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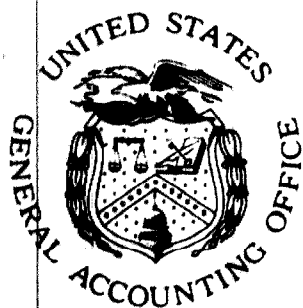
BY THE U.S. GENERAL ACCOUNTING OFFICE

## Report To The Honorable Dennis E. Eckart House Of Representatives

# Public And Private Efforts To Feed America's Poor

During the recent serious recession, when unemployment rates throughout the country were at their highest levels in decades, an increasing number of Americans were seeking food assistance.

The task of providing food assistance to the Nation's poor is one which is shared by both the public and private sectors. GAO describes public and private responses to those needing food assistance and points out (1) ways in which food that would otherwise be lost or wasted is being channeled to the needy, (2) impediments to the delivery of food assistance, and (3) related issues warranting further study.



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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

RESOURCES, COMMUNITY,  
AND ECONOMIC DEVELOPMENT  
DIVISION

B-211858

The Honorable Dennis E. Eckart  
House of Representatives

Dear Mr. Eckart:

Your October 4, 1982, letter expressed concern that this country's worsened economic condition, coupled with cuts in Federal assistance programs, has forced increasing numbers of hungry people to charitable sources for assistance. Pursuant to the letter and subsequent discussions with your office, this report provides information on (1) the economic climate of the country and its impact on food assistance needs, (2) some of the efforts occurring at Federal, State, local, and private levels to meet these needs, including the channeling of food that would otherwise be wasted to the poor and hungry, and (3) some of the impediments that exist, particularly at the private level, which inhibit a more effective and efficient food assistance system.

As arranged with your office, unless you announce its contents earlier, we plan no further distribution of this report until 2 days after its issue date. At that time, we will send copies to the Chairman, House Committee on Education and Labor; the Secretaries of Agriculture, Health and Human Services, and Defense; and the Director, Office of Management and Budget. We will make copies available to others on request.

Sincerely yours,

A large, stylized handwritten signature in black ink, appearing to read "J. Dexter Peach".

J. Dexter Peach  
Director



D I G E S T

Congressman Eckart requested GAO to study public and private efforts to feed the poor. He was concerned that this country's worsened economic condition, coupled with cuts in Federal assistance programs, has forced increasing numbers of hungry people to charitable sources for help. (See p. 1.)

GAO's objectives were to gather information on (1) the extent of the need for food assistance, (2) what is being done in response to that need, and (3) whether impediments exist which inhibit more from being done. GAO examined various efforts being taken to channel to the needy, food that would otherwise be lost or wasted. To look at the subject of food assistance in depth requires more time and effort than GAO was able to give it during this assignment. However, GAO does identify a number of issues warranting further review. (See pp. 1, 2, and 31.)

INCREASING NUMBERS AND CHANGING  
PROFILE OF AMERICANS SEEKING  
FOOD ASSISTANCE

An official national "hunger count" does not exist. No one knows precisely how many Americans are going hungry or how many are malnourished. Institutions involved in providing emergency food assistance do know, however, the extent to which they are serving other agencies or people now as compared with earlier periods. Many of these institutions were reporting significant increases in the numbers of people seeking food assistance during the past few years. (See pp. 4 to 7.)

Many centers, which once served mainly the "hard-core poor" and people hit by emergencies, also report that they are now serving many people who were making it financially just a short time ago, but who are now out of work and labeled as the "new poor." (See pp. 7 and 8.)

PUBLIC AND PRIVATE RESPONSES  
TO THOSE NEEDING FOOD ASSISTANCE

The task of providing food assistance to the Nation's poor is one which is shared by Federal, State, and local governments and the private sector. Billions of dollars are spent annually at the Federal level to provide food assistance to the needy. These funds pay for a variety of programs designed to provide a more nutritious diet for low-income families and to encourage better eating patterns among the Nation's children. Assistance includes food stamps; school lunches; food for women, infants, and children; and a variety of commodities furnished to different kinds of institutions including charities and, most recently, individual households.

State and local governments are likewise spending money of their own and performing a variety of other services to respond to the needs of those in their jurisdictions. Because of budgetary constraints and policy considerations, governmental efforts have historically been unable to satisfy the total need. The private sector voluntarily supplements these other forms of assistance. (See pp. 9, 18, and 23.)

The funding levels of various Federal domestic food assistance programs increased from \$1.1 billion in 1969 to almost \$16 billion in 1981, an average annual rate of increase of about 26 percent. The rate of increase was halted in fiscal year 1982 when \$15.4 billion was spent, a 4 percent reduction from the preceding year. Spending is expected to rise 16 percent to \$17.8 billion in fiscal year 1983, but drop 7 percent in fiscal year 1984 to \$16.6 billion. Some fear that fiscal restraint is having a serious impact on the poor, particularly in a time of recession and high unemployment. The administration has countered that the truly needy are being served and that it is holding down program costs by more accurately targeting benefits to the needy. (See pp. 10 and 11.)

Most recently, the private sector has picked up a greater share of the load. It has done this by establishing many new emergency food centers and expanding some older ones. (See pp. 9 and 18.)

For example, the food bank movement has had an impact on the ability of many charitable organizations to feed the hungry. Food banks--one form of emergency food center--are nonprofit organizations that link the food industry (which every year discards millions of pounds of edible but unmarketable food) with organizations that distribute food to the needy. The movement is an important example of how food that would otherwise be wasted is being channeled from the food industry to those in need. (See p. 19.)

The private sector's involvement in providing food assistance has been significant and is consistent with the administration's drive to reduce the Federal role. Some are concerned, however, that private sector efforts will be seen as a reason for reducing future spending in the traditional food assistance programs. (See pp. 20 and 21.)

In recent years new Federal and State laws have encouraged, through financial incentives and/or reduced liability, greater involvement by the food industry in helping meet the food needs of the poor. (See pp. 21 to 23.)

#### IMPEDIMENTS TO THE DELIVERY OF FOOD ASSISTANCE

Officials at many of the 33 emergency food centers GAO visited cited the need for more funds as a problem. These organizations were making do with the funding and other resources available to them. However, there was a common belief that the need for food assistance was greater than their ability to respond and that much more could be done if more money was available for collecting, processing, and distributing food. Problems with regard to (1) insufficient transportation, equipment and fuel, (2) inadequate general purpose and cold storage, and (3) the need for dedicated volunteers and, at least, a core of paid staffers adept at getting the most out of very limited resources were also frequently cited by emergency food center officials. (See pp. 25 to 29.)

PROBLEMS WITH THE DISTRIBUTION  
OF SURPLUS DAIRY PRODUCTS

During this assignment, GAO was told of a number of problems some food centers were having with the Department of Agriculture's special cheese and butter distribution program that began in December 1981. The main problems were lack of program coordination--too little advance notice by the States of cheese and butter shipments; insufficient facilities, staffing, and funding to handle and distribute commodities; and a need for greater quantities and variety of food. GAO did not examine in detail the specific relationships that exist between various State governments and local organizations relative to this program. (See pp. 29 and 30.)

The recently enacted emergency jobs appropriations legislation, however, addresses some of these problems through the end of fiscal year 1983. (See p. 30.)

ISSUES WARRANTING  
FURTHER EXAMINATION

GAO agreed to identify for Congressman Eckart food assistance issues which require more detailed study. The following are those GAO believes need to be addressed if future food assistance policies and programs are to be most effective.

- No accurate assessment has been made of the extent to which Americans are going hungry or are malnourished. How well are America's hunger and nutritional needs being monitored?
- The overall effectiveness of all Federal domestic food assistance programs in today's environment has not been evaluated. To whom are they targeted? What is their impact? Do they complement each other? Are segments of the population ignored by these programs?
- No current estimates exist regarding the amount of food that is wasted annually in this country. New estimates could (1) increase awareness of the problem and, perhaps, (2) result in identifying more ways in which the food needs of the poor might be met through greater use of food that would otherwise be discarded.



--The relationship between the Federal Government and the private network of feeding programs has not been examined in depth. Can the Federal Government better assist private institutions in what they are doing? (See pp. 31 and 32.)

#### AGENCY COMMENTS

Department of Agriculture officials emphasized the point that, in terms of Federal domestic food assistance, more dollars are being spent and more people are being served now than ever before. GAO was told that the recent slowdown in the growth rate in Federal spending for domestic food assistance reflects a consensus of both the administration and the Congress. (See p. 10.)

Department officials stated that the provisions of the recently enacted emergency jobs appropriations legislation should help correct some of the problems GAO found at various emergency food centers and in the special cheese and butter distribution program. The Department considers the cheese and butter program to be a huge success, surpassing by far initial expectations. (See pp. 32 and 33.)

