

Retail Food Price Outlook

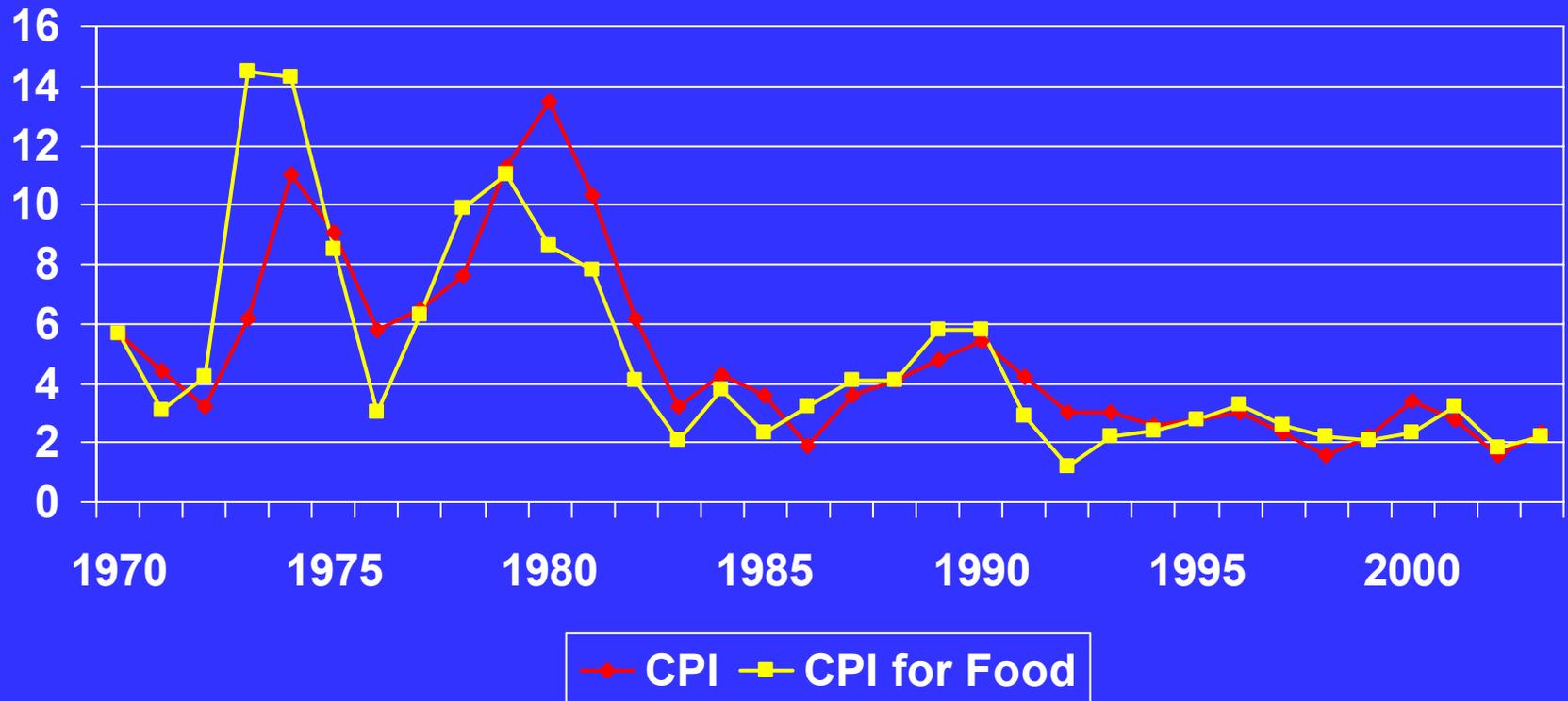
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