



December 16, 2005

Secretary of Agriculture Mike Johanns
Farm Bill
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Re: Recommendations to Improve Nutrition Titles in 2007 Farm Bill Reauthorization

We're writing to you with our recommendations to improve the nutrition titles due for reauthorization in the 2007 Farm Bill – including Food Stamps, TEFAP, Senior Farmers Market Nutrition Program and Commodity Supplemental Food Program.

WISCAP is the statewide Association of Wisconsin's Community Action Agencies. We're responsible for statewide ordering of TEFAP commodities in Wisconsin. Thirteen of our sixteen member agencies coordinate food distribution to 228 participating food pantries, meal sites and shelters in 69 of Wisconsin's 72 counties. Food pantries in the network distribute 1.6 million pounds of food each month to 88,000 food insecure people, and meal sites & shelters in the network serve 84,000 meals each month.

Our agencies and their partners are seeing more and more food insecure families every day in our communities! Over the past 5 years the number of households seeking food assistance at food pantries has increased 45%. This is due to many things, including a sputtering economy, poor wages, and rising costs for housing, heating and health care. As people face tighter and tighter budgets they turn more often to food pantries for partial relief, which as you can imagine, has greatly increased stress on local providers. Further evidence of rising economic stress can be seen in our poverty rate, which has increased faster than any other state in the union.

While we understand the fiscal challenges facing Congress, families vulnerable to hunger and poverty must have the very highest claim on our national resources. The recommendations that follow are intended to improve the capacity of these programs to serve food insecure families.

Food Stamp Recommendations

As demand for emergency food assistance has risen throughout the state compared to 5 years ago, it is absolutely critical that Food Stamps reach more eligible families and provide greater benefits in a more cost effectively manner than before. WISCAP estimates that eligible low-income families lose out on approximately \$100 million annually in food stamps – 4 times the value of all the food distributed each year by all the several hundred TEFAP food pantries in Wisconsin! Emergency food providers simply cannot hope to meet the nutritional shortfall that more and more families experience each month. Food stamps must play a greater role in hunger prevention in Wisconsin and other states. And it can if we simplify application and administration, improve benefits, and expand eligibility. We also must recognize that Food Stamps are a much more desirable way to provide nutritional support to low-income families than the physical delivery of food. Food stamps get families into grocery stores rather than into food pantries, are more efficient (since money is distributed, not food), provide greater choice, offer full client control, improve access to foods that meet special dietary and cultural requirements, and are inherently a more dignified way to obtain food. Food pantries should only be relied on for families that face short-term emergencies - not expected to provide a regular supplement to household food budgets.

WISCAP supports APhSA's recommendations. With one exception (noted in the text) WISCAP supports APhSA's food stamp recommendations. Especially important are efforts to simplify administration, to provide provisional food stamps at food pantries, to establish a single, higher gross income limit. USDA's own research shows nearly half of all food insecure households have income above 130% of poverty – which makes them financially ineligible for food stamps in most states! WISCAP also supports APhSA's call to raise the minimum household allotment for elderly & disabled households to \$50 since these households have a limited ability to increase their income through increased work. Many SSI households receive only \$10/month, an absurdly small amount.

Increase minimum benefit to \$30/month for ALL households. The \$10 minimum has been in effect at least since the 1977 Food Stamp Act (according to Art Foley, USDA). In 1977 \$10 bought significantly more food, but is now an absurdly small amount due to inflation. USDA market basket data (<http://www.ers.usda.gov/Briefing/FoodPriceSpreads/basket/table1.htm>) shows the retail price of the USDA's fixed market basket has increased 268% from 1977 to 2001 (the most recent year of data). This means in 1977 the \$10 minimum bought over 2.5 times more food than in 2001¹. Extrapolating further WISCAP estimates the 2005 market basket price is now \$193 – or 292% more than in 1977². By the time the 2007 Farm Bill is enacted the market basket price will have increased over 300% compared to 30 years ago. WISCAP urges a minimum benefit of \$30 for ALL households indexed to the rising annual price of the USDA market basket. If enacted it would bring more nutrition dollars to food insecure households and would stimulate greater enrollment by all eligible sectors. In addition, considering that the administrative cost-to-benefit ratio is very high in the food stamp program³, states are actually spending 3 to 4 times the value of the minimum benefit each month simply to deliver it.

