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FoodReview

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New Directions for Food Assistance

...Upfront

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New Directions for National Food-Assistance Efforts

There's a new name in the credits on the left. *FoodReview* is being published by the Food and Consumer Economics Division of USDA's Economic Research Service (ERS). This new Division reflects USDA's commitment to providing private and public decisionmakers with economic intelligence on the rapidly evolving U.S. food system. The Division builds on longstanding research on Americans' changing eating habits, food spending, food marketing costs and performance, global food trade, and food-safety issues. You can contact specialists in those topic areas directly—see the list at the end of this issue.

This issue of *FoodReview* provides an example of ERS' contribution to a pressing concern facing the Nation—welfare reform. USDA's food-assistance programs are being reassessed as part of an overall effort to reduce Government-funded welfare programs. In 1995, USDA will spend about $38.8 billion providing food assistance through a variety of programs to 45 million Americans.

Yet, food-assistance reform is more than just a budgetary issue. Reductions in program funding or changes in how benefits are provided will affect recipients' food and nonfood spending. These changes will in turn affect food retailers and manufacturers, farmers, and the U.S. economy. "Economic Effects of Refocusing National Food-Assistance Efforts" shows that restructuring food assistance, such as providing cash benefits in place of food stamps or vouchers, produces larger effects on national spending than would cutting food-assistance expenditures alone. The ultimate effects on the economy will depend on whether the program savings are used to reduce the Federal budget or to cut taxes.

Critical to this type of analysis is an understanding of the food spending patterns of low-income households. "Limited Financial Resources Constrain Food Choices" compares food spending of low-income households with that of the national average. Low-income households bought less of some foods, particularly fresh fruits, soft drinks, and bakery products (other than bread), and they spent less for most foods.

Reliable monitoring of the extent of domestic hunger will help policymakers identify national hunger trends as well as high-risk groups and locations needing supplemental assistance. "Improving Federal Efforts To Assess Hunger and Food Insecurity" describes a new USDA-sponsored survey designed to gain a better understanding of the extent of hunger in the United States.

Food-assistance needs are not confined to the United States. "Food Shortages in Developing Countries Continuing" describes how drought, land scarcity, lack of modern inputs and infrastructures, civil strife, and/or restrictive government policies are contributing to insufficient food production for growing populations in many developing countries. About a third of Sub-Saharan Africa's population are undernourished—unchanged since the 1970's. The area is expected to face severe food shortages in the next decade, unless production practices and population growth change radically.

Future issues of *FoodReview* will share ERS' research on how the U.S. food industry responds to changing consumer demand and report annual data on food consumption and spending trends, developments in the food marketing system, food-assistance program expenditures, and costs of selected foodborne illnesses.

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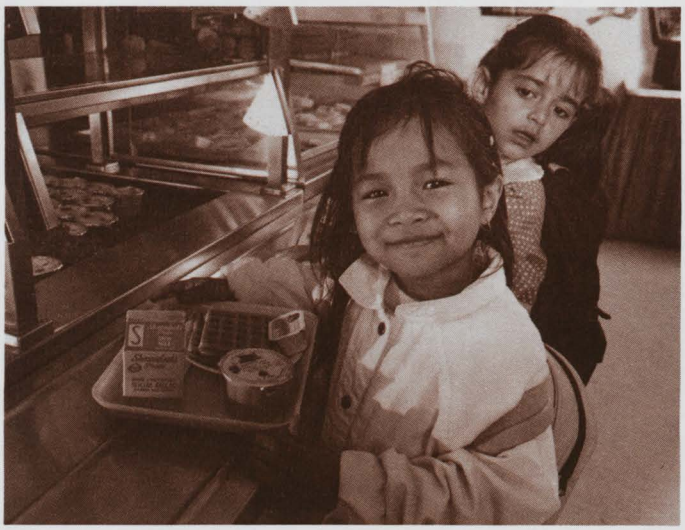

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