

CFPA Statement in Response to “Food Stamps, Follow the Money: Are Corporations Profiting from Hungry Americans?”



A recent [report](#) released by *Eat Drink Politics* investigates “how the food stamp program—originally designed to help farmers and those in need—lines the pockets of junk food makers, food retailers, and banks.” CFPA has drafted the following statements in response to policy recommendations in the report.

Overall reaction to the report:

Though focused on transparency, the report muddies three important facts:

1. The \$71 billion in federal benefits delivered in 2011 did indeed go to needy people for food. The report seems to lose this point by making it appear that the banking industry and others were primary beneficiaries.
2. The program is effective and efficient¹ and the fact the benefits are now delivered through the electronic banking system is a huge improvement over the paper coupons of the past. Though the report is not clear on this point, just a small percentage of federal funding goes to administration and an even tinier fraction of SNAP spending goes to the electronic system.
3. SNAP uses “normal channels of trade” to deliver the benefits. Where SNAP benefits are currently redeemed is a factor of the larger food system rather than SNAP design.

At a time when Congress is reviewing SNAP as part of the Farm Bill, it is vitally important that the reality of who ultimately benefits from SNAP is not distorted.

CFPA responses to specific policy recommendations contained in the report:

Report Recommendation: Congress should not cut SNAP benefits in this time of extreme need.

CFPA strongly agrees that SNAP benefits must be protected and preserved. SNAP, known as CalFresh in California, is an effective tool to reduce food insecurity, provide income support, and increase the purchasing power of low-income households. Where and how benefits are spent does not negate the reality that in 2010, SNAP benefits prevented nearly 4 million Americans, half of whom are children, from falling into poverty.²

Report Recommendation: USDA should disclose retailer redemptions on SNAP; Congress should require that USDA regularly report on these numbers.

USDA has general data³ on where SNAP benefits are spent (categorized by type of retail store) and the frequency with which benefits are spent. Such information is helpful in determining where SNAP participants purchase food and informs research on increasing access to food.

Since its inception, SNAP was intended to support low-income households with nutrition assistance through “normal channels of trade,” preserving the dignity of participants to the greatest extent possible. Today’s food retail environment includes grocery stores, farmers markets, super stores, and *bodegas* that serve SNAP participants alongside Americans not participating in SNAP. The food retail environment and its associated profit reflect the purchasing behavior, be it good or bad, of *all* Americans. There is no question that food retailers benefit from SNAP, and there should be continuous efforts to diversify and improve the availability of food, but SNAP redemptions are only indicators of a larger, complex food

¹ Center on Budget and Policy Priorities, SNAP Is Effective and Efficient <http://www.cbpp.org/cms/index.cfm?fa=view&id=3239>

² Center on Budget and Policy Priorities, Testimony of Stacy Dean, Vice President for Food Assistance Policy, Before the House Committee on Agriculture’s Subcommittee on Nutrition and Horticulture. May 8, 2012. <http://www.cbpp.org/cms/?fa=view&id=3768>

³ U.S. Department of Agriculture, Food and Nutrition Service, Office of Research and Analysis, “Benefit Redemption Patterns in the Supplemental Nutrition Assistance Program,” by Laura Castner and Juliette Henke. Project officer: Anita Singh, Alexandria, VA: February 2011. <http://www.fns.usda.gov/ora/menu/Published/snap/FILES/ProgramOperations/ARRASpendingPatterns.pdf>

system. CFPA supports maintaining broad access for SNAP participants to a variety of retail options.

Report Recommendation: Congress should mandate that USDA collect and make public product purchase data; Congress should pass Senator Ron Wyden's bill, which includes such a requirement.(Senator Wyden's bill S2016 would require any retailer with annual gross sales over \$1 million to report all food purchased with SNAP annually).

Data on the types of food (fruits, vegetables, proteins, etc.) purchased with SNAP is useful to understanding how benefits support adequate nutrition, as long as participants' privacy is protected. Such data has informed pilot projects exploring methods that may improve the nutritional quality of SNAP purchases.

The U.S. Department of Agriculture is currently implementing a Healthy Incentives Pilot in Massachusetts (modeled after CFPA-sponsored state legislation AB 2384 in 2006) to determine the effectiveness of incentivizing produce purchases in both farmers markets and grocery stores. To learn more about the Healthy Incentives Pilot, visit <http://www.fns.usda.gov/snap/hip/qa-s.htm>

Report Recommendation: USDA should collect data on bank fees to assess and evaluate national costs and share this data with the public. This is not CFPA's area of expertise.

Report Recommendation: USDA should evaluate state contracts to determine if banks are taking undue advantage of taxpayer funds. This is not CFPA's area of expertise.

Report Recommendation: USDA should grant waiver requests from states that want to experiment with making health-oriented improvements to SNAP.

SNAP is an ever-evolving program aiming to improve food security and health among low-income participants. We recognize the potential political and public support for SNAP that could grow as a result of improving participant health. Preserving funding and increasing participation are CFPA's primary goals for SNAP and widespread support for the program would be beneficial to participants.

CFPA is not entirely opposed to pilot projects that would test possible changes to SNAP with the goal of improving the health of participants. SNAP participation can be cyclical; people transition out of and back into poverty with some frequency. Therefore, food purchasing patterns exist before, during, and after SNAP participation. As such, the diets of SNAP recipients are similar to those of income-eligible nonparticipants.⁴ Any pilot projects must be accompanied by a broad range of interventions aimed at improving the dietary behavior of all Americans.

Report Recommendation: Anti-hunger groups should eliminate or disclose potential conflicts of interest when taking a public position regarding SNAP policy.

CFPA can only speak for ourselves on this issue. We have a policy approved by our Board of Directors that prohibits CFPA from entering into grants or partnerships with entities whose operations are contrary to our mission. We also do not enter into grants or partnerships to advance another entity's interest, brand or product.

⁴ U.S. Department of Agriculture, Food and Nutrition Service, Office of Research, Nutrition and Analysis, Diet Quality of Americans by Food Stamp Participation Status: Data from the National Health and Nutrition Examination Survey, 1999-2004, by Nancy Cole and Mary Kay Fox. Project Officer: Jenny Laster Genser, Alexandria, VA: 2008.
<http://www.fns.usda.gov/ora/menu/Published/snap/FILES/Participation/NHANES-FSP.pdf>