



Crossroads Resource Center

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Tools for Community Self-determination

U.S. Food Market Highlights:

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Food markets

Total U.S. food consumption (2004): \$600-900 billion.¹

Total retail food sales in U.S. (2003): \$450 billion²

Estimated share of these sales that accrues to farmers (2003): \$40 billion.³

Estimated retail food sales at Wal-Mart and Sam's Club: \$80 billion.⁴

Percent of food industries that lack competitiveness (2002): 85%.⁵

Month in which it is estimated the U.S. will become a permanent food importer (2005): December.⁶

Employment

Total U.S. food retail employment (2003): 3.4 million.⁷

Retail sales per employee (2003): \$127,000

Total U.S. farm proprietor and labor employment (2002): 3.0 million.⁸

Farm sales per worker (2002): \$66,000

Commodity sales

Total farm commodity sales in U.S. (2002): \$200 billion.⁹

U.S. Government payments to commodity producers (2002): \$11 billion.¹⁰

Estimated value of food produced in gardens nationally for private use (1994): \$19 billion.¹¹

Value of U.S. corn crop (2002): \$18 billion.¹²

Direct Sales

Food sold directly from farms to consumers (2002): \$812 million.¹³ (Many consider this USDA count low).

Average distance traveled by an item of food in the Midwest (2001): 1,500 miles.¹⁴

Energy use

Percent of U.S. energy consumption devoted to food production, processing and distribution (1976): 17%.¹⁵

Annual cost of this energy used in food system, at current consumption rates (2005): \$139 billion.¹⁶

Natural and organic food sales

Estimated natural-foods-store market for Atkins-certified foods in U.S. (2004): \$485 million.¹⁷

*Estimated sales of "natural" products (2003): \$43 billion.¹⁸
(excludes superstore chain sales. Includes food plus supplements, personal care items, etc.)*

*Estimated sales of "natural" foods (2003): \$18 billion.¹⁹
(included in total product sales listed above, excludes superstore chain sales)*

*Estimated sale of "organic" foods (2005): \$13.8 billion.²⁰
(excludes superstore chain sales)*

Current growth rate in organic sales (2002): 16%.²¹

Current growth rate in organic sales in Europe (2002), seen by some as indicator for future rates in U.S.: 7.8%.²²

Current growth rate for supermarket food sales (2003): 2-3%.²³

Supermarket share of organic food sales (2003): 37%.²⁴

Estimated total potential market for organic foods: \$15 to \$100 billion by 2030.

School lunches

Percent of public school students in the U.S. whose families earn so little they qualify for free and reduced school lunch (2000). 50%.²⁵

Percent of U.S. households that are "food insecure" (that is, who are not sure at some point during they year from where their next meal may come (2000). 10%.²⁶

Health and weight concerns

Percent of U.S. adults who are overweight or obese (1998): 65%.²⁷

Percent of elderly seeking medical care who are undernourished: (1996): 50%.²⁸

Percentage of deaths in the industrial world that are related to diet: (2000): 50%.²⁹

Number of Americans who die from food poisoning each year (2001): 5,000.³⁰

*Number of obese people in the world (2006): 300 million*³¹

*Number of overweight people in the world (2006): 1 billion*³²

*Number of hungry people in the world (2006): 600 million*³³

*Number of U.S. coronary cases that could be prevented by eating 1% less fat (1999): 30,000*³⁴

*Number of gastrointestinal diseases treated each year in the U.S. (2001). 76 million (one for every four Americans).*³⁵

*Annual medical costs of obesity in U.S. (2002): \$118 billion. (this is 14% of what Americans pay for food each year.)*³⁶

Credit sources

*Amount of money spent by U.S. farmers paying interest on farm debt (1913-2005): \$1.366 trillion (in 2005 dollars).*³⁷

*Amount of money directed to farmers by all federal programs (1933-2005): \$775 billion (in 2005 dollars).*³⁸

*Farmer interest payments (money flowing out of farm sector) less federal farm payments (money returned to farm sector) (1913-2005): \$591 billion (in 2005 dollars).*³⁹

*Ratio of the average size of a bank in the U.S. to what economists consider the most efficient size (2000). 1000 times larger.*⁴⁰

For further details, see also:

Meter, Ken (2003). *Food with the Farmer's Face on it: Emerging Community-Based Food Systems*. Media guide published by W. K. Kellogg Foundation. Available at <http://www.wkkfweb.org/FSRDFullGuide.pdf>.

Meter, Ken, and Jon Rosales (2001). *Finding Food in Farm Country*. University of Minnesota—Experiment in Rural Cooperation, in partnership with Community Design Center and Crossroads Resource Center. Available at <http://www.crcworks.org/ff.pdf>.

