

FOOD COMA – PRICES REMAIN HIGH

JUNE 2023

Global food prices remain elevated in 2023 despite falling from the all-time highs reached in early 2022.

STICKER SHOCK AT THE GROCERY STORE?
While commodity prices may be **DECREASING**, supermarket prices remain **ABOVE HISTORICAL LEVELS**

CONTAINER SHIPMENTS HAVE DECREASED since last year as supply chain woes have eased and companies are no longer stockpiling inventory

According to the U.S. Department of Agriculture (“USDA”), the index for Food Away from Home was **UP 8.6% YOY** in April, indicating that consumers are paying more for food at restaurants than they did last year.

Sources: U.S. Department of Agriculture (“USDA”)

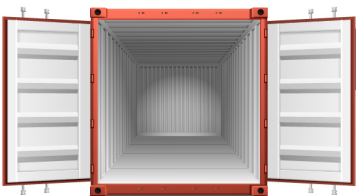
FULL-SERVICE MEALS
UP 7.2% YOY

TAKEOUT
UP 8.2% YOY

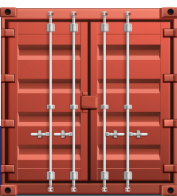
FOOD AT HOME (GROCERIES)
UP 7.1% YOY

Container shipments have declined thus far in 2023, as companies are working to reduce excess inventory that they had stocked during the period of supply chain constraints.

Sources: Port of Los Angeles



EMPTY CONTAINERS DOWN 41.7% YOY



LOADED CONTAINER SHIPMENTS DOWN 31.1% YOY

TOTAL CONTAINER SHIPMENTS INTO AND OUT OF THE PORT OF LOS ANGELES WERE DOWN 35.0% YOY

According to the U.S. Government Accountability Office (“GAO”), in 2022, U.S. consumers saw the **LARGEST ANNUAL INCREASE IN FOOD PRICES** since the 1980s.

CATEGORIES WITH THE LARGEST INCREASES WERE:
EGGS (UP 21%); POULTRY, INCLUDING TURKEY (UP 12%); GRAINS AND BAKERY PRODUCTS (UP 12%); FROZEN FRUITS AND VEGETABLES (UP 12%); AND DAIRY (UP 8%)



HISTORICALLY, FOOD PRICES TYPICALLY INCREASE ABOUT 2% ANNUALLY, BUT THEY INCREASED 11% FROM 2021 TO 2022

FOOD PRODUCTION COSTS ARE ESTIMATED TO INCREASE 4.1% IN 2023

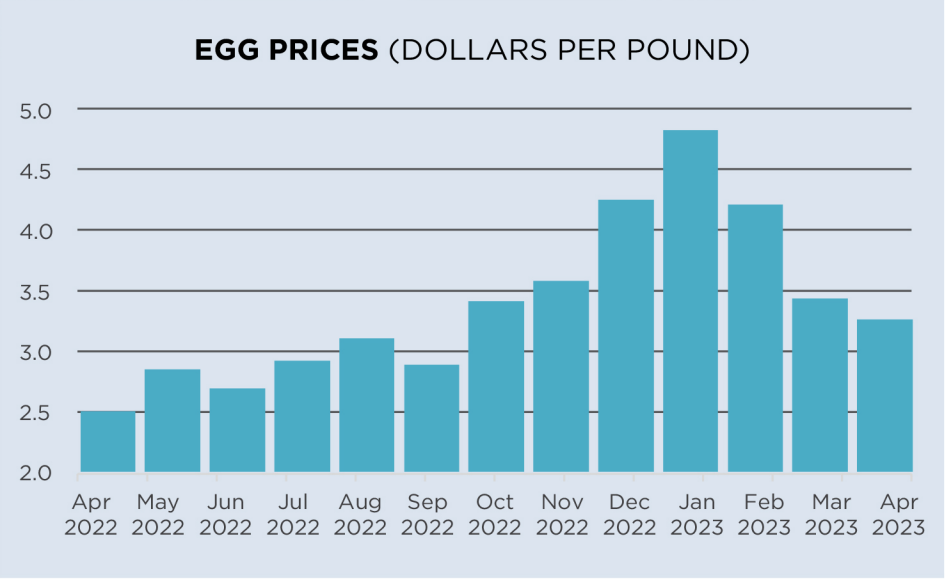
Sources: U.S. Government Accountability Office (“GAO”),

EGG PRICES ARE SCRAMBLED

Retail egg prices **DECREASED 32.2%** year-to-date in April 2023 but remained **29.8% ABOVE APRIL 2022** prices. Increases are due to the effects of the recent outbreak of HPAI disease. The outbreak has affected over 58 million birds, 325 commercial flocks, and 47 U.S. states.

