The United States Farm Bill:
An Introduction for Fruit and Vegetable Advocates
Table of Contents

Executive Summary .............................................................................................................................................. 1
Introduction ........................................................................................................................................................... 2
The Making of a Farm Bill.................................................................................................................................... 6
Title I: Commodity Programs ............................................................................................................................. 8
Title IV: Nutrition ................................................................................................................................................. 13
  Food Stamp Program ................................................................................................................................... 14
  The Emergency Food Assistance Program (TEFAP) .................................................................................... 18
  Food Distribution Program on Indian Reservations (FDPIR) ................................................................. 19
  Commodity Supplemental Food Program ................................................................................................. 20
  Purchase of Fresh Fruits and Vegetables for Distribution ..................................................................... 21
  Fresh Fruit and Vegetable Program ........................................................................................................... 23
  Healthy Food Education and School Gardening Pilot Programs .......................................................... 23
  Community Food Projects ............................................................................................................................ 24
  Senior Farmers’ Market Nutrition Programs ............................................................................................ 24
  Healthy Urban Food Enterprise Development Center ............................................................................. 24
  Locally Produced Foods ............................................................................................................................... 25
  Other Grants .................................................................................................................................................... 25
Title X: Horticulture and Organic Agriculture ................................................................................................... 26
  Specialty Crop Block Grant Program ......................................................................................................... 26
  Pest and Disease Management .................................................................................................................... 27
  Farmers Market Promotion Program ......................................................................................................... 27
  Cost-Share Assistance for Organic Certification .................................................................................... 27
Conclusion .............................................................................................................................................................. 28
Appendices ............................................................................................................................................................. A-1
  Food Assistance Program Spending: Where Does the Money Go? ...................................................... A-1
  List of Key Resources ................................................................................................................................. A-2
  Acronyms ....................................................................................................................................................... A-2
Executive Summary

Every five to seven years, the United States Congress passes what is arguably the single most important piece of legislation affecting the nation’s food environment. The federal farm bill is a massively complex piece of legislation that authorizes billions of dollars of taxpayer spending. It is, at once, the single largest source of support for America’s farmers and for the programs that form the food safety net that provides food to this country’s needy. It plays a key role in decisions about what foods are grown and produced in the United States and, therefore, what Americans eat. The farm bill should be of interest to anyone who cares about the quality of the American diet.

The 2008 Farm Bill is 673 pages long and is divided into 15 “titles.” Each title deals with a major area of concern, some of which are not intuitively related to farming. The titles are: Commodity Programs, Conservation, Trade, Nutrition, Credit, Rural Development, Research and Related Matters, Forestry, Energy, Horticulture and Organic Agriculture, Livestock, Crop Insurance and Disaster Assistance Programs, Miscellaneous, and Trade and Tax Provisions. Three of the farm bill’s titles are directly related to consumption of fruits and vegetables: Title I – Commodity Programs, Title IV – Nutrition, and Title X – Horticulture and Organic Agriculture.

The farm bill’s commodity programs provide payments to farmers for growing specific kinds of crops. The most heavily subsidized crops – corn, soybeans, and wheat – are implicated in rising rates of obesity and obesity-related diseases. At the same time, commodity programs provide no support for fruits and vegetables.

The nutrition title accounts for more than two-thirds of farm bill spending. Several nutrition assistance programs are authorized in the farm bill, including the nation’s largest and most important food safety net, food stamps. Since an estimated one-fifth of Americans depends on federal food assistance programs to supplement their diet, these programs have significant relevance to any efforts at increasing fruit and vegetable consumption.

For the first time, “specialty crops,” which include fruits and vegetables, have a separate title in the 2008 Farm Bill (Title X: Horticulture and Organic Agriculture). The bill does not authorize subsidy payments like those to corn and soybean growers. Key provisions include block grants, plant pest and disease management programs, and funding for farmers’ markets.

The breadth and complexity of the farm bill provide both challenges and opportunities. Modern farm bills are so complicated that wading into the debate can be intimidating for many people. Yet it is crucial that the debate be broadened, especially to include the public health community. The farm bill affects every American and has a profound effect on public health. It
offers a unique opportunity for the nation to create an integrated food system that supports healthy farms and healthy diets.

**Introduction**

Very few Americans grow their own fruits and vegetables. Almost all Americans depend on farmers to do the work of growing their food. This makes farming a matter of personal and national security. Imagine our individual and group vulnerability should the American farming sector collapse. Who would feed the nation? At what cost? The threat to national security of dependence on foreign food would be significantly greater than that posed by dependence on foreign oil. Americans can live without oil.

The federal farm bill is a massively complex piece of legislation that authorizes billions of dollars of taxpayer spending. It is, at once, the single largest source of support for America’s farmers and for the programs that form the food safety net that feeds this country’s needy. It plays a key role in decisions about what foods are grown and produced and what Americans eat. The farm bill should be of interest to anyone who cares about the quality of the American diet.

But for most of its history, the farm bill has been of limited interest to anyone except members of Congress from rural states and a collection of agribusinesses and large food companies that have much to gain from paying attention. In large part, that may be because it appears to be about “farming,” a subject about which most Americans know precious little. There are also issues of size and complexity. The 2008 Farm Bill looks like the Chicago phone book and is full of lawyer-like prose. It is not an easy read.

Despite obstacles to involvement in farm bill debates, public health professionals, conservationists, anti-hunger groups, local and organic food proponents and even the general public are beginning to take an interest. The most recent 5-year farm bill cycle drew considerably more attention than previous farm bills. The ink was barely dry on the last farm bill (adopted in 2002) when diverse interest groups began to form and ready themselves for serious lobbying. A variety of agricultural trade groups released policy recommendations, beginning as early as 2003. The U.S. Department of Agriculture and the House and Senate Agriculture Committees held hearings across the country in 2006 and 2007.

The Food, Conservation and Energy Act of 2008 became law on June 18, 2008, when Congress overrode a presidential veto. The bill is 673 pages long and covers 15 general areas: Commodity Programs, Trade, Nutrition, Credit, Rural Development, Research and Related Matters, Forestry, Energy, Horticulture and Organic Agriculture, Livestock, Crop Insurance and Disaster
The 2008 Farm Bill has an estimated price tag of $284 billion, to be spent over the course of five years.\(^5\) Of that amount, 67 percent will support the nutrition title, 14 percent will support commodity programs, 8 percent will support crop insurance, 9 percent will support conservation programs and the remaining 2 percent will support the other titles.\(^6\)

The United States Department of Agriculture has moved into rulemaking and implementation mode following the bill’s enactment. The Department has set up a website for interested parties to review implementation progress, [www.usda.gov/farmbill](http://www.usda.gov/farmbill).

This paper presents an overview of the farm bill, with a particular focus on three titles that are most closely related to fruit and vegetable consumption: Title I – Commodity Programs, Title IV – Nutrition, and Title X – Horticulture and Organic Agriculture. Although there is overlap among the titles, and provisions in the other 12 titles indirectly affect the domestic availability and
consumption of fruits and vegetables, these three titles are of greatest potential significance in this area.

Title 1: Commodity Programs

Commodity Programs continue to be a key component of the farm bill, despite being implicated in rising rates of obesity and obesity-related diseases, environmental degradation, loss of small and medium size family farms, and many other serious national and international problems. These programs subsidize overproduction of a short list of crops – primarily corn and soybeans – but provide no support for fruits and vegetables. Commodity payments cost American taxpayers $13.4 billion in FY 2006, and were paid to 1.4 million recipients. The Congressional Budget Office estimates that payments under the 2008 Farm Bill will total $42 billion from 2008 to 2012.

Fierce debate about the commodity programs will certainly continue, as individuals and groups concerned about healthy food, healthy farms, and a healthy planet wade into the mix. Newcomers to the debate need to be concerned, however, about solutions that sound too good to be true, including calls to end commodity programs precipitously and let agriculture survive in the “free market.”

This paper will provide a brief history of commodity programs and explore some of the reasons the programs are difficult to change.

Title IV: Nutrition

The United States Department of Agriculture oversees almost 20 domestic nutrition assistance programs and related activities that form a food safety net for low-income Americans. Eight of these programs are authorized in the farm bill, including the nation’s largest and most important nutrition assistance program, food stamps. Federal food assistance programs began as a mechanism to reduce surplus supplies of farm commodities, while helping to ensure nutritious food to the nation’s needy. From the beginning, they were linked to the farm bill’s commodity programs, and they remain so today. However, by the late 1930s, the need for food assistance had already outstripped available supplies of surplus commodities. In response, Congress began to authorize appropriations to directly support nutrition assistance programs. Nutrition programs now make up the majority of farm bill spending. The Congressional Budget Office estimates that programs included in the nutrition title of the 2008 Farm Bill will cost $189 billion from 2008 to 2012.

