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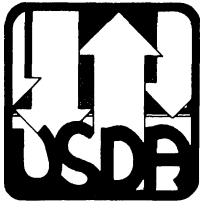
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USDA Actions

USDA Reorganization

"To reduce duplication and improve our responsiveness to the public," Secretary Bob Bergland announced October 5 an internal reorganization plan that would cut the total number of agencies in the Department from 40 to 26.

In announcing the plan, which he estimated would be in full operation by the end of the year, Mr. Bergland emphasized that "no mission of the Department will be down-graded" and "no employee will be dismissed" as a result of the reorganization.

"To make the 1972 Rural Development Act work," Mr. Bergland said, "a single Farm and Rural Development Administration will be a key aspect of our reorganization." It will combine the functions of the Farmers Home Administration and the Rural Development Service to make rural development "a major mission of this Department."

Following the mandate of the 1977 Food and Agriculture Act to "increase cooperation and coordination in the performance of agricultural research" he said a new Food and Agriculture Science and Education Administration will be created to provide a "single focus to the fragmented research and education activities of USDA."

Among other changes announced by Secretary Bergland are:

—combining the functions of four USDA information-gathering and support agencies into a unified Economics, Statistics and Cooperatives Service;

—consolidating the Offices of Audit and Investigation into a single Office of the Inspector General;

—placing the functions of the Offices of Congressional Affairs, Communications and Intergovernmental Affairs together in an Office of Governmental and Public Affairs;

—merging three administrative support agencies into the Office of Operations and Finance;

—adding the Packers and Stockyards Administration to the Agricultural Marketing Service.

Six of the seven changes announced by Secretary Bergland can be completed by administrative action. The seventh—establishing a Farm and Rural Development Administration—will require Congressional action.

USDA Withdraws Proposal To Change Rules To Ship Hogs Fed Raw Garbage

USDA has withdrawn the proposal to change interstate shipping rules to allow swine fed raw garbage to be slaughtered without special processing.

The proposal would have permitted garbage-fed swine to be shipped interstate for slaughter without further processing (cooking), provided certain requirements had been met pertaining to the health of the animals. Further, raw garbage could not have been fed to the hogs during the last 45 days before shipment.

Officials of USDA's Animal and Plant Health Inspection Ser-

vice have withdrawn the proposal because 41 of the 43 comments received were opposed to weakening of the present regulations. Hogs fed raw garbage can be shipped interstate provided the individual carcasses are processed (cooked). This requirement was instituted to help prevent the spread of hog cholera and other infectious diseases.

USDA Adopts Standard of Composition for Ice Cream; Asks Comments on Grading

Ice cream manufacturers can use a new USDA standard of composition for ice cream and label that ice cream with an identifying USDA symbol.

USDA also wants to know if consumers are interested in a grading system that will reflect not only the ingredients used in ice cream but its quality as well.

Use of the new composition standard and symbol is voluntary. Manufacturers who want to label their ice cream with the USDA symbol can do so if:

—the ice cream manufacturing plant is a USDA approved plant

—the dairy ingredients used come from USDA approved plant

—the ice cream is produced according to the USDA standard of composition under continuous inspection by USDA dairy inspectors.

The symbol will be rectangular box containing the words, "Meets USDA Ingredient Standard for Ice Cream."

The USDA standard of composition and symbol were mandated by Congress in the Food and Agriculture Act of 1977, so that consumers could distinguish between ice cream as it has been made traditionally and ice cream containing unlimited amounts of whey and caseinates. Ice cream made according to the USDA standard of composition will be of the traditional recipe. (Whey is a byproduct of cheesemaking. Caseinates are milk proteins that are separated from milk and whey by special processes.)

Under the USDA standard, ice cream must:

- Contain at least 1.6 pounds of total solids per gallon and weigh at least 4.5 pounds per gallon.

- Contain at least 20 percent total milk solids, constituted of at least 10 percent milk fat and at least 6 percent milk-solids-not-fat. Whey, by weight, can be no more than 25 percent of the milk-solids-not-fat. (Milk-solids-not-fat consist mostly of protein).

This is a minimum standard that reflects only the kinds of ingredients that can be used. Ice cream can be produced in a wide range of quality above this minimum. That is why USDA wants to know if consumers want grade standards and a grading system that would indicate quality characteristics of ice cream.

FSQS is requiring continuous inspection during the manufacture of ice cream because there is no test which can be made on finished ice cream to determine whether caseinates have been used. The continuous inspection service is provided for a fee and plants must meet USDA sanitary requirements.

Comments and suggestions on this method and on alternative methods of assuring compliance

with the new standard of composition should be sent in duplicate to the Hearing Clerk, Rm. 1077-S, USDA Washington, D.C. 20250 by January 1, 1978.

Consumers and all other interested parties are asked to send comments to the same address by January 1, 1978 on whether or not and why they think U.S. grade standards and a grading system for ice cream would be useful to them.

USDA Recalling Certain Imported Liver Pate Products

Imported liver pate (paste) products bearing foreign establishment numbers "6707-C" and "6707-D" should be considered potentially harmful and should not be eaten, USDA warned consumers.

Preliminary laboratory results on products intercepted by Federal inspectors at ports of entry indicate the products are under-processed and may cause food poisoning.

The establishment numbers are listed on the labels and also are embossed on the cans and glass terrines. In addition, the words "Product of France" are printed on the labels. The containers range in size from 1¼ ounce to 2 pound 2½ ounces.

The imported items—all produced by Feyel, a meat and poultry processing plant in Strasbourg, France—are sold under various product names such as "Smoked Goose Pate," "Bloc De Foie Gras With Truffles," "Wild Boar Fillets with Foie Gras and Truffles," and "Liver Pate." They are marketed under eight or more different brand names including Fritsch, Ile De France, F. Feyel, Strasbourg, Delice De Strasbourg, Tradition Florian Strasbourg, Florian Strasbourg, and Erna.

Some 20 companies distribute these brands in the United States to delicatessens, department stores, gourmet and other specialty food shops, and supermarkets.

USDA Buys Chicken; Invites More Offers

USDA purchased 1,512,000 pounds of fresh frozen cut-up chicken and 216,000 pounds of cooked frozen cut-up chicken for use in child nutrition and elderly feeding programs.

The purchase was made at a delivered cost of \$760,000 for the fresh frozen cut-up chicken and \$182,000 for the cooked frozen cut-up chicken, with funds authorized by USDA's Food and Nutrition Service.

USDA's Food Safety and Quality Service (FSQS) will pay delivered prices of \$.4893 to \$.5095 per pound for the fresh frozen cut-up chicken and \$.8381 to \$.8464 per pound for the cooked frozen cut-up chicken.

Purchases since July 1 total 19,224,000 pounds of fresh frozen cut-up chicken and 1,728,000 pounds of cooked frozen cut-up chicken. Total cost, \$9,752,000 for the fresh frozen cut-up chicken and \$1,460,000 for cooked frozen cut-up chicken, amounts to \$11,212,000.