Department officials agreed with GAO that the subject of providing food assistance is a large, complex one and that to look at it in depth requires much time and effort. GAO was told of ongoing efforts within the Department aimed at evaluating the effectiveness and nutritional impact of individual food assistance programs.

Based on Department comments, GAO made changes to clarify and update information presented in the report.



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ABBREVIATIONS

CDFA	California Department of Food and Agriculture
DOD	Department of Defense
GAO	General Accounting Office
HHS	Department of Health and Human Services
USDA	Department of Agriculture
WIC	Special Supplemental Program for Women, Infants and Children

## CHAPTER 1

### INTRODUCTION

Congressman Dennis E. Eckart requested by letter dated October 4, 1982, that we undertake a study of the public and private efforts that are being taken to feed the country's poor. He expressed his concerns that (1) at no time since the Great Depression have more Americans been without work and (2) this country's worsened economic condition, coupled with "slashes" in Federal assistance programs, has forced more and more people to charitable sources for food assistance. He cited our previously issued report on "Food Waste: An Opportunity To Improve Resource Use" (CED-77-118, Sept. 16, 1977), in which we determined that about 20 percent of all food produced in the United States is lost or wasted annually--some 137 million tons valued at \$31 billion. We also pointed out in that report that the food lost represents a missed opportunity to feed the hungry and that about 49 million people could have been fed in 1974 just from the lost food grain, meat, sugar, oilseeds, vegetables, fruits, and nuts. Congressman Eckart requested that we examine the issue of food waste and the efforts currently being taken to channel, to the needy, nutritious food that would otherwise be lost.

On November 5, 1982, Carl D. Perkins, Chairman of the House Committee on Education and Labor, sent us a letter supporting Congressman Eckart's request and stating that the results of our work would be useful in carrying out his committee's legislative oversight responsibilities.

Pursuant to Congressman Eckart's request and subsequent discussions with his office, the chapters which follow describe (1) the economic climate of the country and its impact on the food assistance needs of the Nation as a whole and, more locally, in portions of California and Ohio and the Washington, D.C., area--areas where we performed our work, (2) some of the efforts occurring at Federal, State, local, and private levels to meet these needs, including the channeling of food that would otherwise be wasted to the poor and the hungry, and (3) some of the impediments that exist, particularly at the private level, which inhibit a more effective and efficient food assistance system.

### OBJECTIVES, SCOPE, AND METHODOLOGY

Our objectives during this assignment were to gather information on (1) the extent of the need for food assistance, (2) what is being done in response to that need, and (3) whether impediments exist that inhibit more from being done. Throughout

our work we were interested in the efforts being taken to feed the poor and hungry with nutritious food that might otherwise be lost or wasted.

Our work was done in accordance with generally accepted government auditing standards except that much of what we were told at various emergency food centers was not verified further. We performed our work primarily in and around Washington, D.C.; San Francisco, California; Cleveland, Ohio; Baltimore, Maryland; and a number of counties in northern California. Additionally, we used the telephone and mail systems to communicate with knowledgeable persons in cities and areas other than those mentioned.

We held discussions with and/or obtained documentary information from officials in (1) the U.S. Department of Agriculture's (USDA's) Food and Nutrition Service and Economic Research Service, (2) the U.S. Department of Health and Human Services' Office of Community Services, (3) State and local government offices in California and Ohio, and (4) a wide range of emergency food centers including food banks, soup kitchens, and food pantries; businesses; advocacy groups; and academia. (See app. I for a listing of the 33 food centers we visited.)

We researched the literature relating to emergency food needs and food loss or waste. We reviewed the February 1982 and 1983 Economic Reports of the President as well as several reports from the Congressional Budget Office and Congressional Research Service. We noted that there was a multitude of newspaper and magazine clippings from throughout the country concerning emergency food needs.

Our work was conducted from late November 1982 through March 1983.

## CHAPTER 2

### MORE AMERICANS SEEKING FOOD ASSISTANCE DURING PERIOD OF ECONOMIC DOWNTURN

Although signs of economic recovery are beginning to surface, the United States has been experiencing the most serious economic downturn since the Great Depression of the 1930's. Unemployment rates throughout the country have been at their highest levels in decades. The administration, blaming the country's economic problems principally on the high inflation of the 1970's and on an ever-expanding Federal Government, has set out to reverse some past policies. The immediate consequence was an increase in unemployment as the inflation rate declined. Attempts have been made by the administration and the Congress to better control Federal spending in many programs, among which are a number of programs designed to provide feeding assistance to the poor and needy (see ch. 3). During this period, the number of Americans seeking food assistance from a variety of sources has increased and is of concern to many who are involved in providing food assistance to the needy.

#### CURRENT ECONOMIC CLIMATE

Although there are undoubtedly many reasons for the deterioration in the performance of the U.S. economy during the 1970's, the February 1982 Economic Report of the President placed much of the blame on increasingly higher rates of inflation and an ever greater intrusion by the Federal Government into the Nation's economic life. According to the report, these two combined factors have sapped the Nation's economic vitality and played a major part in the economy's deteriorating performance during the 1970's.

To deal with inflation, the Federal Reserve--with apparent administration support--brought about a sharp reduction in the growth of money and credit during 1981. As in the past, this reduction produced a rise in unemployment and a drop in the rate of inflation during 1982 and 1983. Inflation was also lowered by a decrease in world petroleum prices. A reversal of the Federal Reserve's actions during 1982 is generally held responsible for the current revival in economic activity.

During the past 18 months inroads have been made in reversing some economic trends that were of concern to the administration. For example, the rate of increase in total Federal outlays has been declining over the past several years. The rate of increase declined from 17.4 percent in fiscal year 1980 to 14 percent in fiscal year 1981 and to 10.8 percent in fiscal year

1982. During the latter half of 1981, interest rates began dropping from record high levels. Inflation, which had been running at an annual rate of 13.5 percent in 1980 and 10.4 percent in 1981, dropped dramatically in 1982 to an annual rate of 3.9 percent (from Dec. 1981 through Dec. 1982).

Although these recent trends are promising, other problems in the economy persist. The magnitude of the Federal budget deficit in fiscal year 1983 and beyond concerns many Americans. Another indicator weighing heavily on the minds of many is the high current rate of unemployment. The unemployment rate averaged 5.5 percent nationally in the years 1960-65, 6.8 percent in the years 1974-79, 7.1 percent in 1980, and was at 10.7 percent (approximately 12 million persons) in November 1982, the highest rate since 1940-41. The rates were significantly higher in some States than the national average. In Michigan and West Virginia, for example, the November 1982 unemployment rate was 16.4 percent, up from rates a year earlier of 12 percent and 9 percent, respectively. Other States with high unemployment rates included Alabama, 15.3 percent; Ohio, 14 percent; and Indiana, 13 percent. Unemployment in California and the District of Columbia was running in November at 11 percent and 10.8 percent, respectively. In April 1983, the national unemployment rate had declined to 10.2 percent.

The current high levels of unemployment were not expected to drop quickly. In January 1983 the administration forecasted a slow economic recovery throughout the year with a national unemployment rate at the end of 1983 of about 10.5 percent.

Still another indicator of the continuing economic problems is the number of Americans with incomes below federally established levels of poverty. According to Bureau of the Census data, in 1977, for example, 24.7 million persons had incomes below established poverty levels (for a family of four the poverty level in 1977 was \$6,191). In 1981, the most recent year for which data was available, 31.8 million persons had incomes below established poverty levels (for a family of four the 1981 poverty level was \$9,287). The number of "near-poor" persons with incomes between 100 to 125 percent of the poverty line also had increased from 10.9 million persons in 1977 to 11.9 million persons in 1981.

#### INCREASING NUMBER OF AMERICANS SEEKING FOOD ASSISTANCE

One of our primary objectives during this assignment was to gather information on the extent of hunger in the United States and the need for food assistance during this period of economic downturn. Through discussions with a number of individuals from



varied backgrounds and through a review of available literature we soon discovered that no one really has the answer. A special national "hunger count" does not exist. No one knows precisely how many Americans are going hungry or how many are nourished. It has been stated that

"One of the 'facts' of domestic hunger is that we do not have the 'facts.' Information is buried in innumerable agencies and departments at every level of government as well as in private organizations. Often the information we do have is outdated and inaccurate or it is a patchwork affair using old census data, raw figures from the several social service agencies and extensive projections from these materials."<sup>1</sup>

Researchers, attempting to document hunger in the city of Chicago, Illinois, in the latter 1970's, similarly concluded that it is difficult to assess with precision the numbers of people who are hungry. The researchers observed that hunger exists but that it is pervasive and that there are large numbers of needy people who are not visible to the system.

