



United States Department of Agriculture

The Interplay among Consumers, USDA Nutrition Assistance Programs, and Producers in Food and Agricultural Markets

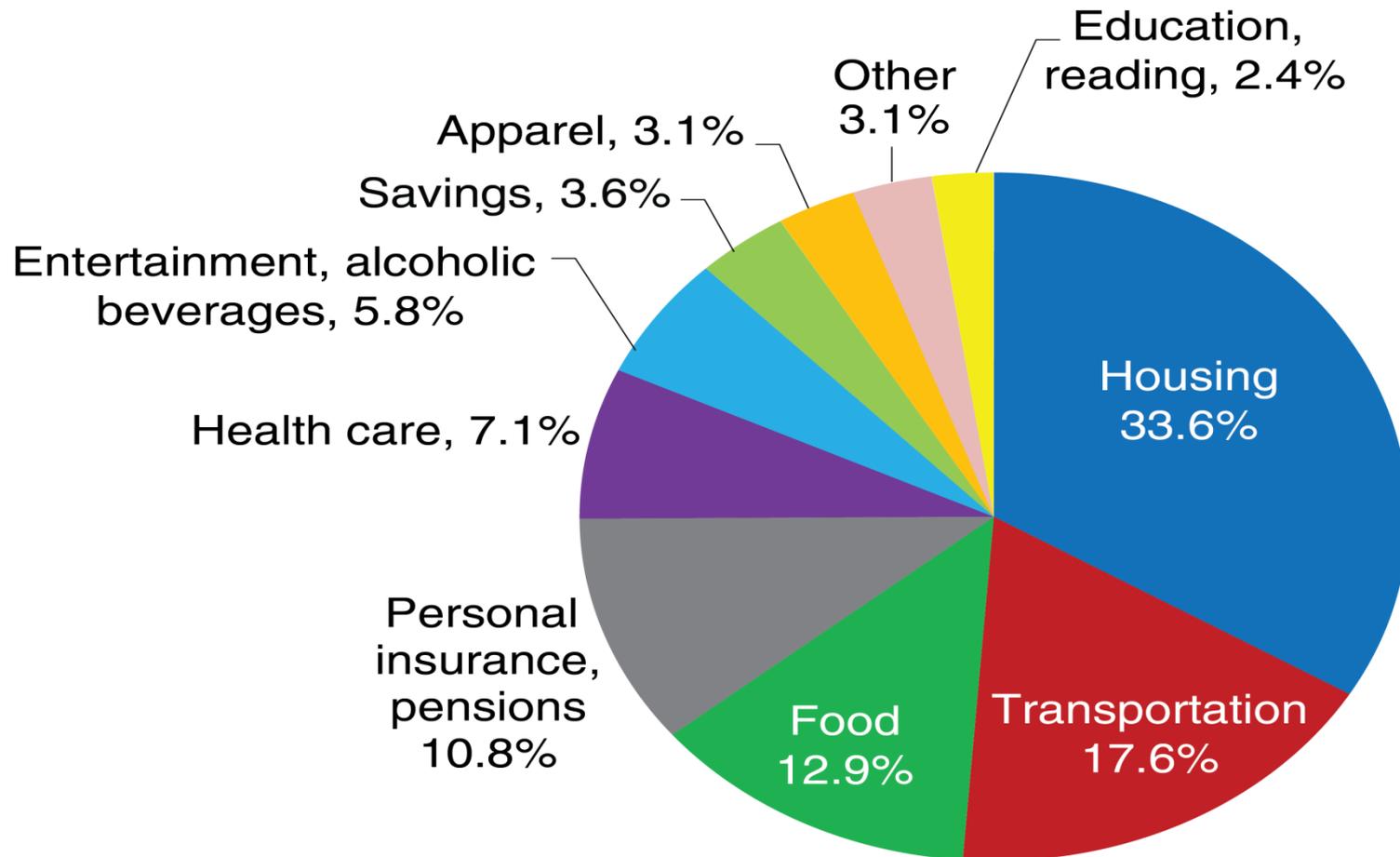
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Smart Agriculture in the 21st Century***

The views expressed in this presentation are those of the author and are not official views of ERS or USDA.



Share of U.S. household consumer expenditures by major categories, 2013



Note: "Other" includes personal care products, tobacco, and miscellaneous expenditures.
Source: USDA, Economic Research Service using data from U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, 2013.



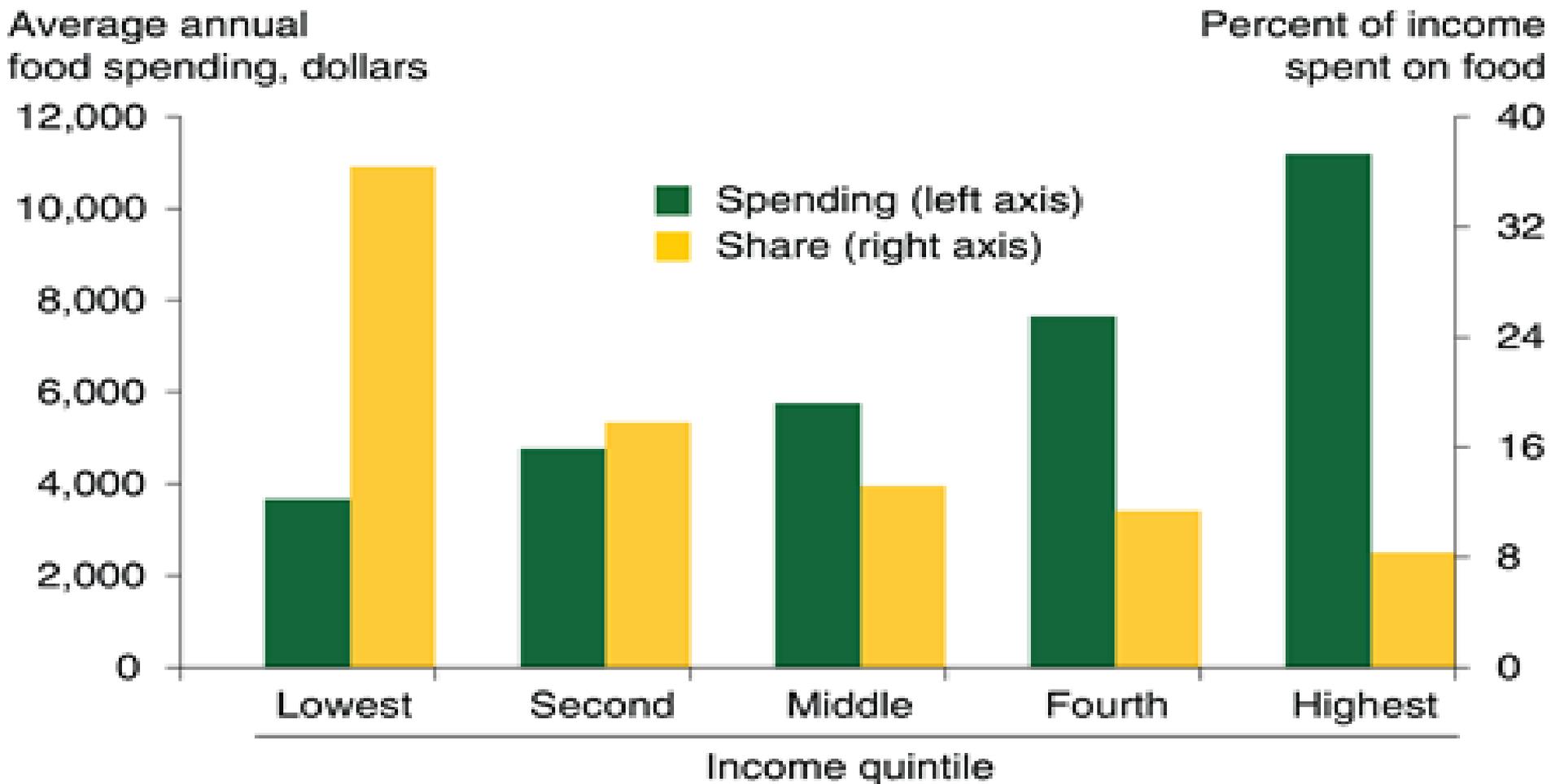
2012 Food dollar (nominal): Industry Group



Note: "Other" includes two industry groups: Advertising plus Legal & Accounting.
 Source: USDA, Economic Research Service, Food Dollar Series.



