

Food relief runs out, as U.S. farms no longer produce a surplus

by EIR Economics Staff

At a hearing on June 24 before the House Agriculture Committee, convened to explain the July 1 cutoff of bonus flour to the nation's food relief programs, functionaries of the U.S. Department of Agriculture testified that, at last, the United States has rid itself of unwanted food surpluses. Randy Green, deputy undersecretary of international affairs and commodity programs at the USDA, said that this had been accomplished through the 1985-90 farm bills, and that the United States would not return to a policy of producing surpluses.

This policy and the other ongoing cuts in food relief programs mean that food pantries are running out of food, at a time when growing unemployment has swelled the ranks of the hungry in the United States. Relief officials are forced to decide who eats, and who starves.

"Bonus items" from the Commodity Credit Corporation (CCC) stocks of wheat and dairy products have been eliminated from the school lunch program, the Emergency Assistance Program (formerly TEFAP—Temporary Emergency Food Assistance Program,) and many other programs for the hungry (see **Figures 1 and 2**). There has not been any bonus cheese in these programs for four years. According to Green, "We stripped the incentives for overproduction and sent the surplus overseas." Rep. Tim Coleman (R-Mo.) admitted that the government's success in eliminating surpluses has caused a dilemma: "When we do have a surplus, we can feed people, it seems, and when we don't, we have the dilemma that there is not a surplus to feed people. But we can't reduce our competitive edge internationally," because, the argument goes, exports are what keeps the farmer in business.

Also testifying at the House Agriculture Committee hearings was Dan Sveda, the executive director of the Akron-Canton Regional Food Bank, representing the Second Harvest Food Bank network. Each of the 185 member food banks serves as a clearinghouse for the donation of food and other products to charity. Most of the products are donated by the food industry itself. Other sources are food drives, private and local government funds, and federal commodities obtained through TEFAP, Soup Kitchen/Food Bank Program, and the Commodity Supplemental Foods Program.

In 1991, the network distributed more than 680 million pounds of food. Of this, over 124 million pounds consisted of federal commodities obtained through TEFAP and the

Soup Kitchen/Food Bank Program. This represents 18% of the total distributed by the network. According to Sveda, Second Harvest Food Banks distributed 23% of all the TEFAP product and 35% of all Soup Kitchen commodities.

He says that federal commodities are important because they are generally items that are not readily donated to food-banks. They are delivered in relatively large amounts and provide a base of products to build a food basket or a meal.

In 1991, Second Harvest reported a 21% increase in demand for food. An increasing number of those using local hunger centers are the working poor. Aggravating the situation is the fact that many states are reducing their welfare support, in an effort to balance their budgets.

Over the past four years, there has been a continuing reduction in the amount of bonus commodities supplied. TEFAP and Soup Kitchen have helped offset much of the reduction; however, the loss of flour as a bonus commodity will drop the total volume of bonus product to less than half of the 1991 level. Donations from the private sector have also leveled off over the past few years. Second Harvest does not anticipate any major increases in private sector donations in the near future. Food banks have restricted the frequency of their mass distributions and have begun to restrict the amount of food distributed to each household.

The following survey gives an idea of the impact of the food relief cuts around the country.

Washington, D.C.

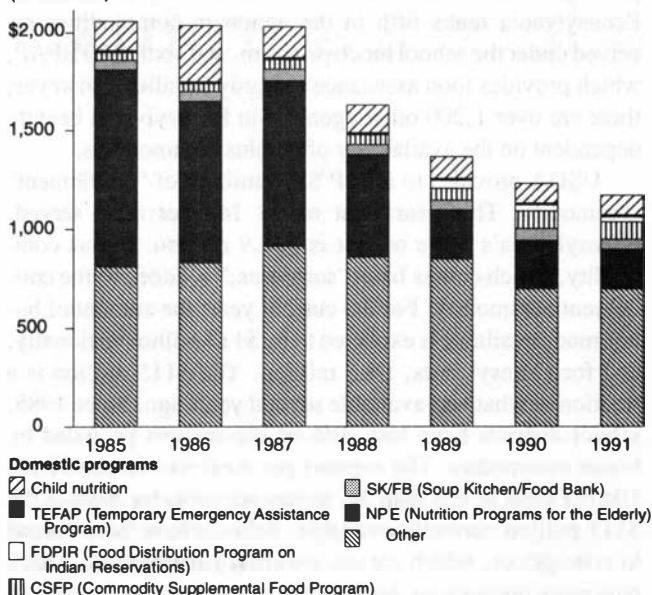
Growing unemployment in the nation's capital area means an increasing need for food assistance for suburban residents who have been laid off. A July 5 account on the trend by the *Washington Post* reported that people are flocking to pantries like Oxon Hill Food Pantry in Prince George's County, Maryland, where the number of recipients is up 49% over last year. For the first six months of this year, 2,982 people received food at Oxon Hill, compared with 1,998 for the same period in 1991. This year's six-month figure is higher than all of 1990. At the Bread for the City program in Washington, D.C., the number of cases is up 49% over last year.

