

## **The USDA Food Stamp Program and Childhood Obesity: An Innovative Approach**

Joyce Lynn Terrell, Director of Sports Medicine / Adjunct Instructor, Spelman College

Disclaimer: The Food Moderation Program will not eradicate the obesity problem due to its limited consumer base

### **Abstract**

The USDA Food Stamp Program and Childhood Obesity: An Innovative Approach

This white paper is a response to the Oxford Roundtable Committees' call for papers which address "*current thinking and explore modern methods of remediation and treatment*" of persistent and difficult health problems worldwide...moderating unsuitable eating habits being one of these. The *Food Moderation* Program a theoretical concept examines implementing policy that would *moderate* the quantity of select foods (e.g. soda, sweetened cereals, confectionaries) United States Department of Agriculture (USDA) food stamp recipients would be allowed to purchase in a monthly buying cycle. The need for exploration of this concept is defined in the statistics on obesity, a disease that is "expected to soon overtake cigarette smoking" as the number one cause of preventable death in America.<sup>1</sup> The idea of *moderating or limiting* the USDA food stamp recipients' purchase power at first glance, may appear to be controversial, yet, moderating one's consumption of nutrient poor foods and encouraging purchase of healthier foods promotes a more nutritiously sound diet and the promise for a better quality of life. It is hoped that the Food Moderation concept will become an innovative approach to abating the obesity epidemic and possibly a promising practice in obesity prevention. However, acceptance of this approach requires one to look beyond bureaucratic challenge and the financial investment for technology up-grades to grasp and envision the bigger picture...to institute an effective scientifically (once studied) based method of obesity prevention that *ensures hope for a better, healthier tomorrow for Americas family*.

The aim of this paper is to provide historical highlights of the USDA Food Stamp Program including the state of Minnesota's request to prohibit Food Stamp program recipients from purchasing select food items with benefits, provide an overview of the obesity epidemic which plagues America's children, introduce the Food Moderation concept detailing the theoretical framework outlining critical concerns as they relate to program feasibility, and finally explore initiatives addressing this problem. It is important to state the following disclaimer; The Food Moderation Program 1) will not eradicate the obesity problem due to its limited consumer base; 2) the exact number of Food Stamp recipients coping with obesity is not readily available; further research is needed in that area, although research purports a positive correlation between poverty and obesity; and 3) the moderation concept can not control for a recipients' use of personal money to purchase monitored foods once food quantity allotment is met.

## **The United States Department of Agriculture Food Stamp Program**

### **Background**

The mission of United States Department of Agriculture (USDA) Food Stamp Program established in 1964 is to provide food subsidy benefits for low-income families, increasing their purchasing power for use towards healthier food selections. The Food Nutrition Service, a division of USDA which administers its nutrition programs, reported that the Food Stamp Program provided benefits to an "estimated 11.7 million households or 26.7 million people, with an operating and program costs totaling \$31.1 billion dollars"<sup>2</sup>. Of the 25.7 million serviced by

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<sup>1</sup> Ali H. Mokdad, James S. Marks, Donna F. Stroup, and Julie L. Gerberding. Actual Causes of Death in the United States, 2000. *Journal of the American Medical Association*. 291, (2004) : 1238-1245.

<sup>2</sup> Wolkwitz, K. Characteristics of Food Stamp Households: Fiscal Year 2006. United States Department of Agriculture Office of Analysis, Nutrition, and Evaluation, (September 2007): 1.

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benefits, half were children, and of this number, 66% were school aged. Are these children prone to become obese from participating in the Food Stamp Program? The Economic Research Service, the research arm of the USDA would respond to this question with an affirmative “no”. Research conducted out of this office indicate, food stamp recipients’ food purchasing habits are better than the average non-participants’ habits and although this may be true, we cannot resign to the fact that food stamp recipients are not significantly impacted by this epidemic. In this letter of appeal to the USDA in 2004, (Figure 1) the state of Minnesota’s Department of Human Services, submitted a request for a waiver to include candy and soft drinks as items ineligible for purchase with food stamp benefits. Although, the request was denied, this valiant attempt by the state of Minnesota attests and underscores the need for programmatic policy change within the Food Stamp Program that encourages healthier habits of program participants.

### Figure 1

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## Food Stamp Program

Minnesota Department of Human Services

May 4, 2004

Ms. Maria Gomez, Assistant Commissioner  
Economic and Community Support Strategies  
Minnesota Department of Human Services  
444 Lafayette Road St. Paul, Minnesota 55155

Dear Ms. Gomez:

This is in response to the State of Minnesota’s March 8, 2004 request for a waiver of the definition of eligible foods at 7 CFR 271.2 of the Food Stamp Program regulations. The waiver would have prohibited the purchase of candy and soft drinks that are taxed under State law with food stamp benefits.

“We are denying the State’s waiver request for the reasons specified in the attached Waiver Response Outline”.

We applaud the State for recognizing the importance of healthy eating by food stamp recipients. However, we believe that supporting healthier food choices through nutrition education and promotion is preferable to the proposed mandate. We are committed to working with the State to develop new approaches to improving nutrition levels of food stamp recipients.

If you have any questions or comments, please contact me or have a member of your staff contact Tim English at (312) 353-1533 or [tim.english@fns.usda.gov](mailto:tim.english@fns.usda.gov).

