

## 2008 By The Numbers

by: Jill Richardson

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I went back and looked at a bunch of numbers from 2008. Unfortunately, the economic numbers are pretty bleak (and still getting worse).

### U.S. Population:

January 2008: 302,785,808

December 2008: 305,313,980

### Unemployment:

January 2008: 4.9%

November 2008: 6.7%

### Inflation (Nov 2007-Nov 2008):

All items: 1.1%

Food: 6.0%

Energy: -13.3%

All items less food & energy: 2.0%

### Hunger (as of Dec 2007):

Food Insecurity: 11.1% of all U.S. Households

Hunger: 4.1% of all U.S. Households

Hungry Children: 691,000

*\*These numbers are expected to get worse in 2008, as unemployment went up and so did food prices. The numbers here are the most recent ones released by the USDA.*

### Where We Buy Our Food

| Outlet Type   | 1986 | 1996 | 2006 |
|---|------|------|------|
| Conventional Supermarkets   | 65.3 | 58.2 | 57.7 |
| Other Grocery<br>(Small, neighborhood stores)                                 | 14.3 | 15.8 | 3.4  |
| Specialty Food Stores   | 5.8  | 2.6  | 2.7  |
| Supercenters and wholesale club stores<br>(SuperTarget, Wal-Mart Supercenter) | 0.4  | 4.3  | 17.9 |
| Mass merchandise stores<br>(Target, Wal-Mart)                                 | 1.5  | 2.1  | 1.7  |
| Convenience Stores  | 3.3  | 3.0  | 2.9  |
| Home deliveries/mail order  | 1.2  | 2.8  | 3.8  |
| Farmers/processors/wholesalers  | 2.0  | 1.9  | 0.8  |
| Other Stores  | 6.2  | 10.1 | 9.2  |

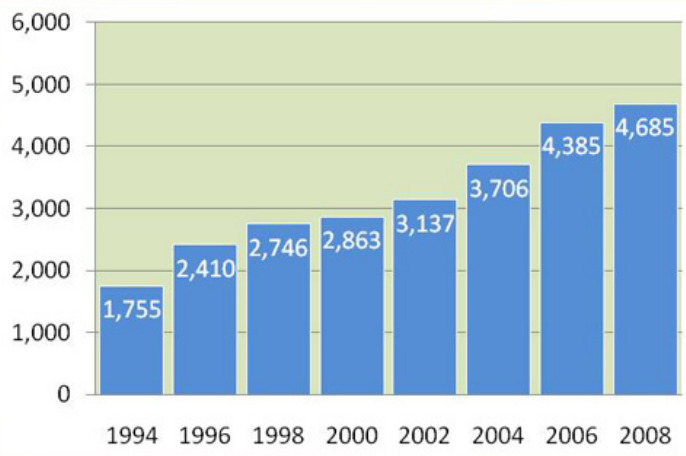
Source: USDA Report on Supply Chain and Food Marketing 2008

### Farmers Markets, CSAs, and Roadside Stands

# of CSAs 1990: 60

# of CSAs 2007: 1150

## Number of Operating Farmers Markets



Source: USDA - AMS - Marketing Services Division

6.8%  
Increase

### States with the Most Farmers Markets (USDA AMS 2007)

1. California
2. New York
3. Iowa
4. Illinois
5. Pennsylvania
6. Wisconsin
7. Michigan
8. Massachusetts
9. Ohio
10. Kentucky

### U.S. Demand for Locally Grown Food:

2002: \$4 billion

2007: \$5 billion

2012 (estimated): \$7 billion

Indeed, the popularity of farmers markets has grown so rapidly in the United States that a recent national survey reports that 2 percent of U.S. food shoppers now say farmers markets are their primary food shopping venue.

