WTNS Radio OSU Extension Update for July 1, 2024
Healthy People. Healthy Finances. Healthy Relationships.

On today's OSU Extension update for Healthy People, Healthy Finances, & Healthy Relationships we'll talk about navigating grocery prices, and as always look at some upcoming programs from OSU Extension.

It is not new news that food prices are not what they used to be. I hear from many people that sticker shock is still real. Just when we think that prices are settling in, we grab something off the shelf and wonder, "Has it always been this size?"

According to the USDA Economic Research Service, the all-food Consumer Price Index rose by 25.0% between 2019-2023. This was higher than the "all-items" category at 19.2%, which is the average of the most common items we spend money on. (These categories include housing, transportation, medical care, recreation, education, communication, apparel, and of course, food.) In 2022, food prices increased faster than any year since 1979.

Average food-at-home prices rose 11.4% between 2021 and 2022. Then they rose again slightly by 5.0% between 2022 and 2023. Historical retail food price inflation is 2.5% per year. We more commonly see prices of meat, dairy, and fresh fruits and vegetables fluctuate in price from year to year. This makes sense when we think about unpredictable growing seasons and shifts in supply and demand for these agricultural goods.

One of the main differences is that we have seen a greater climb in the prices for "processed" foods. This is the stuff in the middle aisles of the grocery store that come in boxes and bags and other packages. The categories that saw the greatest increase included fats and oils, sugar and sweets, cereals and bakery products, and non-alcoholic beverages (not including milk). Ironically, these are mostly the items that we should be eating in moderation.

I remember during my years of working for a food manufacturer that a surprisingly small percentage of the total budget for a new food product goes towards the ingredients. The cost of packaging would often exceed the cost of the food, depending on the shelf life requirements of the product. Therefore, manufacturers have long used strategies to ease the perception of price increases by changing packaging sizes and numbers of servings.

This has become a popular topic of conversation over the past few months, especially as President Biden included reducing “shrinkflation” in the State of the Union address in March. Just last week, three agricultural and consumer economists from University of Illinois and Purdue University published results from a survey of consumer preferences for food manufacturer responses to increased input costs.

Consumers were asked their preference of how a food manufacturer facing increased costs should respond. They found that 42.8% of consumers most preferred a price increase and 36.3% most preferred reducing the product’s size. Most consumers choose reducing the product’s quality as the least preferred response. (It was interesting that when asked what consumers thought were acceptable reasons for a price increase for food products, over half indicated that higher cost of ingredients, higher cost of energy/transportation, and higher cost for employee wages were all valid reasons. About 15% of respondents said there is no acceptable reason to ever increase food prices.)

Grocery prices are out of our control, but we do have control over decisions we make. Are you doing your due diligence to get the most for your food dollars? Are you planning a weekly menu to best utilize ingredients you are purchasing? Have you shopped your pantry and freezer lately to make sure items won’t go to waste? I encourage you to identify two ways this week to use your food dollars more wisely. And now let’s see what else is new from OSU Extension.

This summer, I will teach a Freeze Drying Fundamentals class at Schumaker Farms on Tuesday, July 16 from 6:00-7:30 PM. We'll talk about equipment, logistics, and taste some freeze dried foods. I will also teach a Canning Basics workshop at Schumaker Farms on Wednesday, August 7 from 6:00-7:30 PM. These classes are free, but registration is required at coshocton.osu.edu.

And remember, I am available for food preservation calls and questions any time.

In closing, at OSU Extension, we are proud to work for Coshocton County to help educate and empower our families, individuals, farms, and businesses. Please feel free to contact OSU Extension for more information at 740-622-2265 or visit our website at coshocton.osu.edu. Make it a healthy day!