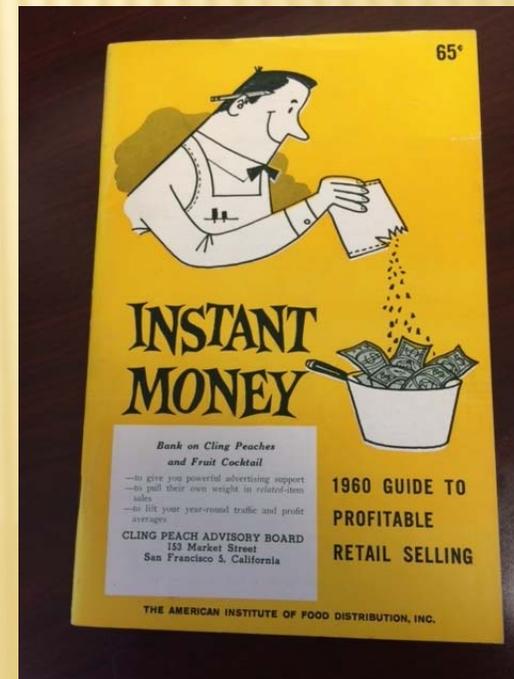
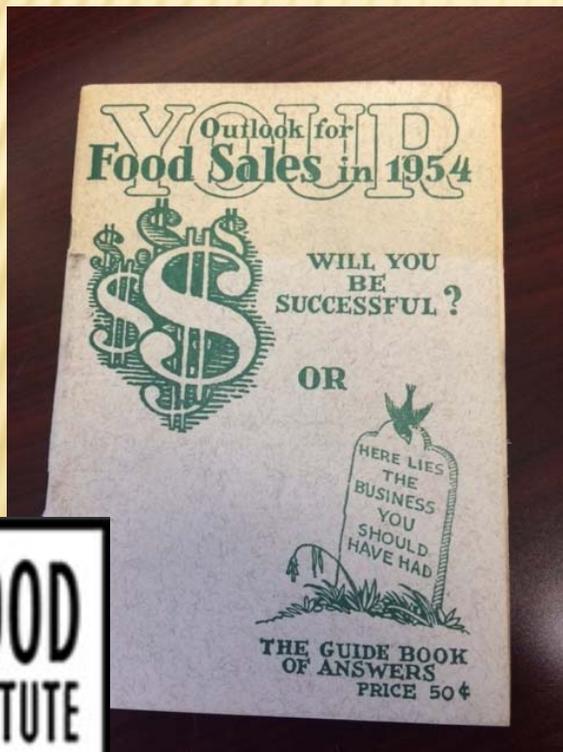




Brian Todd  
President, CEO  
The Food Institute  
Upper Saddle River, NJ

# THE GROCERY STORE & THE ENVIRONMENT

# A BIT ABOUT THE FI



2/25/28 - 8/11/28

# The Facts in the Food Markets

A WEEKLY DIGEST of STATISTICS and MARKET OPINIONS

## BOARD OF DIRECTORS

When the organization is made permanent the Board of Directors will be selected from the organizations to give broad representation in each part of distribution. The Manufacturers will direct the gathering of the facts that they require and each other group will do the same. The Board as a whole will deal with Market facts.

## THE AMERICAN INSTITUTE OF FOOD DISTRIBUTION

67 Wall Street New York, N.Y.

### A STATEMENT OF POLICY

The Weekly Digest attempts to give under each important food commodity the average production for five years and details of production for the last two years in comparison with industrial production for the same years. An equal effort will be made, these facts will be set forth in each issue as a background against which to gauge news regarding industrial production, stocks on hand and market opinions as expressed by important factors. The attempt is to supply in logical form the material from which the reader can make his own market judgment. Actual prices will not be quoted except to illustrate trends. In the belief that the greatest benefit of the food trade is to have the better information that will bring more orderly markets, the Institute sets the example of all trade organizations in gathering the facts regarding production, distribution and stocks.

## BOARD OF ADVISORS

Officials of the Department of Commerce and the Bureau of Agricultural Economics at Washington and the executive departments of the National Bank of Commerce, New York have contributed materially to this first attempt at classifying statistical information. The progress of this work should be under the advisory control of the group representing governmental, trade and financial authorities.

Vol. 1

FEBRUARY 25, 1928

No. 1

## The General Price Level

### AN EXPLANATION

This digest is an approach toward a sound theory of analyzing our food market facts.

The problem is large.

Most foods are produced in a period of three or four weeks and then must be carried and distributed during the remaining eleven months of the year.

There are almost 300 food products having more or less individual markets.

The first function of the Institute is to establish a diagram of the information that should be available on each food if we are to have orderly markets permitting each factor in production and distribution to make the annual profit necessary to continue in business.

This theory is now being attempted.

On most commodities we can find no record of the figures essential to orderly marketing. We therefore start with many blanks with the hope that the trade will co-operate in supplying the missing figures.

In this starting we are making some errors. Help us correct them.

### Price Indices and Predictions

While the general level of commodity prices remains firm, prices were slightly lower in January than in December, and the long-term trend is still downward.

According to the tables of the Business Index, published by Crandall, Pierce & Company, "commodity prices registered a small decline during the month of January, and by February 5, rubber prices had dropped three cents. On the other hand, wheat, corn, and live stock prices were stronger and ended the month of January with advances over the prices prevailing at the opening of the year."

The weekly price lists of Dunn's and Bradstreet's have recently averaged more declines

index also fell 56 of a point, its copyrighted weekly index shows, with some increases, the price practically unchanged.

Economic Service believes that further decline in commodity prices anticipates that "commodity prices show a movement similar to all business activity."

In a special article on sugar, the Bank of America, New York, says: "The price outlook for the present year depends to a large extent upon the effectiveness of the present restriction program."

Balson's statistical service thinks that a moderately downward trend in industrial prices will be accompanied by a slightly upward trend in agricultural prices; and the Franklin Statistical Institute predicts that the immediate future should see a firming in commodity prices.

The Gibson service believes that generally low commodity prices will result from increased efficiency in production, while Moody is of the opinion that raw material costs will keep pace in offsetting such gains as may be secured through lower costs per unit of labor.

With reference to wholesale prices, the National Bank of Commerce, New York, states in its monthly letter, February, 1928, that "expanding volume of bank credit has obviously not been a determining factor in the sharp decline in the major commodity markets which has occurred since 1925. That decline seems to have its origin in production rather than in conditions of credit. The price index now shows an upturn."

Commerce & Finance, February 15 issue, makes the following price comments:

"Increased stability in the coffee market for the near future, at any rate, would appear to have led to a readjustment of near month values which has been accompanied by reports of a generally steady tone in the spot market."

