

## Summary: Fiscal Year 2003 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 FY03, infant formula rebates totaled about \$1,519 million, an increase of \$41 million over the prior year.
- FY03 rebates were equivalent to 47 percent of total post-rebate WIC food expenditures which were \$3,231 million.
- The average monthly post-rebate food package cost in FY03 was \$35.28, an increase of \$0.44, or 1.3 percent, over the FY02 cost of \$34.84.
- The FY03 average food package cost of \$35.28 was about 1.6 percent below the FY03 President's Budget projected average food cost of \$35.86.
- Pre-rebate food package benefits varied from a low of \$34.19 for postpartum women to a high of \$91.78 for infants.
- Each food item's estimated contribution to the overall cost of the food package varied little between FY02 and FY03. Most of the variations are due to improvements in the data sources used to derive these estimates.

## FY2003 WIC Food Package Cost Analysis

**Table 1: FY03 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%	\$42.17	\$42.17
Breastfeeding	5.9%	\$44.09	\$44.09
Postpartum	7.4%	\$34.19	\$34.19
<b>Total Women</b>	24.3%	\$39.25	\$39.25
Infants	25.5%	\$91.78	\$26.79
Children	50.1%	\$37.47	\$37.47
<b>Total</b>	100.0%	\$51.87	\$35.28

**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	17.4%	\$825.0	25.5%	\$825.0
Cheese	9.5%	\$449.5	13.9%	\$449.5
All Formula	44.1%	\$2,093.7	17.8%	\$574.5
Cereal - adult	9.3%	\$440.0	13.6%	\$440.0
Cereal - infant	1.0%	\$49.7	1.5%	\$49.7
Juice	13.9%	\$661.9	20.5%	\$661.9
Peanut Butter	1.2%	\$57.0	1.8%	\$57.0
Beans	0.5%	\$25.6	0.8%	\$25.6
Eggs	3.1%	\$147.4	4.6%	\$147.4
<b>Total</b>	100.0%	\$4,749.8	100.0%	\$3,230.6

**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. Average retail price data for adult cereal is 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 FY03 average retail price estimates. The average retail price of infant formula is from the A.C. Nielsen Corporation SCANTRACK database for FY03. Average FY03 retail prices for the remainder of the food items come from the Bureau of Labor Statistics. 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.