

# FOODSTAMPED Action: Economic Justice for Farmers and Eaters

Fact Sheet • August 2011

The earnings of all but the richest people in America have been stagnant for the past four decades,<sup>1</sup> making it harder for both urban and rural families to put healthy food on the table. The recession made the problem of food insecurity worse. By 2009, one in every seven rural residents and one in every nine urban residents received food stamps.<sup>2</sup> How can we turn things around and build a healthier, fairer food system?

## What's the problem?

- **A lack of access.** Over the last 50 years, supermarket brands merged and closed older stores.<sup>3</sup> The few brands left in control of the retail sector focused development in the suburbs.<sup>4</sup> Today, while healthy, fresh food is scarce in many low-income communities, fast food appears ubiquitous.
- **A concentration of corporate power.** In addition to the closure of these supermarkets, all sectors of our food system are now dominated by a small number of large food companies, which create huge barriers to the development of independent grocery stores. Big retailers like Wal-Mart sign contracts with companies that contract with the largest processors and farmers. Smaller farms, local processors and independent grocers can't compete, and go under. This accelerates food deserts, eliminates jobs and helps drive America's family farmers out of business.
- **A lack of income.** Unemployment levels are up, and those who are working must work significantly longer hours than they did a few decades ago in order to maintain the same standard of living.<sup>5</sup> In both urban and rural areas, many residents rely on food stamps. Seventeen percent of Washington, D.C.'s urban residents receive food stamps, as do 22 percent of Missouri's rural residents.<sup>6</sup>

**This hasn't happened by accident.** In recent years, farm policy has benefited the big food processors and retailers. The same interests are also the ones paying farmers and workers unfairly and providing unhealthy food to low-income consumers. We'll have to build political power in order to rewrite food policy to serve the rest of us.

**It starts with the Farm Bill.** Since the 1930s, Congress has been passing this massive piece of federal legislation every five to seven years. Many people would be surprised to learn that today, two-thirds of Farm Bill funding goes to the food stamp program, now known as SNAP (Supplemental Nutrition Assistance Program). The bill also funds environmental conservation, controls how we manage (or don't manage) crops like corn and soybeans, and funds important local and regional food programs. The Farm Bill is big, it's important, and we have to get involved to change it.



## The Solution: A Fair Farm Bill

**Step One: Change the way we talk about subsidies.** Since the New Deal, the government has been involved in some



way in supporting farmers who grow basic crops like corn and soybeans. The approach changed radically in the 1980s and 90s, replaced by the “subsidy” programs we know today. Subsidies receive a lot of attention in the media and by some advocates, including some featured in FOODSTAMPED.

People ask why the government pays corn and soybean farmers when we need healthier food options. **Unfortunately, for many rural farm families, the subsidy system is currently the only thing standing between them and economic ruin. And in order to build a healthier food system, we need family farmers. A fair farm bill would allow them to get a fair price for their crops and enable them to stay in farming.**

But thanks to their concentrated economic power, large food processors that buy corn and soybeans don't have to pay a fair price — just like Wal-Mart has the power to underpay its workers and suppliers. As a result, the average mid-sized family farmer in the U.S. makes only \$19,000 a year from farming full time, and half of that income comes from government payments.<sup>7</sup>

**It didn't used to be like this.** Until President Ronald Reagan came into office, the government had rules ensuring that processors paid farmers a decent price. It also kept some farmland out of production to avoid overproducing these crops.

Deregulation changed all that. Agribusiness lobbied to get rid of these commonsense policies so they could get their raw materials — corn and soybeans — at a discount, with government payments to farmers making up the difference.

That's why simply removing subsidies, like removing the food stamp safety net, won't solve the root cause of the problem. We need to find ways for the recipients of these programs to make a living so they can actively participate in building a better food system.

**Step Two: Use the bill to break up the power of big food companies.** If we want to build a better food system, we need to curb the power of the interests that don't want alternatives. The 2008 Farm Bill created new rules to crack down on big meatpackers for their unfair practices so that smaller producers can have a shot at competing in the market. In the next Farm Bill, these rules should be implemented and expanded.

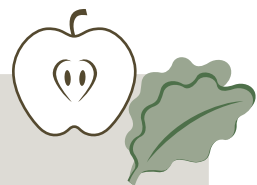
**Step Three: Build alternatives.** The 2008 Farm Bill provided funding for Community Food Projects, Farmers Market Nutrition Programs, and others that expand access to fresh and healthy food. Farm Bill programs also support smaller-scale food processors and distributors that can supply independent grocery stores. We need to protect these gains and expand them in the next Farm Bill.

**Step Four: Keep the SNAP safety net strong.** There has been a 60 percent increase in the number of people receiving SNAP (food stamp) benefits between 2007 and 2010. SNAP helped cushion the recession's impact, and provide one of the best ways to stimulate our economy: one dollar in benefits yields \$1.73 in economic activity. But some in Congress would like to turn SNAP into what's called a block grant program, which would limit states' ability to expand coverage to more people if the need arose. Now is the time to protect and strengthen SNAP benefits, until the day when every family can make a living wage and put healthy food on the table.

Learn more and get involved with  
Food & Water Watch's Fair Farm Bill  
campaign by going to:  
[www.foodandwaterwatch.org/  
food/fair-farm](http://www.foodandwaterwatch.org/food/fair-farm)

## Endnotes

- 1 Shaw, Hannah, and Chad Stone. “Tax Data Show Richest 1 Percent Took a Hit in 2008, But Income Remained Highly Concentrated at the Top Recent Gains of Bottom 90 Percent Wiped Out.” Center on Budget and Policy Priorities. October 21, 2010.
- 2 DeParle, Jason, and Robert Gebeloff. “Food Stamp Use Soars, and Stigma Fades.” Analysis of food stamp utilization data by county, New York Times, November 28 2009. Available at <http://www.nytimes.com/2009/11/29/us/29foodstamps.html>. Accessed July 13, 2011.
- 3 Eisenhauer, Elizabeth. “In poor health: Supermarket redlining and urban nutrition.” *GeoJournal*. Vol 53. 2001 at 127-128
- 4 Ibid.
- 5 Greenstone, Michael, and Adam Looney. “The Great Recession May be Over, but American Families are Working Harder than Ever.” Brookings Institution, July 8, 2011. Available at [http://www.brookings.edu/opinions/2011/07/08\\_jobs\\_greenstone\\_looney.aspx](http://www.brookings.edu/opinions/2011/07/08_jobs_greenstone_looney.aspx). Accessed July 13, 2011.
- 6 DeParle, Jason, and Robert Gebeloff. “Food Stamp Use Soars, and Stigma Fades.” Analysis of food stamp utilization data by county, New York Times, November 28 2009. Available at <http://www.nytimes.com/2009/11/29/us/29foodstamps.html>. Accessed July 13, 2011.
- 7 Wise, Timothy A. “Still Waiting for the Farm Boom: Family Farmers Worse Off Despite High Prices.” Policy Brief 11-01. Global Development and Environment Institute, Tufts University, March 2011.



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