



FOOD & SOCIETY POLICY FELLOWS PROGRAM

HIGH PRICE OF THE RISING COST OF FOOD IN THE UNITED STATES... AN OVERVIEW

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The food price crunch, combined with the high costs of fuel, housing, and health care are squeezing both middle and low income families, and shaking consumer buying confidence. According to the American Farm Bureau, their market basket survey of 16 basic grocery items was in total \$45.03 in the first quarter of 2008, up 9 percent from the same time last year, including, whole wheat bread, which rose 36 percent, milk rose 38 percent and eggs, that rose approximately 40 percent. An April 2008 USA Today/Gallup poll suggests that rising food costs are a major concern for 73 percent of consumers, ranking it second only to gasoline prices.

I HISTORY

This is not the first time that rising food prices have given the nation pause. This country has seen food costs rise during the Revolutionary and the Civil Wars. In fact, historians have said that one of the contributing factors to the end of the Civil War was the astronomically high cost of food compared to the purchasing power from devalued Confederate money. During World Wars I and II, the U.S. government set food prices in order to stabilize the country's economy. The government also set up voluntary and involuntary food rationing programs during those times. Food prices actually dropped during the Great Depression, but so did the economic base of the country and the buying power.

According to the United States Department of Agriculture, Americans have consistently paid a smaller portion of their income to food costs than people living in nearly any country in the world. In the U.S., we have paid approximately 15 percent of our income for food since 1966, and 10 percent in the last decade. The last time Americans saw such a rapid increase in food prices was in the 1970s.

II IMPACTS OF HIGH FOOD COSTS

- In 2006, 11 percent of households, and 16 percent of households with children were considered to be food insecure. With rising food costs, those numbers are going up. So are the challenges that organizations serving vulnerable populations, including children, face.
- School lunch programs are having to make modifications in the number of vulnerable children they serve and in the quality of healthy food they are able to purchase with current funding levels.
- According to food stamp intake offices, polls, food banks and social service agencies, people living in the margins of poverty are making tough choices and cutting back on food, medicine and home heating costs just to survive.
- America's Second Harvest, a national group of 200 food banks reported that donations of food were down 9 percent this year, yet the number of people showing up at their doors has risen 20 percent. More families, children and senior citizens will suffer from food insecurity as food prices move further out of reach.
- Rising energy and food costs cut into discretionary spending for cars, computers, clothing and other goods, and entertainment including dining out, impacting the growth of our economy today and the future.
- Higher food costs will impact businesses ability to provide fresh, affordable and accessible food in vulnerable communities.
- The high costs of fresh, healthy and accessible food will widen the health disparities gap. Because of their higher costs, nutritious healthy foods are often cut from the family budget when times are lean.
- Internationally, the World Bank says that 100 million people internationally, will be pushed further into poverty because of increased food prices.
- Escalating food costs and scarcity have already lead to civil unrest in Haiti and 25 other countries to date.

III GOOD FOOD SYSTEM SOLUTIONS

- Buy locally when possible. Supporting local farmers and food producers helps support the food system and takes away some of the high transportation costs of moving food from farm to table. Transportation accounts for 65 percent of food costs.
- Advocacy to support funding for fresh, healthy and accessible food through WIC and school lunch programs and other child nutrition programs
- Cultivate community growing programs that include community, family and school gardening programs
- Cut down on food consumption and waste. Limit consumption of meats.

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