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## Food Stamp Participation Up in 2003

Participation in USDA's Food Stamp Program averaged 21.3 million people per month in fiscal year 2003—an 11-percent increase over the previous year, but below the record 27.5 million participants in fiscal 1994. The weak job market, along with increased efforts by States to improve program access, explains much of the increase in the number of Americans receiving food stamps during fiscal 2003.

Historically, changes in the country's economic conditions significantly affect participation in the Food Stamp Program. The number of food stamp recipients

typically rises during recessionary periods when the number of unemployed and poor people increases, and falls during periods of growth as the number of unemployed and poor people decreases. The labor market was weak during 2003, as the economy remained sluggish. The annual unemployment rate increased from 5.8 percent in 2002 to 6.0 percent in 2003, the highest rate since 1994.

The Food Stamp Program is available to most needy households (subject to certain work and immigration status requirements) with limited incomes and assets. Economic

and social conditions affect program participation and expenditure levels through their influence on the size of the eligible population, the rate of participation among eligible people, and the level of benefits provided. Rising food stamp participation is a continuation of a longer term trend: between August 2000 and September 2003, participation in the Food Stamp Program increased in all but 5 of the 38 months. Expenditures for the Food Stamp Program totaled \$23.7 billion, unadjusted for inflation, in fiscal 2003 (October 1, 2002, to September 30, 2003)—a 15-percent increase over the previous fiscal year. This dramatic increase in expenditures was due to both increased numbers of people participating and rising per person benefits. The average benefit per person was \$83.91 a month, up from \$79.68 a month in fiscal 2002.

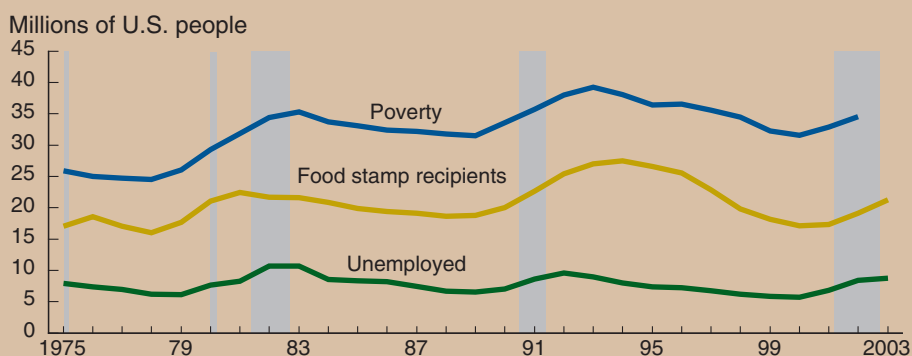
About 1 in 5 Americans is served by at least 1 of USDA's 15 domestic food assistance programs aimed at improving the nutrition, well-being, and food security of needy Americans. Preliminary data from USDA's Food and Nutrition Service indicate that expenditures for these food assistance programs rose 9 percent in fiscal 2003 and totaled \$41.6 billion, exceeding the previous record of \$38.1 billion spent on food assistance in fiscal 1996. A recent ERS report looks at participation and spending levels for the Food Stamp Program and the four other major Federal food assistance programs—the National School Lunch Program, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the School Breakfast Program, and the Child and Adult Care Food Program. **W**

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

*The Food Assistance Landscape*: March 2004, by Victor Oliveira, FANRR-28-4, USDA/ERS, March 2004, available at: [www.ers.usda.gov/publications/fanrr28-4/](http://www.ers.usda.gov/publications/fanrr28-4/)

**Changes in economic conditions significantly affect participation in the Food Stamp Program**



Note: Gray bars indicate recessions as defined by the National Bureau of Economic Research.



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## Market Incentives Raise Food Safety Bar

According to the results of a new survey, food safety expenditures by the meat and poultry industry during 1997-2001 were due mainly to compliance with regulatory requirements, though market incentives are challenging some in the industry to meet even higher standards than those required by law. Slaughter and processing plants today are increasingly reacting to stringent requirements for pathogen control set out by large meat and poultry buyers who reward suppliers who meet the standards and punish those who do not, in effect raising the food safety bar (see “Savvy Buyers Spur Food Safety Innovations in Meat Processing” on page 22).

The survey, sponsored by ERS and conducted by Washington State University, details the type, size, and motivating factors of meat and poultry industry investments in food safety since Congress mandated the Pathogen Reduction/Hazard Analysis Critical Control Program (PR/HACCP) in 1996. Surveys were sent to 1,725 slaughter and processing plants; 996 responded. Plants ranged in size from establishments with only a handful of workers slaughtering one or two animals per week to facilities with more than 1,000 workers producing millions of pounds of product per year.

Survey results indicate that over the 5-year period 1997-2001, the industry invested about \$570 million on new food safety equipment and quality

control/production personnel to meet regulatory requirements set by PR/HACCP and spent another \$380 million per year to ensure that their plants remain in compliance. On top of these expenditures, the industry invested another \$360 million to meet food safety requirements set by major meat and poultry buyers, such as McDonald's restaurants and Kroger grocery stores, and by importing countries. The average investment of \$180 million per year accounts for a sizable share of total industry capital expenditures of about \$1.8 billion in 1997, as reported by the Bureau of the Census.

The survey results also show that large and small plants have responded differently to regulatory requirements. Large plants have complied with PR/HACCP by emphasizing investments in new equipment, while small plants have focused on improving sanitation and plant operating procedures. Large meat and poultry buyers, both U.S. and foreign, have imposed more stringent food safety demands than PR/HACCP, requiring suppliers to make greater use of equipment and testing and have more intensive cleaning and sanitation practices. **W**

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**For more information . . .**

Complete survey results can be found at: [www.ers.usda.gov/data/haccpsurvey/](http://www.ers.usda.gov/data/haccpsurvey/)

### Privately motivated investments supplement PR/HACCP costs

\$1,000 per plant, 1997-2001

