

Cornhusker Economics

Cooperative Extension

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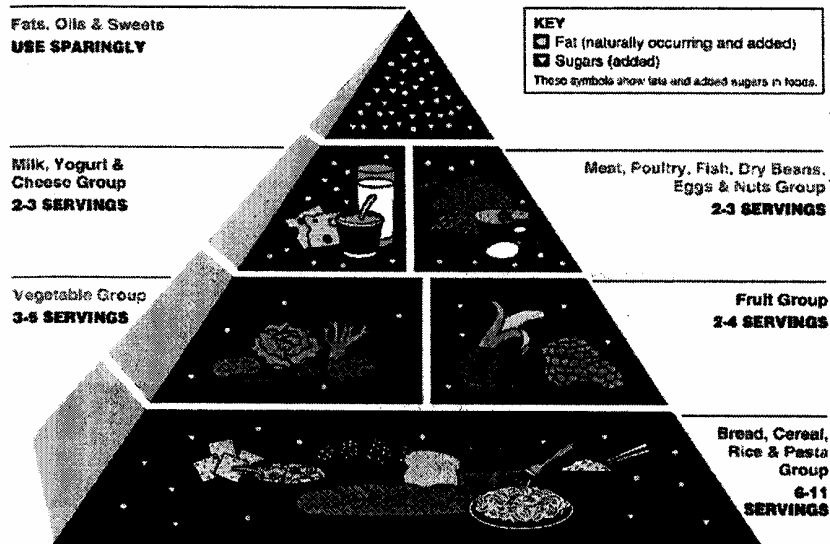
Will Rise of New Diets Raze Old Pyramid?

Market Report	Yr Ago	4 Wks Ago	7/23/04
<u>Livestock and Products</u>			
<u>Weekly Average</u>			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight	\$77.46	\$88.90	\$84.54
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb	107.62	141.89	138.99
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb	95.64	119.61	118.27
Choice Boxed Beef, 600-750 lb. Carcass	128.60	144.86	136.93
Western Corn Belt Base Hog Price Carcass, Negotiated	58.29	79.80	77.21
Feeder Pigs, National Direct 45 lbs, FOB	22.28	43.01	42.78
Pork Carcass Cutout, 185 lb. Carcass, 51-52% Lean	61.56	80.52	78.56
Slaughter Lambs, Ch. & Pr., 90-160 lbs., Shorn, Midwest	87.25	97.50	*
National Carcass Lamb Cutout, FOB	224.95	233.72	226.72
<u>Crops</u>			
<u>Daily Spot Prices</u>			
Wheat, No. 1, H.W. Omaha, bu	3.34	3.62	3.48
Corn, No. 2, Yellow Omaha, bu	1.97	2.60	2.16
Soybeans, No. 1, Yellow Omaha, bu	5.44	9.02	6.23
Grain Sorghum, No. 2, Yellow Columbus, cwt	*	4.04	3.20
Oats, No. 2, Heavy Minneapolis, MN, bu	1.49	1.65	1.51
<u>Hay</u>			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton	117.50	117.50	115.00
Alfalfa, Large Rounds, Good Platte Valley, ton	*	62.50	62.50
Grass Hay, Large Rounds, Good Northeast Nebraska, ton	71.25	57.50	57.50
* No market.			

The United States Department of Agriculture (USDA) Food Guide Pyramid was promoted in its 1992 launch as a more detailed, yet easier to understand, system of guidelines and recommendations for daily food consumption. Although widely recognized by much of the American public, it has also been the source of considerable confusion. Recommended intakes are given by "servings," a unit that many interpret as the amount consumed in one sitting. This misunderstanding is cleared up only through thorough investigation that entails locating information not available on the simple pyramid. Further, many have raised concerns that the placement of "fats, oils and sweets" at the top of the pyramid gives the impression that these are essential parts of the diet. The intended message of the pyramid was that the base of the pyramid would be the most important food group, the foundation of a healthy diet.

Due in part to these criticisms, and in larger part to a pandemic obesity problem in the U.S., USDA is proposing a new standard for educating the American public on proper food consumption. According to data published by the Centers for Disease Control in 2003, 64 percent of Americans age 20 and older were classified as overweight or obese, and those classified as obese accounted for 30 percent of the population. Some have attributed this problem to poor communication of food consumption standards. Confusion over serving sizes, number of servings in a day, and variances in energy levels are just a few of the issues raised by the public concerning the food guide recommendations. Therefore, the new standard will focus mainly on making existing recommendations more comprehensible to the average American consumer. Serving sizes will be explained in much greater detail, units of measurement will be clarified more thoroughly, and intake recommendations will be given for energy levels from 1,000 calories per day to 3,200 calories per day. While a majority of this information currently can be accessed by visiting the USDA website (<http://www.usda.gov>), the new food guide will attempt to make this information even more easily accessible to the public.

The recent popularity of low-carbohydrate, high-protein diets has given rise to questions regarding whether USDA will consider these current diet trends in its new recommendations. For example, in 2003 choice beef demand was up 6 percent compared to 2002 (UNL), largely as a result of a shift in consumer prefer-



ences for higher protein diets. In contrast, many high carbohydrate foods are showing sales declines, with bread sales down 2.5 percent, cereal sales down 3.6 percent and rice sales down 4.9 percent (ACNielsen Homescan Panel-Views Survey). The potential to have an increased amount of protein in the USDA guidelines would be positive for the livestock and meat industries. It seems unlikely at this point, however, that USDA's revisions would be heavily influenced by the low-carb, high-protein diets, since USDA's research is based on decades of data and studies. The purpose of USDA's food guide recommendations is to influence the eating habits of the public, rather than being influenced by the public. While new guidelines will emphasize the importance of both carbohydrates and protein in a balanced diet, it is doubtful that a significant number of these high-protein dieters will be swayed by these more comprehensible recommendations.

The proposed changes have been viewed by many agricultural producers with cautious optimism, particularly those raising hogs and beef cattle, with hope that recent increases in high-protein diets could result in an increase in the recommended amount of daily meat consumption. Conversely, concerns that the USDA could reduce the daily recommended consumption of meat in a well-balanced diet have also been raised. However, if the changes proposed by the USDA and currently published on its website are to be enacted, these producers will have little about which to be concerned. In the 1992 Food Guide Pyramid, the suggested daily intake of foods falling in the "Meats, Poultry, Fish, Dry Beans and Peas, Eggs and Nuts" category was two to three servings, which translates to five to seven ounces of lean meat, depending on total daily caloric consumption. The new proposal shows very little change in the consumption levels for the newly named "Meat and Bean" category, with daily intake remaining at five to seven ounces each day.

The location of meat in the new recommendations relative to its importance in the diet is also likely to remain unchanged. Currently, the meat and dairy groups are near the top of the pyramid, right above the fruit and vegetable groups. At this point, the recommendations for all of the groups are expected to remain basically the same. And while the relative importance of the food groups is unlikely to be altered, the pyramid itself may see some changes. USDA is undecided what graphic representation will be used to describe the new recommendations. It is still possible that the image will remain that of a pyramid, but USDA is reportedly seeking the option that would provide the clearest picture for consumers to follow when making consumption decisions.

Revisions to the USDA food guide recommendations will be designed to add clarity to the previous guide and thus improve the eating habits of Americans, not necessarily to reflect the new low-carb, high-protein diets. While there have been suggestions of adding additional recommendations (e.g., daily water intake), the current revisions will likely focus on making the daily consumption recommendations clearer for the public. Therefore, while there will not likely be changes that will significantly benefit meat producers, it is also unlikely that any potentially negative changes will be made.

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