USDA Requests Data on Use of Nitrates/Nitrites in Cured Meat Products

The meat industry is being given until January 15, 1978, to submit data showing how bacon can be manufactured using nitrates and nitrites without resulting in the formation of carcinogenic nitrosamines during processing or preparation for eating.

In addition, USDA is establishing a timetable for receiving simi-

lar data over the next 24 months on other types of cured meat products.

If the data being requested show that these products cannot be manufactured using nitrates and nitrites without nitrosamines being formed, a decision then will have to be made which could result in banning the use of these curing additives in some or all cured meat products.

Officials of USDA's Food Safety and Quality Service (FSQS) said that in addition to bacon, the other affected cured meat products and the deadlines for submitting information are: dry cured and fermented sausages, including dry and semi-dry sausages, 6 months; cooked sausages, 12 months; pickle cured products and perishable canned products, 18 months; and, shelf-stable and sterile canned products, 24 months.

FSQS officials said that the data now being requested may be submitted either by individual meat processing firms or by industry associations. The data on bacon must be based on a frying time of at least three minutes on each side, at a temperature of at least 340 degrees F. Data submitted for the other cured meat products shall include methods of processing and preparation for eating under ordinary conditions, sampling techniques, and methods of analysis.

Nitrates have been used for centuries in curing meat products. In recent years, however, there has been a growing concern among Government officials, public health experts, and consumer groups over the safety of these curing additives.

Laboratory tests demonstrate that nitrates and nitrites will combine with certain amines to form nitrosamines—some of which have caused cancer in test ani-

mals. Data made available to the Department indicates that certain of these cancer-causing nitrosamines are presently being found in samples of bacon as prepared for eating.

The Federal Meat Inspection Act states that a meat product shall be considered adulterated if it "bears or contains any poisonous or deleterious substance which may render it injurious to health."

USDA's objective is to provide the meat industry with this opportunity to show that nitrates and nitrites can be used without the formation of substances that are harmful to health, and thereby continue to make available cured meat products which are highly popular among consumers.

Information being requested should be sent to the Hearing Clerk, U.S. Department of Agriculture, Washington, D.C. 20250. For further information, questions should be directed to the Product Labels and Packaging Staff, FSQS, Room 202 Annex, USDA, Washington, D.C. 20250, or telephone (202) 447-4293.

USDA Offers Aflatoxin Testing Service to Corn Sellers and Buyers

Producers, grain elevator operators, exporters and buyers of United States corn may now have shipments tested for presence of aflatoxin.

USDA's Federal Grain Inspection Service has been installing aflatoxin testing equipment in its field grading laboratories. Graders are performing fluorisil mini-column tests on a voluntary, fee basis.

Aflatoxin—produced by *Aspergillus flavus* mold—is a cancer-causing agent in humans which can develop in corn if the kernel is first subjected to unusual stresses caused by drought, quick

drying, insect infestation or other conditions and is then infested with the mold.

USDA Announces New Fee Schedule for Fresh Fruit and Vegetable Inspection

Increased fees for voluntary grading and inspection services for fresh fruits, vegetables, nuts, and related products became effective October 23.

Under the new fee schedule, all regular commercial inspection fees will be increased by \$3 per lot and the hourly rate will be increased from \$14 to \$15. The higher fees are necessary to offset additional operating costs, including salary increases authorized by Congress.

Grading is authorized under the Agricultural Marketing Act of 1946. The service is voluntary and made available upon request of financially interested parties. The Act requires fees for service to be reasonable and, as nearly as possible, to equal the cost of rendering the service.

USDA Proposes Standards To Permit Manufacture of "Tissue From Ground Bone"

A proposed new USDA regulation would enable the meat industry to use tissue from ground bone which is acquired by the mechanical separation of meat from bone.

"During the last year, USDA's Food Safety and Quality Service (FSQS) has conducted an extensive review of this product," USDA stated. "We have obtained data from university scientists, an interagency panel of experts, public health officials, and consumers. We are confident that this product, when used within stated limitations and labeled accurately, meets the requirements of the Wholesome Meat Act."

Under the proposal, Federal meat inspection regulations would be amended to add "tissue from ground bone" (TFGB) as a "meat food product" that could be used as an ingredient in certain products under specified limitations. "Tissue From Ground Bone" would be defined as any tissue resulting from the mechanical separation of skeletal muscle from bone by straining through screens, sieves or ports not to exceed 0.5 millimeters in diameter and which conforms to specified levels for protein, fat and calcium.

Other provisions of the new proposal include:

—When TFGB is used as an ingredient in any meat product, the name of that product would have to be qualified by the phrase, "Tissue From Ground Bone Added", in a type size at least one-half the size of the product name. Further, "Tissue From Ground Bone" would have to be included in the list of ingredients contained in the product, so that persons who must stringently restrict calcium intakes could avoid these products.

—"Tissue From Ground Bone" could be used only up to a maximum of 20 percent of the meat "block" (i.e., the total of all meat, meat byproducts, poultry meat and poultry products) used in the product.

—"Tissue From Ground Bone" could not be used in the manufacture of strained baby, junior or toddler foods, due to the fluoride content. FSQS officials note that although the fluoride content of TFGB is not considered a health hazard, fluoride intakes by children need to be controlled more closely than for adults in order to avoid discoloration of children's teeth.

—"Tissue From Ground Bone" would have to contain a minimum of 14 percent protein, and would

be limited to a maximum of 30 percent fat.

—The calcium content of TFGB could not exceed 0.75 percent, and the minimum protein quality would be set at a Protein Efficiency Ratio of 2.5—the latter being equal to the quality of milk protein casein.

—No standards are proposed covering maximum microbiological content of "Tissue From Ground Bone," since USDA reviews found no evidence that there is any bacterial health hazard associated with this product when it is handled in keeping with good manufacturing practices. Federal meat inspectors monitor meat packing firms to maintain strict sanitary requirements and appropriate control programs currently exist to provide for safe handling practices.

—Product failing to meet the standards for TFGB because of high calcium content could be used only for rendering animal fat. Until such time as USDA establishes standards for producing low temperature rendered products, TFGB product that fails to meet the proposed standards for reasons other than high calcium may be used only in producing imitation meat products.

According to FSQS officials, standards for products produced by the mechanical separation of meat from bone were first proposed in April 1976 as part of a broader proposal to redefine "meat" in the regulations. In a companion action the same day, USDA published interim standards covering the use of mechanically deboned meat, which were to remain in effect pending final rulemaking on the broader proposal.

These interim standards were challenged in U.S. District Court by a coalition of consumer-oriented organizations and the

Attorney General of Maryland. On September 10, 1976, the court enjoined USDA from implementing the interim standards on grounds that potential health hazards of mechanically deboned meat had not been adequately assessed. Following the court's order, USDA prohibited the official mark of inspection to be used on all mechanically deboned meat, which in effect stopped its production and use in meat products.

