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Comfort Food and COVID-19: A Look at Food Spending and Behavior During the Pandemic

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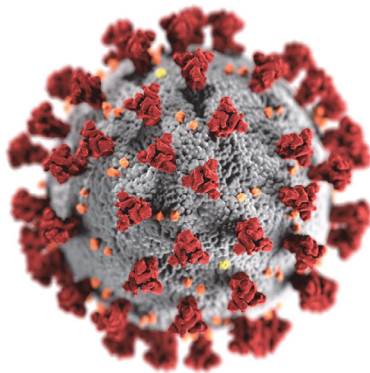
Food Distribution Systems Webinar
Ag in Uncertain Times & Western Extension Committee
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Dumped Milk, Smashed Eggs, Plowed Vegetables: Food Waste of the Pandemic

With restaurants, hotels and schools closed, many of the nation's largest farms are destroying millions of pounds of fresh goods that they can no longer sell.



Source: [CDC, 2020](#); [Yaffe-Bellany & Corkery, 2020, April 11](#)



Outline

- How has food spending and behavior changed with COVID-19?
- How have things changed regionally with COVID-19?
- What's next?



How has food spending and behavior changed with COVID-19?



Panic buying and stockpiling. Panic spending distorted usual consumption patterns and created market distortions. At the beginning of quarantine, stockpiling behavior was observed through excess demand for toilet paper, shelf-stable food items (frozen, canned, and dried foods; snacks; and beverages) and cleaning products, which translated into stock out at the grocery store (Terlep, 2020). During a black swan event such as an earthquake, large households and households with a middle-aged or older household wife are likely to engage in panic buying (Hori and Iwamoto, 2014).

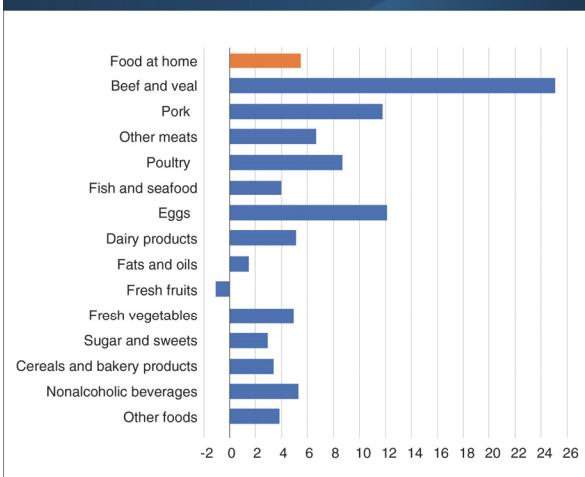


Source: [Melo, 2020](#)
Image source: Alexas Fotos from Pixabay



Retail beef and veal prices in June 2020 were 25.1 percent higher than in June 2019

Price changes for major at-home food categories, June 2019-June 2020



Source: USDA, Economic Research Service using U.S. Bureau of Labor Statistics Consumer Price Index data.

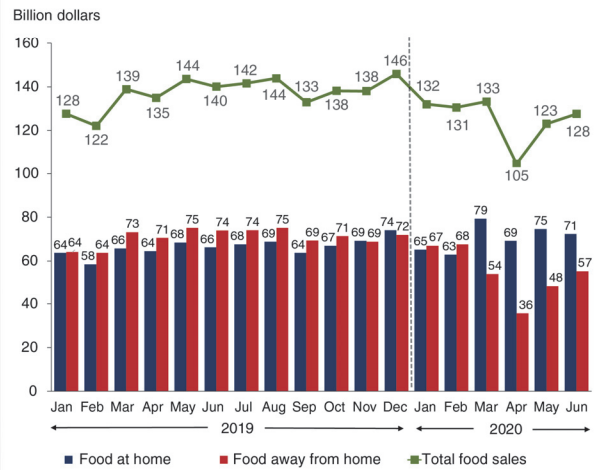
Source: [USDA-ERS, 2020](#)



U.S. food spending in June 2020 was \$12 billion less than in June 2019

Source: [USDA-ERS, 2020](https://www.ers.usda.gov/publications/pub-other/2020-01-2020-06)

U.S. total food, food-at-home, and food-away-from-home spending, January 2019-June 2020



Note: These monthly food sales data exclude food which is furnished and donated, home-produced, and served at educational institutions.

