Selected ERS Research Reports

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Farmer-to-Consumer Direct Marketing, Selected States, 1979-80, by Peter L. Henderson and Harold R. Linstrom. February 1982. Order Statistical Bulletin No. 681.

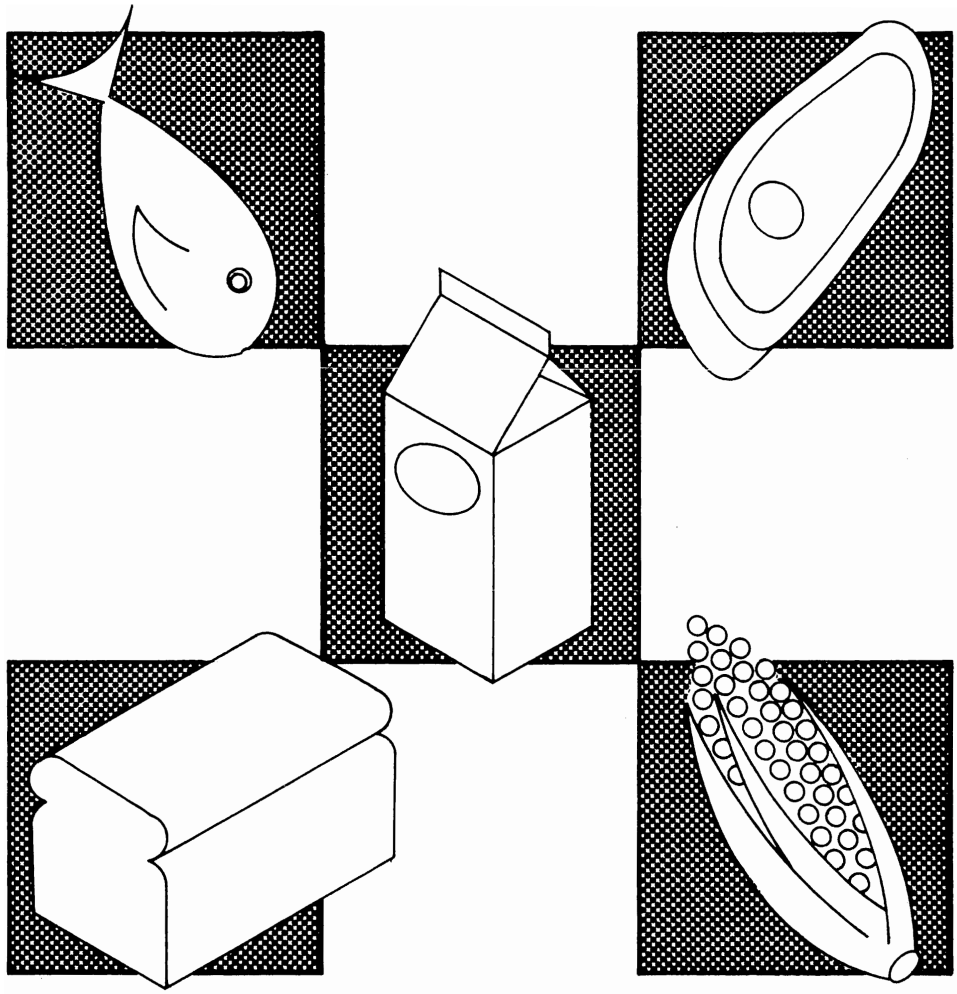
About 21,000 farmers surveyed in seven States in March 1980 reported selling $126 million worth of farm products directly to consumers. About 44,000 farmers in nine States surveyed in December 1979 reported $260 million worth of direct sales. The States surveyed in 1980 were California, Illinois, Missouri, Maine, New Hampshire, Vermont, and Texas. Those surveyed in 1979 were Colorado, Connecticut, Delaware, Maryland, Massachusetts, New York, Rhode Island, Tennessee, and Wisconsin. The chief products sold in both years were floral and nursery products, apples, peaches, strawberries, sweet corn, and tomatoes. The chief selling methods were pick-your-own operations, farmers' markets, and roadside stands.

Productivity Potential In Dry Grocery Warehouses, by Gerald Grinnell and Lawrence Friedman. March 1982. Agricultural Economics Research Report No. 484.

Food distributors in the United States could substantially improve their productivity by making better use of existing technology. Direct labor costs could have been reduced by $700 million in 1981 by changing work assignments, obtaining a more balanced day-to-day workload, using new equipment, increasing use of unitized loads, altering some product handling practices, and partially mechanizing, according to this study of dry grocery warehouses.

[*Order the following reports from the National Technical Information Service (NTIS), 5285 Port Royal Rd., Springfield, VA 22161.*]

Provisions of The Agriculture and Food Act of 1981, by James D. Johnson, Richard W. Rizzi, Sara D. Short, and R. Thomas Fulton. March 1982. Agricultural Economics Research Report No. 483. Order PB82-165457. Paper copy $7.50. Microfiche $4.



The Agriculture and Food Act of 1981 authorizes many farm programs for 4 years. This report summarizes its provisions by title. Commodity program provisions discussed for wheat, feed grains, cotton, rice, peanuts, soybeans, sugar, dairy, and wool and mohair include price supports, loan levels, disaster payments, and program acreage. Other provisions summarized include miscellaneous; grain reserves, the national agricultural cost of production standards review board; agricultural exports and P.L.-480; food stamps, research, extension, and teaching; resource conservation; credit, rural development, and family farms; floral research; and consumer information.