FSQS officials said that because of the widespread interest and substantive questions about the earlier proposal, and in view of the changes now being proposed, the public should be given an opportunity to comment on the revisions.

USDA Invites Comments on Proposed Rules for Imported Filberts

USDA is asking the public for written comments on proposed regulations for imported filberts. The regulation would require that all filberts imported into the United States meet the same minimum quality and size standards required of filberts grown in Oregon and Washington and regulated under a federal marketing order.

The new Food and Agriculture Act, enacted September 29, amended the Agricultural Marketing Agreement Act of 1937 to require that imported filberts meet the same or comparable grade, size, quality, and maturity standards as those required under a Federal marketing order for U.S. filberts.

Virtually all commercial production of U.S. filberts is in Oregon and Washington and is regulated under the marketing order.

Currently, Washington and Oregon inshell filberts must meet

Oregon No. 1 grade and medium size (based on diameter), officials of USDA's Agricultural Marketing Service said. Shelled filberts must meet Oregon No. 1 whole and broken grade for shelled filberts.

USDA Revises Grade Standards for Canned White Potatoes

USDA has revised the U.S. grade standards for canned white potatoes and consumers may find slightly better flavor in U.S. Grade A canned white potatoes as a result of the revisions.

"Good flavor" will be required for U.S. Grade A canned white potatoes and "reasonably good flavor" for U.S. Grade B. The previous standards required only "normal flavor" in any grade, with "normal" meaning free from objectionable flavors. In the new definitions, potatoes with slight off-flavors such as saltiness or mustiness will be U.S. Grade B, and U.S. Grade A potatoes will have characteristic good potato flavor. The flavor classifications are general because of the variation in individual taste preferences.

The revision of the standards, requested by processors of canned white potatoes, reflects present-day packing practices along with new methods of evaluating quality levels in canned white potatoes.

According to officials of USDA's Food Safety and Quality Service, a substantial percentage of canned white potatoes are officially graded, although the grade is not stated on the label. Many processors also use the U.S. grade standards as quality guidelines in processing canned white potatoes. Federal law does not require grade labeling of a product even though it has been officially graded.

Another change in the standards aligns the grade names for the product with those of other processed fruits and vegetables. The term U.S. Grade B replaces U.S. Grade C as the level of quality below U.S. Grade A. And in line with the policy to make grade names less confusing to consumers, the alternate terms U.S. Fancy and U.S. Extra Standard have been dropped.

An additional size, Large, has been added to the previous classifications, Tiny, Small, and Medium.

Other changes in the standards deal with definitions and allowances for uniform size and shape of potatoes in a can, definitions of types of defects, and minimum average drained weights.

FSQS establishes grade standards and provides official grading services for many food products. Use of the grade standards and grading services is voluntary.

USDA Establishes U.S. Grade Standards for Potatoes for Chipping

USDA announced new voluntary U.S. grade standards for potatoes used to make potato chips. The standards, which become effective January 1, 1978, will provide uniform trading standards for drawing up purchase contracts between potato growers and potato chip manufacturers.

Chip manufacturers previously have used certain requirements of the U.S. No. 1 grade for potatoes for fresh market and specifications for size and fry color in establishing purchase contracts with growers. Contracts have been based partly on "satisfactory chipping quality," but this term has no standard interpretation.

USDA worked with growers, processors, and researchers to develop acceptable grade stan-

dards and testing procedures for potatoes delivered under chip contracts. The standards will provide a uniform method of determining chipping quality of potatoes and a basis for determining prices between growers and chip manufacturers.

The new standards establish two grades—U.S. No. 1 and U.S. No. 2—with minimum size requirements of 1 $\frac{1}{8}$ and 1 $\frac{3}{4}$ inches in diameter, respectively, unless otherwise specified. Tolerances for defective potatoes and methods of scoring defects are provided.

The standards also provide optional tests for determining fry color of the finished product, one of the most important factors in establishing prices for the raw product. USDA had proposed an official visual aid showing five color classifications of the finished product. However, because of technical difficulties in visually representing the specific fry colors, the color chart was dropped from the final standards.

More than 560 letters of comment were received in response to the proposal to establish the standards, published in the August 6, 1976 Federal Register. Nearly two-thirds of the comments—mostly from growers—expressed approval of the proposal since it would provide an objective method for determining product quality.

In general, potato chip manufacturers were opposed to the proposal, citing it as an unnecessary regulation and stating their concern that once established, it would become mandatory.

The voluntary grade standard is not a regulation. U.S. grade standards are established under the Agricultural Marketing Act of 1946, which provides for the issuance of U.S. grades to designate different levels of quality in

food products, for the voluntary use of producers, buyers, and consumers. Upon request and for a fee, official grading services also are provided under this act.

Fourth Estimate of 1977 Meat Imports Unchanged

USDA estimated that 1977 imports of meat subject to the Meat Import Law will be below the level requiring quota imposition. This fourth quarterly estimate is the same as that made on December 22, 1976, April 15, 1977, and July 7, 1977.

Public Law 88-484, enacted in August 1964, provides that if yearly imports of certain meats—primarily frozen beef—are estimated to equal or exceed 110 percent of an adjusted base quantity, quotas are to be imposed on the imports of these meats. The adjusted base quantity for 1977 is 1,165.4 million pounds. The amount of estimated imports which would trigger imposition of quotas in 1977 is 1,281.9 million pounds.

The estimate takes into account voluntary restraint agreements with supplying countries negotiated by the State Department, without which today's estimate would have exceeded the trigger level for imposition of import quotas.

USDA Raises Fees for Processed Fruit and Vegetable Inspection

USDA raised its fees for voluntary grading and inspection of processed fruits, vegetables, and certain other products October 9.

Hourly inspection fees were increased from \$18.45 to \$19.75 per hour. Fees for inspection on a contract basis were increased seven percent.

Officials of USDA's Food Safety and Quality Service

(FSQS), which administers the inspection and grading services, said the higher fees are necessary to offset increased personnel benefits and salary increases authorized by Congress.

Inspection and grading services are voluntary and made available upon request. The Agricultural Marketing Act of 1946 requires fees for service to be reasonable and, as nearly as possible, to equal the cost of providing the service.

USDA Issues Metric Conversion Regulations

USDA announced guidelines for its agencies to convert to the International System of Units commonly known as the metric system.

In general, the regulations list the circumstances under which USDA agencies will convert to metrics. The regulations specify how to assess and incorporate conversion cost factors, and they define USDA's role in helping the public with the conversion process. Provisions are also included for establishing an internal training program in metric practices.

The new regulations emphasize conversion within USDA at a minimum cost, while simultaneously placing restraints on agency actions that might compel the agri-business sector and the general public to convert before they are ready. Examples of the restraints imposed include:

—Material components, parts, sub-assemblies, and semi-fabricated materials shall be specified in metric units when economically available and technically adequate.

—The metric system shall be used where industry has made significant progress in metric conversion and production facilities are available.

