

# Food Retail Outlook

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**2024 Agricultural Outlook and Policy Conference**

**11/19/2024**



**THE OHIO STATE UNIVERSITY**

COLLEGE OF FOOD, AGRICULTURAL,  
AND ENVIRONMENTAL SCIENCES



# Outline

1. Food Retail Expenditures and Prices
2. Food Retail Trends and Consumer Sentiments
3. Policies Impacting Food Retailers
4. Food Accessibility in Ohio

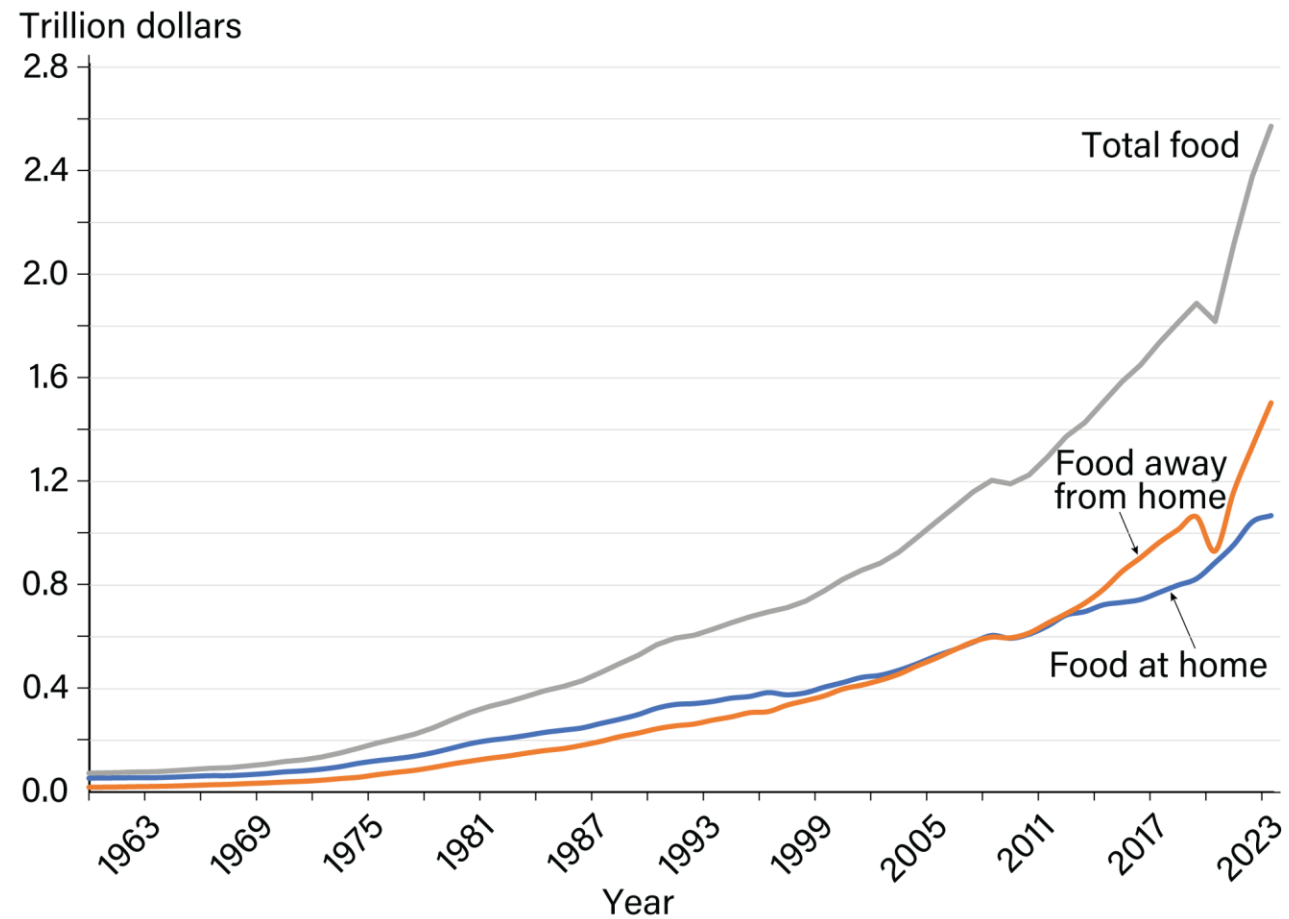


# Food Retail Expenditures and Prices

**Are households spending more at food retailers?**

**Are food retail prices increasing or decreasing?**

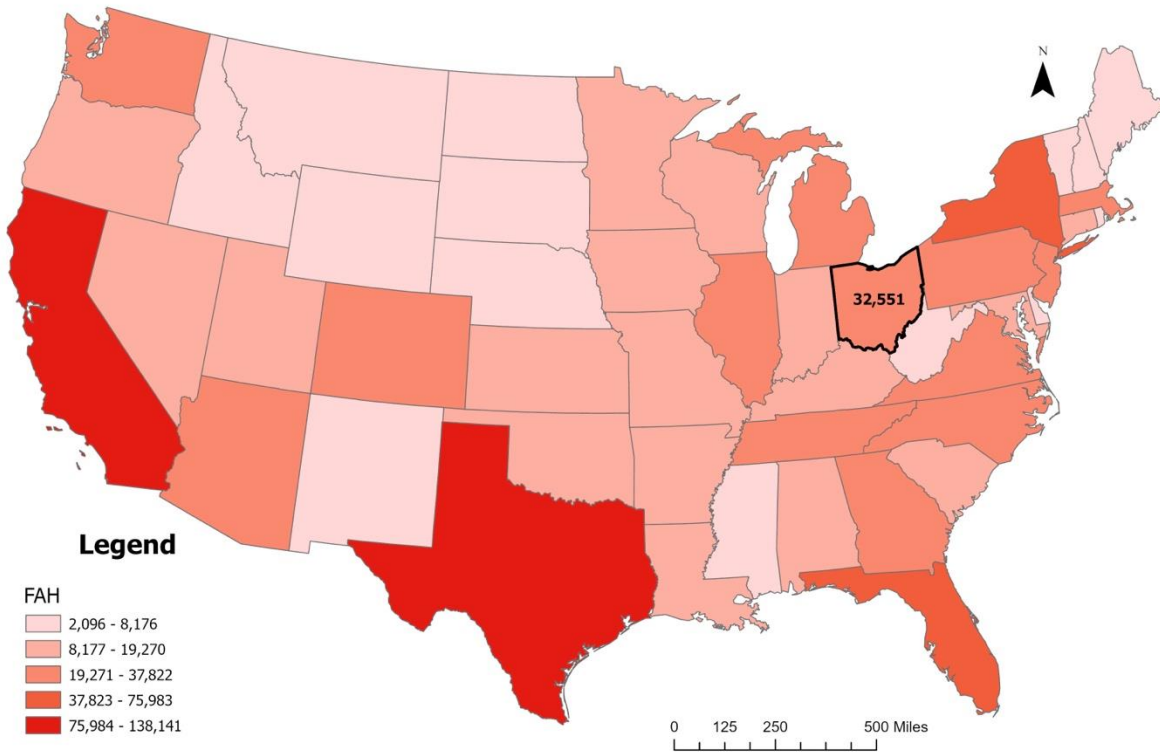
## U.S. food expenditures, 1960-2023



Note: Values are in nominal dollars, not adjusted for inflation.