Canned Goods: "The major vegetables, tomatoes are firmer at 80 cents for No. 2s than they were at 70 cents or lower. Extra standard peas are selling at 5 cents over the price at the turn of the year. Corn prices are unchanged. Stringless beans are firmer, and low reserves of asparagus on the Coast promise higher prices. Pink Salmon continues to lead the fish packs in improvement in tone. Other fish packs are without change. A shortage of Coast holdings of fruits will result in higher prices for all canned fruits."

"Rice is cheap and a plentiful supply assures no decided increase in price."

"Foreign tea markets are firm, but this appears to have little weight in domestic buying circles. Some holders are resorting to shading prices, although with apparent little effect in enlarging trading."

The Brookshire mid-month (February 13) bulletin, devoted to food products, makes the following price predictions:

"Butter—Supplies are large enough to keep prices below 1927 and to assure full seasonal declines."

"Cheese—The storage situation is the reverse of better. January warehouse receipts, however, above those of 1927. As long as production outlook continues favorable, we are likely to see more than full seasonal decline from present relatively high prices."

"Eggs—Unsatisfactory returns to producers last year tend to check expansion in this industry and the decline in prices from the present low levels is likely to be less than seasonal."

"Canned milk—Large stocks and seasonal increase in production indicate probability of lower prices."

"Canned fruits and vegetables—Markets reflect strong supply situation, but spot supplies are small, and so a result a reduced pack with carryover probably small in comparison with burdensome supply that existed year before. Premiums are therefore being paid and buying is along more liberal lines, with a price advance in prospect."

"Dried fruits—Long decline in prices is checked, led by such items as peaches which are in short supply, with a consequent rise in price. Market may even absorb increased production in raisins and prunes."

"Potatoes—A further seasonal rise may be expected, but high prices of last two years will not be equalled; new potatoes will compete with fairly large supplies of old stock."

"Flour—Scarcity of good milling wheat and premiums on high protein wheat have tended to hold up flour prices. For the longer pull, the possibility of further expansion in wheat production in 1928 will have a bearish influence."

"Lard—Seasonal rise may not be sharp owing to increased supply of hogs, but present price so low, especially with relation to cottonseed oil, that a substantial rise is likely later in the year."

"Coffee—In the face of record reserve supply and artificially sustained prices, a crop failure will be necessary before any price advance can occur."

"Cottonseed oil—Any price rise will be moderate until the upswing in lard becomes sharp."

"Sugar—Cuba can supply 50% of the world's needs. Production in Java and the United States tending upward. Aside from seasonal rally, which is possible after the present decline, there is no cause to expect a rising tendency in sugar prices."

"The First National Bank of Boston states that "Although irregular, general commodity prices have shown some signs of firmness. The outstanding feature continues to be a pronounced strength in hide, leather, and wool markets."

Prof. Irving Fisher's wholesale price index, representing 200 commodities, is now 96 compared with 94.5 a year ago and 100 average for 1926. The peak was 163.3 in May, 1920.

## Practical Digests For Busy Men

Every executive in the food business wants to know what is happening over the country and at Washington that will affect food prices and his selling methods and those of his competitors.

He has little time for reading, and most important, practical developments are not appearing in print.

He does not wish to incur the expense of employing a staff of practical men to write thousands of letters of inquiry; read all the trade papers, advertising publications, financial reviews, Government statistics, and many types of special information services, and then condense this information into handy reports where he can learn things that he wants to know with only an hour or two of reading each week.

Food Institute staff is doing this job for about 3,000 of the most successful companies, including most large corporations, at a cost so low that this is more than balanced by saving in time of reading by busy men.

This central service is so profitable to practical business that our renewals average better than 95%.

If you will examine this current report from beginning to end, we believe you will decide that no live company in the food business can afford to do without such a valuable service when unprecedented events are changing food prices and methods more rapidly than ever before.

GORDON C. CORBALEY, President

THE FOOD INSTITUTE

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Grocery, restaurant sales up in 2015  
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Wholesale prices down in December 2015  
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Markets begins  
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DEFLATION HIT GROCERY STORES FOR FIRST TIME SINCE 2010 IN DECEMBER

Grocery store food prices moved into deflationary territory in December, falling 0.4% below the same month last year, marking the first time that has happened since March of 2010. This put the inflation rate for food-at-home for all of 2015 at just 1.2% — exactly one-half of the 2014 rate, according to **FOOD INSTITUTE** analysis of just-released government data.

Retail Food Inflation Rate - Select Cities

(Source: Food Institute analysis of BLS data)

| Items:              | 2014       | 2015       | Difference Percentage Pts. |
|---------------------|------------|------------|----------------------------|
| Detroit             | 2.4        | 0.1        | -2.3                       |
| St. Louis           | 3.2        | 0.4        | -2.8                       |
| Atlanta             | 2.9        | 0.9        | -2.0                       |
| <b>U.S. Average</b> | <b>2.4</b> | <b>1.2</b> | <b>-1.2</b>                |
| Los Angeles         | 2.2        | 1.3        | -0.9                       |
| Anchorage           | 1.1        | 1.5        | 0.4                        |
| Chicago             | 2.8        | 1.5        | -1.3                       |
| New York            | 1.8        | 1.6        | -0.2                       |
| Houston             | 2.4        | 1.8        | -0.6                       |
| Seattle             | 3.1        | 2.2        | -0.9                       |

See **DEFLATION** on page 4

VALUE OF U.S. FRESH PRODUCE EXPORTS SET TO GROW AS TPP TAKES EFFECT

The U.S. produce industry is worth approximately \$131 billion at retail, according to **CORNELL UNIVERSITY** estimates. About \$75 billion of this comes from supermarkets and other retailers, while foodservice establishments account for another \$55 billion and farmers markets create an estimated \$1.3 billion, according to a **BMO CAPITAL MARKETS** report.

Percentage of U.S. Produce Imported

(Source: BMO Capital Markets)

| Category         | 1990  | 2000  | 2010  | 2013  |
|------------------|-------|-------|-------|-------|
| Fresh Fruit      | 34.9% | 42.4% | 49.0% | 51.5% |
| Fresh Vegetables | 10.3% | 13.2% | 24.4% | 26.7% |

The U.S. has been a net importer of produce since the mid-1980s, with \$25.5 billion worth of imports in 2014 compared to \$13.1 billion worth of exports, with a net trade deficit of approximately \$12.4 billion. This gap is growing as imports rise faster than exports. Fifty-two percent of fruit is imported in the U.S., up from 35% in 1990, while 27% of all vegetables are imported, compared to 10% in 2009. Despite this trend 78% of consumers were willing to pay a 10% premium for local produce in 2015, up from 70% in 2014, according to an **A.T. KEARNEY** poll. Ninety-six percent of consumers consider ingredients locally grown if they are produced within 100 miles of the point of sale.

U.S. produce is sold to 320 million consumers through 600,000 stores and restaurants. Retailers are gaining more importance, as 147,715 farms produce fresh produce, but only 224 chain retailers are in the supply chain.

