



The Impacts of Inflation on the Charitable Food System & Food Insecurity

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- Food insecurity
- Impact of inflation

The Feeding America Network



200

Food banks

+

21

Statewide food
bank associations

+

60,000

Partner agencies, food pantries
and meal programs



Surplus
food



Local
food banks

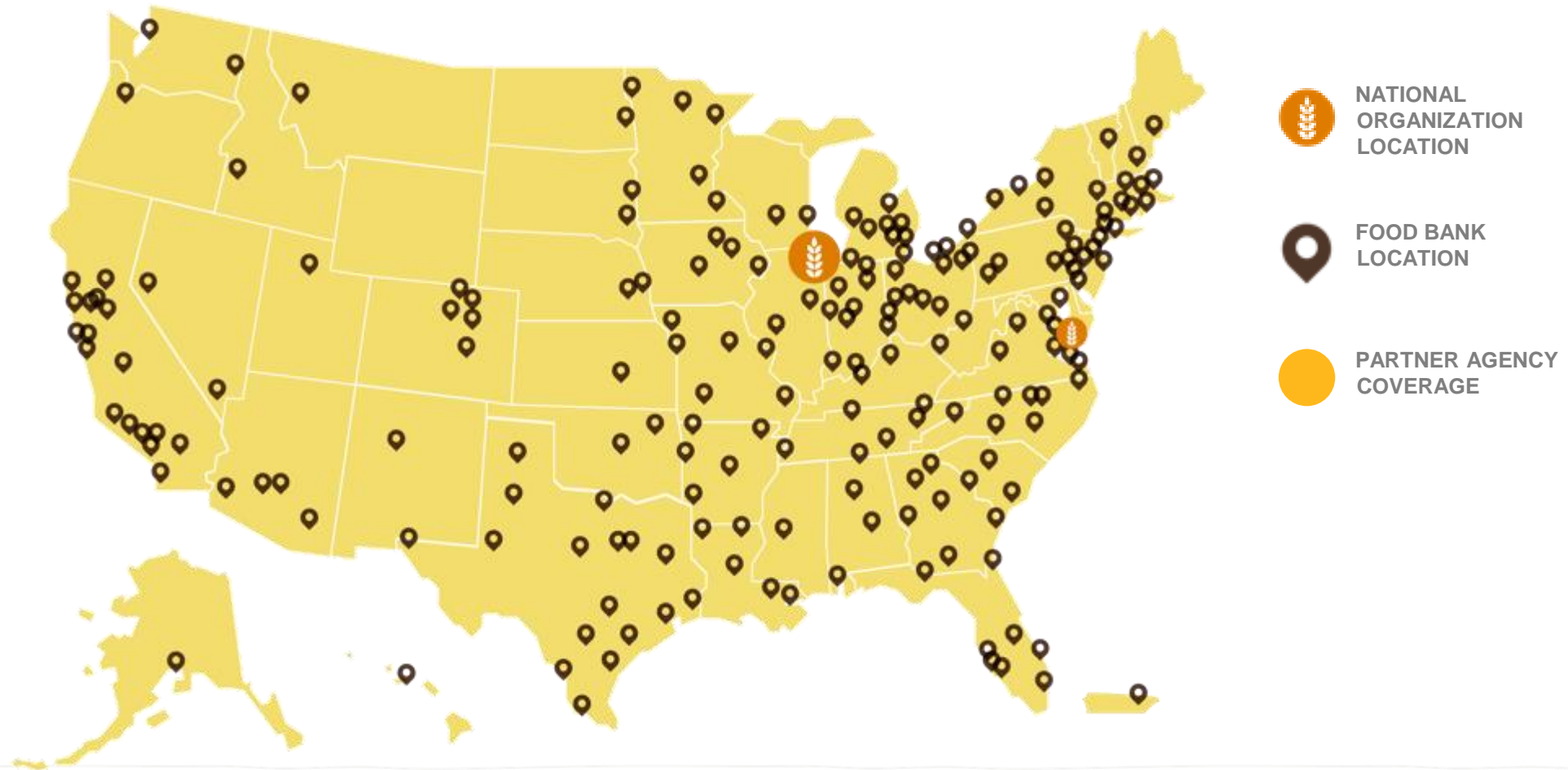


Grocery & meal
programs



Tens of millions
of people served

Feeding America: National Office + 200 Food Banks



Feeding America is the Largest Hunger-Relief Organization in the U.S.

Last year the Feeding America network:



HELPED

tens of millions of people in America
(52 million visited charitable food programs in 2021)



REACHED

every county in the U.S.



PROVIDED

5.2 billion meals in FY2022
(6.6 billion meals in FY2021)



RESCUED

3.6 billion pounds of groceries from going to waste
(2.03B from Retail; 858M from Growers; 710M from Manufacturing)



ENABLED

247 million meals through SNAP application assistance

The food bank model has evolved over time.

