

# California Legislature



## ASSEMBLY COMMITTEES ON HUMAN SERVICES AND AGRICULTURE

### Oversight Hearing

Wednesday, March 26, 2025

2:30 p.m. – State Capitol, Room 126

### *From Seed to Sustenance:*

### *Harvesting Insights on California's Food Systems & Nutrition Initiatives*

#### Executive Summary

California, the nation's leading agricultural producer, paradoxically faces a significant food insecurity crisis, impacting millions of residents despite its abundant food supply. As the state grapples with rising economic inequality, inflation, and shifting federal policies, the urgency to address food access, nutrition assistance programs, and systemic barriers has never been greater. This paper will examine the root causes of food insecurity and assess the effectiveness of food assistance programs in mitigating hunger across diverse communities.

Food insecurity affects 22% of California households, with an even higher prevalence among households with children and marginalized communities. Agricultural workers, despite their essential role in food production, are among the most food-insecure populations. Economic pressures, including high housing costs and stagnant wages, further exacerbate the challenge, forcing families to make difficult choices between food and other necessities. Additionally, geographic disparities such as food deserts and food swamps limit access to fresh, nutritious options, disproportionately affecting low-income urban and rural areas.

A critical component of this paper is the examination of state and federal food assistance programs, including CalFresh, federally known as the Supplemental Nutrition Assistance Program or SNAP, the California Food Assistance Program (CFAP), school meal programs, and food banks. While these initiatives provide vital support, barriers such as complex enrollment processes, administrative burdens, and stigma contribute to underutilization. The expiration of federal pandemic-era enhancements to SNAP benefits, coupled with potential federal policy shifts, threaten to widen existing food insecurity gaps. Addressing these structural challenges is essential to ensuring a more equitable and resilient food system.

Moreover, California's agricultural sector faces mounting pressures, including climate change, labor shortages, and market fluctuations, all of which impact food availability and affordability. Strengthening farm-to-table initiatives, expanding local food distribution networks, and investing in sustainable agricultural practices can help bridge the gap between food production and consumption.

## Part I: Overview of Food Insecurity and Real-life Impacts

Food insecurity is a multi-faceted issue that exists on a continuum, ranging from secure access to food to chronic and severe deprivation. Over the last 50 years, definitions of food security have evolved to reflect a broader understanding of economic, social, and environmental factors affecting food access. The United States (U.S.) Department of Agriculture (USDA), which monitors food insecurity and oversees the nation’s largest food aid programs, defines food security as “access by all people at all times to enough food for an active, healthy life.” It categorizes food security into four levels:

**Ranges of Food Security**

LEVEL OF SECURITY		DEFINITION
Food Secure	High Food Security	Households had no problems, or anxiety about, consistently accessing adequate food
	Marginal Food Security	Households had problems or anxiety at times about accessing adequate food, but the quality, variety and quantity of food were not substantially reduced
Food Insecure	Low Food Security	Households reduced the quality, variety and desirability of their diets, but the quantity of food intake and normal eating patterns were not substantially disrupted
	Very Low Food Security	At times during the year, eating patterns of one or more household members were disrupted and food intake reduced because the household lacked money or other resources for food

Sources: Feeding America, What is Food Insecurity? <https://hungerandhealth.feedingamerica.org/understand-food-insecurity/> (Accessed March 1, 2020)

The distinction between “low food security” and “very low food security” is crucial, as very low security represents hunger and malnutrition, with severe consequences for physical and mental health. Food insecurity can lead to poor nutrition, reliance on low-cost processed foods, and psychological distress, as well as pose difficult trade-offs between buying healthy food and meeting other basic needs like housing, transportation, utilities, and medicine (*Artificial Intelligence*, 2024).

Despite producing nearly half of the nation’s fruits and vegetables, data from the U.S. Census Household Pulse Survey shows that as of September 2024, 22% of California (CA) households are food insecure and 27% of households with children are food insecure, with deep disparities for Black and Latino households (“California Association of Food Banks [CAFB] Food Scarcity Data Dashboard,” 2024; *A Menu for Cultivating*, 2024). Specifically, 33% of Hispanic/Latino and 43% Black households with children respectively are food insecure (CAFB Food Data Dashboard, 2024). A 2019 study found even greater disparities among Native American households at 92% (Sowerine et al., 2019). Many food chain workers themselves are food insecure: over 3/4 of grocery workers are food insecure. During the COVID-19 pandemic, 72% of nearly 800,000 agricultural workers – mostly Latino and Indigenous Mexican and Central American immigrants – struggled to afford food, despite being essential to the state’s food production. They work for low wages in hazardous conditions, facing pesticide exposure, extreme heat, wildfire smoke, and some of the highest rates of workplace harassment and violence. (*A Menu for Cultivating*, 2024).

Researchers have identified four key components that contribute to household food insecurity:

- *Instability in food supply* - Uncertainty or anxiety about consistent access to food;
- *Poor food quality* - Reliance on food that may be unsafe, non-nutritious, or culturally inappropriate;
- *Food shortages or unequal distribution* - Insufficient food within a household, often affecting certain members more than others; and,
- *Limited control over food choices* - Constraints that force individuals to rely on restricted or socially unacceptable food sources (Alaimo, Chilton & Jones, 2020).

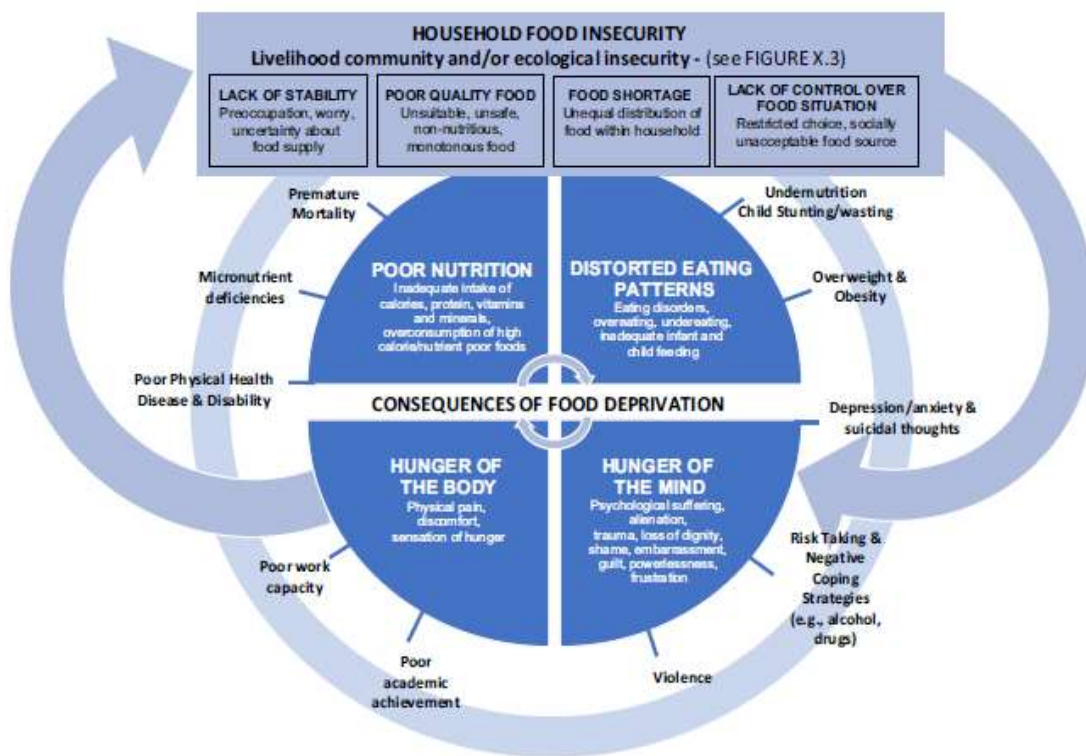


FIGURE 17.1 Components and consequences of household food insecurity.

*Socioeconomic Disparities and Poverty.* Food insecurity is strongly correlated with low socioeconomic status, which includes factors such as low income, limited education, and unemployment. According to the latest available Census data, in 2023, 18.9% of Californians – approximately 7.3 million people – were living in poverty, a 2.5% increase from 2022 and a 7.9% increase from 2021. Black, Latino, and senior populations were disproportionately affected. The expiration of COVID-19 pandemic-era financial support programs, including the expanded Child Tax Credit, Earned Income Tax Credit, enhanced employment benefits and SNAP emergency allotments contributed to rising poverty levels, reducing households’ ability to afford food.