Canada Eligible To Export Egg Products to United States

Canada became the first country eligible to export egg products to the United States since implementation of the Egg Products Inspection Act of 1970.

At the request of the Canadian Government, officials of USDA's Food Safety and Quality Service reviewed the Canadian egg products inspection system and found it equivalent to that of the United States. FSQS then proposed to list Canada's egg products inspection system as equivalent to that of the United States, thereby entitling approved Canadian plants to export egg products to the United States.

The purpose of the Egg Products Inspection Act is to help assure that eggs and egg products that reach the consumer are wholesome. The Act permits foreign countries to export egg products to the United States only if the foreign egg products inspection uses the same standards required by the Act for domestic egg products and if plants operate under a continuous Government inspection system approved by USDA.

Nine comments were received on the proposal to approve the Canadian inspection system. Most of them concerned the possible economic impact on the U.S. egg industry, which is beyond the scope of the Egg Products Inspection Act. Some comments also dealt with the adequacy and control of the Canadian egg products inspection system.

Farmer-to-Consumer Direct Marketing Gets Another Boost

Secretary of Agriculture Bob Bergland announced another step to spur the idea of farmers selling

their products direct to consumers as an alternative to conventional marketing methods.

Congress appropriated the latest sum for fiscal year 1978 (October 1, 1977-September 30, 1978) to be used to fund two-year prototype educational and service programs under the Farmer-to-Consumer Direct Marketing Act of 1976.

USDA has invited State departments of agriculture and State cooperative extension services to submit new project proposals or revised budgets for projects that were submitted during fiscal 1977.

USDA Announces Actions To Strengthen Meat Grading Service

USDA announced a series of actions to strengthen its meat grading service. Food Safety and Quality Service (FSQS) proposed revising current meat grading regulations to:

—Permit grading of meat only in whole-carcass form, and only at the packing plant where the animal was slaughtered. This would result in more uniform application of the grade standards. It would also eliminate the present practice of grading individual carcass quarters, which can—at times—result in a higher grade being applied to a particular quarter than would be assigned to the whole carcass from which it came.

—Require that carcasses to be graded be refrigerated for a specified period of time prior to grading. This would eliminate discrepancies in grading which can result from the fact that marbling (i.e., the flecks of fat within the meat) may be more apparent in a chilled carcass than in a warm carcass. Some allegations have been made that packers will pay

producers on the basis of what the warm carcass would grade, but then sell the meat after it has been chilled and then graded.

—Prohibit labeling with a “yield” designation any carcass or cut which has been trimmed in such a way that the yield grade mark is removed.

FSQS is now implementing a number of administrative procedures to increase the accuracy and uniformity of the meat grading service. These include:

—Doubling the frequency of national supervisory reviews of grading offices throughout the country.

—Increasing the number of first-line supervisors by 10 percent, not only to provide for improved day-to-day review of the accuracy of each meat grader’s work, but also to decrease opportunities for bribery to occur.

—Increasing the supervisory time devoted to training all new meat graders.

—Stepping up the frequency of refresher training for all graders.

—Increasing reviews of Federally graded meat at receiving points—such as supermarket processing centers, large-scale wholesalers, and military bases—using the same criteria as in original grading. This will not only identify misgraded meat, but will also serve as an audit of the effectiveness of the other changes being implemented.

—Requiring all meat graders and their supervisors to file an annual financial report, to help eliminate any conflicts of interest.

—Establishing more efficient and responsive investigative procedures, to help identify and stop illegal activities.

—Monitoring for compliance the consent orders signed by meat packers who have violated grading regulations. Consent orders

are presently in effect in 20 of 26 plants in southern California and Arizona which have been convicted of bribery. Four of the 26 have gone out of business, and the remaining two are expected to sign consent orders soon.

In addition, FSQS is instituting long-range actions designed to provide better control of the meat grading service and to prevent illegal activities. Research is being undertaken to develop instruments and more objective methods than human judgment to use in determining grades of meat.

New procedures are being explored that will allow USDA to take immediate action to withdraw grading service from establishments that violate grading regulations. Currently, administrative procedures make this a lengthy and uncertain process.

Methods are also being explored to make it easier to assess more stringent penalties and sanctions against meat packers and meat graders who are convicted of meat grading violations.

Finally, a training program is being initiated to continually reemphasize the need for maintaining high standards of employee honesty, integrity and ethical conduct in the performance of meat grading duties.

USDA Proposes Revision of U.S. Grade Standards for Tomato Juice, Paste and Puree

USDA proposed revisions of the U.S. grade standards for canned tomato juice, paste and puree which would allow the use of colorimeters (electric color meters) in evaluating the color of these products. Color is a major factor in determining the grades of manufactured tomato products.

Under the proposals, any carefully calibrated and standardized electronic color meter system can be used if it has been approved by USDA. Color may still be evaluated visually.

The Canners League of California requested the changes in the grade standards for the products to permit the use of colorimeters. Colorimeters help minimize visual error caused by eye fatigue and eliminate the need for the precise lighting conditions that are essential for accurate visual evaluation of color.

USDA-FDA Joint Action on Use of Nitrites in Meat and Poultry Products

USDA and the Food and Drug Administration (FDA) have agreed on actions by each agency concerning the use of nitrites and nitrates in meat and poultry products.

FDA will require the poultry industry to submit additional data to determine if nitrites and nitrates are safe for continued use in processed poultry products.

Since the proposed actions have implications for the use of these substances in cured red meat products, USDA is requiring reports to be filed with USDA by those persons or manufacturers who presently use nitrite or nitrate in their cured meat products. USDA has jurisdiction over the use of nitrite and nitrate in red meat products.

Food Stamp Quality Control

Over 95 percent of all households receiving food stamps satisfy all basic program eligibility requirements. New error rate statistics, based on a sample of 44,508 active cases during the six months ending in December 1976,

show that 4.7 percent of participating households failed to meet the basic eligibility criteria. These households received 4.4 percent of the food stamp benefits distributed during this period.

The new findings reflect the inclusion of both welfare and nonwelfare households in USDA's error rates for the first time. Previously, the food stamp quality control programs surveyed only non-public assistance households, who comprise about half of the nationwide caseload. The surveys were broadened to cover the entire caseload beginning in July 1976, so that the error rates would provide a more accurate picture of total food stamp operations.

The report also shows that 7.4 percent of all benefits provided during July-December 1976 represented overpayments to eligible households, while 2 percent of the benefits provided represented underpayments to eligible households. In addition, 9.1 percent of the households whose applications were denied or who were terminated from the program during this period were incorrectly denied or terminated.

Copies of the report, "Participation in the Food Stamp Program as Shown by Quality Control Reviews, July-December 1976", can be obtained from the Food Stamp Division, Food and Nutrition Service, U.S. Department of Agriculture, Washington, D.C. 20250.

USDA Cash Payments To Make Up "Shortfall" in Commodity Donations

USDA made cash payments of \$34,848,000 to the States to make up for a shortfall in commodity donations for school lunches.

