

103

REVIEW OF FEDERAL AND PRIVATE DOMESTIC FOOD DONATION ACTIVITIES

Y 4. AG 8/1:103-59

Review of Federal and Private Dones...

HEARING

BEFORE THE
SUBCOMMITTEE ON DEPARTMENT OPERATIONS
AND NUTRITION
OF THE
COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRD CONGRESS

SECOND SESSION

MARCH 23, 1994

Serial No. 103-59



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REVIEW OF FEDERAL AND PRIVATE DOMESTIC FOOD DONATION ACTIVITIES

WEDNESDAY, MARCH 23, 1994

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON DEPARTMENT
OPERATIONS AND NUTRITION,
COMMITTEE ON AGRICULTURE,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:30 a.m., in room 1302, Longworth House Office Building, Hon. Charles W. Stenholm (chairman of the subcommittee) presiding.

Present: Representatives Sarpalius, Farr, Pomeroy, Emerson, Gunderson, and Canady.

Staff present: Julia M. Paradis, assistant counsel; Jan Rovecamp, clerk; Anita R. Brown and Lynn Gallagher.

OPENING STATEMENT OF HON. CHARLES W. STENHOLM, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. STENHOLM. I welcome everyone to this morning's hearing to review Federal and private domestic food donation activities.

We should all be concerned about the findings of the recent study done by Second Harvest. It revealed that 10.4 percent of the U.S. population relies on food pantries, soup kitchens, and homeless shelters to help meet their food needs.

It is incumbent on us to find ways, perhaps better ways, to maximize our scarce Federal resources so that they might better meet the needs of hungry Americans. This hearing will review our food donation programs to see how we can make them more effective.

The United States has the most effective and sophisticated antihunger program in the world, the Food Stamp Program. We are constantly striving to improve its effectiveness and its integrity. But, the fact of the matter is, we have learned over the years that the Food Stamp Program does not meet all of the needs of all of our hungry people, and if we truly care about those people, we must support food donation programs because they do seem to fill the niche.

The agricultural community has two reasons to support these programs. First, we see poverty in our rural communities, and as food producers, we believe it is imperative for us to do what we can to feed hungry people. The other reason is that these programs support U.S. agriculture. So there may be no greater fans of these programs than those of us in production agriculture.

I have received dozens of inquiries from food banks in every region of the country and from Members of Congress from all around

the country concerning the reductions of the President's budget to the emergency food assistance program. Given what we have learned from the Second Harvest study, this concern is not surprising.

There are more people in the United States relying on our food banks than the food banks can adequately serve. We know that food banks are not the ultimate solution to hunger. But until we eliminate hunger in this country, our food banks are critical to assuring that everyone has enough to eat.

Likewise, proposed reductions in the charitable institutions program and in the commodity supplemental food program have people very concerned, given the continued level of need. These donation programs are critical to addressing the hunger needs of particularly vulnerable populations.

One program that would receive an increase in funding under the President's budget is the soup kitchen program. This worthy program, established in the Hunger Prevention Act of 1988, serves many of the poorest individuals in the country.

I am sure that I do not need to remind you that I share the President's desire to hold the line on Federal expenditures. But, we must be very cautious as we attempt to target our scarce resources that we do not let deserving and needy folk slip through the cracks. We must find ways to deliver Federal benefits just as efficiently as possible. As we work to improve the economy and address the underlying causes of poverty and hunger, we must continue to support the programs that feed hungry people.

I was pleased, in both the Budget Committee and on the floor, to vote for the 1995 budget resolution that maintained at least 1994 funding levels for our domestic commodity donation program. The House-passed budget resolution found a way to continue support of these programs within the restraints imposed by last year's budget agreement.

We will hear this morning from the Secretary's representative to learn the basis for the budget recommendations. We will also hear from the Extension Service about some of their activities in support of private efforts to address hunger needs. And then we will hear from folks who work directly with these programs and who understand the needs of the people the programs serve. Most importantly, we will hear some recommendations on how these programs can be made more effective so that they can maximize their food benefit.

As we strive to maintain Federal support for our commodity donation programs, we must also look to the tremendous contribution that the private sector can make in the way of food donations. There are already exciting and effective programs developed by volunteer organizations and private business groups that donate food to food banks, homeless shelters, and soup kitchens. We will hear about some of those innovative efforts this morning and hope to learn what the barriers are to increasing the level of these critically important food donations.

The House Appropriations Subcommittee on Agriculture is meeting, also, this morning to review the programs of the Food and Nutrition Service. We look forward to working with Chairman Dick

Durbin as his subcommittee makes the difficult decisions about how to best spend Federal dollars.

During the next several days, we will share the testimony of our witnesses this morning with the Appropriations subcommittee so the subcommittee members might have them in mind as they determine the levels of 1995 appropriation for these important food donation programs.

This will not be the last hearing the Subcommittee on Department Operations and Nutrition holds on these programs. With the 1995 farm bill approaching, I expect to hold several other hearings reviewing food donation activities, including field hearings, some possibly before this year is out, and certainly early in the next Congress.

I would urge everyone here this morning to give serious thought to ways in which food donations can be brought up to a level adequate to meet the need. We will be calling on you for help, and we look forward to working with you.

I want to thank all of our witnesses for their participation in today's hearing. We look forward to hearing your testimony.

Mr. Sarpalius.

**OPENING STATEMENT OF HON. BILL SARPALIUS, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

Mr. SARPALIUS. Thank you, Mr. Chairman, and I commend you for holding this hearing today and look forward to the testimony.

I cannot think of any area that probably does more good for the American people than programs that try to feed and clothe those people that are in need. It concerns me that, under the President's budget, he did recommend reducing funding for the emergency food assistance program, for the commodity supplemental food programs and for the charitable institutions programs, and I am anxious to hear from the testimony how they feel about that.

Everybody in this room, when you came to this Capitol today, you probably saw people sleeping on the streets on the way here. You cannot walk down any street here in Washington, DC, without a homeless person coming up to you, asking you for some help.

I think it is important that we as a Congress, as we begin to change our focus on where we spend taxpayers' money, we begin to focus on those programs that have, indeed, gone way out of their way to help the hungry people in this country.

Mr. Chairman, I commend you in your efforts with these hearings and other hearings in the future, and I truly hope that as a Congress we will do a much better job.

I have here and I look forward to listening to the testimony of a model program of the South Plains Food Bank in Lubbock. We have the executive director, Carolyn Lanier, whom we will hear from here in a little bit, and that is just an example of the types of programs that do work, and I think we need to do everything as a Congress to assist those programs.

Thank you, Mr. Chairman.

Mr. STENHOLM. Mr. Emerson.

OPENING STATEMENT OF HON. BILL EMERSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Mr. EMERSON. Thank you, Mr. Chairman.

First of all, thank you for holding this hearing. I feel very strongly that in our Nation of abundance, it is a tragedy if anyone, a child or an elderly person, just anyone, goes hungry.

We are a generous country. The \$38 billion spent last year on USDA food assistance programs provided much-needed help for needy families and children, and of course, additionally, very significant amounts of money are spent by the private sector to help feed people who need food assistance.

For 1995, the administration proposes to spend almost \$40 billion through USDA food assistance programs. However, none of these funds will be spent to purchase commodities for the emergency food assistance program, the one that we call TEFAP. This represents an \$80 million reduction in the money dedicated to TEFAP.

The Food Stamp Program alone will cost over \$28 billion in 1994 and provide benefits to almost 30 million people each month. Over the years, the Food Stamp Program has grown through regular cost-of-living increases and legislative expansions to the program.

For example, food stamp benefits are paid based on 103 percent of the thrifty food plan. The Food Stamp Program does not provide benefits to all needy families. Some people simply choose not to participate, and others are in need of temporary or emergency help for short periods of time, and that is why we have TEFAP.

The purpose of TEFAP is to provide surplus commodities, and commodities specifically purchased for TEFAP, to needy families. And, quite, frankly, if we did not have TEFAP, we would have to invent it. It fills the needs of families that cannot or do not wish to receive food stamp benefits, mainly those who cannot, for one reason or another, receive food stamp benefits, and particularly for people in emergency need.

I believe that both TEFAP and the Food Stamp Program are valuable and necessary programs, and I get particularly concerned when I hear arguments advanced that it should be all of one or all the other. There is not any need for that debate, Mr. Chairman.

I have been a member of this committee since 1982, and I cannot count how many field hearings and field trips we have been on looking at both problems associated with the Food Stamp Program and other feedings programs of the Government, but I will tell you that if there is any one program that is necessary for emergency feeding purposes, it is TEFAP, and I want to get into that a little bit because I feel so strongly about it, and I just wish we could dispense with the argument of TEFAP or food stamps, because that should not even be an argument.

For some, the ability to receive commodities through TEFAP may mean the only type of assistance that they receive. Some needy families, especially older folks and homeless people, are much more likely to be able to avail themselves of commodities through TEFAP.

I have worked very closely with food banks in my district, and so I am an ardent supporter of the commodity distribution programs. I think this is a very effective and efficient means by which

we can provide food to needy people, and I hope that the administration will reconsider its position and come to support this particular program.

I want to talk about just one program that would be affected by the administration's TEFAP reduction, because it is the one that I happen to be most personally familiar with, and that is the Bootheel Food Bank, which is headquartered in Sikeston, Missouri.

A person, a very committed lady, Doreen Johnson, runs the Bootheel Food Bank. Last year that food bank distributed more than 5 million pounds of food to churches, senior citizen centers, and pantries that in turn provide food and meals in rural Missouri. Over a 16-county area, it provides food and meals to about 26,000 needy families every month.

This food bank started in 1985 when it distributed 10,000 pounds of food that year. It has become the source for rescue missions and church feeding programs and what have you, and they distributed more than 5 million pounds of food last year.

The food distributed by this food bank comes from 250 private groups and large food organizations like Procter & Gamble and Kraft, which also participate. Pepsi Cola gave an old warehouse that they no longer needed which is now used as a warehouse to store food for easy distribution, and a significant amount of the food that comes to the Bootheel Food Bank does come through TEFAP in addition to the private sources.

Now, I want to see this food bank and other similar organizations to be able to continue to serve needy families on an emergency basis. We could call scores of witnesses. I could call scores of witnesses from my district alone who are pleading with me on a daily basis. I have gotten hundreds of letters about the threat to TEFAP, and people in the field are really legitimately concerned.

I think food banks demonstrate a very good example of how the public and the private sector, working together to benefit needy citizens, can better do a job than if they are operating separate and apart from each other. I do not think that the mission, the goal of ending hunger in our country and in the world, of curing the problem of malnutrition, is one that is going to be solved by government alone. This partnership that I have been talking about, I can assure you, is a very good public-private sector partnership for south-east Missouri, and I have to believe that it is good for the rest of the country as well.

So, Mr. Chairman, I am very pleased that you called this particular hearing to look at TEFAP and private sector programs that distribute food and meals to people in need. It is my hope that, through the information we can present at this hearing, we will be able to demonstrate the need for TEFAP and the fine work by organizations on the frontline whose goal is to feed needy families.

So a particular thank you, Mr. Chairman, for your efforts here, and I look forward to cooperating with you in addressing the problem which is the subject of this hearing. Thank you.

Mr. STENHOLM. Mr. Farr.

OPENING STATEMENT OF HON. SAM FARR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. FARR. Thank you very much, Mr. Chairman, and I really appreciate your calling this hearing on this absolutely vital issue to many Americans.

I represent the central coast of California, which is a large agricultural area. We have had tremendous cooperation between agriculture and community-based programs to feed—we have essentially 2,200 outlets of food services in these three counties, which is almost unbelievable.

But I would like to associate my remarks with Mr. Emerson on the impact of the cuts to TEFAP and hope that this hearing will tell us exactly how we can restore the funding from the proposed reduction, from \$120 million to \$40 million.

The purpose of the program as I understand it is to provide additional assistance to vulnerable low-income categories of people to help assure the adequacy of their diets and to assist needy households, schools, and certain not-for-profit organizations by distributing to them commodities purchased for farm economic support requirements. Those being the mission of FNS, it seems to me that the reduction in funds as proposed by the administration is going to do just the opposite from what the mission is required for them to do by law.

So I would hope that these hearings will show us that we can bring some stability. These are a lot of people that are at risk. They are very much aware of what is being proposed here. It has high profile by the news in our area, and I would hope that these hearings will alleviate some of the fears that have been brought to that community.

Thank you, Mr. Chairman.

Mr. STENHOLM. Any prepared statements received from the members will be placed at this point in the record.

[The prepared statement of Mr. Smith of Oregon follows:]

STATEMENT OF THE HONORABLE BOB SMITH
SUBCOMMITTEE ON DEPARTMENT OPERATIONS AND NUTRITION
REVIEW OF FEDERAL AND PRIVATE DOMESTIC FOOD DONATION
ACTIVITIES

MARCH 23, 1994

THANK YOU MR. CHAIRMAN. I AM PLEASED THAT YOU HAVE CALLED THIS HEARING TO REVIEW THE GOVERNMENT COMMODITY DISTRIBUTION PROGRAMS AND THE EFFORTS BY THE PRIVATE SECTOR TO HELP FAMILIES IN NEED OF FOOD. I AM ESPECIALLY PLEASED TO SEE THAT THE WITNESSES INCLUDE REPRESENTATIVES OF FOOD COMPANIES, GROCERY STORES AND OTHERS INVOLVED IN PRIVATE DONATIONS OF FOOD. THROUGH THESE WITNESSES I HOPE WE CAN SEE THE BREADTH OF ASSISTANCE THAT IS PROVIDED OUTSIDE OF GOVERNMENT CIRCLES AND, IN MANY CASES, PROGRAMS THAT COMPLEMENT THE ONGOING FEDERAL FOOD ASSISTANCE PROGRAMS.

THE FEDERAL GOVERNMENT PROVIDES A WIDE ARRAY OF FOOD ASSISTANCE TO NEEDY FAMILIES. THE 1995 BUDGET SUBMITTED BY THE ADMINISTRATION PROPOSES \$40 BILLION FOR FOOD ASSISTANCE PROGRAMS, INCLUDING CHILD NUTRITION PROGRAMS, THE WIC PROGRAM, FOOD DISTRIBUTION, AND THE FOOD STAMP PROGRAM. THE PROPOSED BUDGET FOR THE FOOD AND NUTRITION SERVICE

REPRESENTS AN INCREASE OVER 1994 LEVELS; WITH THE EXCEPTION OF THE PURCHASE OF COMMODITIES FOR NEEDY FAMILIES.

THE PRIMARY PROGRAM DESIGNED TO PROVIDE FOOD AND MEALS TO NEEDY FAMILIES, THE EMERGENCY FOOD ASSISTANCE PROGRAM OR TEFAP, IS REDUCED BY 580 MILLION. I NOTE THAT A REPRESENTATIVE OF THE FOOD AND NUTRITION SERVICE WILL TESTIFY TODAY. I HOPE TO HEAR AN EXPLANATION OF THE REASONS FOR THE REDUCTIONS IN PROGRAMS PROVIDING DIRECT FOOD ASSISTANCE.

MR. CHAIRMAN, IN THE RECENT WEEKS I HAVE HEARD FROM OVER 50 ORGANIZATIONS AND INDIVIDUALS IN OREGON PROTESTING THE REDUCTION IN TEFAP AND OTHER PROGRAMS PROVIDING DIRECT FOOD ASSISTANCE. THESE PEOPLE INCLUDE FOOD BANKS, MINISTERS, CHURCHES, AND, VOLUNTEERS WORKING TO FEED NEEDY FAMILIES. THESE ARE PEOPLE WITH FIRST HAND KNOWLEDGE OF THE BENEFITS OF TEFAP. THROUGH TODAY'S HEARING I HOPE WE WILL BE ABLE TO DISCUSS THE ISSUES THEY AND OTHERS HAVE RAISED.

THANK YOU MR. CHAIRMAN.

Mr. STENHOLM. We will call our first panel. The first witness will be Ms. Mary Ann Keeffe, Deputy Administrator, Special Nutrition Programs, Food and Nutrition Service.

STATEMENT OF MARY ANN KEEFFE, DEPUTY ADMINISTRATOR, SPECIAL NUTRITION PROGRAMS, FOOD AND NUTRITION SERVICE, U.S. DEPARTMENT OF AGRICULTURE; ACCOMPANIED BY NEAL FLIEGER, DEPUTY ADMINISTRATOR, INTERGOVERNMENTAL AFFAIRS AND DISASTER ASSISTANCE; AND RON VOGEL, ASSOCIATE DEPUTY ADMINISTRATOR FOR SPECIAL NUTRITION PROGRAMS

Ms. KEEFFE. Thank you, Mr. Chairman.

I would like at this time to introduce two of my colleagues from the Food and Nutrition Service who are accompanying me today. Mr. Neal Flieger, who is the Deputy Administrator for Intergovernmental Affairs and Disaster Assistance; and Mr. Ron Vogel, Associate Deputy Administrator for Special Nutrition Programs. It is a pleasure for us to be here this morning, Mr. Chairman, to discuss FNS's commodity distribution programs.

The Clinton administration is committed to eliminating hunger and to ensuring that all Americans, especially our children, have access to food that is nutritious and wholesome. This commitment is shown in President Clinton's fiscal year 1995 budget request which calls for a program level increase of nearly \$2 billion for USDA's food assistance programs.

The proposal requests \$38.7 billion for the food programs in fiscal year 1995, up from the \$36.9 billion in fiscal year 1994. As our budget request indicates, we at USDA are concerned about needy Americans and take every reasonable step to ensure that access to an adequate and healthful diet is available to all who cannot provide for themselves.

This Federal commitment has been achieved largely through the food stamp, child nutrition, WIC, and commodity distribution programs, which are designed to meet the nutritional needs of low-income Americans, and through cash assistance programs such as aid to families with dependent children and supplemental security income that help provide for recipients' basic needs including food.

Alltogether, Federal food assistance programs provide benefits to almost 50 million Americans daily and cost almost \$39 billion annually. These figures translate into assisting one in every six Americans in any given month.

Even though there is an increase in the request for some programs, we are ever mindful that we are in tight fiscal times and that difficult and even painful choices have to be made. Because of this, it was necessary to rethink the operation of programs such as the emergency food assistance program known as TEFAP.

As you will recall, Mr. Chairman, TEFAP was created in the early 1980's when the Government possessed dairy and grain surpluses. The cost to the Government just to transport and store these billions of pounds of commodities was extremely high. Rather than allow these products to remain in storage indefinitely, USDA, working with the Congress, made those commodities available to States to distribute to needy households.

The burden of these surpluses, which were created by an imbalance of supply and demand from farm products, was significantly addressed in the Food Security Act of 1985 and the Food, Agriculture, Conservation, and Trade Act of 1990, which made changes to agricultural price support programs.

In recent years, the volume of surpluses and the cost to taxpayers have been greatly reduced. When many people think of TEFAP, they think of the surplus cheese distribution, and many still believe, contrary to fact, that the Government holds huge inventories, ready to spoil, unless the food is handed out. At one time USDA was purchasing as much as 10 percent of the milk supply, and we were donating in excess of 1 billion dollars' worth of surplus commodities in TEFAP alone in a year.

These donations were free to needy people but not free to taxpayers who had to pay for the costs of these foods. Clearly, these distributions are over, and we can all agree that that level of surplus donation will never return.

The President's request for \$40 million in TEFAP administrative funds demonstrates this administration's commitment to the continuation of TEFAP. These funds can be used not only for the administrative costs associated with TEFAP commodities but also for the handling of non-USDA commodities distributed through the TEFAP network, and for administration of the soup kitchen and food bank programs.

The requested administrative funding could also greatly facilitate efforts to meet the nutritional needs of low-income Americans through one, USDA commodities donated to the soup kitchen and food banks, and two, food provided by a variety of private sources to food banks and food pantries involved in TEFAP. We fully intend for the TEFAP pipeline to remain open.

As the recently released Second Harvest study indicates, programs in that network rely on Federal, State, and local governments for more than 55 percent of the cash income they need to continue operating. Over the years, TEFAP has developed an identity that went beyond its role of surplus removal. In the 1980's, the Nation saw an emergence of a food bank network that supplied food to needy working households.

TEFAP has evolved over the years to provide help in certain situations. TEFAP has been responsible for helping to develop a more comprehensive network of food banks than would have been possible otherwise. However, TEFAP is an extremely variable stopgap program, in contrast to the Department's characteristic food assistance programs, which tend to provide a more regular, dependable, precisely targeted benefit.

Clearly, the success of the private donations efforts have been greater than anyone could have imagined and provided relief to the working poor and others who, for one reason or another, did not or could not receive food stamps or other program benefits.

According to Second Harvest, private donations comprise 95 percent of the food that goes through their affiliates. Without these private donations, the food bank network would not be viable. That is why this administration encourages and supports private donations. It is also the reason we are seeking ways to be creative with

regard to private donations and bringing together groups to work in forging a private/Federal partnership in this area.

While this food bank network receives most of its food from private sources, this is not the case with regard to administrative funds. USDA provides a steady base of administrative funds through TEFAP that food banks can rely on to pay overhead costs.

Keeping this pipeline open was a primary concern in deciding how to budget our limited resources. We need to make sure that food banks stay open and provide access to food. We think this is best accomplished not through purchasing a relatively modest amount of commodities but by continuing to provide the lion's share of administrative funds.

While more money could certainly be used to purchase more food, we believe that limited resources must be directed where specific nutritional objectives are served through a carefully structured, consistent, dependable delivery system.

The Food Stamp Program meets the criteria I just described as an ongoing program and continues as our primary and most effective means of combating hunger, as this committee recognized when it provided the leadership for passage of the Mickey Leland Childhood Hunger Relief Act last year.

This legislation is expected to increase benefits under the Food Stamp Program by an estimated \$2.5 billion in fiscal years 1994 to 1998 and, when fully implemented, to add approximately 265,000 participants to the program.

The Food Stamp Program, in fact, was authorized by Congress to replace earlier food distribution programs. Today, the Food Stamp Program serves over 27 million people each month.

As I know you are aware, Mr. Chairman, a significant enhancement to this Nation's ability to fight hunger was achieved recently. WIC, which supplies foods with key nutrients, nutrition education, and social service referrals to pregnant, breast feeding, and postpartum women, infants, and children during critical stages of growth and development, has had its budget increased significantly.

The fiscal year 1994 appropriation for this program increased from the previous year by over 12 percent to \$3.21 billion, allowing approximately 600,000 more people to participate. The fiscal year 1995 budget request for the WIC program is \$3.6 billion, an increase of over \$353 million above fiscal year 1994.

These large increases in the WIC appropriation, especially in the current climate of budgetary reductions, reinforce its importance and effectiveness. Program participation is expected to increase from 6.5 million in fiscal year 1994 to approximately 7.2 million persons per month in fiscal year 1995. This participation level will bring this extremely efficient and effective program still closer to full funding, a goal which the President wants to achieve by the end of fiscal year 1996.

With regard to the distribution of USDA commodities to organizations that prepare meals for needy individuals, commodities acquired under the Commodity Credit Corporation's price support operations are made available for distribution to charitable institutions, including soup kitchens, temporary shelters, orphanages, correctional facilities, and to nonprofit summer camps for children.

This distribution is not a specifically authorized program supported by its own appropriation; rather, commodities are provided to States through broad legislative authority that permits their distribution to a wide variety of institutions serving needy persons, including charitable institutions.

These commodities acquired by CCC under its price support operations are generally available for distribution only when they cannot be sold. The distribution of these commodities to needy households, charitable institutions, and summer camps and the market-oriented provisions of the Food Security Act of 1985 and the Food, Agriculture, Conservation, and Trade Act of 1990, have greatly reduced the inventories of price-supported commodities available for donation as bonus commodities to the various food programs.

Therefore, beginning in fiscal year 1995, USDA will be able to provide butter and those items declared to be in bonus to charitable institutions, thus reducing the total value of donations to charitable institutions approximately 50 percent.

However, USDA has sought alternate sources of funding to maintain the flow of commodities to those charitable institutions that would otherwise be most adversely affected by this reduction. Because private nonprofit soup kitchens, homeless shelters, and similar entities have less access to alternate public funding sources than public institutions such as State prisons and hospitals, the President's fiscal year 1995 budget requests an increase of \$10 million for the soup kitchen and food bank program, for which the facilities serving the homeless, but not the prisons, hospitals, and summer camps, are eligible.

This would increase funding for the soup kitchen and food banks program to \$50 million and significantly offset the reduction in commodities that facilities serving the homeless, and similar organizations, will experience as charitable institutions.

The commodity supplemental food program, CSFP, was created in 1969 to provide supplemental foods and nutrition education through local agencies to pregnant, postpartum, and breast feeding women, infants, and children under 6 years old who are vulnerable to malnutrition. In 1985, the elderly—persons 60 years of age or older—were added to the program.

The fiscal year 1995 budget request of \$94.5 million for CSFP does constitute a small decrease from the fiscal year 1994 amended appropriation. However, it is consistent with our budget request for fiscal year 1994, which we still believe represents an appropriate level of funding for the program in the context of our 14 food assistance programs.

In keeping with congressional intent, as well as departmental policy and CSFP regulations, the women, infants, and children population continues to be the priority of this program. As such, any reductions that will result from a decreased appropriation will likely come from the elderly caseload. The caseload could drop from an estimated 174,000 elderly participants in fiscal year 1994 to 110,000 in fiscal year 1995, a decrease of about 64,000 if elderly participation grows that high in 1994. Currently, it is about 150,000. Alternatively, funds could be carried forward into fiscal year 1995 to maintain a more stable caseload.

As we began to develop our fiscal year 1995 budget, it was apparent that the food distribution program on Indian reservations, FDPIR, would be able to absorb a \$30 million decrease in program funding without any significant impact on the program. This determination was based partially on the fact that participation in FDPIR has declined significantly over the last 5 years.

From fiscal year 1989 to fiscal year 1993, participation decreased from approximately 138,000 to about 112,000. Despite the decline, appropriations did not begin to decrease appreciably until fiscal year 1994. The drop in participation, coupled with the overordering of commodities, resulted in accumulation of inventories in excess of program needs.

Beginning in fiscal year 1993, unspent funds were carried over into the following fiscal year. It was anticipated that the accumulation of resources available in fiscal year 1995, combined with the reduced appropriation for that year, would be sufficient to serve all eligible applicant households.

The Department of Agriculture remains firmly convinced that FDPIR meets a critical need in providing food assistance to low-income Native American households. For this reason, we are committed to taking every reasonable action to ensure that the program continues to serve this function.

We also remain committed to exploring ways to improve the program to the extent that funding levels permit, in cooperation with the National Association of Food Distribution Program on Indian Reservations, individual Indian tribal organizations, and State agencies.

Before concluding my statement, I would like to point out our continuing effort over the years to improve the quality of foods provided in our family feeding programs. With the goal of improving the nutritional content of these foods, we require that all fruits be packed in light syrup or natural juices; also, we have eliminated the use of tropical oils in all of our products. In addition, we have lowered the fat content in canned pork and increased the variety of whole-grain products offered and the offering of canned fish such as salmon and tuna.

For the Food Distribution Program on Indian Reservations, a decrease in the fats/oils food group offering was offset by an increase in fruits and vegetables. Rice and potato flakes were also increased. We maintain an ongoing review of product specifications to improve the quality of our products. A recent outcome of this review was the revision of the egg mix specification to reduce the fat, saturated fat, and sodium while increasing the carbohydrate and protein content.

I believe that our budget request does indeed demonstrate the administration's commitment to needy people, despite the current limitations on Federal funds.

This concludes my statement, Mr. Chairman. We will be pleased to respond to any questions you or the subcommittee might have.

[The prepared statement of Ms. Keeffe appears at the conclusion of the hearing.]

Mr. STENHOLM. Thank you very much, Ms. Keeffe, for that statement, and we look forward to asking you some questions in just a moment.

Before I do, I want to acknowledge, recognize, and welcome another person here, Shirley Watkins, Deputy Assistant Secretary to Ms. Haas. Shirley, we welcome you here this morning and appreciate your attendance.

Next we will call on Dr. Connie McKenna, Acting Deputy Administrator for Home Economics and Human Nutrition, Extension Service.

STATEMENT OF CONNIE MCKENNA, ACTING DEPUTY ADMINISTRATOR, HOME ECONOMICS AND HUMAN NUTRITION, EXTENSION SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Ms. MCKENNA. Thank you.

Mr. Chairman and members of the subcommittee, I am pleased to be with you this morning representing the Extension Service, U.S. Department of Agriculture, and to discuss with you our efforts in helping to reach needy people and increase food availability.

The programs that I will describe to you today are varied, innovative, and representative of efforts being carried out all across the Nation.

ES-USDA—Extension Service—is the Federal partner of the Cooperative Extension System, the nonformal education system that links the educational and research resources and activities of the Department, 74 land-grant universities, and 3,150 county governments.

Extension's purpose is education—practical education for Americans to use in dealing with the critical issues that affect their daily lives and the Nation's future. Our community-based programing, flexibility, and linkages with public and private groups allow us to respond in a very special way to the particular needs of a community.

Thousands of paraprofessionals and nearly 3 million volunteers support our efforts and allow us to reach many more people with our programs. Use of computer and communications technologies speed the rate with which we share program curricula and materials, as well as program results, through the Cooperative Extension System.

These special features of CES provide the setting for the development of tailor-made programs that focus on getting food directly to those who need it most and, more importantly, to bring about changed behavior through education to help people become self-sufficient.

Extension follows the old adage, "If you give a man a fish, he can eat for a day. If you teach a man to fish, he can eat for a lifetime."

Examples of the variety of our programs include teaching special supplemental food program for women, infants, and children—WIC—clients about the nutritional value of fruits and vegetables and telling them how to use special vouchers at farmers' markets in States such as North Carolina, New Hampshire, and New York.

In Connecticut, Extension conducts summer youth nutrition education programs for children participating in the USDA's summer food service program.

In Florida, Extension collaborates with 29 nonprofit agencies and churches serving the south Dade area to address the hunger needs of the community. This coalition has a distribution network for sur-

plus foods that greatly assisted in the Hurricane Andrew crisis and continues to meet the needs of a vast number of newly arriving immigrants from the Caribbean and Latin America.

New Jersey has a program that helps teens establish a produce-stand business linking them with local farmers and teaching them job and business skills. In addition, 1890 land-grant institutions are enabling Extension to give added emphasis to working with diverse audiences and those with restricted social, economic, and educational resources.

In areas across the country, food banks have sprung up in response to community needs. In Tarrant County, Texas, Extension responded with a step-by-step process communities could use to establish emergency food assistance. Other States, including Tennessee and North Dakota, also have been involved in setting up, running, and improving food bank operations.

Pennsylvania's super cupboard programs provide an innovative model for reaching the chronic user of emergency food systems. Extension, along with public and private nonprofit partners, identifies community needs and resources and provides for the client a comprehensive educational program along with an emergency food package. While learning about food preparation, food buying, food safety, nutrition, and life skills, clients develop responsibility and self-esteem.

This model is now being used in other parts of the country, including North Carolina and right here in Washington, DC. Graduates of the "SuperPantry" at the Capital Area Community Food Bank are trained as health advocates and return to train others receiving food assistance.

As a result of a cooperative agreement with the Washington State Department of Community, Trade, and Economic Development, the Washington State Cooperative Extension Service provides training for food bank staff and volunteers on how to prepare healthful food baskets. Emphasis is given to those people who have special dietary needs, such as persons with HIV-AIDS, diabetes, lactose intolerance, infants, and pregnant women. As a result, food bank staff and volunteers are increasingly aware of the nutritional needs of a variety of people.

In San Antonio, Texas, lessons from the expanded food and nutrition education program—EFNEP—are taught to the large number of families requesting emergency groceries from the Christian Assistance Ministry. The lessons help families identify their nutritional needs and how best to address them. Social workers at the center have stated, "We believe this program has contributed significantly to teaching people how to fish."

Gardening and home food production have been a part of Extension educational programs since the "Victory Gardens" of World War I. Today, Extension continues to promote home food production for all of its clientele as a way to save money and improve diet and nutrition.

Another important facet of home food production is the 4-H youth development programs, such as those in Grand Forks County, North Dakota, and Los Angeles, California, which teach basic plant sciences and health and nutrition.

In fiscal year 1994, funding for the urban gardening program was included in the formula in section 3 (b) and (c) of the Smith-Lever Act and distributed to all States, rather than targeting funding for specific cities, as was done in previous fiscal years under section 3(d). Despite this change, most States continue to target low-income and inner-city dwellers for their home food production programs.

Many volunteers help in providing educational programs. Master gardeners, master food preservers, and master nutritionists aid in delivering comprehensive programs from the planting of the seed to food safety, preparation, and consumption. Extension also has formed linkages with low-income housing development agencies to make available home food production programs for the residents.

In Albuquerque, New Mexico, requests to donate excess produce for limited-resource families are handled by the master gardeners volunteer program. Gardeners are asked to bring their excess produce to garden centers on a certain day of the week. Produce is then transported to various feeding sites throughout the city.

In fiscal year 1993, Kentucky EFNEP paraprofessionals assisted 640 families with gardening and food preservation. Much of the food raised was preserved, including 26,732 quarts of canned and 15,362 quarts of frozen fruits and vegetables. The retail value of this food was approximately \$40,190.

Three hundred seventy-four families also dried 115 bushels of food. In addition, families reported storing 2,411 bushels of garden-grown items such as onions, potatoes, squash, turnips, and apples. Stored food represented a farmers' market value in excess of \$83,000.

There are other impacts of home food production besides saving money and better diet and nutrition. Neighborhoods become cleaner. Neighbors start talking to one another, sharing gardening experiences and information as well as produce. Nowhere has this been more apparent than in Los Angeles. During the recent riots, the community gardens remained intact, whereas the surrounding areas were devastated.

In Ohio, Extension staff have been active in recruiting, instructing, and supporting volunteer neighborhood leaders who organize and maintain productive community vegetable gardens. Over 80 percent of the gardens in Cleveland are found in the city's poorest neighborhoods. Technical advice is provided on all aspects of raising vegetables and organizing community gardens.

In addition to supplying fresh food, well-managed gardens build community spirit and provide a setting where people can get to know one another and cooperate in other activities. Ohio State University Cooperative Extension Service staff reported that in 1993, 318 garden leaders volunteered over 40,000 hours to organize nearly 5,000 gardeners. They converted 42.5 acres of otherwise vacant land into 231 community vegetable gardens, resulting in a harvest of \$1.5 million in fresh produce.

In 1991, Extension established educational programs to serve Native Americans living on reservations. These programs, currently available on 29 reservations, include developing a diabetes dietary garden with the Choctaw Indians in Mississippi, teaching subsistence agriculture to residents of native villages in interior

Alaska, and developing arid agriculture on the Hopi Reservation in Arizona.

Gleaning is an organized activity in which hundreds of people collect unused and discarded food and provide it to those in need. Through gleaning, low-income and unemployed persons can receive agricultural products from farmers, processors, or retailers without charge.

There are many groups, such as food banks and other charities involved with feeding the poor, that organize volunteer gleaning programs. The Cooperative Extension System, through its national educational network, is providing information to interested groups and individuals on ways to conduct gleaning programs. Extension has served as a resource on the executive council of feeding sites, bringing together food providers, the hunger and poverty network, the public, and other groups.

Extension field faculty also provide information to farmers and growers on public policy issues pertaining to gleaning and to providers and processors about the needs of the poor.

More than 20 States have some form of gleaning program. The wide range of State gleaning activities includes setting up soup kitchens, preserving excess food, helping to train master food preservers, and providing technical assistance on food preservation.

In Georgia, excess prepared and perishable foods are being collected from food service donors and distributed to feeding sites. Extension provides EFNEP programming to the recipients.

The concept of harvesting after the harvest is popular in other States as well. Washington State University Cooperative Extension personnel trained gleaners to pick produce without damaging the fields. Part of the gleaners' harvest is donated to a local food bank, and a portion of every day's harvest goes to the families that assist in the gleaning efforts. These families have preserved the produce for later use and reported that it has helped them to make it through the winter and to stretch meager incomes.

Throughout the Nation, more and more farmers, farmers' markets, producers, retailers, institutions, restaurants, and backyard gardeners are contributing to gleaning programs as this humanitarian effort continues to become more popular. Brochures, fliers, toll-free hotlines, and promotional videos are just some of the means by which county Extension offices are getting the word out on gleaning.

Extension is working closely with the Food and Nutrition Service in a number of ways to enhance assistance to those in need. For example, last year in Delaware, EFNEP personnel recruited 656 children attending a formalized day camp to receive nourishing lunches provided by the summer food service program.

The Cooperative Extension System programs in nine States include the family nutrition education programs for food stamp recipients. These include bilingual education.

