



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

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

*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.

94th Congress }
2d Session }

COMMITTEE PRINT

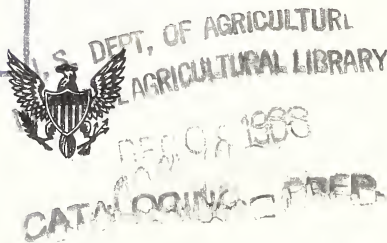
1977 U.S. AGRICULTURAL OUTLOOK

Papers Presented at the National Agricultural Outlook
Conference Sponsored by the U.S. Department
of Agriculture—Held in Washington, D.C.,
November 15-18, 1976

PREPARED FOR THE
COMMITTEE ON AGRICULTURE AND
FORESTRY
UNITED STATES SENATE

DECEMBER 10, 1976

Received by: *IND*
Indexing Branch



Printed for the use of the Committee on Agriculture and Forestry

U.S. GOVERNMENT PRINTING OFFICE

78-885 O

WASHINGTON : 1976

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

THE AWARENESS OF TODAY'S CONSUMER

(By Nancy Harvey Steorts, Special Assistant to the Secretary of Agriculture for Consumer Affairs, USDA)

In recent years, consumers have been faced with rapidly changing life-styles. Coupled with the desire to live a more comfortable way of life amid this change, they have become more motivated, better prepared, and more attuned to the complexities of the society in which they live.

Consequently, today's consumers are taking more of an interest in the shopping experience.

They are no longer indifferent to ingredients. Today's consumers have become label readers.

Faced, as we all are, with economic uncertainty, consumers are now more economically aware than ever before. Consumers have the willingness to buy, but they also have a desire to save.

They are more quality conscious. Today's consumers are more aware of nutritional value, wanting the highest quality for their food dollar.

Just as did their forebearers for generations back, today's consumers want the best possible product for the best possible price.

At the request of the President, the Federal Departments and Agencies have prepared Consumer Representation Plans which will make the Government more effective and responsive to the public's needs and wants.

The Department of Agriculture's plan outlines specific steps each agency will take to insure consumer involvement when it is contemplating an action having a significant impact on consumers. The plan takes into consideration the following:

1. Is there a history of consumer interest in the issue?
2. Are there adverse social and economic impacts?
3. Are these impacts long-term or short-term?
4. Are the consequences irreversible or irretrievable?
5. Is there potential for widespread controversy?

Agency administrators will seek consumer input at an early stage in connection with any proposal involving a major change in agency policy, when the issues are likely to have a significant impact on consumers.

When proposals are published in the Federal Register, and such proposals have been identified as having significant impact on consumers, an extended comment period will be utilized to provide an adequate opportunity for consumer input.

When any such proposal is published in the Federal Register, it will contain a "consumer summary," a short explanation of the proposal in easy-to-understand language spelling out its major points and its possible impact on consumers. Announcement of final Depart-

mental action in the Federal Register on such proposal will include a concise statement evaluating the viewpoints expressed by consumers.

In addition, the plan calls for the establishment of two committees for consumer matters:

A Consumer Responsiveness Committee, comprised of high-ranking department officials that will advise the Secretary on actions and activities of the Department as they relate to consumer interest and participation; and

A National Consumer Advisory Committee, comprised of consumer representatives, which will meet regularly and advise the Secretary and Department officials regarding significant policy matters of interest to consumers as well as the overall effectiveness of the Department's consumer efforts.

Other parts of the plan call for consumer representation on all other national advisory committees whose composition is not prescribed by law and which deal with matters having consumer impact; improved complaint handling; and an accountability process to assure that department officials are adhering to the plan.

In addition, the role of the Special Assistant to the Secretary for Consumer Affairs will be strengthened and the plan provides a charter for this position.

Consumer coordinators have been appointed in each major departmental agency. These people will advise the agency administrators on consumer matters and reflect consumer viewpoints on significant agency issues.

I think you can see that there is an obvious commitment from the Department of Agriculture and the Federal Government to be more responsive to the increase in consumer demands—the voice of the consumer will no longer be met with an echo.

Consumers are concerned about all aspects of the marketing chain—from the farm to the grocer's shelves—and rightfully so. They are seeking better information to help them make the right choices for their needs and desires.