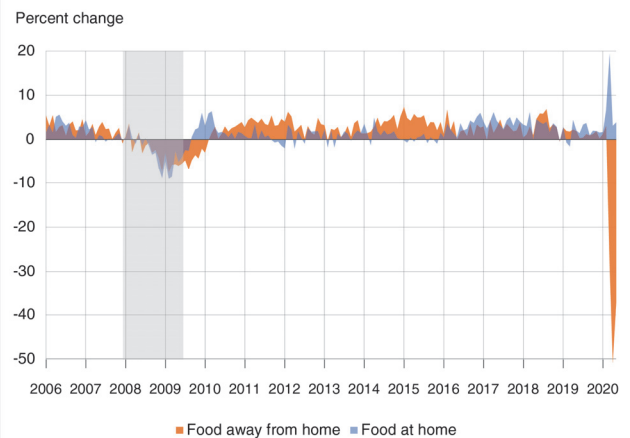
Source: USDA, Economic Research Service (ERS) using data from ERS's Food Expenditure Series.



Eating-out expenditures in May 2020 were 37 percent lower than May 2019 expenditures

Source: [USDA-ERS, 2020](https://www.ers.usda.gov/publications/pub-other/2020-01-2020-06)

Year-to-year change in inflation-adjusted monthly U.S. food-at-home and food-away-from-home expenditures



Notes: Expenditures include spending on foods and beverages by consumers, businesses, and government entities. Orange and blue areas show the percent change from the previous year for each month. Year-to-year changes are calculated on sales in 1988 dollars. Grey bar indicates the 2007-09 recession.

Source: USDA, Economic Research Service (ERS) using data from ERS's Food Expenditure Series.



Shopping Attitudes and Habits

Believe grocery shopping will change permanently due to COVID-19



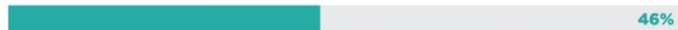
Feel "uncomfortable" when shopping at a grocery store



Have used grocery delivery or pick-up for the first time since COVID-19



Won't shop at a store that doesn't have a mask policy

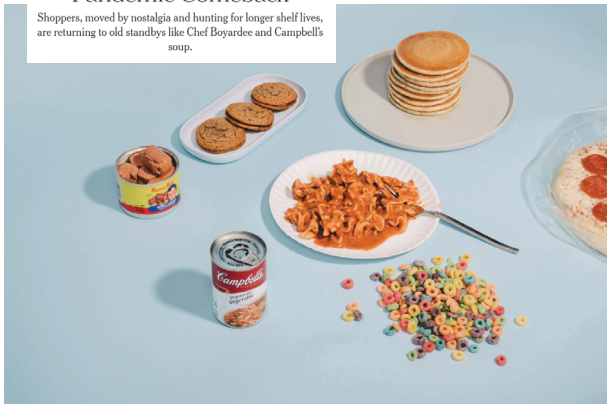


Source: [Redman, 2020](#)



'I Just Need the Comfort': Processed Foods Make a Pandemic Comeback

Shoppers, moved by nostalgia and hunting for longer shelf lives, are returning to old standbys like Chef Boyardee and Campbell's soup.



