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## Away-From-Home Food Prices Expected to Rise 3.5% in 2013

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The Food Institute reports that food inflation, including the impact of the severe drought in the Midwest, will cost a family of four \$351.12 more in food spending in 2013 than in 2012—approximately \$6.75 a week.

Food-at-home spending will increase about \$4 a week, and away-from-home spending by about \$2.50, according to The Food Institute.

These figures are only slightly more than the 2.5 percent–3.5 percent increase projected by USDA for all of this year. The numbers do not add completely due to rounding.

The cost is calculated by the Upper Saddle River, New Jersey-based trade association using USDA's latest food price projections for 2013, which indicate prices for food-at-home will increase as much as 4 percent next year, with food away-from-home prices projected to rise as much as 3.5 percent.

The Food Institute combined the recent USDA figures for 2013 with its annual book, the *Demographics of Consumer Food Spending*, which relies on data from the Bureau of Labor Statistics to forecast 2013 household spending in this category.

A breakdown by department shows most of the increase will be experienced at meat counters, where annual costs are seen rising about \$44 next year for a family of four, and about \$30 for two-person households, according to The Food Institute's estimates. Beef costs would account for nearly one-third of that increase.

Fresh produce prices will add another \$23.44 to a family's grocery bill next year, but processed fruit and vegetable expenditures should go up only about \$11, The Food Institute projects. Canners and freezers may take note of this opportunity to promote their products.

And for those families eating away from home, two-person households will be spending an average \$86.73 more next year, with a family of four spending an additional \$125.

However, as is always the case with food, these spending projections could vary as substitutions are made in one category or another.

Consumers could opt to spend more on canned and frozen products to offset higher prices for fresh, or buy poultry instead of higher-priced beef.

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