Sincerely,  
Signed  
OLLICE C. HOLDEN  
Regional Administrator

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Source: USDA Food Nutrition Service

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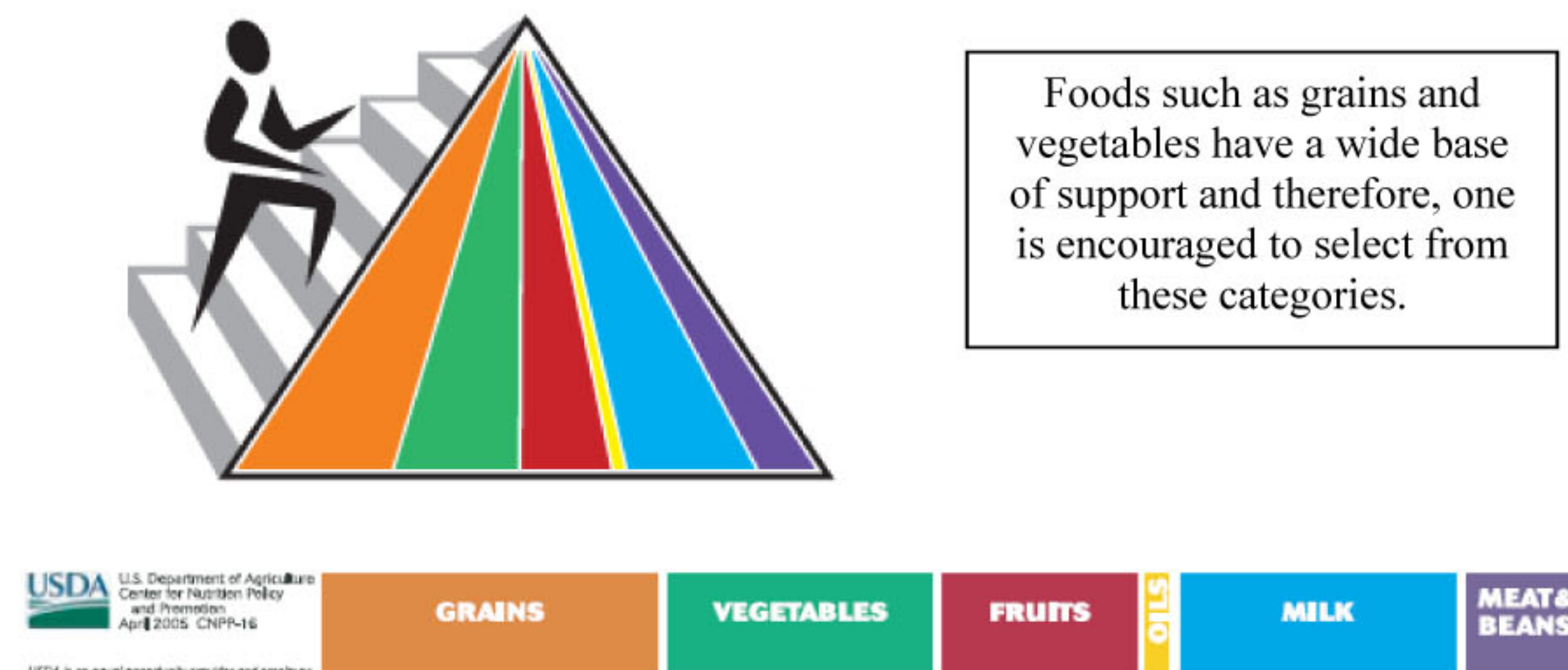
In 2005 the USDA kicked-off its new food guidance campaign unveiling the new MyPyramid and MyPyramid for Kids programs which outlines four overarching themes (e.g. proportionality, physical activity, variety in food selection, and moderation) Americans are encouraged to follow in efforts to become a more healthier you. The aim of the MyPyramid concept is to illustrate how changes in “nutrition, physical activity and lifestyle behaviors”<sup>3</sup> may enhance health benefits. Specifically, MyPyramid highlights the importance of consuming foods within reason, from the five food groups keeping in mind to increase the selection of certain foods (e.g. grains, vegetables) that are more nutritiously healthy. The basic premise of the Food Moderation Program is moderation and details of this principle is depicted in the MyPyramid schematic (Figure 2). Food groups with wider bases include foods that contain less fats and added sugars, and should be consumed in greater abundance, while, narrower bases, are indicative of foods that contain more sugar and added fats and therefore consumption should be limited . The Food Moderation program allows but does not restrict the recipient with a predetermined amount of select food items, promoting enjoyment without overindulging.

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<sup>3</sup> United States Department of Agriculture. Johanns Reveals USDA’S Steps To A Healthier You. Online from [http://www.mypyramid.gov/global\\_nav/media\\_press\\_release.html](http://www.mypyramid.gov/global_nav/media_press_release.html).

