	Unit	Price	
		1869	1986
<i>Dollars</i>			
Wheat flour, superfine	bbl	7.36	40.77 <sup>1</sup>
Fresh beef			
Roast	lb	.14	1.59 <sup>2</sup>
Rump steaks	lb	.15	2.77 <sup>3</sup>
Fresh pork	lb	.13	2.00
Bacon	lb	.19	2.08
Smoked hams	lb	.22	1.47
Sausage	lb	.19	1.91
Butter	lb	.38	2.15
Cheese	lb	.24	3.05
Potatoes	bu	.75	14.40 <sup>4</sup>
Milk	qt	.09	.56
Eggs	doz	.29	.87
Black tea	lb	1.40	2.07 <sup>5</sup>
Roasted coffee	lb	.35	3.43

<sup>1</sup>One barrel (bbl) approximately equals 196 pounds.

<sup>2</sup> Chuck roast. <sup>3</sup>Round steak. <sup>4</sup>60 pounds. <sup>5</sup>Tea bags in New York City.



### Comparing Food Prices Around the World

How does a trip to an American grocery store stack up with food shopping in 15 other capital cities around the world? According to a 1986 survey by USDA's Foreign Agricultural Service (FAS), only about half of the cities would have cheaper food than Washington, D.C.

Here's how market baskets compared:

- Tokyo was the most expensive, with a grocery bill over \$50.
- Mexico City was the least expensive, costing just over \$9.
- The average for all cities was about \$25.

- Groceries in Washington, D.C., cost about \$2 less than the 16-city average.

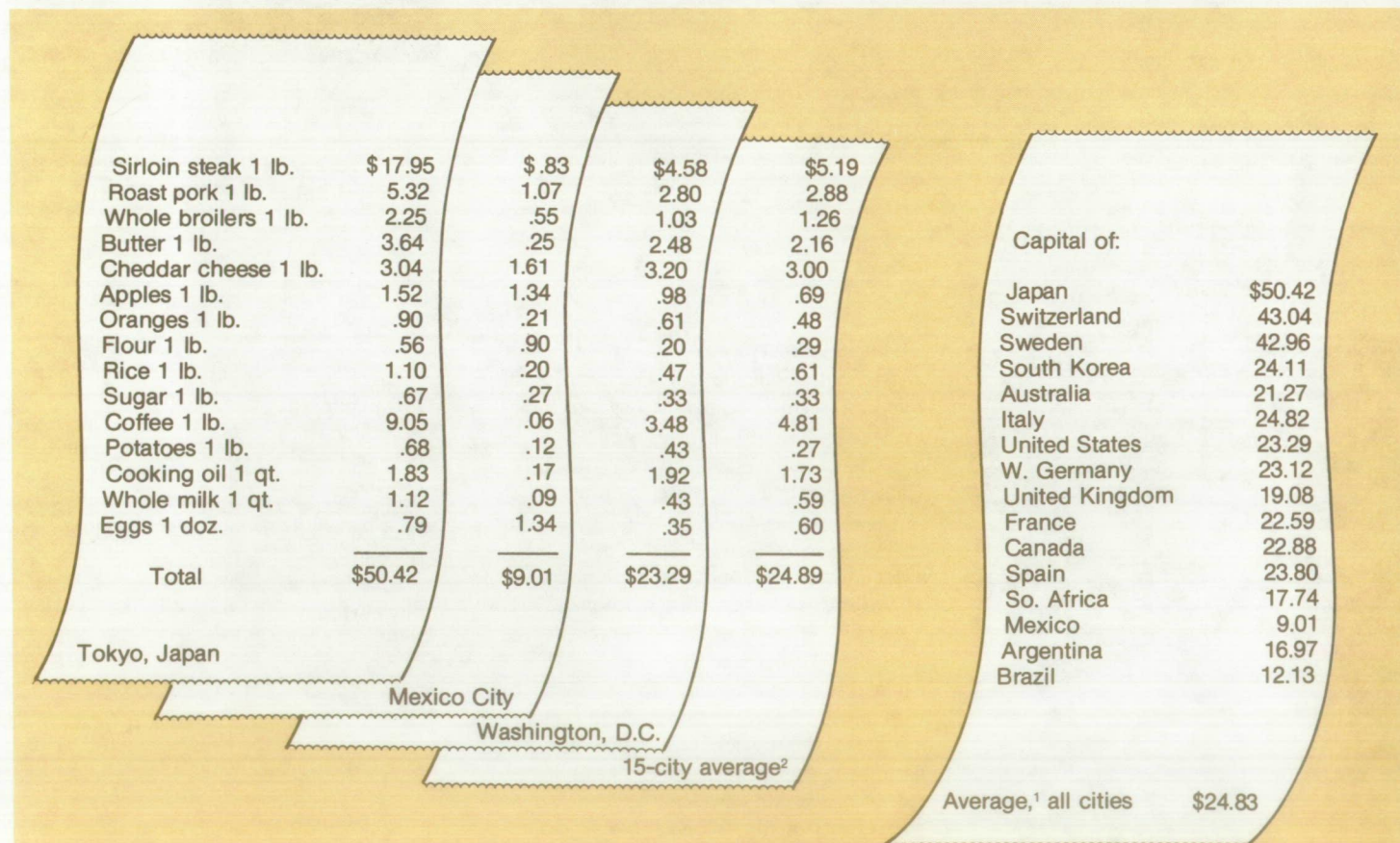
Which cities offered the best (and worst) buys on selected foods? Sirloin steak cost almost \$18 a pound in Tokyo, but in Mexico City you could have bought it for 83 cents a pound. Mexico City also had the best price for pork roasts—\$1.07 a pound, while Stockholm, Sweden had the highest—over \$9 a pound.

If you bought your coffee in Brazil, you would have saved over \$6 a pound compared to Tokyo where a pound sold for more than \$9 in 1986. Potatoes were cheapest in Madrid and Bonn—15 cents a

pound—and over four times as expensive in Tokyo. Mexico City residents paid the lowest sugar prices at 9 cents a pound, while shoppers in Tokyo again faced the most—67 cents a pound.

None of the highest or lowest prices of the 15 food items were found in Washington, D.C. But Washington retail prices were cheaper than the 15-city average for eight items: sirloin steak, pork roast, broilers, whole milk, eggs, flour, rice, and coffee. Sugar was the same as the 15-city average, but Washington residents paid a total of \$1.29 more for butter, cheese, oranges, apples, potatoes, and cooking oil.

### Comparing Food Prices Around the World



<sup>1</sup> Average of retail prices from surveys by the Foreign Agricultural Service. Prices in 16 capital cities were converted to U.S. dollars at the current exchange rate. For more information, (202) 447-3448.

<sup>2</sup> Excludes Washington, D.C.

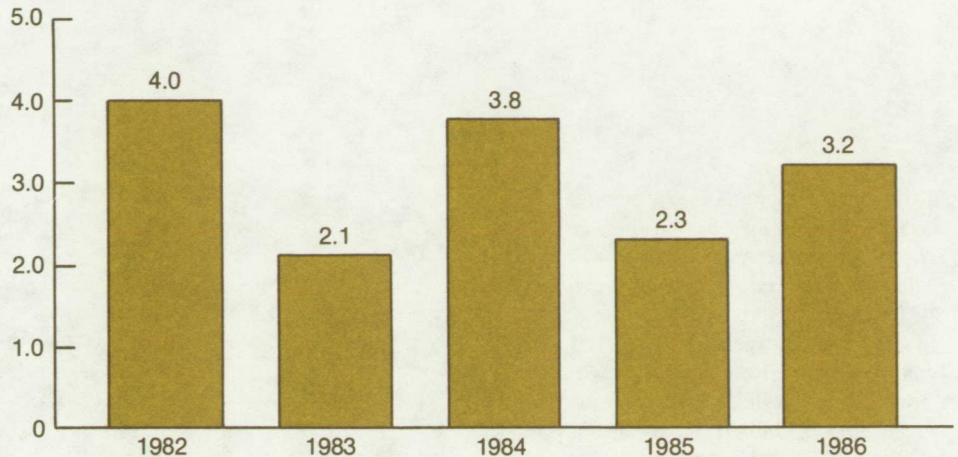


## Food Prices . . . At a Glance

Food prices, as measured by the Consumer Price Index, rose 3.2 percent in 1986, compared to 2.3 percent in 1985. The increase slightly exceeded the average annual 3-percent gains since 1981 when there was a sharp slowing in the rate of inflation. Price increases varied among the different foods, however. For example, poultry prices jumped 7.5 percent and seafood, 9.2 percent last year. In contrast, red meat prices rose 3.2 percent.

### Retail Food Price Changes

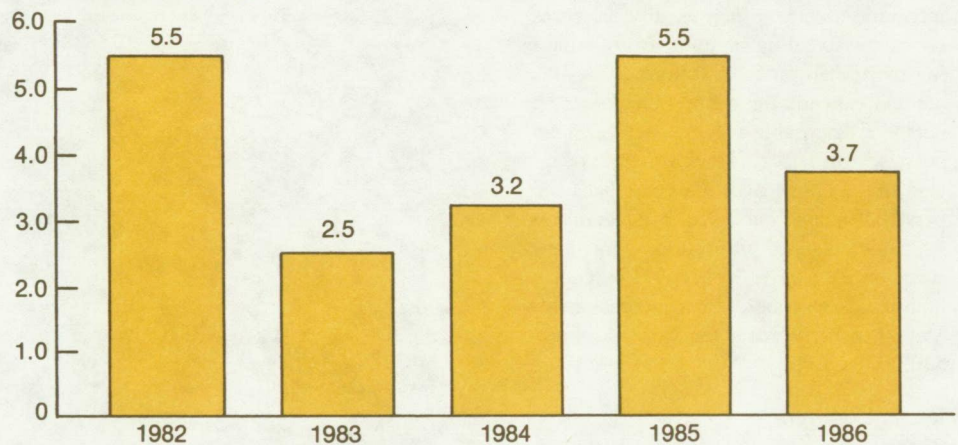
Annual percent change



The farm-to-retail spread is the difference between farm value and retail price. It represents payments for assembling, processing, transporting, and retailing charges that are added to the value of products after they leave the farm. Last year, the spread rose 3.7 percent for several reasons. There were increases in inputs per unit of output (such as labor in food retailing and advertising) and higher profit margins on food sales. Furthermore, it took time for lower farm prices to pass through the marketing system.

### Farm to Retail Price Spread

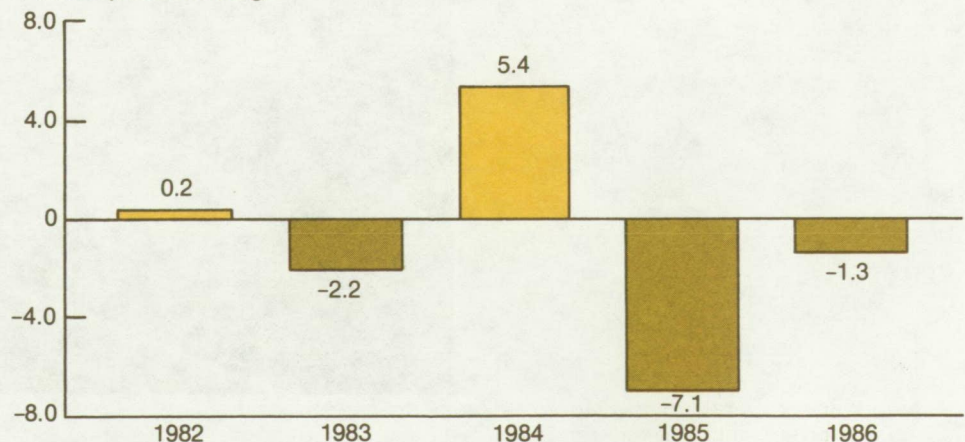
Annual percent change



Farm prices, processing and distribution costs, and consumer demand are the major factors influencing retail food prices. The farm value of food fell for the second year in 1986 because of plentiful supplies. The farm value of foods declined 1.3 percent, mainly reflecting lower prices for food grains, oilseeds, and milk. Farmers received 3 percent more for red meat, reflecting higher hog prices.

### Farm Value of Food Commodities

Annual percent change





## Food Spending and Income

**P**ersonal consumption expenditures rose to more than \$2.7 trillion in 1986, an increase of about 6 percent from a year earlier. Food spending climbed 5 percent to \$437 billion.

Food-at-home expenditures reached \$297 billion, up 3.8 percent from a year earlier. Away-from-home food spending rose 7.8 percent to \$140 billion. After adjusting for inflation, which has been lower in the food-at-home market, expenditures on food at home were up only 1.2 percent. In the away-from-home market, inflation-adjusted expenditures advanced 3.8 percent. This larger growth rate reflects rising employment and income which usually increases consumer spending on away-from-home eating more than on food at home.

Food expenditures were 14.7 percent of personal disposable income in 1986, unchanged from 1985. However, this percentage has declined over the years because personal income has risen faster than food expenditures. The proportion of income spent on food varies from 49.7 percent for households with before-tax incomes below \$5,000 to 8.7 percent for those earning \$40,000 and up.

