Empty Stomachs and Empty Fields: The Domestic Hunger Problem and U.S. Agriculture Policy

Jason Terwey
College of Saint Benedict/Saint John's University

Follow this and additional works at: http://digitalcommons.csbsju.edu/honors_theses
Part of the Political Science Commons

Recommended Citation
http://digitalcommons.csbsju.edu/honors_theses/774

Available by permission of the author. Reproduction or retransmission of this material in any form is prohibited without expressed written permission of the author.
Empty Stomachs and Empty Fields:
The Domestic Hunger Problem and U.S. Agriculture Policy

An Honor's Thesis for the Department of Government, St. John's University and College of St. Benedict.

by Jason Terwey
Joseph Parry, Government Department Chair

James Murphy, Professor of Government

Ernest Diedrich, Associate Professor of Economics

Mark Thamert OSB, Honors Program Director
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Chap. 1 <em>Hunger in America?</em></td>
<td>3</td>
</tr>
<tr>
<td>Chap. 2 <em>Evaluating Food Assistance.</em></td>
<td>19</td>
</tr>
<tr>
<td>Chap. 3 <em>Production Control as Policy.</em></td>
<td>29</td>
</tr>
<tr>
<td>Chap. 4 <em>The Alleviation of Domestic Hunger</em></td>
<td>39</td>
</tr>
<tr>
<td>Chap. 5 <em>The Policy Gap.</em></td>
<td>46</td>
</tr>
<tr>
<td>Afterward</td>
<td>56</td>
</tr>
</tbody>
</table>
Introduction

The idea that the United States of America could actually have a hunger problem may seem unbelievable to a great many people. That an affluent, resource-rich, nation like our own could have citizens whose primary concern is getting enough food for themselves and their children seems far-fetched. Our nation is now proclaiming the end of the cold war and the failure of communism. Soviet food rationing because of shortages is considered evidence of this failure. While the Soviets confront hunger, however, America refuses to do so. The reality that the U.S. has a hunger problem became increasingly apparent in the mid 1980's. A large number of studies were released documenting a significant increase in hunger all across the nation during this time. America refused to accept these results. We called those who brought the results to the public liars and liberals. In some cases we even threatened their lives.

I believe this refusal to acknowledge America's hunger problem reflects a widespread belief that hunger simply has no place here. It belongs in Ethiopia, the Sudan, or Calcutta -- not in the United States. Only with the recognition that hunger is a problem here in America can effective solutions be found and implemented. I offer evidence that the United States has a domestic hunger problem in the first chapter. Those that consider the evidence compelling, please read on. After addressing hunger as a domestic problem, I attempt to
evaluate historically our food assistance programs. These programs, for better or worse, are the weapons we currently employ against the domestic hunger problem.

Following this, I focus for the remainder of this work on what is most tragic about hunger in the U.S. — agricultural policy. The New Deal era brought large scale government control into American Agriculture. This government intervention developed over the years into an agricultural policy based primarily on production control. This policy leaves productive acres idle, slaughters dairy animals, and stores surplus crops for long periods of time while many Americans go hungry. I then propose policy solutions to domestic hunger including some that would bring America's food consumption and agricultural policy closer together. I conclude with a section detailing our current agricultural policy and attempt to illustrate why farming in America is focused on other things than feeding its hungry people.
But when you're walkin' down the street
And you ain't got enough to eat
The glitter will wear off
And you're nowhere. — Ben E. King

CHAPTER 1. Hunger in America?

The domestic hunger problem was 'rediscovered' in the early to mid-1980's. A number of groups released studies pointing to a significant domestic hunger problem that appeared to be getting worse during this time. All together, 15 studies were conducted and released between October, 1982, and November, 1984.¹ A wide variety of governmental and private groups undertook these studies. The United States Conference of Mayors produced four studies documenting domestic hunger. The United States Department of Agriculture (USDA), the Government Accounting Office (GAO), and the Food Research and Action Center (FRAC) released a total of four studies. Private organizations including the Salvation Army, Bread for the World, and Save the Children released reports, as did the Harvard School of Public Health. The fact that such diverse groups released a large number of reports in a two year period points to a problem of domestic hunger.

Prompted by these reports of increasing numbers of hungry Americans, the Harvard School of Public Health decided to support a large scale, nationwide study of the domestic hunger problem. The result was the Physician Task Force on Hunger in America. More than 50 physicians participated in the Task Force directed by Dr. J. Larry Brown. After
extensive travel and study the Task Force concluded:

Hunger in America is a serious and widespread problem. It is in fact so widespread that its existence has been documented by fifteen national studies, and even more state level studies. While no one knows the precise number of hungry Americans, available evidence indicates that up to 20 million citizens may be hungry at least some time period of each month. Evidence from the states and regions of the nation indicates that hunger continues to grow.

The Task Force based this conclusion on evidence of two varieties. The first was the increasing demand for emergency food relief that was occurring around the nation. The second was the level of malnutrition and other hunger related problems afflicting a large number of Americans.

In every region the Task Force studied, they found a large increase in the number of people requiring emergency food relief. The statistics they gathered show the number of Americans with no place to get food, from other than a food bank, increased dramatically. In the deep South (Mississippi and Alabama) the Task Force found a large increase in the demand for emergency food. A food bank in Jackson reported an increase in the demand for their services of over 300% between 1981 and '84. It also stated that most of its hungry clients were children and elderly. One survey of 15 counties by the Southern Mississippi Area Agency on Aging determined that approximately 25% of the elderly residents surveyed ate two or fewer meals per day. The same agency reported having the resources to reach only one-third of the elderly hungry through its meal program. One Task Force member learned that some children wished school would continue through the summer
so they could eat lunch every day.³

The Task Force found similar results in Alabama, a more industrialized state. The Salvation Army Soup Kitchen in Montgomery increased the number of meals it served from 11,742 in 1982, to more than double that amount (23,552) in 1984. The Birmingham Community Kitchens provided an even more blatant example as they shot up from 1200 meals served in 1980 to 130,500 in '84 -- an increase of over 1000%. The Task Force spoke with men at one kitchen who were forced to leave home to allow their wives and children to be eligible for AFDC benefits.⁴

The Task Force found similar hunger problems in the Mid Atlantic states of Tennessee and North Carolina. Task Force members again saw tragic individual examples of hunger in Tennessee.

The mountain family with eight children that had three biscuits, butter, and neck bones in their refrigerator, the wife and quadriplegic husband on a special diet who recently cut down from two meals a day to one, and the woman who responded with tears when a local organization brought her food because her husband was planning to find a gun and rob a store.

These emotional examples became even more powerful when increased hunger was proven to be widespread in the area. Nashville Emergency Food Boxes provided 7,333 boxes of food in 1981. This number nearly tripled to 20,400 in 1984. The Memphis Food Bank distributed 1.51 million pounds of food in 1983. Only one year later, in 1984, it distributed 2.46 million pounds. At Nashville General Hospital, a nutritionist reported that a survey of the hospital's patients had found
that 34% ran out of food every month. The numbers found in North Carolina reflected this trend as well. The Raleigh Food Bank's distribution more than doubled between 1982 and '84 and the Fayetteville Food Bank's distribution nearly tripled from 1983 to '84. In this same one year period, the Winston-Salem Food Bank's output rose from 335,632 pounds to 1,057,000 pounds. Clearly, the Task Force found more than some heart-rending examples in their search for hunger in America.⁶

The Task Force found no improvement in the Southwest states of New Mexico and Texas. Five of Albuquerque's ten emergency food distribution programs were established in the two years prior to the Task Force study in response to increasing demand for food relief. Even this increase in the number of emergency food programs did not reverse the increasing demand on existing food programs. The Good Shepard Refuge, for example, increased the number of people served daily from 104 in 1981 to 410 in '84.⁷ In Texas, the state Senate's Interim Committee on Hunger pointed to a significant increase in hunger. It pointed out that emergency food assistance had increased over 300% statewide since 1980. The number of emergency food programs had doubled in the same period of time. The city of Houston showed some of the most dramatic increases in hunger found in any region. The Houston Food Bank's distribution climbed from 0.55 million pounds in 1982 to over 3.7 million pounds in '84. Many of Houston's hungry citizens at the time of the study were found to be members of the "new poor". These people supported themselves
for a long period of time but had lost their jobs as the economy plunged and unemployment shot up. They had already exhausted their unemployment benefits and needed the food banks and soup kitchens to survive.  

