



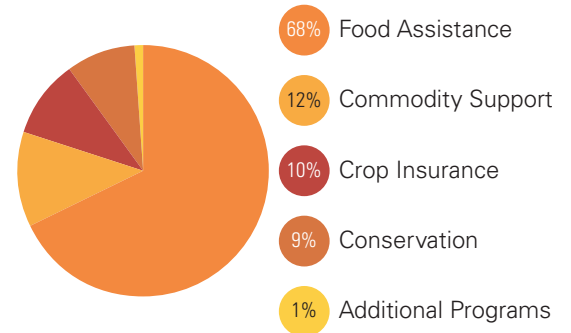
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**FOOD ASSISTANCE AND THE FARM BILL**

By Michele Simon and Siena Chrisman

The Supplemental Nutrition Assistance Program (SNAP, formerly known as the Food Stamp program) is the nation's largest and most important food assistance program. The original Food Stamp program was created to provide both a new market for farmers' surplus crops and relief for Americans living in poverty. In 2011, at a cost of more than \$75 billion (of which \$71.8 billion was for benefits<sup>1</sup>), SNAP helped almost one in six Americans put food on the table every month.<sup>2</sup> The program is by far the largest expenditure in the Farm Bill. Also, economists agree that SNAP is one of the best ways to stimulate the economy, with every SNAP dollar spent resulting in \$1.73 of economic activity.<sup>3</sup>



Food assistance makes up 68 percent of the 2008 Farm Bill budget<sup>4</sup>—almost all of it spent on SNAP. In contrast, the next three largest programs are relatively small wedges of the Farm Bill pie.

Not all food assistance is funded through the Farm Bill. Programs such as school breakfast and school lunch and WIC (aid for women, infants, and children) are part of other legislation, such as the Child Nutrition Reauthorization Act.

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## A brief history of SNAP<sup>5</sup>

**1939–1943:** A pilot version of food stamps is part of the New Deal. Program participants buy orange stamps, to be used for food and household items (including soap and matches, but not alcohol, tobacco or prepared foods); also receive blue stamps for commodity surplus foods, which change weekly and include items such as beans, flour, eggs, pork and fresh produce. As of 1941, soft drinks are excluded from the program.<sup>6</sup> This pilot program ends in 1943.

**1964:** The Food Stamp Program is signed into law as part of a series of policies meant to address poverty, including Head Start, Medicaid and the Jobs Corps. Participants still buy coupons for subsidized food purchases. A proposal to limit the purchase of soft drinks and “luxury” foods is eliminated in the final bill. Alcohol and tobacco are still excluded as are imported foods.

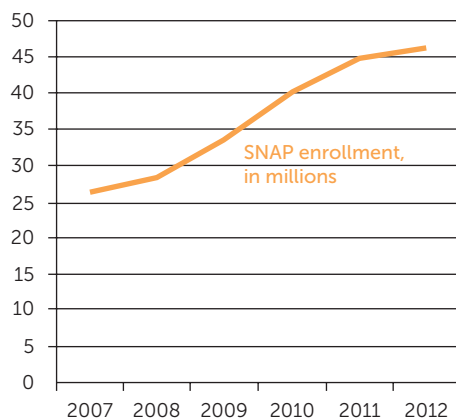
**1973:** Garden seeds and plants added to the list of approved items; imported food ban lifted.

**1977:** Participants are no longer required to purchase food stamps. Restaurant meal program begins for seniors, disabled, and homeless.

**1996:** Welfare reform and changes in food stamp administration making eligibility more difficult (particularly for noncitizens and able-bodied, childless adults) contribute to a dramatic decrease in participation.

**2000:** Changes made to streamline program: eligibility re-expanded; re-certification for participants becomes easier; Electronic Benefit Transfer (EBT) card is introduced, modeled on credit/debit cards, intended to reduce stigma and increase participation.

**2008 Farm Bill:** Program name changes to Supplemental Nutrition Assistance Program (SNAP); Healthy Incentives Pilot authorized to research the effectiveness of subsidizing healthy foods.



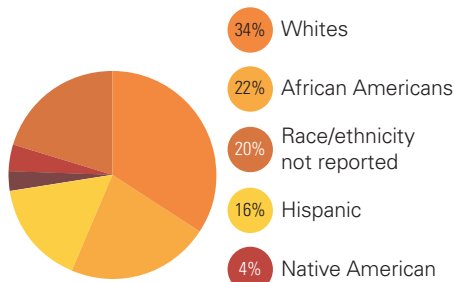
## Who uses SNAP?

