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The Emergency Food Assistance Program and Emergency Feeding Needs

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Summary

The Emergency Food Assistance Program (TEFAP or EFAP) supports emergency feeding efforts. It provides federally donated food commodities and cash grants to states for food distribution to needy persons served by public and private nonprofit emergency feeding organizations, such as food banks, food pantries, emergency shelters, soup kitchens, charitable organizations, and local governments.

Federal support consists of: (1) “entitlement” food commodities bought specifically for the program (a \$100 million a year set-aside of funds appropriated under the Food Stamp Act budget account for TEFAP purchases), (2) annual appropriations for grants to help cover distributing agencies’ food distribution costs (typically \$45 million a year), and (3) to the extent they are available, discretionary donations of “bonus” commodities from federal inventories of foods acquired in support of the agricultural economy (e.g., \$162 million worth in FY2000). Commodities and cash distribution-cost grants flow to local emergency feeding agencies through the states, which receive their funds and commodity allocations under a formula accounting for unemployment and poverty. Federal rules are minimal; states determine which local agencies qualify, what eligibility rules will be for applicants, and how and which foods will be distributed to local agencies.

For FY2001, the Agriculture Department appropriations law appropriated \$45 million for distribution-cost grants and provided the full \$100 million Food Stamp Act set-aside for food purchases. The extent of additional FY2001 bonus commodity donations is not yet known; however, preliminary estimates indicate that they will substantially exceed the \$162 million provided in FY2000.

For FY2002, the Administration proposed using the full \$100 million Food Stamp Act set-aside for TEFAP food purchases and appropriating \$45 million for distribution-cost grants. The House version of the FY2002 Agriculture Department appropriations law (H.R. 2330) approves the \$100 million set-aside and increases the appropriation for distribution costs to \$50 million. The Senate’s version (S. 1191) approves the \$100 million set-aside, but includes no increase for distribution costs.

A perception that need for emergency food aid has risen (drawn from increased demands on emergency feeding agencies and reduced receipt of food stamps) has led to calls for increased help — especially with the cost of distributing food donations received by emergency feeding agencies from both the private and public sectors.

The House Agriculture Committee has approved its version of the omnibus “farm bill” (H.R. 2646; H.Rept. 107-191, Part I). This reauthorizes and increases TEFAP funding by \$40 million a year, and sets aside new money for distribution costs. On August 13, 2001, P.L. 107-25, an emergency agricultural assistance measure, was enacted. It provides an extra one-time amount of \$10 million for TEFAP distribution expenses.

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The Emergency Food Assistance Program and Emergency Feeding Needs

The Emergency Food Assistance Program (TEFAP or EFAP) provides support — in the form of federally donated food commodities and cash grants — for food distribution to needy persons served by public and private nonprofit emergency feeding organizations, such as food banks, food pantries, hunger relief centers, emergency shelters, soup kitchens, charitable organizations, and local government entities. Funding is authorized through FY2002, and federal aid consists of: (1) food commodities bought specifically for the program, (2) grants to help cover distributing agencies' commodity handling and distribution costs, and (3) when available, "bonus" commodities from inventories of the Agriculture Department's Commodity Credit Corporation (CCC). Federally donated commodities and cash distribution-cost grants flow to local emergency feeding agencies through the states' food distribution agencies, which receive their funds and commodity allocations according to a formula. States determine which local agencies will qualify for assistance, what eligibility requirements will be placed on those applying for TEFAP-supported aid, and how commodities are distributed in the state. Federal rules are minimal. With the exception of the Federal Emergency Management Administration's Emergency Food and Shelter program (typically funded at \$100 million a year), TEFAP is the only major federal food aid effort aimed at serving the homeless and other needy persons who do not get, do not apply for, or are ineligible for other federal food assistance and nutrition support programs — or who find that the benefits of these programs do not cover their needs.

Background

The Early Years. TEFAP was begun in 1981-82 as a temporary expedient designed, at least initially, to dispose of huge stockpiles of government-held food commodities. Establishment of TEFAP also occurred in the aftermath of noticeable reductions in the coverage of and benefits provided by federal food assistance programs (e.g., food stamps, school meal programs) legislated in 1981 and 1982, and in the midst of an economic recession and concern over "hunger" and homelessness among the needy.

In response, the Administration began distribution of excess federally held food commodities in 1981-1982. These commodities, often termed "bonus" commodities, are those in excess of those needed to fulfill other domestic and international federal commitments to provide food commodities (e.g., to schools operating school meal programs). In 1983, Congress followed up with legislative authority that created what was known for more than a decade as the *Temporary* Emergency Food Assistance Program (TEFAP) — as well as funding for grants to help with distribution costs. Establishment of the TEFAP helped reduce federal commodity stocks (and storage costs associated with holding them), provided an alternative

source of food assistance for the needy, and was instrumental in supporting and expanding a network of emergency food aid providers that also drew food and other resources from many non-governmental sources.

In the early years (through FY1988), the only significant federal *expenditures* involved were appropriations for the grants supporting providers' distribution costs; the commodities that were provided had already been acquired under programs to support the agricultural economy.¹ However, when commodity holdings began to drop substantially in the late 1980s because of changes in agricultural policies and the economy, Congress established the practice of providing federal funds to *buy* food commodities specifically for donation through TEFAP (in addition to continuing support for cash grants for distribution costs).

