



The Food Industry Center
UNIVERSITY OF MINNESOTA

TFIC NEWSLETTER

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Obesity: What Can the U.S. Learn from Japan?

We can learn a great deal about how to reduce obesity in the United States by comparing lifestyles in the United States and Japan. The U. S. has one of the highest obesity rates in the world. Meanwhile, Japan has one of the lowest; although it is increasing there too, as in virtually every country. Concerns associated with obesity and overweight include an increased risk of several chronic diseases, premature death, plus significant increases in health care costs. A recent study by Ben Senauer, Co-Director of The Food Industry Center, and Masahiko Gemma, of Waseda University in Japan, discusses the reasons why the average person in Japan eats less and is more physically active than people in the United States.

Americans consume an average of 2,168 calories daily, whereas the Japanese consume an average 1,980 calories. A person gains weight when their caloric intake exceeds the calories burned. The traditional Japanese diet is built around a base of rice and other grains, with plenty of vegetables, fruits, and fish, but only small amounts of animal fat, meat and sweets. For the Japanese, the presentation of food is important, not so much the quantity. They have a saying: "we eat with our eyes". Portions are much smaller in Japan, both in restaurants and homes. The Japanese have traditionally applied the concept of "enryo" (restraint) in eating. Traditional food customs are still strong there, although admittedly, more Western foods are being eaten. Unlike most American schools, students are taught to appreciate and respect food.

Comparing the physical activity of these two countries shows the Japanese walk an average of about 2,000 steps more daily, burning some 100 extra calories. In crowded Japanese cities, the easiest way to get somewhere nearby is simply to walk. The Japanese also rely far less on automobiles and much more on mass transit than

Save the Date

Terrorism, Pandemics and Natural Disasters: Food Supply Chain Preparedness and Response

Joint Symposium with the National Center for Food Protection and Defense
November 1, 2006
McNamara Alumni Center

First Annual Food Industry Center Conference for Students & Alumni

March 22, 2007
McNamara Alumni Center

Food, Technology, and Individual Privacy Colloquium

May 2007

For an invitation to TFIC events, e-mail tfic@umn.edu

Americans. Consequently, public transportation typically requires more walking than does driving. The cost of owning and operating an automobile is much higher in Japan, while public transportation is very convenient. Japanese cities have some of the best mass transit networks in the world. Many Japanese companies pay for their employees subway passes, whereas many U.S. businesses provide free parking or help pay for it.

Policies that raise the cost of driving and make alternative forms of transportation more convenient could reduce obesity in the U.S. With the recent sharp increase in the price of gasoline, some Americans have switched from driving to mass transit. In the long-run, a higher tax on gasoline, although currently not possible, would increase physical activity and reduce obesity, as

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The Food Industry Center

Co-Director's Notebook

This issue of the *Co-Director's Notebook* acknowledges the enthusiasm and contributions of the Center's staff, students, and affiliates.



We are sometimes asked, "Who is at the Center?" The answer depends on the year, the research, or student activities at the time. It is a center fueled by collaborations between faculty from a variety of departments, centers, and universities; the career services centers; trade associations; accountants; administrators; and the University of Minnesota Foundation. Our office is filled with energy and excitement as faculty and staff conduct research, plan events, wrote grants, and converse with colleagues. Their contributions are a tribute to the philosophy of team work that characterizes the Center. This happens in no small way due to the vigilance of **Lisa Jore**, our Executive Administrator and **Rand Park**, our new Development Officer. In addition, our immediate group of researchers Dennis Degeneffe, Koel Ghosh, Jon Seltzer, Dr. Marla Reicks, and Dr. Tom Stinson are actively contributing to new food industry research. We

thank them all for their enthusiasm and hard work.

Speaking of Center contributors, **Professor Hamid Mohtadi** will be joining The Food Industry Center as an acting Co-Director from August 2006 to May 2007 while current Co-Director Ben Senauer

will be on a sabbatical leave. Hamid, has been an active participant in research collaborations with Jean Kinsey and others for several years and has been working on a grant from the National Center for Food Protection and Defense to estimate the extreme probabilities of terrorist attacks on the food system. During his sabbatical leave from the Economics Department at the University of Wisconsin – Milwaukee, Hamid will bring to the Center his strength in applying economic modeling to real world issues. He is very productive, energetic, and full of ideas for research projects, event planning, and student involvement. We officially welcome Dr. Hamid Mohtadi to the Center.