**Figure 2**

## MyPyramid



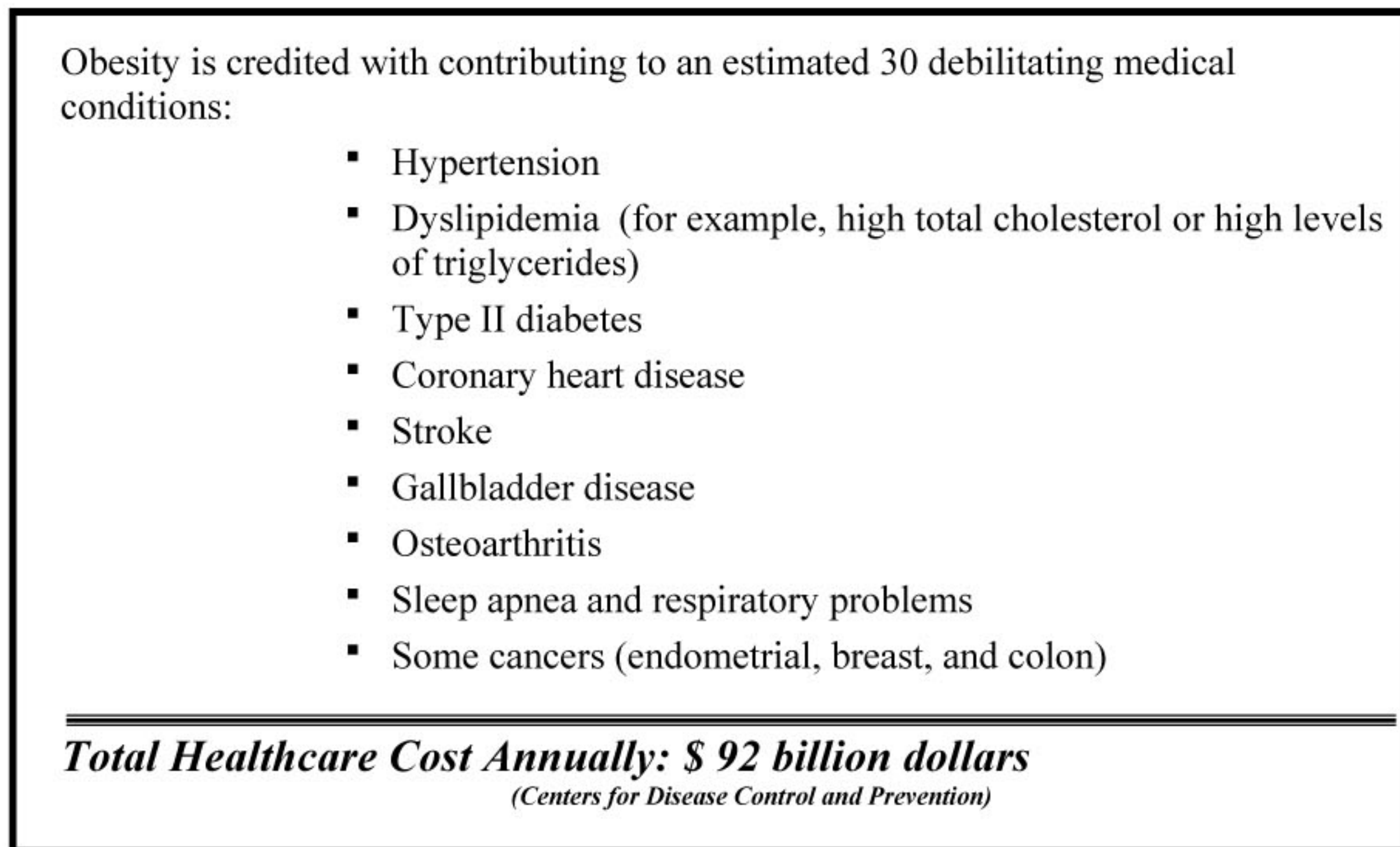
### Childhood Obesity in America

According to the Centers for Disease Control and Prevention, an estimated 34% of American adults are reportedly overweight, which means they are one to 34 pounds over their desired weight for height, while 32.% of adults are categorized as obese weighing 35 pounds or more over their desired weight.<sup>4</sup> The concerns over obesity are for the personal health of America’s citizens as well as its impact on the American economy. “Obesity is credited with contributing to an estimated 30 debilitating medical conditions (Figure 3) and on average costs \$ 92.6 billion dollars in health care costs annually”.<sup>5</sup>

<sup>4</sup> Shelley A. Hearne, Laura M. Segal, Patti J. Unruh, Michael J. Earls, and Paul Smolarcik. *F as in Fat: How Obesity Policies are Failing in America*. October 2004. 1-90.

<sup>5</sup> Centers for Disease Control and Prevention. *Economic Consequences*. Online from [http://www.cdc.gov/nccdphp/dnpa/obesity/economic\\_consequences.htm](http://www.cdc.gov/nccdphp/dnpa/obesity/economic_consequences.htm).

**Figure 3 Medical Consequences due to Obesity**



It is reported that 45 persons die to an obesity related illness *per hour* in the United States. Obesity is not impervious to socioeconomic, educational, cultural, religious, gender or age variables. Statistics from the Surgeons General Report (2001) “*Call to Action to Prevent and Decrease Overweight and Obesity*”<sup>6</sup> indicate the following:

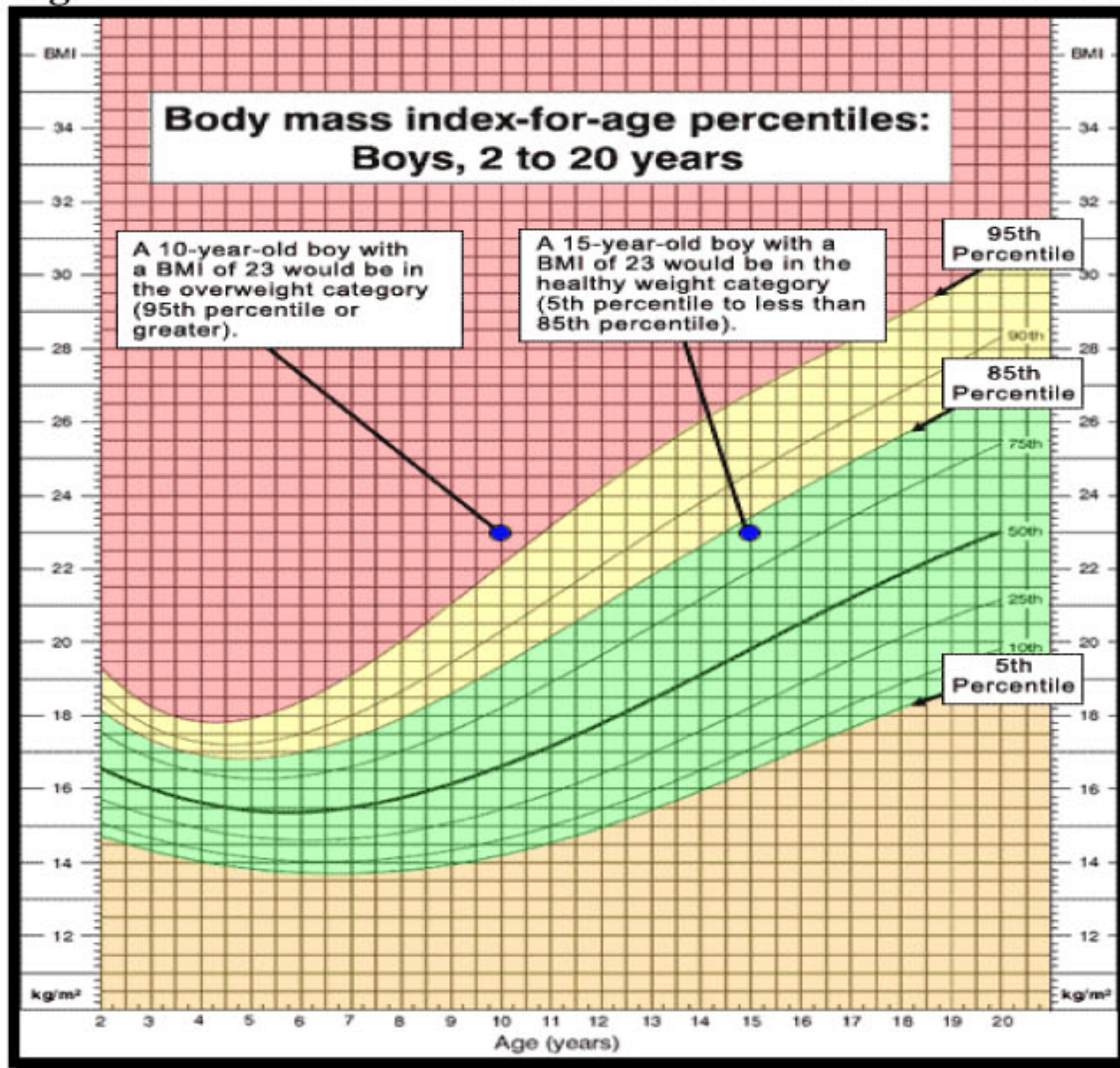
- For all racial and ethnic groups, women whose income is <130% of poverty threshold are 50% (estimated) more likely to become obese than persons of higher socioeconomic status
- The prevalence of obesity increases until age 60 years and begins to decline
- There is a greater prevalence of Mexican American men overweight and obese than non-Hispanic white and black men

<sup>6</sup> U.S. Department of Health and Human Services. The Surgeon General’s call to action to prevent and decrease overweight and obesity. [Rockville, MD]: U.S. Department of Health and Human Services, Public Health Service, Office of the Surgeon General; [2001].

- There is a greater prevalence of overweight non-Hispanic white adolescents from lower income families than those from higher income families, while, Mexican American boys tend to have a higher prevalence of overweightedness than non-Hispanic white or black boys

Sadly, obesity is not relegated to America’s adult population only. One of the largest groups suffering from obesity today is America’s youth. Statistics show childhood obesity is steadily on the rise, affecting one-third of American children, or approximately 12,600,00 adolescents and youth. “Children are classified as overweight if their body mass index (BMI), or their weight in relation to height for their age and same sex, falls at the 85<sup>th</sup> percentile point on CDC Growth Charts (Figure 4).”<sup>7</sup> Interpreted, a BMI-for-age-percentile at the 85<sup>th</sup> indicates this child is heavier than 85% of the children for that referenced age and same sex. A child at the 95<sup>th</sup> percentile classifies the child as obese.

**Figure 2:** Centers for Disease Control and Prevention BMI Growth Charts



<sup>7</sup> American Obesity Association, “Obesity in youth,” [online association]; accessed 12 July. 2007, from [http://obesity1.tempdomainname.com/subs/fastfacts/obesity\\_youth.shtml](http://obesity1.tempdomainname.com/subs/fastfacts/obesity_youth.shtml).

Despite not having data that identifies the number of children participating in the USDA Food Stamp Program who are overweight and obese, research indicates there is a greater prevalence for children becoming obese if reared in a family environment of lower socio-economic status hence the rationale for the Food Moderation Program to align itself with the USDA Food Stamp Program. According to the Bureau of Census (1995), the demographic outlook of two-thirds of families who are “food stamp program participants live on less than \$1000.00 dollars per month and on average have 2.6 children in the household”.<sup>8</sup> In yet another study of 2020 children of German descent, researchers concluded, “parental education as the primary variable closely associated with a child’s likeliness to become obese; children of the lowest social class were considered to have a three-fold risk of becoming obese than those in the highest socio-status group”.<sup>9</sup>

In addition to socioeconomic status, research indicates a direct link exist between race and obesity. The American Obesity Association indicates “African American, Hispanic American and Native American children and adolescents have particularly high obesity prevalence”.<sup>10</sup> Children who belong to minority populations and are overweight or obese are more than likely to be 1) raised in environments where educational attainment for the head of house hold is less than high school; 2) live in homes that comprise 88 percent of families who live below or are at 100% of the Federal poverty guidelines; and 3) raised in single family environments.

