USDA Issues Food Price Inflation Warning for 2023

February 12, 2023 - If you think food prices are high right now, just wait until the end of the year. According to a new report from the USDA, inflation for food products is expected to remain above 7% for the rest of the year. And in many items, it will be at or above 10%. The report is very bad news for consumers who are already having trouble making ends meet.

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According to the report, grocery store food prices increased by 11.8% from December, 2021 to December, 2022 but many staple items increased at an even faster pace. Poultry, for instance, rose in price by 14.6% and eggs increased by a staggering 32.2%

The increase in egg prices is continuing and it is having a significant impact. Everything from baked good to mayonnaise contain eggs, so the prices of those goods are also continuing to rise. And there are now reports that certain food items will be in short supply in the coming months; many of them due to a shortage in eggs. Mayo is one example. But other items that expected to be impacted are anything packaged in aluminum cans and beef. We can expect to see the prices of any of these items rise faster than the inflation rate.

The egg shortage is being driven by a couple of factors. First, there has been an outbreak of bird flu that has forced farmers to cull millions of chickens nationwide. Secondly, there have been major fires a several large egg producing farms. According to the report, egg prices are expected to rise by more than 27% in 2023, which will certainly continue to push food prices higher.

To make matters worse, wages are not keeping pace even with the core inflation rate. As a result, a majority of consumers now report that they are living paycheck to paycheck. This is even true for those who make six figure incomes.
by Jim Malmberg
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