



*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

*No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.*

# Solving the Mysteries of the Food Grading System

Kathleen Reidy  
(202) 447-7321

reduce the risk of disease are often not visible in the short run. Moreover, conflicting reports and advice in the popular press particularly, but occasionally from respected scientific and health authorities as well, contribute to confusion and apathy. In the ESS survey, respondents were asked what their reaction would be, in a hypothetical situation, if scientific tests found a) that an essential ingredient in a food they ate regularly produced cancer in laboratory animals and b) foods they ate regularly could increase their chances of having a heart attack. Interestingly, in both cases, only a little more than one-third of respondents indicated they would stop eating the food in question.

Since premature death and incidence of disability are higher for the poor and less educated, an important factor in their prevention appears to be improvement of socio-economic conditions. Several Federal food distribution and supplemental food programs have been established to provide poor people with better diets. These existing assistance programs may provide an excellent vehicle for nutrition education efforts. In fact, some of these programs, such as USDA's Special Supplemental Food Program for Women, Infants, and Children, have incorporated a nutrition education component.

## Concluding Comments

How far should nutrition education and information intervention programs aimed at influencing the public's food choice habits be taken? How much regulation in the name of health and safety is necessary and desirable? And, how much support should be given welfare, income maintenance programs, food stamps, and other efforts to alleviate poverty? These tough nutrition issues will likely be decided in the political arena. With the recent growth in scientific knowledge about the role of risk factors in degenerative disease comes the opportunity to make recommendations to the American public for moderate change and to set clear measurable goals for public health action. The success of the effort will probably be dependent on how it influences all food system participants, including consumers, in their choice of diet. ■

U.S. Fancy, U.S. No. 1, U.S. Grade A, and USDA Prime are all top grade designations used by USDA in grading different foods. Such grade terms are assigned to describe overall quality.

The characteristics on which this quality assessment is made vary from product to product. But, in general, the grade name refers to the level of desirable characteristics present in any given product. For example, characteristics for grading produce include: color, shape, maturity, and lack of defects. Beef quality on the other hand is measured by color, firmness, texture, and marbling. Grading is voluntary and the service is contracted for by users from USDA.

Grade names were originally established and intended for use at the wholesale level, but they appear often on products at the retail level. However, much disparity exists in where and how these grades are used. For example, 70 to 75 percent of fresh beef and 90 percent of turkeys available to consumers carry an official USDA grade. But only 40 percent of eggs and 3 percent of processed fruits and vegetables display this grade mark at the retail level. Furthermore, grade names vary, with different words, numbers, or letters used to classify different commodities. Often the same grade name represents a different classification for different commodities. For example, U.S. No. 1 is the third grade of fresh apples, while U.S. No. 1 refers to the top grade of summer and fall pears.

Such inconsistencies in the food grading system have created problems for consumers. As evidenced by results from surveys done over the past 10 to 15 years, consumers rarely know or understand grade names and their meanings or the criteria used to determine these grades. So, USDA is currently considering a variety of alternative grading systems to replace the existing system.

USDA conducted extensive surveys in 1970 and in 1980 to measure consumer knowledge of the food grading system. Results show that the 1980 respondents



are less knowledgeable about the system, are more often confused regarding the grading versus inspection functions of USDA, and tend to find grades less useful than did their counterparts in 1970.

The results of USDA's recent 1980 study show that there is a general awareness of the food grading program and its purpose, but only one-tenth to one-fourth of the respondents knew specific details. Most respondents correctly identified USDA as being responsible for food grading, but most incorrectly thought that food grading is mandatory. Almost 63 percent knew that quality assessment is the purpose of the grading program, but 41.1 percent mistakenly thought that food safety assurance is the reason for food grading.

Even when respondents knew that a certain food was graded, they had only fragmentary knowledge regarding the specific food grade labels for that food item.

Nearly 73 percent indicated that grades were useful for quality purposes. Most respondents suggested that as a measure of quality the food grading system was useful to them when they were buying.

When asked how the usefulness of the system could be improved, 81.4 percent mentioned making the system simpler and more uniform, while 18.2 percent pointed to consumer education. To provide information to the public on the grading system, TV spots and point of purchase signs were the preferred methods, followed by newspaper and magazine ads.

