

# These Items Will Cost More in 2015

Prepare to pay higher prices for chocolate, coffee, shipping and airfare next year.



Bad news for chocoholics: More worldwide demand and a West African drought impacting cacao crops could [raise the price on your favorite sweet treat](#) next year. "Manufacturers have been warning us of a cocoa shortage," says DealNews.com spokesman Mark LoCastro. "Chocolate prices have been rising, particularly small artisanal chocolates that use more cacao for dark chocolate."

But he doesn't expect that to diminish our cravings. "I think people will always buy chocolate," LoCastro says. "It's such a delicacy for some and an addiction for others." Paying a few extra cents for a chocolate bar may not cause much sticker shock, but here's a look at other goods and services that will cost more in 2015.

**1. Coffee and bourbon.** The cost of two favorite beverages is likely to increase in the coming year due to supply and demand. Coffee prices were forecast to drop in 2014, but a severe drought in Brazil had the opposite effect, according to LoCastro. Starbucks raised prices last summer, as did several other coffee-makers. Meanwhile, the rising popularity of bourbon has caused some distilleries to ration bottles and raise their prices. "Bourbon is just increasing in popularity, and because of the aging process, you can't just whip up another batch," LoCastro explains.

**2. Food.** [Droughts in California](#) are likely to drive up not only the cost of agricultural products like avocados, but also beef and pork products. "Producers with both beef and hogs have thinned their herds in response to drought conditions," says Michael Levin, associate professor of marketing at Otterbein University in Westerville, Ohio. "As the price of the hog has gone up,

people have started to switch their consumption towards chicken, which relies on corn." (Corn may be also subject to higher prices). Olive oil imported from Italy and Spain is also expected to cost more next year due to drought, LoCastro adds.

**3. Health care.** [Medical costs](#) will rise 6.8 percent next year, compared to a projected 6.5 percent for 2014, according to the PricewaterhouseCoopers Health Research Institute. "Pharmaceutical expenses are going to continue to go up," says Chip Manning, director of the Babson Center for Global Commerce at Sewanee -- University of the South. "There's still some administrative cost issues in compliance obligations [with the Affordable Care Act]." Increasing life expectancies are also expected to drive up overall health care costs. To cope with rising [health insurance](#) costs, many employers are now considering shifting a greater share of these costs to their employees or switching to [high-deductible health plans](#).

**4. Debt.** The past few years have seen ultra-low interest rates ([good news for homebuyers](#), not so good news for savers). However, that may change in 2015. "The Fed has eliminated quantitative easing [where a central bank purchases securities to lower interest rates and increase the supply of money], and is expected to let interest rates start to rise, so the cost of debt will go up," Levin says.

**5. Shipping.** The U.S. Postal Service has chosen not to raise postage rates this January, but UPS ([UPS](#)) and FedEx ([FDX](#)) have announced shipping price increases for 2015. "People are going to have to absorb a good bit of that for those products that must be shipped that way," Manning says. Of course, shipping costs have been gradually rising in recent years, with several price increases in stamps and retailers like Amazon.com ([AMZN](#)) raising their minimum threshold for free shipping to \$35 from \$25. Amazon also [raised the cost of Amazon Prime](#) (which includes free two-day shipping on most items) to \$99 from \$79 last spring.

**6. Travel.** Planning a trip in 2015? Consider budgeting a little more money for airfare and hotel stays. Despite lower fuel costs for airlines, carriers may raise prices (and certainly haven't been shy about [adding new fees](#)) because of increased demand. "There is an improving economy, and airlines are operating at full capacity, so there are fewer flight bargains to be found," LoCastro says. "Flight bargains happen when there are empty seats." A recent report by the Global Business Travel Association and Carlson Wagonlit Travel predicts a 2.4 percent increase on domestic hotel room rates, and 2.2 percent price growth on airfare globally (although some transatlantic flights may be cheaper due to increased capacity).

But it's not all bad news. "We've seen a nice downward trend in gas prices, which is important to a lot of us," Manning points out. A few other items, including cloud storage, smartphones, cranberries and butter may also be cheaper in 2015, LoCastro says.

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