1988-1990. In 1988, after the Administration indicated plans to phase out the program because of the lack of commodity inventories, Congress began to *mandate* funding (starting at \$120 million for FY1989) to buy commodities for distribution through TEFAP, thereby "entitling" the program to a minimum level of support regardless of the level of federal commodity holdings. In the 1988 Hunger Prevention Act, it also created a separate program to buy commodities for soup kitchens and food banks not receiving TEFAP commodities (mandating funding starting at \$40 million for FY1989). While some soup kitchens and food banks (and other entities) serving the homeless could receive federal food donations through a small separate initiative to help charitable organizations, and others could participate as local TEFAP providers, the separate "soup kitchen-food bank" program was established out of a concern that most commodities for emergency feeding were going to local agencies that distributed food packages directly to the needy, rather than to shelters, soup kitchens, and other providers serving meals to the homeless. However, 2 years later, the 1990 omnibus farm law made commodity and cash-grant funding authority for TEFAP and soup kitchens/food banks "discretionary" — i.e., expenditures on commodities and distribution-cost grants were made dependent on annual appropriations decisions, not "mandated" by the authorizing law entitling the program to a specific minimum funding level.

Recent History. Although the authorizing law for TEFAP, the **Emergency Food Assistance Act (EFA) of 1983**, has been amended a number of times and the word "Temporary" has been dropped from the program's official title, perhaps the most important changes since 1988 were made in 1996 (the most recent legislative actions).² The 1996 omnibus farm law (P.L. 104-127) extended the discretionary authority to appropriate money for commodities and distribution-cost grants for TEFAP and soup kitchen-food bank programs through FY2002. But, more importantly, the subsequent 1996 welfare reform law (the Personal Responsibility and Work Opportunity Reconciliation Act; P.L. 104-193) changed how these federal efforts are structured and funded. The welfare reform law (1) consolidated TEFAP and the soup kitchen-food bank program in one statute (the EFA) so that states now

¹There also were some small federal commodity-handling costs that were covered in the regular budgets for agencies dealing with the commodities (e.g., the CCC).

²Note: The program is still referred to as TEFAP — i.e., The Emergency Food Assistance Program.

get a single TEFAP grant of commodities and distribution-cost funds for all types of emergency feeding organizations and (2) *mandated* funding of \$100 million a year (through FY2002) to purchase food commodities for the program (in addition to any commodities that might be bought with money appropriated under discretionary authority in the EFA and any bonus commodities that might be made available at the Agriculture Department's discretion). This second change was intended to entitle the program to a minimum level of commodity support when regularly appropriated money is not made available to buy commodities or excess federal commodity holdings for TEFAP distribution are minimal or non-existent. It was accomplished through an amendment to the Food Stamp Act effectively setting aside \$100 million a year in "entitlement" appropriations under the Act to purchase TEFAP commodities. As a result, the majority of funding for TEFAP (i.e., for commodity purchases) typically is now made available under the aegis of the Food Stamp Act appropriation — unless Congress chooses to appropriate additional money for commodities under authority provided in the EFA (which it did in FY1997). The minority of funding, money for distribution cost grants, is appropriated under the authority of the EFA.

Legislative and Funding Authorities. Since 1996, TEFAP (including assistance for soup kitchens, food banks, and other organizations serving meals to the homeless) has been run under the legislative authority contained in the EFA, as amended. It sets the minimal federal rules that govern program operations. However, *funding* provisions for TEFAP are more complicated. The EFA specifically *authorizes* appropriations to cover cash grants to help with non-federal direct and indirect distribution costs of states and local recipient agencies (up to \$50 million a year through FY2002); it also provides *general authority* for the purchase of commodities, above the level provided under the Food Stamp Act appropriation (noted above) or any bonus commodities, if money is appropriated. While money for *both* commodity purchases and distribution-cost grants was appropriated under EFA authority in FY1997, it was used only to appropriate money for distribution-cost grants in FY1998 and FY1999. On the other hand, Section 27 of the Food Stamp Act *requires* the Secretary of Agriculture to use \$100 million a year of funds made available under the Act to purchase food commodities for TEFAP.³ This requirement is in addition to commodities purchased out of any funds appropriated under EFA authority or any bonus commodities that might be made available at the Agriculture Department's discretion. However, it should be noted that supplemental appropriations legislation for FY1997 lowered this \$100 million "entitlement" to \$80 million, the FY1999 appropriations law decreased it to \$90 million, and the FY2000 appropriations law dropped it to \$98 million.

History of Federal Support.⁴ As noted earlier, through FY1988, federal support for TEFAP consisted mainly of bonus commodities acquired and donated at

³It should be noted that, in the years since this set-aside was enacted, food stamp appropriations have been well above the amount needed to operate the Food Stamp program, and they have taken into account the TEFAP set-aside. As a result, the \$100 million set-aside has not affected food stamp benefits.

⁴The following discussion covers support for both TEFAP and the program for soup kitchens and food banks created in 1988 and later merged with TEFAP.

the Agriculture Department's discretion. The dollar value of these commodities was much larger than what is now provided under the program. The value of bonus foods ranged from a high of slightly more than \$1 billion in FY1984 to a low of \$537 million in FY1988. In addition, Congress typically appropriated \$50 million a year for grants to assist with distribution costs.

Beginning with FY1989, the value of discretionary bonus foods dropped substantially as federal acquisitions/stocks waned, and the majority of the commodities made available for TEFAP came to be made up of commodities purchased specifically for the program. From FY1989 through FY1994, commodity purchases ranged from \$119 million (FY1994) to \$160 million (FY1989 and FY1993), while annual value of bonus commodities went from a high of \$135 million (FY1989) to a low of \$48 million in FY1994. Appropriations for distribution-cost grants dropped somewhat during this period, to \$40 million by FY1994. Federal support was lowest in FY1995 and FY1996 — commodity purchases were \$65 million and \$49 million; bonus foods were valued at \$35 million and \$14 million; and distribution-cost grants totaled \$40 million and \$31 million.