Although we were unable to obtain precise, comprehensive assessments of national hunger or the number of Americans in need of food assistance, several assessments of less precision and scope do exist, and indeed, most emergency food centers do know the extent to which they are serving other agencies or people now as compared with earlier periods. For example, the National Council of Churches' Working Group on Domestic Hunger and Poverty is recognized as one of the chief barometers of private sector food programs. Its director was quoted in December 1982 as saying that

"The hunger problem nationally is three times-- and in some places four times--worse than it was a year ago. Every group I talk to is up that high, and that's 106 of them, some direct soup kitchens, some emergency food cupboards, from Maine to California."

The director subsequently provided us with information concerning 36 private sector food assistance programs being run in 24 different States. In every instance the demand for the

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<sup>1</sup>Maurice Hinchey, "Domestic Hunger--What About US?" Food Monitor, March/April 1980.

program's services was up in October 1982 as compared to earlier periods, the increases ranging from 15 percent to several hundred percent.

In January 1983 the assistant director at The Salvation Army's national headquarters in Verona, New Jersey, advised us that the Army has no national statistics available concerning the need for food assistance. However, the assistant director told us that her people were reporting increases in the need for food assistance across the country and that, to meet this growing need, the Salvation Army was initiating new programs as well as expanding its older programs.

In still another statement concerning the need nationally for food assistance, the coordinator of United Church of Christ-World Hunger Action was quoted in January 1983 as saying that the numbers of people appearing at church-operated emergency food centers have increased by 40 percent at some facilities and by several hundred percent at others during the past year.

Our work in the Washington, D.C., area and in parts of California and Ohio disclosed localized incidences of increasing demands for food assistance. For example, the Capital Area Community Food Bank in Washington, D.C., which opened in January 1980, was dispensing approximately 150,000 pounds of food per month to 210 member agencies just 2 years later. These agencies included day care centers, soup kitchens, churches with onsite or emergency feeding programs, and halfway houses. They were feeding about 50,000 people, about 20 percent of the city's poverty population which, in 1980, was estimated by the Census Bureau to be almost 254,000 people.

The Maryland Food Bank, located in Baltimore, Maryland, likewise experienced a significant increase in the demand for its service since it opened in July 1979. Program officials told us that the amount of food they distribute monthly has increased from 30,000 pounds in July 1979 to 220,000 pounds currently. When the bank first opened its doors, it was serving 37 agencies. Now, from 150 to 180 agencies come to the food bank each month to get food.

In California and Ohio we visited 28 emergency food centers. They ranged in size of operation from large to small and in type of operation from food banks and gleaning<sup>2</sup> programs to institutions and individuals which either prepare and serve

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<sup>2</sup>Gleaning is generally defined as the gathering of grain or other produce left in the field after harvest.

meals or distribute food boxes and bags. In almost all cases the emergency food centers were serving more today than in the past. Many reported that food assistance needs were greater than ever and that their operations were expanding to help meet this need.

#### CHANGING PROFILE OF AMERICANS SEEKING FOOD ASSISTANCE

As the number of people seeking food assistance has increased throughout the United States, one prevalent observation is that the profile of those seeking assistance at emergency food centers has changed. No longer are food centers serving only their traditional clientele of the chronically poor, derelicts, alcoholics, and mentally ill persons who typically live on the streets and who most probably will be in need no matter what happens in the economy. Today, many organizations report that a mounting number of "new poor" are contributing to the increasing numbers seeking assistance at many emergency shelters and food centers. This breed of "new poor" is made up of individuals who were employed and perhaps financially stable just a short time ago. As contrasted with the chronically poor, more of them are members of families, young and able-bodied, and have homes in the suburbs. They now find themselves without work, with unemployment benefits and savings accounts exhausted, and with diminishing hopes of being able to continue to meet their mortgage, automobile, and other payments which they committed themselves to when times were better.

In New Jersey an official of one feeding institution estimated that about one-third of the families seeking food assistance these days are the "new poor." Some of these families reportedly own their homes and are paying their mortgages with money that would otherwise buy food.

In Michigan, where unemployment is currently running at over 16 percent, about half of the State's needy are estimated to be chronically poor. The rest are believed to be the newly unemployed. This latter group is considered to be the one with the largest unmet needs because many do not qualify for Federal or State aid other than food stamps or some of the other food assistance programs.

Many of the "new poor" are proud and have a distaste for accepting handouts. However, the Wall Street Journal reported in January 1983 that

"As the nation's recession lingers, more families are swallowing their pride and taking handouts.

They are crowding into public feeding halls to the point where they often outnumber the bums and shopping-bag ladies who for years have had charity soup kitchens mostly to themselves."

AGENCY COMMENTS AND  
OUR EVALUATION

In May 1983 USDA was given the opportunity to review and comment on this report. A number of adjustments were made to the report based on comments we received in meetings with USDA officials.

USDA challenged what it considered the implication in this report that all of the people lining up across the Nation for food assistance are "in need." USDA officials stated that such a determination could be made only after careful examination of the economic situations of the people who are seeking assistance. We agree. We pointed out previously that we were unable to obtain precise, comprehensive assessments of national hunger or the number of Americans in need of food assistance. For this reason, we discuss these people in terms of their "seeking food assistance," rather than in terms of their "being in need."

## CHAPTER 3

### PUBLIC AND PRIVATE RESPONSES TO THOSE SEEKING FOOD ASSISTANCE

USDA has been involved in providing food assistance since 1935. Emergency food distribution during the early years expanded into a number of related programs aimed at improving the nutritional status of infants, children, and low-income families. Such programs were operated primarily as mechanisms for food surplus removal and were designed largely to help support farm income. An increasing consciousness of domestic hunger in the 1960's and 1970's began to change that policy. At the present time, although the food programs continue to contribute to the support of farm income, they are more generally regarded as income assistance programs that improve the diets of poor families and children. The level of actual domestic food assistance program spending expanded greatly from the latter 1960's through 1981. Since 1981 the spending in these programs has been somewhat stabilized.

The task of providing food assistance is not the Federal Government's alone. State and local governments are involved in various ways as are a myriad of private charitable organizations. The administration has encouraged such involvement in helping to deal with some of the Nation's problems. It is striving for a Government more efficient and responsive, leaving to the initiatives of others those functions that can be performed without Federal assistance. As the economy turned down, unemployment turned up, and Federal spending stabilized, the private sector, particularly, has proven to be a willing participant as evidenced by the proliferation of private sector emergency food programs. This chapter describes both the public and private responses to the need for food assistance.

#### FEDERAL PROGRAMS FOR PROVIDING FOOD ASSISTANCE

USDA's Food and Nutrition Service administers a number of domestic food assistance programs which are intended to provide a more nutritious diet for families and persons with low incomes and to encourage better eating patterns among the Nation's children. During the past couple of years the Federal Government has attempted to better control the costs in a number of these and other social service programs. But some fear that such fiscal restraint is having a serious impact on the poor and needy. Some religious leaders, social workers, advocacy groups, and program beneficiaries have stated that funding level cuts (1) have been too deep, (2) have come at a time of economic

downturn when unemployment is high, (3) have come from reduced benefits to families living below the poverty line, and (4) are partly to blame for the increasing number of people requesting help from emergency food programs. The administration, on the other hand, has stated that the programs administered by the Food and Nutrition Service (1) offset the direct effects of the economic situation for millions of citizens in need and (2) have been targeted to those most in need of compassion and support (defined by USDA to be those with incomes at or below 130 percent of the poverty level). Administration officials have insisted that the truly needy have not been hurt by the actions that have been taken and that program costs are being held down by reducing fraud and abuse in these programs and by tightening eligibility requirements and benefits formulas.

In commenting on this report, USDA officials pointed out that (1) currently more dollars are being spent on Federal food assistance and more persons are being served than ever before and (2) the recent slow-down in the growth rate in Federal spending for domestic food assistance reflects a consensus of both the administration and the Congress. This consensus is in the form of specific statutes authorizing domestic food assistance. USDA officials were of the opinion that, as a result of legislative actions over the past several years, benefits are more accurately targeted to the needy than they ever have been before.

The following table shows the amount of Federal spending for domestic food assistance from fiscal years 1969 through 1984. This spending is reflected in terms of both current dollars and constant dollars (dollars adjusted for inflation). Annual rates of increase or decrease are reflected. Also, the table shows the number of persons living at or below the poverty level for fiscal years 1969 through 1981 (the latest year for which such information was available).