EIR spoke with Charles Parker, who heads Bread for the City, the largest food pantry in the District. They give food to people in their homes who fall below the poverty line;

FIGURE 1

Decline of federal donations of food 'bonus' commodities

(millions \$)



Source: USDA

these people qualify for food stamps, but some of them don't get them, and some run out of food stamps before the end of the month. Food comes from government donations, from the city food bank (which is mostly Second Harvest), and from donations.

In 1988 there was a big drop in government donations of commodities. The budget for the TEFAP program, which had been \$50 million up to that time, was expanded to \$120 million for the purchase of food. The problem is that the money tends to run out about halfway through the fiscal year. In 1991, there was no money from July to November. This is going to happen again in 1992.

The supply of food has never met the demand, and the demand is higher now. There is little flour, little in the way of dairy products (only butter—no cheese or dry milk). This has been true since 1988. There was never much meat, but there is none now.

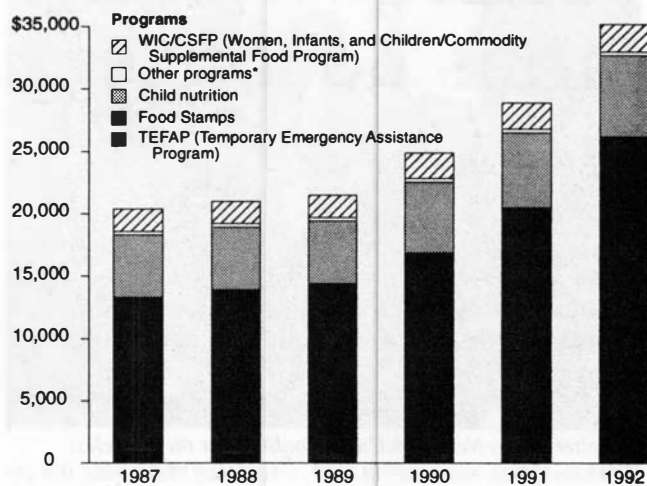
In 1990, some 90% of the clients qualified for food stamps, but only 30% were getting them. According to city statistics, currently 45-50% of those who qualify are receiving food stamps. The problem seems to be one of surviving the "system." Applicants have to get in line at 6 or 7 in the morning and stand for several hours in order to talk to a caseworker. Actually meeting the documentation requirements is another prohibitive factor for many.

Even though the food stamp program is a USDA program, the cost is shared 50-50 with the states, and the states

FIGURE 2

Food assistance has grown 65% since 1987

(millions \$)



Source: USDA

* Includes Nutritional Programs for the Elderly, Disaster Food Assistance, Soup Kitchens, Summer Camps, Charitable Institutions; does not include Food Programs Administration Funds or demonstration projects.

must administer it. As the states are experiencing increased financial problems, they are becoming more selective in who qualifies for the program.

Virginia

Food bank operators in Virginia report that supplies are dropping to dangerously low levels, while need is rising. Dora Campbell, operations manager of the Southwestern Virginia Community Food Bank in Roanoke said, "There has been a tremendous cutback in products being manufactured and donated." Rev. Leon Goad of New Life Crisis Ministries in Galax said he's found that food manufacturers that used to donate surplus or damaged goods are now selling those supplies at auctions.

Campbell said that at the regional food bank, supplies are down 20%, while requests are up 20%. She said many organizations must make do with bread but no beans, meat, or peanut butter.