Since FY1996, federal support (spurred by enactment of the set-aside of Food Stamp Act funds for TEFAP) has grown noticeably, but it has not returned to the levels reached in the 1980s or early 1990s. Commodity purchases went to \$130 million in FY1997 and \$100 million in FY1998, but dropped to \$90 million in FY1999 and then increased to \$99 million in FY2000. The value of bonus commodity acquisitions increased to \$30 million in FY1997, \$109 million in FY1998, \$107 million in FY1999, and \$162 million in FY2000. And spending for distribution-cost grants was \$42 million in FY1997, \$46 million in FY1998 and FY1999, and \$44 million in FY2000.⁵

Table 1 provides details on federal support for TEFAP over the years, including the amounts included in the FY2001 Agriculture appropriations law, P.L. 106-387.

Current Status of Federal Support

FY1999. For FY1999, the Clinton Administration proposed using the full \$100 million provided under the Food Stamp Act to fund TEFAP commodity purchases, plus a \$45 million appropriation for distribution-cost grants; no additional appropriations were proposed for food purchases. Congress, however, chose to provide less than requested. The House version of the FY1999 Agriculture Department appropriations measure reduced the \$100 million Food Stamp Act TEFAP "entitlement" to \$90 million, and the Senate version lowered it to \$80 million; both appropriated the full \$45 million requested for distribution costs (still below the authorized \$50 million).

⁵These figures for distribution-cost grants are actual expenditures from amounts made available under annual appropriations. They differ slightly from the appropriations themselves (e.g., the distribution-cost appropriation for FY1998, FY1999, and FY2000 was \$45 million a year) because they reflect the reallocation of unspent money and transfers of distribution-cost funds to the purchase of commodities.

In the end, the FY1999 Agriculture Department appropriation (**P.L. 105-227**) provided \$90 million in Food Stamp Act money for commodity purchases and \$45 million in direct appropriations for distribution costs.⁶ TEFAP also was allocated 111 million pounds in discretionary bonus commodity acquisitions valued at \$107.5 million in FY1999, roughly the same as in FY1998.

While about \$197 million worth of commodities were acquired for TEFAP (purchased with the Food Stamp Act set-aside or allocated as bonus commodities) in FY1999, actual *deliveries* during the year were higher – totaling \$225.6 million (\$90.4 million in Food Stamp Act “entitlement” commodities and \$135.2 million in bonus commodities).

FY2000. For FY2000, the Clinton Administration again proposed using the full \$100 million provided under the Food Stamp Act to pay for TEFAP commodity purchases, as well as an appropriation of \$45 million to fund grants for distribution costs (\$5 million less than authorized).

On June 8, the House adopted its version of the FY2000 Agriculture Department appropriations measure (H.R. 1906; H.Rept. 106-157). This bill made available \$99 million of the \$100 million Food Stamp Act set-aside for TEFAP purchases and appropriated the requested \$45 million for distribution-cost grants. On August 4, 1999, the Senate approved its version of the FY2000 Agriculture Department appropriation (S. 1233/H.R. 1906; S.Rept. 106-80). The Senate’s bill made \$97 million of the \$100 million Food Stamp Act set-aside available for TEFAP purchases and, like the House measure, appropriated the requested \$45 million for distribution-cost grants.

On September 30, 1999, House-Senate conferees on the FY2000 Agriculture Department appropriations measure reported their agreement (H.Rept. 106-354). The conference agreement made \$98 million of the \$100 million Food Stamp Act set-aside available for TEFAP food purchases and appropriated \$45 million for distribution-cost grants.⁷ The House approved the conference report on October 1, 1999, and the Senate adopted it on October 13, 1999. On October 22, 1999, the House-Senate agreement was enacted as **P.L. 106-78**.⁸ Additional FY2000 federal

⁶Actual FY1999 spending on distribution costs was \$45.8 million, including amounts recovered from prior year obligations.

⁷Under the House and Senate FY2000 appropriations bills, the House-Senate conference agreement, and the enacted FY2000 appropriations measure, an amount equal to the difference between the bills’ funding for TEFAP purchases and the full \$100 million called for under the Food Stamp Act set-aside was effectively appropriated to fund Bill Emerson/Mickey Leland Hunger Fellowships through the Congressional Hunger Center. The House bill funded the fellowships at \$1 million. The Senate provided \$3 million. And the conference agreement and enacted law appropriated \$2 million for the fellowships, leaving \$98 million for TEFAP food purchases.

⁸The FY2000 Consolidated Appropriations Act (P.L. 106-113) directed reductions of .38% in agencies’ discretionary funds. EFAP-related discretionary spending (e.g., the \$45 million for distribution-cost grants in the FY2000 appropriation) was not affected by this directive.

support in the form of bonus commodities acquired for TEFAP was \$162 million, well above the FY1999 level of \$107.5 million.

While approximately \$260 million worth of commodities were acquired for TEFAP (bought with the Food Stamp Act set-aside or allocated as bonus commodities) in FY2000, actual *deliveries* during the year were lower – totaling about \$176 million (\$84 million in Food Stamp Act “entitlement” commodities and \$92 million in bonus commodities).

FY2001. For FY2001, the Clinton Administration’s budget proposed using the full \$100 million provided under the Food Stamp Act to pay for TEFAP commodity purchases, as well as an appropriation of \$45 million to fund grants to states for distribution costs.