The 2008 Farm Bill made a number of important changes to the Food Stamp Program. The first provision renamed the Food Stamp Program the “Supplemental Nutrition Assistance Program.”
Program,” or SNAP. Although SNAP is now the official federal name, states are allowed to continue to use state-specific names. This will undoubtedly add to name-change confusion in Minnesota, since our Department of Human Services has retained “Food Support Program” as the state name for SNAP. Meanwhile, the shorthand term “food stamps” remains deeply imbedded in the popular vernacular. For purposes of simplicity, this paper will refer to the program as “food stamps.”

One in five Americans depends on federal food assistance programs to supplement their diets. Consequently, these programs have significant relevance to any efforts at increasing fruit and vegetable consumption. This paper will provide brief summary descriptions of the federal food assistance programs authorized in the farm bill and information about their use in Minnesota. The intention is to provide a quick reference for understanding the basic provisions of each program.

Title X: Horticulture and Organic Agriculture

For the first time, specialty crops have a separate title in the 2008 Farm Bill. Eligible crops include fruits, vegetables, tree nuts, dried fruits, and nursery crops (such as flowers and Christmas trees). The Farm bill provisions do not authorize subsidy payments like those for corn, soybeans, and other “program commodities.” The key provisions extend an existing block grant program, establish new plant pest and disease management programs, provide funds for farmers’ markets, and help defray farmers’ and handlers’ costs for organic certification. Summary descriptions of the provisions begin on page 33. Again, as with the section covering nutrition assistance programs, the intention in this section is to provide a quick reference for understanding the basic provisions of key specialty crop programs.
The Making of a Farm Bill

At the outset, it will be helpful to understand how farm bills are enacted. The farm bill is considered omnibus legislation because it covers a wide range of topics and policies. Many of these programs and policies could be, and often are, governed by a web of standalone bills. Increasingly, however, Congress has found it expedient to combine them into a single, enormous package. Almost all programs authorized by the farm bill are administered by the United States Department of Agriculture (USDA).¹⁸

Since 1933, there have been 16 farm bills, counting the bill that became law on June 18, 2008. Each farm bill has a formal name, although they are commonly referred to as simply “the farm bill.” The current farm bill is actually the “Food, Conservation and Energy Act of 2008.” The 2002 Farm bill was the “Farm Security and Rural Investment Act of 2002.”

A new farm bill is enacted approximately every five years. Each bill actually begins as reauthorization of the previous farm bill, dating back to the Agricultural Adjustment Act of 1933. Responsibility for developing farm bill legislation rests with the U.S. House and Senate Agriculture Committees, although the USDA has significant input. The process involves many months of preliminary hearings and negotiations that ultimately lead to passage of House and Senate versions of a bill that must then be sent to a conference committee, where differences between the two versions of the bill are reconciled. It is not uncommon for a conference committee to take several months to craft this compromise and draft a final farm bill that must then re-pass both houses of Congress and be signed into law by the president. Should the president veto (refuse to sign) the bill, Congress must either fashion and pass a new bill that successfully addresses the president’s concerns or override the veto by a two-thirds vote in both chambers.¹⁹

For much of the farm bill, this is still only half the story. To understand the other half, it helps to think about farm bill policy (authorization) separate from farm bill funding (appropriation). The farm bill ultimately passed by Congress and signed by the president is actually a composite list of mandatory programs and best-case-scenario promises. Only some of the programs and policies exit the authorization process with actual dollars attached.

These “mandatory” programs function most like non-farm bill entitlement programs, such as Social Security and Medicare. The authorizing legislation establishes the policies that will govern eligibility requirements and benefit levels, and also determines the amount of money that will be available. Annual funding amounts are authorized based on the estimated number of participants, benefit levels and other stipulated provisions. Everyone who meets the eligibility requirements can
receive the authorized benefits. Mandatory programs in the farm bill include commodity payments, almost all of the nutrition assistance programs, and certain conservation programs.

A large number of farm bill authorizations, however, establish programs and policies that must compete for funding during Congress’ annual budget appropriation process. Leadership on discretionary spending decisions rests with the House and Senate Appropriations Committees and Subcommittees. Since spending decisions are usually set for a fixed time period, most often a single year, programs must continually compete for funding. Each annual appropriation process is, in effect, a mini-farm bill cycle.

There are several important caveats. First, the Appropriation Subcommittees have authority to propose changes in funding to mandatory programs. The proposed changes must be approved by Congress through agricultural appropriations legislation. Historically, this process is far more likely to be used to reduce mandatory funding levels on conservation and other programs that are not related to commodity payments. In fact, lobbyists for commodity programs are often able to use this process to obtain additional appropriations.

Mandatory funding levels can also be changed when Congress calls for a “budget reconciliation” to deal with significant budget deficits. Authorizing committees may then reopen the farm bill and rewrite its provisions, including those for mandatory funding. Thus, the appropriations process may sometimes be used to make substantive changes to the law. Given the current state of the American economy and the change in presidential administrations, a 2009 budget reconciliation process is possible.
Title I: Commodity Programs

While the farm bill’s scope has greatly expanded over the last few decades, the list of crops eligible for commodity payments has remained remarkably unchanged. The commodity programs cover twenty crops: wheat, corn, sorghum, barley, oats, cotton, rice, soybeans, oilseeds, milk, peanuts, wool, beet, cane beet, sugar, mohair, honey, dry peas, lentil, and chickpeas. Of these crops, eight receive 70 to 80 percent of all government payments and account for 74 percent of the total U.S. cropland in production — corn, soybeans, wheat, sorghum, barley, oat, cotton, and rice.

Advocates for eating more fruits and vegetables might wonder: why is wheat subsidized and not green beans? Why soybeans and not peaches?

A partial answer to these questions can be found in the commodity programs’ history. The first commodity programs were established in the 1930s. Naturally, the crops deemed eligible for these early programs were the major commercial crops of the day. Once the programs supporting these crops were established, farmers became dependent on them and it was politically difficult to delete them from the eligibility list. Further, the early programs were based on a system that removed crops from the market when prices were low and placed them in storage until prices improved. It made sense that only those crops that could be stored for a significant period of time should be eligible. Corn can be stored for years. Green beans and peaches are a different story. Finally, over time, some crops have built and sustained more effective political support than others. Quite simply, they have more powerful fan clubs, including large agri-businesses and key members of Congress.

The first farm bill was enacted in 1933, during the Great Depression. Farmers had produced a bumper crop for which there was no market. President Roosevelt’s Secretary of Agriculture, Henry Wallace, realized that something had to be done to preserve farm income and keep farmers on the farm. He devised a system of government supports that managed excess supply by taking a portion of the harvested crops off the market when prices were low and keeping them in storage. When prices went up, the crops could be sold for a profit. These early commodity programs were remarkably successful and provided the framework for some of the most prosperous and stable decades in U.S. agriculture. The programs were based on basic, smart economics. By buying low and selling high, the government mitigated dangerous price fluctuations, managed the supply of farm commodities, and helped to stabilize farm income.

After World War II, this successful framework was slowly dismantled, owing largely to the increased influence of a burgeoning agribusiness sector, including food processors and distributors, commodity traders, industrial users of crops, and the livestock industry. While earlier commodity
programs had managed the supply of farm commodities, helping to prevent huge surpluses, agribusinesses favored government policies that encouraged overproduction.29 Huge surpluses of the crops they depended on translated into low prices to farmers, but huge profits for the agribusinesses.

In the early 1970s, during a period of high food prices, Secretary of Agriculture Earl Butz accelerated the dismantling through programs that encouraged farmers to maximize production, with no concern about the size of resulting surpluses. His primary concern was ensuring cheaper food for American consumers – at least in part to bolster the sagging approval ratings of the Nixon administration. 30 These policies, with their all-out emphasis on increasing yield, intensified farmers’ use of chemical fertilizers and pesticides, and discouraged conservation and stewardship of farmland. 31 They also paved the way for the American highly-processed, fast-food diet.

Before long, storage facilities were overflowing, and the USDA was spending billions of dollars in storage costs.32 The 1985 and 1990 Farm bills included provisions intended to fix this problem. However, the supposed solutions resulted in programs that further destabilized prices. Rather than removing crops from the market and storing them until prices improved, the new commodity programs allowed farmers to sell or store their crops and the government simply paid them the difference between the actual price and a price the government thought was fair.33 No matter how low the price might drop, the government would pay the difference. Prices could, and often did, fall below the cost of production.34 In other words, it cost farmers more to grow their crops than the crops were worth, which meant many farmers were entirely dependent on government subsidies to stay in business. America now had a government-supported farming system that encouraged serious overproduction of a limited number of commodities that could be sold to agribusinesses at bargain-basement prices.

