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Domestic Food Assistance Expenditures Drop Again

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In the first 6 months of fiscal 1999 (October 1998-March 1999), USDA's spending on domestic food assistance programs fell. If this trend continues for the entire year, it will mark the third consecutive year in which annual expenditures on food assistance programs declined.

USDA spent \$17.2 billion on domestic food assistance programs in the first half of 1999, almost 3 percent less than in the same period in fiscal 1998 (table 1). In fiscal 1998, total annual food assistance expenditures were 6 percent less than the previous fiscal year.

The food assistance programs administered by USDA take a variety of forms, providing different types of benefits to various target groups. However, three food assistance programs accounted for 85 percent of USDA's total food assistance expenditures during the first half of fiscal 1999: the Food Stamp Program, the National School Lunch Program, and the Special Supplemental Nutrition Program

for Women, Infants, and Children (WIC).

Most of the decrease in food assistance expenditures during the first half of fiscal 1999 was due to the contraction of the Food Stamp Program. The \$9 billion in expenditures for the program in the first half of fiscal 1999 was 7 percent lower than in the same period the previous year. This decrease was largely the result of the continuing

decline in program participation, partly attributable to the Nation's favorable economic conditions and low unemployment rate. An average 18.5 million people per month received food stamps during the first 6 months of fiscal 1999, nearly 1.9 million fewer people than in the first half of fiscal 1998. At its peak in fiscal 1994, participation in the Food Stamp Program averaged 27.5 million people per month.



Credit: USDA

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Table 1
Food Assistance Program Outlays Continue To Decline in First Half of Fiscal 1999

Program	Fiscal 1998 expenditures		First half of fiscal 1999 expenditures ¹	
	Total	October-March	October-March	Change from first half of fiscal 1998
	Million dollars		Million dollars	Percent
Food stamp-related programs	20,130.5	10,326.3	9,647.5	-6.6
Food Stamp Program ²	18,916.1	9,719.1	9,024.3	-7.1
Nutrition Assistance Programs ²	1,214.4	607.2	623.2	2.6
Child nutrition programs ³	9,049.8	5,189.2	5,324.0	2.6
National School Lunch	5,828.3	3,586.0	3,673.0	2.4
School Breakfast	1,271.2	769.0	795.7	3.5
Child and Adult Care ²	1,552.1	779.4	802.1	2.9
Summer Food Service ²	261.5	4.9	4.2	-14.3
Special Milk	17.0	9.2	9.0	-2.2
Supplemental food programs	3,983.3	1,930.2	1,989.1	3.1
WIC ²	3,890.0	1,883.2	1,938.7	2.9
Commodity Supplemental Food Program ²	93.3	47.0	50.4	7.2
Food donation programs	457.4	206.1	218.8	6.2
Food Distribution on Indian Reservations ²	71.6	34.3	35.9	4.7
Nutrition Program for the Elderly	141.1	69.4	68.6	-1.2
Disaster Feeding	.3	.1	.5	400.0
TEFAP	235.1	100.9	110.7	9.7
Charitable Institutions and Summer Camps	9.2	1.4	2.9	107.1
All programs ⁴	33,728.5	17,702.5	17,228.7	-2.7

¹Data are reported as of March 1999 and are subject to revision.

²Includes administrative expenses.

³Total includes the Federal share of State administration expenses.

⁴Total includes Federal food program administration expenses.

Source: U.S. Department of Agriculture, Food and Nutrition Service, *Program Information Report (Keydata)*, U.S. Summary, March 1999, revised tables 29, 29b, and 29c.

In contrast to the Food Stamp Program, expenditures for both the National School Lunch Program and the WIC program increased slightly during the first half of fiscal 1999. Expenditures for the

National School Lunch Program totaled \$3.7 billion in the first half of fiscal 1999, up 2 percent over the same period in fiscal 1998. Expenditures for the WIC program increased 3 percent to \$1.9 billion

between the first half of fiscal 1999 and the same period in fiscal 1998.

Most of the smaller food assistance programs administered by USDA expanded during the first half of fiscal 1999. ■