



DEPARTMENT OF AGRICULTURE  
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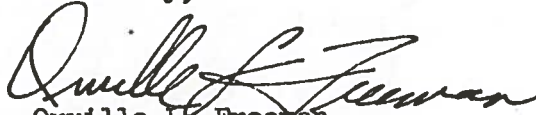
Dear Correspondent:

Recent studies of hunger and malnutrition in the United States have drawn new attention to the U. S. Department of Agriculture's food programs.

In an effort to combat misinformation and misunderstanding about these programs, the attached paper has been prepared by the Department to provide a factual background about present food programs, how they were developed and how they are being expanded and improved.

In a time when emotion frequently hampers reason and clouds understanding, I sincerely hope that members of the news media will carefully review "Food and Hunger, USA" and report its contents to the reading, viewing and listening public.

Sincerely,

  
Orville L. Freeman  
Secretary of Agriculture

Attachment

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D.C., May 21, 1968

FOOD - HUNGER: 1968

The years of the 60's are a decade of revolutionary change. Every area of public policy demonstrates this characteristic. The unchanging element is that change has not come fast enough. No better illustration of this explosive condition can be found than in the programs to insure better diets for low income families and for their children when they are away from home.

The vigorous effort to improve the techniques of distributing the nation's food abundance has been exceeded only by the insistence from many groups and individuals that even more needs to be done.

In the span of this decade:

- \* The concept of family food assistance programs has shifted from distributing a few surplus food items to increasing food purchasing power through the use of food stamps; and from supplementing the families food supply to providing a more nearly adequate diet.
- \* The administration of these food assistance efforts has changed from a passive offering to State and local government -- "food is available if you are willing to distribute it" -- to active encouragement, and the promise that Federal authority will intervene if necessary to make food available to families.

Yet, only as recently as 1964, when it was necessary to gain support in the Congress for passage of the Food Stamp Act, the House of Representatives was told by the Agriculture Committee that the program is voluntary and "is instituted

only where the Governor, based on recommendations of the appropriate State agency, has requested the program."

- \* The concept of child feeding programs has been enlarged from the narrow view of providing school lunches, to include school breakfasts and feeding programs for child care activities outside the school system.

These advances can be charted in legislative action. But they also must be measured in the context of victories -- and battles yet to be won -- to overcome the indifference, active opposition and lack of public confidence in programs; all of which affect the level of funds and the degree of State and local support necessary to transform legal authority into calories and protein.

#### Family Food Assistance

In 1960, the USDA offered five food items worth at retail about \$2.20 per month per person for distribution to families -- lard, rice, flour, dry milk, and cornmeal. About 1,200 counties and areas distributed these foods, and participation was about 3.5 million persons in December of 1960.

The first executive order issued by President Kennedy, in January 1961, doubled the number of commodities as well as the amount of food available under the program. Unemployment in 1962 rose to nearly 7 percent. The improved food program reached into a peak 1,800 counties that year, and during one peak month over 7.5 million were served. Average participation in 1962 was 6.5 million people.

At the same time the commodity program was expanded, the Administration also began a pilot food stamp program in eight areas. This pilot effort had grown to cover 43 areas by 1964 when President Johnson requested the Congress to pass the Food Stamp Act as a permanent program to combat hunger.

In the next four years, the Food Stamp program increased more than 20-fold in the number of areas covered, and participation increased seven times over.

Currently, one or the other family food assistance programs is now available -- or shortly will be -- in 2,400 counties and will serve about 6.1 million persons by the close of FY 68. For comparison purposes, this table will show the progress since 1961:

Fiscal Year	<u>Areas</u>			<u>Participation (millions) (June)</u>		
	DD	FS	Total	DD	FS	Total
1960	1342	-0-	1,342	4.3	-0-	4.3
1968	1384	1,027	2,411	3.6	2.5	6.1

Both programs operate on the basic premise that their administration and the distribution of food and food stamps rests on a cooperative Federal-State-local structure. State and local governments are responsible for the distribution of food and food stamps, and for determining who is eligible. In the case of the Commodity Distribution program, no specific Congressional mandate exists for this procedure; it developed this way over the past three decades. However, the Food Stamp Act spells out in detail the responsibility of State and local governments, and thus limits the power of the Federal government to operate the Food Stamp program directly.

