

Food prices, waste rise as food insecurity affects tens of millions in the US

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6 December 2020

The COVID-19 pandemic has caused significant disruption to the food supply chain in the United States. Farmers who lost their markets have been forced to let millions of pounds of food waste even as tens of millions of workers suffer from food insecurity.

In 2019, 35 million Americans suffered from food insecurity. Two-thirds were able to obtain enough food to eat through food assistance programs or altered eating patterns, while one-third suffered from a reduction in food intake.

Researchers from Northwestern University believe that the number of food insecure households has more than doubled this year, with 23 percent of all American households affected. Households with children have seen this rate rise to 29.5 percent.

This immense food crisis for the working class has been caused by sudden job loss, the refusal of the United States government to provide sufficient financial aid during the pandemic and a significant increase in food prices.

The United States Department of Agriculture (USDA) has reported an average inflation of four percent for food items in 2020, double the 20-year average.

Throughout the year, food prices were incredibly volatile. The consumer price index (CPI) for food rose by 2.7 percent in April alone—the largest one month jump since February 1974—and the cost of groceries rose by 5.6 percent between June and July according to Food Business News.

The cost of dairy products collapsed by 17.4 percent from January to May before soaring back up by 24.5 percent in June. The collapse in price was accompanied by millions of gallons of milk being dumped every day by dairy farmers who could not find markets, all while millions went hungry.

The USDA expects 2020 to close with a price increase for fresh vegetables between two and three percent, while the price increase for meat products will average between seven and eight percent.

The rise in food prices places an incredible burden upon working class families who were already suffering before the pandemic.

The bottom 20 percent on American households spent an average of \$4,400 on food in 2019, totaling 36 percent of their income. With the Congressional Research Service finding that more than half of households making less than \$75,000 a year experienced some loss of income this year, these price increases in food will have a considerable impact.

However, while prices for consumers rose considerably, the prices that farmers received did not.

The futures prices for important farm products like corn, wheat and livestock have fallen by five to nine percent. In August, the retail price for beef was around five percent higher, while the farm price was twenty percent lower.

USDA chief economist Robert Johansson expects cash receipts for farmers to decline by \$31 billion this year compared to predicted figures from before the pandemic.

A significant portion of this loss has been offset by government farm assistance programs that have provided tens of billions of dollars to farms hurt by the pandemic. In total, government farm assistance payments amounted to \$46.5 billion for fiscal year 2020, 52 percent more than in 2019.

This funding could help save many US farmers from financial ruin, but which farms received this money is a different matter.

Little information is available about who received how much of the funding, but data on farm income

provides an insight into how wealthy farmers may have benefited the most from these programs.

The average net cash income of farms grossing over \$1 million dollars in sales—3.9 percent of all farms—is expected to be \$858,000 in 2020, a 21 percent increase from the previous year and a 19 percent increase over the USDA’s forecasts from February 2020.

Increases in retail prices cannot explain this phenomenon alone, especially considering the overall loss in expected income that has occurred.

Meanwhile, 80 percent of farms sell under \$100,000 worth of products and are expected to average just \$8,000 in income this year. This is an increase from the prediction in February that small farmers would lose \$2,600, but it is clear that large farms benefited the most.

The volatile and unpredictable economic situation that farmers have faced has also resulted in the loss or destruction of millions of pounds of food throughout the pandemic.

In May and June, the Dairy Farmers of America was reporting that farmers were dumping 14 million liters of milk every day as demand for milk products imploded.

After meat processing plants temporarily slowed production, farmers with nowhere to sell livestock euthanized hundreds of thousands of pigs.

The Washington Potato Commission estimates \$1 billion in losses for Washington state’s gross domestic product. Farmers lost \$29 million from the 2019 harvest and the lack of demand going into the 2020 pandemic.

As a result, farmers cut production for 2020 by 13 percent, or 729,120 tons, with the potential to see farmers lose a further \$300 million.

A study on agricultural production losses during the pandemic in the United States published this October by William Ridley and Stephen Devadoss found extensive financial losses in vegetable and fruit production.

They estimate upwards of \$48 million dollars in total losses this year for major produce such as apples (\$5 million), lettuce (\$16 million) and grapes (\$4.5 million). While these losses are measured in dollar value, they are related to disruptions in the labor force and the ability to harvest and sell agricultural products.

The total amount of food lost during the year is

unknown, but these figures provide an insight into the scale at which the food supply chain in the United States has been disrupted and the immense losses that American farmers and workers have suffered as result of the ruling elite’s criminal response to the pandemic.



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