This new system had winners and losers. Obvious big winners were those agribusinesses that could now count on huge supplies of super-cheap commodities. One would have thought that farmers, too, would have been big winners. After all, they could now count on the government to mitigate the pain of low prices, and they were free to grow as much of the subsidized commodities as could fit on land they owned or rented. One might even have thought that consumers were winners. Surely, food processors and livestock producers would use their windfall of cheap commodities to bring consumers more and more food, for less and less money. The only truly obvious losers were the taxpayers who paid the bill.

But there were surprises to come. Huge surpluses of government-subsidized corn, soybeans and wheat would soon be linked to a growing list of serious problems. The number of losers would be much longer than expected.
By the time the 1996 farm bill cycle arrived, there was a growing desire on the part of policy makers, taxpayer groups, and others to get the government out of the business of controlling the agricultural market. Commodity subsidies were becoming increasingly expensive, and there was a theory that farmers, just like other business people, could and should be free to respond to the market. If all price supports and subsidies were eliminated, eventually the nation’s agricultural sector would successfully function within the normal structure of free-enterprise capitalism. At least, that was the theory.

Congress realized that this change couldn’t be implemented cold-turkey, so a system of commodity subsidies was devised to “wean” farmers from government support. Payments to farmers would decrease over time, until they were no longer necessary. Participating farmers would also be given greater freedom in deciding which program crops to plant, as they transitioned into the new system. There was one important limitation, however. Farmers were specifically forbidden to plant fruits and vegetables on program acres or risk losing payment.

The 1996 Farm bill was nicknamed by its champions “freedom to farm.” Later, farmers more aptly called it “freedom to fail.” It was, by most accounts, a complete debacle. Low prices and a series of natural disasters left many farmers on the brink of bankruptcy. Congress was forced to pass a series of emergency payments. Ultimately, the cost of commodity subsidies climbed to a new high – an average of $14 billion per year from 1995 to 2004.

That was Congress’ last effort at major restructuring of the commodity programs. The 2002 Farm bill essentially incorporated the emergency payments and dropped all pretense of “weaning” farmers from government support. Even though a chorus of voices lobbied for significant changes to commodity programs in the most recent farm bill cycle, the 2008 Farm Bill included only minor tweaks – among them a provision that will supposedly reduce payments to millionaire farmers and a tiny pilot project to ease the absolute ban on planting fruits and vegetables on program acres. The pilot project allows farmers in six states – Minnesota, Wisconsin, Iowa, Illinois, Indiana, and Michigan – to grow cucumbers, green peas, lima beans, pumpkins, snap beans, sweet corn and tomatoes on program acres, but only if the produce is used for processing. It cannot be sold to consumers as fresh food. Unlike farmers who continue to grow the usual program commodities on their base acres, farmers participating in the pilot project will not receive direct payments for the acres used to grow fruits and vegetables. They will not, however, be subject to the severe penalties that are applied to all other farmers who plant fruits and vegetables on base acres.

Critics contend that there are many other unintended losers under the current system of commodity subsidies. Commodity subsidies are linked to: soil erosion; intensive use of chemical fertilizers and pesticides that leach into the water supply; declining numbers of small and medium
size farms; loss of biodiversity; dependence on fossil fuels; and other serious farm, food, and environmental concerns.47

Most germane to this paper is evidence that commodity subsidies may be contributing to rising obesity rates and obesity related diseases.48 In a perverse way, commodity subsidies have, in fact, helped to bring consumers more food for less money, but, in the process, have sacrificed quality for quantity. Taxpayer-subsidized corn and soybeans are the source of cheap sugars and fats that are ubiquitous in processed foods. An estimated 25 percent of food available in our supermarkets today contains corn49 — much of it in the form of high fructose corn syrup. Commodity programs have also helped bring America cheap, super-sized burgers by making it highly profitable for corporate livestock producers to grow animals in huge confinement lots.

Lobbyists for meaningful change to commodity programs knew about these and other significant problems going into the 2008 Farm Bill cycle. So, why was there so little change? What kinds of power hold the status quo in place?

Agribusinesses continue to receive huge profits from commodity programs and are powerful lobbyists.50 Food processing companies have built successful market models based on cheap commodities. The livestock industry depends on artificially cheap feed for large-scale cattle feedlots, poultry operations, dairies, and hog production systems. Agribusinesses involved in international trade capitalize on cheap feed and food for export markets.51

People who own farmland are a less obvious power base for maintaining the status quo. The current system of subsidies increases the price of farmland, making it difficult for new farmers and people of modest means to get into the farming profession.52 Meanwhile, active and retired farmers who own land, and anyone who has inherited or invested in farmland, counts on subsidy programs to increase the return on investment or finance their retirements.53 Thomas Dobbs, Professor of Economics and Food and Society Policy Fellow at South Dakota State University, explains that farmland owners are happy to stay in the background and let other groups “carry the flag and do the open lobbying for continuation of commodity programs, all in the guise of saving family farms.”54

Farmers — especially those who own the huge farms favored by current support programs — represent another power base for maintaining the status quo. Since direct payments to farmers are linked to acreage and per acre yield, the larger the farming operation, the bigger the payment. The Environmental Working Group (EWG), a nonprofit group that provides public health and environmental data, estimates that, from 1995 to 2006, the top ten percent of recipients of commodity subsidies received almost three-fourths of the total payments.55 Big farming operations have a big stake in the farm bill. Organizations that are linked to farmers are also powerful lobbyists.
The Farm Bureau and trade groups such as the National Corn Growers Associations, for example, wield significant influence.56

A subset of the farmer power base is made up of specialty crop growers. It would be a mistake to assume that all fruit and vegetable farmers feel hampered by the current commodity payment rules that prohibit them from growing specialty crops on program acres. Certainly, there are farmers who would like to take advantage of the movement for locally grown foods and grow more fruits and vegetables. But large-scale specialty crop growers have successfully opposed efforts to allow greater flexibility.57 According to Congressman Collin Peterson, chair of the House Agriculture Committee, large growers in the South and West, particularly California, are “afraid if you open this thing up, it will collapse the market, and they may be right.”58

Members of Congress from “farm states” are a significant power base for the status quo (Minnesota is a prime example, along with North Dakota, Iowa, and Nebraska). Half of all commodity payments go to recipients in just nine states.59 Most of these states are in the “corn belt,” and include Minnesota, Iowa, Indiana, Illinois, and Nebraska.60 This results in a concentration of political interest and congressional power. EWG predicts that the 19 states represented on the Senate Agriculture Committee will collect 61 percent of the direct payment subsidy money authorized in the 2008 Farm Bill.61

A final power base is the influence of what author Michael Pollan calls the “Grand Bargain.”62 Every farm bill is the result of political tradeoffs. Interest groups come to the process focused on particular parts of the bill. Anti-hunger groups are most concerned about food assistance programs. Environmental groups are most interested in conservation programs. As Pollan explains, the “Old Guard” is able to “pick off the opposition, faction by faction, by offering money for pet programs.”63

When President Bush vetoed the 2008 Farm Bill, more than 1000 farm, nutrition and conservation organizations signed a letter urging Congress to override the veto.64 The letter acknowledged that “this is by no means a perfect piece of legislation, and none of our organizations achieved everything we had individually requested. However, it is a carefully balanced compromise of policy priorities that has broad support among organizations representing the nation’s agriculture, conservation and nutrition interests.”

Change is inevitable, though. More people are paying attention to the quality of their food, and markets are responding. Farmers’ markets are on the rise. Organic food has become mainstream and is being sold at WalMart. Americans are beginning to understand that the food system is dysfunctional and cannot meet the nation’s food and nutrition needs. U.S. farmers do not grow enough of the key foods necessary for the nation to eat a healthy diet.65 For every American to have
access to the USDA-recommended servings of fruits and vegetables, significant acres of land will need to be converted from corn and soybean production.66

Everyone has a stake in helping to create a healthy food and farm system, but there are no easy solutions or quick fixes. Solutions can be found only by understanding the history and motivators that underlie the current system. It took decades to reach this level of dysfunction. Solutions will require the nation to pay attention for the long haul.

**Title IV: Nutrition**

The farm bill shapes not only how America grows and produces food, but also what Americans eat. This is especially true for low-income Americans. The farm bill authorizes several of the food assistance programs that are the cornerstone of this country’s effort to ensure adequate nutrition to low-income populations.

Hunger is a growing concern in America. According to USDA numbers released in November 2008, 11.9 million people, including 700,000 children, went hungry in the United States at some point in 2007— a 50 percent increase from the year before.67 A record number of Americans are now receiving food stamps.68 Rising unemployment and food prices are bringing record numbers of people to food shelves because they can no longer feed their families. Many of these “new poor” contributed to food shelves in the recent past and never imagined they would ever need to apply for food assistance.69

As America sinks deeper into a recession of unknown dimensions, increasing numbers of people are struggling with food insecurity. Congress is facing growing pressure to include a temporary increase in food stamp benefits in economic stimulus packages.70 Since every dollar spent on food stamps generates $1.73 of economic activity,71 economists believe that increasing food stamp benefits would not only feed people, but also stimulate the nation’s economy.

