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Recent Trends in Domestic Food Programs

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Participation and program costs discussed in the article compare the October-December quarter of 1988 (the first quarter of fiscal 1989) with the same period in 1987 (the first quarter of fiscal 1988). Recent data are from January and subject to revision.

Federal expenditures for food and nutrition assistance to needy persons increased 1.5 percent, from \$5.13 billion in October-December 1987 to \$5.21 billion for the same period in 1988 (table 1). Costs for virtually all major programs rose, primarily because of higher benefit levels and greater participation. Expenditures for the Temporary Emergency Food Assistance Program (TEFAP), however, fell more than 75 percent due to depleted Federal stocks of surplus commodities.

Food Stamp Program

Participation in the Food Stamp Program rose 0.4 percent, from a monthly average of 18.44 million persons in October-December 1987 to 18.52 million in 1988. This increase reversed a long-term downward trend in program participation that began in 1983. Average monthly benefits were up 3.6 percent, from \$50.26 to \$52.07, accounting for an increase in total benefit costs from \$2.78 billion to \$2.89 billion between 1987 and 1988. Quarterly program costs, including administrative and other expenses, rose from \$3.08 billion to \$3.21 billion during the same period.

Child Nutrition Programs

Participation in, and costs of, most child nutrition programs increased in the first quarter of fiscal 1989 from a year

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Table 1. Benefit Costs of USDA Food Assistance Programs Have Risen Slightly¹

Program	1987	1988	Fiscal 1988 quarters ²				Fiscal 1989 ²
			I	II	III	IV	I
<i>Million dollars</i>							
Family food							
Food stamps	10,500	11,159	2,781	2,850	2,789	2,739	2,894
Puerto Rico ³	856	883	221	221	221	221	228
Food distribution							
Indian reservations	49	47	12	12	11	11	12
Schools ⁴	898	818	254	284	138	141	263
Other ⁵	214	215	58	62	48	48	59
TEFAP ⁶	846	585	189	185	142	69	47
Cash-in-lieu of commodities⁷	146	151	38	38	40	35	37
Child nutrition⁸							
School lunch	2,797	2,917	876	932	727	383	911
School breakfast	447	482	143	150	123	66	148
Child care and summer food	590	669	131	140	165	232	144
Special milk	15	19	5	5	5	4	5
WIC⁹	1,678	1,794	423	446	460	465	459
Total¹⁰	19,036	19,739	5,131	5,326	4,868	4,414	5,207

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

Source: Monthly data from the Food and Nutrition Service.

earlier. Cash payments for these programs totaled \$1.21 billion for the quarter, up 4.6 percent from fiscal 1988.

Average daily participation in the National School Lunch Program rose 0.2 percent, from 24.54 million in fiscal 1988 to 24.59 million in fiscal 1989 (table 2). The number of participants receiving free lunches declined from

9.94 million per day to 9.88 million, while the average number receiving reduced-price lunches remained steady at 1.64 million per day. Full-price lunch recipients increased from a daily average of 12.96 million to 13.08 million.

Participating schools received commodities valued at \$151.8 million, or 12.25 cents per meal, in fiscal 1989, up

2.7 percent from the previous year. In addition, \$11.1 million worth of bonus commodities, which schools may receive from Government stocks, were distributed during the quarter.

The Federal Government spent \$1.16 billion on the National School Lunch Program, including cash and commodities, in the first quarter of fiscal 1989, a 4.2-percent increase from fiscal 1988. Higher participation and reimbursement rates accounted for the growth in total program costs.

Participation in the School Breakfast Program increased 1.7 percent to 3.79 million per school day. The number of participants receiving free breakfasts rose from a daily average of 3.07 million to 3.1 million, while those receiving reduced-price breakfasts grew from 187,000 to 189,000 and full-price breakfasts, from 468,000 to 505,000 per day. Approximately 81.8 percent of all breakfasts were served free. Program costs for the quarter equaled \$148.5 million, 3.5 percent more than the previous year.

Total costs for the Child Care Food Program for the first quarter of fiscal 1989 were \$164.3 million, 11.2 percent higher than the \$147.7 million spent in fiscal 1988. The number of meals served increased 7.7 percent during the same period, from 193.8 million to 208.8 million. Both private day-care homes and institutional child-care centers served more meals, but day-care homes had the fastest rate of growth, accounting for 44.4 percent of all meals in fiscal 1989, compared with 42.6 percent a year earlier. The number of homes and centers increased from 116,000 to 126,000.

The number of half-pints of milk served under the Special Milk Program climbed from 50.7 million in fiscal 1988 to 51.2 million this fiscal year. During the same period, total costs for the program rose from \$4.97 million to \$5.03 million. Reimbursement rates for half-

pints of milk remained at approximately 14.4 cents for milk distributed free of charge and 9.5 cents for purchased milk.

Supplemental Food Programs

Participation in the Special Supplemental Food Program for Women, Infants, and Children increased 11.5 percent, from a monthly average of 3.5 million in October-December 1987 to 3.9 million in 1988. Total program costs followed suit, growing 8 percent to \$459 million. However, average benefits per person declined from \$33.25 per month in 1987 to \$32.48 per month in 1988. Last year, 14 States implemented rebate contracts with infant formula manufacturers, and another 12 States have negotiated contracts that will begin this year. Average food costs were lower largely because of the savings realized through these contracts.

The Commodity Supplemental Food Program provides food packages to low-

income pregnant and post-partum women, children up to age 6, and elderly people. Program costs amounted to \$12.0 million in October-December 1988, compared with \$10.6 million a year earlier, a gain of 13.1 percent. Monthly participation climbed 3.4 percent to 218,000, with most of the increase accounted for by the elderly and children between ages 1 and 6.

Food Distribution Programs

Fewer people, 134,600, took part in the Food Distribution Program on Indian Reservations and Trust Territories during the first quarter of fiscal 1989 than participated in fiscal 1988, 137,600. Food costs rose from \$11.7 million to \$12.3 million during the same period, despite a drop in bonus commodities from \$2.5 million to \$2.4 million.

The cost of food provided to the Nutrition Program for the Elderly equaled \$37.4 million in the first quarter of fiscal 1989, including cash-in-lieu of commodities and bonus commodities, 10 percent higher than the \$34.0 million spent in fiscal 1988. Participation over the same period rose from a monthly average of 896,000 to 900,000. This program, administered by the Department of Health and Human Services, serves meals to senior citizens with cash and donated commodities provided by USDA.

In the first quarter of fiscal 1989, the Federal Government gave \$38.1 million in surplus and bonus commodities to charitable institutions, 4.7 percent below the \$40.0 million distributed the previous year. Federal expenditures for TEFAP declined from \$189.1 million to \$46.7 million. Due to reduced Government inventories, the program ceased distribution of cheese and sharply curtailed shipments of nonfat dry milk, honey, and rice. □

Table 2. Participation in Most USDA Food Programs Has Grown

Program	Average monthly participation October-December ¹	
	1987	1988
	<i>Millions</i>	
Food Stamp Program	18.4	18.5
National School Lunch Program	24.5	24.6
School Breakfast Program	3.7	3.8
WIC	3.5	3.9
Child Care Food Program	1.2	1.3
	<i>Thousands</i>	
Commodity Supplemental Food Program	211.2	218.3
Food Distribution on Indian Reservations	137.6	134.6
Nutrition Program for the Elderly	896.1	903.1

¹First quarter of fiscal 1988 and 1989.