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Domestic Food Assistance Reached Record Levels

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Federal food assistance programs, which are designed to improve the nutritional status of low-income people and other target groups such as the elderly, are growing. Types of assistance include food stamps, vouchers, food packages, and cash.

The Federal Government spent a record \$28.9 billion in fiscal 1991 for domestic food and nutrition programs, 16 percent above the \$25 billion spent in 1990.

The increase was almost entirely due to higher participation and costs of the Food Stamp Program—the largest Federal food assistance program. The increase in the program's costs accounted for over three-fourths of the total increase in all food assistance program costs. Other programs have increased, but not as fast. A weakened economy from the recession, in which unemployment rates grew from 5.3 percent in fiscal 1989 to 6.4 in fiscal 1991, factored into the increases.

Recipients received \$27 billion in assistance in fiscal 1991 and \$23 billion in 1990 (table 1). Preliminary figures indicate that participation and costs will continue rising until the economy turns around (table 1).

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Food Stamps

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. It ac-

counted for over two-thirds of the food assistance budget in fiscal 1991.

The program helps low-income households purchase the foods that they need for better nutrition. Eligi-

Table 1
USDA Food Assistance Benefits Rose 16.8 Percent in Fiscal 1991¹

Programs	1990	1991
<i>Million dollars</i>		
Family food:		
Food stamps	14,205	17,348
Puerto Rico ²	940	967
Food distribution:		
Indian reservations	51	51
Schools ³	620	687
Other ⁴	182	176
TEFAP ⁵	209	212
Cash in lieu of commodities⁶	156	155
Child nutrition:⁷		
School lunch	3,211	3,489
School breakfast	589	677
Child care and summer food	865	995
Special milk	19	20
WIC⁸	2,116	2,293
Total*	23,163	27,072

*Data may not add to annual total due to rounding. ¹Administrative costs are excluded unless noted. ²Puerto Rico transferred from the Food Stamp Program to a substitute Nutrition Assistance Program on July 1, 1982. Data represent appropriated amounts. ³National School Lunch, Child Care Food, Summer Food Service Programs, and schools receiving only commodities. ⁴Commodity Supplemental Food Program and Elderly Feeding Pilot Projects, excluding bonus commodities and donations to charitable institutions. ⁵The Emergency Food Assistance Program. ⁶Child nutrition programs and Nutrition Program for the Elderly. ⁷Cash expenditures. ⁸Special Supplemental Food Program for Women, Infants, and Children—includes administrative costs.

Source: USDA's Food and Nutrition Service, Program Information Division.

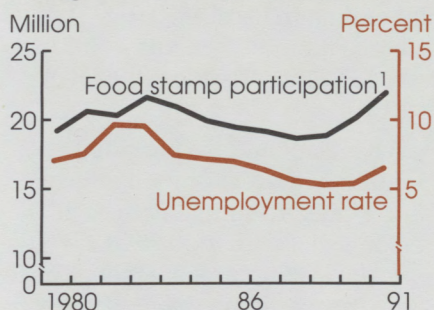
bility is determined by income guidelines, asset limitations, and certain work requirements. Participants are entitled to a monthly allotment of food stamps, the value of which is determined by income and household size. Monthly benefits are adjusted annually to reflect changes in the cost of the Thrifty Food Plan, the most economical of USDA's four food plans. Recipients may redeem the coupons for food at authorized retail outlets.

Participation in the program is responsive to the level of economic activity and usually increases during periods of rising unemployment (fig. 1).

The Food Stamp Program experienced the largest increase in participation since 1979 when the Elimination of the Purchase Requirement was instituted, which made food stamps available to participants without a mandatory cash payment each month. The cash payment that had been required was prorated according to the economic status of the household.

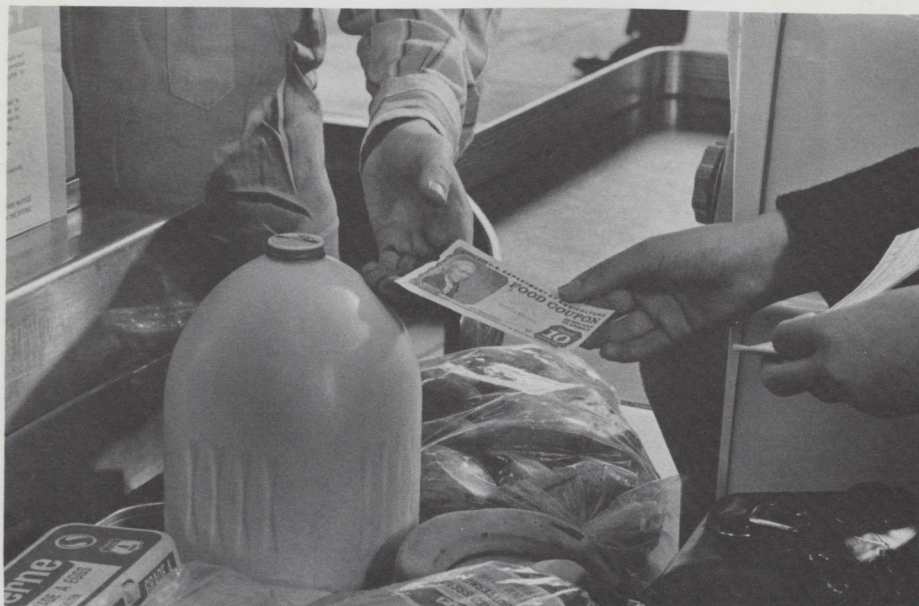
Almost 23 million people participated each month in fiscal year 1991, compared with 20 million in 1990 and almost 19 million in 1989.