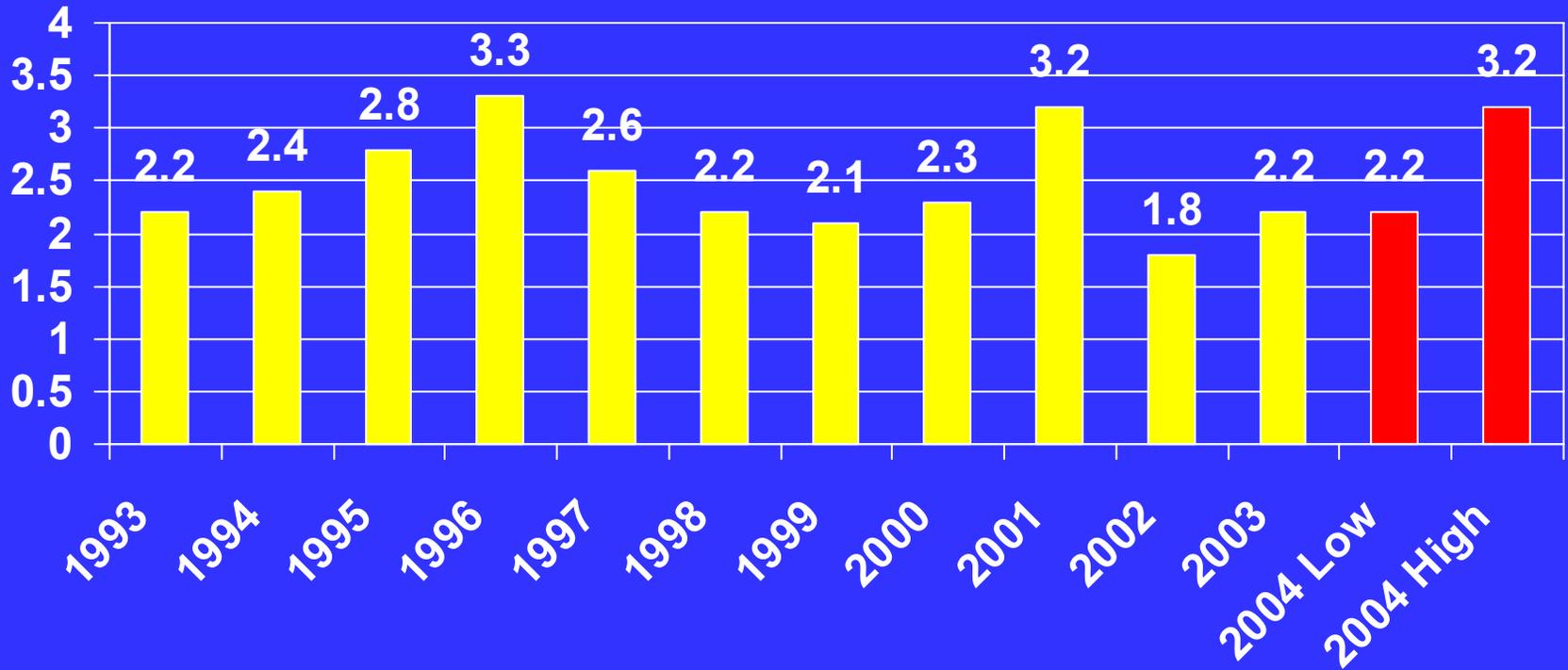
CPI vs CPI for Food 1970-2003