Comfort Foods Make a Comeback in the Coronavirus Age

- Increased demand for foods that are easy to make
- U.S. store sales:
 - Soup 37%
 - Canned meat 60%
 - Frozen pizza 51%

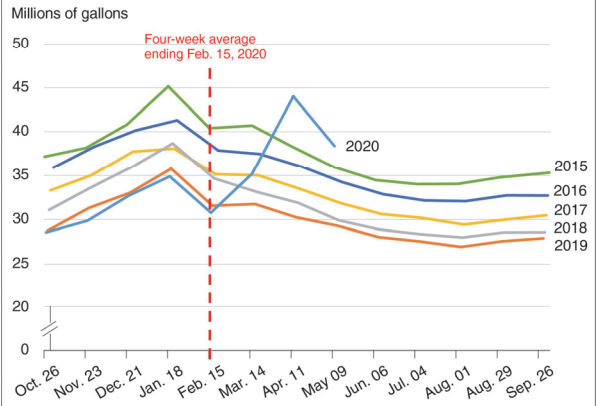
Source: [Creswell, 2020, April 7](#); [Chaudhuri, 2020, April 24](#)



“Single Vitamins see 166% Growth as Consumers Look to Boost Immunity”

Nestlé’s organic sales grew 4.3% January-March

U.S. orange juice sales, four-week averages, 2015-2020



Notes: The reports are issued every four weeks during the marketing year. The dates in the chart are from marketing year 2020, when orange juice sales reporting began on September 29, 2019, with the first report being issued on October 26, 2019.

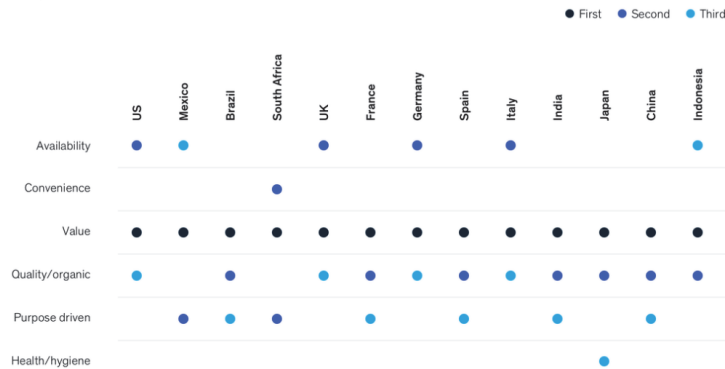
Source: USDA, Economic Research Service using Florida Department of Citrus Nielsen Sales Data.

Source: [Business Wire, 2020, April 24](#); [Creswell, 2020, April 7](#); [USDA-ERS, 2020](#)



Value, quality, and brand purpose are most often cited as top reasons for trying a new brand across countries

Reason for trying a new brand in the past three months¹
% of respondents



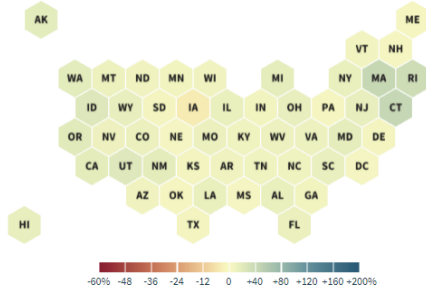
¹ "You mentioned you tried a new/different brand than what you normally buy. What was the main reason that drove this decision? Select up to 3." "Brand" includes different brand, new private label/store brand.
Source: McKinsey & Company COVID-19 Consumer Pulse Surveys, conducted globally September 18-30, 2020



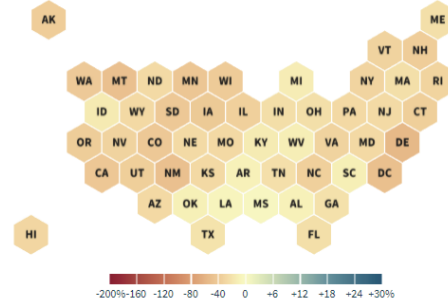
How have things changed regionally with COVID-19?