Because of the current volatile nature of the U.S. economy, the following descriptions of food assistance programs covered by the farm bill are snapshots in time. It is quite possible that the new Congress will pass a stimulus package in early 2009 that will alter food stamp eligibility rules and benefit levels. Program participant statistics are also a rapidly moving target.

In total, the nutrition title includes an estimated $189 billion of spending for 2008 to 2012.72 Projecting into the future, changes in the 2008 farm bill represent a more than $10 billion increase for domestic nutrition programs over the next 10 years.73 Food stamps account for $7.8 billion of this increase.74 In addition, the bill includes $1.26 billion for The Emergency Food Assistance Program (TEFAP), which supports food shelves and soup kitchens, and $1 billion for the Fresh
Fruit and Vegetable Program, which is targeted to schools with high concentrations of low-income families.75

Food Stamp Program (Supplemental Nutrition Assistance Program)

The Food Stamp Program is the nation’s most important food assistance program, and represents approximately 95 percent of the federal spending for farm bill nutrition assistance programs.76 It is the only domestic social program that sets a national benefit floor under nearly all categories of low-income households. Unemployed individuals, families, children, elderly, and disabled individuals are all eligible to receive food stamps. The USDA estimates that food stamp benefits, when added to other income, move almost 10 percent of recipients out of poverty and provide 25 percent of a typical participating family's purchasing power.77

The idea for the original Food Stamp Program was born in the late 1930s, and is usually credited to Secretary of Agriculture Henry Wallace. This early program operated from 1939 to 1943, and permitted people on relief to buy orange stamps equal to their normal expenditures for food.78 For every dollar of orange stamps purchased, participants received 50 cents worth of blue stamps.79 Orange stamps could be used to buy any food. Blue stamps could only be used to buy food that had been designated as a surplus commodity by the USDA.80

After 1943, eighteen years passed before the program was resurrected. In 1961, President Kennedy, by executive order, initiated a pilot food stamp project in West Virginia.81 By 1964, the project had expanded to 22 states, and Congress passed the Food Stamp Act of 1964, making the program permanent.82 The program was extended nationwide in 1974.83 Much of the current program structure was created by the Food Stamp Act of 1977, which eliminated the requirement that food stamps be purchased.84

The Food Stamp Program is administered at the federal level by the USDA’s Food and Nutrition Service (FNS). Food stamp funds are allocated to designated state agencies, including the Minnesota Department of Human Services. Participants apply for benefits through their resident counties. The federal government pays the full cost of benefits and approximately half of administrative costs.85 States must pay the remaining administrative costs.

The Food Stamp Program provides eligible low-income households monthly benefits that can be used to purchase food from authorized retailers.86 Food stamp benefits are intended to supplement a household’s food purchasing power. Benefit levels are based on an expectation that households will purchase food using both food stamps and a portion of personal income or assets. Program benefits are calculated assuming recipient households can spend about 30 percent of their personal income on food.87 The additional purchasing power of food stamps is assumed to make it possible for recipients to consume a healthy diet.88
Almost all food stamp purchases must now be made using electronic benefit transfer systems (EBT), which function much like bank debit cards. Benefits are electronically added to household accounts each month and can be used to purchase food from any authorized retailer. Retailers receive their authorization through regional offices of FNS.

Eligibility requirements are established in the farm bill. To be eligible for food stamps, a household must have income and assets that meet three key thresholds.\(^8\)

1. The household’s **gross income** must be at or below 130 percent of the federal poverty line. The poverty line varies by family size. (Larger households are assumed to need higher incomes, and vice versa for smaller households.) For a family of three, the FY 2008 federal poverty line was $1,431 per month. Using the 130 percent rule, to qualify for food stamps, this household’s gross income could be no higher than $1,861 per month, or approximately $22,330 per year.

2. To pass the second threshold, **net household income** must be less than or equal to the poverty line. Much like income tax calculations, net income is calculated by deducting allowable expenses from gross income. Food stamp calculations include several types of allowable deductions.

   - **Standard deduction** for basic, non-food expenses, such as housing and transportation.
   - **Earnings deduction** equal to 20 percent of earnings. This deduction is intended to provide an incentive for program participants to work.
   - **Dependent care deduction** for the out-of-pocket expenses that are necessary for a household member to work or participate in approved education and training programs.
   - **Child support deduction** for legally obligated payments made by a household member.
   - **Medical expense deduction** for out-of-pocket expenses greater than $35 a month that are incurred by an elderly or disabled household member.
   - **Excess shelter deduction**, which enables participants to account for high housing costs, up to a limit of $431 in FY 2008. (This deduction may be larger if at least one member of the household is elderly or disabled.)

Deductions are critical to food stamp benefit calculations. Low-income families have many non-food expenses that compete for their scarce resources. Allowable deductions provide a basic, minimal recognition of the real-life expenses faced by these families.
3. The final threshold that households must meet to qualify for food stamps is the **assets limit**. Eligibility is limited to households whose countable financial resources are below a limit that is established in farm bill legislation. Countable assets include cash, stocks, bonds, and the “excess value” of vehicles. Prior to the 2008 Farm Bill, certain tax-preferred retirement accounts and education savings accounts were also counted. In general, to be eligible for food stamps, the household limit is $3,000 when at least one member is disabled or at least 60 years old, and $2,000 for all other households. States have some flexibility to exclude certain types of resources from the list of countable assets and can set higher limits. For example, Minnesota has a $7,000 asset limit. The 2008 Farm Bill made several important changes to the food stamp benefit calculations:

- **The standard deduction was raised and indexed for inflation.** The standard deduction for households of three or fewer members had been effectively frozen since 1996. (Approximately three-fourths of households receiving food stamps have three or fewer members.) Year after year, the majority of food stamp households have seen their purchasing power erode. The new farm bill raises the standard deduction for households of three or fewer members from $134 to $144 and indexes it to inflation in future years. This change will provide a typical household with an additional $4 to $5 a month in 2009, rising to $17 a month in 2017. The Center for Budget and Policy Priorities estimates that this provision will help increase food stamp benefits for Minnesotans by $4 million in FY 2009.

- **The minimum benefit was raised from $10 to $14 and indexed to inflation.** The minimum benefit level had not been adjusted since 1979. Consequently, households receiving the minimum benefits had been able to purchase only about one-third as much food in 2008 as they could in 1979. Because of this change, Minnesotans will receive an estimated additional $1.1 million in FY 2009.

- **The cap on the dependent care deduction was removed.** Previously, dependent care deduction had been capped at $175 per month per dependent ($200 for infants). Households can now deduct the full amount of dependent care costs they incur when working or participating in approved education programs. This is a critically important change. Without reliable, safe childcare, the working poor have difficulty retaining their jobs. Too often, these families were forced to forgo food in order to pay for childcare. This change will mean an average of $79 per month in food stamp benefits for a single mother of three who works 35 hours per week at $9 per hour.
• Asset limits are now indexed for inflation and retirement and education savings accounts excluded from asset calculations. Asset limits for most households had not been raised since 1986. Consequently, their value, in real terms, had shrunk dramatically over the years. There was strong support in Congress to enact changes that allowed food stamp participants to accumulate savings as a way to help them transition out of poverty, and prepare for retirement.

While eligibility information may be mind-numbing to food stamp applicants and other interested parties, there are no shortcuts to understanding the food purchasing budgets of program participants. Based on the eligibility requirements, as established by the farm bill, the average Minnesota food stamp household receives $191 per month. The average for Minnesota’s seniors is $71 per month. A growing body of research indicates that these amounts are too low to ensure a healthy diet. Low income families spend a much higher percent of their budgets on food and still may not be able to afford fruits and vegetables. According to the USDA, families that receive the maximum benefit, $588 per month, may be able to afford to eat the recommended diet, but others are likely to consume less expensive, poor quality food that is high in added fats and sugars and low in important nutrients.

Low enrollment rates are an additional problem. The Legal Services Advocacy Project estimates that almost a half-million Minnesotans (475,000) are eligible for food stamps, yet only 60 percent actually receive the benefits. Eligible seniors have the lowest enrollment rates. Only 2 out of 10 eligible seniors receive food stamps. Low enrollment represents unnecessary hunger in Minnesota. It also represents a loss to Minnesota’s economy. Since food stamps are funded entirely with federal dollars, Minnesota is loosing $394 million each year in federal dollars that could be used to feed the State’s low-income residents.