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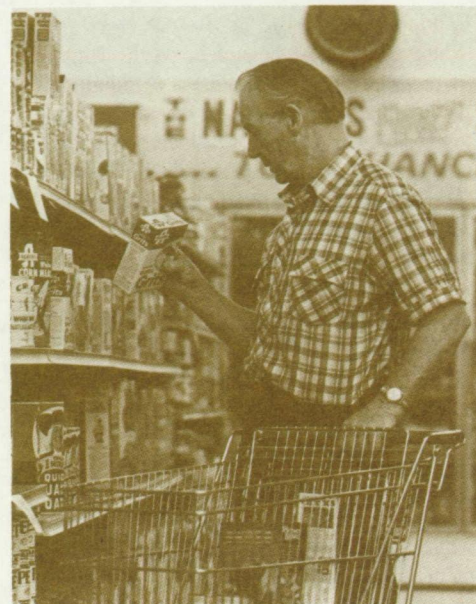


How Disposable Personal Income Is Spent<sup>1</sup>

	1984	1985	1986
<i>Billion dollars</i>			
Disposable personal income	2,670.6	2,828.0	2,971.6
Total personal consumption expenditures	2,428.2	2,600.5	2,763.1
Nondurables	870.1	905.1	932.6
Food	396.9	415.9	437.1
At home	275.0	286.4	297.5
Away from home	121.9	129.5	139.6
Alcoholic beverages	53.0	53.5	55.5
At home	33.0	33.1	33.5
Away from home	20.0	20.4	22.0
Cleaning and household supplies	25.1	26.2	27.2
Toiletries	21.9	23.0	24.1
Tobacco	29.9	31.8	33.6
Drugs	26.6	28.5	30.2
Clothing and shoes	147.2	155.2	165.1
Gas and oil and coal	90.7	91.9	78.6
Fuel oil and coal	17.9	15.7	13.9
Other	60.9	63.4	67.3
Durables	331.2	359.3	388.4
Motor vehicles and parts	154.5	169.2	182.0
Furniture and household equipment	118.9	126.8	137.3
Other	57.8	63.3	69.1
Services	1,227.0	1,336.1	1,442.0
Housing	372.2	403.9	438.4
Household operation	166.6	175.0	178.6
Transportation	82.0	87.8	95.9
Personal care	29.7	31.3	33.2
Medical care	263.2	290.1	316.1
Personal bus. service	148.1	171.5	191.5
Recreational services	65.2	67.5	72.1
Other	100.0	109.0	116.2
Savings	168.7	143.3	114.2
Other <sup>2</sup>	73.7	84.2	94.3

<sup>1</sup>Reflects data as of February 19, 1987. <sup>2</sup>Includes interest paid by consumers to businesses and personal transfer payments to foreigners.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.





### Food Expenditures, By Source of Funds

Not all the food consumed in the United States is bought by families and individuals. About 14 percent of total expenditures in 1985 were made by governments and businesses. That year, people paid \$342 billion for their food purchases, businesses spent another \$34 billion, and local, State, and Federal authorities spent \$24 billion.

The Federal share included \$13 billion for food stamps, donated commodities, and the cost of feeding the armed forces and prisoners in Federal institutions. Business expenses included employees' meals at restaurants and industry facilities, and on business trips.

The share of total food paid for by consumers has declined in the last half century, while the shares accounted for by governments and business have increased.



### Food Expenditures, by Source of Funds

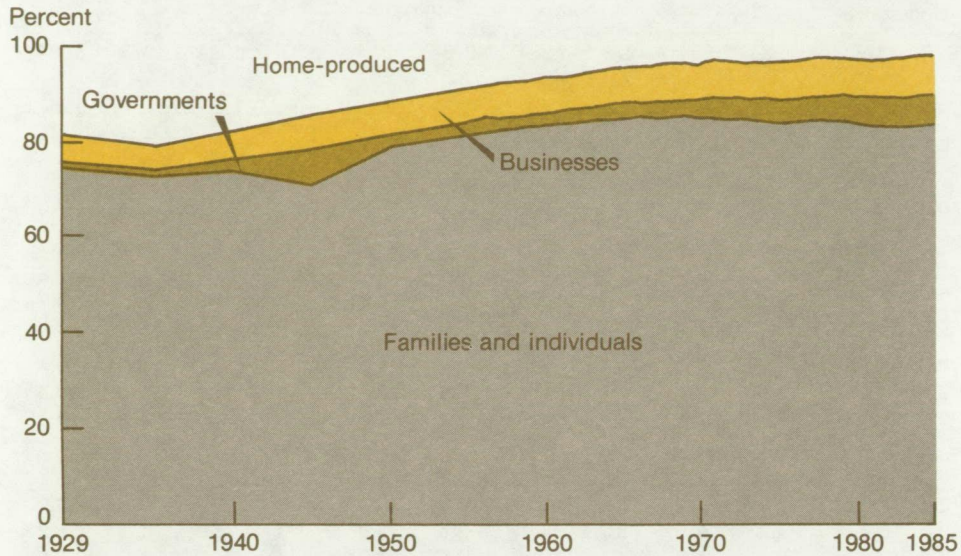
Year	Families and individuals	Home produced	Governments	Businesses <sup>1</sup>
Million dollars				
1929	17,923	4,558	189	1,328
1935	12,651	3,613	157	876
1940	14,763	3,438	363	1,226
1945	26,827	5,309	2,764	2,771
1950	40,787	5,763	1,190	3,729
1955	51,140	5,394	1,706	4,553
1956	53,332	5,240	1,672	4,796
1957	56,764	5,216	1,700	4,985
1958	58,720	5,215	1,752	5,093
1959	59,915	4,905	1,719	5,359
1960	61,890	4,957	1,792	5,549
1961	62,946	4,408	1,965	5,670
1962	64,882	4,137	2,064	5,910
1963	66,044	3,769	2,091	6,048
1964	69,705	3,767	2,183	6,384
1965	74,029	3,756	2,210	6,744
1966	78,205	3,694	2,484	7,233
1967	79,091	3,544	2,905	7,391
1968	85,183	3,707	3,135	7,958
1969	91,538	3,849	3,445	8,831
1970	99,949	3,811	4,358	8,992
1971	105,306	3,819	5,286	9,286
1972	113,424	4,072	5,810	9,865
1973	128,233	5,065	6,472	11,200
1974	145,713	6,025	8,544	12,530
1975	158,409	5,956	10,251	14,224
1976	171,815	6,128	10,905	15,875
1977	187,392	6,002	11,260	17,137
1978	208,829	6,435	12,254	19,138
1979	233,711	6,945	15,173	21,601
1980	256,773	8,196	18,052	23,739
1981	275,572	9,194	20,067	25,934
1982	289,869	9,049	20,627	27,556
1983	306,835	8,658	23,394	29,841
1984	326,915	8,149	23,404	32,238
1985	342,224	8,020	23,690	33,996

<sup>1</sup>Includes philanthropic donations by businesses.

Contact: Alden Manchester (202) 786-1880.



### Who Pays for Food



### Percentage of Households Purchasing Food Items in a Week, 1980-81

Item	Percentage of population
	<i>Percent</i>
Total food	92.2
Food away from home	73.1
Food at home	88.1
Meat, poultry, fish, and eggs	75.0
Beef	49.3
Pork	41.9
Other meat	42.5
Poultry	35.5
Fish	29.1
Eggs	46.1
Cereals and bakery products	78.2
Dairy products	78.0
Milk and cream	71.1
Cheese	42.2
Other dairy products	32.3
Fruits	66.5
Fresh	53.1
Processed	47.3
Vegetables	64.4
Fresh	55.8
Processed	43.5
Sugars and sweeteners	44.0
Nonalcoholic beverages	60.5
Fats and oils	46.6
Butter	15.5
Margarine	23.8
Other	33.7
Miscellaneous	61.5
Alcoholic beverages	40.2



Source: U.S. Department of Labor, Bureau of Labor Statistics. Consumer Expenditure Survey: Diary Survey, 1980-81. Bul. No. 2173. Sept. 1983.

Contact: Jim Blaylock (202) 786-1862.



Allocation of Food-at-Home Spending, By Age, 1973-74 and 1984<sup>1 2</sup>

	All		Under 25		25-34		35-44		45-54		55-64		Over 65	
	1973-74	1984	1973-74	1984	1973-74	1984	1973-74	1984	1973-74	1984	1973-74	1984	1973-74	1984
<i>Percent of total weekly per person food expenditures</i>														
Cereal and bakery prod.	11.9	13.5	10.9	13.2	11.7	13.6	12.4	13.2	11.8	13.2	11.8	13.5	12.0	14.3
Red meat	28.9	20.6	26.2	19.6	28.0	20.6	29.5	20.4	30.0	21.6	29.6	20.7	27.6	19.7
Beef	15.0	10.5	13.7	9.8	15.0	10.9	15.7	10.3	16.4	11.0	15.5	10.3	14.4	10.2
Pork	8.7	5.9	7.9	6.0	8.4	5.8	8.8	5.9	8.8	6.3	9.3	6.0	9.1	5.7
Other meats	4.6	4.1	4.3	3.9	4.6	4.1	4.9	4.2	4.9	4.3	4.8	4.5	4.0	3.8
Poultry	4.6	4.3	3.8	4.2	4.2	4.4	4.4	4.7	4.7	4.0	4.8	4.5	5.0	4.1
Fish and seafood	2.8	3.5	2.9	2.1	2.8	2.8	2.6	3.0	2.9	5.7	3.0	3.0	2.8	3.4
Eggs	2.5	1.8	2.2	1.5	2.4	1.8	2.4	1.7	2.4	1.8	2.6	2.0	2.8	1.2
Dairy	13.7	12.4	14.3	13.7	14.4	12.8	14.2	12.4	13.6	12.3	12.6	12.0	13.1	11.9
Fruits and vegetables	14.5	16.5	12.8	14.5	13.4	15.1	13.2	16.1	14.1	16.0	15.9	18.2	17.4	19.2
Fresh fruit	3.7	5.0	2.8	4.0	3.2	4.1	3.3	4.7	3.8	4.9	4.3	5.9	5.1	6.2
Fresh vegetables	4.4	4.9	3.7	4.3	4.0	4.3	4.1	4.8	4.4	4.8	5.0	5.5	5.2	5.5
Processed fruit	3.0	3.7	2.7	3.2	2.8	3.6	2.6	3.8	2.7	3.4	3.3	3.8	3.9	4.4
Processed vegetables	3.3	2.9	3.6	3.2	3.5	3.1	3.2	2.8	3.2	2.8	3.3	3.1	3.2	2.9
Sugar and sweets	3.0	3.9	2.8	3.4	2.8	3.6	3.1	3.8	3.0	3.6	2.9	4.1	3.2	3.9
Fats and oils	2.8	3.3	2.8	3.4	2.6	3.2	2.8	3.5	2.6	3.1	2.9	3.4	3.0	3.3
Beverages	7.3	9.1	8.9	10.5	7.7	8.8	7.2	9.4	7.4	9.1	7.1	8.8	6.8	8.8
Misc. food	8.1	11.2	12.4	13.9	9.8	13.4	8.1	11.8	7.4	9.7	6.8	10.0	6.4	9.5

<sup>1</sup>Numbers may not add due to rounding. <sup>2</sup>Urban households only.

Source: *Food Spending in American Households, 1982-84*. USDA, ERS. (forthcoming).

Contact: Jim Blaylock (202) 786-1862.



Allocation of Total Food Spending, By Income Quintile, 1984<sup>1 2</sup>

	All	Lowest	Second	Middle	Fourth	Highest
<i>Dollars</i>						
Average household income before taxes	23,547	4,362	11,050	18,908	30,022	53,676
<i>Percent</i>						
Cereal and bakery products	8.7	10.6	9.6	8.8	8.6	7.5
Red meat	13.3	15.0	15.2	13.1	12.7	11.5
Beef	6.7	7.4	7.7	6.8	6.3	6.0
Pork	3.8	4.5	4.6	3.6	4.0	3.2
Other meats	2.7	3.1	3.0	2.6	2.4	2.3
Poultry	2.8	3.3	3.3	3.0	2.6	2.5
Fish	2.3	2.3	2.2	2.0	2.0	2.0
Eggs	1.2	1.6	1.5	1.2	1.0	0.9
Dairy	8.0	9.5	8.6	7.9	8.0	7.3
Fruits and vegetables	10.6	12.3	11.9	10.8	9.8	10.0
Fresh fruit	3.2	3.4	3.7	3.0	3.1	3.0
Fresh vegetables	3.1	3.9	3.4	3.2	2.8	2.9
Processed fruit	2.4	2.8	2.7	2.5	2.1	2.4
Processed vegetables	1.9	2.3	2.1	2.1	1.8	1.7
Sugar and sweets	2.4	3.0	2.7	2.4	2.5	2.2
Fats and oils	2.1	2.6	2.4	2.2	2.1	1.9
Beverages	5.9	6.8	6.4	6.0	5.9	5.4
Prepared foods	7.2	7.4	7.2	7.6	7.2	7.2
Food-away-from-home	35.6	25.6	29.0	34.9	37.7	41.7

<sup>1</sup>Respondents' total before-tax incomes are ranked in ascending order and divided into five equal groups called income quintiles. Numbers may not add due to rounding. <sup>2</sup>Urban households only. Does not include households with incomplete reporting of income. <sup>3</sup>Includes soups, frozen meals and other prepared foods, potato chips and other snacks, nuts, sauces and gravies, and baby foods.

