

## **Summary: Fiscal Year 2001 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 FY01, infant formula rebates totaled about \$1,475 million, an increase of \$36 million over the prior year.
- FY01 rebates were equivalent to 49.0 percent of total post-rebate WIC food expenditures which were \$3,008 million.
- The average monthly food package cost in FY01 was \$34.31, an increase of \$1.26, 3.8 percent, over the FY00 cost of \$33.05.
- The FY01 average food package cost of \$34.31 was about 0.8 percent above the FY01 President's Budget projected average food cost of \$34.04.
- The actual average cost of the Thrifty Food Plan (TFP), the index used to project WIC food cost inflation for the President's Budget, in FY01 increased 3.01 percent over the TFP average in FY00.
- For FY01, FNS is using updated data on the mean amount of WIC foods prescribed. Thus, changes from prior years to FY01 reflect not only price changes, but changes in the amount of foods prescribed. Please see appendix 1 for details.

## FY2001 WIC Food Package Cost Analysis

**Table 1: FY01 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	11.3%	\$ 39.78	\$ 39.78
Breastfeeding	5.5%	\$ 41.57	\$ 41.57
Postpartum	7.5%	\$ 32.16	\$ 32.16
<b>Total Women<sup>1</sup></b>	24.4%	\$ 37.84	\$ 37.84
Infants	26.3%	\$ 94.75	\$ 30.78
Children	49.3%	\$ 34.45	\$ 34.45
<b>Total</b>	100.0%	\$ 51.13	\$ 34.31

NB: Percentage and dollar may not seem to add up correctly due to rounding

**Table 2: Estimated Contribution to Food Cost by Food Item**

Food Item Category	% Post-Rebate Contribution	Post-Rebate Food Costs (\$ mil)	% Pre-Rebate Contribution	Pre-Rebate Food Purchases (\$ mil)
Milk	28.7%	\$ 863.0	19.3%	\$ 863.0
Cheese	12.1%	\$ 364.9	8.1%	\$ 364.9
All Formula	22.0%	\$ 661.9	47.7%	\$ 2,136.5
Cereal - adult	13.7%	\$ 411.6	9.2%	\$ 411.6
Cereal - infant	1.5%	\$ 46.6	1.0%	\$ 46.6
Juice	15.9%	\$ 478.2	10.7%	\$ 478.2
Peanut Butter	0.7%	\$ 20.7	0.5%	\$ 20.7
Beans	0.8%	\$ 25.3	0.6%	\$ 25.3
Eggs	4.5%	\$ 135.6	3.0%	\$ 135.6
<b>Total</b>	100.0%	\$ 3,007.9	100.0%	\$ 4,482.6

**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 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 FY01 average retail price estimates. Average food prescriptions by food category from the “Study of WIC Participant and Program Characteristics, 1998” are used as proxies for food quantities purchased by participants.

<sup>1</sup> The weights for the pre- and post-rebate food package costs for total women have been updated as of the FY00 food package cost analysis. Therefore, the FY00 and FY01 costs are not directly comparable to prior years.