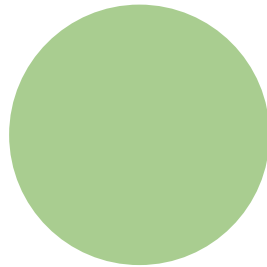


Baskets on a Budget

Inflation and Changes in Consumer Spending

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Let's Take a Look at the Current Price Increases

- The level of food price inflation varies depending on whether the food was purchased for consumption away from home or at home:
- The **food-away-from-home** (restaurant purchases) CPI increased 0.7 percent in May 2022 and was 7.4 percent higher than May 2021.
- The **food-at-home** (grocery store or supermarket food purchases) CPI increased 1.3 percent from April 2022 to May 2022 and was 11.9 percent higher than May 2021.

<https://www.ers.usda.gov/data-products/food-price-outlook/summary-findings/>

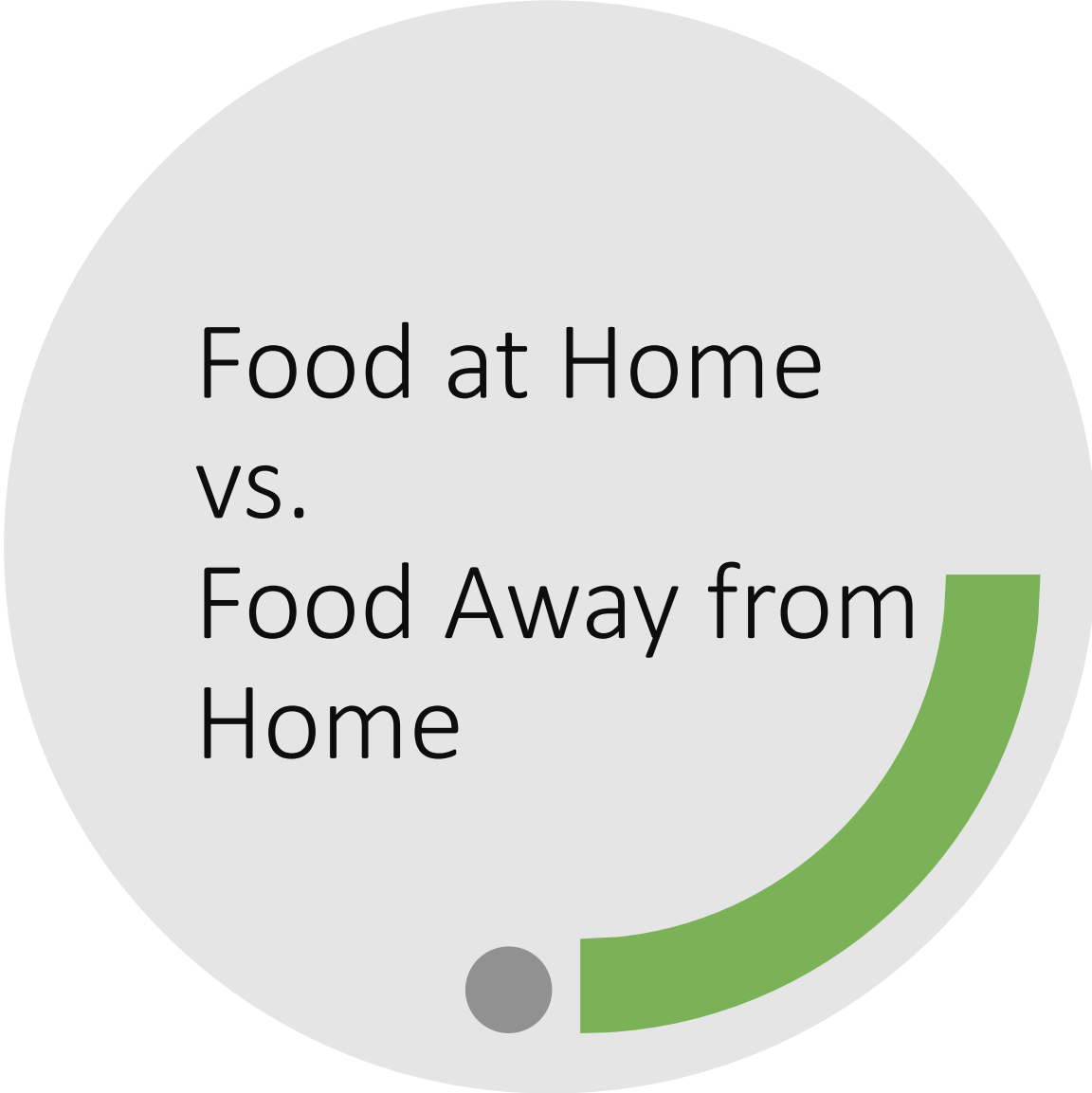


- Food price increases are expected to be above the increases observed in 2020 and 2021. In 2022, **food-at-home prices** are predicted to increase between 8.5 and 9.5 percent, and **food-away-from-home prices** are predicted to increase between 6.0 and 7.0 percent. Price increases for food at home and food away from home are expected to exceed historical averages and the inflation rate in 2021.

Food at Home

vs.

Food Away from
Home



Fuel Prices

- The price of a gallon of gas spiked to \$4.33 in March, nearly double what it cost in January 2021, according to data from AAA.
- Shoppers are limiting their trips to the store and ordering more online. This time, it's not for fear of the virus but to limit their driving due to increased gas prices.



Cost of Goods Increases

- The increase in meats are due to COVID 19 shutting down meat processing and packaging. Presently, social distancing and PPE contributes to increase in meat costs.
- Additionally, increase in wages for food service employees contributes to the increase in food costs.