In partnership with the food distribution program on Indian reservations in North Dakota, Extension-developed cookbooks are provided to families receiving commodity foods. Also aimed for use by recipients of commodity foods is a cookbook developed in Massachusetts, which discusses the food pyramid as well as basic health and dietary guidelines, and fact sheets prepared in English and Span-

ish by Kansas State Cooperative Extension. I did bring samples of those particular publications in case there is interest later on.

A new program in Hartford, Connecticut, links Extension with the Hartford school lunch director and local farmers to increase the amount of local produce used in school meals. Nutrition education for staff and students will be a part of the training, as well as menu development.

Mr. Chairman, while we sometimes measure the benefits of our programs in more sophisticated ways, such as in economic terms and changed behaviors, other times our successes are evident in simple ways. Take, for example, this success story from Ingham County, Michigan: A 19-year-old father in the Ingham County EFNEP program wrote, "Audrey showed me how to make potato soup, and I was at a friend's house yesterday, and he had no food, but he had a bag of potatoes. So I told him how to make potato soup."

Today, I have shared with you only a few of the many examples of how the Cooperative Extension System is helping address the issue of hunger in America. I would be pleased to discuss these further and to answer any questions you or other members of the subcommittee may have.

[The prepared statement of Ms. McKenna appears at the conclusion of the hearing.]

Mr. SARPALIUS [assuming chair]. Thank you very much.

We will go ahead and begin our questioning. I would like to ask Ms. Keeffe, the different programs that you went through in your testimony and some of the other programs that we currently have, can you tell me what USDA can do or what we can do to try to either combine some of these programs, or have you looked at any ways of consolidating some of the programs?

Ms. KEEFFE. That is something, Congressman, that we certainly would like to work with the Congress on, especially preparatory to next year's farm bill. We have not specifically done anything to date in that regard, but our thinking is along those lines, and we look forward to working with you on that.

Mr. SARPALIUS. Well, there is no question that if we move in that direction, we can eliminate a lot of duplication, probably do a much more efficient job, and also save a lot of money. In one of the other committees, we have already passed out in the subcommittee a means of streamlining USDA and some of the other programs. This might be something that I would strongly urge you to look at.

Let me also ask if you have any suggestions on how we might work with the private sector to increase their level of donations.

Ms. KEEFFE. Again, this is something we are very interested in. Assistant Secretary Ellen Haas has initiated meetings in this regard and is continuing to do so. She has some meetings scheduled this week, as a matter of fact, and is really encouraging private industry along these lines.

This, of course, plays into the role that we have with our administrative funding in the TEFAP program that is so important. To encourage more of the private food donations would help bring this all together and go a long way. So we are very much working toward that.

Mr. SARPALIUS. Are you looking at any incentives or anything that we could do to try to encourage more of that?

Ms. KEEFFE. I know that Assistant Secretary Haas is exploring innovative ways to do just that. I am sure incentives are certainly something that would be looked at.

Mr. SARPALIUS. Another concern that this committee has looked at is related to some of the abuses within the Food Stamp Program. Can you tell me where you are on that?

Ms. KEEFFE. Of course, food stamps is the one program that does not specifically fall in my particular area of special nutrition programs, but I know that there is a lot of work being done on EBT, the electronic benefits transfer, as a hoped-for solution to those problems. This is a priority of the Secretary and the Assistant Secretary. They are moving very quickly to get this in place, and certainly the fraud problems have been a great concern.

I know the Assistant Secretary testified a few weeks ago in the Senate in this regard. She is very much proactive in this area, and is taking action.

Mr. SARPALIUS. One of the things that I am certainly interested in, and I have seen models in my district where we can put together a balanced meal for a senior citizen or for anybody that is in need and have that meal available for that individual. We find that many times senior citizens do not have the opportunity to go to the grocery store or to really benefit from balanced meals.

Can you tell me what direction you think we ought to go in seeing to it that we move more in that direction? We sent thousands of troops overseas to fight in a desert, and every one of those soldiers had available to them packages of balanced meals. I do not know why we cannot provide similar to the same thing, very affordable, very inexpensive, and very nutritional, to those senior citizens and other people across the country who do not have available to them the opportunities of eating those balanced meals.

Ms. KEEFFE. I think you are absolutely right, Congressman. We certainly have to look to perhaps some different ways of working these programs, and some innovations.

I know in your district there is certainly a very interesting program along these lines, and certainly we would like to work with you and be able to do more of this type of thing.

Mr. SARPALIUS. I really think it is a model program, and we have extended an invitation to the Secretary, and we are waiting for him to come see it.

Ms. KEEFFE. I am sure he would be delighted to. We will try to do that.

Mr. SARPALIUS. Mr. Emerson.

Mr. EMERSON. Thank you, Mr. Chairman.

In my 12 years of service on this subcommittee and 10 years on the Select Committee on Hunger, the former Select Committee on Hunger, I became aware of the fact that there is some conflict among different advocacy groups about how food should best be delivered to those who are in need of food assistance. It is true that people can go to a food stamp office and get some food stamps and go out and purchase their food.

But I will tell you that from a lot of practical experience and having seen a lot of different circumstances, some in the company of

Mr. Flieger, who is sitting there with you, that as I said in my opening remarks, if TEFAP did not exist, it would have to be invented.

Now, over the course of the last 12 years in this subcommittee and 10 years on the Hunger Committee, there has been no one that I have worked more closely with than the Director of the Budget, Mr. Panetta, who, for 8 of the 12 years that I have mentioned, was the chairman of this subcommittee, and with Secretary Espy, who was a very active member not only of this subcommittee and of the Agriculture Committee but of the Hunger Committee when he was in the Congress.

So I am really particularly puzzled at the reduction that is being recommended for TEFAP, because we always worked very closely together to see that there was a balance. But we understand the role for food stamps, and it plays a great and a large and a mighty role in the needs that exist in this country. There we are talking billions, billions, billions, but for TEFAP we are talking millions, and I do not think that one program should be pitted against the other.

Now, there is no recommendation here for a diminution of food stamp benefits, and I would say that probably for the administrative tightening up that could occur in the delivery of benefits through food stamps, you would find more than enough that would be needed for TEFAP that would give it very adequate funding. So I am concerned that there is some ideological influence at work here above and beyond the budgetary factors. I really want that to be on the record.

Now, you have recommended that we are cutting \$80 billion from TEFAP purchases, but we are going to increase some administrative wherewithal within the TEFAP program. Can you describe for me factually, where have you found the administrative deficiency in the TEFAP program so that some funds must be committed to enhancing the administrative abilities of TEFAP as opposed to the food-purchasing abilities of TEFAP?

Ms. KEEFFE. Congressman, we are sustaining and maintaining those administrative funds. It is not an increase that we are looking toward there.

The Second Harvest study, I think, really makes the point for us as to how important those administrative funds are. Fifty-five percent of administrative funding for those food programs is a result of Federal, State, and local government funding and is a steady source of funding for them.

The food supply that came from those three sources represented only 5 percent. So we really felt that the more important funding for that was in fact our administrative funding.

Mr. EMERSON. It is difficult still to understand why you are requesting administrative enhancement but no funding for the purchase of commodities. I understand the private-sector connection here, but I still think that there are from time to time Government commodities that are available for purchase that are necessary in the whole chain of events out there of getting appropriate assistance to people in need. I am concerned that all we are doing is enhancing the bureaucracy but not purchasing commodities that

could be made available to be consumed by people in need of emergency food assistance.

That is not a question. If you would care to comment on my comment, I would welcome it.

Ms. KEEFFE. Well, as I say, we did not increase that funding; we are maintaining it at its current level.

To go back to your earlier statement, Congressman, I wish I sat here with all the money to fully fund everything in our area. Certainly that would be our greatest desire. But when you are dealing with limited resources, we have to make tough decisions.

I do not believe we were ideologically pitting one organization or group against another. Certainly that is not where I am coming from. But I think that we had to look to those programs that we do best, that provide a steady source of food to people, and that cover the greatest need, and that is what we have tried to do in prioritizing food stamps, WIC, and, for the very needy, the soup kitchens.

Mr. EMERSON. Well, let's maintain a little perspective here. You know, last year we had a debate in this subcommittee, in the full committee, about the administration's request for greatly enhanced food stamp benefits. We were talking about a \$7-billion increase, and I think it wound up somewhere in the neighborhood of \$2.5 billion. I think that was about where it was, maybe \$3 billion.

So food stamps did receive considerable enhancement last year. I thought we should delay the inclusion of those increased benefits until we dealt with the subject of welfare reform, because I think we thought welfare reform was going to be on the table much earlier than it was.

But once again, as a matter of perspective, we are talking about billions. We are talking \$25 billion plus for food stamps and less than a couple of hundred million dollars for TEFAP. And I am saying that the allocations to TEFAP can, because of the lack of bureaucratic complexity associated with the TEFAP program, as opposed to the Food Stamp Program, TEFAP dollars can be stretched an awful lot farther than food stamp dollars can be stretched.

I would like to ask how the administration's 1995 budget will affect the geographical distribution of commodities, and will fewer commodities go to rural areas with the elimination of TEFAP purchases?

Ms. KEEFFE. My understanding, Congressman, is that many large food banks do serve rural areas, so that we certainly hope that they will not be adversely affected geographically.

Mr. EMERSON. Will there be some effort to ensure that there is an equitable administration here and that this is not just focused on urban areas? Because I can assure you that while people do not live in as concentrated an area in rural places as they do in urban places, the need in rural areas nonetheless exists.

Ms. KEEFFE. Yes, certainly, you have that assurance.

Mr. EMERSON. I wanted also to say a comment to Ms. McKenna that I think the urban gardening program is a good educational thing that people perhaps should engage in, but I would not depend upon it for relieving any emergency food needs that we have in this country. I think it is fine for urban folks to learn how to plant gardens and to grow vegetables, because I am concerned that

a lot of people in urban areas think that all food comes from the grocery store and that nothing precedes that fact.

But I would remind once again just to keep some balance here that we have a mighty, a great food production apparatus in this country, and while the urban gardening program is not one that I would in any way discourage, I also do not think we should promote it in such a way that we get the idea or the opinion that it is going to really be solving any problems other than maybe helping the food needs of those 5,000 people who are participating in urban gardening programs.

Ms. MCKENNA. Mr. Congressman, I would like to say that I certainly agree with you. It is not a substitute for meeting basic food needs. However, it does enhance what is accessible to the people who are involved, and it does have the added feature of serving some other needs, in terms of building self-esteem and the capability to do some things for yourself, that helps motivate people.

Mr. EMERSON. I think it is a fine thing to encourage, but I would not put a whole lot of resources in it because I do not think the return is going to be very great.

I am reminded that others may want to ask questions, so I will desist for now, but I might like to come back.

Mr. STENHOLM [resuming chair]. Mr. Farr.

Mr. FARR. Thank you very much, Mr. Chairman.

I just wanted to follow up on the statement I made. First of all, I really commend the Department in its reorganization efforts, particularly creating the Under Secretary for Food, Nutrition, and Consumer Services, and I appreciate the difficulty you have with the nine programs you administer, and I applaud the increases in the WIC program and others.

But it seems to me, following up on Mr. Emerson's comments, that the hit that the TEFAP program takes is inordinately great. Of the nine programs you administer, three are taking reductions. But this program reduces from \$120 million to \$40 million, and that is a reduction far greater than any of the other programs are taking. So the real question is: What is the effect of that in the community?

These food network distribution programs are an alliance of a lot of efforts. It is like spokes on a wheel. They all come together with tremendous donations, with tremendous volunteer efforts, and they reach out and provide food supplements for people that do not really benefit from the other programs that you are involved in.

Food stamps are not very effective if you cannot get out of your home and if you are shut in. I live in an area of high retirement and a lot of shut-in people, and that is why the food distribution effort has been so highly applauded and well organized.

So what I find in the complaints here is that there is a feeling of risk, of pulling out a brick in this process that is going to bring the rest of the assets down. Indeed, I could not find in your testimony why the rationale for the cutbacks other than we all have to make tough budgetary decisions.

But if you think that the goal of the program can still be maintained and reached by such a drastic reduction in funds, then I think there is going to be a need for your Department to get out into the communities and explain exactly how that is going to hap-

pen, because it is something that I am not able to understand from the explanation given here, and I would appreciate not only knowing the rationale but also asking you to rethink how you are going to resupply the USDA commodities that are the bonus commodities when 80 to 90 percent of those are the entire program in rural areas, and where you do not have the easy access to other types of programs that you want to try to encourage to be increased.

So I think you are putting at risk rural areas and particularly elderly, shut-in people, and I would hope that we could rethink that and, if not, redesign it so that these people really will not suffer from these cutbacks.

Ms. KEEFFE. Congressman, again, it is certainly our hope that by maintaining those administrative funds that we are keeping the TEFAP pipeline open. The Assistant Secretary is working, as I said, with private industry to foster their increased donations along the food lines, and of course, the administrative funding goes beyond the TEFAP end as well and is going to be helpful to the soup kitchen and food bank administrative funding in addition.

Mr. FARR. That still does not reach those people that we are talking about. They are not going to soup kitchens. They cannot get out of their houses.

Ms. KEEFFE. And food banks. It is also going to go to help administratively with the food banks.

Mr. FARR. But if you have people hired and nothing to give out, it does not solve the problem of, again, the people I think we are putting at risk.

Ms. KEEFFE. Well, again, I go back to the Second Harvest study, which really points out that the level of food coming from us was a small part of that, and indeed, the administrative end is far more important. We played a much more vital role with that funding.

As I say, hopefully, there is going to be even increased private donations of food there, and we are working on those lines; we are not just simply walking away. I think you cannot ignore those administrative funds as being really a very vital part to all of this.

Mr. FARR. Are those private-sector increased donations going to replace in kind? I live in a large agricultural area. We obviously put out and give away a lot more than we consume, and putting more lettuce, when we are the lettuce bowl center of the world, in somebody's home is not really going to do anything beneficial to that community.

Are the commodities that they will not be able to purchase for lack of funds going to be replaced in like-kind commodities from the private sector, or are you just going to go to the industry, the local industry, and say: "Increase your donation."

Ms. KEEFFE. No, I certainly would hope that like commodities would be replaced, would be coming forth there.

Mr. FARR. And what assurances will we have of that?

Ms. KEEFFE. We are working on it. The Assistant Secretary has already established meetings and has some meetings going on this week along those lines, and we will certainly be happy to keep you informed of these activities.

Mr. FARR. What I would like, if I can get a commitment from you or the Department, is to send somebody to our district. I can fill a room full of 1,000 people that would be interested in these an-

swers of how they are going to be able to replace in-kind commodities and still remain affordable so that the programs can be sustained.

Ms. KEEFFE. We would be happy to do that. I will take the request back to the Department.

Mr. FARR. All right, thank you.

Ms. KEEFFE. Thank you.

Mr. FARR. No further questions.

Mr. STENHOLM. Mr. Gunderson.

Mr. GUNDERSON. Thank you, Mr. Chairman.

Thank you for being here. I know that not all hearings are always pleasant experiences for administration witnesses of either party, and I am not sure I am going to make this any more pleasant, unfortunately.

I would like to think that I am as bipartisan a Member of Congress as you can find, but I have to tell you, sitting and listening to this dialog that has been ongoing and reading your testimony, I cannot help but reflect that if the last administration had come up with this testimony and this proposal, they would have been hung at high noon, which is about 10 minutes from now, by this committee.

I mean, I have to tell you that it boggles my mind that you would come before the Agriculture Committee in good faith and tell us that you are going to cut TEFAP, CSFP, and nutrition programs for the elderly by \$100 million; that you are going to turn around, then, and increase spending on soup kitchens and food banks by \$10 million.

As the last two colleagues of mine have tried to explain, that shows an unbelievable lack of understanding of rural culture, and that is a sad commentary for people coming from the Department of Agriculture. To suggest in any way, shape, or form that private food donations are going to pick up the slack only reemphasizes that kind of lack of understanding.

Do you know where those private donations come from? They come from the Safeways, they come from the Giants, they come from the catering companies, all of which exist in the large urban areas. I mean, our smalltown groceries are not involved in major food donations. We do not have caterers in Osseo, Wisconsin, who give their surplus food to a local food bank per se.

What you are going to do is you are going to double the amount of effort that goes into the inner cities, and I am not anti-inner city, but I think, if the Agriculture Committee cannot at least be a voice for rural America, who is going to be? I mean, there is nobody left.

If Ross Perot heard this statement, that we were not going to buy one dime under TEFAP, we are going to cut \$80 million and not purchase one dime of commodities under TEFAP but we were going to continue at full funding the \$40 million for administration, he would laugh all the way across the country, and everybody he uses that line to would laugh as well. I mean, we have a real image problem.

What you are going to do is you are going to guarantee with these proposals that there is no support any longer in the Agriculture Committee for the nutrition and commodity program, and

if you do not have it here, I do not know where you are going to get it.

I have to say that, on top of all that, I look at the elderly nutrition program, and in all due respect to Ellen Haas, it has her antidairy convictions written all over it. It is, very frankly, one of the few programs left that purchases any dairy commodities, that purchases any cheese, and she is going to turn around and impose a 10 percent cut on that program.

I would like to follow Mr. Farr and invite you to come and meet with my elderly nutrition programs in western Wisconsin, because when you look at their reimbursement schedules per meal today compared to their urban colleagues, and you take away the commodities on top of that, the simple realities of volume and cost per production of a meal are such that without those commodities, those elderly nutrition programs cannot survive. You are going to take those commodities away. You are not going to give them any commensurate increase in their dollars-per-meal reimbursement.

I can tell you, when I make my summer trip through my small towns this summer, your proposal guarantees me that every one of those senior nutrition coordinators in every one of those counties is going to be out there pounding me like never before.

The red light is on, and I have used all my time just sharing with you the realities of the observations from a rural Member of Congress who would like to be bipartisan. But I would sure like to have you give me some reason to be optimistic on this beautiful day.

Mr. STENHOLM. The gentleman from Wisconsin can ignore the red light, like everyone else has been doing. [Laughter.]

Mr. VOGEL. Mr. Gunderson, if I might clarify what you just said, you are saying our proposal with respect to the nutrition program for the elderly is not only reduction of reimbursement rates but also restricting access of that program to USDA commodities?

Mr. GUNDERSON. I did not say there was a reduction in reimbursement rates; I said there was no commensurate increase in reimbursement rates.

Mr. VOGEL. In the NPE program, sir, the assistance available to NPE is in the form of either cash reimbursement or equivalent value of commodities. I am at a loss as to what your concern is with respect to our proposal for NPE.

Mr. GUNDERSON. Well, part of my concern is that we have contacted the Department of Agriculture in the past, and we have asked them exactly what is your projection of the amount of, quote, unquote, commodities you must buy to meet your obligations under the law in your various feeding programs.

It is clear to me that what you have decided to do is, regardless of any of the support programs, you have just said we are not going to buy any commodities; we are not going to do commodities—exactly what my colleagues have said.

Commodities are the lifeblood of nutrition programs in rural America, because we do not have the volume in terms of the numbers, and if you eliminate all commodity distribution programs, you have eliminated the nutrition programs.

In all due respect, you people are to the right of David Stockman on this stuff. We had him come up here and say that he was going

to eliminate school lunch for any commodity distribution programs and any middle-income students and all of that, and we said, "Time out."

If the only people you are going to have there is that very small, minuscule percentage of people on full free lunch, you are not going to have a hot lunch program in the school, because they cannot run a program that way. That is the same thing with your senior nutrition programs. It is the same thing with the TEFAP and these other kinds of programs.

This proposal will guarantee, before this administration completes its service to this country, that these programs no longer exist in rural America.

Mr. EMERSON. Would the gentleman yield?

Mr. GUNDERSON. I would be happy to yield.

Mr. EMERSON. I would say, over the course of the past decade, we have developed a very modest but, I think, workable and reasonable pattern of operation for TEFAP. I have never felt that there was any excessive funding in TEFAP at all.

The reason I come to the conclusion that we are just doing some tinkering here for ideological purposes is because TEFAP does have such a strong and positive record. There has never been enough money to do what we wanted to do, but throughout the years—Mr. Gunderson said, if this proposal that you are giving us had come down in the last administration or the administration before that, there would have been a hanging at high noon, and I would have helped participate in the hanging. But that did not occur.

But since there is such a solid basis—this is a proven program—I do not understand the need for tinkering with it. Maybe don't give us an increase, but just leave us alone. That was a statement.

Mr. VOGEL. Mr. Emerson, I think it is fair to say that the three of us here feel hung. [Laughter.]

Mr. EMERSON. Well, perhaps you should.

Mr. GUNDERSON. My final point is—this is a serious plea—I would ask that you go back and that you ask your colleagues in the Department—Ellen Haas, et cetera—to ask for a meeting with this subcommittee to redevelop the whole proposal, I mean in good faith, on a bipartisan basis, in a bicameral effort. We are willing to understand your realities, but you have to understand the realities of a delivery system which this program ignores. I would just plead with you in a sincere and constructive way to do that.

Ms. KEEFFE. I think you can be assured that we are going to do that. We certainly look forward to working closely with you with upcoming discussions prior to preparing for the 1995 farm bill, and I think we need to look and evaluate all of these programs and try to arrive at some creative solutions. We very much want to work closely with you.

Mr. EMERSON. Mr. Chairman, could I have just 30 more seconds?

Mr. STENHOLM. Sure.

Mr. EMERSON. I want to suggest that perhaps you might take this issue beyond the Assistant Secretarial level and perhaps have a discussion with Secretary Espy and try to get the Director of the Budget in the loop, because there are not any two people in the whole Government currently sitting that have had deeper, broader, greater experience with TEFAP than those two gentlemen. I mean,

we worked and cooperated very fully, and I just have to believe that with this proposal coming forward, it has escaped their direct attention. I cannot believe they would do this to TEFAP.

Mr. STENHOLM. Turn the clock on on me; let's see if we can start training the rest of the folks to go with the green and the red light here now today.

I think the tenor of the questions and the response and the frustration both from the statements, the testimony given, and my colleagues' frustration is equally demonstrated by a headline on the editorial page of the Fort Worth Star-Telegram just a few days ago: "Empty Bellies a National Shame for a Rich Nation."

I think we are all frustrated and concerned about the fact that we do have hungry people in America, in a land of abundance, and we are frustrated today, and there are differences of opinion as to how we had best go about it, but that is what this hearing was all about, to hear from the administration and your suggestions, to hear from others.

You have to acknowledge, I think, that even if we had the funding put back like some would like to see it, we would still have the same headline. There would still be the exact same problems. Unless we can figure out better ways of dealing with hunger, better ways of getting the money to the people that need it and the food to the people that need it, we are going to continue to have problems.

I am curious. How much money are we spending in the Indian commodity program, the one that we cut \$30 million from and did not notice it, the FDPIR program? What is the total amount of money being spent in that particular program for feeding?

Mr. VOGEL. For food, sir?

Mr. STENHOLM. Yes, for food.

Mr. VOGEL. In 1993, we expended about \$43 million for food.

Mr. STENHOLM. And we cut \$30 million of the \$43 million?

Mr. VOGEL. We are cutting \$30 million off the request, but again, as we explained, we have sufficient carry-forward resources, both in terms of cash that we expect to come out of fiscal year 1994 into fiscal year 1995, as well as inventories that have accumulated over the last several years as participation has declined to ensure that for fiscal year 1995 we can continue participation levels in the Indian program. There will be no interrupted service in fiscal year 1995 for the Indian program with this budget request.

Mr. STENHOLM. Help educate me somewhat on dollars. Now, we are spending \$39 billion a year on 50 million Americans. You stated, "All together, Federal food assistance programs provide benefits to almost 50 million Americans daily, cost \$39 billion annually." That figures out to \$780 per person per year that we are spending.

What piqued my curiosity was that we cut \$30 million from the Indian program. That is \$268 per Indian of 112,000 that were participating. But you are saying that there are some other things besides feeding programs involved.

Mr. VOGEL. No. With respect to the Indian program, sir, there will be no reduction to the benefits provided to all participants in that program in fiscal year 1995 under this budget request. The program level will remain the same in 1995.

Mr. STENHOLM. How much is the program level per 112,000 Indians?

Mr. VOGEL. It is a food package of about \$30 per participant per month.

Mr. STENHOLM. All right.

Ms. McKenna, or perhaps Ms. Keefe, either one of you, what is considered the minimum amount of money necessary to provide a minimum nutritious food supply for an individual per day?

Mr. FLIEGER. Mr. Chairman, it would be the thrifty food plan that we are talking about.

Mr. STENHOLM. What is the dollar per person?

Mr. FLIEGER. I think it is over \$300 a month for a family of four, but we could correct that for the record.

Mr. STENHOLM. About \$300 for a family of four?

Mr. FLIEGER. Slightly over \$300 a month for a family of four, but we will provide the exact number for the record.

[The information follows:]

\$375 a month for a family of four with no income.

Mr. STENHOLM. All right. So roughly \$3,600 per household or \$900 per person a year?

Mr. FLIEGER. Correct.

Mr. STENHOLM. Now, where I am coming from, we are spending \$780. If it is \$900, the total amount necessary, we are awfully close. What am I missing? You all think about that for just a moment, turn the clock back off and let Mr. Sarpalius ask a question that he has. [Laughter.]

Mr. SARPALIUS. No questions at this time, Mr. Chairman.

Mr. STENHOLM. Mr. Farr, do you have another question?

Mr. FARR. No.

Mr. STENHOLM. Mr. Gunderson.

Mr. GUNDERSON. No.

Mr. FLIEGER. Mr. Chairman, help us with the question.

Mr. STENHOLM. All right. I am just saying we are spending \$39 billion a year on attempting to feed people in America. We have used the figure 50 million Americans, daily cost. I am saying if we could develop a program to feed those 50 million an adequate diet every day and have the distribution system in place, in rural America as well as in urban America, how much money would it take to feed people an adequate diet today? How short are we?

You know, we are pretty good in the Congress at saying we want to balance the budget and then jumping on folks that come up with making some of the decisions that we need to make, for very good reasons. I mean, we all have our honest differences, and I do not quarrel with any of the statements my colleagues have made today; I kind of agree.

But by the same token, this subcommittee's responsibility is to come up with a better way of doing it, working with you. So I am just curious as to how short are we. How much more money would be required to feed people in America today to see that there was not anyone hungry, assuming it was possible to legislate that, which it is not, but let's assume it for just a moment.

Mr. VOGEL. Mr. Chairman, you have asked a very difficult question to answer on the spur of the moment. We would be pleased,

though, to look at that in terms of the numbers we provided and get back to you for the record with that.

Mr. STENHOLM. All right, that is fine.
[The information follows:]

You requested information on what level of resources would be necessary to address hunger in America. The President's budget has identified one significant outstanding need--fully funding the WIC Program. We have requested an increase of \$350 million this year to move us closer to the goal of reaching full funding by FY 1996. We also have efforts underway to encourage participation among eligible nonparticipants in the Food Stamp, National School Lunch and other Programs as well as efforts to increase participation by eligible institutions. Outreach is an important component of meeting the needs of hungry Americans.

Calculating the resources needed to alleviate hunger is difficult, however. The mission of the Food and Nutrition Service (FNS) is to alleviate hunger and safeguard the health and well-being of the Nation through the administration of nutrition education and domestic food assistance programs. FNS will spend \$39 billion for food assistance in Fiscal Year 1994. Taken together, the Nation's food programs form a network of basic assistance to meet the needs of most low-income families and individuals and supplemental assistance to meet the special needs of some, particularly pregnant women, infants, children, and elderly. The programs also supply benefits to some non-means tested groups: upper-income children in schools participating in the National School Lunch and School Breakfast Programs; children receiving CACFP meals through family day care homes; and elderly persons and their spouses participating in the Nutrition Program for the Elderly. In recognition of the diversity of Americans and their needs, food programs deliver benefits in a variety of forms (coupons, commodities, cash reimbursement), through a variety of institutions (schools, food banks/soup kitchens, welfare offices), and to a variety of target groups.

The Food Stamp Program provides basic assistance. The Thrifty Food Plan establishes a basic level of benefit that is sufficient for a household to purchase an adequate diet. A family of four with no income would receive the maximum coupon allotment of \$375 monthly in Fiscal Year 1994. The amount of food stamps received by any eligible household would decrease as the household's income increases. The coupon allotment, in combination with the households' other resources, should be sufficient to acquire an adequate diet.

The supplementary assistance programs are designed to address the special needs of specific populations. For example the WIC Program provides food packages tailored to the special dietary needs of pregnant, postpartum and breastfeeding women, infants and children below age five. These benefits are a supplement to any coupons that may be provided through the Food Stamp Program. On the other hand, the 11.5 million upper-income children participating in the National School Lunch Program receive a Federal subsidy of about 30 cents per day.

Given the diversity of participants in USDA food assistance programs and the diversity of their needs it is not a simple matter of identifying the 50 million participating persons and providing them with the equivalent of the thrifty food plan. Not all of these persons are low-income. Some may be members of households that receive multiple program benefits: food stamps, WIC and school meals. Because of other household resources, many food stamp households are entitled to benefits considerably lower than the maximum allotment. Others persons are not from low-income households and receive small benefits. The advantage of the current program structure is that the various programs target specific needs and provide benefits commensurate with those needs.

Mr. STENHOLM. I think if we are going to be talking in terms of how best to accomplish these goals, we ought to figure out what is it that is needed. I have a sneaking suspicion that we are not near as far off with the resources as some might believe. I think it might be more of our distribution system that is at fault than lack of resources from the various treasuries and the private enterprise and everything else that goes into it. I think perhaps that that might be it. It may not be.

Dr. McKenna, you talked about gleaning. One question for you is: Do you have any idea how much additional food has been provided as a result of gleaning programs around the country, how many people we have helped?

Ms. MCKENNA. We do not have that specific information.

Mr. STENHOLM. I would appreciate your furnishing that for the record, too, to give us some idea of the gleaning programs as to what percentage or what value the niche is there and how that might be either improved on or not.

[The information follows:]

There is no central or uniform system of registering the contributions of the private sector to make food available to those in need. A universal method to register the impact and accomplishments would help document the existing problem of food insecurity and hunger. However, we do know that the private sector is making substantial contributions to feeding the hungry through gleaning programs. The following are three examples among many.

1) **Second Harvest Food Bank**

Second Harvest Food Bank has a network of volunteers ready to respond on short notice. These volunteers receive training and follow safety procedures in orchards and on backyard trees. An important aspect of running a gleaning program is getting the word out into the community -- approaching local growers about the program and discussing with them how they and the gleaners could help each other. In some cities, Second Harvest works with local organizations to run effective publicity campaigns to make the community-at-large aware of its gleaning programs.

In the gleaning program of the Second Harvest Food Bank of Santa Clara and San Mateo Counties, California, produce is shared among 350 member agencies who serve 125,000 persons monthly, and 50 Brown Bag sites serving 10,000 low income seniors weekly.

2) **Foodchain - The Prepared and Perishable Food Rescue Program**

Foodchain's gathering of food may well be thought of as a different form of gleaning. Foodchain was founded to advance and support the rapidly growing network of Prepared and Perishable Food Rescue Programs (PPFRP). These diverse, charitable organizations promote the safe, efficient and equitable distribution of surplus prepared and perishable food from local, regional and national restaurants, hotels, catering companies, hospitals and other food service businesses to shelters and feeding programs within their communities.

The PPFRP movement began at City Harvest in New York City in 1982 and now includes more than 125 programs in 41 States and Canada. The methods employed to retrieve and distribute nutritious food vary from program to program, yet all programs in the Foodchain network comply with local and regional health department guidelines and utilize existing Food Donor laws enacted within each State to protect food donors from liability. What unites this network is the shared belief that good food should not be wasted.

Programs differ in size, ranging from 1,000 to 300,000 pounds of food distributed per month. A total estimated 2,000,000 pounds of perishable and prepared food is disbursed through this network each month to agencies

serving children, senior citizens, the working poor and the homeless. In some cities, PPRFP's are the major supplier of foods to the needy.

Program types vary also, from the all-volunteer efforts in Santa Fe and San Francisco, which coordinate the transfer of food from donor businesses to social service agencies, to the large scale operations, such as Atlanta's Table, The Dallas Hunger Link, Kansas City Harvest, and City Harvest in New York, which employ dozens of people in efforts that provide daily meals for thousands. In addition, programs in Washington, D.C. and Sacramento, California have included re-preparation and food service job training for the homeless or unemployed into their efforts.

3) **The Society of Saint Andrew**

The Society of Saint Andrew, begun in 1979 and committed to minister to the world's hungry, is an independent 501(C)(3) nonprofit corporation affiliated with the United Methodist Church. The Society administers three programs: The Potato Project, The Harvest of Hope, and the Gleaning Network.

The Potato Project is a nationwide produce salvage program that provides direct food relief to the hungry, while addressing the problem of food waste. Since the beginning of this program in June 1983, it has been responsible for distributing annually an average of 15,000,000 pounds of otherwise wasted potatoes to hungry Americans in 47 States and the District of Columbia. In 1993, the project distributed 19,000,000 pounds of potatoes in the continental U.S. In the last 10 years, 477,000,000 servings of potatoes have been provided to hungry people.

The Harvest of Hope is a gleaning/study program aimed at activating youth and salvaging food left in the field after harvest. It also educates participants to the realities of world hunger. Through 16 events and the involvement of 684 volunteers, 240,654 pounds of food were gleaned in 1993.

The Gleaning Network links and coordinates volunteers, growers, and distribution agencies to feed the hungry. Fields provided by participating growers are gleaned by volunteers. Presently this program is operational in Virginia, Maryland, North Carolina, South Carolina, New York, Louisiana, Pennsylvania and the District of Columbia. In 1993, 1,230,000 pounds of food were gleaned by 7,200 volunteers. The produce value was \$1.5 million.

Improving and expanding gleaning activities depends largely on giving this activity greater visibility and in stretching people's concept of gleaning. Many people know gleaning as a "second harvest" field activity, but many people are not aware of gleaning as a give-away of unused food from commercial establishments.

Gleaning is one of the topics included in a bi-monthly newsletter sent by the Extension Service, U.S. Department of Agriculture (ES), to our State partners at the land-grant institutions. The information shared includes reports of public and private sector activities, with emphasis on those that reflect collaborative local initiative and those that illustrate particularly effective outreach efforts. Information on how to get involved or initiate such programs is included with these reports.

Another way to enhance awareness and encourage establishment of local gleaning programs is through Extension's increasing emphasis on public issues education. The Home Economics and Human Nutrition unit within ES currently is developing a Food Security Issue Book to support this effort. Contents will include national, State, local household and individual strategies for meeting basic food and nutrition needs, including gleaning.

The Food Security Issue Book emphasizes making and building public/private linkages, establishing issue-focused coalitions at the community level, and provides options for action along with recommended strategies for their implementation. Case studies will highlight community group planning, town meetings to elevate community awareness of possible solutions to local food security problems, and examples of successful local collaborations.

We expect to introduce the Food Security Issue Book later this summer as part of a Cooperative Extension System-wide satellite video promotion encouraging States and territories to include public issues education as part of their State and local Extension education programs.

Mr. STENHOLM. Also, I am very interested in the educational side of this, because unless we educate the people that we are trying to help as to how to help themselves, we are going to continue to fail in all of these programs.

Ms. MCKENNA. Mr. Chairman, if I could say, I appreciate your saying that, because I feel that one of the components that we sometimes do not look at hard enough is the educational component. It helps people know how to take advantage of what they are getting and how to complement around the edges of what they are getting. Sometimes we are working with the distribution system, helping them understand some of the policy issues.

In other words, we are not just, in the Extension System, working with recipients, although that is an important component. We are working with other components of a community to help make it possible to help recipients.

I would suggest that it would be very helpful if, in your deliberations, the committee thought about ways of assuring that an educational component was available to people, along with other programs.

One of the specific things I think about, as well, is that we have people who are qualified to receive various assistance and do not do it because they do not know enough about that assistance. Through education, you can often reach the same people that you are really targeting, but who may not yet be a part of a program; and, if you are dealing with an eligible clientele, not only the actual recipients, you can spread that knowledge.

The advantage of education, as I see it, is that it provides a long-term gain. You do some things to help people out of an immediate situation. If you can help educate them along the way and teach them how to take better advantage of the resources being provided, you may, over time, build a stronger base where there is less need of the desperate kind of help that people have today.

Mr. STENHOLM. I think we have a good example of the better way to do it and a good example of the not-so-good way to do it. In the WIC program, we have an excellent example of education, and we are seeing the benefits of it.

When I toured the WIC program in San Angelo, Texas, a few weeks ago, I was struck by another very interesting aspect of that. Right across the street from the WIC center was a WIC store. Private enterprise set up a store that only sells WIC products, and they sell it right across the street from the WIC center.

