

REPORT ON FOOD SECURITY

September 2021

Costco Wholesale makes efforts in multiple ways that enhance food security for millions of Americans, through our offerings of affordable, nutritious food and our philanthropic work.

Improving Access to Affordable, Healthy Food

Few retailers match the scale of healthy foods that we sell. For example, Costco's fresh foods sales in FY2021 were nearly \$18 billion, of which approximately \$6.8 billion was fresh produce. A substantial portion of the food we sell is organic, including \$6.3 billion in sales of organic foods and an additional \$2.3 billion in organic produce.

We offer healthy foods not just at a massive scale; we do so at the best values in retail. We regularly shop our supermarket competitors, and these shops consistently validate that our pricing is a 15-25% value to conventional supermarkets. And our values are equal to or better than our wholesale club competitors. Our value proposition is particularly strong with respect to organic items. For example, as compared to conventional supermarket organic prices, Costco offers an approximately 30-40% value on avocados, a 33% value on organic bananas and asparagus, a 33-35% value on chicken, and a 25% value on ground beef.

Using federal benefits, needy families are among those with access to our offerings through the Supplemental Nutritional

Assistance Program benefits Electronic Benefits Transfer System, provided by the U.S. Department of Agriculture. According to USDA, “SNAP provides nutrition benefits to supplement the food budget of needy families so they can purchase healthy food and move towards self-sufficiency.” More information can be found on the [USDA SNAP](#) website. In fiscal 2020, we sold nearly \$1.7 billion worth of food under this program; in fiscal 2021 it was over \$3 billion. That figure alone would place us in the top fifty of U.S. grocers by total sales. We expect the figure to increase in our fiscal 2022, as the federal government expands SNAP funding.¹

We have multiple locations convenient to major urban centers, including New York City, Washington, D.C., Chicago, Kansas City, Seattle, San Francisco, and Los Angeles. For a complete list of our locations, please visit our [Find a Warehouse](#) page.

Our expanded offerings through two-day grocery delivery also make us accessible at affordable prices even for those who do not live close to a Costco warehouse.

<https://www.costco.com/costco-grocery-faq.html>

¹ The Biden administration has revised the nutrition standards of the food stamp program and prompted the largest permanent increase to benefits in the program’s history, a move that will give poor people more power to fill their grocery carts but add billions of dollars to the cost of a program that feeds one in eight Americans.

<https://www.nytimes.com/2021/08/15/us/politics/biden-food-stamps.html>

Addressing Food Insecurity Through Philanthropic Efforts

We help the neediest through donations of food and money to organizations that serve them. In recent years we have, through a partnership with [Feeding America](#)² and other organizations, significantly increased our food donations, helping the needy and reducing waste.³ In fiscal 2021 in the U.S. alone we will have donated over 70 million pounds of food. Nearly 75% was produce/fruit/vegetables, grains/bread, and dairy/protein. Feeding America estimates the retail value of those donations to be in excess of \$125 million. We have supplemented these donations with cash grants to food security groups, over \$3.5 MM in fiscal 2021 alone.

We recognize that many populations in the U.S. are at risk for food insecurity and that the risk impacts certain groups disproportionately. We believe that our merchandise offerings and philanthropic efforts are substantial forces for reduction of food insecurity.

² We are a Visionary Partner with Feeding America, the nation's largest domestic hunger-relief organization.
<https://www.feedingamerica.org/about-us/partners/food-and-fund-partners/visionary-partners/costco-wholesale-corp>. Feeding America Visionary Partners are recognized for their generous contributions or commitments of \$4 million or more, donations of 40 million pounds or more of food and grocery products, or combined gifts of \$2 million or more and 20 million pounds or more of food and grocery products.

³ <https://www.costco.com/sustainability-waste-minimization.html#reducing-food-waste>