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Recent Trends in Domestic Food Programs

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Participation and costs discussed in this article compare the second quarter of fiscal year 1989 (January-March) with the same period in 1988. Recent data are reported as of July and are subject to revision.

The Federal Government spent \$5.35 billion on domestic food assistance benefits in the second quarter of fiscal 1989, slightly more than the \$5.32 billion spent during the same period in 1988 (table 1). Individual program expenditures either remained at the previous year's level or increased, except for the Temporary Emergency Food Assistance Program (TEFAP). Outlays for that program dropped \$125 million.

Food Stamp Program

The average number of food stamp participants declined slightly from 18.96 million in 1988 to 18.90 million in 1989. Average monthly benefits increased from \$49.99 to \$52.02 per person during the same period. The Federal share of State administrative expenses grew to an average \$88.6 million per month in 1989, while other Federal costs dropped to \$13.9 million. Despite the small slump in participation, total program costs for the quarter increased from \$3.14 billion to \$3.26 billion, a 3.6-percent rise.

Child Nutrition Programs

Average daily participation in the National School Lunch Program during the second quarter of fiscal 1989 was

24.02 million, 0.9 percent less than the 24.23 million students served daily in 1988. Participation fell because the number of students receiving free meals dropped from 9.93 million to 9.75 million. The number of participants getting reduced-price meals remained the same, 1.62 million, while those paying full price declined slightly, from 12.68 million to 12.64 million.

Federal expenditures for the program, which include cash payments and entitlements (see box), totaled \$1.12 billion in the second quarter of fiscal 1989, a 1.6-percent boost over the amount spent in 1988. Cash payments rose from \$931.6 million to \$932.2 million and entitlement

commodities (including cash in lieu of commodities) from \$175.1 to \$192.4 million. Schools also receive bonus commodities as part of the National School Lunch Program. In 1989, they got \$96.8 million in bonus commodities, 8.2 percent less than the amount distributed in 1988.

The School Breakfast Program provides free and reduced-price breakfasts to children whose families meet school-lunch eligibility criteria. Approximately 40,000 schools offered the School Breakfast Program during the 1988-89 school year. During January-March 1989, a daily average of 3.75 million students participated in the program, 2 percent

Entitlement and Bonus Commodities

USDA regularly provides commodities to the National School Lunch Program, Child Care Food Program, Summer Food Service Program, Commodity Supplemental Food Program, Food Distribution Program on Indian Reservations, Nutrition Program for the Elderly, TEFAP, charitable institutions, and disaster feeding programs. Two types of commodity assistance are provided: entitlement and bonus.

For most of the programs, the administering State agencies are "entitled" to receive commodities—like ground beef, chicken, canned fruit and vegetables, and dairy products—based on their

level of participation. For example, USDA is required by law to provide appropriate State agencies with 13.25 cents worth of commodities for each lunch served under the National School Lunch Program during the 1989-90 school year. These are referred to as entitlement commodities.

In addition, State agencies may also receive commodities that are already in Government stocks as a result of USDA price support programs or other operations. These commodities are referred to as bonus donations, and are not part of the States' allocation of entitlement commodities. Dairy products have constituted most of the bonus commodities distributed in the 1980's.

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more than the 3.68 million served in 1988. Of the 1989 participants, 81.6 percent received free meals, 5.1 percent paid a reduced price, and 13.2 percent paid full price. Federal expenditures for the School Breakfast Program increased 3.3 percent to hit \$154.9 million in the second quarter of fiscal 1989.

Average daily attendance at facilities offering the Child Care Food Program rose 5.3 percent from 1.35 million in March 1988 to 1.43 million in March 1989. The number of outlets climbed from 119,053 to 134,157 over the same period. Total meals served in child-care facilities during the quarter rose 7.4 per-

cent to 221.6 million. Federal costs for the program reached \$175.1 million in 1989, an 11.2-percent increase over 1988.

