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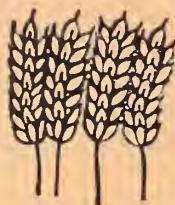
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FREEZER FOOD CONCERNS

Talk by Josephine H. Lawyer

at the 1974 National Agricultural Outlook Conference
Washington, D.C., 9:45 A.M., Wednesday, December 19, 1973

Freezer food concerns are related to rising living costs, selling practices of freezer food firms, and consumer competency.

Rising living costs and inflation are affecting consumer buying, and many families have made changes in 1973. More families stored food, and supplies of canning jars and freezers were depleted in some areas at times. The trend to store food with the intent of extending economic resources is expected to continue in 1974.

Families considering buying freezers and food for freezer storage need to be well informed about:

- the cost of owning and operating a freezer,
- how to use a freezer to advantage,
- how and when to select food (particularly meat) for freezing, and
- market practices in selling freezers and freezer food.

The magnitude of freezer food concerns might be compared to an iceberg--only the "tip" is seen while the mass is hidden below the surface. Only a small proportion of the problems with freezer meat and freezer food plans is reported. There is evidence that misleading advertising about freezer meat and misinformation about freezer food plans are continuing.

This paper will address the consumers' right to information so that more intelligent economic and management decisions can be made.

Freezer Meat Concerns

Consumers may have problems with freezer meats, and particularly beef, because they do not understand quality and yield grades, meat cuts, supply changes during a calendar year, and misleading advertising.

Beef quality grades range from USDA Prime, which is highest, to USDA Canner, which is lowest. These indicate degrees of tenderness, juiciness, and flavor. Most beef in supermarkets today is USDA Choice. However, some freezer firms highly advertise meat that is below USDA Choice.

Consumers also need to understand yield grade. Yield Grade 1 reflects the highest yield of closely trimmed retail cuts and the least waste. Yield Grade 5 reflects the lowest yield. It is important to understand this when reading advertising and looking at wholesale cuts.

A 1,000-pound choice steer yields about 600 pounds carcass weight or 300 pounds per side. Each side is divided into a hindquarter and a front-quarter.

The consumer can count on approximately 25-percent waste as a choice grade side is cut into retail or take-home cuts. For example, the consumer paying \$1.00 per pound for a side is actually paying \$1.25 for the cuts he takes home.

Cuts in the hindquarter include the round, short loin, sirloin, rump, flank steak, and ground meat. The short loin is divided into porterhouse, T-bone, and club steaks.

The forequarter includes the chuck, ground beef, rib roast, brisket, and short ribs.

If a consumer uses credit to purchase meat in quantity, the finance charges are also added to determine total cost. Only then would he have an accurate base for comparing prices with those in the supermarket.

Meat supplies differ through a calendar year with more beef and pork available during winter months. When supplies are largest, prices are generally lower than at other times; however, consumer demand and preference for specific cuts also affect price.

During February and March, or any week in winter when steaks are on "special," a consumer could save money by freezing them for summer use. He could buy and freeze the capacity his home freezer would accommodate on Thursday, Friday, and Saturday of that week.

This same principle applies in summer when few people are interested in chuck roast. Consumers will find chuck and perhaps other long cooking roasts at lower prices in July and August.

Chicken supplies are relatively constant; however, consumers may save by watching for "special" prices and freezing a supply at those times.

Another factor in making a decision to buy meat for freezing is the space available. A consumer needs about 3-½ cubic feet of freezer space to store 100 pounds of meat. A side of beef may be stored in a full-sized freezer, but it might not fit into a refrigerator-freezer combination.

Other questions are: How much can a family afford to invest all at once for meat? And is the family willing to eat all the retail cuts from a wholesale cut it might purchase for freezing?

Freezer meat sales can be reliable, or very misleading, dependent upon the owner-operator. Some firms have processed and sold freezer meat successfully over a number of years in their respective communities. Satisfied customers, service, and reputable business ethics are reasons for their success.

The uninformed consumer, at all income and education levels, can be victimized by unethical firms. Some of the practices of such firms that consumers need to be aware of are:

- misleading advertising;
- bait and switch selling;
- inadequate information on trim loss, finance charges; and
- short weight, grade substitution, and failure to deliver some cuts.

