

The Nutrition Title's Long, Sometimes Strained, but Not Yet Broken, Marriage with the Farm Bill

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In recent farm bills, most of the funding has been devoted to the nutrition title, especially the Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps. SNAP is the nation's largest anti-hunger program. In the next farm bill, decisions made about this title will greatly influence food security and dietary quality, especially for low-income Americans.

In the 2014 farm bill (the Agriculture Act of 2014), the nutrition title had 10-year outlays of \$756 billion, about four fifths of the full cost of the legislation. In fiscal year 2015, SNAP provided targeted food benefits to a monthly average of 45.7 million low-income Americans, at an annual cost of \$74 billion.

The nutrition title also includes much smaller programs. The Emergency Food Assistance Program (TEFAP) provides commodities and other financial supports to food banks and food pantries at a cost of \$376 million in FY 2015—approximately one-200th the funding for SNAP. The Healthy Food Financing Initiative encourages retailers to locate in underserved areas. The Seniors Farmers Market Nutrition Program and the Food Insecurity Nutrition Incentives (FINI) program support purchases of fruits and vegetables in local markets. The major child nutrition programs, such as the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) (\$6.1 billion in FY 2015) and the National School Lunch Program (\$16.9 billion), are reauthorized through separate legislation, not the farm bill. Re-authorization of child nutrition programs is the responsibility of the Senate Agriculture and House Education and Workforce Committees.

With a new President and Republican leadership in both the House and the Senate, SNAP and other nutrition assistance programs are likely to come under pressure in the next few years. Leading up to the next farm bill, important debates will address whether the nutrition title even belongs in the bill in the first place, how much funding to provide for SNAP, and whether to redesign SNAP to more strongly encourage good nutrition and dietary quality.

Splitting the Nutrition Title

In a tradition dating to the early 1970s, having farm programs and nutrition programs together in the farm bill allowed for greater political support from both rural and urban legislators. While working on the 2014 farm bill, in what was at the time a remarkable act of brinkmanship or desperation, the House of Representatives in 2013 sought to end this tradition by passing a farm bill with no nutrition title. That stand-alone bill could not pass both houses of Congress. In the end, the nutrition title was rejoined to the farm bill in the conference committee process before the bill passed both houses and was signed by the president in February, 2014.

Looking forward, the Heritage Foundation has renewed its argument for splitting the nutrition title from the next farm bill (Bakst, 2015), which is consistent with the foundation's broader criticism of farm programs and SNAP

alike. Representative Mike Conaway (R-TX), the chairman of the House Agriculture Committee, in early 2015 proposed that the nutrition title, including SNAP, be split from the farm bill. “We’re going to have to create an urban-rural alliance,” Conaway said, “that helps us pass the next farm bill that’s not based or held together by the SNAP program” (Brasher, 2015). In a mirror image of this logic, some SNAP supporters began to argue that anti-hunger programs had sufficient support on their own, and no longer needed farm-sector votes.

Conaway announced a series of hearings before the House Agriculture Committee, which observers initially expected to be harshly critical of SNAP, perhaps preparing the ground for proposals that would sharply cut the program’s budget. However, the series of hearings turned out to be less fiery than expected. Some hearings focused on more technical issues such as how to encourage employment and training initiatives through the SNAP program. Even at hearings on more sensitive issues, such as fraud and abuse in SNAP, there was bipartisan recognition that the program must take measures to protect public confidence in the program (Chase, 2016). The House Agriculture Committee has not released a final report on SNAP as of this writing (early December, 2016).