Data reported by the American Obesity Association indicate that over the past 30 years, the prevalence of obesity has “tripled for children represented in age groups 2-5 years and 12-19 years and has *quadrupled*, for children ages 6-11 years”.<sup>11</sup> Trends of less active lifestyles of today’s youth, is due in part to the influx of home entertainment options, excessive consumption of fast food, as well as an abundance of pre-packaged unhealthy food from which to select, causing this unfortunate epidemic. If these are indeed the reasons, then a dramatic change in this

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<sup>8</sup>United States Department of Commerce Economics and Statistics. Mothers Who Receive Food Stamps-Fertility and Socioeconomic Statistics. Issued August 1995.

<sup>9</sup>Lamerz, A., Kuepper-Nybelen, J., Wehle, C., Bruning, N., Trost-Brinkhues, G., Brenner, H., et al. (2005). Social class, parental education, and obesity prevalence in a study of six-year-old children in Germany. *International Journal of Obesity*, 29, p. 373–380.

<sup>10</sup>American Obesity Association. (2005). Obesity in youth. Retrieved July 12, 2007, from [http://obesity1.tempdomainname.com/subs/fastfacts/obesity\\_youth.shtml](http://obesity1.tempdomainname.com/subs/fastfacts/obesity_youth.shtml).

<sup>11</sup>Institute of Medicine. *Childhood Obesity in the United States: Facts and Figures*. Preventing Childhood Obesity: Health in the Balance, 2005

trend, in a democratic society like America will require a personal choice by the consumer to change eating habits; unless consumers change their eating behaviors these numbers will only get worse. That is, unless another entry point to the consumers' purchasing power can be identified to access and monitor the amount of unhealthy foods purchased – childhood obesity will continue to escalate.

In America, the government provides such an entry point to a select population of citizens through the United States Food Stamp Program. The Secretary of the United States Department of Agriculture, which oversees the USDA Food Stamp Program, has the authority to monitor food purchases of government program participants through the “Food Stamp Act of 1977”.<sup>12</sup> (Figure 4). In the legislation, ‘food’ is defined as any food or food product other than alcoholic beverages or ‘hot food’ prepared and purchased for immediate consumption. This understanding of the government’s authority establishes the basis for the Food Moderation Program.

#### **FOOD STAMP ACT OF 1977**

<p><b>(Title XIII of Public Law 95-113)</b> <b>September 29, 1977</b></p>
<p><b>Establishment of the Food Stamp Program</b></p>
<p><b><u>Section 4.</u></b></p>
<p><b>(c) The <u>Secretary</u> shall issue such regulations consistent with this Act as the Secretary deems necessary or appropriate for the effective and efficient administration of the food stamp program and shall promulgate all such regulations in accordance with the procedures set forth in section 553 of title 5 of the United States Code.</b></p>
<p><b>Definitions</b></p>
<p><b><u>Section. 3.</u></b></p>
<p><b>(g) “<u>Food</u>” means (1) any food or food product for home consumption except alcoholic beverages, tobacco, and hot foods or hot foot products ready for immediate consumption other than those authorized pursuant to clauses (3), (4), and (5) of this subsection, (2) seeds and plants for use in gardens to produce food....</b></p>

<sup>12</sup> Food Stamp Act of 1977, definition, sec. 3.



## **The Theoretical Framework of the Food Moderation Program**

The theoretical framework of such a program is simple, each month food stamp recipients would be allowed to purchase foods categorized as *energy dense nutrient poor* foods until they reach a predetermined food quantity allotment, which would be based upon household size. Once this amount is met, the recipient may not purchase food with their benefits from this category. Though simple in theory, the following are areas of concern for effective implementation of this concept. The most critical concerns are:

- Defining Healthy versus Unhealthy Food Products
- Determining Limits
- Creating Systems of Management
  - a. From the Overseer's Perspective
  - b. From the Recipient's Perspective
- Government Buy-in
- Costs

While referred to as 'critical', I have found in my study of this concept, model programs for each concern. Further study will determine if the model programs provide adequate functionality for adaptation for a Food Moderation program; these models will be used to illustrate the potential feasibility of the proposed concept.

### **Defining Healthy versus Unhealthy Food Products: The Women Infant and Children or W.I.C. Program is the model of illustration**

Women Infant and Children or WIC is a USDA program which targets low income expectant and postpartum women, infants, and children five years or less and provides food supplements in an effort to prevent the prevalence of low birth weight babies, anemia, and other medical conditions associated with this population of people. The WIC program is a model of choice in defining healthy versus unhealthy foods for the Food Moderation Program since classifications are based upon assisting recipients with achieving a balanced and nutritious diet. The WIC program identifies a group of stakeholders and government employees who define guidelines

using the percentage of Daily Value to identify and classify healthy and unhealthy foods for WIC Program approved food list.