Today, food banks are at intersection of the social, health, economic, environmental and education sectors. Our national food bank network provides many services in addition to food.



-  Job Training
-  Food is Medicine
-  Healthcare Screenings & Referrals
-  Voter Registration
-  Case Management
-  Community Engagement & Advocacy

Feeding America has five food sourcing channels

Federal Commodities



USDA distributes food & administrative funds to participating states to operate food programs that distribute commodity foods purchased by the federal government and distribute by states and local partners. USDA also makes commodity purchases to support domestic ag markets and distributes those through local partners as well.

Donated Manufacturing



Excess or aging inventory and off-spec donations of case lot retail & industrial packaged foods

Donated Produce



Field rescue, diverted imports & secondary market fresh produce

Donated Retail



Excess or aging inventory recovered from grocery retailers, club stores, food service, drug & discount outlets and distribution centers

Purchased

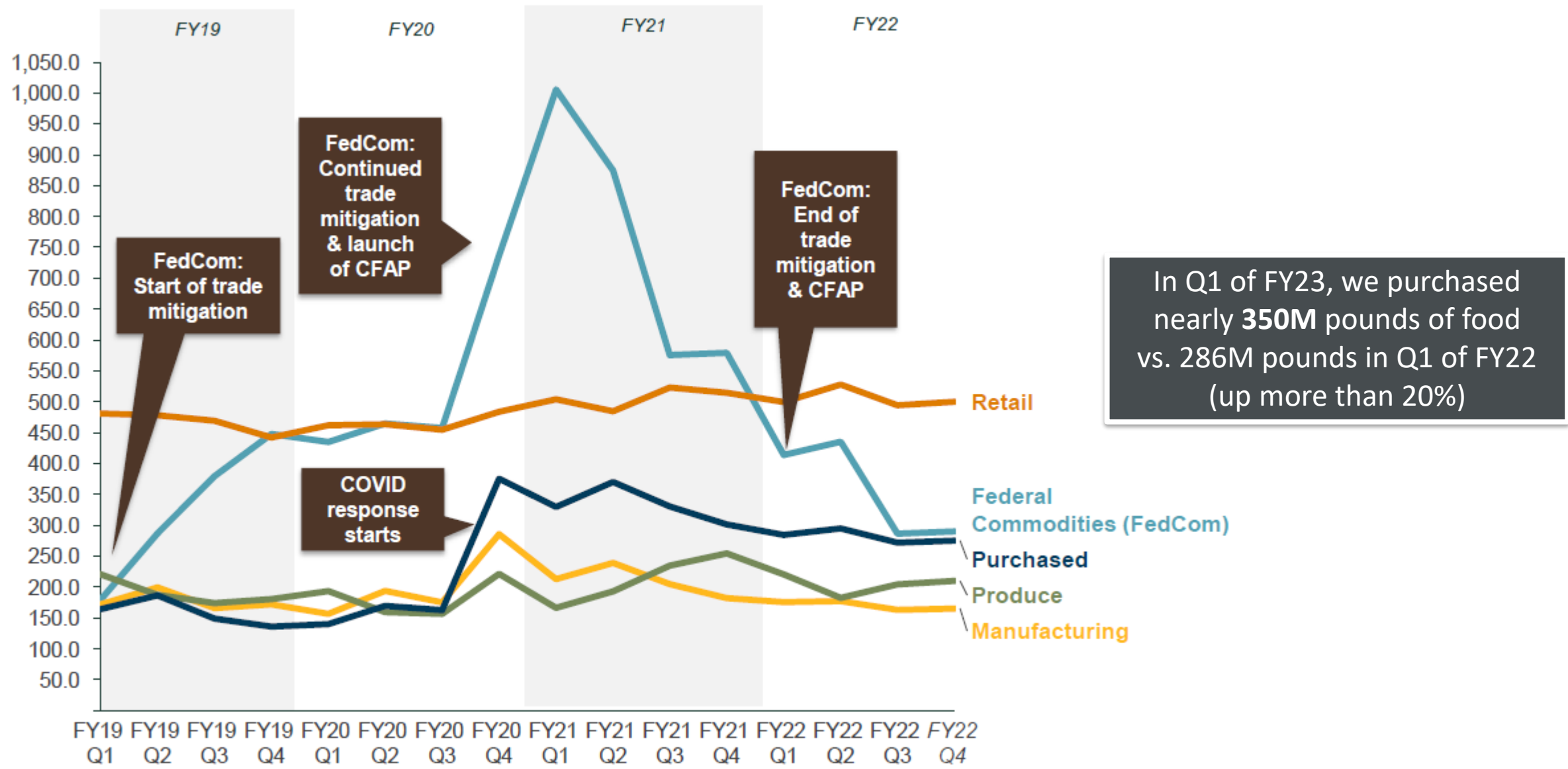


Food and other product purchased by FANO and directly by Food Banks when reliable supply is needed

Across our Manufacturing, Produce, and Retail channels, there are three categories of donated food:

1. Local donations sourced by the network
2. Donations from national donors, facilitated locally by the network
3. Donations from national donors, facilitated by FANO.