Domestic Food Assistance Spending  
Since 1969<sup>a</sup> and the Number of  
Persons Living at or Below Poverty Levels

<u>Fiscal year</u>	<u>Current dollars</u>	<u>Annual rate of increase/ (decrease)</u>	<u>Constant dollars<sup>b</sup></u>	<u>Annual rate of increase/ (decrease)</u>	<u>Number of persons living at or below poverty level</u>
	(billions)	(percent)	(billions)	(percent)	(millions)
1969	\$ 1.14		\$ 3.00		24.1
1970	1.53	34	3.80	27	25.4
1971	2.77	81	6.68	76	25.6
1972	3.28	18	7.58	13	24.5
1973	3.76	15	7.59	0	23.0
1974	4.55	21	8.04	6	23.4
1975	6.50	43	10.59	32	25.9
1976	7.91	22	12.50	18	25.0
1977	8.16	3	12.13	(3)	24.7
1978	8.73	7	11.79	(3)	24.5
1979	10.52	21	12.82	9	26.1
1980	13.42	28	15.06	17	29.3
1981	15.97	19	16.61	10	31.8
1982	15.38	(4)	15.38	(7)	(c)
1983(est.)	17.80	16	-	-	-
1984(est.)	16.60	(7)	-	-	-

<sup>a</sup>For a more detailed breakout of Federal spending for domestic food assistance, see app. II.

<sup>b</sup>This column represents current dollars adjusted to constant fiscal year 1982 dollars using the food component of the consumer price index.

<sup>c</sup>Not available.

In terms of current dollars, Federal spending for domestic food assistance increased dramatically from \$1.14 billion in fiscal year 1969 to \$15.97 billion in fiscal year 1981, an average annual rate of increase of about 26 percent. This rate of growth was halted in fiscal year 1982 when \$15.38 billion was spent, a 4 percent reduction from the preceding year. Spending is expected to rise 16 percent to \$17.8 billion in fiscal year 1983, but to drop 7 percent to \$16.6 billion in fiscal year 1984. Certainly the rate of growth in Federal spending for domestic food assistance has recently been restrained. But overall, more domestic food program dollars are planned for fiscal years 1983 and 1984 than ever before.

The table shows that, in terms of constant dollars, the level of spending has risen since fiscal year 1969, except for declines in fiscal years 1977, 1978, and 1982. The table additionally shows that the number of persons living at or below the poverty level remained relatively stable from fiscal year 1969 through fiscal year 1978. Since then about 7 million persons have been added to the poverty rolls.

A brief description of each of the major programs follows as well as a discussion of several additional activities the Federal Government is engaged in to provide food assistance to the needy.

### Food Stamp Program

The Food Stamp Program is designed to increase the food purchasing power of low-income households to a point where they can buy a nutritionally adequate low-cost diet through regular marketing channels. Food stamp benefits are available to nearly all households meeting certain income and liquid assets eligibility tests and a number of other employment-related requirements. The program operates in all 50 states, the District of Columbia, the Virgin Islands, Guam, and, until 1982, Puerto Rico. In 1982, food assistance totaling \$870 million was provided separately to Puerto Rico. USDA's Food and Nutrition Service administers the program at the Federal level and provides full funding of food stamp benefits and at least half of the administrative costs. At the State and local levels, the program is administered by welfare departments which are responsible for determining eligibility and issuing benefits.

The Food Stamp Program has grown dramatically since its establishment as a permanent program by the Food Stamp Act of 1964. Program costs of \$10.4 billion were incurred in fiscal year 1982. The number of program participants has increased from 400,000 in the early years to 20.4 million in fiscal year 1982 and to about 22 million persons currently. These increases are due, in part, to a number of legislative and administrative changes which have taken place over the years. The number of program participants, at any given point in time, also reflects to some degree the Nation's economic condition--generally dropping somewhat when times are good, increasing when times are bad.

### Child nutrition programs

The child nutrition programs, authorized by the National School Lunch Act and the Child Nutrition Act of 1966, have the objective of safeguarding the health and well-being of the Nation's children. Working through State agencies, the Food and



Nutrition Service provides cash and commodities assistance for use in preparing and serving nutritious meals to children attending school, residing in service institutions, or participating in other organized activities away from home. This assistance is provided through the National School Lunch, School Breakfast, Special Milk, Summer Food Service, and Child Care Food Programs. Funds are also made available for nutrition studies, nutrition education and training, and State administrative expenses.

In terms of Federal dollars spent, the child nutrition programs represent the second largest category of domestic food assistance. In fiscal year 1982, \$2.8 billion was spent in these programs--down from the \$3.2 billion spent a year earlier. The amount of participation in these programs is frequently measured in terms of the number of meals served. Food and Nutrition Service data we obtained showed a decline in the numbers of meals served from 1981 to 1982 in the child care, summer food, school lunch, and school breakfast programs. In commenting on this report, USDA officials told us that recent cuts in the child nutrition programs have been targeted at children living in higher income households and that the number of meals served to children of households with incomes at or below 130 percent of the poverty level is expected to be greater in fiscal year 1983 than in fiscal year 1982.

#### Food Donations Program

This program currently provides nutritious agricultural commodities to eligible low-income persons residing on Indian reservations and in other specified land areas. Commodities and cash-in-lieu of commodities are provided to the States for meals served to the elderly in senior citizen centers and similar settings. These meals are the focal point in nutrition projects for the elderly which promote good nutrition and reduce the isolation of old age. Commodities are also provided by the Food and Nutrition Service under such programs as the School Lunch Program, Summer Food Service Program, Child Care Food Program, Charitable Institutions Program, and the Special Supplemental Program for Women, Infants, and Children (WIC). Collectively, the total dollar value of the commodities distributed in fiscal year 1982 under these programs, plus the dollar value of the commodities distributed under the special surplus dairy program (see below) and the distribution of other so-called "bonus" commodities, was \$1.2 billion. This amount is expected to increase in fiscal year 1983 to \$1.75 billion and then drop in fiscal year 1984 to \$1.3 billion.

## WIC Program

One of the most recent food assistance programs is the WIC Program. Created in 1972, this program provides Federal cash assistance through State departments of health to local health clinics serving low-income areas. Supplemental food or food vouchers are made available by these clinics to pregnant, post-partum, and breastfeeding women and to infants and children up to 5 years of age who are at nutritional risk because of inadequate nutrition and income.

No money was spent on the WIC Program until fiscal year 1974, when \$11.1 million in costs was incurred. The amount spent for the program has risen significantly since then with \$957.6 million being spent in fiscal year 1982 to assist 2.2 million persons. In May 1983, USDA officials stated that WIC expenditures of \$1.160 billion are anticipated for fiscal year 1983 which will assist 2.4 million persons, an all-time high.

## Additional efforts of the Federal Government to provide food assistance

In addition to its traditional programs for providing domestic food assistance, the Federal Government is engaged in a number of other activities which now help, or will eventually help, provide food assistance to the poor. Several activities which came to our attention during our work are discussed as follows.

### Distribution of surplus dairy foods to the needy

In December 1981, USDA initiated a special program to distribute federally owned cheese and butter to needy households throughout the Nation. These products are purchased by USDA under its dairy price support program and are used to some extent in a variety of USDA food assistance programs, including the school lunch and charitable institutions programs. Despite this use, quantities purchased under the dairy price support program have been mounting rapidly. When the special distribution program started, USDA held about 570 million pounds of cheese valued at \$832 million and 206 million pounds of butter valued at \$322 million in uncommitted inventory. Despite USDA's distribution during 1982 of 135 million pounds of cheese and 8.2 million pounds of butter, collectively valued at \$275 million, USDA was holding in its uncommitted inventory a year later about 776 million pounds of cheese valued at about \$1 billion and about 368 million pounds of butter worth about \$500 million.

The Secretary of Agriculture stated in December 1982 that "The increasing size of the inventories makes it imperative that we do all we can to use these surpluses." In this regard, he announced that the distribution of surplus cheese and butter would continue through December 1983. He also claimed that the distribution of these products in 1982 had reached nearly 10 million people.

Additional discussion concerning the special cheese and butter distribution program may be found beginning on p. 29.

#### Food bank demonstration project

Section 211 of the Agricultural Act of 1980 directed the Secretary of Agriculture to test the feasibility of providing USDA-owned agricultural commodities and other foods to community food banks for emergency distribution to needy individuals and families. The project was implemented in December 1981, and by May 1982, seven food banks (the maximum allowed by law) had been selected to receive and distribute cheese, nonfat dry milk, and butter. (This project is in addition to the program for distributing cheese and butter which was just discussed.)

