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Views on Temporary Emergency Food Assistance
Program and Commodities for Soup Kitchens

Statement for the Record by
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Before the
Committee on Agriculture,
Nutrition, and Forestry
United States Senate



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Mr. Chairman and Members of the Committee:

We are pleased to submit a statement for the record on information we have gathered on the effectiveness of two programs extended or authorized by the Hunger Prevention Act of 1988--the Department of Agriculture's (USDA) Temporary Emergency Food Assistance Program (TEFAP) and a new program to provide commodities to soup kitchens or food banks. Under the TEFAP program, USDA purchases commodities and provides them, together with commodities from the surplus federal inventory, to individuals through state and local agencies. USDA also provides USDA-purchased commodities to soup kitchens/food banks through similar agencies. The objective of our work was to obtain the views of as many commodity recipients and federal, state, and local officials involved with these programs as possible in the limited time available to prepare for this hearing. We obtained their views on (1) the effectiveness of the purchase of commodities; (2) the adequacy of the amounts and types of commodities going to individuals and soup kitchens/food banks and the timeliness of their delivery and (3) other issues and concerns about the program.

To accomplish our objective, we talked to USDA officials at the Food and Nutrition Service (FNS), the Agricultural Marketing Service, and the Agricultural Stabilization and Conservation Service. At the state level we limited our work to Illinois and Alabama, judgmentally selected to give us a large northern state with a major urban population and a rural southern state. Within these states, we discussed the programs with 24 local recipient agencies and 30 individual recipients. Of the 24 agencies, 11 received TEFAP commodities, 4 received soup kitchen commodities, and 9 received both. Because of the limited scope of our work, these views represent only the views of officials interviewed and should not be considered representative of others in Illinois, Alabama, or other states.

In summary, USDA and state officials told us that USDA's management of commodity purchases appears to be working effectively after initial program "start-up" delays, and recipient agency officials said they were generally satisfied with the amounts, types, and delivery schedules of the commodities received. However, state and local officials, as well as individual recipients we interviewed, suggested changes to the programs. Regarding TEFAP, their suggestions included

- increasing the commodity amounts in some localities to enable all recipients to receive planned allocations of food;
- providing commodities from each of the four basic food groups;
- increasing USDA administrative funding to cover more of the costs incurred by some local agencies administering TEFAP; and
- reviewing the existing paperwork requirements that may be contributing to volunteer attrition at local agencies.

Regarding the Soup Kitchen program, their suggestions included

- providing more state and local flexibility to determine the best way to use program commodities;
- ensuring that commodity packaging is appropriate for emergency food facilities of various sizes; and
- providing commodities from each of the basic food groups.

BACKGROUND

When TEFAP was initiated in 1983 it was intended to be a one-time release of surplus dairy products to reduce federal inventories and storage costs and to provide needy individuals with temporary food assistance. Since 1983, the Congress has extended TEFAP periodically to continue the food assistance, and over the years the program has expanded to include other surplus commodities. In fiscal year 1988, USDA distributed 692.1 million pounds of commodities under TEFAP, a 32 percent decrease from the previous year. This decrease reflected reduced availability of surplus commodities, particularly cheese, honey, and rice. TEFAP and other domestic and foreign food aid programs, combined with the declining surpluses, depleted these commodities.

After surpluses available to TEFAP diminished, the Hunger Prevention Act of 1988 authorized USDA for the first time to purchase commodities to increase the amounts and types of food distributed. First, the act extended TEFAP through September 30, 1990, and required the Secretary of Agriculture to spend \$120 million annually to purchase, process, and distribute additional TEFAP commodities to states during fiscal years 1989 and 1990. Second, the act authorized the continuation of \$50 million annually to help defray costs incurred by states for storing and distributing the commodities to recipient agencies. Third, the act also required the Secretary to spend \$40 million each year in fiscal years 1989 and 1990, and \$32 million in 1991, to purchase, process, and distribute additional commodities to states for distribution to soup kitchens and food banks that provide meals or food to the homeless and other needy persons.

Officials from FNS (which has overall responsibility for the programs), the Agricultural Stabilization and Conservation Service, and the Agricultural Marketing Service work together to determine the amounts and types of items to be purchased under both programs.