One new portion of the farm bill, embedded in the food stamp program, may prove to be of particular relevance to healthy eating. A Fruit and Vegetable Promotion Program is included in Section 4141 of the bill. The goal of this new initiative is to increase fruit and vegetable consumption. The bill mandates $20 million for a point-of-purchase pilot projects to encourage food stamp households to purchase fruits, vegetables and other healthy foods. Funding is authorized to be appropriated as needed for each year through FY 2012 to develop and test strategies for using the food stamp program to improve the diet and health of eligible populations, and reduce obesity and diet related disorders in the U.S. population. Independent program evaluation is required. Program specifics have not yet been released by the USDA.
The Emergency Food Assistance Program

The Emergency Food Assistance Program (TEFAP) supports a critical line of defense against hunger in the United States, food shelves and soup kitchens. Under TEFAP, the USDA provides food commodities to states. TEFAP commodities are intended to supplement other sources of food assistance.

When it was created in 1981, TEFAP was designed to distribute surplus commodities. But only seven years later, inventories of surplus food were depleted and Congress authorized appropriation of funds specifically for the purchase of commodities to be distributed through TEFAP. Since that time, the food provided by TEFAP has included surplus commodities purchased through other programs and donated by the USDA, and commodities purchased with funds specifically appropriated for this program (mandatory spending). According to USDA data, total food costs for the TEFAP program in FY 2008 were more than $227 million. 112

Canned fruits and vegetables, and fruit juice are among the commodities the USDA provides the TEFAP. Specific products available vary based on local markets. In total, more than 60 products were available in 2007. A complete list of currently available products can be found at http://www.fns.usda.gov/fdd/foods/fy09-tefapfoods.pdf

Although TEFAP is administered at the federal level by the USDA’s Food and Nutrition Services, the actual work of food distribution is done at the state and local levels. The USDA buys the food products, including processing and packaging, and ships them to the states. Each state has a designated state agency that receives the products and distributes them through a network of local organizations. In Minnesota, Hunger Solutions administers the state’s TEFAP and distributes the commodities through its member organizations, America’s Second Harvest food banks located in Rochester, Fargo, Crookston, Maplewood, Grand Rapids, and Duluth, and nearly 300 food shelves across the state.113

Food is distributed in two basic ways. Emergency meal programs, also called on-sites, hot meal programs or soup kitchens, use the food to prepare meals for homeless and low income people. These meals are served in group settings. Food shelves distribute commodities for home use. In practice, anyone can receive a meal at a soup kitchen. There is no need to prove low-income status. Recipients of food for home use, however, must meet eligibility criteria set by the states. States also provide food to other types of local organizations, such as churches and community action agencies, which distribute the food directly to needy households.

There are many reasons people find themselves in need of emergency food assistance. For example, TEFAP helps feed the homeless and unemployed. Most of the people who obtain food through TEFAP, however, are neither homeless nor unemployed. They are simply having trouble making ends meet because of rising fuel bills, childcare expenses, underemployment, doctor and
hospital bills, high prescription drug prices, and any number of other life crises. In Minnesota, one in 17 people use a food shelf during the course of the year. More than half are children. Almost 20 percent are elderly. Approximately 55 percent of families that rely on food shelf assistance have jobs.

The need for emergency food assistance escalates during times of economic downturn. From 2000 to 2007, visits to Minnesota’s food shelves increased by 60 percent. The current economic crisis is likely to add unprecedented numbers of “new poor” to the population of Minnesotans who must seek help with feeding their families. Local food shelves are finding it increasingly difficult to meet the demand.

Congress originally appropriated $189.65 million for TEFAP in FY 2008. This included $140 million to purchase food, and another $49.65 million to reimburse state and local agencies for the administrative costs they incur in distributing the food. Enactment of the 2008 Farm Bill added $50 million in authorized funding for commodity purchases in FY 2008, bringing the total to $190 million. The 2008 Farm Bill also authorized an increase to $250 million for FY 2009 and indexed FY 2010-12 funding to food-price inflation. As a result, Minnesota will receive an estimated $1.6 million in additional funding in FY 2009.

In 2007, the 300 Minnesota food shelves were visited 1.9 million times and distributed 47 million pounds of food. TEFAP provided more than 5 million pounds of this food. Minnesota’s emergency food program is also supported by state funding, corporate giving, and private donations. State funding was set at $1,278,000 in 1995 and has not changed, despite a dramatic increase in the need for emergency food. Given the State’s projected $5.2 billion budget deficit, it is unlikely Minnesota’s funding will increase in the near future.

Food Distribution Program on Indian Reservations

The Food Distribution Program on Indian Reservations (FDPIR) provides commodities to low-income households living on Indian reservations and to American Indian households residing in approved areas near reservations or in Oklahoma. Many households participate in FDPIR as an alternative to food stamps, often because they lack access to food stamp offices or authorized food retailers. Households receiving FDPIR commodities may not participate in the Food Stamp Program within the same month.

In many ways, program administration is similar to that of TEFAP. FDPIR is administered on the federal level by the FNS, but the majority of actual food distribution work is done by Indian Tribal Organizations and state agencies. Currently, 98 tribal organizations and five state agencies provide FDPIR commodities to approximately 257 tribes. According to preliminary USDA data, 2,261 Minnesotans participated in FDPIR during FY 2008.
To qualify for FDPIR, the low-income household must include at least one member of a federally-recognized tribe and meet income eligibility standards established by the federal government. FDPIR participants receive a monthly package of food selected from a list of over 70 products. The USDA also provides nutrition information and suggestions on the most nutritious use of the commodities. Canned fruits, vegetables and juices, and dried fruit are available. Participants on most reservations can also choose fresh produce instead of canned fruits and vegetables. A complete list of food available through FDPIR can be found at http://www.fns.usda.gov/fdd/foods/fy09-fdpirfoods.pdf.

Congress appropriated $88.5 million for FDPIR in FY 2008 — approximately $53.8 million for food purchases and the remainder for administrative costs. The 2008 Farm Bill extended authorization of the program through 2012 and added some innovative food-specific provisions. Subject to appropriation, FDPIR can now purchase bison meat for distribution, and a $5 million annual fund (FY 2008-2012) was authorized for the purchase and distribution of traditional and locally grown foods on Indian reservations. Where practical, at least 50 percent of this food must be produced by Indian farmers, ranchers, and producers. The bill also requires USDA to report to Congress on the dietary adequacy of the FDPIR food packages and their ability to address nutritional needs and health challenges specific to Native Americans.

Commodity Supplemental Food Program

The Commodity Supplemental Food Program (CSFP) provides food to low-income pregnant and breastfeeding women, other new mothers up to one year postpartum, infants, children up to age six, and elderly people at least 60 years of age. In FY 2008, this program provided food to an estimated 14,254 Minnesotans. The population served by CSFP is similar to that served by the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), but also includes elderly people. Eligible individuals cannot participate in both WIC and CSFP at the same time. However, they may receive food stamp benefits, Medicaid, and certain other forms of public assistance.

Unlike WIC, which provides food vouchers, CSFP provides actual packages of food. The food packages are not intended to provide a complete diet. Rather, they are intended to provide nutrients typically lacking in the diets of the targeted populations, including those found in canned fruits, vegetables and juice. Other available foods include infant formula and cereal, non-fat dry and evaporated milk, peanut butter, dry beans and peas, and canned meats. A complete list of available CSFP foods for FY 2008 can be found at http://www.fns.usda.gov/fdd/foods/fy08-csfpfoods.pdf.
Like other federal food distribution programs, CSFP is administered by USDA’s Food and Nutrition Services, which purchases the food and ships it to state agencies and Indian Tribal Organizations. The state agencies store the food and distribute it to local public agencies and non-profit organizations for distribution to eligible program participants. Income is the primary eligibility criterion. Household income for women, infant, and children participants must be at or below 185 percent of the Federal Poverty Income Guidelines. Elderly participants must have household incomes at or below 130 percent of the Poverty Guidelines. States may also require that participants be at nutritional risk, as determined by a physician or local agency staff.

CSFP is not available in every state. The program is available in only thirty-one states (including Minnesota), the District of Columbia, the Oglala Sioux Reservation in South Dakota, and the Red Lake Reservation in Minnesota. According to preliminary USDA data, total FY 2008 expenditures for CSFP food was more than $159 million.

Unlike food stamps and WIC, CSFP is not an entitlement program. Simply meeting the eligibility requirement does not mean that a potential participant will receive food. States and Indian Tribal Organizations receive a share of the total CSFP food through a system of allotted “caseload slots.” Decisions about who actually receives the food are made by distributing agencies. Commonly, there are many more eligible applicants than the agencies are able to serve. Further, a 2008 reduction in caseload slots is likely to reduce the amount of food delivered through the program.

