

By [Michael Fielding](#) on 1/14/2013

Food costs for a family of four increased more than \$2,000 above expectations in 2012 – marking a steady increase of food prices since 2006. This, according to a [study](#) by agricultural and food industry consultancy FarmEcon. Results of the study were released Jan. 8.

Researchers of the study, “Food Costs Are Eating American Family Budgets,” found that in current 2012 dollars, the average person saw a 2012 food bill that was \$514 higher than the long-term affordability trend and actual food costs. For a family of four, the increased cost above the trend was \$2,055.

For the country’s food spending, the current dollar above-trend 2012 food bill was \$162 billion. “In perspective, the increase in food spending is about the same as annual consumer spending on either vehicle repairs, college education, or telecommunications,” according to the report. “Given the outlook for sustained high major crop prices through mid-2013, we are likely to see another very large 2013 food bill increase.”

Of the \$162 billion above-trend total food cost increase for the 2012 U.S. food bill, about \$74 billion, or 46 percent, is due to 2005-2012 price increases for grains, soybean products, distiller’s dried grains with solubles (DDGS) and hay. In addition, costs for a wide variety of other related minor agricultural commodities have also increased.

“While consumers have struggled with declining food affordability, crop farmers have seen their personal income and wealth explode along with crop prices. Livestock, poultry and dairy farmers, burdened by higher feed costs, have seen their profitability fall since 2005. A relatively narrow slice of the U.S. economy has reaped enormous benefits, while the vast majority of us have seen their economic fortunes decline.”