The National School Lunch Act provides that schools are to

be given a specified value of donated commodities for each lunch they serve. If they are not provided all the commodities programmed for their school, they are to be given cash payments to make up the difference.

For fiscal year 1977 (ended September 30), the value of donated commodities was programmed at 11.75 cents per lunch. As of August 1, the commodities actually donated and scheduled to be donated amounted to approximately 11 cents a lunch. The Food and Nutrition Service therefore made payments of approximately $\frac{3}{4}$ of a cent per lunch for the 4.7 billion lunches served this year, and the shortfall payments total \$34,848,000 for the year.

USDA Rejects Offers of Canned Sweetpotatoes for School Lunches

USDA has rejected offers to sell canned sweetpotatoes for child nutrition and other domestic feeding programs because most of the prices offered exceed current market quotations.

Officials of USDA's Food Safety and Quality Service said that during the summer months processors expected a heavy supply of sweetpotatoes and asked USDA to purchase canned sweetpotatoes in the fall. However, a dry growing season in southeastern states and recent heavy rains in Louisiana reduced crop prospects.

Food Stamp Allotments to Increase on January 1

Food stamp allotments for low-income families will be increased January 1 to keep pace with rising food costs.

Monthly net income eligibility standards also will rise for most

households on January 1 because, under current regulations, income limits in most cases are tied to the size of food stamp allotments. Under the regulations, income eligibility limits rise when food stamp allotments are increased.

Monthly stamp allotments in the continental 48 States and District of Columbia will increase by at least \$2 for all households except single persons. For example, the allotment for a family of four will be increased from \$170 to \$174. Food stamp allotments are based on the cost of the U.S. Department of Agriculture's Thrifty Food Plan.

Net income cut-offs also will be higher, except for one- and two-person households. The monthly net income limit for a family of four, for example, will rise from \$567 to \$580. However, the income limits for the one- and two-person household will not change. These income standards (\$262 and \$344, respectively) will remain at USDA's poverty guidelines. Food stamp regulations currently in effect require USDA to use either allotment-based calculations or the poverty guidelines, whichever are higher, in setting income eligibility limits.

The Food Stamp Act requires USDA to adjust stamp allotments twice a year, in line with food price changes as reported by the Bureau of Labor Statistics. These price changes are reflected in the cost of the Thrifty Food Plan. Allotment adjustments take effect January 1 and July 1.

USDA to Lower Food Stamp Prices for Households with High Winter Utility Bills

In the face of predictions of another cold winter, USDA plans

to ensure lower food stamp purchase prices this winter for households experiencing substantial increases in utility bills. FNS will shortly issue a notice instructing States to make procedural changes aimed at ensuring adjustments in purchase prices for households bringing in increased utility bills this winter. This includes households currently certified on the basis of a "standard utility allowance."

The forthcoming directive will instruct states to send a notice to all food stamp households, describing the new procedures and informing them of their right to bring increased utility bills to the food stamp office and receive an adjustment in their purchase price.

Under food stamp regulations now in effect, the amounts households must pay for their food stamps are based on their income after deductions. The principal deduction is for high shelter and utility costs. Last winter, however, when many households' utility bills rose sharply, some did not receive a corresponding increase in their shelter deduction and decrease in their purchase price.

FNS is now examining all "standard utility allowances" used by States. States are permitted to use a standard table to estimate a household's utility costs, provided they give households the option to use actual utility bills in calculating the shelter deduction.

Many low-income organizations and several states had asked USDA to ease the likely hardships of the coming winter by implementing by January 1 a provision of the new Food Stamp Act that eliminates the requirement that food stamp households must pay for their stamps. Under recent legislation, households will no longer pay out one amount in cash and get back

a larger amount in stamps. Instead, they will simply receive the "bonus" amount in food coupons—the difference between what they would have paid and their full allotment of stamps.

USDA's General Counsel ruled on October 26 that it would be illegal to eliminate the purchase requirement without also implementing at the same time the provisions of the new law that lower the food stamp net income limits and revamp the system of income deductions used in the Food Stamp Program. The General Counsel stated that under Section 8(a) of the new Act, the purchase requirement can be eliminated only when the new income and deduction provisions are implemented. There is no authority in the new Act for elimination of the purchase requirement separate from these other provisions, the General Counsel noted.

The Department plans to implement the new eligibility and deduction provisions next summer, and the purchase requirement will be eliminated at that time. These provisions could not be implemented earlier because USDA must issue proposed regulations and then consider comments from the public, before final regulations can be prescribed. And after final regulations are issued, States will need time to retrain caseworkers, reprogram computers and make other necessary preparations before these new provisions can be put into effect at the local level.

Outlook Data

Wholesale Price Index, U.S. average (not seasonally adjusted)

Commodity group	January-June			1976			1977			
	1975	1976*	1977	Oct	May	June	July	Aug	Sept	Oct
<i>1967=100</i>										
All commodities	172.1	180.8	192.4	185.3	195.3	194.4	194.8	194.6	195.3	196.3
Industrial commodities	169.2	179.4	192.0	186.3	194.2	194.6	195.8	196.9	197.8	199.1
All foods ¹	183.8	180.8	185.4	175.2	190.5	188.0	189.1	187.3	186.8	187.1
Farm products and processed foods and feeds	180.1	183.7	191.4	179.5	196.8	191.5	189.3	181.2	181.9	182.4
Farm products	179.0	192.0	200.0	186.7	204.3	192.7	190.5	181.2	181.9	182.4
Fruits and vegetables ²	180.2	183.9	202.1	192.4	201.8	176.2	182.0	176.4	187.8	187.9
Grains	226.1	215.0	177.9	186.7	171.2	157.7	153.3	142.5	144.2	144.7
Livestock	172.9	183.2	169.4	156.1	180.2	172.3	180.5	175.2	172.9	177.5
Poultry, live	176.2	173.2	177.1	150.5	183.1	182.7	193.7	176.1	181.7	170.5
Fibers, plant and animal	141.4	198.8	232.4	249.8	238.6	197.5	195.3	180.3	165.8	166.9
Milk	168.9	200.5	198.2	206.7	193.3	199.3	202.2	202.7	206.7	209.6
Eggs	153.5	169.7	168.1	180.7	144.4	141.4	156.8	162.0	163.3	137.6
Oilseeds	207.6	181.5	278.4	210.9	300.5	281.1	205.4	202.2	175.6	181.6
Processed foods and feeds	180.7	178.6	186.0	174.9	192.0	190.1	187.8	185.1	184.2	184.5
Meats	173.4	181.8	163.4	158.8	172.1	171.7	177.0	172.8	171.4	175.7
Beef and veal	165.7	162.8	151.9	147.7	162.5	154.8	160.6	158.9	156.5	163.8
Pork	189.3	212.9	183.0	173.6	184.6	197.3	206.2	193.5	191.7	195.5
Poultry	172.0	170.2	174.2	154.5	178.5	178.1	188.0	174.2	178.6	170.1
Fish	207.6	267.6	299.8	273.2	294.9	295.3	297.0	281.8	288.7	283.6
Dairy	149.1	167.1	170.6	169.8	174.2	174.3	175.1	175.3	175.7	175.9
Processed fruits and vegetables	170.7	167.3	183.6	174.4	185.8	187.8	188.5	190.1	191.2	190.3
Cereal and bakery products	179.6	174.1	170.8	169.9	172.0	171.3	172.0	172.1	172.8	175.4
Sugar and confectionery	291.0	203.1	179.5	176.4	184.4	176.3	172.7	180.2	174.3	170.1
Beverages	161.7	169.0	198.1	177.5	206.0	207.7	204.7	205.5	204.8	204.3
Vegetable oil end products	227.2	171.2	197.5	177.6	214.1	216.3	209.6	199.9	202.0	197.0
Textile products and apparel	135.6	146.9	152.8	149.3	154.0	154.4	154.4	154.4	155.1	155.2
Apparel	133.1	137.9	146.2	142.2	146.6	147.2	147.2	147.4	148.4	148.6
Hides, leather, and related products	145.2	164.4	178.6	170.9	181.9	179.7	180.3	180.5	179.9	179.6
Footwear	146.3	155.4	166.1	162.6	168.2	168.6	170.3	170.4	170.5	171.7
Lumber and wood products	173.8	199.2	227.0	213.6	229.3	228.7	235.5	242.7	252.4	247.3
Tobacco products	148.2	160.6	175.0	162.5	175.3	175.3	175.7	175.8	189.6	189.6