Purchase of Fresh Fruits and Vegetables for Distribution

The 2008 Farm Bill directs the Secretary of Agriculture to use “Section 32” funds to purchase fresh fruits and vegetable for distribution through the USDA’s nutrition assistance programs. To understand this section of the farm bill, it helps to think about the Section 32 Program as a pool of money available to the USDA. The USDA receives this money through a permanent appropriation established in 1935 to help support Depression-era farmers. The money actually comes from annual U.S. customs receipts and is used for three basic purposes – to encourage export of farm products; to increase domestic consumption of farm products, especially by low-income populations; and to reestablish farmers’ purchasing power. The Secretary of Agriculture has considerable discretion over the spending of Section 32 funds, which are now approximately $7 billion per year, but most of the money is used for child nutrition programs. In effect, this provision of the farm bill removes a degree of discretion from the Secretary of Agriculture by specifying that a specific portion of the money must be used to buy fresh fruits and vegetables.

Although the Section 32 program supports agriculture in a number of ways, it is best known for its role in the purchase of commodities, such as fruits and vegetables, which do not receive the benefit of subsidy payments under the farm bill’s commodity programs. Beginning in the 1930s, and
continuing through today, the USDA uses Section 32 funds to purchase surplus fruits, vegetables, meat, poultry, and fish for distribution to low-income families and schools.\textsuperscript{147}

School lunch and other nutrition programs actually benefit in two ways from this program. Section 32 funds are used to supplement direct appropriations for school meals and other nutrition programs, providing additional cash and commodity subsidies. In effect, Section 32 provides these programs with additional purchasing power.

Section 32 funds are also used to purchase non-price-supported commodities directly from producers to relieve farm surpluses.\textsuperscript{148} Some of these direct purchases are mandated by Congress through the National School Lunch Act that “entitles” schools and other child nutrition programs to a specific dollar amount of commodities.\textsuperscript{149} Other direct, non-mandated purchases are distributed to schools and other food assistance programs as “bonus” or “free” commodities. The amount of “bonus” commodities varies from year to year, but has dropped significantly in the last few years. In FY 2004, $226 million worth of bonus commodities were distributed. The total for FY 2006 was only $81 million.\textsuperscript{150} This drop is particularly alarming, given current economic conditions.

The 2002 Farm bill required the Secretary of Agriculture to use a minimum of $200 million each year through 2007 to purchase fruits, vegetable and other specialty crops.\textsuperscript{151} A minimum of $50 million of this annual amount was to be used exclusively to purchase fresh fruits and vegetables for schools participating in the school lunch program and for other child nutrition programs.\textsuperscript{152} The Bill authorized the Department of Defense Fresh Program, (DoD Fresh) to serve as the procurement and distribution agency.\textsuperscript{153, 154} The 2002 Farm bill was unclear as to whether the $200 million was to be “new” money. Since the USDA was already spending more than that amount each year counting mandatory and bonus purchases, Department officials argued that the Farm bill’s instructions were not binding.\textsuperscript{155}

In the run-up to the 2008 Farm Bill, the Bush administration recommended that additional Section 32 funds be used to purchase more fruits and vegetables for domestic consumption, with the specific goal of increasing consumption of these products.\textsuperscript{156} As enacted, the 2008 Farm Bill requires the Secretary of Agriculture to use Section 32 funds to buy fruits, vegetables, and nuts (frozen, canned, dried, or fresh) in the following amounts:\textsuperscript{157}

- $190 million in FY 2008
- $193 million in FY 2009
- $199 million in FY 2010
- $203 million in FY 2011
- $206 million in FY 2012 and thereafter
Of these amounts, a minimum of $50 million is to be used each year to purchase fresh fruits and vegetables for use in schools and other programs participating under the National School Lunch Act. The Department of Defense Fresh Program may continue to buy and distribute this food. It is unclear how much of this will be “new” spending.

**Fresh Fruit and Vegetable Program**

One mechanism through which commodities purchased with Section 32 funds are distributed is the Fresh Fruit and Vegetable Program. This program helps states provide free fresh fruits and vegetables to elementary schools as part of regularly scheduled meal service. Participation is limited to schools in which at least half of the students are eligible for free or reduced-price meals, and gives priority to schools with the highest poverty levels. This program, begun as a pilot project under the 2002 Farm bill, and was expanded to all states by the 2008 Farm Bill. Additional mandatory funding levels are as follows:

- $40 million in FY 2008
- $65 million in FY 2009
- $101 million in FY 2010
- $150 million in FY 2011
- $206 million in FY 2012. Each July thereafter, funding is to be adjusted for cost-of-living increases.

Funds will be allocated among states based on a formula that distributes approximately half equally among states and the rest based on state population. Grant recipients must spend no less that $50 or more than $75 per student each year. The Center on Budget and Policy Priorities estimates that Minnesota will receive $25 million in additional benefits for in the period FY 2008-2017.

The Farm bill requires the Secretary of Agriculture to evaluate the program to determine whether participating children increase their consumption of fruits and vegetables or make other dietary changes, such as eating less junk food. The evaluation must be completed by September 2011.

**Healthy Food Education and School Gardening Pilot Programs**

This new provision in the 2008 Farm Bill clarifies that nutrition education under the National School Lunch Act “Farm to Cafeteria” pilot program should promote healthy food education, and gives priority to projects that can be replicated in other schools. It also authorizes grants to support hands-on gardening pilot programs to be run by nonprofit organizations or public agencies at “high-poverty” schools in up to five states. Program guidelines are not yet available.
Community Food Projects

The 2008 Farm Bill authorized $5 million in annual funding for continuation of the Community Food Competitive Grants Program through 2012. The Community Food Project provides funding for projects that link low-income people with locally grown food by creating and expanding farmers’ markets in low-income neighborhoods, mobile markets, community gardens, farm-to-school programs, food production for food banks, and community kitchens. The goal is to link farmers and consumers more directly, thereby providing low-income households with the freshest possible products and farmers with the highest possible income. An underlying goal is to increase access to fresh fruits and vegetables, the foods that are least available in low-income neighborhoods.

The next opportunity to apply for a Community Food Project grant will be in early 2009. Information about the application process and program specifics can be found at www.foodsecurity.org/funding.html.

Senior Farmers’ Market Nutrition Programs

The Senior Farmers’ Market Nutrition Program (SFMNP) is intended to increase low-income seniors’ consumption of fresh fruits and vegetables and create new markets for locally produced food. The program awards grants to states, U.S. territories, and Indian tribal governments to provide coupons to low-income seniors that can be exchanged for fresh fruits, vegetables and herbs at local farmers’ markets, roadside stands and community supported agriculture programs. Vouchers are distributed only during the harvest season, which can be short in northern states. In FY 2008, Minnesota received $118,536 under this program.

The 2008 Farm Bill authorizes $20.6 million per year to continue the Senior Farmers’ Market Nutrition Program through 2012. Under the new provisions, states are not allowed to include the value of the SFMNP vouchers in income calculation for eligibility in other types of food assistance, including food stamps, or to collect state and local sales tax on the food purchased with SFMNP vouchers.

Healthy Urban Food Enterprise Development Center

The 2008 Farm Bill authorizes creation of a Healthy Urban Food Enterprise Development Center and directs this new center to provide technical assistance and competitively awarded grants to carry out feasibility studies and to establish and assist enterprises that process, distribute, aggregate, store, and market healthy affordable foods. The goal is to improve access to healthy foods in underserved communities, including access to locally grown fruits and vegetables.
Bill provides $1 million annually in FY 2009-2011 and $2 million in FY 2012, and restricts administrative expenses to 10 percent of funding.\textsuperscript{180} Administrative details are not yet available.

**Locally Produced Foods**

The 2008 Farm Bill directs the USDA to encourage institutions, such as schools that receive funds from child nutrition programs, to purchase unprocessed agricultural products.\textsuperscript{181} It allows these institutions to use a geographic preference for locally produced foods in procurement guidelines for all programs funded under the National School Lunch Act, Child Nutrition Act, and DoD Fresh Foods Program.\textsuperscript{182}

**Other Grants**

Two additional grant programs were authorized in the 2008 Farm Bill to address food insecurity and help communities build infrastructures for the distribution of emergency food. The “Hunger-Free Community” grant program will award grants to food programs and local nonprofits to help them assess community hunger problems and develop new strategies for dealing with hunger.\textsuperscript{183} Grant guidelines are not yet available.

Competitive “Emergency Food Infrastructure” grants were authorized to expand the capacity and infrastructure of food banks to: improve their ability to handle perishable food products; support local, small family farms; and improve systems that help identify possible donors.\textsuperscript{184} The authorization requires that 50 percent of grant funds must be awarded to agencies serving rural populations.\textsuperscript{185} Grant guidelines are not yet available.
Title X: Horticulture and Organic Agriculture

In 2006, out of approximately 304.3 million acres of harvested cropland in the United States, only 3.7 percent consisted of specialty crops (fruits, vegetables, tree nuts and nursery crops). At the same time, specialty crops accounted for more than one-third of the total crop land production value.

