

---

*FoodReview* (ISSN 1056-327X) is published three times a year by the Food and Consumer Economics Division, Economic Research Service, U.S. Department of Agriculture.

Send questions, requests, and editorial comments to *FoodReview*, Room 237 USDA, 1301 New York Avenue, NW., Washington, DC 20005-4788.

Annual subscriptions are \$17.00 to U.S. addresses (\$21.25 foreign). Multiyear subscriptions are also available. Call toll free 1-800-999-6779 (weekdays, 8:30-5:00 ET) to charge your order to Visa or MasterCard (callers outside the United States or Canada, please dial 703-834-0125). Or, order by mail from ERS-NASS, 341 Victory Drive, Herndon, VA 20170. Make your check or money order payable to ERS-NASS. Please include your complete address and daytime telephone number. Sorry, but refunds cannot be issued.

The use of commercial or trade names does not imply approval or constitute endorsement by USDA or ERS.

Contents of this magazine may be reprinted without permission.

**Economics Editor:**

Rosanna Mentzer Morrison  
(202) 219-0858

**Managing Editor:**

Mary E. Maher  
(202) 219-0031

**Art Director:**

Susan DeGeorge

**Editorial/Graphic Assistance:**

Cynthia Ray

## Spotlight on the U.S. Food System

Once again, USDA's Economic Research Service (ERS) takes the pulse of the U.S. food system and shares with our readers some of the trends in food consumption, spending, and marketing, as well as new estimates for foodborne disease costs and recent developments in domestic food-assistance programs.

Changing demographics, economic conditions, and consumer lifestyles, along with many consumers' concerns about diet and health, have led to significant changes in what we eat.

Comparing intake choices in surveys from 1977-78 and 1994, researchers with USDA's Agricultural Research Service (ARS) found that Americans are eating more mixtures, such as pizza and tacos, more ready-to-eat cereals, and more grain-based snacks. Americans are also drinking more fruit juices, lowfat and skim milk, soft drinks, and beer, while whole milk and egg consumption has declined. ARS researchers also analyzed average 1994 intakes of key nutrients by children and adults.

Also in this issue, ERS economists look at how Americans spend their food dollar. Food spending in the United States rose to \$665 billion in 1995, up 3.8 percent from 1994. U.S. consumers spent more dollars on food at home than on food away from home in 1995, but expenditures for eating out showed a larger increase.

The farm value of U.S. farm foods (excluding seafood and imports) rose 4.1 percent in 1995—a larger increase than the 3.5-percent rise in processing and marketing costs. The faster growth of the farm value relative to marketing costs raised the farm value percentage to 22 cents of the food dollar, up from 21 cents in 1994.

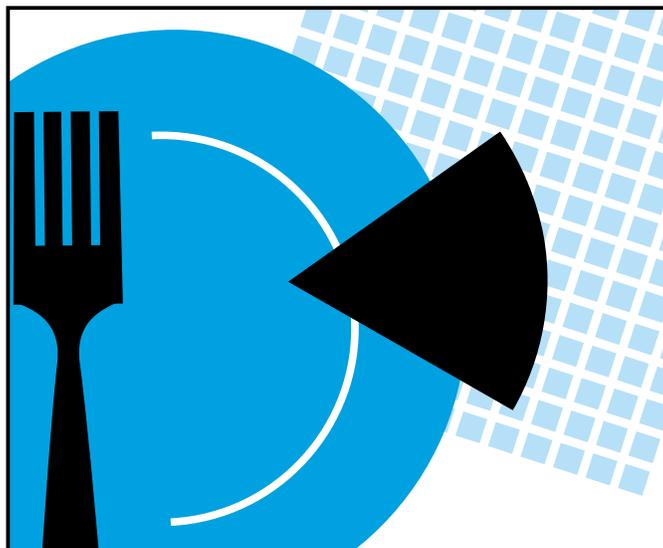
Food-assistance programs were also in the spotlight this year. During the first 6 months of fiscal 1996, USDA spent \$19.7 billion on domestic food-assistance programs—a slight decrease from the first half of fiscal 1995. Expenditures for the Food Stamp Program (\$12.3 billion) were down almost 2 percent, while funding for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), at \$1.8 billion, was up 7 percent. 1996's welfare reform legislation has created important changes in food-assistance programs, including cutting food stamp benefits, denying food stamp benefits to most legal immigrants, and placing a time limit on participation of able-bodied adults.

In the international section, ERS economists examine recent patterns in U.S. imports and exports of processed foods and beverages. While overall U.S. exports of processed foods were up 12 percent in 1995, exports fell for many product categories. Declining exports to Mexico, one of our largest customers, were partially responsible. The Mexican peso crisis made U.S. goods relatively more expensive for Mexican citizens, causing U.S. processed food exports to Mexico to decline by 31 percent in 1995.

The second international article looks at how income, food prices, and food preferences affect food spending, calorie intakes, and costs per calorie in 51 countries around the world.

---

# Inside...



## Food Spending

### 2 Spending for Food Up Slightly in 1995

—Alden Manchester & Annette Clauson

## Food Marketing

### 6 Food Marketing Costs Rose Less Than the Farm Value in 1995

—Howard Elitzak

### 11 The Foodservice Industry at a Glance, 1985-95

—Charlene C. Price

## Food Consumption

### 14 What We Eat in America: USDA Surveys Food Consumption Changes

—Lori Borrud, Cecilia Wilkinson Enns, & Sharon Mickle

## Food Safety

### 20 ERS Updates U.S. Foodborne Disease Costs for Seven Pathogens

—Jean C. Buzby & Tanya Roberts

## Food Assistance

### 26 Cost of Food-Assistance Programs Declined Slightly in First Half of 1996

—Victor Oliveira

## International Market Trends

### 34 U.S. Processed Foods Trade Surplus Over \$4.5 Billion in 1995

—J. Michael Harris & Margaret Malanoski

### 39 Income and Diet Differences Greatly Affect Food Spending Around the Globe

—Birgit Meade & Stacey Rosen