SNAP enrollment closely follows the economic cycle; participation has increased almost 70 percent since the recession began at the end of 2007.<sup>7</sup>

From 2010 to 2011, enrollment jumped from 40.3 million to 44.7 million.

SNAP participants are as diverse as the rest of America:

### Demographics of SNAP participants (Fiscal Year 2010)<sup>8</sup>



## In fiscal year 2010

- Many SNAP participants had jobs: 41 percent lived in a household with an income.
- Most SNAP participants were children (47 percent), elderly (8 percent), or disabled (20 percent of SNAP households).

SNAP eligibility<sup>9</sup> is based on the poverty line: In 2012, that is defined as a single person making under \$11,170 annually, or under \$23,050 for a family of four.<sup>10</sup> Eligibility rules allow deductions for essential expenses including shelter and child care, but many analysts point out

that the poverty line is set far too low as a measure of what it means to be poor in America today.<sup>11</sup>

The average monthly SNAP benefit per person was \$133.85 in FY2011, or less than \$1.50 per person per meal, hardly enough for an adequate nutritious diet. In fact, 58 percent of food pantry clients currently receiving SNAP benefits turn to food pantries for assistance for at least six months out of the year.<sup>12</sup>

Despite the essential role the program plays in many people’s lives, millions of eligible participants are not taking part. As of 2009, only 72 percent of Ameri-

### For people participating in SNAP, the program is a lifeline.

“Knowing that I will always have food for my baby and me has made the most incredible difference in my life. There are no words to describe the sense of calm that [SNAP] has brought me.” –Single mother, Oakland, California

“[SNAP] played a part in keeping my family together. It allowed us to eat well and stretch our savings further. Being food secure allowed me to keep looking for employment and to keep contributing to the community.” –Formerly unemployed SNAP participant, Milwaukee, Wisconsin<sup>13</sup>

cans who qualify for SNAP were enrolled.<sup>14</sup> The USDA cites several reasons why eligible people do not enroll:

- not realizing they are eligible;
- myths or misunderstandings about SNAP benefits;
- persistent stigma of accepting government assistance;
- challenges of the enrollment process; e.g., time, transportation or language barriers.

Participation also varies by state, in part because, while SNAP is federally funded, the program is implemented at the state level.

### How are SNAP dollars spent?<sup>15</sup>

There are 210,000 SNAP-authorized retailers nationwide,<sup>16</sup> ranging from liquor stores to superstores to farmers markets. To be eligible to accept SNAP, a retailer must sell at least three varieties of foods in each of these staple food groups:



- There must be perishable foods in at least two categories.
- USDA specifies that “variety” means for example, apples, cabbage, and squash, rather than three different varieties of apples, or different brands or kinds of apple juice.

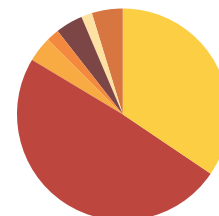
OR

More than half of all the retailer’s sales must be from eligible staple foods. Even a small farmers market or roadside fruit stand would qualify under this option.

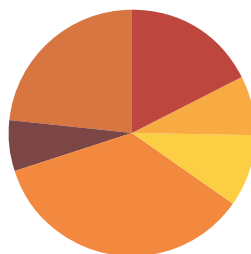
USDA rules on what can and cannot be purchased with SNAP <sup>17</sup>	
Allowed	Not Allowed
Foods for the household to eat, such as: <ul style="list-style-type: none"> <li>• breads and cereals</li> <li>• fruits and vegetables</li> <li>• meats, fish and poultry</li> <li>• dairy products</li> </ul> Seeds and plants which produce food for the household to eat. Energy drinks, power bars and similar items are eligible if they have a nutrition facts label, indicating that they have been classified as food by the Food and Drug Administration (FDA).	Beer, wine, liquor, cigarettes or tobacco Any nonfood items, such as: <ul style="list-style-type: none"> <li>• pet foods</li> <li>• soaps, paper products</li> <li>• household supplies</li> </ul> Vitamins and medicines Food that will be eaten in the store Hot foods Live animals Energy drinks, power bars, and similar items are not eligible if they have a <i>supplement facts</i> label, indicating that FDA has classified them as supplements

Although supermarkets and supercenters make up less than a quarter of SNAP retailers, more than 83 percent of SNAP benefits are spent there, while convenience stores make up a third of all authorized retailers but account for just four percent of expenditures.

