

Economic Impacts of Food Safety Outbreaks

The 2026 cyclospora lettuce outbreak: evidence from federal data, and industry reports

David L. Ortega

Professor · Noel W. Stuckman Chair in Food Economics & Policy

Michigan State University

Roadmap

The burden



The outbreak



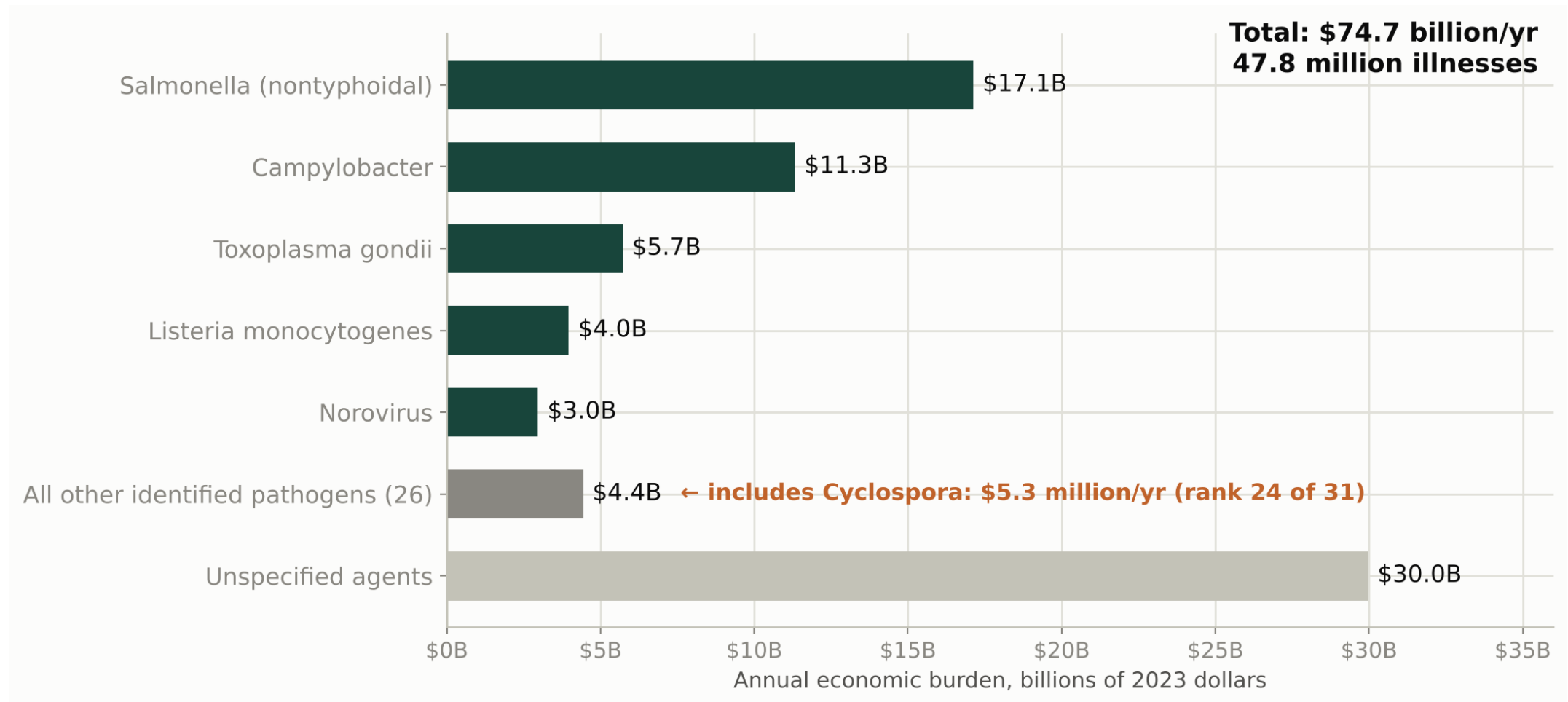
Prices & volume



Who pays



Foodborne illness costs the U.S. about \$75 billion a year



Source: USDA ERS, Cost Estimates of Foodborne Illnesses, 2023 dollars (cases, total cost and per-case cost by pathogen)

