

# Farm families, food stamps, and Medicaid

Informing policymakers through research



**The issue.** Approximately one in ten farm households in any year have incomes below the poverty line. While eligible for many government assistance programs, how often low-income farmers access these programs is open to question.

This question is especially relevant given the ongoing public discussion about farm support payments. Despite the original emphasis of these programs on alleviating poverty among low-income farmers, today, larger farms receive most of the payments from safety net programs. For example, while roughly 75% of the wealthiest farmers receive farm payments, only 20% of the poorest farmers receive support payments. Insofar as low-income farmers are not receiving payments from these programs, we pose the following two questions. Do other federal assistance programs, primarily the Food Stamp Program and Medicaid, meet the basic needs of low income farmers? And, despite their lower rate of receipt of federal farm payments, what would be the impact of removing these payments on their usage of food stamps and Medicaid?

**According to our research.** Low income farmers are much less likely than the general low income eligible population to use food stamps and Medicaid. Farmers may be unwilling

to participate in these programs because of factors such as the stigma sometimes associated with using these programs and the transactions costs incurred when applying for and recertifying eligibility.

**We recommend.** If a goal of policymakers is to increase participation in these programs among farmers, the results indicate that one approach may be to ensure the employment commitments of farmers not interfere with their ability to apply for food stamp and Medicaid benefits.

**According to our research.** If the farm safety net were eliminated, there would be an increase in the number of farm households eligible for food stamps but, in the absence of behavioral changes, this would only lead to small increases in the number of recipients.

**We recommend.** This potential increase in the number of eligible households implies that the need for policies to address the low participation rates of farmers would be relevant for a wider group of farm households.

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