

Down on the Farm With Inflation

“Pretend farmers.” That’s what we’re called by our neighbors who farm for a living.

Having retired to a 10-acre chunk of Southern Minnesota farmland, my husband and I don’t depend on our miniature-scale operation to support us. Instead, our efforts are aimed at keeping family and friends in eggs and lamb chops. And this week, we raised prices on both.

Our decision to charge more for what we produce won’t further roil the stock market or accelerate the decimation of your 401(k). Nor are we likely to come to mind when you hear media ads from local nonprofits blaming inflation on “corporate price-gouging.”

Still—unwillingly—we’ve become part of the inflation problem that is eviscerating Americans’ buying power, imperiling our economic security.

My husband and I tried every cost-saving strategy we could think of to avoid raising prices. We held the line until our flocks could be returned to pasture, dining on grass and insects instead of costly oats, corn, and alfalfa. But price increases for feed, fuel, fertilizers—all up between 85 and 400 percent in the last few years, according to my “real” farmer neighbor—eclipsed those savings. So we dispatched less productive hens to the freezer, a tactic with the unfortunate side-effect of diminishing the supply of eggs and exerting further upward price pressure.

Our retirement farming gig allows us the luxury of choosing whether to absorb or pass along these jaw-dropping price increases or throw in the towel. Business-owners with a payroll to make, truckers with diesel tanks to fill, families

with many mouths to feed, “real” farmers with crops to plant and till and harvest and take to market—well, they must feel desperate in the face of crushing, across-the-board inflation. To the extent that any of these folks can raise prices for their goods and services, their increases only add fuel to the inflation conflagration.

That’s only part of the economic chaos we’re enduring. Perhaps even more crippling than exploding prices are imploding supplies. “Supply chain disruptions” is a phrase most Americans never heard until governments cobbled together their shut-down response to COVID. Supply chains, like my mother’s good lamp, are evidently more easily broken than repaired, for shortages continue—from automobiles to pharmaceuticals to computer chips to baby formula.

How did we get to this point—life-threatening shortages, record-setting inflation, and the specters of stagflation and recession?

Supreme Court Justice-to-be, Ketanji Brown Jackson, is no biologist, and I am no economist. But my college work-study stint as secretary to the economics faculty taught me this much: Inflation occurs when too many dollars chase too few goods. Trillions in government deficit spending during a period of government-restricted production and distribution of goods? Inflation guaranteed.

Stating the obvious gets us nowhere, of course. For now, we’re stuck in the world that we have allowed politicians to create for us. But the future can be better, and Leonard Read’s storied 1958 essay “[I, Pencil](#),” may show us a way forward.

Read’s essay, in a handful of pages dedicated to the unfathomably complicated “life story” of a No. 2 pencil, drives home the folly of politicians who choke off domestic oil production in pursuit of a green agenda—without recognizing the near-cataclysmic impacts of their policies—and

of bureaucrats who shutter small businesses or baby formula factories in the name of public health—without understanding the avalanche of nasty consequences that will follow.

Brushing up on “I, Pencil” will make one other important thing clear: America’s voters come in for our share of the blame, too. Failing to appreciate the complexity of our extraordinary economic system will make us gullible—eager to fall for the quick-fixes offered by ambitious politicians and in denial about the pain that accompanies their nostrums.

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