12,883 illnesses from one supplier — no U.S. lettuce implicated

12,883

confirmed cases in 21 states

570

hospitalizations · 2 deaths

1,000+

infections per day at the peak

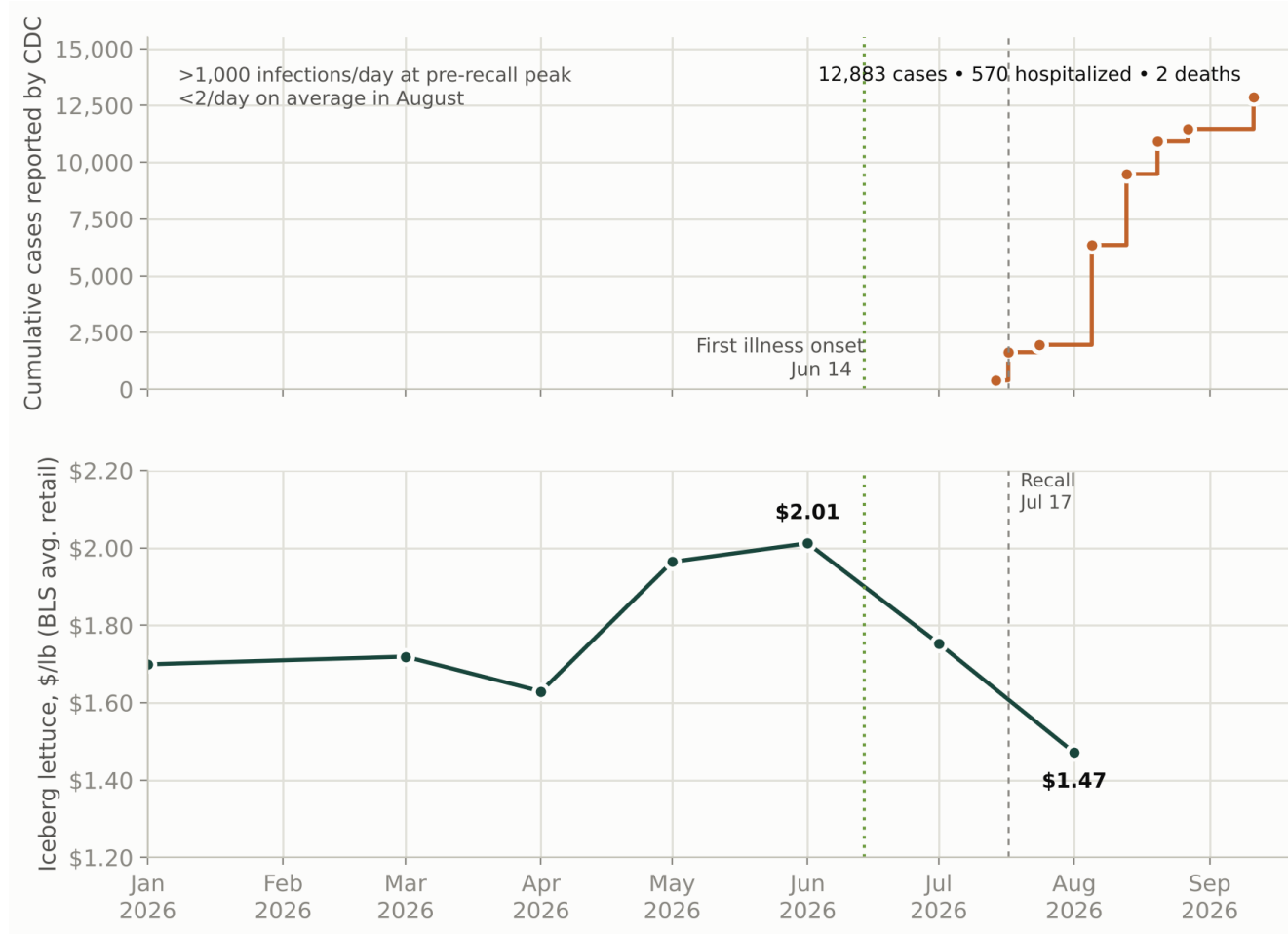
Jun 14 first illness onset