It prompted me in all of this that private enterprise has a role to play. In this case it was saving transportation needs of WIC recipients because they are very competitive. It is not a matter of gouging or anything else. They just said, "Hey, we will bring the market to where the people are," and that helps. That is a good idea. Perhaps some others can think of the same thing.

On the other side of ways not to do it, I think probably one of the greatest weaknesses of the Food Stamp Program today is no education to the recipients, and I think that is one area that we really need to spend some time on, because the theory of providing money and money only is not the best way to do it.

An educational component to go along with it, I think, will stretch out and make more efficient use of the dollars. We are not

doing that yet, but I hope, as we move ahead, that we are going to look at providing an educational component to the recipients in the welfare reform aspects, as Mr. Emerson has stated.

Ms. MCKENNA. You might be interested, Mr. Chairman, in knowing that in fiscal year 1993, in the EFNEP program—the Expanded Food and Nutrition Education Program—which is aimed at low-income people in general, 65 percent of the participating families were also food stamp recipients, 49 percent were WIC participants, and 61 percent participated in other Federal food assistance programs. This is a result of our targeting low-income, low-education clientele.

There is no requirement in this component to be a part of any of these programs. But it is interesting that we are providing an educational component for a significant percentage. It would be that much stronger if there were some formal connection.

Mr. STENHOLM. Very good.

Ms. KEEFFE. Mr. Chairman, if I may, in the Food Stamp Program this is certainly a priority of ours. I am sure you have probably heard the Assistant Secretary address the need for nutrition education as an important component in all of our programs, based on the wonderful success that we have seen through the WIC program.

In the President's budget there is in fact a request for \$6.5 million for nutrition education in the Food Stamp Program, which would be matched by the same amount from the States.

Mr. STENHOLM. It is certainly a step in the right direction.

Ms. MCKENNA. Mr. Chairman, it might also be worth saying that FNS and the Extension Service work closely together in the nutrition education program for WIC participants. The line item in the budget for this program is over \$4 million. So there is already some departmental effort in cooperating to get the job done.

Mr. STENHOLM. I would be remiss if I did not make the following statement and observation to all parties present here this morning: USDA reorganization is a subject that we are going to complete work on and, hopefully, have to the President for his signature on or about the first of July. At least so far we seem to have a consensus that we have a consumer and nutrition component of USDA—a mission is the better word—and we have a research, education, and economic mission of USDA, and we have a production mission.

One of the suggestions that we are going to have in report language to the Secretary and to those who work with him is that we have better cooperation between the various entities within USDA; that we avoid the temptation to maintain turf or to build turf but think in terms of the mission and where the various components could be the most efficiently carried out.

I am sensing that there is not complete and total agreement in—and I use this word affectionately—the bureaucracy for achieving that. But I hope that all of the parties present will think in terms of how we can best spend these resource dollars and not think in terms of maintaining the status quo of the structures that we have had in the past, and I hope that that will be prevalent, as I expect it to be, when the difficult part of doing it begins.

There has been an unfortunate opinion of some that this is another subject whose time comes and is gone, and when we finish

reorganization, nothing is really changed. But we have already budgeted the cuts for this one, too, and it is going to be a very painful experience for all of us if, when we come up here perhaps next year, if we have not really, really taken a look at how we in this case most efficiently feed hungry people in America, not how many jobs we maintain in whose shop.

Now that I feel better about that, and since I have thoroughly disabused the clock, too, we are all back on even ground.

Thank you very much for your testimony here. We sincerely look forward to working with you in a very close way over the days and months ahead, particularly as we look to the 1995 farm bill but also as we attempt to do that which you have indicated in your opinions is how to best do it today. We thank you for that.

Ms. KEEFFE. Thank you very much, Mr. Chairman, and to the members of the subcommittee, we also look forward to working very closely with you.

Ms. MCKENNA. Thank you for the opportunity to share some information. Thank you.

Mr. STENHOLM. I will call panel 2.

Our next witness is Ms. Zoe Slagle, president of the American Commodity Distribution Association.

STATEMENT OF ZOE P. SLAGLE, PRESIDENT, AMERICAN COMMODITY DISTRIBUTION ASSOCIATION, MICHIGAN DEPARTMENT OF EDUCATION

Ms. SLAGLE. Good morning. Chairman Stenholm and members of the committee, listening to you this morning has been wonderful. It was wonderful to hear your passion for TEFAP, and it certainly made this beautiful day outside even more beautiful.

I am Zoe Slagle, president of the American Commodity Distribution Association, and I work in the commodity distribution program in the Michigan Department of Education. We very much appreciate the opportunity to appear before you this morning.

Mr. Chairman and members of the committee, thank you for your impassioned speech at the beginning of this hearing concerning one of our very favorite programs, TEFAP. We appreciate your strong endorsement.

I am here to discuss three important USDA commodity distribution programs: The commodity supplemental food program, CSFP; the emergency food assistance program, TEFAP; and the charitable institutions and summer camp programs. They are all very important and cost-effective components of our Federal effort to deliver nutrition and fight hunger in America.

On August 25, 1995, the USDA commodity distribution program will celebrate its 60th year. Its dual mission of providing wholesome and nutritious products to school districts and other domestic food programs and providing support to American agriculture has worked very well those many years. The trucks have rolled every day.

The USDA food distribution program is unique in that it spends the same dollar twice—once when it buys product to stabilize the agricultural market and again when that product is provided to our Nation's citizens who need nutritious food.

In fiscal year 1992, more than 2 billion pounds of food, valued at \$1.2 billion, were distributed by USDA. This was done with a minimum of taxpayer dollars, because those foods were provided at low cost through USDA's buying power and the network of volunteers that help distribute those food products. Private sector donations were also distributed to this "neediest of the needy" population through the infrastructure of the USDA commodity distribution system.

The synergy is completed by the fact that many of the agencies that distribute commodities provide intervention programs at their most cost-efficient point: prevention. The distribution program acts as a carrot to draw these people in.

The CSFP program is a great example of how we, as a nation, can provide not only nutritious food but nutrition education assistance at a low cost. This program helps prevent future health programs, a very high cost of our social assistance programs.

For example, Margaret Kent and her husband Bill have three children: Megan, 4; Randy, 2; Sally, 4 months, who is breast feeding. Bill earns \$8.10 an hour, is now unable to obtain overtime work. Margaret and her family are, so far, in good health and do not qualify for WIC. They desperately need food assistance to stretch their tight budget and provide a healthy diet.

She and her children do qualify for CSFP, and each month they receive approximately 138 pounds of food. CSFP is designed to prevent the onset and alleviate the effects of malnutrition for individuals likely to have poor diets due to low incomes, like the Kents.

CSFP had its beginning in Michigan in 1970, serving only 1,500 mothers, infants, and children in Detroit. In 1971 Focus: HOPE assumed local administration functions and today operates the Nation's largest local CSFP.

In addition to serving women, infants, and children, CSFP has distributed commodities to low-income seniors since 1982. Focus: HOPE began Food for Seniors as a national pilot program in 1981. The pilot was based on extensive research linking costly health care and institutionalization of the elderly with illnesses which are preventable or manageable at much lower expense through sound nutrition.

The cost of a CSFP package is much less than the retail cost. The child's package, for example, costs five times as much when purchased in a store.

We have found in Michigan that offering both WIC and CSFP has worked very well, resulting in better service to eligible families. Our local CSFP and WIC agencies provide excellent service by having WIC refer noneligible persons to CSFP and CSFP referring clients in need of health services to WIC. The dual programs also provide a choice to families.

Some WIC-eligible households prefer receiving food rather than coupons, especially if they are in the inner-city or rural areas. In fact, the WIC program in Chicago operates like CSFP in that they purchase food for direct pickup for their clients.

TEFAP and CSFP are the only two programs for seniors that provide food that can be taken home and prepared. We find that a great number of our Michigan seniors prefer Uncle Sam's food that they can cook themselves. Many have told me that they are

glad that they can help out the Government by using the surplus food. The seniors do not feel they are on welfare when receiving our commodities, as they often do when they receive food stamps.

Seniors are our area of greatest need in CSFP. All participating States report a need for additional senior caseloads. In Michigan, the question I am asked most often by our State legislators is why we do not have the program statewide; we have the program in 44 out of 83 counties.

TEFAP data is equally impressive as a cost-efficient program of bringing food to our hungry citizens. TEFAP utilizes thousands of volunteers in every State, without whom there would be no program. They distribute the food, organize their sites, submit reports to their local agency, and have a deep concern for their folks who pick up the food.

Congressman Stenholm, you have had the honor of thanking some of those volunteers in Aspermont and have participated in one of those marvelous covered dish suppers done in their honor.

The law provides that each State shall determine which households qualify to receive TEFAP commodities. The States enforce strict income guidelines which range from 125 percent to 185 percent of the Federal poverty income guidelines.

TEFAP has also been instrumental in responding to the immediate food needs after natural disasters such as Hurricane Hugo, the Midwest floods, and the Los Angeles earthquakes. These foods have been used to feed thousands of persons when other sources of food were not immediately available. In Los Angeles and Ventura Counties, 11.5 million dollars' worth of commodities, including infant formula and baby food, were sent.

The USDA food distribution system has also provided the infrastructure necessary for the distribution of private sector foods. A pilot program by the Florida Department of Agriculture and Consumer Services is putting fresh produce on the dinner tables of needy families throughout the State. Approximately 150,000 pounds of fresh produce already have been distributed to more than 8,000 needy families since the pilot program began in November of 1993 through the TEFAP distribution network.

Wood County, Wisconsin, reports that a typical TEFAP food package for a family of four issued quarterly costs only \$18.79. The average cost of the same food items purchased at four local stores is \$35.79, almost double the cost of TEFAP. The costs of program administration, storage, and transportation add up to \$2.45 per package.

The abolishment of TEFAP in California would result in the local TEFAP agencies losing almost 50 million pounds of food, 41 million pounds of USDA-donated TEFAP commodities, and 8 million pounds of fresh produce from donate don't dump program.

The charitable institution and summer camp programs have provided an effective and efficient outlet for agricultural surplus removal. Eligible institutions include substance abuse centers, community kitchens for homeless and the destitute, soup kitchens, and temporary shelters.

USDA has told us that next year the only available surplus items will be butter and butter oil. This means that, other than butter, those outlets will receive only a small amount of some items not

utilized by schools. This amount will also vary significantly by State.

Our commodities are often the only difference between survival and closed doors for these centers. Likewise, the summer camps provide meals to needy children who are unable to participate in the school lunch and breakfast programs. Our commodities keep these sites going. Like TEFAP, these programs are needed and offered at a low price.

All of these programs are needed. Although we often hear reports of economic recovery, we still see hunger in America. For many families, commodities are the difference between having enough food to stay healthy and productive and coming to the consequences of poor nutrition.

Our goals for the commodity distribution program are to provide food for the hungry, support schools and other institutions, and support American agriculture and motivate citizens to follow the dietary guideline. To achieve these goals, we need to: One, restore, at minimum, the commodity supplemental food program funding to the fiscal year 1994 level of \$104 million. Without this funding, 10 percent of the participants will be forced from the program and join the ranks of those not having access to adequate food and nutrition.

The \$104 million level does not provide for any expansion. This program is only in 19 States and 16 for seniors. CSFP serves people well and is very cost efficient. It would be a very logical program to increase funding to expand to additional States.

Two, restore TEFAP funding, at minimum, to the fiscal year 1993 level of \$120 million for food purchases and \$50 million for administration. In terms of human impact, we estimate that more than 8 million households no longer benefit from TEFAP distributions as a result of this year's cuts. A zero amount for next year would mean another 8 million households would not receive TEFAP foods.

Appropriate \$80 million for charitable institutions and \$2.5 million for summer camps for the purchase of food products. Currently, CI's have no legal authority to fall back on to continue to receive Government foods. How some of them will cope with this potentially major loss of resources is unknown.

Mr. Chairman, I would like to submit for the record, as an attachment to my prepared statement, a letter recently sent to President Clinton from a broad range of agricultural organizations concerning the recent GATT agreement. They suggest that as the funding for the basic agricultural programs decreases, the money saved should be moved to the support of market development, market promotion, and food assistance in the domestic programs such as TEFAP.

Mr. Chairman, we are excited about this letter and feel it is very important because the range of organizations signing the letter is broad and the point is powerful. We should not just unilaterally give up our agricultural programs.

This special, wonderful program, commodity distribution, has been our traditional link between agricultural policy and nutritional policy. This policy returns to the foundation of when the national school lunch program began in 1946. Agriculture supported

the school lunch program with commodities, and school lunch supported agriculture by utilizing them. Our food assistance program supports both people in the need of food and nutrition and American agriculture.

We hope that this committee will write a bipartisan letter to the Appropriations Committee expressing your strong support for TEFAP and our other commodity programs and that there is a reinstatement and a continuation of funding.

Mr. Chairman and members of the subcommittee, you as policy-makers are in a very difficult position to do the most for our neediest citizens within the ever-present limits of scarce resources. The commodity distribution programs can assist you in this task by providing needed food and nutrition at minimum cost to the taxpayer and at the same time support American agriculture.

I thank you for this time.

[The prepared statement of Ms. Slagle appears at the conclusion of the hearing.]

Mr. STENHOLM. Thank you very much.

Next is Sister Hamel.

STATEMENT OF SISTER AUGUSTA HAMEL, ORDER OF ST. BENEDICT, EXECUTIVE ASSOCIATE TO THE PRESIDENT, SECOND HARVEST, NATIONAL NETWORK OF FOOD BANKS

Sister HAMEL. Good morning. I am grateful for the opportunity to testify before this distinguished subcommittee regarding the issue of hunger in this Nation, public policy addressing it, and the response of the Second Harvest network to this painful cancer on our Nation's well-being.

It was just two weeks ago that Second Harvest released the results of the most comprehensive study ever completed on emergency feeding programs in the United States. The compelling results of this new research illustrates that hunger in our land is a serious problem not only for those millions of Americans without enough food, but for all of us.

I bring before you data that is rich in terms of the scope and depth of its research, but information that is equally noteworthy for the troubling content and the insights that it gives us regarding, first, the hungry persons served through the Second Harvest network of 185 regional food banks and the over 41,000 charitable agencies, like food pantries, soup kitchens, homeless shelters, and second, by those charitable agencies themselves.

This network alone fed the staggering number of nearly 26 million hungry persons in 1993. That is 10.4 percent or 1 in 10 of the people who live in this plentiful land.

The Second Harvest national network of food banks is the largest domestic charitable food distribution mechanism in the United States. We serve the people who either do not have access to public programs or who must use our services to supplement the inadequate food that they receive through Federal feeding programs.

We see reflected in the work of this network, the shortcomings of public policy. We attempt to serve those persons who cannot subsist on what is available to them through these existing feeding programs.

I submit to you that we need to make new commitments to demonstrably effective programs. We need to examine what works well and support it, and we need to address what needs to be changed in terms of delivery of service.

I further submit to you that in the light of the research results that we have gathered, it is unconscionable to cut away any support for any part of the existing Federal programs under the Department of Agriculture.

As you may know, Second Harvest national is a clearinghouse for the allocation and distribution of food from the private industry to 185 regional food banks throughout most parts of this country. In 1993, as a network, we distributed from private sources over 669 million pounds of food to our needy clients.

I cite that information not as praise of our network, but as a way to present to you the dimension and magnitude of the problem that we face every day. The statistics we have gathered serve as an indicator that reliance by hungry persons on the nonprofit sector is growing.

The Second Harvest research collected from the emergency programs in our network shows that 71 percent of those emergency feeding programs were established since 1981 in response to hunger in local communities. This demonstrates clearly that, in the face of public policy shortcomings, neighbors are trying to respond to the needs of their hungry neighbors in their local communities.

The demographic information provided in the research released March 8 on Capitol Hill provides new insights into who it is that experiences hunger in America. A significant percentage of those needing assistance are children, with 42.9 percent of network clients aged 17 and younger. This is well above the 25.9 percent figure for the 1 through 17 age cohort of the general population.

Poverty and its resulting hunger seems particularly biased against our children, and it is interesting to note that in spite of the stereotypes, white Americans comprise the largest group of emergency food recipients in the network.

Many network clients are unemployed professionals. Of the 44.1 percent of our recipients that are currently unemployed, 31.4 percent were last employed in skilled positions that include technical, management, professional, clerical, and secretarial positions. As for education levels, well over half of the network clients have a high school diploma or completed higher education.

This study illustrates not only the extent of the hunger problem in America, but again, it breaks the stereotypical images of the homeless as those who are the hungry; that is, the dropouts of society. This study reveals a whole new face of hungry people in this land of what may become two societies. They are our brothers; they are our sisters; they are not the other; they are not the stranger.

Many of our clients worry constantly about where their next meal will come from or miss meals because they do not have enough to eat. The study revealed that 20 percent of all network clients worry often or always about the source of their next meal. When asked about skipping meals, 32.4 percent reported that adults in their households have missed meals in the past month because they did not have enough food to eat nor enough money to buy food.

Most troubling is the finding that the significant numbers of persons were turned away by local agencies because those agencies lacked sufficient resources—i.e., food and funds—to meet the demand. Our food banks and agencies tell us that demand is up 37 percent for 1993, and at the same time, our statistics show that private-sector food donations are up 10 percent for the same period. We are deeply concerned by these statistics and about the people represented by those figures.

It is apparent to us that this Nation's domestic feeding programs as funded by the Congress and as administered by the USDA fail to provide the essential food required by the various target populations. Yet we see an unprecedented interest in the quality of food as opposed to its availability.

It does hungry persons little good to tell them to eat right if their plates are empty. I submit to you that we can do both. We can provide adequate food and we can provide nutritious food, and one should not be at the expense of the other.

I believe strongly in the appropriate role of the independent non-profit sector. I am proud of the work of Second Harvest which it has demonstrated in its efforts to respond compassionately, efficiently, and effectively to the issue of domestic hunger in thousands of communities. But I know our limits. In our 15 years of existence, we have assisted in the creation and support of the infrastructure you see sustained through local community support.

Through the 41,587 agencies, we are able to stay close to the people that we serve. We have become the safety net to the safety net of Government feeding programs that are not adequately funded and that, in my opinion, must be adequately funded in the interest of the common good and the well-being of our neighbors.

Second Harvest has a 15-year partnership with the food industry. The incredible demand for resources to continue to feed the hungry has been matched by the generosity of corporations, foundations, and individuals, some of whom you will hear today. Yet I must caution the committee that resources are not increasing to the extent that demand is escalating.

Second Harvest food donations from all sources for 1993 are documented in the written report. Total distribution of food during that time: in excess 904 million pounds of food. Roughly 10 percent of that was TEFAP food. This represents an overall net increase of 4.5 percent over the total distribution of 1992. The private sector is up by 10 percent. It is the decrease of Government food that has decreased the overall gross volume of food that we have been able to distribute.

While that is a monumental achievement for a relatively young organization, I am here to tell you that it is not enough. In the Second Harvest hunger study of 1993, we were told that 2,900 food programs turned away 61,110 people annually because those programs lacked sufficient food resources to meet the local need.

The charitable initiative can only be effective if public and private partnerships collaborate in providing resources. Now is not the time for any food resource to be cut back. In fact, we need to make it advantageous for the private sector to donate more, while the Government sector continues to accept its appropriate responsibility for providing food as well.

These USDA commodities are an opportunity for us to enhance the donated food from private industry so that what we distribute in boxes and bags from emergency food pantries is more balanced. As such, TEFAP is crucial to us as a reliable source of a few valued commodities and as a stabilizer in a massive system of unpredictable food supplies that is typical in the charitable network.

I have surveyed our network and know the disastrous effect that cuts in TEFAP, both administrative funds and food purchase funds, will do to the quality of nutrition that we will be able to maintain in many of our emergency food box programs.

TEFAP has an additional human benefit. It allows us to give families food to take to their homes and to prepare and eat in their homes, as opposed to the soup kitchen environment, which is not always the best one for our children and their mothers.

I submit to you that hunger is 100 percent curable. It is preventable. We have enough food in this Nation, and we have the public support, as demonstrated in numerous polls, to cure this problem. What is needed is the public sector's determination to enact into public policy the measures that will improve the availability, the access, and the quality of food for hungry persons.

We know what it takes to provide adequate food and to make it accessible to hungry persons and their children until such time as those individuals can provide adequate resources to assure food security through their own work.

Your decisions as a subcommittee are of critical importance, and the determinations you make influence if people will be able to eat. Your decisions can influence the frequency and the quality of their meals. You have within your hands the capacity to enhance the efforts of the independent charitable-sector efforts to feed hungry persons. That is at one time a heavy responsibility and a marvelous life-giving opportunity.

I recommend for your consideration that funds for purchase of commodities for the TEFAP program be restored at least to the fiscal year 1993 level of \$165 million—\$125 million for food purchase and \$40 million for administration. I further submit to you for your consideration that for the future we need to explore together collaboratively better mechanisms for the use of Government commodities and reflect that in the next farm authorization bill.

I would suggest a review of section 170(e)(3) of the Internal Revenue Code, with a view to amending the mechanism to make it advantageous for donors to give in-kind contributions of food to those charitable organizations feeding hungry persons.

I further submit to you for your consideration that FEMA funds, which have in the last 10 years traditionally gone to local agencies, have now been moved from FEMA and their local authorities to HUD, and as such, that will be an additional difficulty sustained by charitable organizations.

Thank you.

[The prepared statement of Sister Hamel appears at the conclusion of the hearing.]

Mr. STENHOLM. Thank you. Next, Reverend Parker.

STATEMENT OF REVEREND CHARLES A. PARKER, EXECUTIVE DIRECTOR, BREAD FOR THE CITY, INC.

Reverend PARKER. Good afternoon. I very much appreciate the opportunity to speak at these important hearings.

My name is Charles Parker, and I am the executive director of a local direct-service hunger ministry called Bread for the City. Bread provides food to 5,000 people around DC each month, and much of that food is TEFAP commodities. Our social workers also refer clients to other commodity programs such as CSFP.

Ms. Slagle and Sister Hamel from Second Harvest have done, I think, a wonderful job of speaking to the compelling need for maintaining these programs, and I have some of that in my written testimony. It does not bear repeating.

But let me add two quick points. Food stamps are, and must continue to be, the frontline in our efforts to combat hunger, and with all of our testimony as to the powerful effect that commodity programs also have, it should be noted that commodity programs are a supplement to food stamps; they are not a substitute for food stamps.

I appreciated Mr. Emerson's comment that often in this dialog those two programs have been played out against each other, and both of those are critical components to our antihunger efforts.

Let me also just note that in addition to supplementing work that food stamps do, commodity programs also often reach a population that food stamps do not. Let me give you an example. Mr. Banks is a 59-year-old man whose poorly controlled diabetes became debilitating about 2 years ago. He came to us to receive food and other assistance. He currently receives \$461 in supplemental security income and lives in subsidized housing.

He is eligible for \$10 in food stamps, but because of the difficulty in our city in having access to that program, and also because he has a hernia problem which makes it difficult for him to sit for long periods, as often getting food stamps requires, he does not go out and get them. It is just not enough benefit, and it is too painful for him to do.

Commodity programs reach a lot of elderly and disabled folks like Mr. Banks who desperately need food assistance but who, for one reason or another, have difficulty accessing the Food Stamp Program.

Having said that, I think there are a couple of things that this committee can look at in terms of modifying the way that commodity programs are currently run. The Association of Arizona Food Banks has recommended combining TEFAP with the food distribution program for charitable institutions and the commodities for soup kitchens program. I think both of those are good ideas.

I would also add that I think CSFP could be added to create a large consolidated commodity food program that would eliminate a lot of the duplicative administrations and infrastructure that the separate commodity programs currently have. Money freed up from that consolidation should be used to purchase additional food for that network.

If you do consider this type of consolidation, I would recommend that TEFAP guidelines be the ones that are used, since TEFAP is

the most flexible of the commodity programs and is aimed at the neediest population.

My second recommendation is that you give States the choice as to whether they receive administrative dollars for the distribution of those commodities or the value of those administrative dollars in commodities themselves. The rationale for that is, in a lot of Western States there are significant logistical problems to getting the food out and distributed—a lot of transportation costs. In other States, like the District of Columbia, that is not as critical an issue; and it would be far more beneficial for us for whom transportation is not a major barrier to receive the value in commodities rather than simply the administrative costs.

Today's hearings also are to look into ways that Congress can encourage private food donations. Again, let me emphasize that private food donations are not a substitute for Federal programs. They are an important supplement to them.

One of the barriers to private food donations is the way the current good Samaritan laws are set up. A lot of States have good Samaritan laws that indemnify donors of food, but the specifics vary somewhat from State to State. This makes many potential contributors leery of donating because of the risk of liability, especially in multijurisdictional areas such as the District of Columbia.

An example is that my brother-in-law is a photographer and was shooting an ad for a baby food company which involved a large number of cases of baby food. After the shoot was over, they were going to throw those away, and he recommended having them give me a call so that we could send a truck over and pick up that food. They made a quick call to their lawyers, who expressed some concern about the liability issues that might be involved, and they just decided, rather than take the time to look into the issue, it would be simpler to throw the food away.

I think some Federal legislation that could provide uniformity among good Samaritan laws and clarify some of the vagueness, as well as disseminating information on that, might be a powerful help in relieving the perceived risk that some food donators have to liability.

The problems with fear of liability are compounded by what are often low tax incentives to donate food. Second Harvest has, I think, a number of really wonderful ideas for ways that we could provide more incentives. The current tax law only allows tax deductions of 50 percent of a product's markup, and with many important food products, that markup is quite low, so that a 50 percent deduction of that is really not a lot of incentive. When you combine that with the fear of liability, it often makes it easier for companies to throw food away than to make it available to agencies like ours.

Second Harvest's recommendation to provide a deduction floor of 25 percent above the cost of a product is a good one and, I think, would provide a better incentive for companies to donate.

Thank you again for the opportunity to speak this morning. I hope you will feel free to call on me if I can be of any further assistance.

[The prepared statement of Reverend Parker appears at the conclusion of the hearing.]

Mr. STENHOLM. Thank you.

Next, Ms. Josaitis.

STATEMENT OF ELEANOR M. JOSAITIS, ASSOCIATE DIRECTOR, FOCUS: HOPE; AND CHAIRWOMAN, CSFP NATIONAL COMMITTEE

Ms. JOSAITIS. Thank you, Mr. Chairman. I appreciate the opportunity to be here, and I thank you for your leadership.

My name is Eleanor Josaitis, and I am the cofounder and associate director of Focus: HOPE, which is a civil and human rights organization located in the city of Detroit.

Father Cunningham and I founded the organization in the aftermath of the 1967 Detroit riots. We established a mission for ourselves on March 8, 1968, and that same mission holds true today. It reads: "Recognizing the dignity and beauty of every person, we pledge intelligent and practical action to overcome racism, poverty and injustice. And to build a metropolitan community where all people may live in freedom, harmony, trust and affection. Black and white, yellow, brown and red from Detroit and its suburbs, of every economic status, national origin and religious persuasion, we join in this covenant."

In 1968 and today, intelligent and practical action means providing nutritious food to people whose inability to purchase these foods puts them at high risk for health and development problems. Focus: HOPE and the commodity supplemental food program have provided food to low-income mothers and preschool children for 25 years and to low-income senior citizens for the past 13 years. CSFP is the original Federal food supplementation program for these most vulnerable groups, and, in the eyes of the operators, it is a very good one.

In December of 1993, Focus: HOPE provided food to 45,100 mothers and children and to 32,000 senior citizens. In the same month, San Francisco; Chicago; Des Moines, Iowa; Washington, DC; South Dakota; North Carolina; and 50 other sites provided food to 212,000 mothers and children and 148,000 senior citizens.

Since 1970, Focus: HOPE has grown in many different directions and with some very successful programs. Our three technical training programs—Fast Track, the Machinists' Training Institute, and the Center for Advanced Technologies—have garnered national attention as models for job training and economic development. We recently welcomed President Clinton to our Center for Advanced Technologies, which he hailed as a model for the 21st century.

In spite of how much attention they receive, we can never forget what drives us, and it is to recognize that training programs are absolutely essential, but you cannot have a training program unless people have food.

The commodity supplemental food program has a number of advantages over the other programs. First, we use the purchasing power of the Department of Agriculture and avoid the middle-man markup. Supplemental foods are commercially purchased by the Department, which saves a lot of money. When individuals use the Food Stamp Program and the WIC program, indeed, the Federal Government pays for the markup of the grocery stores.

This problem is particularly difficult in Detroit and other large cities where they have a concentrated area of poverty. Inner-city

residents must often shop at local convenience stores, and they pay a dear price for it.

Each year we conduct a survey of the prices and the comparison between the Department of Agriculture and what the people getting the same food would pay in the convenience stores. We just took for this month, for a mother with two children, the monthly supplement costs the Department of Agriculture \$69.50. We took that same amount of food and went to our national chain store, where we would pay \$192.93 cents for the same items. We took it to the Detroit convenience store, and that amount of money was \$216.95, which triples the amount of money that USDA pays.

The monthly supplement of infant formula alone that can be provided directly by the Department of Agriculture is \$14.88, while in a convenience store in the city of Detroit, you pay \$90.83. That is a difference of \$76.

The commodity supplemental food program provides critical price supports for the farmers nationwide. USDA plays a vital role in price support for many commodities by purchasing and distributing nutritious foods. Through the commodity supplemental food program, the Department of Agriculture serves the dual needs of the agricultural and low-income communities.

Third, CSFP addresses the nutritional needs of children up to the point where they enter school.

Fourth, the commodity supplemental food program for senior citizens is the only program to put vital food products in the pantry of needy seniors struggling to maintain their good health and self-sufficiency.

The volunteer nature of the food program affords a means by which citizens from all parts of our metropolitan community can become involved. Focus: HOPE has 42,000 volunteers that support our efforts, and we are very grateful to them. They have become friends of our senior citizens. They not only provide transportation for them, but they see to it that they form a partnership throughout the year.

So, in conclusion, gentlemen, I truly appreciate the enormous burden placed on the two Houses of Congress to allocate American resources fairly and responsibly. I want to emphasize, however, that as operators of the commodity supplemental food program, we have demonstrated that we are wise stewards of the tax dollars.

Moreover, the investment we make today by feeding the most vulnerable group in our population, the very young and the very old, saves us money in terms of health costs and learning problems in our years to come, and I thank you kindly again for the opportunity.

[The prepared statement of Ms. Josaitis appears at the conclusion of the hearing.]

Mr. STENHOLM. Thank you. Next, Mr. Boutwell.

STATEMENT OF WAYNE BOUTWELL, PRESIDENT, NATIONAL COUNCIL OF FARMER COOPERATIVES

Mr. BOUTWELL. Thank you very much, Mr. Chairman. It is a pleasure to be here today and testify on behalf of the Nation's farmer cooperatives.

One of the primary responsibilities of government is to assure that the consumers of this country have a safe, wholesome, dependable supply of food at reasonable prices. By almost any measure we have been successful in doing that with the agricultural programs of this country, which have been extremely successful.

We often cite—and you have heard me say this—that we only spend 11 percent of our disposable income on food. I might point out quickly, though, that that is an average. As incomes go down, the percentage spent on food for an adequate diet goes up. Those in the \$5,000 to \$10,000 income range spend roughly a third of their income on food, and for those below \$5,000, it is well over 100 percent if they are going to maintain an adequate diet for themselves and their families.

When viewed in this light, our food policy takes on a different meaning. Fortunately, our policies and programs have not ignored the less fortunate in our country. The budget this year contains some \$38 billion for food assistance compared to just \$23 billion in 1990. While these expenditures clearly benefit the families in lower income categories, we believe they play an important role in our overall agricultural and food policy.

First, they are an important source of demand for agricultural products. This \$38 billion translates into a farm value of roughly \$8 billion to \$10 billion on the demand side at the farm level.

Second, and probably equally as important, is the role that selected programs play in the stability within the farm sector. I am talking about here the commodity programs that you have heard so much about today, the TEFAP program and others. They provide that dual role of providing food assistance that supplements our programs, on the one hand, and stability to the farm sector on the other.

One of the inherent problems that is faced by meeting our food policy objectives is the fact that consumers require stability because they need food every day, but the production system that brings them that food is inherently unstable itself. I do not have to remind you of the floods last year and the implication that they could have had if it were not for the surplus stocks of food on hand.

To avoid this instability at the consumer level, though, requires that agriculture err on the side of surplus, and when that happens, very clearly, you find yourself in periods of chronic surpluses and very low prices.

Fortunately, over the years, we have seen the wisdom of taking advantage of this situation not only to augment our feeding programs but, at the same time, to reduce these surpluses and strengthen the prices to farmers. I liken it to the fact that when I go to the grocery store, I look for the items on sale, and that is to some extent what the commodity programs do. They catch those items in surplus with low prices and bring those in to not only help farmers by lifting those prices but also to supplement the feeding programs.

Unfortunately, the fiscal year 1995 budget proposed to cut the very programs that provide this dual role; namely, a 68 percent reduction in TEFAP and a 12 percent reduction in the commodity supplemental feeding program. We believe this is wrong, and we

believe that the funding should be restored to at least current-year level, and we would urge you to do so.

Thank you very much.

[The prepared statement of Mr. Boutwell appears at the conclusion of the hearing.]

Mr. STENHOLM. Thank you.

Mr. EMERSON.

Mr. EMERSON. Thank you, Mr. Chairman.

I do not have any questions. I want to thank each of you for the profound statements which you have made, which do offer excellent documentation for what I have felt all along was the tremendous track record of TEFAP.

I really find it hard to believe that in a \$32 billion food assistance budget that we have in this country that \$100 million plus cannot be carved out to stretch as far as you all are able to make the TEFAP assistance stretch.

As I said in my opening remarks, if we did not have TEFAP, we would have to invent it, and I frankly just do not understand why we are even tinkering with it. I have always advocated a higher level of funding for TEFAP. I am willing to accept a steady level of funding so that we not regress. But to cut TEFAP as this budget is recommending is just unconscionable.

I think TEFAP is one of the most effective, most helpful programs that the Federal Government engages in, and I do not know why, when there are so many others things that need an awful lot more serious curtailing than TEFAP, that TEFAP is the one that is getting zeroed in on.

So please keep speaking out as you are, and I think you have made some very powerful statements here that I know will be taken seriously by this subcommittee. Our job, I suppose, is to convince the whole Congress and the administration to turn this thing around. In the total spectrum of the budget, it is not even a pebble of sand upon the ocean in terms of creating a ripple.

So my best wishes to each of you, and thank you all for what you do all the time. You are doing a great job, and I hope we can find the resources for you to continue in that.

Ms. JOSAITIS. Thank you.

Sister HAMEL. Thank you.

Mr. STENHOLM. Someone mentioned a moment ago that we ought to be more concerned about quantity of food than quality of food. Would you all react to that statement? I think it is taken in the context not of "poor quality" of food but overly large amounts of concern regarding the safety of our food.

Sister HAMEL. Congressman, that was my statement, and it was not around food safety as much as, when I analyze the budget for fiscal year 1995 that came out of the administration, I see considerable increases around nutrition information, and then I put that within the context of pay-as-you-go government, and I see the cut in TEFAP, and I can only conclude that the educational increases were at the expense of something like the food itself on the TEFAP end.

Maybe someone more sophisticated than I can say that is not so, but when I see increases around education, decreases in food, I think that we can provide both, and if we cannot provide both, it

certainly should not be at the expense of the food itself or the availability of the food itself.

There are numerous studies, one of which was just presented before this committee November 16, which demonstrate the great care that people on food stamps and low-income people use in stretching the dollars that we get. I sometimes think we have a presumption that poor people are not thrifty in the way they use their resources. That demonstrably is not so. In fact, the study that was presented here November 16 demonstrates that when compared against the larger population, they are more frugal in their use of their resources.

Reverend PARKER. If I could just echo a quick point, those of us who do direct service often wrestle with poor nutritional habits on the part of a lot of the folks who come to us for service, and that is clearly an issue that we need to address. A lot of chronic health care problems that our country is currently facing, like hypertension and diabetes, which are so prevalent in low-income populations, are very clearly impacted by diet; so that nutrition is an important component—a critical component—of what we do.

But on the hierarchy of needs, that cannot come, as Sister Hamel noted, at the expense of actual food. There have been a lot of studies recently about the tremendous impact that insufficient food has on developing children and their ability to learn. So we really do, in a sense, shoot ourselves in the foot if we are stealing education money from actual food money. They are both very critical.

Mr. STENHOLM. Another area that I have become very concerned about is the so-called technology side of agriculture. I have noted that those of you in the nutrition and the hunger side, for good and valid reasons, do not spend a lot of time understanding the technological side of food production.

It is not by accident that we have the luxury of talking about the distribution of surplus food. It is not by accident that our farmers are as productive as they are. It is because we have been successful in utilizing technology. The fertilizers, the herbicides, the pesticides, all of the things that go into the production of this abundance sometimes get overlooked by the hunger and nutrition community.

