The 1996 Farm Bill: Implications for Families/Consumers

Roberta A. Moseley, Rutgers University, moderator;
Yvette Jackson, Food & Consumer Service, USDA;
John M. Schnittker, Public Voice for Food and Health Policy.

The 1996 farm bill reauthorized the Food Stamp program, which originally began in 1961. The Food Stamp program never has reached all the people who are in need. Yet, for many, the stamps have become their primary source for food.

The welfare reform bill, which went into effect the day it was signed, is officially known as the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (although many people think it is less about reform than about a convenient way to save federal dollars).

A big concern about this welfare reform bill is its treatment of legal immigrants, most of whom will be ineligible for assistance until they become citizens. States must end these immigrants' Food Stamp benefits at the next scheduled recertification date or no later than a year after the bill's enactment. This change could affect 1 million people a month and have a big economic impact on some states.

The bill also imposes a three-month time limit within any 36-month period on unemployed recipients, ages 18 to 50, who are not caring for children. The bill does not require states to provide training or jobs. It does not require states to help those willing to work, but living where jobs are not available. States can request a waiver, however, if their unemployment rate is over 10 percent.

By adjusting the basic benefit level, eliminating the standard and homeless shelter deductions, and creating other changes and caps, the new welfare bill also makes the Food Stamp program less responsive to changes in the economy. This may force recipients to choose between food for their children and payments for other daily living expenses.

As a result of these changes, maintaining a national food assistance network will be more critical than ever, as states experiment with welfare-related changes.

The President wants to soften the bill's impact—particularly for the elderly, the disabled and families with children. Also, to make implementing the changes easier and fairer, states will not be penalized for mistakes made in the first 60 days following USDA's implementing memorandum.

The timing still may be particularly bad, though, because the American public is facing at least several years of higher food prices. We haven't produced as much as we have consumed in seven of the last 10 years, and our grain and other reserves are down. This could have a large impact on food costs, particularly when combined with the recent increase in the U.S. minimum wage, which affects many traditionally low-paying jobs in the food industry.

Roughly, every 1 percent rise in food prices translates into about $6 billion in consumer costs. Low-income families already spend 24 percent of their disposable income on food, leaving little or no "slack" to meet higher costs.

Food security is based on several factors: (1) availability of a variety of foods at reasonable costs, (2) ready access, (3) sufficient personal income to buy food without resorting to socially unacceptable ways of acquiring it. If any of these factors is lacking or in jeopardy, food acquisition—not nutrition—becomes the primary goal.

Policy changes may be setting up millions of Americans to fail. It must be made carefully and with concern for vulnerable population groups.