Rev. Carroll Clark of Kickenson County Ministerial Association said the supply lines from government and private sources are "drying up." "Our stocks that are supposed to last to December in both money and food are drastically low, and we're not going to get anything until September," he told the *Richmond Times-Dispatch*. The county's unemployment rate is 20%.

Blue Ridge Area Food Bank operators say their 60-day surplus of food has dropped to 14 days. "The volume of food we are distributing continues to surpass what's coming in. . . . That's scary."

The Central Virginia Food Bank based in Richmond has



A shelter run by New York City's Coalition for the Homeless. When this photo was taken in 1985, a homeless child could still get a drink of milk; today, food pantries report that dairy products are virtually unavailable.

tripled its output from 2 million pounds in 1989 to 6 million pounds this year. It serves 36 counties.

Ohio

A worker at a Toledo area food bank reports on the impact of the USDA food cutoffs in his state. The food bank's contracting year is up in September, and the impact of the cuts will be felt starting Oct. 1. Corn meal and butter are the only donated items they have now; at one time they had milk, cheese, honey, rice, beans, and flour. They used to get three or four truckloads per month. Now they get food every few months. Cheese and milk powder have not been available for four years. Rice and beans have been gone for a year.

The number of soup kitchens in Ohio has grown, as general assistance has been cut out. Young men between 19 and 40 find themselves with no income, living on food stamps which they often sell for shelter. They must eat in the kitchens.

The state of Ohio has purchased food for the food programs: green beans, applesauce, pork, tomatoes, peaches, and pears, but the only thing the Toledo food bank has for August and September is flour and peanut butter.

Pennsylvania

Barry Shutt, director of the Bureau of Government Donated Food for the State of Pennsylvania Department of Agriculture, testified before the House Agriculture Committee hearing on June 24. The bureau administers all of the food assistance programs which receive USDA commodities. Shutt is also president of the American Commodity Distribution Association, an organization of officials from the state

agencies which administer USDA commodity programs across the country.

Those most affected by food relief reductions, he reported, include the 923 public and private schools in the state that participate in the National School Lunch Program (NSLP). Pennsylvania ranks fifth in the nation in commodities received under the school lunch program, and sixth for TEFAP, which provides food assistance to needy families. However, there are over 1,200 other agencies in Pennsylvania heavily dependent on the availability of surplus commodities.

USDA provides to NSLP \$550 million of "entitlement" commodity. This year, that meant 14¢ per meal served. Pennsylvania's share of that is \$21.9 million. Bonus commodity, which comes from "surpluses," is added to the entitlement commodity. For the current year, the amount of bonus made available is expected to be \$113 million nationally, and for Pennsylvania, \$4.5 million. The \$113 million is a fraction of what was available several years ago. Since 1985, school districts have lost 70% of the support provided by bonus commodity. The support per meal has dropped from 10¢ per meal to less than 3¢. Butter accounts for most of the \$113 million currently available. Schools have been forced to raise prices, which means lowering participation, which puts more pressure on the finances of the lunch programs, as fixed costs must be covered by fewer participants.

The impact of changes in the 1985 farm bill was deeply felt by every school district in the country. The recent decision to change flour from a bonus to an entitlement item will adversely affect the program. That decision alone will cost Pennsylvania school districts \$1.8 million, or 8-10% of their entitlement. The loss of flour will cost the schools \$21 million, according to the USDA's own newsletter.

For many years, cheese was a bonus item available to schools without limit. Then, for the 1989-90 school year, cheese was switched from bonus to entitlement. According to *EIR's* calculations, if a school received \$30,000 of entitlement commodity, the school probably received another \$18,000 in bonus commodity, for a total of \$48,000 of support from the commodity program. Of that \$18,000 in bonus, 75% was cheese. When USDA changed cheese to entitlement, schools lost 28% of their total commodity support. This forced many districts across the country to raise prices for school lunches.

TEFAP has been very active addressing the food needs of the poor and homeless. It has depended almost entirely upon the availability of surplus commodities. In 1986-87, Pennsylvania received 1.8 million cases of TEFAP for the program. Last year, Pennsylvania received only 401,000 cases. That's a 78% drop, while the number of individual recipients requesting assistance has not dropped, but has increased.