Jul 17 Taylor Farms de Mexico recalls all central-Mexico iceberg

Sep 11 CDC declares outbreak over

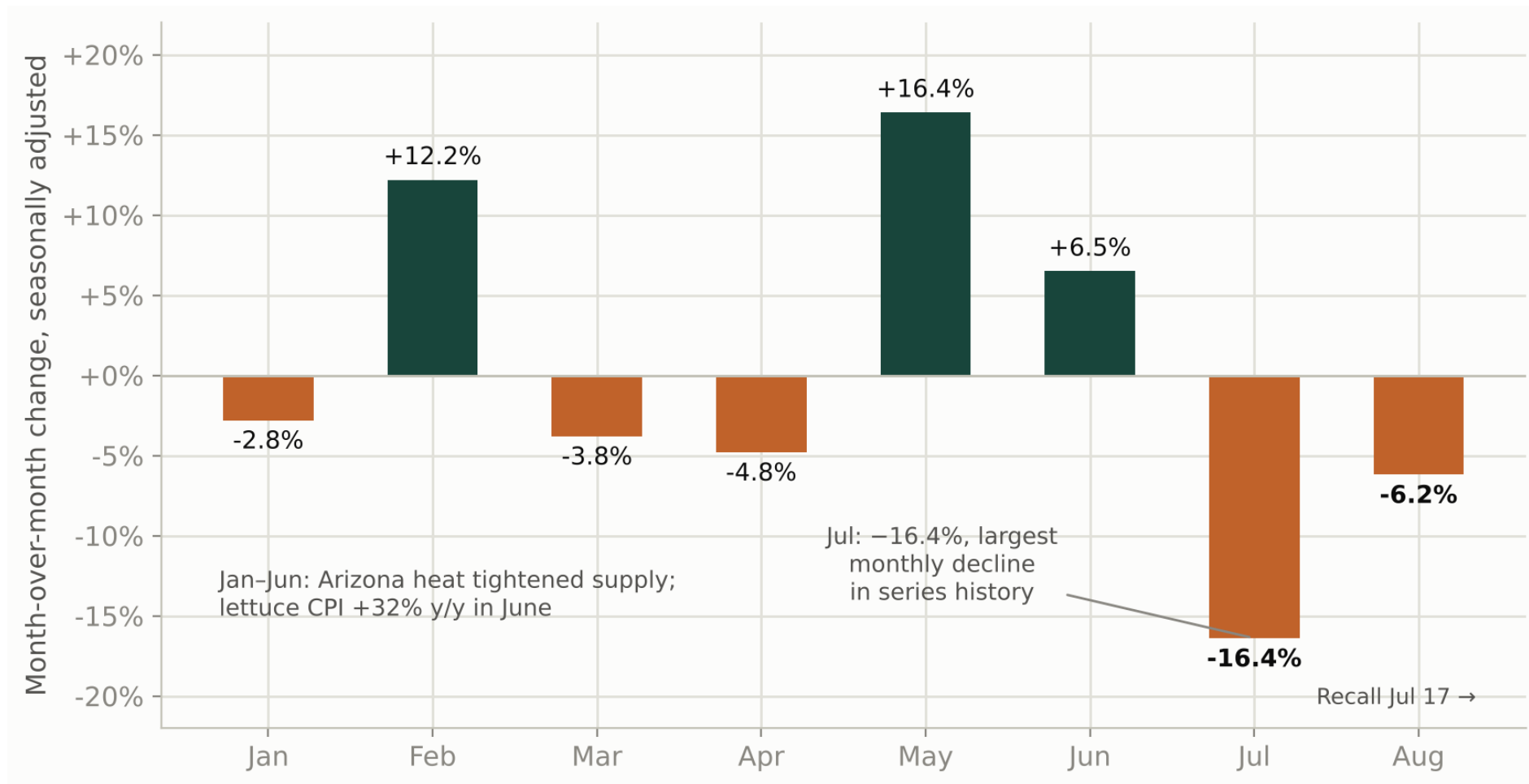
Source: CDC, Cyclospora Outbreak Linked to Iceberg Lettuce, final update Sep 11, 2026.

