

Summary: Fiscal Year 2002 WIC Food Package Costs

Two types of food package costs are estimated for the purpose of this report. Pre-rebate food package costs reflect the estimated retail cost of WIC foods at the time of purchase. Post-rebate food package costs reflect actual reported food expenditures taking into account savings from infant formula rebates. The following information provides details about pre - and post-rebate food package costs and distribution of expenditures by food type, and infant formula rebates.

- In FY02, infant formula rebates totaled about \$1,478 million, an increase of \$4 million over the prior year.
- FY02 rebates were equivalent to 47.2 percent of total post-rebate WIC food expenditures which were \$3,131 million.
- The average monthly post-rebate food package cost in FY02 was \$34.84, an increase of \$0.53, or 1.5 percent, over the FY01 cost of \$34.31.
- The FY02 average food package cost of \$34.84 was about 0.3 percent above the FY02 President's Budget projected average food cost of \$34.72.
- Pre-rebate food package benefits varied from a low of \$32.93 for postpartum women to a high of \$94.03 for infants.
- There were no significant changes in each food item's estimated contribution to the overall cost of the food package between FY01 and FY02.

FY2002 WIC Food Package Cost Analysis

Table 1: FY02 Estimated Average Monthly Food Package Cost per Person in \$

Category	% of Total WIC Participants	Average Pre-Rebate Food Package Cost	Average Post-Rebate Food Package Cost
Pregnant	11.0%	\$ 40.29	\$ 40.29
Breastfeeding	5.8%	\$ 42.06	\$ 42.06
Postpartum	7.5%	\$ 32.93	\$ 32.93
Total Women	24.2%	\$ 37.54	\$ 37.54
Infants	25.8%	\$ 94.03	\$ 30.17
Children	50.0%	\$ 35.77	\$ 35.77
Total	100.0%	\$ 51.28	\$ 34.84

NB: Percentages may not total due to rounding.

Table 2: Estimated Contribution to Food Cost by Food Item

Food Item Category	% Pre-Rebate Contribution	Pre-Rebate Food Costs (\$ mil)	% Post-Rebate Contribution	Post-Rebate Food Purchases (\$ mil)
Milk	19.1%	\$ 879.1	28.1%	\$ 879.1
Cheese	8.9%	\$ 412.4	13.2%	\$ 412.4
All Formula	46.3%	\$ 2136.0	21.0%	\$ 657.8
Cereal - adult	9.2%	\$ 426.1	13.6%	\$ 426.1
Cereal - infant	1.1%	\$ 48.6	1.6%	\$ 48.6
Juice	10.6%	\$ 488.4	15.6%	\$ 488.4
Peanut Butter	1.2%	\$ 53.4	1.7%	\$ 53.4
Beans	0.6%	\$ 26.0	0.8%	\$ 26.0
Eggs	3.0%	\$ 139.7	4.5%	\$ 139.7
Total	100.0%	\$ 4,609.7	100.0%	\$ 4609.7

NB: Percentages and dollars may not total due to rounding.

Data Sources: Participation, program total food expenditures, and total rebates are from WIC Program administrative databases. All average retail price data for individual foods used in these estimates, except for infant cereal, are inflated from Information Resources, Inc. INFOSCAN databases for CY99. The average retail price of infant cereal is from the A.C. Nielsen Corporation SCANTRACK database for CY97 and is inflated by the appropriate Bureau of Labor Statistics Consumer Prices Indices to create FY02 average retail price estimates. Average food prescriptions by food category from the “Study of WIC Participant and Program Characteristics, 2002” are used as proxies for food quantities purchased by participants.