- The cost of raw agricultural products (wheat, rice, corn and soybeans) has increased 30% since 2019.
- Ukraine –Russia region is responsible for roughly 30% of global exports of wheat and 65% sunflower. (<https://www.cnbc.com/2022/04/21/from-food-to-inflation-the-russia-ukraine-war-has-a-global-impact.html>)



- The following categories have price rate increases over the last year (*unadjusted % change 6/21 to 6/22*).
- Let's capture some ways that we can help shoppers budget in each category
- Source: Consumer Price Index for All Urban Consumers U. S. city average June 2022
<https://www.bls.gov/news.release/pdf/cpi.pdf>



Price Rates & Suggestions for Shoppers



Eggs: 33%!!!

- Eggs are still an economical choice of high-quality protein, but if customers are in needs of alternatives for baking, the following can be used as a binding agent:
mashed banana,
applesauce, fruit puree,
avocado, gelatin, flaxseeds,
vegetable oil + baking
powder, chia seeds, white
beans



Meat, Poultry and Fish: 10%

- Ground beef 9.7% however, **beef roast** only up 3.6%
- Pork 9%, (even a frank is up 16%), however the **pork chop** is only up 4.2%.
- Chicken up 18%, however **turkey** is only up 11.7%.
- Fresh and frozen fish up 10-14%; however **canned fish** is only up 7%
- Going meatless a day or two a week and turning to cheaper alternatives, like beans and lentils; educating customers on other sources of protein and portions of alternate protein sources



Bread: 10.8%
Crackers: 16%
Rice: 11.9%

- Potatoes for alternative (up 9%), bean products.
- Ends of bread using breadcrumbs; Freezing bread; 'Bread Ends' bag in the freezer



Milk: 16.4%

- Cheese only up 9.7%
- Even though the price of cow's milk has gone up, it is still less than 0.40 per cup. Powdered milk (Carnation) is under .50 per (prepared) cup. Cow's milk is still an economical choice of high value nutrition even though the cost is up.