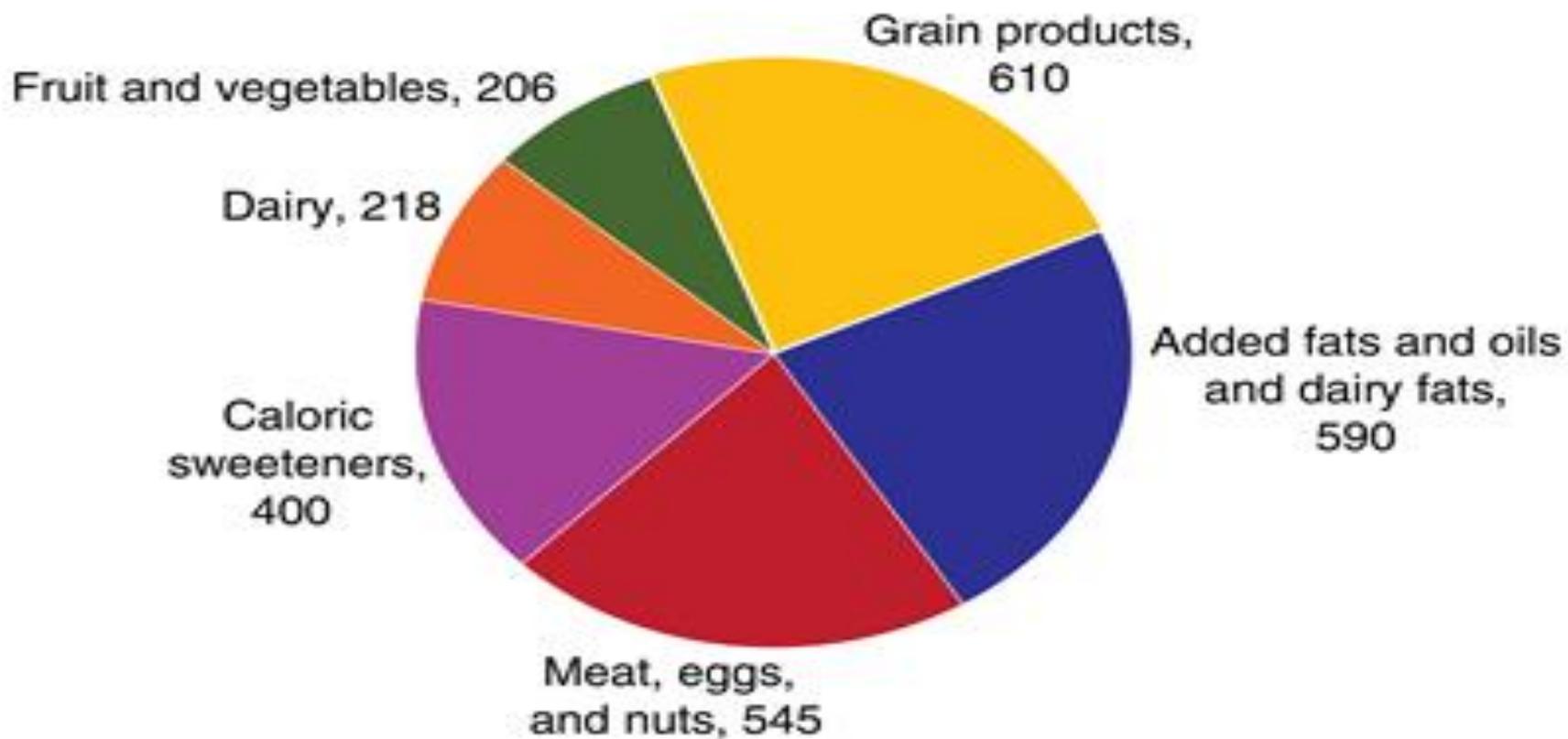
Food spending and share of income spent on food across U.S. households, 2013



Source: USDA, Economic Research Service using data from U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, 2013



Daily calories per capita by food group, 2010



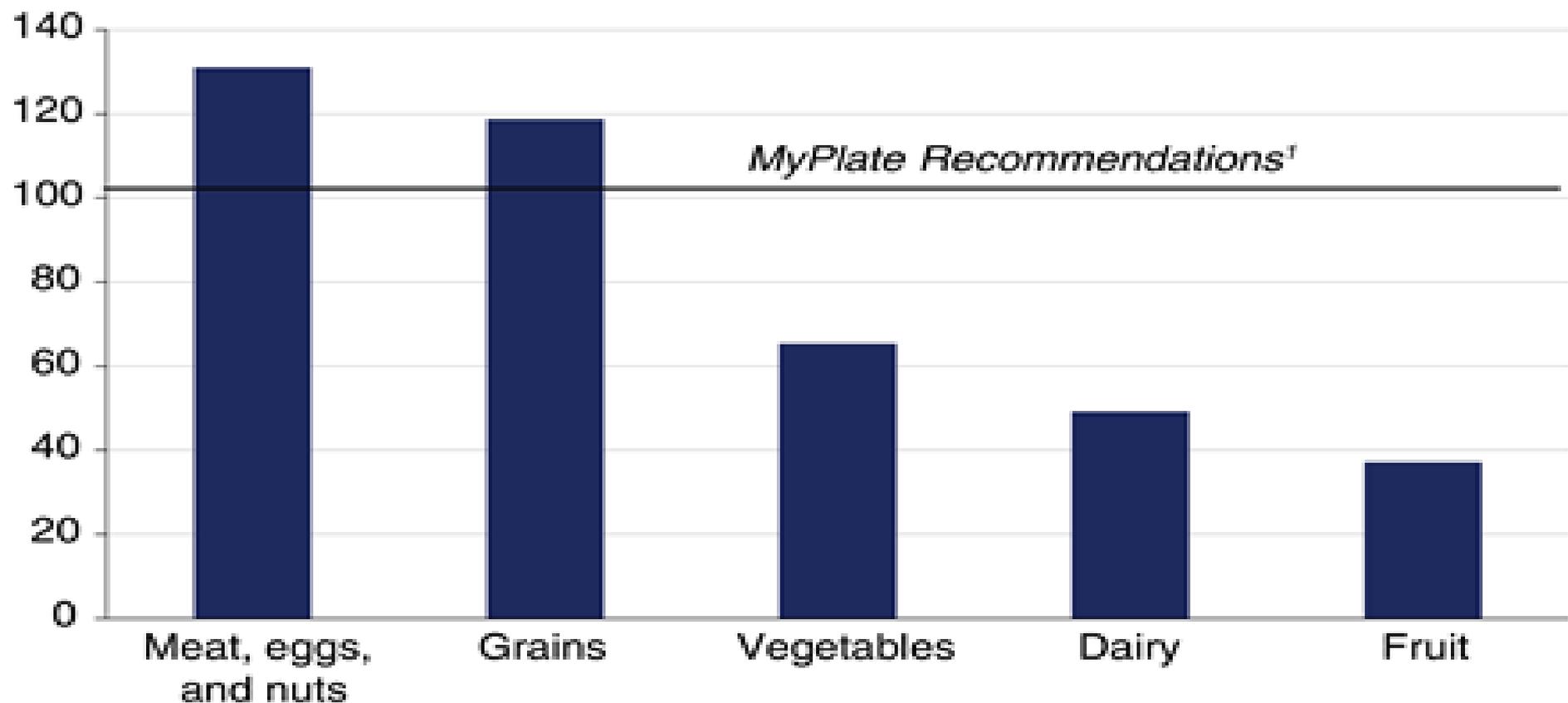
Added fats and oils and caloric sweeteners are added to foods during processing or preparation. They do not include naturally occurring fats and sugars in food (e.g., fats in meat or sugars in fruits).

