

Does Industrial Agriculture Keep Food Prices Low?

Not necessarily. A key point of dispute in the debate over State Question 777 is the claim that industrial agriculture—also known as factory farming—keeps food prices down. A useful source of relevant data on this point is the Average Price Series produced by the Federal Bureau of Labor Statistics, which records average prices for various food items, including pork and poultry products. The success of industrialized farming at reducing prices is mixed at best and certainly not as clear as the industrialized farm lobby claims.

Our analysis produced several interesting results. Since 1992, Bacon, Whole Chicken, All Hams, and All Other Pork have each become more expensive, while Bone-In Pork Chops, Boneless Ham, Chicken Legs, and All Pork Chops have become cheaper. As far as the price of pork and chicken products in the Southern Region of the US from 1992 to 2015 can serve as a measure of industrial agriculture's success or failure at keeping prices low, the results vary. *On average, these eight products are 7.15 percent more expensive now than they were in the 1990s.*

We focused on these products because the hog and chicken industries have changed dramatically in the last quarter-century, particularly in Oklahoma, through industrialization and consolidation. The figures below represent changes in price for

every pork or poultry product recorded by the BLS Average Price Series in the Southern Region (which includes Oklahoma, along with fifteen other states and the District of Columbia).

A caveat: We recognize that casting the debate on this single point—a rhetorical claim suggesting the price benefit outweighs the social cost—notably misses the point of bad or controversial practices warranting regulation, oversight, and monitoring. Therefore, in our simple examination of food prices, please note that we are not balancing the data with environmental, human health, or rural economic factors, which would yield a more complete analysis.

METHODOLOGY

We took the average price from all twelve months for the starting year, used the same method for the ending year, expressed the starting year's price in terms of ending-year dollars (to account for inflation), and found the percentage deviation between the most recent price and the inflation-adjusted starting-year price, as a way to measure how much more or less expensive a particular food item is today, compared to the years when industrialized hog and chicken farming began to take hold. On page 2, the available data on three items only went back as far as 1998. For the other four items, the data was fractured in various ways, so we used the broadest range of dates possible, to provide as much information as we could.

1992-2015

| | 1992 Price | 2015 Price | '92 Price in '15 \$s | % Deviation |
|--------------------|------------|------------|----------------------|---------------------------------|
| BACON | \$1.76 | \$5.69 | \$2.97 | 91.58% MORE EXPENSIVE |
| BONE-IN PORK CHOPS | \$3.10 | \$4.14 | \$5.24 | 20.99% CHEAPER |
| BONELESS HAM | \$3.09 | \$4.22 | \$5.22 | 19.16% CHEAPER |
| WHOLE CHICKEN | \$0.79 | \$1.40 | \$1.33 | 5.26% MORE EXPENSIVE |
| CHICKEN LEGS | \$1.07 | \$1.68 | \$1.81 | 7.18% CHEAPER |

1998-2015

| | 1998 Price | 2015 Price | '98 Price in '15 \$s | % Deviation |
|----------------|------------|------------|----------------------|-------------------------|
| ALL PORK CHOPS | \$3.03 | \$3.76 | \$4.41 | 14.7% CHEAPER |
| ALL HAMS | \$2.02 | \$3.05 | \$2.94 | 3.85% MORE EXPENSIVE |
| ALL OTHER PORK | \$1.55 | \$2.67 | \$2.25 | 18.5% MORE EXPENSIVE |

1996-2015

| | 1996 Price | 2015 Price | '96 Price in '15 \$s | % Deviation |
|-----------------|------------|------------|----------------------|-------------------|
| BONELESS CHOPS* | \$4.44 | \$4.51 | \$6.71 | 32.79% CHEAPER |

1992-2012

| | 1992 Price | 2012 Price | '92 Price in '12 \$s | % Deviation |
|---------------|------------|------------|----------------------|-------------------|
| BONE-IN HAM** | \$1.71 | \$2.21 | \$2.80 | 21.07% CHEAPER |

1992-2001

| | 1992 Price | 2001 Price | '92 Price in '01 \$s | % Deviation |
|------------------------|------------|------------|----------------------|-------------------|
| BONE-IN CHICKEN BREAST | \$1.93 | \$1.89 | \$2.44 | 22.54% CHEAPER |

2006-2015

| | 2006 Price | 2015 Price | '06 Price in '15 \$s | % Deviation |
|-------------------------|------------|------------|----------------------|------------------|
| BONELESS CHICKEN BREAST | \$3.02 | \$3.27 | \$3.55 | 7.89% CHEAPER |

*The price of Boneless Chops fell sharply during this period—bottoming at \$3.20 in August '06—before recovering to the current price.

**The price of Bone-in Ham fluctuated significantly in the OOs, rising as high as \$2.48 in March '02 and falling as low as \$1.48 in February '08.