

Consumer-Driven Agriculture

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Giving consumers what they want is the foundation of our agricultural system and the keystone of consumer-driven agriculture. Catering to tomorrow's consumer is the key to economic viability and growth for today's food suppliers. The future arena of competition for the consumer's food dollar will be filled with innovative firms that welcome change and anticipate the desires of tomorrow's consumers. Firms that recognize change and act swiftly will survive and, perhaps, even thrive; the slow will miss an opportunity. And make no mistake...America is changing.

Tomorrow's America will be bigger, wealthier, better educated, more ethnically diverse, and older. These changes may be subtle from day to day but over time will transform the Nation into an intrinsically different place. USDA's Economic Research Service is engaged in a major research effort to study what America's food system may look like in the year 2020.

America will undergo many demographic changes in the coming decades. Over 50 million new people will be added to our population—many of them immigrants—during the next 20 years. The proportion of Blacks, Asians, and, especially, Hispanics will increase relative to Whites. There will be regional population shifts, with the West and South gaining and the Northeast and North Central areas losing people. However, one of the biggest and most important changes is becoming more visual with each passing day—the graying of America.

Everyone eats differently, but we often share common tastes with our socioeconomic peers. For example, older people tend to eat more fruits and vegetables than their younger counterparts but dine out less often. Wealthier people dine out more often than lower income people, while Hispanics eat more fish and poultry products but less dairy foods than non-Hispanics. And as the pace of life continues to quicken, we desire more convenience in all aspects of our lives, especially our meals. These common eating traits mean that future shifts in what we eat and where we eat as a nation will change as our population changes.

More people to feed coupled with added wealth and different food choices and eating patterns, means that by 2020, America will spend over \$1 trillion on food annually, an unheard of figure 20 years ago. This, of course, will translate into opportunities for the innovators in the food system. But increased food spending is only part of the story.

A wealthier America will eat out more often and spend more when they do. Growth in the food sector is expected to be strong but will be tempered somewhat by an aging population. Consumer spending on food is expected to grow faster than quantities eaten as quality and convenience play a major role in food selection in the years ahead. Consumption of fruits, fish, and some vegetables are expected to experience above average growth, while consumption of other foods, such as french fries, beef, pork, and sugars, will grow slower. These changes will have a major impact on the way the food system does business. Everything from inventory control to packaging to delivery systems will undergo advances, including modifications in production practices, food processing technology, packaging, wholesaling, retailing, and food service. Just as demographics change, so must our food system.



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