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Economic Research Service

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ERS is a primary source of economic research and analysis from the U.S. Department of Agriculture, providing timely information on economic and policy issues related to agriculture, food, the environment, and rural America.



Commodity Markets and Trade

ERS Outlook reports provide timely analysis of major commodity markets and trade.

This Month

- Rice
- Feed
- Wheat
- Oil Crops
- Cotton and Wool
- Vegetables and Melons
- Sugar and Sweeteners
- Livestock, Dairy and Poultry

All reports along with a calendar of future releases are available at:

www.ers.usda.gov/publications/outlook

Middle and Low-Income Food Spending Declined

www.ers.usda.gov/Publications/EIB61

From 2000 to 2007 food spending by middle- and low-income households declined after adjusting for inflation. Households with adequate resources may have reduced spending for “extras,” such as treats and convenience foods, with minimal impact on nutrition and health. However, reduced food spending by households whose food budgets were already stretched thin may have meant that some of those households could no longer purchase adequate food for active healthy lives for all household members. The recent declines in food spending by middle- and lower income households mirrored increased prevalence rates of food insecurity and very low food security. The prevalence of food insecurity increased from 10.5 percent of households in 2000 to 11.1 percent in 2007. The prevalence of very low food security—a severe range of food insecurity characterized by reduced food intake and disrupted eating patterns of some household members—increased from 3.1 percent of households in 2000 to 4.1 percent in 2007. These changes occurred during a period generally characterized by economic growth, falling unemployment, and moderate food price inflation. In 2007, the latest year for which food security and food spending data are available, unemployment had just begun to rise and food price inflation had begun to accelerate, but the larger changes associated with the recession of 2008 and 2009 were yet to come.

Retail Sales of Organic Foods Increasing

www.ers.usda.gov/Publications/EIB58

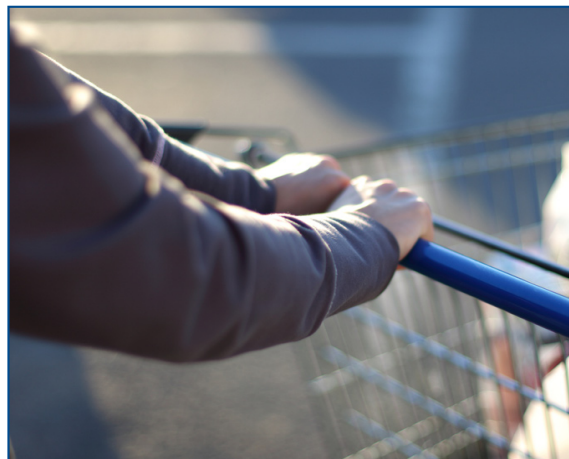
In *Marketing U.S. Organic Foods: Recent Trends From Farms to Consumers*, ERS researchers examined consumers, retailers, handlers, and farmers and took a closer look into the production, marketing, and consumption of produce, dairy, meats and eggs, and feed grains. Organic foods now occupy prominent shelf space in the produce and dairy aisles of most mainstream U.S. food retailers. The marketing boom has pushed retail sales of organic foods up to \$21.1 billion in 2008 from \$3.6 billion in 1997. U.S. organic-industry growth is evident in an expanding number of retailers selling a wider variety of foods, the development of private-label product lines by many supermarkets, and the widespread introduction of new products. A broader range of consumers has been buying more varieties of organic food. Organic handlers, who purchase products from farmers and often supply them to retailers, sell more organic products to conventional retailers and club stores than ever before, yet organic farms have struggled at times to produce sufficient supply to keep up with the rapid growth in demand, leading to periodic shortages of organic products.



Does SNAP Decrease Food Insecurity?

www.ers.usda.gov/Publications/err85

The Supplemental Nutrition Assistance Program (SNAP), formerly the Food Stamp Program, is the largest Federal food assistance program, serving over 28 million households monthly in 2008. SNAP benefits are intended to increase the access of eligible low-income households to food and a nutritious diet—to improve their food security. To date, researchers have had difficulty demonstrating the positive effect of SNAP: food insecurity has always been found to be more prevalent in households enrolled in SNAP than in other low-income households. The hypothesized reason for this is that food-needy households are more likely to enroll in SNAP, and that the initial difference in food security between SNAP participants and nonparticipants is greater than the ameliorative effect of the program. *Does SNAP Decrease Food Insecurity? Untangling the Self-Selection Effect* provides important new evidence of the positive effects of SNAP. Results show that food security deteriorates in the six months prior to beginning a SNAP spell and improves shortly after beginning to receive SNAP benefits. The results clearly demonstrate the self-selection by households into the SNAP at a time when they are more severely food insecure.



Rural Amenities Briefing Room

www.ers.usda.gov/Briefing/RuralAmenities

The rural outdoors can be enhanced through the construction of recreation facilities, but undeveloped rural landscapes have appeal on their own, both for recreation and as attractive places to live. This briefing room looks at the appeal of rural landscapes, the importance of forest landscape preferences, and the role of scenic amenities.



USDA's 86th Agricultural Outlook Forum Sustainable Agriculture: The Key to Health & Prosperity

February 18-19, 2009
Crystal Gateway Marriott Hotel
Arlington, Virginia

Join us for USDA's annual Forum as the Secretary of Agriculture and government, farm, and industry leaders discuss the future of U.S. agriculture. The 2-day conference rate is \$350 if booked and paid by January 15, 2009. Registration for the Forum is open now: www.usda.gov/oce/forum

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