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Current Trends in Domestic Food Programs

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Participation and program costs discussed in this article compare the April-June quarter of 1988 with the same period in 1987. Recent data are for September 1988 and are subject to revision.

The Federal government spent \$4.83 billion in the third quarter of fiscal 1988, up from \$4.68 billion in the same quarter of 1987, according to preliminary data from the Food and Nutrition Service. Costs for most programs increased because of higher benefit levels and, in some cases, more participants. In contrast, food distribution costs were down, led primarily by the lower amount of surplus commodities available to the Temporary Emergency Food Assistance Program (table 1).

Food Stamp Program

The average number of participants in the Food Stamp Program fell 2.4 percent during the third quarter, down from 19.3 million in 1987 to 18.8 million. This decline is consistent with a steady downward trend in participation since 1982, indicative of improving economic conditions and declining unemployment. Average monthly benefits rose 8.5 percent, from \$45.64 to \$49.51, increasing total program costs for the quarter from \$2.92 billion to \$3.10 billion. Benefit costs grew 5.7 percent, from \$2.64 billion to \$2.79 billion. Administrative and other costs climbed from \$285.8 million to \$304.7 million.

Child Nutrition Programs

The Child Care Food Program continues to be the fastest growing food as-

sistance program. Meals served under this program during the quarter totaled 206.9 million, a 9.7-percent increase above the 188.6 million meals served in 1987. The number of outlets grew from 105,600 to 116,100 in 1988, and average daily attendance increased from 1.05 million to 1.14 million. About 83.3 percent of all meals were served free or at a reduced price. Total costs for the Child

Care Food Program rose 13.8 percent, from \$137.5 million in 1987 to \$156.5 million in 1988.

The number of half-pints of milk served under the Special Milk Program climbed from 38.0 million in 1987 to 46.0 million in 1988. This increase was due to the participation of kindergarten students attending half-day sessions at National School Lunch Program schools.

Table 1. Benefit Costs of USDA Food Assistance Programs Were Higher in 1988 than in 1987¹

Programs			FY 1987 quarters ²				FY 1988 quarters ²		
	1986	1987	I	II	III	IV	I	II	III
<i>Million dollars</i>									
Family food									
Food Stamps	10,605	10,500	2,646	2,697	2,640	2,517	2,781	2,850	2,791
Puerto Rico ³	824	856	214	214	214	214	221	221	221
Food distribution									
Indian reservations ⁴	47	49	12	13	12	12	12	12	11
Schools ⁵	848	898	266	275	160	197	253	256	168
Other ⁶	287	214	53	54	40	68	60	55	41
TEFAP ⁷	846	846	218	210	208	209	211	195	82
Cash-in lieu of commodities⁸	145	146	39	39	37	31	38	38	40
Child nutrition⁹									
School lunch	2,714	2,797	868	898	687	344	875	934	724
School breakfast	406	447	137	140	112	58	145	150	122
Child care and summer food	529	590	118	124	144	204	131	139	163
Special Milk	15	15	4	4	4	4	5	5	5
WIC¹⁰	1,582	1,678	406	416	421	434	426	446	461
Total¹¹	18,848	19,037	4,980	5,084	4,679	2,294	5,158	5,304	4,828

¹Fiscal years, administrative costs are excluded unless noted. ²Preliminary, quarterly data may not add to annual totals due to rounding. ³Represents annual appropriations, includes grant for Northern Marianas.

⁴Source: Monthly data from the Food and Nutrition Service includes bonus commodities. ⁵National School Lunch, Child Care Food and Summer Food Service Programs, and schools receiving only commodities.

⁶Commodity Supplemental Food Program and Elderly Feeding Pilot Projects, excluding bonus commodities, and donations to charitable institutions. ⁷Temporary Emergency Food Assistance Program, initiated December 1981. ⁸Child nutrition programs and Nutrition Program for the Elderly. ⁹Cash expenditures.

¹⁰Special Supplemental Food Program for Women, Infants, and Children, includes administrative costs. ¹¹May not add due to rounding.

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Total costs for the Special Milk Program rose from \$3.61 million to \$4.51 million.

The School Breakfast Program provided subsidized breakfasts to an average of 3.74 million children each school day in April and May, an increase of 3.0 percent above the 3.63 million served in the same months of 1987. Free and reduced price breakfasts accounted for 87 percent of all breakfasts, down slightly from 88 percent in 1987. Federal expenditures for the breakfast program in the third quarter of 1988 were \$122.3 million, 9.5 percent above the \$111.7 million spent in 1987.

Average participation in the National School Lunch Program in April and May increased slightly from 23.6 million to 23.8 million. This program provides roughly one-third of the recommended dietary allowances for school-age children. Eligibility for free and reduced price lunches is based on family size and income criteria. About 47.6 percent of all lunches served were free or reduced price, a decline from 48.7 percent a year earlier.

Federal expenditures for the National School Lunch Program, including cash and commodities, totaled \$841.8 million for the third quarter, compared with \$794.8 million in 1987. Increased participation and higher reimbursement rates accounted for the rise. Reimbursement rates for child nutrition programs will increase in fiscal 1989 because of regulatory adjustments for food price increases (table 2).