Percent Change in All Consumer Spending ⓘ
Grocery



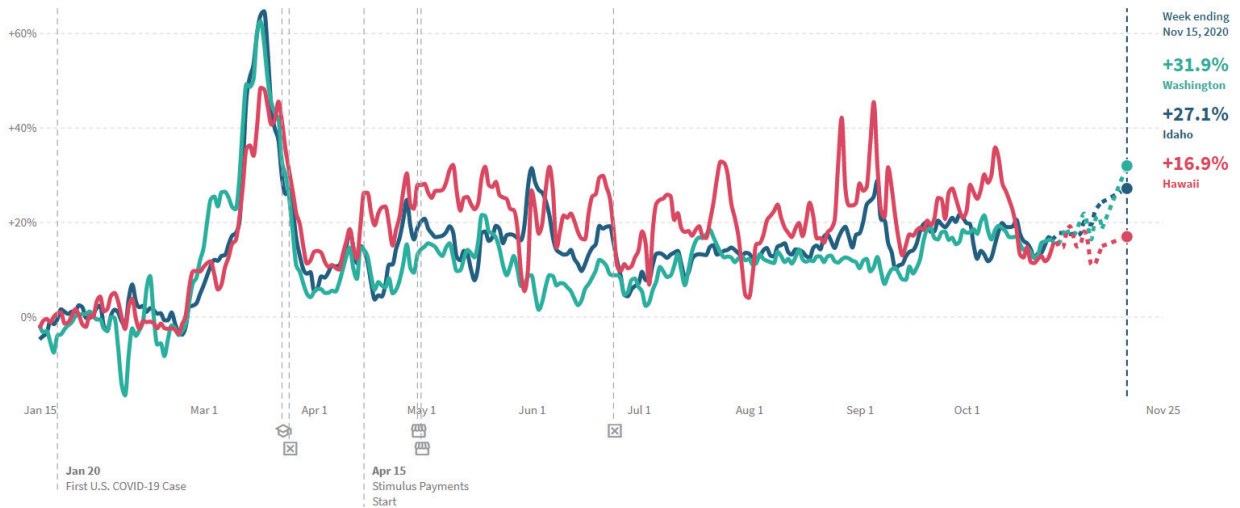
Percent Change in All Consumer Spending ⓘ
Restaurants & Hotels





In **Idaho**, as of November 15, 2020, grocery spending by all consumers increased by **27.1%** compared to January 2020.

DOWNLOAD CHART

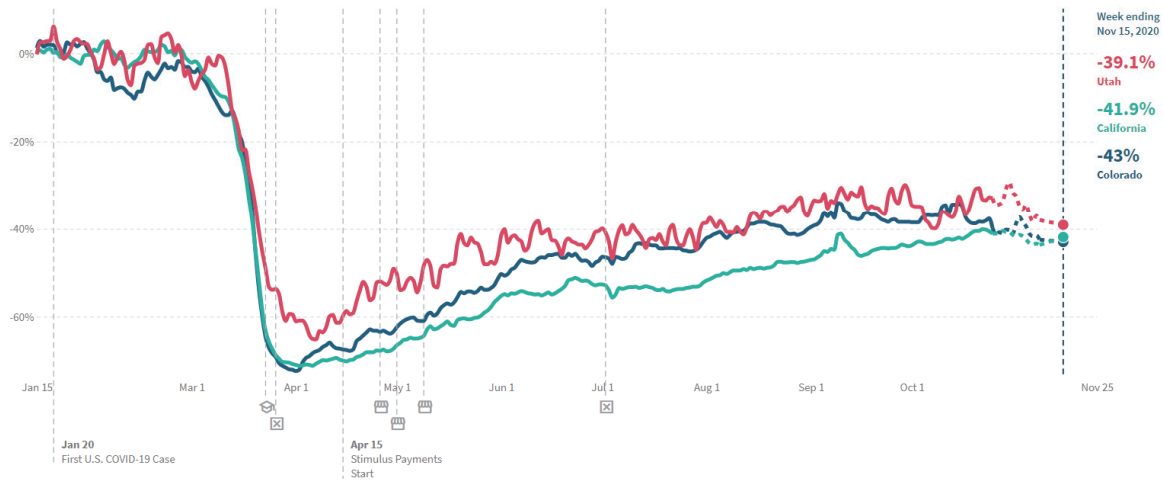


Source: [Chetty, Friedman, Hendren, Stepner, and the OI Team, 2020](#); Data updated November 24, 2020

