

INCREASING WHOLE GRAIN CONSUMPTION: POLICY AND ECONOMICS

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Overview

- Drivers of change and lessons from other markets
- Progress towards dietary recommendations
 - ▣ Intake, purchases, demographics
 - ▣ Product Introductions
 - ▣ Relative cost
- Labeling
- Food assistance programs
- Prospects for progress

Data and Research from Economic Research Service, USDA

- Maintain and report multiple sources of data regarding consumer purchases, food intake, food prices, market trends
- Whole grains reports use data ending about 2007-2010, so don't know most recent situation
- Whole grains often reported as part of larger study of dietary quality
- Following slides draw heavily on ERS reports published during past 10 years

Drivers of change

- Policy
 - WG health claim under DLEA
 - 2005 Dietary Guidelines
 - WIC (2007) and School Lunch standards (2012)
- Economics
 - Consumer response
 - Cost and Availability
 - Retail venue
 - Labeling and product introductions

Past experience with health attributes

- Increase in consumer awareness and change in behavior among *some* consumers
 - ▣ Labeling, media, education
- Increase in product offerings
 - ▣ Industry motivated to capture market share, enhance brand reputation
- Widespread market change with benefits for all consumers
- Example: Trans fat reductions in food products since 2003 label regulation reflected in lower transfat in blood samples from 2009 NHANES

Overview: WG market response to 2005 DG

- WG purchases increased, mainly in grocery store purchases of WG bread and cereals
- WG price declined relative to refined grain products, but still average 24 to 46% higher
- More products introduced with WG claims
- Consumers appear to have been motivated by both information and price change to increase purchases
- Little WG consumption away from home

How close to WG recommendation of 50 percent of total grains?

Whole Grain Intake as Percent Total Grain Intake

Population Group	Total Food Intake	Food at Home	Food Away
Total	12	16	3
Children	10	13	3
Adults	13	17	4
Low Income	11	14	3
High Income	13	17	3

Source: 2007-10 National Health and Nutrition Examination Survey (NHANES).
Data obtained from Economic Research Service, USDA.

How close to WG recommendation of 48 grams/ day intake?

Whole Grain Intake as Percent of 48 grams

Population Group	Total Food Intake	Food at Home	Food Away
Total	46	43	4
Children	37	33	4
Adults	49	46	4
Low Income	40	37	3
High Income	50	46	4