At the point of purchase, one of the best information tools is the label on the product. Although most food products comply with current Federal packaging and labeling laws and regulations, improvements are needed so that labels tell consumers what they need to know to compare and select those products best suited for them.

Ninety percent of the 1,400 respondents to a study conducted by USDA recently, regardless of age, education, or employment status, said price and open dates on labels were extremely useful. Well over half wanted all ingredient information. One half of the shoppers also indicated that they always, or almost always, read the ingredient on the label the first time they buy the product. Some members of households, however, had health problems and said they look for special information on the labels of food and beverage products when shopping.

Food processors are now required to put specific nutrition information on the labels of all fortified foods and all food for which a nutrition claim is made. More than half of the respondents said that nutrition information on food packaging labels was useful when shopping.

An interesting note, however, is that the population segments that need this information most were less likely to find it useful—those that had less education, those that had lower total family income, and those that were elderly. This could be because the information is too complex or because it is too difficult to read.

Many consumers write in with the complaint that much of the present label information is far outside their normal vocabulary. This information must be made more intelligible and more easily accessible to shoppers so that they may wisely evaluate what they are buying and consuming.

We are calling upon both government and industry to realize this consumer need for easier-to-understand food labeling. Food processors should share in the burden of demonstrating to consumers what really is inside a food package, especially where food safety or food additives are concerned.

I believe there should be a uniform system developed by government, industry, and even consumers themselves whereby consumers can quickly identify what they are buying and eating.

There seems to be a definite reaction by consumers to the changing pace of our every day lives. Consumers are more nutritionally aware today and are demanding food of high nutritional quality.

As a way to get an up-to-date measurement of changing consumer trends and attitudes relating to food, the Department of Agriculture's Economic Research Service has developed a survey system by which consumers are being queried periodically about a number of issues.

The first phase of this survey was conducted last spring, and covered such topics as food safety, label information, home gardening and canning, food shopping patterns, open-dating, unit pricing, away-from-home eating, and household energy use.

The survey shows that many consumers are becoming more budget conscious when they shop for food. Shoppers are now checking newspaper ads more frequently for "specials," saving and using more coupons, and buying more food in volume. Some consumers are making fewer trips to food stores, mainly to save gasoline. Others are now preparing food from "scratch" more often, mostly to save money.

The study also indicates that consumers are getting more food safety information from newspapers, television, and food labels.

There has been a great deal of media coverage of home gardening, but not much in terms of actual statistics. We found there has been a slight but steady increase in the number of households with fruit and vegetable home gardens over the past two years. Forty-three percent of the households planted a garden in 1974, 46 percent in 1975, and at the time of the survey, 48 percent either had already planted or intended to plant a garden in 1976. This would suggest that the interest in home gardening generated three or four years ago amid fast rising food prices may be firmly established and not necessarily transitory.

These same households have been or will now be home-canning their harvests. Our study found that almost 85 percent of those who did home-canning last year planned to preserve fruits and vegetables this year.

The survey also found that in a little over half of the households at least one member of the household has effected a change in diet, either because of a present health problem, or because of a desire to prevent a health problem.

Some of the foods that these changing dieters are eating more of are low-fat milk and cheese, fish, poultry, fresh fruits and fresh vegetables. There is now a shift toward salad vegetables, especially. Consumers are eating more green peppers, lettuce, raw broccoli, cauliflower and mushrooms.

Some of the foods changing dieters are eating less of are sweets and snacks, fried foods, soft drinks, sugar, ice cream and fatty red meats.

The study also showed that in 73 percent of the households sampled, some member of the household purchased food from a fast-food restaurant during 1975—at least twice a month.

Consumer response in the marketplace is mixed. In the last decade, sales of frozen TV dinners increased by 75 percent and are now over one-half billion dollars. Frozen vegetable use has continued to grow as well. Last year, consumers used more than 21 pounds per person, compared with 18 pounds in 1965.

At the same time, we are also witnessing a return to basics. Consumers are preparing more food from “scratch” both for nutritional and economic reasons. More consumers are growing their own fresh fruits and vegetables as well as canning and freezing them.

Data from surveys such as ours serve as input into potential consumer legislation. We found, for example, that uniform names and descriptions of meat cuts in stores were considered to be very useful by 70 percent of the shoppers. Consumers’ opinions about usefulness of various types of information can change over time, and we plan to monitor for such changes in the future.

