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Law & policy innovation for the common good.

## Finding Common Ground on SNAP for Agriculture, Health, and the Economy

### ISSUE BRIEF

*The Food Stamp Program “will get more surplus farm products into consumption. That will help agriculture. It will provide more and better food for low-income families. That will improve the public health and benefit the future of our people. It will increase the volume of merchandise moving through the normal channels of trade. That will help all business.”*

– USDA Secretary Henry Wallace on the Food Stamp Plan, the precursor to modern day SNAP, April 19, 1939<sup>1</sup>

### Finding Common

**Ground** is a series of issue briefs commissioned by the Healthy Farms, Healthy People Coalition to bring agriculture and health stakeholders together, building a stronger base of support for a healthy, economically viable food and farming system in the United States. Each brief highlights a food and farming issue in which agriculture and health stakeholders have shared interest.

The Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program, is the largest program of the federal food safety net in the United States. It began as a New Deal program in 1939 during the Great Depression, increasing the spending power of low-income Americans and providing an outlet for surplus farm products like butter, eggs, and fresh fruits and vegetables.<sup>2</sup>

The widespread benefits of SNAP continue today, making this federal program important to people who care about poverty, health, the economy, and the future of agriculture. Today SNAP serves approximately 14 percent of the population,<sup>3,4</sup> with monthly benefits averaging \$134 per person, or \$1.50 per meal.<sup>5</sup> SNAP participation fluctuates with national economic conditions: when unemployment is high, as it is now, so is participation.<sup>6</sup>

**SNAP serves 1 in 7**



This brief provides some basic facts about how SNAP affects agriculture, health, and business. It also highlights some issues at the intersection of these sectors that often emerge for debate when SNAP comes up for reauthorization every five years.

### Wide-Ranging Benefits

#### SNAP helps agriculture.

Although the primary goal of the program is to alleviate hunger, SNAP also generates economic activity and jobs. In 2008, farmers received \$6 billion in revenue from the \$35 billion spent on SNAP benefits (the remaining money goes to other industries, including food processors and retailers).<sup>7,8</sup> Every \$1 billion of SNAP spending generates thousands of jobs across industries, including an estimated 1,000 new agricultural jobs.<sup>9</sup> SNAP participants spent \$7.5 million in benefits at farmers' markets in 2010, with every dollar going directly to the farmer. The USDA is working to expand SNAP use at farmers' markets.<sup>10</sup>

#### SNAP improves public health.

SNAP improves access to food for low-income households,<sup>11,12</sup> and participation in SNAP may reduce the risk of obesity for some children and adolescents.<sup>13</sup> For every dollar of SNAP benefits received, participating households increased food expenditures by up to 47 cents<sup>14</sup> – and higher food expenditures are associated with greater fruit and vegetable consumption among SNAP participants.<sup>15</sup> The program also has a nutrition education component that helps families make healthy choices with their benefits.<sup>16</sup>

#### SNAP helps local economies.

Food retailers earned more than \$60 billion of revenue from SNAP participants in 2010, with supermarkets and superstores receiving 90 percent.<sup>17</sup> Every \$5 of SNAP spending creates \$9 of economic activity,<sup>18</sup> and every \$1 billion of SNAP spending generates an estimated 17,900 jobs.<sup>19</sup>

**Lost Opportunity**

More than a quarter of people eligible for SNAP did not participate in 2009. That means 13 million Americans did not receive crucial assistance and \$400 million in benefits were not spent in the economy.<sup>20</sup>

Participation rates varied widely by state, from 53 percent in California to 100 percent in Maine.<sup>21</sup>

**Balancing Health, Agriculture, and Economic Interests**

Congress reviews SNAP funding and policy every five years as part of the federal farm bill reauthorization process, providing an opportunity to reconsider how the program should address health, agriculture, and business interests. These interests have historically aligned: investment in SNAP means greater ability to purchase food for the most vulnerable households, more money spent on agricultural products, and more revenue for food retailers.

