

# Shrinking the Price Gap for Whole Grains



**Cynthia Harriman**

Director of Food & Nutrition Strategies  
Oldways & the Whole Grains Council

Whole Grains on Every Plate, San Antonio, October 17-19, 2012

# Shrinking the Price Gap

- Factors contributing to the price gap
- Progress: the gap is indeed closing
- Regional and category differences
- A trip to the store
- Challenges in defining parity
- Impact on a typical family



# More Grain Should Cost Less



=

1 bushel of wheat yields

42 pounds of refined flour  
cakes (24 oz each)

60 pounds of whole wheat flour  
cakes (24 oz each)



42



60

# But it's Not That Simple...

## Increased production costs

- Whole grain flour costs more
- Additives, dough conditioners for handling
- Longer baking times, rising times
- Same changeover costs on the line, lower volume

## Increased distribution costs

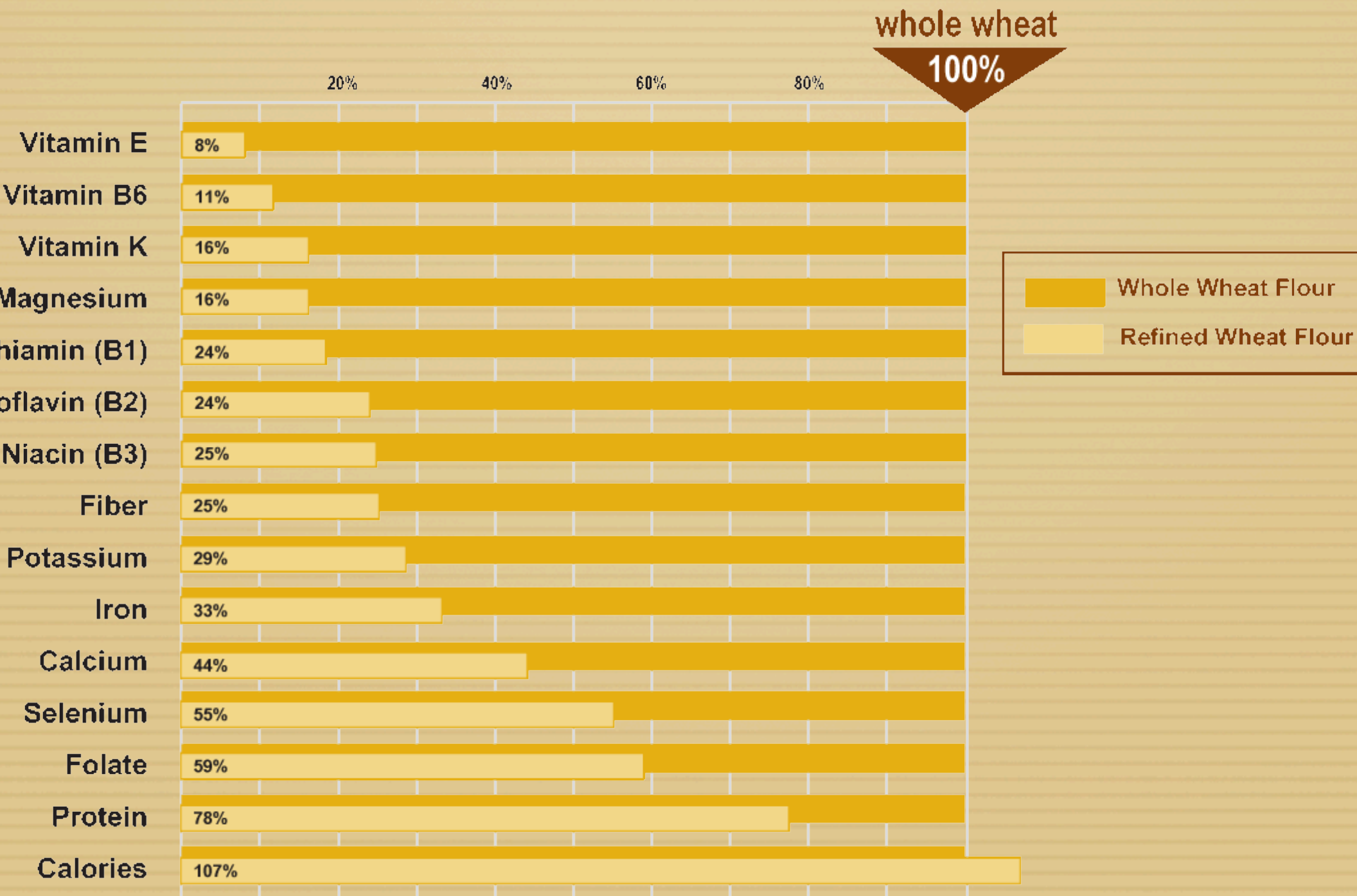
- Shorter shelf life, more potential waste
- Higher price means slower sell-through

