

Retail Food Price Inflation Made Up For Lost Time In 2011

Retail food prices reflected by the Bureau of Labor Statistic's Consumer Price Index for food-at-home rose an average 4.8% in 2011 - well above the minor increases of 0.3% and 0.5% in the prior two years and outpacing the overall inflation rate of 3.2% for the year. The increase was still 25% less than the 6.4% inflation rate recorded back in 2008. This helped bring wholesale and retail food price inflation in sync at the end of 2011, see page 1 for more on that topic. All of the major grocery store food group indexes rose in 2011 and all were above prior year levels during December as well. The largest increase posted for 2011 was for coffee, which jumped 14.7% -- the largest annual increase for this staple since 1995 when prices rose 16.2%. The second largest increase for 2011 was in the meat case, where beef & veal prices jumped 10.2%, following relatively flat pricing over the prior two years and marking the largest annual increase since 2004 when prices rose 11.5%.