Increase overall benefit levels. The Thrifty Food Plan is the basis for determining the maximum food stamp benefit and was last revised in 1999. USDA data published in "*Household Food Security in the U.S. 2004*" (table 12) documents that families with income below 130% poverty AND who received food stamps in the previous 30 days still had median weekly food expenditures that were only 89% of the Thrifty Food Plan. So even after incorporating food stamp benefits into household food budgets families still had insufficient purchasing power to obtain the USDA's most economical food plan (which is already 25% less than the national average for what households spend on food). Furthermore, half of the people who received food stamps in the previous month reported they were food insecure (49%) and one third of these reported experiencing hunger (table 11).

Food Stamp deductibles must be revised & expanded. APhSA notes that the 2002 Farm Bill "has never allowed for the amount of a low-income family's budget that is truly available for food". To correct this means deductibles must be synchronized better to the fiscal realities of low-income families.

- **Vehicle costs.** The costs of owning and operating vehicles are an increasingly large component of household budgets – especially in rural areas. This is mainly due to the increasing purchase price of vehicles and high gasoline costs, but is also affected by insurance and repair costs. Persons in urban areas without cars incur public transportation costs. Since transportation is fundamental to finding and maintaining employment, Food Stamps should have a standard transportation deductible for vehicle ownership and a different one for utilization of public transportation.

¹ The USDA market basket cost \$66 in 1977 and costs \$177 in 2001.

² During the most recent 10 year period for which data is available (1991-2001) the market basket price increased an average of \$4/year. Adding this average annual increase to the 2001 price yields an estimated 2005 price of \$193. By 2007 the price is estimated to be \$201 – a 305% increase compared to 1977.

³ U.S. food stamp administrative costs from 2000-2002 average 25% of the value of client benefits in those years.

- **Telephone costs.** The true costs of telephone service should include some long-distance costs - especially in rural areas where even calls to nearby localities, including social service offices, can be long-distance. In addition more households use cell phones in place of landlines. Cell phone customers without landlines should qualify for the TUA deduction if they currently do not.
- **Child care costs.** The child care deductions (\$200 and \$175) have been fixed for many years. This should be adjusted to reflect real increases in child care costs. USDA should develop more reasonable estimates for the amount families are paying out-of-pocket for child care. This deduction (like vehicle use) is central to supporting employment and must be more realistic.
- **Eliminate the shelter cap & the medical cap for non-elderly, non-disabled households.** Shelter and medical caps distort and artificially limit the true impact of the rising costs of housing, utilities, prescription drugs and medical bills on available income. As costs rise faster than caps, more and more working households have relevant expenses that are not fully counted - even though these bills directly reduce spendable income. These caps should be eliminated for working families. The result is that families with very high costs in these areas and less spendable income will get higher benefits.
- **Allow an opt-out provision if the medical deduction is standardized.** APHSA recommends creating a standardized medical deduction. WISCAP agrees this would simplify administration and reduce potential errors and increase benefits for those who under-report allowable medical bills. But it would also hurt households with exceptionally large medical bills whose available income is seriously limited. WISCAP urges inclusion of an opt-out provision so persons with extraordinary medical bills can use their actual medical costs to determine their deductible amount.

Strong support for categorical eligibility. WISCAP strongly supports continuation of the "categorical eligibility" provision. In Wisconsin the provision has reduced reporting, documentation and verification for ALL households, which partially offsets the higher cost of providing benefits to some food insecure households whose income is above 130% of poverty. As already noted, the USDA's report *Household Food Security in the U.S. 2004* found nearly half of all food insecure households in the U.S. are ABOVE 130% of poverty. This is powerful justification for strategies that extend eligibility to these families.

Eliminate asset test. Wisconsin DHFS data has confirmed that Food Stamp households have extraordinarily small amounts of assets - far below the \$2,000 threshold. Eliminating the asset test would simplify application and administration and save money without jeopardizing program integrity.