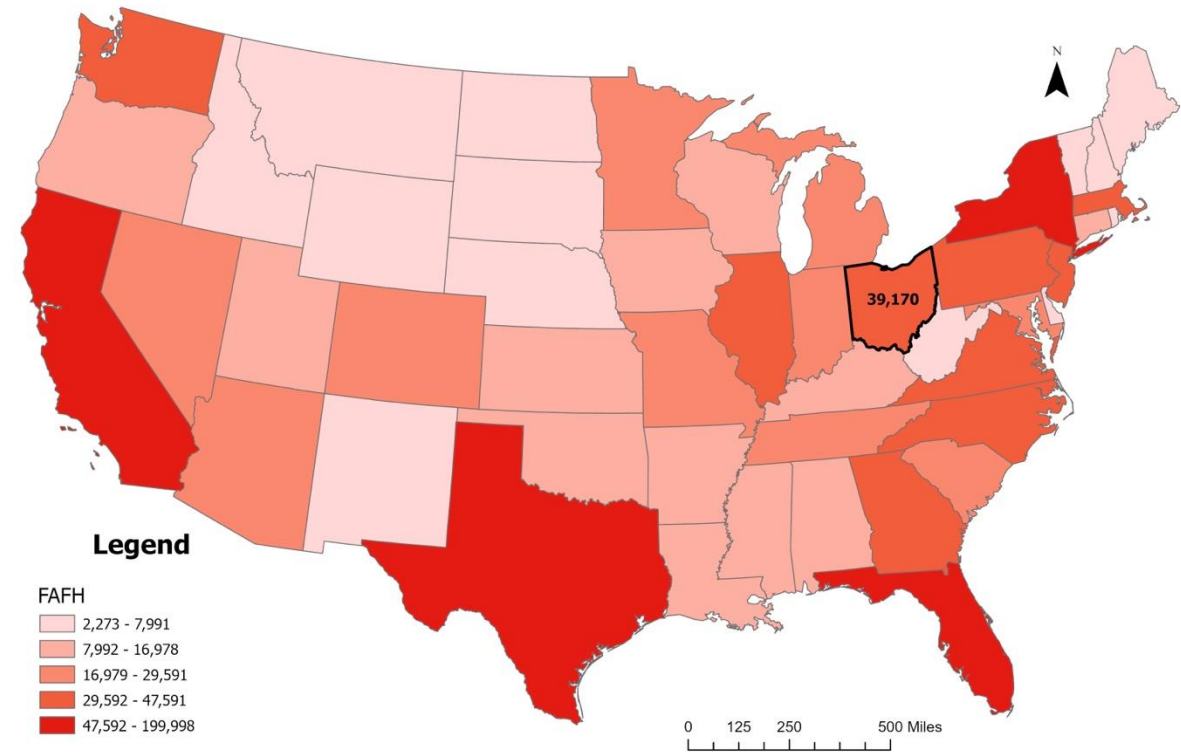
Source: USDA, Economic Research Service, Food Expenditure Series.

## 2023 Food-at-Home Sales, by State



Source: Calculated by USDA, ERS from various sources, June 3, 2024.

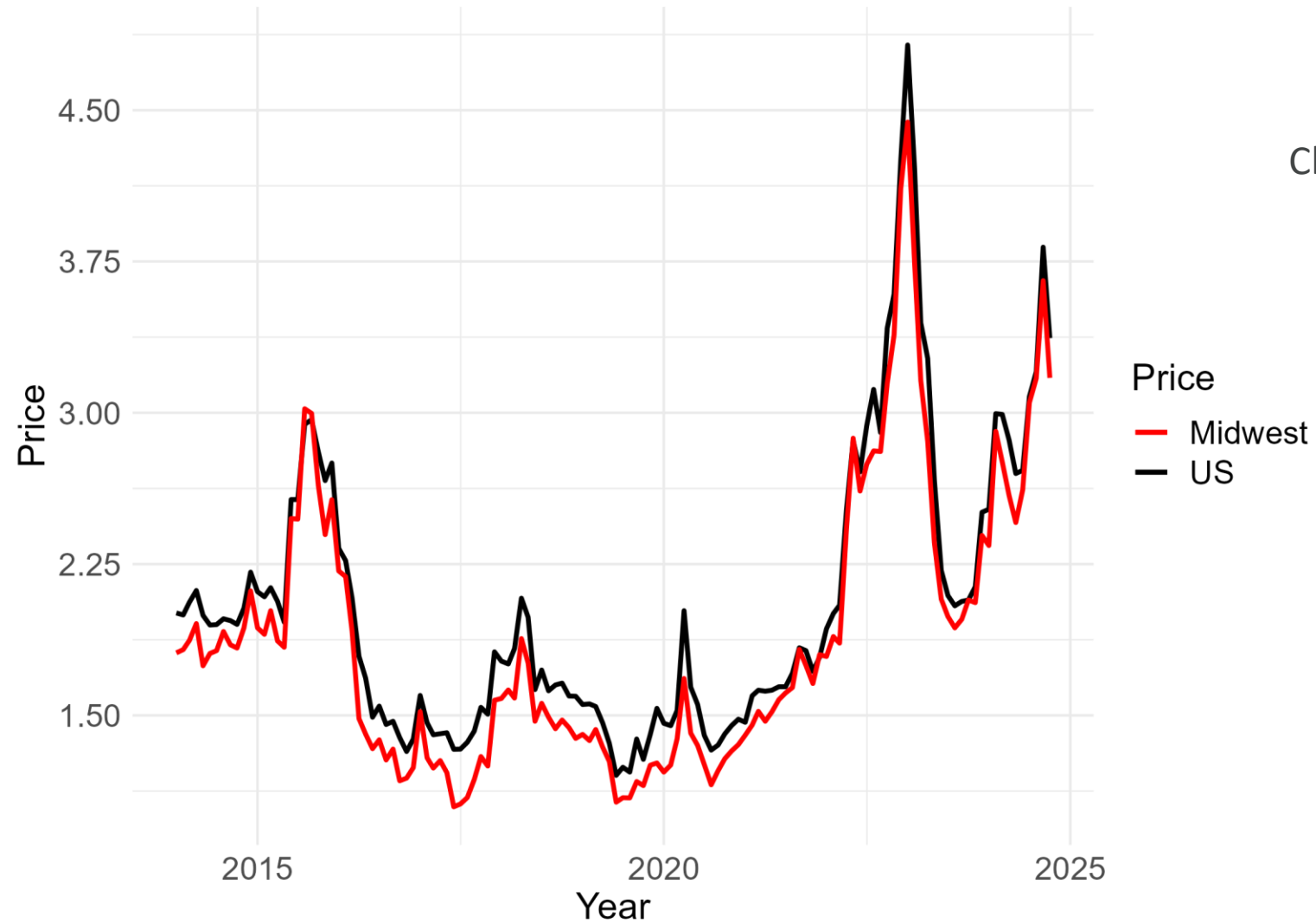
## 2023 Food-away-from-Home Sales, by State



Source: Calculated by USDA, ERS from various sources, June 3, 2024.