In this example, the juice containing 25 mg of Vitamin C/100 ml would not be WIC approved and perhaps a food item that would be moderated in the Food Moderation Program.

**How does W.I.C. determine if a juice meets the Vitamin C requirement by using the Daily Value?**

**Example:**

A juice label indicating the juice has 100% of the DV contains 25 milligrams of vitamin C per 100 milliliters of juice, while Federal regulations require WIC-eligible juices to contain 30 milligrams of Vitamin C per 100 milliliters of juice. Thus, for W.I.C. approval, the juice label must indicate it contains 120% of the DV of Vitamin C.

**Food & Drug Administration Requires**

A juice label indicating it has 100% of the DV contains 25 mg of Vitamin C per 100 ml of juice.

vs.

**Government Requires WIC**

Minimum of 30 mg of Vitamin C per 100 ml of juice or 72 mg of Vitamin C per 8 fl. Oz

**Comparatively:**

**An additional 5 mg of Vitamin C is required for the juice to be considered WIC eligible.**

In addition to the WIC equation-design to establish approval of a food item for the Food Moderation program, a useful tool to augment this procedure is the USDA's Database for the Added Sugars Content of Selected Foods, which provides a list of common foods that contain added sugars. This instrument was prepared by the Nutrient Data Laboratory in response to the increasing interest of research generated on the topic of health and obesity prevention. The following is a criterion of laboratory measure along with ingredients considered when calculating foods that contain added sugars and sweeteners:

“Added sugars were calculated from total carbohydrate and total sugar values, using ingredient listings to identify added sugar sources”.<sup>13</sup>

Ingredient Listings:

- Sugar [granulated (sucrose), brown, powdered and maple]
- Honey
- Single ingredient
- Fruit Concentrates
- Mono- and disaccharides [e.g., fructose, lactose, maltose, glucose (dextrose)]

**Who Defines Guidelines for the Food Moderation Program?**

Identifying who defines program guidelines may be a rather sensitive topic particularly because being denied an opportunity to make personal choices without government input is to some a violation of one’s civil liberties and poses the greatest concern regarding this issue. Yet the Federal government has exercised its authority by policing program participants’ purchases’ since the inception of the Food Stamp Program. Should the idea of entitlement cloud our judgment regarding our personal health? A report published by the Economic Research Service, Clearly, indicates “consumers make poor diet choices because they do not bear all the health costs of their choices”.<sup>14</sup> The economic burden of obesity ultimately winds up a problem for the taxpayers and again the rationale for a moderation program.

The WIC classification system can also answer the question of ‘who’ defines the Food Moderation program guidelines. The WIC Approved Food List is developed with input from appropriate stakeholders (e.g. participants, Project staff, vendor representatives, State staff), in using established criteria, with subsequent approval by the USDA. A similar panel could be assembled for a limiting food program with final approval reserved for the USDA.

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<sup>13</sup> United States Department of Agriculture. USDA Database for the Added Sugar Content of Selected Foods. February 2006.

<sup>14</sup> Fred Kuchler, Golan Elise, Jayachandran N. Varyiam, Stephen R. Crutchfield. Obesity Policy and the Law of Unintended Consequences. Report prepared for United States Department of Agriculture. 3 p.1-8.

## **Establishing Food Item Quantity Allotment**

The USDA Food Distribution Program on Indian Reservations (FDPIR) serves approximately “108,000 low-income Native American Indians and non-Indians residing on or near an Indian reservation and the most feasible model to use as a guide to formulate a monthly food quantity allotment for the Food Moderation program. The FDPIR program provides commodity food privileges based upon household size for low-income American Indian and non-Indian households that reside on or near a reservation”.<sup>15</sup> Households participate in this program as an alternative to the Food Stamp Program, because they do not have easy access to food stamp offices or authorized food stores.

In a response from a spokesperson for the USDA Food Distribution Program on Indian Reservations regarding program design/format for determining household quantity allotment, he indicated a” food package review work group consisting of tribal leaders, representatives from the Centers for Disease Control, John Hopkins School of Public Health and other constituents collaborate to ensure food packages for this program are nutritionally sound and appeal to the target market, while minimizing cost”.<sup>16</sup> With this in mind, the food package is designed to follow the number of recommended servings in USDA’s MyPyramid and the Dietary Guidelines for Americans. An example of the FDPIR monthly distribution for select commodity foods is provided in the chart below (Figure 5). In this example, for a household of three, each member will receive what is equivalent to three 46.oz cans of a variety of juices per month. While this program distributes food in general to its participants, the formula used to determine food quantity allotment for household size can be a great starting point for the Food Moderation program.

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<sup>15</sup> United States Department of Agriculture. Program Overview. Online from <http://www.ers.usda.gov/publications/CCR4/CCR4b.pdf>.

<sup>16</sup> Sheldon Gordon, E-mail to author, 19 July 2007

**FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS  
INTERIM MONTHLY DISTRIBUTION GUIDE RATES BY HOUSEHOLD SIZE  
Effective: October 1, 2006**

Household Size	1	2	3	4	5	6	7	8	
Commodity	Number of Items Per Month								Choices
<b>BREAD, CEREAL, RICE, AND PASTA</b>									
Cereal, Dry (all sizes)	1	2	3	4	5	6	7	8	Corn, Oat, Rice, Bran
Canned Juice (46 oz. can)	3	6	9	12	15	18	21	24	Apple, Grape, Grapefruit, Orange, Pineapple, Tomato, Cranberry-based

Source: Food Nutrition Service Handbook, 501

Ultimately, the success of the Food Moderation Program will depend upon the ability for program requirements to be effectively managed. Specifically, technology design and implementation, administrative support, and most importantly accuracy in tracking and evaluating each recipient’s family nutritional profile during the point of sale are critical challenges that warrant further and engaging examination to determine program feasibility. An in depth look of the Electronic Debit Transfer system was done in an effort to understand and appreciate if the existing technology mainframe utilized by the USDA Food Stamp Program is armored to respond to such an undertaking. Technology advances already incorporated in the EBT system, that maintain and track recipients’ monthly benefits allotment and usage thereof is key to implementation of the Food Moderation Program.