Annual Percent Change in CPI and CPI for Food



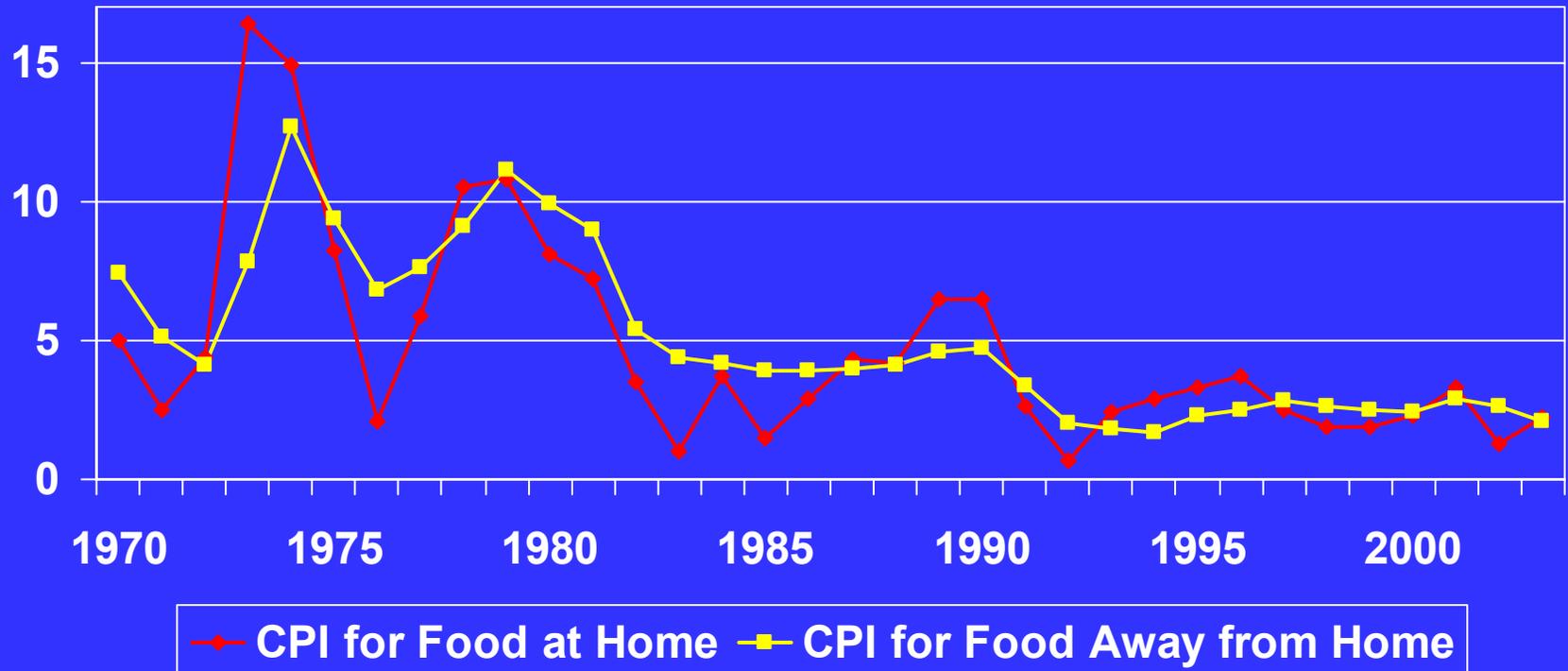
Moderate Growth in CPI for Food Expected to Continue

