



## FOR IMMEDIATE RELEASE

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### **Though Corn Prices are Down, Food Processors are Keeping Your Grocery Prices Up**

**Sioux Falls, SD** (November 24, 2008) – As families prepare to gather for their annual Thanksgiving dinner, the American Coalition for Ethanol (ACE) cautioned that despite Consumer Price Index data indicating lower prices for virtually all consumer items, families will be paying more for their annual dinner than they did last year because food processing companies have held food prices artificially high.

A review of a typical Thanksgiving dinner grocery list shows that the items needed to feed a family of 10 this year will cost 12 percent more than just one year ago -- \$48.13 in 2008 compared to \$42.46 last year.

ACE calculated the totals using these items: a 16 pound turkey, a gallon of whole milk, a 30 oz. can of pumpkin pie mix, 3 pounds of sweet potatoes, two 9-inch pie shells, a pack of brown 'n serve rolls, a 6 oz. can of whipped cream, a pack of fresh cranberries, two 6 oz. boxes of stuffing, servings of carrots and celery, and a pound of green peas.

“When corn was nearly \$8 per bushel this summer, food manufacturers began an expensive and dishonest PR campaign to convince Americans that food prices were high due to the demand for corn-based ethanol. Now that corn prices are below \$4 per bushel, and we’re grinding even more corn for ethanol than earlier this year, these same food companies are proving that food prices are high because they want them to be high. Their intellectually bankrupt tactics might make for nifty profits this Thanksgiving, but let there be no question these profits are being turned on the backs of working families who can ill afford it,” said Brian Jennings, Executive Vice President of ACE.

“Energy and commodity prices have collapsed by more than 50 percent, yet food processors led by the Grocery Manufacturers Association have held food prices high. The fact that food manufacturers will insist on raising prices even though gas and commodity prices are down and families are struggling to put their usual dinner of thanks on the table is outrageous,” Jennings added.

Companies such as General Mills, Del Monte Foods, and ConAgra Foods Inc. have all reported a double-digit increase in sales during the last quarter, partly because of price increases. H.J. Heinz Co. reported a 22 percent increase in second quarter profit this year. An Associated Press article stated: “[Chief Executive William R.] Johnson said **commodity costs are coming down and Heinz will leave pricing in place, which will help boost margins.** Heinz will invest in marketing and innovation to push its message of value to consumers, he said. The company is also looking at changing sizes of packages and providing new offerings to keep consumers wanting its products.”

The article can be read here:

[http://www.google.com/hostednews/ap/article/ALeqM5i7bcgQyokxAYSLttY7nF6jtG8\\_CAD94JDBN00](http://www.google.com/hostednews/ap/article/ALeqM5i7bcgQyokxAYSLttY7nF6jtG8_CAD94JDBN00)

“In a time of shrinking portion sizes, smaller household budgets, and a dwindling number of bargains at the grocery store, the only thing that seems to be growing is Big Food’s profits,” Jennings said.

For more information, visit [www.ethanol.org](http://www.ethanol.org).

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*The American Coalition for Ethanol (ACE) is the grassroots voice of the U.S. ethanol industry, a national trade association for the ethanol industry with 1500 members nationwide, including farmers, ethanol producers, commodity organizations, businesses supplying goods and services to the ethanol industry, rural electric cooperatives, and individuals supportive of increased production and use of ethanol. For more information about ethanol or ACE, visit [www.ethanol.org](http://www.ethanol.org) or call (605) 334-3381.*