To see recent findings from this and other "Finding Food in Farm Country" studies, see <http://www.crcworks.org/fffc.pdf>.

To view related materials: <http://www.crcworks.org/rural.html>.

Sources:

- ¹ Estimates of food consumption: Figure of \$895 million from USDA Economic Research Service, viewed December 5, 2005, at <http://ers.usda.gov/Briefing/CPIFoodAndExpenditures/Data/table1.htm>. Estimate of \$610 million using Bureau of Labor Statistics data on consumer expenditures for food, <ftp://ftp.bls.gov/pub/special.requests/ce/standard/2004/region.txt>, viewed February 7, 2006.
- ² Food Marketing Institute, which uses data from *Progressive Grocer*. Viewed at www.fmi.org/facts_figs/keyfacts/decade.htm on January 2, 2005.
- ³ Stewart Smith calculates that overall, 9% of the retail value of food is received by the farmer. Smith, Stewart (1992). *Farming Activities and Family Farms: Getting the Concepts Right*. Presented to U.S. Congress Symposium, Agricultural Industrialization and Family Farms, October 21. Cited in Mamen, Katy, et. al., *Ripe for Change*. International Society for Ecology and Culture, January; and in Halweil, Brian (2004). *Eat Here*. Norton. Food Marketing Institute uses a higher ERS estimate of \$133 billion, a 19% return to farmers on \$709 billion of total food sales, but this seems implausible since total farm sales are only \$200 billion including all commodities. Moreover, much retail food is sourced abroad. Viewed at www.fmi.org/facts_figs/keyfacts/farm.htm on January 2, 2005.
- ⁴ *Feedstuffs* (2004). July 5, 5. Wal-Mart and Sam's Club are the top two food retailers in the U.S, after less than 20 years in the retail food business.
- ⁵ Heffernan, William & Mary Hendrickson (2002). "Concentration in Agricultural Markets." National Farmers Union. Available from the Agribusiness Accountability Initiative at http://www.agribusinessaccountability.org/pdfs/48_Concentration%20in%20Agricultural%20Markets.pdf, viewed April 26, 2004. Other researchers further note that food prices are consistently higher due to this concentration of power. Lopez, Rigoberto A; Azzam, Azzeddine M; & Lirón-España, Carmen (2002). "Market Power and Efficiency: A Structural Approach." *Review of Industrial Organization* 20:115-126.
- ⁶ Adamy, Janet (2005). "Agriculture: What's for Dinner? Imports." *Wall Street Journal*, January 31, R6.
- ⁷ Food Marketing Institute. Viewed at www.fmi.org/facts_figs/keyfacts/decade.htm on January 2, 2005.
- ⁸ Bureau of Economic Analysis, Regional Economic Accounts (2002). <http://www.bea.doc.gov/bea/regional/reis/>.
- ⁹ USDA/NASS Agriculture Census (2002). <http://www.nass.usda.gov/census/>.
- ¹⁰ Bureau of Economic Analysis, Regional Economic Accounts (2002). <http://www.bea.doc.gov/bea/regional/reis/>.
- ¹¹ Dahlberg, K. A. (1994). "Localizing Local Food Systems." *Neighborhood Works*, February /March.
- ¹² USDA/NASS Agriculture Census (2002).
- ¹³ USDA/NASS Agriculture Census (2002).
- ¹⁴ Pirog, Rich; Timothy van Pelt, Kamyar Enshayan & Ellen Cook (2001). "Food, Fuel and Freeways: An Iowa perspective on how far food travels, fuel usage, and greenhouse gas emissions." Leopold Center for Sustainable Agriculture, Iowa State University, June. ERS energy study by Lasley, 1974.

¹⁵ Federal Energy Administration (1976). "Energy Use in the Food System," Number FE 1.2:F73, May, p. III-14.

¹⁶ Calculated from ratio determined by FEA study cited above, using current Department of Energy data for energy consumption (\$694 billion in 2001 -- DOE Table 1.5 Energy Consumption, Expenditures, and Emissions Indicators, 1949-2004, <http://www.eia.doe.gov/emeu/mer/consump.html>, viewed Nov. 27, 2005). Bureau of Labor Statistics data on consumer expenditures for food, <ftp://ftp.bls.gov/pub/special.requests/ce/standard/2004/region.txt>, viewed February 7, 2006..

¹⁷ Traynor Spencer, Marty and Patrick Rea (2004). "Natural Product Sales Top \$42 billion. *Natural Foods Merchandiser*, June, 1.

¹⁸ Traynor Spencer and Rea, 1.

¹⁹ Traynor Spencer and Rea, 1.