## Economies of scale missing

- Marketing, other fixed costs spread over fewer units



# Did You Do Get More Value

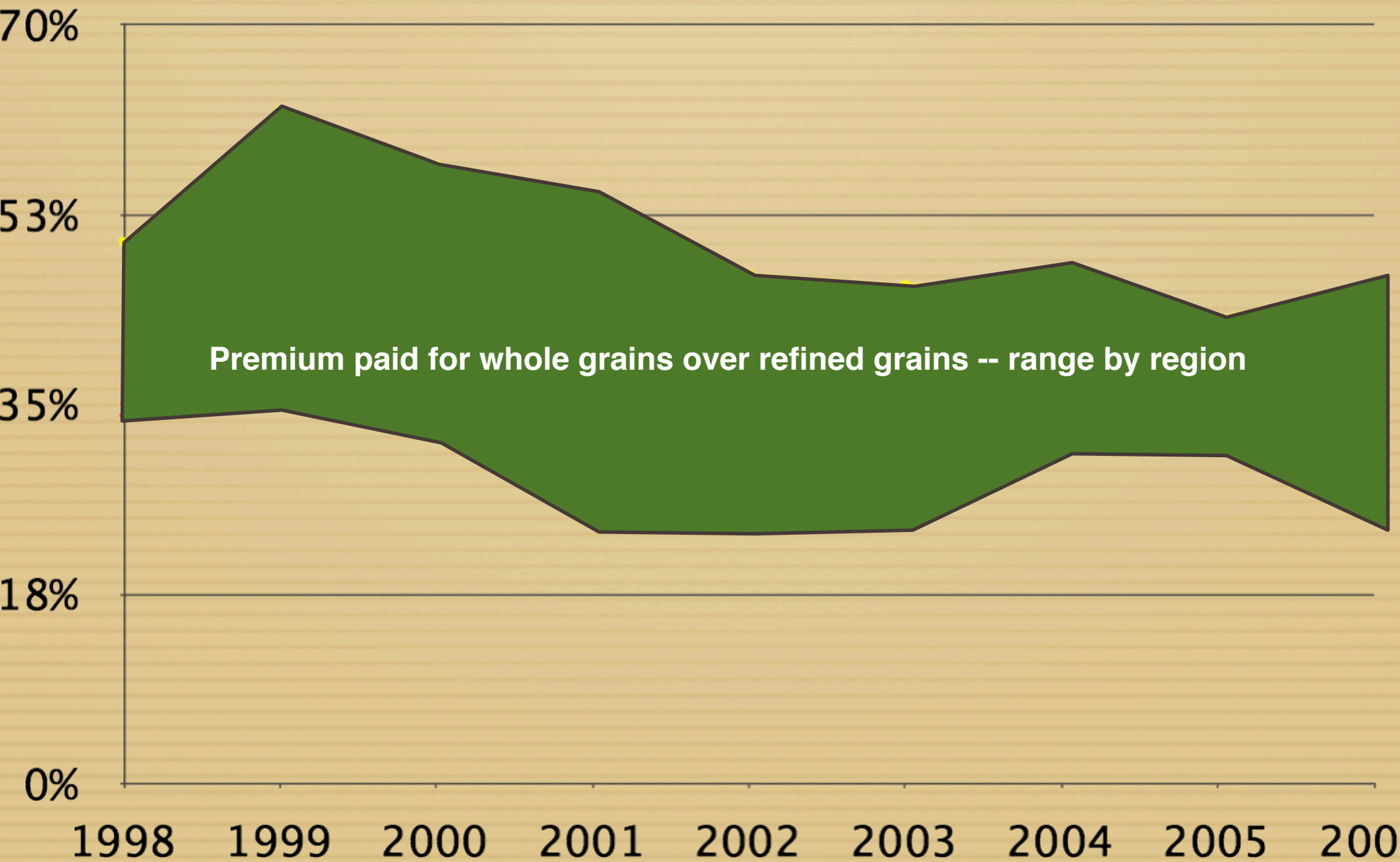




