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Domestic Food Assistance Programs

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Many Americans received food assistance from the Federal Government in fiscal 1990, including food stamps, vouchers, food packages, or cash. The Food Stamp Program is the largest of the Federal food assistance programs in terms of both the number of people served and the amount of money spent. Monthly participation rates in the Food Stamp Program were almost 20 million, up over 1 million from fiscal 1989. Through U.S. food assistance programs, over 28 million school children received free or reduced-cost school breakfasts and lunches, and almost 962 million meals were served in the Child Care Food Program.

To provide this food, the U.S. Government spent over \$24.2 billion in fiscal 1990 (table 1). This represents a 70-percent increase over the \$14.2 billion spent in 1980 and over a 10-percent rise since 1989.

Overall growth of food assistance programs during the past decade was sporadic, but with a continual upward trend. Three factors account for most of the increase in program expenditures since 1980. First, inflation caused the cost-of-living adjustments to rise each year. Second, increased unemployment associated with recessions in 1982-83 and 1990 created additional demand for food assistance, particularly food stamps. Third, the large accumulation of Government surplus commodities, particularly dairy products, fostered a major increase in food donations, particularly The Emergency Food Assistance Program (TEFAP).

USDA food assistance programs are designed to improve the nutritional well-being of low-income persons and other target groups, such as children and the elderly.

Food assistance programs, which are administered by USDA's Food and Nutrition Service, were initiated during the Great Depression of the 1930's. The programs were to help feed the poor and unemployed and to stabilize farm prices by distributing growing stocks of surplus agricultural commodities. Since then, assistance programs have expanded and new programs have been implemented. The National School Lunch Program and the Food Stamp Program are notable examples.

Food Stamp Program

The Food Stamp Program dominates domestic food assistance activity, accounting for almost two-thirds of the monies spent in 1990. The program grew rapidly in the late 1970's as the total cost more than doubled between 1977 and 1981. Expansion of the Food Stamp Program slowed during most of the 1980's under the combined effects of program maturity, budgetary constraints, and an improved economy.

The Food Stamp Program helps low-income households and individuals to purchase foods they need to improve their nutritional intake. Participants are entitled to a monthly allotment of food stamps, the value of which depends on



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Table 1.
Food Stamps Responsible for Two-thirds of Food Assistance Spending in 1990

Fiscal year	Food stamps ¹	Food distribution ²	Women, infants, and children ³	Child nutrition ⁴	Total ⁵
<i>Million dollars</i>					
1980	9,206.5	194.7	727.7	4,033.9	14,242.9
1981	11,225.2	239.1	871.6	4,221.3	16,636.0
1982	11,038.1	459.7	948.8	3,733.2	16,275.3
1983	12,675.7	1,353.4	1,126.0	4,061.9	19,302.9
1984	12,407.5	1,487.9	1,388.1	4,265.9	19,634.2
1985	12,531.9	1,439.2	1,489.3	4,391.0	19,935.9
1986	12,462.1	1,380.9	1,582.9	4,625.5	20,129.9
1987	12,461.4	1,312.9	1,679.6	4,883.3	20,421.4
1988	13,199.7	1,073.1	1,797.5	5,040.8	21,181.7
1989	13,820.7	705.3	1,911.0	5,186.1	21,754.6
1990	16,353.9	639.6	2,122.5	5,471.2	24,869.0

¹Includes benefits, State administrative and other costs, and nutrition assistance to Puerto Rico and the Northern Marianas. ²Includes cash in lieu of commodities, administrative expenses, and TEFAP. Also includes food distribution programs on Indian reservations and nutritional program for the elderly. ³Includes bonus commodities and administrative expenses. ⁴Includes all child nutrition programs and special milk programs. ⁵Includes program administrative costs and food for disaster relief and soup kitchens.

Source: USDA, Food Nutrition Service, Program Information Division.
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household size, assets, and monthly income. Recipients may redeem the coupons for food at authorized retail outlets.

The current program began as a pilot operation in 1961. Through the Food Stamp Act of 1964, Congress established the Food Stamp Program as a permanent program. An earlier prototype was operational during the late 1930's and was terminated during World War II. By 1974, Congress had established uniform national standards and had mandated nationwide distribution of the program.

The program is available in all States, the District of Columbia, Guam, and the Virgin Islands. Puerto Rico and the Northern Marianas participated until 1982, when separate Nutritional Assistance Programs were established for these territories. In order to be eligible for the program, persons must meet income guidelines, asset limitations, and certain work requirements. Benefit levels are adjusted annually to reflect changes in the

cost of food as measured by USDA's Thrifty Food Plan. The Thrifty Food Plan is a low-cost food plan that provides a nutritious diet.