Annual Percent Change in CPI for Food



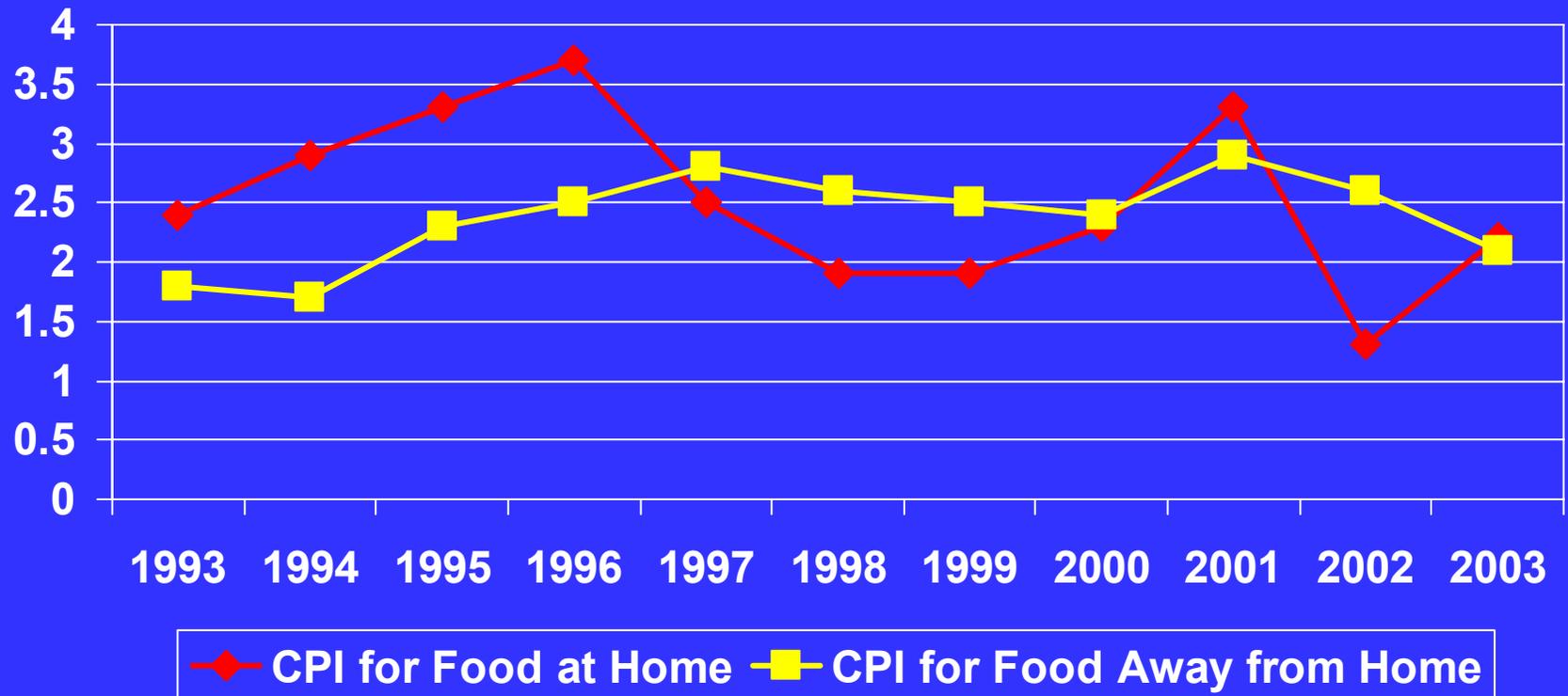
Food at Home vs Food Away from Home 1970-2003

Annual Percent Change



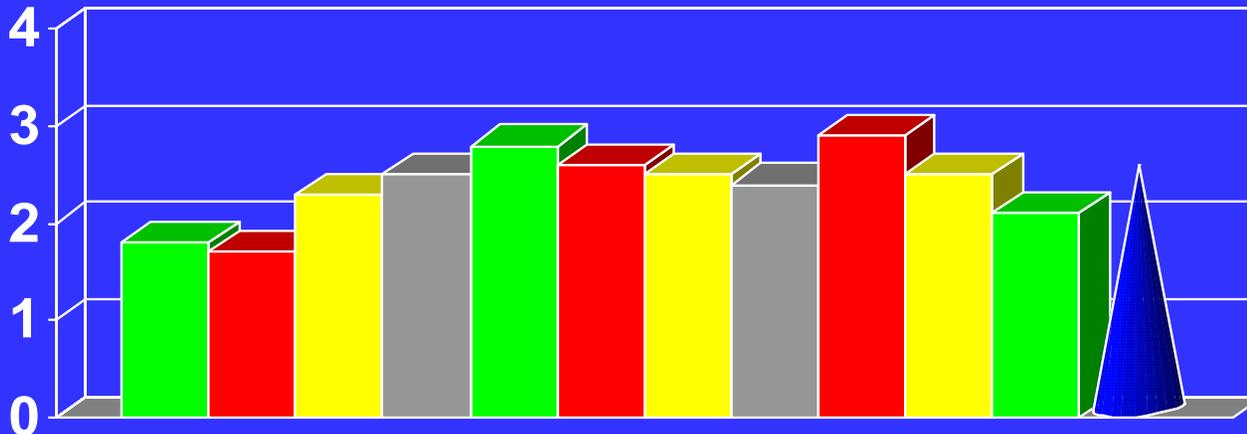
Food at Home vs Food Away from Home 1993-2003

