



COMMITTEE ON
**EDUCATION
& LABOR**
REPUBLICANS

VOTE YES
H.R. 7791

Support H.R. 7791 to prevent future baby formula shortages.

The Crisis:

- Three-fourths of babies under six months old rely to some degree on formula.
- 40 percent of the top-selling baby formula products were out of stock in April. Baby formula was more than 50 percent out of stock in six states at the end of April.
- National out-of-stock levels went from 31 percent to 40 percent between April 3 and April 24.
- Retailers have resorted to restricting the amount of formula which can be purchased per transaction.
- The average cost of baby formula is up 18 percent over the past year.

Why we need this legislation:

- We must ensure the rules for WIC participants and manufacturers are clear in the event of another crisis or supply chain disruption and plans are prepared to alleviate such a situation immediately.

What this legislation does:

- Requires manufacturers to submit a plan on how they would protect WIC participants in the event of a supply chain disruption when bidding for a WIC contract.
- Requires coordination between the USDA and the FDA to ensure awareness of supply chain issues and to support WIC participants.
- Ensures appropriate guardrails while allowing the Secretary to act quickly and efficiently in an emergency.
 - Allows the Secretary to issue a narrow set of waivers for WIC participants in the event of a supply disruption.
 - This declaration must come with a clear end date and clear evidence of a need for continued waivers prior to being renewed.
 - Requires states to inform manufacturers of the declaration.

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BACKGROUND:

- WIC accounts for about half of infant formula sales in the U.S.
- Under the WIC program, states contract with infant formula manufacturers for the sale of infant formula to WIC participants. In return for being the sole source provider of infant formula in the state, these manufacturers provide a rebate on each can of formula sold. Through these rebates states receive about \$1.7 billion in extra funding to support WIC program activities.

Supply Chain Crisis:

- Forced shutdowns during the pandemic and generous stimulus checks and unemployment benefits have contributed to both a supply chain crisis and a worker shortage that is affecting many industries, including baby formula manufacturing.
- Anyone paying attention could see that an infant formula shortage was on the horizon, but the Biden administration did nothing.

Biden's FDA:

- The Abbott facility in Michigan should have never been kept closed for so long.
 - The Biden administration shut down the nation's top baby formula manufacturing plant in February and has slow walked the response ever since.
 - Abbott produces 42 percent of U.S. formula.
 - This facility was investigated for a possible coronabacter contamination and subsequently issued a voluntary recall; however, the FDA has found no link between the Sturgis plant and any infant illness.
- The Biden administration was too slow to act.
 - The Biden administration should have reacted when the first signs of a shortage were apparent.
 - The FDA should have acted faster to reopen the Sturgis facility.

BOTTOM LINE: The Biden administration should have acted sooner, but now Congressional Republicans and Democrats are coming together to offer real solutions to help protect WIC participants in the event there are future supply chain shortages. This is an important first step to protecting infants and parents from empty shelves in the future.