COOP SHOPPERS AND BUYERS FEEL IMPACT OF SURGING FOOD PRICES

August 27, 2022



By Leila Darabi

On a recent Tuesday evening in August, Coop member Sabrina Ramos stood in front of the cereal shelves in aisle seven, comparing her granola options. Any other week she might have made her own, but in 95-degree weather, she had dropped by the

Coop to avoid turning on the oven at home. After careful consideration, Ramos selected a favorite variety of Early Bird brand granola, noting that the price, while still higher than pre-pandemic, seemed to have dropped from an all-time spike of around $10 to just over $8 per bag.

> “MY SHOPPING BILL IS RIDICULOUS EVERY TIME I SHOP. I KEEP TRYING TO BE CONSCIOUS TO JUST DO TWO BASKETS, BUT I CAN’T GET OUT OF HERE UNDER $250 A WEEK.”
>
> *COOP MEMBER SABRINA RAMOS*

A lifelong Coop member whose parents joined in the 1970s, Ramos now shops for her own family of three and finds herself far more conscious of price tags in the past year. Like many Americans, Ramos has noticed a dramatic spike in food costs recently. The Consumer Price Index Report put out by the US Department of Labor recorded a 10.4 percent increase in overall food costs between June 2021 and June 2022, with more dramatic hikes in specific categories of food.

“My shopping bill is ridiculous every time I shop. I keep trying to be conscious to just do two baskets [instead of a full cart], but I can’t get out of here under $250 a week,” Ramos said. “When I do come in below $220, I feel somehow victorious.”

COOP BUYERS SEEK DEALS

Reflected in the ebb and flow of granola prices are a range of national and geopolitical issues, from supply chain interruptions to surging fuel prices to global conflict. As previously reported in the *Gazette*, the Coop buyers are the heroes keeping wholesome, affordable food on the shelves despite these intersecting challenges.

> “WHEN THE SUPPLY-CHAIN ISSUES STARTED, IT HIT US RIGHT AWAY. ALL OF A SUDDEN OUR DELIVERY TRUCKS WERE NOT SHOWING UP. IT WAS ACROSS THE BOARD, AND IT WAS DRAMATIC.”
>
> *RECEIVING COORDINATOR GILLIAN CHI*

Gillian Chi, the receiving coordinator and buyer for many of the store’s shelf-stable items, recently crunched the numbers for the *Gazette*. They illustrate a startling trend in the costs of household staples:

- Cascadian Farm cereal is up 42%, from $4.05 to $5.75 a box
- King Arthur Baking Company flour is up 20%–30%, depending on the size of the bag
- Some varieties of Natural Sea tuna are up as much as 42%
- Bionaturae pasta is up 33%
- Rao’s pasta sauce is up 25%
- Murray’s Chicken is up 25%–30%, depending on the cut
- Slope Farms ground beef is up 12%
- Natural by Nature whole milk half-gallons are up 11%, from $4.84 to $5.39
- Grindstone eggs are up 7%
- Cabot unsalted butter is up 19%

A notable outlier, said Chi, are Alderfer’s Omega eggs, the Coop’s top sellers, which dropped by 6% thanks to the sharp negotiation skills of Chi’s colleague, Receiving Co-ordinator Glorina Phillip.

A number of factors contribute to rising food prices, Chi explained.

“When the supply-chain issues started, it hit us right away,” Chi said. “A few weeks before it was in the news, we were feeling it. All of a sudden our delivery trucks were not showing up. It was across the board, and it was dramatic.”

The scramble to find a steady supply of food meant buyers looked less at the price tags and more at the availability of food staples. Now, with fewer stockouts, Coop buyers are refocusing their attention on negotiating deals.

“The first thing is to compare prices across distributors,” Chi said. “A year ago, I would buy from whoever has [a given product]. Now it’s probably back in stock across three companies.” This availability frees her up to comparison-shop and negotiate discounted prices.