Source: USDA, Economic Research Service, Loss-Adjusted Food Availability Data.



Average U.S. consumption compared to recommendations, 2012

Percent of MyPlate recommendation



Note: Rice data were discontinued and thus are not included in the grains group.

¹Based on a 2,000-calorie diet.

Source: USDA, Economic Research Service, Loss-Adjusted Food Availability Data.



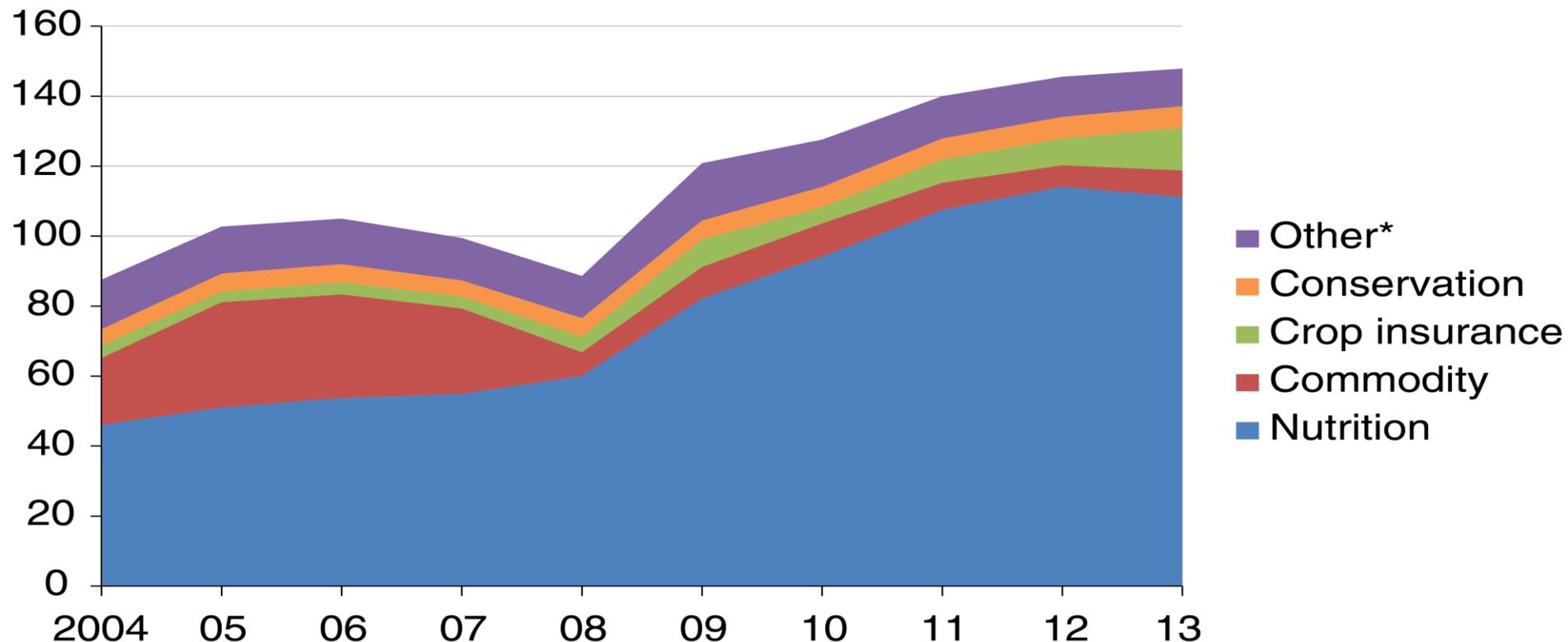
Economic Research Service

www.ers.usda.gov



USDA program outlays, fiscal years 2004-13

US \$ billion



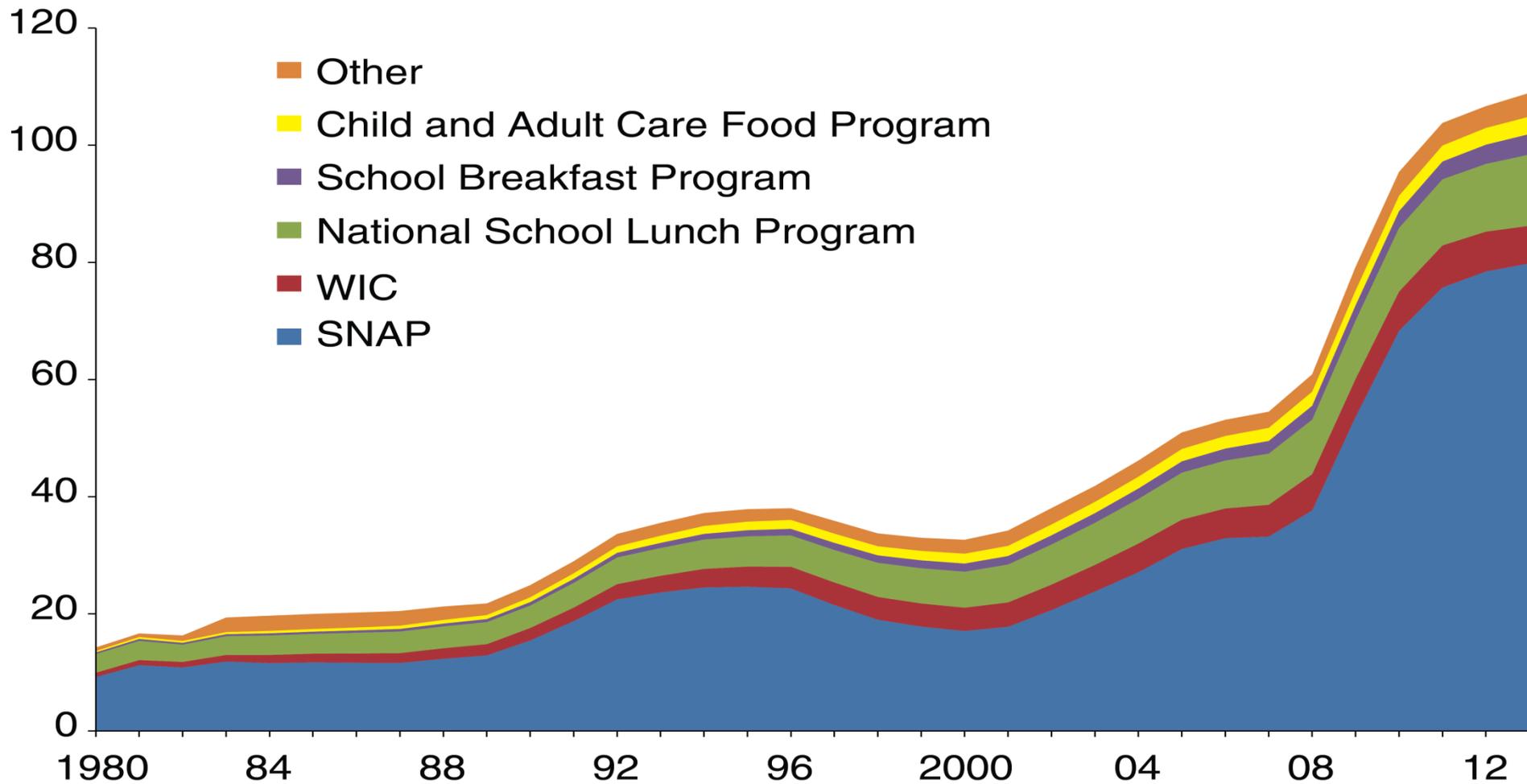
*Includes foreign agriculture, credit, rural development, research and extension, food safety, and marketing and regulatory programs. Does not include outlays for Forest Service or departmental administration.

