

SUBJECT: Report to States on WIC Food Costs

TO: Regional Administrators
All Regions

Attached is the report to the States on WIC food costs presenting January 2002 data. Please share the attached information with all State WIC agencies in your Region. In addition, please notify all State agencies that this information is being made available on the FNS website. The most recent reports are currently located at:
<http://www.fns.usda.gov/wic/ProgramData/funding&particdata.htm>.

Alberta C. Frost
Director
Office of Analysis, Nutrition, and Evaluation

Attachments

cc: Patty O'Kelley, SFPD
Maeve Myers, SFPD
Linda Clarke, SFPD

REPORT ON WIC FOOD COSTS – JANUARY 2002 DATA

FOOD PRICE INDICES:

1. The Thrifty Food Plan Index:

Thrifty Food Plan (TFP) Costs are published monthly by the USDA Center for Nutrition Policy and Promotion. The cost index for the Food Stamp Program (FSP) reference household, a family of four, including two children ages 6-8 and 9-11, is used by FNS to calculate the inflation factor used to allocate WIC State food grants.

The cost of the Thrifty Food Plan for FSP reference household was \$461.50 in January, 2002, an increase of \$17.30 or 3.89 % from January 2001 and an increase of \$6.10 or 1.34% from December 2001.

2. Consumer Price Index:

The Bureau of Labor Statistics (BLS) produces monthly consumer price data for food and other consumer goods. The Consumer Price Index for all Urban Consumers (CPI-U) for Food at Home is a measure of the average change in prices over time for a fixed market basket of retail foods purchased by consumers for day-to-day living. Food prices are collected every month in 85 urban areas across the country from about 19,000 retail establishments. The average food prices reflect variation in brand, quality, and size among geographical areas. The CPI measures price change from a base period, 1982-84, which equals 100.0. Thus, a CPI of 134.6 means that the price has increased 34.6 percent since the 1982-84 base period.

The January 2002 Consumer Price Index (CPI) for "Food at Home" was 176.2, which is 0.9 percent higher than the December 2001 level, and 2.9 percent higher than one year before in January 2001.

3. Average Retail Prices:

BLS also reports U.S. average prices for selected foods, including the following components of the WIC food package:

Food and Unit	Jan 01 Price \$	Dec 01 Price \$	Jan 02 Price \$	Actual Change Prior Year \$	Actual Change Prior Month \$	Percent Change Prior Year %	Percent Change Prior Month %
Eggs, Grade A, large, per dozen	1.011	0.925	0.973	-0.038	0.048	-3.8%	5.2%
Milk, fresh, whole, fortified, per gallon	2.852	2.895	2.812	-0.04	-0.083	-1.4%	-2.9%
American Processed cheese, per pound	3.674	3.994	3.937	0.263	-0.057	7.2%	-1.4%
Cheddar cheese, natural, per pound	3.871	4.165	4.229	0.358	0.064	9.2%	1.5%
Orange juice, frozen conc., 12 oz/ can, per 16 oz.	1.863	1.925	1.876	0.013	-0.049	0.7%	-2.5%
Peanut butter, creamy, per pound	1.959	1.958	1.972	0.013	0.014	0.7%	0.7%
Tuna, light, chunk, per pound	1.885	1.955	1.975	0.09	0.02	4.8%	1.0%
Beans, dried, any type per lb.	0.677	0.713	0.697	0.02	-0.016	3.0%	-2.2%

Please note that the prior year prices and changes reported **do not represent average annual** prices or changes, but those from the same month one year prior. Prior year changes do not necessarily indicate a prolonged or permanent price trend.