## Average Retail Price for Eggs

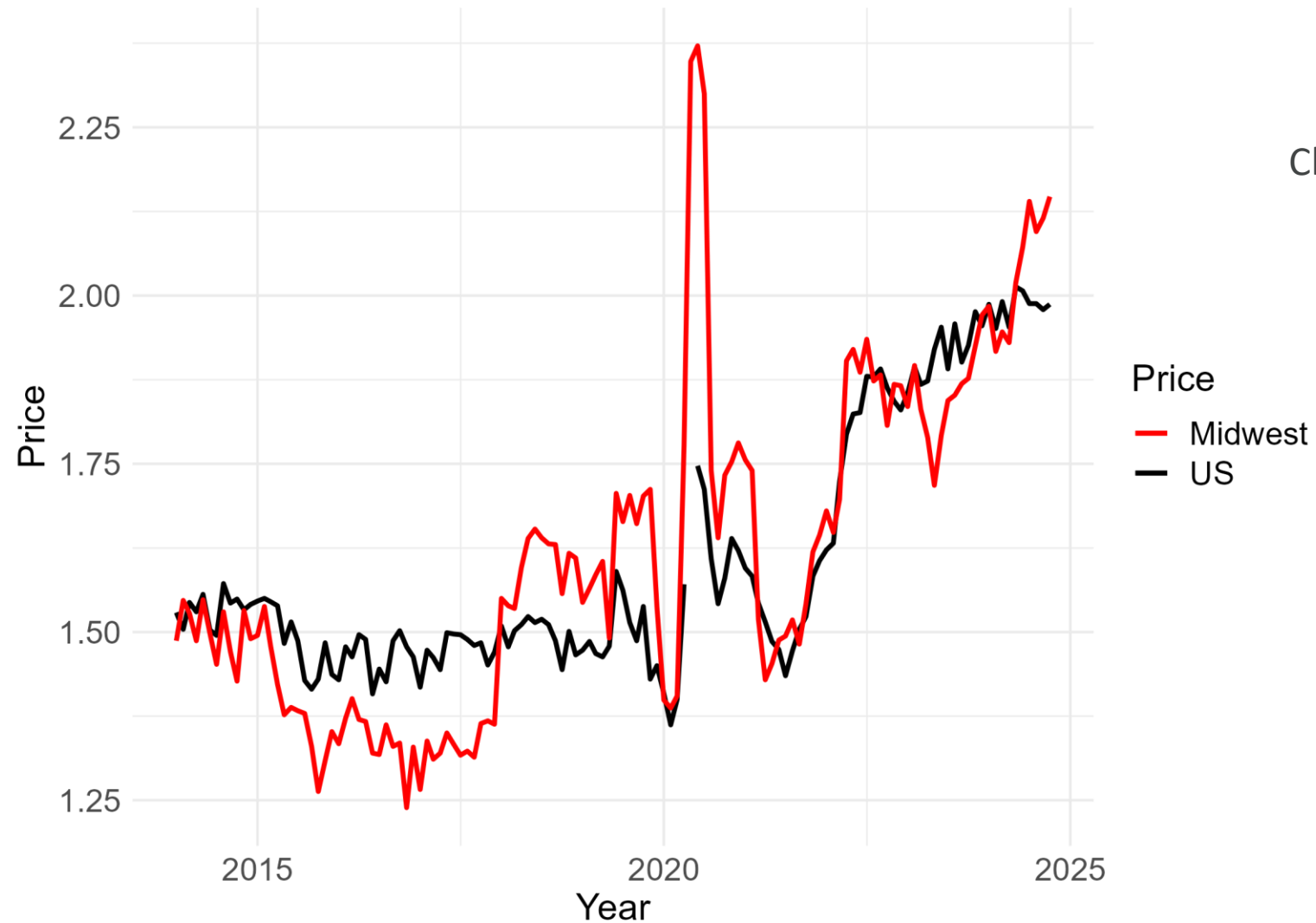


Change in Previous Month

**11.8% in US****13.2 % in MW**

Source: U.S. Bureau of Labor Statistics

## Average Retail Price for Chicken



Change in Previous Month



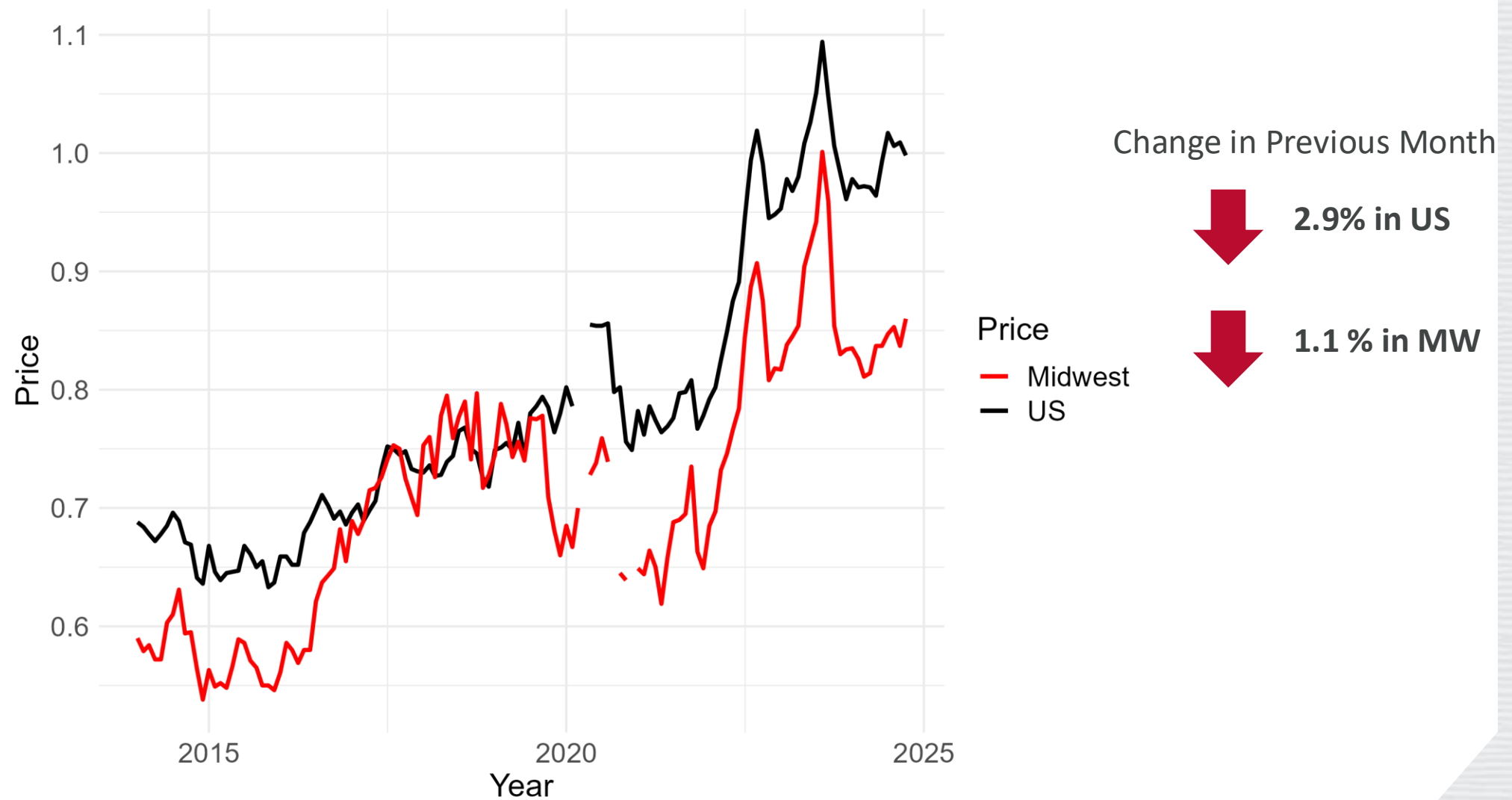
0.4% in US



1.5 % in MW

Source: U.S. Bureau of Labor Statistics

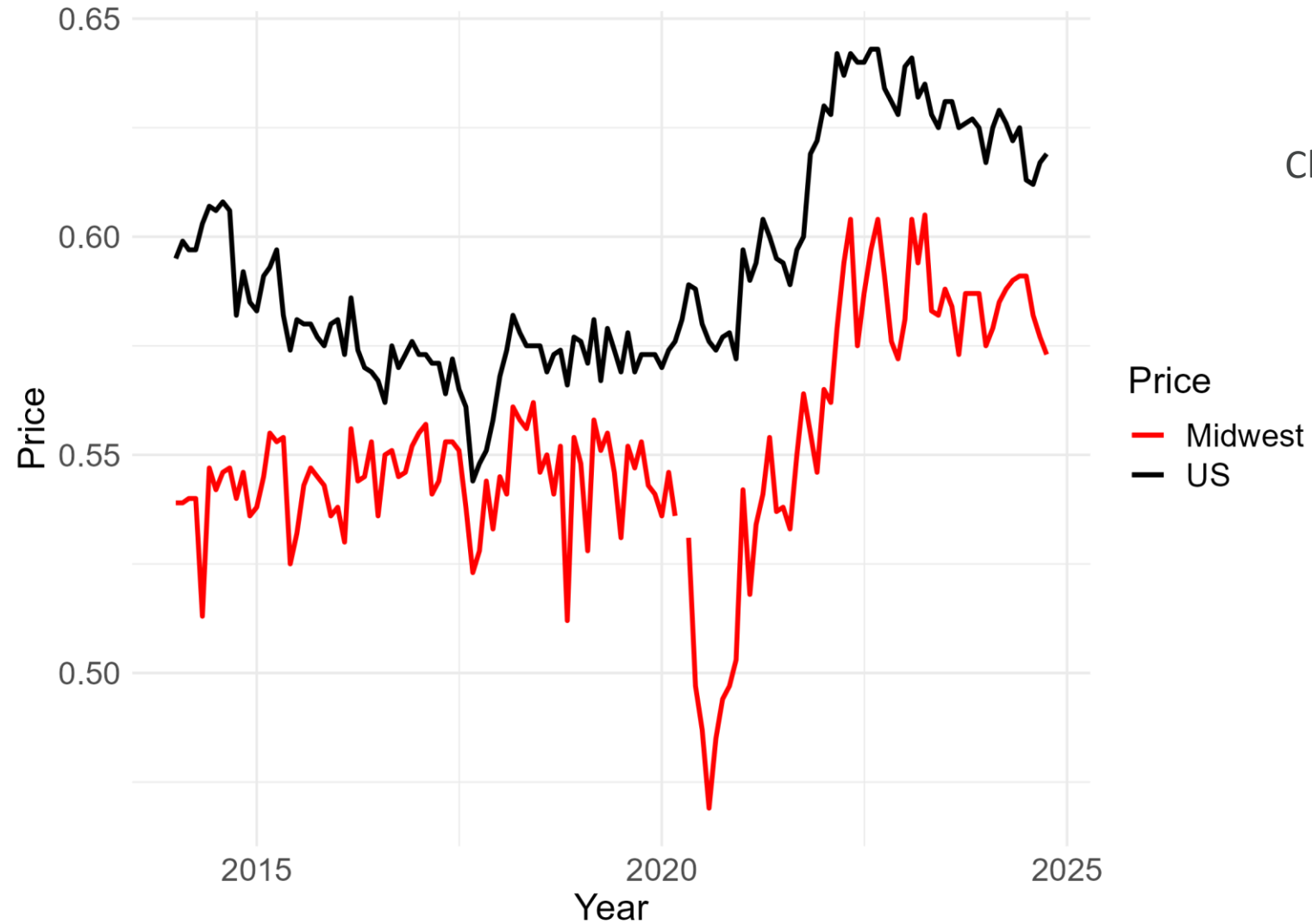
## Average Retail Price for Potatoes



Source: U.S. Bureau of Labor Statistics