A COOPERATIVE OF COOPERATIVES

To keep costs down, Coop buyers rely on membership in the National Cooperative Grocers (NCG), a relationship that allows member coops across the country to collaborate on bulk purchases and buy into negotiated prices. By representing approximately 160 food coops of various sizes, NCG can bargain and lock in prices with the influence of a large national supermarket chain.

> “DOMESTIC CHEESE HAS GONE UP CONSIDERABLY, BECAUSE THE PRICE OF SHIPPING AND MOVING THINGS AROUND FROM POINT A TO POINT B HAS GONE UP, AND THE PRICE OF MILK HAS GONE UP.”
>
> *COORDINATING RECEIVER YURI WEBER*

The NGC relationship allows the Coop to purchase goods at lower prices through UNFI, a major wholesale distributor and, as previously reported in the *Gazette*, the Coop’s largest shelf-stable food supplier. These relationships help, but have not shielded the Coop from supply-chain stockouts and other price increases.

“NCG negotiates a great price, but UNFI doesn’t always have what we need, and if they don’t we have to find other options,” Coordinating Receiver Yuri Weber said.

Weber is responsible for buying for the bulk aisle, including grains, pulses, rice, nuts and dried fruit. He also buys the Coop's imported cheeses, a category that was hit hard by Trump administration tariffs in 2019 but has remained fairly stable over the past year. Weber attributes this flat pricing to the strength of the dollar against the euro, which balances out any cost increase.

"Domestic cheese has gone up considerably, because the price of shipping and moving things around from point A to point B has gone up, and the price of milk has gone up," Weber said.

His colleague Lisa Hidem has similarly seen the rising cost of ingredients drive up the price of fresh-baked goods.

"In a lot of the very local stuff, we're seeing price increases. And we try to get bread [from suppliers] as local as we can," Hidem said. "I've seen bread prices go up anywhere from 5 percent to on average at least 15 percent. One went up 45 percent." She attributes the rising cost of bread and pastries to the Coop's supplier's commitment to locally sourced grains and the increased cost of butter, flour and milk.

Both Weber and Hidem noted that suppliers have started to add fuel surcharges as the price of gas has gone up. Makers of prepackaged foods, which Hidem also buys for the store, have seen increased expenses in packaging, driving higher prices. "A lot of [food packaging] is plastic; that's a petroleum product. And we all know the price of gas has gone up."

MEMBERS FEEL THE DIFFERENCE

"I've been amazed by how dramatically prices have risen," Coop member Clara Goetz said. "Not just by 30 or 40 cents, but by very significant amounts. My favorite bread, Runner and Stone buckwheat baguette, was $3.84 (or something close to that) and is now $4.49."

A member for 18 years, Goetz said the increased cost has affected her shopping. “In the past, I would get one if I had bread at home or not. Now I’ll pass it up if I don’t really need it. Now I hesitate before buying what I consider inessentials. No chocolate-covered almonds, which are now over $15 a pound. I just can’t imagine how people on fixed incomes are managing.”

Member Hilda Cohen has also felt the cost increase when shopping for her family of four. ”I was just saying this to my kids, I feel like my Coop bill has increased about 20–25 percent,” Cohen said. “It does affect the way I shop, but more that I am particularly sensitive to wasting anything, so I am simply getting less and we run out quicker.”

FUTURE PREDICTIONS

Coop buyers predict further price increases before the bubble bursts. Citing recent articles on a chickpea shortage, Hidem notes that the premade hummus she buys for the Coop could soon become more expensive.

Weber acknowledges that prices of dried fruits and nuts have remained stable, but that could be because the current supplies may not yet reflect the increased costs of this year’s crops. As he updates stock in the store, he anticipates having to pay more.

“I’m super-convinced that we’re going to see [more price increases] once the new crop comes in that factors in some of the higher food prices and the shipping,” Weber said.

Leila Darabi joined the Gazette *as a reporter in 2016. She is the cohost of the podcast Cringewatchers and shares photos of the things she cooks with Coop ingredients @persian_ish on Instagram.*