



JOINT ECONOMIC COMMITTEE
SENATOR CHARLES E. SCHUMER, CHAIRMAN
REPRESENTATIVE CAROLYN B. MALONEY, VICE CHAIR



Statement of Carolyn Maloney, Vice Chair
Joint Economic Committee Hearing
May 1, 2008

Good morning. I would like to thank Chairman Schumer for holding this hearing to examine rising food prices and the impact it's having on American families.

This week, Big Oil companies are reporting record profits, but families are struggling to make ends meet in the face of stagnant wages and rapidly rising fuel and food prices. In some areas of the country, people are paying \$4 for both a gallon of milk and a gallon of gas. Families are forced to cut back on meats and fresh vegetables, for lower-cost items such as pasta and canned foods – some are calling it the recession diet.

As the price of oil sets a new record almost daily, it is clear that rising fuel costs are driving up the cost of food. Higher energy costs have driven up the cost of commodities – such as corn and wheat – feed for livestock, and transportation to get products to market.

As we will hear from our witnesses today, other factors have also contributed to rising food prices, such as growing global demand, severe weather in farm regions, and increased speculation in commodity futures markets that have caused price spikes for certain crops.

In our quest to become less dependent on foreign oil, we face a new dilemma between raising crops for food or fuel.

We will hear from a bakery owner in New York who is seeing prices spike for fuel and grains, on top of declining sales as consumers cut back. We will also hear from Second Harvest about how food banks are seeing an increasingly large number of people seeking help, while food donations are declining. The Food Bank for New York City and City Harvest serve over 300,000 people per month, many of whom are the working poor who have to choose between food and utilities, housing or health care each month.

We need to find ways to bring relief to families who are feeling the squeeze of higher prices.

We have taken concrete steps in the House to try to end unnecessary subsidies to Big Oil companies and invest in clean fuels and efficiency by passing the Renewable Energy and Energy Conservation Tax Act back in February. And last year's energy bill ensures that biodiesel and cellulosic sources, such as switchgrass, are key ingredients of renewable fuels.

The President and Republicans in Congress blocked attempts to expand food stamp and Unemployment Insurance benefits as part of the first stimulus package. The Speaker has urged them to come back to the table to negotiate a second stimulus package that should include both of these measures for struggling families.

Mr. Chairman, thank you for holding this hearing and I look forward to the testimony today.

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