In terms of retail, gross margins for the produce department are between 30% to 40%, and shrink for produce is in the 4% to 5% range. Supermarkets tend to turn their produce  
See **PRODUCE** on page 5



Daily Information to Manage Your Business

# TODAY in FOOD

February 08, 2016

## MEMBER PROFILE

### Bruegger's Enterprises Inc.



Bruegger's Enterprises, Inc. (BEI), a leader in the fast casual restaurant segment, operates 290 Bruegger's Bagels bakeries in North America. Renowned for its authentic New York style fresh-baked bagels, the chain also offers a wide variety of freshly prepared breakfast and lunch options made with high-quality, simple ingredients served with its unique brand of hospitality. Bruegger's Bagels is dedicated to the communities it serves and supports charitable causes locally and nationally. BEI's parent company, Groupe Le Duff, SA, is the world's second-largest company in the bakery-cafe sector. Founded in 1983, BEI is headquartered in Dallas.

To learn more about this Food Institute Member, please visit: [www.brueggers.com](http://www.brueggers.com).

### Your Company's Profile Can Be Featured

Be seen by thousands of executives in the industry.

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## INDUSTRY NEWS

**Fairway Market needs to raise more capital by April to meet debt obligations,** with its 15 New York City area stores experiencing "significant losses." The company saw a 7% revenue decline in its latest quarter compared to the same period last year. Fairway is counting on new stores to drive growth, but stated in a regulatory filing that "our current limited cash resources and significant leverage will adversely affect our ability to open new stores," reported *New York Post*. [Full Story](#)

**Kroger is planning to expand its online shopping program in Michigan.** The

## FI BLOG

The Food Institute's staff of industry experts opine on the latest food industry news and trends. [Read More >>](#)



# The Retail Environment

2015 Independent Grocers Financial survey  
From NGA and FMS

Environmental concerns ranked 3.8 on a scale of 1 to 10, down from 3.9 the prior year.

Other related areas:

- Government Regulations 6.3
- Food Safety 6.1
- Technology 6.2
- Energy costs 5.3

- Topping the list was competition from other retailers at a 7.02





[Home](#) > [Corporate Responsibility](#) > [Sustaining Our Environment](#)

[Community Involvement](#)

[Fundraising](#)

[Labels For Learning](#)

[SpartanNash Foundation](#)

[Grant Applications](#)

[Sustaining Our](#)

## Sustaining Our Environment

SpartanNash is committed to environmental sustainability. We know that in order to be successful we need to look at how our business decisions, in the long-term, will impact the Earth.

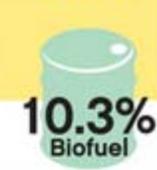
Sustainability for SpartanNash means looking at how our decisions make environmental, social, and financial sense. If it doesn't make sense for all three, we realize we need to keep looking for a solution.

We have a long way to go, but our sustainability efforts can already be seen across the company from innovation in creating an inclusive recycling program to offering eco-conscious products.

# Grocery Stores and Food Waste



## What Happens to the Unsold, Wasted Food Once it's Diverted?



## What is the Industry Doing to Continue to Reduce Food Waste?

### Industry Collaboration



Food Marketing Institute, the voice of the food retail industry, is part of the Food Waste Reduction Alliance, working with the Grocery Manufacturers Association and National Restaurant Association to reduce food waste generated; increase food donation; and recycle unavoidable food waste.

### Policy Change

Working with state and federal policymakers to make food donation and recycling easier.



### Logistics

Working with partners to overcome transportation and food storage limitations.



Source: 2014 Analysis of U.S. Food Waste Among Manufacturers, Retailers and Restaurants, prepared by BSR for the Food Waste Reduction Alliance.  
Note: FMI, GMA, and NRA sought broad participation in the survey; it was sent to more than 200 of our largest members to help ensure that the companies generating the most food waste were included in the survey.

## Environment

Energy/Carbon

Water

Zero Waste

> **Logistics**

## Logistics

Our logistics team is responsible for the movement of several million products each and every day. We operate and maintain 36 Distribution Centers (DC's) across the U.S. They are strategically located to serve our retail divisions and are the foundation of our supply network. They receive and hold product until needed by the more than 2,640 retail locations they serve.



**CUBE  
EFFICIENCY**



**INCREASED  
MILES PER GALLON**



**REDUCED  
"EMPTY MILES"**



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## Environmental

### Wakefern and the Environment

Wakefern has demonstrated a true commitment to the long-term protection of the environment for more than 30 years. Environmentally-focused initiatives include a company- and store-wide recycling program for items such as grocery bags, plastic film and pharmacy stock bottles; at-retail Bag Re-Use Programs; Education Programs; and Conservation Partnerships.

Wakefern's dedication to corporate social responsibility has established the company as an industry leader in the constant pursuit of environmental sustainability. Wakefern perseveres in this commitment by implementing a sustainability strategy for the company that focuses on making a positive and lasting impact on the environment and the communities it serves.

Wakefern is committed to the long-term protection of the environment.



**Wakefern Sustainability Statement**



## RETAIL FOOD STORE PERFORMANCE - JANUARY

(Food Institute analysis of Census Bureau data)