Iceberg hit a record \$2.01/lb, then fell 27% in two months



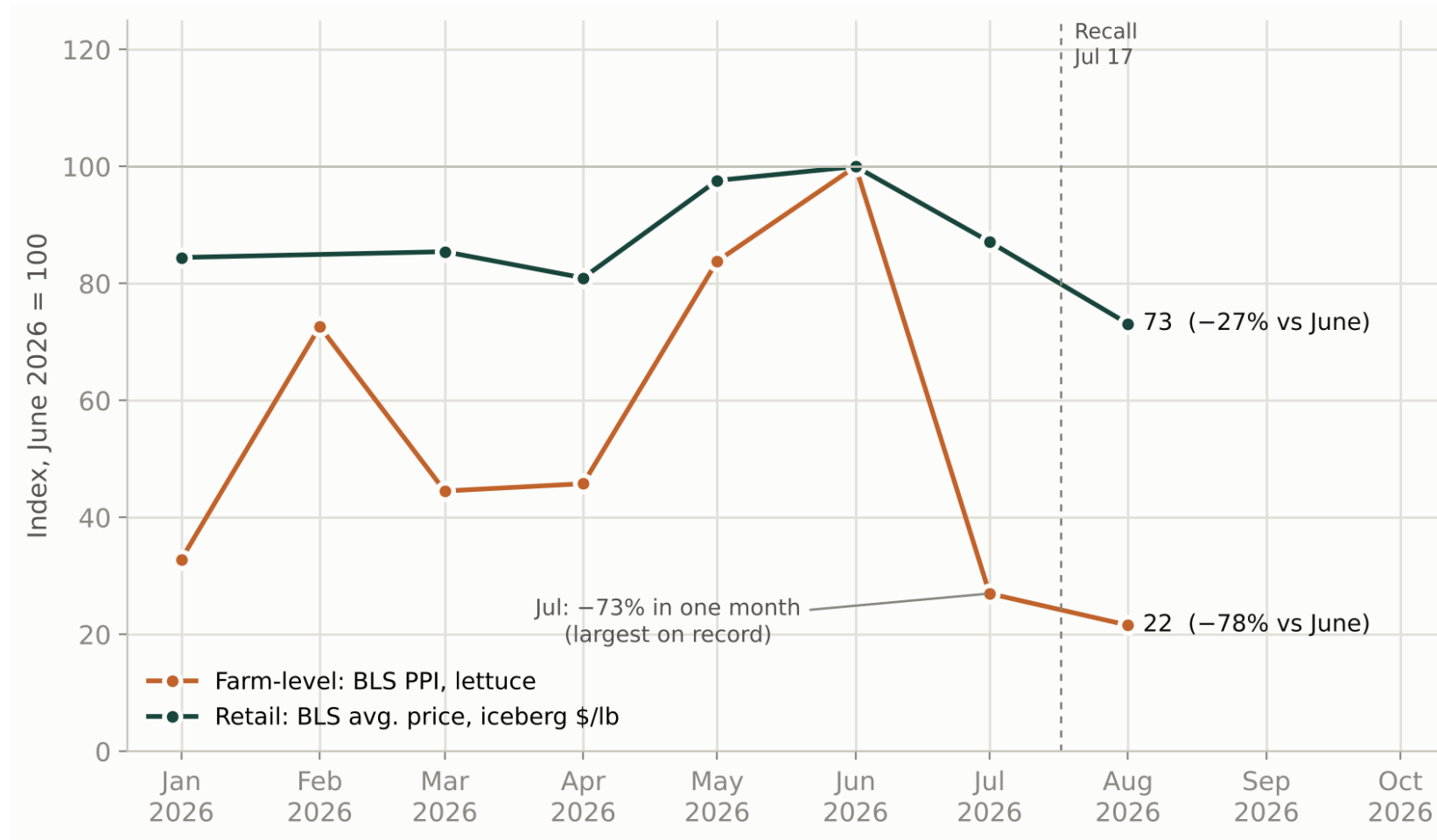
Source: CDC outbreak updates (Jul 14–Sep 11, 2026); BLS Average Price Data, series APU0000712211, not seasonally adjusted

Lettuce CPI fell 16.4% in July — sharpest m/m drop in the series



Source: BLS CPI-U news releases (Mar, Jun, Jul, Aug 2026), Table 2, "Lettuce", seasonally adjusted.