Pounds sourced by channel, FY19-FY22 (in millions)



In Q1 of FY23, we purchased nearly **350M** pounds of food vs. 286M pounds in Q1 of FY22 (up more than 20%)

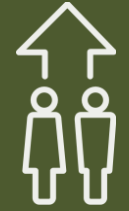
*CFAP = Coronavirus Food Assistance Program

Increased Need for Food Continues



**1 in
every 6**

people in the
U.S. live in
food insecure
households



13M+
more people
than 2019

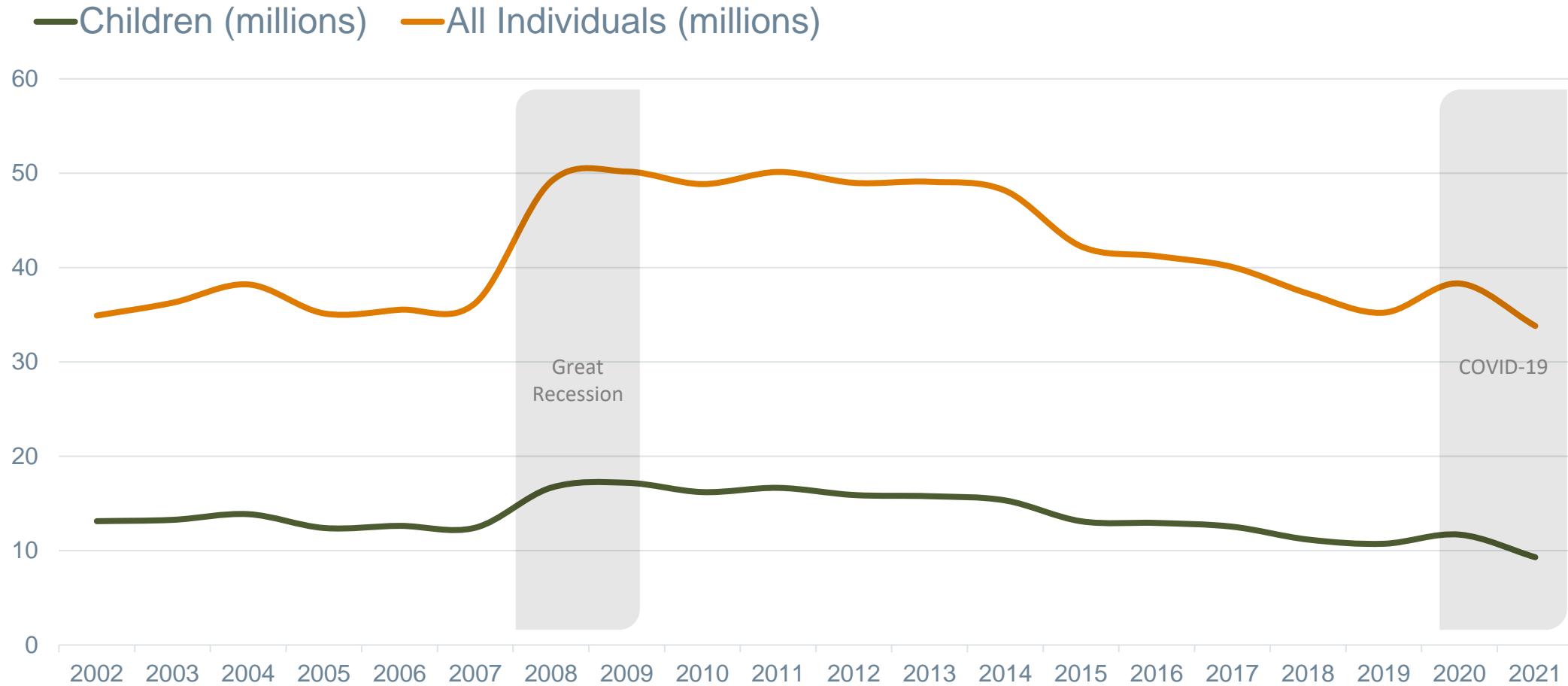


53M people
sought charitable food