## Poverty Increased for All Racial and Ethnic Groups in California in 2023

California Poverty Rates Under the Supplemental Poverty Measure, 2022 to 2023



Note: Changes in poverty rates between 2022 and 2023 for starred groups are statistically significant at the 95% confidence level. "Other Californians of Color" includes American Indians and Alaska Natives, Native Hawaiians and Pacific Islanders, and people identifying with more than one race.

Source: Budget Center analysis of US Census Bureau, Current Population Survey public-use microdata



Research shows that low-income households consume fewer essential nutrients than higher-income families, purchasing less milk, eggs, meat, fruits, and vegetables (Ihab, Rohana, & Manan, 2015). This issue is particularly stark in California’s inland regions, which produce most of the state’s fruits and vegetables, yet experience higher food insecurity and lower incomes than coastal areas. Inflation has further strained household budgets, with the cost of essential goods rising 22% since 2021 while wages have not kept pace with inflation (Bohn & Duan, 2024).

Those living at or below the poverty line are most negatively impacted by a hike in food prices and high cost of living because these households spend 83% of their income on necessities like food, housing, transportation, and healthcare, leaving little room for nutritious choices (Bohn & Duan, 2024). In 2018-19, these households spent \$26,000 annually on basic needs; by 2024, that figure had risen to over \$32,000. As a result, many families are forced to rely on cheaper, processed foods, increasing the risk of diet-related health issues.

*Food Deserts: Built Environment & Geographic Barriers.* Food insecurity is not just about affordability – it is also about physical access to food. Many low-income urban and rural areas lack full-service grocery stores, leaving residents dependent on fast food chains, convenience stores, and gas stations for their daily nutrition. The USDA defines “food deserts” as areas where urban residents live more than one mile from a supermarket and rural residents live more than ten miles away. Nearly one million Californians live in these areas, with 45% of them being low-income. This lack of access forces households to rely on highly processed, high-calorie, and low-nutrient foods with long shelf lives, increasing the risk of diet-related diseases. The problem of “food swamps,” which are neighborhoods oversaturated with fast food and convenience stores – worsens health outcomes. Residents in these areas often pay higher prices for groceries at independent stores, where fresh produce is scarce and costly, while fast food remains an affordable alternative. Limited public transportation further restricts access, especially for those

without personal vehicles, who do not live close to public transit, or who travel by foot. Nearly one million Californians – 45% of whom are low-income – lack nearby supermarkets, making it harder to obtain fresh, nutritious food (Yoshida, 2016).

The presence of food deserts and swamps is not accidental. Historical land-use policies and supermarket redlining have influenced where grocery stores are located, disproportionately placing full-service stores in wealthier, white-majority neighborhoods while low-income communities of color face food access barriers. Additionally, federal deregulation of retail pricing policies in the 1980s allowed large grocery chains to secure lower supplier costs, squeezing out small independent stores. As a result, local grocers in rural and poorer neighborhoods closed, and major chains did not replace them, forcing residents to travel long distances or rely on convenience stores. For independent stores that still stand, they charge 10-60% more than chain supermarkets. Convenience stores in food deserts can charge more, reducing the purchasing power of low-income households. (Mitchell, 2024; Leslie, 2022).

Multiple studies have documented the need for healthy retail environments and the lack of healthy options available in many corner stores. Larson, Story, & Nelson (2009) found increased access to supermarkets and limited access to convenience stores was associated with healthier diets. Ortega et al. (2015) found perceptions of the quality and healthfulness of food in local corner stores were largely negative among community members. Disparities in the types of stores available in neighborhoods also make providing healthy options in corner stores a health equity issue (Larson, Story, & Nelson, 2009). For example, Gosliner et al. (2018) found that convenience stores in economically disadvantaged California neighborhoods offer a lower variety of more expensive, poorer-quality produce than do other types of grocery stores. Conversely, some studies find healthy corner store interventions are not associated with desired outcomes. Ortega et al. (2015) found no effect on produce purchase or consumption after implementing an intervention in three corner stores in Los Angeles that provided stores with refrigeration units, nutrition education, marketing materials, and store upgrades (e.g., new signage, fresh paint, updated store layout).

*Federal Government Policies and Economic Systems.* Food insecurity is not just a symptom of poverty; it is also shaped by broader economic policies. The strong influence of market-driven economic strategies – such as privatization, deregulation, and free trade – has weakened food security by prioritizing corporate profits over community food access.

- *Privatization* shifts public resources into private hands, making food assistance programs more fragmented and harder to access;
- *Austerity measures* reduce government funding for food and social safety-net programs, exacerbating economic hardships;
- *Deregulation* has kept wages stagnant. The federal minimum wage, unchanged for 27 years, has contributed to working-class struggles. Research shows that raising the minimum wage to \$15 per hour by 2025 could reduce food insecurity by 6.5% (Alaimo et al., 2020). As of January 1, 2025, the minimum wage in California is \$16.50 per hour for all employers, while some cities and counties may have higher minimum wages. For fast food workers in California, the minimum wage is \$20 per hour. Evidence demonstrates that the least healthy

households buy more healthy foods in response to rising minimum wages (Palazzolo, 2022);

- *Extractionism* leads to environmental degradation by depleting land, forests, water, and soil for global markets while disrupting local food systems; and,
- *Free trade* agreements have further destabilized food systems. While wealthy nations protect their own agricultural industries, low- and middle-income countries are pressured to export food instead of producing for their populations. This dependency on global markets makes food prices unstable, further limiting access to affordable nutrition (Alaimo et al., 2020).

*Climate Change and Environmental Stressors.* Climate change is a growing threat to food availability, access, and quality. Rising temperatures, droughts, and extreme weather events disrupt agriculture, food distribution, and access to clean water, all of which are critical for food production.

- California’s agricultural sector is vulnerable to heat waves, wildfires, and water shortages, reducing crop yields;
- Global food supply chains face increased volatility, leading to higher food prices and shortages after climate-related disasters; and,
- Soil degradation and biodiversity loss weaken the resilience of local food systems.

At the same time, industrial agriculture is a leading contributor to greenhouse gas emissions, exacerbating the very climate crisis that threatens food production. Industrial agriculture prioritizes exports, which totaled \$23.6 billion in 2022, and profit over local consumption, relying heavily on chemical fertilizers and pesticides – applied in California 4.5 times the national average – creating a public health crisis, particularly for farmworkers and rural Latino communities (*A Menu for Cultivating*, 2024).

Small farmers, who make up 80% of California’s farming community, are disproportionately impacted by the worsening climate crisis, facing wildfires, droughts, floods, and increased pest pressure with minimal economic safety nets. As global temperatures rise, their wells risk drying out while large-scale farms overuse water resources. Despite diversifying the food system, small farmers struggle financially, with land ownership concentrated among a few – 50% of cropland is owned by just 5% of landowners. Black, Indigenous, and people of color farmers face even greater barriers to land access, making sustainable stewardship difficult. California has been losing about four small farms per day since 2017. These small and medium-scale farms play a crucial role in providing locally consumed food (*A Menu for Cultivating*, 2024).

With the global population projected to grow by 35% by 2050, food demand will double, yet only 55% of crop calories are consumed by humans, and nearly 50% of food is lost or wasted. Increasing production alone is insufficient and without sustainable agricultural practices, food security will remain at risk. Reducing poverty through safety net programs is essential for food security (*Social Safety Nets*, n.d.).

*Psychological and Social Stressors.* Beyond economic and environmental factors, social and psychological stressors play a crucial role in food insecurity. Households experiencing job loss, health crises, or violence are at an increased risk of food shortages. Research shows that:

- Job-related economic stress increases food insecurity by 54%;
- Personal hardships, such as the death of a parent or serious illness, raise food insecurity rates by 22%; and,
- Discrimination and social exclusion contribute to unequal food access, particularly for marginalized communities.

Food insecurity is not just about hunger – it is about power and control over food resources. Those most affected by food insecurity often lack access to land, economic stability, and the ability to make choices about their food sources. A resilience-based approach recognizes food-insecure households not as passive victims, but as individuals and communities responding to systemic challenges. Addressing food insecurity requires not only short-term aid, but also long-term policies that empower people to access nutritious food with dignity and stability.