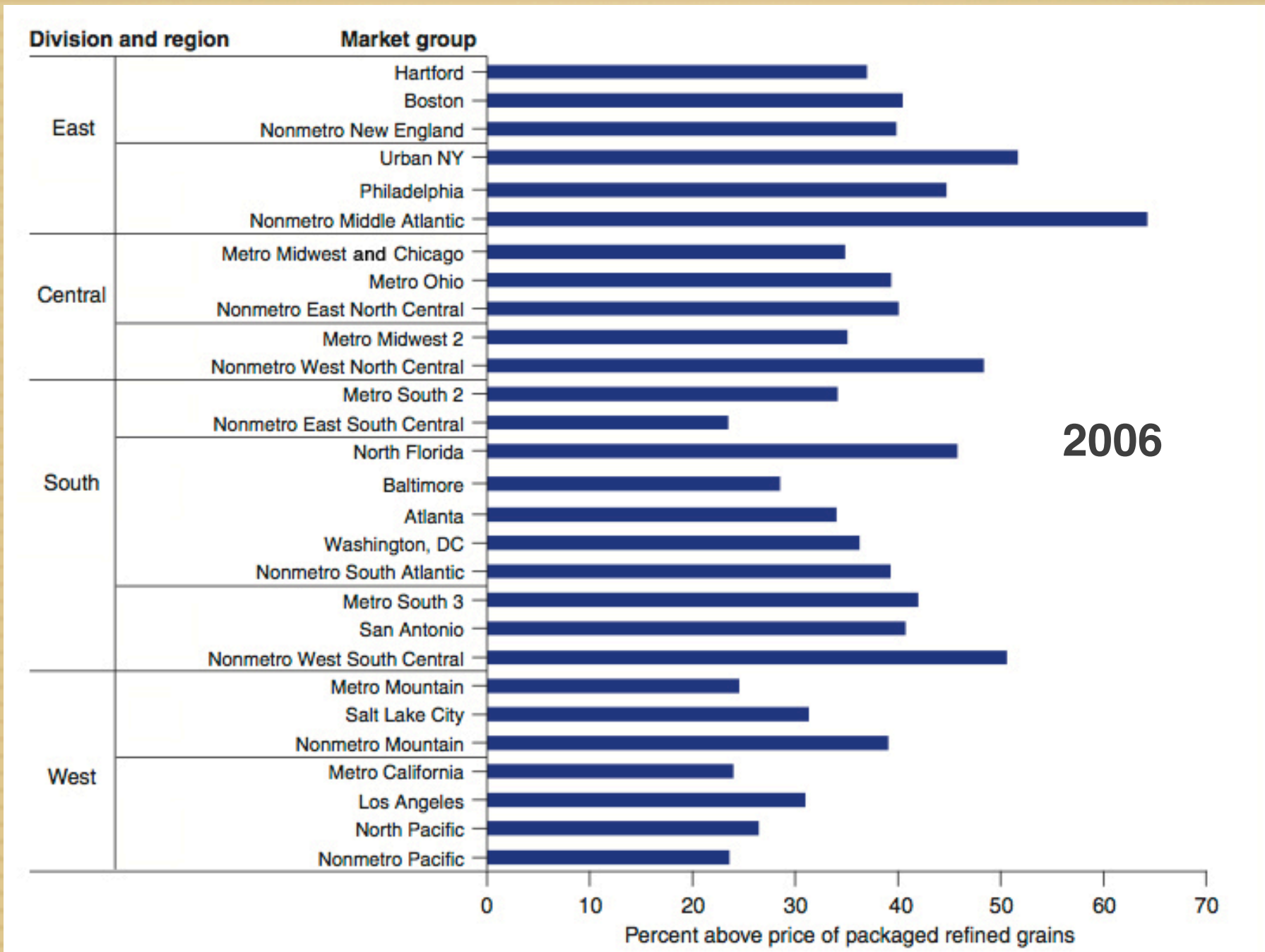
**So – for a number of reasons,  
prices for whole grains are often higher.**