The Summer Food Service Program, which provides funds for meals and snacks for children in low-income areas when school is not in session, served 15.6 million meals in June 1988, a

Table 2. Meal Reimbursement Rates for Child Nutrition Programs Have Increased

Program and meal type	July 1, 1987 thru June 30, 1988	July 1, 1988 thru June 30, 1989
<i>Cents per meal¹</i>		
National School Lunch		
Paid	13.50	14.00
Reduced	100.50	106.25
Free	140.50	146.25
Commodities	12.00	12.25
School Breakfast		
Paid	13.50	14.00
Reduced	46.25	49.25
Free	76.25	79.25
Reduced, severe need	61.25	64.75
Free, severe need	91.25	94.75
Special Milk		
Paid	9.50	9.50
Free	(Actual cost)	
Child Care Food		
Child-care centers		
Breakfasts		
Paid	13.50	14.00
Reduced	46.25	49.25
Free	76.25	79.25
Lunches and suppers		
Paid	13.50	14.00
Reduced	100.50	106.25
Free	140.50	146.25
Supplements		
Paid	3.50	3.75
Reduced	19.25	20.00
Free	38.50	40.25
Day-care homes ²		
Breakfasts	64.50	66.75
Lunches and suppers	120.50	125.25
Supplements	36.00	37.25

¹Rates for Alaska and Hawaii are approximately 62 percent and 17 percent higher, respectively, than data stated. ²All meals served free.

4.7-percent increase over the 14.9 million meals served in June 1987. Program costs for June 1988 were \$26.3 million, 6.6 percent above June 1987's \$24.6 million.

Supplemental Food Programs

Participation in the Special Supplemental Food Program for Women, Infants, and Children (WIC) increased from a monthly average of 3.45 million in the third quarter of 1987 to a record program high of 3.67 million participants in 1988. Food costs in the third quarter of 1988 were \$371.3 million, 8.9 percent above the \$340.9 million spent for food in 1987. Average monthly benefits rose 2.3 percent, from \$32.95 to \$33.72 during the same period. The proportionately large increase in participation relative to the rise in monthly food costs per person may be connected to the success of sole source infant formula contracts in which manufacturers provide rebates to the States, significantly reducing the cost of infant formula, the most expensive component in the monthly allotment for infants. The number of States with such contracts has risen to 17 in recent months, and 12 other States are expected to follow in 1989.

The Commodity Supplemental Food Program (CSFP) operates in 12 States and the District of Columbia. Because CSFP serves the same target population as WIC, people cannot legally participate in both programs simultaneously. CSFP served a monthly average of 210,600 people in April-June 1988, up 6.1 percent from the 1987 level of 198,500. The increase was due entirely to a 24-percent rise in the number of elderly participants; participation by women, infants, and children fell. Third-quarter 1988 food

costs for CSFP, including bonus commodities, were \$12.6 million, a 3.2-percent rise over the \$12.2 million spent in 1987.

Food Distribution Programs

Participation in the Food Distribution Programs on Indian Reservations and Trust Territories declined from 144,000 in 1987 to 135,600 in 1988. Food costs fell from \$12.2 million to \$11.4 million. Both entitlement and bonus commodities dropped from 1987 levels.

The Nutrition Program for the Elderly provides cash and donated foods to senior citizens over 60 years of age and their spouses. Costs for food in this program during the third quarter of 1988 were \$35.38 million, up 7.0 percent from the \$33.06 million spent in 1987. Participation over the same period increased from a monthly average of 901,800 elderly in 1987 to 908,700 in 1988.

Charitable institutions received food valued at \$27.4 million from the Federal Government in the third quarter of 1988, \$1.8 million more than a year earlier.

Federal expenditures for the Temporary Emergency Food Assistance Program (TEFAP) amounted to \$82.4 million, a sharp decline from the \$208.5 million worth of food distributed in the third quarter of 1987. Due to the reduced levels of CCC stocks, no shipments of cheese, honey, or rice were made during the third quarter of 1988, even though there were sizable amounts of these foods distributed in 1987. Shipments of dry milk were also sharply curtailed. Before the passage of the Hunger Prevention Act of 1988, legislative authority for TEFAP would have ended on September 30, 1988. However, the Act continues funding through fiscal 1990 (*see box*). ■

The Hunger Prevention Act of 1988

The Act (P.L. 100-435) was approved on September 19, 1988. This legislation authorizes an additional \$1.5 billion for food and nutrition programs over the next 3 years and requires the Federal Government to distribute additional commodities to needy persons and charitable institutions. Major provisions of the Act:

- Extend the Temporary Emergency Food Assistance Program (TEFAP) for 2 more years and require the Secretary of Agriculture to spend \$120 million each year to

purchase, process, and distribute additional commodities.

- Raise food stamp benefits over the next 3 years by increasing maximum allotments and simplifying food stamp application procedures.
- Require USDA to purchase and donate \$112 million worth of commodities to soup kitchens and food banks over 3 years. Authorize \$500,000 in fiscal 1989 and 1990 for nonprofit groups to access foods through gleaning activities.
- Require USDA to institute demonstrations projects in five States that allow private, nonprofit organizations to participate in the Summer Feeding Program.



The Hunger Prevention Act of 1988 continues TEFAP funding through fiscal 1990.