| Millions:        | TOTAL, FOOD & BEVERAGE STORES: |            |         | GROCERY STORES TOTAL: |            |         | SUPERMARKETS: |            |         | BEER, WINE & LIQUOR STORES |           |         |
|------------------|--------------------------------|------------|---------|-----------------------|------------|---------|---------------|------------|---------|----------------------------|-----------|---------|
|                  | 2015                           | 2014       | % Chge. | 2015                  | 2014       | % Chge. | 2015          | 2014       | % Chge. | 2015                       | 2014      | % Chge. |
| JAN              | \$ 55,954                      | \$53,828   | 3.9%    | \$ 50,652             | \$48,871   | 3.6%    | \$ 48,980     | \$ 47,167  | 3.8%    | \$3,578                    | \$3,396   | 5.4%    |
| FEB              | \$ 51,402                      | \$49,656   | 3.5%    | \$ 46,192             | \$44,738   | 3.3%    | \$ 44,542     | \$ 43,070  | 3.4%    | \$3,519                    | \$3,372   | 4.4%    |
| MAR              | \$ 56,081                      | \$53,925   | 4.0%    | \$ 50,329             | \$48,522   | 3.7%    | \$ 48,434     | \$ 46,679  | 3.8%    | \$3,882                    | \$3,697   | 5.0%    |
| APR              | \$ 55,070                      | \$53,697   | 2.6%    | \$ 49,257             | \$48,141   | 2.3%    | \$ 47,298     | \$ 46,278  | 2.2%    | \$3,867                    | \$3,713   | 4.1%    |
| MAY              | \$ 58,679                      | \$57,208   | 2.6%    | \$ 52,290             | \$51,084   | 2.4%    | \$ 50,116     | \$ 49,079  | 2.1%    | \$4,371                    | \$4,202   | 4.0%    |
| JUNE             | \$ 56,275                      | \$54,678   | 2.9%    | \$ 50,073             | \$48,726   | 2.8%    | \$ 47,904     | \$ 46,766  | 2.4%    | \$4,243                    | \$4,098   | 3.5%    |
| JULY             | \$ 58,724                      | \$56,680   | 3.6%    | \$ 52,204             | \$50,568   | 3.2%    | \$ 49,907     | \$ 48,510  | 2.9%    | \$4,526                    | \$4,249   | 6.5%    |
| AUG              | \$ 57,386                      | \$56,553   | 1.5%    | \$ 51,184             | \$50,468   | 1.4%    | \$ 48,993     | \$ 48,396  | 1.2%    | \$4,250                    | \$4,223   | 0.6%    |
| SEPT             | \$ 55,323                      | \$53,633   | 3.2%    | \$ 49,368             | \$48,034   | 2.8%    | \$ 47,244     | \$ 46,133  | 2.4%    | \$4,094                    | \$3,861   | 6.0%    |
| OCT              | \$ 57,233                      | \$56,122   | 2.0%    | \$ 51,065             | \$50,183   | 1.8%    | \$ 48,964     | \$ 48,304  | 1.4%    | \$4,293                    | \$4,092   | 4.9%    |
| NOV              | \$ 56,671                      | \$56,263   | 0.7%    | \$ 50,480             | \$50,178   | 0.6%    | \$ 48,505     | \$ 48,391  | 0.2%    | \$4,244                    | \$4,137   | 2.6%    |
| DEC              | \$ 61,793                      | \$60,610   | 2.0%    | \$ 53,186             | \$52,109   | 2.1%    | \$ 51,239     | \$ 50,366  | 1.7%    | \$5,843                    | \$5,610   | 4.2%    |
| <b>JAN - DEC</b> | \$ 680,591                     | \$ 662,853 | 2.7%    | \$ 606,280            | \$ 591,622 | 2.5%    | \$ 582,126    | \$ 569,139 | 2.3%    | \$ 50,710                  | \$ 48,650 | 4.2%    |
|                  | 2016                           | 2015       | % Chge. | 2016                  | 2015       | % Chge. | 2016          | 2015       | % Chge. | 2016                       | 2015      | % Chge. |
| JAN              | \$ 56,947                      | \$ 55,954  | 1.8%    | \$ 51,324             | \$ 50,652  | 1.3%    | NA            | \$ 48,980  | ---     | NA                         | \$3,578   | ---     |

\* For supermarkets and beer, wine & liquor stores, cumulative data is from prior month.

## RESTAURANT INDUSTRY PERFORMANCE - JANUARY

(Food Institute analysis of Census Bureau data)

|                  | EATING & DRINKING PLACES: |                  |             | FULL SERVICE RESTAURANTS: |                  |             | LIMITED SERVICE RESTAURANTS: |                  |             | DRINKING PLACES |                 |             |
|------------------|---------------------------|------------------|-------------|---------------------------|------------------|-------------|------------------------------|------------------|-------------|-----------------|-----------------|-------------|
|                  | Millions:                 | 2015             | 2014        | % Chge.                   | 2015             | 2014        | % Chge.                      | 2015             | 2014        | % Chge.         | 2015            | 2014        |
| JAN              | \$47,920                  | \$42,905         | 11.7%       | \$21,820                  | \$19,366         | 12.7%       | \$20,127                     | \$18,069         | 11.4%       | \$1,818         | \$1,696         | 7.2%        |
| FEB              | \$46,551                  | \$42,875         | 8.6%        | \$21,034                  | \$19,409         | 8.4%        | \$19,446                     | \$17,779         | 9.4%        | \$1,755         | \$1,685         | 4.2%        |
| MAR              | \$53,045                  | \$49,399         | 7.4%        | \$23,820                  | \$22,190         | 7.3%        | \$22,660                     | \$20,848         | 8.7%        | \$2,029         | \$1,968         | 3.1%        |
| APR              | \$52,203                  | \$47,713         | 9.4%        | \$22,647                  | \$20,671         | 9.6%        | \$22,637                     | \$20,621         | 9.8%        | \$1,894         | \$1,804         | 5.0%        |
| MAY              | \$55,312                  | \$51,072         | 8.3%        | \$24,460                  | \$22,282         | 9.8%        | \$23,852                     | \$21,934         | 8.7%        | \$2,046         | \$1,979         | 3.4%        |
| JUNE             | \$51,934                  | \$47,863         | 8.5%        | \$22,659                  | \$20,604         | 10.0%       | \$23,058                     | \$21,282         | 8.3%        | \$1,891         | \$1,835         | 3.1%        |
| JULY             | \$53,037                  | \$48,659         | 9.0%        | \$23,041                  | \$20,966         | 9.9%        | \$23,673                     | \$21,776         | 8.7%        | \$1,987         | \$1,827         | 8.8%        |
| AUG              | \$53,076                  | \$50,098         | 5.9%        | \$23,169                  | \$21,836         | 6.1%        | \$23,413                     | \$22,014         | 6.4%        | \$1,984         | \$1,911         | 3.8%        |
| SEPT             | \$50,696                  | \$47,090         | 7.7%        | \$21,474                  | \$19,836         | 8.3%        | \$21,950                     | \$20,343         | 7.9%        | \$1,867         | \$1,818         | 2.7%        |
| OCT              | \$53,994                  | \$50,161         | 7.6%        | \$23,267                  | \$21,235         | 9.6%        | \$23,103                     | \$21,587         | 7.0%        | \$2,002         | \$1,972         | 1.5%        |
| NOV              | \$50,247                  | \$47,615         | 5.5%        | \$21,979                  | \$20,755         | 5.9%        | \$21,705                     | \$20,327         | 6.8%        | \$1,878         | \$1,830         | 2.6%        |
| DEC              | \$54,624                  | \$50,704         | 7.7%        | \$24,963                  | \$22,947         | 8.8%        | \$23,070                     | \$21,442         | 7.6%        | \$1,985         | \$1,883         | 5.4%        |
| <b>JAN - DEC</b> | <b>\$622,639</b>          | <b>\$576,154</b> | <b>8.1%</b> | <b>\$274,333</b>          | <b>\$252,097</b> | <b>8.8%</b> | <b>\$268,694</b>             | <b>\$248,022</b> | <b>8.3%</b> | <b>\$23,136</b> | <b>\$22,208</b> | <b>4.2%</b> |
| Millions:        | 2016                      | 2015             | Chge.       | 2016                      | 2015             | Chge.       | 2016                         | 2015             | Chge.       | 2016            | 2015            | Chge.       |
| JAN              | \$50,691                  | \$47,920         | 5.8%        | \$23,082                  | \$21,820         | 5.8%        | \$21,291                     | \$20,127         | 5.8%        | \$1,923         | \$1,818         | 5.8%        |