Source: *Food Spending in American Households, 1982-84*. USDA, ERS. (forthcoming).

Contact: Jim Blaylock (202) 786-1862.



### USDA's Food Plans

USDA's Human Nutrition Information Service computes the cost of food at home for four food plans—thrifty, low-cost, moderate-cost, and liberal. The USDA plans are only guides to spending. Families may spend more or less depending on such factors as where they buy their food, how carefully they plan and buy, whether some food is produced at home, what foods the family likes, and how much food is prepared at home.

Most families will find the moderate-cost or low-cost plan suitable. The thrifty plan, which USDA uses to set the coupon allotment in the food stamp program, is for fa-

milies who have tighter budgets. Families with unlimited resources might use the liberal plan.

The costs shown are for four-person families. To compute the total for families of more or less than four, add the individual figures and make the following adjustments:

- For a one-person family, add 20 percent.
- For a two-person family, add 10 percent.
- For a three-person family, add 5 percent.
- For a five or six-person family, subtract 5 percent.
- For a family of seven or more, subtract 10 percent.

### U.S. Average Weekly Food Costs by Age and Sex, March 1987<sup>1</sup>

Individuals	Thrifty plan	Low-cost plan	Moderate-cost plan	Liberal plan
<i>Dollars</i>				
Child:				
1-2 years	10.30	12.50	14.60	17.60
3-5 years	11.10	13.70	17.00	20.40
6-8 years	13.70	18.20	22.80	26.60
9-11 years	16.20	20.70	26.60	30.80
Female:				
12-19 years	16.90	20.30	24.60	29.80
20-50 years	17.00	21.20	25.70	33.00
51 years and over	16.80	20.50	25.40	30.40
Male:				
12-14 years	17.00	23.40	29.30	34.30
15-19 years	17.60	24.30	30.10	34.90
20-50 years	18.80	24.00	30.20	36.40
51 years and over	17.10	22.90	28.20	33.80

<sup>1</sup>Assumes that food for all meals and snacks is purchased at the store and prepared at home. Costs given are for individuals in 4-person families. Nonfood items are not included.

Source: Costs are estimated monthly by the Human Nutrition Information Service, USDA, Hyattsville, MD. 20782.





**Food, Beverages and Tobacco's Share of Per Capita Disposable Income, By Country, 1983**

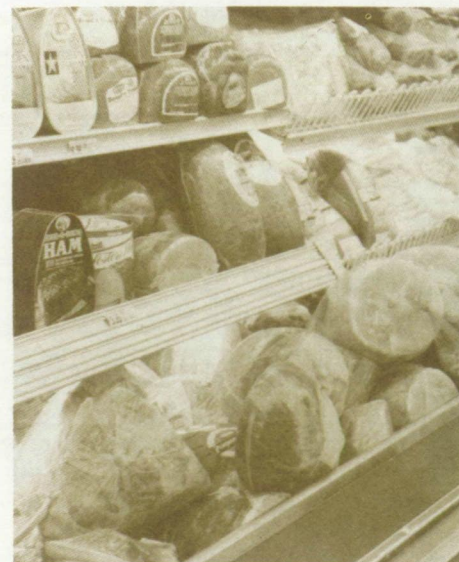
Country	Per capita disposable personal income	Food, tobacco and beverages	Food	Non-alcoholic beverages	Alcoholic beverages	Tobacco
	U.S. dollars			Percent		
Switzerland	10,724	24.2	17.5	6.7	NA	NA
United States	9,935	14.1	10.9	0.7	1.4	1.2
Canada	8,510	17.3	12.3	NA	3.0	2.0
Australia	7,812	20.1	14.0	NA	4.4	1.7
Japan	6,915	19.5	NA	NA	NA	NA
France	6,826	19.0	15.7	0.4	1.8	1.0
West Germany	6,817	21.8	20.0	NA	NA	1.9
Norway	6,761	25.0	19.0	0.9	3.1	2.0
Belgium	6,515	21.1	15.9	1.0	2.7	1.5
Netherlands	6,441	16.6	12.7	0.4	1.8	1.6
Finland	5,784	25.0	18.7	0.5	3.8	2.0
Sweden	5,762	24.1	18.1	0.4	3.6	2.0
Austria	5,521	22.4	17.2	0.6	2.4	2.2
United Kingdom	5,218	18.5	13.5	0.5	1.8	2.7
Italy <sup>1</sup>	4,751	24.8	21.3	0.2	1.5	1.8
Spain <sup>2</sup>	3,762	28.8	26.5	0.3	1.0	0.9
Greece	2,933	34.8	29.9	0.8	1.8	2.3
Portugal <sup>2</sup>	2,340	27.3	23.7	0.2	1.9	1.6
Malta <sup>1</sup>	2,379	37.5	25.9	2.8	4.9	3.8
South Africa <sup>1</sup>	1,399	32.6	24.4	1.1	4.9	2.2
Korea <sup>1</sup>	1,150	46.7	37.5	1.1	4.4	3.7
Colombia <sup>2</sup>	1,080	33.8	28.5	1.0	3.3	1.0
Thailand <sup>1</sup>	571	43.2	34.9	1.9	4.0	2.3
Philippines <sup>1</sup>	554	51.5	46.7	2.4	NA	2.0
Honduras <sup>1</sup>	475	46.3	42.5	3.2	NA	0.7

NA = Not available.

<sup>1</sup>1982 data. <sup>2</sup>1981 data.

Source: *U.S. and World Food, Beverages, and Tobacco Expenditures, 1970-83.*

Contact: Penelope Korb (202) 786-1624.





## Percent Sales of Natural Food and Health Products, 1975-86

Category	1975	1980	1981	1982	1983	1984	1985	1986
<i>Percent of sales</i>								
Baked goods	2.4	1.7	2.3	3.4	.9	2.0	1.8	1.2
Beverages	0.0	1.6	1.8	2.2	1.7	2.2	2.0	1.7
Dairy	4.3	3.3	3.6	3.4	3.6	2.7	3.0	3.9
Dietetic	1.4	1.0	1.3	1.1	4.0	0.9	1.4	1.3
Dried fruits	4.5	2.5	1.8	2.5	2.1	1.7	1.9	2.4
Fish, meat, and substitutes <sup>1</sup>	3.5	2.2	.5	NA	NA	NA	NA	NA
Frozen entrees	0.0	1.0	1.9	1.4	1.1	2.1	1.1	1.5
Grains, cereals	5.7	5.9	4.5	6.5	6.2	3.8	3.7	6.6
Groceries <sup>2</sup>	3.8	6.9	10.5	12.2	10.1	11.2	9.6	8.6
Herbs <sup>3</sup>	6.1	9.4	9.7	9.3	9.6	11.1	11.4	5.7
Honey, syrups	0.0	3.4	1.4	1.7	1.2	1.5	1.4	1.5
Juices	3.6	3.1	1.5	1.8	1.3	2.1	1.6	1.1
Nuts and seeds	8.0	3.4	3.1	4.1	3.4	3.0	3.1	3.5
Organic produce	0.0	2.0	1.0	1.9	2.0	1.8	1.8	3.3
Pasta <sup>2</sup>	0.0	1.4	NA	NA	NA	NA	NA	NA
Snacks and confections	4.5	2.9	2.4	3.0	1.8	1.8	2.2	1.9
Soy products	0.0	1.1	1.2	1.0	0.6	0.9	1.6	0.9
Water <sup>4</sup>	0.0	.9	NA	NA	NA	NA	NA	NA
Total foods	47.8	53.7	48.5	55.5	49.6	48.8	47.6	45.1
Appliances	2.7	2.1	1.6	1.6	0.7	1.2	0.6	1.1
Body care	3.7	6.5	7.6	7.6	7.5	7.7	6.2	6.2
Books	5.2	2.9	3.4	2.3	2.3	3.8	2.0	3.3
Exercise equipment <sup>1</sup>	0.0	.4	0.0	0.0	0.0	NA	NA	NA
Macrobiotics <sup>5</sup>	0.0	0.0	0.0	0.0	0.0	2.4	1.0	1.4
Medicinals <sup>1</sup>	0.0	1.7	1.7	0.0	0.0	NA	NA	NA
Nonfoods	0.0	0.0	0.0	0.0	0.0	2.1	1.0	1.2
Pet products <sup>1</sup>	0.0	0.0	0.5	0.0	0.0	NA	NA	NA
Vitamins and supplements	39.7	36.0	31.4	30.1	37.2	31.3	40.1	37.3
Miscellaneous <sup>1 4</sup>	.9	1.2	1.2	2.9	2.7	2.7	1.5	4.4
Total nonfood	52.2	51.2	51.5	44.5	50.4	51.2	52.4	54.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

<sup>1</sup>The miscellaneous category for 1975-80 includes paper goods, plants, and clothing. For 1982-86, also includes fish and meat substitutes, exercise equipment, medicinals, and pet products. <sup>2</sup>Percentage of market held by pasta is included with the groceries category for 1981-1986. <sup>3</sup>Includes bulk, capsules, tablets, and teas. <sup>4</sup>Percentage of market held by water for 1981-1986 is included with the miscellaneous category. <sup>5</sup>A special diet consisting of grains, vegetables, fruits in season, and legumes.

Source: *Health Foods Business*, annual surveys, 1976-87.

Contact: Charlene Price (202) 786-1866.

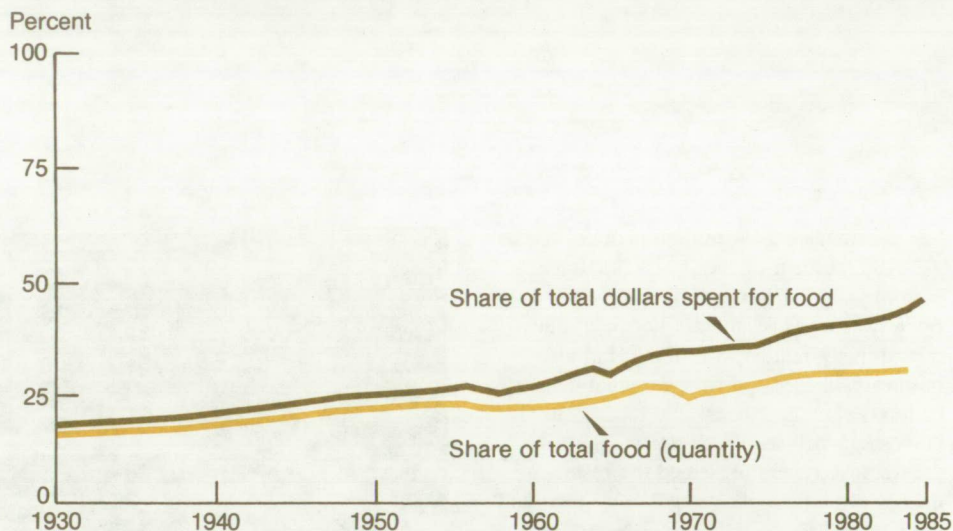




## Food Expenditures . . . At a Glance

The foodservice market has been growing more rapidly than the food at home market since the Great Depression. Foodservice now accounts for 43 percent of all food dollars, compared to 19 percent in 1939. The most important factor behind foodservice's rising share has been the growth in incomes, even after adjusting for inflation. The sharp increase in the proportion of women working outside the home contributed both to the rise in income and to the demand for eating out.

### Consumer Spending for Food

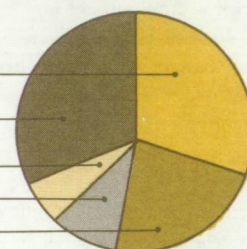


In 1986, about 30 cents of each dollar spent in foodstores went to the farmer. Thirty-one cents went for processing. Another 10 cents was spent for wholesaling and 6 cents paid for intercity transportation. Retailing added 23 cents. Farm value as a percentage of the total food dollar is less for away from home spending due to higher costs associated with preparing and serving food. The biggest share—60 cents—paid for these services. Another 15 cents paid for processing and 16 cents covered the farm value.

### Where the Food Dollar Goes at Home Versus Away

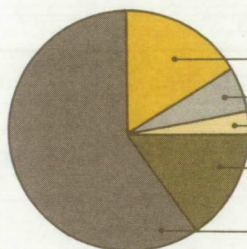
#### At home

Farm value 30¢  
Processing 31¢  
Transportation 6¢  
Wholesaling 10¢  
Retailing 23¢



#### Away from home

Farm value 16¢  
Wholesaling 6¢  
Transportation 3¢  
Processing 15¢  
Foodservice 60¢



1986 data.

