



# FARM BILL

## **IMPROVING DIETS OF LOW-INCOME AMERICANS THROUGH SNAP PRICING INCENTIVES**

A PUBLIC HEALTH  
**PRIORITY**

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# IMPROVING DIETS OF LOW-INCOME AMERICANS THROUGH SNAP PRICING INCENTIVES

## A PUBLIC HEALTH PRIORITY

### Who We Are

Based within the Bloomberg School of Public Health, The Johns Hopkins Center for a Livable Future (CLF) is an academic center that conducts and promotes research and communicates information about the complex inter-relationships among food production, diet, environment and human health. The Center investigates these issues, and advocates on behalf of policies to protect the public's health and the environment, enhance food system sustainability, and increase food security. Improving the "Farm Bill" is a major priority for the CLF.

### OUR POSITION:

CLF supports expanding pricing incentives for fruit and vegetable purchasing by SNAP participants, including promoting purchases at farmers markets.

### Introduction

The Supplemental Nutrition Assistance Program (SNAP) helps more than 45 million Americans meet their caloric needs each month.<sup>1</sup> If the program provided incentives to purchase fruit and vegetables (F&V), it would go much further toward addressing nutritional needs, while also potentially reducing health disparities and supporting America's farmers. Benefits for farmers and farming economies can be maximized by incentive programs geared toward local and regional produce. Evidence has shown that **pricing incentives can increase fruit and vegetable purchasing, benefitting consumers' health and farmers' incomes.**

### Why Do We Need Pricing Incentives within SNAP?

**Low-income Americans eat too few fruits and vegetables and have a high burden of diet-related chronic diseases.**

SNAP participants and other low-income Americans are more likely to have a poor quality diet with inadequate consumption of

fruits and vegetables, which are essential for good health.<sup>2,3,4</sup> The USDA promotes eating fruits and vegetables as part of an overall healthy diet to reduce risk for chronic diseases<sup>5</sup> that have been linked with low F&V consumption including cardiovascular disease,<sup>6,7</sup> stroke,<sup>8</sup> and certain cancers.<sup>9</sup> Diets high in F&V and low in energy density<sup>10</sup> have been recommended for managing hypertension<sup>11</sup> and obesity.<sup>12,13</sup> Obesity and diet-related illnesses disproportionately impact low-income populations.<sup>14</sup> For example, coronary heart disease is 40 percent higher among those living below the federal poverty line compared with higher-income Americans.<sup>15</sup>

### **High prevalence of chronic diseases places an enormous strain on the health care system and the economy.**

Chronic illnesses account for more than 75 percent of health care spending.<sup>16</sup> In 2003, the total cost of cancer, hypertension, heart disease and stroke (including medical costs and loss of work productivity) was \$836 billion, and by 2023 that figure is projected to more than triple to \$3 trillion.<sup>14</sup>

### **SNAP participants and other low-income Americans face many barriers to eating a high quality diet rich in fruits and vegetables.**

SNAP participants and other low-income Americans are more likely to live in neighborhoods with limited access to supermarkets,<sup>17,18,19</sup> and SNAP participants who do not shop at supermarkets are less likely to eat fresh fruits and vegetables.<sup>17</sup> Many residents in low-income neighborhoods instead rely on small independent

grocers where availability of F&V is highly limited,<sup>20</sup> typically more expensive, and of poorer quality.<sup>17,21</sup> Price is commonly cited by low-income people as a barrier to eating a healthier diet, although there is some debate about whether fruits and vegetables are more expensive in the U.S. overall. A recent study by the USDA suggests F&V are less expensive if measured by average portion size. But there is evidence that low-income consumers consider energy density when making food choices; they consider how to get the most calories to satiate hunger and meet daily energy needs at the lowest cost. By this metric, high-energy and nutrient-poor foods are typically the less expensive option.<sup>22</sup>

### **All Americans should have access to resources that allow them to make healthy choices for themselves and their families.**

Adding pricing incentives within SNAP for the purchase of F&V could help low-income Americans close the gap in healthy food access and improve dietary quality. Increasing the incentive for SNAP participants to purchase healthy foods may also provide an incentive for store operators in low-income areas to provide more F&V, as the purchasing power of their customer base expands for those products.<sup>37</sup>

## **How do we know pricing incentives could work?**

Pricing strategies have been used effectively in many public health campaigns, perhaps most notably in taxing cigarettes to discourage smoking habits. Further, there is evidence that pricing

strategies can be used successfully to promote fruit and vegetable consumption in settings ranging from vending machines and school cafeterias<sup>23</sup> to grocery stores and farmers markets. For example:

- A 50 percent price reduction in a secondary school cafeteria in Minneapolis quadrupled consumption of fruit and doubled consumption of baby carrots.<sup>23</sup>
- A study among WIC participants in Los Angeles found a \$10 weekly coupon for F&V resulted in an increase in consumption of 1.4 servings per 1,000 calories consumed among farmers markets participants, and 0.8 servings among supermarket participants. Increases were sustained at six-month follow up.<sup>24</sup>
- Based on price elasticity (responsiveness of demand to changes in price), a 10 percent reduction in the price of F&V is estimated to lead to a 5.2 percent increase in fruit and 7.9 percent increase in vegetable consumption.<sup>25</sup>

## What Could SNAP Incentives Mean for Local Economies and Farmers?

Ensuring any federal nutrition incentive program is redeemable at outlets where local and regional food is sold would enable the program not only to improve the quality of SNAP participants' diets, but also to help keep federal dollars circulating in local economies. Several studies have found that shopping at farmers markets increases F&V consumption among nutrition assistance participants and can be less expensive than supermarkets.<sup>26,27,28,29,30</sup>

In addition, farmers markets can benefit the local economy, bringing foot traffic and higher sales to area businesses and generating jobs directly and indirectly related to the farmers market.<sup>31,32,33,34</sup>

For more information on such benefits see CLF's brief: [Reuniting SNAP Participants and Farmers Markets by Funding EBT Programs.](#)

### Wholesome Wave's Double Value Coupon Program (DVCP)<sup>35</sup>

As of 2012, the national non-profit Wholesome Wave partnered with nearly 300 farmers markets in 25 states.

The Wholesome Wave's Double Value Coupon Program doubles the monetary value of SNAP dollars when they are used at participating farm-to-retail venues for the purchase of fruit and vegetables. In 2010, an estimated 20,000 federal food assistance participants took part in DVCP.

87 percent percent of consumers reported DCVP "increased" or "greatly increased" their F&V consumption.

80 percent of vendors self-reported an increase in sales due to DVCP, with vendors selling fruits and vegetables more likely to report higher sales.

The program generated \$1 million in revenues for local producers.

## Conclusion

The aim of SNAP is to "put healthy food within reach for low-income households."<sup>36</sup>

But “within reach” is a relative concept. Low-income populations often must pay more for healthy foods than for less healthy foods—in dollars and/or in time. Incentivizing healthy foods through SNAP in the Farm Bill could help close this price gap and help SNAP participants meet federal dietary guidelines, addressing a basic injustice and potentially reducing health care costs as well. If the incentives program includes food outlets where local and regional food is sold, incentives could also keep money in area economies, creat-

ing jobs and supporting local and regional businesses and farmers. The evidence is sufficient to move forward with this program in this Farm Bill. Pricing incentives work.

**CLF supports expanding pricing incentives for fruit and vegetable purchasing by SNAP participants, including promoting purchases at farmers markets.**

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The opinions expressed do not necessarily reflect the views of Johns Hopkins University.