assistance in 2021



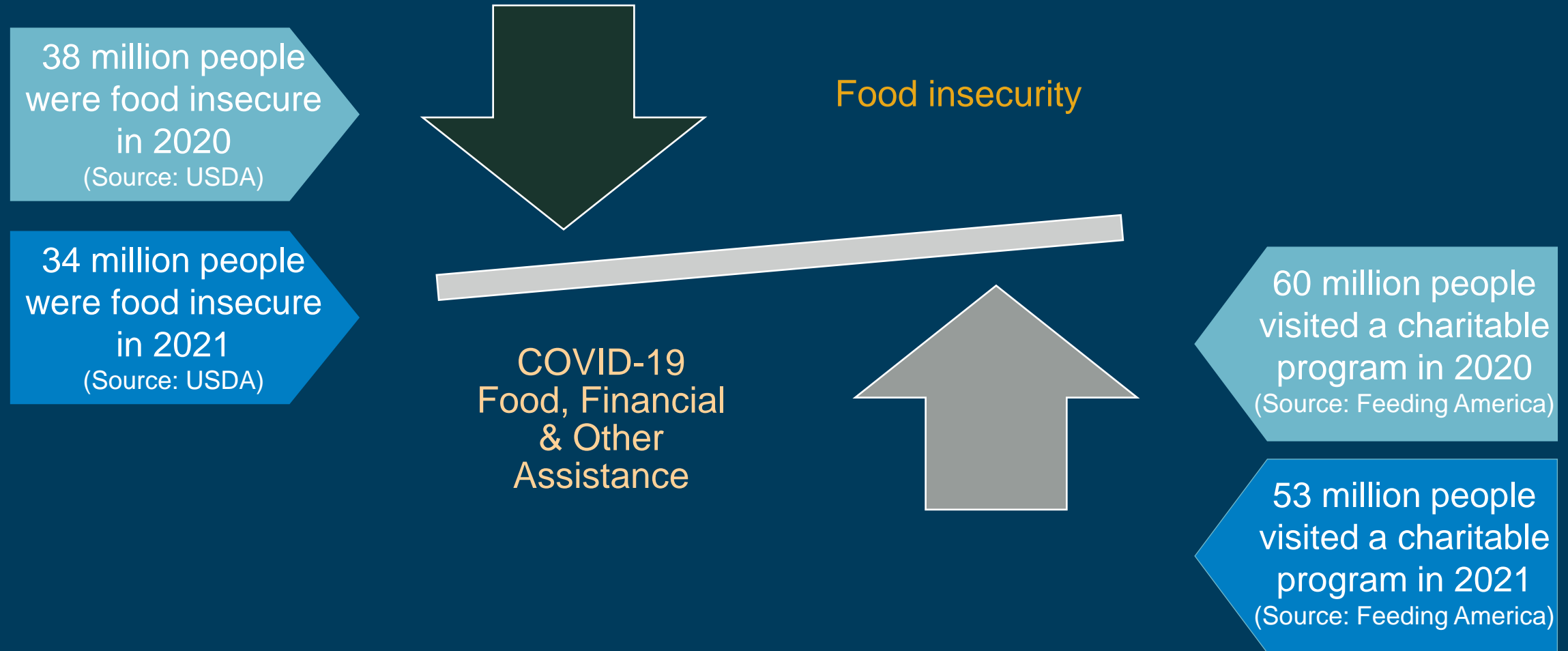
And yet, Food Insecurity Reached Historically Low Levels in 2021

Reduction due to unprecedented response to the COVID-19 crisis



Source: Data from *Household Food Security in the United States in 2021* (USDA ERS)

Food Insecurity and charitable food assistance during the pandemic



Food insecurity still disproportionately impacts people of color

Food insecurity affects:

1 in 5

Black,
non-Hispanic
individuals

1 in 5

Native
American
individuals

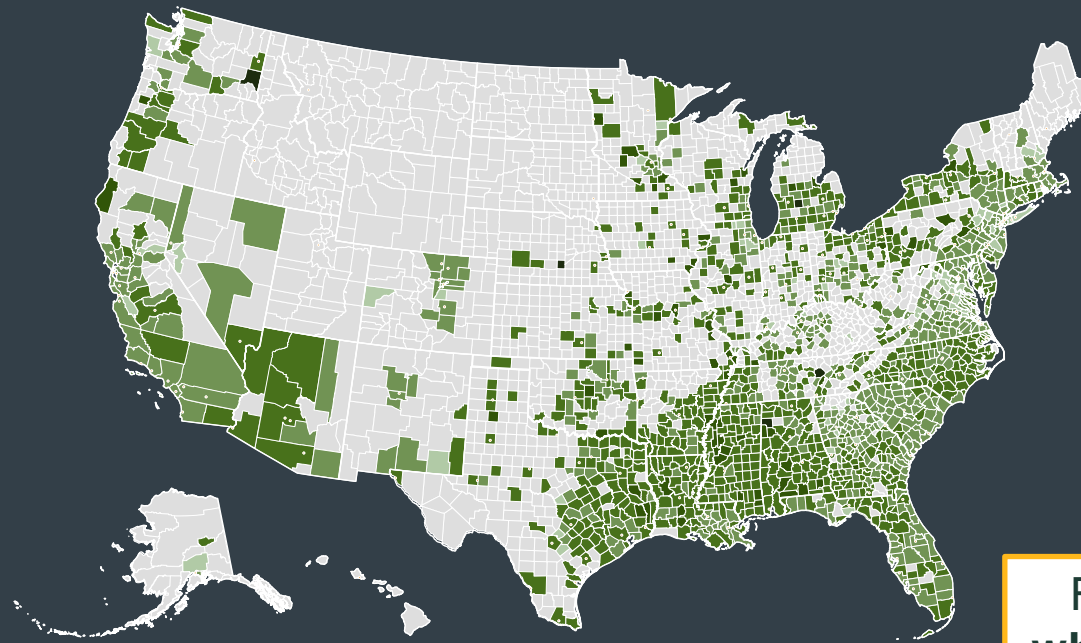
1 in 6

Hispanic
individuals

Compared to **1 in 15** white, non-Hispanic individuals

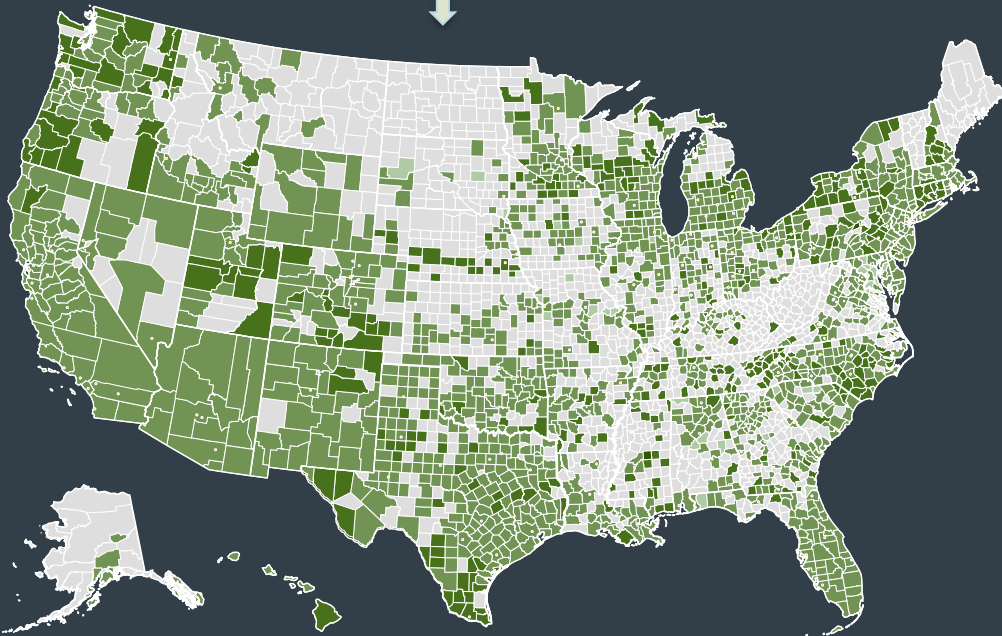
In 2021, we estimated food insecurity rates by race and ethnicity for 2019 & 2020

For counties, food bank service areas, congressional districts and states where underlying data are available