Fresh fruits: 7%
Fresh vegetables:
6.5%

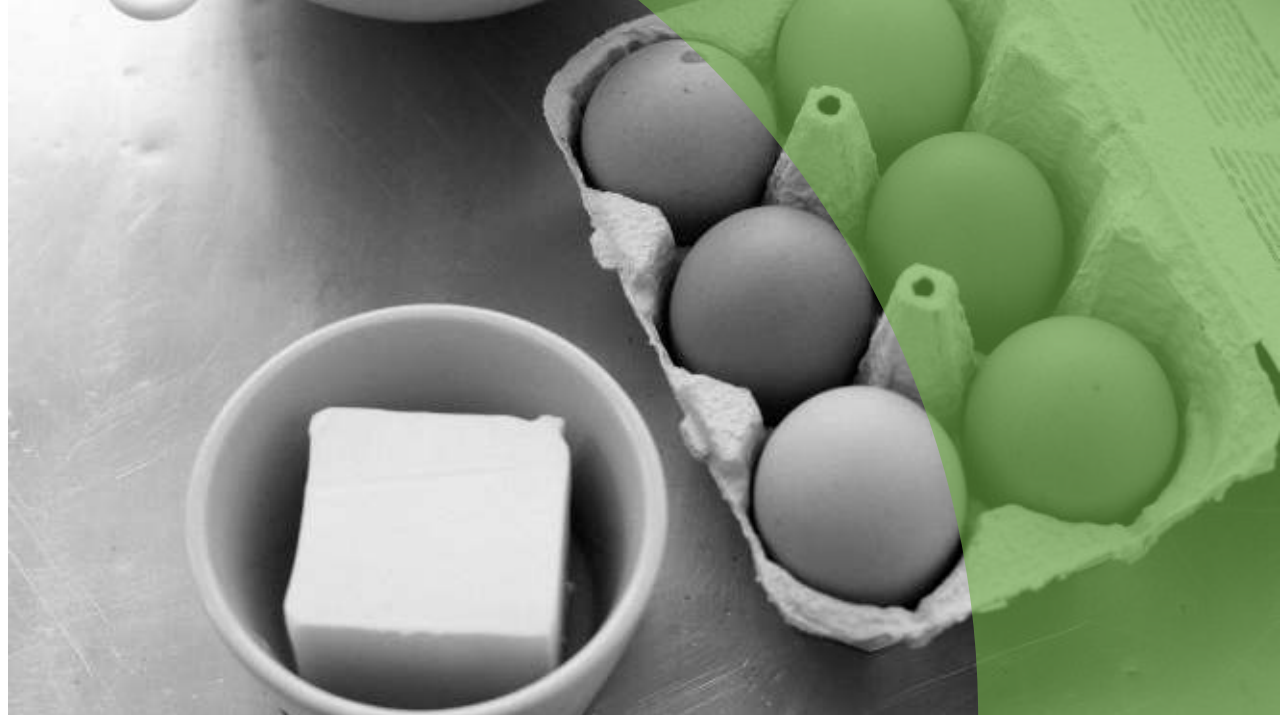
- How to store food items: the best storage techniques
- Moving items to fridge to slow ripening process
- Fresh vs frozen - deals on frozen items
- Continue to educate people about what is in season vs not.. Can find it in the frozen department for a better price
- Canned fruits and vegetables



Butter and margarine:
26%!!!

Flour and prepared flour
mixes: 19%!!!

- Increase the use of olive oil, making a half and half (half butter, half oil) mixture
- Instead of cakes – can we do more gelatin based or pudding-based desserts with fruit



What's NOT affected?

Focusing on what is
less affected by
inflation can help us
help our customers



The Flip Side

Top 5 Foods LEAST affected by inflation

- Potatoes (up 9%) – alternative to bread price increase
- Cheese (up 9.7%)– alternative to milk price increase
- Tea (up 6.4%) - alternative to coffee prices (up 15%)
- Tomatoes(up <1%) - alternative to other fresh produce
- Pork Chops (up 4.2%) – alternative to some other meats

Source: Bureau of Labor Statistics
<https://www.bls.gov/news.release/pdf/cpi.pdf>



What recipes can we share based on these items?

Meal substitutions based on these items?

Are there more items like this that we can focus on getting into the basket?



The Flip Side

From these numbers we can see that the *convenience items* have gone up by a larger % than fruit and vegetables. Cooking classes, recipes, and flavor guides will be useful for customers looking to buy more budget-friendly items.