Producer prices fell more sharply than retail prices



Source: BLS Producer Price Index, Farm Products: Lettuce (WPU01130215) and Average Price Data (APU0000712211), via FRED; indexed by author

Growers reported destroying unimplicated lettuce

3.9M

heads returned to the soil over six weeks — Church Brothers, Salinas (NYT)

50,000

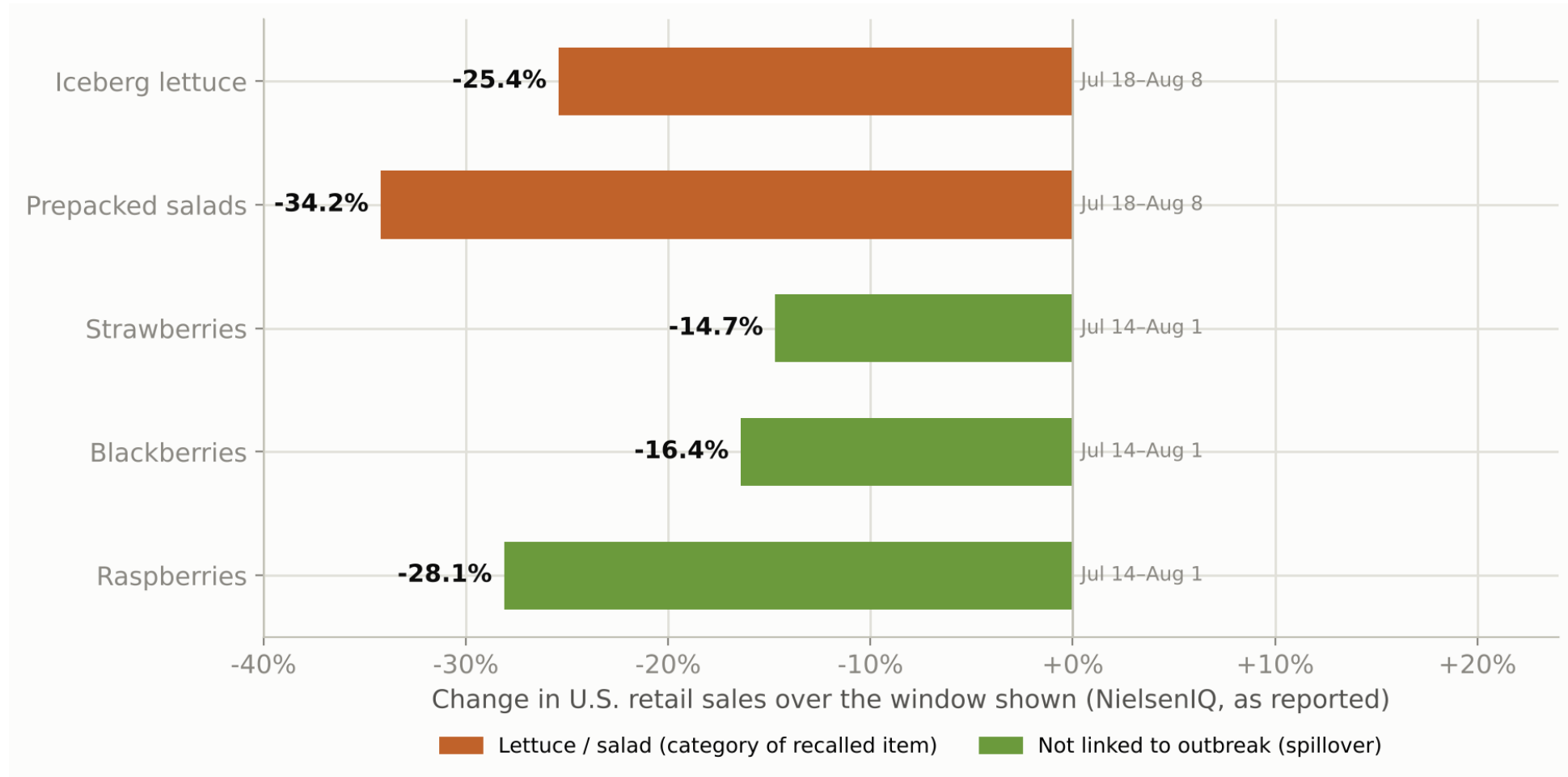
cartons of head lettuce disced under, plus 25,000 of romaine — Boutonnet Farms (Monterey County Weekly)

