# **SNAP vs. America's Harvest Boxes:**

## A Battle to Safeguard Food Security in the United States



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The current administration in Washington D.C. recently asked Congress to appropriate \$30 million to test the "America's Harvest Boxes" program in a "small number" of states. Under the program, about 16 million low-income families who qualify for the <u>Supplemental Nutrition Assistance Program</u> (SNAP), formerly known as "Food Stamps," would receive approximately half as much money to spend on food as the SNAP program allotted them in the past. The deducted benefits would be replaced by a government-issued box of "shelf-stable" food products such as peanut butter, canned goods (including meat), pasta, cereal, "shelf stable" milk and other products.

If such a program was instituted nationally, the resulting changes would be seismic. SNAP enrollment reached a peak of 47.8 million recipients in 2012, before edging down to 42.2 million in 20.9 million households during FY 2017, according to federal estimates. In 2017, the SNAP program helped approximately one in eight Americans buy groceries at a cost of \$68.1 billion. Under the proposed plan, households (which can include multiple recipients) that receive more than \$90 in SNAP benefits each month, *i.e.*, roughly 81 percent of households in the program or about 16.4 million families, would be affected.

Critics are expressing concern that the contents of the Harvest Boxes would include some of the least nutritious food available, most of which are heavily processed and/or produced with pesticides. While SNAP recipients currently are able to use their benefits for purchases of fresh fruits, vegetables, meat and poultry from grocery stores, the Harvest Boxes would contain unhealthier, packaged alternatives. Additional concerns have been voiced that sending boxes with the same foods to millions of SNAP recipients with no regard for tastes, medical conditions or cultural customs would create undue hardships for families with medical, religious or other dietary restrictions.

#### **Congressional Critics**

In light of such concerns, it is not surprising that the Harvest Box scheme has met substantial resistance. In Congress, a spokeswoman for House Agriculture Committee **Chairman Mike Conaway (R-Texas)** said the committee has held 21 hearings and invited 80 experts to speak about SNAP in its preparations of the forthcoming 2018 Farm Bill, and the idea of a food box was never proffered. Chairman Conaway's input is key, as he currently is steering negotiations over the 2018 Farm Bill.

Democrats in Congress decried the proposal as a devastating attack on one of America's most important safety-net protections. **Senator Debbie Stabenow (D-Michigan)**, the ranking Democrat on the Senate Agriculture Committee, asserted that the Harvest Box concept was not a serious proposal; rather, it was meant to be a distraction from the Trump Administration's desire to cut SNAP funding by 30 percent. The Trump Budget requests \$19 billion for USDA (excluding changes in mandatory programs) for the next fiscal year, a \$3.7 billion or 16 percent decrease from the 2017 enacted level. Over ten years, the total proposed cuts would amount to \$213 billion, *i.e.*, a 30 percent reduction in funding.

## **Policy Planning Critics**

Outside of Congress, the proposal has not fared any better. Policy advocates argue the Harvest Boxes proposal is part of a broader plan to gut the SNAP program. The widely respected Brookings Institute recently observed through the published article of a Brookings contributor, Dr. Lauren Bauer, that programs like America's Harvest Boxes, and proposed budget cuts that slash SNAP funding, contradict the mission and goals of the SNAP program, as well as the current administration's own stated policies. For evidence, Brookings and Dr. Bauer cite the USDA's January, 2018 rejection of Maine's application for a federal waiver to restrict the use of SNAP food stamps by Maine residents to purchase soda, candy or similar snack foods. In denying Maine's waiver request, the USDA stated:

When considering waiver requests, USDA focuses on moving people into self-sufficient lives, protecting the integrity of the program, and improving customer service. We don't want to be in the business of picking winners and losers among food products in the marketplace, or in passing judgment about the relative benefits of individual food products.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> Lauren Bauer, "UP FRONT: Penny wise and pound foolish: Proposed SNAP budget cuts will reduce outcomes," BROOKINGS (February 13, 2018); this article is accessible online at <a href="https://www.brookings.edu/blog/up-front/2018/02/13/penny-wise-and-pound-foolish-proposed-snap-budget-cuts-will-reduce-outcomes/">https://www.brookings.edu/blog/up-front/2018/02/13/penny-wise-and-pound-foolish-proposed-snap-budget-cuts-will-reduce-outcomes/</a> (last visited March 5, 2018).