As I have listened to you this morning and the other witnesses, everybody is talking about we don't quite have enough money, or we have distributed it in a way which is not the most efficient. But it occurs to me that if we lose the technology battle, we are going to be talking about even more serious problems for poor people, in particular, because if the cost of food goes up because of the lack of technology or the nonutilization of technology because some people deem it to be hazardous to our health, there will be less food; it will be more expensive. Agree or disagree?

Sister HAMEL. We are constantly seeking new ways to identify additional sources of food and additional ways to prolong the shelf life of that food. So I do not think that the nonprofit community is of one opinion in terms of the technology that is being experimented with today, if that answers your question.

You will hear this afternoon or shortly from the director of the food bank in Lubbock, Texas, which is exploring new ways to dehydrate food to prolong its shelf life for distribution.

So I just want to be sure that we do not get caught up in any debate about the quality of the foods in terms of new experiments, and so forth. Our issue is hunger, and we want that to cut across all partisan lines, as I am sure is true in this committee. But we do not want to get caught up in what, at the risk of using an offensive term, I would call the "yuppiedom" of hunger.

Mr. STENHOLM. I do not want anybody to get caught up in anything, but I suggest to you that you are getting caught up in that debate, and unless you choose the right side of the debate or you choose not to take sides, as I believe you have just said—that your preference is not to take sides—and if the hunger community chooses not to take sides in the technology side of this equation, you must be prepared for having less food, poorer quality, and more expensive or less food, better quality, and more expensive.

That is the choice we have, and it is one that I am constantly concerned about because the nutrition and hunger community chooses not to involve itself in the so-called food safety side of the question for fear of whatever.

I just suggest to you, not for comment today but to continue to think in terms that the technology is important to the abundance, and to those who can afford—I believe that is what you just said, those who can afford "organic food"—and I do not say that in a slighting way, because there are many sincere individuals that believe that so-called organic food is healthier. It is more expensive, but they have the luxury of paying more for it. Poor people do not have the luxury of paying more for food.

Therefore, it seems that we really ought to focus regarding the true safety of the food supply, not on the perception of some. And to be absolutely critical from your perspective, if we choose the wrong path for agriculture regarding technology, there is going to be less food, more expensive, and, I submit, a greater problem for those that you are here today testifying so eloquently on behalf of.

Mr. Boutwell.

Mr. BOUTWELL. Thank you very much, Mr. Chairman.

The reason I am here today on this panel is for the reason you just cited, and that is that we as an organization believe that there is a natural alliance between those providing food assistance to those in need and the agricultural community because of the very reasons you said.

We have taken a look at the population growth numbers, not only here but around the world, and we know from an agricultural standpoint what it is going to take to provide that supply of food, and it is kind of scary, very frankly, when you take a look at it.

But if we can keep the right kinds of policies and programs in place and keep the technology coming to increase productivity of agriculture, then I am satisfied that we can meet those needs.

And so, very frankly, I am here today to say to the food assistance groups here that there are those of us in agriculture that believe there is a natural alliance between the two communities, and we should get about building that alliance.

Mr. STENHOLM. I could not agree more with that statement, and I appreciate the fact that the heads were nodding. I think this is an excellent mirror of the food production miracle of this country, the recipients, those who are here on behalf of those less fortunate,

and those who are there on behalf of those who are producing it, and there is a natural alliance that we have to build on, and if we do not do that in this committee, we will deserve the criticisms that we will in fact incur from all parties.

We have a vote on right now, and I believe we will dismiss this panel and take about a 15-minute break. Have you voted?

Mr. SARPALIUS. Yes.

Mr. STENHOLM. We will not have to take about a 15-minute break. [Laughter.]

This is what you call teamwork. I mean, this is the kind of teamwork that we have just admonished you to have between producers and consumers. We have it in Congress, also.

Mr. SARPALIUS [assuming chair]. I will call the third panel.

We will begin the third panel with Christina Martin.

STATEMENT OF CHRISTINA A. MARTIN, EXECUTIVE DIRECTOR, FOODCHAIN—ASSOCIATION OF PREPARED AND PERISHABLE FOOD RESCUE PROGRAMS

Ms. MARTIN. Thank you and good afternoon.

I am here today representing a unique response to hunger which strives to provide access to a healthy diet to millions of people each year by building partnerships with private industry and social service agencies.

Foodchain is a network of 125 community-based food rescue programs that fight hunger in a highly common-sensical way. They procure good, healthful prepared and perishable food that would otherwise go to waste in the food service kitchens and provide it to agencies that feed those who might otherwise go hungry.

Seen as a compliment to food banking, Foodchain programs provide protein-rich stews and soups, fresh vegetables and fruits, and high-protein entrees to soup kitchens, low-income day care centers, and nursing homes and homeless shelters, more than 6,000 social service agencies across the country.

Since the development of the food rescue movement in the late 1980's, the recipient agencies are able to serve more healthful meals and focus their limited resources on services to their guests and clients.

Food rescue programs work on the shared principle of safety and efficiency. Guiding the intricate food rescue process is the belief in the dignity of every human life, and providing nutrition to those who are not guaranteed the most basic of needs—food.

Foodchain invites a disparate group to aid in the fight against hunger. While anyone, from accountants to artists, can assist local programs, Foodchain concentrates on those experts from the culinary and food service industries not only to donate food but to create and teach seminars in nutrition, meal planning on a low-income budget, and menu planning.

The Foodchain program serving the Washington community—DC Central Kitchen—has provided 1.8 million meals to people in need in the last 5 years. The kitchen is one of Foodchain's job training models. It trains unemployed men and women in meal preparation by matching them with culinary professionals. So far, 80 graduates have gone through DC Central Kitchen's doors and are now employed in the food service and hospitality industries.

The name of the food rescue program aptly describes its mission. DC Central Kitchen collects excess unserved foods from restaurants, catering companies, corporate dining rooms, hotels, and other establishments. The food is then brought back to a central kitchen where it is reprepared by chefs and training program students and turned into delicious and wholesome meals. These meals are then safely delivered to feeding agencies in the DC area.

DC Kitchen struggles, however, to compete with the growing need for emergency food, which has shown about a 20-percent increase already this year. Some 13 billion pounds of edible food are thrown out each year in America, while more Americans are living below the poverty level than at any time since the early 1960's.

To continue to provide access to a healthy diet, we must look to the most logical, sound, and simple responses and ensure that more partnerships are formed with prospective donors, both in private industry, through the hospitality and food service sectors, and in governmental agencies where we know that excess wholesome food is still being wasted.

While we work to gather this vital resource from U.S. military commissaries, Government-contracted food service, and school cafeterias that receive Federal and State assistance, we must also work to solidify the long-term solutions to hunger and undernutrition with full funding for Government food programs such as TEFAP, WIC, food stamps, and continue to make a commitment to assisting low-income families and individuals on the path to self-sufficiency and access to healthy food.

Thank you.

[The prepared statement of Ms. Martin appears at the conclusion of the hearing.]

Mr. SARPALIUS. Thank you very much, Ms. Martin.

Next, Mr. Kenneth Horne.

**STATEMENT OF KENNETH C. HORNE, JR., CODIRECTOR,
SOCIETY OF ST. ANDREW**

Mr. HORNE. Thank you very much.

I am Ken Horne, a codirector of the Society of St. Andrew. I appreciate the opportunity to appear before you this afternoon to give some testimony on behalf of the poor of this country and, hopefully, think with you about some things we might do to alleviate their suffering.

Folks here have testified already rather eloquently to the need of the poor and the need and the value of the TEFAP program, so I am not going to get into that, particularly. Most everything that needs to be said about that has already been said. I do not think I can add much.

The Society of St. Andrew works in concert with the TEFAP program. What we do is a little bit different from food banking. We are a produce salvage operation. We essentially salvage produce that is going to be thrown out and discarded for reasons of size or cosmetics.

Primarily, the food that we salvage is potatoes. Our largest program is called the potato project. It works very simply and it is a very cost-effective kind of thing. Potatoes that are going to be thrown out because they are the wrong size and there is not really

a handy market for them are instead donated to us as a 501(c)(3) organization. We then raise the funds necessary to bag them and ship them and deliver these potatoes to food banks, soup kitchens, Indian reservations, large inner-city ministries, and rural distributions all over the United States.

We started this ministry in 1983, and since that time we have distributed more than 160 million pounds of potatoes that otherwise would have been thrown out to rot.

We are very proud of that record, and we are also very frustrated about the fact that we are probably farther behind now than we were when we started. The hunger problem is growing faster than we are.

I want to emphasize a couple of things for the consideration of this committee as you begin to think through the implications of the TEFAP program doing such good work for such a long time, and then to have people seriously propose that you cut it back or cut it out is a reflection of the fact that we do not really have enough money in the Government anymore to do all the things that we want to do, and it seems to me our salient problem is how do we get the job done with less money, and it seems to me that produce is part of that.

It costs us, on a national basis, to bag and distribute potatoes, for instance, it costs the Society of St. Andrew 4 cents a pound. That is because we do not ship them very far when we can help it.

If we took the position that we were going to salvage potatoes, we were going to take them as a donation, bag them and ship them wherever in the country they were needed, we could, tomorrow, do 20 million more pounds than we did last year, and we could ship them anywhere in the United States, and we could do it for 6 cents a pound.

I do not know what the TEFAP buying commodities program costs you per pound, but it is probably a good deal more than 6 cents. I am not blowing our own horn about this. There are lots of people that salvage produce in this country, and they will tell you the same thing.

We throw away enough food of all types in the United States to feed everybody in this country that is hungry three meals a day 365 days a year, to feed them any kind of crop that you can think of using just what we discard, and we can save that food and deliver it where it is needed probably for between 6 and 8 cents a pound on whatever volume you want.

I think one of the things that we need in Government today is some very innovative thinking about how do we spend our dollars more wisely, how do we take advantage of the resources that we have in a more thorough manner. If there is anything that we at the Society of St. Andrew can do to help that process, we would be glad to.

I want to point out two additional examples of the kind of volume of food that there is available, and then I will be quiet.

I recently came back from Florida, where there is a group called Farm Share, and they are, in concert with the State of Florida, salvaging produce in the Homestead area where the hurricane was a few years ago. The State has leased these folks a warehouse for a

dollar a year and given them some labor out of the prison work-release system.

Last week they salvaged 500,000 pounds of tomatoes, green beans, zucchini squash and delivered it to food banks, soup kitchens, and feeding installations all over the State of Florida.

Now, they can do that every week from November to June, and there are 11 other sites like that in the State of Florida alone, to say nothing at all about Texas. I am not going to steal Carolyn's thunder. The same situation exists in Texas, and Carolyn and her excellent group have figured out how to not only salvage it but process it.

The same situation exists in Arizona; the same thing goes on in California. It is quite possible for us to salvage enough food to feed everybody in this country that is hungry using what we throw away. Anything we can do to aid and abet that situation, we would be glad to. Thank you very much.

[The prepared statement of Mr. Horne appears at the conclusion of the hearing.]

Mr. SARPALIUS. Thank you very much, Mr. Horne.

Next, Ms. Lanier.

STATEMENT OF CAROLYN LANIER, EXECUTIVE DIRECTOR, SOUTH PLAINS FOOD BANK; ACCOMPANIED BY CHARLES PRATER, PRATERS FOOD, INC., MEMBER, BOARD OF DIRECTORS, SOUTH PLAINS FOOD BANK, AND PRESIDENT, BREEDLOVE DEHYDRATED FOODS, INC.

Ms. LANIER. Thank you very much for the opportunity to address you today. I am Carolyn Lanier, the executive director of South Plains Food Bank, and with me is Charles Prater of Praters Food. He is a member of the South Plains Food Bank board, and he is president of the Breedlove Dehydrated Food that we are all so excited about and that I am going to get to talk to you a little bit about today.

First, I wanted to tell you a little bit about our food bank. I can't be from Texas and not do a little bragging. We are one of the 37 food banks that participated in the VanAmberg study on hunger. Our food bank has been actively teaching literacy for the last 5 years, and we have had some tremendous results because of that.

Last summer, no vendor would run the summer lunch program, and so, within a 4-day period of time, the food bank geared up, and we fed 1,100 children a day a sandwich, milk, fruit, and vegetables, and those vegetables came from our very own farm, because we are one of the food banks that has a farm.

We are also unique because we are one of the very few food banks that does not distribute USDA commodities, and we do not provide any food through the emergency food assistance program. The reason we do not do that is because we have agencies that are in the business of doing that. They were doing it before we got there.

We supply food to them. They desperately need all of the food that is available. Because of this survey, we do know that we have children going to bed hungry, even though there is a combination of the food that is coming from the Government and there is food bank food.

So what I want to talk about now while the green light is on is we want to address the private-sector activity that South Plains Food Bank has been doing. We have collected \$3.8 million in cash, and we have ordered the equipment, and we are in the process of providing the architectural studies necessary to implement a \$7 million project.

We have a \$2.5 million building, and we have 42 acres of land, and we expect to start processing 20 million pounds of fruits and vegetables that are turned down in our area by the end of the year. That will be one-half of the food that the Department of Agriculture says is wasted in that area.

We have had an independent study done, and I was going to make copies for all of you until I read how many you wanted, and you wanted 125 copies, and there is no way our budget could stand that, so you can look at my feasibility study if you are interested in seeing how we know this is going to work. [Laughter.]

I brought with me—and I will tell you, if we do not have a lunch break pretty soon, we may have to cook this, and I will show you how quickly it works—this is enough food—this is a soup mix, and this is food that we have dehydrated out of our prototype. There are potatoes, onions, carrots, broccoli, cauliflower, green onions, and green beans, and there is enough food in this little sack to make great big bowls of soup for eight individuals.

This is the lightest weight, wonderful way to serve this. Representative Sarpalius, when you talk about Desert Storm, you know that is where we got the idea. That was a war where people did not complain about the food that they ate.

We know that you are supposed to have five to nine servings of fruits and vegetables a day, and so this is something that we are going to process, and we will do this using no salt, and it is low fat, but it is food that has been developed by our farmers with the wonderful technology that has been available to them. It is surplus food. We can provide, running one shift a day, 40,000 meals a day for 2.5 cents a meal. So the partnership is wonderful.

Presently, many of our farmers are currently allowed to just deduct costs when they give something to us. We would like to suggest that there be some changes there and they be given a tax credit so that they can have that same deduction that Safeway or one of the businesses has when they make a contribution.

There is a commitment to keep our country strong, and I wanted to ask you if you knew what all of these people have in common, and that is Representative Bill Sarpalius; Representative Larry Combest; Christine Vladimiroff, president and CEO of Second Harvest; Texas State Senator John T. Montford; Bill Ayers, executive director of World Hunger Year/Reinvesting in America; Ed Hayashi, president of EDS out of California; Ed Hirschberg, president of Innovative Foods; Ken Horne, president of the Society of St. Andrew; Mary Louise Kingsbery, civic leader in Lubbock, Texas; Rufus Lester, the past chairman of the board of Second Harvest; Commissioner Rick Perry of the Texas Department of Agriculture; Bill Shore, executive director of Share Our Strength; and Clark Skeans of the Arizona Gleaning Project. And if you wonder what they all have in common, it is that they have all agreed to serve

in leadership roles on the national advisory board for Breedlove Dehydrated Foods.

So you can see the private sector has joined with the Government sector seeking answers, not handouts. However, the Government is definitely a part of the equation, and we need your help, or we need you to keep the food supply going until we can get our private sector up to pick up more of the slack.

Thank you, and I could invite you all to World Hunger Day, October 16, when we will open the plant and you will see 20 million pounds of food rolling off.

[The prepared statement of Ms. Lanier appears at the conclusion of the hearing.]

Mr. STENHOLM [resuming chair]. It sounds like a good invitation to me. [Laughter.]

Next, Mr. Nasby.

STATEMENT OF DAVID A. NASBY, DIRECTOR, COMMUNITY AFFAIRS, AND VICE PRESIDENT, GENERAL MILLS FOUNDATION, ON BEHALF OF THE GROCERY MANUFACTURERS ASSOCIATION

Mr. NASBY. Chairman Stenholm and members of the subcommittee, my name is David Nasby. I am director of community affairs and vice president of the General Mills Foundation.

I am testifying today on behalf of the Grocery Manufacturers Association. I appreciate very much the opportunity to share GMA's views with you on food donation activities, particularly those of the private sector.

I understand that the subcommittee is focusing its discussion on the impact of reductions in various public food assistance programs, including the emergency food assistance program, the community supplemental food program, and the charitable institutions program. Public food assistance programs are not my expertise, but your invitation notes that you want to look at these programs "in the context of other food donation activities." I hope I can provide some perspective on these other activities, since I am responsible for the donations at General Mills, and I have been chairman of the Grocery Manufacturers of America Foodbank Committee for the last 3 years.

Before I speak to the private donations of hundreds of American food companies, let me just note that while I am not expert on the mechanics or the specific impact data regarding the public food programs, I do know the core importance of public food assistance and regularly observe the effective partnership that both the public sector and the private sector has forged with Second Harvest as we all seek to provide both emergency and short-term assistance to those in need.

The public programs you provide are very important because, in the long run, they are much more predictable, and they provide staple items not often on the list of inventory we contribute from the private sector. I know that I will make donations next month and the month after and the month after, but I do not know what items will be included in my donation. That is because our donations from the private sector are driven primarily by production, distribution, sales, and marketplace circumstances.

Now, there are some notable exceptions to this general rule. For example, in response to hurricanes, floods, and earthquakes, the private sector has responded very vigorously with a wide range of items specifically requested and efficiently distributed through Second Harvest, the American Red Cross, Salvation Army, and other private voluntary organizations at those points of disaster.

In all these cases, this work was coordinated with local and national governmental units with increasing speed and skill. The point is that we have developed in recent years a system through which we could connect with individuals in need. That system receives public and private support, leverages that support, and produces remarkable efficiency. This activity, I think, is a fine example of public/private sector collaboration.

A little more than a decade ago, our company did not contribute any food inventory to charity. Our charitable activities at General Mills were done by the General Mills Foundation, established 40 years ago and now making grants of almost \$20 million in this year.

Like other food companies, we worked very hard to assure that our branded food products met the highest quality standards, and we had significant equity invested in these brands. We hesitated to contribute inventory because we had concern about how our products would be handled and distributed, and we did not want to jeopardize our brands' reputation for high quality standards.

We did not want cereal stored in the garage of a social service agency or yogurt stored in an old refrigerator that had difficulty getting down to 50 degrees. Now, I could provide you a list of examples of why our caution on those points was very prudent.

In 1982, a few leading food companies, all members of the GMA, considered participation in a new project which at that time was funded by the public sector as a pilot project. In those days, if a company had a truckload of cereal or grapefruit juice or a truckload of canned beans, that amount was probably too much for a single food shelf or even a food bank to handle.

The idea was to create a network of food banks that would share large donations and would connect with local food shelves, day care centers, service centers, schools, and other human service programs; in other words, a secondary distribution system. They could share these larger donations in some equitable way, and that is the story of Second Harvest.

Twelve years later, we now have a system in which we, the private sector, have absolute confidence. The level of our contributions from General Mills is now in excess of 10 million pounds annually, or the equivalent of a semitrailer every day. And we are not alone. These donations include the full range of our products: Yoplait yogurt, Cheerios, Wheaties, Total, Nature Valley granola products, Betty Crocker mixes, over 200 different items, all of which you will find in a food bank at some time.

Through the Second Harvest system, we are linked with 183 food banks and 46,000 charitable agencies covering almost every community in the country. Recent research has identified that these contributions reach into a system that has almost 26 million clients, the largest private sector hunger program in America.

Over the past 12 years, through the GMA, a rigorous set of standards and procedures for sanitation, storage, recordkeeping, and inventory control has been established and implemented. This has been done as an industry volunteer effort.

Fourteen GMA member companies currently supply industry professionals to Second Harvest in a regular program to maintain those high standards and to further develop an already efficient system. Food industry professionals provide technical assistance and counsel to food banks in every part of the country.

In the past year, contributions from the industry to the 183 affiliates of Second Harvest exceeded 500 million pounds, making it similar in scale to the emergency food assistance program. There are, to be sure, remarkable differences between these programs, but they handle about the same amount of product.

You have also asked that I comment on the barriers to increased private donations. This is more difficult because I have no clear answers. Perhaps it is another example of the fact that doing good is not easy. We have not surveyed the member companies of the GMA on the issue of barriers, and this is something that perhaps the GMA would be pleased to do if the subcommittee wished us to.

The 1969 Tax Reform Act reduced the charitable deduction from the principle of full market value and established the principle of fair market value. Frankly, it is difficult to determine the fair market value of Cheerios that are too light in color or a case of mix where a couple of boxes have razor cuts, or Wheaties where the flakes are too small to meet our specifications, or Yoplait yogurt that needs to be consumed in 4 days.

Because of that difficulty, it is safer for us to take no deductions, except for costs, on the items described so we do not. Our approach is perhaps more conservative than some others might take, but it is not uncommon. So, for product we would not, for some reason, sell into our normal distribution channels, there is no incentive under current law to donate the product as opposed to simply destroying it or certainly not any more incentive than distress selling it.

The instances in which we take deductions in excess of cost are usually in response to disasters that I have noted before, where the items we donate are taken out of regular inventory.

As indicated, our procedures are not necessarily the industry standard. Each contributor applies its own valuation and accounting system. However, it is clear to me that the current tax treatment is not a significant motivator for contributions of inventory from the private sector. The primary motivator for us is the sense of corporate responsibility and the availability of a safe and efficient system for making inventory donations that find their way to people in need.

It is clear that donors do not want penalties for participation in this activity. They do not want the exposure of faulty food handling. They do not want an adverse reaction to a system that inappropriately distributes to perhaps some people that do not have need. And they do not want tax penalties.

In this regard, several years ago, the Treasury was very helpful in clarifying its regulations stating that in no event would the taxpayer lose deductions for the actual cost of a donation. Previously,

there was the possibility that a product's fair market value might be determined by the IRS to be less than actual cost. For us, in that case, the clarification boosted our level of participation.

There has also been discussion, and even here today, about the so-called good Samaritan laws which have now been enacted in some form or another in 50 States and here in the District. These statutes are, perhaps, part of an environment that promotes and favors increased contribution activity. But in our view, they offer no real protection. If food products are not carefully stored and responsibly distributed, food companies will find themselves at legal risk. And, equally important, the reputation of our brands could be compromised.

No system is absolutely fail-safe, but our best efforts are required whether we sell our products or donate them. Contribution of a percentage of our products will continue to be our policy so long as we have a charitable system available and so long as there are no penalties for our activity.

The problem of hunger in America is a problem for all of us, including the food industry, and we in the food industry, I think, have a unique capacity to respond. Through the GMA, with Second Harvest, and in the individual procedures of hundreds of food processors and suppliers, I think we have made a good beginning.

Thank you.

[The prepared statement of Mr. Nasby appears at the conclusion of the hearing.]

Mr. STENHOLM. Next, Ms. Usinger.

STATEMENT OF DEBRA USINGER, DIRECTOR, RETAIL OPERATIONS/CORPORATE SERVICES, FRED USINGER, INC., ON BEHALF OF THE AMERICAN MEAT INSTITUTE

Ms. USINGER. Thank you, Mr. Chairman, for inviting me to address this important subcommittee hearing. My name is Debra Usinger, and I am director of retail operations and corporate services for Usinger's Famous Sausage in Milwaukee, Wisconsin.

As you might have guessed, Usinger's is a family-owned and operated business. The company was founded by my great grandfather in 1880. He came to this country with his favorite sausage recipes that he collected while learning his trade in Germany. As the fourth generation, my brother and I still use those recipes to manufacture over 70 different varieties of fine sausage.

Since my great grandfather's day, our company has been committed to our surrounding community. We are located on the same street where we started doing business more than a century ago, and many of our 135 employees have been with us for decades.

Part of our company tradition is to have our employees share two meals together each day as a group. In the morning, we provide breakfast to our employees, and at noon, we again join together for a lunch of cold cuts.

This meal sharing, which dates back to my great grandfather's time, has created a family atmosphere among our employees. It has extended to our community as well, thanks to an industry-sponsored program called meeting the need.

In 1989, the American Meat Institute formally established a partnership with the Second Harvest National Food Bank Network.

Second Harvest is a national network of 185 food banks which provides surplus food to the 50,000 charitable agencies throughout the country.

It is important to remember that Second Harvest food banks serve a critical role in getting goods distributed to organizations that would not necessarily receive the much needed food items on their own.

Since 1989, AMI member companies have contributed nearly 13 million pounds of surplus product to Second Harvest food banks and are constantly waging a campaign to find more donors.

According to Second Harvest, meat is the most frequently desired and least available product. And for those who suffer hunger's effects, the protein and other nutrients found in meat products are critical to staying healthy.

For years, we have had the pleasure of developing a strong working relationship with Second Harvest Food Bank of Wisconsin. This year alone, we have donated 3,000 pounds of sausage and meat. In 1993, over 6,000 pounds of product were donated. This 9,000 pounds of product represents a retail cost of \$32,543. We have also brought numerous food bank employees and headquarters staff through our plant to teach them about meat manufacturing and about safe handling of food products.

Let me say that I am not looking for a pat on the back for our efforts. Those of us who have been involved in the project and who have come to know local food bank staff and headquarters staff have received much more than we could ever give to this project.

We have met people whose lives are dedicated to hunger relief. We have had the opportunity to learn how fortunate we are to have what we do. We have learned that a hard-working family, through no fault of its own, can find itself in need of assistance literally overnight.

We have learned that frequently food stamps do not go far enough, that children often go hungry, and more often, parents go hungry to save food for their children.

Many years ago, I volunteered as a tutor through the YMCA in Milwaukee's inner city. The 12-year-old girl that I worked with, Deborah Owens, would come to our session bringing a baggie filled with cornstarch. She would eat the starch as a snack. Being curious, I asked to try some. It was awful and it tasted like chalk.

I asked her why she always ate starch. Her reply was that she was hungry and it filled her up. In a country as rich as ours, this is simply unacceptable. Meeting the need has shown us how we can do something to solve the problem.

So often, media attention about food relief focuses on post-disaster relief. Meeting the need donor companies have provided relief in the wake of Hurricane Andrew, the Midwestern floods, and California's earthquake and fires. Second Harvest food banks work in partnership with the Red Cross to provide food relief services where the Red Cross provides medical and social services.

I am proud of what we have been able to do, but there is more to the big picture than natural disasters. As Second Harvest so frequently points out, there is a daily crisis in this country, and it is called hunger. Sadly, this daily crisis does not get nearly the attention or the resources that it should.

Fortunately, my company is part of a motivated industry that is committed to sharing its surplus products with those in need. Still, I am dismayed that while food industry donations have increased by 10 percent over the last year, government donations are down by 6 percent.

If we are to solve this national tragedy, we must constantly challenge each other to do more, learn more, and to care more. Sadly, the President's 1995 budget decreased funding for several USDA commodity donation programs. I understand that the Government is under enormous pressure to decrease spending, but taking funding away from the programs that aid the most destitute would be devastating.

I know that when many of us open our pantries and see plentiful supplies of food, it is difficult to imagine that our neighbor's pantry might be empty. But this is the reality. I have seen the demand for food at our local food bank, and I read about the same demand throughout the country each month when I receive my mailings from Second Harvest.

We in the meat industry urge Congress to reconsider funding cuts to commodity donation programs. I promise you that full funding will have a dramatic impact on constituents in all of your districts.

Second Harvest alone distributes 600 million pounds of food and grocery products each year. I challenge the Government to do its part.

We also urge you to find time to visit your local food bank and find out what you as individuals can do to help bring an end to this needless problem of hunger.

On behalf of my company, Usinger's Famous Sausage, and on behalf of the meat industry, thank you for your attention to this important issue, and please don't forget all the Deborah Owenses that are out there going hungry.

Thank you, Mr. Chairman.

[The prepared statement of Ms. Usinger appears at the conclusion of the hearing.]

Mr. STENHOLM. Thank you.

Mr. Sarpalius.

Mr. SARPALIUS. Thank you, Mr. Chairman.

Ms. Lanier, I want to ask you, on the freeze-dried or the dried food that you are going to be able to start here, when do you anticipate that facility?

Ms. LANIER. We have been doing things out of the prototype now, but the big belt dehydrator that we will be using will not be installed until August, and it runs 7,000 pounds an hour. It will not be delivered until August, so we probably will not have food off until the end of October.

Mr. SARPALIUS. When it is running full steam, do you anticipate—I am curious as to how you are going to package this. Are you going to do it on individual meals or on bulk, or how do you envision that?

Mr. PRATER. We are going to pack it in different ways. Mainly we have on the outset 5 pounds to a package, which would be about 20 5-pound servings after it was reconstituted. We are looking at 2, 3, 5, and even 10 pounds.

Now, what we will do, if we run 24 hours a day, which we hope to probably within the year, we will run enough food to feed 200,000 people in a 20-hour run. In other words, it constitutes back 6 to 1 on a dry product. You lose about 80 to 85 percent of the moisture, so basically, you feed 200,000 people.

So, every day, we would have about 20,000 pounds of dehydrated food to package, and it would be put into bulk tanks and then it would be augured up into the tank after it comes out of the dehydration plant, and then it would be augured back down into the packaging room in which it is either vacuum packed or we will have several different ways to pack it.

Then it will be stored into a cooler until it is shipped out to wherever it goes. But it would withstand heat, moisture, whatever, for 2 years. We will pull it down to about 7 percent moisture. We figure that is the only way you are going to be able to preserve.

Now, a lot of people think that this food is not good food. We will have a food technologist on staff, and we will monitor this every hour during the day, and we will have samples of every batch that comes in that we can refer back to on any truckload that comes in, and we will definitely—I have been in the food business for years, and quality is my name. So we will not put out any product that is not the very best quality that we know how.

Mr. SARPALIUS. How many meals do you think you will be able to do in a day?

Mr. PRATER. I would just list—you are asking about meals. Now, there is not any reason why all this could not be worked together. I mean, those Desert Storm meals cost you from \$3 to \$6 a pound. Now, that is expensive. But they are vacuum packed, and they were good meals.

But if we could just get some—I don't know how we would put it together, but there has to be a way you can dehydrate—we can do meat. We can do meat, we can do everything. But we could fix a package of a balanced meal if we just had the resources. But what we are talking about is bulk pack.

Mr. SARPALIUS. I understand.

Mr. PRATER. Now, let's take the food banks, for instance. Give them a package of 50 or 100 pounds to a box. All right, that lasts them what, 30 days? You give them a 30-day box. So if they take 10 pounds of dehydrated potatoes, then you have 50, 60 pounds of potatoes, and all Mrs. Housewife does is she puts that in a closet and she reaches over every day and gets her enough for a meal. She does not have to worry about refrigeration. So when you ask how many meals, we figure 8 ounces to a serving. If we do 200,000 8-ounce servings a day, you can figure out how many that would be in a year.

Mr. SARPALIUS. Well, what I am interested in is how many meals you think you could provide in a day. The reason I am getting that is every one of you have something very unique and in common. You are struggling with different problems such as transportation and some of the other problems that you have mentioned, and our concern is how do you get those balanced meals. What you are doing there in Lubbock is very promising because it does provide a longer shelf life. It has a lot of advantages to it.

Mr. PRATER. That is right.

Mr. SARPALIUS. But how can you get that product to the people in this country that are in need, keeping in mind that many of these people do not have freezers, they do not have things available to them to store a large amount of food?

But it is extremely encouraging and exciting to hear about the process that you are going through there in Lubbock. But at the same time, I like to look into the future. We heard from other panels that we have a serious problem in this country. We have a lot of people out there that need food. We have some abundance of food in this country.

You talked about tax deductions for farmers that donate their food. There are tremendous opportunities there. What you are doing is you are bringing the technology up where we can meet those demands to fit the needs of the people. We just have to figure out a way how to coordinate it all together.

My time has run out, but I strongly commend you for what you are doing.

Ms. LANIER. Could I just say that we expect to make 20 million meals a year with one shift, if we just run one shift only? You asked for numbers. That is it, 20 million.

Mr. SARPALIUS. You are talking about 20 million meals, and we are talking about what, 50 million people?

Ms. LANIER. And this is 20 million meals of 1 pound apiece, and it is balanced from legumes and fruits and vegetables. Unfortunately, we do not have meat, and we need milk, and you would have to add bread to it. But for 2.5 cents a meal, you have an ample amount for 20 million.

Mr. SARPALIUS. I think it is extremely exciting what you are doing, and I really see some opportunities down the road.

Thank you.

Mr. STENHOLM. I would just observe that it is not just unfortunate that you do not include meat; it is downright un-American. [Laughter.]

I hope you all work on the technology on this a little bit more.

Mr. EMERSON.

Mr. EMERSON. Thank you, Mr. Chairman.

I just want to commend each of you on the exciting statements that you have made. It really is heartening to hear about the contributions that each of you are, in your respective ways, making to solving the problems that are the focus of the subcommittee.

You know, another great idea came to mind as you all were talking. I happen to have some familiarity with a fellow named Mickey Weiss, who was a mushroom merchant down at the Los Angeles produce market, and over a period of time, he observed that there was an awful lot of good, usable but unsalable food just flat out going to waste. It was being dumped every day.

He devised a means by which all of this food is now donated. Millions of pounds of good, usable, fresh produce have been channeled into food pantries and soup kitchens and other feeding entities.

But above and beyond that, Mickey has sort of gotten a missionary zeal about this sort of thing, and everywhere there is a produce market, he is trying to get all the cities in the country that are big enough to have their own produce market to have a very similar

operation to the one that they have there, a donation program like they have there at the Los Angeles produce market.

You have raised a lot of good issues that we probably ought to take a look at, some tax questions and what have you. Unfortunately, we do not have the jurisdiction for that in this subcommittee, but we do understand the problem that you are talking about.

But thank you so very much for the very positive and upbeat note on which this particular hearing, I suppose, is coming to a conclusion.

Thank you very much.

Mr. STENHOLM. A couple of comments.

Mr. Nasby, you indicated your willingness to have GMA member companies look at the question of barriers if we are interested.

Mr. NASBY. Right.

Mr. STENHOLM. We are very interested in this, because I think that is the spirit in which this whole hearing has been conducted today, looking at the reasons why good things cannot happen, and we would very much appreciate not only GMA but perhaps AMI and perhaps some of the other private side and maybe even the public side of the question.

Mr. NASBY. We will see to it that it is done.

Mr. STENHOLM. I know that other States come up with good ideas, too, but when it happens in Texas—Mr. Emerson, you just have to go along with having Mr. Sarpalius and I brag about it a little bit. [Laughter.]

You mentioned meat, and that prompted me—there was another company in Texas that developed a protein bar from meat. It still has not become as acceptable as yet as the vision was, but I think you are going to see that happen some day. It was not the original technology. I think the Indians came up with beef jerky, and unless you happen to like beef jerky, which I do—some people turn their nose up at dried meat or a meat bar or a protein bar. But the technology is there, and you can do wonders with it, and again, the technology, you can do it without refrigeration, which helps the cost and the distribution problems dramatically, and that is, Mr. Prater, what you are talking about, also.

There was another suggestion that was made to the full Agriculture Committee on health system reform a couple of days ago. The suggestion was made, again going back to the technology side of the question, that we should be putting some of our research dollars into developing better quality fruits and vegetables.

We know in the agricultural side that we can breed certain things into our plants and animals. We can breed for various desirable characteristics. We know that despite all the best of intentions, we cannot provide a carcinogen-free food supply today. God did not make one; therefore, it is difficult for man to do that which He did not do.

But we also know that there are carcinogens naturally occurring in our foods. We also know that there are good qualities of our foods that have a negative effect on carcinogens in our foods. We happen to believe that our research scientists can breed more of the good things into our food, less of the bad things into our food. We know that there are certain qualities of fruits and vegetables

that any diet must have, a balanced diet. We know that we can breed into our plants those characteristics.

Yesterday I had a very frustrated businessman whose company has taken biotechnology and developed a tomato that stores longer, tastes better, has all the characteristics that we are looking for, but we have almost bankrupted him and his stockholders because of the inability of government to deal with new technology, and that goes back to the previous statement I made to the last panel, in particular.

If the food and hunger community cannot bring itself to getting on the right side of technology, you had better get honest with yourselves as to how we are going to deal with the problem that you are here to talk about today in this entire hearing.

It is frustrating, but somehow, some way, we have to eliminate those barriers, Mr. Nasby, that we know are out there today.

Mr. NASBY. Right.

Mr. STENHOLM. There are well-meaning people, particularly in this town, inside this beltway, that are bound and determined to make your life miserable, all in the name of doing good things for the American people. If we cannot find a way to put producers, businessmen and women, and Second Harvest and food banks, food kitchens, all of these folks together working for a common goal, we are going to deserve what we get, and that is a failure of feeding people in America and more and more headlines decrying what it is.