## Average Retail Price for Bananas



Change in Previous Month



0.3% in US



0.7 % in MW

Price

Midwest

US

# Food Retail Trends and Consumer Sentiments

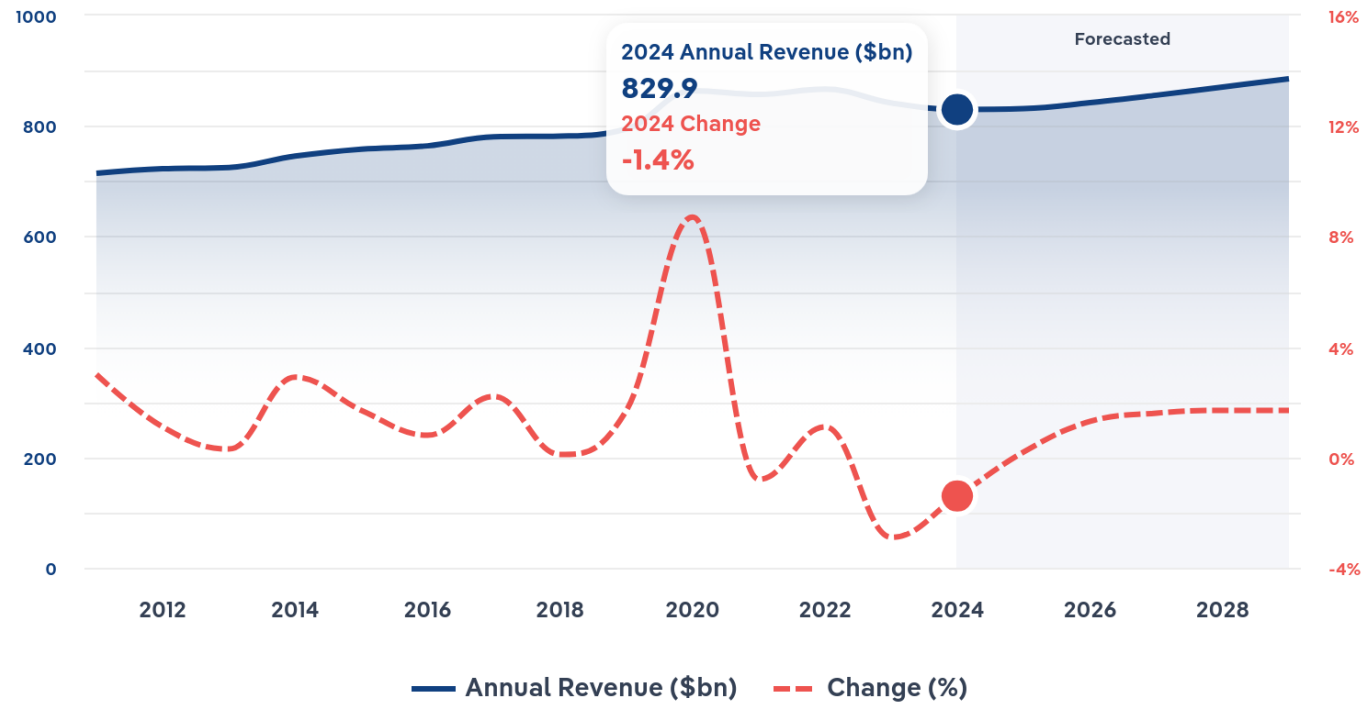
**Are food retailers profitable post pandemic?**

**What are current trends in consumer sentiments?**

# Food Retail Revenue

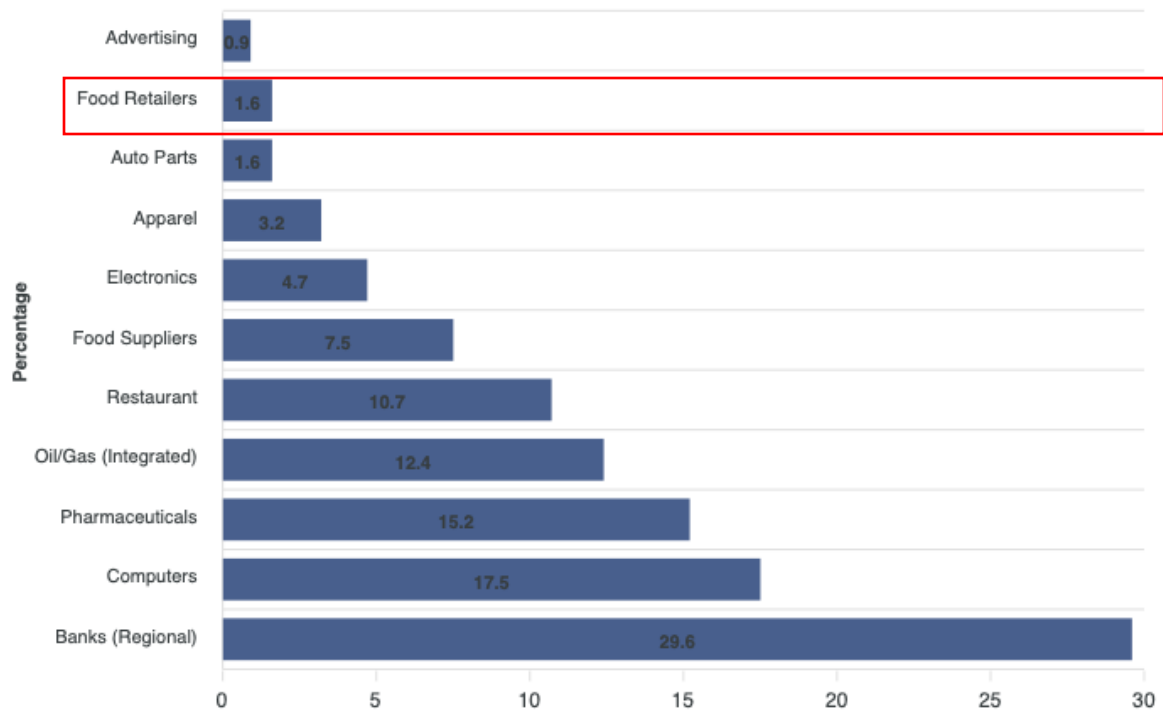
## Revenue

Total value (\$) and annual change from 2011 – 2029. Includes 5-year outlook.