A second basic premise is that the Food Stamp program will replace the Commodity Distribution program. Stamps help the low income family get a wider and more varied selection of diet, and they utilize a single food distribution system -- in this case, replacing a Governmental system for commodities with the highly efficient commercial system.

These two premises have meant that the problems of providing those who are eligible with the opportunity for food assistance are basically different for each program.

#### FOOD STAMPS

One critical problem with Food Stamps has been to overcome a general public attitude which prevailed in 1960 that a stamp program was unworkable. This view developed from the experiences with the depression-born food stamp activity which started in 1939. It was quietly shelved in 1943 when World War II halted unemployment and appeared to have eliminated the need for food assistance. The program was administratively cumbersome. A family had to buy stamps of one color, which could be used to buy non-surplus food, and they received bonus stamps of another color, which could be used to buy foods which were in surplus supply. The program came under severe attack because it was ponderous, and because adequate safeguards had not been developed to prevent large scale conversion of stamps to cash. Even with all of its problems, the program helped some 4 million persons in 1941.

When the need for the program appeared to vanish, all that remained were the memories of the operating difficulties. In 1960, these memories were very strong, and the fears which prompt them are still present today. The House Appropriations Subcommittee on Agriculture this year has directed that part of the increase in Food Stamp program funds should be withheld until a number of deficiencies in the program operation are corrected -- deficiencies which the USDA uncovered itself and which are being corrected.

The program since 1961 has been uniquely successful; no major scandal has developed in its operation. Strong supervisory, audit and investigatory procedures are constantly underway. It is the most popular, and most sought



after food assistance program; more counties always have requested the program than available funds will cover.

With the success of the Food Stamp program reflecting strong administrative control, a number of steps were taken in 1967 to improve the program and extend its coverage. The purchase requirement for the poorest of the poor was reduced from \$2 a month per person to 50 cents, with a maximum of \$3 per family regardless of size; the purchase requirement for new participants in their first month was cut in half, recognizing the difficulty of putting enough cash together in the same month that past grocery bills had to be paid; and, persons from low income neighborhoods were hired as program aides to work with low income families to explain the program and to create a communication link between these families and local welfare workers.

As a result of these efforts, and an intensified outreach effort conducted through community action agencies, local technical action panels and other public and private groups, participation in the Food Stamp program has increased sharply. In the current fiscal year, the budget for financing the bonus -- an average \$6 in additional stamps for every \$10 spent by participants -- was based on an expected increase of 15 percent in areas operating prior to July 1, 1967. However, by February 1968, participation in the "old" areas had increased 22 percent, and participation in newly opened areas has been greater than past experience would indicate. The result was a budget squeeze which could have amounted to a \$10 to \$12 million deficit in the program. Prompt action to delay the start of a number of programs by two months, cutting administrative costs to the bone and delaying some payments in to the next fiscal year, using emergency authority

available under other legislation and seeking standby authority to cover additional deficits, will enable the program to continue. The other option would be to reduce the level of bonus payments, as the Food Stamp Act provides.

The suspicions about the program have not altogether been overcome, however. In 1964, when the first Food Stamp Act was passed, a three year authorization cleared the House of Representatives by a 229 to 189 margin. In 1967, when the legislation was renewed for another two years, a crippling amendment to require States to pay 20 percent of the cost -- causing those States to drop out where the program is needed the most -- was defeated by a 18 vote margin.

#### Commodity Distribution

The Commodity Distribution program is to be replaced by Food Stamps, if and when the funds are provided. Until then, it can be used to fill the gap in food assistance. Currently, 16 commodities are being made available. They are:

Dried Beans	Cornmeal	Raisins
Bulgur	Flour	Shortening/lard
Butter/margarine	Chopped meat	Rolled wheat/oats
Cheese	Nonfat dry milk	Rice
Corn grits	Peanut butter	
Instant potatoes	Dried split peas	

The major problem with the Commodity Distribution program is to obtain wider use among those counties and areas which do not now provide a food assistance program.

In order to encourage local governments to use the program -- there is no authority to force them to participate -- the USDA in July 1967 offered a target group of 330 counties the funds necessary to pay local

administrative costs. These counties are among the 1,000 with the lowest per capita income, and did not have a food assistance program at the start of fiscal 1968. Since that time, over 230 of these counties operate or will start a food assistance program -- either commodity distribution or food stamps.

