

# Senate passes \$28 million bill that does not resolve US baby formula supply crisis

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One day after President Biden invoked the 1950 Defense Production Act (DPA) in response to the US baby formula shortage, the Senate approved a bill by unanimous consent Thursday that falls far short of addressing the devastating crisis facing families with infant children across the country.

The Access to Baby Formula Act, which was first approved by the House on Wednesday, purports to ensure that families receiving government assistance benefits can continue to purchase baby formula during the shortage. The bill allows the Agriculture Department to waive the requirement that those using the federal program Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) must purchase only one brand of baby formula.

The \$28 million bill also provides emergency funding to increase the Food and Drug Administration (FDA) inspection staff, increase resources for personnel working on formula issues, stop fraudulent baby formula from entering the US marketplace and improve data collection on the formula market.

However, the bill does nothing to fundamentally address the nightmare facing parents looking to buy formula for their infants when none can be found on store shelves. Stocks of formula have been down by 43 percent since the beginning of May. The crisis, which has been developing for months, was allowed by the Biden administration and Congress to reach catastrophic proportions before the latest measures were taken.

In commenting on the vote, Majority Leader Chuck Schumer (Democrat from New York) was focused on the fact that the Democrats and Republicans agreed on a face-saving bill that will not address the immediate crisis that is facing millions of families. Schumer said, "It's rare that we have unanimity in the Senate on important measures, and I wish we had more. But this is one of these important issues and I'm glad we're acting with one voice."

In some states, such as Tennessee, Texas and Iowa, more than 50 percent of the most used products are out of stock. The supply shortage is hitting poor and working class families the hardest where the need for baby formula is highest due to lower levels of breast feeding of infants because mothers are often forced to return to work sooner.

As Dr. Ann Kellams, a University of Virginia faculty pediatrician and board president of the Academy of Breastfeeding Medicine, told the *Guardian*, "Those women are less likely to have flexibility in their jobs to be able to pump and express milk. They are the ones I worry most about right now. They are going to be the ones who are less likely to have a relative in a pocket of the US where they still have enough formula on the shelves to send it to them."

The formula shortage is of a piece with the capitalist response to the pandemic in the US and internationally. The supply of baby formula was already impacted by pandemic-related supply chain issues when Abbott Labs, manufacturer of the popular Similac product, shut down its factory in Sturgis, Michigan in February following the hospitalizations of as many as eight children, and deaths of two of them, from a bacterial infection.

While the FDA was notified by a whistleblower of the horrendous conditions in the Sturgis facility as early as October, the federal agency slow-rolled its investigation and three months went by before the plant was inspected. Between November and January, the FDA received numerous reports of babies getting ill from formula that was produced in Sturgis.

Initially, the company attempted to brush the crisis off with a recall of its products from store shelves. Even after two babies died from infections associated with the *Cronobacter* bacteria that was found at the Sturgis facility, the company is denying responsibility for the deaths.

The US baby formula market is dominated by four monopolies that provide 90 percent of the available

products: Abbott Nutrition, Mead Johnson Nutrition, Nestle USA and Perrio Company. Of these four, Abbott controls half of the market.

Abbott Labs is a multinational medical devices and health care corporation based in Abbott Park in the northern suburbs of Chicago. The conglomerate, which split off its pharmaceuticals business into AbbVie in 2013, has a Wall Street value of \$197 billion. According to the company's 2021 annual report released in March, Abbot Labs sold \$4.3 billion of pediatric nutritionals, with one half of this amount sold in the US, which includes its Similac, Pedialyte and PediaSure products.

During the pandemic, Abbott Labs's Wall Street stock value has more than doubled. This is due, in part, to the spectacular increase in profits achieved following the launch of its over-the-counter, hospital lab and rapid point-of-care COVID-19 tests. In the first quarter of 2021, for example, the company tripled its profitability from the previous year to \$1.79 billion, largely due to the FDA "emergency use authorization" of Abbott's BiNaxNow home rapid test.

Since then, the company has been engaged in a massive stock buyback program, which increases the ownership stake of shareholders and further drives up the stock value, worth a combined \$5 billion. On March 31, 2022, for example, Abbott Labs was busy buying back \$2.3 billion worth of its stock clearly in anticipation of the negative impact of the shutdown of its baby formula factory in Michigan.

A measure of how much opposition exists within the US ruling establishment to any measures whatsoever to deal with the baby formula crisis was demonstrated in the House vote on the emergency legislation. The GOP leadership in the House was among the 192 Republicans who voted against providing \$28 million to the FDA, saying the funding was unnecessary.



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