



FY 2011 Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Bill

Program	2009	2010	2011 President	2011 TFAH
Healthy Food Financing Initiative (USDA)	0	0	\$50,000,000*	\$50,000,000*

Background: Americans are not as healthy as they could or should be. Two-thirds of American adults are obese or overweight, and approximately 23 million children in the U.S. are obese or overweight. Poor diet is one of the many contributing factors to obesity and poor health. To promote healthy eating in the U.S., we must ensure access to nutritious foods. Yet, nationwide, USDA estimates that 23.5 million people, including 6.5 million children, live in low-income areas that are more than a mile from a supermarket. A 2003 study found that living near a supermarket was directly related to meeting the U.S. Dietary guidelines for fruit and vegetable intake. Improving access to healthy foods is essential to promoting healthy eating. Effective local programs, such as the Food Trust in Pennsylvania, have shown that targeted financial and technical assistance can help increase access to healthy foods in communities that lack such options.

Healthy Food Financing Initiative. The President’s FY 2011 budget proposes a new initiative that is designed to support local and regional efforts to increase access to healthy foods, particularly for the development of grocery stores and other healthy food retailers in urban and rural food deserts and other underserved areas. This multi-year, multi-agency initiative would involve the U.S. Department of Agriculture (USDA), the Department of Health and Human Services and the Department of the Treasury, which would partner to make available over \$400 million in financial and technical assistance to community development financial institutions, other nonprofits, public agencies, and businesses with sound strategies for addressing the healthy food needs of communities. These organizations will use Federal grants, below-market rate loans, loan guarantees and tax credits to attract private sector capital for an even greater investment in projects that increase access to fresh produce and other healthy foods, with the goal of substantially reducing the number of food deserts in the U.S.

*The FY 2011 budget proposal for the USDA includes a total of \$50 million for the initiative. This includes an additional \$35 million for financial and technical assistance, including assistance made through the Intermediary Relending Program of the Rural Development mission area. In addition, \$15 million would be reserved from specified accounts in the Rural Development and Marketing and Regulatory Program mission areas to provide additional support for the initiative. These funds will be made available for a number of loan, grant, promotion, and other programs that provide financial and technical assistance to support market planning and promotion efforts as well as infrastructure and operational improvements designed to stimulate consumer demand, enhance marketing, expand demand and retail outlets for farm products, and increase availability of locally and regionally produced foods.

Recommendation: Provide \$50 million for USDA’s portion of the Healthy Food Financing Initiative, as requested in the President’s FY 2011 budget proposal.

Food Safety and Nutrition

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	FY 2009 Omnibus	FY 2010 Enacted	FY 2011 President	FY 2011 TFAH
FDA – Foods	\$643,545	\$784,115	\$846,007	\$955,000

Figures are in thousands, exclusive of user fees.

Food and Drug Administration (FDA) – Foods Program:

Approximately 76 million Americans – one in four – are sickened by foodborne diseases each year. Of these, an estimated 325,000 are hospitalized and 5,000 die. Recalls have devastated entire industries. Experts estimate that most foodborne illnesses could be prevented if the right measures were taken to improve the U.S. food safety system. Eighty-five percent of known foodborne illness outbreaks are associated with FDA-regulated food products.

A 2008 report by the FDA Science Board’s Subcommittee on Science and Technology found that continual underfunding of FDA has forced the agency to severely curtail food inspections (a 78 percent reduction over 35 years) at a time when the number of food producers has grown exponentially at home and abroad. Studies from the National Academy of Sciences (NAS), the Institute of Medicine (IOM), and the U.S. Government Accountability Office (GAO) have also all raised serious concerns about FDA’s ability to keep the country’s food safe given existing budgets and authorities. According to GAO, the turnover rate in FDA science staff is twice that of other government agencies. Between 2003 and 2007, the main food safety function at FDA lost 20 percent of its science staff and 600 inspectors.

In order to meet the demands of an increasingly global food supply and help modernize America’s food safety system, FDA requires an increased, stable funding stream for its food activities.

Recommendation: Provide \$955 million in appropriations for FDA’s food programs. New funding would support standards for safety, expand laboratory capacity, pilot track and trace technology, strengthen the import safety program, improve data collection and risk analysis and begin to establish an integrated national food safety system with strengthened inspection and response capacity.

The President’s budget also proposes \$220 million in new user fees that have not yet been authorized by Congress. The funding would be paid by food facilities to cover the cost of increased inspections if proposed food safety legislation is enacted. TFAH supports minimum inspection standards proposed in House-passed (H.R. 2749) and Senate proposed (S. 510) food safety legislation as a means to enforce prevention-based standards in food facilities. However, we are concerned that funding inspections directly through user fees will create a conflict of

interest and place undue pressure on the agency. If the Appropriations Committee chooses to include fees to fund FDA's additional authorities, we urge the Committee to formulate these as registration fees that fund the general food safety budget, not exclusively inspections.