¹ Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from farm products group. ² Fresh and dried.. *Data have been revised for January-December 1976.

Market basket for farm foods¹

Product group	Annual			1976 ³			1977 ²	
	1974	1975	1976	III	IV	I ³	II	III
<i>Dollars</i>								
Retail cost								
Meat	532.67	582.68	583.96	590.74	553.46	558.03	560.69	578.56
Dairy	296.33	302.65	331.49	330.89	337.46	335.80	338.85	341.55
Poultry	68.32	75.42	72.51	73.83	67.68	71.08	73.80	75.05
Eggs	56.90	55.24	61.03	62.43	66.71	70.80	54.75	59.28
Bakery and cereal	277.30	304.29	299.32	298.66	299.18	300.30	304.82	304.03
Fresh fruit	73.15	74.82	75.51	80.23	79.33	80.36	87.05	93.00
Fresh vegetables	118.84	114.07	120.87	117.70	118.80	141.75	140.10	128.15
Proc. fruits and veg.	165.99	187.40	189.54	188.33	190.60	192.51	196.46	197.91
Fats and oils	75.74	81.39	69.52	67.67	70.30	71.31	74.45	78.95
Miscellaneous	84.32	98.12	91.69	91.81	91.39	91.50	92.21	91.91
Total	1,749.56	1,876.08	1,895.44	1,902.29	1,874.91	1,913.45	1,932.19	1,948.39
Farm value								
Meat	299.16	347.51	314.56	308.67	280.43	296.03	314.10	319.79
Dairy	145.81	149.50	169.93	172.85	168.77	166.67	169.88	174.29
Poultry	38.24	44.21	39.82	41.26	34.83	38.57	42.36	43.24
Eggs	38.65	36.46	42.08	43.30	46.52	47.46	35.07	39.79
Bakery and cereal:								
All ingredients	69.15	56.60	46.07	45.26	38.93	39.92	38.88	37.27
Grain	48.76	39.30	32.67	31.83	26.02	25.93	23.56	23.73
Fresh fruits	21.79	22.80	21.43	23.99	23.97	22.66	23.29	27.60
Fresh vegetables	39.79	39.58	40.22	36.79	40.46	55.76	45.14	38.87
Proc. fruits and veg.	36.37	40.04	38.84	37.74	39.04	34.48	36.37	34.42
Fats and oils	35.49	27.76	22.46	25.36	37.82	27.03	31.81	25.71
Miscellaneous	22.87	19.64	13.93	13.17	12.03	12.52	12.66	11.84
Total	747.32	784.10	749.34	748.42	708.63	741.10	749.39	752.82
Farm-retail spread								
Meat	233.51	235.17	269.40	282.07	273.03	262.00	246.48	258.77
Dairy	150.52	153.15	161.56	158.02	168.69	169.13	168.92	167.26
Poultry	30.08	31.21	32.69	32.57	32.85	32.51	31.44	31.81
Eggs	18.25	18.78	18.95	19.13	20.19	23.34	19.67	19.49
Bakery and cereal	208.15	247.69	253.25	253.40	260.25	260.38	265.64	266.76
Fresh fruits	51.36	52.02	54.08	56.24	55.36	57.70	64.36	65.40
Fresh vegetables	79.05	74.49	80.65	80.91	78.34	86.00	103.91	89.28
Proc. fruits and veg.	129.62	147.36	150.70	150.59	152.78	157.82	161.22	163.49
Fats and oils	40.25	53.63	47.06	42.31	45.43	44.28	41.66	53.24
Miscellaneous	61.45	78.48	77.76	78.64	79.36	78.98	79.52	80.07
Total	1,002.24	1,091.98	1,146.10	1,153.87	1,166.28	1,172.36	1,182.80	1,195.57
<i>Percent</i>								
Farmers' share								
Meat	56	60	54	52	51	53	56	55
Dairy	49	49	51	52	50	50	50	51
Poultry	56	59	55	56	51	54	57	58
Eggs	68	66	69	69	70	67	64	67
Bakery and cereal:								
All ingredients	25	19	15	15	13	13	13	12
Grain	18	13	11	11	9	9	8	8
Fresh fruits	30	30	28	30	30	28	27	30
Fresh vegetables	33	34	33	31	35	39	30	30
Proc. fruits and veg.	22	21	20	20	20	19	19	17
Fats and oils	47	34	32	37	35	38	43	33
Miscellaneous	27	20	15	14	13	14	14	13
Average	43	42	40	39	38	39	39	39

¹ Annual rate. ² Preliminary. ³ Revised.