## Grocery & Food Sales By Outlet

(Food Institute analysis and estimates based on Census Bureau data)

| Millions:                                     | % Sales |    | % of Total       |      | Change<br>% Points |                |                |             |
|---|---------|----|------------------|------|--------------------|----------------|----------------|-------------|
|   | Food    |    | 2015             | 2014 |                    | 2015           | 2014           |             |
| <b>All Food Sales*</b>                        |         | \$ | <b>1,319,585</b> | \$   | <b>1,264,676</b>   | <b>100.00%</b> | <b>100.00%</b> | ...         |
| <b>At-Home Grocery &amp; Other Food Total</b> |         | \$ | <b>696,946</b>   | \$   | <b>688,522</b>     | <b>52.8%</b>   | <b>54.4%</b>   | <b>-1.6</b> |
| All Food Stores*                              | 69.8%   | \$ | 475,053          | \$   | 462,671            | 36.0%          | 36.6%          | -0.6        |
| Grocery Stores*                               | 73.9%   | \$ | 448,041          | \$   | 437,209            | 34.0%          | 34.6%          | -0.6        |
| Supermarkets*                                 | 74.4%   | \$ | 433,146          | \$   | 423,439            | 32.8%          | 33.5%          | -0.7        |
| Warehouse Clubs/Superstores*                  | 38.1%   | \$ | 167,359          | \$   | 165,189            | 12.7%          | 13.1%          | -0.4        |
| Health & personal Care Stores*                | 4.2%    | \$ | 13,245           | \$   | 12,690             | 1.0%           | 1.0%           | 0.0         |
| Drug Stores*                                  | 4.2%    | \$ | 11,040           | \$   | 10,559             | 0.8%           | 0.8%           | 0.0         |
| E-Commerce/Mail Order*                        | 2.1%    | \$ | 8,753            | \$   | 7,866              | 0.7%           | 0.6%           | 0.0         |
| Department Stores*                            | 7.1%    | \$ | 11,751           | \$   | 11,992             | 0.9%           | 0.9%           | -0.1        |
| Gas Stations *                                | 6.3%    | \$ | 27,256           | \$   | 33,819             | 2.1%           | 2.7%           | -0.6        |
| Home Furnishings Stores*                      | 2.2%    | \$ | 2,283            | \$   | 2,161              | 0.2%           | 0.2%           | 0.0         |
| Buliding Material/Garden Ctrs.*               | 0.3%    | \$ | 996              | \$   | 956                | 0.1%           | 0.1%           | 0.0         |
| Away-From Home                                |         |    |                  |      |                    |                |                |             |
| <b>Eating &amp; Drinking Places</b>           |         | \$ | <b>622,639</b>   | \$   | <b>576,154</b>     | <b>47.2%</b>   | <b>45.6%</b>   | <b>1.6</b>  |
| Full Service                                  |         | \$ | 274,333          | \$   | 252,097            | 20.8%          | 19.9%          | 0.9         |
| Limited Service                               |         | \$ | 268,694          | \$   | 248,022            | 20.4%          | 19.6%          | 0.8         |

\* Estimates of food sales by The Food Institute



# Peapod by Giant partners with Metro in grocery pilot program

Feb 1, 2016, 2:52pm EST

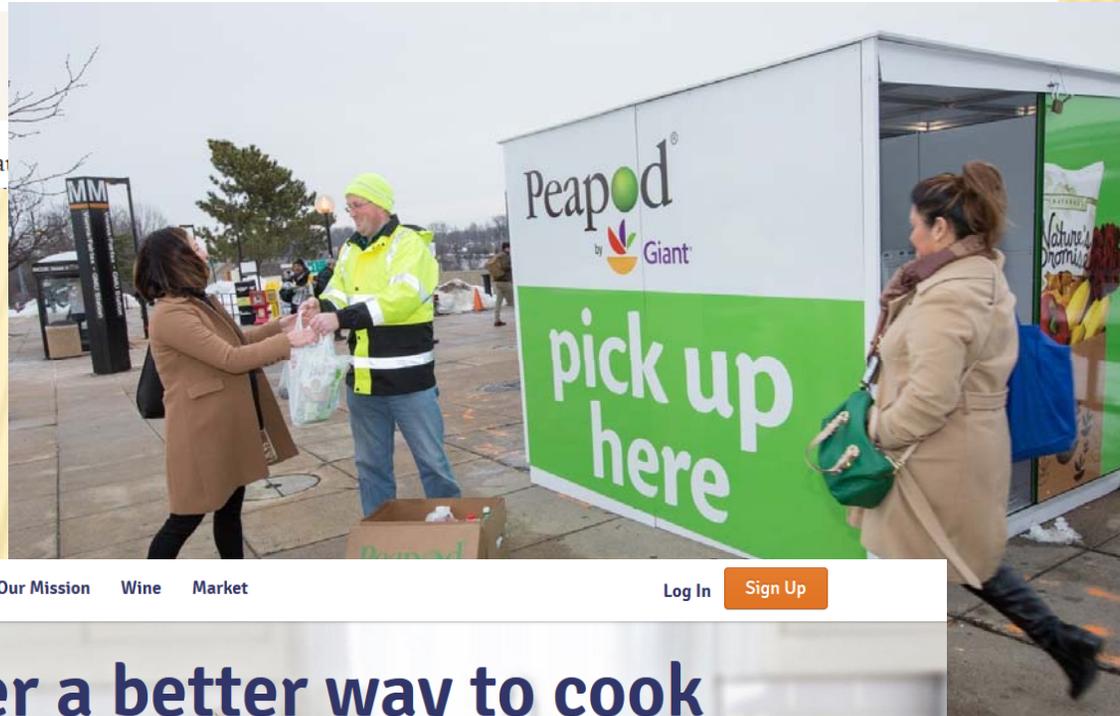
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Sara Gilgore   
Digital Producer

Peapod  by Giant  is la



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## Discover a better way to cook