The Flip Side

What are some ideas that we can use to make budgeting fun, easy, and doable for customers?



Let's Take Action

Action Idea: Food Service Concepts at Home

- Food service concepts to home kitchen concepts/ habits
- Habits (labeling and dating items), Having a sharpie in pantry for easy access or to refrigerator, FIFO
- How to store food items: the best storage techniques



Action Ideas: Rethink the Dates

- Rethink dates at home: Sell-by, use-by and BEST BY on canned vegetables, boxed mixes - (the dates serve as a freshness, quality or display indicator, not a marker for when the food will actually go bad) ex. Box of cereal or can of green beans.
- Many people throw out perfectly good food because of date stamps. Use common sense, and recognize that just because a sell-by date has passed does not mean food needs to be immediately trashed



Action Idea: Pantry Challenge

- Try out the pantry challenge!
- If you're unfamiliar with it, a Pantry Challenge requires you to use what's in your pantry (and refrigerator and freezer) to create meals for one week.
- The Challenge gives participants a chance to empty their pantries and get creative with meal ideas.
- Create a hashtag #pantrychallengeweek



How to do

CHOPPED CHALLENGE

at home

+ INGREDIENTS
IDEAS



Action Idea: Chopped Challenge Leftover Edition

- Chopped Challenge Leftover Edition
- This challenge is for the items in the refrigerator. How can we repurpose them? Who can create the best chopped challenge meal?
- Create a hashtag with it #choppedchallengeleftovers
- Could this be a way to create recipes from leftovers. Ex. Leftover Lasagna Frittata



Action Ideas: Family Challenges

- Family Challenges
- Family snack prep day : ice cream sandwiches at home
- King/Queen for the day: this family member gets to choose the snack and dessert at this week's grocery trip – if your family is like mine, they can't agree on one choice of snack or dessert, so we end up running up the bill with multiple snacks and desserts.

Action Ideas: Technology Motivation

- Budget Saving Apps, Podcasts, & Social Media
- Sometimes encouragement is what we need to help us stick to a budget and plan. Make a list of helpful apps, websites, and social media channels that customers can follow for encouragement.
- Examples: Ibotta app, Passionate Penny Pincher Facebook page (they do a lot of crock pot meal prepping); of course, we all want them to follow our grocery media outlets
- “Notes” app on iPhone: Families can keep an ongoing digital grocery list so everyone can see what is needed.





Action Ideas: Ratatouille Recipe, Stock Recipe, Best Practices

- Ratatouille – It’s not just a movie!
- How about a good recipe for ratatouille to use up the leftovers – it can also be a blend of fresh/frozen/canned veggies
- “This would be great for a vegetable stock” – how many of us talk about this, but when it comes down to it, do customer know how to do this? We need a good recipe for veggie stock, and we also need a good bone broth recipe as well for those leftover rotisserie carcasses. Anyone have a good one?
- Tip: Can we keep a Ziplock bag in the freezer to keep as a stock bag? When the bag gets full, make the stock!

Action Ideas: Store Resources

- Of course, keeping customers aware of the resources that we have at our stores
 - Sale papers
 - Offer Budget Friendly Store Tours
 - Coupons
 - Gas Rewards



Now It's Your Turn

Tag, you're it!

Let's expand on these ideas on how we can help our customers overcome the stress of shopping during this time of rising prices.



What are some other resources that we can provide?

What are some other fun challenges that we can create?

What are some classes that we can offer related to food budgeting and low-cost meals?

What are some other recipes that can help utilize leftovers and prevent food waste?

Other technology, apps, websites, podcasts, platforms that can be used to help customers

What are some best practices from the kitchen that can help reduce food waste and stretch the dollar? (ex. using a vacuum sealer?)

Is there a list that we can provide customers with that they can plan when to typically find the best deals on food items? (seasons for produce, but how about the shelf stable items as well, ex. Grilling supplies around Father's Day and 4th of July.)

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Thought Starters