

#### **ISSUE BRIEF**

# The Impact of the Farm Bill on Southern States

SEPTEMBER 2011

FULL REPORT—From Field to Fitness: Aligning Farm Policy with Health Policy to Improve Nutrition and Health

REPORT PREPARED FOR THE SOUTHERN OBESITY CONSORTIUM Southern States Collaborating to Reduce and Prevent Obesity

BY THE

Center for Mississippi Health Policy

This issue brief summarizes The Center for Mississippi Health Policy's report From Field to Fitness: Aligning Farm Policy with Health Policy to Improve Nutrition and Health, an analysis of the influence of the federal Farm Bill on nutrition and health.

#### **SOUTHERN STATES**

Alabama Arkansas Florida Georgia Kentucky Louisiana Mississippi Missouri New Mexico North Carolina Oklahoma South Carolina Tennessee Texas Virginia West Virginia

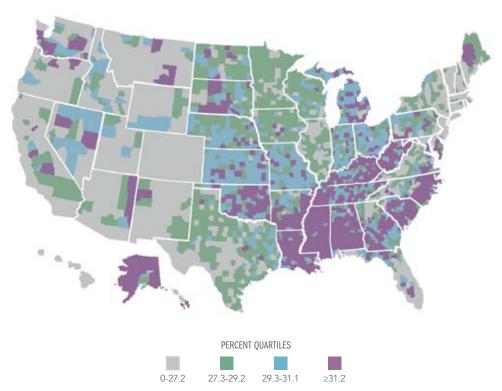
This report examines two key sections of the Farm Bill and lists policy options that many health organizations recommend to align U.S. agricultural and nutritional assistance programs with current federal nutrition guidelines.

The terms "Southern States" and "South" used throughout this brief refer to the sixteen states that have participated annually in the Southern Obesity Summit. The Southern States have some of the highest obesity rates in the nation and are working in concert to identify policy issues that need to be addressed in order to reduce the prevalence of obesity in the region.

Changes in farm policy are needed to increase the availability and affordability of fruits, vegetables, and whole grains.

COUNTY-LEVEL ESTIMATES OF OBESITY AMONG ADULTS AGED ≥20 YEARS: U.S. 2008

With some of the highest rates of obesity concentrated in the south, Southern States are examining connections between farm policy and poor nutrition.



SOURCE: CENTERS FOR DISEASE CONTROL AND PREVENTION: NATIONAL DIABETES SURVEILLANCE SYSTEM.

AVAILABLE ONLINE AT: HTTP://APPS.NCCD.CDC.GOV/DDTSTRS/DEFAULT.ASPX.



U.S. fruit and vegetable declined by 4.2%

IN 1997, 710 LBS PER CAPITA WERE CONSUMED COMPARED TO 2007 WHEN ONLY 680 LBS PER CAPITA WERE CONSUMED.

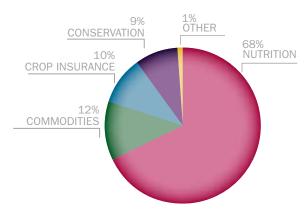


U.S. fats and oils increased by 20.4%in three decades.

IN 1970, 123.7 LBS PER CAPITA WERE CONSUMED COMPARED TO 2000 WHEN 148.9 LBS PER CAPITA WERE CONSUMED.

#### IMPACT OF THE FARM BILL

The United States Congress is scheduled to reauthorize the Food, Conservation, and Energy Act (Public Law 110-246) -referred to as the "Farm Bill"—in 2012. Federal farm policies contained in the Farm Bill directly impact what foods are grown or are available in the nation, thus greatly affecting nutrition and consequently the health status of Americans. Certain policies in particular work to discourage the production



2008 FARM BILL: DISTRIBUTION OF FUNDS BY TYPE OF PROGRAM, 2008-2012

of fruits and vegetables. In addition, Farm Bill policies have substantial impact in low-income populations because of the large nutrition programs funded under the act.

#### IMPORTANCE OF FRUIT AND VEGETABLE CONSUMPTION TO HEALTH

Increasing consumption of fruits and vegetables is an important component in any attempt to improve the nutritional status and health of the population as well as reduce obesity rates. Ample consumption of fruits and vegetables is important for growth and development, as well as prevention of chronic disease. Yet, few Americans eat enough of them to meet nutrition and disease protection needs. Adults from Southern States report low intake of fruits and vegetables, although these states are major agricultural producers. While health experts encourage the population to eat more fruits and vegetables and limit consumption of sugars and fats, adult eating patterns show the opposite trend.

