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# Food Assistance

The United States spent approximately \$20.5 billion in fiscal year 1987 for domestic food and nutrition assistance programs. This represents a 142-percent increase in expenditures above the \$8.5 billion spent in 1977 (table 1). USDA food assistance programs are designed to improve the nutritional status of low-income persons, as well as other target groups such as the elderly. These programs—administered by the Food and Nutrition Service (FNS)—were initiated in the midst of the Great Depression to help feed the poor and hungry while disposing of farm surpluses. Since then, new programs have been implemented and expanded to provide assistance to a growing number of Americans.

The Food Stamp Program dominates domestic food assistance, currently accounting for more than 55 percent of the dollars spent. The late 1970's saw rapid food stamp growth. Expansion slowed during the 1980's under the combined effects of program maturity, an absence of major expansionary legislation, and an improved economy.

Three factors account for most of the increase in program expenditures since 1980. First of all, because of inflation, high cost-of-living adjustments were made in program benefits. Secondly, a recession in 1982-83—accompanied by substantial unemployment—increased levels of participation in domestic food programs, particularly food stamps. The Temporary Emergency Food Assistance Program is the third reason. The program was created at the beginning of the decade to distribute Government surplus commodities to the hungry throughout the Nation.

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**Table 1. The Cost of FNS Food Programs Rose More Slowly After 1983**

Fiscal year	Food Stamps <sup>1</sup>	Food Distribution <sup>2</sup>	WIC <sup>3</sup>	Child Nutrition <sup>4</sup>	Total <sup>5</sup>
<i>Million dollars</i>					
1977	5,461.0	61.9	255.9	2,678.3	8,457.1
1978	5,519.7	95.7	379.6	2,936.7	9,002.2
1979	6,939.8	150.0	525.4	3,467.8	11,157.0
1980	9,206.5	194.7	724.7	4,037.1	14,244.5
1981	11,225.2	239.1	868.6	4,216.6	16,627.3
1982	11,044.1	459.7	948.2	3,726.2	16,263.3
1983	12,675.8	1,353.4	1,123.1	4,077.9	19,312.1
1984	12,407.5	1,487.9	1,386.1	4,269.3	19,636.6
1985	12,531.9	1,440.1	1,478.6	4,388.2	19,925.0
1986	12,464.7	1,381.2	1,580.7	4,640.9	20,146.0
1987 <sup>6</sup>	12,508.3	1,301.9	1,681.4	4,903.5	20,512.9

<sup>1</sup>Includes benefits, State administrative and other costs, and Nutrition Assistance to Puerto Rico and the Northern Marianas (FY 1982-86). <sup>2</sup>Includes entitlement, bonus, and free commodities and cash-in-lieu of commodities; administrative expenses; and Temporary Emergency Food Assistance Program. Excludes child nutrition programs. <sup>3</sup>Includes bonus commodities (FY 1982-85). <sup>4</sup>Includes school programs, Child Care Food Program, Summer Food Service Program, child nutrition State administrative expenses, Nutrition Education and Training Program, nutrition studies, and Food Service Equipment Assistance Program (through FY 1981). <sup>5</sup>Includes program administration funds. <sup>6</sup>Preliminary.

Source: FNS Program Information Division.

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## Food Stamps

The Food Stamp Program helps low-income households purchase the foods they need for better nutrition. Participants spend stamps like cash to buy food. The current program began as a pilot operation in 1961. The Food Stamp Act of 1964 made the program available to every county. In 1973, Congress mandated nationwide expansion of the Food Stamp Program, thus replacing direct donations of food through the Commodity Distribution Program in most locations.

The program is available in all 50 States, the District of Columbia, Guam, and the Virgin Islands. Puerto Rico participated up to 1982, when a separate Nutrition Assistance Program was established for the Commonwealth. In order to be eligible for food stamps, people must meet income guidelines, asset limitations, and certain work requirements. Benefits are based on household size and income. The benefit levels are adjusted annually to reflect changes in the cost of food.