*Source: USDA Report on Supply Chain and Food Marketing 2008*

### Farm To School:

# of Programs: 2016

# of Schools: 8776

### The Organic Outlook

#### Organic Food Sales

1990: \$1 billion

2007: \$20 billion (estimated)

2008: \$23.6 billion (projected)

*Source: Organic Trade Association 2008 mini-fact sheet*

### Organic Market Growth & Penetration

1998: 19.2% growth, 0.9% penetration  
1999: 17.6% growth, 0.9% penetration  
2000: 21.0% growth, 1.2% penetration  
2001: 20.7% growth, 1.4% penetration  
2002: 17.3% growth, 1.6% penetration  
2003: 20.2% growth, 1.9% penetration  
2004: 14.6% growth, 2.2% penetration  
2005: 16.2% growth, 2.5% penetration  
2006: 20.9% growth, 2.8% penetration

*Source: Organic Trade Association 2007 Manufacturer Survey*

In 2006, according to the Organic Trade Association, organic food market broke down as follows (numbers reflect percent of total organic sales):

Fruit & Veg: 40.0%  
Dairy: 16.0%  
Beverages: 13.0%  
Packaged: 12.0%  
Bread & Grains: 10.0%  
Snack Foods: 4.8%  
Sauces: 2.4%  
Meat: 2.0%  
Total: \$16.718 billion (100%)

According to the Organic Trade Association, about 7 percent of U.S. organic food sales in 2005 occurred through direct sales at farmers markets and other nonretail direct market outlets (including sales to foodservice customers). In contrast, only 3.9 percent of all U.S. food sales in 2005 were made through any form of direct sale or home/mail order delivery.

*Source: USDA Report on Supply Chain and Food Marketing 2008*

Obviously, the numbers aren't in for organics in 2008 just yet. Since the economy totally tanked, particularly in the last few months of the year, I think it's reasonable to expect the organic market to take a hit. However, from what I've heard, [organics will continue to see growth](#), just not at the high levels they did in the past several years. Existing organic shoppers are committed and willing to find ways to keep buying organic (i.e. grow some at home, stop buying expensive packaged foods, etc). With the economic situation, it seems that the biggest hit to organics will be in new customers - those who haven't given organics a try yet, who may be struggling financially now and less willing than ever to pay more for their food.

### **GMOs**

Percent of All U.S. Soybeans Planted that were GMO (herbicide tolerant):

2000: 54  
2001: 68  
2002: 75  
2003: 81  
2004: 85  
2005: 87  
2006: 89  
2007: 91  
2008: 92

Percent of All U.S. Upland Cotton Planted that is GMO:

2000: 61  
2001: 69  
2002: 71  
2003: 73  
2004: 76  
2005: 79  
2006: 83  
2007: 87  
2008: 86

Of all cotton planted in 2008, 18% was Bt cotton, 23% was herbicide tolerant, and 45% were "stacked gene varieties" (which I assume means both herbicide and pest resistant). Could the decrease in GMO cotton between 2007 and 2008 have anything to do with the [increase in organic cotton](#) in the last year?

Percent of All U.S. Corn Planted That is GMO:

2000: 25  
 2001: 26  
 2002: 34  
 2003: 40  
 2004: 45  
 2005: 52  
 2006: 61  
 2007: 73  
 2008: 80

Of all corn planted in 2008, 17% was Bt corn, 23% was herbicide tolerant, and 40% were "stacked gene varieties."

Source: [Adoption of Genetically Engineered Crops in the U.S.](#)

