



University of California
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Prepared by: Cathi Lamp

GIVE THANKS! CHEAP FOOD IN THE UNITED STATES

Sure, Americans get a great deal on food. American farmers have long wanted consumers to know that food is a great bargain in the U.S. And to make that case, for the past 13 years the American Farm Bureau Federation (AFBF) has conducted and publicized its quarterly Marketbasket Survey. Every three months Farm Bureau volunteers visit scores of supermarkets across the country and tabulate the cost of 16 food items. The focus of the AFBF survey is on what it calls "basic" foods, including whole-fryer chickens, flour, pork chops, eggs and potatoes. The latest total is \$34.98-23% more than the \$28.50 recorded in 1989, the first year the survey was conducted. During the same period, federal government figures show that the income of Americans has grown by 45%. So it seems food is getting cheaper.

The message of the Marketbasket Survey, according to AFBF spokesman Mace Thornton, is that "food remains affordable." Using the averages calculated by USDA economists, it would be hard to argue that point. The latest data from the USDA's Economic Research Service shows that of their total spending on goods and services Americans fork over just **8.4% on food--the lowest percentage ever!**

In no other nation in the world is the figure that low. Citizens of all other developed countries spend higher percentages for food. Even in prosperous countries such as Switzerland and Japan, where incomes top those in the U.S., food expenditures take a significantly bigger bite out of the family budget. When you move down the list to the less developed countries the situation becomes downright bleak. In the Philippines, for example, people spend over half of their meager incomes to put food on the table.

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Page 2 - Give Thanks! Cheap Food In The United States.wpd

"People think that food is expensive, but they don't realize how much of what they buy at the supermarket isn't food," explains Joan Truax, a member of a multi-generational farm family who is one of the Marketbasket volunteer buyers. Truax goes on to say "And the farmer's share of the food price isn't very much." Also included in the AFBF's widely distributed survey is the message that the farmer's share of the food dollar is shrinking. America's farmers and ranchers receive only 19 cents out of every dollar spent for food, down from 31 cents in 1980, the report says.

So during this season of thanks and festivities, remember to value the plentiful U.S. food supply and its relative low cost.

Source: Progressive Farmer Magazine article by Jim Phillips, November 2002

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