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# Minnesota AGRICULTURAL ECONOMIST



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## Consumer Movement and Farm and Food Policy

Jean Kinsey\*

*"The trouble with tomorrow is that the future is not what it used to be."*

In recent years, consumers have been heard complaining bitterly about a variety of inequities and price increases. Some of these complaints are against the food industry which ultimately includes the producer of food or the farmer. Many farmers as well as business people from other sectors of our economy have expressed sincere shock at finding consumer discontent at a time of high standards of living. Some believed they were doing everything possible to provide quality goods and services in quantities desired by consumers. In addition, management of the national economy has enabled household discretionary income to rise over the years which has increased the ability of consumers to choose their own areas of spending. Nevertheless, vocal members of a viable consumer movement have succeeded in pinpointing some fundamental economic and social issues. Subsequently, business practices and government policies have been changing in response to these consumers' concerns.

This article will discuss some of the common ground between consumers and producers of food, some basic concerns of each group, and suggest the types of compromises likely.

### SIMILARITIES OF CONSUMERS AND FARMERS

Nearly everyone reading this article is paid money as a producer of goods or services. They will use that money to return to the marketplace as consumers. Each person has a unique idea about the relative importance of each of these roles, and whether their residence is rural or urban, similar consumer problems occur.

Consumers, as a group, are in an economic position very similar to that of family farmers. The number of consumers is very large, and the number of sellers from which they buy is relatively small and well organized. Individually, consumers have little or no control over the market in which they trade, and individual self-interests preclude effective organization. Some local attempts to organize have produced consumer organizations which have engaged in study and research, in complaint handling, in political action, or in cooperative buying. But, traditionally, consumer groups have been small and without national networks for coordinating efforts.

There are many explanations for this lack of effective organization. One of the fundamental reasons is that few identify themselves first and foremost as consumers even though it is a role everyone plays. Society accords much more status to the "lavish" rather than the "wise" consumer. The social payoff for being a budget-minded, price

conscious or resource conserving consumer is relatively small for most individuals. Another reason consumer groups have not attracted a large number of members is a tradition in the American marketplace which defines the consumers' role as a passive one. It has not been considered proper behavior for a consumer to ask too many questions or to suggest a lower price.<sup>1</sup> Consumers were led to believe that they should trust sellers to deliver fairly priced and efficacious goods and services or, if they couldn't trust the sellers directly, trust the government to enforce fair play in the marketplace. Consumers believed a democratic government existed to serve consumer as well as citizen needs, and they asked for protection and equal rights in a marketplace where mutual trust no longer seemed to work.

Producers in general, and farmers specifically, have long believed government existed to serve their needs. Over the past 50 years farmers have received benefits of legislation and regulations designed to develop the productive resources of this nation: legislation which provided income subsidies, risk reduction, tariff protection, and research and information systems. Both farmers and consumers turned to government to accomplish what they could not do for themselves.

Legislation designed to protect the farming interest began as early

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<sup>1</sup> One exception to this implicit rule is in the marketplace for automobiles.

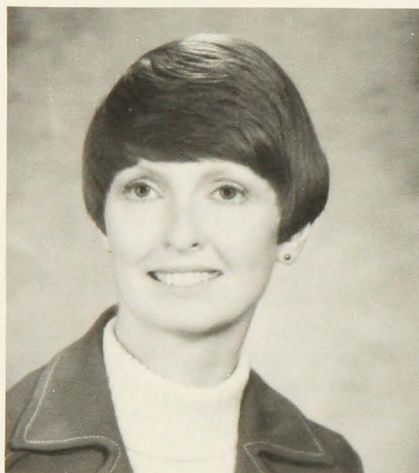
as 1929 and has been updated regularly, largely through the efforts of a few farm organizations and the existence of a federal agency designed to watch out for the welfare of farmers, namely the U.S. Department of Agriculture (USDA). In contrast, it was the early sixties before consumers were recognized as a constituency at the executive level of the White House and a federal agency for consumer affairs has still not been established. Legislation favorable to consumers has been passed very cautiously and the regulatory agencies established by such legislation turned out to be extremely vulnerable to control by the very industry they were supposed to be regulating. Therefore, consumers found themselves feeling increasingly helpless and alienated in the market for both private and public goods.