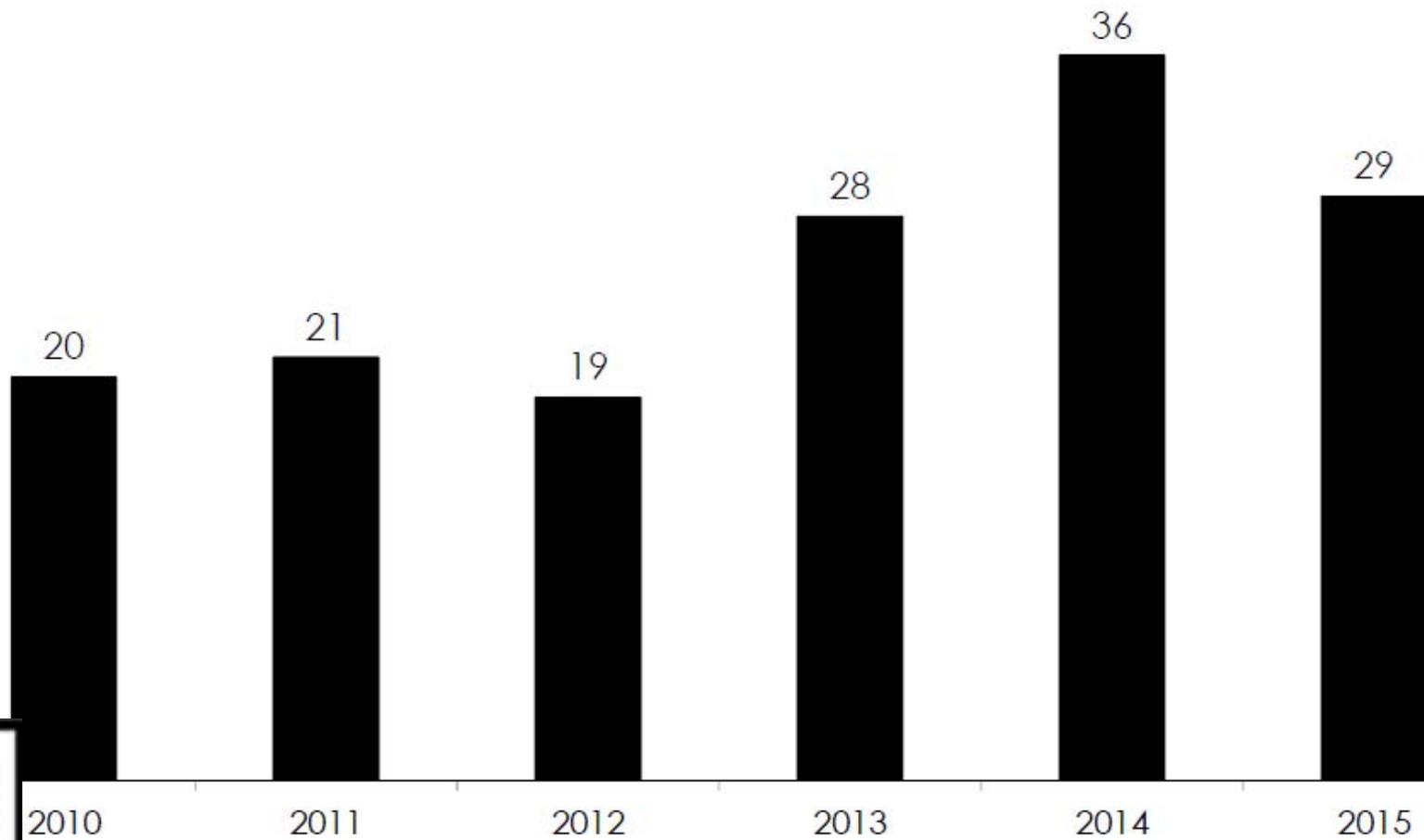


## FOOD INDUSTRY MERGER & ACQUISITION ACTIVITY BY CATEGORY 2010-2015

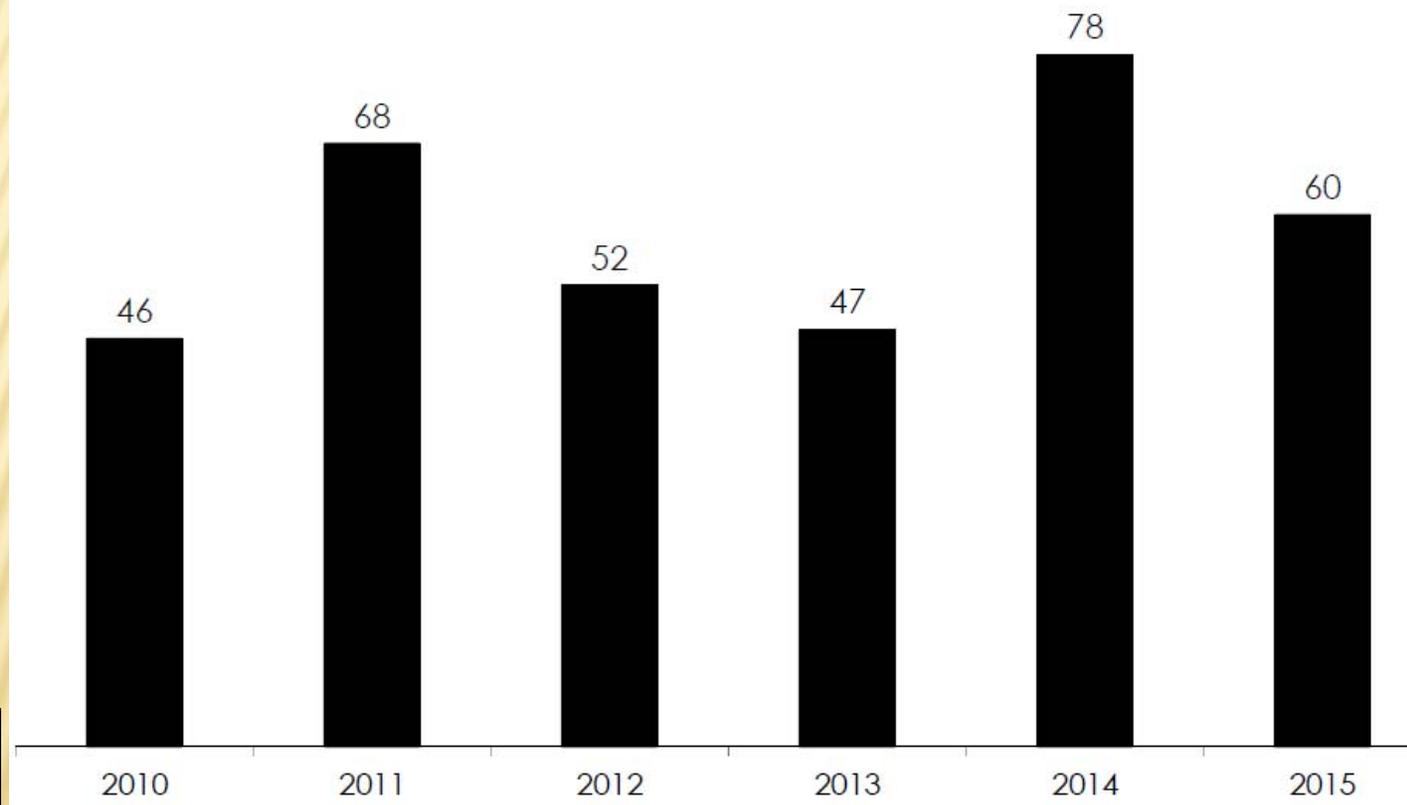
(Source: Exclusive Food Institute Analysis)