Mohtadi

Jean Kinsey and Ben Senauer

TFIC Receives Grant to Host Colloquium on RFID Technology and Privacy

The Food Industry Center has been awarded a grant by The University's Consortium on Law and Values in Health, Environment & the Life Sciences to host a colloquium on the ethics governing the use of Radio Frequency Identification (RFID) in food and beverage retail and supply chain management. RFID enabled supply chains have been argued to improve inventory management and traceability of food items, resulting in cost savings for businesses, lower prices, greater availability, and safer foods for consumers. Faced with mandates from large retailers and compliance pressure from the FDA, RFID will likely

become the norm in the food industry. The power of RFID as a tracking technology, however, has raised concerns among privacy advocates who view the tags as 'spychips' for consumers' purchase behavior. The colloquium titled *Food, Technology, and Individual Privacy* will focus on the RFID-privacy debate and its implications for the food industry. Scheduled for May 2007, the colloquium will feature a panel of academic, industry, and legal experts. Ben Senauer, Co-Director, and Koel Ghosh, Research Associate, secured the grant for the center.

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The Food Industry Center

Inaugural James P. Houck Lecture on Food and Consumer Policy

The Food Industry Center sponsored the **Inaugural James P. Houck Lecture on Food and Consumer Policy** on May 16, 2006 on the St. Paul Campus. The late Professor Houck was the Head of the Department of Applied Economics from 1990-1998 where he taught economics and trade theory for 33 years. He also led the faculty team that established this Center.

The lecturer, Juan Enriquez, a leading authority on the political impacts of life sciences spoke on *Technology, Gene Research, and National Competitiveness*. Juan was the founding director of Harvard Business School's Life Science Project and is now the Chairman and CEO of Biotechonomy, a life science investment firm. His book, *As the Future Catches You*, describes the rapid changes in language and technology and how those changes alter the dynamics of global trade, business, and politics. New knowledge about genomics will change our diets, our health care, and the way we live in the future. Juan challenged our thinking and our imagination.

This Houck Lecture is one of four Minnesota Lectures on Applied Economics and Policy presented throughout the academic year by the Department of Applied Economics.



Juan Enriquez, Peg Houck, Rob King, Jean Kinsey

The next Houck Lecture is scheduled for the spring of 2007. For an invitation to the next Houck Lecture or any of the lectures in the series, send an email of interest to tfic@umn.edu.

Pandemic Preparedness Seminar



On June 29th, The Food Industry Center sponsored a public seminar on *Pandemic Preparedness: Supply Chain Strategies*. Dr. Dimitri Lappas, Vice President for Global Supply Chains at ECOLAB, spoke about the first, second, and third order effects a company needs to consider if they are to be ready to cope with a potential flu pandemic. Dr. Lappas touched upon such issues as

public health coordination under pandemic conditions, border closures, consumer substitution of some goods for others leading to spike in demand, the need for flexibility versus regulation, communication and information sharing among executives as well as with the workers, and other topics. Representatives from several businesses actively participated in the exchange of ideas which made for a useful and lively discussion. **One thing became clear: the efficient, lean supply chains that have proven so profitable in the past two decades are incompatible with the flexibility and inventory needed to deal with a pandemic.** In addition, government regulations to ensure good manufacturing practices (GMP), truth in packaging and labeling, and potential geographic quarantine areas could be counter-productive at a time of pandemic (or other extreme) crises. Planning ahead is the only hope for keeping employees working and supplies flowing in such a situation.

Obesity: Continued from Page 1...

well as cut Greenhouse gas emissions and our reliance on foreign oil. Mass transit and other options to driving have suffered from under-investment for decades. Many suburbs do not even have sidewalks on busy streets. Employers could provide an extra half hour at lunch time on the condition that employees used the time to walk or otherwise exercise. There are several programs, including America on the Move and 10,000 Steps, which provide blueprints to encourage walking.