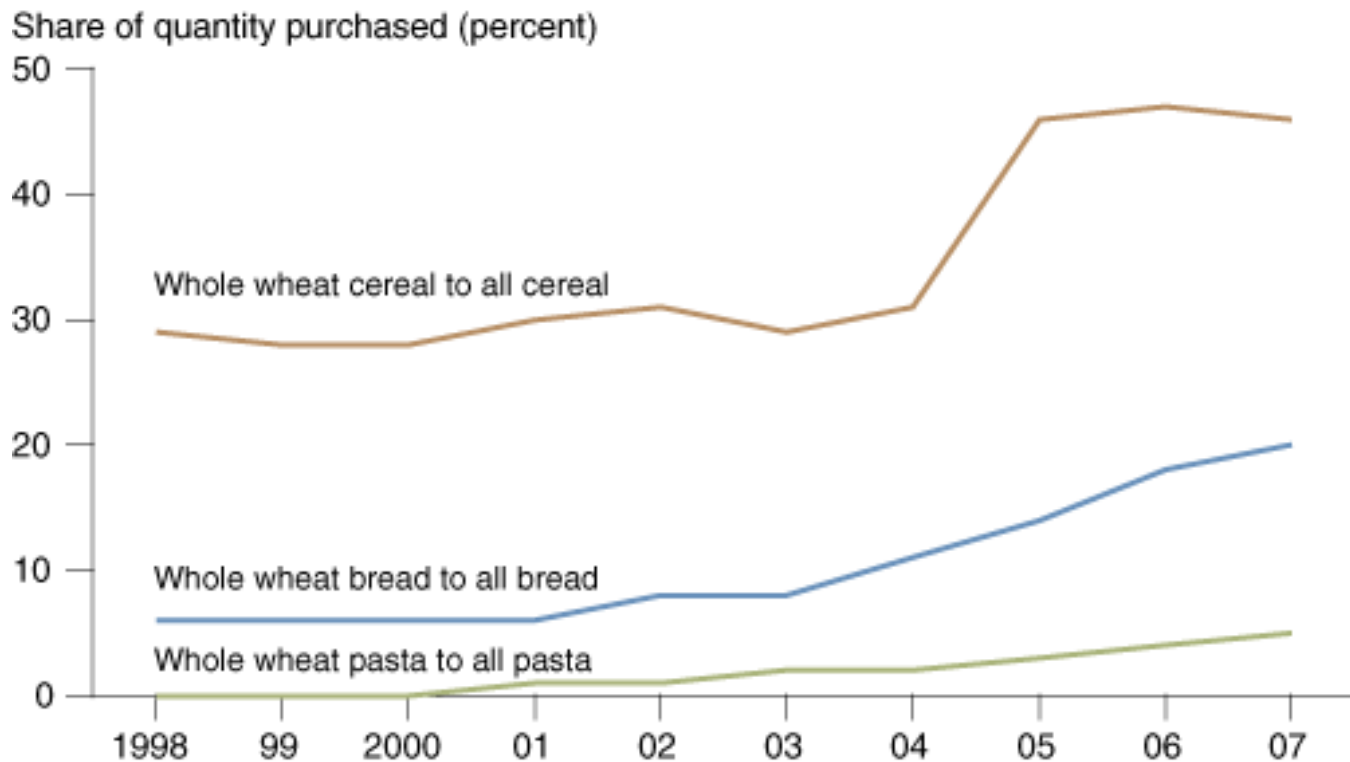
Source: 2007-10 National Health and Nutrition Examination Survey (NHANES).
Data obtained from Economic Research Service, USDA.

Which progress measure relevant?

- Total grain consumption by average U.S. consumer is nearly double the recommended amount
- Whole grain intake has been increasing in both absolute quantities and relative to total grain
- Purchase data show more relative progress than intake data, which may underestimate whole grains due to lags in conversion factors
- Should diet messages be in shares or absolute amounts?

Grocery store sales of WG products increased with Dietary Guidelines

Sales of whole grain products rose following advice to increase their share of daily grain consumption



Source: USDA, Economic Research Service analysis using Nielsen Homescan data.

