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Domestic Food Programs

Kathryn Longen and Thomas Stucker
(202) 447-6620

Family Feeding Programs

The value of food stamps issued under the Food Stamp Program (FSP) during the fourth quarter of 1979 was \$1.7 billion—up 55 percent from the fourth quarter of 1978. The increase in program expenditures during this period may be partially attributed to increases in participation. Elimination of the purchase requirement in January 1979 raised fourth quarter program participation to over 17.8 million participants—a 15-percent rise from the fourth quarter of 1978.

Food stamp benefits are equal to the difference between the Thrifty Food Plan (TFP) and 30 percent of a household's net monthly income (after allowable deductions). The cost of the TFP is updated monthly to reflect increases in food prices. Food-at-home prices increased 10.8 percent during 1979, raising the average benefit per participant to \$97 in the fourth quarter of 1979. This represents a 14.8-percent increase over the per person payment of \$84.50 during the fourth quarter of 1978.

Participation in the Supplemental Food Program for Women, Infants and Children (WIC) also increased. More than 1.6

million persons participated in WIC, and the cost of food and program administration was \$158.6 million for the quarter.

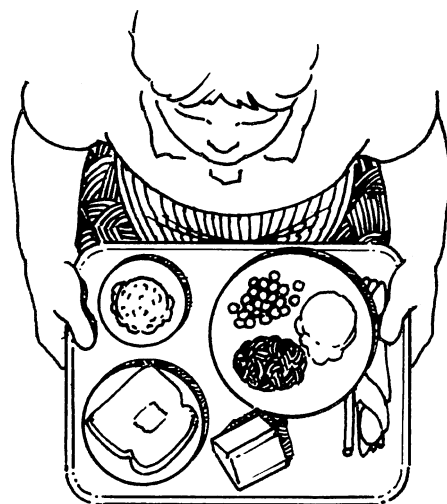
An average of 52,000 needy families received \$1.8 million in commodity assistance, and the Nutrition Program for the Elderly supplied \$18.1 million in commodity assistance (or cash-in-lieu) to needy elderly people.

The Food Stamp Program dominates the family feeding programs, and changes in its participation and costs far outweigh those of other programs. This is due in part to the more narrow "targeting" of other, less general assistance programs. However, changes incorporated in the Food and Agriculture Act of 1977 and implemented in early 1979 have definitely resulted in higher program participation and costs.

Child Nutrition Programs

Federal expenditures for the Child Nutrition Programs totaled almost \$817 million in the fourth quarter of 1979, an increase of 9.4 percent from the same months in 1978.

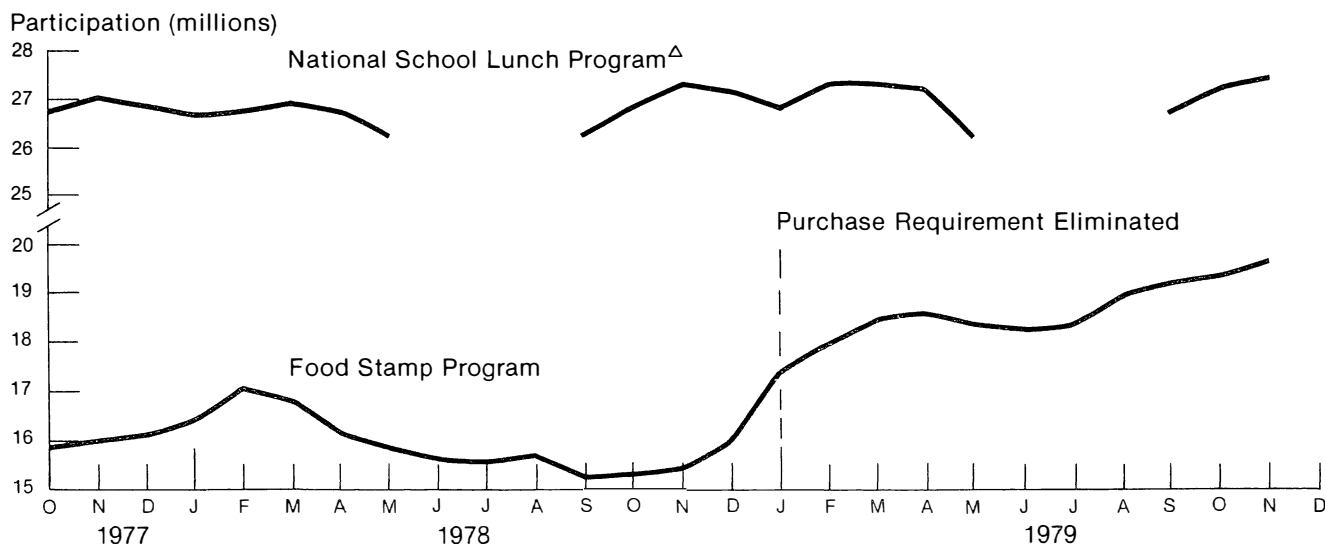
Participation in the five Child Nutrition Programs (National School Lunch, School Breakfast, Summer Food Service, Child



Care Food, and Special Milk Programs) continues to expand, with the School Breakfast Program receiving the largest increase in participation between the July-September quarters of 1978 and 1979. Over 290,000 children joined the program during this period, increasing program participation by 9.2 percent.