The lesson from Japan is that Americans need to eat less, giving more attention to their quality of food and less to the quantity, and reduce American over-dependence on automobiles.

* The complete study is available on the Center's website at:

<http://foodindustrycenter.umn.edu/Food Health Obesity>

Did You Know?

Per Capita Food Expenditures:

Consumers in the European Union (39 countries) spent 1,363 billion euros on food in 2004 with Germany spending the most – 245.77 billion euros (Source: www.foodnavigator.com/news/printNewsBis.asp?id=61627) Looking at food at home expenditures on a per capita basis over 6 countries, Russia spends the least, the U.S. is next, and France spends the most. See table below for per capita expenditure on food eaten at home in 2004. (Source: USDA/FAS Gainfile reports)

Country	Dollars per capita on food at home
Russia	\$1,127
United States	\$1,680
Germany	\$2,982
Italy	\$3,383
United Kingdom	\$3,559
France	\$3,940

We Eat More Imported Food:

The imported share of food consumed in the U.S. was 11% in 2003. Imported food increases about 1% per year with processed food making up 63% of the agricultural and food imports in 2005. (Alberto Jerardo <http://www.ers.usda.gov/Amberwaves/April05/Findings/GrowingAppetite.htm>)

Quiz:

Match the following definitions to the words below.

1. Team (gang) buying organized on the Internet to achieve deep discounts on premium products
2. A new proprietary probiotic food ingredient.
3. An antioxidant ingredient in food
4. A beer brewed in Qingdao, China
5. A piece of wasteland being turned into an industrial development zone near Beijing

- A. Tsingtao B. Bifidus Regularis
C. Binhai D. Tuangou
E. Coenzyme Q10

Answers: 1. D; 2. B; 3. E; 4. A; 5. C

Check it Out...

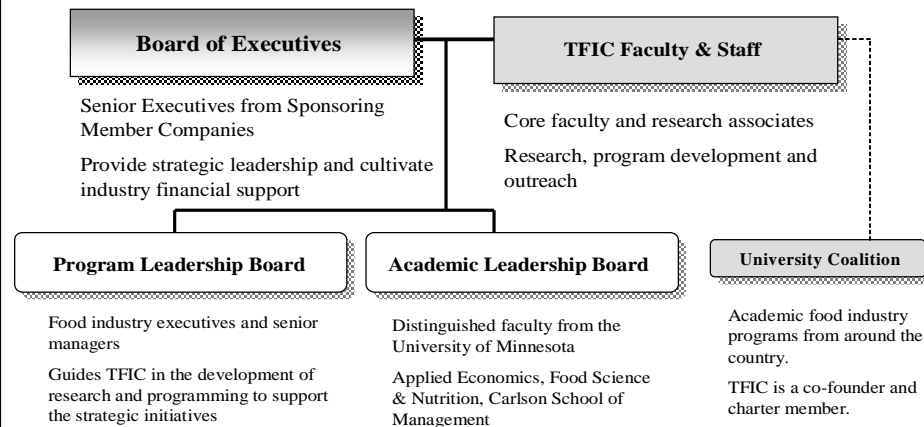
The Economic Research Service, USDA, website is loaded with information about food supply chains, food systems, agriculture, food consumption and expenditures, and a variety of issues of interest to people in the food industry. The site also provides free data and pictures.

<http://www.ers.usda.gov>

***The Wal-Mart Effect* by Charles Fishman, The Penguin Press, 2006.**

One cannot understand modern retailing, inflation, the consumption society, or global production without knowing the Wal-Mart effect, a symbol of efficient supply chains and lean inventory management. A particularly good chapter entitled "What do we Actually Know about Wal-Mart?" reviews rigorous published studies.

ORGANIZATIONAL CHART – THE FOOD INDUSTRY CENTER



The Food Industry Center provides a crucial forum for the exchange of ideas and expertise between academic researchers and food industry leaders. For more information about how TFIC can provide strategic value for your company or organization, please contact Rand Park at 612-625-4210 or rpark@umn.edu.

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