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Chicken Feed on Increased Food Prices

by The Mogambo Guru

"And regardless of how many 'nightmares' anybody's lawyer says his client has had as a result of an alleged 'hostile work environment', the real nightmare is knowing that inflation in prices generally follows inflation in the money supply."

Deepcaster.com, writing at financialsense.com, reminds us that "the U.S. Dollar has dropped over 35% (when measured by the USDX, a market basket of other major currencies) since its 2002 highs of 120 to below 75 on the USDX today."

Perhaps this dollar turning into crap has something to do with John Lee at goldmau.com reporting the interesting statistic that the number of dollars has exploded in the last few decades, and that now "there is 1,500% more paper money today than there was in 1970."

This is important stuff because all of that money created over those decades chased goods and services to the higher and higher prices that you see today, and produced the gargantuan system of governments that we have today, too.

And it is not just us idiot Americans, but everybody around the world is expanding their money supply and suffering inflation, as evidenced by Christopher Hancock at [Whiskey and Gunpowder](#), who writes, "Prices are rising in Europe as in America. Bread is up 12 percent in Germany over the last 12 months. Butter has gone up 45 percent. Milk, 25 percent."

Instead of a list of the things that are up in price (everything), let's see how much inflation is 1,500% in the money supply over 43 years? I have no idea, but I found to my delight that if you terrorize a young college intern from the accounting department long enough, she will get you the information you want, and that is how I found out that this 15-fold increase in the money supply comes to 7.38% inflation per year over the last 38 years.

And regardless of how many "nightmares" anybody's lawyer says his client has had as a result of an alleged "hostile work environment", the real nightmare is knowing that inflation in prices generally follows inflation in the money supply.

If you want to double-check my math, look up a few prices from 1970 and compare them to today, but don't be surprised to learn that I, the one usually known as The Mogambo and recently referred to as "the creepy Defendant", was right when I said that the Federal Reserve is [destroying our money](#) by creating too much of it, which will show up in consumer prices so high that you will vomit up blood at the prices!

In case you are thinking that this old-time "inflation" bugaboo is not important, then if you also like tasty fried chicken in the handy "Family Bucket" size, then you will be very interested to note that the Financial Times reports, "Tyson, the largest producer of beef, pork and chicken in the US, yesterday reported its first loss in six quarters in part because it had not been able to pass the cost of bird feeding its birds on to consumers."

And it is going to get worse, as Tyson said, "Last year, corn and soy costs doubled to \$2bn" and that "the higher price of corn and soybeans would add about \$600m to costs this year" in the chicken business alone, and the additional costs of higher prices for "cooking oil, breasting and feed ingredients such as vitamins could be among factors adding a further \$400m to costs."

In short, inflation is waaaAAAAay out of control, as admitted by Richard Bond, Tyson's chief executive, who said, "We can't raise prices fast enough to keep up with the rising costs of our inputs."

Ed Bugos also of Whiskey and Gunpowder writing at Moneyweek.com has a new article with the title "The Federal Reserve Is Making Inflation Worse" which says that more of this is on the way. He reports that "The Bureau of Labor Statistics (BLS) reported another sharp increase in producer prices during March. Finished goods were up 1.1 percent and intermediate-level goods rose 2.3 percent, pushing the year-over-year rates to 6.9 percent and 10.6 percent, respectively, in the month of March - the biggest yearly increases in this price indicator since 1981. US consumer prices rose four percent year over year, pushing the high end of a 15-year range."

And if you comprehend the sheer terrifying enormity of that, don't think you are going to find solace in a bucket of yummy fried chicken. I've tried it.