In recent years, the program has also come under greater scrutiny because economic conditions doubled the program’s budget between 2007 and 2011, and because of growing concern among lawmakers about the federal budget deficit.<sup>22, 23</sup> This scrutiny has led to multiple proposals to cut the budget of the program through various changes to eligibility and benefit levels.<sup>24</sup>

As lawmakers attempt to balance various interests and the budget, several policy questions arise each time the program is up for reauthorization. For example:



**Who is eligible for benefits? How do people apply for benefits? How much money should participants receive each month?<sup>25</sup>**

Eligibility is based on household size, income, assets, and other factors. In 2012, a family of four making less than \$2,498 in gross monthly income would be eligible for SNAP. These questions ultimately affect low-income households’ ability to purchase sufficient food, how much money participants funnel back into the economy, and the program’s budget. The health, agriculture, and retail sectors all benefit from ensuring that households have enough money to avoid hunger and purchase a healthy diet.



**Which foods and beverages can participants purchase?**

Proposals to restrict, allow, or provide incentives for the purchase of certain products frequently arise.<sup>26</sup> Restrictions of products such as soda engender debate among stakeholders about the role of nutrition in the program, perceived subsidies for non-nutritious foods, and potential stigma of low-income consumers.<sup>27, 28, 29</sup> These proposals also concern food manufacturers, whose foods or beverages may be excluded from the program.<sup>30</sup> The debate over the role of nutrition in the program has also led to calls for targeted incentives, like bonuses to consumers, for buying fruits and vegetables through SNAP.<sup>31, 32</sup> These policies could benefit producers and manufacturers of the incentivized products, though some retailers may be concerned about the cost and complexity of implementing the incentives.



**Which retailers can participate in the program?**

Some health professionals concerned about low-income residents’ access to healthy food support policies requiring retailers to stock more healthy products as a condition for accepting SNAP.<sup>33</sup> The USDA has suggested that higher standards would drive out stores that are more likely to defraud the program.<sup>34</sup> Small retailers may worry about the impact more requirements could have on business operations and revenue.<sup>35</sup>

All of these issues are ripe for conflict – but also collaboration – among agriculture, health, and business stakeholders. People working in these sectors can contribute their expertise and on-the-ground experience to these debates and help find a common way forward.

## Learn More

Agriculture and health stakeholders should understand how SNAP and the issues presented here affect their communities. This common understanding can lead to conversations and strategies addressing how the program could better serve low-income residents, farmers, and the economy in their communities. Here are some ideas for starting the conversation:

Health stakeholders can...	Agriculture stakeholders can...
<ol style="list-style-type: none"> <li>1. Find out how many people in your county are eligible for SNAP and how many actually enroll. <a href="http://www.ers.usda.gov/data-products/food-environment-atlas/go-to-the-atlas.aspx">www.ers.usda.gov/data-products/food-environment-atlas/go-to-the-atlas.aspx</a></li> <li>2. Identify SNAP retailers in your area. Note neighborhoods that don't have access to a SNAP retailer. <a href="http://www.snapretailerlocator.com">www.snapretailerlocator.com</a></li> <li>3. Meet with a local farmers group, agriculture extension office, or food policy council in your area. See what they're doing to serve lower-income people in your area.</li> </ol>	<ol style="list-style-type: none"> <li>1. Find out the value of SNAP benefits redeemed in your county. <a href="http://www.ers.usda.gov/data-products/food-environment-atlas/go-to-the-atlas.aspx">www.ers.usda.gov/data-products/food-environment-atlas/go-to-the-atlas.aspx</a></li> <li>2. Ask the farmers' market(s) and community-supported agriculture (CSA) programs in the area if they accept SNAP. If not, ask why.</li> <li>3. Meet with the local food bank, county health department, or local food access organization. Ask how they're working to connect low-income residents with local producers.</li> </ol>

## Contact Us

The Healthy Farms, Healthy People Coalition convenes stakeholders from diverse sectors to discuss and collaborate on food and agriculture issues at the local, state, and federal level. Visit the coalition's website for more background and up-to-date information on the issues discussed in this brief.

[www.hfhpcalition.org](http://www.hfhpcalition.org)

ChangeLab Solutions creates innovative law and policy solutions that transform neighborhoods, cities, and states. Contact Christine Fry ([cfry@changelabsolutions.org](mailto:cfry@changelabsolutions.org)) for strategies to improve access to nourishing food for everyone.

[www.changelabsolutions.org](http://www.changelabsolutions.org)

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## Endnotes

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