

Fryer Grading

system of uniform USDA standards tested in Los Angeles retail markets

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A grading system for fryers at retail—using USDA grades—would be feasible within the framework of present market practices according to experience gained in an experiment in Los Angeles.

During four months of 1952 controlled experiments were conducted in retail food stores in Los Angeles to investigate:

1. What effect the introduction of a uniform grading system might have on retail sales; 2, whether consumers will accept and buy Grade B chickens when offered for sale; 3, whether consumers are able to distinguish between Grade A and Grade B chickens; and 4, what objections to a uniform grading system would be raised by consumers, processors, and retailers.

Arrangements were made with selected stores to offer graded fryers for a certain period of time so that the questions posed might be answered. Only dressed fryers were offered with the USDA grade since this product is offered more widely than others.

Normal Sales Conditions

Two stores in each of three chain store organizations in Los Angeles co-operated in carrying out the study. During the experiment one of each pair of stores carried graded fryers for a certain period while the other maintained regular practices. Then the second store of each pair offered graded fryers while the first maintained regular practices. This alternating of stores increased the reliability of the results by taking such things as purchases from other stores, innovations, specials, and so forth, into account.

All the graded fryers sold during this experiment were graded by a licensed USDA grader either at the processing plant or at the retail store where sold.

After grading, each bird was tagged with a nonremovable clip which remained on the bird all the way to the final consumer. Insofar as practicable, prices for the fryers remained normal. In addition, signs and price tags in the meat counter where the fryers were displayed announced the fact that graded fryers were being offered. During the experi-

ment the meat department manager in each co-operating store changed the prices and the labels according to a definite plan. They also kept records of sales of fryers and all other poultry products and all meat products offered in the store.

Effect on Sales

The retail stores which carried graded dressed fryers during this experiment had fryer sales which were 32% higher than sales which would have occurred if no grading had been in effect.

This increase in sales came from a number of different influences contained in the introduction of the grading system. Among the influences was the better satisfaction of consumers in the product which was graded as compared to the one which was ungraded. The presence of the USDA grade label served as a promotional device and attracted some attention. In addition, the USDA label gave some consumers more confidence in the quality of fryers than they had felt previously. The introduction of the graded fryers raised the quality of fryers in some stores above what it had been.

The data obtained indicated that the expansion in fryer sales was not at the expense of sales of cut up fryers or other meat products. In some of the test periods in which dressed fryer sales increased, cut-up fryer sales fell or remained the same. In some of these periods sales of hens also decreased. The over-all effect on sales of other poultry products was slight. Total meat sales—all poultry and meat products—rose slightly in the periods when graded fryers were offered in the stores. The introduction of graded fryers in the test stores for this period of time accompanied a net increase in sales of meat products. This conclusion is of significance to producers as well as to retailers since the stimulation of sales benefited both groups.

Grade B Label Accepted

The tests showed that consumers had no hesitancy in selecting and buying dressed fryers which were labeled, US

Grade B, when they were displayed adjacent to Grade A fryers. The quantity of Grade B fryers taken depended among other things on the price differential between it and the Grade A fryers.

When shoppers could see the differences in appearance—in cleanliness, in fleshing—between the two displays, the term Grade B had more meaning than when displayed alone.

This experiment indicates that the industry need not fear the use of the term Grade B on some fryers as much as had been indicated.

A test was conducted to determine consumers' ability to discriminate between Grade A and Grade B fryers. A single display of dressed fryers was maintained in two stores. Each bird in the display was graded according to USDA standards and marked so the butcher could identify each by grade, but customers could not. Each display contained about 60% Grade A and about 40% Grade B Birds—thoroughly intermingled. A record was kept of the sequence of sales of each bird in the display to see if consumers selected birds of high quality before buying those of lower quality. Since no information was given or sales effort exerted by the butcher, shoppers were free to select the bird they wanted.

In the first quarter of sales of each day in which records were kept, 75% of the birds chosen were Grade A, whereas Grade A birds constituted only 60% of the display. Some Grade B birds were sold early in each day, but relatively few. During the remainder of each day consumers chose the Grade A and Grade B birds in about a 50-50 ratio. Only those shoppers who saw a full display tended to select the highest quality birds out of the display. This was partly because birds at the top edge of the Grade A group look much better than those at the lower end of the range. It was also caused partly by the fact that the standards used for grading chickens may not be the same as those consumers think important.

Experience in this experiment indicated that USDA grades would be accepted by customers and by most of the trade with only a few objections. Many more comments and reactions were made by trade in favor of USDA grades than were against them. From the reactions of the trade the introduction of a uniform grading system at retail appears to be more feasible than introducing such a system at the farm or processing levels.

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