Iowa

Even in Iowa, the heartland of the nation's farm belt, the need for food relief is growing, and the cutoffs are hitting

hard. Comparing the first and last years of the decade of the 1980s, Iowa had an average of 23,712 more persons in the food stamp program in 1990 than in 1980. For 88 out of 99 counties, the percentage of residents in the program was higher in 1990 than in 1980.

The highest food stamp usage was in the middle-years of the decade, when a wave of farm families were dispossessed, and workers in Iowa's farm equipment manufacturing and supply outlets were put out of work. In 1986, twelve counties in Iowa had 10% or more of their population getting food stamps, and one county had fully 15.5% of its residents on food stamps. As of 1990, the statewide average food stamp use stood at 6.2% of Iowa's population, and this is rising as a new wave of layoffs and farm ruination are hitting again.

Over the decade, more and more of Iowa's school-children have come to be dependent on food relief. This came about despite the fact that school enrollment declined from 1983 to 1989, as the state lost population overall. During this same time period, the average numbers of students getting food relief increased. Three school years between 1985 and 1988 had over 25% of the students receiving food assistance. In 1990-91, 24.4% of students received either free or reduced-price meals.

Students qualify for nutrition assistance because their families qualify as low income; those with lower income can

be eligible for free meals, while others with somewhat higher income can receive meals at a reduced price.

Other categories of needy are also growing. The June 26 *Des Moines Register* reported an expansion this year of 5,000 more individuals being served by the WIC program (supplemental food for Women, Infants, and Children). The total number served in the state is to rise from 53,337 to more than 58,000 people.

State administrators of the program are also actively seeking ways to make the WIC dollar go further. Iowa uses federal WIC money to issue monthly coupons which participants use to buy formula—and other specified foods—at retail prices from Iowa grocers. Then the state receives a rebate from the formula manufacturer that is used to serve more people with WIC. Iowa food aid officials have joined forces with counterparts in Texas and Minnesota to negotiate with infant formula companies to use competitive bidding to drive down the costs to the program. Nationally, the WIC purchases add up to one-third to one-half of all infant formula sales.

Iowa has struck a three-year deal with Ross Laboratories, manufacturer of Similac and Isomil formulas. In exchange for an exclusive contract with Iowa starting in October to provide formula, Ross Laboratories will provide a rebate of 77% on the wholesale price per can of formula. As a result, Iowa will save \$5.9 million and try to provide more nutrition aid.

A profile of the U.S. food relief effort

Currently, well over 25 million Americans, over 1 in 10, are enrolled in the food stamps program. Ten million low-income children receive free school lunches. More than 5 million people participate in the Women, Infants, and Children (WIC) program, one of five child nutritional programs operating nationally, while approximately 931,165 meals are served daily by the Nutrition Program for the Elderly. Estimates are that nearly 50 million Americans receive some kind of food assistance.

During the month of April, \$18.9 million was provided by Temporary Emergency Food Assistance Program (TEFAP) for soup kitchens and shelters of various kinds. The Commodity Distribution to Charitable Institutions spent \$88.4 million in 1991, for churches, orphanages, and the like. This year, a record \$65.6 million was spent in just the first four months, including \$9.9 million in April alone. These are only the highlights of the most familiar of the 13 programs that enable an increasing number of Americans to eat a meal.

The first attempt to rid this country of hunger occurred during the Great Depression. Then as now, farmers had more food than they could sell, while thousands stood in bread lines, waiting for food. The Food Stamp Plan was created, and by the late 1930s, families could exchange money for stamps and purchase designated surplus foods at retail stores.

However, World War II put an end to unemployment and food surplus. The program that served over 3 million people a month was put to rest in 1943, hopefully forever. But less than 20 years later, President Kennedy called upon the U.S. Department of Agriculture to implement a Pilot Food Stamp Program. By 1964 the current program was established, and all 50 states were authorized to take part. In 1969, about 2.9 million Americans were enrolled.

Now the enrollment is up to nearly 26 million, and the program barely keeps up with a growing population of hungry Americans. According to the latest statistics of the Children's Defense Fund, one in eight American children is suffering from hunger. Nearly one in four infants and toddlers is poor. Even with the programs we have, more children are hungry in the United States than there are total children in Angola, Somalia, Haiti, Zimbabwe, or Cambodia.