

Food prices leveling off, but the pain lingers

High cost of groceries hits low-income families the hardest.



The client choice food pantry at St. Vincent de Paul Society in Chamblee provides groceries to help families in need. Higher food prices put a bigger strain on low-income families' budgets. NATRICE MILLER/ NATRICE.MILLER@AJC.COM



Bob Frazier, a volunteer at St. Vincent de Paul Society in Chamblee, tidies a shelf inside the food pantry last month. The pantry provides free food to people in need.
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Higher food prices may be an annoyance to many consumers in metro Atlanta, but to lower-income households that are already fighting to stay afloat, they are a special threat.

Prices for food are insidious — it’s not an optional expense — and the cost for that necessity rose dramatically in 2021 and 2022 at the same time as the cost of other necessities, like housing and fuel, were likewise clawing at household budgets.

“Everything just went sky high,” said Kevin Ransom, a disabled Navy vet who lives in Decatur and had come to the Chamblee food pantry operated by the St. Vincent de Paul Society. “The cheapest thing used to be chicken and then that went to the moon. The worst thing is the vegetables. There’s a head of lettuce the

size of your hand and they want \$2 for it.”

As he spoke, a line of several dozen people leaned against a wall or sat on the floor, while more than a dozen others sat in the waiting room to fill out forms, signing up for a chance to pick up some groceries.

There is a crowd every weekday morning, said Adam Seeley, director of hunger initiatives at St. Vincent de Paul. “We serve our neighbors in need.”

Demand has soared. A year ago, the food pantry served 309 households. In February of this year, more than 1,200 households shopped there, he said.

In the past year, consumers have seen many prices level off, some even falling. Meanwhile, job growth has been robust, unemployment has been low, and wages for many workers have increased faster than inflation. Gas prices are down. Despite all the budget relief, food costs are still much higher than before the pandemic and that sticks in many throats.

The Atlanta Community Food Bank, the hub for many local food pantries, gets food to about 230,000 households — roughly 700,000 people — a month, said Kyle Waide, chief executive officer. “That is up more than 40% in the past two years.”

So even if, by nearly all measures, the economy is in good shape — far better shape than in the years after the Great Recession — the year-plus burst of inflation has left many people struggling, he said.

“Back then, the problem was unemployment — people didn’t have money,” he said. “That was a revenue problem, and today it’s an expense problem.”

And those expenses stress the budget for those of limited means.

People in the bottom quintile of Americans on average spend 25% of their income on food, compared to the top quintile, who spend less than 4% of theirs, according to the Groundwork Collaborative, a group of economists and analysts.

Food prices rose at a double-digit pace between spring 2022 and spring 2023, then decelerated, according to the Bureau of Labor Statistics.

By December, food prices last year were just 1.3% higher than a year earlier, reflecting some items getting cheaper while some price hikes continued, according to the BLS.

Pay was rising at a 5.2% clip last year and 6.1% the year before, according to the Atlanta Fed Wage Tracker.

That means that to feed themselves, many people fell behind — using credit cards, savings or scrimping on other spending — even if their incomes lately have been growing faster than food prices. Household purchasing power hit a low in mid- 2022 but has rebounded to where it was in early 2021, according to Primerica, the Duluth-based financial services firm. Even so, a Primerica survey finds that half of middle-income Americans have a negative assessment of their personal finances.

While food is only one of the items making up the data, it — along with fuel — is something consumers see almost constantly. And in metro Atlanta, the pain has sometimes been worse: Between April 2021 and November of 2022, metro Atlanta inflation ran higher than the national average. Since then, it has mostly been lower.

Teasing out the why of food prices is difficult. In the early months of the pandemic, costs were raised by supply chain snarls and the availability — and health — of frontline workers. Then came the Russian invasion of Ukraine, which raised global wheat prices, and Middle East turmoil, which raised the cost of fuel, making shipping more expensive.

Many corporate critics say “greedflation” is also a cause, since a number of big companies raised prices more than their own costs were rising.

And for consumers it can be irritating to see companies seemingly hold the line on prices by putting less product in their packages or boxes.

Walmart, which controls more than a quarter of U.S. grocery sales, raised prices on its in-house brands while seeing net income nearly double in the first nine months of 2023, according to Accountable US, a nonpartisan group that tracks and analyzes corporate behavior.

Strategies for dealing with prices vary. People have to eat, but they don't have to buy name brands, shop at upscale stores or serve caviar.

“I buy whatever is on sale, I mean, whatever is on sale,” said Tia Jenkins, who visited the St. Vincent de Paul food pantry for the first time on Thursday. She recently moved to Dunwoody from Valdosta, where she stopped working after a prolonged bout with a stomach virus.

“Last time, there was chicken drumsticks in a pack. I bought enough to last for a week and a half.”

There are social and government programs that help.

With five children, Romane Lassiter-Sparks of Pine Lake can spend upwards of \$500 a week on food, he said.

“The most expensive thing I buy is probably meat, like lunchmeat,” he said. “I’m not talking Angus beef, just regular meat.”

Lassiter-Sparks, who owns Speedy Sparks Transport, a small delivery business, said the Supplemental Nutrition Assistance Program — often called “food stamps” — covers more than half his food costs, but he still sometimes looks for a little help.

“Places like St. Francis really provide assistance,” he said. “I just really come for the necessities, meat and bread, maybe some condiments.”

Food bills also stress the budgets of organizations whose clients are financially imperiled.

Home of Hope, a live-in, round-the-clock, transition program for 15 homeless single mothers and their children, was spending \$6,000 a month on food before the pandemic. Now the monthly food tab is \$7,500, said Maureen Kornowa, chief executive.

“So, we have to shop smart and make things stretch like any other household,” she said. “We shop at Sam’s Club and Walmart. But another complication is that the most cost-effective items are not necessarily the most healthy.”

The Atlanta Community Food Bank’s budget has ballooned in five years from \$28 million to \$55 million, with the cost of purchasing food tripling to \$16.5 million, according to CEO Waide.

The good news is that with food prices stable and the overall economy strong, the need is not likely to grow much. The bad news is that the need is not going away soon, Waide said. “We expect demand to remain high and for the lines at food pantries to remain long.”