## CONSUMERS' CONCERNS

Ninety-six percent of all consumers now live in nonfarm or urban households and work for relatively steady salaries. Their primary experience with the market is as consumers. These households have goals, values, and dreams which depend on the ability to save a portion of their income and to increase future spending. When the cost of necessities such as food increases and real incomes decline, frustration sets in. Dreams are shattered, attitudes become more aggressive, and answers are sought.

Between 1973 and 1975 real incomes declined by about 1 percent. This has been alleviated somewhat by 1977. Over the past year the consumer price index rose 4.8 percent while personal disposable income increased 9.3 percent leaving a 4.5 percent increase in real income.<sup>2</sup> In Minnesota the median income for a family of four increased from \$14,911 in 1976 to \$15,792 in 1977. Based on the national increase in the Consumer Price Index, this is a 1.1 percent increase in the real median income in Minnesota over the

past year.<sup>3</sup> On the national level, much of the increase in family income has been due to two paycheck households. In families where the wife works fulltime, her contribution averages 40 percent of the total earnings. Fifty-five percent of the families where annual earnings range from \$15,000-\$50,000 contain a working wife.<sup>4</sup> It appears that much of the motivation for wives working outside the home is an attempt to lift family income above the median or at least to keep their own family's real income from falling during rapid inflation.



Jean Kinsey

However, earning more income does not ease and may increase consumer problems. The consumer movement has often been accused of being middle class and to the extent that educated people have been its mainstay, this is true. The more consumers interact with the market the more they become aware that influence in the marketplace is not tipped in their favor, and the rich as well as the poor are fed up with experiencing impersonal sales transactions, sloppy service, useless information, and rapidly rising prices. Authors of so-called muckraking literature, news reporters, educators, Ralph Nader, and many groups precipitated by his action (including Minnesota Public Interest Research Group) have been the voices of frustrated consumers for years. Some labor unions (as long as there is no

conflict with job availability or income), government and business employees hired to look after consumers' welfare, and some legislators have backed consumer causes. Consumer advocates have been accused of being self appointed demagogues and of not really speaking for individual consumers. The Harvard Business School in conjunction with Louis Harris Associates, Inc. conducted a 1976 study which questioned whether consumer advocates and consumer representatives in government and business reflected the views of the consuming public.<sup>5</sup> It was found that they do, although the activists tended somewhat to exaggerate consumers' concerns. It was also found that business managers greatly underestimated consumers' frustrations and problems. A list of items upon which a majority of all the groups surveyed agreed includes:

- Mandatory education in consumer affairs should take place at the high school level.
- Corrective advertising should be done by companies which falsely advertise merchandise.
- Consumer advocates should consider the costs of demands.
- Consumers need help in looking after their own interests; they cannot do it alone.
- Consumers do not always use the information available to them and do misuse products through negligence or carelessness.

A majority of all groups including the public but excluding business-associated groups agreed on the following items:

- An independent testing center for products would be helpful.
- All companies should have a board member or senior executive designated to look after consumers' interests.
- It is desirable to have community complaint bureaus and a federal Agency for Consumer Advocacy.

<sup>2</sup> *Federal Reserve Bulletin*, July 1977. Real income refers to the purchasing power of a dollar and says nothing about the distribution of income among households.

<sup>3</sup> *Federal Register*, Vol. 42, No. 22, pp. 6416-17.

<sup>4</sup> *Finance Facts*, April 1977, published by the National Consumer Finance Association.

<sup>5</sup> *Consumerism at the Crossroads*, printed and commissioned by Sentry Insurance Co.

- Businesses will do nothing to help consumers if it reduces profits unless forced to by some form of government regulation.

No clear preference for or against regulation was evident but most consumers thought they would be worse off without it. A more direct involvement by individual consumers in regulatory policy was found to be desirable.<sup>6</sup>

Obviously, those voicing consumers' concerns will not always represent the wishes of all consumers; yet, this does not diminish their value. Recall that the inability of both farmers and consumers to cope with an unregulated market stems not only from their large numbers and geographic dispersion but from a diversity of individual philosophies within each group. Just as two members of the National Farmers Union may not agree with their representative's recommendation to support the food stamp program<sup>7</sup> individual consumers will disagree about which takes precedence: safe products, low prices, or increased government regulation. In spite of considerable disagreement about the best methods of solving consumers' problems and the wide dispersion of loosely organized consumer groups, consumer spokespersons have generally agreed on the value of the following programs designed to:

- Make available, at little or no cost, more factual information about products. In fact, the lack of accurate information on the consumer side of the market is often considered the root cause of economic inequities.