In mid-May 2000, the House and Senate Appropriations Committees reported their versions of the FY2001 Agriculture Department appropriations measure – H.R. 4461 (H.Rept. 106-619); S. 2536 (S.Rept. 106-288). The amounts included for TEFAP agreed with the Administration’s request – i.e., use of the full \$100 million Food Stamp Act set-aside for “entitlement” commodity purchases and an appropriation of \$45 million for distribution costs. On July 11, 2000, the House passed its version of the FY2001 Agriculture appropriations bill, and, on July 20, 2000, the Senate approved its version. The House and Senate versions, as well as the House-Senate conference agreement on the FY2001 appropriations measure reported on October 6, 2000 (H.Rept. 106-948), were the same as the Administration’s request regarding TEFAP. The House-Senate agreement was approved by the House on October 11, 2000, and by the Senate on October 18, 2000. On October 28, 2000, the congressional agreement on the FY2001 Agriculture Department appropriation was enacted as **P.L. 106-387**.

The full extent of bonus commodity acquisitions and deliveries under TEFAP in FY2001 will be unclear until the fall of 2001. However, it is likely that FY2001 acquisitions and deliveries will run well ahead of FY2000 given TEFAP’s access to some of the \$200 million in surplus specialty crops to be purchased under the authority of the Agriculture Risk Protection Act (P.L. 106-224),⁹ the slight increase in the Food Stamp Act set-aside for the TEFAP, the extensive acquisition of bonus commodities in the last part of FY2000, and the lessening of incentives to provide bonus commodities to school meal programs brought on by new, separately financed commodity purchases for schools required under the Agriculture Risk Protection Act (see the discussion of issues and proposals later in this report). For the first 8 months of FY2001, food acquisitions and deliveries for TEFAP are estimated to be running at least 50% ahead of FY2000.

FY2002. For FY2002, the Bush Administration’s budget proposed using the full \$100 million provided under the Food Stamp Act for TEFAP food acquisitions, as well as an appropriation of \$45 million to fund distribution costs.

⁹Section 203(d) of the Agriculture Risk Protection Act requires surplus commodity purchases of specialty crops that experienced low prices during the 1998 and 1999 crop years, including apples, black-eyed peas, cherries, citrus, cranberries, onions, melons, peaches, and potatoes.

On July 11, 2001, the House approved its version of the FY2002 Agriculture Department appropriations measure – ***H.R. 2330*** (H.Rept. 107-116). It agrees with the Administration's request to use all of the \$100 million Food Stamp Act set-aside for TEFAP and increases the appropriation for distribution costs to \$50 million (the full amount authorized to be appropriated for this under the Emergency Food Assistance Act).

On July 18, 2001, the Senate Appropriations Committee reported its version of the FY2002 Agriculture Department appropriations bill – ***S. 1191*** (S.Rept. 107-41). It also agrees to using all of the \$100 million food stamp set-aside for TEFAP, but does not increase funding for distribution costs.

**Table 1. EFAP/TEFAP, Soup Kitchens & Food Banks:
Value of Commodities and Distribution-cost Grants**
(\$ in millions)

Fiscal year	EFAP/TEFAP, soup kitchens, and food banks				
	Food commodity purchases ^a	Bonus foods acquired ^b	Total commodities (\$ value)	State/local distribution-cost grants ^c	Total food commodities and grants
1983	\$0.0	\$830.1	\$830.1	\$50.0	\$880.1
1984	0.0	1030.0	1030.0	50.0	1080.0
1985	0.0	972.0	972.0	57.0	1029.0
1986	0.0	846.1	846.1	50.0	896.1
1987	0.0	845.7	845.7	50.0	895.7
1988	0.0	537.2	537.2	50.0	587.2
1989	160.0	135.2	295.2	50.0	345.2
1990	159.0	118.9	277.9	50.0	327.9
1991	152.0	89.3	241.3	50.0	291.3
1992	151.3	85.1	236.4	44.9	281.3
1993	160.0	105.6 ^d	265.6	44.9	310.5
1994	119.4	48.4	167.8	40.0	207.8
1995	65.2	35.2	100.4	40.0	140.4
1996	49.1	14.3	63.4	30.7	94.1
1997	130.3	29.5	159.8	41.7	201.5
1998	100.0	108.8	208.8	46.4	255.2
1999	90.0	107.5	197.5	45.8	243.3
2000	99.5 ^e	162.0	261.5	43.6	305.1
2001 ^f	100.0	Unknown	100.0 ^g	45.0	145.0 ^g

Sources: U.S. Agriculture Department explanatory notes accompanying Administration budget requests for selected years.

^a Value of food commodities purchased with appropriated funds or money set aside under the Food Stamp Act. In recent years, includes a small amount (e.g., \$800,000 in FY2000, \$700,000 in FY1999, \$400,000 in FY1998, \$100,000 in FY1997) for some federal administrative costs related to TEFAP food acquisitions. The value of purchased (“entitlement”) commodities shown in this table does not necessarily correspond to the value of entitlement food *deliveries* to states during the fiscal year.

Notes for this table are continued on the following page.