In our own Midwest region, the Task Force focused on the states of Illinois and Missouri. They found hunger to be on the rise in this area as well. In Chicago, only a seven hour drive from the sheltered Benedictine community of St. John’s, the Task Force found more striking examples of the domestic hunger problem. The Chicago Department of Human Services noted that applications for emergency food assistance had increased over 900% in the two years prior to the study. The chairman of the Mayor’s Task Force on Hunger concluded that at least 600,000 Chicago residents went hungry or were likely to be hungry every month. The Chicago Food Depository reported an increase of 400% in its distribution in the two years prior to the study. The Chicago Food Pantry fed 24,634 per month in 1984 — up from 8,611 in '81. The director of Visiting Nurse Association, Margaret Ahern, reported to the Task Force a caloric intake as low as 550 calories and 24 grams of protein among some of her patients. She compared this to the daily ration of 800 calories and 40 grams of protein served in the German prisoner of war camps.

The doctors also discovered a soup kitchen on the west side of Chicago operated by Mother Teresa’s Missionaries of Charity. These nuns had come from Calcutta to Chicago to help feed hungry people in the American Midwest. The incredible tragedy of this situation brings the domestic hunger problem
home with force. The thought of Mother Teresa's missionaries coming to America to feed citizens that we are neglecting should be appalling to most. Circumstances like these could prove to be a blessing, however, if they shocked America into admitting hunger is a problem west of the Atlantic and north of the Mexican border. Pathetic individual examples and huge nationwide increases in the demand for emergency food relief are not the only factors that point to domestic hunger.

Another factor that pointed toward a domestic hunger increase in the 1980's was the widespread existence of malnutrition and other hunger related illnesses. Much of this evidence came from infant and child health care problems encountered across the nation. One Boston study set out to determine the number of children in the Boston area with development in the lowest one fifth of the Growth Percentile. These children are considered to have stunted growth which is caused in many cases by insufficient nutrition during pregnancy and infancy. It was expected that 5% of the children tested would suffer from stunted growth, but the test resulted in an alarming figure of 15%. A similar study in Cook County, Illinois, revealed over 30% of children tested had stunted growth.9 The Boston study also revealed that 10.5% of the children under the poverty line were stunted, while only 5% of those above the line.10 Chicago's Cook County Hospital documented a 24% increase in admission of children with "Failure to Thrive Syndrome" between 1981 and '83.11 This condition of growth and developmental
complications was determined to be caused primarily by a lack of food. Another measure of hunger’s impact in America, at least in part, is our infant mortality rate. Despite our vaunted medical technology, our infant mortality rate lags behind many other countries’. In 1982 our rate of 11.2 deaths per 1000 births ranked 17th in the world behind most of Western Europe and various other nations. These health problems are, in part, manifestations of the greater problem of hunger in America.

That domestic hunger is a significant problem in America is further proven by the large sectors of society that it affects. This is illustrated by the reports and hearings of the U.S. House of Representatives Select Committee on Hunger. This committee was chaired by Mickey Leland (D-TX) until he died in a plane crash enroute to Africa, where he was traveling to assess the hunger problem in that nation. This committee and its findings point to a wide variety of Americans that are affected by hunger. Indeed, the only things hungry Americans seem to have in common are poverty and unemployment. One Select Committee hearing on hunger among Black Americans noted this correlation between hunger and poverty. In all other respects, hunger affects many diverse groups. The evidence of the Physician Task Force focuses primarily on hunger in the urban population. Presumably this stems from the fact that large emergency food relief programs and hospitals are located in urban areas. But by no means are the effects of hunger limited to America’s cities. One Select Committee hearing titled Hunger Among Migrant and Seasonal
Farmworkers illustrated that hunger has a great impact on the rural population. The committee noted the irony of this situation. "The 2.7 million workers on which our [agricultural system] depends have a higher rate of malnutrition than any other U.S. subculture." The committee found that the average life expectancy of migrant workers is 49 years. The U.S. average life expectancy is 73 years. One family testified to eating only raw sweet potatoes for weeks at a time in order to survive. The committee also found evidence of rural hunger in a report on Appalachian women. A survey among these women who were pregnant or had children less than two years of age found 44% reported having insufficient food at times.

Another group significantly affected by the hunger problem is the homeless. The Select Committee determined that the homeless were the group most vulnerable to the hunger problem. It found that being subjected to the elements due to lack of adequate shelter compounded the hunger related problems of the homeless. Sixty to eighty percent of them received no benefits, usually because they lacked a home address, so they are forced to stand in line at food shelves and kitchens. The committee stated that these private establishments cannot keep up with increasing demand for food and concluded that they served meals poor in nutritional content.

Domestic hunger also ravages the elderly population. One study showed the extent of hunger among the elderly in New
York state. It found that 21% of the elderly residents of New York city sometimes went days at a time without eating. In upstate New York, the results were 13%. Another study conducted on the effects of hunger among the elderly found similar results. In the period between 1976 and '80, one in four people contacted consumed an average diet consisting of less than 1000 calories per day. Many received social security benefits that were used up before the end of every month. This evidence places the elderly among the groups that hunger hits the hardest.

Though the evidence that hunger exists in America seemed very compelling, a great many people doubted its validity. Those who attempted to bring the news of a domestic hunger problem to the public encountered negative feedback. Dr. J. Larry Brown, director of the Physician Task Force, described the reaction he received while attempting to bring the results of the study to the nation's attention.

As much as I enjoyed feeling professionally useful and personally fulfilled, I was greatly saddened by the darker side of the America I had seen. Anonymous hate mail, expressing utter contempt for the poor, arrived. Political extremists disrupted my speaking engagements. High-level Washington officials tried to get me fired from the faculty of Harvard University. I even received a telephoned death threat from a citizen of Montana.

Something about the hunger issue must have been very controversial to merit such an emotional, negative response. Was it simply that many Americans refused to believe hunger could be a problem here in America? Perhaps hunger was not and is not a problem in America? Perhaps the negative
reaction was a justified response to those making a controversial issue out of a non-existent problem? To answer these questions we must first examine the merits of those arguments that maintain hunger is not a problem in the United States.

One argument of this type is that hunger and malnutrition in America simply do not exist on any sort of national scale. These arguments respond to the evidence of domestic hunger by stating, "...it consisted of highly political distortions." George Graham cites America's infant mortality rate as one such political distortion. He states that premature babies, the prime factor in infant mortality, are caused by maternal disease, smoking, and alcohol or drug abuse in developed nations like the U.S. From this line of reasoning, he concludes that, "Despite vehement claims to the contrary, the most careful and objective analysis reveals what common observation would assert: that there is little evidence of major or even significant hunger and malnutrition in this country."  

Another line of argument takes the position that hunger in America not only does not exist, but was simply conjured up out of thin air to justify increased income redistribution. James Bovard argues along these lines. He argues that hunger is not a domestic problem because increases in food assistance programs in the past resulted in increased fraud and abuse of these programs. He cites government estimates of food stamp fraud to support his claim. He assumes, correctly I believe, that those who defraud the government programs could
buy their own food. Bovard also maintains that increases in food assistance programs, food stamps in particular, have not increased the nutritional intake of their beneficiaries. These factors lead Bovard to believe that domestic hunger is not a real problem, but a fictitious one contrived by people in order to further their goals of income distribution.

For fifteen years politicians have insisted that the main purpose of food programs is to fight hunger, and for fifteen years the programs' main effect has been to raise the incomes of tens of millions without appreciably affecting their nutrition. Liberals and the media have perpetrated a hunger hoax to justify sharply increasing the income of the welfare class.

Bovard would have us stop 'wasting' billions of dollars on food assistance programs and stop listening to the 'hysterical' media accounts of hunger in America.

