

# THE COLD FRONT

By RLS LOGISTICS



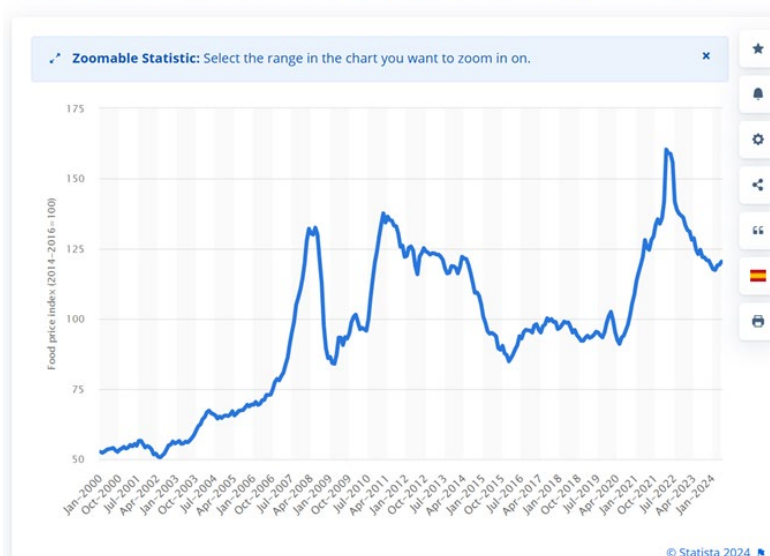
## Frozen and Refrigerated Cold Chain Insights

Welcome to The Cold Front, presented by RLS Logistics, the Cold Chain Experts! We proudly offer nationwide [cold storage warehousing](#), [ltl shipping](#), [truckload freight brokerage](#), and [eCommerce fulfillment](#) cold chain solutions. This month's edition focuses on these topics for our November 2024 issue: Food Inflation, Tariffs, and Quarter 4 estimated spending. The Cold Front is a monthly summary highlighting pertinent [cold chain storage](#) market data in one concise location. These insights ensure that you have the data to make better decisions to fuel your growth. We hope you find this information useful! **If you want data on your specific market, click the button below.**

### Food Inflation- On Chill?

Although the cost of a traditional Thanksgiving meal is down 5% from last year, food inflation is still a hot dish topic. While recent reports of a slight dip in the price of a Thanksgiving feast offer relief, food inflation continues to simmer as a significant concern for consumers. The broader picture reveals that grocery costs remain substantially elevated compared to pre-pandemic levels, driven by ongoing supply chain challenges, labor shortages, and geopolitical events that disrupt global food markets.

Monthly food price index worldwide from 2000 to 2024



Key commodities like eggs and meats exemplify this persistent trend. Egg prices have been volatile, reaching historic highs in 2023 due to avian influenza outbreaks that wiped out millions of laying hens. While prices have moderated since then, they remain well above the \$1.50 per dozen consumers enjoyed pre-pandemic. Similarly, meat prices, especially beef and pork, reflect higher production and feed costs. Ground beef, for example, has seen a significant climb from its 2019 average of \$3.50 per pound to over \$5 in many markets, while chicken prices have faced upward pressure from feed costs and disease outbreaks.

Although some supply chain pressures have eased, the ripple effects of the pandemic and global disruptions like the war in Ukraine, impacting grain and fertilizer markets, continue to influence the price of everything from baked goods to fresh produce. Energy and transportation costs also play a role, adding layers of expense to bringing food to market, especially in temperature-controlled supply chains. Despite recent dips in specific categories, food inflation remains a central challenge for households and the food industry. As consumers adjust their spending and

retailers seek efficiency, it's clear that the conversation about food costs is far from over, leaving businesses like RLS Logistics at the forefront of providing solutions to manage costs and deliver value in a demanding marketplace.

## Tariffs: Inflationary or Opportunity?

The Trump administration's stance on import tariffs, particularly those targeting goods from China, has sparked ongoing debate about their impact on inflation and the broader economy. The tariffs, intended to protect domestic industries and reduce the trade deficit, have had complex and sometimes contradictory effects.



Two main perspectives have emerged in evaluating their role in today's inflationary environment. On one side, proponents argue that tariffs create opportunities for domestic industries by leveling the playing field and encouraging the production of goods within the United States. They contend that by reducing dependence on cheaper imports, tariffs can bolster local manufacturing, create jobs, and strengthen supply chains. This camp sees tariffs as a long-term investment in economic independence, particularly in key sectors such as steel, agriculture, and technology. They also highlight that a shift to domestic production could reduce exposure to international disruptions, such as during the pandemic.

On the other hand, many economists and academics assert that tariffs contribute to inflation by raising the cost of imported goods, which are then passed on to consumers through higher prices. For businesses relying on imported materials, tariffs increase production costs, making goods more expensive and less competitive globally. This school of thought emphasizes that tariffs function as a tax on trade, shrinking consumer purchasing power and exacerbating inflationary pressures in an already strained economy.

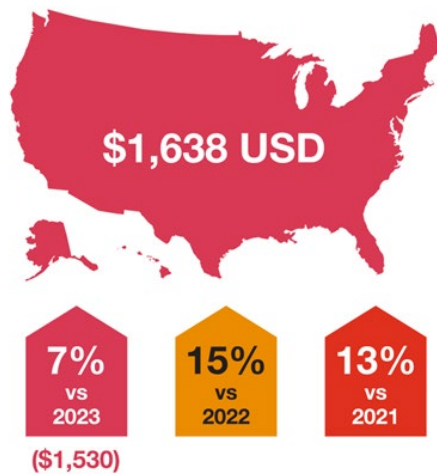
Furthermore, retaliatory tariffs from trade partners can disrupt exports, compounding the economic impact. Both perspectives underline the nuanced relationship between trade policy and inflation. While tariffs may foster domestic growth in specific industries, they also risk amplifying inflationary challenges in the short to medium term. For businesses navigating this landscape, including those in food logistics, understanding these dynamics is crucial to managing costs and maintaining competitiveness in a complex global market.

## Q4- Surge or Not?

The fourth quarter brings annual holiday supply chain surges as retailers and logistics providers race to meet heightened consumer demand. This period often strains transportation networks, warehousing, and inventory management, with temperature-controlled goods like holiday meats and specialty foods adding additional complexity. This year, the usual Q4 pressures are compounded by the looming threat of a port strike, which could significantly disrupt the flow of goods through critical shipping hubs. A strike would delay shipments and create bottlenecks across domestic and global supply chains, amplifying costs and delivery challenges.

Adding to the uncertainty is the potential impact of a new administration's stance on trade tariffs. If tariffs are maintained or expanded, businesses may face increased costs for imported goods, typically in high demand during the holidays. These combined factors, seasonal surges, labor disputes, and tariff policies, create a perfect storm for supply chain disruptions. Manufacturers and importers must remain agile, with contingency plans to mitigate risks and ensure that holiday inventories arrive on time and are in the stores when needed.

### Total estimated spend



Q: Thinking about the coming 2024 holiday season, how much in total do you plan to spend on others and yourself in the following categories?  
Base: All consumers 4,000  
US Holiday Outlook Survey 2024

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