The number of half pints of milk served per month under the Special Milk Program dropped 6.5 percent, because of fewer operating days in 1989. During the quarter, an average of 17.2 million

Table 1. Benefit Costs of USDA Food Assistance Programs Have Increased During Fiscal 1989¹

Program	1987	1988	FY 1988 quarters ²				FY 1989 quarters ²	
			I	II	III	IV	I	II
<i>Million dollars</i>								
Family food								
Food stamps	10,500	11,149	2,781	2,842	2,790	2,736	2,900	2,950
Puerto Rico ³	856	883	221	221	221	221	228	228
Food distribution								
Indian reservations	49	47	12	12	12	12	13	13
Schools ⁴	898	830	255	285	139	151	270	290
Other ⁵	214	220	58	62	48	51	59	55
TEFAP ⁶	846	594	189	185	142	77	45	61
Cash in lieu of commodities⁷	146	152	38	38	40	36	37	38
Child nutrition⁸								
School lunch	2,797	2,917	876	932	727	383	904	932
School breakfast	447	482	143	150	123	66	151	155
Child care and summer food	590	655	131	140	162	222	147	156
Special milk	15	19	5	5	5	4	5	5
WIC⁹	1,678	1,793	425	444	460	464	456	467
Total¹⁰	19,036	19,741	5,135	5,317	4,867	4,422	5,215	5,350

¹Fiscal years, administrative costs are excluded unless noted. ²Preliminary, quarterly data may not add to annual total due to rounding. ³Represents annual appropriations, includes grant for Northern Marianas. ⁴Includes National School Lunch, Child Care Food, and Summer Food Service Programs, and schools receiving only commodities. ⁵Includes Commodity Supplemental Food Program, Nutrition Program for the Elderly, and donations to charitable institutions. ⁶Temporary Emergency Food Assistance Program. ⁷Includes child nutrition programs and Nutrition Program for Elderly. ⁸Cash expenditures. ⁹Special Supplemental Food Program for Women, Infants, and Children, includes administrative costs. ¹⁰May not add due to rounding.

Source: Food and Nutrition Service.

In 1989, about 916,000 meals were served each day under the Nutrition Program for the Elderly.



half pints were served per month, compared with 18.4 million in 1988. Program costs for the quarter fell 7.4 percent from \$5.4 million to \$5.0 million.

Supplemental Food Programs

Participation in the Special Supplemental Food Program for Women, Infants, and Children (WIC) reached a record 4 million in 1989, a 13-percent increase from 1988. Of the people who participated in 1989, 22.9 percent were women, 30.6 percent were infants, and 46.5 percent were children.

Federal costs for the WIC program in the second quarter of fiscal 1989 equaled \$466.7 million, 5.1 percent more than the

\$444.0 million spent in 1988. Food costs went up 3.2 percent from \$357.2 million to \$368.6 million. But average monthly food costs fell by 8.6 percent from \$33.58 to \$30.69 per person. The decline is largely due to rebates from infant formula manufacturers. To date, 42 States, the District of Columbia, and 7 Indian agencies have entered into rebate agreements with these companies.

Monthly participation in the Commodity Supplemental Food Program increased 5.1 percent from 215,600 in 1988 to 226,500 in 1989. Participation rose for women, children, and the elderly, but not for infants. Costs for entitlement commodities equaled \$9.8

million in 1989, a 21.1-percent gain over 1988. Bonus commodity donations declined 1.8 percent from \$4.9 million to \$4.8 million. Total costs for the program grew 11.3 percent, hitting \$17.2 million in 1989.

Food Distribution Programs

The average number of participants in the Food Distribution Program on Indian Reservations rose from 140,200 in the second quarter of fiscal 1988 to 143,400 during the same period in 1989. The number of projects distributing food expanded by two, reaching 109. Food costs were \$10.9 million in 1989, 13.3 percent higher than in 1988. Bonus commodity donations dropped from \$2.7 million to \$2.5 million.

An average of 914,500 meals per day were served under the Nutrition Program for the Elderly, compared with 891,600 a year earlier. USDA provides cash and commodities to this program, which serves meals to senior citizens. Federal expenditures for food and cash in lieu of commodities totaled \$34.3 million in 1989, down slightly from \$34.4 million in 1988. The amount of bonus commodities donated to the program fell substantially from \$2.7 million to \$1.0 million.

In the second quarter of fiscal 1989, USDA donated \$36.4 million in surplus and bonus commodities to charitable institutions, 18 percent less than the \$44.3 million distributed the previous year. TEFAP distributed \$60.7 million worth of commodities to needy persons in 1989, only 32.7 percent of 1988's \$185.4 million. Shipments of cheese, nonfat dry milk, honey, and rice to State agencies were sharply reduced due to the depletion of Government inventories. ■