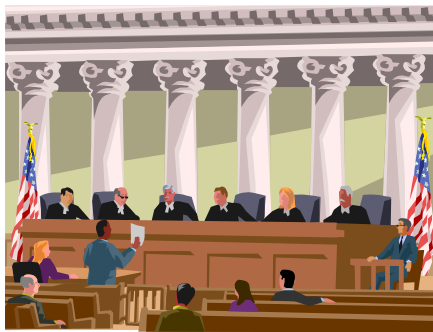


# Legislative History

## Food Distribution Programs



# History of the Food Distribution Programs

## Introduction

Currently, the Food Distribution Division of the Food and Nutrition Service (FNS) provides nutritious commodities to 9 outlets through the [Food Distribution Programs](#). These include schools and institutions that participate in the following Food Distribution Programs:

- [Schools/Child Nutrition Commodity Programs](#) that include the [National School Lunch Program](#) (NSLP), the [Child and Adult Care Food Program](#) (formerly the Child Care Food Program), and the [Summer Food Service Program](#) (SFSP).
- [Nutrition Services Incentive Program](#) (formerly the Nutrition Program for the Elderly), which mainly uses cash in lieu of commodities).

The outlets that provide commodities to low-income persons for at-home consumption are as follows:

- [Food Distribution Program on Indian Reservations](#) (FDPIR)
- [Commodity Supplemental Food Program](#) (CSFP)
- [Food Assistance for Disaster Situations](#) (Disaster Assistance)
- [The Emergency Food Assistance Program](#) (TEFAP). {Note: This program provides food to local agencies for distribution to households for use in preparing meals for home consumption, and to organizations that prepare and provide meals for needy people}.

FNS works closely with two other USDA agencies to obtain the commodities for these outlets. The [Agricultural Marketing Service](#) (AMS) purchases perishable products such as meat, poultry, fish, fruits, and vegetables (Group A-type commodity foods). The [Farm Service Agency \(FSA\) Commodity Operations Office](#) purchases basic nonperishable commodities such as dairy products, cereals, grains, peanut products, and vegetable oils (Group B-type commodity foods).

## Background

The commodity program began in the early 1930's as an outgrowth of federal agriculture policies designed to shore up farm prices and help American farmers suffering from the economic upheaval of the Great Depression. Many individual farmers lost their farms, while the total amount of farmland increased. Farmers planted more acreage to try and make up for poor prices – thus further depressing prices by increasing surpluses in a time of falling demand. At the same time, millions of people in the cities lost their jobs and were without means of support for themselves and their families. The danger of malnutrition among children became a national concern.

## **Legislative History**

1. **[The Commodity Credit Corporation Charter Act of 1933](#)**. The paradox of food being plowed under and livestock being destroyed while people went hungry caused the Federal government to act. The Commodity Credit Corporation was established in 1933, primarily to get loans to farmers and help them store non-perishable commodities until prices rose. Farmers were eventually allowed to forfeit their crops to the federal government to repay loans, which in turn forced the government to hold commodities and sell or distribute them to domestic and international food programs and to promote export markets in order to prevent waste and spoilage.
2. **[Section 32 of the Agriculture Act of 1935](#)**. To bring stability into the marketplace, Congress passed P.L. 74-320 on August 24, 1935. **[Section 32](#)** of this act made available to the Secretary of Agriculture an amount of money equal to 30 percent of the import duties collected from customs receipts. The sums were to be maintained in a separate fund to be used by the Secretary to encourage the domestic consumption of certain agricultural commodities (usually those in surplus supply) by diverting them from the normal channels of trade and commerce. The object of this legislation was to remove price-depressing surplus foods from the market through government purchase and dispose of them through exports and domestic donations to consumers in such a way as not to interfere with normal sales.

To utilize the foods purchased with Section 32 funds, eligible categories of recipients were established. This law provided the basis for donating surplus commodities (and later funding) for federal domestic food programs. USDA originally defined eligible outlets for these commodities, which included schools (for lunch programs), nonprofit summer camps for children, charitable institutions, and needy families.

Essentially, it was the donations of these surplus foods that initiated the school lunch and other child feeding programs. During the Depression, commodity donations were the primary source of support for school lunch programs. During World War II, food shortages and transport problems limited commodity shipments to schools and Congress authorized the use of Section 32 funds to provide financial assistance to schools and child care centers to provide food for lunch programs. In 1943, State agencies took over full administrative and financial responsibilities of the donated food program at the State level (became “distributing agencies”).