- Establish grade labeling at the retail level.
- Increase consumer education.
- Increase independent product testing and make the results available by brand name.
- Promote legislation to protect consumers against fraud and misrepresentation.
- Promote more efficient anti-monopoly legislation and enforcement.
- Minimize the frustration in redress procedures.
- Increase the representation of consumers on executive boards of businesses and decisionmaking groups at all levels of government.
- Establish a Federal Department of Consumers, currently called the Agency for Consumer Advocacy, which would represent consumer interests with federal agencies.

## COLLECTIVE CONCERNS

Consumerism is a broad based and often unifying political issue and some politicians have found that backing consumer issues has paid off at election time. Consumerism is seen as synonymous with improvement of the public's well-being and this is encouraging lawmakers and news reporters to speak out for the consumer. Consumer problems increasingly involve social questions and concern those worried about losing control over individual destinies while they learn to cope with collective problems. Consumerism is tied to larger issues such as ecology, transportation, energy, anti-trust law enforcement, white collar crime, and government protection of minority interests at the expense of the majority. These problems cannot be solved at all by individuals and only very slowly by governments. This implies that consumerism is destined to endure for some time. It will also endure because new and more technical products are continuing to be produced which continues to raise new questions about quality, use, and safety. In addition the organizational structure of businesses, including farms,

continues to move in the direction of conglomerates, which makes it increasingly difficult for consumers to know who should receive the credit or blame for the products they buy or the service they receive. In fact, one of the results of large scale organizations is the complete dissolution of responsibility for quality of product or service. Consequently, consumers have turned to legal action when they have been wronged and the phenomena of class action, malpractice, and product liability suits have become commonplace.

## CONCERNS ABOUT THE FOOD INDUSTRY

### Environment

The food industry has produced its fair share of new products and technological changes all the way from fertilizer plants to the supermarket. Although most of these changes have improved the productivity of agriculture and have contributed to the relatively low food costs for consumers, some of the innovations cost society in other ways. Surface and underground water pollution is one major concern as is the heavy dependence on petro-chemicals for fertilizer and for energy. Although it is estimated that food production uses only 2.9 percent of the total BTU's in the U.S.,<sup>8</sup> increased competition for limited amounts of oil will drive up the price which in turn will increase the price of food to consumers.

Many of the technological changes in the food industry have been in the food processing and delivery system. Some of these changes have also given rise to environmental concerns, such as packaging that is not biodegradable and aerosol cans of fluorocarbons that may destroy the atmosphere. Consumers as well as producers must trade off shortrun convenience for longrun health and safety and the choice is not always easy.

### Health and Safety

Health and safety are probably the oldest and most basic consumer issues. Consumers rely heavily on

<sup>6</sup> This should be a familiar tune to farmers. E.A. Jaenke in making recommendations for the 1977 National Food Policy stated, "To overcome Government distrust, to bring farmers back into the decisionmaking structure, a new system must be instituted to provide farmers with a larger role in formulating farm policy, reaching decisions required by the policy, and administering necessary programs." *Farm and Food Policy 1977*, Committee on Agriculture and Forestry, U.S. Senate, September 15, 1976, p.31.

<sup>7</sup> Lewis, Robert G., "New Policies for American Agriculture," p. 74 in *Farm and Food Policy 1977*, Committee on Agriculture and Forestry, U.S. Senate, September 15, 1976.

<sup>8</sup> Washington Newsletter, No. 1751, April 22, 1977.

the sanitation practices of food producers and handlers and restaurant operators and on government enforcement of sanitation laws. They rely heavily on the good sense of food producers and processors and government regulators for food that is healthy—food that does not contain harmful additives or residues. Yet, consumers are beginning to rebel against the banning of some food (and drug) products by government agencies. It is the opinion of the author that this rebellion is not because consumers do not care about longrun health and safety issues, but because they perceive the risks of using certain products as being small compared with the pleasures received. They believe individuals have the right to choose for themselves when to take or avoid those risks. When consumers have sufficient information to make rational individual decisions it appears they do not want to be protected from themselves. However, in most instances, it is easier to be able to rely on the enforcement of paternalistic laws and/or the benevolence of the seller.