In addition, the USDA has indicated that, if after repeated efforts by Federal and State officials to get a county to start a program, local officials refuse to do so, then the USDA will operate a commodity distribution program independently of the local government until it is willing to assume this responsibility.

In this regard, the Congress has not prohibited direct Federal action -- but neither has it authorized it.

Commodities used in this program are acquired by the USDA through price support activities of the Commodity Credit Corporation or the purchase of surplus farm commodities authorized under Section 32 of the Agricultural Adjustment Act of 1935.

#### Child Feeding Programs

The dramatic changes in the family food assistance programs have been accompanied by as dramatic, and substantial, change in the programs which provide food service to children when they are away from home. These include authority for:

- \* Special financial assistance to provide free or reduced price lunches to children in schools in low income areas;
- \* School Breakfast programs, available to all children, but giving Federal support to schools in low income areas or those attended by children traveling long distances;



- \* Financial assistance to schools in low income areas to acquire facilities and equipment needed to operate a lunch program;
- \* Financial assistance to States to pay the additional administrative costs of new Child Nutrition programs; and
- \* Financial support for meals in child care activities operating outside the school system.

The only child feeding program available in 1960 was the National School Lunch program. Enacted in 1947, after a number of years as a special program conducted under general authority of Section 32 to dispose of surplus food, the Act provides:

- \* Cash assistance to States on the basis of the previous year's participation in the School Lunch program.
- \* Additional support in the form of food commodities acquired by the USDA.

The act directs that meals will be served "without cost or at reduced price to children who are determined by local school authorities to be unable to pay the full cost."

This program, as with the family food assistance programs, operates through a Federal-State-local system. The physical operation is the immediate responsibility of the State education agency, which provides assistance to local school districts to establish school lunch programs based on need and attendance. Need, in this case, has been interpreted in the broad sense . . . that is, taking into account all students.

In addition, the Act requires that States match the Federal cash contribution -- currently about 4.5 cents per meal -- on a 3 to 1 basis. In addition, the USDA contributes 8 cents worth per meal in commodities.

However, the law has been interpreted, based on legislative history, that the child's payment for the lunch will be considered as the State's matching contribution. Only 10 States now appropriate funds for program operations.

At present, the School Lunch program is available in schools attended by 36 million children, of whom about 20 million are estimated to participate daily. The program is not available in schools attended by about 9 million children.

The cost of a lunch today averages between 50 and 55 cents, and the average charge per child is about 28 cents. The difference is made up from the Federal contribution and local funds -- except where State funds are made available.

In 1962, a determined effort was made to get the States to do more to bring school lunches to children whose parents cannot afford the cost of a lunch. It met with little success. The Administration changed tactics and requested the Congress to authorize additional funds for this purpose. The Congress amended the School Lunch Act, adding Section 11, to give this authority. The Congress also spelled out specific criteria for the Department to follow in apportioning Section 11 funds among the States.

During the next three years the Department's requests for funds to operate Section 11 were rejected by the Congress. It was only in 1966, after the appropriation bill was amended successfully on the Senate floor, that funds became available.

The major expansion of the programs for child feeding came in 1966 when President Johnson proposed legislation which became the Child Nutrition Act of 1966. The proposal included a School Breakfast program, authority

to assist hard pressed schools to acquire lunch facilities, a program to provide lunches for children in programs outside the school and authority to help pay State administrative costs of these programs.

The need for these programs had become increasingly apparent. The files are stuffed with reports from schools telling of the children who come each day with empty stomachs to be taught, and cannot learn because they are aware only of their hunger. Studies of the lunch program made it clear that a large proportion of children of the ghetto, particularly in elementary schools, were denied lunch because the schools could not afford the facilities. Further, the number of requests each year was growing from non-profit agencies for assistance in providing lunch programs in day care centers and other child activity programs outside the school.

The Congress enacted President Johnson's proposal, all except the program to assist children to obtain lunches in activities outside the school. This provision was not enacted until the current session of the Congress, and then only when the Senate adopted a House bill over the objection of the Senate Agriculture committee.

In the Congress, obtaining the authority for a program is only half the battle. The other half is getting the money appropriated. The Child Nutrition program is a classic case.

