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The National School Lunch Program (NSLP) serves 29 million lunches daily, and nearly half of those are served free to low-income students. ERS researchers found that two-thirds of students receiving free lunches were in households that did not participate in the Food Stamp Program or in Temporary Assistance for Needy Families (TANF), even though



Ken Hammond, USDA

## National School Lunch Program Fills Food Assistance Gaps

their income levels were sufficiently low to qualify for benefits.

The National School Lunch Program makes free lunches available to children in households with incomes at or below 130 percent of the poverty line—\$26,000 for a family of four in 2006. The program does not have some of the restrictions that may discourage participation in the Food Stamp Program and TANF, such as asset limits and proof of income. Schools also encourage families to apply for NSLP certification by sending home application forms with students. Schools have an incentive to increase participation because higher participation helps the school cafeteria cover fixed costs.

Researchers also found that participation in the NSLP, for free meals as well as reduced- and full-price meals, is lower among high school students than among children ages 8-13. This finding is partly related to younger students' being more likely to have lower

concerns about stigma, both over being poor enough to receive a free meal and over the perception of school meals as "uncool," compared with food from the a la carte line or off campus.

Greater use of electronic payment methods to prevent free meal recipients from being identified by their peers has increased participation, as have changes in menu and meal presentation, such as the introduction of salad bars and improved cooking techniques.  $\mathcal{W}$

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**This finding is drawn from . . .**

*Profiles of Participants in the National School Lunch Program: Data From Two National Surveys*, by Constance Newman and Katherine Ralston, EIB-17, USDA, Economic Research Service, August 2006, available at: [www.ers.usda.gov/publications/eib17/](http://www.ers.usda.gov/publications/eib17/)

of what labels are worth to consumers. To estimate value to consumers, some analysts have relied on consumer surveys asking consumers whether they want labels. Such surveys must be carefully designed if they are to reveal consumers' willingness to pay for labels. The second approach entails drawing inferences about costs and benefits from the actual behavior of suppliers and consumers in the marketplace.

Food manufacturers infrequently label food as "Made in USA." The absence of such voluntary labeling suggests that suppliers believe consumers either do not care where their food comes from or prefer the imported product. It is also possible that consumers prefer domestic products, but are unwilling to pay higher prices to cover labeling costs. Any of these explanations implies that suppliers believe it is generally not profitable to label.

Some consumers may actually prefer such labels, but this group may be too small for markets to satisfy their demands profitably. In this case, con-

sumers who value the information may be better off with mandatory COOL, depending on how much they are willing to pay for label information and the cost of providing it. Even for these consumers, however, costs could exceed the benefits. For consumers who are indifferent to labels, the higher prices resulting from mandatory COOL would make them unequivocally worse off.  $\mathcal{W}$

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**This finding is drawn from . . .**

*Country-of-Origin Labeling: Theory and Observation*, by Barry Krissoff, Fred Kuchler, Kenneth Nelson, Janet Perry, and Agapi Somwaru, WRS-04-02, USDA/ERS, January 2004, available at: [www.ers.usda.gov/publications/wrs04/jan04/wrs0402/](http://www.ers.usda.gov/publications/wrs04/jan04/wrs0402/)