Annual Percent Change



Food Away from Home CPI Shows Steady Growth

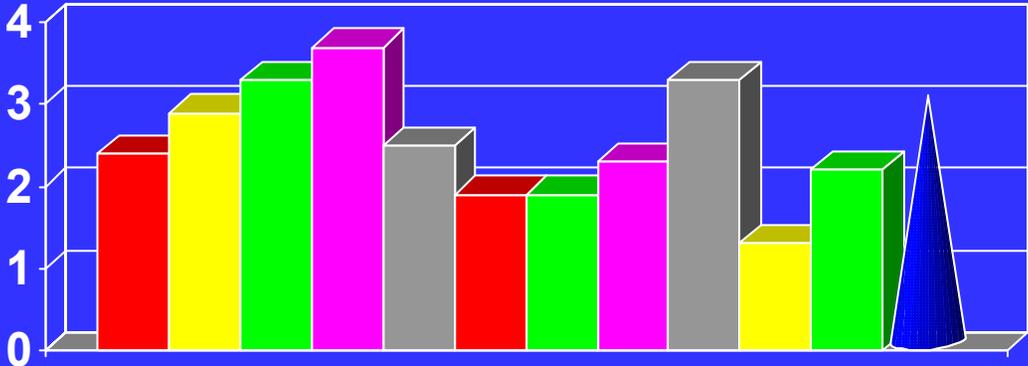
Annual Percent Change in CPI for Food Away from Home



1993	1994	1995	1996	1997	1998
1999	2000	2001	2002	2003	*2004*

Food-at-Home CPI on the Rise

Annual Percent Change in CPI for Food at Home



1993	1994	1995	1996	1997	1998
1999	2000	2001	2002	2003	*2004*

Why?

- Improving Economy
- Increased Producer/Commodity Prices
- Increased Competition
 - Increased market share for alternative retail outlet formats
 - Food away from home continues upward trend in share of food bill.
- Increased demand by consumers for convenience, quality, *and* low prices.
- Better Inventory Management/Cost Saving Technologies
- Globalized Trade: Year-round availability

Percent Change in Food CPI 2001-2003 (a)

Items	Actual 2002	Actual 2003	Forecast 2004
All Food	1.8	2.2	2.2 to 3.2
FAFH	2.5	2.1	2.0 to 3.0
Food at Home	1.3	2.2	2.5 to 3.5
Beef	0.1	9.0	-4.0 to -3.0
Pork	-0.4	1.9	0.0 to 1.0
Other Meats	3.5	2.5	0.0 to 1.0
Poultry	1.3	1.3	1.0 to 2.0

Percent Change in Food CPI 2001-2003 (b)

Items	Actual 2002	Actual 2003	Forecast 2004
All Food	1.8	2.2	2.2 to 3.2
Food at Home	1.3	2.2	2.5 to 3.5
Fish and Seafood	-1.6	1.0	2.0 to 3.0
Dairy	0.6	-0.1	2.0 to 3.0
Fats and Oils	-0.2	1.3	2.0 to 3.0
Sugar + Sweets	2.1	1.9	0.0 to 1.0
Eggs	1.3	13.8	1.5 to 2.5

Percent Change in Food CPI 2001-2003 (c)

Items	Actual 2002	Actual 2003	Forecast 2004
All Food	1.8	2.2	2.2 to 3.2
Food at Home	1.3	2.2	2.5 to 3.5
Fresh Fruits	1.9	3.3	3.0 to 4.0
Fresh Vegetables	6.4	2.1	4.0 to 5.0
Processed F + V	3.7	0.9	-0.5 to 0.5
Cereals + Bakery	2.2	2.4	2.5 to 3.5
Nonalcoholic Bev.	0.0	0.4	0.0 to 1.0

Food Price Inflation on the Decline

Average Annual Percent Change in Food Price Inflation by Decade

