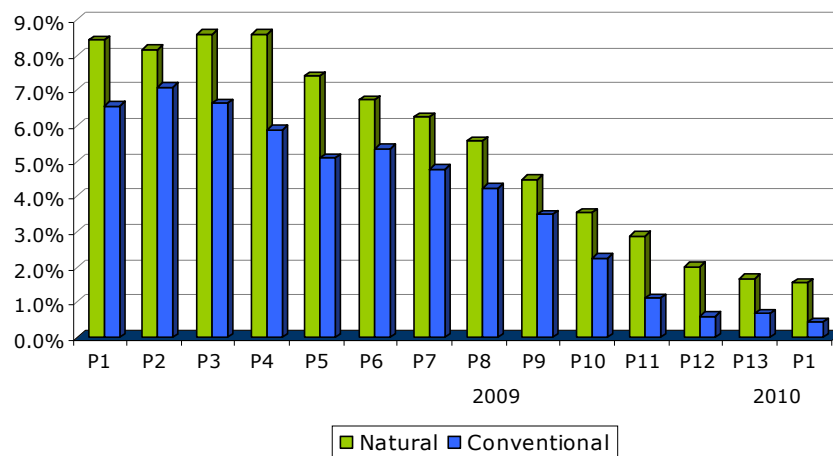


Annual Change: Year ago inflation trend difference 1.2% lower in Conventional Grocery as values decline in both channels.

As we reported last period, 2009 prices rose at a faster pace on average in the Natural channel (1.7%) versus Conventional Grocery (0.7%). The latest figures through P1 are now 1.6% and 0.4%, respectively, as year ago inflation trends continue their march downward. As a point of comparison, 2008 inflation rates for the SPINS 30 basket were 8.1% in Natural and 6.3% in Conventional Grocery as commodity price run-ups wreaked havoc on prices. We feel it is possible that we could see unchanged or even negative year ago price trends following P3 reporting.

Period v. Year Ago Percentage Change

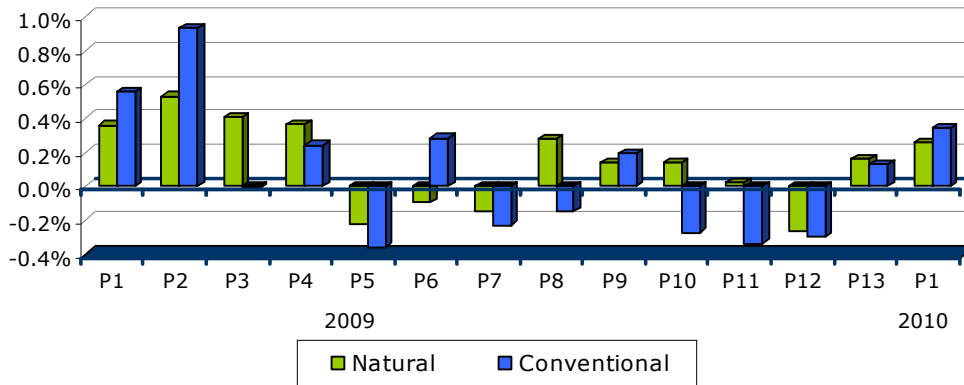


Year-to-date Compounded Inflation: Don't let one period deceive you.

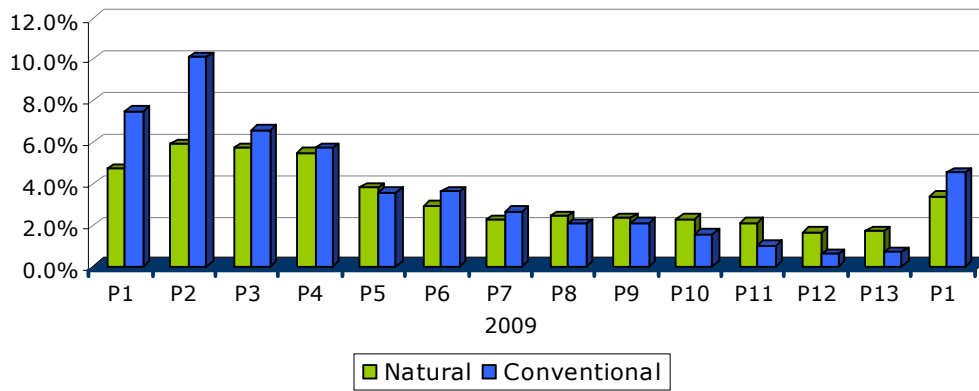
Period-to-period base price change in the Conventional Grocery Channel was 0.3% in P1 after having increased from 0.1% in P13. Comparable Natural figures are 0.3% (P1) and 0.2% (P13). Since we have just kicked off 2010, year-to-date compounded figures will be more variable as they are only based on a single period. In addition, it is not uncommon to see prices kick up somewhat at the start of the year, so this calculation will become more reliable and should generally work its way downward as the year unfolds. Having noted these points, if we use the initial period-to-period change and trend it forward it would imply inflation of 4.5% in Conventional Grocery and 3.4% in Natural in the progression continued at the same pace. This year's increase is much tamer than last year's. Barring an economic shock of some sort or a run-up in commodity/oil prices, we do not anticipate an inflationary pricing environment of any sort in the near future.

(charts on next page)

Period-to-Period Percentage Change



Year-To-Date Compounded Annual Rate



Data incorporates 2010 SPINSscan Natural Restatement.

SPINS will continue to monitor the basket, so stay tuned. We will update the basket every period.