### Prices and Choice

Consumers' first contact with the food they eat is usually in the grocery store or the restaurant.<sup>9</sup> They purchase it regularly with a large portion of their incomes. Consequently, they are sensitive to changes in food prices and in food quality as well as to changes in the quality of services accompanying food delivery. At the grocery store such things as unit pricing, prices appearing on individual items even if the universal product code is being used, and open dating aid consumers in selecting the best values. Also, additional information on labels

concerning drained weight, ingredients, and nutrients helps the consumer make some sort of rational choice among a multitude of food products.

It has often been reported that the American family spends only 16 percent of its disposable income on food and that this is a low percentage compared with other countries in the world. First, it is hardly relevant to compare the expenditures of United States households and households in countries at totally different stages of economic development. Second, although 16 percent is not incorrect it is a misleading figure. It results from dividing the total annual U.S. food expenditure into the total annual U.S. disposable income. Examining food expenditures by income level of households reveals that 16 percent is very modest. Before examining these food expenditures it is helpful to understand income distribution among American families. In 1976 the overall average annual income for U.S. families was \$15,546. Less than \$15,000 was earned by 55.4 percent of all families, less than \$20,000 by 74.2 percent, and less than \$25,000 by 85.8 percent. If we consider annual incomes of \$25,000 and more as upper level, 14.1 percent of U.S. families are in this bracket.<sup>10</sup> Leo V. Blakely from Oklahoma State University estimated the percentage of income spent on food by different income groups.<sup>11</sup> For 1973 he found that low income families of four eating a low cost diet would spend 35.2 percent of their disposable income for food. The percentage for a middle income family of four eating a moderately priced diet was 20.4 percent and for a high income family eating a liberally priced diet, 13.5 percent. Table 1 summarizes this. Over 85 percent of U.S. families spend more

than 16 percent of their disposable income on food.

### WELL KNOWN VS. HIDDEN ISSUES

Most consumers know about how much of their income goes for food and are aware of changes in food prices and quality. They observe the services offered by their grocery stores and restaurants and select those most important to them. Consumers are not always aware of events that occur before food reaches the retail level—events which influence the price and the quality of food. The procedures for harvesting, storing, shipping, ripening, and processing most foods are a mystery to many consumers, yet these procedures all add to the price and usually, but not always, to the quality of food. The changing structure of farming and the rest of the food industry and farm policy itself also have profound and sometimes unknown, or at least unpredicted, effects on the price and availability of food to the consumer.

### Structural Changes

It is well known that over the last 20-30 years the number of farms and people living and working on farms has decreased dramatically. Now about 4 percent of the national population is associated with farming (about 10 percent in Minnesota). Sixty percent of all persons employed in agriculturally related business in Minnesota are not involved in farming.<sup>12</sup> At the same time, the farms which do exist are larger by almost every measure: acreage, capital investment, and gross dollar sales. It has been suggested that farming is no longer the first stage in the production of food. Due to a large number of commercial inputs, growing crops is but one stage in a long chain of food production, processing, and sales. "Minnesota's agriculture has moved from a largely 'extractive' type 'natural resource based' industry in the

<sup>9</sup> Industry marketing studies reportedly show that Americans now spend one-third of their food budget away from home. This is expected to increase to one-half by 1987. *Time*, April 25, 1977, p. 77. The Bureau of Labor Statistics' Consumer Expenditure Survey for 1973-1974 shows that on the average a family of four spent 25.6 percent of its food dollar away from home. All urban families spent an average of 28 percent of their food dollar away from home. (BLS Report 448-3)

<sup>10</sup> U.S. Bureau of Census, *Current Population Reports: Consumer Income*, Series P-60, No. 105, June 1977. See figure 1 for a graphic view of consumer income distribution.

<sup>11</sup> Blakely, Leo V., "Domestic Food Costs," *American Journal of Agricultural Economics*, 56:5, December 1974, pp. 1103-1112.

<sup>12</sup> Sundquist, W.B., "Agriculture and Economic Development—The Minnesota Case," Staff Paper P77-9, Department of Agricultural and Applied Economics, University of Minnesota, April 1977, p.10.