Under TEFAP, USDA must make sure that the commodities meet requirements set forth in the act. For example, commodities must be (1) high in nutrient density, (2) easily and safely stored, (3) convenient to use, and (4) desired by recipient agencies. In addition USDA determines whether sufficient quantities of a commodity are available at a reasonable price. For the Soup Kitchen program, USDA told us that they developed the criteria used to select commodities for purchase. These criteria include availability, market price, and feedback from states, local agencies, and individual recipients.

For both programs, most commodities, such as canned vegetables, pork, and juice, are purchased by the Agricultural Marketing Service. Peanut butter is purchased for both programs by the Commodity Credit Corporation, which is administered by the Agricultural Stabilization and Conservation Service. In addition, for TEFAP, the Commodity Credit Corporation also continues to provide surplus commodities--such as butter and flour--from its inventory. (App. I and II provide amounts and types of commodities for TEFAP in fiscal years 1985-90, and for the Soup Kitchen program in fiscal years 1989-90, respectively.)

USDA makes these commodities available to states according to a formula outlined in the act. This formula is based 60 percent on the number of persons in households in the state having incomes below the poverty level and 40 percent on the number of unemployed persons in the state. USDA allocates administrative funds to states on the same basis. States provide commodities from both programs to various recipient agencies which often rely on volunteers to distribute commodities to needy individuals and soup kitchens or food banks.

VIEWS ON TEFAP

According to USDA and state officials who distribute the commodities, the new mandatory purchase requirement appears to be working effectively, although a start-up delay occurred in fiscal year 1989, so that states did not receive commodities until the second quarter of the year. USDA officials told us that although the act authorized the purchase requirement in September 1988, funds were not actually available until late October. FNS officials said it took approximately 3 months to determine which and how much of each commodity to purchase. In addition, the agency needed time to invite bidders and accept contractors to process and distribute the new commodities.

According to USDA officials, no delays occurred in fiscal year 1990 with the mandatory procurement process. However, USDA officials stated that delays in authorizing TEFAP until late in any fiscal year may lead to start-up delays similar to those that occurred in fiscal year 1989.

In fiscal year 1989, USDA distributed about 21 million pounds of commodities to Illinois and about 10 million pounds to Alabama. Although some recipient agency officials and individual recipients in these states said they were generally satisfied with the amounts and types of commodities USDA provided, others said the program could be improved. Thirteen of 20 local agencies we visited said the amounts of TEFAP commodities they received were not adequate to meet their needs. For instance, five agency officials said they frequently do not have enough commodities to give all recipients the planned allocation per household member. Some said that they juggle the commodities from one distribution site to another or they juggle each individuals' amount in attempts to give people equal amounts of commodities. Others provide the planned allocation on a "first-come, first-served" basis until they run out.

Recipient agency officials and recipients said they were not entirely satisfied with the types of commodities they received because they do not receive food from each of the four basic food groups. For example, 17 of 20 recipient agencies emphasized the desire to have cheese distributed while 15 of 20 emphasized a desire for nonfat dry milk. In addition, 13 of 30 individual recipients expressed disappointment over the lack of cheese. Except for butter, TEFAP does not provide food from the milk and cheese group because, according to USDA officials, they cannot be purchased in sufficient quantities at a reasonable price. Recipient agency officials and individual recipients noted that they appreciated the protein items, such as peanut butter, that replaced the cheese.

Several of the recipients also indicated a desire to have a wider variety of food distributed. For example, seven suggested offering cereal and chicken as well as canned meat, vegetables, and fruits.

State and recipient agency officials indicated that the delivery schedules were generally timely and appropriate for their needs. However, local agency officials raised other issues relating to TEFAP administrative funds and paperwork requirements.

Twelve recipient agencies in Illinois and Alabama said or provided documentation indicating that the administrative funds were not adequate to meet the agencies' costs for operating TEFAP. State officials in Illinois and Alabama agreed that the administrative funds USDA currently provides are not sufficient to cover recipient agencies' operating costs. These officials also told us that they distributed about 80 percent and 95 percent, respectively, of the funds provided by USDA to cover transportation of commodities to recipient agencies, in addition to covering those agencies' handling and storage costs.

Paperwork requirements, which are designed to ensure that only needy individuals receive commodities, may deter some agencies' volunteers from helping to administer the program, according to officials in three local Illinois agencies that we visited. Federal regulations require that each recipient agency collect and submit records to the state of all commodities distributed. These records must include the address of each household receiving commodities; the signature of the household member that receives the commodities; the number of persons in the household; and the date, type, and quantity of commodities received. None of the recipient agencies in Alabama, however, said paperwork requirements deterred volunteers.

