

Food Prices and Expenditures

The Consumer Price Index (CPI) for food is projected to rise moderately in the baseline, increasing at an average rate of about 2.1 percent from 1999 to 2009. This compares to a 2.7-percent average rise expected in the CPI for all items, continuing a long-term trend of food prices increasing at slightly less than the general inflation rate. Moderate but steady economic growth, with sustained increases in disposable personal income, will have a positive impact on consumer demand for food.

Increases for prices for food away from home, which contain a large service component, are being held down by competition in the food industry. As a result, away-from-home prices rise at a moderate annual average rate of about 2.2 percent from 1999 to 2009. Prices for food at home increase about 2.1 percent per year. For foods purchased for consumption at home, the strongest price increases generally occur among the more highly processed foods such as cereals and bakery products. Prices for these foods are related more to the costs of processing and marketing than to the costs of farm commodities and, therefore, rise at a rate closer to the general inflation rate.

Total food expenditures rise at a 3.6-percent average annual rate in the baseline. Expenditures for meals eaten away from home account for a growing share of food spending, reaching almost half of total food expenditures by 2009. Growth in expenditures for food eaten away from home will average 4.2 percent a year while expenditures for food at home will rise 3.1 percent annually.

Table 33. Consumer food price indexes and food expenditures baseline

CPI category	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Consumer price indexes:													
	<i>1982-84=100</i>												
All food	157.3	160.7	164.1	167.4	170.3	173.9	177.6	181.7	185.8	190.0	194.3	198.6	203.0
Food away from home	157.0	161.1	165.1	168.9	172.2	176.1	180.0	184.1	188.2	192.4	196.7	201.1	205.6
Food at home	158.1	161.1	164.2	167.2	169.8	173.2	176.8	180.9	185.1	189.4	193.6	197.8	202.3
Meats	144.4	141.6	142.3	145.8	146.6	146.3	146.2	148.2	150.7	153.1	155.5	157.3	159.9
Beef and veal	136.8	136.5	139.2	142.0	142.3	142.7	143.6	146.2	149.4	152.4	155.4	157.8	160.6
Pork	155.9	148.5	145.9	149.0	150.9	148.9	146.2	146.9	147.6	148.3	149.0	149.5	151.4
Other meats	148.1	146.8	148.2	152.0	152.3	152.8	153.7	156.5	159.9	163.1	166.3	168.8	171.9
Poultry	156.6	157.1	157.9	158.0	156.0	156.1	156.3	157.5	158.4	158.8	159.0	158.4	157.4
Fish and seafood	177.1	181.7	185.3	190.3	195.2	200.1	205.1	210.2	215.5	220.9	226.4	232.1	237.9
Eggs	140.0	135.4	128.1	126.0	126.3	126.6	134.3	138.7	144.9	149.3	153.8	158.3	162.9
Dairy products	145.5	150.8	159.6	157.0	154.0	157.5	161.5	165.0	168.0	171.5	175.0	178.5	182.0
Fats and oils	141.7	146.9	148.3	152.5	154.1	158.2	162.5	166.8	171.0	175.4	179.9	184.5	189.2
Fruits and vegetables	187.5	198.2	203.1	208.8	216.2	222.7	229.0	235.5	242.0	248.5	254.5	261.0	267.5
Sugar and sweets	147.8	150.2	152.3	155.1	156.9	159.9	162.3	165.1	168.5	172.0	175.6	179.3	183.0
Cereals and bakery products	177.6	181.1	185.0	189.8	195.3	200.8	206.3	211.9	217.4	223.1	229.3	236.0	242.8
Nonalcoholic beverages	133.4	133.0	134.3	135.6	139.0	142.5	146.1	149.8	153.5	157.3	161.2	165.2	169.3
Other foods	161.2	165.5	168.9	172.6	176.6	181.4	186.3	191.4	196.6	201.9	207.3	212.9	218.6
Food expenditures:													
	<i>Billion dollars</i>												
All food	730.6	756.2	787.4	812.8	837.5	868.7	900.9	935.4	970.3	1006.3	1,044.4	1,083.3	1123.1
Food at home	391.7	401.8	417.2	426.6	436.1	450.1	464.7	480.5	496.2	512.2	529.3	546.4	563.5
Food away from home	338.9	354.4	370.2	386.2	401.4	418.6	436.2	454.9	474.1	494.1	515.1	536.9	559.6

Table 34. Changes in consumer food prices, baseline

CPI category	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<i>Percent</i>													
All food	2.6	2.2	2.1	2.0	1.7	2.1	2.1	2.3	2.3	2.3	2.3	2.2	2.2
Food away from home	2.8	2.6	2.5	2.3	2.0	2.3	2.2	2.3	2.2	2.2	2.2	2.2	2.2
Food at home	2.5	1.9	1.9	1.8	1.6	2.0	2.1	2.3	2.3	2.3	2.2	2.2	2.3
Meats	3.0	-1.9	0.5	2.5	0.5	-0.2	-0.1	1.4	1.7	1.6	1.6	1.2	1.7
Beef and veal	1.7	-0.2	2.0	2.0	0.2	0.3	0.6	1.8	2.2	2.0	2.0	1.5	1.8
Pork	5.2	-4.7	-1.8	2.1	1.3	-1.3	-1.8	0.5	0.5	0.5	0.5	0.3	1.3
Other meats	2.8	-0.9	1.0	2.6	0.2	0.3	0.6	1.8	2.2	2.0	2.0	1.5	1.8
Poultry	2.8	0.3	0.5	0.1	-1.3	0.1	0.1	0.8	0.6	0.3	0.1	-0.4	-0.6
Fish and seafood	2.3	2.6	2.0	2.7	2.6	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Eggs	-1.5	-3.3	-5.4	-1.6	0.2	0.2	6.1	3.3	4.5	3.0	3.0	2.9	2.9
Dairy products	2.4	3.6	5.8	-1.6	-1.9	2.3	2.5	2.2	1.8	2.1	2.0	2.0	2.0
Fats and oils	0.9	3.7	1.0	2.8	1.0	2.7	2.7	2.6	2.5	2.6	2.6	2.6	2.5
Fruits and vegetables	2.0	5.7	2.5	2.8	3.5	3.0	2.8	2.8	2.8	2.7	2.4	2.6	2.5
Sugar and sweets	2.9	1.6	1.4	1.8	1.2	1.9	1.5	1.7	2.1	2.1	2.1	2.1	2.1
Cereals and bakery products	2.1	2.0	2.2	2.6	2.9	2.8	2.7	2.7	2.6	2.6	2.8	2.9	2.9
Nonalcoholic beverages	3.7	-0.3	1.0	1.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Other foods	3.2	2.7	2.1	2.2	2.3	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7