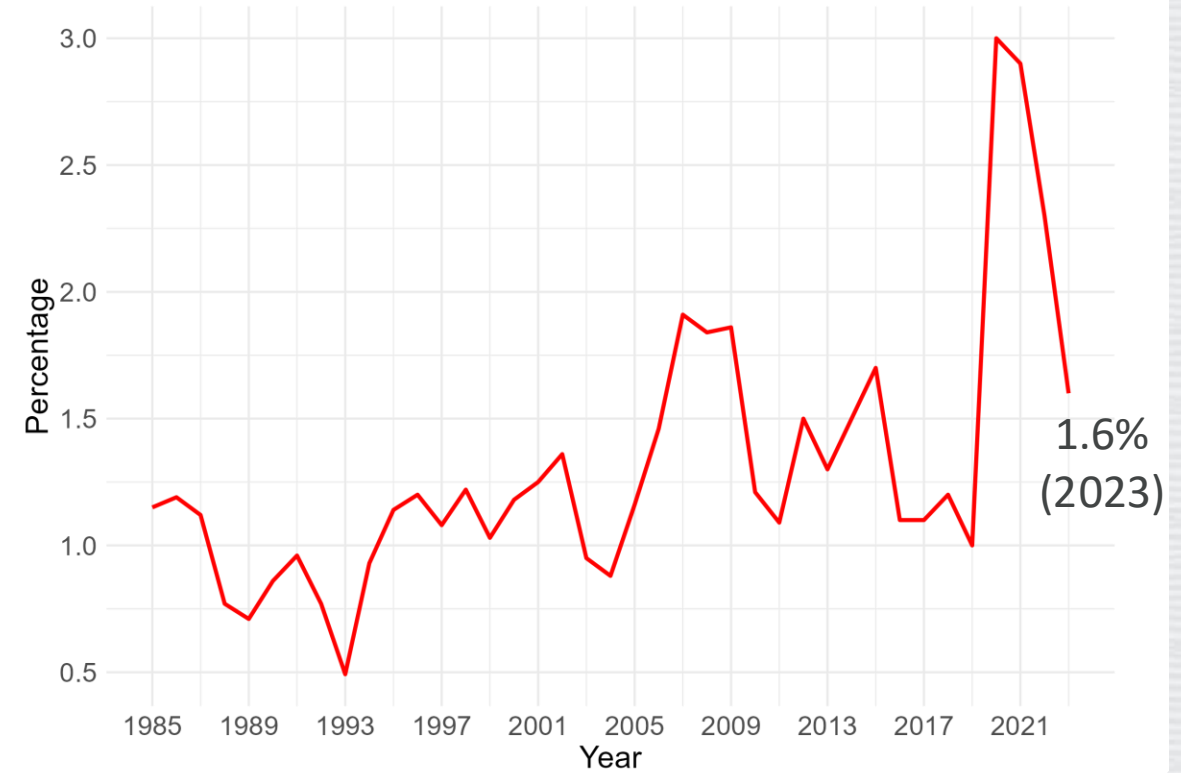


# Food Retail Profit Margins

## Industry Profit Margins



## Average Food Retailer Profit Margin over Time



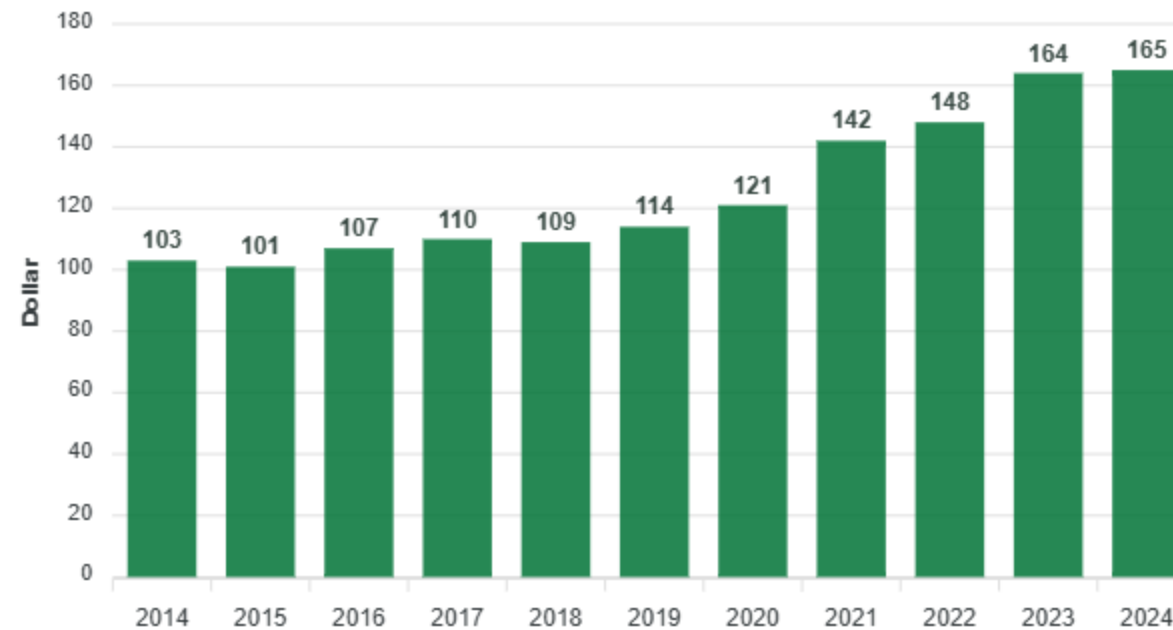
Source: The Food Industry Association

# Food Retail Trends

State ▾	Establishments Units ▾	Establishments % ▾	Revenue \$m ▾	Revenue % ▾	Wages \$m ▾	Wages % ▾	Employment Units ▾	Employment % ▾
<a href="#">California</a>	10,864	12.8	116,210.8	14.0	12,191.2	15.0	329,302	11.8
<a href="#">Texas</a>	4,876	5.7	70,714.1	8.5	6,791.1	8.4	225,097	8.0
<a href="#">New York</a>	12,556	14.8	55,603.3	6.7	5,345.5	6.6	186,970	6.7
<a href="#">Florida</a>	5,111	6.0	52,001.8	6.3	5,772.1	7.1	208,016	7.4
<a href="#">Pennsylvania</a>	3,431	4.0	36,224.4	4.4	3,171.9	3.9	131,496	4.7
<a href="#">Illinois</a>	3,327	3.9	31,488.7	3.8	2,786.7	3.4	103,170	3.7
<a href="#">Ohio</a>	2,633	3.1	28,529.3	3.4	2,308.8	2.8	93,909	3.4
<a href="#">North Carolina</a>	2,699	3.2	27,389.6	3.3	2,407.0	3.0	95,795	3.4
<a href="#">New Jersey</a>	3,277	3.9	27,207.7	3.3	2,544.8	3.1	76,325	2.7
<a href="#">Washington</a>	2,146	2.5	24,984.8	3.0	2,388.2	2.9	62,680	2.2

# Grocery Shopping Habits

Weekly Household Grocery Spend

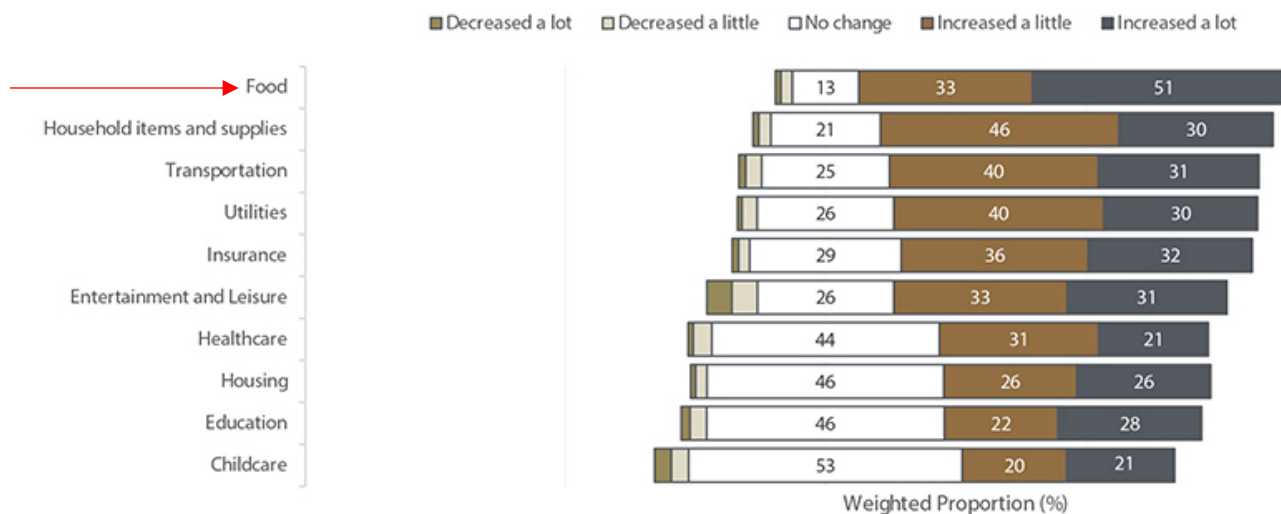


Source: The Food Industry Association



# Consumer Sentiments

**HOW HAVE PRICES OF GOODS AND SERVICES CHANGED AND HOW DO THEY COMPARE TO PERCEPTIONS OF FOOD PRICES?**



*How have prices for the following expenses changed in the past 12 months for you and your household? Consumer Food Insights, May 2024.*