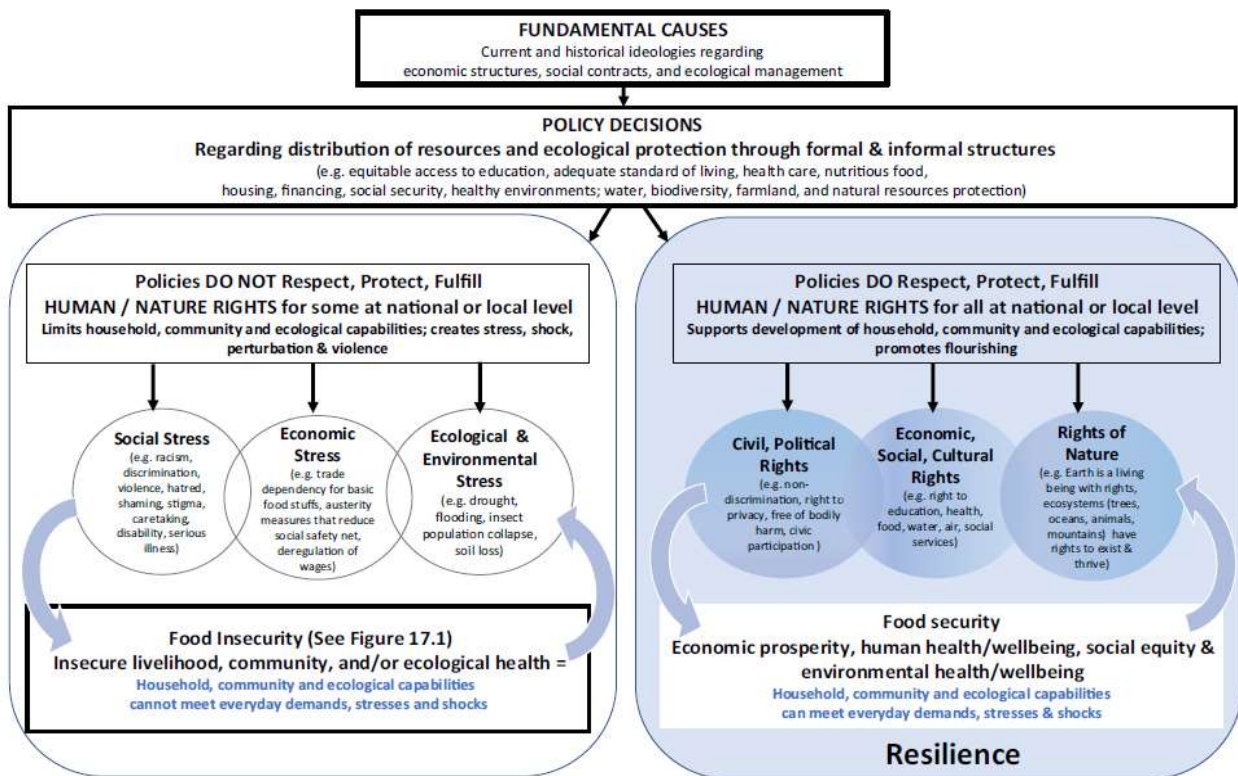


FIGURE 17.2 Rights - based approach to understanding food insecurity.

At its core, food insecurity is an experience of human suffering, with wide-ranging physical, psychological, and societal consequences. While the Food and Agriculture Organization of the United Nations defines hunger as the physical pain caused by insufficient caloric intake – referred to as “hunger of the body” (see Figure 17.1 above) – food insecurity does not always result in outright hunger. Food insecurity affects physical, mental, and emotional health and cognitive well-being across the lifespan, with particularly severe consequences for children, pregnant individuals, and vulnerable populations. Limited access to nutritious food contributes to

malnutrition, chronic diseases, developmental challenges, and psychological distress (Alaimo, et al., 2020).

*Urban Agriculture.* Urban agriculture can positively impact communities in many ways. It can improve access to healthy food, promote community development, and create jobs. A number of cities in California, including San Francisco, Los Angeles, and San Diego have recently updated municipal policies to facilitate urban agriculture, due to strong community interest.

Urban agriculture refers to the cultivation, processing, and distribution of agricultural products in urban settings, including things like inground small plot cultivation, raised beds, vertical production, warehouse farms, mushroom growing, urban forestry and tree care, community gardens, rooftop farms, hydroponic, aeroponic, and aquaponic facilities, and other innovations. Urban farmers and gardeners work among diverse populations to expand access to nutritious foods, foster community engagement, offer workforce development opportunities, educate communities about food and farming, and expand green spaces.

The California Department of Food and Agriculture (CDFA) defines "urban" as a geographic area no more than 25 miles adjacent to or outside of one urbanized area containing a population of 50,000 or more people. University of California Agriculture and Natural Resources defines "urban agriculture" as including production (beyond that which is strictly for home consumption or educational purposes), distribution and marketing of food and other products within the cores of metropolitan areas and at their edges. Examples include community, school, backyard, and rooftop gardens with a purpose extending beyond home consumption and education, urban market gardens, innovative food-production methods that maximize production in a small area, community supported agriculture based in urban areas, and family farms located in metropolitan greenbelts.

CDFA's Urban Agriculture Grant Program was a one-time only, competitive grant that funded programs and projects that enhanced the viability of urban agriculture in urban areas across the state. Priority was given to urban agriculture projects led by or serving priority populations. Priority populations was identified using the California Air Resources Board's California Climate Investments Priority Populations map.

Despite the benefits associated with urban agriculture, there are many challenges. Urban farmers routinely face issues related to zoning, soil, water access, and profitability, as a few examples. At the community level, noise and nuisance issues can come into play. This information is intended to share the research on both benefits and challenges, and best practices on how to address those as a farmer or local decision maker. CDFA has awarded \$11,670,000 in proposals through this solicitation. Furthermore, Proposition 4 of 2024 included \$20 million for urban agriculture projects.

*Effects on Children: Development, Education and Long-Term Outcomes.* Food insecurity begins affecting individuals even before birth. During pregnancy, it can lead to poor birth outcomes, impacting a child's physical and cognitive development. Young children with inadequate or interrupted food intake are at a higher risk of iron deficiency, respiratory illnesses, infections, and developmental delays. In school-aged children, food insecurity is associated with poor academic performance, attention difficulties, and behavioral issues. These children are more likely to repeat a grade, struggle in math and reading, and experience social difficulties. While parents may try to shield their children from food insecurity, research shows that school-aged



children are aware of it and often feel helpless or angry when food is scarce. In adolescence, food insecurity is associated with risky sexual behaviors, drug and alcohol abuse, greater exposure to violence, high-risk pregnancy, and suicide ideation. Long-term, these disadvantages contribute to lower educational attainment, reduced job opportunities, and intergenerational cycles of poverty and food insecurity (Alaimo et al., 2020).

*Physical Health Consequences: Diet-Related Diseases.* Food insecurity increases the risk of chronic, diet-related diseases such as diabetes, obesity, hypertension, cardiovascular disease, and certain cancers, especially among urban Latino and Black communities and rural Indigenous populations living in food deserts. These health disparities are tied to supermarket redlining, low incomes, and neighborhood deprivation. Limited access to supermarkets leads to poor dietary choices, as people often rely on fast food and convenience stores, contributing to the obesity epidemic. Studies show that people without nearby supermarkets are 25-46% less likely to have a healthy diet. Research comparing West and South Los Angeles also shows a clear link between the availability of fresh produce and lower obesity rates. Diets in food deserts are typically high in fat, salt, and sugar, leading to higher rates of heart disease, hypertension, and diabetes. Conversely, access to healthy food can reduce blood pressure, which, for a patient with cardiovascular disease, can reduce their risk of stroke and heart failure by 39% (*A Menu for Cultivating*, 2024).

Beyond chronic diseases, food insecurity distorts eating patterns and household dynamics. Limited resources force individuals to skip meals, reduce portion sizes, or eat less frequently. Parents, in particular, may sacrifice their own meals to feed their children, but in severe cases, child malnutrition and strained household food dynamics emerge, impacting the entire family's well-being. For adults, chronic food insecurity weakens immune function, increases hospitalizations, and raises healthcare costs. Seniors facing food insecurity are at greater risk of malnutrition, mobility issues, and deteriorating overall health.

*“Hunger of the Mind”:* *Mental and Emotional Well-Being.* Beyond physical health, food insecurity leads to emotional and psychological distress, often referred to as “hunger of the mind.” The stress of uncertain food access causes anxiety, depression, and social isolation. Feelings of shame, fear, and powerlessness are common, particularly among parents struggling to provide for their families. Adolescents experiencing food insecurity face higher risks of mental health struggles, suicidal ideation, and risky behaviors.

*Economic and Social Impacts.* While increasing healthier food options can improve food security, data shows that simply eliminating food deserts and adding grocery stores does not guarantee healthier eating. Poor dietary habits develop over time in communities with limited access to healthy foods, reducing demand for them. Addressing this requires both policy changes and education. Furthermore, food insecurity and hunger is not just about food availability, but stems from inequitable distribution and access to social, economic, physical, cultural, and agricultural support – not scarcity or inadequate production. It reflects broader crises in social, economic, political, and ecological systems.