**Table 1. Income distribution and food expenditures**

Income level of U.S. families	Percent of families at each income level	Estimated percent of disposable income spent on food
Upper \$25,000 or more	14.1	13.5
Middle \$10,000 to \$24,999	52.7	20.4
Lower Less than \$10,000	33.2	35.2

late 1800's to one with major components of a 'value added' type in 1976.<sup>13</sup>

It all means that more and more consumers are farther removed from the places where their food is grown. They have less and less control over the quality of food or even the type of food available as farmers increasingly tailor their crops to meet the specifications of large chain stores and long distance shippers. It means that consumers'

choices may not reflect their tastes or preferences as the foods available become more homogeneous.<sup>14</sup> They come to depend on everyone who handles food before them to provide safe, healthy, nutritious, and quality products. They also depend on food processors and sellers for information about the food they buy.

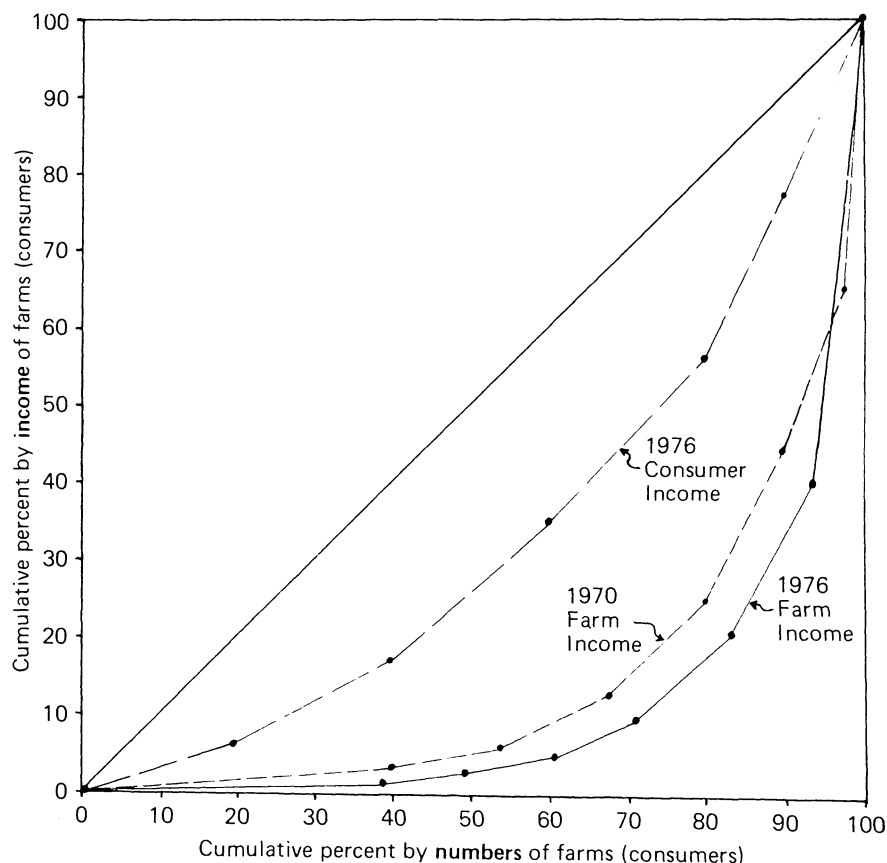
<sup>14</sup>This is particularly true in the area of fresh produce and meats.

There is some evidence that it may be desirable to circumvent some of the "middlemen" in the food industry. The trend towards natural or less processed foods is one move in that direction. Direct marketing of food from farmer to consumer is another. California, for example, has already implemented this. The federal "Farmer-to-Consumer Direct Marketing Act of 1976" provides support to State Extension Services and State Departments of Agriculture wishing to develop a direct marketing program.<sup>15</sup>

<sup>15</sup>The Minnesota State Department of Agriculture in conjunction with the University of Minnesota Agricultural Extension Service is submitting a proposal for federal funds to study the potential need and response to direct marketing operations in Minnesota.

<sup>13</sup>Ibid, p.5.

