

Prices take bite out of aid

A record number of Americans this year will receive food stamps, which aren't keeping pace with the rising cost of groceries

Chicago Tribune

By Tim Jones and Mary Ann Fergus

April 8, 2008

Markita Barrett is a single mother and has all she can handle with two daughters, ages 10 and 1, and her pending college graduation. Still, she can't stop thinking about cows.

"I don't know what they're doing with these cows," said Barrett, expressing a familiar frustration with the rising price of a gallon of milk, which is up 14 percent in the past year. "What do these animals need? What physically are they doing differently?"

They're the same cows, but they're eating high-priced corn, which is at the root of food price inflation afflicting every American but perhaps more acutely those on food stamps who, like 35-year-old Barrett of north suburban Zion, see their buying power erode every month.

Food stamp usage has hit a new high, and more Americans than ever — a record 28 million projected this year — are using them, but with the steep climb in food prices, the monthly food allowance doesn't go nearly as far. Moreover, food stamps are being used up earlier in the month by those who receive them, even as the galloping price of gasoline is aggravating the cost squeeze, draining discretionary income often used to buy food after the stamps run out.

Annual adjustments are made in the purchasing power of food stamps, but they have not kept pace with food inflation.

"It's a huge problem," said Diane Doherty, executive director of the Illinois Hunger Coalition. "People are having trouble putting together halfway decent meals."

Kim Allen, 45, said the \$408 she receives in food stamps for herself and two daughters, ages 17 and 7, usually lasts until about the 15th of each month. Allen lost her job as a temporary dispatcher in February and lost her car soon after. She is struggling to pay the \$1,150 rent for her three-bedroom home in Hoffman Estates.

"I have to be very, very cautious to make it stretch," Allen said.

She visits local food pantries in the northwest suburbs to keep food on the table until the first of the month, when she receives her new allotment.

"We've cut back a lot," Allen said. "We have cut back the butter consumption a lot. I do not buy eggs as often as I used to because I refuse to pay over \$2 for a carton of eggs. ... I'm not going to pay \$5 for a box of cereal."

Price increases to persist

Food price inflation began to take off in 2007, with price spikes not seen since 1980.

Food prices have jumped an average of 5.5 percent in the past six months, and according to America's Second Harvest, which oversees the national network of food banks, are estimated to rise 7.5 percent annually in each of the next five years. That's triple the inflation rate of 2002 through 2006.

"While the precise yearly levels of food inflation are difficult to predict, increased commodity prices clearly suggest that food prices will be rising more dramatically during the next five years," the organization said in a recent report.

America's Second Harvest reports the number of people seeking food at pantries and kitchens shot up an average of 20 percent in the past year. Some pantries haven't been able to handle the demand, and some have temporarily closed because their shelves are empty.

"It's a perfect storm of rising food prices, the erosion of the economy, higher energy prices and the declining food stamp benefit," said Stacy Dean, director of food assistance policy for the Center on Budget and Policy Priorities.

Corn figures into the equation because more farm acreage is being used for the development of ethanol for fuel. That shift has caused the price of corn to soar to about \$6 per bushel from an average of \$2.40 per bushel over the past three decades.

Higher corn prices mean it costs more to feed cattle, and that spurs inflation and a consumer cost squeeze: Most food stamp recipients will run through their monthly food allowance in about two weeks. Then they'll go to food pantries to carry them through the month.

Recipients up 1.3 million

The problem is, pantries across the nation are dealing with their own issues of food price inflation, declining donations and increasing demand.

The number of people on food stamps has been growing steadily, from 21.2 million in 2003 to 26.5 million in 2007, according to the Department of Agriculture.

In the past year, the number of Americans receiving food stamps rose by 1.3 million.

As a percentage of the population, there were more people on food stamps in 1994, when 27.5 million received the food allowance. But in 1994, the nation had emerged from a recession, and the average price of gasoline was less than one-third of today's prices.

Just under half—46 percent—of food stamp recipients are white, 31 percent are African-American and 13 percent are Hispanic, according to a 2005 USDA study. Seventy-seven percent of all benefits go to households with children, and 34 percent of households with children were headed by a single parent, like Maria Sanchez of Chicago.

Skiping meat, fast food

Sanchez has five daughters, ages 2 to 11. She receives \$591 a month in food stamp benefits, which typically lasts her three weeks. On food stamps for seven years, she recalls that a few years ago she could go through an entire month and not use up the allowance.

"We don't eat much meat. We have a lot of vegetables, soups, and I buy chicken breasts and drumsticks," said Sanchez, who lives on the South Side. "My kids always want McDonald's and Burger King, but I try to buy hamburger and cook it at home for them."

For Sanchez, the light-on-red-meat diet and no-junk-food — in the long run — may prove healthier for her family. Over the years she has learned to adjust to inflationary shocks.

Steve and Karen Procter of suburban Roselle are trying to adjust to life on food stamps. Steve Procter, 50, was diagnosed last year with colon cancer. Karen Procter receives Social Security income after some debilitating injuries and accidents several years ago forced her to quit two daily jobs as a manager of a bakery by morning and a deli by night.

The Procters receive \$238 worth of food stamps each month.

"We were making it; we were pretty stable," Karen Procter said of life before October, when Steve lost his job as a truck driver.

'I go to bed ... and cry'

They've gone through several thousand dollars in savings and have fallen four months behind on their \$1,100 mortgage payment for their town home. And the cost of food keeps rising.

"A gallon of milk alone!" Karen Procter exclaimed at her kitchen table. "I only buy what's on sale. Cereal—anything over \$2 is not coming in my house."

The food stamps run out after about 2 1/2 weeks; then they head to the Schaumburg Township Food Pantry. Karen Procter figured that after April's food stamps run out in a week or so, they'll have \$76 for the rest of the month.

"I go to bed each night and cry," she said. "You say tomorrow has got to be a better day."

Some inflationary price relief is hoped for from Congress, which is debating the farm bill, the massive agricultural subsidy package that also regulates the food stamp program, including benefit adjustments.

But whatever Congress decides, the annual adjustment is not expected to offset the biggest increase in food inflation in nearly three decades.