Increases in WG purchases are the only area of progress

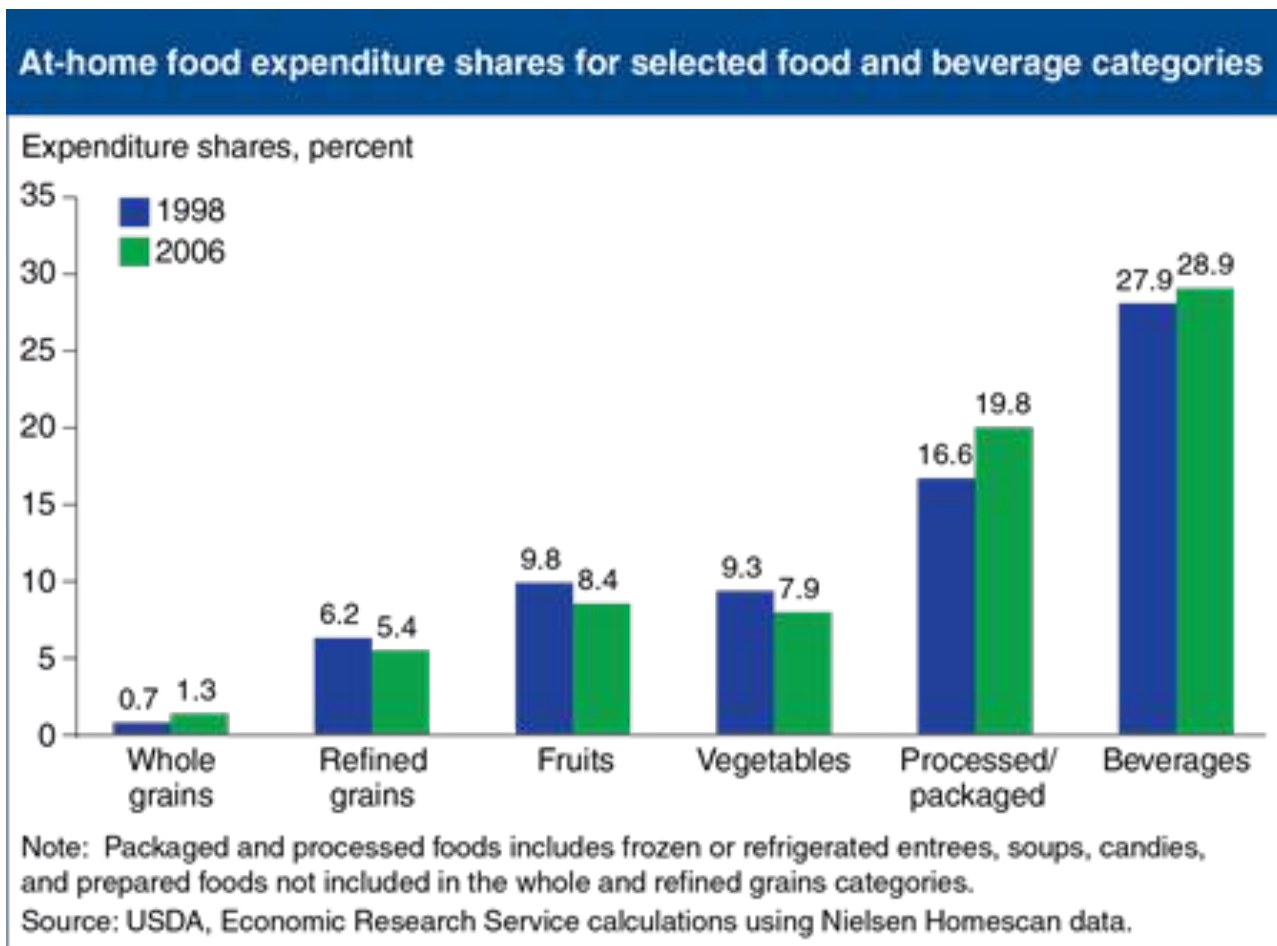
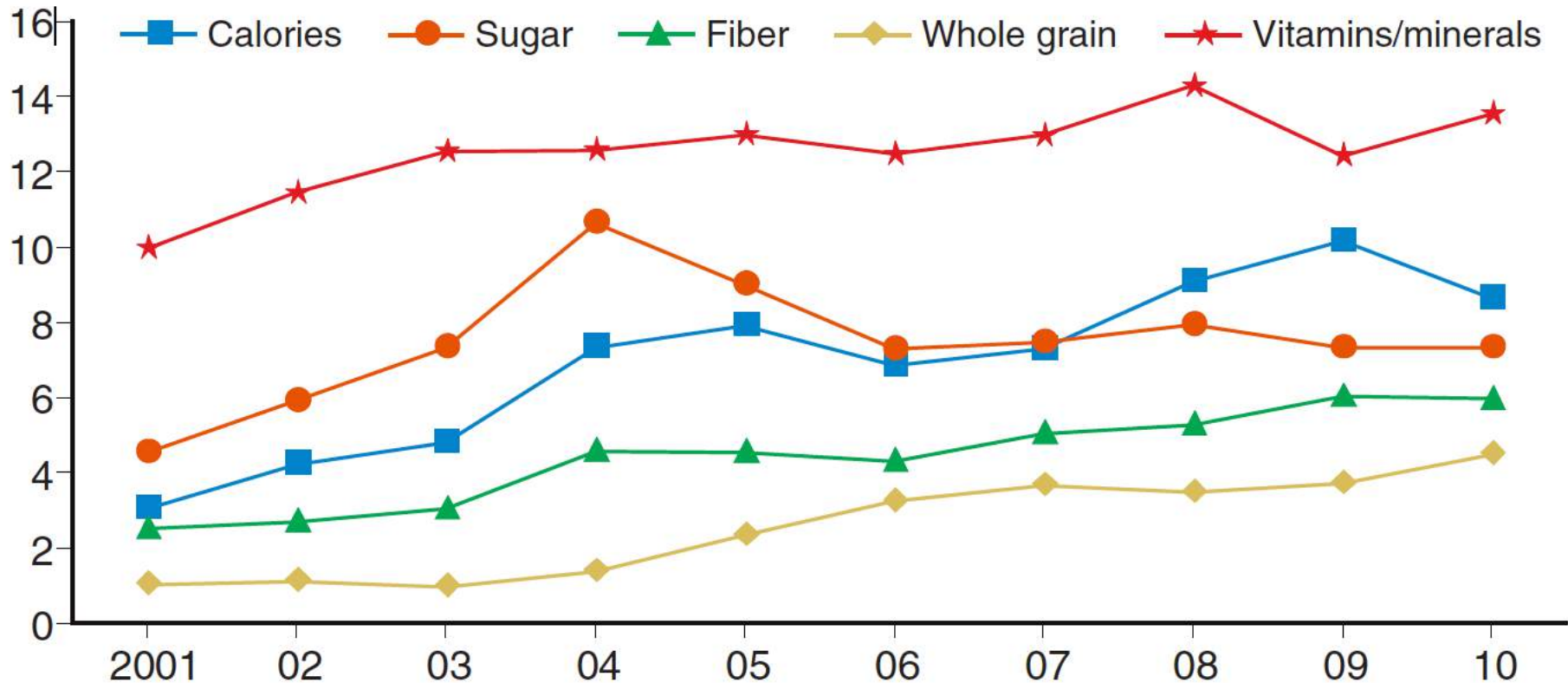