But there are reasons, and there are also dedicated folks out there looking for new and better ways to do it. Transportation costs—one question that I wanted to ask, Mr. Nasby—excuse me. My time has expired.

The gentleman from Texas is recognized for his additional 5 minutes, and he will take every minute of it. [Laughter.]

Now I forgot what question I was going to ask.

Ms. LANIER. Transportation.

Mr. STENHOLM. Yes, we were talking about transportation. I still forgot the question I was going to ask. It must not have been too important. I will think about it later and I may submit the question to you in writing.

Second Harvest. Mr. Nasby, you were talking about that in 1983 GMA had a difficult time because we did not have a distribution system capable of dealing with large volumes, and then Second Harvest came along in answer to the prayer.

Mr. NASBY. Right.

Mr. STENHOLM. I guess one thing that I am interested in as we proceed is, is that distribution system adequate? Does it need to be improved upon? If so, what is the public-private—

Mr. NASBY. I was very interested in the urban-rural discussion that took place earlier.

We, being a company headquartered in Minneapolis, kind of the center of Indian country, have felt that we had some special responsibility to the Native American community, and quite frankly, it has been very difficult for us, using the current system, to get food through this private voluntary system into reservation communities, because they are so far away from the urban centers where most of the large food banks are.

As a matter of fact, we are doing some work on the Pine Ridge Reservation. When we originally set up the relationship, the food had to be supplied from the Omaha food bank which has to be at least 600 miles away. That is just not efficient from the standpoint of transportation.

There has also been difficulty in States like Montana, where distances are so vast. There are pockets of the country where the communities are not as adequately served as they should be, but this system is only 10 or 12 years old. There has been phenomenal growth in that short a period of time.

I should also say about that growth, that we are now at the level of about 10 million pounds a year, which, as I said, is a semitrailer a day, and we have been at that level for 4 or 5 years. So that is a tremendous amount of product.

We have had three instances where there was a claim that there was some kind of difficulty in the way food was distributed. I think that is kind of phenomenal for a company like ours that has concern about product safety, and so forth. But just three instances, three complaints.

Mr. STENHOLM. With regard to the good Samaritan laws, you indicated that the ones in the States, while maybe having good intentions, are not really helping that much. Do you suggest that that is an area that perhaps we ought to look at, possibly doing a Federal uniform model statute?

Mr. NASBY. Yes. Testimony was offered this morning about some uniformity. I think that would be a good step. I am not sure how much energy should be put behind it.

I think what I was alluding to earlier is that the deep-pockets theory is alive, and I think, regardless of the laws that are enacted, if you have a big company and there is some kind of apparent defalcation, there is probably going to be some kind of claim.

One other comment, though. We would be even more concerned about the adverse publicity. I mean, when we talk about the equity that we put in our brands, if, for example, somebody got sick from some yogurt that we distributed through this system, just the response in the media would be a serious blow to the investment we have made in that brand. It would be perceived that General Mills had contributed a product that was faulty. So I think a good Samaritan law would not have any real impact on that kind of situation.

I think the good Samaritan laws, as I said, create an environment that encourages increasing contributions, and it may be that uniformity established through a Federal initiative would provide some blanket assistance.

Mr. STENHOLM. You bring up another subject there that I know all of you in the private sector are very concerned about, and that is the bad publicity that comes when somebody errs.

I will go ahead and say what I was thinking. These tabloid TV shows that delight in showing all the bad things about food, somebody is paying advertising to keep them on the air, and if it is not the food industry, it is some other business, and perhaps somebody ought to start taking a look at that. You are subsidizing the folks that are trying to put you out of business with stupid, sensational news reporting.

Mr. NASBY. Within earshot of my office, there are similar conversations on a regular basis.

Mr. STENHOLM. You did not say that; I did. [Laughter.]

And I made that mistake of calling those folks out in public, and I challenged them, and they got me, too. So we are in Congress. We are subject to the same scrutiny.

But somehow—and that is again another challenge of this subcommittee as we deal with this subject, is trying to find a common-sense plateau that we can work on and get everybody singing out of the same hymn book regarding food and feeding people.

I am going to sound like a broken record, but we are going to keep playing that record because that is the only way we are going to feed people in this country and in the world is with technology, and if you want to eliminate technology, then get the tears out of your eyes for hungry people. Accept it for what it is.

Mr. Emerson, Mr. Sarpalius, anything else? Would anyone at the panel like to add another word or two? Yes, sir, Mr. Prater.

Mr. PRATER. Mr. Chairman, about 4 years, Carolyn jumped on a former Secretary of Agriculture and got him to let us plant black-eyed peas on farmland, on ACR land. Well, he only let us plant half of it. Now, you could do us a good justice if you could get it to where we could plant other than black-eyed peas. I mean, here we are with these tractors and this water and all this good stuff, and if everybody would just plant a little patch, that is all it would take to keep us in business. That is just something for you to—that is a challenge for you. [Laughter.]

Mr. STENHOLM. Yes, that is a challenge, and that is one that we get—it makes so much sense when you say it and I believe it, but then you get into the commercial displacement factor that happens, and then, all of a sudden, the cooperation between the private side and the public side is not as pronounced.

There are ways that we can do it, and I agree with you. We do have to look at ways to utilize rather than waste. That is why the question on gleaning and other subjects. But we have to be cognizant of the fact that if we are going to maintain the public-private cooperation, we have to keep both interests in mind.

Now the TEFAP program, as wonderful as it is, has been subjected to some severe criticisms in the past because some of the folks getting the cheese were not those that truly needed it, and the distribution and the standards of who was going to get it, et cetera. Maybe that is just 1 percent bad news or bad PR that we get into that program, and I think that is closer to the truth than otherwise.

But you bring that up. That is the reason why we do not do more of it, and as we move into the 1995 farm bill, we need to see how we can in fact utilize that food in a more productive, helpful way.

Ms. LANIER. I would like to ask if it would be possible to have something like a good Samaritan law to protect the farmer when people go in to glean his fields, because we have had farmers who have said, "I would love to have you in here; I am just afraid somebody might get hurt."

Mr. STENHOLM. Yes. Well, that is part of the good Samaritan law. That is exactly it.

Ms. LANIER. So could we extend it to include farmers when you look at this?

Mr. HORNE. I think I can speak to that.

Mr. STENHOLM. Yes, sir?

Mr. HORNE. The Society of St. Andrew does gleaning in three States now, and what we have done there is a very specific law that has to do with farmers and their fields and gleaners and like that.

It started in California. It is on the books now in Maryland, Virginia, North Carolina, and Florida. And so if you want to do something like that in Texas, if you ask me nice, I will send you a copy of the bill. [Laughter.]

Ms. LANIER. OK, I am asking.

Mr. HORNE. It supposedly works like a charm. It has been tested only once in California, and the case never got to court on account of this particular language.

Mr. STENHOLM. We would appreciate your sharing that. You say what State?

Mr. HORNE. Well, Maryland has it, Virginia has it, North Carolina has it, Florida has it, Michigan and California. It is all the same.

Mr. STENHOLM. The same bill? All right.

Mr. HORNE. It is the same thing, essentially. And so it works pretty well.

Mr. STENHOLM. We thank you each very much for your testimony here today. Your input is appreciated. We look forward to working with you in the days and months ahead as we strive to accomplish that which you have challenged us to do.

Thank you very much.

[Whereupon, at 2:15 p.m., the hearing was adjourned and the subcommittee proceeded to other business.]

[Material submitted for inclusion in the record follows:]

TESTIMONY OF MARY ANN KEEFFE
DEPUTY ADMINISTRATOR, SPECIAL NUTRITION PROGRAMS
FOOD AND NUTRITION SERVICE
U.S. DEPARTMENT OF AGRICULTURE
BEFORE THE
SUBCOMMITTEE ON DEPARTMENT OPERATIONS
AND NUTRITION
COMMITTEE ON AGRICULTURE
U. S. HOUSE OF REPRESENTATIVES
MARCH 23, 1994

Good morning, Mr. Chairman. I am Mary Ann Keeffe, Deputy Administrator of the Special Nutrition Programs, Food and Nutrition Service, USDA. I am pleased to be here today to discuss FNS' Commodity Distribution Programs.

The Clinton Administration is committed to eliminating hunger and to ensuring that all Americans, especially our children, have access to food that is nutritious and wholesome. This commitment is shown in President Clinton's Fiscal Year (FY) 1995 budget request which calls for a program level increase of nearly \$2 billion for

USDA's food assistance programs. The proposal requests \$38.7 billion for the food programs in FY 1995, up from the \$36.9 billion in FY 1994.

As our budget request indicates, we at USDA are concerned about needy Americans and take every reasonable step to ensure that access to an adequate and healthful diet is available to all who cannot provide for themselves. This Federal commitment has been achieved largely through the Food Stamp, Child Nutrition, WIC, and Commodity Distribution Programs, which are designed to meet the nutritional needs of low-income Americans, and through cash assistance programs, such as Aid to Families with Dependent Children and Supplemental Security Income, that help provide for recipients' basic needs, including food. Altogether, Federal food assistance programs provide benefits to almost 50 million Americans daily and cost almost \$39 billion annually. These figures translate into assisting one in every six Americans in any given month.

Emergency Food Assistance Program (TEFAP)

Even though there is an increase in the request for some programs, we are ever mindful that we are in tight fiscal times and that difficult and even painful choices have to be made. Because of this, it was necessary to re-think the operation of

programs, such as TEFAP; and as you will recall, Mr. Chairman, TEFAP was created in the early 1980's when the Government possessed dairy and grain surpluses. The cost to the Government just to transport and store these billions of pounds of commodities was extremely high. Rather than allow these products to remain in storage indefinitely, USDA, working with the Congress, made those commodities available to States to distribute to needy households.

The burden of these surpluses, which were created by an imbalance of supply and demand for farm products, was significantly addressed in the Food Security Act of 1985 and the Food Agriculture, Conservation and Trade Act of 1990, which made changes to agricultural price-support programs. In recent years, the volume of surpluses and the cost to taxpayers have been greatly reduced. When many people think of TEFAP, they think of the "surplus cheese" distribution, and many still believe, contrary to fact, that the Government holds huge inventories, ready to spoil, unless the food is handed out. At one time, USDA was purchasing as much as 10 percent of the milk supply, and we were donating in excess of \$1 billion worth of surplus commodities in TEFAP alone in a year. These donations were free to needy people, but not free to taxpayers who had to pay for the cost of these foods. Clearly, those distributions are over, and we can all agree that level of surplus donation will never return.

The President's request for \$40 million in TEFAP administrative funds demonstrates this Administration's commitment to the continuation of TEFAP. These funds can be used not only for the administrative costs associated with TEFAP commodities, but also for the handling of non-USDA commodities distributed through the TEFAP network, and for administration of the Soup Kitchen and Food Bank Programs. The requested administrative funding could also greatly facilitate efforts to meet the nutritional needs of low-income Americans through (1) USDA commodities donated to the Soup Kitchen and Food Banks, and (2) food provided by a variety of private sources to food banks and food pantries involved in TEFAP. We fully intend for the TEFAP pipeline to remain open. As the recently released Second Harvest study indicates, programs in that network rely on Federal, State and local Governments for more than 55% of the cash income they need to continue operating.

Over the years, TEFAP has developed an identity that went beyond its role of surplus removal. Instead, in the 1980's, the Nation saw an emergence of a food bank network that supplied food to needy working households. TEFAP has evolved over the years to provide help in certain situations. TEFAP has been responsible for helping to develop a more comprehensive network of food banks than would have been possible otherwise. However, TEFAP is an extremely variable, stop-gap program, in contrast to the Department's characteristic food assistance programs, which tend to provide a more regular, dependable, precisely targeted benefit.

Clearly, the success of the private donations efforts have been greater than anyone could have imagined, and provided relief to the working poor and others who for one reason or another did not or could not receive food stamps or other program benefits. According to Second Harvest, private donations comprise 95% of the food that goes through their affiliates. Without these private donations, the food bank network would not be viable. That is why this Administration encourages and supports private donations. It is also the reason we are seeking ways to be creative with regard to private donations and in bringing together groups to work in forging a private/Federal partnership in this area.

While this food bank network receives most of its food from private sources, this is not the case with regard to administrative funds. USDA provides a steady base of administrative funds through TEFAP that food banks can rely on to pay overhead costs. Keeping this pipeline open was a primary concern in deciding how to budget our limited resources. We need to make sure that food banks stay open and provide access to food -- we think this is best accomplished not through purchasing a relatively modest amount of commodities, but by continuing to provide the lion's share of administrative funds. While more money could certainly be used to purchase more food, we believe that limited resources must be directed where specific nutritional objectives are served through a carefully structured, consistent, dependable delivery system.

Food Stamp Program

The Food Stamp Program meets the criteria I just described as an ongoing program and continues as our primary and most effective means of combatting hunger, as this Committee recognized when it provided the leadership for passage of the Mickey Leland Childhood Hunger Relief Act last year. This legislation is expected to increase benefits under the Food Stamp Program by an estimated \$2.5 billion in FYs 1994-1998 and, when fully implemented, to add approximately 265,000 participants to the program. The Food Stamp Program, in fact, was authorized by Congress to replace earlier food distribution programs. Today the Food Stamp Program serves over 27 million people each month.

Special Supplemental Food Program for Women, Infants and Children (WIC)

A significant enhancement to this Nation's ability to fight hunger has been achieved recently. WIC, which supplies foods with key nutrients, nutrition education, and social service referrals to pregnant, breast-feeding and postpartum women, infants, and children during critical stages of growth and development, has had its budget increased significantly. The FY 1994 appropriation for this program increased from the previous year by over 12 percent to \$3.21 billion, allowing approximately

600,000 more people to participate. The FY 1995 budget request for the WIC program is \$3.6 billion, an increase of over \$353 million above FY 1994. These large increases in the WIC appropriation, especially in the current climate of budgetary reductions, reinforce its importance and effectiveness. Program participation is expected to increase from 6.5 million in FY 1994 to approximately 7.2 million persons per month in FY 1995. This participation level will bring this extremely efficient and effective program still closer to full funding, a goal which the President wants to achieve by the end of FY 1996.

Charitable Institutions, Summer Camps, and the Soup Kitchen and Food Bank Program

With regard to the distribution of USDA commodities to organizations that prepare meals for needy individuals, commodities acquired under the Commodity Credit Corporation's (CCC) price support operations are made available for distribution to charitable institutions, including soup kitchens, temporary shelters, orphanages, correctional facilities, and to nonprofit summer camps for children. This distribution is not a specifically authorized program supported by its own appropriation. Rather, commodities are provided to States through broad legislative authority that permits their distribution to a wide variety of institutions serving needy

persons, including charitable institutions. These commodities acquired by CCC under its price support operations are generally available for distribution only when they cannot be sold.

The distribution of these commodities to needy households, charitable institutions, and summer camps, and the market-oriented provisions of the Food Security Act of 1985 and the Food, Agriculture, Conservation and Trade Act of 1990, have greatly reduced the inventories of price-supported commodities available for donation as bonus commodities to the various food programs. Therefore, beginning in FY 1995, USDA will only be able to provide butter to charitable institutions, thus reducing the total value of donations to charitable institutions approximately 50 percent.

However, USDA has sought alternate sources of funding to maintain the flow of commodities to those charitable institutions that would otherwise be most adversely affected by this reduction. Because private nonprofit soup kitchens, homeless shelters and similar entities have less access to alternate public funding sources than public institutions such as State prisons and hospitals, the President's FY 1995 budget requests an increase of \$10 million for the Soup Kitchen and Food Bank Program, for which the facilities serving the homeless, but not the prisons, hospitals and summer camps, are eligible. This would increase funding for the Soup Kitchen and Food

Banks Program to \$50 million and significantly offset the reduction in commodities that facilities serving the homeless, and similar organizations, will experience as charitable institutions.

Commodity Supplemental Food Program (CSFP)

CSFP was created in 1969 to provide supplemental foods and nutrition education through local agencies to pregnant, postpartum and breastfeeding women, infants, and children under 6 years old who are vulnerable to malnutrition. In 1985, the elderly (persons 60 years of age or older) were added to the program.

The FY 1995 budget request of \$94.5 million dollars for CSFP does constitute a small decrease from the FY 1994 amended appropriation, however, it is consistent with our budget request for FY 1994 which we still believe represents an appropriate level of funding for the program in the context of our 14 food assistance programs. In keeping with Congressional intent, as well as Departmental policy and CSFP regulations, the women, infants, and children population continues to be the priority for this program. As such, any reductions that will result from a decreased appropriation will likely come from the elderly caseload. The caseload could drop from an estimated 174,000 elderly participants in FY 1994 to 110,000 in FY 1995, a

decrease of about 64,000 if elderly participation grows that high in 1994. Currently it is about 150,000. Alternatively, funds could be carried forward into FY 1995 to maintain a more stable caseload.

Food Distribution Program on Indian Reservations (FDPIR)

As we began to develop our FY 1995 budget, it was apparent that FDPIR would be able to absorb a \$30 million decrease in program funding without any significant impact on the program. This determination was based partially on the fact that participation in FDPIR has declined significantly over the last 5 years. From FY 1989 to FY 1993, participation decreased from approximately 138,000 to about 112,000. Despite the decline, appropriations did not begin to decrease appreciably until FY 1994. The drop in participation, coupled with the over-ordering of commodities, resulted in accumulation of inventories in excess of program needs. Beginning in FY 1993, unspent funds were carried over into the following fiscal year. It was anticipated that the accumulation of resources available in FY 1995, combined with the reduced appropriation for that year, would be sufficient to serve all eligible applicant households.

The Department of Agriculture remains firmly convinced that FDPIR meets a critical need in providing food assistance to low-income Indian households. For this reason, we are committed to taking every reasonable action to ensure that the program continues to serve this function. We also remain committed to exploring ways to improve the program, to the extent that funding levels permit, in cooperation with the National Association of Food Distribution Programs on Indian Reservations, individual Indian Tribal Organizations, and State agencies.

Quality of Foods

Before ending my statement, I would like to point out our continuing effort over the years to improve the quality of foods provided in our family feeding programs. With the goal of improving the nutritional content of these foods, we require that all fruits be packed in light syrup or natural juices. Also, we have eliminated the use of tropical oils in all our products. In addition, we have lowered the fat content in canned pork and increased the variety of whole grain products offered and the offering of canned fish such as salmon and tuna. For the Food Distribution Program on Indian Reservations, a decrease in the fats/oils food group offering was offset by an increase in fruits and vegetables. Rice and potato flakes were also increased. We maintain an ongoing review of product specifications to

improve the quality of our products. A recent outcome of this review was the revision of the egg mix specification to reduce the fat, saturated fat and sodium while increasing the carbohydrate and protein content.

In closing, Mr. Chairman, I believe that our budget request does indeed demonstrate the Administration's commitment to needy people, despite the current limitations on Federal funds. This concludes my statement, Mr. Chairman. I will be pleased to respond to any questions you or the Committee might have.

STATEMENT OF DR. CONNIE McKENNA
ACTING DEPUTY ADMINISTRATOR
HOME ECONOMICS AND HUMAN NUTRITION
EXTENSION SERVICE
U. S. DEPARTMENT OF AGRICULTURE
BEFORE THE
SUBCOMMITTEE ON DEPARTMENT OPERATIONS AND NUTRITION
HOUSE COMMITTEE ON AGRICULTURE

March 23, 1994

Mr. Chairman and Members of the Subcommittee, I am pleased to be with you this morning to represent the Extension Service, U.S. Department of Agriculture (ES-USDA) and to discuss with you our efforts in helping to reach needy people and increase food availability. The programs that I will describe for you today are varied, innovative and representative of efforts being carried out all across the Nation.

ES-USDA is the federal partner of the Cooperative Extension System (CES), the non-formal education system that links the educational and research resources and activities of the USDA, 74 land-grant universities, and 3,150 county governments. Extension's purpose is education -- practical education for Americans to use in dealing with the critical issues that affect their daily lives and the Nation's future. Our community-based programming, flexibility, and linkages with public and private groups allow us to respond in a very special way to the particular needs of a community. Thousands of paraprofessionals and nearly three million volunteers support our efforts and allow us to reach many more people with our programs. Use of computer and communications technologies speed the rate with which we share program curricula

and materials, as well as program results, throughout CES. These special features of CES provide the setting for the development of tailor-made programs that focus on getting food directly to those who need it and, more importantly, to bring about changed behavior through education to help people become self-sufficient. Extension follows the old adage, "If you give a man a fish, he can eat for a day. If you teach a man to fish, he can eat for a lifetime."

Examples of the variety of our programs include teaching Special Supplemental Food Program for Women, Infants and Children (WIC) clients about the nutritional value of fruits and vegetables and telling them how to use special vouchers at the farmer's markets in States such as North Carolina, New Hampshire and New York. In Connecticut, Extension conducts summer youth nutrition education programs for children participating in the USDA Summer Food Service Program. In Florida, Extension collaborates with 29 non-profit agencies and churches serving the South Dade area to address the hunger needs of the community. This coalition has a distribution network for surplus food that greatly assisted in the Hurricane Andrew crisis and continues to meet the needs of the vast number of newly arriving immigrants from the Caribbean and Latin America. New Jersey has a program that helps teens establish a produce stand business linking them with local farmers and teaching them job and business skills. In addition, 1890 land-grant institutions are enabling Extension to give added emphasis to working with diverse audiences and those with restricted social, economic and educational resources.

Food Banks

In areas across the country, food banks have sprung up in response to community needs. In Tarrant County, Texas, Extension responded with a step-by-step process communities could use to establish emergency food assistance. Other States, including Tennessee and North Dakota, also have been involved in setting up, running and improving food bank operations.

Pennsylvania's "SuperCupboard" programs provide an innovative model for reaching the chronic user of emergency food systems. Extension, along with public, private and non-profit partners, identifies community needs and resources and provides for the client a comprehensive educational program along with an emergency food package. While learning about food preparation, food buying, food safety, nutrition, and life skills, clients develop responsibility and self-esteem. This model is now being used in other parts of the country, including North Carolina and right here in Washington, D.C. Graduates of the "SuperPantry" at the Capital Area Community Food Bank are trained as health advocates and return to train others receiving food assistance.

As a result of a cooperative agreement with the Washington State Department of Community, Trade, and Economic Development, the Washington State Cooperative Extension Service provides training for food bank staff and volunteers on how to prepare healthful food baskets. Emphasis is given to those people who have special dietary needs, such as persons with HIV-AIDS, diabetes, lactose intolerance, infants

and pregnant women. As a result, food bank staff and volunteers are increasingly aware of the nutritional needs of a variety of people.

In San Antonio, Texas, lessons from the Expanded Food and Nutrition Education Program (EFNEP) are taught to the large number of families requesting emergency groceries from the Christian Assistance Ministry. The lessons help families identify their nutritional needs and how best to address them. The social workers at the center have stated "We believe this program has contributed significantly to 'teaching people how to fish.'"

Gardening

Gardening and home food production have been a part of Extension educational programs since the Victory Gardens of World War I. Today, Extension continues to promote home food production for all of its clientele as a way to save money and improve diet and nutrition. Another important facet of home food production is the 4-H/youth development programs, such as those in Grand Forks County, North Dakota and Los Angeles, California, which teach basic plant sciences and health and nutrition.

In FY 1994, funding for the urban gardening program was included in the formula in Sections 3(b) and (c) of the Smith-Lever Act and distributed to all States, rather than targeting funding for specific cities, as was done in previous fiscal years under Section 3(d). Despite this change, most States continue to target low income and inner city dwellers for their home food production programs.

Many volunteers help in providing educational programs. Master Gardeners, Master Food Preservers, and Master Nutritionists aid in delivering comprehensive programs from the planting of the seed to food safety, preparation and consumption. Extension also has formed linkages with low income housing development agencies to make available home food production programs for the residents.

In Albuquerque, New Mexico, requests to donate excess produce for limited resource families are handled by the Master Gardeners volunteer program. Gardeners are asked to bring their excess produce to garden centers on a certain day of the week. Produce is then transported to various feeding sites throughout the city.

In FY 1993, Kentucky EFNEP paraprofessionals assisted 640 families with gardening and food preservation. Much of the food raised was preserved, including 26,732 quarts of canned and 15,362 quarts of frozen fruits and vegetables. The retail value of this food was approximately \$40,190. Three hundred seventy-four families also dried 115 bushels of food. In addition, families reported storing 2,411 bushels of garden-grown items such as onions, potatoes, squash, turnips and apples. Stored foods represented a farmer's market value in excess of \$83,000.

There are other impacts of home food production besides saving money and better diet and nutrition. Neighborhoods become cleaner; neighbors start talking to one another, sharing gardening experiences and information as well as produce. Nowhere has this been more apparent than in Los Angeles. During the recent riots, the community gardens remained intact whereas the surrounding areas were devastated.

In Ohio, too, Extension staff have been active in recruiting, instructing and supporting volunteer neighborhood leaders to organize and maintain productive community vegetable gardens. Over 80% of the gardens in Cleveland are found in the city's poorest neighborhoods. Technical advice is provided on all aspects of raising vegetables and organizing community gardens. In addition to supplying fresh food, well-managed gardens build community spirit and provide a setting where people can get to know one another and cooperate in other activities. Ohio State University Cooperative Extension Service staff reported that, in 1993, 318 garden leaders volunteered over 40,000 hours to organize nearly 5,000 gardeners. They converted 42.5 acres of otherwise vacant land into 231 community vegetable gardens resulting in a harvest of \$1.5 million in fresh produce.

In 1991, Extension established educational programs to serve Native Americans living on reservations. These programs, currently available on 29 reservations, include developing a diabetes dietary garden with the Choctaw Indians in Mississippi, teaching subsistence agriculture to residents of native villages in interior Alaska, and developing arid agriculture on the Hopi Reservation in Arizona.

Gleaning

Gleaning is an organized activity in which hundreds of people collect unused and discarded food and provide it to those in need. Through gleaning, low-income and unemployed persons can receive agricultural products from farmers, processors,

or retailers without charge. There are many groups, such as food banks and other charities involved with feeding the poor, that organize volunteer gleaning programs.

CES, through its national educational network, is providing information to interested groups and individuals on ways to conduct gleaning programs. Extension has served as a resource on the Executive Council of Feeding Sites -- bringing together food providers, the "hunger and poverty network," the public, and other groups. Extension field faculty also provide information to farmers and growers on public policy issues pertaining to gleaning and to providers and processors about the needs of the poor.

More than 20 States have some form of gleaning program. The wide range of State gleaning activities includes setting up soup kitchens, preserving excess food, helping to train Master Food Preservers, and providing technical assistance on food preservation. In Georgia, excess, prepared and perishable foods are being collected from food service donors and distributed to feeding sites. Extension provides EFNEP programming to recipients.

The concept of "harvesting after the harvest" is popular in other States as well. Washington State University Cooperative Extension personnel trained gleaners to pick produce without damaging the fields. Part of the gleaners' harvest is donated to the local food bank and a portion of every day's harvest goes to the families that assist with the gleaning efforts. These families have preserved the produce for later use and reported that it has helped them to make it through the winter and to stretch meager incomes.

Throughout the Nation, more and more farmers, farmer's markets, producers, retailers, institutions, restaurants, and backyard gardeners are contributing to gleaning programs, as this humanitarian effort continues to become more popular. Brochures, fliers, toll-free hotlines, and promotion videos are just some of the means by which county Extension offices are getting the word out on gleaning.

Federal Food Programs

Extension is working closely with the Food and Nutrition Service in a number of ways to enhance assistance to those in need. For example, last year in Delaware, EFNEP personnel recruited 656 children attending formalized day camps to receive nourishing lunches provided by the Summer Food Service Program. CES programs in nine States include the Family Nutrition Education Programs for Food Stamp Recipients. These include bilingual education.

In partnership with the Food Distribution Program on Indian Reservations in North Dakota, Extension-developed cookbooks are provided to families receiving commodity foods. Also aimed for use by recipients of commodity foods are a cookbook developed in Massachusetts which discusses the Food Pyramid as well as basic health and dietary guidelines and factsheets prepared in English and Spanish by Kansas State Cooperative Extension. A new program in Hartford, Connecticut is linking Extension with the Hartford School Lunch Director and local farmers to increase the amount of local produce used in the school meals. Nutrition education for staff and students will be part of the training, as well as menu development.

Mr. Chairman, while we sometimes measure the benefits of our programs in more sophisticated ways, such as in economic terms and changed behaviors, other times our successes are evident in simple ways. Take, for example, this success story from Ingham County, Michigan. A nineteen year old father in the Ingham County EFNEP program wrote: "Audrey showed me how to make potato soup and I was at a friend's house yesterday and he had no food, but he had a bag of potatoes so I told him how to make potato soup."

Today I have shared with you only a few of the many examples of how the Cooperative Extension System is helping address the issue of hunger in America. I would be pleased to discuss these further, Mr. Chairman, and to answer any questions which you or other members of the Subcommittee may have.

Statement
of the
American Commodity Distribution Association
before the
Committee on Agriculture
U.S. House of Representatives
March 23, 1994
Zoe P. Slagle, President

Chairman Stenholm, and Members of the Committee, I am Zoe Slagle, President of the American Commodity Distribution Association and I work with the Commodity Distribution Program in the Michigan Department of Education. We very much appreciate the opportunity to appear before you this morning to present our views on the USDA food distribution programs. Congressman Stenholm, thank you for your continued support of these excellent programs.

I am here to discuss three important USDA Commodity Distribution Programs: The Commodity Supplemental Food Program (CSFP), The Emergency Food Assistance Program (TEFAP) and the Charitable Institution/Summer Camp Programs. These are all very important and cost effective components of our federal effort to deliver nutrition and fight hunger in America.

The American Commodity Distribution Association (ACDA) is a non-profit professional association with members representing all state and territory commodity distribution agencies, agricultural organizations, food processors, storage and transportation companies, recipient agencies (schools, community action agencies, food banks and other non-profit organizations), and individuals interested in promoting and working with others to continually improve the commodity distribution programs. Our association members work very closely with USDA, allied organizations such as the American School Food Service Association (ASFSA), hunger relief organizations, such as Second Harvest, and nutrition and anti-hunger advocacy groups, such as The Food Research and Action Center (FRAC).

On August 25, 1995, the USDA Commodity Distribution Program will celebrate its 60th year. Its dual mission of (1) providing wholesome and nutritious products to school districts and other domestic food programs and (2) providing support to American agriculture has worked very well those many years - the trucks have rolled every day. **The USDA food distribution program is unique in that it spends the same dollar twice - once when it buys product to stabilize the agriculture market and again when that product is provided to our nation's citizens who need nutritious food.**

Today the commodity distribution program provides nutritious foods to:

Public Schools	Food Banks (FB)
Private Nonprofit Schools	Food Pantries
Residential Child Care Facilities	Soup Kitchens (SK)
Elderly Feeding Programs - congregate and delivered	Temporary Shelters
Child and Adult Care Food Programs (CACFP)	Summer Feeding
Public and Nonprofit Hospitals	Summer Camps
State County Correctional Facilities	Charitable Institutions
The Emergency Food Assistance Program (TEFAP)	Indian Reservations
Commodity Supplemental Food Program (CSFP)	Disaster Relief

In Fiscal Year 1992, 2,084,890,597 pounds of food, valued at \$1,183,743,612 were distributed by USDA to the above agencies. This was done with a minimum of taxpayer dollars, because these food products were provided at a low cost through USDA's buying power and the network of volunteers that help distribute these food products. At the same time the program helped support to American agriculture. Private sector donations were also distributed to this "neediest of the

need" population through the infrastructure of the USDA commodity distribution system. Without this system, private donations could not be distributed affordably. The synergy is completed by the fact that many of the agencies that distribute commodities, and other programs where clients are referred, provide intervention programs at their most cost-effective point: prevention. The USDA Commodity Distribution Program acts as a "carrot" to draw these people in.

The Commodity Supplemental Food Program (CSFP) is a good example of how we, as a nation, can provide not only nutritious food but nutrition education assistance at a low cost. This program helps prevent future health problems, a very high cost of our social assistance programs. For example, Margaret Kent and her husband Bill have three children, Megan - 4 years old, Randy - 2 years old and Sally - 4 months old who is breast feeding. Bill earns \$8.10 hour, but is now unable to obtain overtime work. Margaret and her family are, so far, in good health and do not qualify for the Special Supplemental Food Program for Women, Infants and Children (WIC). They desperately need food assistance to stretch their tight budget and provide a healthy diet. She and her children do qualify for the Commodity Supplemental Food Program (CSFP), and each month the family receives approximately 138 pounds of cereals, canned meats, fruits, juices, vegetables, peanut butter, non-fat dry milk, cornmeal, honey, butter, cheese, rice and dehydrated potatoes or pasta.

CSFP provides specifically designed packages to meet the nutritional needs of each age group. The Kent family receives two children's packages, one infant package and one breast feeding mother package. These packages provide a balanced nutritional intake by supplying food that follows the Dietary Guidelines for Americans as reflected in the new USDA Food Guide Pyramid.

CSFP is designed to prevent the onset and alleviate the effects of malnutrition for individuals likely to have poor diets due to low incomes, like the Kents. The purpose is to provide recipients with Government acquired commodities purchased under various farm support programs to supplement their diets. The recipients are low-income, pregnant, postpartum, and breast feeding women, as well as infants, children up to age 6, and in certain cases, the elderly. Mothers, infants and children (MIC) qualify for CSFP participation if they are at or below 185% of the Federal Poverty Income Guidelines and seniors, at or below 130%. Currently, this equates to a family of two being eligible if their income falls below \$18,204, and seniors in a family of two qualifying at \$12,792.

The precursor of WIC, CSFP is currently operating in 19 states serving more than 430,000 persons. The FY 1994 national caseload is 257,008 MIC slots and 173,788 senior slots totaling 430,876 slots. This FY 1994 caseload represents an increase of 42,241 slots from FY 1993. Michigan operates the largest program serving 27% of the nation's CSFP participants. The CSFP distributes specific food commodities to recipients at no cost and is required by regulation to give nutrition education to clients. The program may operate in the same geographic area as WIC, but individuals may not participate simultaneously in both programs.

CSFP commodities are distributed by USDA to state health, human services, or education agencies contingent upon USDA approval of the state plan detailing how the state will operate the program. In turn, the state agency distributes commodities locally to public or private nonprofit health or human service agencies that have been approved by the administering state agency.

The CSFP had its beginning in Michigan in 1970, serving 1500 mothers, infants and children (MIC) in Detroit. In 1971 Focus: HOPE assumed local administrative functions and today operates the nation's largest local CSFP.

The 1990 Farm Bill, P.L. 101-624, extended authority for the CSFP through FY 1995 and required the Secretary to approve new CSFP projects if appropriated funds exceed those needed to support existing sites.

In addition to serving women, infants and children at risk for nutritional deficiencies, the CSFP has distributed commodities to low-income seniors since FY 1982. Focus: HOPE began Food for Seniors (FFS) as a national pilot program in 1981. The pilot was based on extensive research linking costly health care and institutionalization of the elderly with illnesses which are preventable or manageable at much lower expense through sound nutrition.

The cost of a CSFP package is much less than the retail cost. Infant formula, for example, costs five times as much when purchased at the corner store.

In Detroit, Focus:HOPE did the following March, 1994 cost comparison of CSFP food packages supplied by USDA and the same packages purchased at local retail outlets.

	Pregnant/ Breast feeding	Postpartum	Child	Infant 1-3 mo.	Infant 4-12 mo.	Seniors
USDA	\$36.48	\$30.58	\$38.44	\$14.88	\$18.96	\$30.58
Retail/major chain	73.71	60.75	80.05	70.99	79.19	60.75
Corner store	77.88	63.36	86.66	90.83	100.53	63.36

Although the cost of administering the program adds \$4.11 to each package, CSFP is still the most affordable choice.

We have found in Michigan that offering both WIC and CSFP has worked very well resulting in better service to eligible families. Our local CSFP and WIC agencies work in tandem to provide the best service; WIC refers non-eligible persons to CSFP and CSFP refers clients in need of health services to WIC. The dual programs also provide a choice to families. Some WIC-eligible families prefer receiving the food rather than the coupons, especially if they are in the inner city or in rural areas. In fact, the WIC program in Chicago operates like the CSFP in that they purchase food for direct pick-up by their clients. They were assisted in starting this system by the local CSFP program staff in Chicago. The reason for changing their system was because the WIC clients had difficulty buying food in inner city Chicago as well as the very high price and poor environment often found in the retail outlets.

States either have a state-wide computer system that cross checks WIC and CSFP participation to assure that persons are not participating in both programs or it is done at the local level. Individuals in one family may participate in either program; a feature which is of great assistance to many families. Pregnant women and infants may need the additional health counseling offered by WIC, yet their five year old children, who are ineligible for WIC may participate in CSFP.