**Electronic Benefits Transfer System: Briefing**

The Electronic Debit Transfer card implemented nationwide of October of 2002 replaced the paper coupon program, which allows purchases to be tracked electronically. The recipients’ card is swiped, a personal identification number (PIN) is entered, and “benefits are deducted from the household’s monthly allocation”. This process may be conducted “on-line” or “off-line”. With

the on-line authorization process, a processor verifies the PIN number and available benefits, and an authorization or denial is sent back to the retailer. Conversely, in the “off-line” process, a microchip located in the card verifies the point of sale transaction and the chip is debited for the purchase amount; at the end of the day, the point of sale (POS) “contacts the host to perform settlement and update the database information” The EBT is considered the Food Nutrition Services’ “smart card”. Benefits of the EBT card include:

- “EBT saves the federal government time and money given that the process of printing, safeguarding, distributing, accounting for, and destroying the coupons is eliminated. Automation has improved the accounting process
- EBT system creates an electronic record of each food transaction, making it easier to identify and document instances of food stamp fraud or abuse”<sup>17</sup>
- The EBT is interoperable –states must be able to process each others cards and portable - allowing recipients to use state to state. The EBT Interoperability and Portability Act of 2000 (Public Law 106-171)
- Each States welfare department electronically deposits the appropriate amount of benefits into the recipients account monthly
  
- Remaining balance is printed on each receipt after use
  
- Over 99.8 percent of food stamp benefits are currently being issued by EBT
  
- EBT card tracks the purchase of the following food & nonfood items:  
Prepared items for the vendor’s deli counter - pet foods; soaps, paper products, and household supplies; grooming items, toothpaste, and cosmetics - alcoholic beverages and tobacco - vitamins and medicines

**Management from the Government’s Perspective:**

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<sup>17</sup> United States General Accounting Office. Food Stamp Program: Implementation of Electronic Benefit Transfer Systems. Washington, D.C. : GAO, 2002.

The primary concern the Federal government would be challenged to achieve is enhancement of the EBT technology infrastructure which would need to be designed to accurately identify food items to be moderated and tracked at each point of sale under the Food Moderation program. The Food Stamp Program EBT system is currently designed so that cash transactions are accounted for rather than food items; however, technology currently being piloted for the WIC Program is formatted to account for quantity and type of food items purchased and other benefit services. The Food Moderation concept as an entity of the Food Stamp Program would now require dual capabilities of EBT technology; tracking cash and food quantity transactions.

The Food Moderation concept under the umbrella of the Food Stamp Program would require a cash transaction only program to be revamped for purposes of tracking food quantity items. The concept of dual functionality of the EBT system is currently being piloted by the many states throughout the nation in an effort to offer more comprehensive coverage for beneficiaries. Several states have conducted pilots with the intent to develop EBT systems that will allow/have the capability to deliver cash benefits, Supplemental Security Insurance (SSI), refugee assistance, in addition to Food Stamp benefits. The EBT hybrid card is currently being piloted in the states of Wyoming and Delaware, for its ability to effectively “deliver food stamps and cash benefits via the magnetic stripe and WIC benefits via the chip”.<sup>18</sup>

In an effort to enhance WIC recipients’ ability to access benefits from other federal programs in which they are program participants, specifically the Food Stamp Program, the state of Delaware has examined the possibilities of hybrid technology, which utilizes a magnetic strip and a magnetic chip allowing for cash purchases or other non-monetary purchases or transactions to be made. The magnetic strip alongside the hybrid card allows for monetary benefits to be accessed. Working from a telephone “online” system, available funds are verified after the card is swiped at a point of sales terminal or automated teller machine. The account is instantly debited for the transaction amount and at the end of the day all EBT transactions are tallied by

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<sup>18</sup> Michael A. Stegman, Jennifer S. Lobenhofer, and John Quintero. The State of Electronic Benefit Transfer (EBT). December 2003. P. 1-45.

the vendor and sent to the Federal Reserve via the Automated Clearing House; the USDA remits the funds to the state via the Federal Reserve.

