The Pulse of the Independent Grocer

Southeast Sales Down 0.57% in March

March proved to be a tough month for Southeast grocers and for the nation overall, but it had more to do with the calendar than any significant change in shopping habits of our customers. Southeast sales were down 0.57 percent in March compared to the same period in 2016. However, the Easter holiday came in March of 2016 and April of 2017. Shoppers preparing for Easter festivities in 2016 spent their extra money in March, whereas that boost will show up in April 2017's sales. Southeast grocers still outpaced behind the nation overall, which saw a 3.02 percent decrease in sales.

The pace of deflation on food at home items continues to slow. According to the Bureau of Labor Statistics, food at home prices increased 0.5 percent in March and has now decreased 0.86 percent in the past 12 months. In March, individual categories that showed increases were fruits/vegetables (1.6 percent), other (0.7 percent), cereal/bakery (0.3 percent), and meat/poultry/fish/eggs (0.3 percent). The two categories that declined in price in March were dairy (-0.6 percent) and nonalcoholic beverages (-0.1 percent).

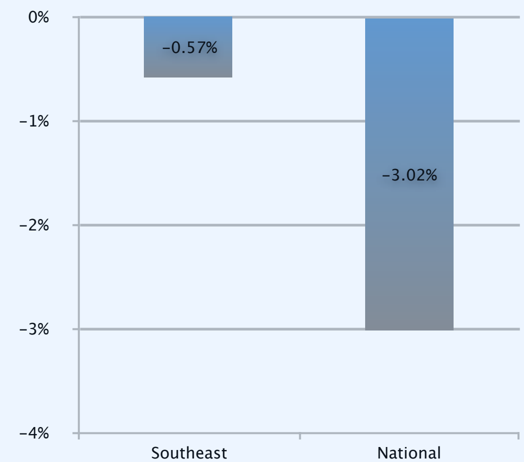
The index for all items decreased 0.3 percent in March along with falling energy prices, and has increased 2.4 percent in the past 12 months.

The March unemployment report from the BLS was somewhat tepid. Job increases topped out at just 98,000, the lowest in the past year. Job revisions for the previous two months were also down 38,000 than previously reported. The labor force participation rate was unchanged. On the positive side, the size of the labor force and hourly earnings increased, and the unemployment rate dropped to 4.5 percent.

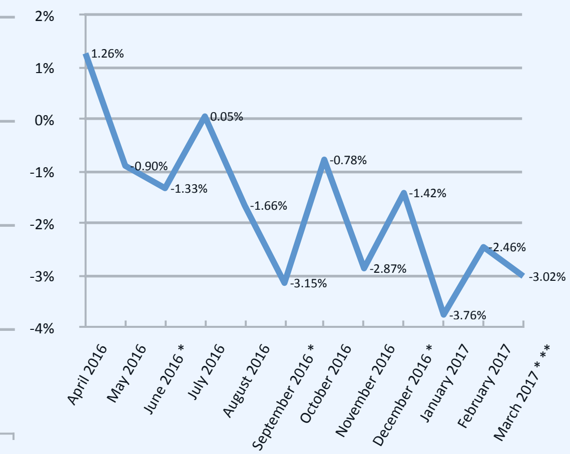
Contributed by Mark Ehleben
FMS Solutions
marke@fmssolutions.com

Independent sales comparisons - current year vs prior year

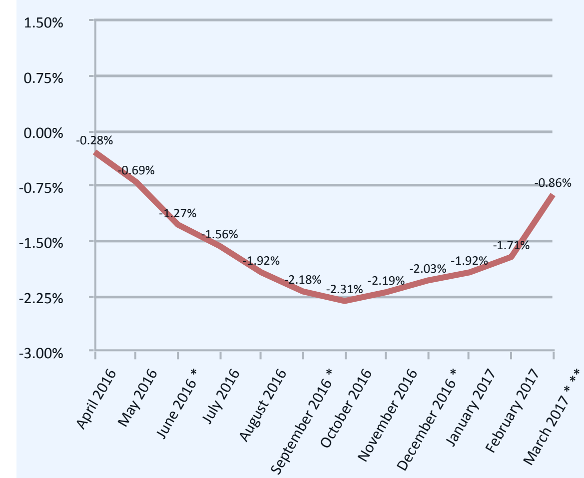
Southeast Sales – March 2017



National Sales



CPI Food At Home



Comparative Table

	National Sales	CPI Food At Home	Adjusted Sales
March 2017 * **	-3.02%	-0.86%	-2.16%
February 2017	-2.46%	-1.71%	-0.75%
January 2017	-3.76%	-1.92%	-1.84%
December 2016 *	-1.42%	-2.03%	0.61%
November 2016	-2.87%	-2.19%	-0.68%
October 2016	-0.78%	-2.31%	1.53%
September 2016 *	-3.15%	-2.18%	-0.97%
August 2016	-1.66%	-1.92%	0.26%
July 2016	0.05%	-1.56%	1.61%
June 2016 *	-1.33%	-1.27%	-0.06%
May 2016	-0.90%	-0.69%	-0.21%
April 2016	1.26%	-0.28%	1.54%

* Denotes 5-week month
** Easter Holiday fell in different month in comparison
Sales comparisons are for full sales week of respondent closest to a Saturday weekend. Sales comparisons are for same store sales and do not include new stores without full prior year week.

FMS
Helping retailers succeed