



Healthy Food, Farms and Families Hunger Report 2007

by Todd Post

Tim Nissen farms 500 acres in Hartington, Nebraska—not a lot of farmland in the part of the country where he lives, but a reasonable size for one man to work. Until recently, he was farming a lot like his neighbors, growing corn and soybeans and relying on government payments to stay in business. In 2000, his entire crop was wiped out by a freak hailstorm. Crop insurance covered much of his loss, but it was a wrenching experience, and it got him to rethink everything he was doing with his farm.

These days Nissen no longer relies on corn and soybeans for his livelihood. He still grows them, but he is far more excited about his plums, choke cherries and grapes, which he hopes will enable him to start a winery in another year. “Until you get off the treadmill it’s hard to see there are alternatives,” says Nissen.

The treadmill Nissen means is growing commodities, or what are called program crops. Traditionally, it is the commodity program crops—primarily corn, wheat, soybeans, cotton and rice—that drive federal farm policy. The commodity programs force many smart, talented farmers like Nissen to depend on their government payments rather than on their own creativity and entrepreneurial skill. By design, commodity programs benefit the biggest producers. The programs are set up to offer the greatest rewards to the biggest producers, leaving little left over for small producers like Nissen. “It’s not a level playing field,” he says. “The low cost producer doesn’t win like they say he should in the textbooks.”

A change in U.S. farm policy is long overdue, and the time for it is now. Federal farm policy is set every five to seven years through the farm bill, and the current bill is due to expire in 2007. *Healthy Food, Farms and Families*, Bread for the World Institute’s 2007 Hunger Report, argues that federal farm policy should support all farmers equitably, regardless of how much or what they grow.

A farm bill is also about much more than farming. Indeed, few pieces of federal legislation present the opportunity to significantly reduce hunger in the United States and around the globe like the farm bill. It’s an omnibus piece of legislation that not only defines how the government will support farmers, but also includes nutrition programs, conservation programs, energy, trade, research and rural development. All of these issues come into focus in Bread for the World Institute’s 2007 Hunger Report: *Healthy Food, Farms and Families*.

Commodity Programs Do Not Benefit Most Rural Americans

Financial savings from restructuring U.S. farm policy should be redirected primarily to boosting rural development and reducing hunger. Rural America in general has higher rates of hunger and poverty than the rest of the country. This may not be caused directly by government payments to commodity producers, but the fact that these payments are often pitched as a substitute



Tim Nissen has diversified his Nebraska farm so that he no longer relies on only one or two crops.

Brian Doss

form of rural development explains why so many people in rural America have been neglected by the government.

In rural Perry County, Alabama, one of the poorest counties in the United States, there is no longer any hospital. Like most high-poverty areas in the United States, Perry County has a disproportionately high number of health problems associated with malnutrition. Lacking basic services like a hospital also makes it difficult to entice new businesses to an area, a much-needed engine for economic development. “How do you think a parent would feel knowing if their son or daughter required medical attention and the closest hospital is more than an hour’s drive away?” a college administrator asks, knowing full well how anyone would answer that question.

Investments in infrastructure such as better transportation systems, broadband and Internet access, education and health care, water and sewage treatment are an essential foundation for economic development. The potential for business development in rural America is great, but without large-scale improvements to rural infrastructure, it will not reach that potential.

Commodities and World Hunger

Subsidizing commodities encourages U.S. farmers to over-produce them. Selling these excess commodities in world markets at artificially low prices distorts trade and makes it extremely difficult for farmers in developing nations to sell their products. For example, in spite of their much lower production costs, cotton farmers in countries like Senegal, Burkina Faso, Chad and Mali cannot compete against highly subsidized U.S. cotton. For these African nations, where 15 million people earning \$1 to \$2 per day depend directly on cotton, U.S. farm programs shatter hopes of reducing hunger and poverty.