Around 12.9 million people participated in the Food Stamp Program in fiscal 1974, the first year of nationwide operation. Participation peaked at 22.4 million in fiscal 1981, then steadily declined. During fiscal 1987, participation averaged 19.1 million persons, 0.3 million less than during 1986 (*table 2*). These decreases were primarily due to favorable economic conditions. Unemployment fell from 10.1 percent in 1983 to 6.4 in 1987, and participation in the Food Stamp Program fell by 2.5 million during the same period.

The Food Stamp Program increases the food-buying power of participating households and indirectly supplements their income. These households can use a portion of the income they formerly spent on food to purchase nonfood items.

**Table 2. Food Stamp Benefits Have Nearly Doubled Since 1977**

Fiscal year	Average participation	Benefits per person <sup>1</sup>	Total benefits	Total Federal cost <sup>3</sup>
	<i>Millions</i>	<i>Dollars</i>	<i>Million dollars</i>	
1977	17.1	24.71	5,067.0	5,461.0
1978	16.0	26.77	5,139.2	5,519.7
1979	17.7	30.59	6,480.2	6,939.8
1980	21.1	34.47	8,720.9	9,206.5
1981	22.4	39.49	10,629.9	11,225.2
1982 <sup>2</sup>	21.7	39.17	10,208.6	10,836.7
1983	21.6	42.98	11,152.3	11,847.1
1984	20.9	42.74	10,696.1	11,578.8
1985	19.9	44.99	10,743.6	11,703.2
1986	19.4	45.49	10,605.2	11,641.0
1987 <sup>4</sup>	19.1	45.82	10,508.5	11,651.8

<sup>1</sup>Represents monthly benefits. <sup>2</sup>Puerto Rico excluded after June 1982 when its own Nutrition Assistance Program began. <sup>3</sup>Includes State administrative expenses and other program costs. <sup>4</sup>Preliminary.

Source: FNS Program Information Division.

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## Child Nutrition Programs

USDA operates five programs to provide meals and snacks to preschool and school-age children. These programs are the National School Lunch Program, School Breakfast Program, Special Milk Program, Child Care Food Program, and the Summer Food Service Program.

In fiscal 1987, Federal expenditures for these five programs totaled \$4.9 billion, 5.6 percent above the previous year. Child nutrition program costs declined sharply between fiscal years 1981 and 1982 due to program changes. Pro-

visions were implemented to reduce benefits to full-price and reduced-price participants in the National School Lunch Program. Other provisions limited the scope of the Special Milk Program and the Summer Food Service Program. However, since 1982, Federal expenditures have climbed nearly 32 percent, primarily due to inflation. Also contributing to the increase were the significant expansion of the Child Care Food Program and the increased volume of surplus (bonus) commodities distributed to schools.

Expenditures for the National School Lunch Program have increased steadily

**Table 3. Schools Receive Both Cash and Commodities**

Fiscal year	Cash				Commodities			Total cost
	National School Lunch	School Breakfast	Special Milk	Total	Entitlement <sup>1</sup>	Bonus	Total	
	<i>Million dollars</i>							
1977	1,570.3	148.6	150.0	1,868.9	540.8	<sup>2</sup>	540.8	2,409.7
1978	1,808.3	181.2	135.3	2,124.8	485.3	57.6	542.9	2,667.7
1979	1,983.7	231.0	133.6	2,348.3	675.3	69.6	744.9	3,093.2
1980	2,279.4	287.8	145.3	2,712.5	772.5	132.0	904.5	3,617.0
1981	2,380.6	331.7	100.9	2,813.2	578.9	316.3	895.2	3,708.4
1982	2,185.4	317.3	18.3	2,521.0	426.1	339.9	766.0	3,287.0
1983	2,401.8	343.8	17.4	2,763.0	433.7	378.7	812.4	3,575.4
1984	2,507.7	364.0	16.6	2,892.3	445.8	374.8	820.6	3,712.9
1985	2,578.6	385.3	15.9	2,980.0	466.0	345.7	811.7	3,791.7
1986	2,714.6	406.3	15.4	3,136.3	460.7	376.2	836.9	3,973.2
1987 <sup>3</sup>	2,821.8	457.9	15.5	3,295.2	448.5	440.0	888.5	4,183.7

<sup>1</sup>Includes cash-in-lieu of commodities and schools receiving only commodities. <sup>2</sup>Distribution of bonus commodities began in 1978. <sup>3</sup>Preliminary.