Source: USDA, Economic Research Service using data from the President's Budget for Fiscal Years 2006-15; USDA, Departmental Budget Summary and Annual Performance Plans.



USDA expenditures for food and nutrition assistance, FY 1980-2013

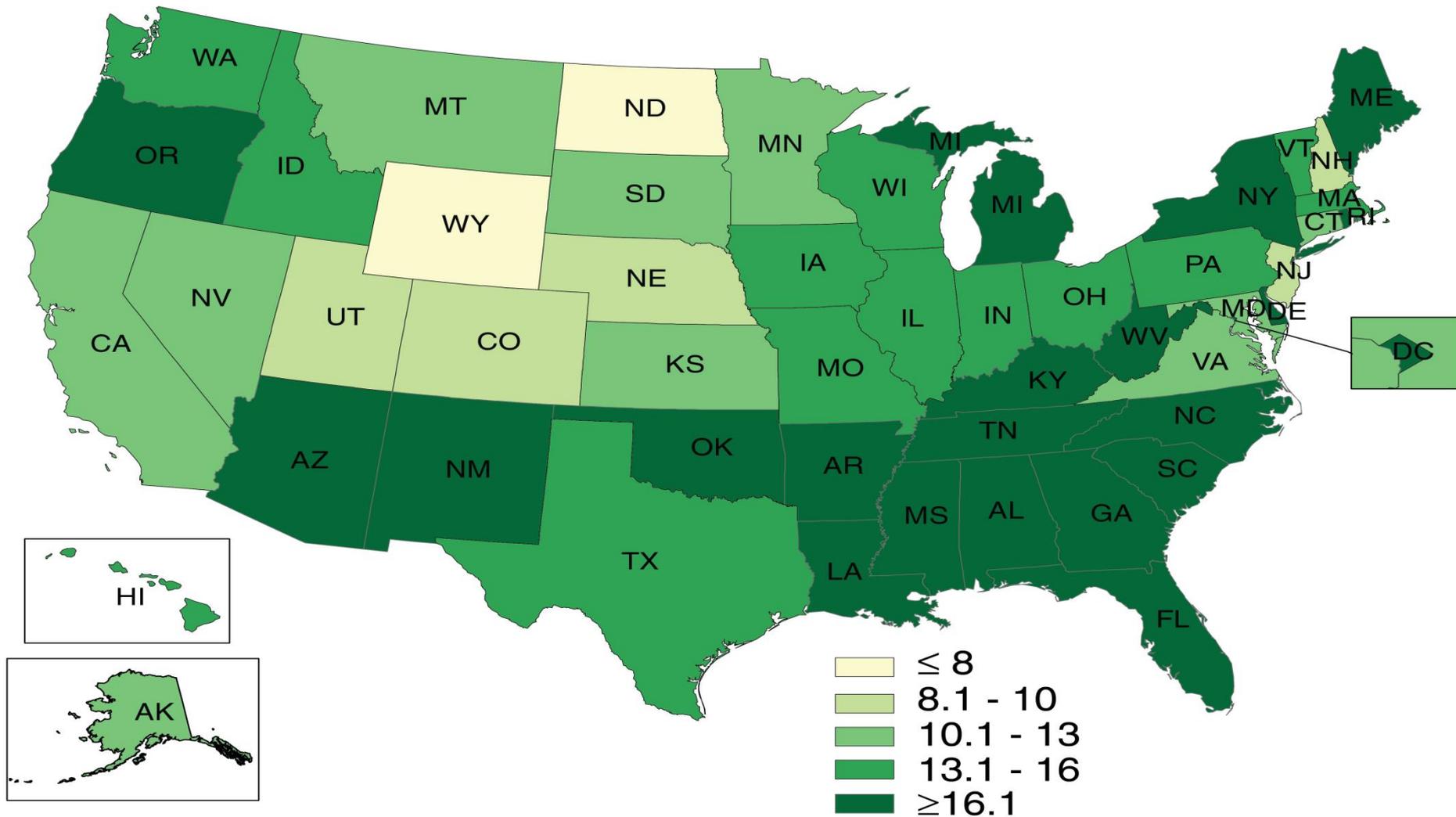
\$ Billion



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



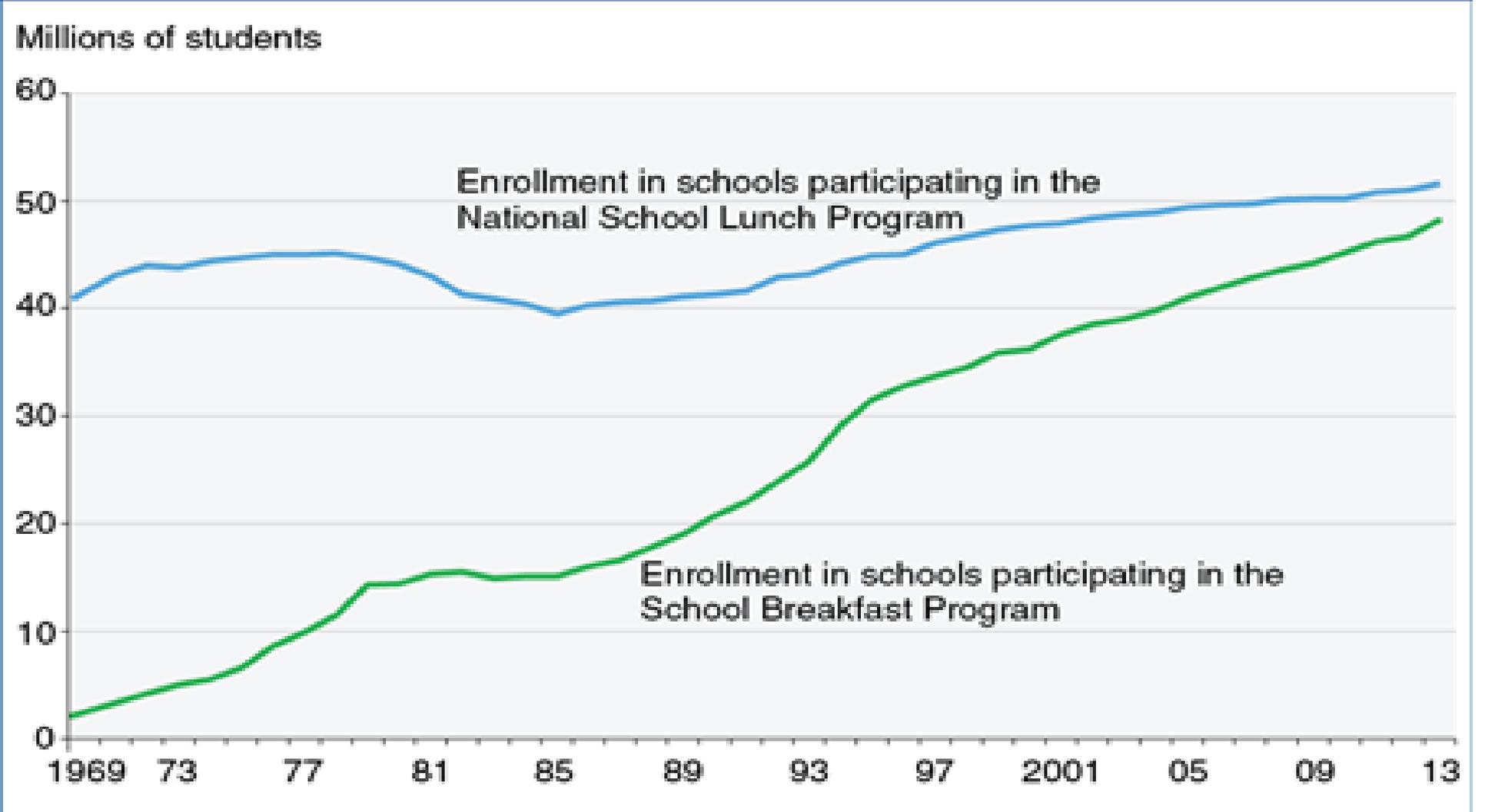
Percent of population receiving SNAP benefits in FY2013



