

# Food Prices - Who Do Consumers Blame?

(Editor's Note: The following story was prepared by Rex H. Warland and Robert O. Herrmann, Associate Professors, Rural Sociologist and Agricultural Economist, respectively, The Pennsylvania State University.)

Only a small percentage of American consumers place the blame for rising food prices on farmers or retail grocery stores. These attitudes were revealed in a nationwide study conducted recently by The Pennsylvania State University.

With increased concern about rising food costs, many consumers have demanded price controls on food, some have called for consumer boycotts, and a few have proposed other ways of dramatizing their dissatisfaction with high food prices. How widespread is this consumer unrest? Whom do they blame?

Last fall the Department of Agricultural Economics and Rural Sociology at The Pennsylvania State University conducted a nationwide survey which provides some answers to these questions. It investigated the public's concern about current consumer issues, what they thought should be done to solve consumer problems, and what they personally were doing about their own consumer problems. This national study is a follow-up to an earlier study made throughout Pennsylvania and reported in the February 1972 issue of Farm Economics. For the more recent study over 1200 people throughout the United States were interviewed by telephone. The people interviewed represented a cross section of the American population. Although several months have passed since the interviewing was conducted, the results still provide a good basis for determining consumer reactions to food prices as well as some basis for predicting what

consumers are most likely to do in the near future.

The survey participants were asked if they thought certain consumer items cost what they should or whether they cost too much. A majority indicated that most of the goods and services we asked them about cost too much. Food products were at the top of the list of consumer complaints with 85 percent saying food costs were too high. Close behind food prices were complaints about the cost of medical services provided by hospitals (80 percent said they cost too much). Approximately 70 percent said that automobiles, doctor services, and drugs and medicines were too costly. In contrast, only 40 percent said that major appliances cost too much.

The results clearly show that rising food prices have aroused the concern of large numbers of consumers throughout the nation. There is also evidence that these concerns increased during the year or so before the study was conducted. These changes can be seen when the results of the present study are compared with those of several surveys conducted 9 to 12 months earlier. For example, several surveys done in the summer and fall of 1971 indicated that about two-thirds of those interviewed thought food cost too much. At the time of this survey, the figure had risen to 85 percent. These results suggest there is widespread consumer unrest and dissatisfaction which could result in increasing demands for governmental action in the months ahead.

The survey participants also were asked who they thought was most to blame for today's high food prices. This information was considered important because of the continuing speculation by the news media and by special interest groups about whom consumers are blaming for high food prices. We have heard, for example, that consumers are angry at farmers or blame

grocery stores for high food prices. In turn, some farm groups and some food retailing organizations have become concerned that they are losing the public's favor.

The answers to the question summarized in the accompanying table show some surprises. Contrary to the opinion of some observers, farmers are blamed the least often. Only 8 percent of those interviewed indicated that farmers were the culprits. Instead, labor unions were the group which was named the most frequently (45 percent). Food manufacturers were the group second most frequently held responsible; they were blamed by a quarter of the respondents. A smaller percentage blamed consumers and grocery stores. Nearly one-fifth of the survey participants said they didn't know who was to blame.

Overall, the least amount of blame was placed on the producers (farmers) and retailers of food (grocery stores), the segments of the food industry at the beginning and the end of the food distribution chain. In fact, consumers blamed themselves as often as they blamed farmers and grocery stores. Blame fell more heavily on those usually considered the middlemen (food manufacturers and labor unions). But it also is clear that no one group was singled out for blame by a majority of those interviewed. No group was named by over half of the respondents even though they could name as many groups as they wished.

These results suggest that the image of farmers and grocery stores among consumers is good despite the claims of some. Consumers apparently do not believe that farmers and grocery stores are taking excessive profits which are driving the cost of food up. Their accusations instead are focused more on

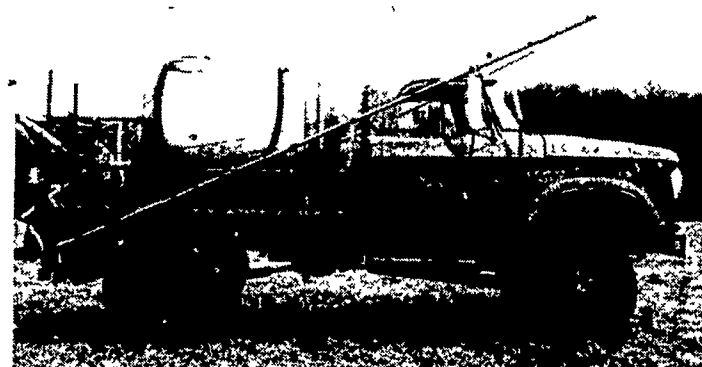
those who manufacture and distribute food products. The relative amount of blame placed on the labor unions is somewhat unexpected, because unions are not nearly as widespread or visible in the food industry as

they are in the automobile, construction, steel, and public transportation industries. It may be that some consumers have a bad image of all labor unions, including those in the food in-

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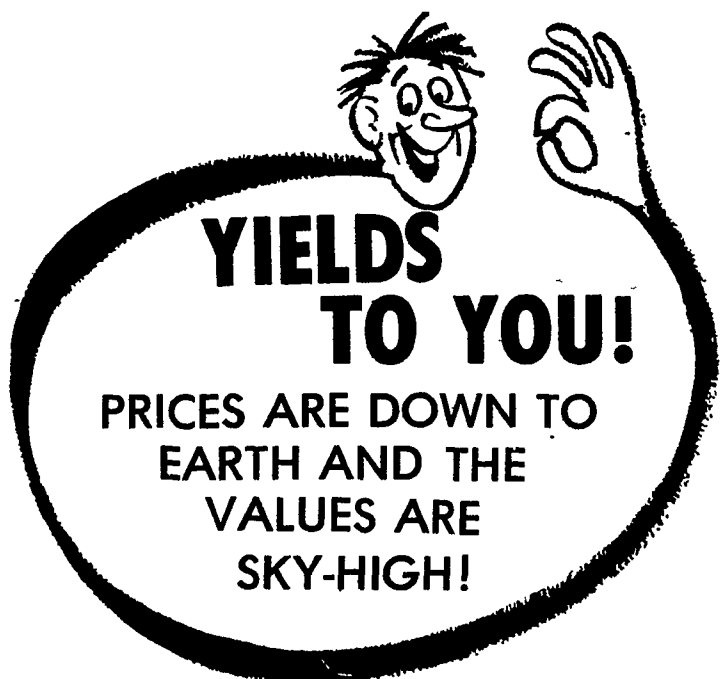
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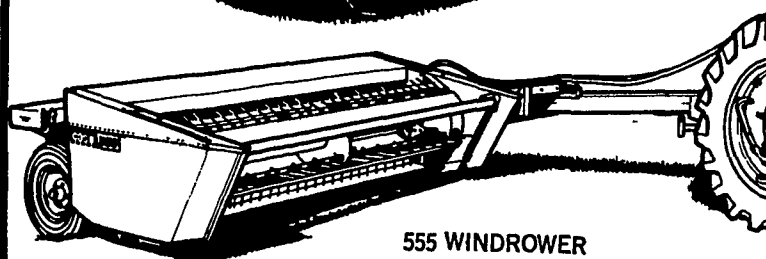


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