<sup>&</sup>lt;sup>2</sup> In its January 16, 2018, letter to Maine Department of Health and Human Services Commissioner Ricker Hamilton, the USDA outlined concerns that a ban on using SNAP benefits for purchases of soda, candy or snack foods would increase administrative costs; impose burdens on small businesses and retailers; choose winners and losers in the food industry; create difficult decisions about the nutritional values of allowable or excluded foods; and "restrict what individuals could eat in their own homes without demonstrating clear evidence of meaningful health outcomes."

Ironically, the mandated reliance on government-stocked "Harvest Boxes" would produce the very outcomes that the USDA asserted were unacceptable.

#### **Social Services Provider Critics**

Similar concerns also have been raised by social service providers working on the front lines of America's fight against poverty generally, and food insecurity specifically. <u>Matt Knott</u>, president of the nationwide hunger relief network **Feeding America**, called the Harvest Box proposal "an unworkable solution in search of a problem." Knox told the Associated Press in February, shortly after the proposal was floated by the Trump Administration:

"SNAP is an efficient program that already utilizes a grocery system," Knott said. "It's a program that expands and contracts as the economy expands and contracts as well. It's flexible, timely and efficient, and converting a sufficient portion of it to an antiquated program where boxes are delivered is simply unworkable."<sup>3</sup>

Michel Nischan,<sup>4</sup> the founder of Wholesome Wave, a national nonprofit making produce affordable for people in poverty, and co-creator of the James Beard Foundation's Chefs Boot Camp for Policy and Change, has raised similar concerns. Nischan understands the challenges of ensuring everyone, particularly our nation's most vulnerable, has access to healthy, nutritious food options. Among the concerns Nischan has raised:

- 1. For many of those in the 30 percent of the SNAP-eligible population who do not sign up for benefits, the "hand-out" stigma is a significant factor. Giving out shelf-stable food bought in bulk will likely reinforce the message that poor people don't deserve nutritious food, and that they should be grateful for whatever they get.
- 2. From a public health perspective, most packaged, shelf-stable food is high in processed carbohydrates. A diet consisting primarily of processed foods can lead to obesity, diabetes, and other diet-related diseases, all of which engender resulting healthcare costs.
- 3. Canned fruits and vegetables, in most cases, are either packed in syrup (*e.g.*, peaches) or grossly over-cooked (*e.g.*, green beans).

<sup>&</sup>lt;sup>3</sup> Luliet Linderman, "Food box idea draws criticism from Democrats, advocates," Associated Press (February 20, 2018).

<sup>&</sup>lt;sup>4</sup> Michel Nischan is a four-time James Beard Award winning chef with over 30 years of experience advocating for a more healthful, sustainable food system. He is Founder and CEO of Wholesome Wave, and Co-Founder of the Chefs Action Network. Along with his team at Wholesome Wave, Nischan has successfully influenced legislative language supporting affordable access to healthy, locally grown fruits and vegetables for low income consumers. He also is the author of three cookbooks and a variety of articles focused on sustainable food systems and social equity through food. A lifetime Ashoka fellow, he serves as a director on the board of the Jacques Pepin Foundation; on the advisory board of Chef's Collaborative, The Amazon Conservation Team, and The National Young Farmers Coalition. In Spring 2015, the James Beard Foundation honored Nischan with the Award for the 2015 Humanitarian of The Year.

From Nischan's vantage, not offering the SNAP consumer a choice regarding what s/he receives in the box ignores an important fact, *i.e.*, most people on SNAP are working adults who are paying taxes into a system designed to help when they struggle with hard times. They deserve a say in what they are feeding their families.<sup>5</sup>

## **Consumer Advocacy Critics**

Likewise, consumer advocates from the **Food Research and Action Center** (FRAC) characterized America's harvest boxes as "a Rube-Goldberg designed system" that would be "costly, inefficient, stigmatizing and prone to failure." FRAC contends that if SNAP funding is severely reduced, many millions of older Americans, people with disabilities, children, veterans, struggling parents and others will be harmed, and the nation will see more hunger and food insecurity, worse health and educational outcomes, and higher health costs. The organization also argues that despite SNAP's many strengths, benefits are too low, averaging less than \$1.39 per person per meal, and recipients struggle to afford an adequate and nutritious diet on a consistent basis. FRAC is helping to coalesce support for SNAP funding in the 2018 Farm Bill, through measures such as the SNAP Support Letters campaign that already has collected more than 3000 supporting organizations.<sup>6</sup>

#### **Industry Critics**

Even business-friendly media outlets such as **Forbes Magazine** questioned the wisdom of the Harvest Boxes proposal. A published column written by Forbes contributor <u>Phil Lempert</u> and dated February 23, 2018, raised several practical concerns:

Delivering this box to a recipient's home is expensive, as Blue Apron, Peapod and others in the food delivery business have learned and can be a logistical nightmare, especially in some communities where leaving a box on a doorstep or unsecured area might be an invitation for theft and visually point out to neighbors who must rely on government assistance. Which ALSO leads to the question, just who would be handling the delivery of these boxes? FedEx? UPS? USPS? A new governmental agency or private company? And how will that additional cost be absorbed in a budget that has seen reductions? I quite doubt that creating an infrastructure that now buys wholesale from the likes of Kellogg's and General Mills and then having all the products packed together and shipped will create savings, rather than a result in increased costs.<sup>7</sup>

Lempert also observed that the grocery and retail food industry will be materially impacted should the Health Boxes program ever be implemented nationally. John Ross, the CEO of IGA

<sup>&</sup>lt;sup>5</sup> Brian Barth, "The Rise of Food Politics: A Conversation With Michael Nischan," Modern Farmer (Aug. 10, 2016), accessible online at: <a href="https://modernfarmer.com/2016/08/food-politics-michel-nischan/">https://modernfarmer.com/2016/08/food-politics-michel-nischan/</a> (last visited on Mar. 5, 2018). <sup>6</sup> See More than 3,000 Organizations Demonstrate Their Support to Safeguard the Federal Nutrition Programs in a Letter to President Trump and Congress, accessible online at <a href="http://frac.org/action/snap-farm-bill">http://frac.org/action/snap-farm-bill</a> (last visited on March 5, 2018).

<sup>&</sup>lt;sup>7</sup> Accessible online at <a href="https://www.forbes.com/sites/phillempert/2018/02/23/ag-secretary-sonny-perdue-its-time-to-think-and-ask-others-about-snap-before-you-say-anything/#6bced3a6485a">https://www.forbes.com/sites/phillempert/2018/02/23/ag-secretary-sonny-perdue-its-time-to-think-and-ask-others-about-snap-before-you-say-anything/#6bced3a6485a</a> (last visited on March 5, 2018).

Supermarkets, told Lampert that his company stands to lose \$2.7 billion out of \$8 billion in annual U.S. sales; given the razor-thin margins of the grocery business, this creates the risk that hundreds of grocery stores might have to close. Other industry estimates suggest that anywhere from 13 to 30 percent of independent food retailers' sales come from SNAP recipients.

### **Learning from the Past?**

Perhaps the most cogent criticism of the Harvest Boxes concept comes from those who have lived under a similar program for generations – Native American Indians. In an article published online on February 25, 2018 by NPR entitled <a href="How Might Trump's Food Box plan Affect Health?">How Might Trump's Food Box plan Affect Health?</a> Native Americans Know All Too Well, journalist <a href="Maria Godoy">Maria Godoy</a> recounted how American Indians have received a similar type of federal food assistance for over 40 years, with devastating implications for health. As noted in the article:

Since 1977, the U.S. Department of Agriculture has bought nonperishable foods to distribute on Indian reservations and nearby rural areas as part of the Food Distribution Program on Indian Reservations. The program was designed as an alternative to SNAP for low-income Native Americans living in remote areas without easy access to grocery stores. The food boxes delivered were filled with canned, shelf-stable foods like peanut butter, meats and vegetables, powdered eggs and milk. . . . American Indians and Alaska Natives are at least twice as likely as whites to have Type 2 diabetes, and they have 1 1/2 times the rate of obesity as non-Hispanic whites, according to the government statistics. . . . [R]ecent studies have found that 60 percent of Native Americans who receive food assistance through the program rely on the government program as their primary source of food. (By comparison, 37 percent of people enrolled in SNAP rely on it as their main source of money for food, according to a new report from the Urban Institute.) So the quality of that food can really affect health.8

### Drop the Box, Expand the SNAP and Ask the Private Sector to Help

SNAP is an efficient and important part of America's safety net. The federal hunger-relief program already relies on the private sector to provide access to food, allowing its beneficiaries to shop according to their needs and preferences. There is little administrative glut; in fact, more than 93 percent of SNAP appropriated funds are spent on food benefits.

