

PA Milk Marketing Board
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The Real History of Food Stamps

Most of us are familiar with “food stamps” (now SNAP) but do we know how and why they began?

American consumers lost their purchasing power during the Great Depression and many suffered from hunger. At the same time farmers had an oversupply of crops and livestock. These conditions, when combined, sent agriculture prices spiraling downward.

Initially, the federal government paid farmers to plow under crops and destroy the excess livestock, but this practice while so many people were going hungry created much public outcry. In 1933, the Federal Surplus Commodities Corporation (FSCC) was created to purchase excess agriculture commodities and distribute them to the needy at little or no cost.

This process, however, created problems for wholesalers and retailers who continued to suffer financial distress. As a result, the FSCC embarked on an experiment benefitting them as well as farmers and consumers, choosing Rochester, NY, as the pilot site for its project.

On the morning of May 16, 1939, Ralston Thayer, an unemployed machinist, approached a window in an area of the old Rochester post office. He handed the clerk \$4.00. In return he received \$4.00 worth of “orange stamps” and \$2.00 worth of “blue stamps” for free.
www.history.com, August 27, 2019)

The orange stamps could be used to purchase any item available in participating retail outlets, while the blue stamps were only to be used to purchase agriculture products such as dairy and milled grain products and produce. The retailers then traded their collected stamps for cash at an FSCC office or bank.

History.com also reported that 2,000 Rochester residents took advantage of the program during that first day, most expressing appreciation at being given the opportunity to choose what they wanted at the store rather than just taking what was given them. In addition, the retailers are reported to have taken in about \$50,000 during the first four days of operation of the program.

The program continued until 1943 when the economic “benefits” created by World War II led to an ease of commodity surpluses and unemployment. In all, it is estimated that the program fed 20 million Americans in its four years of operation.

President Kennedy revised and implemented the old food stamp program that most of us are familiar with in 1961 in response to the poverty he witnessed while touring several states during his campaign. President Johnson expanded the program, but it saw its greatest expansion during the administration of Richard Nixon. Hunger, poverty, and malnutrition in several areas of the country as documented in the 1968 CBS “Hunger in America,” led to public awareness of the issues and general outrage among many.

Bipartisan support for the program continued through the late 1970s when anti-fraud measures were passed by Congress. Beginning in 1990, the program implemented electronic debit-type cards to streamline access; the program was renamed the Supplemental Nutrition Assistance Program (SNAP) at that time.

SNAP helped feed about 40 million Americans in 2018 with an average of \$127 monthly benefits. Food producers and retailers continued to benefit from the program, as well. One report says that Walmart received 4.0 percent of its gross US sales from SNAP. (Lasser, UBS, 2019).

The requirements for individuals to purchase benefits has been eliminated and the amount of monthly benefit is based on income; the benefits are designed to supplement funds families have available to feed their families.

Purchase of food through SNAP is only one way the government supports agriculture to help feed hungry Americans. As I noted above, surplus commodity purchases are no longer part of the program, but those products are purchased through other means, The Emergency Food Assistance Program, and the recent Farmers to Families Food Box Program as examples.

This information is important as just one piece in understanding the movement of agriculture commodities in the country—it is complex and involved. And it is not just low-income families that benefit from federal programs. I mentioned the fact that 40 million people were served by SNAP in 2018. Add to that the approximately 37 million that were served by food banks and you can grasp the enormity of the hunger problem in America (dosomething.org).

PMMB supports efforts to address hunger in America and to support the agriculture industry so that the US and PA maintain an adequate and safe food supply for all our citizens. We are also available to respond to questions and concerns. I can be reached at 717-210-8244 and by email at chardbarge@pa.gov.

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