#### COST OF FRUITS AND VEGETABLES VS. FATS AND SWEETS

Foods with added fats and sweets are often the lowest cost food choice, while fruits and vegetables are among the most expensive. Researchers from the USDA Economic Research Service calculated the percentage change in the costs of a variety of foods over fifteen years (1985-2000), which revealed fresh fruits and vegetables had the highest percentage cost increase at nearly forty percent, followed by cereal and bakery items at ten percent. Over the same time frame, sweets, fats and oils, and soft drinks decreased in percentage cost by nearly ten, fourteen, and twenty percent, respectively.



U.S. caloric sweetener consumption increased by 38.42% in three decades.

IN 1970, 55.7 LBS PER CAPITA WERE CONSUMED COMPARED TO 2000 WHEN 77.1 LBS PER CAPITA WERE CONSUMED.

#### **KEY POLICY OPTIONS:**

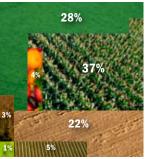
Remove planting restrictions and penalties against growing fruits and vegetables from at least enough acreage participating in subsidy programs to produce adequate amounts of fruits and vegetables to meet dietary guidelines.

Allow all regions of the country to participate in planting flexibility projects and simplify the participation process.

Allow farmers to opt out of the federal farm subsidy program on a yearly basis to raise fruits and vegetables without penalties.

Use federal nutrition recommendations as guidelines for U.S. agricultural production needs and production controls.

#### COMMODITY PRODUCTION PAYS

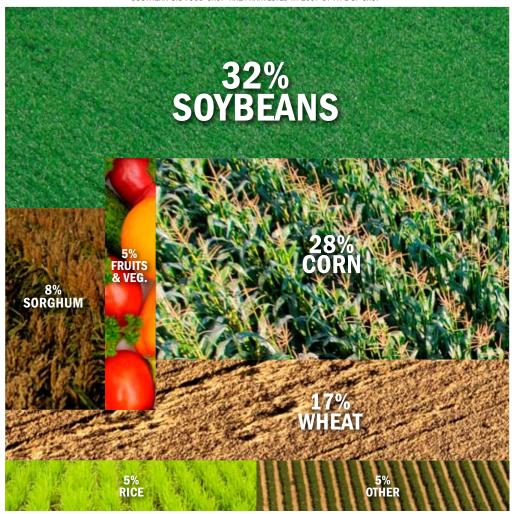


TOTAL U.S. FOOD CROP AREA HARVESTED IN 2007 BY TYPE OF CROP: CORN 37%; SOYBEANS 28%; WHEAT 22%; FRUITS & VEGETABLES 4%; SORGHUM 3%; RICE 1%; OTHER 5%

MOST OF ACREAGE DEVOTED TO SUBSIDIZED CROPS

Title I of the Farm Bill governs federal income support programs for farmers, including those commonly known as subsidies. The United States Department of Agriculture (USDA) issues subsidy payments to eligible producers on farms through two programs: the Direct Program and Counter-cyclical Payment Program. Payments for both types of programs are calculated using formulas that are based on the amount of acreage that was used to grow crops during a particular time period. The food crops receiving the most subsidy payments under the Farm Bill include the following commodities: corn, wheat, soybeans, rice, and sorghum. Specialty crops, such as fruits, vegetables, and tree nuts are not eligible for these commodity income support programs.

SOUTHERN U.S FOOD CROP AREA HARVESTED IN 2007 BY TYPE OF CROP



DISTRIBUTION OF KEY SOUTH U.S. FOOD CROP AREAS HARVESTED IN 2007 BY TYPE OF CROP





FRUITS & VEGETABLES

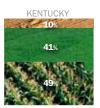








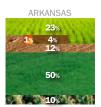




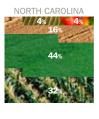








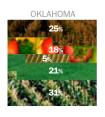








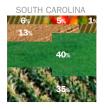














#### **FOOD CROPS ELIGIBLE FOR SUBSIDIES:**

Corn Wheat Sovbeans Long Grain Rice Barley Sorghum 0ats Oilseeds Pulse Crops

#### **FOOD CROPS NOT ELIGIBLE FOR SUBSIDIES:**

Fruits Vegetables Wild Rice Tree Nuts

Research findings indicate that farmers decide which commodity crops to plant largely based on the greatest expected flow of subsidy payments. Food commodity crops qualifying for Farm Bill subsidy payments represent the majority of the cropland harvested in the nation, as well as in the Southern States.