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



Availability of National School Lunch Program and School Breakfast Program, FY 1969-2013



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



Farm Bill Issues Related to Food Markets

- SNAP
- School Meals
- Emphasis on encouraging the use of locally produced foods.

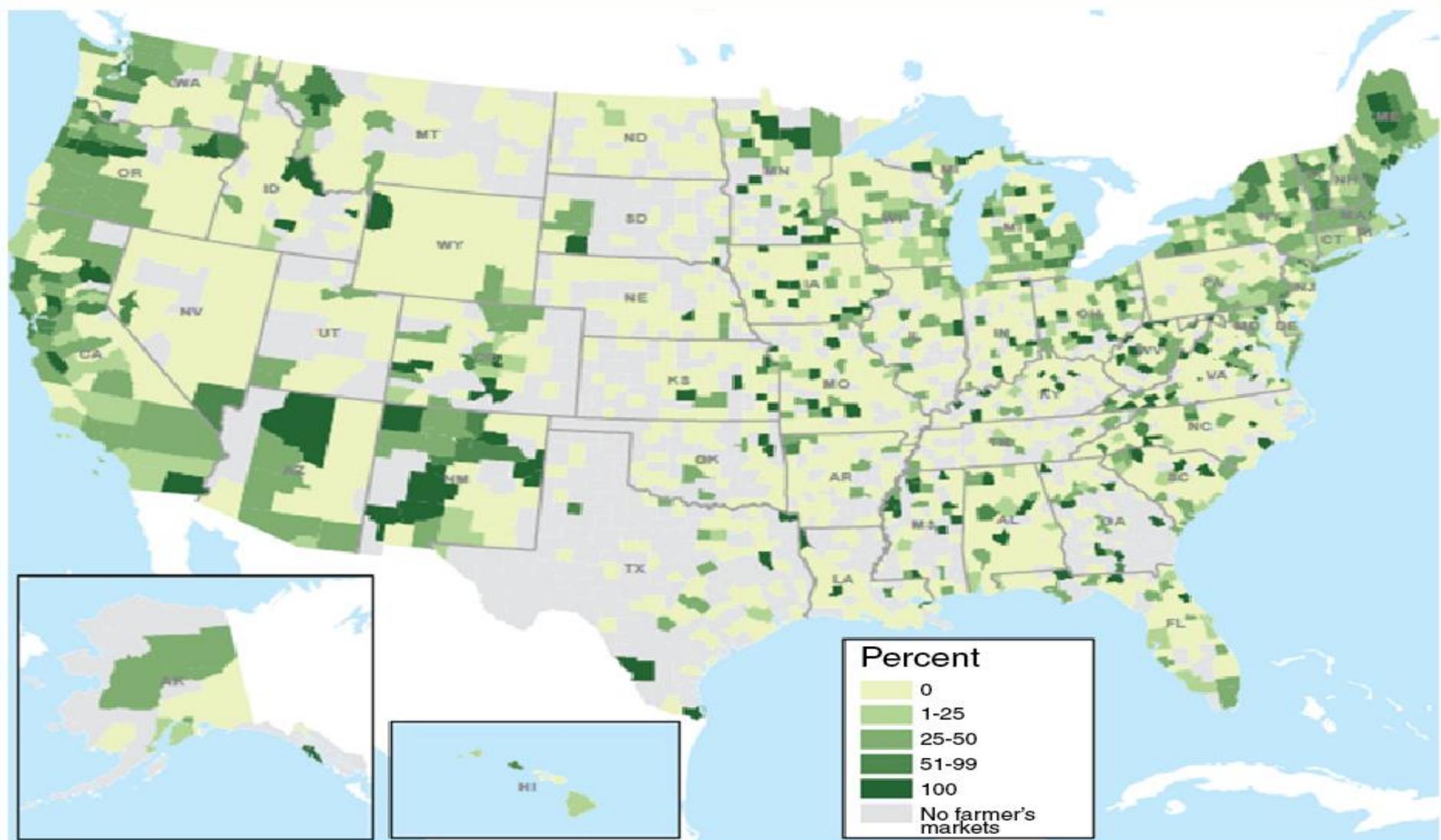


Food Insecurity Nutrition Incentives (FINI) grant program

- Designed to increase fruit and vegetable purchases by SNAP recipients by providing incentives at the time of purchase.
 - <http://www.fns.usda.gov/pressrelease/2014/021514>
- Funded at \$100 million over 5 years:
 - USDA announced \$31 million in grants for FY2014/15 (NIFA) with applications that were due December 2014.
 - Can provide up to 50 percent in Federal matching funds to SNAP-authorized food providers.
- Priority for grants will be given to providers that sell agricultural products directly to individuals, such as farmers' markets; provide locally or regionally produced fruits and vegetables; or are located in underserved communities.
 - A farmers' market would have to be authorized by USDA and be able to accept SNAP benefits in order to implement a SNAP benefit incentive program.
 - The ERS Food Environment Atlas shows that the number of farmers' markets that accept SNAP benefits has grown steadily in recent years, and over 2,000 markets (representing 25 percent of all markets nationwide) reported accepting SNAP in 2013.



Percent of farmers' markets that report accepting SNAP benefits by county, 2013



Source: USDA, Economic Research Service, Food Environment Atlas.



New SNAP-Authorized Food Providers

- Community-Supported Agriculture (CSA) Operations
 - CSA members pay in advance for a share of a farmer's production, allowing the farmer to raise revenue to cover expected costs prior to harvest.
 - In return, members receive a share of the results, such as a box of fresh vegetables each week.
- Nonprofit food delivery services for elderly and disabled
 - Accept SNAP benefits as payment as long as they meet certain standards, such as not deducting a delivery fee from the SNAP account.



Increased Stocking Requirements for SNAP-Authorized Retailers

- Retailers must stock:
 - At least 7 items in each of four basic categories: (1) fruits and vegetables; (2) bread or cereal; (3) dairy; and (4) meat, poultry, or fish. (Used to be 3 items in each category).
 - At least one fresh or frozen item in at least three of the categories. (Used to be two categories)
- Expected to primarily impact convenience stores.