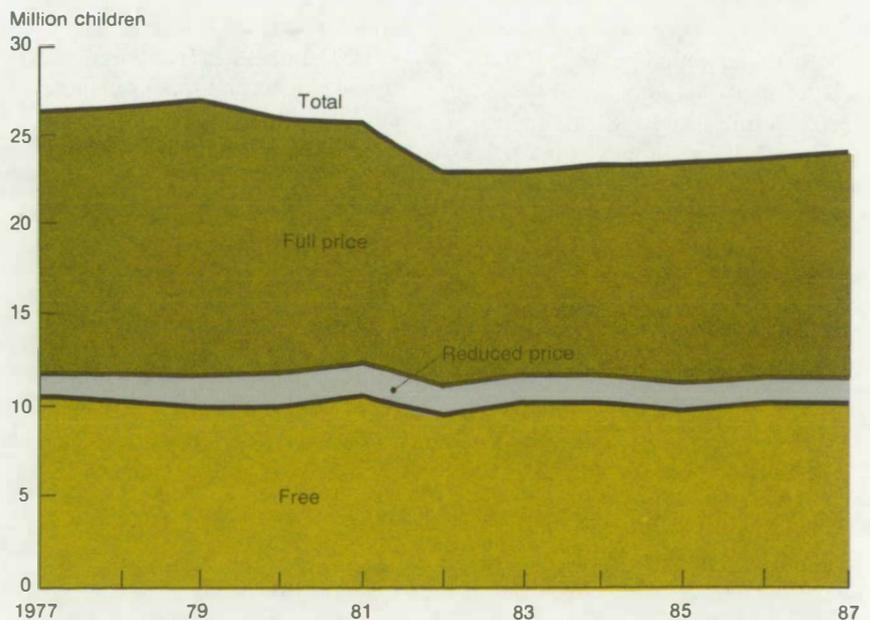
Source: FNS Program Information Division.

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since 1982 (table 3). Over this period, bonus commodities rose by 29.4 percent, while total costs for the school programs increased by 27.3 percent. Expenditures for the Special Milk Program have declined since 1982.

Participation in the National School Lunch Program (NSLP) during fiscal 1987 averaged 24.0 million children, 1.0 percent above a year earlier. As a result of decreasing school enrollment and more restrictions on NSLP benefits and eligibility, participation declined from a high of 27.0 million children in 1979 to 22.9 million in 1982 (figure 1). Since then, participation has gradually increased. Free meals accounted for 41.7 percent of all lunches in fiscal 1987, reduced price meals for 6.7 percent, and full-price meals for 51.6 percent. These

**Figure 1. Over Half the Children Participating in the NSLP Received Full-Priced Meals**



Source: FNS Program Information Division.  
Contact: Masao Matsumoto (202) 786-1864.

percentages have remained about the same since 1982.

The School Breakfast Program was initiated in 1966 and permanently authorized in 1975. The program expanded steadily until 1981 when it served 3.8 million students. In 1982, participation fell to 3.3 million. Participation gradually increased to 3.5 million in fiscal year 1986.

The Child Care Food Program expanded 133 percent during the last 10 years from 311 million meals served in 1977 to 725 million in 1987. The program provides meals and snacks to preschool children in public and private child-care facilities. Total costs for the program rose 340 percent over the same period from \$124.6 million to \$547.9 million. One reason for the rapid increase was the large rise in the number of private day-care homes participating in the program.