During the same 1-year period, participation in the Child Care Food Program rose 8.9 percent. More than 3,000 day-care centers initiated the Child Care Food Pro-

Food Stamp Program and National School Lunch Program Participation



^Δ Programs operated only on limited basis during June, July, and August; resulting in a low participation rate for these months. Data not shown.

Food Spending and Income

Anthony E. Gallo
(202) 447-8707

gram between October 1978 and October 1979.

Meals served under the Child Nutrition Programs may be provided to participating children free, at a reduced price, or at full price. The Secretary of Agriculture establishes income poverty guidelines to be used by States as a basis for determining the category of payment for each child.

A total of 4.4 billion lunches were served under the National School Lunch Program in fiscal year 1979. Of that total, 1.6 billion, or 37.5 percent, were free lunches. Reduced-price lunches represented 6.1 percent, or almost 270 million.

Participants in the School Breakfast Program received 432.5 million free and 32.1 million reduced-price meals—78.2 and 5.8 percent, respectively, of total breakfasts served.

Prior to 1975, the School Breakfast Program was limited to schools serving large numbers of needy children or children who traveled long distances to school. The program may now be offered in all schools—high school and below. However, the emphasis of the program continues to be on improving nutrition for children from low-income families. Schools may apply for additional reimbursement if they cannot operate on the allowable reimbursements because of unusually high preparation costs. Schools which are defined as "especially needy" (40 percent or more of the lunches served in them last school year were free or reduced in price) may be reimbursed for up to 100 percent of the operating costs of the breakfast program.

All meals served to children through the Summer Food Service Program are free. Participation in the program is limited to sponsors operating programs in areas where at least one-third of the children would qualify for free or reduced-price meals under the National School Lunch and School Breakfast Programs or to institutions providing meals as part of an organized program for children enrolled in camps.

USDA recently awarded \$20 million in nutrition education and training funds for fiscal year 1980. Fifty States and seven territories will receive about 40 cents for each child enrolled in schools and child care institutions. No State will receive less than \$75,000. These funds will be used to teach children, teachers, and school food service personnel about nutrition. ■

Food expenditures in 1979 were nearly \$268 billion, about 11 percent above those of 1978. On a per person basis, food expenditures averaged \$1,200 in 1979, of which \$900 was for food at home and \$300 for food away from home.

Food-at-home expenditures reached \$200 billion, 7 years after reaching \$100 billion. But almost all of that increase was due to higher prices. When adjusted for inflation, apparent volume was only \$7½ billion higher. Compared with 1978, volume rose 1 percent. Food-away-from-home expenditures, at \$67 billion, averaged about 10 per-

cent higher than those in 1978, less than the 11-percent advance in prices. Thus, real volume apparently dropped about 1 percent, the first such decline in almost a decade. For the first time in 7 years, the percentage of food spending accounted for by food away from home fell.

Food spending advanced to an annual rate of \$280 billion during the fourth quarter of 1979, up 4 percent from the third quarter total. Spending for food at home rose to an annual rate of \$210 billion, about 4 percent above the total for the third quarter. Away-from-home spending, at a

Disposition of Disposable Personal Income Among Selected Items

	1976	1977	1978	1979 ¹
	Percent			
Housing	27.3	27.6	27.6	27.7
Shelter	14.0	14.4	14.6	14.8
Operation	6.6	6.7	6.6	6.6
Furniture & equipment	1.2	1.1	1.1	1.1
Food	16.9	16.7	16.5	16.4
At home	12.7	12.5	12.3	12.3
Away from home	4.2	4.2	4.2	4.1
Transportation	12.7	13.2	13.1	13.0
Gas & oil	3.6	3.6	2.5	4.0
Auto & parts	5.9	6.3	6.3	5.6
Auto & repair	2.0	2.0	2.0	2.1
Insurance4	.6	.6	.5
Non-auto transportation8	.8	.8	.8
Medical	8.4	8.8	8.8	8.8
Clothes & shoes	6.4	6.3	6.3	6.1
Other PCE	22.6	22.4	22.8	23.5
Savings	5.8	5.0	4.9	4.5
Disposable personal income	100.0	100.0	100.0	100.0

¹Preliminary.