The second phase of this survey will cover such topics as large-volume beef purchasing practices, purchase of and satisfaction with vegetable protein analogs, and types of foods prepared from “scratch.” Although the main emphasis in this particular survey has been on food, fiber products and related services will no doubt be examined in the months ahead.

Consumers need to be as concerned about what they purchase to eat away from home as they are about what they buy to eat at home.

At least one out of every three meals is eaten away from home. Now that dining out is becoming more a way of life, consumers are as interested in the restaurant where they eat as they are in the supermarket where they shop.

In my dealings with consumers, I have found that the greatest complaint they have regarding restaurants is that they tend to serve too much food for the average eater. Leftover meat, vegetables, bread and butter are simply tossed away when not eaten. Many consumers feel guilty leaving leftovers or asking for a doggie bag. Such waste, at a time when the world is concerned about a sufficient food supply, cannot be justified.

Why then, shouldn’t restaurants offer patrons a variety of portion sizes with appropriate adjustments in price? A number of restaurants around the country are doing just this, and very successfully, I might

add. They find that by offering a choice of portion there is not only less waste, but also less cost. They are also finding that many people who were reluctant to dine out before are now doing so because of the reduced portions and the accompanying reduced prices.

One of the first places to accept my portion choice program was the Camelback Inn at Scottsdale, Arizona. The Inn's managers report that not only has it enabled them to eliminate much of the needless waste of food but it has also enhanced their profit picture by providing clearer guidelines for the purchase and preparation of food.

Billy Martin's Carriage House, and the Sir Walter Raleigh's Inns, both in the Washington area, have introduced smaller portions for smaller prices on several entrees. Both report that the smaller sizes outsell the large ones by two to one.

Just last month, the Sheraton Corporation initiated this program in both of their Washington, D.C. hotel restaurants. The response was overwhelmingly in favor of smaller portions.

While only 19 percent of those who ordered lobster tails wanted two of them for \$13.95, 81 percent preferred one tail for \$8.25.

Sixteen percent ordered a 9-ounce filet mignon for \$10.95, but 84 percent chose a 5-ounce filet for \$6.95.

Thirty-eight percent selected two lamb chops for \$9.95, while 62 percent had one chop for \$6.50.

The tabulations also showed that while more of the smaller portions were being sold, the sale of appetizers and desserts increased. This provides a more balanced diet for diners with less cost, and less waste to the restaurant, with greater satisfaction for both.

Nord Schwiebert, Vice President of the Washington Sheraton Hotels, feels that if there is a very definite consumer demand ". . . we have to provide it without looking at the bottom line."

The Sheraton Corporation will now try the experiment for three more months. If it is as successful as it has been, then the choice of portion sizes will be expanded to their hotels nationally, and possibly even internationally.

As you can see, a choice of portion size fits in with what consumers want today. Now that more restaurants are moving away from tradition and offering a choice of regular portions at regular prices plus smaller portions at lower prices, it looks like the doggie bag may be on the way out. And the pleasant results are that prices can be reduced, waste can be eliminated, and business will increase as more customers find they can afford to dine out more often because of reduced prices.

I think it is evident that both industry and Government are now facing the very important challenge of meeting the demands and desires of consumers—the challenge of allowing consumers to take part in the decisionmaking processes, and the challenge of providing them with wholesome and reasonably priced food products that are more versatile, easier to prepare, and higher in nutritional value.

I am convinced that these goals can be met with the complete cooperation of all of us involved—a cooperative effort which is finally including consumer input.

May I also, in closing, offer some tips that should be of help to today's consumers?

"TIPS" TO STRENGTHEN YOUR CONSUMER VOICE

1. Be an active member of a local consumer group and/or civic organization, concerned with consumer issues.
2. Don't be intimidated! Speak up and give your point of view based on facts.
3. Actively support your county/State consumer office.
4. Let the appropriate consumer representative at the Federal, State, or local level know your views on specific issues.
5. Keep well informed of appropriate government proposals (Federal, State, and local) affecting you the consumer.
6. Write your news media and commend them for good coverage of consumer issues.
7. Support and write industries or businesses who implement sound consumer policy and procedures—be critical of those who are not consumer-responsive.
8. Use consumer power by using your consumer voice effectively both in the marketplace as well as in government.