3. **[National School Lunch Act of 1946](#)**. There was a growing support for a lunch program after World War II. This led to the enactment of the **[Richard B. Russell National School Lunch Act in 1946](#)**, as amended, which provides for both commodity and cash support. Section 6 of this Act provided funds for the purchase of food to be distributed among the schools participating in the lunch program. It had as its stated purpose not only to provide a market for agricultural

production, but also to improve the health and well being of the nation's youth. This was the beginning of a change in concept of the [Food Distribution Program's](#) major purpose.

**4. [The Agricultural Act of 1949.](#)** Additional authority for commodity donations was made available to the Department with enactment of the [Agricultural Act of 1949](#), and subsequent amendments. Section 416 of the Act made certain commodities acquired through price-support operations by the Commodity Credit Corporation (CCC) available for distribution to needy people. CCC commodities were made available to: (1) school lunch programs; (2) the Bureau of Indian Affairs and Federal, State, and local public welfare organizations for the assistance of needy Indians and other needy persons; (3) private welfare organizations for the assistance of needy persons within the United States; and needy persons outside the United States.

These donations were in addition to those made available through the provisions of [Section 32 of the Agricultural Act of 1935](#). The Act also authorized the CCC to pay for added processing, packaging and handling costs for foods acquired under price support so that recipient outlets could more fully use them. This allowed for purchasing flour milled from support priced wheat, cornmeal from corn, oils from oil seeds, etc. The theory was that every pound of food purchased in its processed state reduced the amount that would go into CCC stocks. Again, the objective was to increase consumption of these foods that were being acquired by the CCC under price support.

During the period from 1935 to 1970, over half of the foods that USDA distributed domestically went to needy families. However, as the [Food Stamp Program](#) expanded, school and child feeding programs used an ever-increasing share of the total food distributed.

**5. Executive Order Mandating an Increase in Donated Foods to Needy Households.** In January 1961, the first executive order issued by President Kennedy mandated that the Department increase the quantity and variety of foods donated for needy households. This executive order represented a shift in the Commodity Distribution Programs' primary purpose – from surplus disposal to that of providing nutritious foods to needy households. Also in 1961, USDA set the goal of providing (within the constraints of the current marketing conditions) a minimum level of commodity assistance to schools.

**6. New Programs Created in the 1960's and 1970's with a Commodity Component.** In the late 1960's and early 1970's, the Nixon Administration proposed phasing out commodity donation programs as part of a broader farm policy effort to end price support programs that required government acquisitions of commodities. This effort was unsuccessful, and in fact may have helped institutionalize commodity donations to domestic food programs. The Congress voted to continue farm price supports that generated government stocks, and mandated commodity assistance for school lunch programs.

Also during the 1960's and 1970's, several laws were enacted to create programs with a commodity component, which were designed to meet the food needs of specific segments of the population. These included the [School Breakfast Program](#) (SBP), the [Summer Food Service Program](#) (SFSP), the [Child and Adult Care Food Program](#) (formerly the Child Care Food Program), and the [Nutrition Services Incentive Program](#) (formerly the Nutrition Program for the Elderly).

In the SFSP, commodities are available to sites that serve needy children during summer vacation from school. Under the CACFP (which has now been expanded to include certain adults), commodities are available to approved day care centers that serve meals and snacks to children and adults, and family and group day care homes for children. The NSIP provides nutritious meals for older adults, either in congregate meal settings or through home delivery.

Another program that was created is the [Commodity Supplemental Food Program](#) (CSFP). This program provides food to supplement the diets of low income pregnant and breastfeeding women, other new mothers up to one year postpartum, infants, children up to age six, and the elderly. The CSFP was the predecessor to the [Women, Infants, and Children \(WIC\) Program](#), and remains the preferred method for food assistance for these groups in some parts of the U.S. Also created in these years was the [Food Distribution Program on Indian Reservations](#) (FDPIR). This program provides commodity foods to low-income Native Americans and serves as an alternative to the [Food Stamp Program](#) in areas of the country where they do not have easy access to grocery stores. Subsequent legislation has been directed at making operational improvements to these programs.