VIEWS ON THE SOUP KITCHEN PROGRAM

USDA is in the second year of implementing provisions of the Hunger Prevention Act of 1988 that mandate purchasing and distributing commodities for soup kitchens and food banks. According to staff at 10 recipient agencies and distribution sites we visited that receive this food, the number of meals being served with soup kitchen commodities has been increasing and reflects a growing need for the program.

As with TEFAP, USDA purchased commodities in fiscal year 1989 after limited start-up delays, according to an FNS official, and began distributing the commodities in the third month. USDA distributed fiscal year 1990 soup kitchen commodities to states starting in the first month.

Each state determines how it will allocate its share of the commodities to its recipient agencies, or directly to emergency food providers such as soup kitchens. The soup kitchens vary in size and number of persons served. Food banks--charitable institutions that channel donated food to the hungry--also receive

some commodities under this program. Food banks distribute these commodities to different types of emergency food centers, including food pantries that provide bags of groceries to individual recipients.

According to officials from the two FNS regional offices we visited, FNS encourages states to make these commodities available first to soup kitchens and then to offer the remainder to food banks. Alabama state officials said that about 85 percent of its soup kitchen commodities go to food banks, after the state has met the needs of the 13 soup kitchens in the state.

Officials and staff from the recipient agencies we visited that receive soup kitchen commodities generally expressed satisfaction with the amounts and types of commodities they received. Thirteen agencies in Illinois and Alabama said they were satisfied with the commodity amounts and types, while two mentioned they would like to see more variety of commodities offered.

FNS recognizes the need for variety, but purchases commodities on the basis of availability, market price, and local feedback, in conjunction with its own budget constraints. As shown in appendix II, for fiscal year 1990, FNS decided, according to these criteria, to add some items and remove others from the list of items that FNS purchased in fiscal year 1989. Some examples cited by the officials follow:

-- Although orange juice was well-received at soup kitchens during fiscal year 1989, FNS did not purchase orange juice in 1990 because a December 1989 freeze in Florida reduced the availability of oranges and increased the price.

-- Since apples were readily available at reasonable prices in fiscal year 1990, due to a large harvest, FNS purchased

apples and provided apple juice and applesauce to soup kitchens.

-- Lentils and grapefruit juice purchased in fiscal year 1989 were no longer purchased in 1990 because local agencies told FNS that recipients did not like these items.

In addition, officials from distribution sites, recipient agencies, the two states, and FNS, told us that they did not experience any problems with the timely delivery of commodities.

The state and local agency officials we interviewed, however, suggested several possible changes in the administration of the soup kitchen program. First, state officials from Alabama said they should be allowed to provide soup kitchen commodities to agencies that distribute TEFAP commodities to individuals because Alabama has only 13 soup kitchens. An FNS official for the Southeast Region said that soup kitchen demand is lower in primarily rural states because individuals must travel longer distances to reach soup kitchens, and rural areas have less of an identifiable "homeless" problem than urban areas. He also said that states in that region qualify for a large portion of soup kitchen commodities because the region's poverty and unemployment are higher than in other regions, but the region has few soup kitchens relative to the amount of commodities it can receive. He cited the Mississippi Delta area as one example of an extremely poor area without soup kitchen-type facilities to provide emergency hunger relief.

Second, state and local agency officials told us that smaller food providers sometimes needed some commodities packaged in small containers rather than institutional-size packaging. According to FNS officials, packaging sizes for soup kitchen commodities originally focused on feeding large groups, which FNS perceived to require institutional-size packaging. FNS officials said they have

recognized the local need by providing dry beans, peanut butter, and fruit juices in smaller containers in fiscal year 1990. In addition, one recipient agency official told us that fruits and vegetables would be more useful in smaller cans, although FNS officials said they have not received any complaints regarding the packaging size for these commodities.

Third, 13 recipient agencies we visited said commodities should come from the four basic food groups. Two local agency officials in Illinois, however, said this should be done only if USDA is able to continue purchasing a wide variety of commodities rather than a limited variety. In fiscal year 1990, FNS has not provided dairy products or breads and cereals for the soup kitchen program. As discussed earlier, FNS selected the commodities it purchased based on various criteria including but not limited to nutritional value and variety.