Figure 5

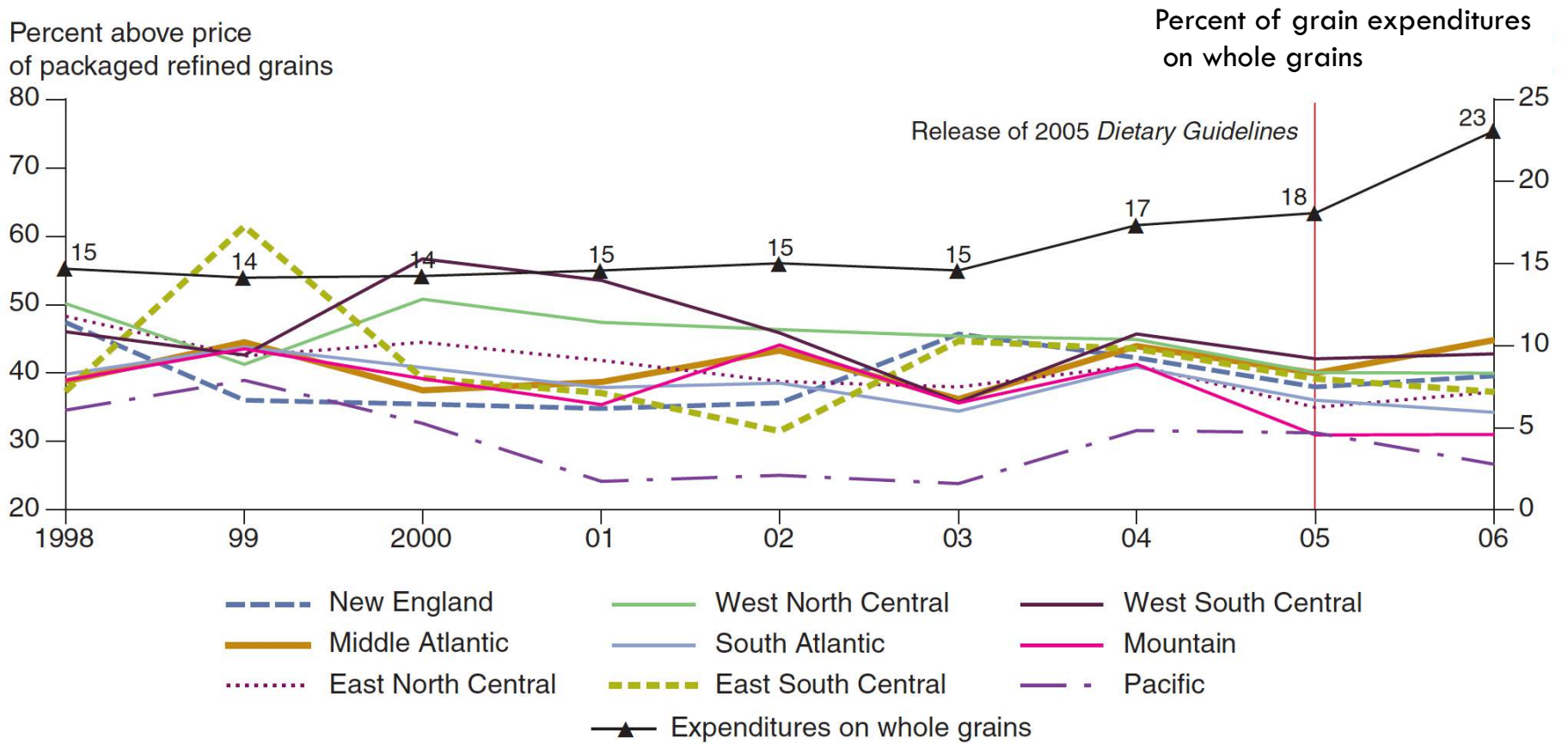
Percentage of new products with health- and nutrition-related claims, 2001-2010