### **Obesity by State (2007)**

| <u>30% and Up</u>     | <u>25%-29.9%</u>          | <u>20% to 24.9%</u>      | <u>Below 20%</u>    |
|-----------------------|---------------------------|--------------------------|---------------------|
| 1. Mississippi: 32.0% | 4. Louisiana: 29.8%       | 32. Illinois: 24.9%      | 51. Colorado: 18.7% |
| 2. Alabama: 30.3%     | 5. West Virginia: 29.5%   | 33. Maine: 24.8%         |                     |
| 3. Tennessee: 30.1%   | 6. Arkansas: 28.7%        | 34. Wisconsin: 24.7%     |                     |
|                       | 7. South Carolina: 28.4%  | 35. Idaho: 24.5%         |                     |
|                       | 8. Georgia: 28.2%         | 36. New Hampshire: 24.4% |                     |
|                       | 9. Oklahoma: 28.1%        |                          |                     |
|                       | 10. Texas: 28.1%          | 37. Virginia: 24.3%      |                     |
|                       | 11. North Carolina: 28.0% | 38. Nevada: 24.1%        |                     |
|                       | 12. Michigan: 27.7%       | 39. New Mexico: 24.0%    |                     |
|                       | 13. Alaska: 27.5%         | 40. Wyoming: 23.7%       |                     |
|                       | 13. Missouri: 27.5%       | 41. Florida: 23.6%       |                     |
|                       | 13. Ohio: 27.5%           | 42. New Jersey: 23.5%    |                     |
|                       | 13. Rhode Island: 27.5%   | 43. California: 22.6%    |                     |
|                       | 17. Kentucky: 27.4%       | 44. Montana: 21.8%       |                     |
|                       | 17. Delaware: 27.4%       | 44. Utah: 21.8%          |                     |
|                       | 19. Pennsylvania: 27.1%   | 44. Washington DC: 21.8% |                     |
|                       | 20. Iowa: 26.9%           |                          |                     |
|                       | 20. Kansas: 26.9%         | 47. Hawaii: 21.4%        |                     |
|                       | 22. Indiana: 26.8%        | 48. Massachusetts: 21.3% |                     |
|                       | 23. North Dakota: 26.5%   | 48. Vermont: 21.3%       |                     |
|                       | 24. South Dakota: 26.2%   | 50. Connecticut: 21.2%   |                     |
|                       | 25. Nebraska: 26.0%       |                          |                     |
|                       | 26. Minnesota: 25.6%      |                          |                     |
|                       | 27. Oregon: 25.5%         |                          |                     |
|                       | 27. Arizona: 25.4%        |                          |                     |
|                       | 27. Maryland: 25.4%       |                          |                     |
|                       | 30. Washington: 25.3%     |                          |                     |
|                       | 31. New York: 25.0%       |                          |                     |

### **Industry Concentration**

From [CONCENTRATION OF AGRICULTURAL MARKETS April 2007](#) by Mary Hendrickson and William Heffernan

*Note: CR4 is the concentration ratio (relative to 100%) of the top four firms in a specific food industry. An industry is considered consolidated if its CR4 is 40% or higher.*

#### Beef Packers CR4

1990: 72%  
 1995: 76%  
 1998: 79%

#### 2007 Daily Slaughter Capacity

1. Tyson: 36,000 head  
 2. Cargill: 28,300 head  
 3. Swift & Co: 16,759 head

2000: 81%  
2005: 83.5%  
2007: 83.5%

(Note: This increased in 2008 when JBS Swift bought Smithfield Foods, formerly the 5th largest beef packer.)

4. National Beef Packing Co: 13,000 head

#### Pork Packer CR4

1987: 37%  
1989: 34%  
1990: 40%  
2001: 59%  
2005: 64%  
2007: 66%

#### 2007 Daily Slaughter Capacity

1. Smithfield Foods: 102,900  
2. Tyson Foods: 72,800  
3. Swift & Co.: 46,000  
4. Cargill: 36,000

#### Broiler Industry CR4

1986: 35%  
1990: 44%  
1994: 46%  
1998: 49%  
2001: 50%  
2007: 58.5%

#### 2007 Top Producers

1. Pilgrim's Pride  
2. Tyson  
3. Perdue  
4. Sanderson Farms  
Note: The CR2 in this sector is 47%.

#### Turkey Industry CR4

1998: 31%  
1992: 35%  
1996: 40%  
2000: 45%  
2005: 51%  
2007: 55%

#### 2007 Slaughter Capacity

1. Butterball LLC: 1,420 Million lbs  
2. Hormel Foods (Jennie-O Turkey Store): 1,265 Million lbs  
3. Cargill: 961 Million lbs  
4. Sara Lee: 260 Million lbs