There are nearly 3 billion people in the world living on less

than \$2 per day. Raising the income of the poorest people, even by a small amount, could be a great opportunity for U.S. farmers to expand their export markets. One of the first things very poor people do with additional income is to buy more food. The demand for animal protein in particular will quickly outstrip developing countries' own productive capacity. Midwestern producers of feed grains stand to gain from poverty reduction in the developing world.

In the developing world, reducing poverty depends largely on improvements in agricultural productivity. Three-fourths of the poorest people in the developing world make their living from agriculture. It may seem counterintuitive that U.S. farmers should be rooting for farmers in other countries, but without large-scale growth in the agricultural sector of poor countries, broad-based economic development will not occur and these substantial new markets for U.S. agricultural products will not materialize.

In a groundbreaking study by the International Food Policy Research Institute (IFPRI), commissioned by Bread for the World Institute for *Healthy Food, Farms and Families*, researchers are able to show some of the most compelling evidence to date for how the U.S. farm sector stands to gain as a result of aggressive (but by no means unprecedented) economic growth in the developing world. By 2020, U.S. agriculture exports to developing countries in Africa and Asia could grow by \$25.8 billion, according to the study.



Elizabeth Whelan

With effective nutrition programs, families would have access to healthy food. More than 35 million people in the United States remain food insecure and often depend on inexpensive fast food.

Improving Nutrition Programs to Fight Hunger and Malnutrition

Federal nutrition programs represent an investment in the health and well-being of families by ensuring that low-income Americans have access to good quality food. The United States continues to need effective nutrition programs to combat hunger and malnutrition. Far too many people in the United States remain food insecure—more than 35 million according to recent government statistics—and yet in these same households obesity is all too common.

Overweight and obesity affect all income groups but are most prevalent in low-income communities. Some public health experts contend that U.S. farm policy, by heavily subsidizing corn and soybean production, is contributing to the obesity problem. High fructose corn syrup and hydrogenated vegetable oil, by-products of subsidized corn and soybeans, are ingredients used in almost all processed foods. Calories are cheap and abundant in the United States—it's the nutrients that are expensive. Too

poor to afford nutritious meals, many low-income households stock their cupboards with cheap but filling foods, high in fats and sweeteners.

Especially alarming are the rising rates of obesity among children and adolescents. Obesity is now the most prevalent nutritional disease of children and adolescents in the United States.

In the next farm bill, policymakers should counter the effects

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of heavily subsidized foods by promoting healthful relationships between nutrition programs and farm policy.

The Food Stamp Program, the largest federal nutrition program, will be reauthorized in the next farm bill. In 2005, the Food Stamp Program served an average of 26 million people per month; but for all the good the Food Stamp Program does for low-income families, it does not ensure them access to adequate amounts of healthy food.

The goals of federal farm policy and nutrition policy need to be in accord with public health goals. The Food Stamp Program should be strengthened and include incentives to encourage participants to purchase healthy foods. Nutrition programs that provide fresh fruits and vegetables in the schools should also receive stronger support. Incentive programs and farm-to-school programs will benefit farmers as well.

Mainline Recommendations

Healthy Food, Farms and Families proposes solutions that help struggling U.S. farmers, strengthen rural communities, provide an adequate, nutritious diet for hungry people in this country, and support the efforts of small farmers in developing countries to get their products to market and feed their families. Mainline recommendations in the report include the following:

- The United States should phase out the current system of commodity payments that links higher payments with higher production levels.
- Federal farm policy should offer farmers tools for managing financial risk, disaster assistance during times of catastrophic crop failure, and support for practicing good environmental stewardship.
- Savings from limits on trade-distorting farm programs should be redirected to accelerating rural development and ending hunger.
- The Food Stamp Program and other nutrition programs should be strengthened by raising benefit levels, extending benefits to more hungry and poor people, and ensuring participants access to healthy foods.

The 2007 Bread for the World Institute Hunger Report, *Healthy Food, Farms and Families*, offers a broad vision for farm and rural policies. Bread for the World's 2007 Offering of Letters, *Seeds of Change*, is our legislative effort to win specific changes in the farm bill that will help reduce hunger and poverty in our country and around the world.