Percent



Source: Datamonitor, Product Launch Analytics database. ERS/USDA analysis.

Figure 5
Annual average price of packaged whole grains relative to packaged refined grains, by division (metro areas only)



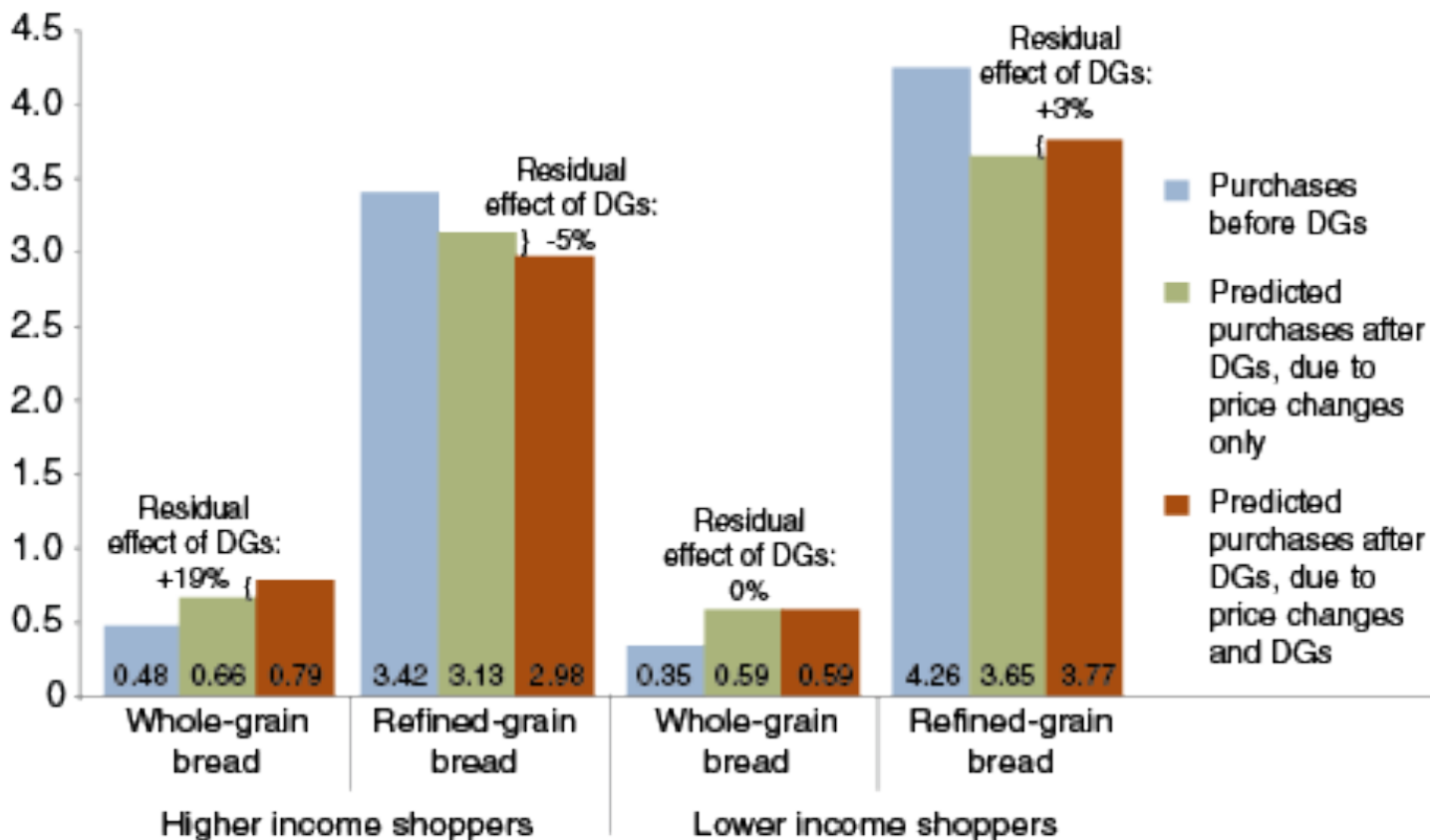
Source: USDA/ERS analysis using Nielsen data.

