

## Why Is the Cost of Food Going Up?

### AGRI-VIEWS

by Chuck Otte, Geary County Extension Agent

There's been a lot of media discussion lately about the cost of food. Yes, the cost of food has gone up noticeably in the past couple of years. No, it probably isn't going to get better anytime soon. I doubt that most folks understand everything that goes into the cost of the food that you buy at the grocery store. One thing that we need to get straight, though, before we go any further is that roughly for every dollar you spend at the grocery store, about 12 cents ends up getting back to the farmer. It varies from product to product, but when you average it out over the whole grocery cart, it's about 12 cents. That's for what you buy in the grocery store. You don't even want to know about the cost of your restaurant meals!

When you are dealing with growing plants and animals you are in for some challenges. Every homeowner and gardener knows that. The same thing goes for farmers and ranchers. But sometimes the impact on the price is a ways beyond the situation that created it. Drought, floods, temperature extremes all create challenges. Some farmers can irrigate their crops, but much of the land is non-irrigated or dryland farming. In Kansas we have around 21 or 22 million acres of cropland and about 3 million of that is irrigated. While irrigation can remove the risk of not enough moisture, it can't do anything about high or low temperatures or too much rainfall during the growing season.

Just like you and I driving our cars, rising petroleum prices hit ag production and hit it hard. Tractors and other farm equipment use a lot of fuel. Most of the insecticides and herbicides are petroleum based. Much of the nitrogen that is used in fertilizer comes from natural gas. The trucks that haul the raw commodity to be processed, the equipment that processes the food and the trucks that get the food to the grocery store all use the same energy. So when oil and energy prices go up, expect an impact on food costs!

Farmers and ranchers, for the most part, don't set the prices for what they sell. They are at the whims of the free market. The markets still respond to supply and demand. If there is a shortage in supply and demand remains constant, prices will go up. If there is a surplus of a commodity, price will go down. If you like bacon, you'd better hang on! There is a new pig disease making the rounds that is going to create a shortage in hogs going to slaughter. Expect pork prices, including ham, bacon and sausage, to start taking a big jump!

Parts or all of Kansas have been in a drought for the past three years. When there's a drought, pastures don't produce as much grass (or any in some cases) and alternate feeds for livestock also become short in supply. When this happens, ranchers sell off more cattle than normal and the breeding herd, those cows that have calves, shrinks meaning the supply of cattle to slaughter becomes smaller because of that lack of feed. Even when droughts are over and there's more feed available, it takes two years to get a calf raised up to be a cow and have its first calf. That shortage will be around for a while!

Ultimately, we are spoiled in the US. As a population, we spend less of our paycheck on food, even with the recent increases, than any other country. Sure, the rising prices are going to hit some folks harder than others. All of us will be looking for cheaper cuts of meat and probably not eating as much of some foods as we may like. But please remember that even still, we have the largest and safest and cheapest food supply of anywhere in the world!