²⁰ Gray, Steven (2006). "Organic Food Goes Mass Market," *Wall Street Journal* May 4, D1, citing data from the *Nutrition Business Journal*. NBJ projects organic sales of \$15.5 billion in 2006. In 2002, *Natural Foods Merchandiser* stated that organic food sales were \$10 billion. *Natural Foods Merchandiser*, XXIII:6, 1. Retrieved from www.naturalfoodsmerchandiser.com/ November 10, 2004.

²¹ Gray, Steven (2006). "Organic Food Goes Mass Market," *Wall Street Journal* May 4, D1, citing data from the *Nutrition Business Journal*. NBJ projects organic sales growth rate of 12 % in 2006. Marty Traynor-Spencer, *Natural Foods Merchandiser*, in a Nov. 19, 2004, telephone conversation reported a growth rate of 17% in 2002.

²² *Natural Foods Merchandiser*, XXIV:9, 22. Retrieved from www.naturalfoodsmerchandiser.com/, November 10, 2004. Organic Monitor, the source of international data on organics, considers European rates as leading indicators of U.S. growth, and projects EU growth of 5-7 percent in upcoming years.

²³ Hansen, Nanette (2004). "Organic food sales see healthy growth; Mainstream food companies promote natural brands," MSNBC news report, December 3. Viewed at <http://www.msnbc.msn.com/id/6638417/> on January 2, 2005. Food Marketing Institute, using data from *Progressive Grocer*, lists a 10-year growth rate of 4.8 % from 1993-2003 for all supermarket items, including nonfood items. Viewed at www.fmi.org/facts_figs/keyfacts/decade.htm on January 2, 2005.

²⁴ Hansen, Nanette (2004). "Organic food sales see healthy growth; Mainstream food companies promote natural brands," MSNBC news report, December 3. Viewed at <http://www.msnbc.msn.com/id/6638417/> on January 2, 2005.

²⁵ USDA (2000). *A Millennium Free from Hunger*. U.S. National Progress Report on Implementation of the U.S. Action Plan on Food Security and the World Food Summit Commitments, 2. See also World Hunger web site, www.worldhunger.org/hun_pov/default.asp. Viewed April 12, 2002. The National Association of Secondary School Principals counted 53 million public and private school students in the U.S. in 2000. See http://www.principals.org/publicaffairs/views/nxt_pres_edwk11100.htm, viewed July 6, 2002.

²⁶ USDA (2000). *A Millennium Free from Hunger*, listed immediately above.

²⁷ Flegal, Kim. et. al. (1998). "Overweight and Obesity in the United States, Prevalence and Trends, 1960-1994," *International Journal of Obesity*, August. Cited in Gardner, Gary; & Halweil, Brian (2000). "Overfed and Underfed: The Global Epidemic of Malnutrition." World Watch Institute: Worldwatch Paper 150, March, 9.

²⁸ Wellman, N. S. et. al (1996). "Elder Insecurities: Poverty, Hunger, and Malnutrition." American Dietetic Association hunger line, cited in Pothukuchi & Kaufman, 7.

²⁹ Gardner, Gary; & Halweil, Brian (2000). "Overfed and Underfed: The Global Epidemic of Malnutrition." World Watch Institute: Worldwatch Paper 150, March, 38. The authors also note that 30% of all cancers could be prevented with a change in diet.

³⁰ Walters, Jonathan (2001). "Spoiled Food Federalism" in *Governing Magazine* (formerly *Congressional Quarterly*), May, 12.

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³¹ World Health Organization (2006). Cited in Associated Press release, "'Creeping Pandemic of Obesity' a Worldwide Threat, Experts Warn." September 4. Published in Minneapolis *Star Tribune*, September 4.

³² World Health Organization (2006). Cited in Associated Press release, "'Creeping Pandemic of Obesity' a Worldwide Threat, Experts Warn." September 4. Published in Minneapolis *Star Tribune*, September 4.

³³ Zimmet, Paul, diabetes expert at Monash University in Australia, in September 3 keynote speech at International Congress of Obesity. Cited in Associated Press release, "'Creeping Pandemic of Obesity' a Worldwide Threat, Experts Warn." September 4, 2006. Published in Minneapolis *Star Tribune*, September 4.

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³⁵ Walters, Jonathan (2001). "Spoiled Food Federalism" in *Governing Magazine* (formerly *Congressional Quarterly*), May, 12.

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³⁷ USDA Economic Research Service Farm Sector Balance Sheets.
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³⁹ Economic Research Service Farm Sector Balance Sheets.
<http://ers.usda.gov/Data/FarmIncome/finfidmu.htm>. Viewed February 7, 2006.

⁴⁰ Dymski, Gary (2000). "The Bank Merger Wave and the Future of U.S. Banking." Viewed March 24, 2004 at http://www.economics.ucr.edu/people/dymski/rioba_paper.pdf.