In addition to the information learned from the seven participating food banks, USDA is studying in depth the operations of nine additional food banks and conducting a nationwide survey of other food banks. From all of this, USDA hopes to determine the:

- Capability of food banks to administer such a program on an ongoing basis.
- Costs of the program to the Federal Government, State governments, and the food banks.
- Characteristics of food recipients.
- Eligibility criteria used to determine household need.
- Efficiency and effectiveness of the program.

A progress report to the Congress is planned for July 1983. The authorizing legislation, as amended, requires USDA to submit a final report by January 1984 which is to cover its evaluation of Federal participation in emergency food bank programs, including the effectiveness and feasibility of continuing such participation. The report is also to contain recommendations regarding improvements in Federal assistance to community food banks, including assistance for administrative expenses and transportation.

HHS/DOD agreement to expand the  
amount of surplus food available  
to the poor

In June 1982 the Department of Health and Human Services (HHS) submitted a proposal to the Department of Defense (DOD) suggesting the ways in which the two departments could work together to distribute surplus food to existing nonprofit, community-based food centers serving the hungry poor. The proposal stated that a serious problem of hunger and malnutrition does exist in this country among those living below, at, or near the poverty level (estimated to be 35 million persons), and it was recognized that the Federal Government is unable to assume the entire burden of feeding the hungry poor. The proposal cited the need to tap other sources of food for the poor.

In correspondence related to the proposal, HHS stated that the now defunct Community Services Administration had, over the years, funded many food and nutrition programs and that one of the best programs resulted in establishing a nationwide network of food banks. These food banks collected donated food for several thousand organizations operating food assistance programs for the poor. HHS suggested that nonmarketable food from DOD's commissaries, supply depots, and mess areas might be made available to various food banks or other emergency food centers. HHS officials believed that the use of any surplus food from DOD's food dispensing areas could provide a significant increase nationwide in the numbers of people reached by the food banks and food centers. However, they were unable to provide an estimate of the value of food that could be made available. HHS' Office of Community Services was specified in the proposal as the coordinating office which would bring together any surplus food and the distribution centers which would then dispense it to the poor.

Among the benefits that were expected to accrue from implementing the proposal were to:

- Promote the President's "New Federalism" by operating at the community level.
- Operate at no additional costs to the Federal Government.
- Reduce pressure on food stamps and other welfare cuts.
- Promote voluntarism in the social service areas.

An official of HHS' Office of Community Service advised us in February 1983 that both the Secretary of HHS and Secretary of Defense had signed the agreement.

Legislative proposals and actions  
to provide assistance to the poor

At the time of our work, there was considerable congressional debate concerning ways to relieve some of the effects caused by the current recession. Numerous bills had been introduced in the Congress which would create jobs, extend unemployment benefits, provide loans to the unemployed and others who face the loss of their homes through foreclosure, and funnel money into shelter and health care for the destitute. A number of these bills provided for additional Federal food assistance to those in need. A central theme of several of the bills advocating increased food assistance was the call for an expansion of the Federal Government's commodity distribution program.

One such food assistance bill, H.R. 1513, was approved by the House Committee on Education and Labor on March 10, 1983. It would require the Secretary of Agriculture to release millions of dollars worth of surplus Federal food to States for distribution to the poor. The bill reportedly enjoyed wide bipartisan support because it would not only help feed the poor, but would also help cut the Government's costs to store the various commodities.

A similar bill, S. 17 was approved by the Senate Agriculture Committee a week earlier. It would make surplus food available on a permanent basis to food banks, food kitchens, churches, schools, and other nonprofit charitable organizations that feed the needy. The bill also would provide funds for processing and transporting raw goods. A companion to this bill was H.R. 1590, introduced on February 23, 1983. As of May 13, 1983, H.R. 1513, S. 17, and H.R. 1590 were still being considered by the Congress.

In addition to the proposed bills, the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, House Committee on Agriculture, held hearings on February 28, 1983, in Cleveland, Ohio, for the purpose of attempting to measure the extent of hunger in America. The Cleveland hearings were the first of several such hearings to be held throughout the country.

On March 24, 1983, an emergency jobs appropriations bill was approved by the Congress and signed into law (Public Law 98-8). This law, among many other things, contained several emergency food shelter provisions for the remainder of fiscal year 1983. It provided \$75 million to USDA for the purchase of perishable agricultural commodities through surplus removal operations. These commodities are to be distributed to cooperative emergency feeding organizations for feeding indigent

persons. The law additionally required the Secretary of Agriculture to determine the availability of Commodity Credit Corporation commodities which are in excess of stipulated amounts and to distribute these commodities to eligible recipient agencies. The law provided an additional \$100 million for USDA's WIC Program. It also provided \$50 million to the Federal Emergency Management Agency to carry out an emergency food and shelter program. Lastly, in terms of food assistance, it provided \$50 million to be made available to the States by the Secretary of Agriculture for food storage and distribution costs. Of this amount, not less than \$10 million is to be made available for paying the actual costs incurred by emergency food centers which provide food to needy persons.

On April 26, 1983, USDA issued in the Federal Register interim rules which implement the emergency food assistance provisions of Public Law 98-8.

#### PRIVATE SECTOR RESPONSE TO FEEDING THE NEEDY

In spite of the billions of dollars the Federal Government spends to provide domestic food assistance, an unmet need remains. Many people seeking assistance fail to qualify for the various Government programs. Their incomes are not quite low enough, their net worth is a bit too high, or some other factor keeps them from participating. Some participants find that the benefits they receive do not go far enough. Food stamp recipients, for example, receive on the average approximately 47 cents per meal, or just over \$42 per month. This average, however, reflects the fact that most food stamp households have some income and, consequently, receive less than the maximum benefit.<sup>1</sup> Whatever the reason, the number of Americans seeking food assistance is increasing, and many are turning to private sector charitable organizations for help.

Private sector charitable organizations have always existed to assist needy persons. Today, these institutions are being "taxed" more than ever. Because of the increasing number of people seeking food, new private sector institutions and activities organized and designed to help feed the poor have proliferated and some older ones have been expanded.

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<sup>1</sup>As income rises, food stamp benefits are reduced on the presumption that households should contribute a portion--currently 30 percent--of their income toward food purchases. Thus, the food stamp benefit generally supplements other resources and thereby increases the food purchasing power of low-income households.

Many of these institutions and activities have religious affiliation, although certainly not all. Community groups are involved, as are businesses, farmers, labor unions, advocacy groups, and private citizens. The types of institutions or activities range from food banks to soup kitchens, food pantries, food drives, gleaning operations at farms, elderly food programs, and so forth. Many have some professional workers, but most rely heavily on volunteers. Most, if not all, are heavily dependent on donations of money and foodstuffs to be successful. As stated, many of these institutions and activities have been around for some time, but not all. The food bank movement, for example, has been in existence for a relatively short time. Its impact recently on the ability of many charitable institutions to feed the hungry has been significant, and it offers another example of how food that would otherwise be wasted is being channeled from the food industry to those seeking food. In recent years, several pieces of legislation have contributed to the success of food banks and, more generally, to the overall willingness of the private sector to become increasingly involved in providing food assistance to the needy.

Food banks: an interface  
between the food industry and  
agencies which feed the poor

Food banks are nonprofit organizations that link the food industry, which every year throws away millions of pounds of edible but unmarketable food, with agencies which distribute food to those in need.<sup>2</sup> Food banks accept food donations from manufacturers, growers, packers, bakeries, distributors, wholesalers, and retailers. The food collected must be edible, but it might not qualify for commercial channels due to a number of reasons, including mislabeling, slight formula variations, dented cans or broken cases, wrong-sized produce, baked goods and produce left over after normal sales periods, and other time-dated products that will not be sold before their pull dates. Were it not for food banks, much more of this unsalable food would be destroyed.

The food bank system offers other benefits. Instead of many different charities soliciting food from local food businesses, one central agency--the food bank--solicits on behalf of

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<sup>2</sup>In our 1977 report on food waste, we estimated that \$6.2 billion worth of food was discarded by wholesalers and retailers in 1974. (We were unable to find a more recent estimate during our work.)

all participating local charities. By shopping at food banks, charitable organizations have access to a wider range of low-cost food<sup>3</sup> than they would otherwise. Donors also benefit because they (1) deal with only one food bank, rather than with a number of agencies wanting surplus food, (2) have only one number to telephone for disposal of unwanted merchandise, and (3) have only one source from which to compile tax records.