# The Gap is Shrinking



# Large Geographic Differences

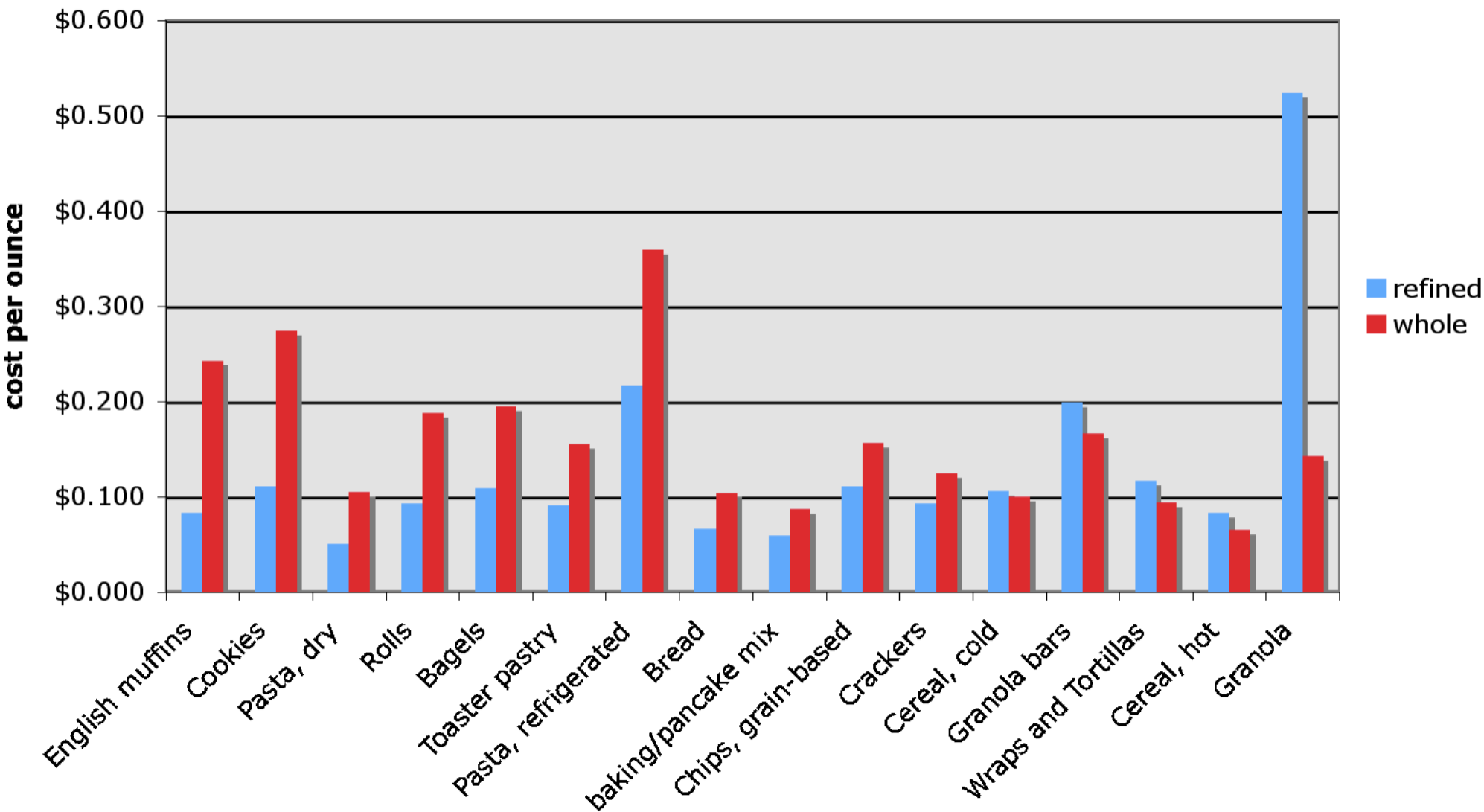




# Category Differences

## Best price, refined vs whole grains

2009



Source: "Are We There Yet?" Whole Grains Council conference proceedings, April 2009.  
Based on data from a Hannaford supermarket in early 2009.

**But that was yesterday...**



**Let's visit some stores today**





**Bagels**  
package of 6  
**\$3.49**

**price parity**

**12" Tortillas**  
package of 8  
**\$1.99**

**price parity**







5 lb. bag  
\$2.79

price parity

Rice  
2 lb. box  
\$3.99

price parity







6.6 oz.  
3 for \$5.00

price parity



Cookies  
14 oz.  
\$2.99

price parity





# Matzos

\$3.79 for whole grain

\$4.59 for refined grain

10 pcs, 10 oz each box

**whole grain costs 17% less!**







11 oz. (4 pitas)  
 \$1.89 for whole  
 \$1.50 for refined

whole grain costs 26% more

White Bread  
 for whole grain (16 oz.)  
 8.3¢ / slice  
 for refined (14 oz)  
 4.5¢ / slice

whole grain costs 33% more per lb.  
 refined costs 84% more per slice







## Rotini

**\$0.99 for whole grain**

**\$0.97 for refined**

**almost identical, right?**

**BUT wg box is smaller**

**13.25 oz for whole grain**

**16.00 oz for refined**

**wg costs 24% more per**





Crackers