A 2016 <u>Hamilton Project</u> analysis produced evidence highlighting the long-term benefits resulting from SNAP investments. The analysis, entitled "*Modernizing SNAP Benefits*" and written by **James P. Ziliak**, <sup>10</sup> demonstrated that SNAP benefits help reduce health problems

<sup>&</sup>lt;sup>8</sup> Accessible online at <a href="https://www.npr.org/sections/thesalt/2018/02/25/588098959/how-might-trump-plan-for-food-boxes-affect-health-native-americans-know-all-too">https://www.npr.org/sections/thesalt/2018/02/25/588098959/how-might-trump-plan-for-food-boxes-affect-health-native-americans-know-all-too</a> (last visited on March 1, 2018).

<sup>&</sup>lt;sup>9</sup> James P. Zilak, "*Modernizing SNAP Benefits*," Policy Proposal 2016-6, <u>The Hamilton Project</u> (May 2016); this analysis is accessible online at: <a href="http://www.hamiltonproject.org/assets/files/ziliak\_modernizing\_snap\_benefits.pdf">http://www.hamiltonproject.org/assets/files/ziliak\_modernizing\_snap\_benefits.pdf</a> (last visited March 1, 2018).

<sup>&</sup>lt;sup>10</sup> James P. Ziliak holds the Gatton Endowed Chair in Microeconomics in the Department of Economics at the University of Kentucky. He also is the Director of the Center for Poverty Research at the University of Kentucky.

later in life, improve educational outcomes, lift women's economic self-sufficiency, and improve families immediate financial situation.

Rather than eviscerating the SNAP budget, Professor Ziliak proposes increasing the program's budget, and by doing so compounding the positive benefits it produces. As explained in *Modernizing SNAP Benefits*, SNAP benefits are provided monthly to eligible households, based on a maximum benefit determined by the cost of a food budget known as the **Thrifty Food Plan** (TFP). However, the TFP assumes that low-income households can spend an unlimited amount of time preparing food from scratch and has consequently shifted toward the food items that are lowest cost but most time-intensive. Ziliak proposes a three-stage approach to improving the adequacy of SNAP benefits by modernizing the TFP.

In the first stage, the estimated cost of the TFP would be immediately increased by twenty percent to partially account for the cost of time spent on food preparation. Next, the USDA would further reform the TFP to address features that distort the composition of the grocery cart, including geographic variation in food prices, the 1970s-set cap on the inflation-adjusted value of SNAP benefits, the TFP's excessively narrow focus on low-income households, and the lack of consideration for the dietary needs of teenagers. Finally, Ziliak proposes a specific research agenda to support the first two stages. The proposal would bring the assumptions underlying SNAP benefit levels in line with current norms of food consumption and time use, thus strengthening the effectiveness of SNAP in addressing food insecurity and other health and nutrition outcomes.

To address concerns from the current administration in Washington D.C. that more can be done to improve SNAP, attention should be paid to an idea promoted by Michel Nischan – leveraging the new "disruptive" technologies to provide both greater bang-for-the-buck plus a better delivery mechanism. According to Nischan:

[I]f the federal government is truly focused on cutting red tape, creating a government-run food-delivery supply chain to service 40+ million Americans who rely on SNAP seems quite contrary to that goal. *But*, if they were talking about striking a public/private partnership with companies like Amazon Fresh or Walmart (which seems to be going all-in on home delivery of food), that's another story. Businesses like these have the supply chain infrastructure in place to deliver anywhere in the nation, as well as the technology to allow consumer choice. That could be a potentially good and doable disruption, assuming SNAP consumers would still receive some benefits through EBT. This then begs the questions: How much food is being delivered, how much money is still on an EBT card, and how big are the actual savings?<sup>11</sup>

<sup>&</sup>lt;sup>11</sup> "Michael Nischan on How the Proposed SNAP Harvest Box Could Actually Work," Modern Farmer (February 15, 2018), accessible online at: <a href="https://modernfarmer.com/2018/02/michel-nischan-snap-harvest-box-proposal-could-work/">https://modernfarmer.com/2018/02/michel-nischan-snap-harvest-box-proposal-could-work/</a> (last visited on March 5, 2018).

#### Conclusion

The White House's proposed "American Budget" for 2018 would change the fundamental structure of the SNAP program, add costly administrative burdens, and restrict the choices of beneficiaries. The concept of America's Harvest Boxes, as articulated by the current administration, is perceived as unworkable and counter-productive by critics across the spectrum.

Which is not to say that SNAP cannot be improved. Knowledgeable sources have stepped up to say that it can and should be improved. More importantly, those experts have offered truly innovative, substantive ideas to secure those improvements. Whether anyone in a position to make a difference will take heed remains to be seen.