The first food bank, and today one of the largest and most widely known, is the St. Mary's Food Bank in Phoenix, Arizona. Because of its success, and the success of other food banks which followed its lead, St. Mary's founder decided that a regional network was needed. With funds from the Community Services Administration, he created in 1976 an organization known as Second Harvest. Second Harvest's goal is to feed the hungry by soliciting surplus food from the national food industry and distributing these donations to a nationwide food bank network. The food banks, in turn, distribute the food to local charities that feed the needy. Second Harvest encourages the growth of food banks and has helped establish 120 food banks nationwide. However, in 1982, it supplied food only to the 44 larger banks that met its standards for such things as warehouse management, recordkeeping, warehouse facilities, and refrigeration/freezer capacity. Second Harvest is working to develop other food banks in targeted population centers to the point where they meet its certification requirements and can receive and distribute some of the food that Second Harvest solicits.

In 1982, Second Harvest channeled more than 30 million pounds of food to the 44 network banks. More than 60 major food companies donated food to Second Harvest during 1982, and Second Harvest estimated that more than 6,500 private charitable agencies benefited from the services of its food bank network.

The extent of the private sector's involvement in providing food assistance has been significant and has touched the lives of many needy Americans. Such involvement is consistent with the administration's drive to reduce the role of the Government and leave to private initiative various functions that can be

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<sup>3</sup>Although food banks do not charge their clientele for the food they receive, many require payment of a nominal "handling charge" which helps to cover some of their operating costs. The Maryland Food Bank in Baltimore, for example, requires its recipient agencies to pay 9 cents per pound for the food they receive. The Capital Area Community Food Bank in Washington seeks a 10 cents per pound contribution. In some circumstances, charities are not asked to pay anything.



performed privately. Some are concerned, however, that the efforts of the private sector will be seen as a substitute for future governmental involvement and as a reason for reducing the amount of spending in the traditional food assistance programs. An assistant director for communications of Second Harvest told us in a November 17, 1982, letter, for example,

"\* \* \* that despite the potential for using edible surplus food to help feed the needy, this [the food bank movement] is not--and never will be--the solution to our hunger problem. Foodbanks cannot guarantee a steady supply of varied, nutritious products. We can never predict the quantity or type of product donations we will receive. Therefore, foodbanks are only a supplementary source of food for the agencies they serve. Foodbanks could never replace any of the federal programs that help feed people--they are only one link in the vital network of private and governmental programs to feed the poor."

In commenting on this report, USDA officials stated that fears such as those expressed above are unfounded. They told us that, although the rate of spending growth in Federal food assistance has recently slowed, the actual amount of spending and the numbers of persons and meals being served has continued to rise.

Legislative changes which  
have encouraged private  
sector involvement

In recent years a number of laws have been passed at both the Federal and State levels encouraging the private sector's involvement in feeding the needy. According to a number of people we interviewed, one such law which resulted in increased corporate charitable contributions and provided a needed boost to the food bank movement was the Tax Reform Act of 1976. This act allows corporations to donate inventory to certain charitable organizations and then take a tax deduction equal to the lesser of (1) the cost of the inventory plus 50 percent of the unrealized appreciation or (2) twice the cost. Some additional background on this legislation follows.

From 1917 to 1969, the Federal income tax laws had permitted a deduction for charitable contributions equal to the full fair market value of the property donated. In 1969, however, restrictions were placed on the deductions permitted for a number of types of property, and donations of inventory were limited to their cost. This cost limitation was designed to

prevent taxpayers in high brackets from profiting more from giving inventory away than from selling it. Although the limitation eliminated the abuses leading to its enactment, it also eliminated any incentive to donate inventory and resulted in reduced contributions to organizations providing food, clothing, and medical equipment and supplies to the needy. Consequently, the Congress amended the law in 1976 to restore some of the economic incentive that existed earlier.

Although many prospective donors of inventory in the food industry are incorporated and therefore entitled to claim a deduction for contributions under the 1976 Tax Reform Act, many in the agricultural sector are unincorporated and, thus, receive no tax benefits for charitable contributions of farm products. Because of this disparity and a greater awareness today of the millions of dollars worth of edible produce abandoned each year when harvesting becomes uneconomical, lawmakers at both Federal and State levels have expressed interest in amending income tax laws to provide individual farmers with an incentive to make charitable contributions of foodstuffs. A handful of States have enacted such legislation, and national legislation has been proposed to provide farmers with tax allowances for permitting nonprofit organizations to glean their crops, i.e., to gather produce left in the fields after harvesting. During our work, we observed gleaning activities in California and learned from various sources that gleaning occurs in other States, including Oregon, Washington, Michigan, Arizona, Kansas, Maryland, Missouri, Florida, and Texas.

Another set of laws positively affecting the amount of food being donated to feed the needy are the so-called "good Samaritan" laws recently enacted by many State legislatures. Each State law is unique; however, the particulars of many have been fashioned after one another and have the common purpose of limiting the liability of food donors. Ohio's good Samaritan law, as an example, states that

"\* \* \* no person who in good faith donates perishable food to an agency is liable in civil damages for injury, death, or loss to persons or property that arises because that perishable food, distributed by the agency or any other agency, to a particular individual in need is not fit for human consumption, if both of the following apply:

(1) Prior to the donation of the perishable food to the agency, the person determines that the perishable food will be fit for human consumption at the time of its donation.\* \* \*

(2) The person does not negligently or recklessly make the determination that the perishable food will be fit for human consumption at the time of its donation to the agency."

The Food Marketing Institute reported in October 1982 that 34 of the 50 States had adopted good Samaritan laws thus far and that passage of proposed legislation in a number of other States was pending.

#### EFFORTS OF STATE AND LOCAL GOVERNMENTS IN FEEDING THE NEEDY

From our limited review, we found numerous instances where State and local governments were actively engaged in responding to the food needs of the poor. At the top of the list are the efforts of various State and local agencies having responsibility for locally administering Federal food stamp, child nutrition, food donations, and WIC programs. In addition to these activities, State and local governments are engaged in such things as (1) running feeding programs of their own, (2) distributing State funds to cities and agencies for helping the hungry and the homeless, (3) assisting in establishing and operating food drives, referral hotlines, and food banks, (4) conducting research, and (5) holding conferences and meetings on food, nutrition, and hunger issues.

Our work in California disclosed a couple of novel instances whereby food that would otherwise be wasted was being used by the State to feed the needy. In 1982, for example, the California Department of Fish and Game salvaged about 130,000 pounds of salmon which were turned over, in part, to private and Government-sponsored charitable organizations for feeding needy families. Salmon die after spawning, and were it not for the Department of Fish and Game's salvage operations, much of this food source would go to waste.

California is the largest agricultural State in the Nation. A substantial portion of the State's agricultural production is lost because it is economically "unharvestable" or "unmarketable." In response to this situation, from September 1980 through January 1982 the California Department of Food and Agriculture (CDFA) conducted a Surplus Food Project to help reduce this food waste. Program officials believe that much of the food that is lost is edible and that it would be consumed if it were recovered and routed to needy recipients. The project, funded jointly on a one-time basis by USDA (\$26,832) and CDFA (\$37,877), encouraged the development of a distribution system channeling recoverable surplus food to needy individuals. Its objectives were to:

- Educate potential food donors about the benefits of donating edible surplus food directly to organizations aiding the needy.
- Reduce food loss by centrally coordinating the distribution of surplus food to senior citizens and low-income individuals.
- Work cooperatively with private sector organizations involved in food recovery and distribution to the needy.
- Determine the responsiveness of food growers to the tax benefits related to, and the resource-conserving concept of, recovering and utilizing edible, nonmarketable food to distribute to the needy.
- Utilize both government and private sector resources to expand surplus food recovery efforts.
- Develop and conduct a survey to measure the distribution capabilities of California's food banks.

California considered its Surplus Food Project to be a success. It helped distribute several million pounds of surplus food in the State and foster cooperation between growers, packers, food processors, merchandisers, and charitable organizations. Program officials believed that they have made a good start in linking the various parties together and have applied to USDA's Agricultural Marketing Service for additional funding to continue the effort. USDA officials told us, however, that there was little chance the program would again be funded. Their budget for programs such as California's is very limited, and current requests for funding are about 2-1/2 times the funds available. USDA officials explained that their primary interest is in assisting States to get innovative marketing ideas and programs off the ground, rather than funding such programs over a lengthy period of time.

## CHAPTER 4

### IMPEDIMENTS TO THE DELIVERY OF FOOD

#### ASSISTANCE AND RELATED ISSUES

#### WARRANTING FURTHER EXAMINATION

One of the objectives of our work was to determine whether impediments exist which inhibit the amount of food assistance that is provided to the needy. One such impediment is the limited Federal, State, and local funds available for responding to all existing needs. As a result, the private sector--in the form of a wide range of nonprofit, charitable organizations--has provided food to many hungry Americans who are not being adequately assisted otherwise. The response of the private sector has been significant. However, on the surface, a number of problems appeared to inhibit the quality and quantity of food assistance individual food centers were providing. The more important of these problems are discussed in this chapter and generally relate to such issues as funding, transportation, storage, and staffing. We neither examined these problems in depth nor determined their significance or prevalence nationwide.

