



## **Grocery stores are stockpiling goods as prices rise**

Elissa Salamy

July 9, 2021

A mixture of high gas prices, problems with trucking and shipping, and high demand for food have created the perfect storm for inflation. Grocery store owners we spoke with are already seeing their costs go up. Some have even started marking up prices, while others are storing huge quantities of food to keep costs low and stay in business.

In Foodtown, a grocery store in West Palm Beach, Florida, manager Robert Ruiz told us he's seen costs climb in the last few months.

"It's high now. Everything is high now," said Ruiz.

Ruiz is buying in bulk, stockpiling extra food, and putting it on ice, as he's unsure the prices will be the same in a few weeks.

Economist Scott Lincicome with the Cato Institute warns grocery stores across the country are struggling with the same thing, paying higher prices for things like frozen meat, even produce—while trying not to pass the cost off to consumers just yet.

"A lot of the increase is being retained at the grocery store and at the retail level, and that's due to intense competition," said Lincicome.

Several food giants – like General Mills, Campbell Soup, McCormick, and Kellogg – are already sounding the alarm that inflation could force their prices upward. The National Trade Group for grocery stores says its members will still try to keep prices as steady as possible.

Lincicome says future food prices will depend on big grocery chains and box stores like Walmart.

“If these national chains finally relent then I think we’re going to see much higher prices at the grocery store,” said Lincicome.