Food Safety Nets

- All countries face issue of how to assure adequate food to those lacking physical or economic access
- Improving food markets to drive down the real cost of food—first line of defense in fighting hunger
- Challenge: How to reach those without effective demand without undermining capacity of market to serve those who do?

Issues in the Design of Food Safety Nets

1. Who should receive assistance?
   - Distinguishing the “deserving” vs. the “undeserving.”
   - Reducing Moral Hazard

2. In what form should you give assistance?
   - Food?
   - Cash?
   - Vouchers?
Issues in the Design of Food Safety Nets

3. How does the food assistance program interact with the rest of the food system?


5. How do you balance multiple objectives of the food assistance program?

The US Public Food Safety Nets

- Run through USDA’s Food and Nutrition Service
- In 2006, food, nutrition & consumer services accounted for over 50% of USDA’s budget
The US Public Food Safety Nets

- Major components:
  - Food Stamps (64% of total funding)
  - School Feeding Programs (25%)
  - WIC (10%)
  - Various feeding programs for senior citizens

<table>
<thead>
<tr>
<th>Program</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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<tbody>
<tr>
<td>Food Stamp Program</td>
<td>$24,092</td>
<td>$27,055</td>
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<tr>
<td>Nutrition Assistance for Puerto Rico</td>
<td>1,395</td>
<td>1,413</td>
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<td>Total, Food Stamp Program</td>
<td>$25,487</td>
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<td>Child Nutrition Programs</td>
<td>$11,234</td>
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<td>Special Supplemental Nutrition Program (WIC)</td>
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<td>Commodity Assistance Program</td>
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<td>Commodity Supplemental Food Program</td>
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<td>Soup Kitchens, Food Banks and The Emergency</td>
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<td>Food Assistance Program (TEFAP)</td>
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<td>Farmers' Market Nutrition Program</td>
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<tr>
<td>Total, Commodity Assistance Program</td>
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<td>Nutrition Programs Administration</td>
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<td>Total, FNS</td>
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</table>

a/ In addition, $3 billion was provided in 2004 and is requested in 2005 for a contingency reserve.
b/ In addition, $125 million is available in contingency reserve funds.
c/ Funds provided by transfer from CCC.
d/ Funded in the WIC account in 2003 and 2004.
Eligibility requirements

- Food Stamps
  - Incomes and assets
  - Citizenship
- Child Nutrition Programs
- WIC
Food Safety Nets in Low-Income Countries

- Similar design issues apply, with special emphasis on role of food aid
  - Who should receive assistance?
  - In what form should you give assistance?
    - Food (imported vs. local purchase)
    - Cash
  - Interactions with the rest of the food system (disincentive effects)
  - Leakages and targeting
  - Balancing multiple objectives