\$2.00 for whole grain

\$2.00 for refined

**Price parity?**

7.00 oz. whole grain

4.25 oz. refined

**wg costs 39% less per pound**

24 crackers whole grain

34 crackers refined

**wg costs 41% more per cracker**

# Walmart Aims for Parity



“Our customers often ask us why whole wheat pasta sometimes costs more than regular pasta made by the same manufacturer,” said Andrea Thomas, senior vice president of sustainability at Walmart.

“We will use our size and scale to reduce the price premium on these types of products whenever possible because customers shouldn’t have to pay more to eat healthier. Customers should be able to choose knowing the biggest difference in these products is not the price, but rather that one is better for you.”



# And Hits the Mark (mostly)



Hamburg buns, Pkg 8, \$2.48  
price parity

Tortilla wraps, Pkg 8, \$2.68  
price parity



Uncrustables, Pkg 4, \$2.93  
price parity

Pizza Crust, Pkg 2, \$3.48  
price parity





# Some Categories Not Yet



Pasta – \$1.08 each  
BUT Refined 16.00 oz  
Whole grain 13.25 oz  
**wg is 21% more**

English Muffins, pkg 6  
Refined \$2.00  
Whole grain \$2.98  
**wg is 50% more**



Great Value Bread  
Refined \$0.88 for 20 oz (24 slices)  
Whole grain \$1.38 for 24 oz (20 slices)  
**wg is 86% more per slice**



