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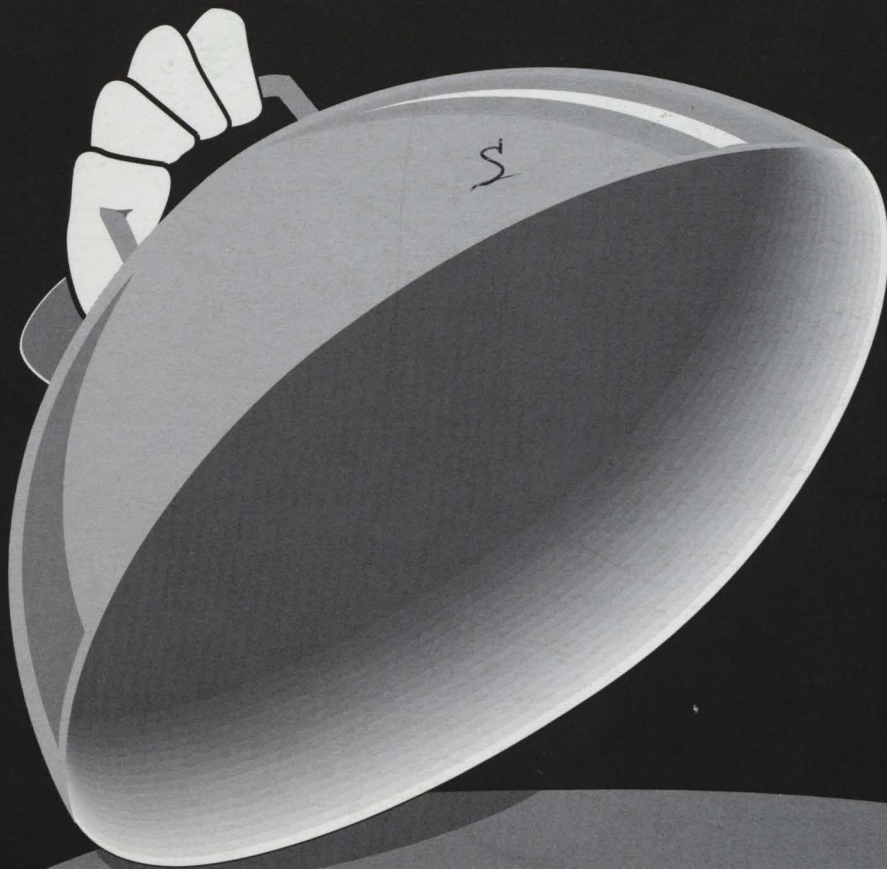
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**Food Sector Caters
to Diverse Tastes**



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Food Sector Caters to Diverse Tastes

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The American diet has changed over the last two decades. We are consuming less beef, more chicken and turkey, fewer eggs, more cheese, and greater amounts of fruits and vegetables. Our food choices are becoming more diverse. Restaurants featuring Thai or Indian foods are no longer found only in major cities. And, limited-menu fast food chains that once offered only burgers and fries now regularly feature burritos, grilled chicken sandwiches, and salad bars.

Farmers, food manufacturers, retailers, and restaurateurs have responded to and encouraged this diversity by offering more of what consumers want and new products for consumers to try. The number of products supermarkets stock, for example, doubled over the last decade.

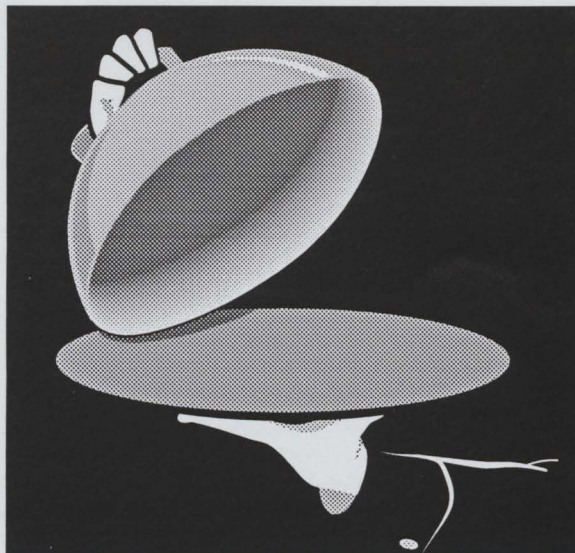
Health concerns, the desire for convenience, and growing ethnic populations are driving much of the change. Food manufacturers are providing consumers with more and more new foods with improved nutritional profiles, like low-calorie, reduced-fat, or high-fiber. In fact, over 3,000 claims were made about the improved nutrient content of new products in the first three quarters of 1995—nearly three times more claims than in all of 1988. An analysis reported in this issue found that nutritionally improved foods generally were more expensive, but their sales in supermarkets grew faster than their regular versions. Nutritionally improved foods and beverages accounted for three-fourths of the increases in quantities sold for 37 food categories between 1989 and 1993.

U.S. spice consumption has soared along with the growing popularity of ethnic foods. Americans flavored their foods with an average of 3.1 pounds of spices per person in 1990-94, up almost 1 pound from a decade earlier. The popularity of Hispanic and Asian cuisine is evident in the growing consumption of many spices. For example, U.S. production of dried chile peppers at 160 million pounds in 1994 was nearly double the amount produced in 1985.

Organic foods are a small, but growing, segment in the American food market. Production is expanding as the number of acres certified as organic more than doubled between 1991 and 1994, although it still accounted for less than 1 percent of U.S. farmland. Organic foods—notably fresh produce, dairy products, eggs, and a variety of processed foods—are important to consumers concerned with how foods are grown and processed. Not just found at farmers' markets, organic sales in natural foodstores grew 21 percent in 1994. This success is spurring an increase in the volume of organic foods stocked in conventional grocery stores.

The safety of food continues to be important to consumers, the food industry, and the Federal Government. Raw meat and poultry now prominently display safe handling instructions for consumers. In this issue, a survey of meat and poultry processors and supermarket retailers reveals diverse opinions about the details of USDA's labeling requirements and their potential impacts on consumer confidence and sales. Food companies' insights are instructive for designing and implementing future food-safety initiatives.

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