Structural Adjustment of the Food Industries of the United States, by John M. Connor. Staff Report No. AGES820723, July 1982, 159 pp. Order PB82-262080. Paper copy $15.

The United States has the largest food manufacturing sector of any market economy of the world. The number of food manufacturers declined by 52 percent between 1974 and 1977. On average, the top four firms control over half of sales in processed foods product classes; this concentration rose by 10 percent between 1958 and 1977. Product diversification has accelerated. Total food and beverage advertising and sales promotion expenditures ranged between $9 billion and $14 billion in 1979. These elements of market organization affect the food industry's economic performance: profit margins, manufacturers' prices, and technological change. About half of the food industries exhibit significant performance problems.

Employment Size of Manufacturing Establishments in Metro and Nonmetro Areas, 1969 and 1976. By Herman Bluestone and Daniel G. Williams. Staff Report No. AGES820803, August 1982, 20 pp. Order PB83-101006. Paper copy $7.

In the densely settled Northeast and in the South, the average manufacturing establishment located in nonmetro areas tended to employ more workers than those located in metro areas. This was particularly evident in low wage, labor intensive industries. Manufacturing establishments in all regions, in metro and nonmetro areas, and most industries declined in employment size between 1969 and 1976. The reduction may have resulted in part from energy-induced increases in transportation costs. These tend to shrink establishments' supply and marketing areas and hence their optimal level of output.

Consumer Demand for Red Meats, Poultry, and Fish, by Richard C. Haidacher and others. Staff Report No. AGES820818, Sept. 1982, 144 pp. Order PB83-106591. Paper copy $14.50.

Red meats, poultry, and fish are the most important foods in most consumers' diets, and are of major importance to the Nation's agricultural economy. This report contains evidence that the U.S. demand structure for red meats, poultry, and fish is characterized by a high degree of stability, and that an overwhelming part of the variation in U.S. demand for these products can be explained by the economic factors of prices and income. Socioeconomic and demographic factors which are important determinants of individual consumer demand patterns are also identified, and their effects are measured and assessed.

Structure and Performance of Grocery Products Brokers, by Thomas H. Stafford and Gerald E. Grinnell. Sept. 1982, AER-490, 64 pp. Order PB83-101105. Paper copy $9. Microfiche $4.

The grocery products brokerage industry is generally competitive. Concentration is low in segments of the industry that primarily sell in local markets, and high for brokers who sell nationally. Entry into the industry is not restricted and other types of wholesalers account for a large share of sales in the more concentrated industry segments. Brokers have been losing business to manufacturers' sales offices, and this trend could continue. Operating expenses and commission rates, which are highly correlated, vary with the type of products handled and establishment size. Large operations have the lowest rates on average.

Developments in Farm to Retail Price Spreads for Food Products in 1981, by Denis Dunham. Sept. 1982, AER-488, 80 pp. Order PB82-242249. Paper copy $10.50. Microfiche $4.

The difference between what farmers receive and what consumers pay for food products—farm-to-retail price spreads—has been the main contributor to the rise in retail food prices in recent years. This report contains analysis of the farm to retail spread for a market basket of foods and selected items including beef, pork, milk, poultry, potatoes, and bread. The 1981 farm value averaged 35 percent of the price for a market basket of foods, dropping from 37 percent in 1980, and was the lowest in two decades. In 1981, abundant food supplies held down farm prices; retail prices rose faster because of processing and marketing charges. This report also analyzes food industry labor productivity; profit margins; input costs such as labor, packaging, and energy; and consumer food expenditures.

[*Order these reports from the Government Printing Office, Washington, DC 20402.*]

Couponing's Growth in Food Marketing, by Anthony E. Gallo, Larry G. Hamm, and James A. Zellner. June 1982. 24 pp. Agricultural Economics Research Report No. 486. Order 001-000-04275-1; $3.25.

The number of cents-off coupons distributed by manufacturers and retailers rose from 10 billion to 90 billion between 1965 and 1980. About 80 percent of U.S. households redeemed coupons in 1979, making coupons the most rapidly growing form of food advertising. Although coupons still make up the smallest portion of all major food advertising, their value rose from less than 6 percent of total advertising expenditures in 1970 to 11 percent in 1979. This report analyzes the use of coupons by consumers, as a marketing tool by manufacturers and retailers, and in the marketing of farm produce.

The Foodservice Industry: Structure, Organization, and Use of Food, Equipment, and Supplies, by Michael G. Van Dress, Sept. 1982, 168 pp. Statistical Bulletin No. 690. Order 001-000-04288-2; $6.50.

Nearly 378,000 foodservice establishments purchased 49 billion pounds of food in 1979, up 12 billion pounds from 1969. The total retail value of food served away from home reached $102.4 billion, spent by a daily average of 169 million customers. Separate eating places, the foodservice industry's largest segment, grossed $58.4 billion in meal and snack sales in 1979, up 360 percent from 1966. Growth in numbers and revenue of away-from-home eating was spurred by rising incomes, a more mobile population, the trend toward convenience eating, and the increase in franchising and multi-unit firms. □