9 grain servings/day

**Mom (44)**

6 grain servings/day

**Son (15)**

9 grain servings/day

**Daughter (12)**

6 grain servings/day

**Price  
Premium**

**for 1 Week  
Whole Gra**





**akfast: cold cereal (3x), hot cereal (3x), French toast (1x)**



**Lunch: Sandwiches (7x)**

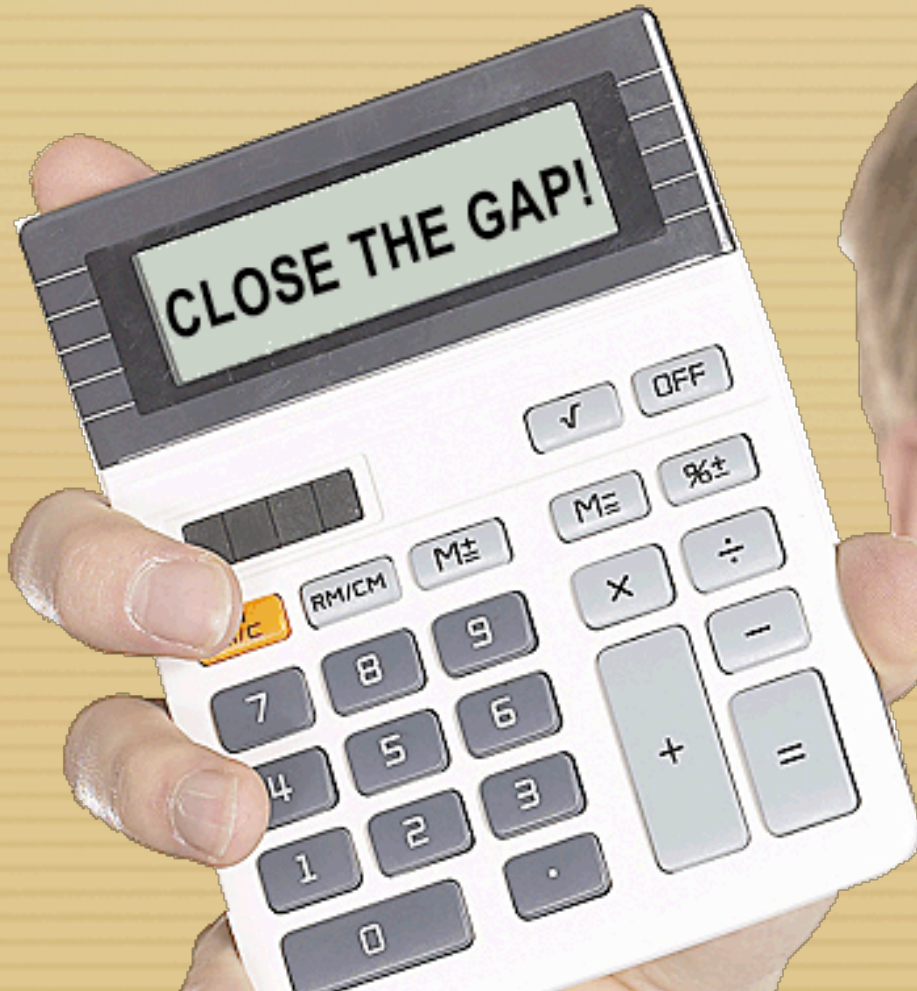


**ner: Rice (2x), Pasta (2x), Tortillas (2x), Pita Pizza (1x)**



		Refined	Whole	Wheat as % of refined grain
RTE Cereal avg=1 oz	30 ounces 10 oz x 3 days	\$3.33	\$2.80	-15.91%
Hot Cereal avg=1 oz	30 ounces 10 oz x 3 days	\$2.71	\$2.56	-5.28%
French Toast avg=1 slice	10 slices 10 sl. x 1 day	\$0.50	\$0.83	+66.53%
Sandwiches avg=1 slice	70 slices 10 sl. x 7 days	\$3.47	\$5.78	+66.53%
Pasta avg=1 oz dry	20 ounces 10 oz x 2 days	\$1.21	\$1.80	+23.24%
Rice avg=1 oz dry	20 ounces 10 oz x 2 days	\$0.81	\$0.81	0.00%
Tortillas avg=1 8" tortilla	20 ounces 10 oz x 2 days	\$2.82	\$2.82	0.00%
Pita Pizza avg=1/2 pita	5 pitas 10 halves x 1 day	\$1.75	\$2.36	+26.00%
<b>Total</b>	<b>210 servings</b>	<b>\$16.72</b>	<b>\$19.45</b>	<b>+16.36%</b>
			<b>\$19.51</b>	<b>+1.00%</b>