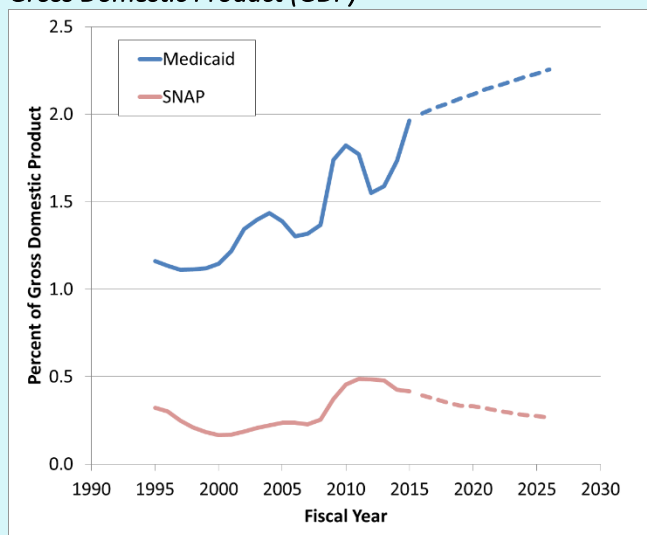
Meanwhile, also in 2016, major anti-hunger groups and farm organizations met to reinvigorate shared support for an omnibus farm bill, including both agriculture programs and nutrition assistance. In an effort to send a signal about this unique alliance, a coalition of 254 farm, nutrition, and conservation groups sent a joint letter in March 2016 to the House and Senate Budget and Appropriations Committees, urging those Committees to not re-open the 2014 farm bill for the purpose of cutting funding. On the other hand, the GOP platform for the 2016 election called for the nutrition title to be separated from the farm bill, which observers interpreted as an intention to limit SNAP funding. The 2016 election gave Republicans the Presidency and returned the party to power in both the House and the Senate, but it did so with significant support in rural and agricultural areas of the United States. In light of these forces pulling in both directions, even within the Republican Party, it is simply unknowable at this time whether the nutrition title will remain part of the next farm bill.

Funding for SNAP

Just as political support for the commodity title depends in part on current prices and whether farmers are experiencing economic troubles, support for the nutrition title depends on trends in national income and poverty, which in turn influence participation in SNAP. Eligibility for SNAP depends on having income below 130% of the federal poverty standard, in most cases, so higher unemployment and poverty lead to greater program participation.

Congressional debate over the 2014 farm bill was affected by the rapid growth in SNAP spending for several years previously, due in part to caseload growth during the Great Recession and in part to a temporary 13% benefit increase that was passed as part of the federal government’s effort to stimulate the economy in 2009. Lawmakers in the House of Representatives in 2013 proposed cutting SNAP benefits and converting the federal entitlement program into block grants to the states, which would have limited the ability of the program to grow automatically during recessions, diminishing its effectiveness as a safety net program. The program had grown from \$31 billion (0.24% of gross domestic product) in fiscal year 2005, just before the recession, to \$80 billion (0.48% of GDP) by fiscal year 2013 (Figure 1).

Figure 1: Congressional Budget Office (CBO) Projections for SNAP and Medicaid Spending as a Percentage of Gross Domestic Product (GDP)



Source: Author’s computations based on Congressional Budget Office (CBO), 2016.

Note: SNAP is the Supplemental Nutrition Assistance Program.

However, there is reason to think that the context for the next farm bill may be different. After many years of waiting, the post-recessionary economic expansion has finally started to reach the lower end of the income distribution, leading to small reductions in both poverty and food insecurity by 2015 (Coleman-Jensen et al., 2016). As SNAP caseloads peaked and began to fall again, annual total SNAP spending at last declined by \$6 billion to \$74 billion in fiscal year 2015 (0.42% of GDP). Based on Congressional Budget Office (CBO) 10-year forecasts for baseline SNAP spending, SNAP spending is projected to continue to fall as a percentage of GDP, even if there are no cuts in farm bill legislation (Figure 1).

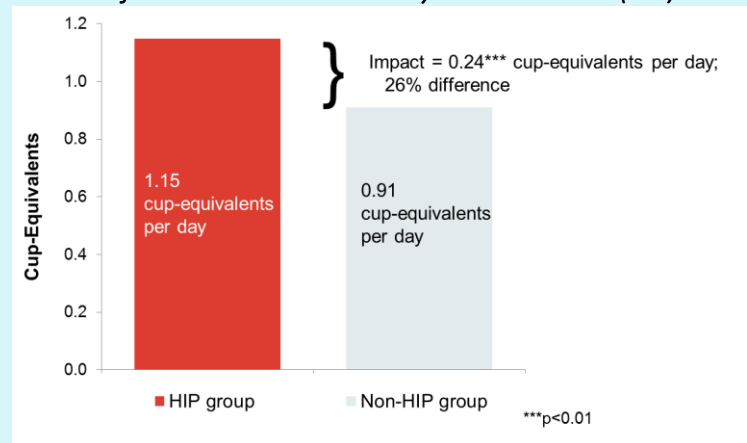
Several new proposals call for increasing program benefits. An Institute of Medicine (IOM) committee led by economist Julie Caswell in 2013 suggested updating the SNAP benefit formula to better account for the time costs of food preparation and for geographic variation in food prices (Yaktine and Caswell, 2014). Writing for the Brookings Institution’s Hamilton Project, economist Jim Ziliak (2016) proposed an immediate 20% increase in benefits, accompanied by other changes to the benefit formula. With support from Feeding America, the national organization of food banks, Representative Alma Adams and other Democratic lawmakers have proposed a “Closing the Meals Gap Act of 2016,” which would change the benchmark food spending target for SNAP benefits from the “Thrifty Food Plan” to the somewhat higher priced “Low-Cost Food Plan.” Although passing separate legislation is possible in principle, it is likely that such proposals will be folded into discussion of the next farm bill.

