The true cost of food

One of the ideas we have consistently used over the history of this column is the concept of externalities—costs of a producing a product that are not included in the final price.

For instance, the cost of a bushel of corn produced in the Midwest does not include impact of the soil and nutrient loss from upstream fields on the Dead Zone in the Gulf of Mexico.

The price that one pays for almonds grown in California's Central Valley does not include the cost of the long-term depletion of the underground aquifer that made the growth of the almond tree possible in the first place.

In most of our discussions, our analysis ends at that point and so we were intrigued by a recent publication of The Rockefeller Foundation: "The True Cost of Food, Measuring What Matters to Transform the U.S. Food System" (https://tinyurl.com/weunts68). In that publication the foundation seeks to identify not only the costs those of us in the US pay for the food that we eat, but also the costs that we do not pay—the externalities, both physical and social—in order to come up with a rough estimate of the true cost of the food we eat.

They make the point that until we know what the true costs of the US food system are, it is difficult to talk about the positive transformation of the system.

What we call externalities, they call hidden costs.

They write: "Although Americans have some of the most affordable food in the world, our food comes with hidden costs—to our health, to our climate, and to the farmers, fishers, ranchers, and food workers who ensure goods make their way to store shelves. As the pandemic made explicit, those workers bear the brunt of the unequal and unsustainable food system we live with today. In fact, our food system costs all of us far more than what's written on our receipt as we exit the check-out line."

They begin their calculation of the true cost of food with the $1.1 trillion that US consumers spent on food in 2019. To that they add the "cost of healthcare for the millions who fall ill with diet-related diseases." They also add in the costs to the environment and to families whose breadwinners work in "food production [and distribution] jobs for less than a living wage."

In the end the report estimates that the true cost of the food US consumers purchased in 2019 was $3.2 trillion. The unpaid costs were roughly double the price paid by consumers.

The authors argue that the US food system is currently optimized for 1) production volume, 2) food safety, and 3) inexpensive calories and these goals have been achieved.

In looking to the future, they argue for transformational change where the new goals are 1) healthy and affordable food, 2) fair livable wages for those working in the food system, 3) viable farming options for rural communities, and 4) the efficient, sustainable use of natural resources.

Their analysis identifies the costs of 5 quantitative metrics—human health, environment, biodiversity, livelihoods, and economy. Of the 5, human health accounts for $1.1 trillion in the list of costs that are not included in the price directly paid for by consumers. That $1.1 trillion is virtually identical to the amount consumers shell out at the cash register.

Out interest in The Rockefeller Foundation's analysis is less in the accuracy of their calculations than in the framework they provide for future policy discussions. It also provides common ground for farmers and the workers who transform their raw products into the

foodstuffs we see on our grocery store shelves and restaurant menus. Both groups want a fair economic return for the work and investment they provide to the nation's food system.

The periodic farm bill has traditionally been supported by a coalition of the farming and nutrition communities. This report suggests that workers in the food processing and distribution might also have a place in this coalition so that farm, labor, environmental, and nutrition legislation is designed with the broader needs of society in mind.

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Dr. Harwood D. Schaffer: Adjunct Research Assistant Professor, Sociology Department, University of Tennessee and Director, Agricultural Policy Analysis Center. Dr. Daryll E. Ray: Emeritus Professor, Institute of Agriculture, University of Tennessee and Retired Director, Agricultural Policy Analysis Center.
Email: hdschaffer@utk.edu and dray@utk.edu; http://www.agpolicy.org.