

REPORT ON WIC FOOD COSTS – AUGUST 2004 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 the FSP reference household was \$497.30 in August 2004, an increase of \$21.50 or 4.52 percent from August 2003 and a decrease of \$2.00 or 0.4 percent from July 2004.

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 Consumer Price Index (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 August 2004 CPI for "Food at Home" was 186.7, which is 0.2 percent lower than the July 2004 level, and 3.9 percent higher than one year before in August 2003.

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	Aug 03 Price \$	Jul 04 Price \$	Aug 04 Price \$	Actual Change Prior Year \$	Actual Change Prior Month \$	Percent Change Prior Year %	Percent Change Prior Month %
Eggs, Grade A, large, per dozen	1.277	1.253	1.277	0.0	0.024	0.0%	1.9%
Milk, fresh, whole, fortified, per gallon	2.666	3.479	3.297	0.631	-0.182	23.7%	-5.2%
American Processed cheese, per pound	3.815	4.077	4.113	0.298	0.036	7.8%	0.9%
Cheddar cheese, natural, per pound	3.845	4.559	4.495	0.65	-0.064	16.9%	-1.4%
Orange juice, frozen conc., 12 oz/ can, per 16 oz.	1.882	1.878	1.873	-0.009	-0.005	-0.5%	-0.3%
Peanut butter, creamy, per pound	1.962	1.802	1.780	-0.182	-0.022	-9.3%	-1.2%
Tuna, light, chunk, per pound	1.842	1.710	1.630	-0.212	-0.08	-11.5%	-4.7%
Beans, dried, any type per lb.	0.754	0.781	0.778	0.024	-0.003	3.2%	-0.4%

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.