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Although not related to the new provisions in the Hunger Prevention Act of 1988, we have issued earlier reports on TEFAP. (See app. III.)

Amounts and Types of TEFAP Commodities
Fiscal Years 1985-90

Quantities of
Commodities in Pounds

	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990^a</u>
TEFAP/Surplus						
Butter	119,066,858	70,587,264	67,096,992	66,798,456	63,366,588	33,495,264
Processed Cheese	403,236,270	409,980,540	415,170,180	233,935,200	0	0
Cheddar Cheese	22,263	0	0	0	0	0
Bulk Cheese	39,753,590	0	0	0	0	0
Nonfat Dry Milk	79,980,080	93,556,448	98,856,824	86,387,280	0	0
Cornmeal	35,425,000	37,842,000	48,053,250	48,584,250	48,590,950	26,609,000
Flour	106,877,600	127,293,800	137,861,500	134,573,500	133,794,200	67,494,000
Honey	69,325,920	78,015,348	92,330,316	44,899,524	28,490,580	23,690,196
Rice	75,874,848	130,675,584	154,719,600	76,950,000	0	0
Total TEFAP/Surplus	929,562,429	947,950,984	1,014,088,662	692,089,798	274,224,318	151,288,460
TEFAP/Purchase						
Peanut Butter ^b	0	0	0	0	53,894,400	23,000,000
Canned Pork ^b	0	0	0	0	41,420,700	15,800,000
Egg Mix	0	0	0	0	9,072,000	0
Raisins	0	0	0	0	8,524,800	7,800,000
Vegetable Beans, Canned	0	0	0	0	27,686,400	23,100,000
Green Beans, Canned	0	0	0	0	0	14,700,000
Total TEFAP/Purchase	0	0	0	0	140,598,300	84,400,000
Total TEFAP-All	929,562,429	947,950,984	1,014,088,662	692,089,798	414,822,618	235,688,460

^aTEFAP/Surplus data is through March 1990, TEFAP/Purchase data is through January 1990.

^bFY 90 figures for canned pork and peanut butter are as of January 1990 only.

As of then, USDA has completed purchasing all commodities except these two.

Amounts and Types of Soup Kitchen Commodities
Fiscal Years 1989-90

Quantities of
Commodities in Pounds

	<u>FY 1989</u>	<u>FY 1990^a</u>
<u>Soup Kitchen/Purchase</u>		
Luncheon Meat	2,196,000	0
Canned Pork ^b	13,254,624	3,600,000
Grapefruit Juice	16,822,300	0
Orange Juice	24,282,300	0
Canned Pears	1,443,000	0
Dry Beans	5,160,637	5,000,000
Lentils	3,400,000	0
Green Split Peas	1,440,000	0
Dehydrated Potatoes	6,540,432	0
Sweet Potatoes	5,236,425	3,800,000
Canned Peaches	0	5,800,000
Canned Corn	0	10,700,000
Peanut Butter ^b	0	2,700,000
Canned Plums	0	2,300,000
Canned Apple Juice	0	15,100,000
Canned Applesauce	<u>0</u>	<u>16,200,000</u>
Total - Soup Kitchen	<u>79,775,718</u>	<u>65,200,000</u>

^aSoup Kitchen data is through January 1990.

^bFY 90 figures for canned pork and peanut butter are as of January 1990 only. As of then, USDA had completed purchasing all commodities except these two.

Past GAO Reports Relating to the Temporary Emergency
Food Assistance Program

Federally Owned Dairy Products: Inventories and Distribution,
Fiscal Years 1982-88 (GAO/RCED-88-108FS, Feb. 23, 1988).

Surplus Commodities: Temporary Emergency Food Assistance Program's
Operations and Continuance (GAO/RCED-88-11, Oct. 19, 1987).

Food Inventories: Inventory Management of Federally Owned and
Donated Surplus Foods (GAO/RCED-86-11, Dec. 5, 1985).

Government-Owned Surplus Dairy Products Held in Inventory
(GAO/RCED-85-43, Jan. 7, 1985).

Improved Administration of Special Surplus Dairy Product
Distribution Program Needed (GAO/RCED-84-58, Mar. 14, 1984).

Government-Owned Surplus Dairy Products Held in Inventory
(GAO/RCED-84-72, Dec. 20, 1983).