56%

of U.S. head lettuce comes from Monterey County, which took the demand hit

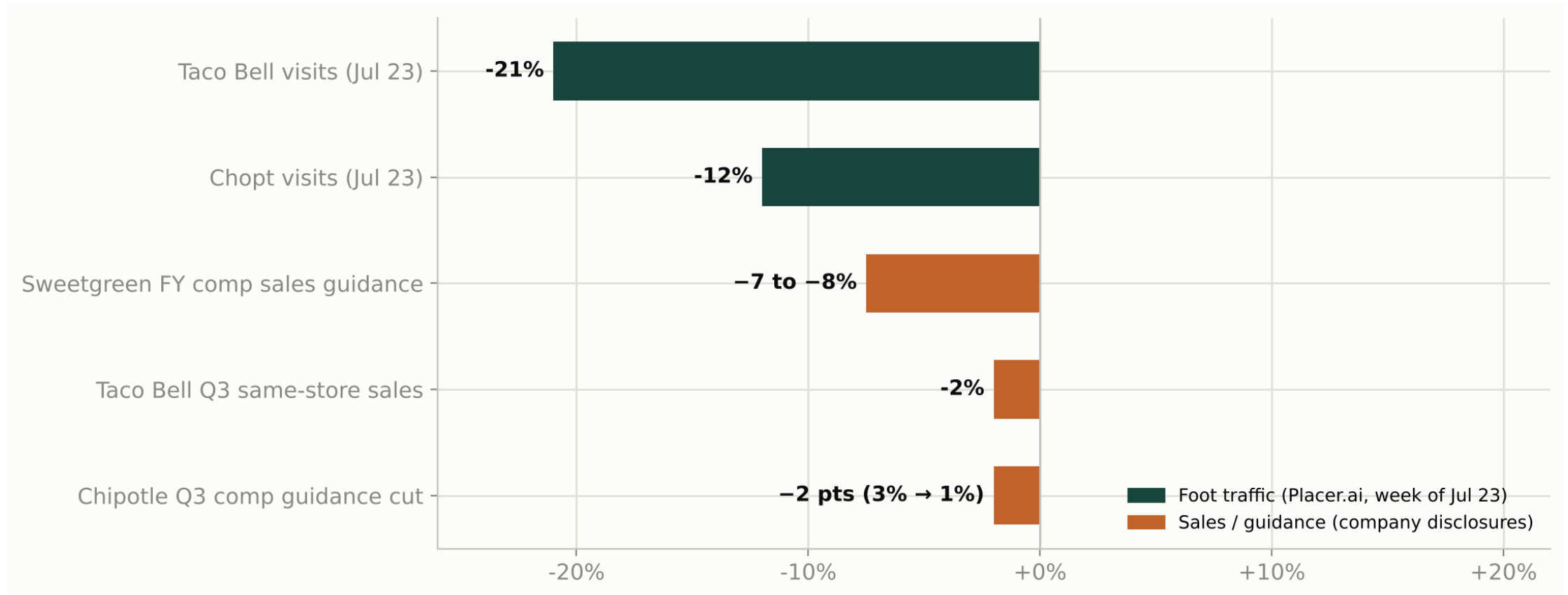
Source: New York Times (Aug 29, 2026); Monterey County Weekly (Sep 10); Monterey County share from Monterey County Weekly.

Reported sales declines extended beyond iceberg lettuce



Source: NielsenIQ retail scanner data, as reported by California Farm Bureau Ag Alert (Aug 19, 2026).

