

Testimony of Scott Faber
Vice President
Grocery Manufacturers Association

Subcommittee on Department Operations, Oversight, Nutrition, and Forestry

House Committee on Agriculture

U.S. House of Representatives

July 28, 2010

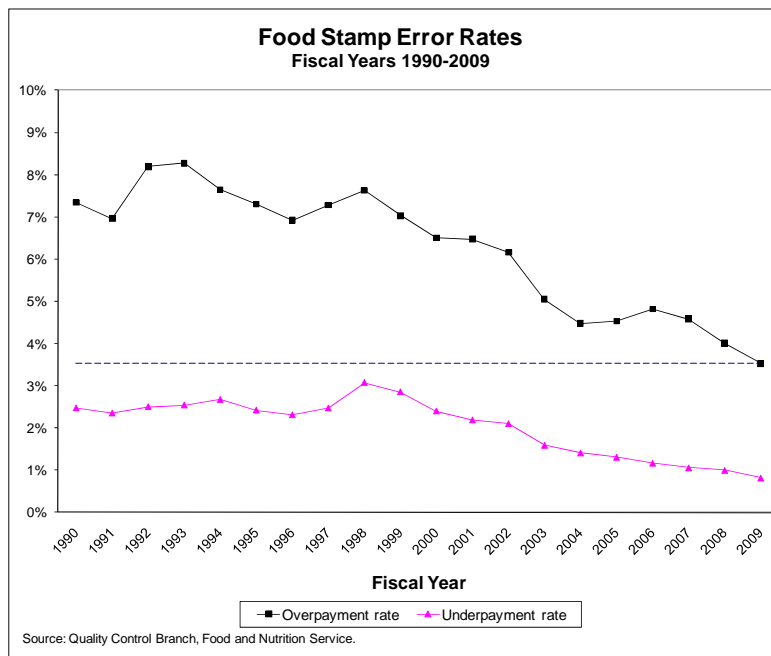
Thank you for the opportunity to testify on the Supplemental Nutrition Assistance Program.

My name is Scott Faber and I am Vice President for Federal Affairs of the Grocery Manufacturers Association (GMA), which represents more than 300 food, beverage, and consumer product manufacturers and retailers. GMA strongly supports the Supplemental Nutrition Assistance Program (SNAP) and we look forward to working with you to ensure that SNAP meets the hunger and nutritional needs of low-income Americans.

SNAP has never been more important than during the current recession. As you know, the program is currently supporting the nutritional needs of more than 40 million Americans in more than 18 million households – an all-time high. The reach of the program is extraordinary – 1 in 4 children rely on SNAP to meet their basic food needs. Unprecedented growth in the SNAP program is not only meeting the nutritional needs of millions of additional Americans impacted by the recession but has also provided a significant stimulus for the economy. For every dollar spent on SNAP benefits, GDP is

increased by nearly two dollars¹ – one of the strongest economic stimulus provisions included in the American Recovery and Reinvestment Act.

Despite rapid growth in SNAP expenditures, food stamp error rates are at an all-time low. SNAP has one of the most rigorous Quality Control systems of any public benefit program. As you know, states review the accuracy of the eligibility and benefits of a representative sample of SNAP recipients and are subject to penalties if error rates remain above the national average. USDA has found that more than 98 percent of benefits are issued to eligible households and recently announced that the national error rate was just 4.36 percent, which includes underpayments as well as overpayments.



In addition, the use of Electronic Benefit Transfer (EBT) cards to provide benefits to SNAP recipients has significantly reduced food stamp trafficking. Retailers or recipients who defraud the program by trading food stamps for money or non-food items face tough criminal penalties, and sophisticated programs have been established to monitor transactions for patterns that may suggest abuse.

¹ Hansen and Golan, *Effects of Changes in Food Stamp Expenditures Across the U.S. Economy*, Food Assistance and Nutrition Research Report 26-6, USDA, August 2002.

SNAP is the cornerstone of America's nutrition safety net. But, the food industry also has an important role to play as we struggle to meet nutritional needs of hungry Americans. Each year, food manufacturers donate more than 310 million pounds of food to national and local food banks through the Feeding America network – more than 80 percent of the donations made to Feeding America. In 2010, our members have committed to increase our donations by 20 percent – or by 60 million pounds.

Food and beverage manufacturers and retailers share the President's goal of eliminating childhood hunger by 2015 and share the First lady's goal of ending childhood obesity within a generation.

In particular, our industry is doing our part to promote healthy diets and lifestyles. In recent years, we have changed the ingredients in more than 10,000 of our products to reduce calories, fats, sugars and sodium without sacrificing the taste, convenience and affordability that consumers demand. We are also working with the Administration to devise new labels that will make information about calories and other nutrition facts clearer for consumers. And, we have changed the messages we deliver to promote healthier diets and active lifestyles.

Government also has an important role to play. Government can do more to promote physical activity in school and after school, as Chairman Baca has proposed in H.R. 4557. Government can do more to promote nutrition education – not only in school, but in the marketplace and the workplace as well. Government can set science-based standards for foods sold in the school environment, as has been proposed in Child Nutrition legislation. And, government can do more to promote greater access to healthy foods by bringing grocery stores to underserved areas.

To end childhood obesity in a generation, we must provide parents and children with more healthy choices, promote healthy diets and provide new opportunities for physical activity. As the First Lady has said, "This is not like a disease where we're still waiting

for a cure to be discovered – we know the cure for this. We have everything we need, right now, to help our kids lead healthy lives.” Everyone has a role to play in this fight: the public sector, private industry and parents. We pledge to do our part by continually changing the way we develop and market our products.

Providing more healthy choices – not limiting choices – and enhancing nutrition knowledge should be the focus of efforts to build healthy diets and lifestyles. SNAP can be an important tool in this effort. Studies have found that children in low-income households have a lower risk of being overweight if they participated in certain federal nutrition programs.² However, limiting SNAP choices, as some have proposed, would not reduce the risk of obesity and would dramatically increase program costs and complexity.³ Instead, policymakers should expand SNAP education efforts and support incentives to encourage healthier choices, such as the Healthy Incentives Pilot created by the 2008 Farm Bill.

In conclusion, the Grocery Manufacturers Association strongly supports SNAP and USDA’s sound oversight of taxpayer dollars through this programs. We applaud the temporary increase in benefits made through ARRA and look forward to working with this Committee and the Administration to ensure that SNAP continues to meet the nutritional needs of low-income Americans. We look forward to working with you to better address the nation’s hunger and health needs.

² Jones S, Jahns L, Laraia BA, Haughton B. *School-aged food insecure children who participate in food assistance are less likely to be at risk of overweight: Results from the Panel Study of Income Dynamics Child Development Supplement*. Arch Pediatr Adolesc Med 2003; 157:780-784

³ USDA, Food and Nutrition Service, *Implications of Restricting the Use of Food Stamp Benefits*, March 2007 (attached).