



FOOD PURCHASING: TOUGHER JOB AHEAD IN '73

The headaches that go along with trying to plan menus are apt to get worse as the year goes by. GOLF-DOM's gloomy forecast in the October/November, 1972, issue (see p. 59), unfortunately, concurs with the prevailing pessimism among Washington food experts. They see no letup in the ever escalating level of food prices.

About the only help they can offer the harried club manager is to say that some items will not be going up as fast as others. But few, if any, major food items will experience price cuts.

In fact, the Nixon Administration is now on record as stating that maybe food prices should be allowed to go on rising. That cheering note was sounded by Secretary of Agriculture Earl L. Butz. He is

Washington food experts expect food costs to continue rising. Managers will be forced to decide between price increases and menu cutbacks

by WILLIAM LOOMIS

personally opposed to any price controls on food, because, he insists, "they won't work."

Under the circumstances, the most critical issue in the food business remains the soaring price of most beef cuts. Don't expect any letup here, advise Government agricultural experts.

These officials expect to see another spurt in beef prices between now and the middle of the year.

And these price hikes are likely to be across the board.

It is unlikely that steak prices will rise more slowly than rib roast, for example. Fillet and porterhouse probably will chase each other up the price scale.

The point of all this, say the experts, is that there won't be much leeway to offer in keeping menu prices down by substituting one cut for another. Granted, some cuts are cheaper than others and have been all along. But they all are going up in price proportionately at about the same pace and will continue to do so in the months ahead.

And there's not much sign of relief. Farmers insist that it is costing them more all the time to bring cattle to market. Federal officials go along with this. Processors'

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labor costs are going up as well without any signs of lowering union demands.

As if the beef price issue weren't enough, the experts warn that pork prices will remain at record levels between now and July. And these prices also will remain across the board. Bacon is high, so are pork chops, as well as ham cuts. There is some hope that prices will level off as the year goes on, but it is well to remember that pork prices right now are at record highs.

Furthermore, farmers are not showing any inclination to return to the days when hogs glutted the market. It now looks as if they will continue to try to tailor hog production to market demands, thereby stabilizing prices at high levels with new price increases reflecting rising farm costs.

Another food that is experiencing a strong upward push is fish. When fish goes on the menu these days, it normally has to be priced far higher than a few years ago, according to Federal experts. In the months ahead, it is likely that fish prices of the most desirable species will be far ahead of what they

were a year ago.

This rise in fish prices is likely to continue. The catch of fish has not been increasing in recent years, although demand for fish has been. Therefore, fisherman and wholesalers and retailers are getting more for the product. Experts say that it will take some time to increase the take of fish and in the interim, it is expected that prices will go on climbing.

The other basic meat, poultry, is the one fairly bright spot. Experts say that prices on chicken and turkey will probably be only a shade higher than they were in the first half of 1972. This trend should continue.

But one expert makes this point for restaurant owners. "You have to remember that the housewife has probably been buying more poultry herself. When she gets out to dinner occasionally, she's just likely to say the hell with the cost, I'd just as soon have a steak."

Often overlooked, because they are not such obvious big ticket items, are bread, cereal and bakery products. Wheat prices are going up so much that the Government has given the farmers a "go-ahead" with plans to increase wheat

production, something that is usually tightly controlled by planting allotments. The Government fears that if wheat production isn't boosted, prices of staples, such as bread and cereal, will skyrocket.

As it is, bread, cereal and bakery products are expected to rise in price much faster than the index for all food products.

Among the other items:

Egg prices will be sharply higher this year, but still below the 1970 high.

Citrus fruits will come down from last year, but other fruits, such as pears, peaches, grapes and berries, will be higher.

Most vegetables are going to cost more—and so will coffee.

Hard liquors will probably fluctuate. Wines will continue their spectacular climb of recent years with no letup in sight.

Says one Government expert:

"It certainly is frustrating to keep putting out these gloomy price forecasts, but I see nothing but higher prices for at least another year."

It all adds up to some tough decision making for menu planners and a stiff prod from club accountants to raise prices.



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