School Foods

- National School Lunch Program (NSLP) Pilot Projects
 - Will give schools more flexibility to purchase unprocessed fruits and vegetables from multiple sources, including local suppliers.
 - Will allow states to use some of their USDA Foods allocation to purchase unprocessed fruits and vegetables directly, instead of going through the USDA Foods program.
 - USDA Foods – provided by the USDA to schools – make up about 20 percent of the foods served in schools.
 - States use their USDA Foods allocation to select items from a list of 180 products including fruits, vegetables, lean meats, fish, poultry, rice, low fat cheese, beans, pasta, flour and other whole grain products.
- In December 2014, USDA selected the 8 pilot states: California, Connecticut, Michigan, New York, Oregon, Virginia, Washington, and Wisconsin.



Fresh Fruit and Vegetable Program Pilots

- Make fresh fruit and vegetable snacks available at no cost to all children in participating schools.
 - Targeted to schools with a high proportion of students receiving free or reduced-price school meals.
- Pilots in School Year 2014-15
 - Will allow for the use of frozen, canned, and dried fruits and vegetables in the school snack program.
 - To be implemented and evaluated in at least 5 states.



Transition to a Healthier American Diet: Implications for Food System Sustainability

- Initiated under ERS's Innovative Research Grant program.
- Will examine interactions of resource, environmental, commodity, and food market policies with diet, sustainability and food market outcomes, while identifying potential natural resource and food system infrastructure constraints that could limit advancement of diet and sustainability goals.

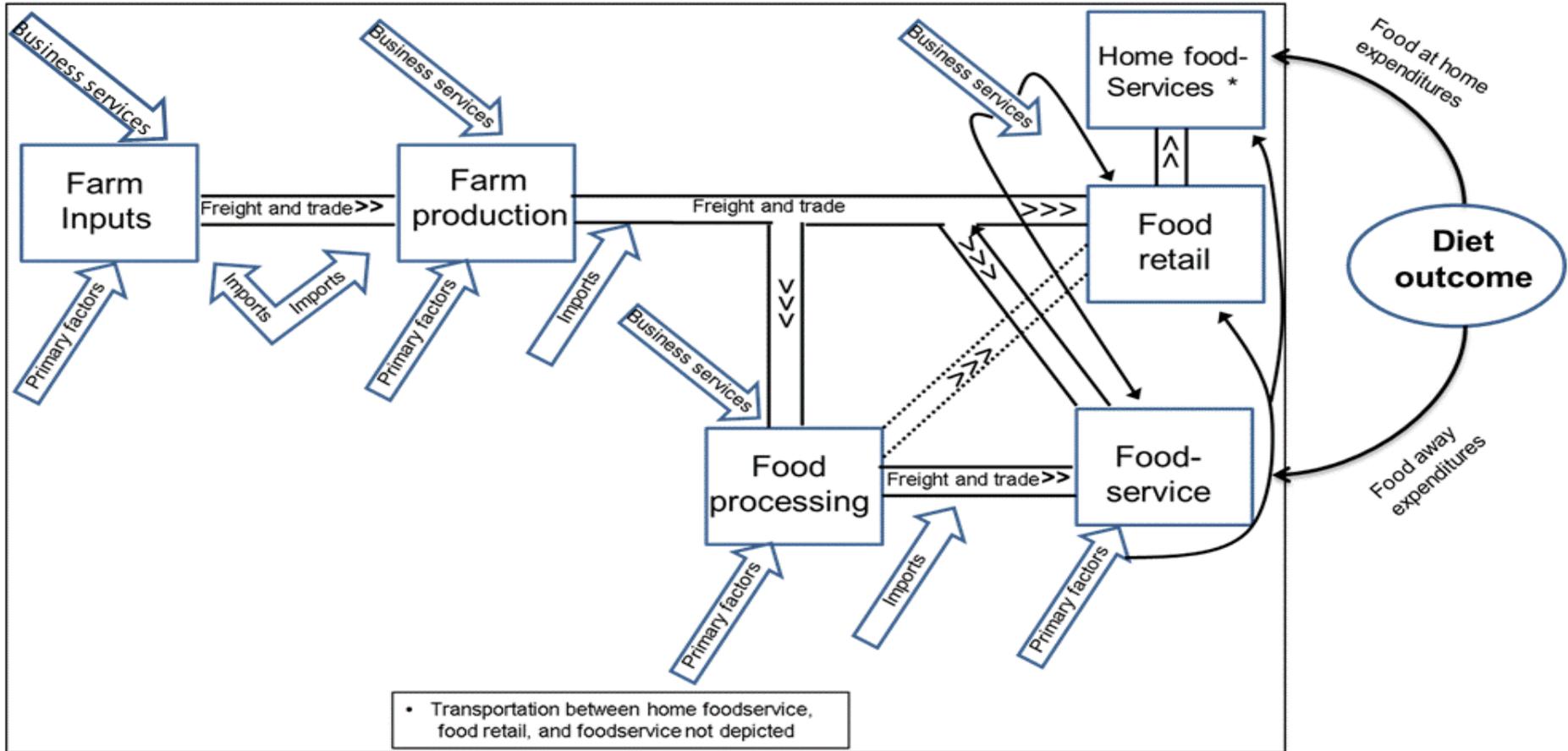


Transition to a Healthier American Diet: Implications for Food System Sustainability

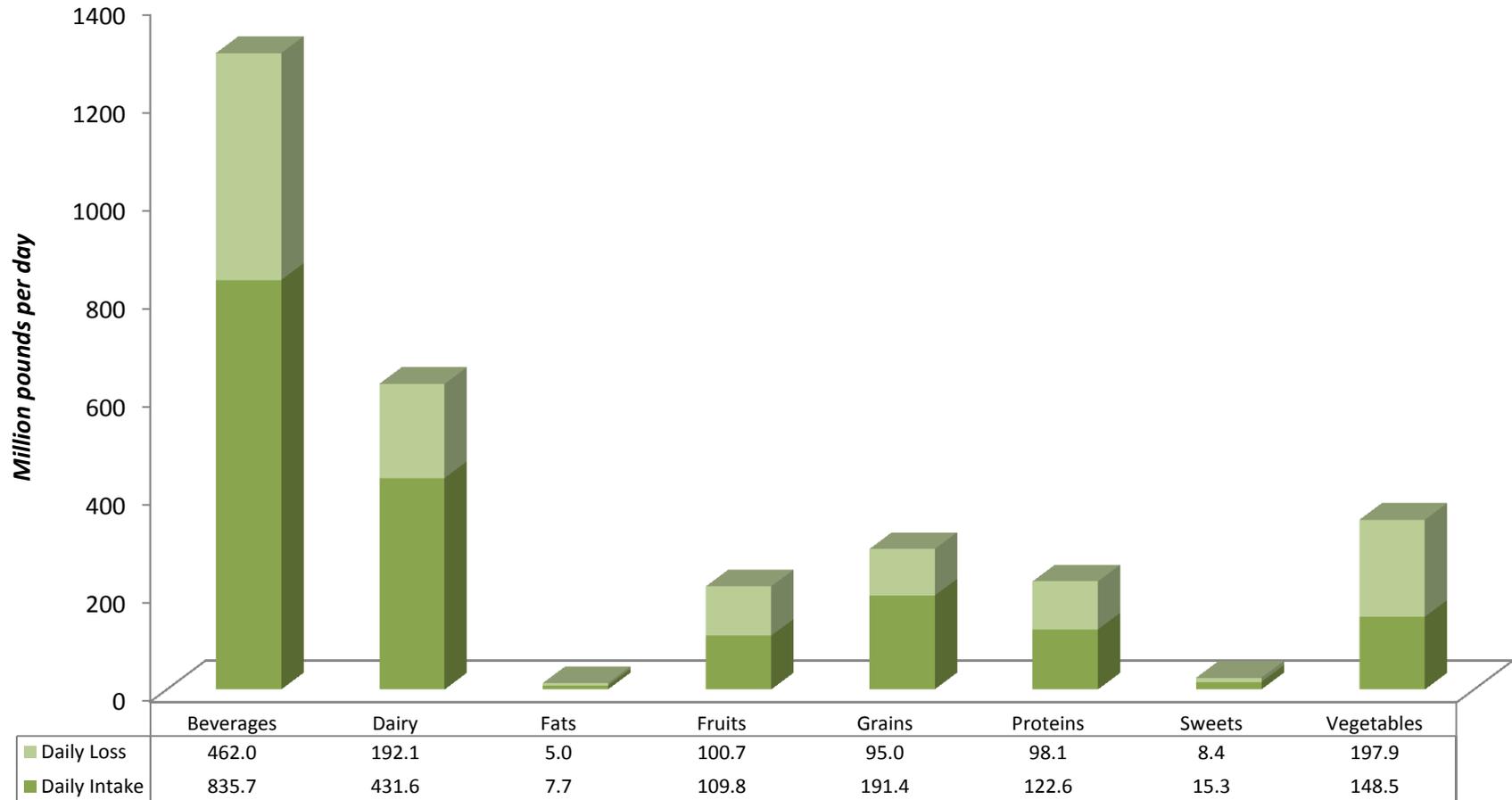
- Four research questions to be considered:
 - What are the impacts on greenhouse gas emissions, farm and industrial water use, farmland use, and employment changes when a limited number of consumers make a switch to a healthier diet?
 - What are the impacts on resource use, production practice and commodity prices if there is a large scale switch to a set of healthier diets?
 - How do operating costs and scale economies influence fresh market price and regional concentration of produce?
 - How are diet outcomes affected by existing government environmental and farm policies, and regionally targeted infrastructure investments?