Personal Consumption Expenditures: Major Items

				1975				1976				1977		
	1975	1976	1977	I	II	III	IV	I	II	III	IV	I	II	III
<i>Billions — Current dollars</i>														
Food excluding alcoholic beverages	166.9	184.8	199.5	178.5	183.2	187.1	190.3	193.9	197.8	200.7	205.5	210.3	216.9	218.0
For use at home	128.4	140.8	150.7	136.5	139.6	143.1	144.1	146.7	149.6	151.3	155.4	157.7	162.6	54.7
Food away from home	38.4	44.0	48.7	42.0	43.7	44.0	46.2	47.2	48.2	49.4	50.1	52.5	54.3	163.4
Nondurables excluding food	209.4	224.6	243.3	215.5	223.2	228.0	231.7	236.5	239.3	244.0	253.2	256.3	257.5	260.5
Clothing and shoes	65.3	70.2	76.0	66.6	69.8	71.5	73.0	74.2	74.3	76.9	79.9	79.3	80.4	83.3
Gas and oil	36.4	39.1	41.4	38.2	39.1	39.1	39.8	40.6	40.3	41.2	43.5	41.1	44.3	44.2
Fuel oil and coal				9.6	10.0	10.8	10.2	11.4	11.3	12.0	13.3	13.7	12.3	12.3
Alcoholic beverages	23.0	24.7	26.0	24.1	24.7	25.0	25.1	25.3	26.0	26.3	26.5	27.6	27.9	27.7
Other	75.2	80.4	87.6	77.1	79.6	81.6	83.5	85.1	87.5	87.6	90.0	91.6	92.5	93.0
Durable goods	122.0	132.9	158.9	122.8	127.8	136.7	144.3	153.3	156.7	159.3	166.3	177.0	178.6	178.0
Motor vehicles and parts	48.0	53.9	71.9	48.0	49.9	56.5	61.3	68.4	71.0	72.1	75.7	85.3	84.5	81.6
Furniture and household equipment	54.9	58.0	63.9	54.8	57.4	58.7	61.0	62.0	63.0	63.9	64.5	67.4	69.3	70.9
Other durables	19.1	21.0	23.1	19.9	20.6	21.5	22.1	22.5	22.7	23.3	24.1	24.2	24.8	25.4
Services	391.3	438.2	492.3	419.7	431.7	443.3	457.9	472.4	484.6	491.2	513.9	528.8	541.1	560.3
Housing	136.5	150.8	167.9	145.1	148.5	152.4	157.2	161.5	166.2	170.4	173.7	177.6	181.9	186.7
Household operation	56.1	64.2	73.0	61.4	63.7	65.3	66.3	69.5	70.4	73.1	78.8	80.7	79.2	86.0
Transportation	30.7	32.2	36.8	31.6	31.6	32.2	33.2	34.8	36.3	37.6	38.7	39.5	40.5	42.3
Other	168.0	191.0	214.6	181.6	187.9	193.5	201.1	206.6	211.8	217.1	222.8	230.9	239.4	245.3
Total Personal Consumption Expenditures	889.6	980.4	1,094.0	936.4	965.9	995.1	1,024.1	1,056.0	1,078.5	1,102.2	1,139.0	1,172.4	1,194.0	1,216.9
Total Disposable Personal Income	984.6	1,084.4	1,185.8	1,025.4	1,092.2	1,095.7	1,124.1	1,153.3	1,174.1	1,193.3	1,222.6	1,252.4	1,292.5	1,321.7
<i>Billions — Constant dollars</i>														
Food excluding alcohol	126.3	130.4	138.1	128.5	131.0	130.2	131.8	134.6	137.0	138.5	142.4	142.9	143.8	143.7
Food for use at home	94.8	97.2	103.6	96.1	97.8	97.2	97.6	100.4	102.6	103.8	107.5	107.1	107.7	107.8
Food away from home	31.6	33.2	34.5	32.4	33.3	33.0	34.1	34.2	34.3	34.7	34.9	35.8	36.1	35.9
Nondurables excluding food	177.2	177.2	183.5	173.2	177.4	178.4	179.7	181.2	182.3	183.0	187.1	186.8	186.2	186.6
Durables	112.5	112.7	127.5	106.2	109.0	115.4	120.2	125.4	126.6	127.1	130.7	136.8	137.9	136.5
Services	344.3	354.8	372.2	349.0	353.0	356.2	361.2	365.6	369.6	374.0	379.7	383.8	386.3	391.9
Total Personal Consumption Expenditures	760.7	775.1	821.3	756.9	770.4	780.2	792.8	807.2	815.4	822.7	839.8	850.4	854.1	858.7

Source: U.S. Department of Commerce. Totals may not add due to rounding.

Civilian per capita consumption of major food commodities (retail weight) and civilian population, selected years¹

Commodity	1960	1967	1974	1975	1976 ⁵	1977 as percentage ⁶ of 1976
Meats:						
Beef	134.2	145.1	152.2	145.4	155.0	100
Beef	64.3	78.8	86.4	88.9	95.4	97
Veal	5.2	3.2	1.9	3.5	3.4	94
Lamb and mutton	4.3	3.5	2.0	1.8	1.7	88
Pork (excluding lard)	60.4	59.6	61.9	51.2	54.5	104
Fish (edible weight)	10.3	10.6	12.2	12.2	12.9	99
Poultry products:						
Eggs	42.4	40.7	36.6	35.4	35.0	98
Chicken (ready-to-cook)	27.8	36.5	41.1	40.3	43.3	102
Turkey (ready-to-cook)	6.2	8.6	8.9	8.6	9.2	100
Dairy products:						
Cheese	8.3	10.1	14.6	14.5	15.9	102
Condensed and evaporated milk	13.7	9.0	5.6	5.0	4.7	96
Fluid milk and cream (prod. weight)	321.0	303.0	288.0	291.1	292.0	99
Ice cream (product weight)	18.3	17.8	17.5	18.7	18.1	98
Fats and oils-total, fat content	45.3	49.4	53.2	53.4	56.1	97
Butter (actual weight)	7.5	5.5	4.6	4.8	4.4	98
Margarine (actual weight)	9.4	10.5	11.3	11.2	12.2	96
Lard	7.6	5.4	3.2	3.0	2.7	89
Shortening	12.6	15.9	17.0	17.3	18.1	97
Other edible fats and oils	11.5	15.2	20.3	20.3	22.0	96
Fruits:						
Fresh	89.6	79.1	76.7	81.6	84.7	95
Citrus	32.5	30.6	26.8	28.7	28.5	90
Noncitrus	57.1	48.5	49.9	52.9	56.2	98
Processed:						
Canned fruit	22.6	22.6	19.7	19.6	19.2	102
Canned juice	13.0	11.7	14.7	15.3	15.3	90
Frozen (including juices)	9.1	10.1	11.3	12.6	12.2	102
Chilled citrus juices	2.1	4.4	5.2	5.7	6.2	94
Dried	3.1	2.8	2.5	3.1	2.4	104
Vegetables:						
Fresh ²	96.0	90.8	93.6	93.8	94.5	100
Canned, excluding potatoes and sweetpotatoes	43.4	49.0	56.7	52.1	52.8	102
Frozen, excluding potatoes	7.0	9.0	10.1	9.7	10.2	102
Potatoes, (including fresh equivalent of processed)	105.0	105.5	112.3	120.3	114.9	105
Sweetpotatoes, (including fresh equivalent of processed)	6.5	5.3	5.1	5.5	5.4	100
Grains:						
Wheat flour ³	118	112	106	107	111	100
Rice	6.1	7.5	7.6	7.7	7.2	107
Other:						
Coffee	11.6	11.1	9.5	9.0	9.4	81
Tea	0.6	0.7	0.8	0.8	0.8	112
Cocoa	2.9	3.4	3.0	2.6	3.0	100
Peanuts (shelled)	4.9	5.7	6.4	6.5	6.3	103
Dry edible beans	7.3	6.9	6.7	6.5	6.3	94
Melons	23.2	20.3	17.2	17.5	18.6	101
Sugar (refined)	97.3	98.3	96.6	90.2	94.7	100
Civilian population ⁴	178.1	195.3	209.7	211.4	213.0	101

¹Quantity in pounds, retail weight unless otherwise shown. Data on calendar year basis except for dried fruits, fresh citrus fruits, peanuts, and rice which are on a crop-year basis. ²Commercial production for sale as fresh produce. ³White, whole wheat, and semolina flour including use in bakery products. ⁴July 1 civilian population used to derive per capita figures except for sugar, dried fruits, peanuts, and rice. ⁵Preliminary. ⁶Preliminary indicators for 1977.