Another argument to contend with is that hunger and malnutrition are problems in America today and we should not attempt to correct them. Hunger and the health problems associated with it might serve a useful purpose in our society. T.R. Malthus puts forth the classic version of this argument in his Essay on Population (1798). Malthus stated that hunger was the necessary result of a population growing beyond its means of subsistence.

The ultimate check to population appears then to be a want of food, arising necessarily from the different ratios according to which population and food increase. But this ultimate check is never the immediate check, except in cases of actual famine. The immediate check may be stated to consist in all those customs, and all those diseases, which seem to be generated by a scarcity of the means of subsistence.
This might be the situation in America. Those suffering from hunger and malnutrition may be the portion of our population that needs to be checked. According to Malthus, then, we should abolish all food assistance programs currently in place because they interfere with this natural process. His belief in social policy is, "... that there should be no social policy." 29

Another argument maintains that the government should not be the solution to the problems of hunger and poverty in America. Economist Milton Friedman puts forth this view of 'pure capitalism'. Friedman believes the responsibility of correcting social problems falls on the private sector. He notes that increases in government welfare spending eliminate many sources of private charity. 30 Friedman argues that people will contribute privately to welfare causes if assured everyone else is contributing as well. He does admit this is accomplished more easily in smaller communities. Overcoming "neighborhood effects" and obtaining more private funds would be Friedman's solution to the hunger problem.

These opposing arguments must be overcome before hunger is accepted as a domestic problem and solutions are sought. Further examination of this evidence leads to the conclusion that domestic hunger cannot be explained away so easily. Graham's argument, that hunger simply does not exist in America, is the most compelling, but he only deals with a small portion of the abundant evidence. Graham focuses on the problems of low birth weight exclusively. He gives no answer
to the other groups affected by hunger and the increased demand for emergency food relief. Bovard brings up fraud and abuse in food assistance programs but neglects to say how this disproves the existence of a hunger problem. Fraud and nutritional shortcomings in the programs do not prove hunger in America is a "hoax". Certain people will abuse and defraud government assistance programs as long as they exist. This fact cannot negate the reasons for the programs' existence.

The fact that food assistance programs, especially food stamps, do not significantly increase poor peoples' nutrition simply points to a shortcoming of the program. Malthus' theory, that hunger is a necessary check on population, does not apply in America today. Malthus maintains that hunger and its side effects would begin to control a runaway population growth when it outgrew the means of subsistence, or agricultural capability. Our agricultural resources are under-utilized rather than stretched to their limits (see Chapter 3). These accumulated arguments simply do not successfully contradict the fact that America has a hunger problem. Friedman's theory has not been considered yet because it was put into practice by the Reagan Administration in the early 1980's. This theory has actually contributed to the hunger problem in America.

It is not my intention to analyze all the causes of domestic hunger, but some mention of the primary causes is important. It is no coincidence that the major escalation in demand for emergency food relief and the increase in hunger related health problems occurred during the same period that
President Reagan began cutting social spending programs while urging increased private involvement. Reagan cut back on food assistance programs along with other social welfare programs. Total funding for government food and nutrition programs dropped for the first time ever under Reagan in 1981. Food stamps, child nutrition programs (including school lunch), and the Women, Infants, and Children (WIC) program declined in funds at different times between 1981 and '84.31

Reagan also changed the requirements for some of the programs during his first term. Eligibility for food stamps, for example, rose to include people with incomes of 130% or less of the poverty level. This replaced the old eligibility standard of incomes at or below the poverty line. This increase proved to be illusionary because the old standards permitted deductions for housing costs and other necessities. The new standards allowed no deductions and forced some needy recipients to choose between food or shelter.32 These cutbacks and eligibility requirements only served to intensify the hunger problem. Food stamp participation actually decreased between 1980 and '84, a period when more and more Americans were going hungry. By September of 1984, only 19.8 million people participated in the program, less than any other time since the beginning of the decade.33

The doctors of the Task Force viewed these cutbacks and the bureaucratic procedures that prevented many eligible and needy people from receiving benefits as, "... mean spiritedness in government policy."34 That the leaders of our
nation's government would intentionally design programs to prevent qualified, needy people from getting enough to eat for themselves or their children is difficult to believe. If it is true, it would be very sad indeed. An explanation that is more likely, or less frightening to believe, is this: President Reagan attempted to put Friedman's theory into practice. In doing so he made the hunger problem worse. Private charity could not keep up with the increasing numbers of hungry people as food assistance became more difficult to obtain. If this experiment had worked, we would now praising it as a brilliant strategy. Government would save money and private groups would care for and feed all the needy people in America. The experiment did not work.

The ideology of privatization championed by the Reagan Administration found expression in the view that the private sector, working through mediating organizations such as food banks, could provide the bulk of the food relief. This view is now fully discredited. In contrast to food stamps, WIC, and other substantial programs, it is clear that the private sector cannot possibly provide enough food to meet the vast needs of hungry Americans.

We can eliminate this aspect of the problem by subscribing to another theory. Arthur M. Okun provides us with this theory in Equality and Efficiency: The Big Tradeoff. Okun attacks the problem of providing an assured amount of social equality while preserving the efficiency of our market based system. He calls his idea of minimal social equality the "fuzzy right to survival." He includes food in this right but does not define to what specific extent food should be provided. What I propose is a right to a guaranteed
consistent nutritional diet. This would alleviate hunger in America regardless of the definition of hunger used. People surviving without eating for days at a time, people with nutritionally substandard diets, pregnant mothers and infants with medically insufficient diets -- all would be guaranteed a diet meeting Recommended Daily Allowance (RDA) standards. Adopting an attitude that all citizens have the right to be well fed would be a major step in solving the domestic hunger problem.

Government attitudes are not the only causes of hunger in America. Poverty is the common bond that all hungry people share. Eliminating all poverty in America would surely solve the hunger problem. Along this line, Okun argues that increased income distribution is the answer to society's ills. Many Americans, myself included, would disagree that all citizens have a right to be free of poverty. It is a different thing to say that all citizens have the right to survival that includes an adequate nutritional diet. The evidence in this chapter suggests that millions of Americans are not receiving this right. There are two main ways to ensure this right applies to all Americans. The first route involves improving our currently existing food assistance programs. The second route involves utilizing the idle resources found in our agricultural system. An examination of these programs and policies and suggestions for improving them to eliminate domestic hunger fill the remaining chapters of this work.
CHAPTER 2. Evaluating Food Assistance

The primary programs the government has used in the past two decades to combat hunger in America are the Food Stamp Program, Women Infants and Children (WIC), Child Nutrition Programs (i.e. school lunch and breakfast), and the Temporary Emergency Food Assistance Program (TEFAP). A brief historical description and an analysis of their strengths and weaknesses will be useful in determining how they may be utilized to end domestic hunger.

The government initiated the first food stamp program in the period between 1939 and '43. The government intended to increase the consumption of surplus agricultural products. Food stamp recipients purchased products from a surplus list released each month by the USDA. The government abandoned the program when surpluses came under control due to the progression of World War II.¹

President Kennedy implemented the current food stamp system in the Food Stamp Act of 1964. The Administration undertook the program to better utilize the nation's food
supply and to increase the nutritional well being of low income citizens. The program increased in participants and federal outlays every year until the Reagan Administration cutbacks. It is currently appropriated over $15 billion, making it by far the largest of the food assistance programs. This makes it the most likely candidate for addressing the nation’s hunger problem. There is also reason to believe the program worked well in the past. Jeffery Berry, in his work *Feeding Hungry People*, said of the program in 1984, "Indeed, in less than 20 years food stamps and other nutrition programs seemingly made hunger a thing of the past." A deeper look allows us to see that the current Food Stamp Program is far from perfect.

The major weakness of the Food Stamp Program is simply that a great many eligible persons do not receive its benefits, due to administrative red tape and recent regulations. The Select Committee on Hunger found that 45% of the eligible homeless people they surveyed did not receive stamps due to procedural difficulties (i.e. lack of permanent address). Nor is this problem relegated to the homeless population. The current cut-off for food stamp eligibility is 130% of the poverty line, yet only around 60% of this eligible population participates in the program.