| CATEGORY OF PURCHASING ENTITY                     | 2015 Announced,<br>Not Closed | 2015 Closed | 2014 Announced,<br>Not Closed | 2014 Closed | 2013       | 2012       | 2011       | 2010       |
|---|-------------------------------|-------------|-------------------------------|-------------|------------|------------|------------|------------|
|   | <b>FULL YEAR</b>              |             |                               |             |            |            |            |            |
| Agricultural Cooperatives                         | 0                             | 0           | 0                             | 7           | 2          | 0          | 2          | 0          |
| Brokers   | 0                             | 2           | 0                             | 4           | 14         | 17         | 0          | 2          |
| Consultants & Other Service Providers             | 0                             | 16          | 1                             | 9           | 16         | 13         | 18         | 9          |
| Diversified Firms with Food Industry Interests    | 3                             | 14          | 2                             | 28          | 13         | 21         | 20         | 12         |
| <b>Food Processors</b>                            | <b>19</b>                     | <b>116</b>  | <b>20</b>                     | <b>140</b>  | <b>103</b> | <b>83</b>  | <b>79</b>  | <b>75</b>  |
| Bakers  | 1                             | 9           | 2                             | 10          | 6          | 7          | 4          | 4          |
| Confectioners                                     | 1                             | 6           | 0                             | 8           | 5          | 5          | 5          | 1          |
| Dairy   | 2                             | 10          | 4                             | 12          | 14         | 7          | 3          | 6          |
| Fruit & Vegetable                                 | 0                             | 12          | 0                             | 14          | 12         | 11         | 3          | 14         |
| Meat  | 5                             | 9           | 2                             | 8           | 8          | 2          | 9          | 6          |
| Multi-Product                                     | 5                             | 35          | 12                            | 56          | 39         | 29         | 34         | 25         |
| Poultry   | 1                             | 3           | 0                             | 5           | 2          | 1          | 2          | 1          |
| Seafood   | 1                             | 8           | 0                             | 2           | 0          | 3          | 2          | 3          |
| Snack Food  | 1                             | 3           | 0                             | 7           | 5          | 6          | 6          | 5          |
| Other Processors                                  | 2                             | 21          | 0                             | 18          | 12         | 5          | 5          | 2          |
| Investment Firms & Banks                          | 4                             | 56          | 5                             | 73          | 47         | 52         | 68         | 46         |
| Packaging & Equipment Suppliers                   | 2                             | 14          | 2                             | 11          | 5          | 6          | 23         | 15         |
| Raw Product & Ingredient Suppliers                | 3                             | 9           | 4                             | 20          | 11         | 10         | 17         | 9          |
| <b>Restaurants &amp; Foodservice</b>              | <b>2</b>                      | <b>34</b>   | <b>4</b>                      | <b>57</b>   | <b>22</b>  | <b>34</b>  | <b>48</b>  | <b>44</b>  |
| Institutional/Vending Foodservice                 | 0                             | 0           | 1                             | 0           | 0          | 3          | 2          | 4          |
| Restaurants                                       | 2                             | 34          | 3                             | 57          | 22         | 31         | 46         | 40         |
| <b>Retailers</b>                                  | <b>16</b>                     | <b>60</b>   | <b>7</b>                      | <b>63</b>   | <b>41</b>  | <b>48</b>  | <b>68</b>  | <b>52</b>  |
| Convenience Stores                                | 8                             | 28          | 2                             | 18          | 10         | 23         | 34         | 27         |
| Supermarkets                                      | 7                             | 22          | 3                             | 33          | 28         | 19         | 21         | 20         |
| Other Retailers                                   | 1                             | 10          | 2                             | 12          | 3          | 6          | 13         | 5          |
| Soft Drink/Water/Juice - Bottlers & Manufacturers | 4                             | 15          | 4                             | 15          | 9          | 8          | 10         | 15         |
| <b>Wholesalers &amp; Distributors</b>             | <b>1</b>                      | <b>7</b>    | <b>4</b>                      | <b>15</b>   | <b>17</b>  | <b>21</b>  | <b>28</b>  | <b>25</b>  |
| Foodservice Distributors                          | 0                             | 4           | 1                             | 8           | 16         | 17         | 25         | 19         |
| Grocery Wholesalers                               | 1                             | 3           | 3                             | 7           | 1          | 4          | 3          | 6          |
| Unclassified                                      | 1                             | 12          | 0                             | 8           | 9          | 3          | 0          | 13         |
| <b>TOTAL</b>                                      | <b>55</b>                     | <b>355</b>  | <b>53</b>                     | <b>450</b>  | <b>309</b> | <b>316</b> | <b>381</b> | <b>317</b> |

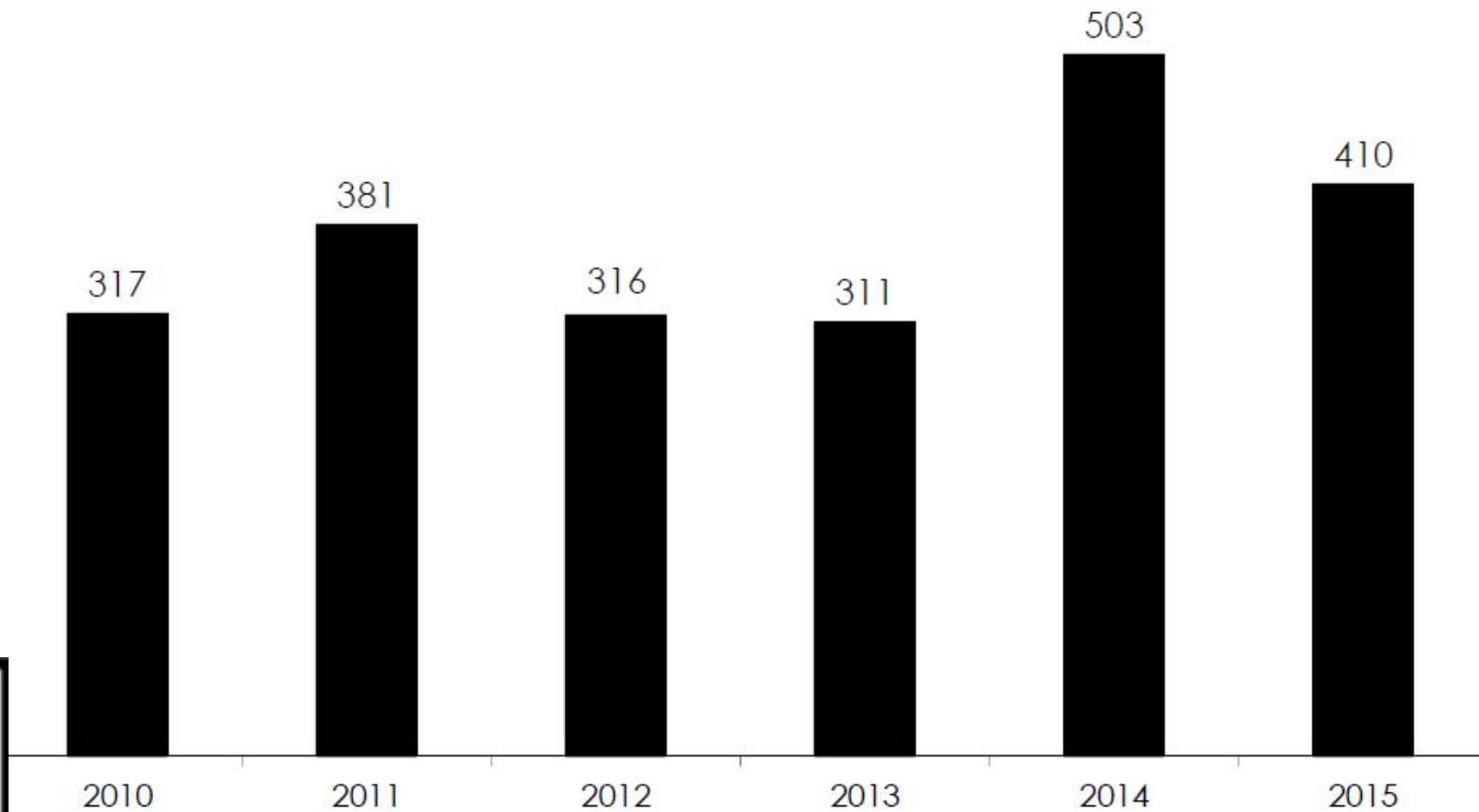
## SUPERMARKET MERGER & ACQUISITION ACTIVITY 2010-2015