**7. The Agriculture and Consumer Protection Act of 1973.** The [Agriculture and Consumer Protection Act of 1973, P.L. 93-86](#), as amended, provided authority in section 4(a) of the Act for USDA to make open-market purchases of foods similar to those acquired under sections 32 and 416 when foods are not available under those authorities. This authority responded to a temporary decline of surpluses in the early 1970's.

**8. Commodity Initiatives in the 1980's and 1990's.** Legislation enacted in the 1980's addressed unemployment and homelessness. In the 1980's when the weak farm economy brought huge government-held stocks of commodities, pressure to increase donations to all outlets increased. For the first time, emergency feeding organizations were guaranteed some form of commodity assistance. Prior to that, the USDA preferred to use more established and larger outlets (such as schools) for donations because they had formalized systems for handling commodities, and also because the law mandated commodities for them. The smaller charitable agencies relied on the Secretary's discretion to receive donated commodities, and also had less capacity than school systems to use large quantities of commodities.

When schools could not utilize all of the excess commodities that were available, the government began increasing its donations to soup kitchens and food banks. In order to regularize these donations and help emergency feeding organizations utilize the

commodities, the congress approved a temporary food assistance act that provided grants to states to help them with the costs of transporting, storing, and distributing commodities to the emergency feeding organizations.

**9. The Emergency Food Assistance Program (TEFAP).** In 1981, TEFAP was first authorized to distribute surplus commodities under the Temporary Emergency Food Assistance Program in order to help supplement the diets of low-income Americans, including elderly people.

- 1) In 1983, the [Emergency Food Assistance Act](#) was passed;
- 2) In 1988, the Soup Kitchen/Food Banks Program (SK/FB) was created to provide commodities to the homeless population. Also, the Hunger Prevention Act was passed which required USDA to purchase additional commodities for low-income households and local emergency feeding organizations;
- 3) In 1989, annual appropriations were first authorized for TEFAP purchases, by which time the supply of surplus commodities had been significantly reduced.
- 4) In 1996, the SK/FB program was merged into TEFAP in accordance with the Personal Responsibility and Work Opportunity Reconciliation Act, better know as Welform Reform.
- 5) Under the 1990 Farm Bill, the program was renamed The Emergency Food Assistance Program.

(See attached chart for a summary of the web site links cited in this document).

## Website Quick Links

### FNS Programs:

- Child and Adult Care Food Program <http://www.fns.usda.gov/cnd/care/cacfp/cacfphome.htm>
- Commodity Supplemental Food Program <http://www.fns.usda.gov/fdd/programs/csfp/>
- Food Assistance for Disaster Situations <http://www.fns.usda.gov/fdd/programs/fd-disasters/>
- Food Distribution Programs <http://www.fns.usda.gov/fdd/programs/>
- Food Distribution Program on Indian Reservations <http://www.fns.usda.gov/fdd/programs/fdpi/>
- Food Stamp Program <http://www.fns.usda.gov/fsp/>
- National School Lunch Program <http://www.fns.usda.gov/cnd/Lunch/>
- Nutrition Services Incentive Program (formerly Nutrition Program for the Elderly) <http://www.fns.usda.gov/fdd/programs/nsip/>
- School Breakfast Program <http://www.fns.usda.gov/cnd/Breakfast/>
- Summer Food Service Program <http://www.fns.usda.gov/cnd/Summer/>
- The Emergency Food Assistance Program <http://www.fns.usda.gov/program/tefap/>
- Women, Infants & Children (WIC) Program <http://www.fns.usda.gov/wic/>

### USDA Commodity Partner Agencies:

- Agricultural Marketing Service <http://www.ams.usda.gov/>
- Farm Service Agency/  
Commodity Operations <http://www.fsa.usda.gov/daco/default.htm>
- Food and Nutrition Service <http://www.fns.usda.gov/fns/>

### Legislation

- Agriculture and Consumer Protection Act of 1973, Public Law 93-86 <http://agriculture.senate.gov/Legislation/Compilations/FNS/ACPA73.pdf>
- Agricultural Act of 1949 <http://www.senate.gov/~agriculture/Legislation/Compilations/AgCom/Ag49.pdf>
- Richard B. Russell National School Lunch Act, Public Law 106-224 <http://www.fns.usda.gov/cnd/Governance/Legislation/Historical/NSLA-Nov-10-2005.pdf>
- The Commodity Credit Corporation Act of 1933, as amended through Public Law 106-170 <http://www.senate.gov/~agriculture/Legislation/Compilations/AgCom/Cccact.pdf>

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