Owing largely to the organized lobbying efforts of the Specialty Crop Farm bill Alliance, a formal coalition of over 120 organizations, the 2008 Farm Bill dedicates almost $3 billion in funding over five years in the new Title X: Horticulture and Organic Agriculture. A complete list of Title X provisions can be found at [http://ers.usda.gov/FarmBill/2008/](http://ers.usda.gov/FarmBill/2008/). The following is a description of provisions most relevant to fruit and vegetable consumption.

Specialty Crop Block Grant Program

Specialty Crop Block Grants are awarded to states to enhance the competitiveness of specialty crops by funding projects that support research, promotion, marketing, nutrition, trade enhancement, food safety, buy-local programs, increased consumption, and other efforts. Normally, state departments of agriculture apply for the grants, although commissions and other departments of state government may qualify. States have discretion over how funds are spent.

The 2008 Farm Bill continues this program through 2012 and increases mandatory funding levels to $10 million for FY 2008; $49 million for FY 2009; and $55 million per year in FY 2010-2012. The minimum base grant each state is eligible to receive is $100,000 or one-third of 1 percent of total funding for each fiscal year, whichever is higher.

The Minnesota Department of Agriculture received $136,231 for FY 2008 to support the following projects:

- Great Plains Potato Growers Association potato breeding program;
- University of Minnesota Center for Farm Financial Management and Minnesota State Colleges and Universities farm financial strategies training programs and database systems;
- Minnesota Department of Health and Human Services, Minnesota Farmers’ Market Association, IATP, and the University of Minnesota Extensions Services collaborative effort to assist markets in adapting EBT technology at farmers’ markets and provide educational workshops to farmers’ market specialty crop vendors; and
- Minnesota Grown Promotion Groups, Inc. and the Minnesota Nursery Landscape Association collaborative business seminars for specialty crop growers and website enhancements.
Pest and Disease Management

Procedures for Plant Pest and Disease Management and Disaster Prevention programs are funded beginning in 2009. The goal of these programs is to better coordinate the work of federal and state agencies related to surveillance, management, and early detection of pests and diseases affecting specialty crops. They also provide funding for a National Clean Plant Network to establish centers for diagnosis and elimination of pathogens in plant stock.

Farmers’ Market Promotion Program

The Farmers’ Market Promotion Program provides grants to local governments, non-profit corporations, regional farmers’ market authorities, and other entities to expand and improve farmers’ markets, roadside stands, community-supported agriculture programs and other direct marketing opportunities for specialty crops.

The 2008 Farm Bill provides mandatory funding of $3 million for FY 2008; $5 million/year for FY 2009-2010 and $10 million/year for FY 2011-2012. It adds an agri-tourism promotion program and requires that 10 percent of funds be used to support the use of electronic benefit transfers from federal nutrition programs (such as food stamps) at farmers’ markets. The maximum award amount for any single grant is $75,000.

Farmers Legal Action Group, Inc., in Saint Paul, received a $49,170 grant in FY 2008 to provide technical assistance, legal education, and resources to help beginning, immigrant, and minority farmers with direct-to-consumer marketing.

Cost-Share Assistance for Organic Certification

The 2008 Farm Bill also includes provisions for organic products that will affect many fruit and vegetable farmers. Funding for the Organic Certification Cost-Share Program was increased to help farmers cover the costs of obtaining organic certification. The maximum cost share per farmer was increased from $500 to $750.

The Bill also includes $5 million to enhance collection and reporting of data related to production and marketing of organic products. This is an important addition because the USDA has only collected data on organic crops in an ad hoc manner. Comprehensive data is needed to inform policy in this area.
Conclusion

The breadth and complexity of the farm bill provide both challenges and opportunities. Modern farm bills are so complicated that wading into the debate can be intimidating. Diverse groups have been involved in discussions and lobbying around specific portions of farm bills for many years and hold intense and highly nuanced positions. To the uninitiated, it may appear that farm bill debates are the exclusive province of agricultural experts.

Yet it is crucial that the participant pool be broadened, especially to include the public health community. The farm bill affects every American and has profound effect on public health. In fact, for those concerned about the American diet and its implications for health, no policy arena offers greater opportunity for influence.

The nation’s current economic woes complicate the situation. The farm bill is full of worthy programs that may need to compete for increasingly scarce dollars, especially if commodity programs remain fundamentally untouched. No one wants to argue that senior citizens should be denied vouchers to buy fruits and vegetables in order to increase food stamp benefits for families with children. But these kinds of choices may be on the horizon. To prepare for this possibility, the public health community should begin immediately to research and educate itself about alternatives.

The farm bill offers a unique opportunity for the nation to create an integrated food system that supports healthy farms and healthy diets. These aspects of the food system are already linked in this monumental legislation. The challenge and opportunity is to identify the programs and policies, and the political path that will ultimately lead us to a healthy farm bill.
Endnotes

1 Mark Muller, et al., Institute for Agriculture and Trade Policy, Considering the Contribution of U.S. Food and Agricultural Policy to the Obesity Epidemic: Overview and Opportunities (2007), at 16.


6 See id.

7 Muller, et al., supra note 1, at 16.


9 Johnson, supra note 5, at 2.


11 The largest nutrition assistance service programs are food stamps, WIC, and the school meal programs, including lunch and breakfast. See graph in the appendix, at A-1.

12 Johnson, supra note 5, at 2.


14 Jean M. Altman, U.S. Dep’t of Agric., Food and Nutrition Serv., Increasing Fruit and Vegetable Consumption Through the USDA Nutrition Assistance Programs (2008), at 2.

15 Many of the USDA nutrition assistance programs are funded through other federal legislation, including WIC and the National School Lunch Program. See the appendix for more details.


17 2008 Farm Bill, § 10001–10404.


21 See id.

22 SCOTT MARLOW, THE RURAL ADVANCEMENT FOUNDATION INTERNATIONAL - USA, THE NON-WONK GUIDE TO UNDERSTANDING FEDERAL COMMODITY PAYMENTS (2005), at 5.

23 Wheat, corn, grain sorghum, barley, oats, upland cotton, long grain rice, medium grain rice, pulse crops (dry peas, lentils, and chick peas), soybeans, and other oilseeds are the covered commodities for purposes of “the farm bill” programs. These crops are covered by the Direct and Counter-Cyclical Payments Programs. Farmers growing the other commodities may also receive payments, but through minor programs. The Non-Wonk Guide to Understanding Federal Commodity Payments contains a relatively easy to understand description of direct and counter-cyclical payments.

MARLOW, *supra* note 22, at 5.

26. See id.

27. Muller et al., *supra* note 1, at 13.

28. See id.

29. See id.


31. Muller, et al., *supra* note 1, at 17.


33. See id., at 10.


35. MARLOW, *supra* note 22, at 11.

36. See id.

37. To receive commodity payments, farmers were still limited to planting eligible crops. The new flexibility simply allowed them greater leeway in deciding which of the eligible crops to plant. In other words, they were not restricted to planting corn and soybeans on land that had previously grown corn and soybeans.

38. MARLOW, *supra* note 22, at 11.

39. See id., at 12.

40. Muller, et al., *supra* note 1, at 15.

41. See id.

42. See id.

43. The bill’s provisions will deny all subsidies to people with more than $500,000 a year in off-farm income and bar “direct payments” to those with more than $750,000 a year in farm income. However, because of loopholes, Deputy Agriculture Secretary Chuck Conner says, “Virtually no one in America is going to be impacted…” http://www.farmpolicy.com/?p=794&print=1. An explanation of “direct payments” can be found in MARLOW, *THE NON-WONK GUIDE TO UNDERSTANDING FEDERAL COMMODITY PAYMENTS*, *supra* note 22.

44. 2008 Farm Bill, at § 1107.

45. Some commodity payments are calculated on production history, number of acres and yield per acre. Base acres are associated with a piece of land, not the farmer. See Marlow, *The Non-Wonk Guide to Understanding Federal Commodity Payments* for more information, *supra* note 22.

46. A description of how these penalties affect some Minnesota farmers can be found at: Kevin Diaz, Growing Locally,Legislating Nationally: Rules Hinder State’s Specialty Farmers, STAR TRIBUNE, Mar. 24, 2008.


