PACIFIC COAST FARMERS' MARKET ASSOCIATION

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BUDGET SHORTCHANGES FOOD ACCESS

The State of California is currently facing a projected budget deficit after several years of budget surpluses. The state cannot constitutionally have a deficit, so tough decisions need to be made to balance the budget for the 2023-2024 fiscal year. Some analyses of recent state budgets suggest that the situation is not as dire as it could have been because the state made some smart choices in recent years, including the decision to put additional funds into the state reserve and to spend much of the surplus funds on one-time costs, such as construction projects, rather than committing to longer term projects that would require ongoing investments.

As the debate and negotiation over the state budget continue, it is important that the state again make smart choices. An investment into the **California Nutrition Incentive Program** is a smart choice for the state and its citizens.

The California Nutrition Incentive Program (CNIP) was created in 2015 and operates out of the Office of Farm to Fork at the California Department of Food and Agriculture (CDFA). CNIP's purpose is *to encourage the purchase and consumption of healthy, California–grown fresh fruits, vegetables, and nuts by nutrition benefit clients*. The largest nutrition benefit program is known as the Supplemental Nutrition Assistance Program (SNAP) at the federal level and as CalFresh in California. In recent years, one of the ways that CNIP has fulfilled its purpose is by supporting essential food access programs like **Market Match** that help

low-income Californians enrolled in CalFresh to increase their purchases of healthy, California-grown food, when they shop at their local farmers market.

Market Match is California's largest nutrition incentive program, matching customers' CalFresh spending at farmers markets and other farm-direct sites. PCFMA has offered Market Match at its farmers markets for over 10 years. Currently, Market Match is available at more than 270 sites, spanning 38 Californai counties, that are run by over 60 community-based organizations and farmers' market operators. The Market Match program is led by Berkely-based Ecology Center, which receives a CNIP grant to coordinate this work statewide.

In 2022, the Market Match program supported $19.5 million in spending of CalFresh and Market Match statewide.

CNIP supports Market Match and other programs serving CalFresh clients by leveraging funds allocated in California's state budget to raise federal funds. In 2022, CNIP successfully raised nearly $12.9 million in funds through the **USDA Gus Schumacher Nutrition Incentive Program** (GusNIP). Key to that successful proposal was the commitment of funds from the California state budget to meet the GusNIP program's required dollar-for-dollar match. These funds are supporting healthy food access for CalFresh recipients through September 2024. To sustain the program after that date, requires new funding.

While September 2024 seems a long way off, the opportunity to request GusNIP funding for additional years requires CDFA be prepared to apply for a new grant according to the USDA schedule. At the time that CDFA submits the grant application, it must have funds encumbered in the state budget passed by the legislature and signed by the governor. That timeline requires that funds be included in California's 2023-2024 state budget.

The federal funds invested into CNIP pay incredible dividends. Because the funds are used to purchase fruits and vegetables from California farmers, those funds are circulated within the California economy. Cutting off funding for CNIP is shortsighted because it prevents the state from securing federal funding to support healthy food access programs like Market Match.

A 2021 study found that every dollar invested into CalFresh and Market Match generates $1.50 in economic activity. Most importantly, these funds directly support healthy food access for California's most vulnerable families. As we all face ongoing food inflation, programs like Market Match that help low-income families stretch their food dollars are essential to ensuring families can continue to keep food on the family table.

PCFMA, the Ecology Center, and the other Market Match partners are requesting one-time funding of $35 million in state funding in the budget currently being negotiated so CDFA can seek a renewal of the GusNIP funding needed to sustain Market Match and other essential food access programs throughout the state. This investment will allow tens of millions of federal dollars to flow into California and ensure that our state continues to invest in the health of its citizens and the sustainability of its farms.

We hope you will join us in asking the legislature and the governor to support this funding for CNIP and Market Match.

Allen Moy
Executive Director

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