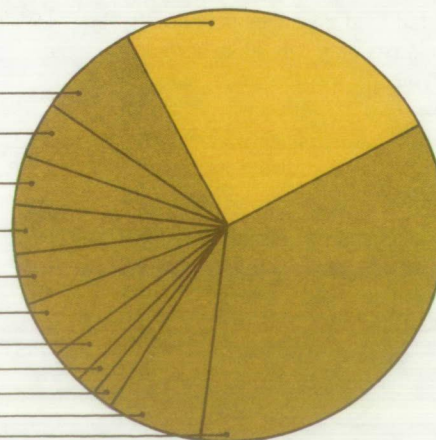
The marketing bill, the difference between what consumers spent for food and the farm value, amounted to \$272 billion in 1986. Direct labor costs—wages, salaries, and employee health and welfare benefits, imputed earnings of proprietors and family workers, and tips for foodservice—accounted for the largest share of the marketing bill. In 1986, 34 cents of every food dollar went for labor. Food containers and packaging materials, the second largest food marketing cost, accounted for 7.5 percent of food expenditures.

### What a Dollar Spent on Food Paid for in 1986

Farm value 25¢

#### Marketing bill:

Packaging 7.5¢  
Transportation 4.5¢  
Before-tax profits 3.5¢  
Fuel and power 4¢  
Depreciation 4¢  
Advertising 4¢  
Rent 3¢  
Interest (net) 1.5¢  
Repairs 1.5¢  
Other 7.5¢  
Labor 34¢



1986 preliminary. Other costs include property taxes and insurance, accounting and professional services, promotion, bad debts, and miscellaneous items.



# Food Industry Employment

An estimated 21.4 million people, 18.5 percent of the total work force, earn their living in the Nation's food and fiber system. This includes not only industries directly related to farming, but also businesses that support the eventual delivery of food, clothing, shoes, and tobacco to domestic and foreign consumers.

ERS researchers presented the results of their analysis in eight categories of food and fiber related jobs. In 1985, 11.5 percent of the system's labor force was working on farms. Food processing accounted for 7.3 percent of the sector's employment and textiles, 7.6 percent. Jobs at eating places, such as restaurants, cafeterias, and fast food outlets, accounted for almost 17 percent of food and fiber employment.

Jobs associated with manufactured inputs, such as agricultural chemicals and food containers, represented 6.6 percent of employment, while transportation services filled 2.6 percent of the food and fiber jobs. Wholesale and retail trade-related jobs accounted for 28.4 percent of the sector's employment—the greatest share held by any of the eight categories.

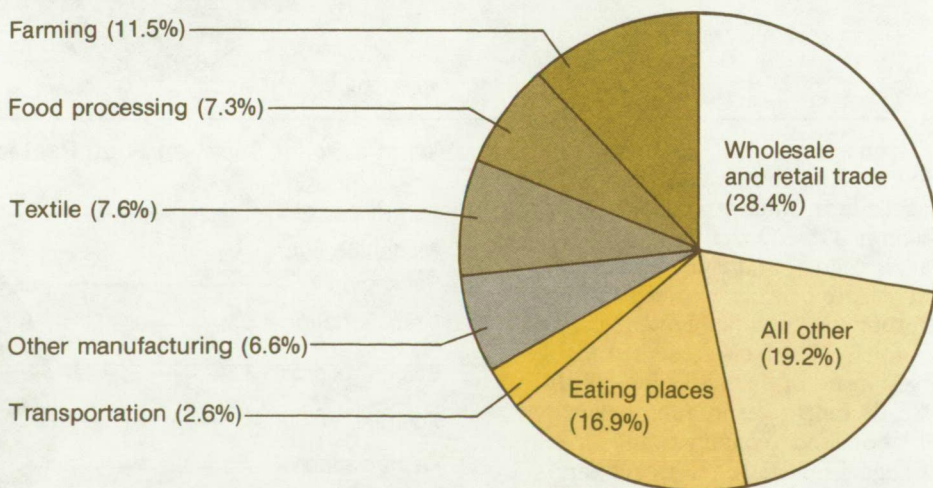
The last category, which reflected 19.2 percent of the food and fiber sector's jobs, included jobs in mining, fisheries, forestry, and services other than trade and transportation.

Obviously, some groups account for more jobs than others. For example, workers in the farming and food processing categories contribute to the food and fiber system's output. In contrast, only a portion of total textile employment is related since many materials are synthetic. Jobs associated with manufacturing these man-made fibers and products are associated with the oil and plastic industries.



## Food and Fiber System Employment

Percent of 21.4 million jobs





## The Food and Fiber System and the Domestic Economy, 1975-85

Item	1975	1980	1981	1982	1983	1984	1985
<i>Millions of workers</i>							
Employment:							
Farm sector	2.8	2.6	2.5	2.3	2.6	2.7	2.5
Nonfarm sectors	17.3	19.0	18.9	19.1	18.6	18.6	18.9
Food processing	1.5	1.5	1.5	1.6	1.5	1.5	1.6
Manufacturing	3.2	3.3	3.3	3.3	3.2	3.0	3.0
Transportation, trade, and retailing	5.7	6.4	6.5	6.6	6.4	6.5	6.6
Eating	3.1	3.6	3.5	3.5	3.5	3.6	3.6
All other	3.7	4.1	4.1	4.2	4.0	4.0	4.1
Total food and fiber	20.1	21.6	21.4	21.4	21.1	21.3	21.4
Total domestic economy	93.8	106.9	108.7	110.2	111.6	113.5	115.5

Source: USDA, ERS.

Contact: Gerald Schluter (202) 786-1285.

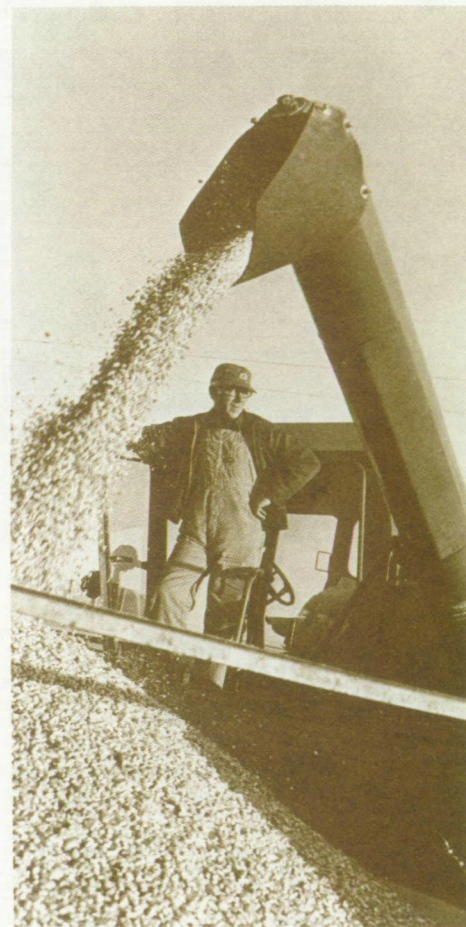
## Regional Variations in Food and Fiber Employment, 1981

Region	Farming	Food process- ing	Tex- tiles	Other manufac- turing	Trade	Trans- porta- tion	Eating places	Other
<i>Percent of food and fiber employment</i>								
Northeast <sup>1</sup>	6.6	5.5	12.0	9.2	29.6	2.5	15.4	19.2
North Central <sup>2</sup>	13.0	8.3	1.8	10.7	28.5	2.4	17.8	17.5
South <sup>3</sup>	13.5	6.8	12.6	6.8	25.9	2.6	13.4	18.4
Midwest <sup>4</sup>	32.1	9.0	1.9	4.5	23.5	2.0	13.1	13.9
West <sup>5</sup>	13.7	6.8	1.7	3.4	27.7	3.2	19.1	24.4
National average <sup>6</sup>	12.3	7.2	8.0	7.3	27.7	2.7	15.5	19.3

<sup>1</sup>Northeast includes ME, VT, NH, MA, RI, CT, NY, NJ, PA. <sup>2</sup>North Central includes OH, MI, IN, IL, WI.<sup>3</sup>South includes DE, MD, WV, VA, KY, TN, NC, SC, AR, OK, TX, LA, MS, AL, GA, FL. <sup>4</sup>Midwest includes MO, KS, NE, IA, SD, MN, ND. <sup>5</sup>West includes MT, WY, CO, NM, AZ, UT, ID, NV, CA, OR, WA, AK, HI. <sup>6</sup>The District of Columbia food and fiber work force is not included in any region but is included in the national average.

Source: USDA, ERS.

Contact: William Edmondson (202) 786-1285.





## Productivity Measured by Output Per Unit of Labor

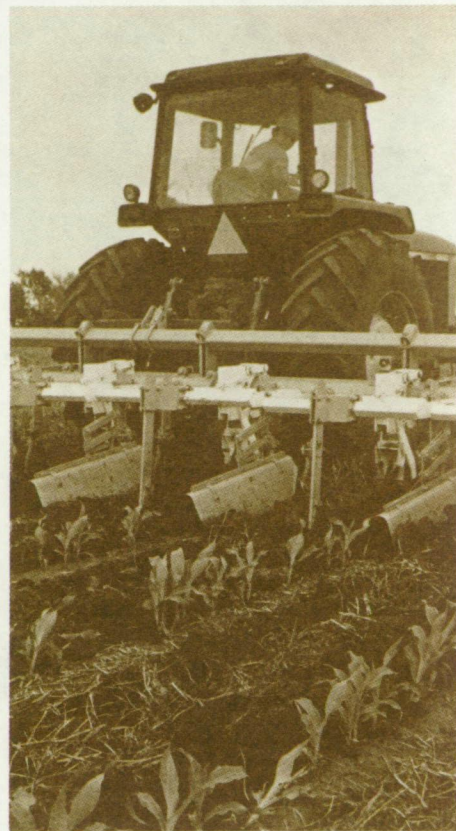
Year	Farm	Food-stores	Eating and drinking places	Nonfarm business sector of the economy
1977 = 100				
1967	64.6	98.0	97.5	87.0
1968	68.6	103.0	99.7	89.3
1969	72.0	103.9	97.8	88.9
1970	75.0	109.8	101.0	89.1
1971	85.2	110.4	98.3	91.8
1972	82.7	110.3	102.3	94.7
1973	85.3	105.5	103.6	96.4
1974	80.7	101.1	99.1	94.3
1975	89.6	100.7	101.0	96.0
1976	97.0	102.0	101.4	100.0
1977	100.0	100.0	100.0	100.0
1978	104.0	95.4	99.2	100.8
1979	112.0	97.3	99.1	99.2
1980	108.0	99.7	99.2	98.8
1981	122.9	96.8	96.5	99.8
1982	124.7	95.2	95.9	99.2
1983	99.0	96.9	96.4	102.6
1984 <sup>1</sup>	121.7	95.9	94.4	104.3
1985 <sup>1</sup>	140.0	NA	NA	104.2

NA = Not available.

<sup>1</sup>Preliminary. Some historical data were revised.

Source: USDA and U.S. Department of Labor, Bureau of Labor Statistics.

Contacts: For farm productivity information, Alden Manchester (202) 786-1880. For other, Denis Dunham (202) 786-1870.





## Average Hourly Earnings for Food and Other Industries

	1973	1979	1985	Change, 1973 to 1985	
				Value	Percent
	<i>Dollars per hour</i>			<i>Dollars</i>	
Foodstores	3.38	5.67	7.36	3.98	118.0
Food manufacturers	3.85	6.27	8.54	4.69	121.8
Meat packing	4.77	7.05	8.10	3.33	69.8
Poultry dressing	2.55	3.79	5.75	3.20	125.5
Dairy	3.93	5.81	9.17	5.24	133.3
Processed fruits and vegetables	3.28	5.06	7.81	4.53	138.1
Bakery products	4.01	5.98	9.69	5.68	141.7
Sugar and confectionery	3.71	5.62	8.63	4.92	132.6
Food wholesalers	3.90	6.39	9.43	5.53	142.0
Eating places <sup>1</sup>	2.17	3.45	4.36	2.19	101.0
Transportation					
Trucking and warehousing	5.27	7.75	10.53	5.26	99.8
Railroads	5.40	7.87	13.64	8.24	152.6
All manufacturing	4.07	6.17	9.53	5.46	134.2
Total private non- agricultural economy	3.94	5.69	8.57	4.63	117.5

<sup>1</sup>Excludes tips and meals. <sup>2</sup>Production employees in food manufacturing and nonsupervisory employees in foodstores, wholesale trade, and eating places.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Contact: Denis Dunham (202) 786-1870.





### Share of Women in the U.S. Labor Force Grows

The share of women in the U.S. labor force has more than doubled since 1900—rising from 18 percent then to 29 percent in 1950 and 44 percent in 1986. By 1986, the majority of adult women (two-thirds of those between the ages of 20 and 64) worked outside the home.