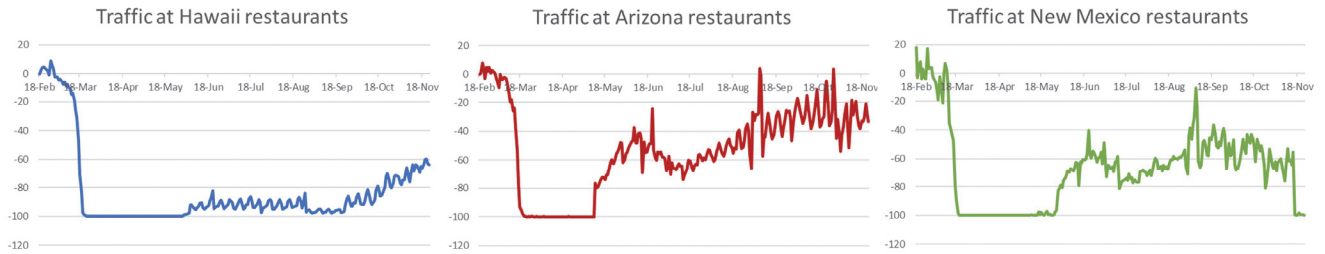


In **Colorado**, as of November 15, 2020, restaurant and hotel spending by all consumers decreased by **43%** compared to January 2020.

DOWNLOAD CHART



Source: [Chetty, Friedman, Hendren, Stepner, and the OI Team, 2020](#); Data updated November 24, 2020



Data source: [OpenTable, 2020, November 24](#)



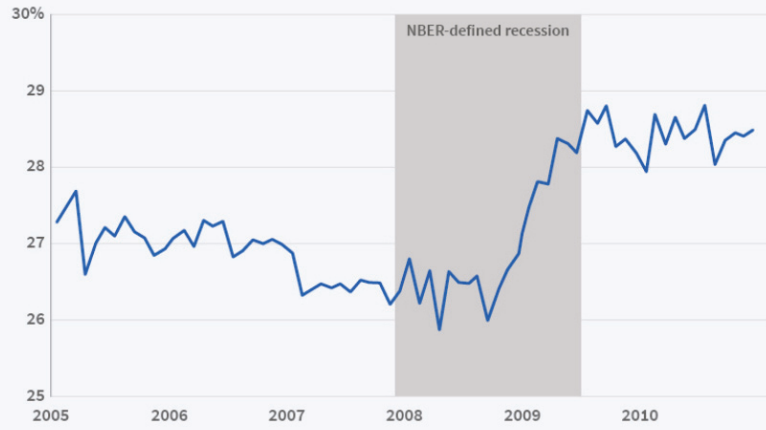
What's next?