**What is YOUR company  
doing to help close  
the whole grain price gap?**





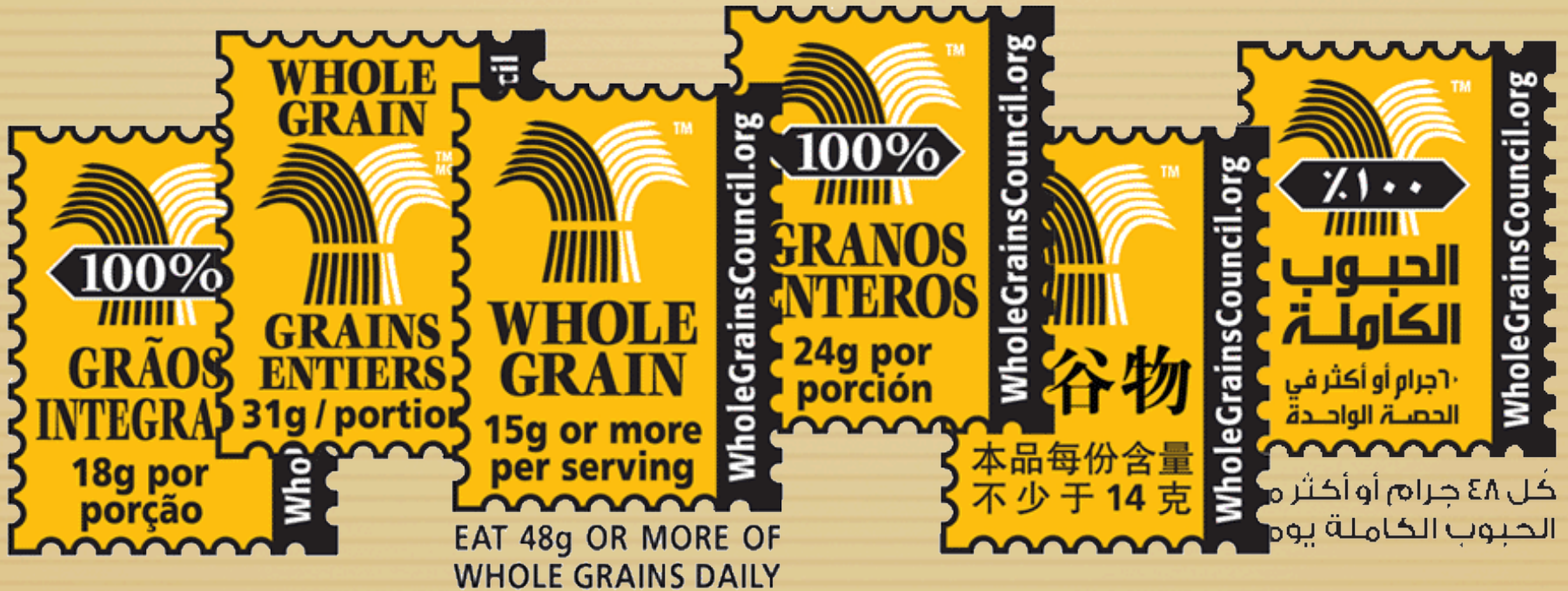
# The Whole Grains Council

## *Our Mission*

- Help consumers find whole grains and understand their benefits.
- Help manufacturers and restaurants create more and better whole grain foods.
- Help the media to write accurate and compelling stories about whole grains.

# The Whole Grains Council

Worldwide Impact



Part of U.S.-based non-profit educational organization Oldways, since 2003

330 member companies based in 18 countries and using the Whole Grain Stamp in 36 countries



# The Whole Grains Council



**Helping people worldwide  
enjoy more whole grains**

[www.WholeGrainsCouncil.org](http://www.WholeGrainsCouncil.org)