## Child Nutrition -- funds requested and appropriated

Fiscal Year	Breakfast Program	Nonfood Assistance	State Administrative Expense	Special Assistance (Sec. 11 NSLA)
(million dollars)				

1968

Requested	6.5	6.0	2.3	10.0
Appropriated	3.5	.75	0	5.0

1967

Requested	3.0	1.0	1.0	10.5
Appropriated	2.0	.75	0	2.0

The situation for fiscal 1969 appears to be no different. In the appropriations approved by the House, the funds provided are the same as in fiscal 1968, although the requests by the Administration were twice as large.

Section 32

In 1935, the Congress placed 30 percent of the annual customs receipts in a fund to be available to the Secretary of Agriculture to encourage greater use of agriculture's abundance than the commercial market could sustain. Since that time forward, this amendment to the Agriculture Adjustment Act of 1935 -- Section 32 -- has been the target of controversy. But the controversy usually arose when the means of carrying out the legislation became confused with the purpose.

Section 32 is price support legislation, with particular emphasis on perishable commodities. Neither the law nor the legislative history then or subsequently has viewed the use of these funds in any other way.

Section 32 funds have always received close and continuing scrutiny by the Congress. The purpose is to insure that sufficient funds are available to meet emergencies caused by surpluses and low prices for commodities other than those with price supports.

Over the years, and particularly in this decade, use of these funds to feed the poor has taken on a collateral and supplemental role. For example, Section 32 is the birthplace of all the major food assistance programs. The School Lunch Program began here, as did the prototype and the current Food Stamp Program. Both programs are now funded as regular appropriation items, although the Congress does occasionally transfer Section 32 funds to the School Lunch Program. The Special Milk Program also started under Section 32.

The only "permanent" Section 32 activity is the Commodity Distribution Program; and this is a program which Congress has never specifically authorized. Commodity Distribution is a creature of the Executive Branch which has grown on the brief directive that the Secretary may encourage use of surplus products by giving them to needy persons.

Congress in enacting, and the Administration in requesting the Food Stamp Program clearly developed a policy that Section 32 has a limited role in feeding hungry people. The basic program for this purpose is Food Stamps.

There is practical substance to these policy concepts. Perishables, needed for any well-balanced diet cannot be handled in a system that makes deliveries once or twice a month -- or even weekly. Families must pick up packages weighing well over a hundred pounds, and some weighing several hundred. Getting these bundles home is a constant problem. The variety, even at 16 commodities, is sharply limited, compared to the range of products available in grocery stores. The USDA-State-local system duplicates the commercial system, and this is needless and wasteful.



Another point which escapes public attention is that Section 32 funds, regardless of the process by which the USDA acquires them, are subject to the same budget considerations as other expenditures and that is to balance all public needs against available resources.

Children are free to receive other lunches. In this local year a total of 1,150 children in 1,150 schools will be so served. In FY 66 we expect to reach this number of children in over 1,100 schools. Both programs are now being expanded. The number of lines or reduced price lunches served has increased.

Estimated FY 66 (est.) 405 million  
FY 65 385 million  
FY 64 365 million  
FY 63 345 million  
FY 62 325 million

About 13 percent of the total lunches served in the National School Lunch Program are made available to children free or at reduced prices.

During fiscal year 1961, breakfasts were served to children in 1,150 schools in 47 States, the District of Columbia, Guam, Puerto Rico and Alaska. There is a total of 1,150 schools and 1,150 children served free breakfasts. More than 13 percent of the breakfasts were served free as at lunch prices to children who had no breakfast at home or who had their breakfast before the school day began.

The program began in FY 1961, as were lunches with school children and school officials. The scope is shown below:

	1967	1968	1969
Estimated	4.1	58.7	32.8
Estimated	20,000	157,000	150,000
Estimated	782	1,000	3,000

# CHILD NUTRITION PROGRAM

A brief description of each child nutrition program follows.

## Special Assistance To Needy School Children --

Section 11 of the National School Lunch Act is defined to help needy children get free or reduced price luncheons. In this fiscal year a peak of 400,000 children in 1,750 schools will be so assisted. In FY'69 we expect to reach twice this number of children in over 2,200 schools.