But this dramatic increase of women in the work force is not a phenomenon confined to the United States. A recent study of 12 major industrialized countries shows similar trends as these nations also experienced increased urbanization, lower birth rates, greater education, and growth in the service sector.

The U.S. economy, however, displayed a far greater capacity to absorb additional workers and create new jobs than the economies of other industrialized countries. Between 1960 and 1984, job growth in the United States rose an average of 2 percent annually, twice as fast as Japan's. At the same time, Great Britain and Italy showed virtually no increase in jobs, and employment in West Germany fell.

Perhaps as much as 50 percent of the growth in the number of women in the work force between 1950 and 1980 reflected the increase in real, or inflation-adjusted, wages paid to women. At the same time, inflation and rising household expenditures were squeezing the income brought home by their spouses.

Between 1973 and 1981, the average husband's real earnings fell about 10 percent, likely encouraging many women to enter the work force to make up the difference. Now the decision to work seems increasingly based on long-term wage expectations.

Other factors encouraging increases in female employment were the decline in birth rates nationwide and a rise in the number of single, divorced, and widowed women.

### Share of All Women in the Labor Force, by Age, 1890-1986

Year	Women 20-64 years			All women	
	All	White	Minorities	Age	
				20-24	25-34
	Percent			Percent	
1890	17.4	14.9	38.4	30.2	16.8
1900	19.3	16.5	41.0	31.7	19.4
1920	22.9	20.7	43.1	37.5	23.7
1930	25.4	23.3	44.1	41.8	27.1
1940	29.4	27.9	42.9	45.6	33.3
1950	33.3	32.2	43.2	43.6	32.0
1960	42.3	40.9	54.0	46.1	36.0
1970	50.0	49.1	57.2	57.7	45.0
1980	60.8	60.5	62.8	68.9	65.5
1986	66.4	66.3	66.4	72.4	71.6

Source: *Economic Report of the President*, January 1987.

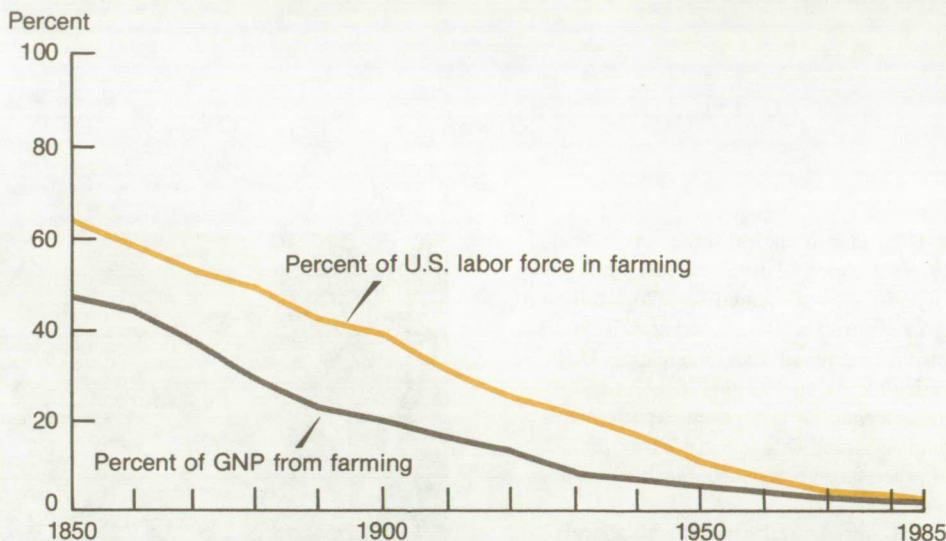




## Food and Fiber System Employment . . . At a Glance

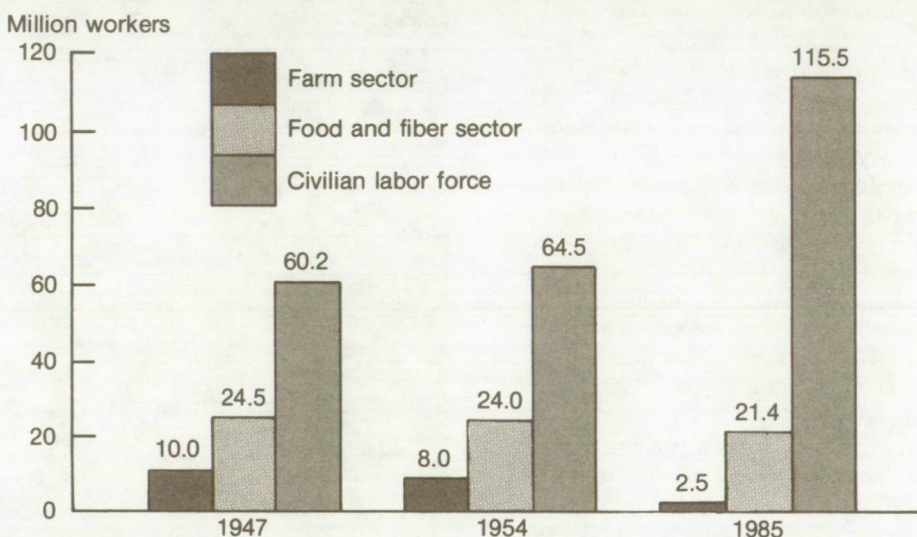
Until the Industrial Revolution, the U.S. economy—like that of all countries—was mainly agricultural. In 1850, agriculture accounted for 47 percent of the Gross National Product (GNP). In the same year, agriculture employed almost 64 percent of the labor force. Farming now claims about 3 percent of the total U.S. workforce and accounts for 2 percent of GNP.

### Farming's Share of U.S. Labor Force



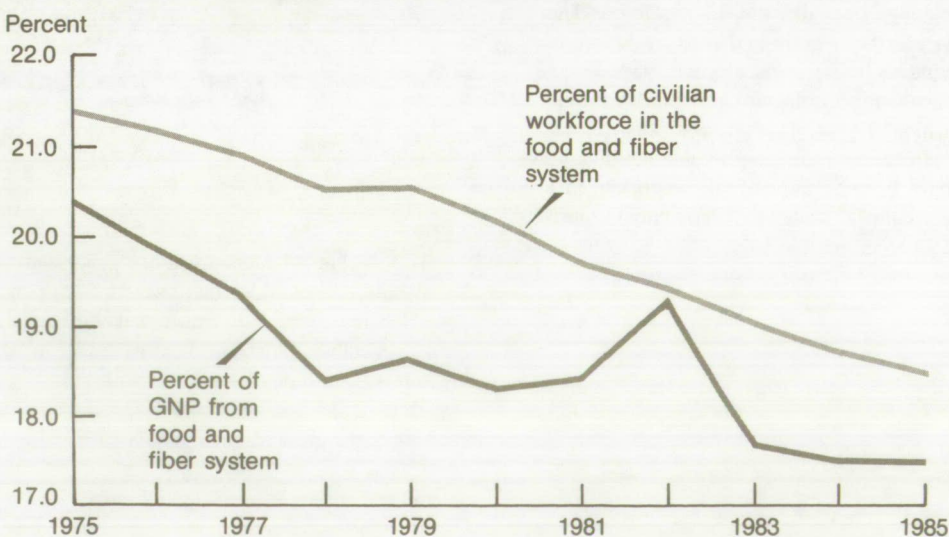
About 24.5 million people in the civilian labor force of 60.2 million worked in the food and fiber system in 1947. In 1954, despite growth in the national labor force, the figure remained nearly the same. By 1985, however, food and fiber employment had dropped 12.5 percent from 1947's total to 21.4 million people. During the same period, the size of the Nation's total civilian labor force grew 92 percent to 115.5 million.

### Distribution of Food and Fiber System Employment in the National Economy



The food and fiber system employed 18.5 percent of the civilian workers in 1985, down from 41 percent in 1947. The decline reflects a faster economic growth rate in other parts of the economy and perhaps a faster increase in value of output per worker in the system. The food and fiber system accounted for 17.5 percent of total GNP in 1985.

### The Food and Fiber System in the National Economy





# International Trade

World agricultural trade was valued at about \$210 billion last year. The United States accounted for \$26.3 billion in farm exports, while importing \$20.9 billion worth. The result was the smallest U.S. agricultural trade surplus in 14 years. A trade surplus in U.S. farm exports helps limit the trade deficit incurred by purchases of other foreign products, such as oil and cars.

U.S. agricultural exports rose sharply during the 1970's. In fiscal year 1970, the United States exported 63 million metric tons (mmt) valued at \$7 billion. By 1981, U.S. exports totaled 162 mmt valued at \$43.8 billion. However, the value of U.S. exports declined between 1981 and 1986 largely because of depressed world demand and a strong dollar. This made some U.S. commodities too costly for many import markets.

Nearly 50 percent of U.S. farm exports are for direct food use—wheat, rice, fruits and vegetables, and meat. As much as 35 percent of the exports are feed and farm inputs, and 15 percent are raw materials, such as cotton, tobacco, cattle hides, and edible tallow.

Grains and grain products dominate U.S. agricultural exports, accounting for more than 40 percent of the total value and about 70 percent of the volume shipped. Grains go to a diverse group of countries, including developed, developing, and centrally planned ones like the Soviet Union. The largest U.S. grain and feed markets (on a volume basis) in fiscal year 1986 were Japan, the European Community, the Soviet Union, Egypt, Taiwan, and South Korea.

In recent years, high-value commodities have become increasingly important in U.S. agricultural trade. In 1986, they comprised 59 percent of the value of U.S. agricultural exports, up from 46 percent in 1982.



High-value products are those processed and bulk commodities that exceed \$400 per ton. Examples include meats, canned fruits and vegetables, soybean meal as feed for broilers, and hides for shoes. Bulk items such as fruits and vegetables, eggs, and dried beans are also included.

Currently, semiprocessed products, mostly oilseed meal, vegetable oils, and rice, make up about half the annual high-value trade. Highly processed, consumer-ready products such as dairy products, beverages, and cereal preparations, account for about a third. The rest is made up of unprocessed, consumer-ready, high-value bulk products such as fruits and vegetables.



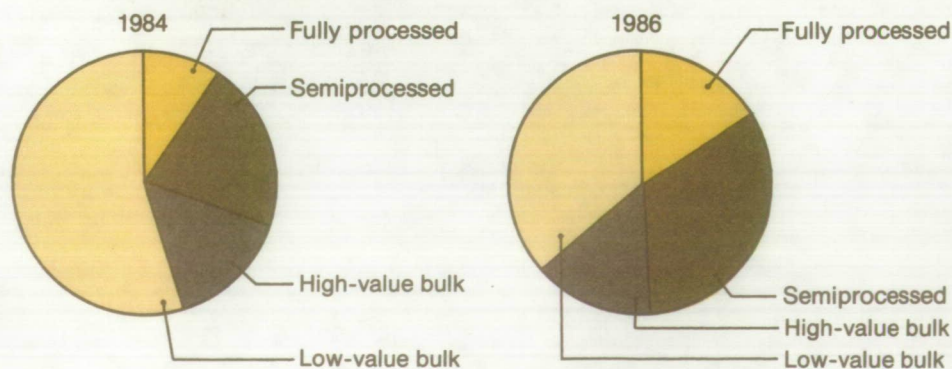
Selected U.S. Agricultural Exports by Degree of Processing, 1984-86<sup>1</sup>

	1984	1985	1986		1984	1985	1986
<i>Million dollars</i>				<i>Million dollars</i>			
Total U.S. Exports	37,804.4	29,041.5	26,064.1	Semiprocessed continued:			
Fully processed <sup>2</sup>	3,683.7	3,686.8	4,175.3	Other grain prods.	130.0	119.9	125.8
Meats and products	928.1	904.8	1,113.3	Hops	50.5	51.8	51.5
Poultry meats	282.0	249.2	312.1	Oilseed meal	1,027.8	888.2	1,245.5
Dairy products	373.7	432.5	438.0	Vegetable oils	1,269.9	869.5	668.7
Dried fruits	161.2	169.2	201.5	Sugar and prods.	136.1	128.9	165.8
Frozen fruits	14.2	11.0	15.5	Essential oils	92.1	106.6	106.9
Canned fruits	72.8	55.4	66.3	Other misc. veg. products	105.6	122.2	106.1
Other fruits, prep	16.9	18.8	21.0	High value bulk	5,612.0	4,761.8	3,806.7
Fruit juices	219.8	189.0	148.6	Eggs	52.3	55.2	80.8
Nuts and prep.	604.4	683.3	743.4	Fresh fruit	758.0	742.8	844.0
Frozen vegetables	95.8	92.3	122.2	Fresh vegetables	295.0	218.2	233.5
Canned vegetables	103.5	94.5	103.4	Pulses	187.2	187.0	252.2
Other veks., prep.	269.5	285.9	321.4	Tobacco	1,511	1,520.6	1,209.5
Spices	22.2	20.2	20.6	Cotton and linters	2,455.9	1,651.6	785.8
Tea and mate	14.6	13.4	17.5	Seeds	330.1	364.2	377.0
Flavoring sirups	202.8	171.7	211.1	Rubber	21.3	21.1	23.1
Coffee	95.4	90.5	93.7	Fibers	1.1	1.0	.9
Cocoa	16.1	11.7	9.2	Low value bulk	20,692.7	13,769.2	10,712.2
Chocolate preps.	63.1	56.6	72.3	Wheat	6,473.0	3,606.8	3,005.6
Beverages	64.0	81.5	81.8	Bulgur wheat	38.0	103.4	61.6
Semiprocessed <sup>2</sup>	7,816.0	6,823.7	7,369.9	Feed grains	8,110.2	6,023.0	3,100.0
Wheat flour	219.3	178.9	204.4	Oilseeds	6,071.5	4,036.0	4,545.0
Other wheat prods.	9.7	8.6	6.6				
Rice	845.5	665.0	621.4				
Blended food prods.	59.9	73.5	46.5				

<sup>1</sup>Calendar years. <sup>2</sup>Includes products not listed.