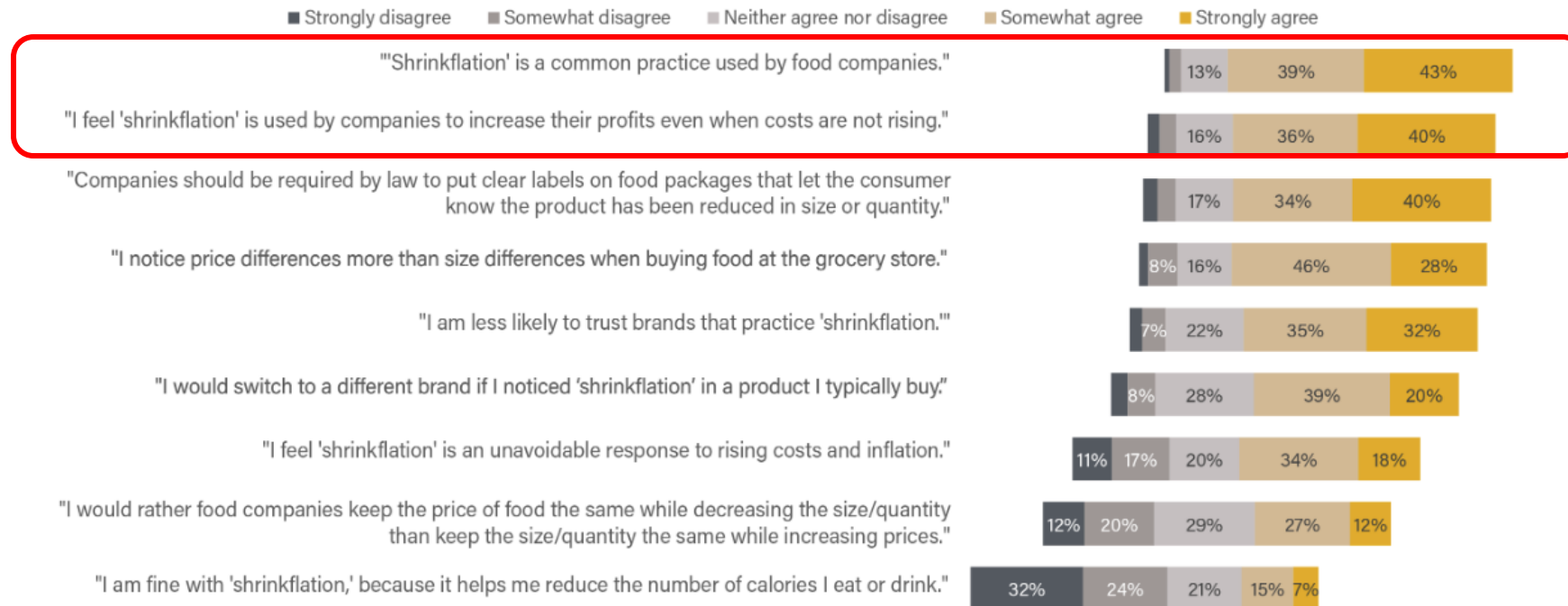
*Source: Center for Food Demand Analysis and Sustainability.*

# Consumer Sentiments

## What do consumers believe about shrinkflation?

Consumer Food Insights

October 2024



Source: Center for Food Demand Analysis and Sustainability

## HEALTH & WELLNESS

# 63%

*The majority of  
Independent  
shoppers expect*

*their grocery stores to support them with a **healthier lifestyle**.*

***The top recommendations included:***

### 28%

*Instructions on how to cook with certain foods*

### 25%

*Help with understanding label information  
including ingredient lists and nutritional claims*

### 23%

*General guidance on food that gives good nutritional  
value for the dollar*

Source: National Grocers Association

## Top Online Grocery Shopping Services

*Portion of consumers who have used each of the following online grocery shopping services in the past three months.*

2023

**Pickup or delivery from traditional grocery store  
(including local, Walmart, Target etc)**

78%

**An online service not affiliated with a traditional  
grocery store (Amazon Fresh, etc)**

26%

**Third party service that pairs you with a personal  
shopper who buys your groceries and delivers to  
your home (Instacart)**

30%

**Meal boxes (Blue Apron, Home Chef, Hello Fresh)**

21%

2022

**Pickup or delivery from traditional grocery store  
(including local, Walmart, Target etc)**

68%

**An online service not affiliated with a traditional  
grocery store (Amazon Fresh, etc)**

26%

**Third party service that pairs you with a personal  
shopper who buys your groceries and delivers to  
your home (Instacart)**

22%

**Meal boxes (Blue Apron, Home Chef, Hello Fresh)**

18%

Source: Power Reviews

# Consumer Sentiments

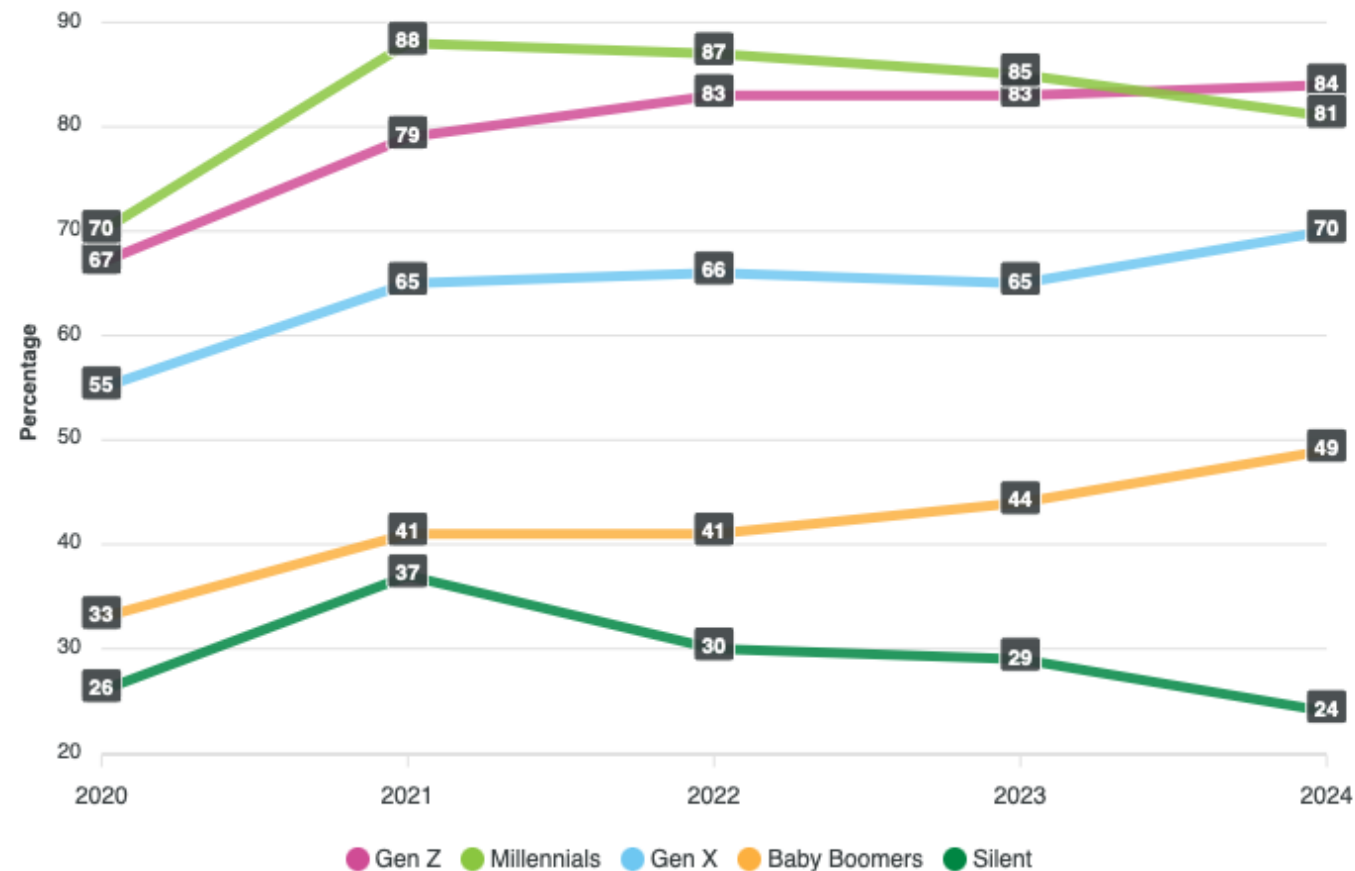
## Key Reasons Consumers Purchase Grocery Items Online



Source: Power Reviews

# Online Grocery Shopping

Online Grocery Shoppers - Age



Growing popular with Millennials and Gen Z



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# Policies Impacting Food Retailers

What policies on food retailing should we look out for?