Restaurant reports suggest spillover effects



Source: Yum Brands Q2 call (Jul 30); Chipotle (Jul 29); Sweetgreen (Aug 6), via AP and Reuters; Placer.ai foot traffic via AP (Jul 30, 2026)

Some demand moved to farmers markets

+ 15–30%

sales surge reported by market
managers to the Farmers Market
Coalition

+ 25%

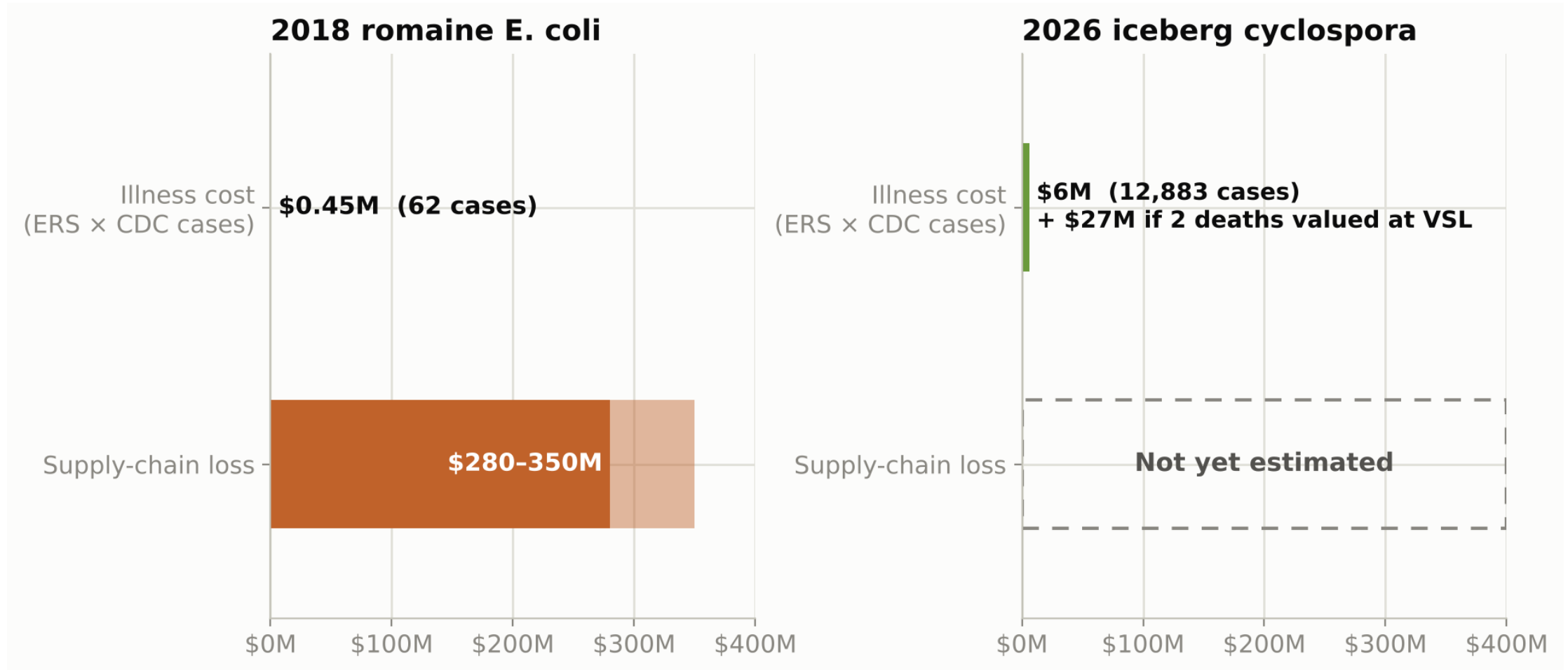
customers and revenue at one
Nashville market vendor

Sold out

Chicago growers bringing more
lettuce than ever and still running out

Source: Anecdotal evidence. Farmers Market Coalition via Reuters (Aug 8, 2026); WSMV Nashville (Jul 20); CBS Chicago.

Economic losses beyond illness costs



Illness cost is illustrative: ERS mean cost per case (2023 \$) × CDC reported cases. Supply-chain loss is losses to industry participants (Spalding, Sexton, Goodhue & Kiesel, AJAE).

Thank you.

Q & A

Let's keep the conversation going.

David L. Ortega, Ph.D.



dlortega@msu.edu



[Connect on LinkedIn](#)