**Supplemental Food Programs**

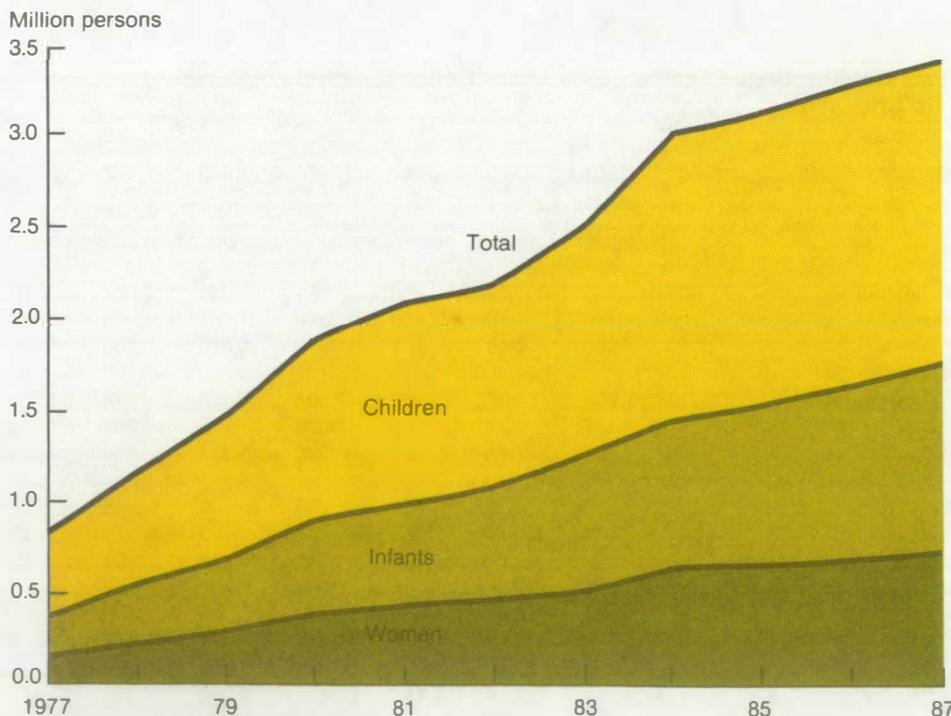
The Special Supplemental Food Program for Women, Infants, and Children (WIC) was established as a pilot program in 1972 to improve the nutrition and health of pregnant, breastfeeding, and postpartum women, as well as infants and children to age 5. In 1974, it received official program status.

Average monthly participation in fiscal 1987 was 3.4 million, 3.4 percent above 1986. Since 1980, participation has increased 79.2 percent from 1.9 million. In fiscal 1987, women accounted for 21.9 percent of the total participants, infants for 29.7 percent, and children for

48.4 percent. These percentages have remained relatively stable over the years (figure 2).

The Commodity Supplemental Food Program (CSFP)—whose recipients are similar to those who participate in WIC—began in 1969. Like WIC, the CSFP has expanded over the last decade. Participation grew substantially after 1982 when elderly persons were included as eligible participants in a limited number of projects. Program costs, which now include all elderly feeding and bonus foods, increased from \$14.3 million in 1977 to \$54.7 million 10 years later, a 282-percent increase.

**Figure 2. The WIC Program Has Served More and More People**



Source: FNS Program Information Division.  
Contact: Masao Matsumoto (202) 786-1864.

### U.S. Food Aid Abroad

Food aid shipments by donor countries increased several years ago in response to the 1984-85 African famine and have remained at relatively high levels ever since. World cereal aid declined sharply in the 1973-75 period, partly because commodity prices increased and countries with fixed aid budgets could not donate as much food. But in the early 1980's, higher food aid budgets helped cereal aid shipments approach the 10-million-ton target set by the 1974 World Food Conference. The goal was exceeded for the first time in the 1984/85 marketing year, and the United Nations' Food and Agriculture Organization estimates that shipments will

exceed the target in 1987/88 for the fourth consecutive year.

The United States consistently donates more food than all other countries combined (*table 4*). The bulk of all food aid is cereals—wheat, flour, rice, corn, and sorghum. The United States is estimated to provide about 65 percent of these cereal aid shipments in the 1987/88 marketing year. The European Community follows with nearly 15 percent, Canada with almost 10 percent, and Japan and Australia with about 3 percent each.

The United States currently provides food aid under the Public Law (P.L.) 480 program and Section 416(b) of the Agricultural Act of 1949. P.L. 480 really consists of three programs. Title I

provides long-term credit at low interest rates to designated countries for purchase of specified U.S. agricultural commodities. The Food Security Act of 1985 reinstated sales of U.S. farm products for local currencies under Title I. The money is then used in the private sector to generate economic growth. Title III—also called the Food for Development Program—allows a Title I loan to be forgiven if specified development measures are carried out by the recipient government. Such self-help measures can increase farm production and improve storage, transportation, and distribution of farm products.

