

Send Money, Guns, and Baby Formula



Inflation is raging, wars are spreading, and baby formula is nowhere to be found. No political regime can survive these disasters. We might tolerate ever higher fuel costs and threats of nuclear war with Russia, but Americans will not stand idly by as their babies go hungry. The sound of gunfire directed at black and brown people in our country is being drowned out by the yells of distraught mothers looking for Abbott Nutrition's baby formula. The political strategists living in the 'spin' obsessed bubble we refer to as 'the government' did not anticipate that the demise of their agents (whom we refer to as "politicians") would be triggered by a baby formula shortage. This food shortage can only get worse now that half the states in our United States are eliminating access to abortion. There will be many more babies to feed.

The conspiracy theorists will undoubtedly blame critical race theory, the dark state, replacement theory, George Soros, or a dead South American dictator as the source of our baby formula problem, but people with normal brain function will not embrace this nonsense. Indeed, pointing to the "usual suspects" rings especially hollow as our media, our leaders, and our common sense try to explain this dilemma. We may be having problems getting computer chips made in South Korea for the cars engineered in Germany and assembled in North Carolina, but baby formula does not require this global coordination and is not affected by supply chain bottle necks in San Diego. Identifying

the real causes of this self-inflicted catastrophe requires a broad understanding of American industry and government oversight and the awkward dance involving these adversaries that they have been engaged in for nearly a century.

The Food and Drug Administration (FDA) is supposed to monitor the safety of our food supply. When toxic bacteria appear in hamburgers sold in Illinois, the FDA tries to identify the source of the contamination and shut down the meat processing plant responsible for the tainted beef. Shutting down one plant or one distribution point usually has no impact on the availability of hamburgers in America. We have many meat processing plants, even though the marketplace for processed meat is controlled by a handful of companies. Indeed, the marketplaces in many sectors of the American economy are controlled by relatively few corporations. Our politicians talk about the virtues of competition but are too busy soliciting money from national and international megacorporations to draft laws designed to keep any single player from exerting undue influence in those marketplaces.

Corporations are expected to grow if they are to survive. The bigger they are, the less likely they are to fail. If the number of buyers in the market they have targeted is relatively fixed, they need to get an ever larger fraction of those buyers to expand their businesses. Annually, there are about 12 babies born per 1,000 people in the U.S., which is well below the 23 births per 1,000 people just 60 years ago. Total babies born in the United States in 2020 was 3,605,201, down 4% from 2019. This was a record low for our country, and it represents a continuing trend. Family size and the number of women opting to have children are decreasing. The marketplace for baby formula is shrinking.

For a company making baby formula to grow it needs to capture an increasing number of those fewer women who are potential customers. One option for the baby formula company is to adopt practices that force competitors out of stores. The less competition they face, the more secure their survival and profitability becomes. Additionally, if they can centralize production and increase the scale of production at one or just a few sites,

they should be able to produce baby formula more cheaply and therefore more profitably than smaller competitors. What could possibly go wrong?

Ninety percent of baby formula sold in the U.S. is made by one of four companies. Abbott (Nutrition) sells nearly half of all the baby formula distributed in the U.S. It operates five production facilities. The FDA received reports that four infants given formula produced at Abbott's Sturgis, Michigan, plant developed bacterial infections that were probably related to baby formula. Two of the infected children died. Having found the baby formula produced at Sturgis was the one factor all four affected babies shared, they ordered Abbott to investigate the manufacturing process at the plant. Abbott found no problems, and no source of infection. Not satisfied with the company's self-investigation, the FDA ordered the plant shut down and initiated its own review of the manufacturing processes. And so began the crisis.

FDA investigations are often slow and lengthy. If the FDA agents overlook something, the minority political party or the next administration is likely to fire them. There are rarely repercussions if the investigation drags on for months. After all, shutting one facility is unlikely to affect the national access to a food item. If nothing is found, the politicians and the public will usually (unjustifiably) assume that a careful assessment had been completed. Relatively few manufacturers have the market domination achieved by Abbott Nutrition in the area of baby formula. If Abbott were angered by government intervention into its operation, it could theoretically create a national crisis by withholding its products from the stores under contract to carry its baby formula.

A cynical observer might suggest that the abrupt and nearly universal disappearance of product from a manufacturer with four of its five plants still able to operate should have raised concerns of market manipulation. Instead, our outraged Congress demanded answers from the FDA. In sound-bites designed for the evening news, our well-paid and rarely replaced representatives demanded that the FDA do what the FDA actually could not do without congressional or presidential action. Our legislators scolded the head of the FDA for not moving more quickly to get the Abbott plant back on-line and assured

the viewing public that Congress would do whatever it takes to get baby formula on our grocery shelves.

Of course there will be hell to pay if the re-opened plant turns out contaminated baby formula. There was no discussion at these congressional hearings of adopting measures that would prevent actions taken against one manufacturer from having national repercussions. There was no talk of increasing alternative manufacturing of baby formula by other firms. There was talk of flying in support from foreign manufacturers, manufacturers who are not subject to FDA oversight. What is evident now is that Abbott got congressional support to re-open its plant. Baby formula will reappear on store shelves across the country, and the FDA, our government watchdog, has been banished to the dog house for doing its job.

Dr. Lechtenberg is an Easton resident who graduated from Tufts University and Tufts Medical School in Massachusetts and subsequently trained at The Mount Sinai Hospital and Columbia-Presbyterian Medical Center in Manhattan. He worked as a neurologist at several New York Hospitals, including Kings County and The Long Island College Hospital, while maintaining a private practice, teaching at SUNY Downstate Medical School, and publishing 15 books on a variety of medical topics. He worked in drug development in the USA, as well as in England, Germany, and France.