

Nearly all consumers are concerned about inflation of food costs. But not all are doing anything about it, rather economic worries are adding to a shift in consumer culture when it comes to buying their food. This perception might actually be greater than the true price variation, experts said.

[Inflation is a top issue](#) being discussed in almost every corner of the economy, with food costs being a primary concern. The [International Fresh Produce Association \(IFPA\)](#) recently held a Town Hall webinar on the matter, convoking experts with updated data and deep insight into consumer buying habits during an inflationary period.

It turns out that for produce, the reality is aligned more closely with consumer perceptions than with actual price fluctuations.

Jonna Parker, a Principal at IRI Fresh Center for Excellence said that past a mere pricing scenario, retailers are working with an entirely different culture of customers today. Younger consumers are making very different choices in their food buying than their predecessors.

In produce, this means new ways of shopping, and an exploration to mix essential products with exotic, premium or new ingredients.

“Ultimately, all of these things are coloring consumer choice, in addition to price,” Parker said.

One substantial shift in the culture of consumers: Pre-pandemic, 53 percent of people’s meals were eaten at home, now that figure stands at 8 of 10 as of January, after dipping below the 80 percent mark for many months.

To eat these home cooked meals, more people are ordering online, a channel which Parker said has now raked more than US\$70 billion in annual sales. Moreover, it's a trend that is not letting up. In the first six weeks of the year, 2022 is up 5 percent on total dollar sales than 2021.

The average spending on produce in 2021 is flat, around 1 percent of growth. People are making less trips to the store than they were in January 2021. But when they go, they spend more.

Traditional grocers are also flat, while supercenters like Walmart or Target are growing, as are club stores too.

Parker said that while there have been price increases, they are not excessive, but regardless, the concern on prices is very real. IRI's data shows that 95 percent of households are concerned about food cost inflation. A total of 88 percent perceive their grocery bill as higher than last year. But, the detail for retailers must consider how that translates into changes of habits.

"They're not necessarily doing something about it...two thirds of consumers told us they're not doing anything different, but they are certainly quite mad about this food inflation," Parker said.

This figure is the highest yet in the pandemic. In fact, people are now more worried about their future finances than at the start of the ordeal.

"We're looking at a tale of haves and have nots, and the have nots are definitely watching, but so are the haves for the first time ever," she added.

Produce price is directly in view for most consumers, being the second most perceived source of cost increase among supermarket categories.

Another factor in buying decisions is meal fatigue.

Buyers will gladly switch stores to find better options, but still crave variety and options for their meals. And they are willing to use food purchases as a way to reward themselves.

Marianne Santo, the senior category manager for Wakefern Food Corp agreed that consumers are looking for ways to break the monotony of so many home cooked meals, and many individuals have been thrust into cooking for their household for the first time.

"A lot of chefs were born during Covid, I say and they were willing in the beginning because restaurants were closed and they were cooking at home to spend a little bit more and what were specialty items at that point," Santo said.

But with financial stress on many families, they are looking to stretch their dollar much further now and still deliver nourishing meals to their family.

For John Savidan, senior director of produce and floral for Gelson's Markets in Southern California, the relationship between a retailer and their supplier has never been more important than in this scenario.

"It's important to have that relationship, whether the phone conversations or emails that

minimum. You know the talk about, are you closing any locations, are you opening new stores. Even remodels are very important," Savidan said.

If products can't be delivered on time, retailers need to now, the end consumer experience is at stake.

Roland Harmon, senior director of global produce sourcing for Walmart is also very aware that consumers are more price sensitive than ever before. Trends like online buying allow people to compare different outlets and avoid impulse buys.

He also confirmed that shoppers are more than happy to stock up on products when they are on sale, which has added to challenges involving inventory levels.

Over 30 percent of shoppers are still stocking up on products and you know that creates a bit of a challenge I think for all of us when you think about inventory levels