Contact: Steve Millmoe (202) 786-1622

## Shares of the Value of U.S. Agricultural Exports, by Degree of Processing





### Value of U.S. Foreign Trade and Trade Balance, Fiscal Years

Year	U.S. Exports <sup>1</sup>			U.S. Imports <sup>2</sup>		
	Agricultural	Nonagricultural	Total	Agricultural	Nonagricultural	Total
<i>Million dollars</i>						
1968	6,331	26,426	32,757	4,933	26,755	31,688
1969	5,751	29,637	35,388	4,831	30,300	35,131
1970	6,958	34,337	41,295	5,686	33,379	39,065
1971	7,955	35,928	43,883	6,128	38,744	44,872
1972	8,242	36,633	44,875	5,936	45,926	51,862
1973	14,984	47,759	62,743	7,737	57,521	65,258
1974	21,559	69,423	90,982	10,031	81,995	92,026
1975	21,817	83,178	104,995	9,435	89,251	98,686
1976	22,742	89,047	111,789	10,492	103,743	114,235
1977	23,974	95,144	119,118	13,357	129,061	142,418
1978	27,289	104,270	131,559	13,886	152,095	165,981
1979	31,979	135,839	167,818	16,186	177,424	193,610
1980	40,481	169,846	210,327	17,276	223,590	240,866
1981	43,780	185,423	229,203	17,218	237,469	254,687
1982	39,097	176,308	215,405	15,485	233,349	248,834
1983	34,769	159,373	194,142	16,373	230,527	246,900
1984	38,027	170,014	208,041	18,916	297,736	316,652
1985	31,201	179,236	210,437	19,740	313,722	333,462
1986	26,324	176,614	202,938	20,875	342,855	363,730

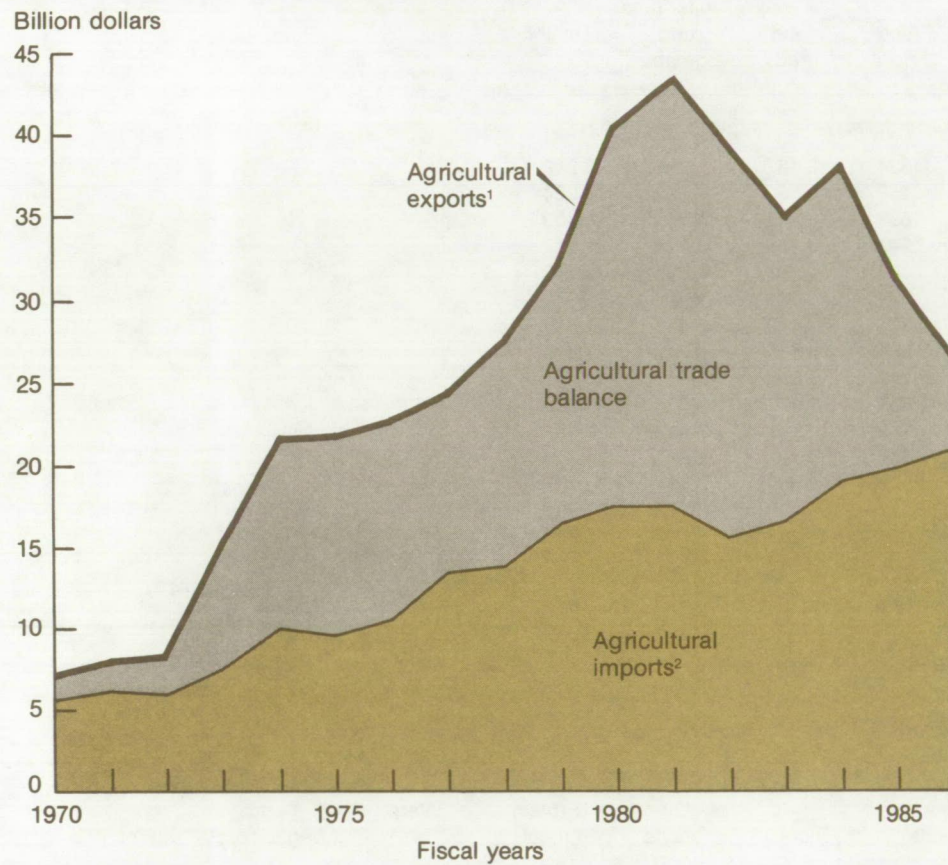
<sup>1</sup>Domestic exports. Beginning October 1, 1973, includes Department of Defense grant-aid. <sup>2</sup>Imports for consumption, customs value basis.

Source: *Foreign Agricultural Trade of the United States, Fiscal Year 1986 Supplement*. USDA, ERS. March 1987.

Contacts: Steve Milmoe (202) 786-1622 or Steve MacDonald (202) 786-1622.





**Agricultural Exports, Imports, and the Trade Balance, 1970-86**

<sup>1</sup> Domestic exports.

<sup>2</sup> Imports for consumption.





## Value of Selected U.S. Commodity Exports, Fiscal Years 1972-86

Year <sup>1</sup>	Animals and prods.	Wheat and prods.	Feed grains and prods.	Rice	Oilseeds and prods.	Fruits, nuts and vegetables	Total <sup>2</sup>
<i>Million dollars</i>							
1972	1,062	1,149	1,326	334	2,137	758	8,242
1973	1,438	3,284	3,017	439	3,663	893	14,984
1974	1,826	4,652	4,480	839	5,552	1,212	21,559
1975	1,666	5,292	4,904	941	4,753	1,374	21,817
1976	2,207	4,787	6,010	607	4,692	1,532	22,742
1977	2,646	3,054	5,391	704	6,388	1,724	23,974
1978	2,828	4,139	5,751	873	7,440	1,913	27,289
1979	3,643	4,862	6,709	884	8,555	2,247	31,979
1980	3,771	6,633	9,169	1,170	9,811	3,041	40,481
1981	4,107	8,052	10,497	1,537	9,305	3,558	43,780
1982	4,075	7,675	7,051	1,149	9,545	3,412	39,097
1983	3,748	6,223	6,582	874	8,721	2,871	34,769
1984	4,218	6,783	8,217	897	8,602	2,816	38,027
1985	4,075	4,526	6,884	677	6,195	2,832	31,201
1986	4,367	3,546	3,819	648	6,266	2,915	26,324

<sup>1</sup>Year ending September 30. <sup>2</sup>In addition to products listed, includes cotton, tobacco, feeds and fodders, seeds and refined sugar.

Contacts: Steve Milmoie (202) 786-1622 and Steve MacDonald (202) 786-1622.

## Volume of Selected U.S. Commodity Exports, Fiscal years 1972-86

Year ending Sept. 30	Animal products <sup>1</sup>	Wheat and products <sup>2</sup>	Feed grains and products	Rice	Oil-seeds	Protein meal	Veg. oils <sup>3</sup>	Fruits, nuts and vegetables <sup>4</sup>	Total <sup>5</sup>
<i>Thousand metric tons</i>									
1972	1,720	18,572	24,922	1,868	11,526	3,670	1,046	2,292	69,272
1973	1,552	37,343	39,604	1,675	13,501	4,652	1,044	2,383	106,572
1974	1,656	27,806	39,347	1,696	15,876	5,316	1,142	2,485	99,886
1975	1,547	30,405	35,351	2,217	12,074	4,075	988	2,773	93,527
1976	1,683	31,127	50,145	1,953	15,751	4,870	966	3,155	114,104
1977	2,127	25,384	50,908	2,317	15,998	4,263	1,223	3,235	111,866
1978	2,083	33,627	55,945	2,276	21,149	5,839	1,532	2,926	131,327
1979	2,077	32,984	59,818	2,396	21,908	6,293	1,563	2,901	137,437
1980	2,509	37,211	71,549	2,955	26,144	7,599	1,854	3,301	163,463
1981	2,685	43,592	69,516	3,172	21,595	6,590	1,617	4,024	162,011
1982	2,603	45,570	58,179	2,911	27,176	6,555	1,666	4,509	160,194
1983	2,488	38,462	53,769	2,276	26,039	6,688	1,596	3,699	147,147
1984	2,510	42,975	55,546	2,293	20,466	5,060	1,435	3,458	145,924
1985	2,346	29,652	55,362	1,972	17,886	4,606	1,311	3,328	125,967
1986	2,599	27,020	36,288	2,382	20,684	5,588	1,284	3,471	109,941

<sup>1</sup>Excludes live animals, hides and skins, and eggs. <sup>2</sup>Includes flour and bulgur. Not converted to grain equivalents. <sup>3</sup>Includes vegetable-oil based waxes. <sup>4</sup>Excludes fruit juices. <sup>5</sup>In addition to products listed, includes feeds and fodders, cotton and linters, unmanufactured tobacco, grass and vegetable seeds, blended food products, and sugar products.

Source: *Foreign Agricultural Trade of the United States. Fiscal Year 1986 Supplement*. USDA, ERS, March 1987.

Contacts: Steve Milmoie (202) 786-1622 or Steve MacDonald (202) 786-1622.



## Value of Selected U.S. Commodity Imports, Fiscal Years 1972-86

Year <sup>1</sup>	Bananas	Coffee (green)	Cocoa and products	Meats and products <sup>2</sup>	Fruits, nuts and vegetables	Sugar	Wine and malt bev.	Veg. oils and waxes	Total <sup>3</sup>
<i>Million dollars</i>									
1972	183	1,035	221	1,125	615	813	207	167	5,936
1973	189	1,511	300	1,451	771	862	317	191	7,737
1974	201	1,624	438	1,607	821	1,669	341	440	10,031
1975	216	1,413	435	1,085	763	2,348	336	549	9,435
1976	264	2,234	595	1,435	877	1,248	432	466	10,492
1977	310	3,974	877	1,289	1,202	916	545	545	13,357
1978	336	3,466	1,265	1,597	1,439	881	710	458	13,886
1979	378	3,644	1,287	2,476	1,663	852	912	607	16,186
1980	407	4,166	968	2,277	1,653	1,619	1,035	560	17,276
1981	501	2,800	953	2,222	1,966	2,170	1,131	522	17,218
1982	553	2,620	707	2,024	2,225	1,177	1,218	425	15,485
1983	554	2,652	825	2,092	2,418	974	1,317	399	16,373
1984	627	3,091	1,056	1,931	2,953	1,144	1,510	683	18,916
1985	713	3,048	1,285	2,214	3,481	912	1,550	670	19,740
1986	700	4,151	1,164	2,248	2,493	654	1,782	555	20,875

<sup>1</sup>Year ending September 30. <sup>2</sup>Excludes poultry. <sup>3</sup>Includes products not listed.

Contacts: Steve Milmoie (202) 786-1622 and Steve MacDonald (202) 786-1622.

## Volume of Selected U.S. Commodity Imports, Fiscal Years 1972-86

Year <sup>1</sup>	Bananas	Coffee (green)	Cocoa and products	Meat and products <sup>2</sup>	Fruits <sup>3</sup>	Sugar	Vegetable oils <sup>4</sup>
<i>Thousand metric tons</i>							
1972	1,854	1,145	415	862	588	4,784	528
1973	1,896	1,314	397	879	636	4,613	523
1974	2,000	1,245	351	812	616	5,184	471
1975	1,902	1,144	305	759	590	3,805	721
1976	2,063	1,196	418	853	632	3,925	1,061
1977	2,099	982	339	782	760	4,553	881
1978	2,236	951	338	872	795	4,381	665
1979	2,320	1,193	350	1,007	886	4,184	629
1980	2,333	1,105	315	912	855	3,920	545
1981	2,442	987	431	905	755	3,746	733
1982	2,557	1,023	355	902	868	3,460	627
1983	2,417	1,026	463	938	945	2,564	650
1984	2,615	1,087	449	905	1,170	2,829	665
1985	2,910	1,091	538	1,123	1,315	2,338	711
1986	2,915	1,185	499	1,139	1,444	1,905	993

<sup>1</sup>Year ending September 30. <sup>2</sup>Excludes poultry. <sup>3</sup>Fresh, frozen preparations, and preserves. <sup>4</sup>Coconut, palm, and palm kernel oil.