### How SNAP dollars are spent based on type of retailer



### Breakdown of authorized retailers by type<sup>18</sup>



- 35.4% Convenience
- 23.1% Other\*
- 17.7% Supermarket/supercenter
- 9.4% Small grocery
- 7.6% Large/medium grocery
- 6.7% Specialty\*\*

\*including farmers markets, food co-ops, home delivery, wholesalers, and grocery stores combined with another store type, such as dollar stores

\*\*includes bakeries, produce markets, meat

- 48.9% Supercenter
- 34.6% Supermarket
- 4.6% Other\*
- 4.2% Convenience
- 3.9% Large/medium grocery
- 1.9% Small grocery
- 1.7% Specialty\*\*

\*includes farmers markets, which are 0.016% of total

### Worth noting:

SNAP spending at farmers’ markets increased 55 percent from 2010 to 2011.<sup>19</sup> While the dollar figure totaled just .016% of all 2011 spending, this indicates growing demand among SNAP users for fresh fruits, vegetables and other fresh, locally produced foods. As more markets acquire the technology to accept SNAP Electronic Benefit Transfer (EBT) cards, this upward trend will likely continue.

## Educational Component

The SNAP-Ed nutrition education program, created in 1990, provides information to SNAP participants about healthy choices from among all the different eligible food options.<sup>20</sup> SNAP-Ed:

- encourages fruit and vegetable consumption and physical activity;
- is funded through state and federal matching funds, but is optional for states;
- has been active in all 52 states and territories participating in SNAP, since 2007;
- was funded at \$381 million for Fiscal Year 2012.<sup>21</sup>

## SNAP under threat

In this era of budget cuts and reduced spending, cuts to SNAP are being proposed. Given the importance of the program for millions of Americans and communities across the country, IATP recommends the following goals for the 2012 Farm Bill:

1. Increase participation rates in SNAP.
2. Improve benefit levels so that people can afford adequate diets, including healthier food.
3. Promote fruit and vegetable purchases with SNAP benefits through incentives.
4. Support SNAP use at farmers' markets, CSAs and other farmer-to-consumer venues.
5. Enhance SNAP Nutrition Education.

As the numbers indicate, SNAP participation cannot be separated from economy as a whole. If we want to reduce the need for SNAP, we need to think beyond the Farm Bill to develop policies that allow everyone to afford enough healthy food.

## Endnotes

1 USDA Food and Nutrition Service, "SNAP Monthly Data," 3/1/12. <http://www.fns.usda.gov/pd/34snapmonthly.htm> (Accessed 3/20/12).

2 According to USDA, 44.7 million people are on SNAP; US Census puts the US population in 2011 at 311 million.

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4 Edwin Young, Victor Oliveira, Roger Claassen, "The 2008 Farm Act: Where Will the Money Go?" Amber Waves, U.S. Department of Agriculture, Economic Research Service, 11/08. <http://www.ers.usda.gov/AmberWaves/November08/DataFeature/> (Accessed 3/20/12).

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6 For more on eligible foods in the early food stamp program, see Daniel Bowman Simon, Soda, Surplus, and Food Stamps: A Short History," Huffington Post, 11/30/10. [http://www.huffingtonpost.com/daniel-bowman-simon/post\\_1347\\_b\\_789547.html](http://www.huffingtonpost.com/daniel-bowman-simon/post_1347_b_789547.html) (Accessed 3/22/12).

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10 US Department of Health and Human Services, 2012 Poverty Guidelines. Updated 2/9/12. <http://aspe.hhs.gov/poverty/12poverty.shtml> (Accessed 3/20/12).

11 For critiques of the current poverty line, see, e.g.: [http://nccp.org/publications/pub\\_858.html](http://nccp.org/publications/pub_858.html); [http://www.americanprogress.org/issues/2009/08/new\\_poverty\\_measure.html](http://www.americanprogress.org/issues/2009/08/new_poverty_measure.html).

12 Feeding America, Food Banks: Hunger's New Staple, <http://feedingamerica.org/hunger-in-america/hunger-studies/hungers-new-staple.aspx> (Accessed 3/22/12).

13 Personal communication.

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15 Eligibility and retailer data in this section from USDA FNS, "Retailer Merchant" section, found here: <http://www.fns.usda.gov/snap/Default.htm> (Accessed 3/20/12).

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