

FOOD DYNAMICS

AND USDA's NEW DIETARY GUIDELINES



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Carbs Up; Meat Down in First Quarter 2005

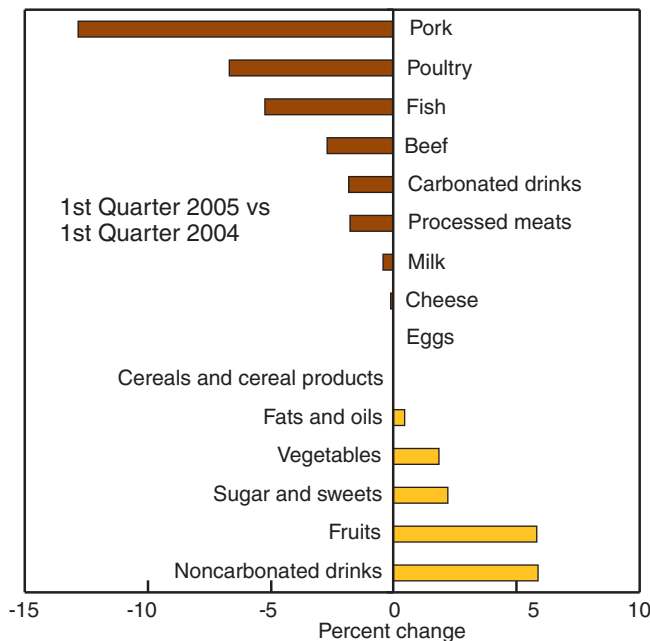
The most notable *increases* in food purchases were for **fruits and noncarbonated drinks** (see chart at right).

Lower **fruit** prices at the beginning of the year encouraged consumers to increase their fruit purchases by 6 percent.

The introduction of new varieties of **noncarbonated drinks** led consumers to increase their purchases (up 6 percent), switching away from carbonated drinks (down 2 percent).

Higher prices for most meat products, along with waning interest in low-carbohydrate diets, led to a decrease in purchases across all of the major protein categories, with **pork, poultry, and fish** showing the largest declines.

Change in quantity sold, major at-home food categories



Source: ERS calculations using ACNielsen Scanner Data (sales estimates from all major retail channels and a wide variety of food products making up most of the food-at-home items purchased by U.S. consumers).

For more detailed information, visit the ERS web site: www.ers.usda.gov/Briefing/CPIFoodAndExpenditures

Convenience Drives Increases in Food Purchases; Price/Availability Drive Decreases

Convenience was a major driver of increased consumer purchases; **yogurt drinks, ready-made salads, and bottled water** all rose by at least 17 percent (see tables below).

Consumer concerns about **sugar** may have led to 9-percent increase in purchases of **sugar substitutes**.

Butter price increases led to a 22-percent increase in retail sales in dollars, while quantities were up just 3 percent.

The 30-percent decline in the volume of **grapefruit** purchases is attributed to hurricane damage in the fall of 2004.

As consumers switched to convenient shelf-stable varieties of apple juice, purchases of **frozen apple juice** concentrate declined by 11 percent.

Veal purchases slipped, but price increases led retail sales in dollars to rise by 1 percent.

Egg purchases remained steady, but a large decline in prices led to a 27-percent drop in retail sales in dollars.

Notable changes, first quarter 2005 vs 2004

	Increases	
	Quantity sold	Sales in dollars
	Percent change	
Yogurt shakes and drinks	31	29
Ready-made salads	19	30
Bottled water	17	17
Sugar substitutes	9	2
Butter	3	22

	Decreases	
	Quantity sold	Sales in dollars
	Percent change	
Grapefruit	-33	-14
Grapefruit juice	-32	-18
Frozen apple juice	-11	-12
Veal	-10	1
Eggs	0	-27

Behind the headlines

New Dietary Guidelines Spur Sales of Whole-Grain Foods

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The latest *Dietary Guidelines for Americans*, released in January, recommend that half of all daily grain servings come from whole-grain foods. These recommendations, which are echoed in the newly released *MyPyramid*, mark a significant departure from past recommendations, which made no distinction between whole and refined grains.