P.L. 480 Title II is a donation program, where the commodities are distributed either through the recipient government, private voluntary organizations, or the World Food Program.

Section 416 is also a donation program. Surplus commodities owned by USDA's Commodity Credit Corporation, such as dairy products, wheat flour, and other grains, have been shipped overseas.

**Table 4. The United States Leads Other Donor Countries in Cereal Aid Shipments<sup>1</sup>**

Donor	1980	1981	1982	1983	1984	1985	1986 <sup>2</sup>	1987 <sup>2</sup>
<i>Thousand metric tons, grain equivalent<sup>3</sup></i>								
Argentina	67	20	33	30	51	44	24	35
Australia	370	485	349	460	466	345	368	300
Canada	600	600	843	817	943	1,216	1,240	1,000
European Community <sup>4</sup>	1,291	1,602	1,596	1,917	2,504	1,562	1,738	1,600
Finland	29	9	28	40	20	5	41	20
Japan	914	507	517	445	280	374	434	350
Norway	40	36	36	17	45	16	46	30
Sweden	94	119	87	83	88	69	74	80
Switzerland	16	22	29	30	39	22	53	30
United States	5,212	5,341	5,375	5,655	7,536	6,675	7,861	6,800
Others	309	399	345	355	522	477	326	250
Total	8,942	9,140	9,238	9,849	12,494	10,805	12,205	10,495

<sup>1</sup>Years run from July 1 to June 30. <sup>2</sup>Estimates based on minimum contributions under the 1986 Food Aid Convention, budgetary allocations, historical patterns, current food aid policies, and other sources. <sup>3</sup>Wheat, rice, and coarse grains are on a one-to-one basis. Conversion factors are used for grain products to determine grain equivalent. <sup>4</sup>Aid from individual members as well as Community action. Ten member countries, prior to addition of Portugal and Spain.

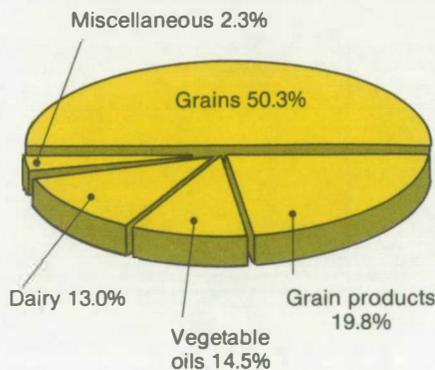
Source: Food and Agriculture Organization, United Nations.

Contact: Mark Smith (202) 786-1822.

### What Food Does the United States Provide?

In fiscal years 1984-86, grains comprised half the value of U.S. food aid shipments (figure 3). Much of that was wheat, followed by rice, corn, and sorghum. Grains were distantly followed by grain products, which comprised about 20 percent of the total. These processed cereal products include flour, bulgur wheat (cracked wheat), and mixtures such as corn-soya-milk. Vegetable oils, used for cooking and as a food ingredient, comprised nearly 15 percent of the total. Most of this was soybean oil. Dairy products, chief of which was non-fat dry milk, made up about 13 percent. Miscellaneous commodities included cotton, tallow, and other products.