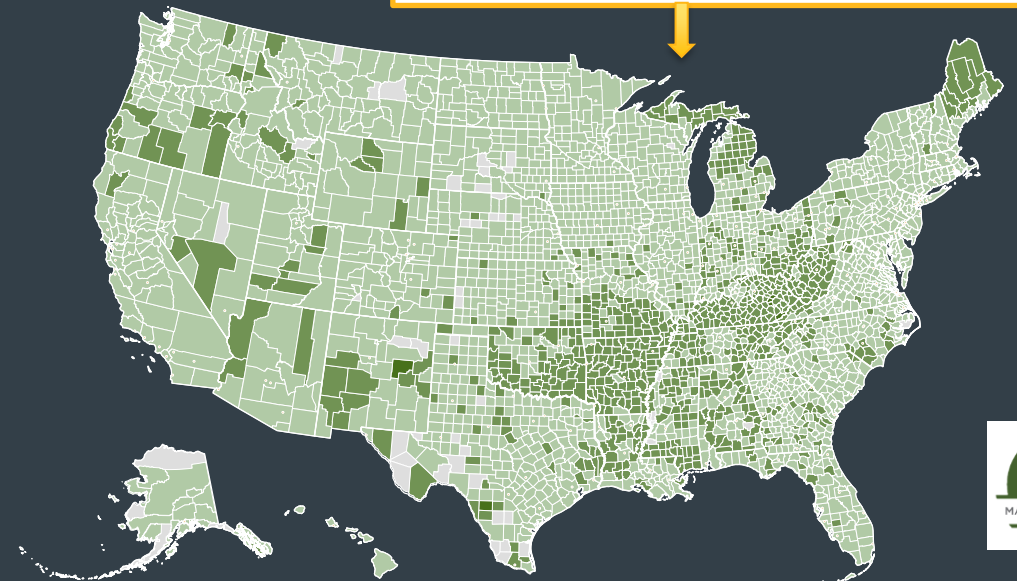


Food insecurity rates among **Black** individuals (all ethnicities) range from 5% to over 50%

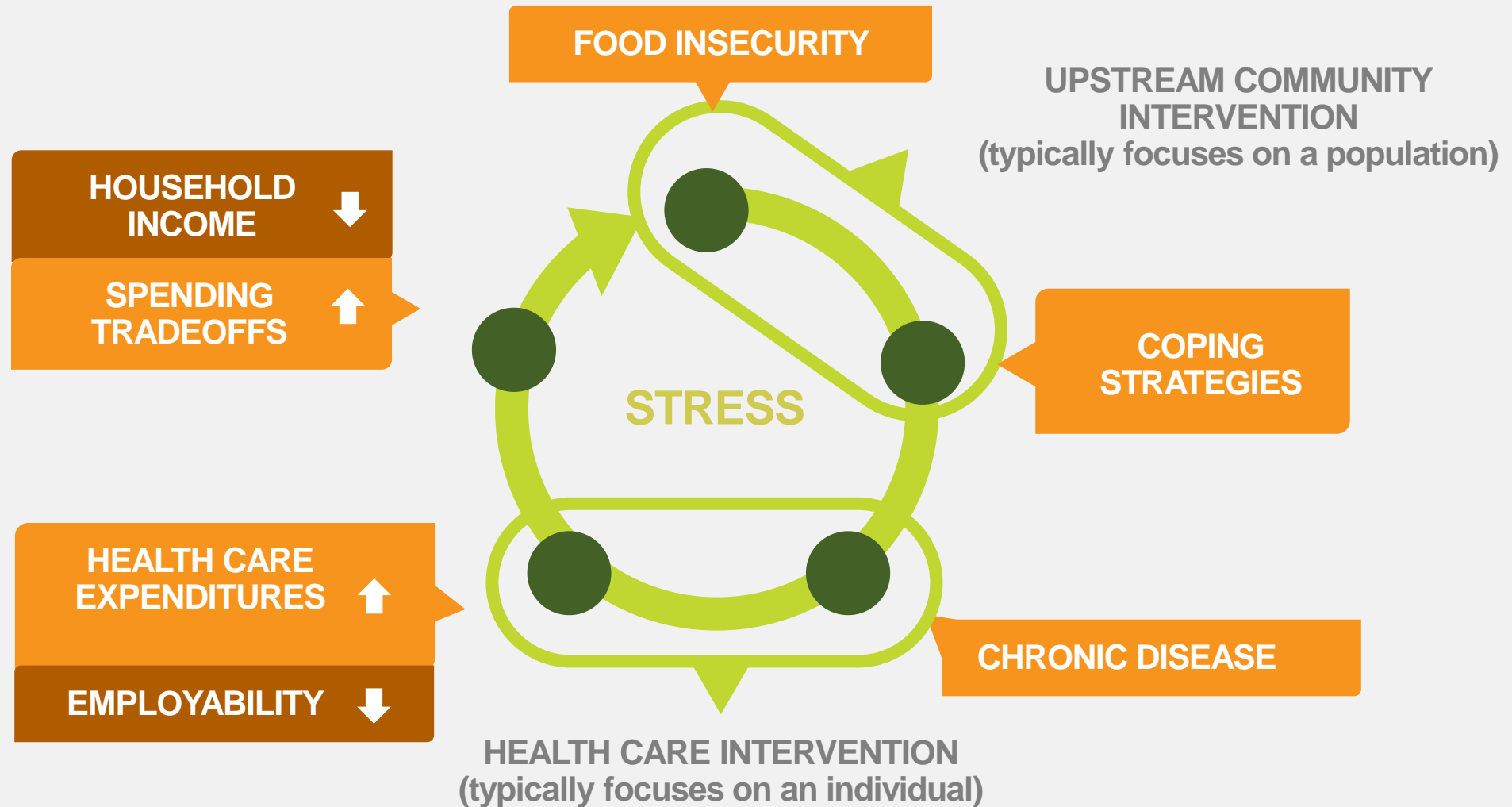
Food insecurity rates among **Latino** individuals range from 5% to 39%



