



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

National Food Review

NFR-1

Economics,
Statistics, and
Cooperatives
Service

U.S. Department
of Agriculture

January 1978

TRENDS IN GROCERY RETAILING



Special this Issue



Nowadays, less than a third of the Nation's grocery store sales are rung up by smaller stores, often family operated. In the early 1950's, they claimed over half the market. The article featured in this issue—"Trends in Grocery Retailing"—revisits the supermarket revolution, summarizes the impact on store numbers and size, and peaks into the future for this \$140 billion industry.

The author suggests that the supermarket revolution, which began to simmer in the 1930's, has far from reached a boiling point. One indication is that more and more chainstores are installing electronic scanners in an effort to speed up the checkout process, eliminate human errors at the cash register, and help store managers keep better track of inventory changes. Another indicator is the trend toward electronic funds transfer, which instantaneously moves money from the shopper's account to the store's, thus reducing bad check losses and allowing retailers to use their revenues immediately.

These breakthroughs, in tandem with other innovations for increased efficiency, can save supermarkets as much as 50 percent in direct labor costs. That's good for shoppers, assuming some of the benefits are passed down the line. But to achieve such savings, retailers need much larger buildings and more costly equipment. The bigger the store, the greater the potential efficiencies. The implications for stores that can't keep up with the times are obvious. Less certain is what these trends mean for the competitive performance of the industry.

Editor's Note: The past several editions of National Food Situation—titled National Food Review, starting with this issue—have undergone some changes in format and content. We'd appreciate your comments. This publication is mailed free to anyone with interests in food developments as they affect the consumer. For a subscription, write Publications Unit, Economics, Statistics, and Cooperatives Service, Rm 0054 S. Bldg., U.S. Department of Agriculture, Washington, D.C. 20250. For more information on articles, write us at the above address, or call (202) 447-8707.

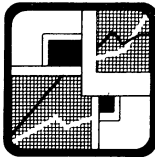
Editors:

Alden C. Manchester
Larry V. Summers
Patricia Tate

National Food Review is published four times annually by the National Economic Analysis Division of the Economics, Statistics, and Cooperatives Service of the U.S. Department of Agriculture, Washington, D.C.

National Food Review

Situation and Outlook 2



Nutrient Content of the National Food Supply. Nutritional levels in 1977 averaged about the same as the year before, but a comparison with 1975 data shows that our intake of energy-yielding nutrients has risen. *Coffee prices and Consumption Continue Down.* Even if green coffee prices climb in early 1978 U.S. retail prices will nose down for some time.

Marketing 17



Trends in Grocery Retailing. The computer age is changing the supermarket. *Behind the Increase in Food Costs.* Hikes in the marketing bill contributed 85 percent of the increase in spending for farm food since 1973, mainly due to rising wages and salaries and higher prices for marketing materials.

Consumer Research 23



Dietary Goals: What Are the Concerns? While there's some agreement on the direction of a U.S. nutrition policy, the specifics of any recommendations are vigorously debated. *The Relationship Between Household Food Expenditures and Household Size and Composition.* Shrinking household size plus older household members forebodes stronger per capita demand for some foods.

Perspectives 33



Eating out: Fast Foods. Fast-food establishments, the fastest-growing segment of the away-from-home food market, now corner more than a fourth of that market. *Cost of Protein in Foods.* Dry beans are the cheapest source per protein unit; peanut butter, beef liver, and white bread come next. Sliced bacon costs the most, followed by lamb chops and porterhouse steak.

Consumer Legislation 38



The status of legislation in Congress. With the first session of the 95th Congress giving high priority to the Energy Bill, many consumer bills went on the back burner. Among them is one establishing a consumer agency to bring together Federal activities affecting consumers. Also, the National School Lunch Act and the Child Nutrition Amendments became law in 1977.

USDA Actions 39



Rulemaking and other actions by USDA affecting consumers, including—USDA reorganization; ice cream standards; use of nitrates and nitrites in cured meat products, potato grading standards; and food stamp quality control.