Contacts: Steve Milmoie (202) 786-1622 and Steve MacDonald (202) 786-1622.



## Leading Ten Export States By Commodity, Fiscal Year 1986

Soybeans and prod.	Wheat and prod.	Live ani- mals and meat <sup>1</sup>	Fruits and prep.	Veg. and prep.	Rice	Poultry and prod.	Dairy prod.	Total <sup>2</sup>
<i>Million dollars</i>								
Illinois \$1,015.9	N. Dakota \$678.0	Kansas \$678.0	California \$739.4	California \$416.0	Arkansas \$296.5	Arkansas \$56.7	Wisconsin \$112.9	California \$2,408.8
Iowa \$822.5	Kansas \$643.0	Texas \$169.0	Florida \$223.4	Washington \$115.3	Texas \$101.7	Georgia \$52.6	Minnesota \$51.1	Illinois \$2,153.1
Indiana \$491.6	Texas \$283.7	Kentucky \$166.3	Washington \$70.6	Michigan \$58.2	Louisiana \$96.5	Alabama \$40.5	California \$49.7	Iowa \$2,059.2
Missouri \$479.2	Oklahoma \$244.9	Nebraska \$163.7	Arizona \$45.6	Wisconsin \$53.8	California \$76.6	N. Carolina \$38.9	New York \$25.0	Kansas \$1,539.3
Ohio \$426.5	Colorado \$204.2	Iowa \$92.5	Michigan \$33.9	Idaho \$52.4	Mississippi \$56.8	Indiana \$32.4	Pennsylvania \$22.8	Nebraska \$1,504.0
Minnesota \$424.9	Minnesota \$152.9	California \$55.0	Oregon \$32.7	Minnesota \$44.0	Missouri \$19.4	California \$30.1	Iowa \$13.7	Texas \$1,450.1
Arkansas \$260.4	S. Dakota \$141.8	Colorado \$52.5	Hawaii \$20.5	Oregon \$42.1		Mississippi \$23.2	Washington \$13.5	Minnesota \$1,268.9
Nebraska \$225.6	Nebraska \$133.1	Illinois \$47.3	New York \$16.4	Florida \$28.6		Texas \$20.9	Missouri \$11.7	Indiana \$1,094.5
Mississippi \$187.9	California \$123.9	Wisconsin \$41.6	Pennsylvania \$8.8	Colorado \$24.3		Maryland \$16.8	Ohio \$12.0	N. Dakota \$1,007.2
Tennessee \$120.2	Ohio \$117.8	Minnesota \$39.3	Texas \$8.7	Ohio \$24.0		New York \$16.3	Michigan \$10.6	Ohio \$974.7
U.S. \$5,573.4	U.S. \$3,546.2	U.S. \$1,356.7	U.S. \$1,237.0	U.S. \$1,000.1	U.S. \$647.5	U.S. \$455.3	U.S. \$429.6	U.S. \$26,324.7

<sup>1</sup>Excludes poultry. <sup>2</sup>Includes other commodities not shown.

Source: ERS estimates.

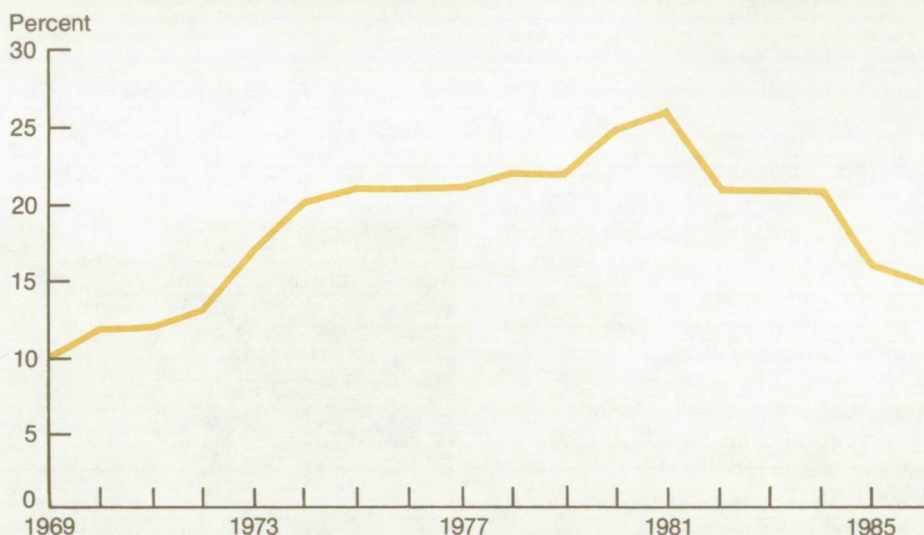
Contact: Steve Milmo (202) 786-1622.



## U.S. Agricultural Trade ... At a Glance

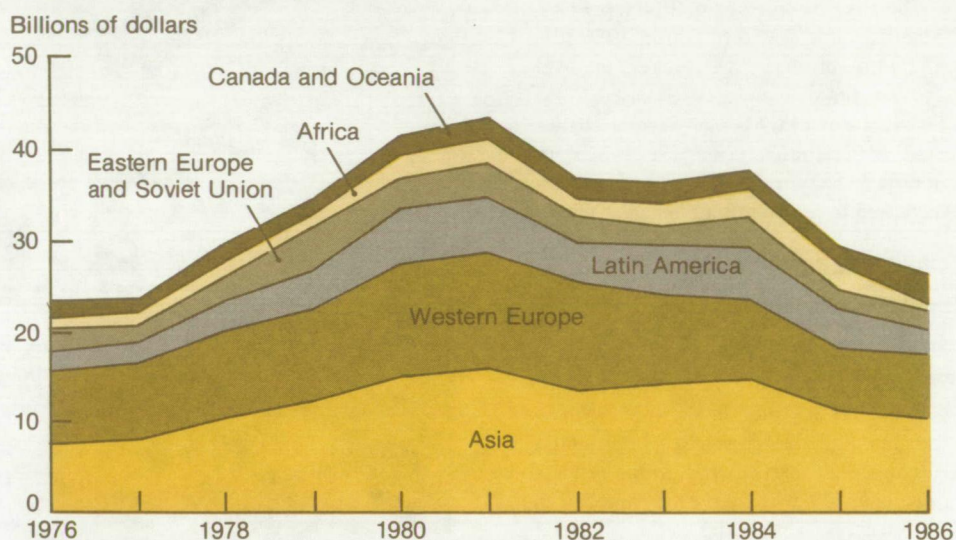
The share of farm production used for exports fell to 15 percent in 1986, the lowest level in 14 years. Declining U.S. agricultural exports and continued high agricultural production in 1986 caused the decline. The domestic market was unable to compensate for the drop in foreign demand, and farm prices consequently fell 9 percent, following a 10-percent decline in 1985.

### Share of U.S. Farm Production Exported



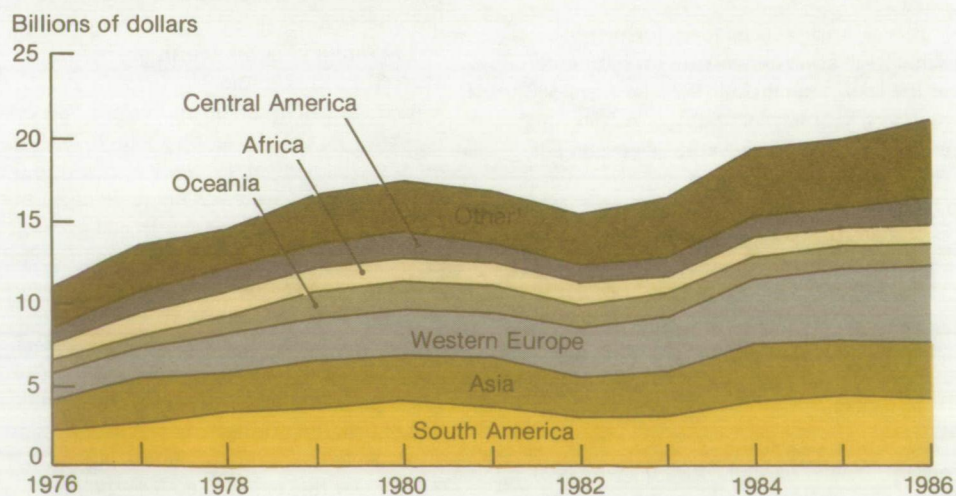
The United States shipped \$10.5 billion of farm products to Asia in 1986—primarily Japan, Korea, and Taiwan—making it the largest market for U.S. agricultural products for the ninth consecutive year. Sales to the USSR were down 66 percent, continuing the slide begun in 1984.

### Buyers of U.S. Farm Exports



Western Europe replaced South America as the largest supplier of agricultural products to the United States in 1986. Western Europe supplies wines, pork, beer, cheese, and cocoa products while South America sends coffee, orange juice, cocoa beans, bananas, and sugar.

### Suppliers of U.S. Farm Imports



<sup>1</sup> Other includes Canada, Mexico, Caribbean, and Eastern Europe.



# Domestic Food Programs

*The data reported here were released in February 1987 and are subject to revision. They cover participation and program costs for October-December 1986, compared with the same 3 months of 1985.*

An average of 19.2 million people participated in the Food Stamp Program each month between October and December 1986. This was 1 percent below the 19.4 million in the same quarter of 1985. Total program costs rose slightly to \$2.94 billion in 1986 from \$2.93 billion in 1985.

The Federal cost of Food Stamp Program benefits fell to \$2.65 billion in 1986 from \$2.66 billion in 1985. However, the average benefits of recipients increased to \$46.10 from \$45.90. The Federal share of State administrative costs rose to \$251 million from \$237 million, while other costs increased to \$38 million from \$34 million.

## Child Nutrition Programs

Participation in the National School Lunch Program increased to 24.3 million per day in the fourth quarter of 1986 from 24.1 million in 1985, an increase of 0.7 percent. Participation in the free lunch category fell 0.2 percent to 10.06 million. Average daily participation in the reduced price category was nearly the same for the two quarters—about 1.63 million. Participation by students who paid full price for lunches increased 1.6 percent to 12.6 million.

Federal cash expenditures for the National School Lunch Program rose to \$861 million in the last 3 months of 1986, up from \$831 million a year earlier. Schools participating in the program receive cash payments that vary from 135.5 cents per meal for free lunches to 13.5 cents for paid meals.

Schools also received 11.25 cents per meal in commodities, a decrease from 11.75 cents in 1985. The value of commodities distributed to schools rose slightly from \$144 million to \$145 million.

States are also eligible to receive commodities which were obtained from price support and surplus removal operations. These "bonus" commodities do not count against the State's mandatory allocation of



entitlement commodities. The value of bonus commodities donated to schools dropped to \$125 million in the fourth quarter of 1986 from \$127 million in 1985.

Average daily participation in the School Breakfast Program rose by about 182,000 in the last 3 months of 1986 for a total of 3.7 million. Approximately 83 percent of all school breakfasts are served free. Increased participation in the program boosted Federal payments to \$138 million compared to \$125 million a year earlier.

The total number of meals served under the Child Care Food Program rose from 170.3 million in the fourth quarter of 1985 to 179.8 million in the same quarter of 1986. Federal cash expenditures increased 9.8 percent to \$117.8 million in 1986.

Half pints of milk served under the Special Milk Program fell to 39.6 million in

the fourth quarter of 1986 from 41.9 million in the same months in 1985. As a result, Federal costs totaled \$3.7 million, down from \$4.1 million in 1985.

## Supplemental Food Programs

USDA operates two supplemental feeding programs for women, infants, and children. The largest, the Special Supplemental Food Program for Women, Infants, Children (WIC), had nearly 3.4 million participants in October through December 1986, up from 3.3 million a year earlier. While participation by women and children increased slightly, most of the rise came from an 8.2-percent increase in the number of infants in the program to 998,000.

Average monthly benefits per person in the WIC Program were \$32.01 in the fourth



quarter of 1986, about 50 cents higher than in 1985. Food costs in 1986 were \$326 million compared to \$313 million a year earlier. Total program costs rose to \$406 million from \$387 million.

The Commodity Supplemental Food Program (CSFP) provides supplemental food packages to low-income pregnant and postpartum women, children up to age six, and elderly persons. The program for women and children currently operates in 12 States and the District of Columbia. In the last 3

months of 1986, average participation by women and children in the CSFP fell by 5,000 to 135,000. At the same time, the total value of commodities distributed in this part of the CSFP rose to \$8.2 million from \$7.8 million largely because of an increase in bonus commodities.

An average of 40,400 persons participated in the elderly component of the CSFP in the

fourth quarter of 1986, more than double the total for October through December 1985. Monthly benefits averaged \$8.93 per person compared to \$8.95 in 1985. Food costs for the elderly increased from \$519,000 to \$1.1 million in 1986.

