

SUBJECT: Authorizing a grant program to distribute surplus agriculture products

COMMITTEE: Agriculture and Livestock — favorable, without amendment

VOTE: 6 ayes — Swinford, McReynolds, Hardcastle, Miller, Green, Kolkhorst

0 nays

3 absent — Christian, B. Brown, Hupp

WITNESSES: For — Janie Davis, High Plains Food Bank; Terri Drefke, Food Bank of the Rio Grande Valley; Celia Hagert, Center for Public Policy Priorities; John McClung, Texas Produce Association; Ray Prewett, Texas Citrus Mutual and Texas Vegetable Association; Jill Turner, Texas Farm Bureau

Against — None

On — Susan Combs, Texas Department of Agriculture

DIGEST: HB 1086 would add Chapter 20 to the Agriculture Code, authorizing the Texas Department of Agriculture (TDA) to develop a program by rule to award grants to nonprofit organizations for collecting and distributing surplus agricultural products to food banks and other charitable organizations that serve needy or low-income individuals.

A nonprofit organization could receive a grant if it had five years of experience coordinating a statewide network of food banks and charitable organizations that serve each county of the state, operated a program that coordinates the gathering and transport of surplus agricultural products to a statewide network of food banks, and submitted to TDA a proposal for the collection and distribution of surplus agricultural products to food banks or other charitable organizations. A nonprofit organization that received a grant would have to report the results of the project to TDA.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2001.

SUPPORTERS
SAY:

HB 1086 would provide needed grant support for nonprofit efforts to collect surplus produce from farmers for distribution to charities that feed the hungry. HB 1086 would benefit many different parties, including growers, food banks, and the needy. With proposed state funding of \$500,000 in grants for the biennium, an estimated 4.5 million additional pounds of produce with a value of roughly \$6 million would reach hungry Texans. According to food banks, the benefit gained from this investment would be 12 times greater than the expense.

The Texas Association of Second Harvest Food Banks (TASHFB) represents the largest network of food banks in the state. These 19 food banks distribute food to 3,700 charitable agencies that serve all 254 counties. In 1999, TASHFB collected and distributed 125 million pounds of food (valued at \$177 million) to its network of charities. These charities served 33 million hot meals to hungry Texans and provided bags of groceries to 2.5 million households, representing approximately 7.5 million people.

Although TASHFB receives some donated USDA commodities from the federal government, over 75 percent of its support is from local businesses, individual donors, the agricultural community, and private foundations. Private funding generally is limited to start-up money and only can be used to package and transport fresh produce that originates in a certain area, such as the Rio Grande Valley. When fresh produce becomes available in other parts of the state, it is not accessible unless the local food bank in that area can afford to pay the costs connected with gathering and transporting it.

Grant proceeds under HB 1086 could be used to give farmers incentives to participate, such as payment for harvesting fees. In practice, funds have not been available to help compensate farmers for the costs associated with their donations. Due to financial limitations, millions of pounds of surplus produce that could feed hungry families go to waste each year. West Texas alone has an estimated 20 million-pound food surplus each year. The grant program could help reduce disposal and waste fees associated with throwing away surplus produce.

The grant program also could allow food banks to supplement their donations with more fresh produce, thereby conserving limited funds for other items, such as high-protein foods, that rarely are donated. Needy individuals and families would have greater access to more nutritious food,

which would promote better health. Consumption of fresh produce can serve as a preventive health measure, and promoting a healthier population could mean lower state health-care costs in the long run.

OPPONENTS
SAY:

The state should be wary about setting up a new program to supply needs already being met through federal programs and private contributions. Food banks and related nonprofit organization should pursue additional private resources to support their efforts.

OTHER
OPPONENTS
SAY:

While supplying more needy people with produce is important, the language of the bill is so specific that it would apply to only one food bank network in Texas, effectively preventing other food banks from competing for the funds. Government should avoid subsidizing a single, nonprofit organization.

NOTES:

According to the fiscal note, HB 1086 would cost \$500,000 for the biennium. The money for these grants would be contingent on a proposed rider in the general appropriations bill.

The companion bill, SB 398 by Duncan, is scheduled for a hearing today before the Senate Natural Resources Committee.