The popularity of whole-grain products appears to be rising.

In the 8 weeks after the release of the *Guidelines*, the average shopper purchased about 13 percent more pounds of whole-grain products than during the same period last year. Comparing the 8 weeks before and after the release, shoppers increased purchases of whole-grain breads by nearly 12 percent, purchases of whole-grain rice by almost 19 percent, and purchases of ready-to-eat cereals by 16 percent (see chart).

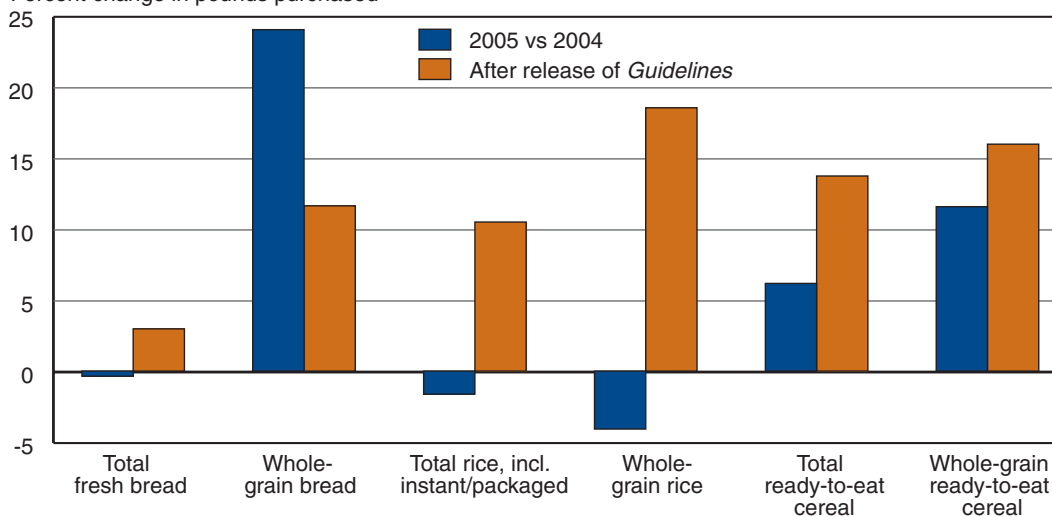
These increases may arise from changes in dietary awareness. Or they may result from more choices available to consumers; in 2004 alone, nearly 100 new products touted a whole-grain claim.

Consumers do modify their food choices in reaction to diet and health information. For example, due to greater awareness about the links between diet and high cholesterol, each American today consumes about half the eggs and about triple the amount of low-fat milk products as in 1950.

How the study was done. To gauge shoppers' initial response, ERS looked at whole-grain purchases over an 8-week period immediately following the release of the *Guidelines*. This was compared with purchases over the previous 8 weeks, as well as the same 8-week timeframe in 2004 to control for seasonal spikes.

Whole-grain purchases rise following release of new *Dietary Guidelines*

Percent change in pounds purchased



Source: ERS calculations of ACNielsen Scanner Data.

About this report

Food Dynamics provides the most up-to-date information on consumer behavior and retail food market conditions. As consumers continue to spread their food dollars across a widening variety of retail channels, it is important for USDA to be able to track the trends in retail food markets as they impact agricultural producers and others in the food supply system. This quarterly report uses a combination of proprietary and government data to provide early warning signals by identifying major products with significant swings in sales volume, prices, or quantities purchased. Current information on consumer behavior is obtained through the report's Rapid Consumer Response Module, which enables ERS to access ACNielsen's panelists to assess their attitudes and reactions to market developments and policy events such as new dietary information, price spikes, supply shortages, or food safety incidents.



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