This chapter also touches briefly on a number of problems various charitable organizations were having with USDA's special cheese and butter distribution program and on problems in serving the needy in rural areas. Finally, we present several issues which warrant further examination by anyone concerned about and/or interested in the food assistance needs of America's poor.

#### PROBLEMS OF THE PRIVATE SECTOR IN PROVIDING FOOD ASSISTANCE OFTEN BLAMED ON INSUFFICIENT FUNDING

Just as limited funding is an overriding concern of various levels of government in meeting the food assistance needs of the poor, so is it with most nonprofit, charitable organizations. Many of them stated that they are operating on limited budgets and depending largely on the generosity of private businesses and individuals for the resources they need to make their programs work. Officials of most of the 33 emergency food centers we visited cited the need for more funding as a problem they face.

Officials of some centers told us that recent budget cut-backs at various governmental levels have dried up important sources of funds and that some centers have been forced to get

along with less, or seek alternative sources of assistance. Officials of some organizations were concerned about the negative impact of the depressed economy on private donations of food and money. Those organizations we visited were generally making do with the funding and other resources that were available to them. However, a number of officials believed that the need for food assistance was greater than their ability to respond and that much more could be done if more money was available for collecting, processing, and distributing food.

Many emergency food center officials cited problems with regard to transportation, storage, and staffing. These problems, to a large extent, are a function of limited funding.

### Transportation

The need for additional transportation equipment and fuel was one of the most frequently mentioned problems at the emergency food centers we visited. In California and Ohio, for example, officials of 21 of the 29 food centers we visited stated that they needed additional transportation capabilities. The organizations ranged significantly in terms of size and scope of operations and their needs varied accordingly. For example:

- Food banks move millions of pounds of food each year. They take deliveries and make pickups in semi-trailer load quantities. One food bank we contacted has a large truck; the others were using small vans and pickup trucks or soliciting transportation from private companies. Only two food banks had refrigerated trailers. Food banks often need large trucks, both refrigerated and general purpose, and donated transportation. Some need railcar space for large shipments, such as for moving surplus oranges from the west coast.
- Gleaner groups gather food left in the field after harvest. Shortages of transport vehicles limit the activities of these groups more than any other type of organization we visited. Gleaners go to the field to gather produce. Oftentimes these groups have had too little capacity to transport the volumes of food available. The four gleaning groups we contacted relied heavily on a few pickup trucks and on members' private vehicles for which they provide gas money. One group was spending about \$2,500 a month on gas. Another group indicated that it

has sufficient transport vehicles at the present time but that it was operating at capacity. This group has 500 people on a waiting list to join the organization, but it will add members only as it obtains the facilities and transport vehicles to handle the additional food. Gleaner groups are generally looking for medium-sized vehicles to more economically transport their members and the gleaned food. One group we contacted was looking for a 5-ton truck and a 12-person van; others needed a source of funds for gas money.

- Charitable organizations serving hot meals and distributing groceries have varying needs. These organizations are often the older, more established operations like the Salvation Army and the Catholic charities, and they commonly have some vehicles which they use for multiple purposes. For example, one Catholic charity we visited uses a church bus for hauling food. According to some organization officials we spoke to, heavy use has resulted in equipment that is not always reliable. Charities in this group want more trucks in good condition. Others need more vehicles only in certain locations.
- Many of the smaller emergency food centers depend largely on volunteers' vehicles for the transportation they need. Their ability to accept food is often dependent upon whether the donor will deliver it to their location. They need transportation but do not necessarily have the staff resources to manage it. Donated transportation is their best source because it requires only periodic management.

Some of the needs identified by the organizations we contacted might be met through the Federal Surplus Property Program. This program channels--through State agencies in cooperation with the General Services Administration--excess Federal property, including trucks and vans, to qualifying State and local programs at low cost. Local government activities are generally eligible as are charitable programs for senior citizens, education, training, and recreation.

Only a few of the charitable organizations we contacted were aware of the Federal Surplus Property Program as a source of vehicles and other materials. Program officials in California said many senior citizen groups would be eligible for

donations. None of the charities we contacted were aware of the program's request card system. This system operates by listing the needs of a group on a card so that program staff can look for the needed items among the materials declared as excess by Federal agencies.

The transportation and food industries have on many occasions donated their services to help move food for the needy. A number of people we interviewed, however, believed that even more transportation assistance would be forthcoming if some kind of tax incentive were provided in much the same vein as the incentive that exists for food donations.

### Storage capacity and other equipment

We were told at many of the food centers we visited that they had a need for additional storage space for the food they were handling. In California and Ohio, only 9 of the 29 food centers we visited considered their storage facilities adequate. Officials at 15 of the 29 centers believed they had a need for more general purpose storage space; 19 of the 29 centers were said to have a need for more cold storage.

The storage facilities of the centers we visited ranged in size and type from small closets filled with canned goods to large warehouses with walk-in cold storage rooms. The condition of the facilities varied from those reasonably well kept, but often crowded, to others that were in disrepair. One such facility, for example, was a large, vacant school building which had been vandalized and was up for sale. Several officials mentioned that their organizations had moved frequently as a result of their quest for either donated or nominally rented space.

Second Harvest food banks, as a group, have storage facilities that are relatively well equipped and managed. However, only 44 of the 120 food banks Second Harvest has helped establish are currently a part of its network because many of them cannot meet the organization's requirements relating to storage facilities and warehouse management.

Some food center officials told us of their needs for warehouse equipment such as forklifts and office equipment, including desks and chairs. As mentioned above, the Federal Government may have certain excess equipment that could be used by charitable organizations involved in providing food assistance. Because of time limitations, however, we were unable to pursue the extent to which this is happening or could happen.



## Staffing

At the food centers we visited, paid employees were generally responsible for managing and operating the centers on a daily basis and using volunteer workers to perform routine tasks of food distribution. For the most part, activities at each food center consisted of soliciting surplus food and money from various individuals, groups, organizations, and public agencies and gathering, processing, and distributing food.

Volunteers were considered to be a valuable resource of most emergency food centers. It was recognized that many of these workers have a high sense of dedication and commitment to helping those less fortunate than themselves. We were told at one food center, for example, that volunteers make the best workers because they believe in what they are doing. Officials at a number of other food centers told us, however, of problems they have experienced with volunteers who tend to be less than reliable, work irregular hours, do not possess needed skills, and whose enthusiasm wanes over time. We were further told at a number of the organizations we visited that the need is great for additional paid staffers who are (1) on the job each day to coordinate and direct activities and (2) generally more skillful than volunteers in soliciting donations of food and other resources. In this regard, we were told by officials of several gleaning groups that although volunteers are often readily available, large amounts of fresh farm produce sometimes have to be turned down because they lack sufficient paid supervisory employees to manage and direct the gathering, processing, and distribution of the food. In these instances, the food usually is left in the field or destroyed.

### COMPLAINTS OF EMERGENCY FOOD CENTERS REGARDING DISTRIBUTION OF SURPLUS DAIRY PRODUCTS

During this assignment, we did not review in detail USDA's special cheese and butter distribution program that got underway at the end of 1981 and we did not evaluate the specific relationships that exist between various State governments and local organizations relative to this program. During the course of our work, however, we were told of a number of problems many food centers were experiencing with the program. These problems generally centered on three different areas.

The first area involved the adequacy of program coordination at various levels. Under the program, USDA pays the cost of transporting the cheese and butter from Federal storage facilities to warehouses in the States. The States then are responsible for arranging further distribution to food banks and

other local charitable organizations which, in turn, give it to needy people. Officials of some emergency food centers told us that they were sometimes given too little advance notice by their States of pending cheese and butter shipments. We were told that in some cases as little as 24 hours' notice was received, which is often too little time to make adequate arrangements for needed staffing, transportation, and storage. Also, some organizations complained that the distribution of the cheese and butter, over time, was uneven and sporadic.

The second area involved the ability of facilities, staffing, and funding resources to adequately handle and distribute the cheese and butter. Officials of some local organizations said that they could not participate in the program because they lacked cold storage or enough staff and volunteers to help in the actual distribution. Other organizations stated that the program as administered in their States was cumbersome and more costly than they had initially anticipated. Some organizations reportedly dropped out of the program because of what it was costing them, and others had to finance their participation with funds that otherwise would have gone to other food assistance activities.