Agri-food chain



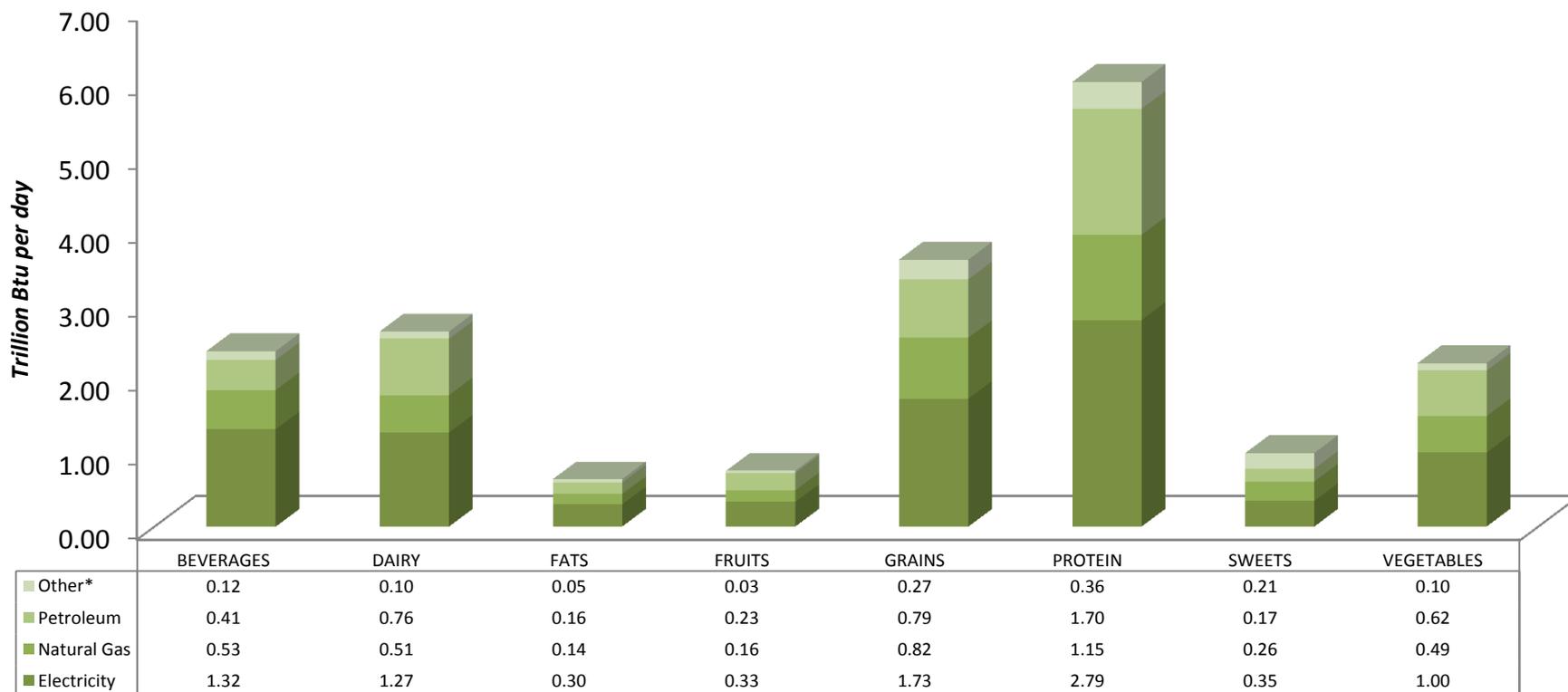
U.S. Average Daily Food Consumption and Loss, 2007



Source: ERS calculations. Daily consumption estimates based the 2007/08 National Health and Nutrition Examination Survey (NHANES). Food loss estimates based on cumulative average food loss percentages published in the ERS Food Availability Series.



U.S. Average Daily Energy Use by Food Group and Fuel Source, 2007

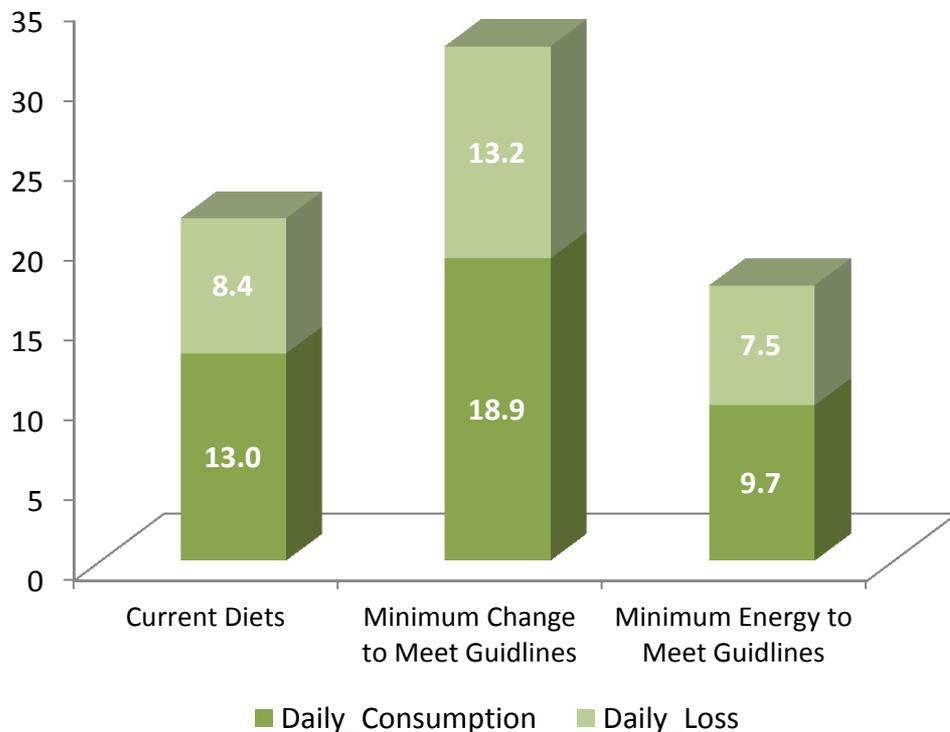


* Other comprises fuel ethanol, self supplied renewable energy, and non-electric industry coal consumption