#### SUBSIDIZED FARMERS RESTRICTED TO COMMODITIES

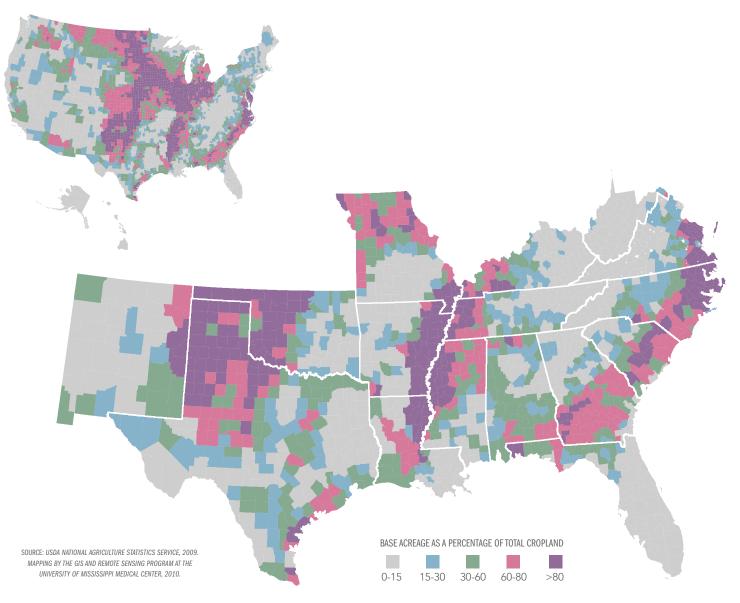
Farmers receiving subsidy payments are not obligated to produce the same commodity crop planted previously. In fact, farmers may grow other commodity crops or keep land fallow while receiving subsidies, except that farmers receiving these subsidy payments may not plant fruits, certain nuts, vegetables, or wild rice. Not only are incentives to plant fruits and vegetables lacking, there is a big disincentive not to do so: Farmers growing fruits and vegetables on land qualifying for subsidies will actually incur financial penalties for doing so. Subsidy payments are reduced for each acre of fruits and vegetables planted, and the farmer is assessed a financial penalty based on the market value of the fruits and vegetables produced.

#### MOST CROPLANDS CURRENTLY UNDER RESTRICTIONS

Researchers with the Economic Research Service of USDA mapped "base acres," which is the cropland acreage used to calculate federal subsidies. Because of the federal rules described on the previous page, this cropland is currently subject to restrictions for growing fruits and vegetables and could possibly be used for fruit and vegetable production if federal restrictions were lifted.

The nation's most fertile lands are primarily used for growing commodity crops and restricted from growing fruits and vegetables.

In 2008, approximately 64.5 million acres in Southern States were subject to these planting restrictions, which represented about 62 percent of the acreage growing commodity crops. In order for each person to consume a healthy diet recommended by the most recent Dietary Guidelines for Americans, an increase in growth of fruits and vegetables and a shift in wheat grains would be necessary to meet demand. Researchers estimate that about 7.4 million additional acres, a net growth of 1.7 percent total cropland nationwide, would be required to meet these fruit, vegetable, and whole grain needs.



#### **KEY POLICY OPTIONS:**

Provide greater incentives to families to purchase nutritious foods through SNAP, such as discounts to enable purchase of more fresh fruits and vegetables and whole grain products.

Provide SNAP benefits on a bimonthly rather than a monthly basis.

Promote initiatives that encourage SNAP participants to make healthier choices.

Restrict use of SNAP benefits from purchasing foods of minimal nutritional value or allow states a waiver to do so.

Ensure that SNAP-Ed approaches are evidence-based, multi-level, and community-focused.