Food marketing: Spreads, costs, and profit rates

Year	Intermediate goods and services ¹						Profit rates after taxes			
	Farm-retail price spread	Total	Containers packaging	Fuel, power, and light	Hourly earnings ²	Interest rate ³	Food retailers ⁴		Food manufacturers ⁵	
							Sales	Equity	Sales	Equity
		1967=100			Dollars	Percent				
1970	113.4	113	108	108	3.03	8.48	—	—	2.5	10.8
1971	116.5	120	113	120	3.24	6.32	—	—	2.6	11.0
1972	118.9	126	117	126	3.45	5.82	—	—	2.6	11.2
1973	126.5	134	123	138	3.66	8.30	—	—	2.6	12.8
1974	151.5	159	151	202	3.99	11.28	—	—	2.9	13.9
1975	165.1	180	174	237	4.40	8.65	0.5	6.8	3.2	14.4
1976 ⁶	173.2	193	184	258	4.77	7.52	.8	10.0	3.4	14.9
1974										
I	142.2	148	131	175	3.85	9.91	—	—	2.7	12.4
II	154.6	155	145	200	3.94	11.15	—	—	2.7	12.8
III	152.5	166	161	212	4.04	12.40	.9	11.7	3.2	15.4
IV	156.7	170	169	220	4.14	11.64	1.0	12.1	3.0	14.7
1975										
I	166.1	176	173	231	4.28	9.94	.4	-5.5	2.4	10.7
II	161.9	178	174	237	4.34	8.16	.8	10.5	3.3	15.0
III	163.4	181	174	238	4.43	8.22	.8	9.9	3.7	17.2
IV	168.8	184	176	241	4.55	8.29	.9	11.3	3.2	14.0
1976 ⁴										
I	172.5	186	179	243	4.65	7.54	.6	7.2	3.1	13.3
II	170.4	191	185	252	4.74	7.44	.9	11.6	3.7	16.4
III	174.1	194	185	260	4.81	7.80	.7	8.9	3.9	16.8
IV	176.0	199	187	278	4.90	7.48	.8	10.7	3.1	13.1
1977 ⁶										
I	177.1	202	189	301	5.04	—	.8	10.6	2.7	11.4
II	178.7	207	195	306	5.12	—	—	—	3.5	15.0
III	180.6	211	197	315	5.19	—	—	—	—	—

¹ Represents all goods purchased by food marketing firms except raw materials and plant and equipment, and all services except those performed by employees, calculated from wholesale price relatives. ² Weighted composite of production employees in food manufacturing and nonsupervisory employees in wholesale and retail trade, calculated from data of the U.S. Department of Labor. ³ Bank rates on short-term business loans in 35 centers, Department of Commerce. ⁴ Federal Trade Commission. The data are based on reports from all food retailing corporations having more than \$100 million in annual sales, and whose activities are at least 75 percent specialized in supermarket operations. Comparable data not available prior to third quarter 1974. ⁵ "Quarterly Financial Report," Federal Trade Commission. Data represent national aggregate estimates for corporations based upon a sample of company reports. Data since the fourth quarter of 1973 are imperfectly comparable with prior data because of changes in accounting methods. ⁶ Preliminary.

Livestock products: Per capita consumption indexes, quarterly 1967=100

	1975		1976				1977 ²			
	III	IV	I	II	III	IV	I	II	III	IV
Meat	98.8	103.4	107.6	102.3	108.6	111.6	108.6	106.1	106.9	109.3
Poultry	109.4	127.2	103.1	110.4	117.3	133.6	103.1	113.9	120.0	136.0
Eggs	86.5	88.5	86.5	85.5	85.5	86.5	83.5	83.5	83.5	86.5
Dairy products										
Excluding butter	101.7	100.8	101.0	101.2	102.0	100.8	100.7	100.7	101.7	101.2
Including butter	100.2	99.9	99.6	99.8	100.5	99.8	99.3	99.3	100.2	99.8
Animal fats including butter	71.6	73.5	65.8	64.5	68.1	73.5	69.0	65.8	67.1	71.3
Total livestock product ³	99.0	103.0	102.2	100.3	104.5	107.5	102.5	102.3	103.7	106.7

¹ Civilian consumption only. Quantities of individual foods measured in pounds equivalent to the form sold by retail food stores, combined in terms of average 1957-59 retail prices. ² Preliminary. ³ Excludes fish and honey.

Consumer, wholesale, and farm price indexes, 1976-77

(1967=100)

Item	1976			1977			Percent change 1976-77 (III)
	III	IV	Year	I	II	III	
Retail prices:¹							
All goods and services (CPI) . .	171.9	173.9	170.5	176.9	180.7	183.4	6.7
All items less food	168.9	171.5	167.5	174.1	177.3	180.0	6.6
All food	182.0	181.6	180.8	186.6	192.3	194.8	7.0
Food-at-home	180.6	179.3	179.5	184.8	190.4	192.7	6.8
Food away-from-home	187.8	190.1	186.1	193.7	199.1	202.8	8.0
Wholesale prices:¹							
All commodities	184.2	186.0	182.9	190.0	194.3	195.0	5.9
Industrial commodities	183.6	186.9	182.3	190.0	194.0	196.8	7.2
Farm products	192.7	187.3	191.2	198.3	201.7	184.5	-4.3
Processed food	178.3	175.2	178.7	180.3	188.8	184.8	3.6
All food ²	177.9	176.0	178.9	182.3	188.5	187.7	5.5
Prices received by							
farmers ³	189	176	186	187	190	176	-6.9
Crops	206	190	197	204	208	173	-16.0
Livestock and products	175	165	177	172	174	178	1.7
Market basket of U.S. farm foods:⁴							
Retail cost	176.0	173.5	175.4	177.1	178.8	180.3	2.4
Farm-retail spread	174.4	176.3	173.2	176.8	178.9	179.9	3.2
Farm value	178.6	169.3	178.8	177.2	178.8	180.6	1.1

¹ Department of Labor, Bureau of Labor Statistics. ² All food includes all processed foods plus eggs and fresh and dried fruits and vegetables from the farm product group. ³ Statistical Reporting Service. ⁴ Economic Research Service.