The magnetic chip in the hybrid card delivers non-monetary benefits via an off-line process. “An off-line system utilizes an EBT card that has a chip embedded in it that stores information regarding the users benefit level. The new technology design is rather resourceful, permitting the storage of a variety of the beneficiary’s vital information. Nutritional food prescription programs (e.g. formula, cheese, cereal) and health services information (e.g. appointment dates, immunization information) provides the client with greater access to information. Moreover, this advanced technology promises to streamline business practices, improve accountability, and program fiscal management for states”.<sup>19</sup>

Wyoming, the first state to offer a combined WIC and Food Stamp benefits construct via EBT technology, and an appropriate model of illustration for the technology design of the Food Moderation. The Food Moderation Program similar to WIC programming would mandate a prescription for type and quantity of food per household, and according to Joseph Williams, Wyoming State Electronic Benefit Transfer Program Manager, this request may be rather complicated to monitor. In a Congressional hearing before the Senate Agriculture Committee, Williams identified several challenges posed by this new technology. Of the three challenges defined, “authorization of food items in accordance with the program participants’ prescription, in addition to tracking purchases via an off-line process”<sup>20</sup> present two challenges encountered and are potential programmatic barriers that may threaten effective application for the Food Moderation Program. Although further research is required to completely address these issues, the following are approaches the state of Wyoming is considering for further study as potential solutions for these concerns and accordingly, may be adopted for the Food Moderation concept:

- “State authorized, electronic WIC Universal Product Code (UPC) listing of authorized foods”<sup>21</sup> ensures foods (e.g. soda, sweetened cereals) to be moderated under the Food Moderation program are accurately tracked

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<sup>19</sup> United States General Accounting Office. Food Stamp Program: Implementation of Electronic Benefit Transfer Systems. Washington, D.C. : GAO, 2002.

<sup>20</sup> Congress Senate Agriculture Committee, WIC reauthorization hearing - Electronic benefit transfer for WIC. 17 March 1998, SR-328A

<sup>21</sup> Program Analysis and Monitoring Branch Supplemental Food Programs Division



- Off-line processing for the Food Moderation concept may require additional memory capacity to accommodate program requirements

**Management from the Recipients Perspective:**

Government officials work hard not to impact negatively, the esteem of food stamp recipients. The risk of negative encounters is greatest when the recipient is checking out. It is at that time the recipient could be told by a store clerk that they don't have enough money in their account for the desired items of purchase or in the case with the Food Moderation concept, may have exceeded the food quantity allotment. "When purchases are stalled or denied at the point of sale (POS), three groups are immediately affected":<sup>22</sup>

1. Customers attempting to make purchases at the POS become frustrated because they cannot complete their transactions.
2. Other customers waiting for their turn at the POS may decide to skip their purchases because of the delay.
3. Merchants lose revenue from lost sales. Also, they often have to spend management time and money sorting through the problematic transaction's issues.

To minimize such encounters with the Food Moderation Program', I propose the government set up alternative ways for recipients to receive their food allotment balance:

- One proposed option is to set up conveniently located kiosks at stores at which recipients could swipe their card and receive a printout of food balance
- The second suggestion is to set up online accounts allowing recipients to access and monitor benefits via the internet
- Print food quantity balance at the bottom of receipt as is done currently with Food Stamp program monetary balance

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Food and Nutrition Service. WIC Electronic Benefit Transfer (EBT) System Development, Implementation, and Expansion – 5-year Plan (2003 – 2008). United States Department of Agriculture. January 2003.

<sup>22</sup> Federgreen, Ross. Elementary EBT. The Green Sheet, 7, 26 September 2007, accessed online from [http://new.greensheet.com/gs\\_archive.php?issue\\_number=070202&story=13](http://new.greensheet.com/gs_archive.php?issue_number=070202&story=13)

This system of management would place a measure of responsibility upon the recipient, however, it does give the recipient the opportunity to avoid negative encounters while staying informed of their balance.

### **Government Buy-In**

For a Food Moderation Program to be successful, the federal government would need to mandate all states participating in the Food Stamp Program institute the “moderation” program as required by the EBT Interoperability and Portability Act of 2000 (Public Law 106-171), otherwise, recipients would not be able to use benefits from state to state.

### **Program Cost for a Food Moderation Program**

The main issue underlying the feasibility of this concept is costs. At this point in my research, the major costs for implementing this system appear to be with equipment purchases, system development, and data entry. Further research is needed to provide an accurate estimate of each. It is to be hoped that if adopted a moderation concept could yield savings in healthcare costs for future generations proving to be a financially sound investment.

In closing it is with comfort to consider the myriad of initiatives introduced to combat obesity. A few of these initiatives are:

- The Congressional mandate Local School Wellness Policy, which requires all school districts participating in the National School Lunch Program and/or School Breakfast Program to develop guidelines for nutrition education, physical activity, and foods and beverages sold on campuses
- The “*Healthy People 2010*” A Blueprint for America, is a prevention agenda for the nation which identifies 10 Leading Health Indicators considered major public health issues.
- In 2004, the state of Minnesota petitioned to prohibit food stamp recipients from purchasing candy and soft drinks with USDA benefits. In this letter the federal government denied the request. However, the initiative was a valiant attempt by Minnesota to set the tone as the first state in the nation to become a model as an agency of change!
- Lastly, in 2001, former Surgeon General David Satcher published a report entitled “*Call to Action to Prevent and Decrease Childhood Overweight and Obesity*”,

which appeals and challenges all sectors of the community to become involved to effectively mitigate this critical health threat.

This flurry of activity targeting obesity on the State and Federal levels of government bespeaks to me recognition of obesity a major health threat in America. Concepts like a “Food Moderation Program” could also be part of the answer in impacting the obesity problem in **America**. Please note that the aim of the concept of “moderating” unhealthy food quantities may appear as a truncation or violation of one’s civil liberties, however, the intent is not to insult, dehumanize, stigmatize, stereotype, nor even single-out a select population or culture of people, it is instead, a fresh and innovative way to identify windows of opportunity to change the course of this epidemic and the physical health of our country. I would encourage those who are resistant to change to consider the words Goethe who said: “*Knowing is not enough; we must apply. Willing is not enough; we must do.*”

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