This fiscal year, 173,788 seniors are being served nationally by CSFP. The Emergency Food Assistance Program (TEFAP) and CSFP are the only two programs for seniors that provide USDA food that can be taken home and prepared. We find that a great number of our Michigan seniors prefer "Uncle Sam's" food that they can cook themselves. Many have told me that they are glad they "can help out the government by using that surplus food." The seniors do not feel they are "on welfare" when receiving our commodities as they often do when using food stamps.

The seniors must be at or below 130% of the poverty income guidelines which means they must be more needy than the mothers, infants and children who participate in CSFP.

This is our area of greatest need in the CSFP. All 12 of Michigan's CSFP agencies have senior waiting lists. We requested 9618 additional senior slots for FY 1994 and received only 1740. CSFP for seniors is only available in 16 states (19 for MIC). All participating states report a need for additional senior caseload slots. In Michigan, the question I am asked the most often by our state legislators is why we don't have the program statewide; we have the program in 44 out of 83 counties.

One of the reasons this program is so well liked, especially by seniors, is that at the local agencies, staff and volunteers alike, offer a kind word, human contact, concern and interest, in addition to USDA food.

The Emergency Food Assistance Program (TEFAP) data is equally impressive as a cost efficient system of bringing food to our hungry citizens.

TEFAP utilizes thousands of volunteers in every state. Without these volunteers there would be no program. They distribute the food, organize their sites, submit reports to their local agency, and have a deep concern for their "folks who pick up the food." Congressman Stenholm, I understand you have had the honor of thanking some of those volunteers in Aspermont and participated in one of those marvelous covered dish suppers!

The Emergency Food Assistance Program provides needy citizens USDA donated food for household consumption. All foods are purchased by USDA under the price support program, surplus removal legislation and the commodity entitlement programs.

The distribution of surplus commodities to households was initiated in 1981 when there were near-record dairy surpluses. USDA distributed butter, cheese and nonfat dry milk to people in need of assistance until the commodities were depleted. Since that time, more than 7.3 billion pounds of surplus commodities have been distributed to low-income households. These distributions, in addition to changes in agricultural price-support programs and market conditions, have reduced the volume of surplus commodities the government had acquired. Consequently, distributions of nonfat dry milk and cheese have been discontinued because surplus stocks have been depleted.

The law provides that each state shall determine which households qualify to receive commodities. The states enforce strict income guidelines which range from 125% to 185% of the Federal Poverty Income Guidelines. Michigan initiated a two-tiered eligibility standard in 1984 to help offset high medical costs of senior citizens. TEFAP qualification for recipients 60 years and older is 160% of the Federal Poverty Income Guidelines and for those participants under 60 years it is 130%. For fiscal year 1994, this equates to seniors in a family of two being eligible if their income falls below \$15,744, and others in a family of two qualifying at \$12,792.

Many states have had to use tougher eligibility guidelines this year because of the decrease in the amount of food available.

The quantity and variety of foods is determined by the USDA. The allocation of these products from the federal agency to states is based on a formula consisting of the number of persons unemployed (40% weight) and the number of persons at or below the Poverty Income Guidelines (60% weight). Allocation of products from the state to local agencies is based on product availability, incidence of poverty and unemployment in the agency's service area, and the number of households participating in the agency's program. Regulations require the state agency to establish uniform issuance rates, which are based on household size and are used by local agencies in their distribution. Applesauce, green beans, butter, cornmeal, fruit cocktail, orange juice, peanut butter, peas, pork, raisins, and rice were available for the 1993 fiscal year distribution.

TEFAP has also been instrumental in responding to the immediate food needs after natural disasters such as Hurricane Hugo, the Midwest floods and the Los Angeles earthquakes. These foods have been used to feed thousands of persons when other sources of food were not immediately available. In Los Angeles and Ventura counties, more than \$500,000 worth of food was rushed to the Red Cross to support group feeding efforts, and another \$11.5 million of commodities, including infant formula, baby food, tuna, powdered milk, and other items, were sent to the area. The state Departments of Social Services and Education drew from their stock of supplies for TEFAP and school nutrition programs to provide food for the devastated area. The USDA Food Distribution System also provided the infrastructure necessary for the distribution of private sector foods.

A pilot program by the Florida Department of Agriculture and Consumer Services is putting fresh produce on the dinner tables of needy families throughout Florida. Approximately 150,000 pounds of fresh produce already have been distributed to more than 8,000 needy families since the pilot program began in November 1993. The fresh produce - which is cosmetically imperfect but otherwise wholesome and nutritious - is donated by Florida farmers and collected by the Florida Department of Agriculture and Farm Share. The produce is distributed to needy families by emergency feeding organizations that are part of the TEFAP distribution network. This fresh produce donated by Florida's farmers has helped to offset cutbacks in the federal TEFAP.

Wood County, Wisconsin reports that a typical TEFAP food package for a family of four, issued quarterly, costs only \$18.79. The average cost of the same food items purchased at four local stores is \$35.79, almost double the cost of TEFAP. The cost of program administration which includes storage and transportation adds \$2.04 to \$2.45 (depending on the number of volunteers involved) to each package. In Michigan, the cost to USDA of our most recent bimonthly package was \$8.84 plus \$2.26 for administrative/storage/transportation cost per bag. By comparison, the average retail price at four retail stores was \$16.73.

The abolishment of TEFAP in California would result in the local TEFAP agencies losing a total of almost 50 million pounds of food: 41 million pounds of USDA-donated TEFAP commodities and eight million pounds of fresh produce from

Donate/Don't Dump. The nation's largest food bank, the Los Angeles Regional Food Bank, would lose 40 percent of its food. California's 50 food distributing agencies would lose their single largest source of "free" food. TEFAP foods are generally viewed as more "valuable" than other donated food because of superior packaging, shelf life, nonperishability and nutritional value. Within their limited budgets, there is no way for food distributing agencies throughout California to replace this food. California's food distribution network – the best and most comprehensive that it has ever been – would be seriously reduced or even collapsed. The sites most likely to close are those in the rural, poor, geographically separate areas of most California counties; the areas where the state's neediest clients reside. Much of the food transportation, handling and storage capability would be dismantled as many agencies rely on TEFAP administrative funds to support equipment and facilities costs that are shared among multiple programs, all of which would be affected by the TEFAP cut.

TEFAP started out as a program to utilize the excess cheese and butter being stored by the government. It has turned into a needed and very cost efficient program, that feeds the neediest of the needy at minimum cost to the tax payer. President Clinton's budget request not only jeopardizes 8 million households who receive TEFAP food but the efficiency of the entire USDA food distribution system. In FY 1992, TEFAP distributed 429,821,683 pounds of product valued at \$225,797,223 which was 19.1% of the value of all USDA commodity distribution programs. If programs are cut or diminished, the cost to the remaining programs increase.

The charitable institution and summer camp programs have provided an effective and efficient outlet for agriculture surplus removal. Commodities for Charitable Institutions (CI) are acquired under two federal statutory provisions; Section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), which deals with surplus removal activities, and Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), which concerns price-support operations. To participate, charitable institutions must be nonprofit and serve meals on a regular basis. They may be either public or nonprofit private institutions, which range from churches operating community kitchens for the homeless and destitute, to orphanages and homes for the elderly. Other eligible institutions include substance abuse treatment centers, meals-on-wheels programs, soup kitchens, temporary shelters, correctional institutions offering rehabilitative activities, group homes for the mentally impaired, and hospitals that offer general and long-term health care. These institutions have utilized these food items by providing nutritious meals to those who were in great need. Generally, the foods donated are butter, cereal and grain products such as cornmeal, rice, rolled wheat and oats, bulgar, macaroni, and spaghetti, and peanut and oil products such as roasted peanuts, peanut butter, peanut granules, vegetable oil, and vegetable shortening. Other foods, including meats, fruits and vegetables, may become available when surplus exists, but such surpluses are usually limited in quantity. At a yearly meeting held each January, the branches of USDA dealing with commodity distribution compare the farm outputs and surpluses of the previous year with the needs of organizations feeding the hungry on a state-by-state basis.

Predictions of crop yield and surpluses are made, the needs of commodities programs are assessed and bids from growers are entertained. The Agricultural Stabilization and Conservation Service (ASCS) purchases the commodities as a part of its price support and surplus removal programs. Food and Nutrition Service (FNS) is responsible for receiving the food, repacking it, and transporting it to state distributing agencies. The amount of these products has diminished significantly in the last two years because of the success of our agriculture policy which has resulted in a reduced amount of surplus product.

USDA has told us that next year the only available surplus item will be butter and butter oil. This means that other than butter these outlets will only receive a small amount of some items not utilized by schools. This amount will also vary significantly by state.

Homeless shelters, safe houses, and similar sites need the commodities; often it is the only difference between survival and closed doors. Likewise the summer camps provide meals as well as a quality experience to many needy children who are unable to participate in their school lunch and breakfast program. There are thousands of small sites which provide one-on-one services to disturbed teenagers or abusing parents, or just people in need of some short term help. Our commodities keep these sites going. Like TEFAP, these programs have turned into needed programs offered at a low cost.

The dilemma is that if we allow the infrastructure to disappear in the years when surpluses are diminished, we will not have our efficient distribution system in place when there are surpluses.

Agencies that rely on the Commodity Distribution Program serve those who need food assistance and cannot readily obtain it from any other source. These programs serve people who fall through the cracks of the Food Stamp Program or who choose not to participate. In short, the only means to a healthy diet for some segments of our population is through one of the USDA commodity programs.

Unfortunately, these program are needed. Although we often hear reports of an economic recovery, we still see and hear far too much about the problem of hunger in America.

Hunger is a condition of poverty. Living below the poverty line puts tremendous strain on a household to achieve a nutritionally-adequate diet. In 1992, 36.9 million Americans (14.5 percent of our population) lived in poverty. This figure represents the highest number of people in poverty since the mid-1960's.

The "1993 National Research Study" contracted by Second Harvest found that during 1993, nearly 80 percent of food banks reported an increase in the number of meals and groceries provided to the hungry through the social service agencies served by the food banks. They also found that one out of every ten Americans depend, at least occasionally, on donated food.

A national survey conducted by Catholic Charities USA shows that the number of children coming to agencies for food doubled from 1991 to 2.7 million in 1992. In 1981, one in four Catholic Charities' clients received emergency aid; in 1992, it was three out of every four.

The U.S. Conference of Mayors has documented an annual increase in the demand for emergency food in major cities across the nation since 1983. In 1993, requests for emergency food increased in the survey cities, by an average of 13 percent.

The most recent figures for the Food Stamp Program shows that participation continues to climb. In fact, participation just hit an all time high, nearly 27.5 million people.

About five million American children under 12 years of age go hungry each month and millions more are at risk of hunger according to estimates based on the results of the most comprehensive study ever done on childhood hunger in the United States, the Community Childhood Hunger Identification Project (CCHIP).

On March 6th, "Parade Magazine" featured an article on literacy written by Carl Sagan and Ann Druyan. The article focuses on the importance of reading and education as a means out of poverty. The authors also emphasize how poor nutrition, as a result of poverty, harms children's capacity to understand and learn. Citing the recent research on the links between undernutrition and children's cognitive development, Sagan and Druyan discuss how even mild undernourishment, the kind most common among poor people in America, can be potentially associated with lifelong cognitive impairment. The importance of federal programs like WIC, CSFP, TEFAP, School Breakfast, School Lunch and Summer Feeding to children's ability to learn and develop can not be over emphasized.

Between 2.5 and 4.9 million elderly Americans, many living well above the poverty line, suffer from hunger and food insecurity, according to the Urban Institute survey, the first national survey to document the extent of hunger among older Americans. According to this survey, "Hunger Among the Elderly: Local and National Comparisons", by Martha R. Burt, November 1993, three federal programs provide food assistance to elderly Americans: food stamps, home-delivered meals, and congregate meals. These programs serve many seniors, but most seniors with food needs do not use these programs.

- . Almost nine of ten low-income seniors do not receive food stamps.
- . Nine of ten seniors with a functional limitation, and who have experienced food insecurity in the past six months, do not receive home-delivered meals.
- . Two of three seniors with three or more indicators of food insecurity do not use the congregate meals program.

Hillary Rodham Clinton, made a very strong statement on the relationship between diet and health, stating that "the single cheapest way" to improve health care in American is for people to consume a nutritious diet, coupled with moderate exercise.

Nutrition may be finally getting the recognition it deserves as an essential component of good health. Across the country, from schools to Indian reservations to senior citizen apartments, commodities form the foundation that enables low income Americans to begin to build a diet that can meet the dietary guidelines, improve their overall health, and prevent costly illnesses related to poor nutrition.

The Surgeon General's 1988 Report on Nutrition and Health states that the U.S. spent more than \$200 billion for treatment of diet-related illnesses, including heart disease, high blood pressure, cancer, diabetes, and obesity. These diseases affected 100 million Americans. Three of the five leading causes of death are from nutrition-related diseases: heart disease, certain cancers, and stroke. Available commodities include foods from all food groups and are important sources of major nutrients, fiber, vitamins, and minerals, that can play a role in disease prevention.

Commodity programs are preventative nutritional care. For many families, they are the difference between having enough food to stay healthy and productive, and succumbing to the consequences of poor nutrition. These include an impaired ability to defend against illness, and negative economic results when workers lack the energy to maintain work efficiency, and students lack the concentration to sustain their learning potential.

Our goals for the Commodity Distribution Program are to support American agriculture, provide food for the hungry, support schools and other institutions, and be part of the effort to provide the motivation, education and desire for citizens to follow the Dietary Guidelines for Americans.

To provide food and nutrition to those in need and to ensure our agricultural system remains the best in the world we need to lower certain barriers.

1) Restore Commodity Supplemental Food Program (CSFP) Funding to FY 1994 level of \$104M.

Without this funding, 10% of the participants will be forced from the program and join the ranks of those not having access to adequate food and nutrition. This program provides food products to families in rural and inter-city locations, who find it difficult and often prohibitive to purchase food at retail outlets.

The \$104M level does not provide for any expansion. This program is only in 19 states (16 for seniors). CSFP serves people well, is well received and is very cost efficient. It would be a logical program to increase funding to expand to additional states. It costs approximately \$450 per person per year to operate the program.

2) Restore TEFAP funding, at minimum, to the Fiscal Year 1993 level of \$120M for food purchases and \$50M for Administration.

The \$0 for TEFAP food purchases in the President's budget request must be changed, at minimum, to \$120M, and the \$40.2M amount in the budget for Administration funding, changed to \$50M. The Soup Kitchen/Food Bank (SK/FB) level of \$50M in the President's budget request is a welcome increase of \$10M from FY 1994.

TEFAP has gone from \$162.3M for the purchase of food in FY 1993 to \$80M in FY 1994, a 50.7% reduction. Administrative funding has been reduced from \$45M in FY 1993 to \$40M in 1994, a 11.1% reduction. This equals a total reduction of 61.8% for TEFAP in Fiscal Year 1993. The positive item is that the SK/FB funding was increased from \$32M in FY 1993 to \$40M for FY 1994, a 25% increase.

In terms of human impact, we estimate that more than eighty million households no longer benefit from TEFAP distributions as a result of this cut. This not only means that many families and seniors are losing much needed food, but will lose the warmth, care, interest, and concern given to them by TEFAP staff and volunteers as they receive their TEFAP package. A \$0 amount for FY 95 would mean another eighty million households would not receive TEFAP food.

We have concern for our seniors because of this program cut. Approximately 60% of the TEFAP recipients are seniors who rely on this Program. Seniors often do not have enough to eat and TEFAP provides that needed additional food to many of these seniors.

3) Appropriate \$80M for charitable institutions and \$2.5M for summer camps for the purchase of food products.

CIs currently have no legal authority to fall back on to continue to receive government foods. How some of them will cope with this potentially major loss of resources is unknown.

Continuation of USDA commodities to these programs would keep them providing food to children and adults in severe need. The Charitable Institution and Summer Camp programs have been receiving a reduced amount of commodities each year because of the reduction in bonus commodities. A commodity entitlement for these programs would provide them with needed products they have been steadily losing and enable them to feed their children and adults. In FY 1992, 235,290,220 pounds of food valued at \$109,786,094 were distributed to charitable institutions, 9.2% of the total commodity program value and 5,501,493 pounds valued at \$2,499,809 were distributed to summer camps.

4) Include a commodity entitlement of 3¢ per meal for the School Breakfast Program.

Much effort is being directed to increasing school breakfast participation. A commodity entitlement for school breakfast would provide an additional incentive for schools to provide breakfast to students. A 3¢ per meal entitlement would help assure an increase in the number of breakfast programs. Several research studies show that students who eat school breakfast score higher on standardized tests, have improved problem solving ability and classroom behavior, and are absent and tardy less often.

5) Include State Administrative Expense (SAE) allocation for the Commodity Distribution Program in the FY 1995 Budget.

Currently each state is given an amount equal to not less than 1% and not more than 1/2% of the school lunch and breakfast funds for state administration of the program. Not included in this formula, however, is the value of USDA commodities. Funding for the Commodity Distribution Program would provide the resources for improved operation of the Food Distribution program for all recipients by providing technical assistance, training, development of program materials, and improved delivery systems and service to customers. Currently many states are forced to add charges for delivery and storage of commodities to simply perform regulatory functions. They are unable to provide adequate technical assistance in such areas as: 1) food receiving and storage, 2) information on successfully introducing new foods, 3) nutrition education, and 4) establishing additional nutritional guidelines for processing. This provision is in Senator Leahy's Better Nutrition and Health for Children Act, S.1614 (Sec. 307) and Representatives Kildee and Goodling's Bill, H.R. 3580 (Sec. 201).

6) The Cash-in-lieu of Commodities and Commodity Letter of Credit (CLOC) pilot programs need to come to their natural termination.

These pilots were authorized in 1980 and have been functioning since then. Two USDA studies concluded that the two options provided no improvements over the Commodity Distribution Program.

In June, 1992, after study and review of the CLOC Modification Demonstration Evaluation Final Report and a review of the improvements made in the commodity distribution system, USDA announced its position against the continuation or expansion of the CLOC system. USDA stated in its June, 1992 position paper, "It is in the best interests of agricultural producers, administrators of commodity distribution systems, and recipients of USDA's domestic commodity programs to retain the traditional commodity program."

Again, if one commodity program is reduced in size or eliminated, the whole distribution system is affected, becoming more costly and less effective and efficient. This is particularly pronounced in states with sparse population.

Mr. Chairman, I would like to submit for the record a letter recently sent to President Clinton from a broad range of agriculture organizations concerning the recent Uruguay Round GATT agreement. They suggest that as the funding for the basic agricultural programs decreases, the money saved should be moved to the support of domestic feeding programs such as TEFAP. Mr. Chairman, we are very excited about this letter and feel it is very important because the range of organizations signing the letter is broad and the point is powerful. We should not just unilaterally give up all agricultural programs. This special, wonderful program, Commodity Distribution, has been our traditional link between agricultural policy and nutrition policy. This returns to the foundation of when the National School Lunch program began in 1946; agriculture supported the school lunch program with commodities and school lunch supported agriculture by using them. TEFAP supports both the people in need of food and good nutrition and American agriculture.

Conclusion

You, as policy makers, are in a very difficult position and we empathize with your desire to do the most for our neediest citizens within the ever present limits of scarce resources. The USDA commodity distribution programs can assist you in this task by providing needed food and nutrition at minimal cost to the tax payer.

Mr. Chairman, and committee members, thank you for your interest and concern for those who depend on these programs. I am confident that our members can support your efforts to provide a positive and cost efficient USDA Commodity Distribution Program that feeds America's hungry, and at the same time, provides support for American agriculture.

USDA Food Distribution Program - Fiscal Year 1992

Program	Total Pounds	Total Value
TEFAP	378,592,049	\$194,858,814
SK/FB	51,229,634	30,938,409
TOTAL	429,821,683	225,797,223
CSFP	155,607,026	96,393,980
Schools	1,142,477,600	678,128,327
CACFP	9,558,595	5,915,506
SFSP	1,616,172	843,978
FDPIR	87,676,907	50,342,042
CI	235,290,220	109,786,094
SC	5,501,493	2,499,809
NPE, AAA, FBDP, and DF	17,340,901	14,036,653
NATIONAL TOTAL	2,084,890,597	\$1,183,743,612

COMMODITY SUPPLEMENTAL FOOD PROGRAM

Fiscal Year 1994 Caseload Levels
Appropriation Level of \$104.5 Million

States/Indian Reservations	FY 1994 MIC Caseload	FY 1994 Senior Caseload	Totals
Arizona	18,750	9,248	27,998
California	13,444	3,729	17,173
Colorado	20,514	7,809	28,323
District of Columbia	5,900	10,086	15,986
Illinois	17,000	7,000	24,000
Iowa	1,900	4,400	6,300
Kansas	3,743	2,426	6,169
Kentucky	2,790	5,115	7,905
Louisiana	32,770	36,553	69,323
Michigan	64,966	45,650	110,616
Minnesota	8,000	2,500	10,500
Red Lake Ind. Res.	590	0	590
Nebraska	5,139	12,590	17,729
New Hampshire	3,046	4,015	7,061
New Mexico	17,137	5,206	22,343
New York	26,120	0	26,120
North Carolina	473	1,650	2,123
Oglala Sioux Ind. Res.(SD)	713	0	713
Oregon	1,444	0	1,444
Tennessee	12,649	15,821	28,470
Totals	257,088	173,788	430,876

COMMODITY SUPPLEMENTAL FOOD PROGRAM FOOD PACKAGES
EFFECTIVE 10/1/91

3/94

FOOD ITEM	INFANTS		CHILDREN	WOMEN		SENIORS	OTHER ITEMS
	A	B		D	E		
	0-3 Months	4-12 Months	1-5 Years	Pregnant/ Breast-feeding	NonBreast-feeding/ Postpartum	60 + Years	Amount/Person/Month no Infants
Infant Formula: **	31 or 8	31 or 8					Butler 2# Cheese 2# Cornmeal 5# Honey 1 #
Liq. Concentrate (13 oz can) OR Powered (1 lb. can)		4					
Cereal: Infant Rice (8 oz pkg)							
Cereal: Dry Ready-to-Eat (various)** OR Farina (14 oz pkg) OR Rolled Oats (3 lb pkg)			2 or 2 or 1	2 or 2 or 1	2 or 2 or 1	2 or 2 or 1	Cheese 5#/household (when 2# Cheese is not available)
Egg Mix (6 oz pkg)			2	2	2	2	
Juice (46 oz can)		2	5	5	3	3	
Meat/Poultry (29 oz can) OR Meatball Stew (24 oz can) OR Tuna (12.5 oz can) OR Meatball Stew (15 oz can)			1 or 1 or 2 or 2	1 or 1 or 2 or 2	1 or 1 or 2 or 2	1 or 1 or 2 or 2	
Milk: Evap. (12 oz can) OR Milk: Evap. (12 oz can) AND Milk: Nonfat Dry (4 lb pkg)			32 or 5 and 1	38 or 11 and 1	30 or 3 and 1	30 or 3 and 1	
Peanut Butter (2 lb can/jar) OR Dry Beans (2 lb pkg)**			1/2	1/2	1/2	1	
Potatoes, Dehydr. (1 lb pkg) OR Rice (2 lb pkg) OR Pasta (1 lb pkg) (when avail.)			1 or 1 or 1	1 or 1 or 1	1 or 1 or 1	1 or 1 or 1	
Vegetables / Fruits (any size can)			4	8	4	4	

* For infants of non breastfeeding women.

** The distribution rate for all sizes is 2 packages per month. A combination of 1 package of dry ready-to-eat cereal and 1 package of farina may be provided

*** One 2 lb container of either peanut butter or beans may be provided every other month, except that elderly participants may receive a 2 lb container of peanut butter dry beans every month.

**Commodity Supplemental Food Program
in Michigan
Fiscal Year 1994**

The Commodity Supplemental Food Program (CSFP) is a preventative and lifetime cost saving program designed to aid low-income individuals known to be vulnerable to malnutrition. The CSFP provides nutritious foods to supplement the diets of low-income pregnant, postpartum and breast-feeding women, infants, children under 6 years of age, and elderly persons 60 years of age and older. Assistance is provided during critical periods of growth and development to prevent the occurrence of health problems and improve the health status of these young families and to seniors to help reduce health problems. Foods provided are purchased by USDA and issued at no cost to the participants.

Number of Sponsors: 12

Number of Sites: 78

Number of Persons Served Monthly: 110,606

Counties Served: 44 of 83

Food Package: (over)

Average Value of Package: \$28.32

Average Weight of Package: 45.6#

Total Pounds: 48.6 M

Total Value: \$29.1 M

Administrative Grant: \$5.4 M

Local Agencies	99.5%
State Agency	.5%

Percent of National Program: 27%

Rank Out of 19 States: 1

Percentage of Michigan Commodity Program: 43.7%

The Emergency Food Assistance Program - FY 1992
Value Order

State	Total Pounds	Total Value	Entitlement		Bonus	
CALIFORNIA	40,517,274	\$20,193,174	17,170,776	\$11,332,609	23,346,498	\$8,860,565
NEW YORK	30,906,117	16,083,832	11,992,461	8,927,858	18,913,656	7,155,974
TEXAS	26,159,028	13,196,332	10,143,684	7,239,074	16,015,344	5,957,258
PENNSYLVANIA	17,779,692	9,375,513	7,003,902	5,073,795	10,775,790	4,301,718
FLORIDA	16,730,676	8,968,407	7,326,660	5,441,167	9,404,016	3,527,240
ILLINOIS	15,298,656	8,176,874	6,419,460	4,696,240	8,879,196	3,480,634
OHIO	15,369,468	7,708,242	5,451,780	3,896,064	9,917,688	3,812,178
MICHIGAN	15,345,438	7,649,684	5,415,762	3,888,019	9,929,676	3,761,665
NEW JERSEY	11,700,204	6,008,315	4,276,332	3,119,088	7,423,872	2,889,227
PUERTO RICO	10,963,260	5,470,806	5,714,460	4,767,444	5,248,800	703,362
NORTH CAROLINA	10,444,704	5,292,138	4,351,872	3,268,947	6,092,832	2,023,191
LOUISIANA	9,593,784	5,114,065	3,519,960	2,556,618	6,073,824	2,557,447

State	Total Pounds	Total Value	Entitlement		Bonus	
TENNESSEE	8,940,900	4,869,861	3,698,646	2,740,494	5,242,254	2,129,367
MASSACHUSETTS	8,817,120	4,852,682	3,882,432	2,892,365	4,934,688	1,960,317
ALABAMA	8,542,278	4,472,851	3,319,410	2,450,996	5,222,868	2,021,855
GEORGIA	7,138,488	3,950,978	3,847,836	2,774,917	3,290,652	1,176,061
MISSOURI	7,957,861	3,904,998	3,251,125	2,309,328	4,706,736	1,595,670
MISSISSIPPI	6,938,808	3,663,485	2,744,424	2,031,396	4,194,384	1,632,089
VIRGINIA	7,353,024	3,630,456	3,251,160	2,351,092	4,101,864	1,279,364
WASHINGTON	6,596,334	3,419,050	2,272,374	1,822,096	4,323,960	1,596,954
OKLAHOMA	7,043,496	3,285,701	2,181,948	1,511,051	4,861,548	1,774,650
MARYLAND	6,086,030	3,214,792	2,393,306	1,807,258	3,692,724	1,407,534
KENTUCKY	6,916,962	3,134,636	3,015,642	2,259,841	3,901,320	874,795
INDIANA	5,909,562	3,128,739	2,607,606	1,872,095	3,301,956	1,256,644
ARKANSAS	5,932,638	2,975,970	1,951,890	1,440,413	3,980,748	1,535,557
MINNESOTA	5,289,654	2,609,757	1,815,216	1,308,020	3,474,438	1,301,737
ARIZONA	4,742,298	2,555,115	1,812,798	1,322,809	2,929,500	1,232,306
WISCONSIN	4,723,710	2,494,226	1,991,802	1,451,295	2,731,908	1,042,931
OREGON	4,492,830	2,150,100	1,700,226	1,179,823	2,792,604	970,277

State	Total Pounds	Total Value	Entitlement		Bonus
SOUTH CAROLINA	5,083,002	2,111,902	2,361,402	1,735,596	2,721,600
WEST VIRGINIA	3,855,126	2,109,383	1,339,662	1,034,414	2,515,464
COLORADO	3,513,204	1,900,328	1,444,212	1,069,863	2,068,992
CONNECTICUT	2,879,820	1,886,175	1,423,980	1,026,056	1,455,840
IOWA	3,235,812	1,726,813	1,370,844	1,003,055	1,864,968
KANSAS	3,221,844	1,633,158	1,269,276	899,512	1,952,568
NEW MEXICO	2,609,376	1,363,942	919,608	661,420	1,689,768
MAINE	1,641,429	1,003,371	773,733	617,616	867,696
UTAH	1,820,598	942,806	655,290	484,121	1,165,308
IDAHO	1,751,250	896,805	715,554	487,271	1,035,696
NEBRASKA	1,680,288	868,273	683,004	498,613	997,284
NEW HAMPSHIRE	1,477,494	780,141	601,422	454,617	876,072
DIST. OF COLUMBIA	1,214,688	745,539	565,404	404,498	649,284
RHODE ISLAND	1,100,694	691,362	567,822	423,590	532,872
NEVADA	1,370,520	672,397	484,872	416,280	885,648
MONTANA	1,210,902	588,340	499,254	359,303	711,648
DELAWARE	979,578	548,026	492,318	294,858	487,260

State	Total Pounds	Total Value	Entitlement		Bonus	
SOUTH DAKOTA	1,145,634	537,801	520,386	321,121	625,248	216,680
VERMONT	946,377	507,370	325,929	272,386	620,448	234,984
NORTH DAKOTA	999,684	484,003	374,436	266,955	625,248	217,048
HAWAII	759,846	443,936	383,022	326,443	376,824	117,493
WYOMING	716,466	398,265	304,818	209,408	411,648	188,857
ALASKA	595,392	285,944	303,768	180,353	291,624	105,591
VIRGIN ISLANDS	264,731	107,743	53,519	44,724	211,212	63,019
GUAM	162,000	48,462	75,600	36,150	86,400	12,312
COMM NO MARIANAS	126,000	25,150	126,000	25,150		
MARSHALL ISLANDS	0	0				
FED ST MICRONESIA	0	0				
AMERICAN SAMOA	0	0				
REP. OF PALAU	0	0				
TOTAL	378,592,049	\$194,858,814	153,160,085	\$111,285,585	225,431,964	\$83,573,229

March 16, 1994

The Honorable Richard Durbin
Chairman
Subcommittee on Agriculture, Rural
Development, FDA, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Last fall, we wrote to you expressing our concern for the future of The Emergency Food Assistance Program (TEFAP). Now that President Clinton has released his budget proposal for the next fiscal year, it is important for us to reiterate our concern.

TEFAP has already taken its fair share of budget cuts. Food distribution sites across the country are feeling the effect of these cuts, and the situation will be much worse as supplies dry up later this year. It is estimated that last year's cut alone will result in eight million households not being able to receive assistance from TEFAP.

President Clinton's fiscal year 1995 proposal (\$0 for commodity purchases and \$40 million for administrative funds) is a death blow to the program. Many TEFAP sites will close without purchased commodities to distribute, especially those in rural areas. Millions of low-income households depend on TEFAP to meet their nutritional needs when food stamp benefits run out at the end of the month. Many of these households will have nowhere to turn for food assistance without this program.

TEFAP provides food directly to those in need through a very efficient and cost effective system. Strict income guidelines are set by the states, and these guidelines ensure that TEFAP serves those who need it the most, the poorest of the poor.

Not only is TEFAP an integral part of our nation's hunger relief efforts, but it also plays an important role in disaster relief. It would be nearly impossible to respond to natural disasters if TEFAP commodities are not immediately available. For example, nearly 900,000 pounds of TEFAP commodities were used for emergency food assistance after the Los Angeles earthquake -- food that otherwise would not have been available. This has been true for all of

our recent natural disasters, from Hurricane Hugo to the winter storm that hit the East Coast last spring. We know of no other program that can meet this need, and continuing commodity purchases will ensure the government's ability to respond quickly.

We understand the tight budget constraints that the Subcommittee must deal with. However, this is an extremely cost effective program that serves several goals. TEFAP should be funded at its fiscal year 1993 level (\$120 million for commodity purchase and \$45 million for administrative funds) to ensure that it will continue to meet these goals.

Thank you for the attention you have always given to the concerns of the agriculture community. We would certainly welcome the opportunity to discuss TEFAP with you in greater detail.

Sincerely,

American Commodity Distribution Association
 American Farm Bureau Federation
 American Meat Institute
 California Canning Peach Association
 National Association of State Departments of Agriculture
 National Council of Farmer Cooperatives
 National Farmers Union
 National Grange
 National Milk Producers Federation
 National Pork Producers Council
 National Turkey Federation
 United Egg Association
 United Egg Producers

March 14, 1994

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

The recently completed Uruguay Round GATT agreement, to the extent that it is fully implemented, will bring about a number of changes in the global environment for agriculture. Whether it will result in expanded market opportunities for U.S. agriculture, however, will depend on the U.S. government's level of commitment and support for policies and programs which are consistent under GATT and necessary to maintain a sound and productive U.S. agricultural economy.

The importance of maintaining a sound and productive agricultural economy is underscored by the fact that U.S. agriculture is our nation's largest single industry, accounting for approximately 20 percent of GDP and nearly one out of every five jobs. It is also essential in order to ensure that consumers have access to a dependable and high quality supply of food and fiber at reasonable prices, as well as to help meet the needs of those less fortunate at home and overseas.

To achieve these objectives, it is critical that U.S. agriculture be able to compete effectively in both the domestic and international marketplace. In recent years, however, the U.S. has been confronted with increasing trade barriers and unfair foreign competition -- much of it heavily subsidized. Such actions have not only made it difficult to compete, but artificially lowered world prices for many commodities. The impact has been especially felt by U.S. agriculture as continued budget pressures have reduced domestic income and price-support programs for many commodities.

While the GATT agreement will require a reduction in the use of such trade-distorting measures, it is important to recognize that it does not eliminate them. In some cases, the GATT agreement will actually allow individual countries -- including within the European Union (EU) -- to increase their use of export subsidies for selected commodities in the near term before requiring any reduction in terms of both value and volume.

At the same time, the GATT agreement recognizes and protects the ability of individual countries to maintain and increase support for a variety of so-called "Green Box" programs relating to agriculture, including market development, market promotion and food assistance.

However, even though specifically allowed under GATT, the availability and use of such programs with regard to U.S. agriculture would be substantially reduced under the Administration's current budget proposal -- and in some cases virtually eliminated. Further, if approved by Congress, such reductions would go into effect before the GATT implementing date and without any similar requirement on the part of other countries.

Clearly, our foreign competitors -- including the European Union -- can be expected to utilize every authority and opportunity under GATT in support of their agriculture, and to maintain and increase their share of the world market. Without a similar commitment on the part of the U.S. government, U.S. agriculture will be at a significant disadvantage.

Accordingly, we believe a number of actions are needed. This includes maintaining funding and support for a variety of USDA export and food assistance programs - especially during the transition period under GATT. This would include GSM credit guarantees, the Export Enhancement Program (EEP), Dairy Export Incentive Program (DEIP), Cottonseed and Sunflower Oil Assistance Programs (COAP and SOAP), Market Promotion Program (MPP), Foreign Market Development Program (FMD), as well the Food for Peace Program (P.L. 480), and The Emergency Food Assistance Program (TEFAP).

In addition, we urge the Administration to support as part of the GATT implementing legislation the establishment of an Agricultural Investment and Market Expansion Program (AIME) utilizing existing funds, which would: (1) consolidate certain USDA export programs (such as EEP, DEIP, COAP, SOAP, MPP and FMD), while maintaining their current level of funding and authority; (2) require the full use of such funds and authorities as allowed under GATT; and (3) make available any funds not otherwise used for such purposes to be "reinvested" as allowed under GATT for certain "green box" programs, including market development, market promotion, export credit guarantees, and certain domestic and overseas food assistance programs such as the Food for Peace Program (P.L. 480) and The Emergency Food Assistance Program (TEFAP).

Such actions, we believe, are essential if U.S. agriculture is to remain viable and competitive, meet domestic and overseas food needs, and to realize the full promise and potential benefits of the recently completed Uruguay Round GATT agreement.

