



UNITED STATES SENATOR ★ SERVING THE CITIZENS OF IDAHO

LARRY CRAIG

[HTTP://CRAIG.SENATE.GOV/PRESS/](http://craig.senate.gov/press/)

NEWS RELEASE

For Immediate Release
March 27, 2008

Susan Irby (202) 224-8078
Will Hart (208) 342-7985

IDAHO NECESSITIES

Got Groceries?
by Senator Larry Craig

This is the second in a series of editorials addressing the availability and the rising costs of water, food and energy in Idaho.

Headlines across the country are sounding the alarm that food costs are skyrocketing, leaving consumers facing heftier grocery bills.

It is true that food costs are higher than a year ago – as much as nine percent higher according to the latest American Farm Bureau Federation Marketbasket Survey. This is not news to the average American consumer who has recently visited the supermarket. But let's step back to examine what's behind that increase.

Tight commodity stocks and robust demand – driven by poor weather conditions around the world, favorable exchange rates and economic growth in developing countries like China and India – have resulted in record-high prices for many of our staple commodities like wheat, corn and soybeans. However, most agree that rising costs of processing, packaging and transporting goods to your local supermarket – driven largely by higher fuel costs – are contributing more to your higher grocery bill than the farm-level prices

In addition, what we often fail to realize about these high farm-level prices is that the costs incurred by farmers and ranchers to produce those products have skyrocketed with equal strength. Our food producers face escalating fuel, fertilizer and feed costs, labor shortages and tight water supplies to produce the food that we enjoy. In many cases, today's rising commodity prices are barely keeping up with their rising cost of production.

[MORE]

CRAIG Page 2 – Idaho Necessities: Got Groceries?

Despite today's rising costs, our U.S. food system arguably remains one of the most economical and highest quality in the developed world, thanks to our history of innovation in agriculture. That innovation has allowed Americans to spend less than 10 percent of our disposable income on food – a number that has steadily declined since the 1930s when our grandparents spent closer to 25 percent.

Though this examination puts our current rising food costs into perspective, I recognize that it does not translate to relief at the grocery store. So, what can be done?

First, we must focus on keeping our farmers and ranchers productive and profitable so they can keep producing high-quality food at an affordable price right here in Idaho where agriculture means jobs and continues to be a foundation of our economy.

I continue to push for passage of a new farm bill with a strong safety net to protect our farmers from a downturn in price when production costs spike. I have advocated legislation to promote specialty crops and renewable energy programs to keep our farms and communities healthy and more energy independent. I also am fighting to maintain strong land-grant research funding to fuel the agricultural innovations that historically have kept our food costs low.

We also must continue to tackle energy security, labor and water – three issues that have a direct impact on farmers' and ranchers' costs, and on our grocery bills. I have been and will continue to be actively engaged on all these matters.

America's farmers and ranchers have consistently provided Idaho, the nation and the world quality food at reasonable prices. Rest assured that I will continue to work to address the issues fueling today's rise in food costs and that I will continue to thank Idaho agriculture three times a day.

NOTE: To link directly to this release, please use the following address: <http://craig.senate.gov/releases/ed032708a.cfm>. A [printer friendly version \(PDF\)](#) is also available.