Another shortcoming of the Food Stamp Program is its relative inability to significantly increase the nutritional content of low income peoples' diets. Some studies indicate that, "... food stamps may not be a very effective device
for improving diets among low-income households." A major factor contributing to this problem is the ability and willingness of food stamp recipients to purchase soft drinks, sweets, and convenience foods rather than more nutritional alternatives.

Another weakness of the Food Stamp Program is its susceptibility to fraud and abuse. As stated earlier, this is not a legitimate excuse for across the board cutbacks in the program. Since such arguments were part of the justification for cutbacks in the past, abuse merits our attention. The GAO estimated that food stamp fraud totaled nearly one billion dollars per year. Only one percent of those funds are recovered. The Food Stamp Program has room for improvement.

Congress enacted the Special Supplemental Food Program for Women, Infants, and Children (WIC) as a pilot program in 1972. It provided food supplements, health screening, and nutritional education to pregnant women and their children under five. In 1974 Congress included children up to five years of age and WIC became, "... a full-fledged national nutrition and health program." Though WIC is not permanently authorized by Congress, its funds grew every year since its inception until the Reagan Administration cutbacks. WIC, like the other food and nutrition programs are housed in the Nutrition Subcommittees of the House and Senate Agriculture Committees. The federal program reimburses state health departments for food and administrative costs incurred by the state WIC agencies. The WIC program provides three main services. First, it provides food packages or
vouchers for food packages that contain certain nutrients the recipients are lacking. Second, it provides education for prenatal and postnatal nutrition. One sixth of the funds used by state agencies for administrative costs must be spent on nutritional education. Third, the WIC agencies must insure its clients have access to health care.\textsuperscript{12}

Increasing the health of its recipients is the major benefit of the WIC program. This strength has helped the program stave off more significant cutback proposals from the program’s detractors. Senator Jesse Helms (R-NC) has been perhaps the most outspoken critic of the WIC program. The GAO completed a study of all WIC research findings in 1984 at Helm’s request. The study concluded that the results of research on the WIC program proved it improved pregnancy outcomes because it reduced the incidence of low birth weight.\textsuperscript{13} The wealth of public health reports provide more evidence of the WIC programs benefits. Wayne F. Schramm conducted one particularly interesting study titled, \textit{WIC Prenatal Participation and its Relationship to Newborn Medicaid Costs in Missouri}. Schramm undertook the study to determine whether WIC participation reduced the Medicaid costs of its patients. He collected a file of 7,628 babies that were born in 1980 and were Medicaid recipients. 1,883 of these infants’ mothers participated in the WIC program during their pregnancy. Schramm then compared the two groups Medicaid costs for the first 30 days after birth and found these results:
Estimated Medicaid savings related to WIC participation were nearly equal to WIC costs. For the 1,833 WIC mothers in the study sample, total WIC costs including a 20% administrative overhead were approximately $229,000. Estimated Medicaid costs saved within 30 days of birth were approximately $191,000. Thus, for every WIC dollar spent, 83 cents in Medicaid costs were saved.

This is certainly a very positive aspect of the WIC program as, in some situations like Medicaid, it nearly pays for itself. Another possible positive affect of the WIC program is its effect on the cognitive development of its recipients. Some medical researchers have concluded that WIC participation may increase the cognitive abilities of children. This conclusion seems quite controversial, however, as other medical researchers have disputed it.

The negative aspects of WIC do not seem to come from the program itself, but from the way it is funded and implemented. Appropriations for the WIC program in FY 90 totaled $2.16 billion -- less than one sixth of the Food Stamp Program total. Many eligible people are excluded from the program, as is the case with food stamps, but for a different reason. WIC is not a full entitlement program like most other food assistance programs. Congress funds the program at a certain level each year and distributes these funds on a limited priority basis. This results in less than one third of the nation's eligible women and children actually receiving WIC benefits. One other negative aspect of the WIC program stems from the way it is operated. State health departments actually operate the WIC program but its status as a federal program often results in its separation from other state and
local health programs. "Even after a decade, WIC often continues to operate tangentially to maternal and infant care projects and other public health services. In some instances, the result of this relationship has been poor state management of WIC." 18 In the case of WIC, funding and implementation defects weaken its effectiveness rather than the program itself.

The National School Lunch Program is the other major federal food assistance program. The School Breakfast Program, Child Care Food Program (CCFP), and the Summer Food Service Program for Children (SFSPC) are usually grouped with school lunch under the broad title of Child Nutrition Programs. The School Lunch program is by far the largest of these programs, but school breakfast and the summer programs deserve mention since they serve the lowest income groups.

Approximately 91,000 schools and 23 million students utilize the lunch program through reduced price and free meals. The program's main benefit is the increased nutritional intake of its participants. Students from very low income households receive 34-49% of their daily nutritional intake from the lunches. 19

The School Lunch Program contains two major structural problems. The program establishes a three tiered system in all schools: paid, reduced price, and free lunches. As a result of this system, children are often made "to feel different -- stigmatized and unworthy." 20 In my high school, for example, these levels meant the difference between an
orange ticket with an 'A' stamped on it, an orange one with a 'B' stamped on it, or a yellow lunch ticket. Many parents will not apply for the meals out of fear of subjecting their children to possible identification as 'poor'. The second problem with the lunch program is administrative. The three tiered system forces schools to document and verify the incomes of all its students, thus increasing administrative costs.

The Summer Food Program is designed to feed children up to 18 years of age when school food services are not available. It is important because it serves the most impoverished children. One negative aspect of this program stands out. In 1983 the program fed approximately 1.2 million children. This figure had dropped nearly half a million from 1981 due to program cutbacks when the Reagan Administration succeeded in preventing private, non-profit organizations from establishing a program.21

The School Breakfast Program, like the summer program, serves the neediest population. On the downside, many more children could probably benefit from the program. Only 3.5 million children participate, compared to the 23 million that benefit from school lunches. The School Breakfast Program does not enjoy the funding levels of the major programs. It was funded at between $400 and $500 million during the last half of the 1980's. In 1990 it jumped up to $591 million and is tentatively set at $656 million for 1991. The nutritional content of the breakfasts are also suspect, as they normally contain very little protein.22
One other food assistance program deserving serious attention for a number of reasons is the Temporary Emergency Food Assistance Program (TEFAP). The program is primarily a surplus commodity distribution effort. President Reagan instituted the program as a response to increasing USDA concern over huge dairy surpluses and the rising costs of storing these commodities in federal warehouses. The dairy product price support system caused these high levels of stored surplus commodities. Only when faced with the options of paying rising storage costs or getting rid of some of the surplus did the Administration consider distribution to the needy. "Feeding the hungry was a secondary concern, the major effect of which would be to reduce the levels of costly surplus holdings."23 In its early stages, the program released only cheese and butter to the states. The states were then responsible for determining eligibility and distributing the commodities to local nonprofit organizations. These organizations proceeded to give the food away. The original giveaways were considered to be temporary, but Congress reauthorized them periodically. In March of 1983 Congress formalized the process by creating TEFAP. Congress also expanded the list of commodities to be released and made $50 million available to the states for offsetting storage and distribution costs. Though TEFAP is not a permanent program, Congress has continually extended it since its inception. In FY 91 TEFAP will be funded at approximately $190 million and will release such foods as cornmeal, rice, nonfat dry milk,
honey, and flour. 24

Though it is small, many observers view TEFAP as very successful. The distributed commodities took up some of the slack created when other food assistance programs were cut and hunger escalated. As Michael Lipsky says, "Federal surplus commodities, according to all reports from the field, have helped bridge the gap in emergency food aid created by the unprecedented surge in demand." 25 The program increased the nutritional content of its benefactors as well, as the commodities provided are normally nutritious and high in protein. Even greater than these practical effects may be TEFAP's contribution to greater awareness of the domestic hunger problem. The program served to focus attention on Reagan's other food assistance cutbacks and the increasing hunger problem in America. Perhaps Michael Lipsky says it best:

The ultimate irony of government food-surplus distribution has been that it has led to heightened perceptions of the problem and greater public awareness that the problem of hunger is real. It has done this by aiding programs that have concentrated the hungry in long lines and in massive feeding halls. It has, in other words, helped give visibility to a social problem that is otherwise easy for a more affluent public to ignore. 26

TEFAP also points to a great contradiction in our food system -- our agricultural policy. While the number of hungry Americans increases, our agricultural policy takes farmland and animals out of production for the sake of stimulating the agricultural economy. This production control policy wastes valuable agricultural resources. These resources should be
used to feed hungry Americans. We must examine our current agricultural policy and its origins to fully understand the absurdity of this situation. This examination may show us ways to reconcile food and farm policy and ways to utilize idle resources for feeding hungry Americans.
Government programs are a fact of life for today's farmers. It is economically unfeasible not to enter the programs.  