Finally, food insecurity affects entire communities and economies. Poor nutrition weakens workforce productivity, increases health care expenses, and worsens educational disparities. For example, health care costs associated with food insecurity cost California more than \$7 billion

annually, more than any other state in the nation (*A Menu for Cultivating*, 2024). Families often face impossible choices, sacrificing food to afford rent, healthcare, or other essentials.

## **Part II: SNAP/CalFresh - History, Challenges, and Economic Role**

Food safety-net programs are intended to help individuals and families experiencing financial hardship by providing access to food. CalFresh is California's core food safety-net program. In addition to the benefits for the people consuming the food, food safety-net programs play a significant role in the country's and state's economy and agricultural businesses by providing subsidies and ensuring grocers are able to move products off shelves.

### ***History of Supplemental Nutrition Assistance Program and CalFresh.***

SNAP (formerly known as the Food Stamp Program) is the largest federal food safety-net program that serves as the first line of defense against hunger and food insecurity. The Food Stamp Program originated during the Great Depression to address the paradox of widespread hunger alongside agricultural overproduction. Initially, the government destroyed surplus food to stabilize prices, but public outcry led to the establishment of the Federal Surplus Commodities Corporation to purchase and distribute excess food. However, grocers opposed this approach, leading to the introduction of food stamps in 1939 in Rochester, New York. The program allowed recipients to purchase food using orange and blue stamps, benefiting both consumers and retailers. The Food Stamp Program was expanded nationwide, but was discontinued in 1943 due to economic recovery from World War II.

President John F. Kennedy revived the program in 1961, eliminating the requirement for surplus food purchases and President Lyndon B. Johnson codified it under the Food Stamp Act of 1964 as part of his War on Poverty. Initially championed by Democrats, Republican President Richard Nixon significantly expanded the program in response to growing concerns about hunger, increasing participation from 3 million in 1969 to 15 million in 1974. Bipartisan support continued with the Food Stamp Reform Act in 1977, which simplified access and strengthened anti-fraud measures.

In the 1990s, paper food stamps were replaced with electronic benefit transfer (EBT) cards to reduce fraud. In 2008, the program was renamed SNAP. SNAP had received significant Republican support, with expansions under Presidents Nixon, George W. Bush, and others. Today, SNAP is central to the U.S. safety net, providing critical food support for 41 million low-income people per month as of 2024 and providing over \$114 billion in benefits (Cunningham, 2025).

After transitioning to SNAP and EBT, California legislatively renamed its food assistance program to CalFresh in 2010 to modernize its image and boost participation. Overseen by the California Department of Social Services (CDSS) and administered locally by county human services departments, CalFresh serves a large and diverse caseload, with substantial shares comprising low-income working families with children, elderly and disabled people, and very low-income individuals with significant barriers to employment. Participants use EBT cards to purchase eligible food items such as fruits and vegetables, meat, dairy products, and seeds and plants that produce food at authorized retailers, including grocery stores, supermarkets, and farmers' markets.

## ***Eligibility & Benefits.***

The USDA sets eligibility requirements for SNAP programs across the country, including gross and net income, household size, assets, and certain expenses. The basic rules to qualify are gross monthly income below 130% of the federal poverty line, with different eligibility rules for households with a member 60 years of age or older or who has a disability who are not subject to gross income criteria (Bauer & East, 2023). Effective October 1, 2024, through September 30, 2025, these gross income limits for a household of three in the U.S. is currently \$2,798 per month, or \$33,576 annually (USDA). Additionally, broad-based categorical eligibility gives states the option (that most states take, including California) to increase the gross income eligibility threshold up to 200% of the poverty line for SNAP recipients receiving support from other government programs. Unlike many other states, California does not check people's savings, bank accounts, or property (like cars and homes) to decide if they qualify for SNAP benefits (Cox et al., 2024). When determining a family's net monthly income, housing costs, and in some cases, childcare and medical expenses are deducted (Schanzenback, 2023).

As of September 2024, the minimum CalFresh benefit in California was \$23 per month for a household of one or two. Recognizing the inadequacy of the minimum benefit, the 2023 Budget Act allocated \$15 million one-time funding and established the California Minimum Nutrition Benefit pilot program. Under this pilot, beginning January 1, 2026, eligible CalFresh households will receive a state-funded supplement to increase their minimum benefit to \$60 for a 12-month period. The USDA's Thrifty Food Plan (Thrifty), which estimates the cost of purchasing a nutritious diet at a minimal cost, determines the maximum monthly SNAP benefit. The Thrifty annually adjusts the benefit amount to reflect changes in food prices. The most recent major update occurred in 2021, resulting in a 21% increase in benefit amounts – the first major revision since 2006 (Schanzenback, 2023; Bauer & East, 2023). Effective October 1, 2024, to September 30, 2025, the maximum CalFresh benefit for a household of one was \$292 per month, while a household of three could receive up to \$768 per month. However, most households do not receive the maximum benefit. In 2024, the average monthly benefit in California was \$189 per person.

One limitation of the current benefit calculation is that it does not account for regional cost differences, such as transportation costs. This can make it difficult for some households, particularly those in rural or remote areas, to access affordable groceries or comparison shop for lower prices.

The figure below shows the relationship between a family's income, SNAP benefits, and food spending. The horizontal axis represents a family's income, while the vertical axis shows both SNAP benefits and total food spending. Families with no income receive the maximum SNAP benefit for their household size. However, as income increases, SNAP benefits gradually decrease due to a 30% benefit reduction rate. This means that for every \$1 increase in net income, SNAP benefits decrease by \$0.30. For example, in 2022, a three-person household with no income would receive approximately \$658 per month in SNAP benefits. If the same household had \$1,000 in income, their monthly SNAP benefit would decrease to around \$358.

The graph also shows that as a household's income increases, total food spending – including both SNAP benefits and out-of-pocket expenses – tends to increase. Most families spend more on food than their SNAP benefits alone, supplementing their grocery budget with personal funds.

While some families fully utilize their SNAP benefits each month, others report spending less than the maximum benefit amount. As income grows, SNAP benefits accounts for a smaller proportion of a family’s total food spending because benefits decline while food spending increases. This reflects the program’s design to provide greater assistance to families with the greatest financial need while gradually reducing support as household income rises (Schanzenback, 2023; Bauer & East, 2023).

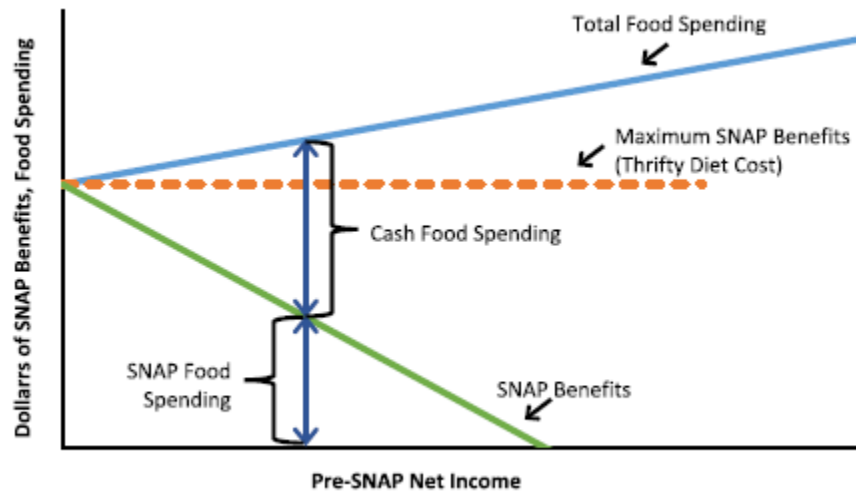


Fig. 2. Stylized Relationship Among Income, SNAP and Food Spending. Notes: Adapted from Hoynes et al. (2016).

*Is CalFresh Effective?* CalFresh plays a critical role in reducing poverty and food insecurity in California. In early 2023, participation in CalFresh helped keep approximately 1.1 million Californians out of poverty (*A Menu for Cultivating*, 2024). Research also shows that SNAP benefits significantly reduce food insecurity among participating households. Specifically, SNAP reduces overall food insecurity by about 20% and reduces food insecurity among children by approximately 33% (Bauer & East, 2023; Schanzenbach, 2023).

In addition to reducing poverty and food insecurity, access to CalFresh benefits have been shown to improve long-term health, economic, and social outcomes for individuals and families across different stages of life (Schanzenbach, 2023; Bauer & East, 2023).

