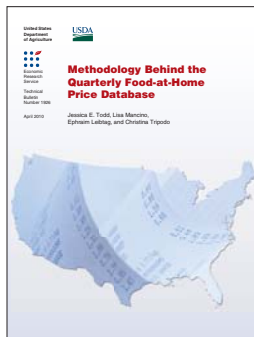


ERS *Report Summary*

Economic Research Service

April 2010

U.S. Department of Agriculture



This is a summary
of an ERS report.

Find the full report at
[www.ers.usda.gov/
publications/tb1926](http://www.ers.usda.gov/publications/tb1926)

Methodology Behind the Quarterly Food-at-Home Price Database

Jessica E. Todd, Lisa Mancino, Ephraim Leibtag, and Christina Tripodo

Food prices are crucial for economic modeling of consumer food choice and dietary patterns. Variations in living costs and other market conditions across the United States imply that analyses using national-level food prices may not accurately capture the effects of food prices on consumer behavior or well-being. Measuring local food prices may better indicate the effect of prices on food choices. Since prices are also likely to fluctuate across seasons, particularly for perishable goods such as fruits and vegetables, quarterly prices are preferred to an annual estimate when modeling food choices.

What Is the Issue?

Despite the fact that food prices are likely to vary across the country, a dataset that provides a consistent measure of market-level food prices does not exist. This lack of price data makes it difficult to study the effects that food prices have on consumer choices and diet/health outcomes, such as the potential impact of policies that would alter the relative cost of foods—possibly through taxes or subsidies—to encourage healthier food choices.

What Is the Contribution?

The Quarterly Food-at-Home Price Database (QFAHPD) was developed to fill the gap in available food price data and to support research on the economic determinants of diet quality and health outcomes. The QFAHPD contains regional and market-level quarterly prices for 52 separate food groups between 1999 and 2006 for 30 market groups (for 1999 to 2001) and 35 market groups (for 2002 to 2006) that cover all 48 contiguous States. The food categories were created to correspond with the U.S. Department of Health and Human Services and U.S. Department of Agriculture's *2005 Dietary Guidelines*, as well as to capture price premiums for convenience and processing. Prices are presented in dollars per 100 grams of food as purchased. The QFAHPD demonstrates that food prices vary widely across geographic areas.

How Was the Study Conducted?

We used data from the 1999-2006 Nielsen Homescan panels. Information on household-level purchases of both UPC (Universal Product Code)-coded and random-weight food items was aggregated to estimate household-level quarterly prices for 52 food groups. The household-level prices were then aggregated to estimate quarterly market-level prices.

ERS is a primary source of economic research and analysis from the U.S. Department of Agriculture, providing timely information on economic and policy issues related to agriculture, food, the environment, and rural America.

www.ers.usda.gov