- Anonymous Farmer

CHAPTER 3. Production Control as Policy

Production control is the primary component of America's agricultural policy. All government programs designed to restrict surplus commodities pass through the Commodity Credit Corporation (CCC). The only other government agency that exercises as much control over the supply of its products is the Central Planning Agency of the Soviet Union.\(^1\) A look at the history of American agriculture illustrates how this rigid production regulation became a fact of life for American farmers.

President Roosevelt instituted agricultural production regulation in the New Deal years. American agriculture had struggled throughout the 1920's as demand collapsed after World War I ended. In the beginning, American farmers refused to accept government intervention as part of the solution. The stock market crash finally forced farmers to admit they needed help from the government.\(^2\) The Roosevelt Administration responded in 1933 with the Agricultural
Adjustment Act. The Act created the first acreage reduction that paid farmers for restricting production of crops (primarily cotton and wheat). Through these support programs the government issued payments to all agricultural producers, regardless of size or income. This system of distribution created a controversy that still rages today. Large, commercial farmers of crops like cotton and tobacco gained more from the program than smaller farmers. These production control programs remained a significant part of farm legislation through the World War II years when the agricultural economy improved. Production control has continued to be the primary factor in agricultural policy to this day.

Though American agriculture has undergone significant changes during the past 60 years, the government's policy of production regulation has changed very little. "The basic idea of adjusting supply to demand through federal legislation has remained at the core of agricultural programs for fifty years." Production control policy is inconsistent with the goal of keeping all Americans well fed. Americans go hungry while the government removes crops and animals from production. Indeed, this policy might not have survived if the Food Stamp Program was not attached to it in order to gain support from urban legislators.

In recent years, the continuation of the price support programs, as well as some of the other farmer-oriented activities of the Department of Agriculture, has depended upon support from urban-oriented Congressmen interested in the continuation of the food stamp programs. Without this political
tradeoff, farm programs would have been in serious difficulty a number of years ago.

If this policy of production control was beneficial to America's farmers it might be partially justifiable, but there is a strong argument that this policy hurts farmers instead of helping them. It seems the only advantage of this policy has been to keep the food prices lower for American consumers. If this is the case, production control should be scrapped or modified. Farmers and hungry Americans would benefit from the utilization of dormant resources.

Those who are not familiar with agricultural life may not realize the extent of government involvement in a farmer's life. An example can best illustrate the role government programs play. The following section describes one central Minnesota farmer's experience with government programs in the decade of the 1980's. Farmer 'John' operates a dairy, beef, and feed grains operation on approximately 300 acres. John receives 100% of his income from his farming activities. Early in the decade, John entered the Diverted Acres Program. The government designed this program to remove tillable land from agricultural production. Diverted Acres required John to remove 10% of his cropland out of production and issued him payments for the idle acres based on the yield of his planted acres. The Diverted Acres Program falls under the broader heading of Acreage Reduction Programs (ARPs).

John also entered the Conservation Reserve Program (CRP) in the early 1980's. The government, in essence, rented a portion of his cropland for a period of ten years. John could
not use the land for crop production during this time period. The program also required him to plant trees or grasses on the land to prevent erosion. Congress created the CRP to remove the poorest cropland from production and protect the environment.

John also took out low interest commodity loans to offset the cost of planting his crops during this time. The government subsequently deemed those who had taken out commodity loans to be eligible for storage payments. Farmers received these payments for storing their crops for a time rather than selling them on a glutted market. John also entered the Payment In Kind (PIK) program. PIK required farmers to submit a secret bid proposing to take some percentage of their corn crop out of production. The government would then reimburse the selected farmers a certain price per bushel for their idle acres. The PIK program accepted all bids submitted by farmers during its existence. John also received disaster relief payments in 1988 and '89. Severe drought had crippled many of the nation's farmers during these years. The drought relief program aided these farmers with cash certificates based on the percentage of lost crop of each farmer. Prompted by these years of disaster, the government made Federal Crop Insurance mandatory for future collection of disaster relief payments.8

Farmer John also participated in government programs that controlled his dairy production in the 1980's. He entered the Dairy Diversion Program -- something like a Diverted Acres
Program for milk production. He reduced milk production a certain percentage and the government paid him for the milk he did not produce. Later in the decade he entered the Dairy Herd Buyout Program. The government developed this program as a response to increasing surpluses of dairy products. It involved removing entire dairy herds from production permanently. Farmers entered a secret bid disclosing the amount per hundredweight (cwt.) they would accept for the milk they stopped producing. All bids below a certain level were accepted into the program. The program then required all farmers chosen to sell their entire herds for slaughter. The buyout program also forbade them from producing milk again for a period of five years. The farmers were not even allowed to have female cattle on their farms for the five year period.

Farmer John participated in all these programs during the 1980's, all of which existed for the purpose of supply restriction. It must also be noted that most farmers do not have a real choice about whether to enter the programs or not. The programs are simply an economic necessity for many farmers already on the brink of economic failure. Government production control programs are obviously a fact of life for American farmers. But does this policy really help farmers?

Karl Zinsmeister, a research associate at the American Enterprise Institute, offers strong evidence that the system of production control and price supports hurts American farmers as well as hungry Americans. In the first place, the majority of funds spent by the USDA simply do not reach the average farmer's wallet. The Department itself consumes quite
a large piece of the agricultural funding pie. The USDA employs 120,000 full time personnel -- nearly one fourth the amount of full time farmers in the U.S. The USDA's 1988 budget totaled $51 billion -- more than the combined incomes of all the farmers in America for the same year. The major agricultural corporations such as Archer Daniels Midland (ADM) have benefited most from the government support programs. ADM makes nearly half its profits from the sale of ethanol as it controls 70% of the U.S. market for the fuel. Government programs support ADM in two ways. First, ADM benefits from the $5 billion the government spends to keep corn prices low. Second, ADM receives a 60 cent per gallon federal tax break on ethanol sales.

Government farm support programs also maintain a chronic surplus that constantly depresses farm incomes. At the same time, the government attempts to control these surpluses through production restricting programs. A surplus of 'program crops' does nothing for the average American farmer but depress his/her income. "Indeed, untangled sectors tend to be more lucrative. Bankruptcy rates over the last decade have been higher among farmers of program crops than for free market farmers." Farm programs seem to be perpetually at odds -- some raise the surplus levels and some lower the surplus levels.

U.S. agricultural policy has also harmed farmers by restricting export markets for U.S. products. Before the farm bills of 1981 and '85, U.S. farmers exported products from two
out of every five acres planted. These farm bills damaged export earnings in two ways. First, American farmers sold more products domestically at artificially high program prices. This allowed other producers in the world market to sell their products with little competition from U.S. farmers. Other countries stepped up production in the world market to pick up the slack left by the U.S. Government programs removed 13 million acres of land once planted to soybeans from production in the 1980's. Brazil and Argentina increased their soybean production by 13 million acres during the same time period. "American farmers' share of the soybean market fell from 75 to 45% in six years."  

This illustrates the second way production control policies hurt exports. Soybeans were relatively unsubsidized in the U.S., but that is not the reason production dropped. It fell because support prices for program crops, mainly corn, increased and many farmers switched crops to receive government payments. Corn, however, is a much less exportable crop. In essence, the government steered production from a crop with an expanding global demand of four or five percent to a crop with only a one to two percent annual growth rate.  

