

# INTERNATIONAL TRADE AND EDUCATION SQUAD REPORT: WHY PRICES KEEP CLIMBING

June 16, 2026



Illustration by Olexa Hewryk

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If grocery prices at the Coop feel like they keep edging up, they are. A lot of what we buy starts as a commodity—basic items like wheat, corn, soybeans, coffee and oil—and those prices are set in global markets, not at the neighborhood level.

Wars, droughts, tariffs, labor shortages and shipping problems all ripple through the food system quickly. Fuel plays an enormous role, too, because diesel powers nearly

every step of getting food from farm to shelf: planting, harvesting, processing, trucking, shipping and stocking.

Right now, the biggest pressure point is the U.S.-Iran conflict and the Strait of Hormuz crisis, which has closed the strait and prevented transport of petroleum and fertilizer. That waterway carries 20 percent of the world's oil, so when shipping there gets disrupted, energy prices jump. Gasoline in the United States is up sharply, even with some recent easing.

A lot of the world's urea and ammonia, essential ingredients for fertilizers, move through the same region, so those prices have surged as well. That matters because fertilizer is one of the biggest costs for farmers, especially in the spring planting season. If farmers use less fertilizer, that can mean lower yields later on—and higher food prices down the road.

These are new pressures on an already strained system. Prices never really came back down after Covid, and recent tariffs and poor crops have added to the strains. So the Coop isn't dealing with one big shock—it's facing several at once.

Even so, the Coop has been able to maintain fairly stable prices in this volatile environment. Britt Henriksson, Receiving Coordinator and Buyer of Bulk and Gourmet Foods, said: "We have been seeing higher price hikes since Covid—there were not enough drivers and port workers and the cost of containers for shipping increased. After Covid eased, there were not enough workers across the board (prices never did come back down to pre-Covid prices). The most recent hikes were from tariffs and bad crops. I believe one or two small companies have said they will start charging a small fee per invoice or increase their fuel pricing for transportation due to rising fuel prices."

So yes, prices are still climbing—but a lot of work is going on behind the scenes to keep the Coop as steady as possible.