- ^b Value of bonus commodities acquired for donation through TEFAP or soup kitchens and food banks at the Agriculture Department's discretion. The value of actual bonus food *deliveries* to states and local emergency feeding organizations during a fiscal year varies from these figures, depending on the terms of acquisition contracts and federal, state, and local delivery schedules. For example, the estimated value of bonus foods delivered in FY2000 was \$92.1 million (96 million pounds), and, during FY1999, 161.4 million pounds of bonus commodities worth \$135.2 million were delivered.
- ^c State allocations from funds appropriated to help states and local emergency feeding organizations to transport, store, and distribute commodities. In a number of years, figures include a small amount (e.g., \$800,000 in FY1999) spent from recoveries of unused prior year obligations or reflect a reduction because states chose to use some distribution cost money for food purchases (e.g., \$1.7 million in FY2000). As a result, these figures may differ from the annual appropriation (e.g., the distribution cost *appropriation* for FY 2000 was \$45 million).
- ^d Includes a one-time purchase of \$42.3 million worth of commodities under P.L. 102-552.
- ^e Includes \$1.7 million for food purchases transferred from funds available for supporting distribution costs.
- ^f As approved in the FY2001 Agriculture Department appropriations law, P.L. 106-387.
- ^g Totals do not reflect the extent to which bonus commodities will be made available, including those purchased under authority provided in the Agriculture Risk Protection Act (P.L. 106-224). Early estimates indicate that the value of these extra commodities in FY2001 is likely to be significantly greater than the figure shown in this table for FY2000.

The Program

Under TEFAP, food commodities (either specifically purchased for the program or otherwise acquired for federal commodity stocks through initiatives supporting the agricultural economy) are provided to states for allocation to local emergency feeding organizations serving needy individuals and families, including the homeless. A wide range of commodities (roughly three dozen types of food) are offered under the program; they can include items like peanut butter, juices, dried beans, cereals, rice, vegetable oil, flour, pasta, soup mixes, nuts, dairy products, and canned/frozen fruits, applesauce, vegetables, meats, and fish — depending on agricultural market conditions, program providers' preferences, and the need to provide a variety of foods. The federal government is responsible for TEFAP commodities until they reach the state food distribution agency and pays some basic costs associated with processing (e.g., repackaging) and delivering the commodities to state receiving points. TEFAP assistance also includes cash grants to help pay for state and local distribution costs (e.g., storage, processing, transportation expenses). This distribution-cost aid can be used for both federally and privately donated foods handled by TEFAP agencies. Commodities and distribution-cost funding are allocated to states based on a formula that takes into account unemployment rates and the number of persons with income below federal poverty guidelines (distribution-cost funding depends on the amount of commodities a state receives).

Federal administration of TEFAP is the responsibility of the Agriculture Department's Food and Nutrition Service, in close collaboration with other Department agencies dealing with commodity acquisition, storage, and distribution (e.g., the CCC, the Agricultural Marketing Service).

Federal rules governing TEFAP are minimal. Each state is responsible for designating a state administering agency and, through this agency, selecting local organizations of their choice (e.g., private nonprofit organizations, volunteer groups, religious organizations, government agencies) for participation in the program as emergency feeding organizations (providers). States also are in charge of allocating commodities and distribution-cost funding among the approved providers and establishing eligibility criteria for needy individuals seeking aid. These eligibility standards must limit participation based on low income (as defined by the state) and may consist of specific income cut-offs, proof of eligibility for a means-tested public assistance program, or other criteria.

State grants for distribution costs (at least 40% of the grant) must be shared with local providers, but the portion retained by the state has to be matched dollar-for-dollar in cash or in kind. Distribution-cost grant money is to be used to assist with direct and indirect costs incurred in distributing commodities provided by TEFAP and those coming from voluntary donors; it also may be used to help support soup kitchens, food banks, and other organizations serving meals to the homeless that receive TEFAP commodities and to support food recovery initiatives (e.g., “gleaning” efforts). In addition, states may elect to convert distribution-cost funds (1) to money for food (these converted dollars are then used by the Agriculture Department to buy additional commodities) and (2) to support food rescue efforts like gleaning. Finally, states have responsibility for allocating commodities and cash assistance between providers that distribute food directly to needy clients and those that provide meals (e.g., for the homeless) at congregate feeding sites, and they may choose to concentrate support on only one of these provider groups.

Client participation data for TEFAP are not available, although related information about emergency food assistance is presented in a July 2001 report by the Agriculture Department’s Economic Research Service – *The Decline in Food Stamp Participation: A Report to Congress* – available at the Agriculture Department’s website: [<http://www.fns.usda.gov>].

Issues and Legislation

The Debate. The current debate over TEFAP has focused primarily on whether, how, and how much to increase federal commodity donations – as well as how much indications of “need” justify an expansion. But most recently, supporters of TEFAP have argued that expanded support for the cost of *distributing* food handled by TEFAP agencies – whether federally or privately donated – may be the most pressing need; and current legislative and appropriations initiatives reflect this. They note that there are increasing signs that TEFAP agencies need help with the cost of handling growing non-government donations.

In addition, funding authorizations for TEFAP (in the Food Stamp Act and the Emergency Food Assistance Act) expire with FY2002. They are scheduled for reauthorization during the 107th Congress as part of the omnibus farm bill.

Supporters of TEFAP see it as an inexpensive way to assist those with short-term food needs who “fall between the cracks” — in other words, a “safety net” for those needy individuals and households who do not participate in other food aid

programs (for whatever reason) or whose benefits do not fully meet their needs (e.g., their food stamps and whatever amount of cash they can pay for food out of their own income do not last out the month). Moreover, TEFAP is defended as a key component of the *network* of public and private efforts that attempts to meet the food needs of the poor. In this view, federally provided commodities and distribution-cost grants help “leverage” assistance from other sources and give support to an infrastructure on which private efforts to feed the needy can build to make their contributions more effective. Federal assistance through TEFAP also helps increase variety in the food items offered by emergency feeding organizations.