The number of free or reduced price lunches served has increased steadily; e.g.,

FY 65	286 million
FY 66	336 million
FY 67	385 million
FY 68 (est.)	405 million

About 13 percent of the total lunches served in the National School Lunch Program are made available to children free or at reduced prices.

## School Breakfasts --

During fiscal year 1967, breakfasts were served to children in 752 schools in 47 States, the District of Columbia, Guam, Puerto Rico and American Samoa. More than 75 percent of the breakfasts were served free or at token prices to children who had no breakfast at home or who left their homes hours before the school day began.

The program, begun in FY 1967, is very popular with school children and school officials. Its scope is shown below:

	1967 <u>Preliminary</u>	FY 1968 <u>Estimated</u>	1969 <u>Planned</u>
Schools participating	752	1,000	2,000
Children participating	80,000	155,000	290,000
Breakfasts served (millions)	4.1	28.0	52.0

### Assistance for Equipment --

Many schools -- and most of them in low-income areas -- are unable to provide lunches for school children because they lack the facilities and equipment for food storage, preparation and service.

In FY 1967 about 500 schools in all States, District of Columbia, Guam, and American Samoa received equipment assistance. These schools, serving some 200,000 children, received assistance valued at \$711,000.

No food service had been available in 71 of these schools prior to their receiving assistance.

### Operation Metropolitan --

In the current school year the USDA launched a special project to improve school lunch programs in urban schools. Many of these schools are in impacted areas in large cities, in buildings so old they go back to the time when every child carried his lunch to school. Most have either no lunch facilities or what little they have is grossly inadequate.

No special funds are available for these purposes (except for equipment assistance -- and this is meager). The help to schools is being carried out by giving guidance and counsel to school officials, making them aware of the need for adequate school lunches and the possibilities for improvement of the conditions existing.

Fifteen target cities were selected for this special effort, ranging from Boston to Los Angeles and from Cleveland to El Paso.

By the end of February, 184 schools having average daily attendance of about 85,000 children, were cooperating in Operation Metropolitan. More than half of the children were getting either a lunch or breakfast.

In the 15 cities selected for this initial effort, there are over 1,000 schools that have no food service of any kind.

#### Recent Proposals

In recent weeks, a number of proposals have been made by groups seeking to change various aspects of the food assistance programs. The specific proposals, and the prospects for actions, are:

1. Use Section 32 funds to institute food programs in the 256 counties without food programs which the Citizens Board of Inquiry states are "areas so distressed as to warrant a presidential declaration naming them as hunger areas."

Of the 256 counties, all but 31 now have a food assistance program, or have indicated they are about to initiate one. Of the 31, all but eight are counties which the Department has already designated as eligible for special financial assistance to pay the cost of a program.

2. Provide free food stamps for persons who cannot afford to purchase them. Or, provide food commodities with Section 32 funds to those who cannot afford stamps.

The Department last year reduced the minimum price of stamps for the poorest of the poor to 50 cents a month per person, with a maximum per family of \$3.00 regardless of size.

The Act requires that persons pay what they normally spend for food. In order to speed certification, this amount is determined on the basis of family income studies which show the amount spent for food at given income levels.

3. Provide more and better commodities in counties operating under Commodity Distribution programs, and institute a stepped-up program of consumer education and employ a larger number of community aides from the poor community.

We are presently expanding the commodities provided through this program, particularly to enrich the diets available to pregnant women and pre-school age children. We are raising the iron level of several commodities, and are adding an instant hot cereal, an enriched milk drink and fruit juices. We also are working with FDA to authorize the enrichment of dry milk with vitamins, and providing an instant milk powder which will be easier to use.

4. Provide free and reduced price lunches for every needy school child.

Under the National School Lunch Act, the Congress gave local school officials the responsibility for determining which students should receive free or reduced price lunches. The USDA will send to the States a proposed set of guidelines for determining eligible children, and these guidelines include procedures to insure that children are not singled out and held up to ridicule because they receive free lunches.

The USDA endorses the goal of providing every needy child with free or reduced price lunches. Requests for funds to carry out this goal have been made each year to the Congress under Section 11 of the Act. More funds have always been requested than Congress has allowed.

The USDA also will be working with State governments to get more States to provide funds to help reduce the cost of lunch programs, and direct more help to schools in low income areas.