

CONGRESS HAS NOT FAVORED THE FOOD STAMP PROGRAM OVER FARM PROGRAMS

Because expenditures for farm programs have declined in recent years while food stamp expenditures have grown, some advocates of farm programs have argued that Congress has treated the Food Stamp Program more favorably than farm programs — and that farm programs therefore deserve more favorable treatment in the 2007 Farm Bill. A closer look reveals that this argument is seriously flawed.

That farm program costs have declined recently while food stamp expenditures have increased does not mean farm programs have been cut significantly or that the Food Stamp Program has been treated more favorably than farm programs. Neither of those developments has occurred.

- **Recent changes in food stamp and farm program expenditures have been driven by changing economic conditions, not preferential treatment by Congress.** The Food Stamp Program and the commodity price support programs are both designed to respond automatically to economic changes. Food stamp expenditures increase during and after recessions when more people are poor and are having trouble making ends meet, and decrease when a strong economy results in low-income workers doing better. Farm price support payments increase to bolster farm income when farm prices sink to low levels, and decline when farm prices are higher.

Food stamp costs have risen in the past few years because the number of Americans living in poverty has climbed and the wages of low-wage workers have stagnated. These developments have increased the number of Americans who are eligible and the benefit amounts for which they qualify. By contrast, federal farm-price payments to farmers are relatively low (and are projected to remain relatively low in the years ahead) because of the current strength of the farm economy — in particular, the fact that many crop prices are at or near all-time highs.

- **Over the past dozen years, Congress has cut food stamps substantially, while farm programs have escaped significant cuts.** The 1996 Farm Bill was estimated at the time to reduce farm price support spending by \$2 billion over seven years, but Congress subsequently reversed these cuts and approved more than \$20 billion in additional spending as part of “emergency” legislation. In contrast, the 1996 welfare law cut the Food Stamp Program by almost \$28 billion over six years, and about two-thirds of these cuts remain in effect. Indeed, across-the-board food stamp benefit cuts enacted in 1996 are causing the food purchasing power of food stamp benefits to erode further with each passing year. In 2008, the food stamp benefits of a typical working-poor food stamp parent with two children will be more than \$450 a year lower than they would have been without the

across-the-board benefit cuts enacted in 1996.

Legislation enacted after 1996 also has favored farm programs. In 1998 Congress reduced the Food Stamp Program by a net of \$2.4 billion over ten years and used the proceeds to expand certain agricultural programs. In the 2002 Farm Bill, farm programs received 70 percent of the bill's increase in expenditures for programs under the jurisdiction of the Agriculture Committees; the Food Stamp Program received 9 percent.

Thus, budget trends and recent legislative history do not support the argument that farm price support programs need more resources but the Food Stamp Program does not. If expenditures for farm programs were to rise because of a drop in farm prices, no supporter of farm price supports would argue that the higher expenditures justified cutting these programs; similarly, the recent increase in food stamp expenditures resulting from growing need for the program does not justify cuts to the Food Stamp Program.

Moreover, the need for investments in food stamps remains high. Census data show that 35 million Americans suffer from "food insecurity," meaning they do not have regular access to enough food. Food stamp benefit levels are low — they average about \$1 per person per meal and, as noted above, are eroding further in value each year. As a result, many households run out of food before the end of the month.

Also of note, despite some improvements since 2002, the Food Stamp Program reaches only about 60 percent of those who qualify for assistance, and only half of eligible working families. And as a result of the 1996 law, some needy low-income Americans — such as many working-poor legal immigrant parents and some very poor, unemployed childless adults — are no longer eligible for food stamp assistance. In addition, families with very modest amounts of savings are kept outside of the program because the program's austere asset limits have been frozen for 21 years without any adjustment for inflation. Congress should consider improvements in these areas as part of the 2007 Farm Bill.

