Developing Data to Analyze Fads or Structural Shifts in Grain Demand

Walter J. Armbruster

Farm Foundation

To summarize today's workshop, I highlight the issues discussed and questions raised to improve the quality and availability of data on this important topic.

The initial discussion focused on whether low-carbohydrate diets are a trend or a fad shaping the way consumers eat, and on the response of marketers. A plethora of new low-carb products have been introduced in the last five years, with much of that growth in just the last two years.

At the same time, data from the USDA's Economic Research Service (ERS) indicates increased per capita food availability from 1970-2000—both in total and for most of the major categories of food, particularly cheese, carbonated soft drinks, poultry, grain products, and fats and oils. After adjusting for food spoilage and other waste, the nearly 23-percent increase in the total calories available in the food supply presumably translates into increased calories consumed per capita.

Grain-based foods have taken a good bit of the blame for increased obesity, in part because of the current popularity of low-carb diets. Yet, it is clear that many factors contribute to obesity. While U.S. dietary guidelines and the Food Guide Pyramid encourage eating a balanced diet, non-governmental dietary recommendations are increasingly having a big impact on consumer behavior. Based on ERS data, the "eat less" message may be the most important one consumers

need to hear.

There is a need to better identify exactly what consumers eat. This may require creating standards for various new product categories–for example, whole grains or low-carb foods–to reduce confusion about what fits into a category. Additionally, more and better data is needed to fill data gaps. For example, to estimate the whole-grain share of the available grain supply would require data on less-frequently consumed grains like buckwheat and millet.

Grain consumption is directly and indirectly affected by many economic, demographic, and personal factors. The use of food labels to determine nutritional information and the perceived importance of grain consumption are both affected by household income, education level, personal beliefs, lifestyle and other demographic factors.

One problem in gathering data on dietary patterns is under-reporting by individuals, especially in recall approaches. What consumers report they are doing is seldom matched by actual long-term consumption trends.

Finding ways to better estimate waste and product spoilage will enhance the ability to more accurately estimate consumption. In addition, new markets and technologies produce continuing changes and new food products which may require recategorization to accurately estimate consumption. Biofortification and specialty grains are two examples.

There was some consensus that researching the benefits of whole-grain consumption will require a comprehensive, publicly-available database on whole-grain foods.

It is important to examine changes in grain consumption by regions and differences that may be found by looking at total fat, sodium, dietary fiber, etc., consumption by region. This is particularly true in the case of cereals that are convenient but have, in some cases, been criticized for having high sugar content.

To track changes in food demand, scanner data allows examination of current trends and provides one perspective on household-level behavior. Although longer-term time series data on food availability is less suited for timely understanding of current trends, it can provide the foundation for a macro view of long-term trends and it is not subject to the same limitations and biases that affect scanner data.

While recognizing the excellent job of reporting done over the years, industry participants clearly indicate an interest in more timely data from government statistics. USDA is especially interested in improving the transparency and accuracy of its food consumption estimates. In particular, ERS aims to improve loss estimates between the primary production level and the retail level, between the retail level and the institutional or consumer level, and at the institutional or consumer level. ERS seeks industry suggestions on how to improve loss estimates, whether conversion factors traditionally used to adjust commodity data into food data are still relevant, and whether other sources of information can yield more refined estimates.

The mix of industry, government agency, media and academic participants in this workshop addressed the range of issues related to understanding trends in demand shifts for grain-based foods. Working together, improvements can be made in available databases to better analyze emerging trends and better position everyone to hypothesize and prepare for future directions in consumer demand.