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Stabilizing Federal Support for Emergency Food Providers

Food pantries, soup kitchens, and other emergency food providers are grappling with rising food prices and uncertain commodity donations. Many providers, reporting an increase in requests for assistance as well as higher operating costs, are concerned about having to turn away those in need. A 2002 ERS-funded study, the first to provide a broad, national overview of these private, nonprofit organizations, highlights the support provided by the Federal Government.

The study found that roughly 85 percent of food banks in the United States received USDA commodities, which accounted for nearly 14 percent of all food distributed by emergency food providers. Food banks and similar organizations function as "wholesalers," receiving food donations in bulk from a variety of sources, including USDA, and distributing them to food pantries and soup kitchens in their area. USDA also provides funds to help defray the cost of storage and distribution, contributing \$58.1 million for this purpose in fiscal year (FY) 2007.

Through The Emergency Food Assistance Program (TEFAP), the Federal Government supplies commodities and funds to States, who in turn provide them to emergency food providers, primarily food banks. TEFAP began in the early 1980s, and its original purpose was to provide needy households with commodities



Ken Hammond, USDA

purchased under Federal farm price-support programs. When these supplies of surplus commodities began to diminish, legislation in the late 1980s authorized USDA to purchase a variety of commodities specifically for TEFAP (known as entitlement commodities). USDA also continues to provide "bonus" commodities, purchased to support farm prices. However, there is no guarantee that bonus commodities will be available for TEFAP. As the ERS-funded study noted, quantities of TEFAP commodities can vary substantially from year to year.

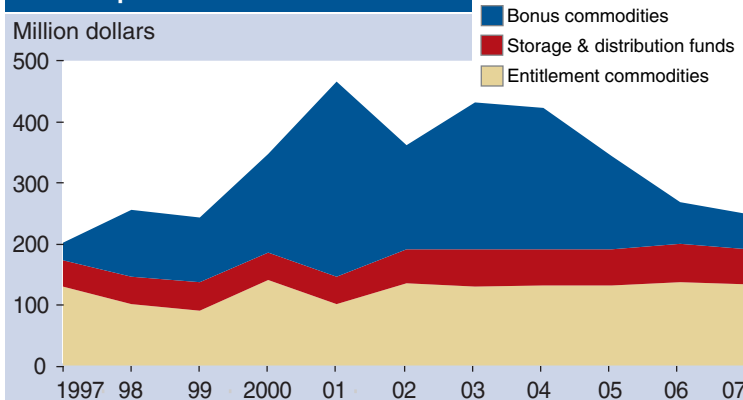
Federal expenditures for TEFAP commodities have also varied throughout the history of the program, largely due to fluctuations in bonus commodities. The Food, Conservation, and Energy Act of 2008 provides an immediate funding boost of \$50 million in FY 2008, as well as a longer term increase. The legislation increases the annual funding for entitlement commodities from \$140 million in FY 2007 to \$190 million in FY 2008 to \$250 million in FY 2009. The \$250 million funding will be adjusted for inflation from FY 2010 to FY 2012, helping to stabilize support from TEFAP for emergency food providers. In addition, the authorized maximum funds for storage and distribution of TEFAP commodities are increased from \$60 million to \$100 million per year. \mathcal{W}

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This finding is drawn from ...

The Emergency Food Assistance System—Findings From the Provider Survey, Volume I: Executive Summary, by James Ohls and Fazana Saleem-Ismail, FANRR-16-1, USDA, Economic Research Service, August 2002, available at: www.ers.usda.gov/publications/fanrr16-1/

Bonus commodities provided to TEFAP have fluctuated over the past decade



Source: USDA, Economic Research Service using data from USDA, Food and Nutrition Service.