Encouraging Nutrition and Dietary Quality

Even more than in previous years, the next farm bill debate may include substantial proposals to subsidize healthful foods or to restrict access to less healthful items under SNAP. In the past, such changes have been advocated by two very different political constituencies: program critics who argue that participants waste their food resources and public health nutrition organizations that believe program changes could enhance the program’s effectiveness in addressing high rates of obesity and chronic disease. Such proposals, especially those that restrict program benefits to certain foods and beverages, have been opposed by anti-hunger organizations and by USDA’s Food and Nutrition Service (FNS), due to concerns over administrative complexity and potential stigma for program participants leading to reduced participation by eligible low-income Americans (USDA-FNS, 2007).

With funding from the 2008 farm bill, USDA did support a Healthy Incentives Pilot (HIP), which provided a 30% incentive on targeted fruit and vegetables purchases with the SNAP card in Hampden County, MA (Wilde et al., 2015; Olsho et al., 2016). The study found that randomly assigned HIP participant adults had daily fruit and vegetable intake that was 0.24 cup-equivalents (26%) higher than intake for non-participants (Figure 2). In the 2014 farm bill, the Food Insecurity Nutrition Incentives (FINI) program expanded federal support for such incentives, with a particular focus on farmers markets and other local retail channels. A recent Minnesota study—sponsored by the National Institutes of Health, not USDA—considered a program design that combined a healthy incentive with a disincentive for purchase of sweets. Participants were not allowed to purchase sugar-sweetened beverages, candy, or baked sweets with the study-provided debit card. The study found participants with both the incentive plus the restriction had lower total food energy intake and an improved healthy eating measure (Harnack et al., 2016).

Figure 2: Intake of Targeted Fruits and Vegetables Was 26% Higher for SNAP Participant Adults Who Received a 30% Incentive for Purchase in the Healthy Incentives Pilot (HIP)



Source: Olsho et al., 2016

While SNAP spending is projected to decline for the next several years even in the absence of policy changes, it is notable that the much larger cost of Medicaid—the leading government medical insurance program for low-

income Americans—is expected to soar well above 2% of GDP. Indeed, rising medical costs are seen as a critical issue for the U.S. economy. It is possible to imagine two very different legislative responses. On the one hand, as they plan the next farm bill, legislators may accept falling SNAP costs and rising Medicaid costs, on grounds that the funding lost from SNAP still is going toward another important safety net program. On the other hand, legislators could reason that preventing poor nutrition and chronic disease makes more sense than treatment after the fact. From the latter perspective, providing extra resources for SNAP to address unhealthy eating and diet-related chronic disease may be a worthwhile investment if it slows the growth of Medicaid costs.

A Bipartisan Nutrition Title

In most past cycles, congressional debate over the farm bill was comparatively less partisan than debate over other legislation. This changed in the 2014 farm bill, as legislators concerned about the federal budget deficit challenged the traditional bipartisan support for farm programs, and criticism of SNAP had a more partisan character than usual. To reduce partisan tensions over this issue, Congress established a national commission on hunger in the 2014 omnibus appropriations bill. The commission's final report was released in January, 2016 (National Commission on Hunger, 2015). The report places substantial emphasis on employment and training programs and requirements, and it proposes to exclude a narrowly defined class of sugar-sweetened beverages from SNAP eligibility, which is a provision likely to be opposed by SNAP's supporters in anti-hunger organizations. At the same time, the report describes SNAP's overall success in reducing the rates of household food insecurity and hunger in the United States.

In the next farm bill, it is uncertain whether to expect a renewal of the rancorous and partisan argument over the nutrition title. The commission's report may serve as a roadmap for a less divisive nutrition title, if lawmakers seek such a thing.

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