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December 10, 2021

VIA ELECTRONIC TRANSMISSION

The Honorable Thomas J. Vilsack
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Dear Secretary Vilsack:

As Ranking Member of the Senate Special Committee on Aging, I am writing to request information on the U.S. Department of Agriculture's evaluation of inflationary policies and their impact on household prices. In February 2021, former Treasury Secretary and economic adviser Lawrence "Larry" Summers noted the stimulus package under consideration by Congress could "set off inflationary pressures of a kind we have not seen in a generation."¹ Unfortunately, the Biden Administration did not heed his advice and now everyday Americans are paying the price. It is clear that inflation has now run much hotter and longer than the Administration expected, but hardworking American families and businesses don't have the ability to simply ignore sharply rising prices for everyday goods and services.

The Bureau of Labor Statistics recently reported a 6.8% increase in the prices of consumer goods, the largest increase in nearly 40 years.² Inflation has even affected a national retail chain well known for its \$1.00 product pricing by forcing its stores to raise the sticker price for most of its products to \$1.25.³

As we enter the final month of 2021, Americans are struggling to make ends meet—45% of all American households, and 71% of those making less than \$40,000 a year, reported financial hardship due to inflationary price increases.⁴ Prices of products overseen by your Department have increased significantly. For example, boneless chuck roast has surged 29% to \$7.40 per pound and a gallon of milk now costs \$3.66 a gallon, an increase of 8.4%.⁵

¹ Summers, Lawrence H. "Opinion: The Biden stimulus is admirably ambitious. But it brings some big risks, too." *The Washington Post*. 4 February 2021. Op-ed. Accessed 3 December 2021.

<https://www.washingtonpost.com/opinions/2021/02/04/larry-summers-biden-covid-stimulus/>

² Bureau of Labor Statistics. U.S. Department of Labor. *Consumer Price Index- November 2021*. 10 December 2021. Press Release USDL-21-2101. Accessed 10 December 2021. https://www.bls.gov/news release/cpi_nr0.htm

³ Rocco, Matthew. "Dollar Tree raises most prices to \$1.25 as inflation sweeps retail sector." *Financial Times*. 23 November 2021. Accessed 3 December 2021. <https://www.ft.com/content/b9328c56-13c9-4940-a330-823b81a3c6d5>

⁴ Younis, Mohamed. "Inflation Causing Hardship for 45% of U.S. Households." Gallup. 2 December 2021. Accessed 3 December 2021. <https://news.gallup.com/poll/357731/inflation-causing-hardship-households.aspx>

⁵ Layne, Rachel. "As inflation jumps, here's a look at how much more Americans are paying for food and fuel." *CBS News*. 23 November 2021. Accessed 3 December 2021. <https://www.cbsnews.com/news/inflation-gas-food-prices-increase/>

I am writing to request you review and explain what your Department will do to protect Americans from rising food prices, which are the result of the Biden Administration's inflationary policies. These higher food prices threaten our economic recovery, as American families pay more for nutritious, healthy food. Food price inflation will also increase government spending on safety-net programs overseen by USDA that older Americans, single parents, and Americans living paycheck to paycheck rely upon, while still leaving them at higher risk of food insecurity.

In February 2021, the USDA forecast prices for food eaten at home would increase 1% to 2% this year, and prices in restaurants and other venues would increase 2% to 3%.⁶ By November, USDA had more than doubled its inflation forecast.⁷

Specifically, the USDA forecasts steep prices in foods ordinary Americans put on their tables:

- wholesale beef prices are predicted to increase between 23% and 26%,
- wholesale pork prices are predicted to increase between 16% and 19%,
- farm-level wheat prices are predicted to increase between 38% and 41%.

These price increases are both disappointing and surprising, because the USDA has recognized the American food system as very efficient, historically resulting in low price increases.⁸

Food price inflation will also cost taxpayers more. USDA oversees critical safety-net programs including the Supplemental Nutrition Assistance Program (SNAP), Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and Commodity Supplemental Food Program for low-income seniors. SNAP cost taxpayers more than \$60 billion in 2019 and \$79 billion in 2020.⁹

This year, USDA re-valuated the Thrifty Food Plan, which is used to define the Market Basket for SNAP. Instead of imposing a requirement that the update be cost neutral, USDA claims to have based its re-evaluation on the cost of a healthy, practical diet. The update resulted in a 21% increase in cost for the Market Basket, which will result in increased costs to American taxpayers.¹⁰

As food price inflation races out of control, SNAP beneficiaries are increasingly unable to pay for healthy nutritious food, despite the increase in SNAP costs. The average monthly SNAP benefit

⁶ Chelius, C. (2021, February 18). *Food Price Outlook: 2021 USDA Agricultural Outlook Forum*. Retrieved December 3, 2021, from U.S. Department of Agriculture:

https://www.usda.gov/sites/default/files/documents/S1_Chelius_Carolyn_Pres.pdf.