Over 19.9 million people participated each month in the Food Stamp Program in fiscal year 1990 (table 2). Participation numbers peaked in 1981 at 22.4 million and steadily declined after 1982 until 1988. This gradual downtrend was primarily due to generally improving economic conditions. For example, the unemployment rate fell from 9.6 percent in 1983 to 5.5 percent in 1988, and participation fell by 14 percent over that period. Since 1988, as the economy has softened, participation has increased by 1.3 million.

The Food Stamp Program increases the food-buying power of participating households and indirectly supplements their incomes. ERS analysts estimate that food stamp recipients spend 20-40 percent of the value of their food stamps for additional food purchases. The remainder

simply replaces income previously allocated to food. This substitution frees up income for purchases of nonfood items. Thus, at the current assistance level of \$16.4 billion, food stamps create an additional \$3-6 billion in annual food expenditures and \$10-13 billion in nonfood expenditures.

Child Nutrition Programs

USDA operates five programs to provide meals and snacks to pre-school and school-age children. These programs are the National School Lunch Program, School Breakfast Program, Special Milk Program, Child and Adult Care Food Program, and the Summer Food Service Program.

In fiscal year 1990, Federal expenditures for these five programs totaled \$5.3 billion, 9 percent higher than in 1989. Child nutrition program costs declined in 1982 due to changes in regulations in the National School Lunch and Special Milk Programs. However, Federal expenditures since increased 43.5 percent as cost per child served rose. Expenditures for the National School Lunch Program also have increased steadily since 1982 (table 3). This program is available to virtually every child, whereas the School Breakfast and Child Care Programs have concentrated primarily in low-income areas.

As a result of declining school enrollment and changes in program regulations in 1981-82, participation in the National School Lunch Program fell from a high of 27 million children in 1979 to 22.9 million in 1982. Participation gradually increased to 24.1 million children by 1990. The proportion of lunches served free or at reduced prices remained relatively stable over the years at 47-48 percent of all lunches.

The School Breakfast Program was initiated in 1966 and permanently authorized in 1975. The program has historically been concentrated in schools with high levels of low-income students. The School Breakfast Program has grown steadily since 1982, when the program served 34,300 schools and 3.3 million participants. In 1990, the program served

daily breakfasts to 4.1 million students in 42,600 schools. Much of the growth has been fostered by a concerted effort to make this program more widely available to needy children.

The Child and Adult Care Food Program registered the sharpest growth of all food assistance programs during the 1980's. Total meals served in this program increased by 124 percent from 431 million meals served in 1980 to 966 million in 1990. The substantial increase in the number of family care homes in the program spurred much of the growth in the program. Funding increased over 240 percent, from \$236 million in 1980 to \$812 million in 1990. The program now serves over 1.5 million youngsters and 20,000 adults at 158,000 facilities.

Continued growth in the number of children in day care facilities indicates that this program will expand to meet the increased demand for its services. The adult feeding component, initiated in 1989, currently accounts for about 1 percent of the number of meals and total cost of the program. ■

Table 2.

Greater Participation and Higher Benefits Spurred the Largest Increase in Food Stamp Program Expenditures in the Last Decade

Fiscal year	Average monthly participation	Monthly benefits per person	Total program costs ¹
	Millions	Dollars	Million dollars
1980	21.1	34.47	9,206.5
1981	22.4	39.49	11,225.2
1982	21.7	39.17	10,836.7
1983	21.6	42.98	11,847.1
1984	20.9	42.74	11,578.8
1985	19.9	44.99	11,703.0
1986	19.4	45.49	11,638.4
1987	19.1	45.78	11,604.2
1988	18.6	49.83	12,316.8
1989	18.8	51.85	12,908.3
1990	19.9	58.99	15,413.0

¹Includes administrative and other costs.

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Table 3.

1990's Increase in Expenditures for Feeding Children at School Was the 4th Largest Since 1980

Fiscal year	School lunch	School breakfast	Special milk	Commodities	Total
	Million dollars				
1980	2,279.4	287.8	145.8	904.5	3,617.5
1981	2,380.6	331.7	100.9	895.2	3,708.4
1982	2,185.4	317.3	18.3	766.0	3,287.0
1983	2,401.8	343.8	17.4	812.4	3,575.4
1984	2,507.7	364.0	16.6	820.6	3,712.9
1985	2,578.4	379.3	16.0	830.2	3,803.9
1986	2,714.5	406.3	15.4	854.0	3,990.2
1987	2,797.1	446.8	15.5	919.3	4,178.7
1988	2,917.4	482.0	18.7	852.8	4,270.9
1989	3,004.9	507.0	18.5	795.0	4,325.4
1990	3,210.2	594.2	19.5	658.1	4,482.0

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