Masao Matsumoto  
(202) 786-1787

### Average Participation in USDA Food Programs

Program	Oct.- Dec. 1985	Oct.- Dec. 1986
<i>Millions</i>		
Food Stamp Program	19.3	19.2
National School Lunch Program	24.1	24.3
School Breakfast Program	3.5	3.7
Special Supplemental Food Program for Women, Infants, and Children (WIC)	3.3	3.4
Child Care Food Program <sup>1</sup>	1.1	1.1
Summer Food Service Program	NA	NA
<i>Thousands</i>		
Commodity Supplemental Food Programs		
Women and Children	140.0	134.5
Elderly Feeding	19.3	40.5
Food Distribution Program		
Indian Reservations		
Trust Territories	134	138

NA = Not available. <sup>1</sup>Average daily attendance in December.

Source: Monthly data from USDA's Food and Nutrition Service.





Federal Cost of USDA Food Programs, Fiscal Years 1984-86<sup>1</sup>

Year					1986 (Quarters) <sup>2 3</sup>				1987 <sup>2 3</sup>
	1984	1985	1986 <sup>2</sup>		I	II	III	IV	I
Family Food									
Food Stamps	10,700	10,744	10,611		2,662	2,691	2,668	2,590	2,694
Puerto Rico Assistance	825	829	824		206	206	206	206	214
Food Distribution									
Food Distribution on									
Indian Reservations	40	49	47		11	12	12	11	12
Schools <sup>4</sup>	832	819	867		278	272	162	155	278
Other <sup>5</sup>	234	215	280		43	50	88	99	50
Temporary Emergency Assistance	1,032	973	846		206	209	220	211	218
Cash in Lieu of Commodities <sup>6</sup>	135	136	146		37	37	36	36	37
Child Nutrition <sup>7</sup>									
School Lunch	2,506	2,579	2,716		831	827	693	365	861
School Breakfast	369	385	412		125	123	107	58	138
Special Food	440	491	532		107	111	131	184	118
Special Milk	17	16	16		4	4	4	4	4
WIC <sup>8</sup>	1,386	1,487	1,586		387	394	395	410	406
Total <sup>9</sup>	18,515	18,722	18,882		4,897	4,936	4,721	4,328	4,986

<sup>1</sup>Administrative costs are excluded unless noted. <sup>2</sup>Preliminary. <sup>3</sup>Quarterly data may not add to annual total because of rounding. <sup>4</sup>National School Lunch, Child Care Food, and Summer Food Service programs. <sup>5</sup>Commodity Supplemental Food Program, Elderly Feeding Pilot Project, Nutrition Program for the Elderly, and donations to charitable institutions. <sup>6</sup>Child nutrition programs and the Nutrition Program for the Elderly. <sup>7</sup>Cash expenditures. <sup>8</sup>Special Supplemental Food Program for Women, Infants and Children. Includes administrative costs. Program data may not add to totals because of rounding.

Source: Compiled from monthly data from the Food and Nutrition Service, USDA.

## People Living in Poverty, By Area of Residence

Area	1959		1969		1980		1985 <sup>1</sup>	
	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
U.S. total	38,776	100.0	24,147	100.0	29,272	100.0	33,064	100.0
Metro area <sup>2</sup>	17,019	43.9	13,084	54.2	18,021	61.6	23,275	70.4
Central cities	10,437	26.9	7,993	33.1	10,644	36.4	14,177	42.9
Nonmetro area	21,747	56.1	11,063	45.8	11,251	38.4	9,789	29.6

<sup>1</sup>In 1985, the classifications of metro and nonmetro were updated. As a result, more than one-quarter of nonmetro residents were reclassified as metro. <sup>2</sup>Includes central cities, suburbs, and rural fringe of metropolitan areas.

Sources: U.S. Department of Commerce, Bureau of the Census. *Money, Income, and Poverty Status of Families and Persons in the United States*, 1980. Series P-60, No. 132.

U.S. Department of Commerce, Bureau of the Census. *Current Population Reports, Consumer Income Characteristics of the Population Below the Poverty Level*, 1976. Series P-60, No. 115.

U.S. Department of Commerce, Bureau of the Census. *Current Population Reports, Consumer Income, Money Income, and Poverty Status of Families and Persons in the United States*: 1985. Series P-60, No. 154.

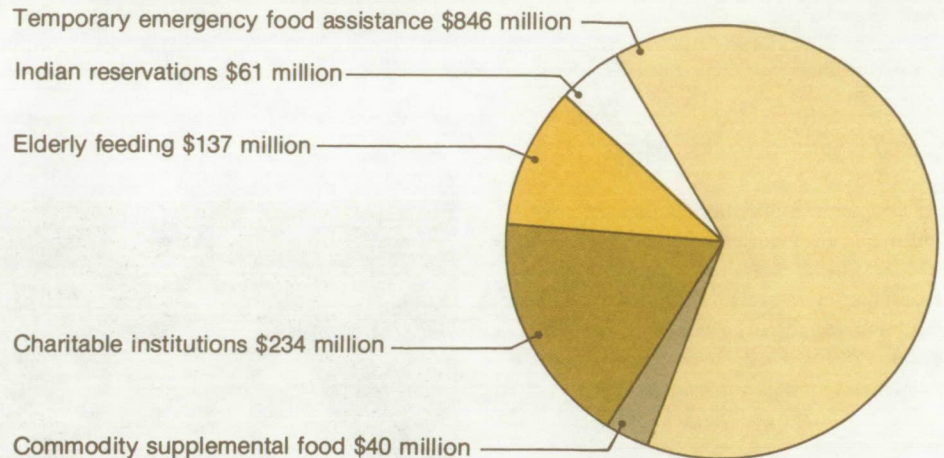
Contact: Linda Swanson (202) 786-1534



## Food Assistance Programs . . . At a Glance

Nearly \$1.31 billion in food was donated under various food distribution programs during fiscal year 1986. About \$846 million was distributed under the Temporary Emergency Food Assistance Program. This program distributes surplus commodities to low income U.S. households. Its dual goals are to provide nutritional assistance to needy people while reducing Federal surplus inventories and storage costs.

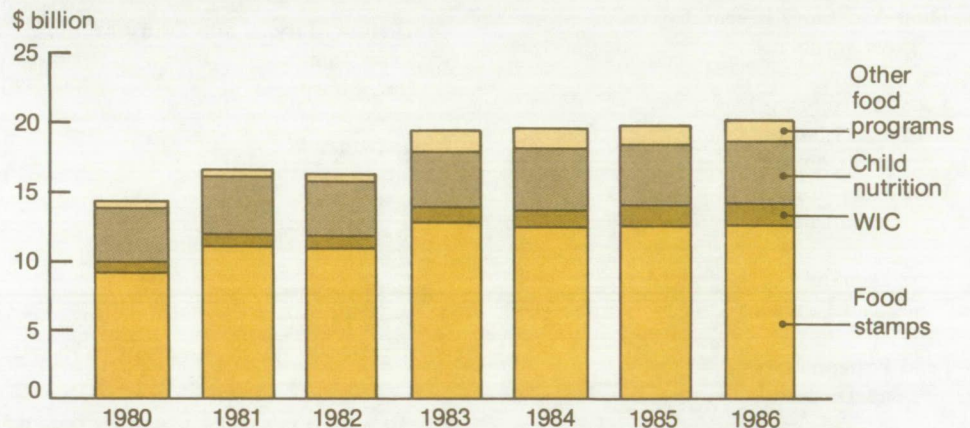
### Food Donation Costs, Fiscal Year 1986



1986 preliminary fiscal year data. Excludes child nutrition programs.

Expenditures for USDA food assistance programs have increased about 42 percent since 1980. Spending for the Food Stamp Program rose from \$34 per recipient to \$46. Expenditures for the Special Supplemental Food Program for Women, Infants, and Children rose 119 percent between 1980 and 1986.

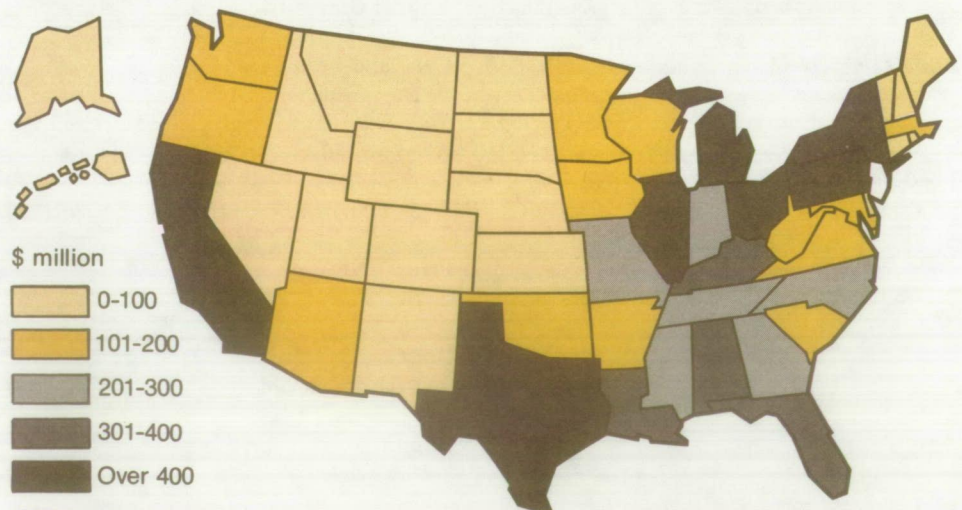
### USDA Costs for Food Assistance



1986 estimated. Fiscal years. *Other programs* include administrative costs and surplus commodities. *Food stamps* include cash assistance for Puerto Rico. *WIC* is Special Supplemental Food Programs for Women, Infants, and Children.

Assistance under the Food Stamp Program depends on a State's population and economic condition. Thirty States received more than \$100 million Federal food stamp assistance during fiscal 1985. Eight States in the Southeast and Midwest received \$201 to \$400 million. Assistance to seven States, including California, Texas, and New York, totaled more than \$400 million each.

### Expenditures for Food Assistance for the Food Stamp Program by State



1985 fiscal year data.



# Dialing the Experts. . .

If you need information or data on anything from the food industry to world trade, the Economic Research Service has a host of economists and other specialists who can help you. Use the list below as your guide. The area code for all the telephone numbers is 202.

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<b>Food Away From Home</b>	
Harold Linstrom	786-1864
<b>Food Consumption</b>	
Judy Putnam	786-1866
<b>Food Demand</b>	
Richard Haidacher	786-1862
<b>Food Expenditures</b>	
Denis Dunham	786-1870
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Charles Handy	786-1862
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<b>Food Aid</b>	
Ray Nightingale	786-1705
<b>U.S. Exports and Imports</b>	
Steve Milmoie	786-1622
Steve MacDonald	786-1622



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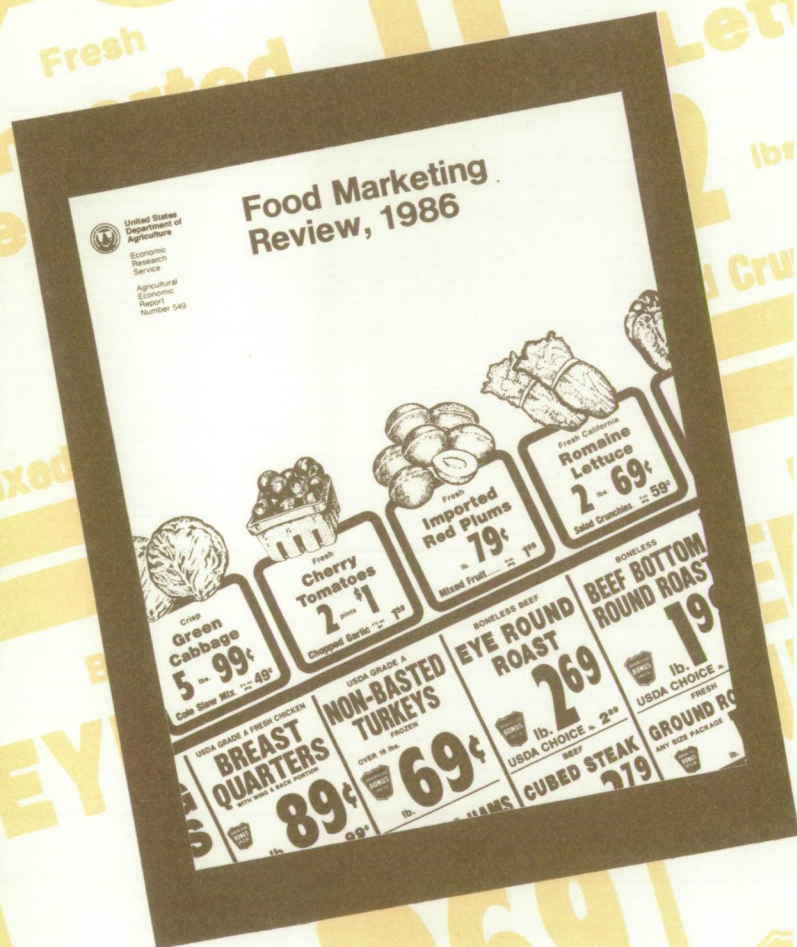
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