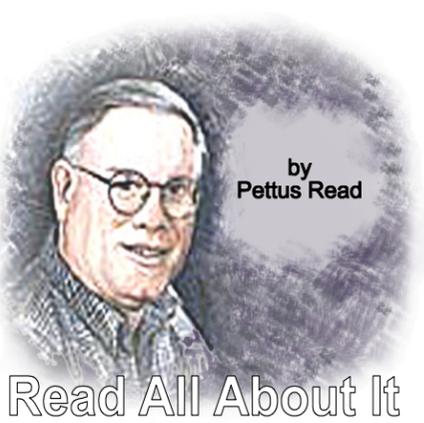


Food Prices Drop Due To Farmers



by
Pettus Read

Read All About It

Federation's Marketbasket Survey, the total cost of 16 basic grocery items showed a 49-cent decrease from the year's third quarter survey

Apples, flour, cheddar cheese and bacon showed the largest retail price decreases. Apples dropped 29 cents to \$1.51 per pound; flour dropped 16 cents to \$2.46 for a 5-pound bag; cheddar cheese decreased 15 cents to \$4.76 per pound; and bacon decreased 14 cents per pound to \$3.37.

Several survey items dropped in price by 10 cents or less: whole milk, down 10 cents to \$3.82 per gallon; ground chuck, down 9 cents to \$2.86 per pound; corn oil, down 8 cents to \$3.55 for a 32-oz. bottle; pork chops, down 4 cents to \$3.58 per pound; sirloin tip roast, down 4 cents to \$3.94 per pound; vegetable oil, down 2 cents to \$3.17 for a 32-oz. bottle; and a five-pound bag of potatoes, down 2 cents to \$3.36.

"Reversing an upward trend over the prior three quarters, ground chuck and

sirloin tip roast prices decreased during the fourth quarter," said Jim Sartwelle, an AFBF economist.



"These downward moves, along with the decrease in prices of our pork items, reflect weakened retail demand for these meats during the end-of-year holidays. Whole milk is the only item in the basket that is less expensive now than it was during the same time in 2007. Weakened export

demand for U.S. milk products coupled with increased domestic milk production added up to lower milk prices at the grocery store."

As your retail grocery prices have increased gradually, the share of the average food dollar that America and Tennessee's farmers receive has dropped over time. "In the mid-1970s, farmers received about one-third (33%) of consumer retail food expenditures for food eaten at home and away from home, on average. That figure has decreased steadily over time and is now just 19 percent, according to Agriculture Department statistics," Sartwelle said.

Using the "food at home and away from home" percentage across-the-board, the farmer's share of this quarter's \$48.19 marketbasket total would be \$9.16.

Even with the farmer's share of the food dollar

continually decreasing, his production of safe and wholesome food helps keep America's food supply abundant and affordable. In comparison to working 37 days to pay for food, Americans worked 77 days to pay their federal taxes, 62 days to pay for housing/household operation, and 52 days for health/medical care, according to The Tax Foundation.

Thanks to the hard-working farm families who produce our food, it is still one of the most affordable items we have to have each day. And remember, "Just like the farmer, if you eat, you are also engaged in agriculture."

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As the Nashville political atmosphere heated up during the last few weeks with legislative surprises and debates on who's on first and what's on second, consumers across the state and nation realized a drop in retail prices for food at the supermarket, and it had nothing to do with any kind of taxes or legislation.

It all happened because a farmer was involved in agriculture and he still cares to do so, even with farm prices always being a real uncertainty.

In the fourth quarter of 2008, according to the latest American Farm Bureau

results.

AFBF, the nation's largest general farm organization, conducts its informal quarterly Marketbasket Survey as a tool to track retail food price trends. A total of 133 volunteer shoppers in 37 states, including Tennessee, participated in this latest survey, conducted during October.

The \$48.19 shoppers paid for the 16 items, however, reflects a 7 percent increase from the 2008 first quarter results. Of the 16 items surveyed, 11 decreased in price and five increased in price compared to the 2008 third-quarter survey.




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