Further backing for an expanded TEFAP comes from those concerned over what they feel is an increased need for TEFAP-like aid. They are worried about accumulating evidence of the negative effects of changes made by the 1996 welfare reform law — e.g., ending many benefits for a large number of noncitizens, more restrictive eligibility standards for public assistance, a trend toward discouraging (“diverting”) needy people from applying for public aid that spills over to diversion from applying for food stamp help for which they may be eligible, burdensome application requirements for food stamps. Specifically, supporters point to the dramatic and not completely understood decline in food stamp participation (noticeably larger than the fall in the poor population) in recent years — e.g., food stamp participation has dropped from a monthly average of 25.5 million persons in FY1996 to 17.2 million people in the most recent month for which comprehensive numbers are available (April 2001). They are concerned over the corresponding rise in demand at emergency feeding organizations.¹⁰ Finally, support for TEFAP is seen as a way of helping the agricultural economy and maintaining farm support for food assistance programs; e.g., farmers get a larger share of the benefits provided by TEFAP than from other food assistance programs.

In rebuttal to critics, supporters of a TEFAP expansion point out that the federal government should not wait until there is additional evidence of widespread need that satisfies those who are now reluctant to add to federal support for TEFAP and note that significant information now available points to the need to act. Private donations, they maintain, cannot reasonably be expected to fully cover the gap between need and the amount of food now available for distribution to the needy. Moreover, they argue that larger bonus commodity donations cannot consistently be relied on to obviate the need for increased *money* for direct purchases for TEFAP and help with the costs of distributing federally and privately donated commodities.

However, some are hesitant to increase direct federal support (appropriations for food purchases and distribution costs) for TEFAP. They view it as a relatively inefficient way of delivering small amounts of food to the needy, especially when compared with other food assistance programs such as food stamps, school meal programs, and the Special Supplemental Nutrition Program for Women, Infants, and Children (the WIC program) that are available on a regular basis to millions of lower-

¹⁰A study of the reasons for the decline in food stamp participation and the rise in demand for emergency food assistance was released in mid-July 2001. The report, entitled *The Decline in Food Stamp Participation: A Report to Congress*, is available at the Agriculture Department’s website: [<http://www.fns.usda.gov>].

income persons. More importantly, they argue that (1) the cost of increasing federally donated commodities and cash grants will have to come out of other, perhaps more deserving, programs' appropriations (given federal budget constraints), (2) the case for increased need has not, for them, been made to the extent that would warrant a major increase in TEFAP money, and (3) larger bonus commodity donations, increased private donations, and expanded "gleaning" efforts may fill in much of the perceived supply-demand gap.

In a related area, TEFAP supporters have been concerned over the potential effects of a recent change in child nutrition law. It directs that "bonus" commodities acquired to support the agricultural economy and donated to the School Lunch program be counted in meeting a requirement that 12% of all federal assistance for school lunches be in the form of commodities. They fear that this provides a possible incentive to donate bonus commodities to schools rather than TEFAP because it relieves the Agriculture Department of the burden of purchasing extra commodities with annual appropriations to meet the requirement (as called for in previous law). The Agriculture Risk Protection Act (P.L. 106-224; enacted June 20, 2000) alleviates this situation temporarily. It requires extra commodity purchases for schools and suspends the rule counting bonus commodities toward the 12% school lunch commodity requirement *through FY2001*.¹¹

Legislation. Four measures in the 107th Congress directly affect TEFAP. One, which has been enacted, directs additional spending for commodity distribution costs. A second — the House Agriculture Committee's version of the omnibus farm bill — reauthorizes and increases funding for TEFAP. A third would transfer unused Food Stamp program funds to TEFAP. And the fourth would authorize the appropriation of extra money for the program.

- **P.L. 107-25** – an emergency economic assistance measure for agricultural producers. This law, adopted by the House and Senate as H.R. 2213 (H.Rept. 107-111) passed the House on June 16, 2001, was approved by the Senate, without change, on August 3, 2001, and was enacted August 13, 2001. [**Note:** The Senate Agriculture, Nutrition, and Forestry Committee's version of this measure (**S. 1246**) was not passed by the Senate. It contained the same TEFAP-related provisions as the House bill]. P.L. 107-25 directs the Agriculture Department to use \$10 million of funds available to the Commodity Credit Corporation to make grants to states covering direct and indirect costs related to the processing, transportation, and distribution of federally and privately donated commodities handled by TEFAP recipient agencies. It also includes spending for new purchases of agricultural commodities, which may result in added donations to TEFAP.
- **H.R. 2646** – the Agricultural Act of 2001. This measure, the omnibus "farm bill" reported by the House Agriculture Committee on August 2, 2001 (H.Rept. 107-191, Part I), reauthorizes the Food Stamp Act set-aside for

¹¹**Note:** Provisions in S. 1246, an emergency agricultural assistance measure reported by the Senate Agriculture, Nutrition, and Forestry Committee, but not approved by the full Senate, would have extended this suspension by one year – through FY2002.

TEFAP through FY2011 and increases the set-aside amount to \$140 million a year (of which \$10 million is earmarked as new money for distribution expenses). It also reauthorizes separate regular appropriations for distribution costs (up to \$50 million a year) under the Emergency Food Assistance Act.

