

# FACT SHEET: President Biden Announces Additional Steps to Address Infant Formula Shortage

MAY 12, 2022 • STATEMENTS AND RELEASES

President Biden has directed his administration to work urgently to ensure that during the Abbott Nutrition voluntary recall, infant formula is safe and available for families across the country. Today, President Biden spoke with retailers and manufacturers, including Wal-Mart, Target, Reckitt, and Gerber, to discuss ways we can all work together to do more to help families access infant formula.

On February 17, the largest infant formula manufacturer in the country—Abbott Nutrition—initiated a voluntary recall of several lines of powdered formula. This came after concerns about bacterial contamination at Abbott’s Sturgis, Michigan, facility after four infants fell ill and two died. The federal government—including the Food and Drug Administration (FDA), Department of Agriculture (USDA), Department of Justice (DOJ), Department of Transportation (DOT), U.S. Trade Representative (USTR), Department of Homeland Security (DHS), Department of Commerce (DOC), and the White House—has worked diligently over the last few months to address the shortfall in infant formula production while the Sturgis plant remains offline, including working with other infant formula manufacturers to increase production, expediting the import of infant formula from abroad, and calling on both online and in store retailers to establish purchasing limits to prevent the possibility of hoarding. As a result, more infant formula has been produced in the last four weeks than in the four weeks preceding the recall — despite one of the largest infant formula production facilities in the U.S. being offline.

Families across the country remain concerned about the availability of infant formula—especially families that depend on specialty formulas for which the Sturgis facility is a key supplier. These 20 specialty formulas are used by about 5,000 infants as well as some older children and adults with rare metabolic diseases, and Abbott Nutrition is the only supplier for some of these formulas.

Today, President Biden is announcing additional steps to bolster our work to get infant formula onto store shelves as quickly as possible without compromising safety. These steps include:

- **Cutting Red Tape to Get More Infant Formula to Store Shelves Quicker:** Manufacturers typically produce many different sizes of the same type of infant formula. Simplifying product offerings allows manufacturers to increase the speed and scale of their infant formula production, stabilizing the overall volume of formula available in the market. The type of formula that companies make and distribute is impacted by the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), administered by USDA. About half of infant formula nationwide is purchased by participants using WIC benefits, based on both federal requirements and additional rules set by individual states that have a large effect on the availability and distribution of infant formula in a given state.

To help further increase manufacturers' ability to meet demand and distribute formula, USDA is working with states to make it easier for vulnerable families to purchase the formula they need with their WIC benefits. USDA is urging states to allow WIC recipients to use their WIC benefits on a wider variety of products so that if certain sizes or types of formula are out of stock, they can use their benefits on those that are in stock. And, USDA is urging states to relax their requirements that stores keep a certain amount of formula in stock. This will offer relief to retailers and allow companies to manage inventories to meet demand. Some states are already doing this. All fifty states should. These actions will make it easier for vulnerable families to get the necessary nutritional support for their infants.

- **Calling on the FTC and State Attorneys General to Crack Down on Any Price Gouging or Unfair Market Practices Related to Sales of Infant Formula:** Parents looking to feed their child should not be taken advantage of by unscrupulous retailers unfairly jacking up prices. There have been [several reports](#) that actors are purchasing formula at retail stores and reselling it online at a markup several times the retail price, especially specialty brands of formula that have experienced the most disruption. These actions not only are costing families hundreds of dollars for formula they need, but drive scarcity on the market. Since February, the FDA has worked with companies, calling on them to issue purchasing limits to help limit such predatory behavior. Many responsible retailers have responded to that call. Now, DOJ is engaging with state attorneys general to encourage them to use their powers to monitor and address price gouging in the infant formula market, and urging them to devote more resources to monitoring predatory behavior in the market for infant formula. And, the President today asked the Federal Trade Commission to use all its available tools to monitor and investigate reports of illegal and predatory conduct.
- **Increasing the Supply of Formula Through Increased Imports:** The U.S. normally produces 98% percent of the infant formula it consumes, and trading partners in Mexico, Chile, Ireland, and the Netherlands are key sources of imports. But given the production

and distribution issues leading to local short supplies of infant formula, the FDA will, in the coming days, announce specific new steps it is taking concerning importing certain infant formula products from abroad.

More information on actions that the FDA announced earlier this week to address the shortage of infant formula can be found [here](#). The Biden-Harris Administration will continue to monitor the situation and identify other ways it can support the safe and rapid increase in the production and distribution of baby formula.