Our agricultural policy also affects the environment in a negative way. Agricultural support programs restrict the crops that farmers must plant to qualify for support payments. This substitutes a system of monocropping for the more environmentally sound method of crop rotation. Farmers plant the same crop year after year in order to qualify. This practice exhausts the soil's nutrients. Farmers then turn to
increased chemical use to stimulate the depleted soil. Acreage reduction programs also encourage increased chemical use. Eager to produce greater yields on less and less acres, farmers pour on more chemicals and fertilizer. Our agricultural policy deserves increased scrutiny during this time of increasing environmental awareness.

The ultimate defect of our agricultural policy in Zinsmeister’s eyes is the fact that it simply does not raise the incomes of American farmers in the long run. Support programs initially raise farm income. This increase is soon negated though, by the increase in the price of farm capital – especially land. Price supports draw more and more farmers and resources into production. The promise of program payments can increase the price of land by hundreds of dollars per acre. “That makes land by far the farmer’s biggest expense. And high land prices in turn spawn high equipment costs, as farmers push to get maximum production from each costly acre.” These high operating costs caused by support programs equal or exceed the income farmers gain from the support payments.

Two other major defects of our agricultural policy must be pointed out as well. In the first place, the policy undermines the independence and virtue that farmers have long been credited with in America. Farmers have always represented a strong work ethic and a persevering attitude to the rest of America. Thomas Jefferson, during the formative years of our government, expressed this attitude to John Jay
in a letter:

Cultivators of the earth are the most valuable citizens. They are the most vigorous, the most independent, the most virtuous, and they are tied to their country and wedded to its liberty and interests by the most lasting bonds. As long therefore as they can find employment in this line, I would not convert them into mariners, artisans, or anything else.

Thomas Jefferson believed that as long as American settlers could move west and work the land ours would be a more virtuous nation. The independence and virtue Jefferson speaks of are still important to American farmers. When asked, many farmers say they entered the profession in order to 'be their own boss'. Today government agricultural policy often assumes the role of 'boss' on American farms. The policy decides what to plant, how many acres to plant, and when to sell the crops for the farmer. The giant hands of the agricultural bureaucracy choke off the American farmers' virtue and independence.

Agricultural policy also hurts farmers in another way. It obscures the reason for production, planting, and harvesting -- consumption. Farmers' lives revolve around raising crops and animals to feed people. What happens to this purpose when the government asks farmers to store their crops, take acres out of production, or ship their dairy herd off to slaughter? The existence of hungry people in America must compound the idiocy of this situation for the farmers. In this way, agricultural policy obscures the goal of farmers -- feeding people.

Our agricultural policy has been based on a system of
production control for nearly 60 years. Price supports and production controlling policies result in idle agricultural resources at a time when hungry Americans could benefit from these resources. Nor does this policy do great service to the American farmer. It is detrimental to their economic well being, their independence, and the reason for their existence. A new version of agricultural policy in America could aid farmers as well as hungry Americans.
I was over the worst this time again, 
I had food every day, my spirits rose, 
and I pushed one iron after the other 
into the fire. 

- Knut Hamsun

CHAPTER 4. The Alleviation of Domestic Hunger

Solutions to the domestic hunger problem are within our grasp. They cannot be implemented until we accept as a nation that hunger exists within our borders. We cannot fault the Reagan administration alone for refusing to recognize a domestic hunger problem. This ignorance simply reflects a society-wide assumption that people must be starving to death in the streets to constitute hunger. For most Americans, hunger remains a third world tragedy rather than a domestic concern. This is the reason we need studies and reports from groups like the Physician Task Force. They can serve to shock
the American public into recognizing hunger as a domestic problem. If recognition is achieved, we could quickly eliminate hunger from our nation forever. If every American saw the results of hunger the Task Force observed during its travels, support for ridding our nation of hunger might well be overwhelming. I must assume the great majority of Americans would agree with the Task Force's belief, "...that hunger and related ill-health have no place in a democratic society, especially one with the resources of the United States." Our nation's seeming triumph in the Cold War would certainly be a hollow one if Soviet recognition and acceptance of hunger results in a successful solution while Americans continue to go hungry.

The outbreak of hunger in the U.S. in the past decade, however, has not gone totally unnoticed. Increasing reports of hunger have stirred some Americans and some action has been taken. Public outcry halted the Reagan cutbacks in most nutrition and food assistance programs and avoided worsening the problem to a greater extent. Recognition of hunger as a domestic problem is not complete, however, and hunger still exists in America. The ultimate goal must be to eliminate hunger from America forever. We can accomplish this goal.

The Task Force pointed out in its report that government food assistance programs were very successful in alleviating hunger in the late 1960's and early 1970's. These programs can also be used to eliminate hunger in America today. Improvements can be made in all the following food assistance programs.
FOOD STAMPS

First, expansion of the eligibility standards are necessary to catch up with the rising numbers of poor or nearly poor people. A suggested eligibility level is a gross family income of 150% of the poverty level.\(^4\)

Second, deductions for necessities such as housing should be reinstated. This would eliminate forcing some of the poor to choose between food and shelter.\(^5\)

Third, the program should revise the food plan that currently determines benefits. The current Thrifty Food Plan allows only 10% of stamp recipients, spending at the full allotment level, to reach 100% of the RDA.\(^6\) The USDA has already formulated a plan titled the Low Cost Food Plan. It would cost approximately 27% more than the current Thrifty Food Plan.

Fourth, the program must include a system of combating fraud in the program that avoids across the board cutbacks on eligibility levels and punishes guilty parties instead of hungry Americans. Fraud must not be used again to justify food stamp cuts.

Fifth, food stamp use should be restricted to more nutritional foods. This would increase the nutritional content of recipients' diets.

WIC

First, the WIC program should be made a full entitlement
program, similar to school lunch and food stamps. All eligible women and children could then benefit from the program without wading through waiting lists of priority cases. This would require a budget increase of approximately three times the current appropriation of slightly over $2 billion. We must remember that a significant portion of this increase could be offset by savings in Medicaid and other health care programs.

Second, as Joseph Belden suggests, "Better integration of WIC staff and program services into the maternal and child health care structure at the state and local level should be a requirement for all WIC programs." This would result in improved utilization of WIC funds and reduce any stigmas that may be attached to the program at the state and local level.

CHILD NUTRITION PROGRAMS

First, an ambitious goal of a universal free lunch program for all public schools should be set. The program currently serves 50% of public school meals free or at reduced prices. A free lunch policy would eliminate the stigmas associated with the current three tiered system. School administrations would save the cost of documenting every student's income as well.

Second, the summer food program should be expanded as it helps the poorest children who often go without lunch when the school year ends. Summer vacation should not be a time of hunger for American school children.

Third, school breakfast should be expanded for the same
reason as the Summer Food Program -- because it serves the poorest children. The nutritional content of the breakfasts should also be improved to include more protein. 11

TEFAP

First, TEFAP should be extended as it gives visibility to the hunger problem. People gathering in long lines to pick up food underscores the failure of other food assistance programs and policies.

Second, TEFAP should be viewed as the first step toward a greater policy -- a policy that would reconcile our agricultural policy with the problem of domestic hunger. A policy that utilized currently wasted resources and gave farmers back their independence and production goals. A policy that benefited farmers and hungry Americans.

A NEW AGRICULTURAL POLICY

First, the new agricultural policy would phase out price supports and production restricting programs and allow farmers to respond to market incentives. This would restore the independence of the American farmer and eliminate the problems of chronic surplus and environmentally unsound farming practices. Farmers would again choose what crops and how many acres to plant. Farm programs would stop benefiting large agricultural and chemical corporations. The 1990 farm bill may be a first step in this direction. The new farm bill
reduces overall government programs by $1 billion from this years level of $9.4 billion.\textsuperscript{12} The opponents of this plan contend it will drive more small family farmers out of business.\textsuperscript{13} This contention brings up the second part of the new policy.