#### Ethanol Production CR4

1987: 73%  
1995: 73%  
1999: 67%  
2002: 49%  
2007: 31.5%

#### Million Gallons/Year (Capacity)

1. ADM: 1070  
2. US Biofuels: 250  
3. VeraSun Energy Corporation: 230  
4. Hawkeye Renewables: 220

*Note: Farmer owned ethanol plants accounted for 39% of total capacity.*

#### Dairy Processors in U.S. and Canada

##### Annual Sales

1. Dean Foods: \$10,106 Million  
2. Kraft Foods: \$4,400 Million  
3. Land O'Lakes: \$3,901 Million  
4. Saputo Inc.: \$3,461 Million

Notes: Over 40% of Saputo Inc. plants are in Canada.

#### U.S. Food Retailing CR5

1997: 24%  
2001: 38%  
2004: 46%  
2005: 48%

#### Sales in Thousands

| Supermarket   | 2006          | 2005          | 2004         | Change '04-'06 |
|---------------|---------------|---------------|--------------|----------------|
| 1)Wal-Mart    | \$ 98,745,400 | \$ 79,704,300 | \$66,465,100 | 48.57%         |
| 2)Kroger      | \$ 58,544,668 | \$ 54,161,588 | \$46,314,840 | 26.41%         |
| 3)Albertson's | \$ 36,287,940 | \$ 36,733,840 | \$31,961,800 | 13.54%         |
| 4)Safeway     | \$ 32,732,960 | \$ 29,359,408 | \$29,572,140 | 10.69%         |
| 5)Ahold       | \$ 23,848,240 | \$ 21,052,200 | \$25,105,600 | -5.01%         |

#### Top U.S. Food Processors

##### 2005 Food Sales (\$millions)

1. Tyson Foods Inc. 23,899
2. Kraft Foods Inc. 23,293
- 3 Pepsico Inc. 21,186
4. Nestle (US & Canada) 19,941
5. Anheuser-Busch Cos. Inc. 11,546
6. Dean Foods Co. 10,505
7. General Mills 9,803
8. Smithfield Foods Inc. 9,614
9. ConAgra Foods Inc. 8,195
10. Swift & Company 7,847

#### Commodities Grown

All numbers are taken from the PDF "Commodities in U.S. by Acreage 2008" from the National Agricultural Statistics Service. All numbers given are the number of acres *planted* (as opposed to harvested) unless specified.

Of all of our commodities grown, here is the percent each one makes up in acres planted:

| <u>Crop</u>     | <u>2007</u> | <u>2008</u> | <u>Change in Acres Planted '07-'08</u> |
|-----------------|-------------|-------------|--|
| Corn:           | 29.25%      | 26.95%      | -7%                                    |
| Soybeans:       | 19.89%      | 23.00%      | +17%                                   |
| Wheat:          | 18.89%      | 19.58%      | +5%                                    |
| Hay:            | 19.26%      | 18.65%      | -2%                                    |
| Cotton:         | 3.38%       | 2.58%       | -15%                                   |
| Sorghum:        | 2.41%       | 2.24%       | -6%                                    |
| Barley:         | 1.26%       | 1.27%       | +3%                                    |
| Oats:           | 1.18%       | 1.07%       | -8%                                    |
| Rice:           | 0.86%       | 0.89%       | +5%                                    |
| Sunflower:      | 0.64%       | 0.67%       | +5%                                    |
| Peanuts:        | 0.38%       | 0.45%       | +19%                                   |
| Sugarbeets:     | 0.40%       | 0.33%       | -15%                                   |
| Canola:         | 0.37%       | 0.31%       | -15%                                   |
| Potatoes:       | 0.36%       | ?           | ?                                      |
| Sugarcane:      | 0.27%       | 0.27%       | -1%                                    |
| Flaxseed:       | 0.11%       | 0.11%       | -2%                                    |
| Tobacco:        | 0.11%       | 0.10%       | -4%                                    |
| Safflower:      | 0.06%       | 0.06%       | +6%                                    |
| Sweet Potatoes: | 0.03%       | 0.03%       | +3%                                    |

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