

Food Prices Rise In Fourth Quarter

PARK RIDGE, Ill. — Following two quarters of significant drops, retail prices for food at the supermarket rose in the fourth quarter, according to the latest American Farm Bureau Federation Marketbasket Survey.

The informal survey on the total cost of 16 basic grocery items showed an increase of 71 cents from this year's third quarter survey.

The \$35.69 average paid by volunteer shoppers for the 16 items, although higher than the second and third quarter averages, is actually down 33 cents from the first quarter survey average of \$36.02. While survey averages have fluctuated in 2002, food remains affordable overall. Since its inception in 1989, the AFBF Marketbasket Survey average has increased at a rate

lower than other cost of living increases.

"Yes, food prices rose in the fourth quarter, but I think the key is that the average is still below first quarter levels," said AFBF Senior Economist John Skorburg. "Essentially that means food prices have remained flat to lower over the four quarters of 2002."

Of the 16 items surveyed, 11 increased, three decreased and two were unchanged in average price compared to the 2002 third quarter survey.

Sirloin tip roast showed the largest increase, up 27 cents to \$3.12 per pound, followed closely by corn oil, up 21 cents to \$2.39 per 32-ounce bottle. After falling 21 cents per pound in the third quarter, cheddar cheese rose 21 cents, back to \$3.45 per pound.

Other items that increased in price included:

- Oat cereal, up 15 cents to \$3.00 per 10-ounce box
- Bacon, up 14 cents to \$2.88 per pound
- Whole fryers, up 12 cents to \$1.05 per pound
- Vegetable oil, up 11 cents to \$2.20 per 32-ounce bottle
- Eggs, up 7 cents to \$1.12 per dozen
- Mayonnaise, up 6 cents to \$3.00 per 32-ounce jar
- Ground chuck, up 6 cents to \$2.09 per pound
- Whole milk, up 6 cents to \$2.81 per gallon.

After being the largest gainer in price in the third quarter, russet potatoes plummeted 61 cents in the fourth quarter to \$2.02 per 5-pound bag.

Two other items marked decreases in average price including all-purpose flour, down 10 cents to

\$1.35 per 5-pound bag; and pork chops, down 4 cents to \$3 per pound.

The remaining two items, red delicious apples at 99 cents per pound and white bread at \$1.22 per 20-ounce loaf, experienced no change from the third-quarter survey results.

Despite steady increases in gro-

cery store average prices over time, the share of the average food dollar received by America's farm and ranch families has actually dropped. According to the most recent Agriculture Department statistics, America's farmers and ranchers receive merely 19 cents out of every dollar spent for food, down from 31 cents in 1980.

USDA Increases Fees For Egg, Poultry, And Rabbit Grading

WASHINGTON, D.C. — The USDA is increasing fees for certain grading services for eggs, poultry, and rabbits, effective Jan. 1.

The increase will affect most processors who request egg, poultry, and rabbit grading services. The basic hourly rate for resident service, work of a grader with a

regular tour of duty at a plant, will rise from the current \$31.52 to \$33.36. In addition, the basic hourly rate for fee service, work on an intermittent, as-needed basis, will rise from the current \$54.40 to \$57.68 for regular hours and from \$62.76 to \$66.64 for weekend and holiday work.

Additionally, for plants using

resident service, the administrative fee for USDA supervision and for other overhead expenses will increase from 4.6 cents to 4.8 cents per case of shell eggs and from .036 cents to .037 cents per pound of poultry handled. For poultry and eggs, the minimum administrative fee will rise from \$250 to \$260 per monthly billing period, and the maximum fee will rise from \$2,650 to \$2,675. The minimum administrative fee for grading rabbits will remain unchanged at \$260 per monthly billing period.

These grading services are made available upon request and paid for by the users. Current fees have been in effect since Jan. 1, 2002.

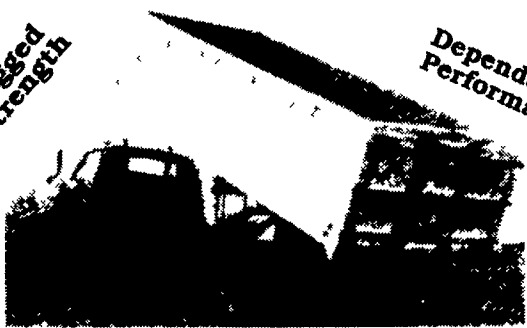
The grading fee increases were published in the Federal Register on Dec. 26 and may be viewed electronically at <http://www.ams.usda.gov/poultry/regulations>.

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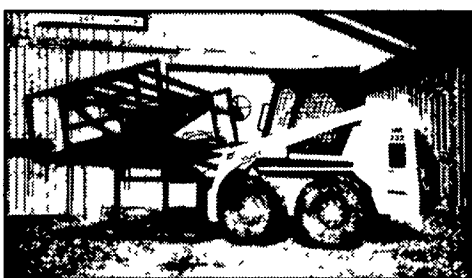
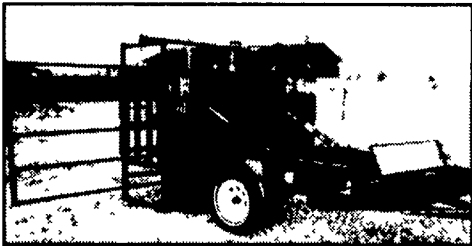
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