

WHOLESALE PRESSURES PUSH FOOD PRICES HIGHER

Not unexpectedly (see *FOOD INSTITUTE REPORT* Oct. 3, page 1), **USDA** lifted its 2011 price projection more in line with what has been seen in the Consumer and Producer Price reports from the **BUREAU OF LABOR STATISTICS** in recent months. The Consumer Price Index (CPI) for all food is now projected to increase 3.5% to 4.5%, with food-at-home (retail) prices forecast to rise 4% to 5% but trending toward the upper end of that range, according to **FOOD INSTITUTE** projections. Food-away-from-home (restaurant) prices are forecast to increase 3% to 4% this year on the heels of a minimal 1.3% increase in 2010.

Center-of-the-plate items contributed significantly to the higher price projection for 2011, with meat, poultry and fish accounting for one-eighth of the entire food-at-home CPI figure and for which prices are seen climbing as much as 6.5% this year following almost no

Retail Food Price Inflation Poised To Hit 5% This Year

Item	Relative importance ¹	Month-to-Month Aug 2011 to Sep 2011	Year-over-Year Sep 2010 to Sep 2011	Annual 2009	Annual 2010	Forecast 2011	Forecast 2012
	Percent			Percent change			
Consumer Price Indexes							
All food	100.0	0.4	4.7	1.8	0.8	3.5 to 4.5	2.5 to 3.5
Food away from home	43.1	0.2	2.6	3.5	1.3	3.0 to 4.0	2.0 to 3.0
Food at home	56.9	0.6	6.3	0.5	0.3	4.0 to 5.0	3.0 to 4.0
Meats, poultry, and fish	12.5	0.4	7.3	0.5	1.9	5.5 to 6.5	3.5 to 4.5
Meats	7.9	0.3	8.5	-0.6	2.8	6.5 to 7.5	3.5 to 4.5
Beef and Veal	3.7	0.0	10.1	-1.0	2.9	8.0 to 9.0	4.5 to 5.5
Pork	2.5	1.5	7.5	-2.0	4.7	6.5 to 7.5	3.0 to 4.0
Other meats	1.7	-0.7	6.4	2.3	-0.1	3.0 to 4.0	2.5 to 3.5
Poultry	2.4	0.7	3.0	1.7	-0.1	2.5 to 3.5	3.0 to 4.0
Fish and seafood	2.2	0.4	8.1	3.6	1.1	5.5 to 6.5	4.0 to 5.0
Eggs	0.7	6.0	11.1	-14.7	1.5	5.0 to 6.0	2.5 to 3.5
Dairy products	6.1	1.2	10.2	-6.4	1.1	5.0 to 6.0	3.5 to 4.5
Fats and oils	1.7	0.6	11.3	2.3	-0.3	6.5 to 7.5	2.5 to 3.5
Fruits and vegetables	8.4	1.5	6.7	-2.1	0.2	3.5 to 4.5	3.0 to 4.0
Fresh fruits & vegetables	6.4	1.6	7.6	-4.6	0.6	3.5 to 4.5	3.0 to 4.0
Fresh fruits	3.3	1.8	8.7	-6.1	-0.6	3.0 to 4.0	3.0 to 4.0
Fresh vegetables	3.2	1.4	6.5	-3.4	2.0	4.5 to 5.5	3.5 to 4.5
Processed fruits & vegetables	1.9	1.3	4.0	6.6	-1.3	1.5 to 2.5	3.0 to 4.0
Sugar and sweets	2.2	1.7	5.4	5.6	2.2	2.5 to 3.5	2.0 to 3.0
Cereals and bakery products	7.9	0.4	5.6	3.2	-0.8	4.0 to 5.0	4.5 to 5.5
Nonalcoholic beverages	6.7	0.0	4.0	1.9	-0.9	2.0 to 3.0	1.5 to 2.5
Other foods	10.7	-0.2	3.6	3.7	-0.5	2.5 to 3.5	2.0 to 3.0