Establish a pilot to allow CBOs access to household records to facilitate client enrollment in other self-sufficiency programs. Community Action Agencies and other CBOs could more effectively enroll food stamp households into other key self-sufficiency programs if they had "read only" access to Food Stamp household data. Federal rules only allow agencies that directly administer Food Stamps to access client records. However, if clients authorized limited CBO access to their personal records, it would facilitate applications for housing, energy assistance, transportation and asset building programs. Data sharing would save time, simplify administration, reduce redundancy, improve efficiency and lessen client inconvenience. Facilitated enrollment would also improve household food security since it is well-established that non-nutrition benefits reduce hunger by leaving more money in the household budget for food. Food Stamp reauthorization should allow states to carefully examine ways to appropriately and securely remove barriers between programs and support more holistic approaches to the provision of services. Reauthorization should give USDA authority to establish a pilot program to test the feasibility and methodology of regulated CBO access to client records with client permission.

Anti-Obesity Initiatives. Reauthorization should include funding to test state strategies to reduce obesity. This should include a pilot to test the feasibility of providing paper farmers market food stamp vouchers during the summer. Similar programs for WIC and for seniors are enormously popular with

both families and farmers. If the benefits are targeted to families with school-age children, it would provide greater nutritional benefits to the huge majority of low-income children who receive neither school meals nor Summer Food during the summer, while simultaneously encouraging greater consumption of fresh fruits and vegetables.

TEFAP Recommendations

Increase funding for entitlement food. Since 2001 there has been a 47% increase in the annual number household visits to the 220 Wisconsin food pantries that distribute federal commodities (TEFAP) - from 364,000 visits to 536,000 visits. During this period the total TEFAP pounds distributed in Wisconsin has dropped 8% - from 9.491 million pounds to 8.693 million pounds. Providing more households with less food has increased the strain on emergency food providers. WISCAP also recently confirmed a 17% increase in the cost of 45 Entitlement commodity items between 2001 and 2005. These price increases further erode the purchasing power of our limited Entitlement dollars and exacerbate food shortages. Congress should increase TEFAP Entitlement food purchase funds by at least 30%.

Increase funding for TEFAP administrative costs. As storage and delivery costs rise - especially fuel - there is greater financial strain on emergency food providers (EFOs). Although Congress allows states to transfer a portion of Entitlement food purchase dollars to TEFAP administration, ultimately this robs Peter to pay Paul. Congress should increase TEFAP Administrative dollars 25% to \$50 million nationally and index funds for inflation.

Senior Farmers Market Nutrition Program Recommendations

Provide administrative funding. The Senior Farmers Market Nutrition Program provides vouchers for 10,000 low-income Wisconsin seniors to buy food at participating farmers markets but it does not include administrative dollars for local agencies that coordinate applications and distribute vouchers. Annual funding is fixed at \$15 million - entirely for benefits. SFMNP needs adequate administrative funds so local agencies have sufficient resources to coordinate the program properly.

Provide sufficient funding to offer vouchers to all counties. Only 30 Wisconsin counties (42%) are participating due to limited funding. Congress should provide additional funds for vouchers so seniors in all counties can participate. The program is very popular with both seniors and farmers and provides highly nutritious food that reduces obesity.

CSFP Recommendations

Forego CSFP expansion for improved Food Stamp benefits for seniors. Rather than increase CSFP funding so Wisconsin seniors outside Milwaukee can participate, funds would be better targeted to increasing the minimum food stamp benefit to \$50 for elderly and disabled persons. Food Stamps are a much more desirable way to provide nutritional support to low-income families than physical delivery of food packages whose contents are pre-determined by the USDA.

Thank you for inviting input into how to improve these vital programs to better serve our nation's low-income and food insecure citizens.

Sincerely,

Richard Schlimm
Executive Director

Jonathan Bader
Food Security Director

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Question1: Please don't allow "downed animals" to be used for either human or animal consumption!This allows for horrible animal suffering and causes the tainted meat of sick animals to be fed to us and our beloved companion animals.It is cruel and sickening.Thank you.

Question2: That is not an important issue to me...

Question3: We need to keep our small family farms,not these large factory-farms!

Question4: No more factory farms...They are bad for the enviorment,bad for the animals and so on...

Question5: It's not for me to say...

Question6: Cut down on allowed animal cruelty,make stronger rules for health and enviormental issues regarding factory-farming.