Among adults, participation in SNAP has been shown to lower the risk of developing chronic health conditions such as obesity, diabetes, and heart disease. It is also associated with fewer doctor visits, which can help reduce overall health care costs.

For pregnant individuals, access to CalFresh during pregnancy has been shown to reduce the likelihood of low birthweight by 5-11%, which is a key indicator of infant health. Babies born with low birthweight face higher risks of health complications and economic challenges later in life, and improving birth outcomes can contribute to long-term health and economic stability.

For young children, receiving CalFresh benefits in early childhood has been shown to improve health, educational, and labor market outcomes later in life. Children with access to CalFresh are more likely to have better educational performance, higher future earnings, and lower involvement in the criminal justice system. Research suggests that investing in food assistance during early childhood is particularly cost-effective, as the long-term benefits to individuals and society often far exceed the cost of providing benefits.

While CalFresh provides critical support, research has shown that the purchasing power of SNAP benefits is often inadequate to fully meet household food needs throughout the entire month. This is commonly referred to as the SNAP benefits cycle, where food spending tends to be high immediately after benefit receipt but declines sharply toward the end of the month; and, households often run out of food or have limited access to nutritious meals as their benefits are depleted toward the end of the benefits cycle (Schanzenbach, 2023).

This benefit cycle has been shown to negatively impact various outcomes:

- *Student Performance.* Among low-income high school students, those who took the SAT around the time they received SNAP benefits scored higher on the test and had higher rates of college attendance compared to those who took the test weeks after receiving benefits, when their household may have run low on food. This suggests that food insecurity at the end of the benefit cycle may directly impact academic performance.
- *Emergency Department Utilization.* Among adults over 55 years of age, research found that emergency department visits increased toward the end of the benefit cycle, suggesting that food shortages lead to worsened health outcomes and higher health care utilization (Schanzenbach, 2023).
- *Reduced Food Consumption and Preparation.* Research also shows that food consumption and grocery shopping decrease significantly toward the end of the month when CalFresh benefits are nearly depleted. Additionally, CalFresh participants spend less time preparing meals at home due to limited resources, impacting overall nutrition and food security.

Addressing the benefits cycle – either by increasing monthly benefit levels or by providing benefits more frequently throughout the month – could help mitigate these negative outcomes. Furthermore, expanding resources similar to CalFresh has been shown to reduce food hardship and, in some cases, improve nutrition intake among children (Schanzenbach, 2023).

## ***Challenges***

*Barriers to Access.* Despite broad-based categorical eligibility, CalFresh participation rates have historically been lower than eligibility rates, which means that many eligible individuals and households do not successfully enroll in the program. According to USDA data from 2022, California ranks 38th in SNAP participation, with only 81% of eligible individuals enrolled in CalFresh. This is significantly lower than the national average of 88% and participation rates in other states such as Alabama (90%), Georgia (92%), and Illinois (100%). Certain populations, including college students, formerly incarcerated people, older adults, and noncitizens, face even lower participation rates, highlighting persistent barriers to access.

Participation rates also vary widely at the county level. For example in 2017, Fresno County had a 97% participation rate among eligible individuals while Contra Costa County had only 52% participation. These disparities within the state contribute to an underutilization of critical resources and missed opportunities to address food insecurity and hunger in California.

Systemic challenges contribute to lower CalFresh participation rates, which include, but are not limited to:

- 1) *Lack of Awareness.* Many eligible individuals are unaware of their eligibility or unfamiliar with the benefits offered by CalFresh;
- 2) *Stigma.* Some individuals may avoid applying for CalFresh due to the stigma associated with receiving public assistance especially among older adults and working families;
- 3) *Complex Application Process.* The application process can be complex and difficult to navigate, requiring individuals to submit documents, complete interviews, and meet reporting requirements. This can deter people from applying or result in incomplete applications;
- 4) *Language Barriers.* Non-English speaking applicants may face challenges due to limited access to translated materials or multilingual staff, limiting their ability to complete the application process;
- 5) *Limited Internet Access.* Many low-income individuals may lack reliable internet access, making it difficult to submit applications or upload documents online through BenefitsCal; and,
- 6) *Fear of Losing Benefits.* Some immigrants or mixed-status families may fear losing access to other public benefits, such as Medi-Cal or housing assistance, if they apply for CalFresh, despite state policies protecting immigrant households (Herd & Moynihan, 2025).

Research shows that programs serving low-income, racially marginalized, and disabled populations often place greater administrative burdens on individuals to prove eligibility, unlike benefits for higher-income, white, and able-bodied individuals, which reinforces inequality. For instance, Social Security retirement benefits have minimal administrative hurdles, as the government automates eligibility and benefit calculations, leading to nearly 100% participation. In contrast, CalFresh requires extensive paperwork and documentation, resulting in a much lower participation rate (81%) among eligible low-income households (Herd & Moynihan, 2025).

#### Categories of Administrative Burden

Learning costs	Time and effort expended to learn about the program or service, ascertaining eligibility status, the nature of benefits, conditions that must be satisfied, and how to gain access.
Compliance costs	Provision of information and documentation to demonstrate standing; financial costs to access services (such as fees, legal representation, travel costs); avoiding or responding to discretionary demands made by administrators; the amount of time spent on these processes.
Psychological costs	Stigma arising from applying for and participating in an unpopular program; loss of autonomy that comes from intrusive administrative supervision; frustration at dealing with learning and compliance costs, unjust or unnecessary procedures; stresses that arise from uncertainty about whether a citizen can negotiate processes and compliance costs; fear about the coercive face of state power.

Source: Adapted from Herd and Moynihan (2018).

In addition to applicant-level barriers, county-level capacity constraints also affect CalFresh participation. When individuals apply for CalFresh, county workers are responsible for

processing applications, verifying documents, and conducting interviews. Large counties, like Los Angeles County, processed at least 1.4 million applications in 2020 alone, creating significant administrative strain. This can result in long processing times, delays in benefit receipt, and insufficient support for applicants, particularly in counties with higher demand.

*Churn.* Another major barrier to continued CalFresh participation is churn, which occurs when households temporarily exit the program and then re-enroll within four months or less. Research shows that administrative burdens, such as complicated recertification processes, contribute to high churn rates due to challenges navigating those burdens successfully to access benefits (Herd & Moynihan, 2025). Churn often occurs at key reporting points, such as at six-month reporting periods when participants are required to report changes in income and at 12-month recertification periods when participants must submit paperwork to maintain eligibility. In many cases, households fail to complete paperwork or miss deadlines, resulting in temporary loss of benefits – even if they are still eligible. Research indicates that many participants who miss deadlines do not intend to exit the program but instead face administrative challenges. This pattern creates:

- Interrupted access to food assistance for participants;
- Increased administrative costs for county agencies, as staff must reprocess applications and verifications when individual re-enroll; and,
- Higher economic insecurity for families who temporarily lose benefits (Schanzenbach, 2023).

Reducing churn by streamlining renewal processes, reducing paperwork burdens, and simplifying verification requirements could significantly reduce food insecurity and lower administrative costs (Schanzenbach, 2023; Herd & Moynihan, 2025).

### ***Economic Impact of Low CalFresh Participation.***

In addition to addressing food insecurity, increasing CalFresh participation could significantly boost California’s economy. According to the USDA, every \$1 in federally funded CalFresh benefit generates approximately \$1.50 in economic activity (Nchako, 2025). Furthermore:

- Every \$1 billion in CalFresh benefits generates over 10,000 jobs across sectors such as agriculture, transportation, and retail.
- If California increased its CalFresh participation to 100%, it could secure up to \$3.5 billion more annually in federally funded food benefits, resulting in an estimated \$5.3 billion in total annual economic activity (*A Menu for Cultivating*, 2024).

Conversely, low CalFresh participation imposes significant economic costs. Food insecurity has been linked to higher health care costs, particularly due to increased rates of chronic illnesses, hospitalizations, and nursing home stays. According to research, hunger costs the U.S. economy at least \$77.5 billion annually in health care costs alone. However, expanding CalFresh access could:

- Reduce health care costs by an estimated \$1,400 per low-income adult per year.
- General substantial savings for state Medicaid programs by preventing avoidable hospitalizations and chronic health conditions.

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## SNAP Linked to Better Health, Lower Care Costs

SNAP improves food security, reduces the stress of not getting enough to eat, helps participants afford more nutritious food, and frees up money for them to buy medicine and engage in other healthy activities. Studies link SNAP to improvements in such areas as:



### Current health

SNAP participants report better health than low-income non-participants and have fewer sick days.