Figure 1
Food Stamp Participation Increases Along with Unemployment



¹Data excludes Puerto Rico's nutrition assistance program.

Food stamps increase the food buying power of participating households and indirectly supplement their incomes. USDA's Economic Research Service estimates that between 20 to 40 percent of the value of food stamp benefits each year are translated into increased spending on food. Applying those percentages to last year's benefits level of \$17.3 billion, the program generated an additional \$3.5 billion to \$6.9 billion in annual food expenditures.



The Food Stamp Program experienced the largest increase in program participation and costs.

Child Nutrition Programs

USDA operates five programs in cooperation with State and local governments to provide meals and snacks to pre-school and school-age children. These include the National School Lunch, School Breakfast, Special Milk, Child and Adult Care Food, and Summer Food Service Programs. In fiscal 1991, Federal expenditures for these programs totaled \$6 billion, an 11-percent increase over 1990.

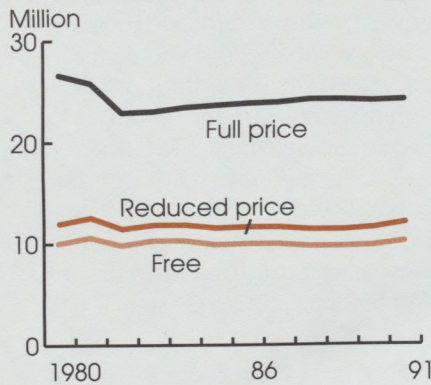
Participation in the National School Lunch Program increased by only 0.05 percent. But the numbers of free and reduced-price meals increased 4 percent and 12 percent, respectively (fig. 2). The program served 91,600 schools and 24.2 million participating children each school day in fiscal 1991.

Outlays for the School Breakfast Program increased 15 percent from \$589 million in fiscal 1990 to \$677 million in fiscal 1991. Participation increased almost 9 percent to 4.4 million students per school day. As with food stamps, participation in programs for free or reduced-priced school meals is sensitive to the status of the general economy. When the economy slows, more children are expected to be enrolled in subsidized meal programs at schools.

The Child and Adult Care Food Program served 1.1 billion meals during fiscal 1991, a 10-percent increase over the 966 million served in 1990. This program has been the fastest growing food assistance program over last decade, along with the continued growth in the number of children requiring day care services.

Cash and commodities are provided for food service in nonresidential child care centers and family day care homes. Chronically impaired adults and people over age 60 who are enrolled in adult day care centers are also served. The program provided daily meals to 1.53 million people in fiscal 1991,

Figure 2
Participation in the School Lunch Program Has Remained Steady



up slightly from the 1.52 million in 1990.

Supplemental Food Programs

The Special Supplemental Food Program for Women, Infants, and Children (WIC) was established in 1972 to improve the nutrition and health of pregnant, breastfeeding, and postpartum women, and their infants and children up to age 5, who are determined by health or medical professionals to be nutritionally at risk. Spending for this program rose 8 percent in fiscal 1991 to \$2.3 billion after Congress allocated greater annual amounts to meet the needs of the program and its special clientele.

An average of 4.9 million persons participated in WIC each month in fiscal 1991, 8 percent higher than in fiscal 1990 (fig. 3). Average monthly benefits in 1991 were \$30.34, nearly the same level as 1990.

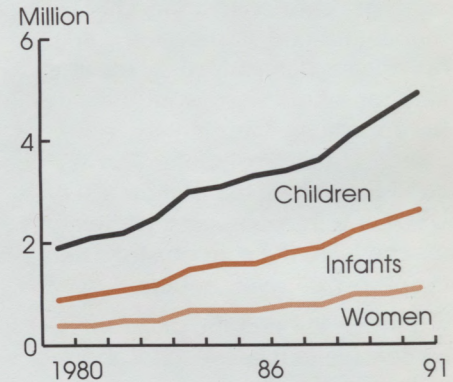
WIC recipients are provided monthly with food or food vouchers designed to supplement each person's diet with foods that are typically lacking in the target population, primarily pregnant women and infants under 1 year. The program also provides nutrition and health education and information concerning access to available community health and medical services.

The Commodity Supplemental Food Program, which began in 1969, initially served a target population similar to that of WIC. Participation has expanded in the past decade, particularly after 1982 when eligibility was extended to the elderly. Program costs in fiscal 1991 rose 8 percent to \$89.7 million. The program now serves almost 300,000 people—over a third of whom are elderly.

Food Donation Programs

Food distributions are associated with provisions of surplus farm commodities obtained through farm price-support programs. USDA donates food through a number of programs,

Figure 3
Participation in the WIC Program Grew 8 Percent in Fiscal 1991



most notably The Emergency Food Assistance Program (TEFAP) and the Nutrition Program for the Elderly.

Recipients include American Indians on reservations, people living in the U.S. Trust Territories of the Pacific Islands, the elderly, and needy families. USDA also provides food to charitable institutions, summer camps, soup kitchens, and food banks.

Total costs of distributing food under these programs in fiscal 1991 amounted to \$688 million, down 3 percent from fiscal 1990. The decline occurred primarily because, for the last several years, Government inventories have been too low to maintain the volumes available in the 1980's. ■