**Figure 3. The United States Provided a Wide Variety of Food Aid During 1984-86<sup>1</sup>**



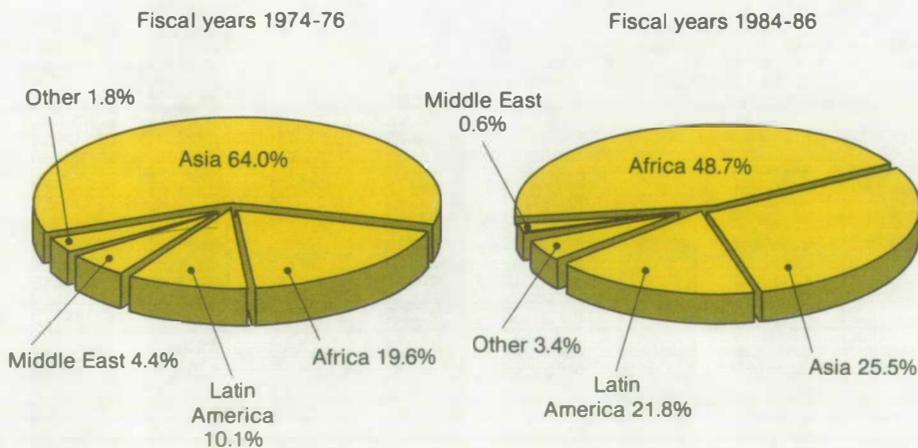
<sup>1</sup>Average composition of food aid by value, fiscal years.  
Contact: Mark Smith (202) 786-1823.

### Who Receives U.S. Food Aid?

The regional distribution of U.S. food aid has shifted over the last 10 years (figure 4). In the mid-1970's, most of the aid was shipped to Asian countries, primarily Bangladesh and India. These two countries together accounted for about 30 percent of the value of all U.S. food aid over the fiscal 1974-76 period. African countries received about 20 percent, with Egypt getting the most at 8 percent of the U.S. total. Ten percent of the value of the commodities went to Latin America, where Chile was the largest recipient. Israel, Jordan, and Syria received most of the shipments to the Middle East. A few European countries and other destinations received the remaining aid.

Since the mid-1970's, the agricultural situation in developing countries has changed, and consequently, the distribution of U.S. food aid has shifted. Gains in per capita grain production witnessed in Asian countries were not seen in Africa and Latin America. Foreign exchange reserves—used to buy food imports—were also depleted, especially during the early 1980's. In fiscal 1984-86, Asian countries received one-quarter of all U.S. aid. Improved agricultural sectors in Bangladesh and India cut these countries' needs, and together they received less than 15 percent of the U.S. total. African countries, on the other hand, received nearly half of all U.S. food aid. Egypt alone accounted for more than 15 percent. The share of U.S. food aid shipped to Latin America grew to about 22 percent, reflecting unsteady growth in per capita grain production and higher debt burdens there. The reduced share distributed to the Middle East in part reflects the graduation of Israel from the P.L. 480 Title I program.

**Figure 4. Africa Replaced Asia as the Dominant Recipient of U.S. Food Aid**

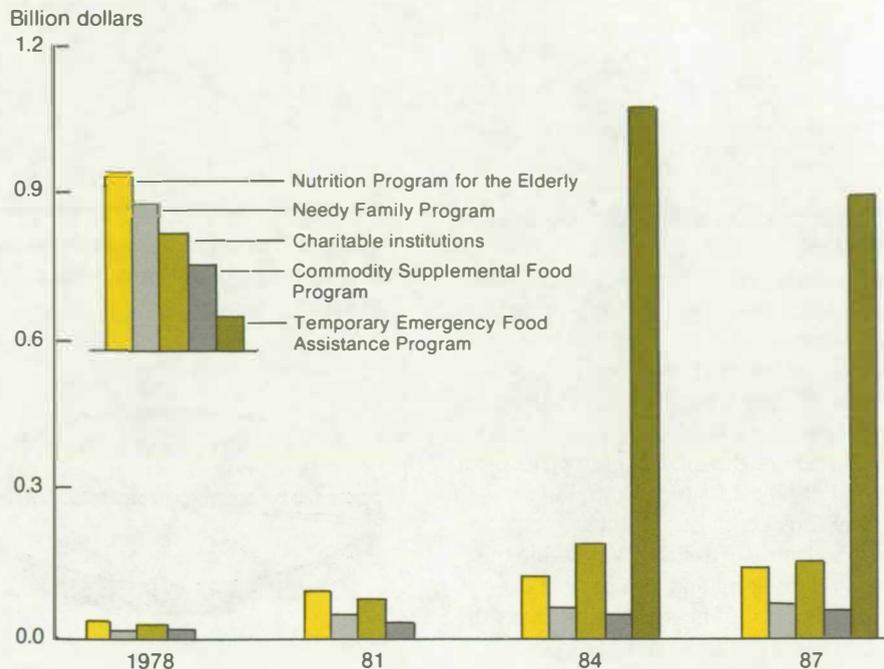


Contact: Mark Smith (202) 786-1823.