### Long-term health

Pregnant mothers with SNAP access have improved birth outcomes. SNAP participation in early childhood is linked to better health in adulthood.



### Medical care

SNAP participants are less likely to forgo needed medical care, while elderly SNAP participants forgo medicine due to cost less than similar non-participants.



### Hospitalization

SNAP may help low-income seniors live independently and avoid hospitalization.



### Health care costs

Adults in SNAP incur \$1,400 — nearly 25 percent — less per year in medical care costs than low-income non-participants.

Note: SNAP = Supplemental Nutrition Assistance Program (formerly food stamps). Results generally adjust for differences in demographic, socioeconomic, and other characteristics between SNAP participants and non-participants.

Source: Steven Carlson and Brynne Keith-Jennings, "SNAP Is Linked with Improved Nutritional Outcomes and Lower Health Care Costs," CBPP

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## **Part III: Supplemental Agricultural and Food Safety-Net and Programs**

CalFresh serves as the primary program to combat food insecurity; however, as noted above, it often does not provide enough for eligible families and ineligible families still experience food insecurity. As a result, over the years, additional programs and supplements have been funded through California and/or the federal government. The following are benefits given directly to consumers and benefits that are given to businesses to incentivize growing and distributing healthy food. Most of these programs rely heavily on federal funding.

*CalFresh Fruit and Vegetable EBT Pilot Project (Pilot).* The Pilot allowed CalFresh recipients to double their purchasing power when buying fruits and vegetables at participating retailers. Under the program, recipients received up to \$60 per month in additional food assistance – for every \$1 spent on fresh produce, participants received \$1 back on their EBT card to be used for any CalFresh-eligible food items.

Established in 2018, the pilot aimed to increase the purchase and consumption of California-grown fresh fruits and vegetables among CalFresh beneficiaries while developing a scalable model for long-term implementation. To achieve this, the Pilot integrated a supplementary benefits mechanism directly into the state's EBT system. This allowed participating retailers to

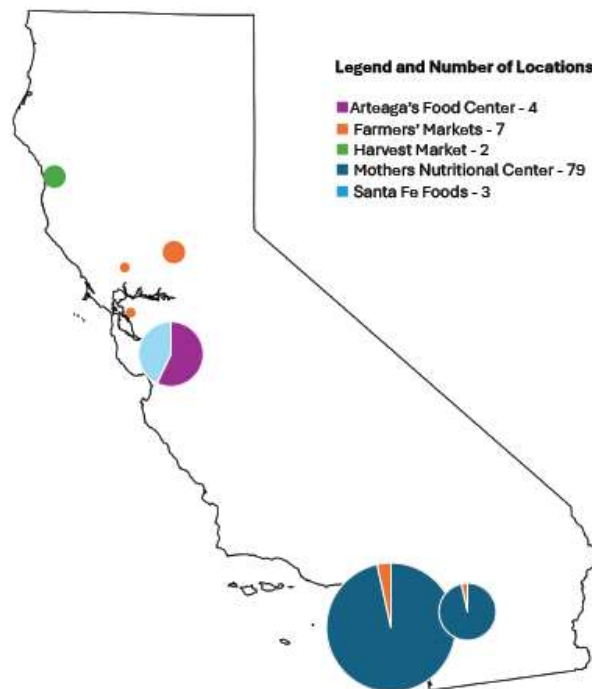


automatically distribute and redeem additional benefits when recipients purchased produce. The Pilot also required CDSS to evaluate the program’s effectiveness and report findings to the Legislature by July 1, 2025, for improving the supplementary benefits mechanism.

Initially funded with \$9 million in 2018, the program received an additional \$9.65 million in 2023, extending it through January 1, 2027. The Pilot officially launched on February 20, 2023, but due to high demand, funds were fully utilized by April 2024, causing the program to pause. Another \$10 million was allocated in the 2024 Budget, allowing it to restart in October 2024, but those funds ran out by January 31, 2025, again forcing the program to cease. The Pilot demonstrated significant benefits for low-income families and food producers. In its final full month of operation:

- 92 grocery stores and one farmers market participated statewide;
- \$3.3 million in fruit and vegetable rebates were provided;
- More than 67,000 CalFresh households across 42 counties benefitted, supporting an estimated 116,000 individuals.

#### Appendix A: Retail Locations for CalFresh Fruit and Vegetable EBT Pilot Project



Despite its early success, the lack of continued funding has limited access to fresh fruits and vegetables for thousands of low-income families and reduced economic support for California farmers. Advocates argue that the start-and-stop nature of the program undermines its effectiveness, creating instability for CalFresh families relying on these benefits, increased

administrative burden on CDSS and reduced retailer participation, making it harder to sustain the program long-term.

*California Food Assistance Program.* In 1996, the federal government imposed restrictions on federal food assistance by prohibiting eligibility for legal permanent residents (LPRs) until they had resided in the U.S. for five years. States were granted the option by the federal government to offer state-funded food assistance to this population, including LPRs who had arrived less than five years prior. In response, California established CFAP to provide state-funded food assistance to eligible noncitizens using the same EBT and the California Statewide Automated Welfare System as CalFresh to distribute benefits. Through the EBT system, the federal government directly deposits funds into the accounts of participating households, with the state later reimbursing the federal government for these expenditures.

According to CDSS, examples of individuals eligible for CFAP include noncitizens who are LPRs who have not met the five-year U.S. residency requirements or 40 qualifying work quarters criteria; parolees; conditional entrants; or, battered or abused. Currently, certain noncitizens, such as undocumented individuals, are ineligible for CFAP based on their immigration status. However, under the 2024 Budget Act, the state plans to expand CFAP eligibility to include all adults 55 years of age and older, regardless of immigration status, starting in 2027. This expansion was delayed from its original timeline as part of budget negotiations.

CFAP benefits are equivalent to those provided by CalFresh and vary based on factors such as household size, income, and deductible expenses. In the 2023-24 fiscal year, CFAP benefits totaled approximately \$114 million from the General Fund, with an average monthly benefit of \$174 per person. According to an April 2023 report by the Public Policy Institute of California, about 42,000 noncitizens received CFAP benefits at that time.

*Food Banks.* Food banks play a critical role in combatting food insecurity by providing access to nutritious food for individuals and families facing hunger. Across California, dozens of food banks operate to serve communities in need, sourcing food through donations from grocery stores, food manufacturers, farmers, and individuals. Many food banks purchase food using monetary donations or government funding to fill gaps in supply. Once received, food is transported to centralized warehouses where it is sorted, stored, and inspected for safety. Volunteers often assist in this process, helping organize food based on expiration dates, nutritional value, and storage requirements. Food banks then distribute groceries to over 6 million Californians each month through a network of 6,000 community partners, such as food pantries, soup kitchens, schools, and shelters (Davidson & de la Cruz, 2025). Some food banks also provide direct distribution through mobile food pantries or drive-thru distribution events.

The sustainability of food banks relies heavily on diverse funding sources, which include:

- *Government Grants.* Food banks often receive funding from federal and state government to purchase and distribute food. Programs like CalFood allow food banks to purchase rarely donated food such as eggs and meat, and culturally relevant food. Additionally, The Emergency Food Assistance Program (TEFAP) and the Emergency Food Bank Reserve provide food banks with domestically grown foods to distribute to households.

- *Private Donations.* Food banks also rely heavily on financial contributions from individual donors and local fundraising campaigns, which allow them to purchase additional food or cover operational costs.
- *Corporate Partnerships.* Food banks frequently partner with major food retailers, such as Raley's, food manufacturers, and agricultural producer. These partners provide surplus food, financial contributions, or logistical support to ensure consistent food distribution.

The rising cost of food and transportation, coupled with inconsistent donation levels, makes it difficult for food banks to maintain stable inventory. This challenge is especially critical during times of crisis, such as natural disasters, economic downturns, or sharp increases in food insecurity.

Another key challenge is the growing shift from emergency food assistance to long-term nutritional support. Historically, food banks were designed to provide short-term, emergency aid during crises. However, with the growing number of Californians experiencing chronic food insecurity, food banks are increasingly being relied upon as long-term sources of food – essentially becoming substitute supermarkets for low-income families. This trend has become more prominent as CalFresh benefits have been reduced or cut off for many households, forcing individuals to turn to food banks to fill the gap.