49. MICHAEL POLLAN, *OMNIVORE’S DILEMMA*, *supra* note 47, at 19.


51. See id.

31 Public Health Law Center


57 Diaz, supra note 46.

58 See id.

59 Environmental Working Group, supra note 8.

60 See id.


62 Pollan, Birkshire Grown, supra note 3.

63 See id.


66 See id.

67 Jane Black, Americans’ Food Stamp Use Nears All-Time High, WASH. POST (Nov. 26, 2008).


69 Information presented at the Minnesota Anti-Hunger Summit (Nov. 12-13, 2008), Adath Jesurun Congregation, Minnetonka, MN.

70 Black, supra note 67.

71 See id.

72 Johnson, supra note 5, at 2.


74 See id.

75 See id.

76 Richardson, supra note 10.

77 See id., at 4.


79 See id.

80 See id.

81 See id.

82 See id.

83 See id.

84 See id.

85 Richardson, supra note 10, at 5.

86 For food stamp purposes, a household consists of individuals who live together in the same residence and make food purchases together.

87 U.S. Dep’t of Agric., supra note 78.

88 Food stamp benefit amounts are based on the USDA’s “Thrifty Food Plan.” The Thrifty Food Plan provides a sample healthy and minimal-cost meal plan as a model for how low-income individuals and families can purchase a nutritious diet.


91 The household’s home, personal property, resources with a cash value that are inaccessible, and certain vehicles (as determined by State policy) are not included in asset calculations. Minnesota includes vehicle values in excess of $4,650.

92 Minnesota Department of Human Services, Food Support and Food Assistance Programs, available at www.dhs.state.mn.us (last visited Dec. 31, 2008).


95 Rosenbaum, supra note 93, at 4.

96 The bill provides for the minimum amount to be set at 8 percent of the maximum benefit for a household of 1, rounded to the nearest whole dollar – or about $14 a month in FY 2009.


98 See id.

99 Rosenbaum, supra note 93, at 4.

100 Pawling, et al., supra note 94, at 13.

101 Rosenbaum, supra note 93, at 2.

102 See id.

103 Pawling, et al., supra note 94, at 20.

104 Jessica L. Webster, Legal Services Advocacy Project, Food Stamps in Minnesota - Where We’re at & Where We Need to Go, PowerPoint presentation at Minnesota Anti-Hunger Summit (Nov. 12-13, 2008), Adath Jesurun Congregation, Minnetonka, Minnesota.

105 See id.

106 For example, see Muller, et al., Carolyn Murphy, et al., Coming Up Short - High Food Costs Outstrip Food Stamp Benefits (C-SNAP at Boston Medical Center & The Philadelphia Grow Project at Drexel University), 2008; and Noel Blisard, Are Lower Income Households Wiling and Able to Budget for Fruits and Vegetables? (2008), ERR-54, USDA, Economic Research Service.


108 Webster, supra note 104.

109 See id.

110 See id.

111 See id.


See id.

Information presented at the Minnesota Anti-Hunger Summit, Nov. 12-13, 2008, Adath Jesurun Congregation, Minnetonka, MN.


2008 Farm Bill, § 4201.

Rosenbaum, supra note 93, at 4.


See id.


See id.


See id.

2008 Farm Bill, § 4211

See id.

See id.

See id.

U.S. Dep’t of Agric., supra note 128.


See id.

See id.

See id.

See id.

See id.

U.S. Dep’t of Agric., supra note 128 (last visited Dec. 31, 2008).

Director Cathie McCullough, Food Distribution Division, Implementation of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246) - Commodity Supplemental Food Program (CSFP) (July 16, 2008 memorandum).

Director Cathie McCullough, Distribution Division, Commodity Supplemental Food Program (CSFP) – Guidance on 2008 Caseload, Food Deliveries and Inventory (Feb. 7, 2008 memorandum).


See id.

See id.

For example, the Secretary of Agriculture recently authorized purchase of $3.6 million of fresh tomatoes for distribution to child nutrition and other domestic food assistance programs. (U.S. Dep’t of Agric. News Release # 0230.08, Sept. 17, 2008).

Becker, supra note 145, at 1.
150 See id.
152 See id.
153 See id.
154 The Department of Defense operates a nationwide system to purchase fresh produce for distribution to military installations, federal prisons, and veterans hospitals. Beginning with a small pilot project in 1995, this system has been used to distribute produce to participating schools.
155 Becker, supra note 145.
157 2008 Farm Bill, § 4404.
158 See id.
159 See id.
160 2008 Farm Bill, § 4304.
161 See id.
162 See id.
163 See id.
164 See id.
165 See id.
166 Rosenbaum, supra note 93, at 5.
167 2008 Farm Bill, § 4304.
168 See id.
169 2008 Farm Bill, § 4303.
170 2008 Farm Bill, § 4221.
172 See id.
174 See id.
176 2008 Farm Bill, § 4231.
177 See id.
178 2008 Farm Bill, § 4402.
179 See id.
180 See id.
181 2008 Farm Bill, § 4301.
182 See id.
183 2008 Farm Bill, § 4405.
184 2008 Farm Bill, § 4201.
185 See id.
See id.

Barbara Wunder, Harvester Online, Specialty Crops to Benefit from New Farm Bill (May 2008).


See id.

2008 Farm Bill, § 10109.

See id.

It should be noted that as a result of the 2008 Farm Bill, USDA’s Agricultural Marketing Service administered two separate specialty crop block grant programs in FY 2008. The Department gave these programs different, but confusingly similar names – Specialty Crop Block Grant Program (SCBGP) and Specialty Crop Block Grant Program – Farm bill (SCBGP-FB). The grants have almost identical goals, but the non-farm bill version (SCBGP) does not include Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealths of the Northern Mariana Islands as eligible applicants, or “horticulture” in the definition of specialty crops. Applications for the SCBGP are due March 5, 2009. Information about both programs can be found at http://www.ams.usda.gov.


2008 Farm Bill, § 10201.

See id.

See id.

2008 Farm Bill, § 10106.

See id.

See id.

USDA, News Release No. 0235.08 (Sept. 19, 2008), available at http://www.usda.gov/wps/portal/tut/p/_s.7_0_A/7_0_1OB/cmd/ad/_ar/sa.retrievecontent/ _c/6_2_1UH/ _cc/7_2_5JM/p/5_2_4TQ/_th/1_2_9D/ s.7_0_A/7_0_1OB/PC.7_2_5JM_contentid=2008%2F09%2F0235.xml&PC.7_2_5JM_p arentnav=LATEST_RELEASES&PC.7_2_5JM_navid=NEWS_RELEASE (last visited February 3, 2009).

2008 Farm Bill, § 10301.

See id.
Where does the money go?

Fifteen USDA domestic food assistance programs provide actual food or fund the purchase of food. Three of these programs account for the majority of spending: the Supplemental Nutrition Assistance Program (food stamps); Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and school meal programs, including the National School Lunch Program and School Breakfast Program.

![Pie chart showing distribution of funding for USDA programs]

- **Food Stamps**: 60%
- **WIC**: 10%
- **School Lunch & Breakfast**: 19%
- **Other Programs**: 11%

USDA Preliminary FY 2008 Data
Available at [http://www.fns.usda.gov/pd/annual.htm](http://www.fns.usda.gov/pd/annual.htm)
Chart created by TLC
Key Resources


Mark Muller, et al., Insitute for Agriculture and Trade Policy, *Considering the Contribution of U.S. Food and Agricultural Policy to the Obesity Epidemic: Overview and Opportunities* (February, 2007)

National Agricultural Law Center Website - [http://www.nationalaglawcenter.org/research/](http://www.nationalaglawcenter.org/research/)
Copies of the 2008 and previous farm bills

The USDA Food and Nutrition Services website - [http://www.nationalaglawcenter.org/research/](http://www.nationalaglawcenter.org/research/)
Nutrition assistance programs information including eligibility requirements and participation statistics

Information about farm bill implementation and rulemaking

Farm commodity programs information and a database of commodity program payments

Farm policy information

Information about farm and fuel issues, including an extensive section on the 2008 Farm Bill
**Acronyms**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>CSFP</td>
<td>Commodity Supplemental Food Program</td>
</tr>
<tr>
<td>DoD Fresh</td>
<td>Department of Defense Fresh Program</td>
</tr>
<tr>
<td>EBT</td>
<td>Electronic Benefit Transfer</td>
</tr>
<tr>
<td>FDPIR</td>
<td>Food Distribution Program on Indian Reservations</td>
</tr>
<tr>
<td>FNS</td>
<td>Food and Nutrition Service</td>
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<tr>
<td>SNAP</td>
<td>Supplemental Nutrition Assistance Program</td>
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<tr>
<td>TEFAP</td>
<td>The Emergency Food Assistance Program</td>
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<tr>
<td>USDA</td>
<td>United States Department of Agriculture</td>
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<tr>
<td>WIC</td>
<td>Special Supplemental Nutrition Program for Women, Infants, and Children</td>
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