**Figure 1. Income distribution of farms and consumers**  
(diagonal line implies equal distribution)



The ultimate omission of the "middleman" in the food delivery system is for consumers to grow and/or process their own food. The June 1977 *Minnesota Agricultural Economist*, reported that 62 percent of Minnesota households have their own vegetable gardens.<sup>16</sup>

A longer range implication of the change in farming structure is that as farms get larger, more "scientific" and more organized, it becomes increasingly difficult for urban consumers to differentiate between farm businesses which produce food and business firms which produce other consumer goods. In spite of the long standing and much applauded USDA policy of trying to preserve the "family farm," farm size has been expanding. In 1970, 57,000 farms had sales over \$100,000 a year. These farms comprised 1.9 percent of all farms and received 34.5 percent of all farm cash income. In 1976, 155,000 farms had sales over \$100,000 a year. These farms now comprise 5.6 percent of all farms and they receive almost 60 percent of all farm cash income.<sup>17</sup> The curves in figure 1 compare the distribution of farm income in 1970 and 1976 and indicate the distribution of consumer income. It can be observed that income is not equally distributed for any of these groups as would occur if the curve followed the diagonal line. Farm income is less evenly distributed than consumer income, and 1976 farm income is less evenly distributed than 1970 farm income. This shows that fewer farms are receiving a greater portion of farm income as the organization of agricultural changes.

One signal that farms are being viewed in a manner similar to other business firms is a change in regula-

tions by the Small Business Administration (SBA) which now can provide financial assistance to a greater number of farms. SBA recently redefined a farm business as small if its average receipts for the preceding three fiscal years do not exceed \$1 million.<sup>18</sup>

This suggests only that the nature of government support will change as the organizational structure evolves not that the government will cease to support farming as a unique type of business. Significant changes have already taken place. About 50 percent of the USDA's budget in 1976 was devoted to the delivery of food to more (and needy) consumers. (This is estimated to increase to 54 percent by 1978.) There is an increased emphasis on national nutrition and other general public welfare programs. These are not without benefits to farmers. Out of \$12.8 billion spent for domestic food programs in 1976, \$5.1 billion is estimated to be the farmer's share.<sup>19</sup> This is one of those areas where the interdependency of farmers and consumers leads to compatible policy. But it would be denying the obvious to state universally that what is good for farmers is good for consumers or vice versa. It is impossible to have both high food product prices for farmers and low food prices for consumers without considerable income subsidies or other economic tradeoffs. Right now, the government is subsidizing both the farmer (target prices, loans, etc.) and the low income consumer (food stamps, school lunches, etc.). The impact of other agricultural policies on consumers is less clear.

### Other Agricultural Policies

There is little current empirical evidence to show the effects of other agricultural policies on consum-

ers' welfare, but significant questions have been raised by consumer advocates and law makers. The questions are stated here.

- To what extent do marketing orders or marketing agreements lead to the "monopolization" of agribusiness and also to increased retail prices of food?
- To what extent do grades and standards contribute to higher prices by acting as a supply control on both domestic and imported foods? Also, to what extent do grades and standards (whether imposed by government, marketing orders, or large retail chains) foster the wasting of nutritious food in a supposedly hungry world?
- At what point would consumers stop demanding low prices for food at the sacrifice of taste and quality? Has research which enhances the efficiency and productivity of farming and food processing helped to destroy the quality and nutrition of food and the pleasure of eating?
- To what extent do import and export policies increase retail food prices?
- Do policies which stabilize retail prices only on the up side really benefit consumers?

These may not be the most important questions. They may not even be the right questions, but they are being asked by people in a position to influence policy decisions. Before policy tradeoffs can even be considered, answers to some of these tough questions will have to be sought.

### THE EVOLUTION OF INTERACTION

What do these changes mean for the producers of food and other goods and services? Primarily it means a rethinking of private goals and public responsibilities which are incumbent on business people, including farmers. The farming business does not operate indepen-

<sup>16</sup>Kinnucan, Henry and Ben Sexauer, "Consumers Find Alternative Food Sources in Minnesota," *Minnesota Agricultural Economist*, No. 590, Agricultural Extension Service, University of Minnesota, June 1977.

<sup>17</sup>Economic Research Service, U.S. Department of Agriculture, *Farm Income Statistics*, Statistical Bulletin No. 576, July 1976.

<sup>18</sup>Federal Register, Vol. 42, No. 130, July 7, 1977. (The Small Business Administration was originally set up to loan money to nonfarm business.)