## INVESTMENT FIRMS & BANKS MERGER & ACQUISITION ACTIVITY 2010-2015

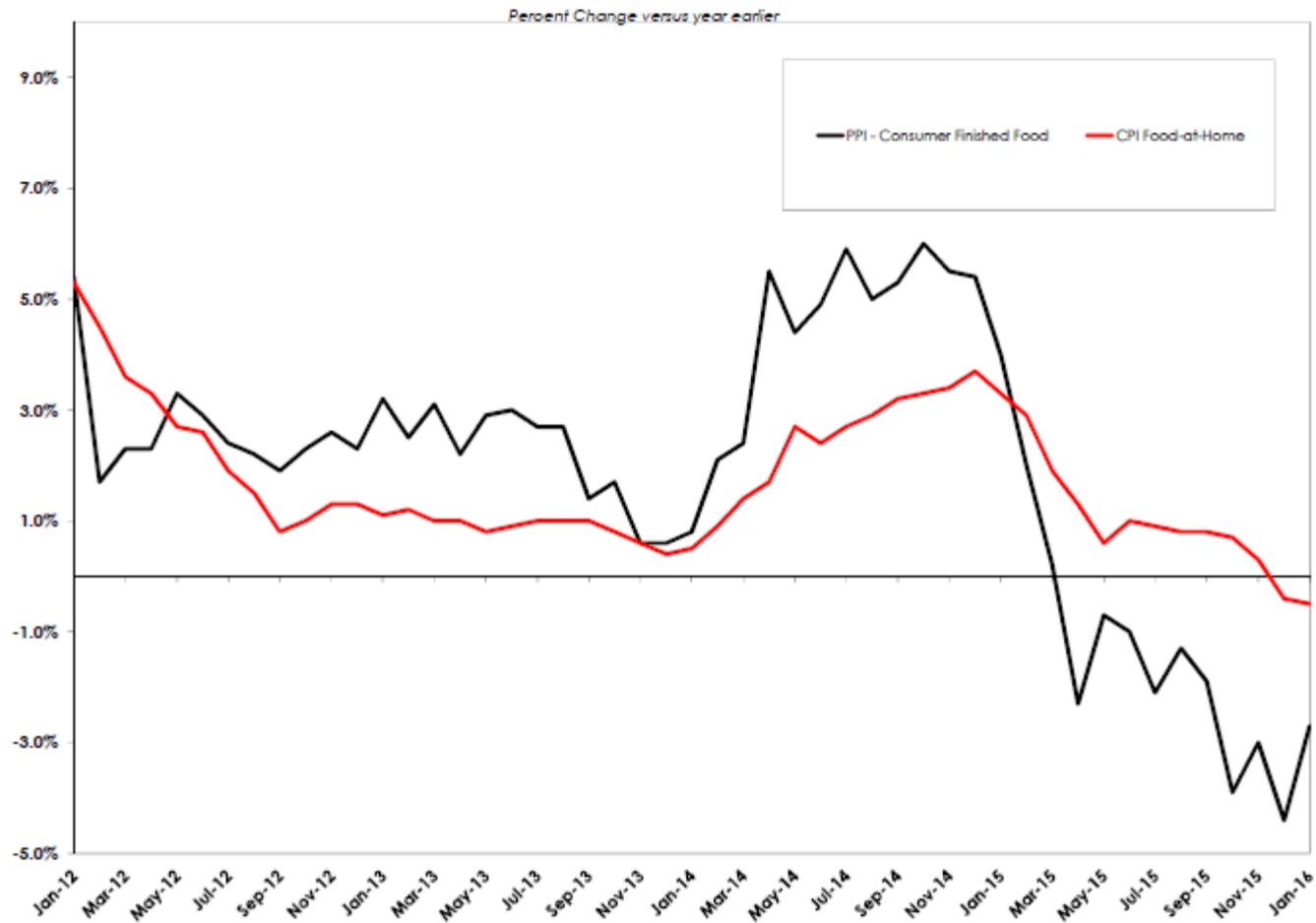


## FOOD INDUSTRY MERGER & ACQUISITION ACTIVITY 2010-2015



## Deflation In Retail Grocery Prices For Second Straight Month In January

(Source: The Food Institute analysis of Bureau of Labor Statistics)



## "Real" Sales Change Estimates

| <b>% Chge.<br/>Previous Year:</b> | <b>Grocery<br/>Stores</b> | <b>Eating &amp; Drinking<br/>Places</b> |
|-----------------------------------|---------------------------|---|
| Jan. 2016                         | -1.1%                     | 3.3%                                    |
| Jan. 2015                         | 1.6%                      | 8.9%                                    |
| Feb.                              | 1.4%                      | 5.8%                                    |
| Mar.                              | 2.5%                      | 4.7%                                    |
| Apr.                              | 1.6%                      | 6.8%                                    |
| May                               | 1.6%                      | 5.4%                                    |
| June                              | 2.1%                      | 5.8%                                    |
| July                              | 2.5%                      | 6.5%                                    |
| August                            | 0.7%                      | 3.5%                                    |
| Sept.                             | 2.2%                      | 5.1%                                    |
| Oct.                              | 1.2%                      | 5.0%                                    |
| Nov.                              | 0.1%                      | 3.1%                                    |
| Dec.                              | 2.1%                      | 5.5%                                    |
| <b>Jan. - Dec. 2015</b>           | <b>1.6%</b>               | <b>5.5%</b>                             |



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