Food banks warn that without sustained funding, they cannot keep pace with this prolonged demand. Today, food banks are experiencing near-record levels of need. As an example, the 41 members who make up the CAFB serve approximately 6 million people each month – the same number they were serving at the height of the COVID-19 pandemic – reflecting the exceptionally high demand for food in nearly every California community. The number of Californians served by the federal program, TEFAP, has remained consistently high over last four years. In federal fiscal years 2021-23, the annual unduplicated count of persons served was around 2.1 million people in 690,000 households. In 2024, TEFAP served over 2.2 million individuals in 760,000 households.

Additionally, natural disasters have compounded the need for food assistance. For example, the Los Angeles fires in January 2025 displaced thousands of families, increasing demand for emergency food assistance. When immediate disaster response ends, food banks remain the primary source of support for families struggling to rebuild their lives. Yet food banks often lack the resources to sustain long-term disaster response, especially when their funding is unstable.

Adding to the challenge, a major concern threatening food banks is the anticipated \$54 million annual funding cut to California's CalFood program, set to take effect by July 1, 2025. Without continued investment in CalFood, food banks will face severe limitations in their ability to provide high-protein and culturally relevant foods like eggs, meat, and fresh produce to families in need (Davidson & de la Cruz, 2025).

Further compounding the issue is the loss of federal funding from the Local Food Purchase Assistance Cooperative Agreement Program (LFPAP), which previously allowed food banks to purchase food directly from local farmers. The recent federal decision to cancel a second round of LFPAP funding for 2025 means food banks will face even fewer resources to meet demand. Without CalFood and LFPAP funding, food banks will be forced to significantly scale back their

programs, reducing the amount of food they can provide and limiting access to essential, nutritious items. In fact, CAFB reported the following observations in January 2025:

- Close to 60% of food banks limited/reduced the variety of food provided to their neighbors;
- 50% of food banks limited/reduced the amount of food provided to each household; and,
- About a quarter of food banks scaled back programs, with several reporting the closing of food distribution sites, reducing their paid workforce, or turning away new partners or clients.

*SUN Bucks (Summer EBT).* In 2023, Congress established a new entitlement program known as Summer EBT (SUN Bucks in California). This program provides a \$120 summer food benefit per eligible child to help low-income families purchase groceries when school meal programs are unavailable during summer months. Eligibility for SUN Bucks is linked to participation in free or reduced-price school meal programs and may be automatically extended to children enrolled in CalFresh or Medi-Cal. California launched its first year of SUN Bucks in the summer of 2024, reaching 5.6 million children and distributing \$672 million in federal benefits. The federal government fully funds the SUN Bucks benefits, while administrative costs are shared equally between federal funds and California's General Fund.

*Child and Adult Care Food Program.* The Child and Adult Care Food Program provides federal reimbursement to childcare centers, family childcare homes, afterschool programs, and adult daycare facilities for serving nutritious meals and snacks. This program helps ensure that children and adults in care settings have consistent access to healthy food.

*CalFood.* CalFood is a state-funded program that provides financial resources to food banks for the purchase of California-grown and produced foods. This program supports local agriculture while also ensuring that food-insecure Californians have access to fresh and nutritious foods. In 2024, 80 million pounds of food were purchased by food banks.

*The Supplemental Nutrition Assistance Program for Women, Infants, and Children (WIC),* provides nutrition assistance to low-income pregnant, postpartum and breastfeeding women, infants and children under five years of age. WIC participants receive monthly paper coupons to purchase specific foods from WIC food packages designed to provide nutrients necessary to healthy development. In addition to access to healthy foods, WIC also provides nutrition education, breastfeeding support, and other services.

*Programs for Low-Income Seniors.* Older adults have unique hunger needs due to mobility, dietary restrictions, and housing. As a result, California has specific programs for their needs including:

- *Congregate Nutrition Program* serves nutritious meals to older adults in a group setting with an opportunity to socialize with others. The program also provides nutrition education, nutrition risk screening, and, in some areas, nutrition counseling. Voluntary contributions are welcome, but not required.

- *The Home-Delivered Meals Program* serves nutritious meals to older adults in their home. The program also provides nutrition education, nutrition risk screening, and, in some areas, nutrition counseling. Voluntary contributions are welcome, but not required.
- *Senior Farmers Market Nutrition Program* provide low-income seniors with coupons that can be exchanged for eligible foods at farmers' markets, roadside stands, and community supported agriculture programs.

*The Food Distribution Program on Indian Reservations* provides USDA Foods to income-eligible households living on Indian reservations and to Native American households residing in designated areas near reservations.

*School Meal Programs.* As noted previously, nutrition to children is vital to their future mental and overall wellbeing. One way to reach children to ensure adequate nutrition is by feeding children in schools. California operates the following:

- *National School Lunch Program* is federally assisted meal program operating in public and nonprofit private schools and residential childcare institutions. It provides nutritionally balanced, low-cost or free lunches to children each school day.
- *The School Breakfast Program* is a federally assisted program that provides no cost meals to students in schools and residential childcare institutions.
- *The Department of Defense Fresh Fruits and Vegetable Program* allows schools to use USDA Foods entitlement dollars to buy fresh produce.

*California Farm to School Program (F2SP).* F2SPs are a vital way to improve the health and well-being of California schoolchildren through integrated food-based education and healthy food access. California schools serve hundreds of millions of meals each year, and expanding opportunities for local food procurement that is tied to food-based education is essential for establishing healthy eating habits that children can carry into adulthood. Procurement of more California grown or produced food also supports connecting California's agriculture and food production to California consumers.

While individual farm to school programs vary based on their unique vision, community, and geographic region, CDFFA broadly considers F2SPs as combining: (1) schools and early care and education programs buying California grown or produced foods from California food producers for school meal programs, and (2) hands-on food education opportunities that engage students and connect the classroom with the cafeteria, such as activities in school gardens, on farms, in culinary classes, in settings that celebrate traditional foodways and cultivate food sovereignty, and through other experiential learning pathways. Programs may include forest-to-school, river-to-school, and ocean-to-school.

The Budget Act of 2020 included a \$10 million one-time General Fund allocation for the 2020-21 fiscal year and \$1.5 million annually thereafter for the CDFFA to establish a F2S Incubator Grant Program and provide ongoing support for the California F2S Network.

The Budget Act of 2021 included a \$60 million one-time General Fund allocation for CDFA-F2F to sustain and expand the California Farm to School Incubator Grant Program, with \$30 million allocated for fiscal year 2021-22 and \$30 million allocated for fiscal year 2022-23.

The Budget Act of 2022 includes an additional \$30 million one-time General Fund allocation for the CDFA-F2F to further expand the California F2S Incubator Grant Program in fiscal year 2022-23.

*The Healthy Refrigeration Grant Program (HRGP).* The HRGP funds energy efficient refrigeration units in corner stores, small businesses, and food donation programs in low-income or low-access areas throughout the state to stock California-grown fresh produce, nuts, dairy, meat, eggs, minimally processed, and culturally appropriate foods.

In 2018, the California Legislature provided funds to the CDFA for the Healthy Stores Refrigeration Grant Program. The goal of the program was to increase the availability of California-grown specialty crops (mainly fruits, vegetables, and nuts) in neighborhood food retail environments in areas of the state that lack adequate access to fresh produce. The program provided \$4.5 million in grant funding to small retail outlets to purchase energy-efficient refrigeration units to be used for stocking CA-grown fresh and minimally processed fruits, vegetables, and nuts. Grant awardees included both individual stores and community-based organizations, which primarily consisted of nonprofits, cities, and counties that applied for the grant on behalf of multiple stores.

CDFA contracted with the Nutrition Policy Institute at the University of California, Division of Agriculture and Natural Resources to assess the opportunities, challenges, and outcomes of the refrigeration grants in participating stores. This report synthesizes the findings from that evaluation effort. The report provides information about the relationship between stores obtaining refrigeration units and outcomes related to (1) store environments and produce sales, (2) storeowner perceptions and experiences, and (3) customer perceptions and experiences.

The objective of this evaluation study was to answer the following questions:

- 1) How did the CDFA Refrigeration Grant Program affect how stores generally select, stock, and sell produce and CA-grown produce specifically?
- 2) What was the experience of storeowners with the CDFA Refrigeration Grant Program?
- 3) How did the CDFA Refrigeration Grant Program affect the shopping habits, attitudes, and experiences of customers at participating stores?

Many efforts across the U.S. have aimed to improve the healthfulness of corner store offerings, often with positive results. Ayala et al. (2013) found that providing four North Carolina corner stores with staff trainings, marketing materials, and refrigeration units led to increased fresh produce availability and customer produce consumption. Cavanaugh et al. (2014) found that providing 50 Philadelphia corner stores with nutrition education, marketing materials, and store equipment (about half received refrigeration units) was associated with increases in produce availability at the stores.

