FOOD RETAILING

By John Guernsey

INTRODUCTION

This report is one of a series of special trade studies prepared from data assembled in the first Nation-wide census of distribution. It brings together, in one bulletin, much of the available information on the operation of stores distributing foods.

This report was prepared under the general supervision of Robert J. McFall, chief statistician for distribution, and John Guernsey, in charge of retail distribution.

The total known sales of all food commodities during the year 1929 was $13,221,000,000, exclusive only of the sale of meals. Of this total, commodities usually regarded as grocery items constitute 38.94 percent; fresh meats (including poultry and fish) constitute 20.19 percent; fruits and vegetables constitute 10.14 percent; dairy products (including eggs and milk) constitute 17.31 percent; and related commodities (delicatessen foods, confectionery and nuts, bottled beverages, fountain sales, ice cream, and tobacco products) constitute the remaining 13.42 percent. Details are presented in chapter III herein.

Although the major part of the retail food business is transacted in food stores, a substantial amount of food is sold in stores not usually associated with the food group. Primarily they include country general stores, department stores, general merchandise stores, feed-grocery stores, variety stores and the restaurant group.

Table 26 herein presents a detailed analysis of the sales of food in each of these kinds of stores. The aggregate figures are as follows:

Food Sales, by Commodities

Commodity	Sales (in thousands)	Percent to total
Total	$13,221,103	100.00
Bakery products (fresh)	614,103	4.64
Lard, cooking fats, etc	307,856	2.33
Flour	358,468	2.71
Sugar	545,032	4.13
Canned goods and other groceries	3,322,497	25.13
Fresh meats (including poultry)	2,507,146	18.97
Fresh fish and other sea foods	161,077	1.22
Fruits and vegetables	1,340,423	10.14
Butter and cheese	952,222	7.20
Milk and cream	828,590	6.27
Eggs	507,701	3.84
Delicatessen ready-to-serve foods	186,384	1.40
Confectionery and nuts	512,274	3.87
Bottled beverages	142,501	1.10
Fountain sales (including ice cream)	616,317	4.65
Cigars, cigarettes, and tobacco (food-group stores only)	317,012	2.40

Sale of Meals.—In addition to the food sales summarized above, the total known sale of meals is $2,515,495,871, exclusive of meals in boarding houses and nonpublic eating places. Details are presented in chapter II herein and particularly in a table on page 23.

The scope of this report.—Foods sold at retail may be divided into two major classes; i.e., (1) foodstuffs, such as groceries and meats, sold primarily by food stores; (2) food in the form of meals, sold primarily by restaurants, hotel dining rooms and other eating places. However, many stores other than food stores sell food, including particularly general stores, department stores and feed stores with groceries. Delicatessen stores sell large quantities of prepared food as well

as other foodstuffs. Meals are sold by confectionery stores, department stores, filling stations, drug stores, cigar stores, news dealers and bakeries, to mention only a few, in addition to restaurants.

On the other hand, the sales of food *stores* include more than the sale of food. Other principal commodities sold by food stores are cigarettes, household supplies, stationery, light globes and other nonfood commodities, in *addition to* meals. Restaurants and other eating places sell many related commodities in addition to the sale of meals. Hence the aggregate of food-store sales, which is nearly $11,000,000,000, is not a measure of the total sales of food, nor is the $2,124,890,000 aggregate receipts of restaurants a measure of the sale of meals.

This report marshals the known facts concerning the retail sale of food, wherever sold, as disclosed by the first nation-wide census of retail distribution. It shows the approximate total consumption of foods of all kinds, through commercial channels, the extent of the market for principal foodstuffs, and also the market within the food field for other commodities than foods. It makes no attempt to estimate the consumption through noncommercial channels, such as that of food consumed by farmers and others at the place of production and informal occasional sales and barter which do not enter the field of business. Unless otherwise stated, all data are derived from the 1930 Census of Distribution, which fortunately is based upon the year 1929, since conditions in the more recent years have been so abnormal. Although the dollars of sales were lower in the years immediately following 1929, there is no reason to believe that the ratios or relationships between the component branches of the food industry differ materially year by year from those disclosed herein, although the proportions of food sales to *total* retail sales does vary somewhat.

Chapter I of this report describes the various kinds of food stores and their operation, their relative volume of sales, their cost of doing business, and the nature of the commodities sold. Chapter II presents and discusses similar data for restaurants and other eating places.

Chapter III analyzes the sales in more detail by commodities. It describes the various related commodities sold by food stores and restaurants in addition to food, and the relative sales importance of each.

Chapter IV is of particular interest to manufacturers and wholesalers of food products. It enumerates the number and geographic location of the retail outlets through which food distribution may be promoted, either by direct contact with independent proprietors, by contact with chain store buyers, or by selling to wholesalers. It describes the considerable variation in the average expense ratio, between the several *kinds* of retailers who can and do sell foods, and emphasizes the effect of the retailer's expense ratio on his average marking rate, and on his attitude toward the sale of food.

Its purpose is to outline the extent of the market nationally and in each of the geographic divisions of the country, for many of the more important food commodities.

An appendix to this report gives definitions of the various kinds of stores in the food and restaurant groups and other stores mentioned in this report as selling food, taken from the United States Summary of Retail Distribution but arranged alphabetically.