- **H.R. 2185**, entitled the Emergency Food Assistance Program Enhancement Act, would require that up to \$40 million a year in unused funding for employment and training activities under the Food Stamp program be used to purchase and distribute food commodities under TEFAP.¹² As much as \$10 million of this could be used for processing, storage, transportation, and distribution expenses. [**Note:** The added funding for TEFAP and the earmark for distribution costs in this bill have been incorporated in the House Agriculture Committee's omnibus farm bill, H.R. 2646, noted above.]
- Provisions included in **S. 583/H.R. 2142** and **S. 940/H.R. 1990** (Section 8/Section 6109) *authorize* the appropriation of an additional \$20 million a year (through FY2006) for TEFAP commodities and distribution costs; at least 50% would have to be used for distribution costs. [**Note:** The TEFAP provisions of these bills have effectively been incorporated in the House Agriculture Committee's omnibus farm bill, H.R. 2646, noted above.]

Separately, two other bills – **S. 37/H.R. 990** (the Good Samaritan Hunger Relief Tax Incentive Act) and a similar measure, **S. 810** (the Feeding Needy Families Act) – would indirectly affect TEFAP by making changes in the federal tax code to encourage increased business donations of food to food banks and other outlets for distribution to the needy. They would expand the availability of tax deductions for charitable donations of food inventory and increase the value of the deduction for some donors. This could lessen pressure on the federal TEFAP program to acquire and provide additional commodities. On July 19, 2001, the House approved **H.R. 7** (the Community Solutions Act of 2001). Provisions of Title I of this bill include tax code revisions comparable to those advanced in **S. 37/H.R. 990** and **S. 810**.

H.R. 76 (the Mickey Leland Hunger Relief Stamp Act) would transfer half the extra money collected from sales of a special, higher-priced first-class postage stamp to TEFAP (the other half would go to the Africa Food Security Initiative).

In addition to the above-noted legislative proposals, **H.R. 2330**, the House version of the FY2002 Agriculture Department appropriations measure (see earlier discussion of the current status of federal support), would appropriate extra money

¹²Under the Food Stamp Act, federal funds are set aside for states' use in employment and training programs for food stamp recipients. Because of economic conditions in recent years and restrictions placed on this money (e.g., much of it is reserved for programs for able-bodied adults without dependents), a significant portion of these funds go unused. If unused, they can be reallocated to states that need them. But unallocated funds accrue for use in later years (they are not returned to the federal treasury). Unused employment and training money accrued for the future now stands at well over \$200 million. Supporters of allowing this accrual to continue argue that the money should be "saved" for use when economic conditions worsen and the need for employment and training efforts increases.

for TEFAP agencies' distributions costs – \$5 million above the \$45 million a year typically appropriated in recent years and equal to the full authorized level of funding.

Emergency Feeding Needs

Participation in the Food Stamp and other major public assistance programs has declined dramatically in recent years. Food stamp enrollment and participation in cash aid programs under Temporary Assistance for Needy Families (TANF) block grants have dropped precipitously from their peaks in the spring of 1994: recipients of food stamps have decreased by over one-third, from 28 million persons to about 17 million people; TANF caseloads have decreased by at least half. While these sharp reductions have in part been due to the success of welfare reform efforts and an improved economy, separate measures such as the proportion of persons and families with income below federal poverty income thresholds (and presumably still needing some assistance) show more modest declines and suggest to some advocates that “need” has not decreased as dramatically as it would appear. For example, the overall poverty rate decreased by 12% from 1994 to 1998, considerably less than the drop in public assistance rolls. Those supporting EFAP expansion (and loosened eligibility rules for food stamps) point to these differing trends (along with their own experiences) and maintain that there is still a substantial need for emergency feeding efforts. In their view, many poor normally served by traditional public assistance need help because they are excluded by new and stricter rules, such as those barring noncitizens and time-limiting benefits, or simply discouraged from applying.

Historically, there has been only limited data on which to base policy decisions as to the need for emergency feeding efforts. This dearth of information has not changed recently. However, several recent reports provide some evidence of the extent of food insecurity and the use of emergency feeding assistance.

Second Harvest — Hunger 1997: The Face and Facts. This Second Harvest (SH) national report is based on mail surveys that were distributed to 25,319 SH agencies (of which 11,240 responded) and personal interviews conducted with 27,771 clients at 3,476 SH agencies. SH is a national network of food banks based in Chicago, Illinois. Of the clients surveyed 40.7% were receiving food stamps, but 78.7% reported that their food stamps did not last the entire month. More than 78% of the clients on food assistance programs who were interviewed had no resources for food other than that received from the SH agency or government food programs. In the households that were interviewed, about 28% of adults and more than 9% of children were reported to have missed meals in the past month because of a lack of food or resources to buy food. About one-third of SH agency clients have received assistance from SH agencies for more than a year, with the average time for all clients' use being 33.5 weeks.

This report represents the SH national food bank network, which consists of 186 food banks that provide donated food and grocery products to nearly 26 million needy individuals annually. The organization gives food to 46,295 SH agencies that operate 94,093 local programs. These programs served a total of 25,786,357 individuals (an unduplicated count), including 21,440,079 persons served by emergency food programs (e.g., pantries, kitchens, shelters). The SH agencies reported that 45.2% of their food programs had to stretch food supplies in the last

year, and 13% of all SH agencies had to do so as often as once a month. SH agencies reported needing an additional 2,217,685 pounds of food per week; this projects to an estimated need for an additional 115,319,642 pounds per year by the reporting agencies, or an added 965,137,864 pounds per year needed by the entire SH network.¹³ In addition to greater food volume, three-quarters of the respondents reported needing an adequate variety of food products to distribute.