The third area involved the quantities and variety of food commodities that were made available. Officials of a number of organizations told us that additional quantities of cheese and butter could always be used because there is always a need for food. They said that there is also a need for a greater variety of wholesome, nutritious food. A number of these officials expressed hope that USDA could offer a wider range of commodities for distribution to the poor.

As discussed earlier, the recently enacted emergency jobs appropriations legislation contains several provisions which address, through the end of fiscal year 1983, some of the problems which are discussed above. Specifically, it provides \$50 million for food storage and distribution costs of States and emergency food centers. It also provides for expanding certain kinds and quantities of commodities to be distributed.

#### PROBLEMS IN SERVING THE NEEDY IN RURAL AREAS

Hunger in the United States is not confined to urban areas. We were told that there is a problem of hunger in rural areas but that such hunger is less publicized than hunger in the cities.

Ohio officials told us that the infrastructure in rural areas is often lacking and that various services, organized

charities, and government assistance offices commonly available in the city do not exist in many small towns. They said that it is difficult to find a convenient location for an emergency food center because of the widely scattered population.

California officials echoed these comments. We were told that USDA's surplus dairy products are not being distributed to many rural areas because of a lack of food centers. These officials said that food centers are not established in remote areas because the potential number of people to be served and the volume of recoverable food are too small.

We noted several ongoing efforts to provide food assistance to certain rural communities. For example, the State of California was trying to work out a plan to distribute surplus dairy products to a number of northern California counties that are not now receiving them. In the Watsonville, California, area one emergency food center was periodically dispatching a vehicle with food for distribution to remote sites. The food center's limited budget, however, restricted its ability to serve very much of the surrounding rural area in this way. In Ohio, some rural groups were serving the needy in a limited fashion by obtaining food from urban food banks.

#### ISSUES WARRANTING FURTHER EXAMINATION

The subject of providing food assistance to America's needy is a large one with many ramifications. To look at the subject in depth would require much more time and effort than we were able to give to it during this assignment. In this regard, we noted for Congressman Eckart a number of important issues which seem to warrant the attention of food analysts, policymakers, and others concerned about and/or interested in the food assistance needs of the poor. If policies and programs concerning the food assistance needs of the poor are to be most effective, then more detailed information and answers to issues such as the following need to be forthcoming. The issues are not listed in any particular order of priority.

--There is no accurate assessment of the extent to which Americans are going hungry or are malnourished. An official "hunger count" does not exist. Without such information, it is difficult to respond most efficiently and effectively to the situation that exists. How well are America's hunger and nutritional needs being monitored? Do improvements need to be made?

--The overall effectiveness of all Federal domestic food assistance programs in today's environment has not been

evaluated. To whom are they targeted? What is their impact? How well do they complement each other? Are segments of the needy population ignored by these programs?

--No current estimates exist regarding the amount of food that is being wasted annually in this country. Because such estimates do not exist, the estimates in our 1977 food waste report (covering food loss in 1974) continue to be cited. Evidence in this report and elsewhere shows that some steps have been taken to channel to the needy food that would otherwise be wasted. The proportion of that which is being saved is unknown. New estimates of food waste would increase awareness and sensitivity to the problem and, perhaps, result in the identification of additional ways in which the food needs of the poor might be eased through greater use of food that would otherwise be discarded.

--The relationship between the Federal Government and the private network of feeding programs that has emerged and recently become so prominent has not been examined in depth. Can the Federal Government better assist private institutions in what they are doing? Could Federal Government resources (e.g., excess commodities or equipment) be better used by charitable organizations in providing food assistance? Is legislation needed at the Federal level to encourage and/or provide incentive for greater involvement by the private sector in meeting the food needs of the poor?

#### AGENCY COMMENTS

In commenting on this chapter of the report, USDA officials stated that the special cheese and butter distribution program has been a very successful one with quantities of commodities distributed far exceeding what was originally anticipated. They attribute the success of the program to USDA's efforts to respond as much as possible to the particular needs and requirements of individual States, and to the resounding willingness of the States and local organizations to--through a variety of innovative means--distribute the cheese and butter to those who are in need. USDA officials pointed out that the Federal Government had absorbed approximately 97 percent of the cost of providing the cheese and butter to needy individuals with the States and local organizations having only to absorb the remaining 3 percent.

USDA officials were of the opinion that certain provisions of the recent emergency jobs appropriations legislation would

correct some of the concerns about the program that we discuss above. For example, \$50 million was to be made available for storage and distribution costs incurred by States and local organizations. USDA officials also stated that additional commodities such as non-fat dry milk, rice, and corn meal are now being provided to States for distribution to the poor. Flour and honey are two additional commodities soon to be added.

USDA officials stated that the subject of providing food assistance is a large, complex one and that to look at it in depth will require more time and effort. These officials mentioned to us a number of studies underway within USDA regarding the effectiveness and nutritional impact of some of their individual food assistance programs.

LISTING OF EMERGENCY FOOD CENTERS VISITEDCLEVELAND, OHIO

Catholic Hunger Fund  
Collinwood Hunger Center  
Community Corner  
Father Berard Godspeed Center  
Greater Cleveland Interchurch Council Hunger Task Force  
Salvation Army, Cleveland  
St. Augustine Catholic Church  
Teamster's Family Service Bureau  
The Greater Cleveland Community Foodbank  
West Side Catholic Center Home Mission

NORTHERN CALIFORNIA

California Food Network  
California Gray Bears of Santa Cruz  
Catholic Social Services of San Mateo County  
Coastside Opportunity Center  
Community Food Coalition of Contra Costa County  
Emergency Food Bank of Stockton  
Emergency Hunger Fund  
Food Advisory Service  
Food Bank Inc. of Santa Clara County  
Food Nutrition Services Inc.  
Gleaners Statewide  
Good Samaritan Community Services

Interfaith Ministries of Modesto  
Monterey County Food Bank  
Salvation Army, San Francisco  
San Mateo County Community Services  
San Francisco Food Bank  
Senior Citizens Service, Inc.  
Senior Gleaners

WASHINGTON, D.C., AREA

Capital Area Community Food Bank  
Martha's Table/McKenna's Wagon  
S.O.M.E. (So Others May Eat)  
The Maryland Food Bank, Inc.  
(Baltimore, Maryland)

FEDERAL DOMESTIC FOOD ASSISTANCE PROGRAM COSTS

<u>Fiscal year</u>	<u>Food stamps</u>	<u>Child nutrition<sup>a</sup></u>	<u>Food donations<sup>b</sup></u>	<u>Women, infants, and children</u>	<u>Total</u>
----- (in millions of dollars) -----					
1969	\$ 228.9	\$ 313.8	\$ 601.8	\$ 0	\$ 1,144.5
1970	549.7	419.5	558.5	0	1,527.7
1971	1,522.7	663.1	580.4	0	2,766.2
1972	1,797.3	892.4	586.1	0	3,275.8
1973	2,131.4	1,065.3	559.5	0	3,756.2
1974	2,718.3	1,270.9	548.3	11.1	4,548.6
1975	4,385.5	1,593.2	434.1	89.3	6,502.1
1976	5,326.5	1,926.6	500.9	155.5	7,909.5
1977	5,067.0	2,196.1	641.2	256.5	8,160.8
1978	5,139.2	2,424.3	775.5	387.7	8,726.7
1979	6,480.2	2,660.2	855.6	527.3	10,523.3
1980	8,685.4	2,843.1	1,151.8	739.4	13,419.7
1981	10,632.8	3,238.5	1,208.4	888.0	15,967.7
1982	10,409.0 <sup>c</sup>	2,775.1	1,237.1	957.6	15,378.8
1983 (est.)	11,858.0 <sup>c</sup>	3,028.0 <sup>d</sup>	1,750.5	1,160.0 <sup>e</sup>	17,796.5
1984 (est.)	11,054.0 <sup>c</sup>	3,183.0 <sup>d</sup>	1,304.0	1,060.0	16,601.0

<sup>a</sup>Includes school lunch, school breakfast, child care, summer food, and special milk programs.

<sup>b</sup>Includes commodities distributed under school lunch, summer food, child care, needy families, supplemental food, charitable institutions, and Indian and elderly nutrition programs. Includes cash-in-lieu of commodities program. For fiscal years 1978 through 1984, also includes "bonus" commodities purchased by USDA in conjunction with agricultural price support programs and/or USDA programs to remove perishable commodity surpluses from the market.

<sup>c</sup>Food stamp program costs for fiscal years 1982 through 1984 include benefits issued under Nutrition Assistance Program in Puerto Rico.

<sup>d</sup>Estimated budget authority.

<sup>e</sup>Includes \$100 million provided for WIC by 1983 emergency jobs appropriations legislation.

Source: USDA Food and Nutrition Service records. No attempt was made to verify the data provided.





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