Sincerely,

American Farm Bureau Federation
 American Meat Institute
 American Sheep Industry Association
 American Soybean Association
 Coalition for Food Aid
 National Association of Wheat Growers
 National Barley Growers Association
 National Broiler Council
 National Cattlemen's Association
 National Corn Growers Association
 National Cotton Council
 National Council of Farmer Cooperatives
 National Grange
 National Milk Producers Federation
 National Potato Council
 National Pork Producers Council
 National Sunflower Association
 National Turkey Federation
 Rice Millers Association



SUBCOMMITTEE ON DEPARTMENT OPERATIONS
AND NUTRITION

COMMITTEE ON AGRICULTURE

MARCH 23, 1994 STATEMENT

AUGUSTA HAMEL, OSB

EXECUTIVE ASSOCIATE TO THE PRESIDENT
SECOND HARVEST
NATIONAL NETWORK OF FOOD BANKS

Good morning I am grateful for this opportunity to testify before the Subcommittee on Department Operations and Nutrition, Committee on Agriculture, regarding the issue of hunger in this nation, public policy addressing it, and the response of the Second Harvest network to this painful cancer on our nation's well-being

Two weeks ago, Second Harvest released the results of the most comprehensive study ever completed on emergency feeding programs in the United States. The compelling results of this new research illustrates that hunger in our land is a serious problem not only for those millions of Americans without enough food, but for all of us

I bring before you data rich in terms of the scope and the depth of its research, but information that equally noteworthy for the troubling content and insights it gives us regarding the hungry persons served through the Second Harvest Network of 185 regional food banks and the 41,587 charitable agencies, like food pantries, soup kitchens, homeless shelters, that are served by those regional food banks. **THIS NETWORK FED THE STAGGERING NUMBER OF NEARLY TWENTY SIX MILLION HUNGRY PERSONS IN 1993. THAT IS 10.4% OR 1 IN 10 OF THE PEOPLE WHO LIVE IN THIS PLENTIFUL LAND.**

Second Harvest National network of food banks, is the largest domestic charitable food distribution mechanism in the United States. We serve the people who either do not have access to public programs, or who must use our services to complement the food/nutrition that they receive through federal feeding programs. We see reflected in the work of this network, the shortcomings of the present public policy. We attempt to serve those persons who can not subsist on what is available to them through existing feeding programs that are inadequately funded. I

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submit to you that we need to make new commitments to demonstrably effective programs. We need to examine what works well and support it and we need to address what needs to be changed in terms of delivery of service. I further submit to you that, in the light of the research results that we have, and the empirical data we experience in our pantries, shelters and soup kitchens, it is unconscionable to cut away any support for any part of the existing feeding programs under the Department of Agriculture.

As you may know, Second Harvest National is a clearing house for the allocation and distribution of food from the private industry to the 185 regional food banks through out most parts of this county. In 1993, as a network, we distributed over 669 million pounds of private sector, donated food to our needy clients. I cite that information not as praise of our network, but as a way to present to you the dimension and magnitude of the problem we face each day. The statistics we have gathered serve as an indicator that reliance by hungry persons on the nonprofit sector for emergency food is growing. The Second Harvest Research collected from the emergency programs in our network shows that 71% of those programs were established since 1981 in response to hunger in local communities. This demonstrates clearly that, in the face of public policy shortcomings, neighbors are trying to respond to the needs of their hungry neighbors in their local communities.

The demographic information provided in the research released March 8th on this Capitol Hill provides new insights into who it is that experiences hunger in America. A significant percentage of those needing assistance are children, with 42.9% of network clients aged 17 and younger. This is well above the 25.9% figure for the 1-17 age cohort in the general population. Poverty and its resulting hunger seems particularly biased against our children and it is interesting to note that, in spite of the stereotypes, white Americans comprise the largest group of emergency food recipients in the network.

Many network clients are unemployed professionals. Of 44.1% that are currently unemployed, 31.4% were last employed in skilled positions that include technical, management, professional, clerical, and secretarial. As for education levels, well over half of the network clients have a high school diploma or completed higher education. This study illustrates not only the extent of the hunger problem in America, but, again, it breaks the stereotypical images of the homeless as those who are the hungry. This study reveals a whole new face of hungry people in this land of what may become two societies.

Many clients worry about where their next meal will come from or miss meals because they do not have enough to eat. The study revealed that 20% of all network clients worry often or always about the source of their next meal. When asked about skipping meals, 32.4% reported that adults in their households have missed meals in the past month because they did not have enough food to eat nor enough money to buy food.

Most troubling is the finding that significant numbers of persons were turned away by local agencies because they lacked sufficient resources, food and funds, to meet the demand. Our food banks and agencies tell us that demand is up 37% year-to date for 1993 and at the same time, our statistics show food donations up 10% for the same time period. We are deeply concerned by these statistics and about the people represented by those figures.

It is apparent to us that this nation's domestic feeding programs as funded by congress and administered by the USDA, fail to provide the essential food required by the various target populations.

I believe strongly in the appropriate role of the independent, nonprofit sector. I am proud of the work of Second Harvest as demonstrated in its efforts to respond compassionately, efficiently and effectively to the issue of domestic hunger in thousands of communities throughout this land, but I also know our limits. In our fifteen years of existence, we have assisted in the creation and support of the infrastructure you see sustained through local community support. Through the 41,587 agencies, we are able to stay close to the people we serve. We have become "the safety net to the safety net" government feeding programs that are not adequately funded and, that, in my opinion, must be adequately funded in the interest of the common good and the well-being of our neighbors.

Second Harvest has a fifteen year partnership with the food industry. The incredible demand for resources to continue to feed the hungry has been matched by the generosity of corporations, foundations, and individuals. Yet I must caution the committee that resources are not increasing to the extent that demand is escalating.

The Second Harvest food donations from all sources for 1993 were

Local food industry to food banks	373,599,990	
National food industry to Second Harvest	257,392,245	
Prepared Food	38,533,342	
TEFAP	95,326,793	
Soup/Commodities	25,129,232	
Other Govt	58,229,535	
Purchased Food	56,611,799	
Total Distribution	904,823,036	Pounds of food

This represents a 4.5% net increase over the total distribution of 1992.

The food industry increased its donations by 10% from 1992 to 1993 to Second Harvest food banks, other categories of food donations decreased so therefore only a net increase of 4.5% was realized in the total operation. Estimated value of donated pounds, excluding commodities and purchased foods, using wholesale value of \$1.73 is over one billion dollars worth of food to aid in the feeding of hungry persons.

While that is a monumental achievement for a relatively young organization, I am here today to tell you that it is not enough. In the Second Harvest Hunger Study of 1993, we were told that 2,910 food programs turned away 61,110 people annually because those programs lacked sufficient food resources to meet the local need. Other programs had to ration the food served at soup kitchens and put less food in pantry bags for families to take home. Other agencies alternated days for service to clients or opened their doors three days a week instead of five to maintain a level of food distribution that was in concert with their diminished resources.

The charitable initiative can only be effective if public and private partnerships collaborate in providing resources. Now is not the time for any food resource to be cut back. In fact, we need to make it easier for the private sector to donate more, while the government sector accepts its responsibility for providing food, as well.

In addition to food donated from private industry, as a network we also distributed during 1993, 95,326,793 pounds of The Emergency Food Assistance Program (TEFAP), 25,129,232 pounds of Soup Kitchen/Food Bank Commodity Program food, and 58,229,535 pounds of other government food, primarily Commodity Supplemental Food (CSFP). This is a total of 178,685,560 pounds of USDA commodities in 1993.

These USDA commodities are an opportunity for us to enhance and the donated food from private industry so that what we distribute in boxes and bags from emergency food pantries is more balanced. As such, TEFAP is crucial to us as a reliable supply of few valued commodities and as a stabilizer in a massive system of unpredictable food supplies that is typical in the charitable network. I have surveyed our network and know the disastrous effect that cuts in TEFAP, both administrative funds and food purchase funds, will do to the quality of nutrition that we will be able to maintain in many of our emergency food box and pantry programs.

TEFAP has an additional human benefit. It allows us to give families food to take to their homes and prepare and eat in their homes, as opposed to the soup kitchen environment which is not always the best one for children and their mothers. And TEFAP is especially critical in our service to rural areas where there are no soup kitchens. It makes no sense to hungry persons in rural areas that for FY94 the allocation for the Soup Kitchen Commodities Program while was increased while TEFAP was cut. Now, in the administration's budget for FY95, the TEFAP funding was slashed to zero for food acquisition by USDA. In the face of our research findings, to cut any existing feeding program would portend deep problems for the network of emergency food providers.

I SUBMIT TO YOU THAT HUNGER IS 100% CURABLE....preventable. We have enough food in this nation and we have the public's support as demonstrated in numerous polls to cure this problem. What is needed is the public sector's determination to enact into public policy the measures that will improve the availability, the access and quality of food for hungry persons. We know what it takes to provide adequate food and to make it accessible to hungry persons and their children until such a time as those individuals can provide adequate resources to assure food security through their own work

Your decisions as a subcommittee are of critical importance and the determinations you make influence if people will be able to eat. Your decisions can influence the frequency and the quality of their meals. You have within your hands the capacity to enhance the efforts of the independent, charitable sector efforts to feed hungry persons. That is at one time, a heavy responsibility and a marvelous, life-giving opportunity.

I recommend for your consideration that:

- Funds for purchase of commodities for the TEFAP program be restored at least to the fiscal year, 1993 level of \$165 million (\$125 for food purchase and \$40 for administration)
- For the future let us explore new and better mechanisms for the use of government commodities and reflect that in the next Farm Authorization Bill
- Review Section 170(e)(3) of the Internal Revenue Code with a view to amending the mechanism to make it advantageous for donors to give in-kind contributions of food to those charitable organizations feeding hungry persons



Written Testimony of
 Rev. Charles A. Parker, Executive Director
 Bread for the City, Inc.

to
 U.S. House of Representative
 Committee on Agriculture
 Subcommittee on Department Operations and Nutrition
 March 21, 1994

I. Introduction

Thank you for the opportunity to speak to you this morning. My name is Charles Parker and I work with a local non-profit agency called Bread for the City. Bread is the largest direct service provider of groceries in Washington, D.C. for low-income people. Every month, Bread provides food to 5,000 individuals from one of our three sites. Bread also distributes clothing and renders social work assistance to hundreds of additional individuals and families each month.

Bread's resources are focused on the "stable poor" - those who are in homes, but with incomes that fall within food stamp guidelines. These include elderly and disabled people and parents with dependant children. Our social work staff focus much of their efforts on assisting clients to access entitlement programs such as Food Stamps and Supplemental Security Income (SSI).

Bread's food program distributes a three day supply of food to people who come for help. The Emergency Food Assistance Program (TEFAP) has provided a significant amount of this food for more than a decade. We also purchase a large amount of food from the Capital Area Community Food Bank, which warehouses large scale private food donations. The remainder of our food is donated or purchased wholesale.

Through our social work program, we refer many clients to other federal commodity programs such as Commodity Supplemental Food Program (CSFP) and the Supplemental Food Program for Women, Infants, and Children (WIC).

II. The Continuing Need for Commodity Programs

The District of Columbia has an extremely high poverty rate -over 17% of the population. The poverty line is currently \$6,972.00 gross annual income for a single person, a figure that increases with the number of people in a family; for a family of four the poverty line is \$14,352.

According to a 1991 study, those people living below the poverty line can only purchase 77% of the food they need, even when they are making use of available federal benefits, such as Food Stamps. This echoes the findings of the recent Second Harvest report that found that 82% of food stamp recipients regularly run out of food each month. These statistics speak to both the need for increasing current food stamp levels, and the need to continue existing TEFAP and CSFP to meet this need.

Food Stamps are, and must continue to be, the primary instrument in the fight against hunger; too often in the political process, advocates debate whether resources should go to commodity programs or increases in Food Stamps. Both are needed. Food Stamps sustain millions of people across the country every month by providing critical food purchasing dollars; no other program approaches its scope and effectiveness. And while commodity programs play an important role as well, they are not a substitute for Food Stamps.

But even with Food Stamps, many impoverished families, elderly and disabled people do not have enough to eat. Commodity foods provide essential additional food to a vulnerable population. They also reach a segment of this population that the food stamp program often does not. Many senior citizens and disabled people who are in subsidized housing only qualify for \$10.00 per month in food stamp benefits. Accessing these benefits in D.C. is so difficult that these seniors and disabled often allow their Food Stamps to lapse or do not apply at all.

TEFAP and CSFP provide a critically-needed supplement to these vulnerable populations. Commodity programs are often more flexible than Food Stamps, and commodity food is often administered through non-profit agencies and religious organizations, which are generally less bureaucratic and intimidating than the government agencies. Additionally, commodity programs can provide food immediately in emergency situations, rather than requiring the often considerable wait for Food Stamps.

An additional benefit of commodity programs is that they leverage a large number of private dollars. Bread for the City distributes over \$100,000 worth of TEFAP food on a yearly basis. We absorb the costs of transporting the food to our sites, storing it, distributing it, and screening the clients.

Additionally, with that same infrastructure, we distribute over twice the amount of non-federal food as TEFAP commodities to the same clients. Many other TEFAP distributors do the same.

Because we are providing immediate food assistance, many people come to us who are eligible for Food Stamps but are not receiving them. Once those people come to us we can screen them for Food Stamps and other assistance they may need. Thus, commodities become an outreach tool for other entitlements.

III. Some Suggestions for Modifying Commodity Programs

TEFAP and CSFP distribute food from two sources: surplus commodities purchased through farm subsidies, and direct purchases with money appropriated for the particular program. These programs have been targeted for cuts by administrations of both parties, in an effort to both decrease farm subsidies and to limit anti-poverty programs.

While I believe that commodity programs continue to fulfill a critical role in our nation's fight against hunger, there may be some ways to increase their efficiency. TEFAP provides food to people who live below 130% of the poverty line; its only criteria is income. CSFP has income as well as demographic guidelines, providing food to pregnant and nursing women, children under 6 years of age, and senior citizens (60 and up). For women and children, the income guidelines are 185% of poverty (as with WIC); and for seniors, it is 130% of poverty. There is significant overlap between these programs, with some clients receiving food from both. Both have extensive distribution networks and administration.

Part of the costs for administering these programs goes to reimburse private agencies for the costs of distribution. Because there is great demand for the food, and because many agencies have the infrastructure in place already to distribute other food, many would accept the food, even if there were no reimbursement. These administrative reimbursements may be a more critical element of TEFAP in large western states, but they are not here in D.C.

In light of these facts, I recommend the following:

- 1.) Consolidate the TEFAP and CSFP programs, allowing for more efficient distribution and eliminating one set of administrative costs. The resources saved should be available for additional food purchases. I would recommend that the remaining program be TEFAP since it focuses on a lower income population and allows agencies more flexibility in distribution.

Two additional programs that could be combined with TEFAP

and CSFP are the Food Distribution Program for Charitable Institutions and the Commodities for Soup Kitchens program. The size of the resulting consolidated program presents some logistical concerns (such as the fact that state agencies must accept 3 and 4 months of commodities at a time), but these could be dealt with through revised regulations by the Department of Agriculture.

2.) Maintain funding at a level that represents the sum of both programs' **authorized** funding levels.

3.) Give states the flexibility to receive the equivalent of their administrative dollars in actual commodities.

IV. Barriers to Private Food Donations

Much of the food that Bread for the City distributes is donated either directly to us or to the Capital Area Community Food Bank. While this is a significant resource, the federal government could do much to encourage large scale food donations.

While federal legislation can facilitate this process, it should also be clear that private contributions can in no way take the place of government programs, such as Food Stamps and commodity food programs.

Many states, including the District of Columbia, have passed "Good Samaritan" laws that indemnify from law suit organizations and people who donate food in good faith. Unless the organization is grossly negligent, it can not be sued for adverse reactions to food. Unfortunately, these laws vary from state to state, and these differences make many corporations weary of liability.

Current tax laws allow for a tax deduction of the cost of product whether it is thrown away or donated. The only additional tax deduction for donating material is 50% of the mark-up over the original cost of the product. For some food products this is adequate incentive. But since the mark-up on many food products is fairly low, often the incentive to donate is inadequate.

In light of these facts, I recommend the following:

1.) Enacting a federal "Good Samaritan" statute, with well disseminated information, to help food producers to feel more comfortable with their liability risk.

2.) Accepting the Second Harvest recommendation to provide a deduction floor of cost plus **either** 25% of cost or 50% of the mark-up, whichever is the higher figure.

V. Conclusion

Though the economic recovery has lessened the national attention on hunger, there continue to be millions of hungry individuals who rely heavily on federal assistance to keep from going hungry. The Food Stamp program is our most important tool in this fight.

But commodity food programs also play a crucial role, by both providing additional food and by reaching segments of the population that Food Stamps do not. Maintaining funding for these programs is a pivotal element in ensuring that millions of low-income people receive the food they so critically need.

Thank you for your attention to this important issue and for the opportunity to share the perspective of a direct service provider.

Twenty-five Years



1968-1993

Testimony of Eleanor M. Josaitis
Associate Director, Focus: HOPE
Chairwoman, CSFP National Committee

To the Agriculture Subcommittee on Department Operations and Nutrition, U.S. House of Representatives.

March 23, 1994

Chairman Charles Stenholm and Members of the Subcommittee:

My name is Eleanor Josaitis and I am the co-founder and Associate Director of Focus: HOPE, a civil and human rights organization located in the heart of Detroit. Father William Cunningham and I founded the organization in the aftermath of the 1967 Detroit riots. Our mission statement, adopted March 8, 1968, is still the same today.

Recognizing the dignity and beauty of every person, we pledge intelligent and practical action to overcome racism, poverty and injustice. And to build a metropolitan community where all people may live in freedom, harmony, trust and affection. Black and white, yellow, brown and red from Detroit and its suburbs, of every economic status, national origin and religious persuasion, we join in this covenant.

In 1968 and today, intelligent and practical action means providing nutritious foods to people whose inability to purchase those foods puts them at high-risk for health and developmental problems. Focus: HOPE and the Commodity Supplemental Food Program have provided food to low-income mothers and pre-school children for 25 years and to low-income senior citizens for over 13 years. CSFP is the original federal food supplementation program for these most vulnerable group and, in the eyes of the operators, it is the very best.

In December of 1993, Focus: HOPE provided peanut butter, rice, corn meal, cheese, black-eyed peas, orange and tomato juices, tuna fish, pork, fruit cocktail, pears, butter, carrots, sweet peas, tomatoes, cereal, pinto beans, evaporated and dried milk and infant formula to 45,100 mothers and children, and 32,420 senior citizens. That same month in San Francisco, Chicago, Des Moines, Washington D.C., Wandlee, South Dakota, Halifax, North Carolina and 50 other sites nationwide, the CSFP provided food to 212,000 mothers and children and 148,000 senior citizens.

Focus: HOPE

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Since 1970, Focus: HOPE has grown in many different directions and with many successful programs. Our three technical training programs, FAST TRACK, The Machinist Training Institute and the Center for Advanced Technologies, have garnered national attention as models for job training and economic development. We recently welcomed President Clinton to our Center for Advanced Technologies, which he hailed as a model for 21st century manufacturing and job training..

In spite of how much attention they receive, however, we can never forget that what drives us to organize training programs is the need to provide food to almost 80,000 people every month. While we are saddened that the need exists for such an extensive food program, we are proud to lead the most efficient and effective program in the country. We feel we are wise stewards of the tax dollar.

The Commodity Supplemental Food Program has a number of advantages over other programs that provide food to low-income individuals.

First, we use the purchasing power of the USDA and avoid middle-man mark-ups. Supplemental foods are commercially produced for the USDA through competitive bids. Because of the USDA purchasing volume, foods are obtained for about half the cost of equivalent products at local retail stores.

When individuals use food-stamps or WIC coupons to purchase goods, part of what the federal government pays for is the mark-up at grocery stores. That problem is particularly acute in Detroit and other big cities with concentrated areas of poverty. Inner-city residents must often shop at local "convenience" stores where the lack of competitive national chain supermarkets results in exceptionally high prices.

Each year, Focus: HOPE conducts a survey of grocery prices in Detroit comparing the cost to USDA for the food supplement with the prices of identical products at major grocery store chains and so-called "convenience" stores. For example, we recently compared the cost of the USDA food supplement for a mother with two young children with its average cost at convenience stores and major grocery store chains

1994 Price Comparison	Cost to USDA	Grocery Store Chain	Convenience Store	USDA Savings
Family of Three <i>Post-partum Mom</i> <i>Infant 2 months</i> <i>Child 6 years</i>	\$69.50	\$192.93	\$216.95	\$147.45

For the mother with two children, the monthly supplement costs USDA \$69.50. We priced the same products at a national chain grocery store for \$192.93. Its cost at an inner-city Detroit convenience store was \$216.95 or more than triple the USDA expense. A month's supply of infant formula, alone, can be provided directly by the USDA for \$14.88 while at a typical convenience store the cost is \$90.83: A difference of almost \$76.00 for one infant for one month.

Second, the Commodity Supplemental Food Program provides critical price supports for farmers nationwide. The USDA plays a vital role in price support for many commodities. By purchasing and distributing nutritious but over-abundant goods through the CSFP, the USDA serves the dual needs of the agricultural and low-income communities.

Third, CSFP addresses the nutritional needs of children up to the point where they enter school. Children are eligible for the program up to and including six years of age. CSFP improves nutritional intake during the years most critical for intellectual and physical development, from gestation through six years of age. CSFP is the only supplemental program to continue coverage through 6 years of age.

Fourth, CSFP's Food For Seniors component is the only program to put vital food products in the pantry of needy senior citizens struggling to maintain their good health and self-sufficiency. Each month close to 150,000 seniors, many of them homebound, receive food from CSFP. At Focus: HOPE we have over 42,000 volunteers. For the food program alone, volunteers provide over 8,000 hours of their time each month. These thousands of hours of donated time and work help us to lower program costs.

The volunteer nature of our program affords a means by which citizens from all parts of Metropolitan Detroit can be involved in the city. Our volunteers come from all walks of life, all religions, all races, from the suburbs and the inner-city. In addition to providing a necessary service, they also offer homebound seniors much needed companionship. Many volunteers establish long-term relationships with seniors continuing friendship and assistance for many years.

In conclusion, I truly appreciate the enormous burden placed on the two houses of Congress to allocate American resources fairly and responsibly. I want to emphasize, however, that as operators of the Commodity Supplemental Food Program we have demonstrated that we are wise stewards of the tax dollar. Moreover, the investment we make today by feeding the most vulnerable groups in our population, the very young and the very old, saves us money in terms of health costs and learning problems for years to come.

(Attachment follows:)

Twenty Six Years



1968-1994

Focus: HOPE

FOOD PRESCRIPTION PROGRAM & FOOD FOR SENIORS

INTRODUCTION

The Focus: HOPE Food Prescription Program, begun in 1971, supplies a nutritious selection of USDA commodity foods each month to low-income mothers and young children. Food for Seniors, started in 1981, extends a similar supplement to low-income elderly persons. Together, they make up the nation's largest *Commodity Supplemental Food Program*.

More than 49,000 pregnant and postpartum women, infants and children under six, throughout the tri-county area, receive monthly food supplements. Food for Seniors reaches 34,000 seniors, engaging more than three hundred churches, volunteer organizations, and health and social service agencies in identifying and assisting those who are most in need.

Both Focus: HOPE food programs protect fundamental human rights in response to conclusive scientific evidence. Sub-nutrition during pregnancy is a major contributing factor to infant mortality and low-birthweight. Among young children, it can result in chronic illness, stunting of physical growth, including brain development, psychological and emotional damage, and permanent impairment of learning capabilities. Substantial research links costly health care and institutionalization of the elderly with illnesses which are preventable or manageable at much lower expense through sound nutrition.

THE COMMODITY SUPPLEMENTAL FOOD PROGRAM

The Commodity Supplemental Food Program [CSFP] was started in 1969 as the nation's first effort to use dietary supplementation to reduce and prevent the effects of malnutrition on the birth, growth, and lifelong potential of low-income children. Today there are 49 separate projects operating in 19 states.

The CSFP is administered at the federal and regional level by the U.S. Department of Agriculture [USDA]. State governments coordinate food shipments and administrative funding and supervise local projects. In most States, local projects are managed by community organizations like Focus: HOPE.

Supplemental foods are commercially produced for the USDA label through competitive bids. Because of USDA purchasing volume, foods are obtained for about half the price of equivalent products at local retail stores.

Foods are shipped to the local project by rail or truck. Local projects warehouse and distribute the foods, either by pre-packaging each individual supplement or by operating self-service distribution centers. A large portion of senior participants receive home delivery.

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Local administrative costs -- including participant certification, food transport, storage and distribution, program records, and nutrition education -- are maintained at less than 15% of USDA food expense. Volunteers make substantial contributions to most programs.

A scientific, national evaluation of the CSFP in 1981 showed the program achieved significant reductions in infant mortality, morbidity, and the incidence of low birthweight babies, and that it had contributed to normal height and weight attainment and had virtually eliminated anemia among participating preschool children.

FOCUS: HOPE FOOD DISTRIBUTION SYSTEM

USDA foods are received by rail and truck shipment and are initially stored at Focus: HOPE's 147,000 square foot central warehouse on Detroit's east side. From there they are shipped to the five Focus: HOPE food distribution centers: Oakman Boulevard at 14th Street, Vernor at Livernois, and Chalmers at Harper in Detroit; Osmun at South Paddock in Pontiac; and Inkster Road near Michigan Avenue in western Wayne County.

The food distribution centers are designed to provide a dignified atmosphere for participants. The centers are set-up to allow self-service and a choice among a variety of products. In addition, through reading areas for children and videos shown at the centers on nutrition, parenting, and career education opportunities, the centers encourage a supportive family environment.

As a volunteer organization, Focus: HOPE also coordinates several thousand volunteer drivers who provide rides to the food centers for participants with no other means of transportation. Others volunteers and organizations pre-package food supplements at Focus: HOPE's central warehouse and make monthly deliveries to homebound seniors.

FOOD PRODUCTS ISSUED

During fiscal year 1992, Focus: HOPE distributed more than 36 million pounds of commodities. These foods were purchased and shipped by the USDA at a cost to the taxpayer of \$21 million, about half the price of equivalent products at local retail stores. This economy, matched by Focus: HOPE's low administrative budget, bar-coded inventory and accurate computerized record-keeping, partly accounts for the unwavering governmental and community support given the program.

Commodity food products made available during the 1993 year are:

- Dairy:** Iron-fortified infant formula, non-fat dry milk, evaporated milk, butter, cheese
- Cereals:** Infant rice cereal, regular dry cereal, Farina
- Meat/Fish:** Beef, beef meatball stew, pork, tuna
- Vegetables:** Green beans, carrots, cream-style corn, whole kernel corn, green peas, black-eyed peas, whole potatoes, spinach, sweet potatoes, tomatoes
- Fruits:** Apple sauce, apricots, fruit cocktail, cling peaches, pears, pineapple, purple plums, pumpkin

Juices: Apple juice, grape juice, grapefruit juice, orange juice, pineapple juice, tomato juice

Other Foods: Egg Mix, Peanut Butter, Dry Beans, Dehydrated potatoes, milled rice

PROGRAM ELIGIBILITY

The Food Prescription Program and Food for Seniors serve residents of Wayne, Oakland, and Macomb counties who meet income guidelines set by the federal government. Pregnant women, postpartum mothers, and children up to six years of age may qualify for the Food Prescription Program. Seniors must be sixty years of age or older. Family income must fall within the following range:

<i>Family Size</i>	<u>FOOD PRESCRIPTION PROGRAM</u>			<u>FOOD FOR SENIORS</u>		
	<i>\$ Yearly</i>	<i>\$ Monthly</i>	<i>\$ Weekly</i>	<i>\$ Yearly</i>	<i>\$ Monthly</i>	<i>\$ Weekly</i>
1	12,895	1,075	248	9,061	756	175
2	17,446	1,454	336	12,259	1,022	236
3	21,997	1,834	424	15,457	1,289	298
4	26,548	2,213	511	18,655	1,555	359
5	31,099	2,592	599			
6	35,650	2,971	686			
7	40,201	3,351	774			
Each Additional	+4,551	+380	+88	+3,198	+267	+62

Eligible families and senior citizens may enter the program immediately, upon presentation of the following verification:

- [1] Picture identification indicating current address
- [2] Documentation of date of birth [children] and age [seniors]
- [3] Documentation of income

FOOD DISTRIBUTION RATES

Commodity Supplemental Food Program distribution rates are set by the U.S. Department of Agriculture. Food products and amounts in each supplement are specified for basic age and status categories as follows:

INFANTS

CHILDREN

WOMEN

SENIORS

FOODS	INFANTS		CHILDREN		WOMEN		SENIORS	
	0-3 Months	4-12 Months	13-36 Months	3-5 Years	Pregnant / Breast-feeding	Non-Breast Feeding Postpartum	Standard Diet	Low Sodium Diet
Infant Formula Liquid [13 Oz.] or Powdered [1 Lb.]	31	31						
Cereal, infant rice [8 oz. pkg.]		4						
Cereal, Dry ready to eat (8 oz. pkg.) or Farina (14 oz. pkg.)			2	2	2	2	1	1
Egg Mix [6 oz. pkg.]			2	2	2	2	2	2
Juice [46 oz. can]		2	5	5	5	3	3	3
Meat/Poultry [24 oz./29 oz. cans] or Tuna [12.5 oz. can]			1	2	1	1	1	1
Milk, evaporated [12 oz. cans] or Instant Milk [4 Lb. pkg.]			32	5 [and] 1	11 [and] 1	3 1	3 1	3 1
Peanut Butter [2 Lb. can] or Dry Beans, Peas [2 Lb. pkg.]			1	1	1	1	1	0
Dehydrated Potatoes [1 Lb. pkg.] or Rice [2 Lb. pkg.] or Pasta [1 Lb. pkg.]			1	1	1	1	1	1
Vegetables/ Fruit [any size can]			4	4	8	4	4	4 [Fruit]
Butter [1 Lb. pkg.]			2	2	2	2	2	2
Cornmeal [5 Lb. pkg.]			1	1	1	1	1	1
Honey [24 ounce bottle]			1	1	1	1	1	1
Cheese [2 Lb. loaves]			1	1	1	1	1	1

Statement by Wayne Boutwell
National Council of Farmer Cooperatives
Before
Committee on Agriculture
Subcommittee on Department Operations and Nutrition
Wednesday, March 23, 1994

Thank you, Mr. Chairman. My name is Wayne Boutwell and I serve as President of the National Council of Farmer Cooperatives on whose behalf I appear today.

The National Council of Farmer Cooperatives is a nationwide association whose members include over 100 regional marketing and supply cooperatives, the banks of the cooperative Farm Credit System, and 31 State Councils. Our members, in turn, represent over 4,000 local cooperatives with a combined membership of nearly 2 million individual farmers.

These farmer-owned businesses handle, process, and market virtually every agricultural commodity grown in the U.S., manufacture or provide seed, feed, fertilizer, fuel and other production inputs; help finance both producers and their cooperatives, as well as engage in international lending necessary to promote U.S. agricultural exports.

I would like to begin my testimony by thanking the chairman and the committee for holding this hearing to review the federal domestic food donation programs and private food donation programs. These programs provide significant targeted support for those members of our society who are in need.

One of the primary responsibilities of government is to assure that the food needs of its citizens are met with a safe, high quality supply of food at reasonable prices.

Over the years our food and agricultural programs have been extremely successful in achieving this objective. For example, we cite the fact that today only about 11 percent of U.S. disposable income is spent on food. But, this is only part of the story. It should be pointed out that 11 percent is an average number. Just think about the amount of disposable income spent on food by a family that has an income of \$5,000 - \$10,000. Their percentage is 33 percent. When viewed in this light our food policy takes on a different meaning, because access to an adequate diet becomes increasingly difficult, as you move down the income ladder.

Historically, we have not ignored those individuals in need of assistance to supplement their food purchases. In fact, the government is proposing to spend around \$38 billion on various food assistance programs during 1995, compared with just \$23 billion in 1990. In addition, there are numerous private sector efforts providing food assistance as well. Many of our members donate food from their own inventories when a need arises. For example, during the freeze that devastated the California citrus crop, Sunkist Growers provided food assistance to farm workers who were put out of work because of the freeze. Last year's floods brought forth assistance from cooperatives that ranged from providing food to filling sandbags. The point is that a lot of attention has been paid to meeting food needs both through government assistance and the private sector.

Today I want to spend a few minutes talking about food assistance and the role it plays in meeting the overall objective of assuring all citizens of this country an adequate supply of food.

Achieving this objective is not as easy as it appears on the surface. Consumers need stability, but farming by its very nature has a great deal of instability. To bridge this gap between the instability of production on the one hand and the stability required by consumers on the other, government has implemented a number of programs to provide stability and economic viability for the farm sector.

Food assistance programs play an important role in overall food and agricultural policy. First, they are an important source of demand and should not be overlooked by the agricultural community. After all, the \$38 billion in food purchases made possible by the government amounts to about \$8-10 billion at the farm level.

Equally as important, however, has been the dual role that selected programs have played in providing not only food assistance, but also in providing the much needed stability in the farm sector. In essence, these programs have been utilized to remove surplus commodities from the market, using them to supplement existing food programs to meet the needs of the less fortunate in our society. It's good for both sides.

Many of the food donation programs have evolved in recognition of gaps in the traditional food programs and the availability of large supplies of food commodities. As a result, an increasing amount of interdependence has been developing between the commodity markets and the food donation programs.

The United States is blessed with an agriculture sector which has the ability to produce well in excess of market needs at reasonable prices in some years due to favorable crop developments. If market prices were permitted to fluctuate wildly in response to these developments, producers would adjust their production to limit the excess potential. The food donation programs provide a mechanism for removing the transitory surpluses to benefit those most in need in our society while giving producers a safety net - if mother nature provides a greater bounty. The residual demand for commodities created by these programs is the type of buffer which permits production agriculture to error on the side of too much rather than too little production.

This dual role is a critical component of our overall food and agricultural policy. While the FY95 budget proposes an increase for food assistance in total, reductions are proposed for programs designed to meet the need for food assistance through removal of surplus production. As a group, The Emergency Food Assistance Program, the Commodity Supplemental Food Program and the Food Donation Program for Selected Groups, are scheduled to be reduced by \$95 million in FY95, a 16 percent reduction. These programs have a dual role in the U.S. food and agriculture system which magnifies the benefits of each dollar committed. In making decisions about alternative funding for the various programs, I would hope that the funding level of these programs could be maintained at current levels in recognition of the important role they play in balancing the food supply over short periods of time while serving those most in need.



Testimony of Christina A. Martin
Executive Director
Foodchain - The Association of Prepared and Perishable Food Rescue
Programs
Subcommittee on Department Operations and Nutrition
House Committee on Agriculture
U.S. House of Representatives
March 23, 1994

Good morning, Mr. Chairman, and committee members. Thank you for the opportunity to speak with you this morning. My name is Christina Martin, and I am the founding executive director of Foodchain - The Association of Prepared and Perishable Food Rescue Programs.

I am here today representing a unique response to hunger which strives to provide access to a healthy diet to millions of people each year by building partnerships with private industry and social service agencies.

Foodchain is a network of 125 community-based food-rescue programs that fight hunger in a highly common-sensical way: they procure good, healthful prepared and perishable food that would otherwise go to waste in foodservice kitchens and provide it to agencies that feed those who might otherwise go hungry.

Seen as a compliment to food banking, Foodchain programs provide protein-rich stews and soups, fresh vegetables and fruits, and high-

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 phone 404-875-4322 • fax 404-875-4323
 information hotline 800-845-3008

protein entrees to soup kitchens, low-income day-care centers and nursing homes, and homeless shelters -- more than 5,000 social service agencies across the country. Since the development of the food-rescue movement in the late 1980's, these recipient agencies are able to serve more healthful meals and focus their limited resources on services to their guests and clients.

Food-rescue programs work on the shared principle of safety and efficiency. Guiding the intricate food-rescue process is the belief in the dignity of every human life, and providing nutrition to those who are not guaranteed the most basic of needs -- food. Foodchain invites a disparate group to aid the fight against hunger. While anyone -- from accountants to artists -- can assist local programs, Foodchain concentrates on those experts from the culinary and foodservice industries -- not only to donate food -- but to create and teach seminars in nutrition, meal planning on a low-income budget, and menu-planning.

The Foodchain program serving the Washington community -- D.C. Central Kitchen -- has provided 1.8 million meals to people in need in the last five years. The Kitchen is one of Foodchain's job training models. It trains unemployed men and women in meal preparation by matching them with culinary professionals. So far, 80 graduates have gone through D.C. Central Kitchen's doors and are now employed in the foodservice and hospitality industries. The name of this food rescue program aptly describes its mission. D.C. Central Kitchen collects excess, unserved food from restaurants, catering

companies, corporate dining rooms, hotels, and other establishments. The food is then brought back to a "central kitchen" where is reprepared by chefs and training program students, and turned into delicious and wholesome meals. These meals are then safely delivered to feeding agencies in the D.C. area.