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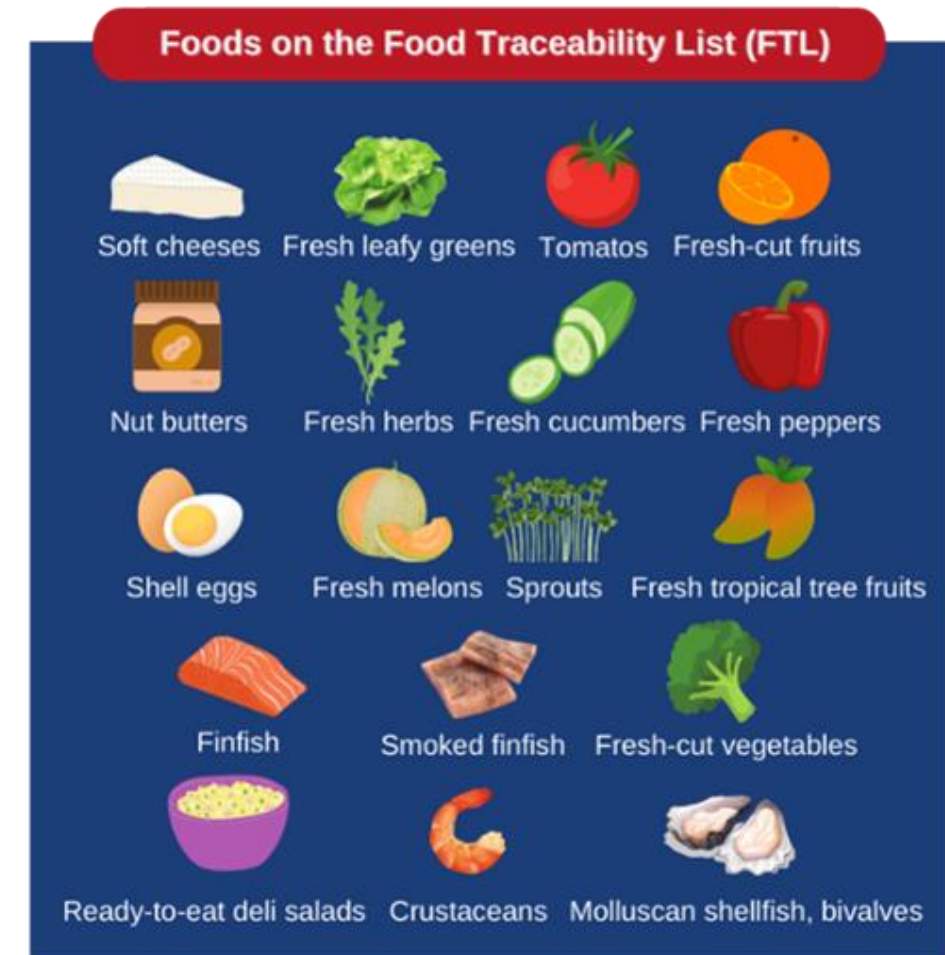
# Policies

## Food Traceability Rule (FSMA 204 Rule)

- Additional recordkeeping requirements
- Compliance date is January 20, 2026

## Supplemental Nutrition Assistance Program (SNAP)

- Largest nutrition assistance program in U.S.
- Uncertainty in future funding



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# Food Accessibility in Ohio

Where are the areas that have better/worse access to grocery stores, supermarkets and supercenters over time?

”

# Food Retail Trends

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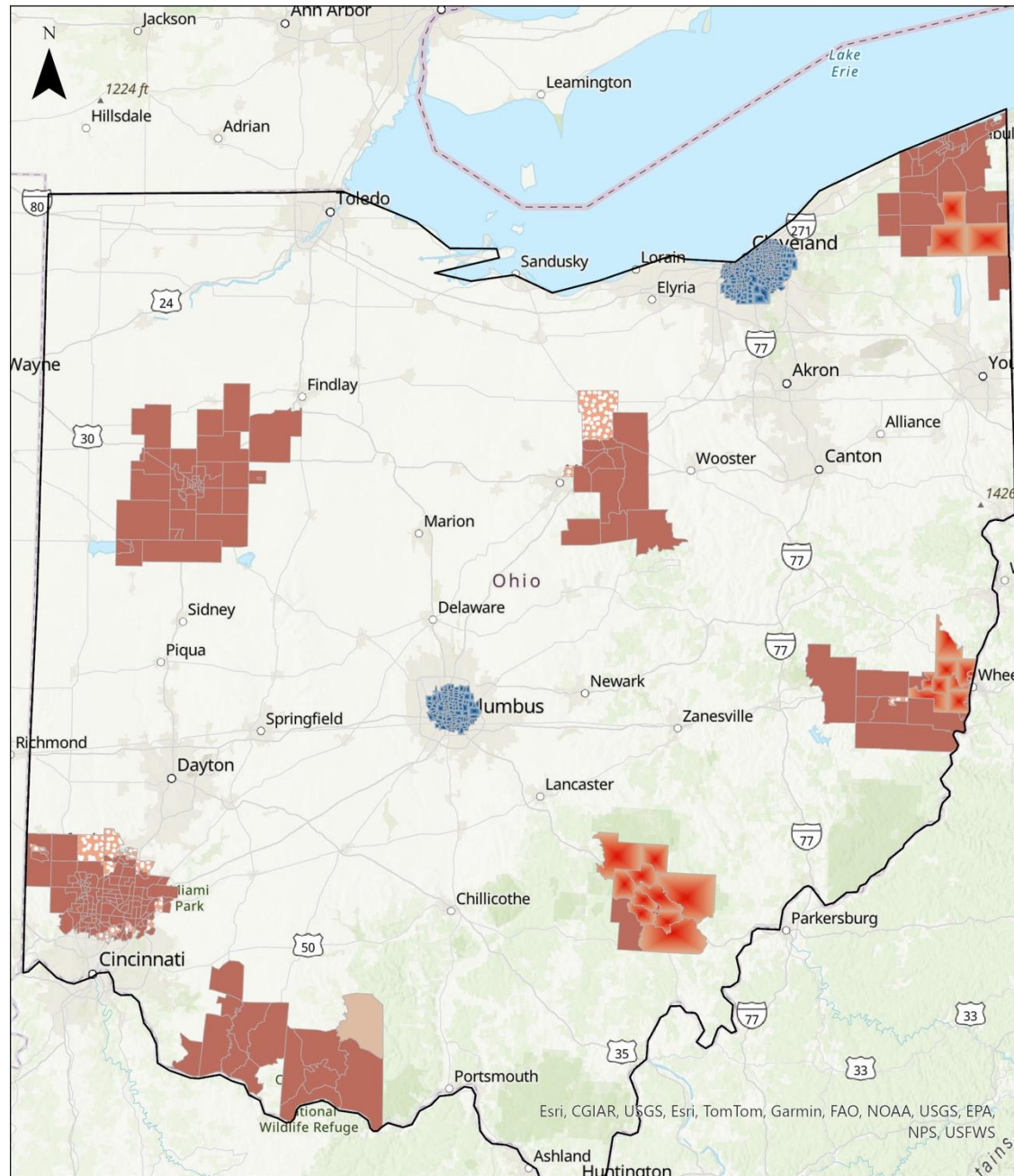


# Historical Access to Food Retailers in Ohio (1963-2023)

## Legend

### Emerging Hot Spot Analysis

- New Hot Spot
- Consecutive Hot Spot
- Intensifying Hot Spot
- Persistent Hot Spot
- Diminishing Hot Spot
- Sporadic Hot Spot
- Oscillating Hot Spot
- Historical Hot Spot
- New Cold Spot
- Consecutive Cold Spot
- Intensifying Cold Spot
- Persistent Cold Spot
- Diminishing Cold Spot
- Sporadic Cold Spot
- Oscillating Cold Spot
- Historical Cold Spot
- No Pattern Detected

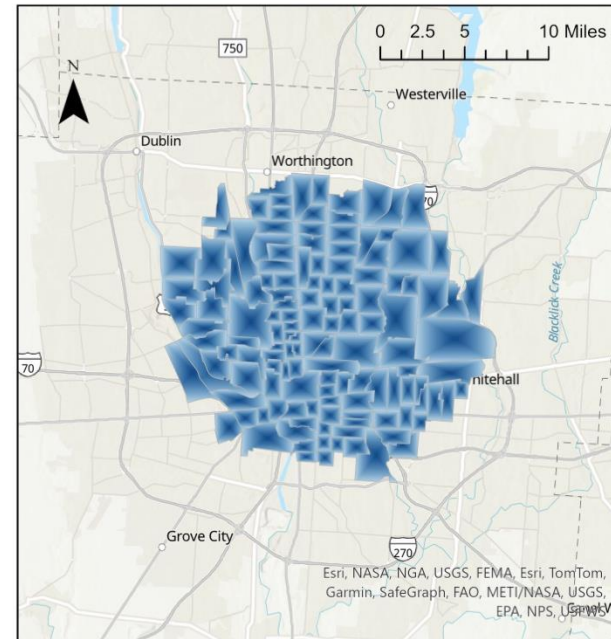


Analyzes the average total number of of Grocery Stores, Supermarkets and Supercenters in a Census Tract over time.