Demographics

- High income consumers purchase and eat more whole grains than low income consumers
- Whites consume more whole grains than blacks or Asians; Hispanics consume the most.
- Whole grains consumption likely to be more important to those who follow other health-oriented behaviors.

Response to the whole-grains recommendation in the 2005 Dietary Guidelines (DGs) varied by income

Average pounds per month



Source: USDA, Economic Research Service analysis of Nielsen Homescan data.

How do consumers identify WG?

- WG health claim 1999
- FDA guidance 2006
- Whole Grain Stamp
 - ▣ 2 kinds of stamps: Basic and 100% WG
- Food assistance program standards follow FDA guidance

- Evidence of confusion over different kinds of grain content claims

Confusing labels in my own pantry

- 6 breakfast cereals
 - ▣ 3 Post; 1 General Mills; 2 Quaker
 - ▣ 5 have Whole Grains Council stamp, but every box has the stamp in a different location and a different size
 - ▣ 1 has no stamp but claims on front “100% of day’s whole grains”
 - ▣ Why not put stamp in same position on product?
 - ▣ Why do stamps reference “grams” when no other metric info on labels?

Standards in USDA Food Assistance

- WIC and WG
 - ▣ 8.6 million participants
 - ▣ 2007 interim rule revised WIC package
 - 2009 implementation; 2014 final
 - ▣ Standards for participating retailers to carry recommended foods
 - ▣ Research has shown:
 - increased availability of WG products in low income neighborhood stores
 - Increased consumption of WG among WIC participants

Standards in USDA Food Assistance

- School Lunch and Breakfast Program
 - ▣ 31 million children
 - ▣ 2012 standards
 - More F&V, more WG, low-fat milk, fewer calories
 - 2014-15 all grains must be WG
 - Competitive foods must also meet WG standard
 - ▣ Congress moved to allow delay of all WG standard

Prospects for progress

- Clear progress in spite of challenges in communication and cost
- One of only a few areas of widespread progress in dietary quality
- Challenges to long run progress
 - High cost relative to refined grains
 - Negative media attention to school lunch issues
 - Little or no WG in FAFH
 - Confusion in labels, definitions

See www.ers.usda.gov for more information.

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