Second, the policy would provide a small amount of price support for America's smallest farmers. The cutoff could be based on a measure of income or total tillable acreage. The qualified farmers would maintain their control over planting and production restrictions. This would preserve their independence and allow them to pursue environmentally sound farming practices.

Third, these farmers would be divided into geographic regions. The produce from each region would be used to feed that area's hungry population, thus allowing farmers to observe the fruits of their labors. No longer would they be paid for producing nothing while Americans were hungry.

Fourth, the money saved by eliminating all other production control and price support programs would be awarded, perhaps in the form of matching grants, to the specific regions according to their hungry population. Using these funds, the regions would build processing plants and distribution centers to be staffed by government employees, volunteers, and unemployed hungry Americans. If fully implemented, this system could replace food stamps totally while providing more nutritious meals. The plan would give farmers their independence and a very visible reason for producing.
Many would call a plan like this "a pie in the sky fantasy", but it does have a very definite advantage over our current food assistance policy. A structural system for feeding hungry Americans anchored in agricultural production would be far more durable and permanent than our current food assistance programs. Government officials could not cause a hunger problem by simply cutting food assistance programs -- an entire physical system would exist to ensure all citizens are well fed. A link between agricultural production and the domestic hunger problem may be very difficult to forge in the near future, however. As the final chapter of this work shows, American agricultural policy has been far too preoccupied with other issues to focus on resolving domestic hunger.
I like the Ag Committee, its easier to get things done.
-Sen. Rudy Boschwitz

CHAPTER 5. AGRICULTURE AND HUNGER: The Policy Gap

Agricultural policy could be a powerful weapon in the battle against domestic hunger, but it has not been employed in this regard. The small TEFAP program is the only recent attempt to ameliorate domestic hunger through agricultural innovation. Barring this program, the agricultural sector has focused almost exclusively on the farm crisis, farm program legislation, and an Executive vision of expanded exports during the last 10 years.

THE FARM CRISIS

The decade of the 1970's was a period of strong growth. Increased sales of agricultural commodities on the world
market and low interest rates kept demand and prices high. American farmers spent their increased revenues on land and equipment in order to expand their production capabilities. This period of growth ended with the decade.

At the beginning of the 1980's, the bottom began to drop out of American agriculture. Partly because Third World nations had overextended their borrowing credit and were then forced to reduce their imports, more crops were produced than could be sold. Land prices fell sharply, diminishing the collateral for loans assumed by farmers, and interest rates soared. The result in many cases was bankruptcy and the foreclosure of family farms. Since 1981 150,000 farms have been lost; nearly 43,000 in 1985 alone.¹

These bankruptcies and foreclosures attracted greater and greater national attention. Increasing numbers of Americans heard stories of hardworking farm families losing their farms because of a bad crop or one too many loans. Jim and Fern Clausing are a typical story:

First, the contractor of their new hog building ran up large cost overruns. Second, their feed company sold them rotten grain and caused malnutrition in their hogs. Third, the Farmer's Home Administration (FmHA) neglected to notify the Clausings about a rescheduled loan and refused to act on their application to a new debt relief program. Creditors foreclosed on the farm and left it idle. In 1987, the Clausings were attempting to secure employment in order to keep their house -- the FmHA was seeking it as part of the settlement of their debt.²

Farmers and other rural citizens reacted in different ways to the increasing number of foreclosures. Many planned
to gather together and somehow fight back against the lending agencies and the sheriffs they sent. One observer noted that, "Over in Worthington, MN, some 250 farmers gathered to hear an activist tell them that they have no moral obligation to repay an unjust debt and that they would be right to use a gun to defend their farms from foreclosure." Though some farmers violently confronted officials sent to foreclose their farms, peaceful methods of protest were more frequent. On August 7, 1984, a group of farmers held a sit-in at the nearby First State Bank of Paynesville on behalf of Gerald and Alicia Kohnen. The bank was bringing foreclosure action against the Kohnens even though they had never made one late payment. The bank stated that the decrease in land values had reduced their collateral to the point that the loan was considered a security risk. A large group of the Kohnen's neighbors banded with the leaders of COACT, a Minnesota farm support organization, and protested the banks action. A number of the demonstrators, including recently elected Sen. Paul Wellstone (D-MN), were arrested. 4

Other farm families reacted to the farm crisis with hopelessness and despair. In 1985, the number of farm families receiving food stamps rose 400%. Social workers reported increased child and spouse abuse among farm families. Iowa shelters reported a sharp rise in the number of rural runaways. The number of suicides increased along with domestic abuse statistics. Iowa mental health workers, "... observed with alarm the increase of suicides in the area, as some people simply gave up the fight." 5 The story was the
same in Missouri as farm suicides increased 160% between 1983 and '84. Farmers were not the only people affected by the crisis. In January, 1986, an FmHA supervisor killed his wife and daughter in their sleep. He then went to his Union County, South Dakota office and killed himself. The note he left read: "The job has got pressure on my mind, pain on my left side." His family had lived in three South Dakota towns in the nine years they resided in the state. The FmHA had moved him from town to town because he was born and raised in New York State. The FmHA felt he would be tougher on delinquent farmers than a native South Dakotan would.

The farm crisis of the 1980's did not exist in a rural vacuum -- it gripped the attention of many other Americans through the media and other avenues. On March 31, 1985, the New York Times printed the first of seven periodical articles documenting the life of the Gladbach family of Mendon, Missouri. The Times said of the series, "It describes the struggles of one farm family." Later in 1985, country music star Willie Nelson organized the Farm Aid benefit concert, held on September 22 at the University of Illinois. Many popular artists performed and at least three hours of the concert was broadcast into approximately 90 million homes. The concert attracted over 1,200 journalists, including some from abroad. An accompanying telethon raised over $7 million, but the organizers of the event concede that the national attention it brought to the plight of American farmers was more important. The concert took place one week before the
Congressional debate on the omnibus farm bill was expected to climax.  

Another popular depiction of the American farmers' struggle in the 1980's was the motion picture Country, a widely acclaimed film portraying farm life in Iowa. It depicts the Iveys', a young farm family, struggle against draught, storms, and FmHA foreclosure action. When Gil Ivey attempts to tell a banker that farming is a way of life, the banker replies, "No Gil, farming is a business."  

The farm crisis of the 1980's was real. Many farmers lost their land and equipment to creditors and they all reacted differently. Some protested, some got drunk, and some killed themselves. Films, musical events, and other media brought these farmers' plight to attention of the nation. This national focus on the farm crisis of the 1980's prevented our policy makers from bringing agricultural policy into the battle against hunger.  

AGRICULTURAL LEGISLATION

There is good reason to believe that our policy makers would have neglected to seek solutions to the domestic hunger problem regardless of the impact of the farm crisis. It is a simple truth that agricultural policy in America today has little to do with food consumption. Agricultural legislation is a battle over government farm support programs -- what programs to use and what level to fund them at. This can best be seen in Congress' development of the most recent omnibus farm bill. The Congress is required to reauthorize farm and
nutrition programs every five years, which they recently did in 1990. A broad examination of the debate preceding the passage of this bill draws a picture of agricultural policy making on Capitol Hill.

In May 1990, the House Agriculture Committee began proposing increased farm spending in many areas the 1985 bill had reduced. The Committee proposed increases in the target prices for feed grains and milk. A target price is a support level set by Congress that insures farmers receive a minimum price for their products regardless of the market price. The Committee also proposed higher loan rates. These rates represent an amount per bushel produced that the government will provide farmers in the form of short term loans. Loan rates had been decreasing steadily since 1985. The House Committee made these proposals even though the Budget Committee was expecting a billion dollars in savings on farm programs in FY 90.10

In April, a proposal by Rep. Huckaby (D-LA) to increase domestic sugar subsidies sparked a controversy. The Bush Administration and its Congressional supporters feared the increased subsidies would endanger the General Agreement on Tariffs and Trade (GATT) negotiations. The negotiations consisted of a plan to phase out all international "trade distorting" agricultural subsidies and sugar was already the most protected U.S. crop.11 The House Subcommittees disregarded budgetary and executive warnings and passed through more than $9 billion in subsidy increases near the end
of April. In mid May the leaders of the House Agriculture committee asked its members to cut all farm spending increases from the bill in order, "... to comply with the budget and insulate the 1990 bill from attack." While this was happening, Democrats in the Senate Agriculture Committee united behind a plan that would increase farm subsidies by tying them to inflation. The Republican members of the committee and the Bush Administration protested the proposed increases vehemently. This action illustrated an important difference between the House and the Senate regarding agricultural policy. All Senators represent at least some farmers, but many members of the House do not. "That is why the Senate is frequently more parochial, more partisan and certainly more stubborn than the House about defending farm subsidies."