Some studies (Steeves et al. (2020), D'Angelo et al. (2017), and Haynes-Maslow et al. (2018)) have found that corner store owners are willing to try healthy retail initiatives, including stocking

more fresh produce, but that they anticipate barriers, such as sourcing, economic viability, and customer demand.

This evaluation study builds upon the existing literature and aims to inform the CDFA about the experiences and effects of participating in the Healthy Refrigeration Grant Program among participating stores and shoppers. The study also illuminates the challenges that arose, and describes the lessons learned that can inform the future of the program and other similar efforts.

Providing funds to corner stores in food resource poor neighborhoods to purchase refrigerators appeals to stores and leads to perceived increased availability of fresh produce. The degree to which the program influenced the types, amounts, and prices of CA grown produce sold was difficult to determine from the present evaluation, but more work can be done to assess this. Potential improvements to the program include increasing provision of technical assistance for selecting and installing the refrigerator, and relaxing the CA-grown requirement for produce procurement. Program participants who perceived the program to benefit their stores, customers, and their communities appreciated the CDFA Healthy Refrigeration Grant Program.

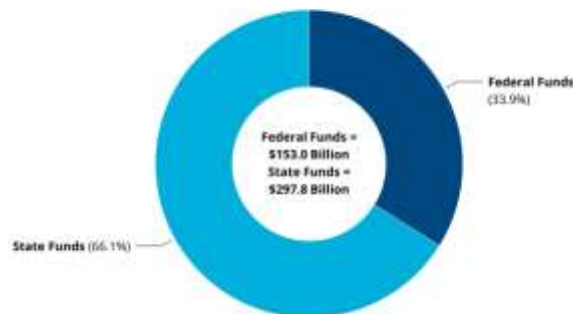
#### **Part IV: Federal Actions and California**

Although California has flexibility in how it administers CalFresh, the program remains heavily reliant on federal funding. The majority of CalFresh benefits are funded through federal dollars, and California’s state budget plays a critical role in determining the program’s reach and effectiveness.

In the 2024-25 state budget, California received approximately \$153 billion in federal funds, which represents more than one-third of the total state budget. However, because CalFresh funding flows through the state budget, the program remains vulnerable to federal policy changes and funding decisions. Changes in federal budget appropriations, SNAP regulations, or eligibility rules could directly impact the availability of CalFresh benefits for low-income Californians. California’s ability to maximize federal funding, leverage federal waivers, and streamline administrative processes directly influences the state’s capacity to reduce food insecurity and expand access to food safety-net programs for its vulnerable populations.

#### **Federal Funds Make Up One-Third of California's State Budget**

Total Enacted 2024-25 Expenditures = \$450.8 Billion



Note: State funds reflect General Fund, special fund, and bond fund dollars.

Source: Department of Finance



Of this \$153 billion that California receives in federal funding, \$115.7 billion supports health and human services programs, benefiting millions of Californians, including children, seniors, and families with low-incomes.

## 75% of Federal Funds Spent Through the State Budget Support Health & Human Services

Federal Funds Estimated to Be Spent Through the State Budget in 2024-25 = \$153 Billion



Note: "Other" reflects a number of budget categories, including Environmental Protection, Natural Resources, and Government Operations. Percentages do not sum to 100% due to rounding.

Source: Budget Center analysis of Department of Finance data



Of this \$115.7 billion allocated for health and human services programs, CalFresh alone receives \$12.6 billion in federal funds, which covers 100% of the program's benefit costs.

## Federal Dollars Fund Several Key Programs and Jurisdictions that Serve Millions of Californians

Amount and Percentage of Federal Funds for Key California Programs and Local Governments

Issue Area	Fiscal Year	Federal Funds (\$ in Billions)	Federal Funds as a % of Total Funds	Scope of Impact*
CalFresh	2024-25	\$12.6	99.0%	5,365,000 CalFresh participants

However, the Trump administration and congressional Republicans have proposed reducing federal support for SNAP, along with several actions that could impact CalFresh and broader food insecurity issues. These cuts would harm millions of Californians and force state policymakers to make difficult decisions on how to mitigate the funding gaps to prevent further erosion of essential public services that help promote economic security.

- *Federal Funding Freeze.* In January 2025, the Office of Management and Budget ordered a temporary freeze on federal spending across a broad range of programs. California Attorney General Rob Bonta, along with 22 other state attorneys general, filed a lawsuit arguing the freeze was likely illegal and an overreach of presidential power. While White House officials



assured that major assistance programs like Social Security, Medicare, and Pell Grants would be unaffected, many state agencies and service providers reported disruptions in accessing funds, which is particularly harmful for low-income and vulnerable communities (Christopher, B., 2025).

- *SNAP Benefit Cuts.* In February 2025, House Republicans proposed cutting \$230 billion from SNAP funding through 2034, aiming to offset tax cuts for wealthy business owners and households. Even small cuts in SNAP would lead to a loss of essential food assistance for low-income households, worsening food insecurity and hardship across the nation. Proposed cuts could include rolling back the 2021 Thrifty update, reducing benefits by \$1.40 per person per day, eliminating broad-based categorical eligibility, converting SNAP into a block grant, which would make funding unpredictable and potentially inadequate to meet demand, or shifting partial or full costs to states, which would force states to reduce benefits or eligibility, or make SNAP accessibility more difficult. If the \$230 billion reduction occurs, California could lose up to \$30 billion in federal SNAP funding between 2026 and 2034, risking the revenue of over 28,000 authorized retailers (Bergh, 2025).
- *Expanded Work Requirements.* Proposals to expand work requirements for SNAP recipients would disproportionately affect older adults, parents, veterans, people experiencing homelessness, and former foster youth. While proponents argue that such requirements encourage employment and self-sufficiency, research shows that these policies do not increase labor market participation and often harm low-income individuals by denying them essential benefits. Studies show that most work-eligible SNAP recipients are already employed, but inconsistent income and hours make them reliant on food assistance for temporary support. (Khan, 2025; Bergh, Rosenbaum, & Nchako, 2025).
- *Proposed Restrictions on SNAP Purchases.* The Trump administration is considering restrictions on purchasing “junk food,” such as sugary drinks and processed foods, with SNAP benefits. While some policymakers cite health concerns, implementing such restrictions would be challenging, as administrators would need to determine which foods would be eligible under the new rules. Furthermore, evidence suggests that SNAP participants face barriers to healthy eating primarily due to the affordability of nutritious food, not a preference for unhealthy options (Bergh, Rosenbaum, & Nchako, 2025).
- *Tariffs on Agricultural Products.* New tariffs on agricultural products from Mexico, Canada, and China threaten to significantly impact U.S. farmers, potentially raising prices for consumers. Corn, wheat, and soybean prices are already falling, and fertilizer costs are expected to rise due to Canada’s role in supplying potash. Meat prices could also increase, particularly for ground beef, which relies on lean beef imports from Canada and Mexico. While some products may see lower domestic prices due to reduced exports, California’s agriculture is at risk, with retaliatory tariffs on products like tomatoes and almonds. Farmers are concerned about market disruptions, higher costs, and potential impacts on exports. Previous trade wars have already harmed California’s agricultural economy, with almond prices taking a significant hit. Farmers are uncertain whether the government will provide subsidies, further exacerbating the pressure on the agricultural community.

- *Food Bank Federal Funding Cuts.* On March 10, 2025, the USDA announced the Local Food Purchase Assistance Cooperative Agreement Program (LFPAP), which supports food banks and feeding organizations, will not receive a second round of \$500 million in funding for fiscal year 2025. The LFPAP was originally expanded under the Biden administration to strengthen local food supply chains (Brown, 2025).

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## Republican Policy Agenda Could Cut Crucial Food Benefits for Millions

Proposals from President Trump, key Republican lawmakers, and Project 2025 could:

- ⚠️ **Cut benefits for all 40 million participants** now or in the future through harmful changes to the Thrifty Food Plan.
- ⚠️ **Expand SNAP's harsh work requirement** to take food away from:
  - People living in areas with insufficient jobs
  - Older adults up to age 65
  - Parents of school-age children
  - Veterans
  - People experiencing homelessness
  - Youth who have aged out of foster care
- ⚠️ **Force states to make deep cuts** by radically altering SNAP's funding structure.
- ⚠️ **End SNAP eligibility for millions of people** by reintroducing a benefit cliff for households that modestly increase their earnings and those who build savings.
- ⚠️ **Add stigmatizing and costly restrictions** on the types of foods participants can buy.

Source: CBPP, "Republican SNAP Proposals Could Take Food Away From Millions of Low-Income Individuals and Families"

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