RETAIL EGG PRICES HAVE DECLINED since peaking in January 2023, without a confirmed case of HPAI in egg layers since December 2022

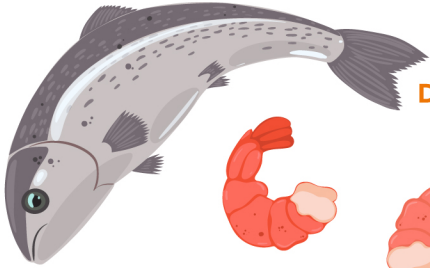
Sources: USDA



NOT 'SEAING' THE SEAFOOD

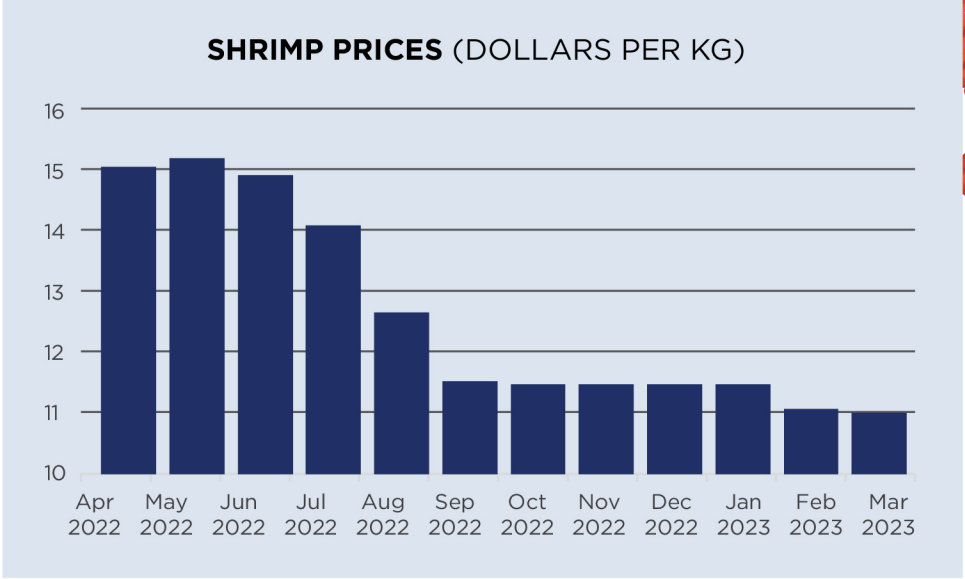
Overall demand for seafood has declined as consumers continue to consume most meals at home and are less likely to prepare seafood at home as compared to other proteins.

Sources: US Dept. of Commerce



SHRIMP PRICES IN MARCH 2023 AVERAGED \$11.00 PER KILOGRAM, DECREASING 0.5% from the prior month and DOWN 27% from the average price a year ago of \$14.99 per Kilogram

LOBSTER prices have also been **DOWN YOY, WHILE SALMON PRICES ARE UP**



“WHERE’S THE BEEF” PRICES?

- RETAIL BEEF PRICES**
WERE UP 1.5% in April 2023 YOY and **UP 3.7%** year to date in April
- RETAIL PORK PRICES**
WERE DOWN 3.2% in April 2023 YOY and **DOWN 1.3%** year to date in April
- RETAIL BACON PRICES**
WERE DOWN 11.8% in April 2023 YOY and **DOWN 3.8%** year to date in April
- RETAIL CHICKEN BROILER PRICES**
WERE UP 2.9% in April 2023 YOY and **UP 1.6%** year to date in April
- RETAIL BONELESS CHICKEN BREAST PRICES**
WERE UP 7.5% in April 2023 YOY and **UP 2.1%** year to date in April

Sources: USDA

DAIRY PRICES ON THE DECLINE

Milk prices are easing after prices had skyrocketed in 2022 due to escalating transportation costs and increased demand. However, cheese prices have continued on an upward trend due to higher demand.



U.S. RETAIL MILK PRICES
WERE UP 0.7% year-over-year in April 2023 **AND DOWN 3.9%** year to date in April



RETAIL CHEDDAR CHEESE PRICES
WERE UP 5.0% year-over-year in April 2023 **WHILE AMERICAN CHEESE PRICES INCREASED 14.6%** during the same period

Sources: USDA

‘WHEAT’ IS HAPPENING TO OUR COSTS?

The 2023/24 season-average farm price for wheat is **PROJECTED AT \$8.50 PER BUSHEL**, which is **DOWN** from 2022/23 but would still be the second highest on record. Prices skyrocketed in 2022 due to the ongoing Russia-Ukraine war, which impacted both the global supply and demand for grains as these countries account for over 25% of global wheat production. Wheat prices were also impacted by the price of fertilizer, which tripled in 2022.

Sources: USDA



CORN PRICES PEAKED AT \$343.56 PER METRIC TON in October 2022, but **FELL TO \$282.49** per metric ton in March 2023. The fall in prices was due to the prospect of an abundant supply this year.