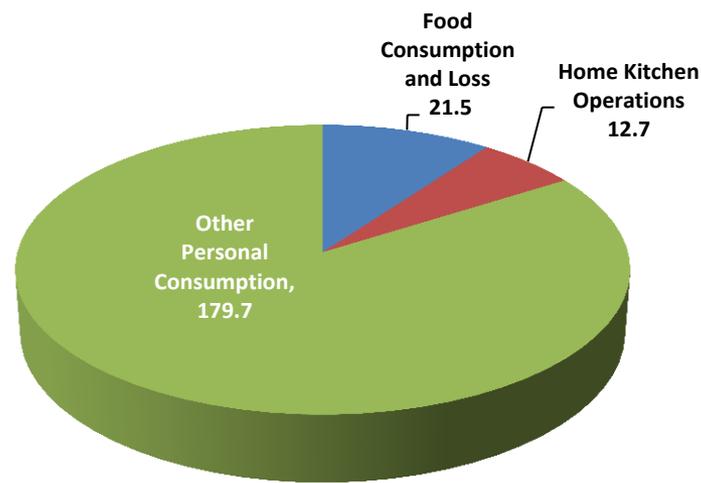
Source: ERS calculations. Daily food consumption estimates based the 2007/08 National Health and Nutrition Examination Survey (NHANES). Energy consumption calculations use data from the 2007 State Energy Data System (DOE/EIA) and the 2007 Benchmark Input-Output Account (DOC/BEA).



U.S. Average Daily Energy Use of Alternative Diets, 2007



U.S. Average Daily Energy Use by Personal Expenditure Category, 2007



(Trillion Btu per Day)

Source: ERS calculations. Daily consumption estimates based the 2007/08 National Health and Nutrition Examination Survey (NHANES). Food loss estimates based on cumulative average food loss percentages published in the ERS Food Availability Series.



Data Resources

- **Food Environment Atlas**

- A mapping tool that allows users to compare U.S. counties in terms of indicators that determine and reflect a community's access to affordable, healthy food.
- Maps over 200 different food environment indicators-- from the number of fast food outlets per capita, to average food prices for various products, to rates of diabetes.
 - <http://ers.usda.gov/data-products/food-environment-atlas.aspx>

- **Farm to School Census**

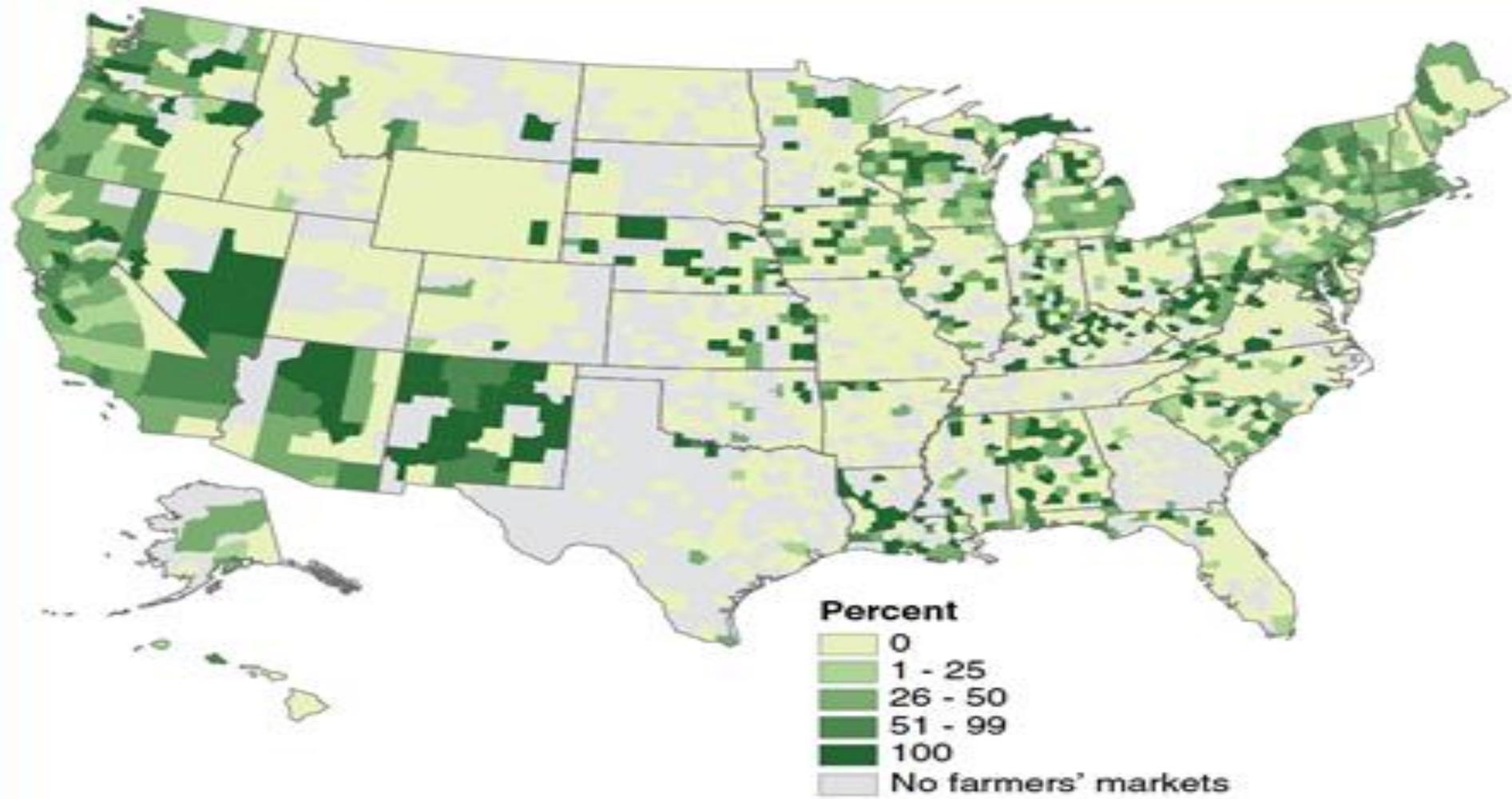
- The searchable database allows users to drilldown into the data from the USDA Farm to School Census and download results in an excel file.
 - <http://www.fns.usda.gov/farmtoschool/census/explore>

- **Food Access Research Atlas**

- A mapping tool that presents a spatial overview of food access indicators using measures of supermarket accessibility across U.S. census tracts.
- Create and print maps showing food access indicators on distance to supermarkets and vehicle availability, view access indicators for selected subpopulations, and download census-tract-level data on food access measures
 - <http://ers.usda.gov/data-products/food-access-research-atlas.aspx>



Percent of farmers' markets that report accepting SFMNP coupons by county, 2013



Note: SFMNP = Senior Farmers' Market Nutrition Program
Source: USDA, Economic Research Service, Food Environment Atlas.



Questions?

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