Food insecurity rates among **white** (non-Hispanic) individuals range from less than 1% to nearly 30%



Food Insecurity & Chronic Disease



The Impacts of Inflation



**More
Neighbors
In Need**



**Operational
Challenges
For The
Network**



**More People Need
Food Assistance**

Cost of
household
essentials



**More Obstacles to
Providing Food**

Higher food,
housing and
gas prices

Food supply challenges
Higher costs

Inflation is impacting Feeding America's food sourcing channels, forcing many food banks to dip into cash reserves to sustain distribution levels

Various external factors, including inflation & continued supply chain challenges, are impacting costs



Purchased

- Food banks are paying ~30% more for food purchases (\$0.59/lb. average a year ago; currently \$0.77/lb average) to keep up with demand and make up for fewer food donations



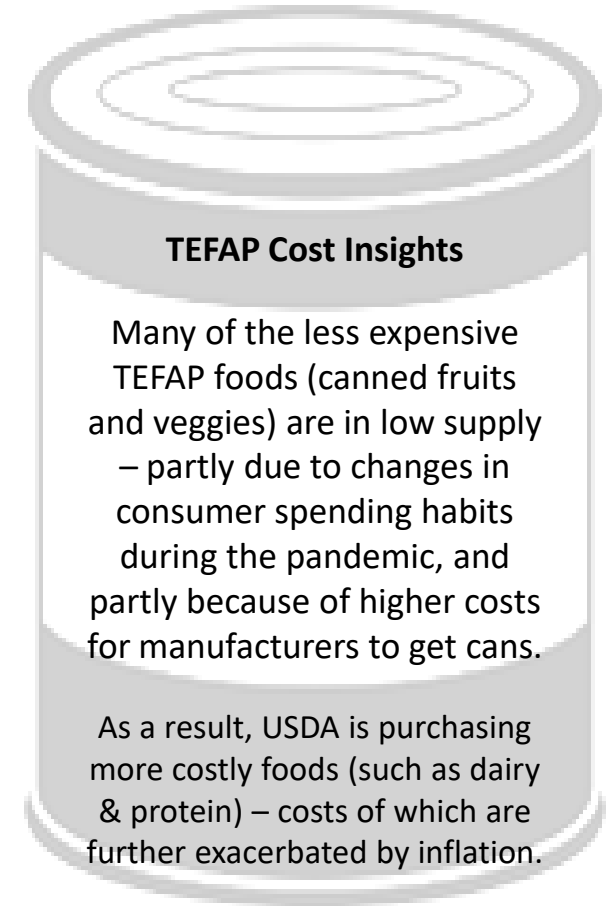
Logistics

- Food banks are moving twice as many truckloads of food now compared to before the pandemic while transportation costs are up nearly 20% in the last year



Federal Commodities

- Pre 2018, USDA foods averaged \$.80 a pound
- We have seen TEFAP purchasing power erode over the past few years. Average price/lb. has risen from \$1.04 in 2019, \$1.05 in 2020, \$1.15 in 2021 to \$1.49 in 2022¹



1. Based on USDA TEFAP Order Status Reports, which provide a monthly view of data in USDA's Web Based Supply Chain Management food purchase system that tracks the status of USDA food procurement efforts in TEFAP

Higher food costs disproportionately impact low-income households



Low-income households spend 27% of their budget on food

Increasing spending on groceries requires tough choices between food and other necessities like rent, child care and medication

In 2020, households in the lowest income quintile spent an average of \$4,099 on food (representing 27 percent of income), while households in the highest income quintile spent an average of \$12,245 on food (representing 7 percent of income). Source: USDA ERS.

Inflation Amplifies the Persistent Affordability Crisis

Even when inflation decreases, families will face tough choices between basic needs for the foreseeable future