SHOPPING BEHAVIOR AND THE GREAT RECESSION

Purchases of sale items rise in tough times

As a share of household expenditures

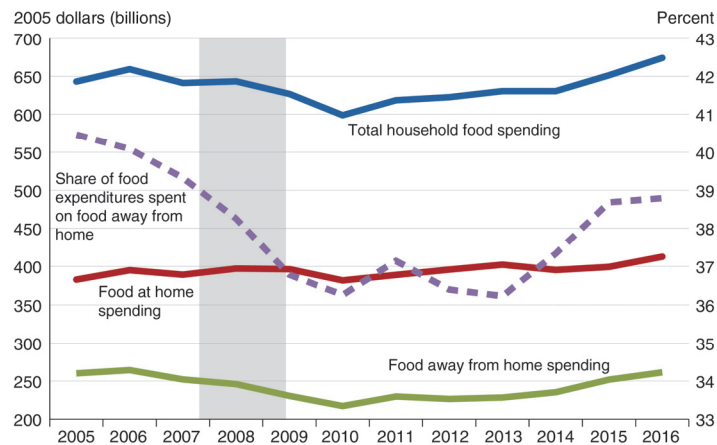


Source: Nielsen Homescan database

Source: [NBER, 2015](#)



From 2006 to 2010, food-away-from-home spending and its share of household food expenditures declined



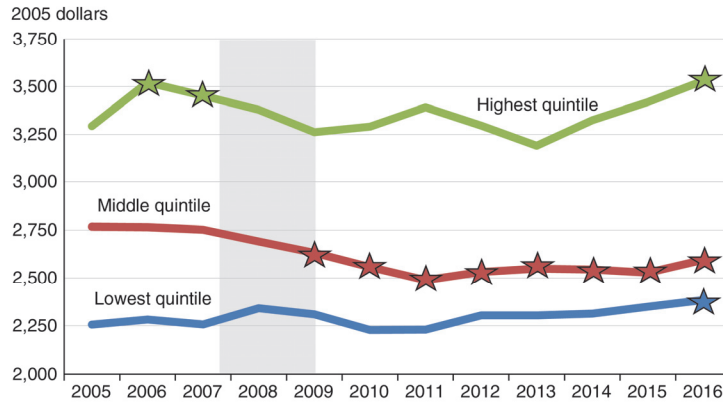
Note: Shaded area is the Great Recession.

Source: USDA, Economic Research Service calculations using data from Bureau of Labor Statistics Consumer Expenditure Survey and Consumer Price Index.

Source: [Cho, Todd, & Saksena, 2018](#)



During the recovery, average per capita food expenditures remained below pre-recession levels for households in the middle-income quintile



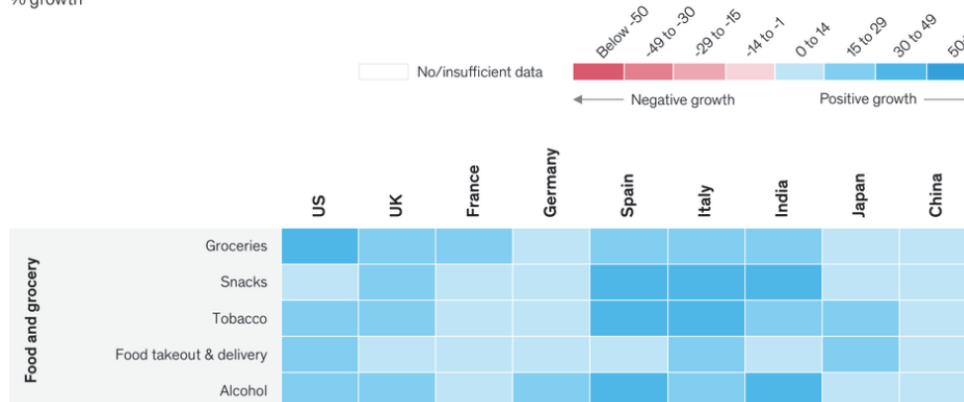
Note: Shaded area is the Great Recession. The stars indicate that the expenditures are statistically different from 2005 ($p < 0.05$).
Source: USDA, Economic Research Service estimates using Bureau of Labor Statistics Consumer Expenditure Survey data.

Source: [Cho, Todd, & Saksena, 2018](#)



More people expect to make a portion of their purchases online post-COVID-19 than before.

Customers purchasing category online^{1,2,3}
% growth⁴



Source: [McKinsey & Company, 2020](#)



Thank you!