## Food Assistance. . . At a Glance

The cost of various food distribution programs, excluding child nutrition, rose from \$95.7 million in fiscal 1978 to \$1.3 billion in 1987. Program costs increased as participation expanded and greater quantities of USDA surplus commodities were distributed. However, the most significant factor in the expansion of food distribution was the initiation of the Temporary Emergency Food Assistance Program in 1982. The purpose of TEFAP is to reduce the expense of maintaining Government inventories by distributing these commodities to needy households. USDA commodities are also distributed through the Nutrition Program for the Elderly operated by the Department of Health and Human Services, the Needy Family Program which operates on Indian reservations and in the Trust Territories of the Pacific, the Commodity Supplemental Food Program, and charitable institutions which serve meals to needy people on a regular basis.

### Domestic Food Donation Costs<sup>1</sup>

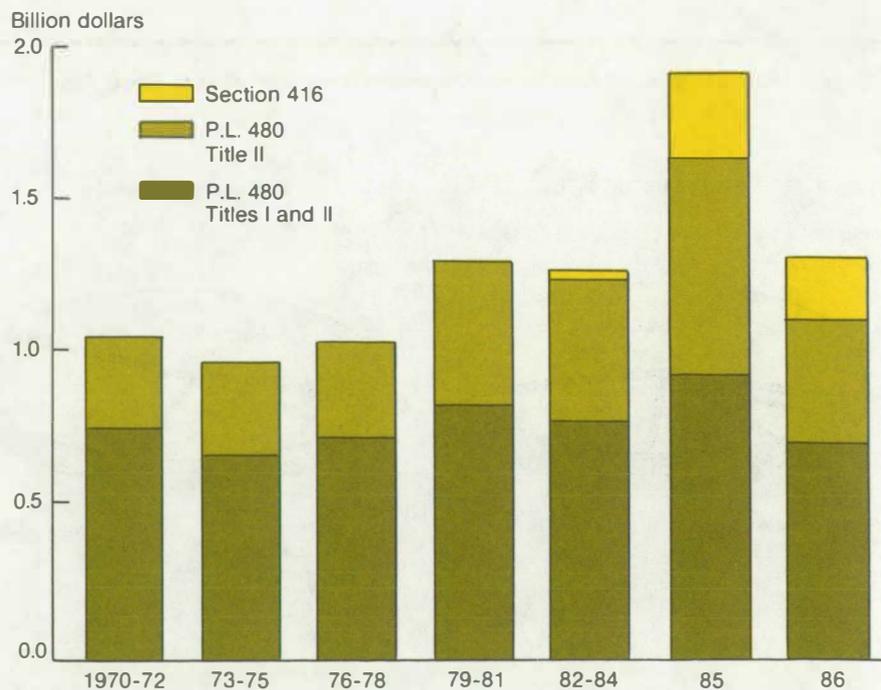


<sup>1</sup>Fiscal years. Includes entitlement, bonus, and cash-in-lieu of commodities, and Federal share of State administrative expenses for the Needy Family Program, Commodity Supplemental Food Program including all elderly, and the Temporary Emergency Food Assistance Program. Source: FNS Program Information Division. Contact: Masao Matsumoto (202) 786-1864.

Most of U.S. food aid shipped overseas is provided through Public Law (P.L.) 480 programs. The majority of that aid is Title I credit sales. During the 1970's, Title I and Title III—the Food for Development Program—accounted for over two-thirds of our food aid shipments, ranging from a low of \$575 million in 1974 to a high of \$793 million in 1979. Aid levels have generally been higher in the 1980's, hitting a record \$1.9 billion in 1985. P.L. 480 Title II donations also increased during this time. They reached record proportions during the height of the 1984-85 African famine.

Section 416 donations started in 1983 and have become an important part of U.S. food aid—ranging from 9 to 15 percent of total shipments.

### U.S. Food Aid Shipments<sup>1</sup>



<sup>1</sup>Fiscal years. 1986 data are preliminary. Contact Mark Smith (202) 786-1823.