CHILD CARE

1/3

Increase in families' cost per hour over the past 15 years



HOUSING

MEDIAN HOME PRICE

2.2X AVERAGE ANNUAL INCOME IN 1950

6X AVERAGE ANNUAL INCOME IN 2020



HEALTH CARE

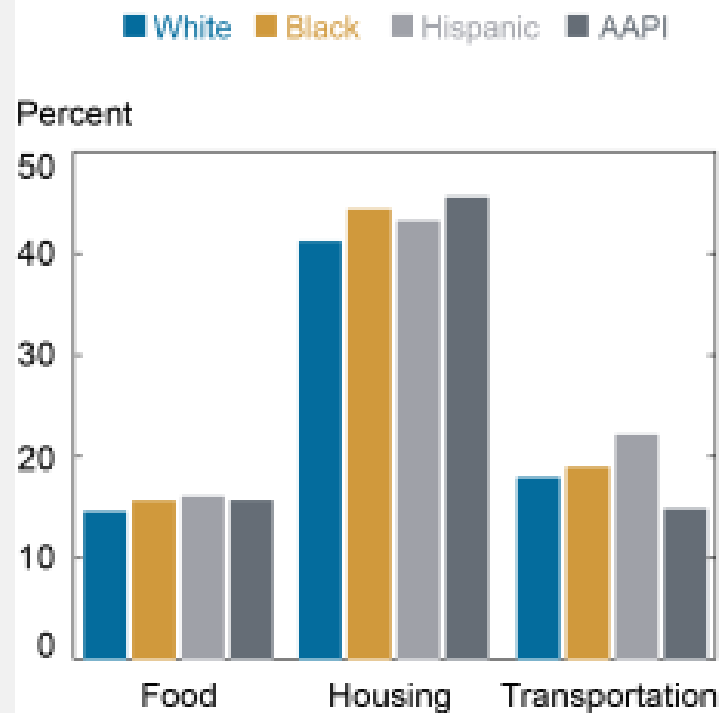
NEARLY

70%

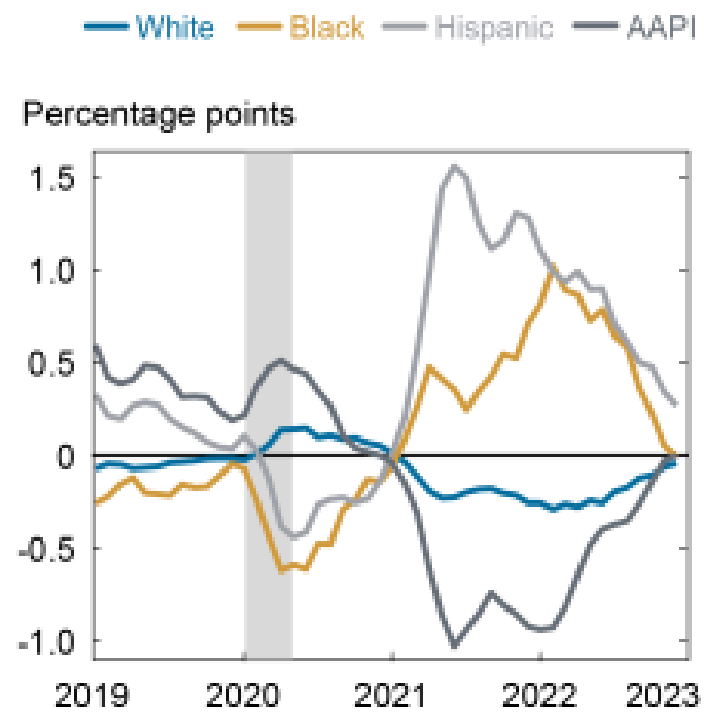
Increase in out-of-pocket costs from 2011 to 2021

Inflation disparities by race and ethnicity look to be narrowing

Share of Expenses on Food, Housing, and Transportation by Race (2020)



Inflation Gaps by Race Relative to Overall CPI



Conclusion/Stating the Obvious

- Higher prices affect the ability of food banks to source, move, store and distribute food to people facing food insecurity
- Inflation is hard on all consumers, but especially those who are food insecure and/or low income
- High demand for food from the charitable food network continues



Thank You

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Appendix



The Feeding America Network

As the nation's largest domestic hunger-relief organization, Feeding America is leading the charge to end hunger in America.



**Charity
Navigator**



**Accredited
Business**

98%

**Charitable
Commitment
Rating**

#1

**Ranked the
Largest
Charity in the U.S.**
Forbes



**Gold Seal of
Transparency**
from GuideStar

Factors that Influence Food Security Rates

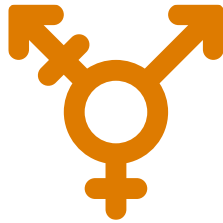
Food insecurity rates are higher among adults who are:



Living with
a mental
health
condition



Unable
to work
because of
a disability



LGBT



The female
head
of a single
parent
household
with children



Many veterans and
active members of
the military struggle
with hunger



Amidst rising costs
for higher education,
many college
students are
food insecure.

There are many validated methods for assessing food security, ranging in length

U.S. Household Food Security Survey Module: 18-items

- The most complete, stable, and robust model
- Captures the full range of severity of food insecurity among households, including adults and children
- The lengthiest and most time consuming

U.S. Adult Food Security Survey Module : 10-items

- Only appropriate for adults and does not provide information about children

Food Security Module Short Form: 6-items

- The shortest available module for assessing food insecurity
- Does not ask child-specific questions so cannot glean information about child food insecurity.

Hunger Vital Signs/Clinical Screener: 2-items

- Validated for use as a screening tool in the health care setting
- Does not include severity or child specific questions