While some of these survey results appear incongruous (many more respondents find the program useful than know the specifics of the program or even its purpose), many consumers are aware of the grading system and would find it more useful if it were simpler, more uniform, and if information about it was more readily available.

USDA established its first food grade standards in 1917 for potatoes. That year, the Food Production Act was passed to encourage the development and use of standards to expedite purchase of food by the military. Government food grades and the grading service were also expected to help move food from rural production areas to the developing urban population centers. With the growth of urban markets, buyers needed a uniform language to describe quality and establish prices of products from different agricultural areas. Grading provided wholesale buyers a system for comparison shopping and a method of communicating product preferences based on quality characteristics to distant producers.

In 1946, Congress enacted the Agricultural Marketing Act, which gave USDA its authority to standardize food quality grades and to establish a voluntary grading program. The grading system has not changed much since. Grading service is provided on a voluntary basis to food packers and processors who request it and are willing to pay for it. And users of the service are not required by Federal law to label the consumer products that have been officially graded.

In 1976, in a step toward development of a uniform grading system, USDA issued a policy requiring that when standards covering 82 different fruits, vegetables and nuts are issued, revised, or amended, only the classifications U.S. Fancy, Grades 1, 2, and 3 may be used. Current variances exist because the standards were developed one by one for different products. Since each industry was concerned only with its own product and the unique characteristics used to judge its quality, each group devised its own terms to describe the product's quality. In many instances these industry terms were simply adopted by the Department for use as official grade standards without any attempt being made to standardize terminology.

The top grade of beef, lamb, and veal are labeled USDA Prime, with slightly lesser quality labeled USDA Choice and Good. Fifty fresh fruits and vegetables have the grade designations U.S. Fancy, U.S. No. 1, 2, and 3. However, many more fresh fruits and vegetables are grade labeled in a number of different ways. For example, the top quality grade for cantaloupes is U.S. Fancy, beets - U.S. No. 1, carrots - U.S. Grade A, and celery - U.S. Extra No. 1. U.S. Grades A, B, and C are used on broilers, turkeys, canned and frozen fruits and vegetables, as well as juices, dried fruits, jams, jellies, and various other products. Grades AA, A, and B are used on eggs and butter. Cheddar cheese is graded U.S. Grade AA and A.

#### Which System?

The Food Safety and Quality Service of USDA is considering five alternatives to the present grading system. These options are the result of analysis and evaluation of several studies on the issue including the 1979-80 survey on consumer perceptions of the USDA Food Grading Program, the Department's deliberation on this policy, and a series of meetings with industry and consumer representatives.

#### Option A

The current grade names for meat — USDA Prime, Choice, and Good — would be continued. The grade names for various fresh fruits and vegetables would gradually change to U.S. Fancy, No. 1, 2, and 3 (this would continue the 1976 policy to standardize classification of fresh fruits

and vegetables). All other graded foods — poultry, eggs, butter, cheeses, processed fruits and vegetables, etc. — would use U.S. Grades A, B, and C.

#### Option B

Option B is the same as Option A for meat and fresh fruits and vegetables. All other graded foods would use U.S. Grades AA, A, and B (instead of Grades A, B, and C).

#### Option C

This option would change grade names to either U.S. Grades A, B, and C or U.S. Grades AA, A, and B for all foods subject to grading, including meat.

#### Option D

Under this option, the current grading system would remain in effect, but USDA would develop a separate consumer grading program to be used in conjunction with the system already in effect. The new consumer system would use different colored grade shields to represent different quality levels. For example, a blue shield might designate the top quality grade for all products, red for the second grade, and white for the third. Factors such as color blindness and the psychological impact of different colors would be considered before making color selection.

#### Option E

This option would continue the current voluntary program but require that any product grade labeled at the wholesale or packer level also display the grade name at the retail level.

USDA is committed to implementing a policy that is consistent with the program's original purpose of aiding the marketing of agricultural products, while addressing the needs of consumers. The Department has held a series of public hearings and solicited written comments to give the public a chance to express its views on the options. However, it will be several months after the close of the comment period (August 28, 1980) before the Department will have had ample time to analyze the comments and decide which option should be adopted. ■