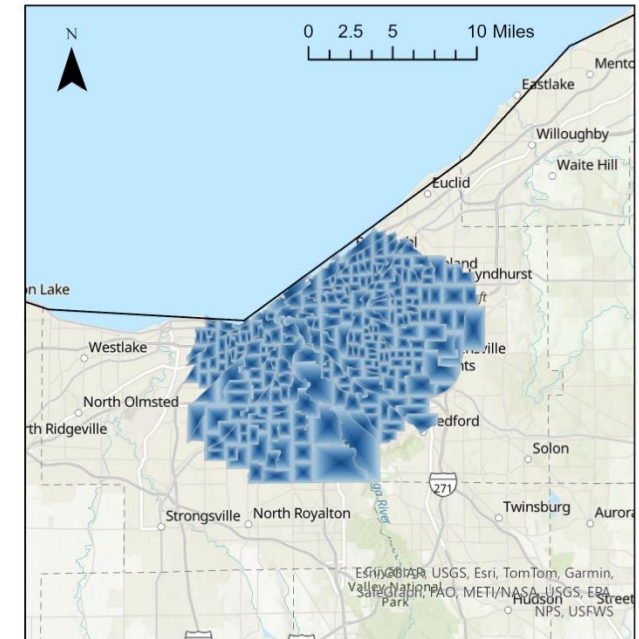
# Intensifying Cold Spots

- Decrease in store access over time
  - Competition
  - Zoning laws
  - High Operating Cost

Columbus



Cleveland

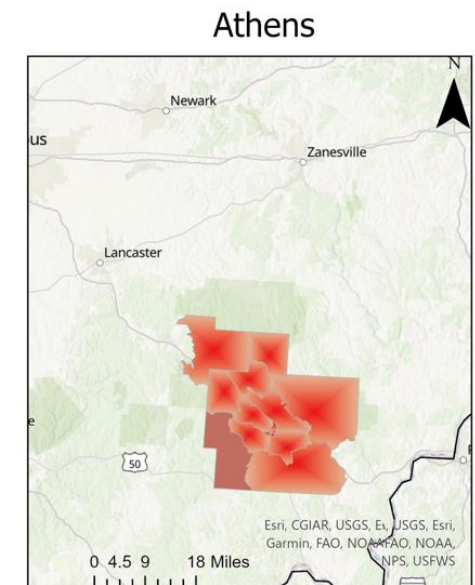
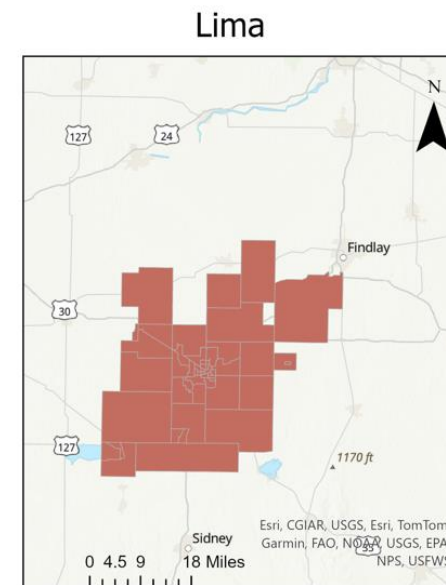
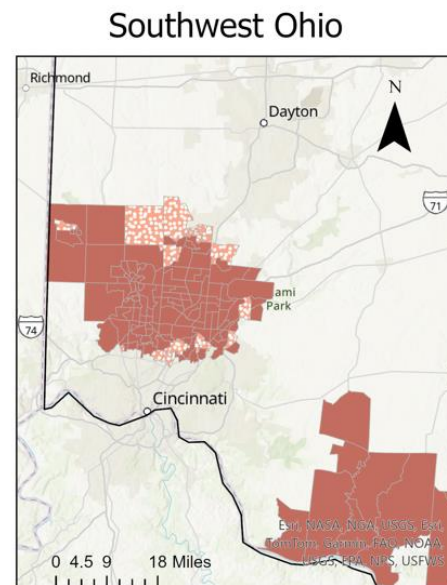


Source: FNS SNAP Locator Dataset



# Various Types Hot Spots

- Intensifying, Consecutive, and Sporadic
- Increase in store access over time
  - Sustained Economic Growth
  - Population Growth
  - Recent Investment



# Outlook Takeaways

- Traditional retailers may need to adapt to consumer wants
  - Online services
  - Overall population is becoming more health conscious
- Heightened Competition
  - Other grocery stores, supermarkets, supercenters
  - Farmers Markets
  - Meal prep providers
  - Online retailers
- Need for increase partnership with local producers



“ QR Code for  
Evaluation



Thank You!  
Questions

[grant.829@osu.edu](mailto:grant.829@osu.edu)



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“Please fill out QR code for  
my evaluation”

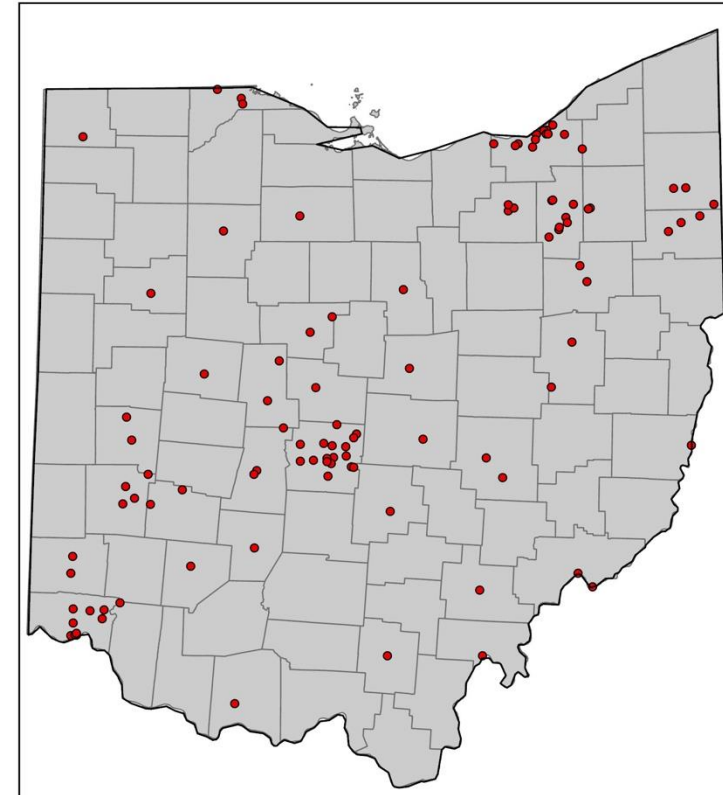
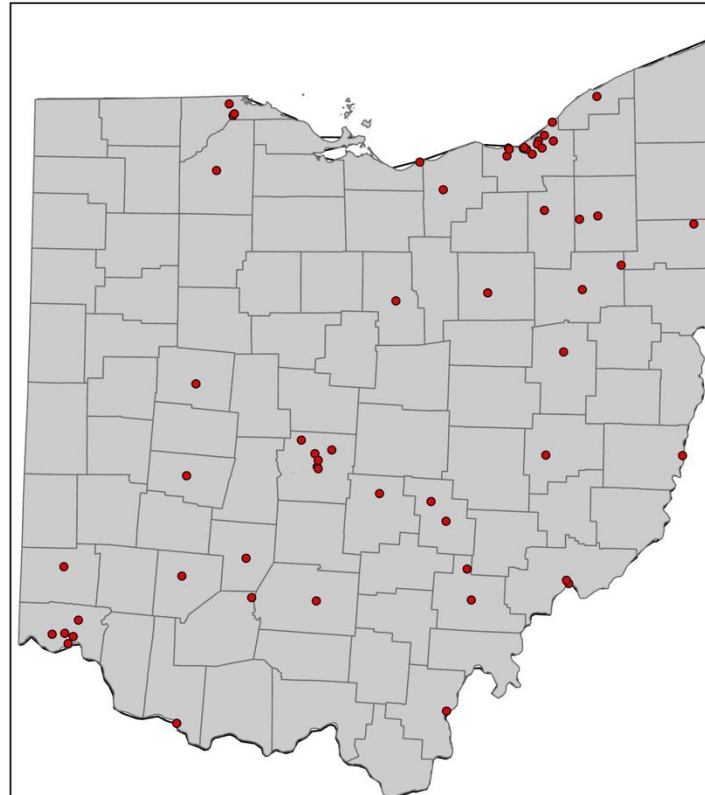


# Appendix

## Farmers Markets in Ohio

2013 (58 Markets)

2023 (107 Markets)



### Legend

- Farmers Markets
- Ohio Counties
- state\_oh

Source: FNS SNAP Locator Dataset