The Supplemental Nutrition Assistance Program, Soda, and USDA Policy: Who Benefits?

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IN A CONTROVERSIAL DECISION DATED AUGUST 19, 2011, the US Department of Agriculture (USDA) denied a request by New York state to conduct a pilot project with New York city that would have eliminated Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) benefits for sugar-sweetened beverages.1 California, Nebraska, Illinois, Pennsylvania, Minnesota, Michigan, Vermont, and Texas have either requested such permission or urged Congress to grant states more flexibility to set standards for what can and cannot be purchased with SNAP benefits, but thus far no such request has been granted.

The Food Stamp Act of 19642 was designed to help feed needy people at a time when hunger was one of the nation’s main dietary problems. Nearly 50 years later, while hunger still exists, the program has adapted slowly to a changing nutritional environment. Among low-income young children in the United States, the prevalence of overweight and obesity now exceeds underweight by about 7 to 1.3 In its proposal, New York argued that sugar-sweetened beverage consumption causes obesity and diabetes and that government cannot afford to subsidize disease-promoting behaviors.4 The federal and state governments through Medicare and Medicaid bear high and increasing health care costs from diet-related disease, yet through the SNAP program buy an estimated $4 billion worth of sugar-sweetened beverages every year.5

New York City Mayor Michael Bloomberg reacted to the USDA denial letter by saying, “We think our innovative pilot would have done more to protect people from the crippling effects of preventable illnesses like diabetes and obesity than anything being proposed anywhere else in this country—and at little or no cost to taxpayers.”6 New York City Health Commissioner Thomas Farley said the denial “really calls into question how serious the USDA is about addressing the nation’s most serious nutritional problem.”7

Opposition to the New York proposal came from some surprising and not so surprising groups. With billions of dollars at stake annually, the beverage industry was predictably opposed. A spokesperson for the American Beverage Association said, “It’s another attempt for government to tell people what they can and can’t drink. Singling out one specific item is discriminatory and unfair.”7 Objections also came from several prominent antihunger groups. The Food Research and Action Center predicted that New York’s policy would harm the poor by causing SNAP recipients to “feel a stigma and make them less likely to want to participate in the program.”7

In its letter to the state of New York, the USDA raised several operational and scientific concerns, including that (1) the city’s retailers may not be prepared to implement the new policy, (2) a clear system had not been established to determine which products would be affected, and (3) the proposal lacked rigorous methods to assess changes in sugar-sweetened beverage consumption resulting from the new policy and the effects of those changes on obesity and health. Although these points are legitimate, they could likely be addressed through straightforward administrative measures, public health surveillance, and quasi-experimental research.

The USDA also expressed concern about possible stigmatization of SNAP recipients. Anticipating this issue, New York City officials stated that “SNAP program’s electronic benefit card looks and acts like a credit or debit card” and that the card presently “covers only some of the items in a typical shopping cart, so program participants are already accustomed to supplementing their purchases with personal funds.”7 This issue, addressed by Barnhill,10 warrants examination in pilot projects. In addition, the USDA argued that “[a] change of this significance should be tested on the smallest scale appropriate to minimize any unin-
tended negative effects,"¹¹ but left the size of the study unspecified.

The primary aim of the Food Stamp Act, now the Food and Nutrition Act of 2008, is “to provide for improved levels of nutrition among low-income households”² and the SNAP tagline states, “We help put healthy food on the table for over 40 million people each month.” However, sugar-sweetened beverages have poor nutritional quality and may promote overeating through the exceptionally low satiety value of sugar in liquid form.¹⁰ Sugar-sweetened beverage consumption has been associated with obesity, diabetes, and heart disease in prospective observational analyses and in short-term clinical trials involving children and adults.¹⁰

The USDA presently denies use of SNAP benefits for non-essential items (eg, hot food and food intended for on-premises consumption) and products with adverse health effects (eg, alcohol and tobacco),⁴ offering precedent for the New York proposal. Indeed, the original version of the Food Stamp Act passed by the House of Representatives would have prohibited the purchase of “soft drinks,” but the Senate removed this prohibition out of concern for administrative challenges (however, the Universal Product Code would obviate any such challenges today).

Nine states have now requested permission from Congress or the USDA for tighter controls on the use of SNAP benefits, as policy makers seek novel ways to reduce the burden of obesity-related medical costs on taxpayers. Restructuring programs like SNAP provides attractive opportunities to align government spending with the long-term public health and economic interests of the nation. Toward this end, recent legislation should help to produce significant improvements in nutrition quality for participants in the Women, Infants, and Children (WIC) Program and the National School Lunch Program.

The government purchases millions of servings of sugar-sweetened beverages for SNAP participants each day. This practice arguably erodes diet quality and promotes chronic illness among individuals who are at increased risk of obesity-related disease because of limited financial resources. Moreover, the costs of treating chronic illness associated with increased sugar-sweetened beverage consumption in this population will fall primarily to taxpayers. To inform policy change in the public interest, elected leaders require objective data about the consequences of maintaining SNAP benefits for the purchase of sugar-sweetened beverages amid the obesity epidemic. If the USDA denies existing pilot studies by states, the agency should fund research to generate the needed data to inform policy decisions.

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REFERENCES