<sup>19</sup>Foreman, Carol, Press Release, USDA 1015-77, April 18, 1977.

dently from the larger society and responsibility for the welfare of the total society falls on farmers just as it does on all other citizens.

For reasons already discussed, the consumer movement is likely to remain a viable social force. Traditionally, consumerism has been more popular during economic cycles when real incomes declined such as in the progressive era of the early 1900's, the depression era of the 1930's, and the affluent-recession era of the 1960's and 1970's. But steadily, throughout its history it has matured. The impact of paid professionals, devoting professional skills and personal dedication to solving consumers' problems, is significant as the emphasis within the consumer movement shifts from demanding more new protective laws to working with business people, with the executive branch, and with the government agencies to seeing that existing laws are working and enforced.

Currently consumer advocates in Washington are shifting from specific issues such as safer cars or better labeling to working on achieving a strong and permanent voice for consumers in government proceedings. This new tack is one of preventing rather than fighting fires. Consumer advocates are beginning to evaluate the tradeoff between costs and foolproof products more carefully than in the past. The level of consumer involvement appears to be moving from a protest phase of unorganized boycotts and emotional mudslinging to legal, economic, and political participation as laws and institutions change to accommodate consumers' individual and collective concerns.

Between 1968 and 1974 several articles appeared in publications such as the *Harvard Business Review* and public relations journals which advised businesses to cooperate with the consumer movement. It was suggested that consumers' criticisms could often be used as sources of needed change and those firms changing first could use these as a competitive advantage to increase sales and profits. Refining marketing techniques aimed at sat-

isfying consumers and contributing to their long-run welfare was touted as one key to longrun profits for most producers. Esther Peterson, former vice president in charge of consumer affairs for Giant Foods, Inc. and current Special Assistant on Consumer Affairs to President Carter (a post she also held during the Johnson administration) warned, however, that changes instituted to accommodate consumers' concerns must be constructive, sincere, and substantive. The consuming public, she said, would not be fooled by cosmetic effects.<sup>20</sup>

On May 25, 1977 a small article in "Of Consuming Interest," a business newsletter, reported that business leaders are now beginning to take the consumer movement seriously.<sup>21</sup> Responding to a perceived lack of public confidence in business leaders they recommended four courses of action.

- Products and services should be of the quality claimed by their ads.
- Consumer disputes should be settled at the retail level.
- There should be meetings between business and consumer leaders.
- Business support of local Better Business Bureaus should focus on self-regulation.

<sup>20</sup>Peterson, Esther, "Consumerism as a Retailer's Asset," *Harvard Business Review*, May-June, 1972, pp. 48-57.

<sup>21</sup>From a conference board meeting of the Society of Consumer Affairs Professionals, comprised of business people who handle consumer relations.

If this list is compared with the list of common consumer concerns earlier in this article, some of the items look very familiar. Again, this indicates that fundamental changes are taking place.

## CONCLUSION

There are obvious interdependencies as well as obvious conflicts between consumer and food producer interests. Consumers' concerns are widespread, real, and not diminished by increasing incomes. Although they want low prices, they are generally willing to pay a fair price for quality and service when they are sure they are obtaining both. They are willing to take informed risks. It is not clear how willing both consumers and farmers are to sacrifice current satisfaction for longrun collective goals unless the future payoff is clearly defined.

Josephine Lawyer has an interesting analogy when she compares the food industry to a family.<sup>22</sup> In a family, management decisions are made in a setting of social interaction to achieve the goals of the individual members and of the family unit. The food industry is like a family unit with common goals: consumers as well as farmers are members of the family. They all need to be kept informed and involved in the decisionmaking and interaction or they become alienated and mutually destructive to a longrun common destination.

<sup>22</sup>Lawyer, Josephine H., "Eliminating Roadblocks to Productivity Consumers," Speech presented at 15th Annual Meeting, Food Distribution Research Society, Boston, Massachusetts, October 1974.

## CONSUMER BILL OF RIGHTS

as outlined by President J. F. Kennedy, 1963

- The Right to safety
- The Right to be informed
- The Right to choose
- The Right to be heard
- The Right to a physical environment that will enhance the quality of life\*

\*Added by President R.M. Nixon.

**Minnesota**  
**AGRICULTURAL**  
**ECONOMIST**



**Agricultural Extension Service**  
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