Some 13 billion pounds of edible food are thrown out each year in America, while more Americans are living below the poverty level than at any time since the early sixties. To continue to provide access to a healthy diet, we must look to the most logical, simple, and sound *responses* and ensure that more partnerships are formed with prospective donors, both in private industry -- through the hospitality and foodservice sectors, and in governmental agencies where we know that excess, wholesome food is *still* being wasted. We must work to solve the barriers that prevent some of these partnerships from forming. For example, a strong, national Good Samaritan law might convince more donors to contribute. A tax deduction that allows donors to glean more from their contributions would provide incentives for large national restaurant chains, such as KFC, to become more actively involved in the fight against hunger. We would also recommend that this Committee actively encourage U.S. military institutions, and other government facilities that are discarding usable food to donate to prepared and perishable food rescue programs.

While we work to gather the vital resource of food, we must also work to solidify the long-term solutions to hunger and under

nutrition with full-funding for government food programs such as TEFAP, WIC, and Food Stamps. We must also continue to make a commitment to assisting low-income families and individuals on the path to self-sufficiency and access to healthy food. Thank you.

Historically speaking — The evolution of Foodchain

The first prepared and perishable food rescue programs were founded in the early 1980s. Word soon spread of the gracefully commonsensical idea of saving perishable food from waste bins and getting it to hungry people. Individuals and organizations began contacting the established programs to learn how to start new PPFRRPs. The "veteran" programs shared their information and technical assistance, and thus was woven a loose network of programs.

By the late eighties, the PPFRRP concept was catching on more quickly. In 1989, a group of program managers organized a meeting in Kansas City, Mo., for PPFRRPs affiliated with food banks. The pioneers of the early PPFRRPs began to see very clearly that they were members of a community — a nationwide community of local programs using various ingenuities to achieve the same end. A pledge was made at the meeting to reach out to all PPFRRPs, regardless of affiliation, and include them in future activities.

A momentous second meeting was held in Atlanta, in February 1990. The participants unanimously approved the establishment of a national PPFRRP network, and elected the first steering committee to plan the 1991 National Conference. Before the meeting adjourned, the following mission statement was affirmed:

"We are a network of people and organizations whose mission is to increase the quality of prepared and perishable food made available to those in need.



PPFRRPs gather in Washington in 1991

As a network we are focusing on

- sharing information about programs;
- providing support and consultation;
- developing and improving program models;
- fostering cooperation and effective relationships with other organizations."

Throughout this time of development, The UPS Foundation, the charitable arm of United Parcel Service, gave much support to the individual programs and, most recently, the formation of Foodchain. The Foundation also helped with the publication of the first technical assistance manual for PPFRRPs.

At the 1991 National PPFRRP Conference in Arlington, Va., the 1991-92 steering committee was elected and charged with the following mandate:

- To plan for the development of an improved PPFRRP information exchange and dissemination

system.

- To develop a strategy for building a pool of national/regional food donors.
- To develop a strategy for building relationships with key national groups that are, or should be, supporting efforts to distribute prepared and perishable food.
- To coordinate and run the 1992 National Conference.

The 1991/92 steering committee developed and circulated a draft proposal. After several revisions based on suggestions from the field, the proposal was presented to the more than 100 program representatives at the 1992 National PPFRRP Conference in Dallas. As adopted by the conference participants, the proposal included the following recommendations:

- That a new, independent, nonprofit membership organization be established and given the mission of developing a detailed approach for responding to the



continued on page 5.

Evolution ... from page 4.

network's information exchange and outreach needs.

- That the new organization seek to build cooperative relationships with other groups active in the fight against hunger, and to coordinate activities with them in order to maximize the resources available to programs involved in the effort.

- That the organization's leadership in the first year be provided by a 12 member Board of Directors authorized to work with the organization's membership and appropriate outside groups to accomplish the mission of the new organization.

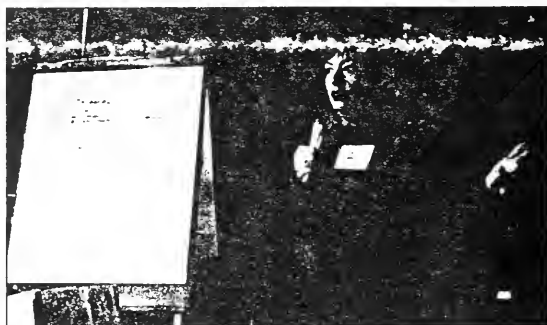
- That the organization operate on the fixed principles of accountability, incremental growth, cost containment and financial responsibility as a non-regulatory body.

Conference representatives voted and approved the proposal. They gave the newly elected board of Directors the authority to form a corporation to facilitate

the accomplishment of the mission.

The Board of Directors met four times between April 1992 and January 1993 to organize the association and its headquarters in Atlanta. In November 1992, Christina Martin was hired as the executive director of the Association of Prepared and Perishable

Food Rescue Programs and the organization opened its headquarters. By January 1993, it welcomed administrative assistant Ruth Rogers and formally announced its new name, Foodchain - The Association of Prepared and Perishable Food Rescue Programs.



Murgery Kraus, facilitator, leads group discussion at the PPFPR conference in Dallas in March, 1992.



1992 PPFPR conference participants vote to establish a membership organization.



(The information packet is held in the committee files.)

**TESTIMONY: MARCH 23, 1994, BEFORE THE
SUBCOMMITTEE ON DEPARTMENT OPERATIONS AND NUTRITION
HOUSE COMMITTEE ON AGRICULTURE**

The Society of St. Andrew is a hunger ministry based in Big Island, Virginia. We are incorporated as a tax exempt organization (501-c-3) in the State of Virginia. Our Hunger programs are direct and simple in concept, and inexpensive in execution. We receive as donations potatoes and other produce. We, then, arrange for the packaging and shipping of this produce to food banks, soup kitchens, Native American reservations, and other agencies across the United States who in turn distribute this produce to the poor. Since our inception in 1983, we have salvaged and distributed in excess of 160,000,000 pounds of potatoes and other produce to a network of food providers in every state of the contiguous 48 and the District of Columbia. Our present annual volume is approximately 20,000,000 pounds per year, and the increase of our programs is limited only by financial constraints. The produce that we deliver is donated free of charge by growers across the country. We pay the cost of packaging and shipping, approximately 4 cents per pound, and arrange for delivery at over 300 feeding agencies.

In the course of our ministry, we have worked with the TEFAP Program, primarily in the State of Maryland. The Maryland Department of Resources, an emergency food assistance program, has received and distributed well over 1,000,000 pounds of our potatoes in the last several years. Our dealings with Maryland TEFAP are relatively simple. We deliver potatoes, bagged in 50 pound bags, in tractor trailer truckload lots. A tractor trailer truck will hold approximately 45,000 pounds of potatoes. The Maryland TEFAP Program then distributes our potatoes in concert with other federally purchased commodities to 21 emergency feeding operations across the state. These emergency feeding organizations are designed to receive the food by the various local governmental authorities in Maryland. During a recent commodity acceptability survey conducted by the Maryland Department of Resources, it was found that potatoes were very well received; and there is, in fact, a demand for greater shipments than we are presently able to deliver because of a lack of funding for transportation. It should be

noted that our potatoes are distributed through many agencies across the United States, who also distribute TEFAP commodities. The Maryland experience is the only TEFAP program in the United States that directly receives our potatoes and then redistributes.

We have found in the ten years of our existence that potatoes as well as other produce are available in massive quantities on a donated basis. It should be stressed that our present volume of 20,000,000 pounds per year is no larger because we lack the funding necessary to package and deliver any additional produce. We have also discovered that produce is usable and sought after by feeding agencies across the country. Perhaps some statistics would be enlightening at this point.


Since our inception we have distributed produce to agencies in the following states:

<u>State</u>	<u>Pounds of Produce</u>	<u>State</u>	<u>Pounds of Produce</u>
Alabama	7,000,000	Arkansas	600,000
Arizona	300,000	California	8,900,000
Connecticut	1,000,000	Colorado	900,000
Florida	1,600,000	Georgia	900,000
Idaho	200,000	Illinois	4,200,000
Indiana	1,600,000	Iowa	7,100,000
Kansas	1,800,000	Kentucky	1,700,000
Louisiana	500,000	Maine	1,400,000
Maryland	4,100,000	Massachusetts	800,000
Michigan	1,400,000	Minnesota	8,300,000
Mississippi	800,000	Missouri	4,600,000
Montana	200,000	Nebraska	100,000
Nevada	100,000	New Hampshire	400,000
New Jersey	4,500,000	New Mexico	50,000
New York	10,200,000	North Carolina	7,200,000
North Dakota	1,700,000	Ohio	8,200,000
Oklahoma	1,600,000	Oregon	50,000
Pennsylvania	5,800,000	Rhode Island	500,000
South Carolina	1,400,000	South Dakota	2,500,000
Tennessee	2,500,000	Texas	9,300,000
Vermont	650,000	Virginia	6,900,000
Washington	150,000	Washington, DC	12,200,000
West Virginia	2,250,000	Wisconsin	100,000
Wyoming	50,000		

As you can see from the above statistics, fresh produce is eagerly sought by feeding agencies across the country. I want to make the additional point that the volume of potatoes and other produce available to be donated to our program is very much greater than that which we are salvaging at present. By way of example, I would like to point to the experience of Farm Share, a local food salvage operation in Florida City, Florida. With the cooperation of the Government of the State of Florida and the Florida Department of Agriculture, a large volume of produce is presently being salvaged in Florida City. Tomatoes, green beans and squash are available at that location in huge quantities. The volume that can be donated and made ready for shipment there approaches 1,000,000 pounds a month for the months November through May each year. Like quantities can be salvaged at several locations in the State of Florida. The salient problem with doing so is a lack of transportation to get this produce delivered to feeding agencies that could use it. The nature of the produce -- its perishability -- dictates that it be shipped and consumed very rapidly. This is possible to do, but proper packaging and transportation are absolutely necessary. At present, the Society of St. Andrew does not have the financial resources to take advantage of this opportunity. Nevertheless, we are anticipating opening an office in the State of Florida to coordinate volunteer gleanng and local distribution of produce in the near future. We have hopes of being able to transport larger quantities out of state in the not too distant future. I should point out that similar conditions exist in Texas, where we also plan to establish a branch office, and in Arizona and California as well.

For purposes of this Committee and its deliberations on the future of TEFAP, the salient point I wish to make is that large quantities of produce of all types can be secured as donations to the Society of St. Andrew, and other organizations as well. I hesitate to estimate the total volume of nutritious produce that is wasted annually in the United States, but it easily exceeds the needs of our poor. It is literally possible to feed everyone in our country who is hungry, utilizing only that produce which we generally waste because it is the wrong size, the wrong shape, or the wrong color for the market. It is my opinion that were additional funding for the packaging and transportation made available that 40-60 million pounds per year of produce could be

effectively salvaged and distributed through the Society of St. Andrew and other agencies like ours. It is also quite conceivable, based on the experience of Breedlove Dehydrated Food, Inc., that a large quantity of produce could be processed at a cost that would allow the food banking industry in the United States to purchase it and redistribute this food to agencies that feed the poor. I feel that this is an option that we need to seriously look into as we view the future of emergency feeding programs in the United States. I appreciate this opportunity to testify before the Subcommittee, and hope that my comments have been thought-provoking and helpful.



Kenneth C. Horne, Jr.
Co-Director, Society of St. Andrew

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**Testimony before Subcommittee on Department Operations and Nutrition
Wednesday, March 23, 1994**

Thank you for the opportunity to address you today. I am Carolyn Lanier, Executive Director of South Plains Food Bank (SPFB) in Lubbock, Texas; with me is Charles Prater of Praters Food, Inc., who is also a member of the South Plains Food Bank Board of Directors and President of Breedlove Dehydrated Foods, Inc.

A brief introduction of the Food Bank must include our proud relationship with Second Harvest, our membership in Food Chain, our role as one of the 37 Food Banks that participated in the VanAmberg Study on hunger, our literacy program. Last summer, no vendor in the city was found to provide the summer lunch program. Within a four-day period, SPFB geared up and provided over 1,100 daily lunches of fruit, sandwiches, and vegetables (from our own farm), and milk.

While our Food Bank does not distribute any USDA commodity or provide food through the Emergency Food Assistance Program, we work with agencies that do. Every bit of food they receive is needed as we have elderly and children that are currently going hungry.

In an effort to meet the unmet needs, South Plains Food Bank, working through the private sector and foundations has gathered \$3.8 million in cash and a \$2.5 million building including 42 acres of land to build a dehydration plant that will process over 20 million pounds of nutritious fruit and vegetables each year. This endeavor was researched carefully. Before funds were raised, EDS, a firm in Fresno, California completed a feasibility study showing the impact the plant will have on hunger.

The engineering work is currently being done on that project and it is anticipated food will begin to be available for charities at the end of 1994.

This plant will be able to process 20 million pounds of potatoes and carrots through a continuous belt dehydrator. Static tunnel dehydrators will dry 7 million pounds of fruit and other vegetables. Dehydrated food is not new. Desert Storm fed our soldiers this food, and we actually had a war where there was no complaints on the food! Betty Crocker has led the way with dehydrated scalloped potatoes and cup of soup is regularly eaten by all kinds people. A food technologist and chefs are working to establish recipes. Soup mixes such as this one (which fits in one small plastic bag) will feed 8 hungry people when water is added and the food is cooked. Every effort is being made to make sure this food will be of high quality and easy to use. No salt will be used to process.

Testimony by Carolyn Lanier, South Plains Food Bank, Lubbock, Texas
March 23, 1994

Presently many of our farmers are currently allowed to claim for tax purposes only the cost. You must find a way to encourage more donations through perhaps tax credits if this innovative method of helping feed those in need is to serve as a model for the country. We join Second Harvest in asking you to amend Section 170(e)(3) of the Internal Revenue Code.

There is a commitment to make our country strong by working together on the problem. If I were to ask you what Representative Bill Sarpalius; Representative Larry Combest; Christine Vladimiroff, President and CEO of Second Harvest; Texas State Senator John T. Montford; Bill Ayers, Executive Director of World Hunger Year/Reinvesting In America; Ed Hayashi, President of EDS; Ed Hirschberg, President of Innovative Foods; Ken Horn, President of the Society of St. Andrew; Mary Louise Kingsbery, Civic Leader in Lubbock, Texas; Rufus Lester, Past Chairman of the Board of Second Harvest; Commissioner Rick Perry of the Texas Department of Agriculture; Bill Shore, Executive Director of Share our Strength; and Clark Skeans of the Arizona Gleaning Project, have in common, would you have guessed they have all offered leadership and are serving on the Breedlove Dehydrated Foods National Advisory Board.

We are desperately seeking answers and not handouts. However, government is definitely a part of the equation. You cannot cut food now.

Attachments:

1. Breedlove Dehydrated Food, Inc. (brochure)
2. Summary of Feasibility Report by EDS

BREEDLOVE DEHYDRATED FOOD, INC.

A Partner with

South Plains Food Bank, Inc.

and

Second Harvest,
the National Network
of Food Banks

NATIONAL ADVISORY BOARD

Chair: John T. Montford, Texas State Senate
 Bill Ayres, Executive Director, *World Hunger Year/*
Reinvesting in America
 Representative Larry Combest, Member of U. S. Congress
 Ed Hirschberg, President EDI
 Ken Horn, President, *Society of St. Andrew*
 Marv Louise Kungsberg, Civic Leader
 Rufus Lester, Past Chairman of the Board, *Second Harvest*
 Commissioner Rick Perry, Texas Department of Agriculture
 Representative Bill Sarpalus, Member of U. S. Congress
 Bill Shore, Executive Director, *Share Our Strength*
 Clark Skeans, *Arizona Cleaning Project*
 Christine Vladimiroff, President and CEO, *Second Harvest*

Donations may be made by writing to:
BREEDLOVE DEHYDRATED FOOD, INC.

Box 1706
 Lubbock, Texas 79408

Further information may be obtained
 by calling:
 806/741-0404



Breedlove Dehydrated Food, Inc.

North Loop 289 and
 Martin Luther King Boulevard
 Lubbock, Texas 79403



**South Plains
 FOOD BANK**

South Plains Food Bank

4612 Locust Avenue
 Lubbock, Texas 79404



Second Harvest

116 South Michigan Avenue, Suite 4
 Chicago, Illinois

The great idea becomes a working reality!

Nearly one billion men, women, and children in the world are suffering from chronic hunger and malnutrition. Every single day 60,000 of them die. In an effort to curb this worldwide problem, the South Plains Food Bank alone has helped put more than 8.2 million pounds of food on the tables of the hungry in the past year. Food Banks in the national network, Second Harvest, distributed over 600 million pounds of food during the same time period. Although this work has made great strides towards helping others, *two problems continue: hungry people and food rotting in the fields.*

Each day, large amounts of food is wasted because there is not enough room or adequate refrigerated space to keep it from spoiling. In fact, millions of pounds of food are wasted each year in Texas alone. There is an innovative way to stop this waste: *Breadlove Dehydrated Food, Inc.*, a not-for-profit corporation. The plant will be the first of its kind to be used for charitable purposes, and the Board hopes that it can set an example locally that can be implemented throughout the nation and the world.

After receiving dehydrated food left over from Desert Storm and subsequently touring dehydrated facilities in California (Innovative Foods, Gilroy Foods, Vacu-Dry, and

Timbercrest Farms), the Food Bank Board saw an opportunity to bring a proven system to Lubbock. Innovative Foods, Inc. of California was instrumental in providing the initial expertise for this project. When completed, the plant will be able to process 28 million pounds of food annually, the equivalent of two 18-wheel trucks of food each day.

Dehydrated food has a long shelf life.

The advantages of dehydration are significant. Dehydration removes up to 90 percent of the weight of the food, resulting in lower transportation costs when distributing the food.

Dehydrated food has an extremely long shelf life (several years) with no spoilage or loss of nutritional value, even without refrigeration. This could make a tremendous impact on disaster relief. Almost every year, reports come in from disaster sites that food supplies which has been shipped to aid victims and, instead, sit in the streets and rot. This situation might have been avoided if there had been a readily accessible supply of dehydrated food.

Nutritionists recommend 5-9 servings a day of vegetables, fruits, and legumes. In addition to

that fact, cooking is not always necessary to prepare vegetables that have been dehydrated. If warm water is added, the vegetable is returned to a ready-to-cook or ready-to-eat state. This is important not only with respect to disaster relief, but also because many of the underprivileged do not have regular access to cooking facilities. And, most importantly,

nutritious, appetizing food will no longer need to rot or be wasted.

H. A. and Barbara Sessions and J. T. and Margaret Talkington have donated a 48,000 square foot building on 42 acres of land. Over \$3.5 million will adapt and equip this model plant. The plant was named after Aulynne and Clint Breedlove, parents of Mary Louise Breedlove Kingsbery; she and her husband, Bill, made the initial contribution which was the catalyst for the project.

The primary source of food that the dehydration plant will receive is the excess food grown and stored by area farmers and food sheds. The Texas Department of Agriculture estimates that 20 percent of Texas' produce is left in the field after harvest. Now, thanks to *Breadlove Dehydrated Food, Inc.*, this will be food that does not have to go to waste . . . food for people who are in need . . . preventing 60,000 people from dying of hunger tomorrow.

Nutritional value is not lost, and removing the weight lowers transportation costs.

BREEDLOVE DEHYDRATION PLANT

Feasibility Study

Final Report

Prepared for

SOUTH PLAINS FOOD BANK

Lubbock, Texas

Prepared by
EDS International
Fresno, California

June 1993

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EXECUTIVE SUMMARY**OBJECTIVE**

The South Plains Food Bank of Lubbock, Texas is a private non-profit organization seeking donated food which is distributed to pre-qualified needy people. Since beginning operations in 1982, it has grown to a point of having to turn down large quantities of donated raw vegetables due to insufficient storage capacity and lack of any means of preservation.

This report studies the feasibility of establishing a dehydration facility which will enable accepting and preserving the raw commodities presently being turned down, much of which is currently going to waste.

SCOPE

An evaluation was conducted as to the quantity and quality of the raw commodities available, the applicable processing technologies for preservation, manning and utility requirements, and the costs of implementation and operation of such a facility. Potential risk factors and areas of concern were identified and evaluated.

The South Plains Food Bank enjoys a unique position in a number of respects which provide strong support for the implementation of this project. It is located in the middle of a large vegetable growing region. Over 40 million pounds per year of the crops grown in the area never get to market for a variety of reasons. It has exceptionally creative and dedicated leadership which has generated strong local support from the community as well as national recognition for past accomplishments. It has already received a donation of a very suitable facility to house the operation as well as some of the equipment and services needed for the operation.

An evaluation of the raw supply to support the operation year round indicates more than double the amount required is potentially available. The capital cost required and the costs of operation are well within the parameters acceptable for a viable operation. At an estimated break-even sell price of under \$ 35 per pound of dehydrated product, the other food banks are more than willing to purchase as much as the facility can produce.

Utilization of the dehydrated products produced in this facility would be for soup ingredients and other food dishes sold essentially at cost to other food banks. The demand for food for the needy is growing, and some food bank are having to purchase supplemental groceries at wholesale prices which are 8 to 10 times the estimated cost of production in this facility on a rehydrated pound for pound basis.

CONCLUSIONS

It is our conclusion that this concept is sound and constitutes a very viable project that merits serious consideration. The quantity and availability of the raw product appears to be in excess of the plant needs, the technology is well established and has been in use for many years, the process is regarded as a relatively low risk compared to other preservation processes for human consumption, and the costs developed are well within the parameters acceptable to the other food banks for purchase.

We have found no reason to believe that it should not be a very manageable and successful operation and certainly support the objectives of the project.

INTRODUCTION

This study was conducted on behalf of the South Plains Food Bank of Lubbock, Texas to evaluate the feasibility of establishing a dehydration facility to preserve donated fruits and vegetables which would otherwise go to waste. Millions of pounds of surplus produce are being turned away from the food bank currently, as their operation has grown to a point of saturation.

Located in the High Plains area of Northwest Texas, this food bank is in close proximity to the third largest vegetable growing area in the U.S., which produces over 350 million pounds annually. 10 to 20% of this produce goes to waste each year, far exceeding the capability of the food banks to receive and redistribute to those in need without some means of preservation.

The basic concept developed by the South Plains Food Bank is to process primarily those root vegetables which are in plentiful supply in the region, such as potatoes, carrots and onions, and dehydrate them into dices or slices. These would be distributed to other food banks essentially at cost to be used for making soups and other dishes to serve to the hungry.

Supplementing the above process would be a smaller capacity system which would dehydrate the many other fruits and vegetables also available but in smaller quantities.

Because this unique and innovative approach would be the first of its kind, EDS International was employed to provide a detailed evaluation of the concept. To accomplish this task, the following areas were identified for complete assessment:

- Availability and quantity of the raw produce supply.
- Identification of the sources and potential sources of the raw supply.
- Long term reliability of the raw supply.

- Dehydration v.s. other preservation methods.
- Capital costs and source of capital for implementation of the project.
- Costs of operation under various conditions.
- Outlets and demand level for the finished product.
- Potential risks and areas of concern.

The results of this study are included in this report as well as a summary of findings and recommendations where applicable.

BACKGROUND

The South Plains Food Bank (SPFB), is part of the Second Harvest organization headquartered in Chicago, Illinois. Second Harvest is a central clearing house which provides canvassing and distribution systems to 182 member food banks and over 46,000 agencies throughout the U.S. It began operations in 1976 in Phoenix, Arizona where the first food bank was started in the mid-1960s.

Operating as non-profit charitable organizations, food banks are donated a wide variety of both processed and raw foodstuffs which are redistributed to the hungry. They are an important resource in the event of disasters, such as the hurricanes in Florida last year. In spite of their efforts, the numbers of needy people in America are increasing, and today approximately 30 million Americans are suffering from hunger, nearly one-eighth of the U.S. population.

Since inception in 1982, the SPFB has grown impressively in terms of food distributed from 1.3 million pounds in 1983/84 to 8.2 million pounds in 1992.

Despite generous support from the local community and a strong pool of volunteers, the operation has almost exhausted its capability to handle much more volume, particularly in terms of perishable items. Almost daily, they have had to turn down large amounts of donated food.

While the accomplishments of this food bank were well-recognized, Carolyn Lanier, the Executive Director since its inception, realized the huge potential in the millions of pounds being turned away. After receiving some of the surplus dehydrated food from Desert Storm, she began investigating the possibility of a dehydration facility. With strong support from the Board and others, this idea was actively pursued over the past two years. The results of their efforts were presented in a summary, the highlights of which are as follows:

- The High Plains and South Plains are located close to the third largest vegetable producing area in the U.S.
- The plant will process a minimum of 19 million pounds of quality vegetables.
- The food will be distributed to charities for a low handling cost.
- Priority for distribution will be the areas now served by the South Plains Food Bank and the area which provides the raw food for processing.
- At full operation, 39,000 vegetable servings per day will be distributed.
- The project will provide jobs and sense of self-worth to minorities, women and others who have not been able to fit into the American Dream.
- The project will provide a model for other geographic areas in both the food production and the human relations arenas.

Through ongoing efforts of the SPFB, a significant portion of the needs for such a facility are already in place, and support continues to grow. Mary Louise Kingsberry donated 29 acres of land for the project, and later H.A. & Barbara Sessions and J.T. & Margaret Talkington donated a 47,500 square foot building with 42 acres of land. A pilot dehydration plant and farm on 5 acres was donated by Jim Taylor and West Texas Home Builders.

Some equipment for the process has come from other sources, including Frito-Lay, South Plains Foundation, Case Equipment, Texas Department of Transportation and KJTV Channel 34. Monetary donations continue to be received, and plans are in progress for the U.S. Secretary of Agriculture, Mr. Espy to visit the facility later this summer.

(The complete report is held in the committee files.)

**TESTIMONY OF DAVID A. NASBY
DIRECTOR, COMMUNITY AFFAIRS
VICE PRESIDENT, GENERAL MILLS FOUNDATION**

Chairman Stenholm and members of the Subcommittee. My name is David Nasby. I am Director of Community Affairs and Vice President of the General Mills Foundation, and I am testifying today on behalf of the Grocery Manufacturers Association. I appreciate very much the opportunity to share GMA's views with you on food donation activities, especially those in the private sector.

I understand that the Subcommittee is focusing its discussion on the impact of reductions in various public food assistance programs including The Emergency Food Assistance Program, the Community Supplemental Food Program and the charitable institutions program. Public food assistance programs are not my expertise, but your invitation notes that you want to look at these programs "in the context of other food donation activities." I hope I can provide some perspective on these other activities, since I am responsible for our donations at General Mills and have been chairman of the Grocery Manufacturers of America Foodbank Committee for the last three years.

Before I speak to the private donations of hundreds of American food companies, let me just note that while I am not expert on the mechanics or the specific impact data regarding public food programs, I do know the core importance of public food assistance and regularly observe the effective partnership that both the public sector and private sector has forged with Second Harvest as we all seek to provide both emergency and short-term assistance to those in need. The public programs you provide are important because they are more predictable and provide staple items not often on the list of inventory we contribute. I know that I will make donations next month, but I don't know what items will be included in my donation. That's because our donations are driven primarily by production, distribution, sales and marketplace circumstances.

There are some notable exceptions to this general rule. For example, in response to hurricanes, floods and earthquakes, the private sector has responded vigorously with a wide range of items specifically requested and efficiently distributed through Second Harvest, the American Red Cross, Salvation Army and other Private Voluntary Organizations. In all cases this work was coordinated with local and national governmental units with increasing speed and skill. The point is that we have developed in recent years a system through which we could connect with individuals in need. That system receives public and private support, leverages that support and produces remarkable efficiency. This activity is a fine example of public/private sector collaboration.

A little more than a decade ago, our company did not contribute any food inventory to charity. Like other food companies, we worked very hard to assure that our branded food products met the highest quality standards. We had significant equity invested in our brands. We hesitated to contribute inventory because we had concerns about how our products would be handled and distributed, and we didn't want to jeopardize our brands reputation for high quality standards. We didn't want cereal stored in the garage of a social service agency, or yogurt in an old refrigerator that had difficulty getting down to 50°. I could provide a list of examples of why our caution was prudent.

In 1982, a few leading food companies, all members of the GMA, considered participation in a new project funded by the public sector as a pilot project. In those days, if a company had a truckload of cereal or grapefruit juice or canned beans, that amount was probably too much for a single food shelf or even food bank. The idea was to create a network of foodbanks that would share large donations and would connect with local food shelves, daycare centers, service centers, schools and other human service programs. They could share these larger donations in some equitable way. That's the story of Second Harvest.

Twelve years later we have a system in which we have absolute confidence. The level of contributions from General Mills is now in excess of 10 million pounds annually, or the equivalent of a semi-truck every day. These donations include the full range of our products; Yoplait Yogurt, Wheaties, Cheerios, Total, Nature Valley Granola products, Betty Crocker mixes, over 200 different food items, all of which you will find in a food bank at some time. Through the Second Harvest system, we are linked with 183 food banks and 46,000 charitable agencies covering almost every community in the country. Recent research has identified that these contributions reach into a system that has almost 26 million clients, the largest private sector hunger program in America.

Over the past twelve years, through the GMA (Grocery Manufacturers of America), a rigorous set of standards and procedures for sanitation, storage, record keeping and inventory control has been established and implemented. This has been done as an industry volunteer effort. Fourteen GMA member companies currently supply industry professionals to Second Harvest in a regular program to maintain those high standards and to further develop an already efficient system. Food industry professionals provide technical assistance and counsel to food banks in every part of the country.

In the past year, contributions from the industry to the 183 affiliates of Second Harvest exceeded 500 million pounds, making it similar in scale to The Emergency Food Assistance Program. There are, to be sure, remarkable differences between these programs, but they handle about the same amount of product.

You have also asked that I comment on the barriers to increased private donations. This is more difficult because I have no clear answers. It's another example, perhaps, of the fact that doing good isn't easy. We have not surveyed the member companies of the GMA on the

issue of barriers. This is something that GMA would be pleased to do if the Subcommittee wished us to.

The 1969 tax reform act reduced the charitable deduction from full market value and established the principle of "fair market value." Frankly, it's difficult to determine the fair market value of Cheerios that are too light, or a case of mix where a couple of boxes have razor cuts, or Wheaties where the flakes are too small to meet our specifications or Yoplait Yogurt that needs to be consumed in four days.

Because of that difficulty, it's safer for us to take no deductions, except for cost, on the items described above, so we don't. Our approach is perhaps more conservative than some others might take, but it's not uncommon. So, for product we would not, for some reason, sell into our normal distribution channels, there is no incentive under current law to donate the product as opposed to simply destroying it or "distress selling" it. The instances in which we take deductions in excess of cost are usually in response to disasters where the items we donate are taken from regular inventory.

As indicated, our procedures are not necessarily the industry standard. Each contributor applies its own valuation and accounting system. However, it's clear to me that current tax treatment is not a significant motivator for contributions of inventory. The primary motivator is the sense of corporate responsibility and the availability of a safe and efficient system for making inventory donations that find their way to people in need

It is clear that donors don't want penalties for participation in this activity. They don't want the exposure of faulty food handling. They don't want an adverse reaction to inappropriate distribution, and they don't want tax penalties.

In this regard, several years ago the Treasury was very helpful in clarifying its regulations stating that in no event would the taxpayer lose deductions for the actual cost of a donation. Previously, there was a possibility that a product's "fair market value" might be determined by the IRS to be less than actual cost. In our case that clarification boosted the level of participation.

There has also been discussion about the so-called "Good Samaritan" laws which have now been enacted in some form in all fifty states and here in the District. These statutes are, perhaps, part of an environment that promotes and favors increased contributions activity, but in our view, they offer no real protection. If food products are not carefully stored and responsibly distributed, food companies will find themselves at legal risk. And, equally important, the reputation of our brands could be compromised.

No system is absolutely fail-safe, but our best efforts are required whether we sell our products or donate them. Contribution of a percentage of our products will continue to be our policy so long as we have a charitable system available and so long as there are no penalties for our activity. The problem of hunger in America is a problem for all of us, including the food industry, and we have a unique capacity to respond. Through the GMA, with Second Harvest and in the individual procedures of hundreds of food processors and suppliers, I think we have made a good beginning.



Testimony

Given by

Debra Usinger
Director of Retail Operations/Corporate Services
Fred Usinger, Inc.
Milwaukee, WI

Representing

American Meat Institute

Thank you, Mr. Chairman, for inviting me to address this important subcommittee hearing. My name is Debra Usinger and I am director of retail operations and corporate services for Usinger's Famous Sausage in Milwaukee, Wisconsin.

As you might have guessed, Usinger's is a family-owned and operated business. The company was founded by my great grandfather in 1880. He came to this country with his favorite sausage recipes that he collected while learning his trade in Germany. As the fourth generation, my brother and I still use those recipes to manufacture over 70 different varieties of fine sausage.

Since my grandfather's days, our company has been committed to our surrounding community. We are located on the same street where we started doing business more than a century ago and many of our 135 employees have been with us for decades. Part of our company tradition is to have our employees share two meals together each day as a group. In the morning, we provide a nutritious breakfast to our employees and at lunch, we again join together for a lunch of Usinger's cold cuts.

This meal sharing, which dates back to my great grandfather's days, has created a family atmosphere among our employees. It has extended to our community as well, thanks to an industry-sponsored program called "Meating the Need."

In 1989, the American Meat Institute formally established a partnership with the Second Harvest National Food Bank Network. Second Harvest is a national network of 185 food banks which provides surplus food to the 50,000 charitable agencies throughout the country.

It is important to remember that Second Harvest Food Banks serve a critical role in getting goods distributed to organizations that would not necessarily receive the much-needed food items on their own.

Since 1989, AMI member companies have contributed nearly 13 million pounds of surplus product to Second Harvest food banks and we are constantly waging a campaign to find more donors. According



to Second Harvest, meat is the most frequently desired and least available product. And for those who suffer hunger's effects, the protein and other nutrients found in meat products are critical to staying healthy.

For years, we've had the pleasure of developing a strong working relationship with Second Harvest Food Bank of Wisconsin. This year alone we have donated 3,000 pounds of sausage and meat. In 1993, over 6,000 pounds of product were donated. This 9,000 pounds of products represents a retail cost of \$32,543. We've also brought numerous food bank employees and headquarters staff through our plant to teach them about meat manufacturing and about safe handling of food products.

Let me say that I am not looking for a pat on the back for our efforts. Those of us who have been involved in the project and who have come to know local food bank staff and headquarters staff have received much more than we could ever give to this project.

We've met people whose lives are dedicated to hunger relief. We've had the opportunity to learn how fortunate we are to have what we do. We've learned that a hardworking family, through no fault of its own, can find itself in need of assistance literally overnight. We've learned that frequently food stamps don't go far enough, that children often go hungry and, more often, parents go hungry to save food for their children.

In a country as rich as ours, this is simply unacceptable. "Meating the Need" has shown us how we can do something to solve the problem.

So often, media attention about food relief focuses on post-disaster relief. "Meating the Need" donor companies have provided relief in the wake of Hurricane Andrew, the Midwestern floods and California's earthquake and fires. Second Harvest Food Banks work in partnership with the Red Cross to provide food relief services where the Red Cross provides medical and social services.

I am proud of what we've been able to do. But there is more to the big picture than natural disasters. As Second Harvest so frequently points out, there is a daily crisis in this country and it is called hunger. Sadly, this daily crisis doesn't get nearly the attention -- or the resources -- that it should.

Fortunately, my company is part of a motivated industry that is committed to sharing its surplus products with those in need, to ending the needless hunger that causes so much pain. Still, I am dismayed that while food industry donations have increased by 10 percent over the last year, government donations are down by six percent.

If we are to solve this national tragedy, we must constantly challenge each other to do more, to learn more and to care more. Sadly, the President's 1995 budget decreased funding for several USDA commodity donation programs. I understand that the government is under enormous pressure to decrease spending, but taking funding away from the programs that aid the most destitute would be devastating.

I know that when many of us open our pantries and see plentiful supplies of food, it is difficult to imagine that our neighbor's pantry might be empty. But this is the reality. I have seen the demand for food at our local food bank and I read about the same demand throughout the country each month when I receive my mailings from Second Harvest.

We in the meat industry urge Congress to reconsider funding cuts to commodity donation programs. I promise you that full funding will have a dramatic impact on constituents in all of your districts. Second Harvest alone distributes 600 million pounds of food and grocery products each year. I challenge the government to do its part.

We also urge you to find time to visit your local food bank and find out what you as individuals can do to help bring an end to this needless problem of hunger. On behalf of my company, Fred Usinger, and on behalf of the meat industry, thank you for your attention to this important issue.



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