

AGEC 410 – Agricultural and Food Policy

12 – Food Price Policy

Basic concerns:

level of food prices

volatility

spatial discrimination

Level and volatility infrequently problems

U.S. food prices generally stable in real terms

Consumers spend 10% of income on food

Exception 1970s

price controls – shortages

embargoes – worked quite well

reduced import barriers

Spatial discrimination trying to get on agenda

idea is that consumers in some locations pay too much for food

ghetto

regional market power

Chicago market – Jewel and who else

impact of Federal marketing orders

Who can get your milk?