# 9.5%

BETWEEN APRIL 2010 AND APRIL 2011
TOTAL U.S. SNAP PARTICIPATION INCREASED BY
9.5%. AS OF APRIL 2011, 14.7% OF THE TOTAL
U.S. POPULATION IS ENROLLED IN SNAP.

SOURCE: FROM STATEHEALTHFACTS.ORG BASED ON DATA FROM USDA FOOD AND NUTRITION SERVICE. AVAILABLE ONLINE AT WWW.FNS.USDA.GOV/PD/SNAPMAIN.HTM

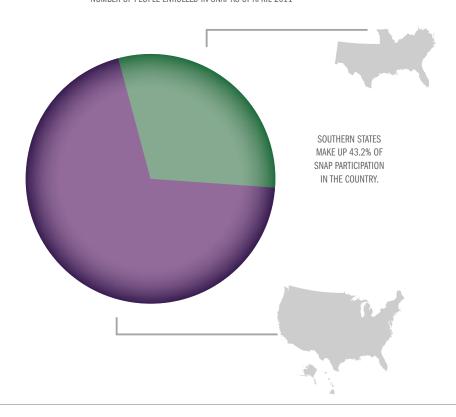
#### SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)

The largest nutrition program governed by the Farm Bill is the Supplemental Nutrition Assistance Program (SNAP), formerly referred to as the Food Stamp Program. In 2010, over 42 million Americans were enrolled in SNAP, about thirteen percent of the U.S. population. At some point in their lives, almost half of all American children and ninety percent of African American children participate in SNAP. In Southern States, over seventeen million persons participated in SNAP in 2010, approximately 16 percent of the regional population. Participation increased in 2011.

Studies pointing to the close relationship between hunger/food insecurity and obesity suggest that the timing of SNAP benefit distribution may be associated with metabolic effects of "feast or famine" that facilitate weight gain. Another concern about SNAP relates to policies allowing the use of benefits to purchase unhealthy foods and beverages, particularly foods of minimal nutritional value. This policy is in contrast to those associated with other federal nutrition programs such as the Supplemental Nutrition Program for Women, Infants and Children (WIC) and the National School Lunch Program.

The USDA provides states the authority and funding to implement nutrition education for SNAP participants, termed SNAP-Ed. Regulatory restrictions on the use of SNAP-Ed funds, however, have limited the program's flexibility and scope, although some constraints were eased with the passage of child nutrition legislation in 2010.

NUMBER OF PEOPLE ENROLLED IN SNAP AS OF APRIL 2011



#### POLICY OPTIONS

Many health organizations have offered policy recommendations for consideration as the Farm Bill is reauthorized. The following is a summary of key policy options that are consistent with the research compiled in the full report:

Make increasing the affordability and quality of nutrient-dense foods a stated goal of farm policy.

Use federal nutrition recommendations as guidelines for U.S. agricultural production needs and production controls.

Remove planting restrictions and penalties against growing fruits and vegetables from at least enough acreage participating in subsidy programs to produce adequate amounts of fruits and vegetables to meet dietary guidelines.

Allow all regions of the country to participate in planting flexibility projects and simplify the participation process.

Allow farmers to opt out of the federal farm subsidy program on a yearly basis to raise fruits and vegetables without penalties.

Provide greater incentives to families to purchase nutritious foods through SNAP, such as discounts to enable purchase of more fresh fruits and vegetables and whole grain products.

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Promote initiatives that encourage SNAP participants to make healthier choices.

Restrict use of SNAP benefits from purchasing foods of minimal nutritional value or allow states a waiver to do so.

Ensure that SNAP-Ed approaches are evidence-based, multi-level, and community-focused.

### Southern Obesity Consortium



Southern States Collaborating to Reduce and Prevent Obesity



THE FULL REPORT, FROM FIELD TO FITNESS:
ALIGNING FARM POLICY WITH HEALTH POLICY
TO IMPROVE NUTRITION AND HEALTH,
WITH REFERENCES IS AVAILABLE ON THE
CENTER FOR MISSISSIPPI HEALTH POLICY'S WEBSITE.

## Center for Mississippi Health Policy

Plaza Building, Suite 700 120 N. Congress Street Jackson, MS 39201 Phone 601.709.2133 Fax 601.709.2134

www.mshealthpolicy.com