Misleading advertising usually sounds too good to be true--and this should be a warning. For example: "beef sides," "freezer packs," "free," "special bonus," "bundles," "no money down" tell the consumer little about what he will get or how much he will pay.

A Federal Trade Commission survey of freezer meat firms in early 1973 indicates a significant prevalence of misleading advertising across the Nation. The extent of such advertising indicates that many consumers are unaware and uninformed.

When the consumer arrives to see the meat advertised at low prices, he may be switched to other higher priced meat. These methods are used to switch him to more expensive meat:

- refusal to sell or show that advertised;
- disparagement;
- failure to have sufficient quantity;
- refusal to deliver in a reasonable time;
- defective, unusable, or impractical product; and/or
- a sales plan which discourages selling the advertised product.

The advertisement of "low-priced" meat may be of low quality grade and low yield grade--undesirable in appearance and appeal to the prospective customer. He may then be shown meat of higher quality and of a higher price.

Information given the consumer may be confusing. It is difficult to know how much he is paying for beef when buying a "bundle" or paying for the "hanging weight" and getting additional "bonuses" of chicken, bacon, etc.

Delivery problems with unscrupulous freezer meat firms involve delivering product of lower value than the customer was led to believe he was purchasing, removal of some of the preferred cuts, a larger proportion of cuts from one quarter than actually available from that quarter, and short weight.

Consumers are reluctant to report problems they encounter when buying freezer meat. They are somewhat embarrassed to admit their incompetency in getting involved.

The Federal Trade Commission indicates that consumers most often complain about finance charges of freezer food concerns. The annual percentage rate is usually higher than what they might have paid had they borrowed the money from some other source.

Freezer Food Plans

The quality of freezer food plans varies, but they generally involve the sale of a freezer along with frozen foods at "discount" prices. Usually a package program is sold. Such a package might include the freezer, "free" cookware, and a "lifetime" membership allowing the customer special discounts on food purchases. These plans also involve finance charges.

Consumers investing in such plans usually pay more for the freezer than for one of comparable size and quality from a department, appliance, or mail order store.

The "lifetime" agreement may represent the period of time the firm is in business in that particular area.

Consumer complaints about these plans include late or irregular delivery dates; overall costs (freezer, food, and financing); inadequate to furnish the family's food needs; the quantity or weight delivered; and variation between quality ordered and that received.

Families buying freezer food plans have a substantial investment in equipment and food far into their future. Before becoming committed to the financial obligations, it is important that they

- consider other alternatives for buying food,
- compare freezer costs and the cost of operating a freezer,
- investigate credit availability and costs from other sources, and
- analyze whether they can afford the costs and time payments.

Consumer Protection and Recourse

Reliable business and consumers have a right to protection from unethical business. Starting at the local level, misrepresentation and questionable practices should be reported as written complaints to better business bureaus, consumer affairs offices, city/county attorneys, department of weights and measures (if applicable), etc.

If State consumer protection laws are insufficient, consumers can work with local government to pass ordinances controlling unethical business practices. Consumers can also work to get needed State consumer protection legislation. Within State government, consumers may direct concerns to the division of consumer protection in the State attorney general's office, the department of agriculture and the department of health, if applicable.

If interstate commerce is involved, the Federal Trade Commission is responsible for regulating false and deceptive advertising and selling practices, while the U. S. Department of Agriculture is the agency with authority over sanitation, wholesomeness, inspection, and grading of meat and poultry products.

In the future many families will be interested in exploring whether or not they can save money by storing food. If they choose to freeze food, it is important that they make informed decisions--that they

- Deal with reliable business when selecting food, a freezer, or both.
- Freeze foods which the family prefers and will eat.
- Freeze foods that will save the most money.
- Understand seasonality of meat, fruits, and vegetables, and take advantage of supplies and prices.
- Know the freezing capacity of their appliance and adhere to it when buying food for freezing.

It is important that a consumer recognize misleading advertising and selling practices in freezer meats and freezer food plans which may exist in his community. The consumer's right to information on which to base economic and management decisions is automatically cancelled if he is unaware and uninformed of marketplace problems.

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Cooperating Film Libraries located at land-grant universities.

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