⁷ Chelius, C., & MacLachlan, M. (2021, November 12). *Summary Findings: Food Price Outlook 2021*. Retrieved December 3, 2021, from U.S. Department of Agriculture: <https://www.ers.usda.gov/data-products/food-price-outlook/summary-findings/>.

⁸ Zeballos, E., Sinclair, W., & Park, T. (2021). *Understanding the Components of U.S. Food Expenditures During Recessionary and Non-Recessionary Periods*. U.S. Department of Agriculture, Economic Research Service. Washington: U.S. Department of Agriculture. Retrieved December 3, 2021, from <https://www.ers.usda.gov/webdocs/publications/102477/err-301.pdf?v=6233.1>.

⁹ Duffin, E. (2021, April 21). *Total costs of the U.S. supplemental nutrition assistance program (SNAP) from 1969 to 2020 (in billion U.S. dollars)*. Retrieved December 3, 2021, from Statista: <https://www.statista.com/statistics/315032/us-supplemental-nutrition-assistance-program-total-costs/>.

¹⁰ U.S. Department of Agriculture. (2021). *Thrifty Food Plan, 2021*. Washington: U.S. Department of Agriculture. Retrieved December 3, 2021, from <https://fns-prod.azureedge.net/sites/default/files/resource-files/TFP2021.pdf>

per household was \$408 in August 2021, an increase of over one third from 2020.¹¹ Despite this increase, the benefit supports slightly less than half the cost of the Market Basket of nutritious food, which costs \$835.57.¹²

Given the unsustainable increase in the price of consumer necessities, I wish to know what steps the agency is taking to counter inflation and protect the American families who rely on its programs. Specifically, I request:

1. Your explanation for these price increases in markets which you oversee.
2. Your plan to restore the efficiencies in the U.S. food system which the Biden Administration has harmed in its first year in office.
3. Your forecast of the cost of the Market Basket over the next 12 months, and how much this will increase SNAP's cost to American taxpayers.

Accordingly, I respectfully request all records, including draft documents, draft document comments, and draft document redlining responsive to a search of the following keywords within the Department of Agriculture's control, hosted by the following custodians, dating from January 20, 2021 to December 10, 2021.

Custodians:

- Acting Secretary, Kevin Shea
- Secretary, Thomas J. Vilsack
- Deputy Secretary, Jewel H. Bronaugh
- Deputy Under Secretary for Food, Nutrition, and Consumer Services (FNCS), Stacy Dean

Keywords:

- Inflation, inflationary, and other similarly sounded words
- Interest and interest rates
- Consumer Price Index
- CPI
- Cost of Living Adjustment
- COLA
- Federal Reserve
- The Fed
- Personal Consumption Expenditures
- PCE and PCE Index
- Mr. Lawrence Summers, Mr. Larry Summers, or Summers

¹¹ U.S. Department of Agriculture. (2021, November 5). *SNAP Data Tables: Persons, Households, Benefits, and Average Monthly Benefit per Person & Household*. Washington: U.S. Department of Agriculture. Retrieved December 6, 2021, from <https://fns-prod.azureedge.net/sites/default/files/resource-files/34SNAPmonthly-11.pdf>.

¹² U.S. Department of Agriculture. (2021). *Thrifty Food Plan, 2021*. Washington: U.S. Department of Agriculture. Retrieved December 3, 2021, from <https://fns-prod.azureedge.net/sites/default/files/resource-files/TFP2021.pdf>.

For any record captured by the preceding search parameters withheld from production, please provide a log articulating a description of the record(s) at issue, the privilege being asserted, the respective custodian(s) of the record(s) being described, and the date each record was created.

Please direct all correspondence to [REDACTED]@aging.senate.gov by January 7, 2022. As we prepare to turn the calendar to 2022, inflationary concerns will remain at the forefront of American consumers. By understanding the steps USDA took in 2021 to address inflation, Congress will be able to more fully examine what steps need to be taken to address inflation's impact on the American pocketbook. I thank you for your prompt attention to this central issue.

Respectfully,

A handwritten signature in blue ink, appearing to read "Tim Scott", with a stylized flourish extending to the right.

Senator Tim Scott
Ranking Member