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# Southern New Jersey consumers feel need to watch wallets as food fuel prices soar

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Danny Drake

Claire Agostini, of Margate, grocery shopping, in Genuardi's in Egg Harbor Township. The rising cost of food caused by rising gas prices increasing transportation costs, bad weather in California, and rising commodities. Tuesday, March 8, 2011 ( Press of Atlantic City / Danny Drake)



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By CAITLIN DINEEN Staff Writer |

Gary Henry plans his weekly grocery shopping around which store has the best sales of the week, sifting through circulars from Acme, Pathmark, Shop Rite and Genuardi's before he even thinks about getting a shopping cart.

"I look for coupons, sales," Henry, of Pleasantville, said after food shopping at Genuardi's on Fire Road in Egg Harbor Township this week. "I go through the adverts now definitely more than ever."

Henry — who shops for a family of four — isn't alone. Consumers are being squeezed as the price of food, gas and clothing continues to climb without any sign of losing momentum.

Higher costs for fuel and food especially are driving a 1.6 percent increase in the cost of living over the past year, with much of the inflation occurring since November, according to the latest data from the U.S. Bureau of Labor Statistics.

The statistics show the increases began surging late in 2010 and have continued into this year, with two-thirds of all consumer-price increases related to food and fuel.

"The indexes for gasoline and fuel oil both increased in January, continuing their recent strong upward trend," a BLS consumer price index summary released Feb. 17 said.

Southern New Jersey residents have seen prices increase across the board. The price of a gallon of gas has increased by 31 cents in just the past month.

Food prices went up 2 percent since January 2010, but one-third of that increase occurred this January. The BLS says food and beverages account for 15 percent of consumer costs.

Brian Todd, president and chief executive officer for the Food Institute in Upper Saddle River, said although local consumers may be feeling the pinch from the recent upswing in increased costs associated with food, the increases could have been worse.

"What's happened over the past two years is retailers have absorbed a lot of the increases," Todd said.

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While the 2 percent increase has been passed on to consumers, Todd said retailers have actually faced an almost 9 percent increase in the fees and costs they pay.

"They've been cutting costs out of the system in other ways," he said, adding that labor and energy costs have been reduced by almost any means possible.

Some increases have been unavoidable, Todd said. For instance, increases to pork and beef are directly related to increased costs associated with feeding those animals before they are butchered and packaged for the retail marketplace.

Oliver Cooke, economics professor at The Richard Stockton College of New Jersey in Galloway Township, said the overall increase may feel high to local shoppers, but statistically remains "very low."

Still, Cooke said, the increase is the biggest jump in inflation since 2009, and can be attributed to the current recession and the weather.

"Rising food prices, especially wheat, largely reflect natural issues," Cooke said in an e-mail. He said droughts in Russia and China have affected 18 percent of the world's harvest. "And, of course, food prices are themselves sensitive to energy prices."

Area shoppers said they feel as if a big red target has been painted on their wallets.

Retired teacher Audrey Moloney, of Egg Harbor Township, said although she shops for only her husband and herself, they live on a fixed income and have to monitor monthly spending.

"I'm trying to be more careful about expenditures in general," Moloney said.

She said increases in food and gasoline have directly affected the couple. But since they have only two mouths to feed and a hybrid car, they have been able to survive increases at the gas pump.

Moloney said price increases for clothing and her favorite latte have caused her to trim such "luxury" costs to make up for the higher prices of some of life's necessities.

"I always used to buy myself that Starbucks latte," Moloney said. Now she substitutes a cheaper beverage that saves her as much as \$3.50.

Gasoline costs increased by more than 13 percent between January 2010 and January 2011, and fuel oil prices shot up by 17 percent. Those figures don't include recent price increases.

Prices for clothing, transportation and medical care are also driving up the cost of living. Medical services and transportation costs were up by at least 3 percent in the 12 months beginning in January 2010. Apparel prices were still declining as recently as November, but they increased by a full percentage point in January.

Other local consumers said they save by purchasing store brands rather than name brands.

Deborah Nannenga, of Cape May, said she has been a longtime fan of the loyalty cards or shopper cards that almost every supermarket offers.

"We usually have a card," Nannenga said, and she often opts for the store brand. "Surprisingly, it really does add up," she said.

Contact Caitlin Dineen:

609-272-7247

[CDineen@pressofac.com](mailto:CDineen@pressofac.com)

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