In June, the House responded to increasing pressure over the budget issue by completing a bill that basically froze support payments and subsidies at 1985 levels. Two weeks later the Senate Agriculture Committee approved a similar bill. These bills seemed fairly certain to represent U.S. agricultural policy in the 1990's, barring significant budget cuts. This view changed rather quickly in July with the "Mississippi Christmas Tree" scandal. A "Mississippi Christmas Tree" is an elaborate organization of corporations and trusts established by wealthy farmers to get around federal subsidy limits. The following passage describes R.B. Flowers -- the head on one of these "trees":

52
Flowers oversees a 14,000 acre farming operation in the Delta region of Tunica County. He sits atop a byzantine financial empire that includes his three grown children, a partner and his family, three joint ventures, 37 corporations, and 51 irrevocable trusts. Before the Ag Department intervened, the two families stood to gain about $1.3 million a year in government crop-subsidy payments, routed through the various trusts and shell corporations.

All his farm employees and five churches and universities were some of the beneficiaries of these trusts and shell corporations. Situations like this one prompted a strange alliance of urban liberals and free market conservatives to attack the farm support programs. Farm state legislators argued that subsidy programs required large farmers for smooth operation and repelled this attack in the end. After more than a year's debate, Congress had crafted a five year farm spending plan that strayed very little from the 1985 bill. A budget reduction agreement in October forced lawmakers to cut $13.6 billion out of the package in order to gain the favor of the Bush Administration and secure passage of the bill. Agricultural legislation remains, in essence, a battle over the level at which American farmers should be subsidized.

EXECUTIVE POLICY

President Ronald Reagan entered the White house determined to bring American agriculture closer to a free market system. This plan included eliminating most farm subsidy payments and expanding the export market for U.S. agricultural commodities.

The Reagan Administration made it clear in the debate
over the 1981 farm bill that it opposed all farm subsidy programs. This view was opposed by most members of Congress, including Reagan's fellow Republicans. Even in the Republican controlled Senate, legislators adamantly defended the farm support programs. The Administration pushed through some cutbacks on certain subsidy programs only by agreeing to end opposition to the extension of grain and cotton subsidy payments. Seth King described the reaction of the Administration to the legislative backlash sparked by its subsidy elimination plan.

Administration officials have also acknowledged they could not find the votes to end the program that provides direct subsidy payments to grain and cotton farmers when the markets fall below designated price levels. So the Administration abandoned its earlier philosophical opposition to the subsidy program, and the fight was now over figures, not principle.

The Reagan Administration failed in its attempt to eliminate farm subsidy programs from American agriculture in the early 1980's. It then shifted its focus to programs designed to expand export sales of agricultural commodities later in the decade.

The Export Enhancement Program (EEP) is a good illustration of this policy. In the spring of 1985 the USDA created the EEP in response to faltering export sales and increased export subsidies by the European Community (EC). The program awarded commodity certificates to export firms according to a submitted bid. The firms based this bid on the amount they required as compensation for selling to foreign nations targeted by the USDA. The program attempted to
stimulate U.S. agricultural exports by providing the exporters with surplus commodities that were becoming increasingly expensive to store. 20

Two years after the EEP, the Reagan Administration proposed a sweeping international plan combining the goals of eliminating farm subsidies and increasing exports. The plan has developed into the GATT negotiations. Senator Rudy Boschwitz described the Administration's plan as follows in a position paper:

On July 6, 1987 President Reagan laid down the most ambitious agricultural subsidy reform plan ever proposed. The plan outlines a strategy for eliminating agricultural trade barriers and subsidies by the year 2000. The plan is bold and revolutionary. Agriculture, now protected by a dazzling array of barriers, tariffs and subsidies, would have those trade impediments totally phased out over a ten year period ... or by the year 2000. Unlike manufactured goods, for which trade restraints have been dramatically reduced in the post war years, agriculture has become more protected. It is a time for boldness. This is the zero option of nuclear arms negotiation applied to agriculture.21

The GATT negotiations have been a primary focus in agricultural policy during the last two Administrations. As expected by USDA officials, the talks have recently stalled due to the EC's hesitation to consider subsidy reform. These are issues that have dominated agricultural policy making in the past decade. Policy makers have focused on these issues rather than utilizing the idle resources of our agricultural system to combat domestic hunger.
Afterward

Hunger has no place in America. Our high standard of living means very little if we have hungry citizens. The domestic hunger problem is not due to a lack of resources, as our current agricultural policy proves. Domestic hunger is a problem of realization and priorities. If our society accepts hunger as a problem and decides to eradicate it, solutions will come fairly easily. The food assistance solutions will cost some billions of dollars. Agricultural reforms that I have proposed might well result in higher food prices for consumers. These price tags must be put in perspective, however. As one member of the Physician Task Force points out:

If one had spent a million dollars a day from the moment Christ was born until today, it would still not equal half of the amount the Reagan Administration has appropriated for military spending. Hunger in the United States is a man-made disease that can be cured.  

Yes, we have the tools to cure hunger, but we must first diagnose it as a disease and decide to cure it.
NOTES

CHAPTER 1


2. Task Force, p. 8

3. Task Force, p. 26-34

4. Task Force, p. 35-38

5. Task Force, p. 43

6. Task Force, p. 43-56

7. Task Force, p. 57-63

8. Task Force, p. 65-74


10. Task Force, p. 114

11. Latimer, p. 14

12. Task Force, p. 121


24. Graham, p. 17


26. Bovard, p. 48

27. Bovard, p. 46


32. Leepson, p. 72

33. Task Force, p. 159

34. Task Force, p. 153

35. Hunger Committee, Homeless, p. 3


38. Hunger Committee, Black Family,

CHAPTER 2.

2. MacDonald, p. 12


5. Hunger Committee, *Homeless,* p. 3


7. MacDonald, p. 77

8. Bovard, p. 48


10. Belden, p. 111

11. Leepson, p. 71


13. Belden, p. 113


17. Belden, p. 113

18. Belden, p. 114


20. Belden, p. 117

22. Belden, p. 116
23. Lipsky, p. 225
24. Galvin, p. 581
25. Lipsky, p. 231
26. Lipsky, p. 244

CHAPTER 3.


3. Breimyer, p. 343
4. Breimyer, p. 345-51


6. Rasmussen, p. 377
7. Rasmussen, p. 377


9. "Interview"

10. Zinsmeister, Bitter, p. 27
11. Zins., p. 27
12. Zins., p. 27
13. Zins., p. 30
14. Zins., p. 30


16. Zins., Bitter, p. 31


CHAPTER 4.
1. Task Force, p. 175
2. Brown, p. 198-202
3. Task Force, p. 176
4. Task Force, p. 177
5. Task Force, p. 177
6. Belden, p. 108
7. Belden, p. 109
8. Belden, p. 114
9. Belden, p. 114
10. Belden, p. 117
11. Belden, p. 116


13. Schmickle, p. 3

CHAPTER 5.


6. McBride, p.50


REFERENCES


"Country." The major motion picture.


Gregorio, David and James Marshall. "Fine Tuning Well-Being; Food Stamp Use and Nutritional Adequacy of Children's Diets." Social Science Quarterly 65. (December '84): 1137-46

Hicks, Lou Phd, Rose Langham DrPH, and Jean Takenaka MD. "Interpretation of Behavioral Findings." American Journal of Public Health 73. (June '83): 695-97.


Schramm, Wayne MA. "WIC Prenatal Participation and its Relationship to Newborn Medicaid Costs." American Journal of


