

# Prices for basic foods soar in the US as pandemic disrupts supply chains

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Disruptions in global food supply chains have caused a shortage of many basic food products and a drastic increase in prices in the United States. The month of April saw the largest monthly increase in grocery prices since 1974, rising by 2.6 percent, according to the latest tally by the US Bureau of Labor Statistics reported Tuesday.

Data from the Department of Labor show price increases across the board. Shoppers paid 4.3 percent more in April for meats, poultry, fish and eggs. Fruits, vegetables and grain rose by 1.5 percent. This drastic increase in food prices comes as tens of millions of workers have lost their jobs or had their incomes slashed. The dire conditions facing workers has driven food insecurity to record highs, now affecting 1 in 5 households.

The on-going pandemic has caused sharp and drastic shifts in both supply and demand. Consumer demand for grocery store products saw a dramatic rise due to the closure of restaurants. Accordingly supply to restaurants has shut down in accordance with the stay at home orders.

The failure to readjust food distribution networks to make up for this shift in consumption patterns has had devastating results. Farmers have been forced to cull livestock, dump millions of gallons of milk and destroy fresh fruits and vegetables on a daily basis.

The US meat industry has been hit particularly hard. The slowdown in production and temporary closure of plants where hundreds of workers have been infected will translate to a mass culling of livestock as farmers struggle to find markets. An estimated 7 million pigs will have been euthanized from April through June alone, worth roughly \$700 million.

Despite an executive order from the Trump administration ordering workers back to work at meat

processing plants, production remains stunted. Both pork and beef production are down 35 percent from pre-pandemic output.

The giant corporations which own the meat packing plants have been ruthless in their drive to keep the plants open despite the lack of protections for workers. The multi-billion dollar transnational corporations are concerned above all with their bottom line. WH Group which owns meat packer Smithfield Inc., earned \$1.374 billion in profit in 2019 alone a 32 percent increase from the previous year.

Over 5,000 meat packing workers have been infected with the virus so far and at least 20 have died. There is no doubt that these figures are a vast underestimation as meat packing workers are largely immigrants who avoid relying on health services out of fear of compromising their legal status. These brave workers and their families have continued to voice their opposition to working in unsafe conditions through protests, walkouts and sickouts.

With production slowed, meat prices are expected to rise by up to 20 percent according to reports from Business Insider. None of this inflation will go to compensating farmers for their losses as live animal prices plummet. The US government will not even allocate funds from its agricultural bailout to compensate farmers for culled livestock. Instead, the meatpackers, processors and retailers will reimburse themselves by passing higher costs onto workers.

Americans consume an average of more than 227 pounds of meat per capita each year, constituting about 17 percent of daily calories. According to the United States Department of Agriculture (USDA), annual food costs in the US average \$2,641 per person. Of this, about \$700 is spent on meat. Depending upon the stability of poultry prices, meat shortages could see an

increase in food costs of four to five percent for the year.

For many of America's poor, this is a cost that they cannot afford.

This is especially true for the more than 23 million Americans living in "food deserts." Food deserts are urban areas in which a person without a car cannot reach a grocery store or food pantry with fresh produce within a one mile radius; for the 2.3 million people in rural food deserts it is a 10 mile radius. This number is likely a vast underestimate as the USDA considers convenience stores, which may only offer unhealthy packaged food, as grocery stores. The USDA provides an interactive map of food deserts throughout the United States.

For people living in food deserts there is no access to fresh food and a predominance of fast food chains, which serve mostly meat products. For the poorest Americans, access to fast food may be 2.5 times greater than in wealthier areas. As grocery stores go out of business, unable to compete with the cheap prices of these chains, poor Americans become increasingly reliant upon fast food to feed themselves and their families.

Of the 500,000 people in Chicago who live in food deserts, 400,000 live in areas with a predominance of fast food. In New York City 750,000 live in food deserts with three million having only sparse access to grocery stores.

The shortage of meat products is now reaching these fast food chains. Wendy's is reporting that one in five of its restaurants have had to remove items from the menu and McDonald's Canada has stated that it will begin importing beef due to a shortage in the country.

This means that the only consistently available source of food for millions of Americans will begin seeing shortages a well.

People living in food deserts are also more susceptible to COVID-19. Food deserts have been heavily linked with higher rates of obesity, heart disease and diabetes, all of which have been associated with an increased risk of death from COVID-19.

Working class people suffering these conditions, which have been created by the capitalist system, are in dire need of healthy food. Instead, the invisible hand of the market has determined it more prudent to destroy tens of millions of pounds of food rather than distribute

it to those most in need.



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