U.S. Department of Agriculture — Household Food Security in the United States, 1999.¹⁴ In 1995, the Census Bureau began collecting data for the food security supplement (requested by USDA) as part of its regular Current Population Survey (CPS). Interviews are conducted with 45,000 households to measure food insecurity and hunger in a nationally representative sample of U.S. households. The results of the 18-item scale used are classified into four categories: food secure, food insecure without hunger, food insecure with moderate hunger, and food insecure with severe hunger. The questions seek to provide insight into several types of household food conditions:

- anxiety that the household food budget or food supply may be insufficient to meet basic needs;
- perceptions that food eaten by household members was inadequate in quality or quantity;
- reported instances of reduced food intake or consequences of reduced food intake for adults and/or children in the household; and
- coping actions taken by households to augment their food budget or food supply.

Preliminary estimates indicate that 89.9% of American households were food secure in 1999, up 0.6% from 1995. However, 31 million Americans were food insecure, meaning that they did not have assured access to enough food for an active health life at all times. For 3% of all households, at least one household member was hungry at least sometime during the year due to inadequate resources. For the period of 1995 to 1999, the number of food-insecure households fell by 12%, and the number with hunger due to inadequate resources fell by 24%. Among the subgroups studies, only households with incomes between 50% and 130% of the poverty line showed a higher rate of food insecurity in 1999 compared to 1995.

These data provide only relative aggregate information on the extent of food insecurity in the United States in the 5 year that the data has been collected and analyzed to date, with no details of the underlying causes. Comparison of data for the 5 years analyzed shows a trend of improving food security through 1997, a slight increase in food insecurity and hunger in 1998, and an improvement in food security in 1999. Work is currently underway to develop a more accurate measure of children's hunger from the CPS data.

¹³For comparison, the EFAP provided some 318 million pounds of food in FY1997 and about 358 million pounds in FY1998.

¹⁴Prepared by Margaret Andrews and Mark Nord, USDA Economic Research Service; and Gary Bickel and Steven Carlson, USDA Food and Nutrition Service. Fall 2000.

U.S. Conference of Mayors — A Status Report on Hunger and Homelessness in America's Cities: 2000. To assess the status of hunger and homelessness in America's cities, the U.S. Conference of Mayors annually surveys cities whose mayors are members of its Task Force on Hunger and Homelessness. This 25-city survey issued in December 2000 sought information and estimates from each city on (1) the demand for emergency assistance and shelter, and the capacity of local agencies to meet the demand, (2) the causes of hunger and homelessness, and the demographics of the population experiencing these problems, (3) exemplary programs or efforts in the cities to respond to hunger and homelessness, (4) the availability of affordable housing for low-income individuals, and (5) the outlook for the future and the impact of the economy on hunger and homelessness.

Among the 25 cities surveyed, estimates were that the request for emergency food assistance had increased by an average of 17% in 2000 (over 1999), with 83% of the cities reporting an increase, which was the highest rate of increase since 1992. Requests for food aid by families with children rose an average of 16%, the highest rate of increase since 1991. Requests for emergency food assistance by elderly individuals increased an average of 9% during 2000, with 75% of the cities reporting an increase. On average, 13% of the requests for emergency food assistance were estimated to have gone unmet during the last year. In 46% of the cities, emergency food assistance facilities were estimated to have turned away individuals in need due to lack of resources. For families alone, 13% of the requests for assistance are estimated to have gone unmet. Of the individuals requesting emergency food assistance, 62% were members of families: children and their parents; and 32% were employed adults.

The overall level of resources available to emergency food assistance facilities was reported to have increased by 16% during the past year, and of the cities surveyed, 52% reported that emergency food assistance facilities were able to provide an adequate quantity of food. And 52% of the surveyed cities reported that the food provided was nutritionally balanced. Some 76% of the cities' emergency food assistance facilities reported having to decrease the number of bags of food provided and/or the number of times individuals could receive food. In 100% of the cities included in the survey, emergency food assistance facilities were relied on by families and individuals both in emergency situations and as a steady source of foods over long periods of time. Low paying jobs lead the list of causes of hunger, followed by high housing costs, unemployment, poverty, substance abuse, food stamp cuts, utility costs, the costs and unavailability of transportation and welfare reform.

In 71% of the cities, officials predicted requests for emergency food assistance would increase during 2001. About 65% expect that requests for emergency food assistance by families with children will increase during 2001. City officials continue to have mixed views on the effect that the current economy is having on hunger, with some officials seeing little or no impact, while others see a strong economy leading to improved conditions. Still others believe that the strong economy makes matters worse, especially with regard to increased housing costs that will lead to a lack of affordable housing.

The Decline in Food Stamp Participation: A Report to Congress.

This July 2001 report is primarily a review of the components and demographics of the reduction in food stamp program participation and the implications of nonparticipation for low-income families. In addition, it contains an Economic Research Service review of the recent demand for emergency food assistance based on the first comprehensive national survey of the providers of this assistance. A key survey finding was that the local emergency food providers have varied program structures and innovative practices allowing them to meet the specific needs of their communities, but are only about one-tenth the size of the major federal nutrition programs. The reported demand for food assistance at soup kitchens and food pantries has increased 4%-5% per year since 1997. Most providers in the emergency food assistance system are meeting current demand for their services, and the majority of providers felt they could cope with an increase of 10 %. However, other providers reported either being unable to meet immediate needs or perceiving other services that they could offer their clients. While the relationship between falling food stamp participation and increases in demand for emergency food assistance remains unclear, public and private food assistance programs appear to complement each other in meeting client needs.