

**SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN
(WIC) FOOD PACKAGE COST REPORT, FISCAL YEAR 2010 (SUMMARY)**

Background

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) distributes Federal grants to State agencies for providing supplemental foods, nutrition education including breastfeeding promotion and support, and health care and social service referrals to nutritionally at-risk, low-income pregnant, breastfeeding, and nonbreastfeeding postpartum women, infants, and children up to age 5. The Federal costs of WIC in Fiscal Year (FY) 2010 totaled \$6.7 billion, \$4.6 billion of which were food costs. Food costs averaged \$41.44 per month per participant.

This report estimates the average monthly food costs for each of 5 WIC participant subgroups and estimates total dollars spent on 17 major categories of WIC-eligible foods in FY 2010. The participant and food level costs in this report are USDA's first estimates since implementation of the 2009 WIC food package changes.

Methodology

To generate these estimates, the national average retail prices for each WIC food category were multiplied by the average WIC prescription amount in that food category and then summed for each WIC participant category to generate cost estimates by participant category. These estimates were derived from three primary data sources:

- Participant data from FNS administrative data;
- Food price data from Homescan data; and
- Prescription data from the WIC Participant and Program Characteristics 2010 Data File.

Data used to calculate retail food prices were restricted to purchase observations from low-income households for two reasons: (1) the analysis is intended to estimate a set of prices equal to the average paid by individuals with WIC-eligible incomes, wherever they shop, and (2) because identification of WIC-authorized products in the Nielsen dataset is imperfect, this analysis relies on choices made by low-income shoppers to substitute

for cost-containment measures commonly imposed by WIC State agencies, including restrictions on allowable brands and varieties.

Total costs of WIC-eligible medical foods prescribed to participants receiving Food Package III are included in the estimation of average food package costs, but medical food costs are not presented separately due to data limitations.

Results

In FY 2010, average monthly food package costs were \$41.44, after taking into account rebates offered by infant formula and infant food manufacturers. Without rebates, average monthly food package costs would have been \$56.80.

Examining post-rebate average monthly food costs by participant category, infant food costs were the highest at \$49.36, followed by breastfeeding women (\$49.16), pregnant women (\$45.79), children (\$36.94), and postpartum women (\$35.54). Without rebates, the average infant food package would have been \$114.21 a month.

Comparing these results to the most recent WIC food cost report for FY 2005, monthly food costs increased on average by 11 percent, well below the increase in the Consumer Price Index for food at home during that period. Notably, however, the relative cost of the infant food package increased as compared to other packages. The post-rebate infant food package was the least expensive in FY 2005; by FY 2010 it was the most expensive. Factors for this increase in relative cost include a decrease in the average rebate amount per infant and the addition of infant fruits, vegetables, and meats to the infant food package.

Twenty percent of food costs in FY 2010 were attributable to infant formula, another 20 percent to milk, 13 percent to fruits and vegetables, 11 percent to cereal, and less than 10 percent each for all other food items. See Table 2 for a complete breakdown of food costs by food item category.

Table 1: Estimated Average Monthly WIC¹ Food Package Costs per Person by Participant Category, FY 2010

Category	Total WIC participants (%)	Average pre-rebate food package cost (\$)	Average post-rebate food package cost (\$)
Pregnant women	10	45.79	45.79
Breastfeeding women (up to 1 year postpartum)	6	49.16	49.16
Postpartum women (up to 6 months postpartum)	7	35.54	35.54
Infants	24	114.21	49.36
Children	53	36.94	36.94
TOTAL	100	56.80	41.44

¹ Special Supplemental Nutrition Program for Women, Infants, and Children

Table 2: Estimated Contribution to WIC¹ Food Costs by WIC-Eligible Food Item, FY 2010, in Millions of Dollars

Food item category	Pre-rebate contribution (%)	Post-rebate contribution (%)	Pre-rebate food costs	Post-rebate food costs
Infant Foods				
Infant formula	42	20	2,615.7	926.6
Infant fruits and vegetables	4	6	260.5	259.8
Infant cereal	1	2	70.1	68.9
Infant food meat	1	1	32.0	32.0
Foods for Women and Children				
Milk	14	20	898.8	898.8
Fruits and vegetables ²	10	13	614.3	614.3
Breakfast cereal (except infant cereal)	8	11	493.1	493.1
Juice	7	9	423.5	423.5
Cheese	5	6	291.6	291.6
Whole-grain bread	3	4	167.6	167.6
Eggs	2	2	109.7	109.7
Peanut butter	1	2	93.1	93.1
Other whole grains	1	2	87.7	87.7
Mature legumes	1	1	50.3	50.3
Soy-based beverages	0	1	27.9	27.9
Canned fish	0	0	15.9	15.9
Tofu	0	0	1.9	1.9
TOTAL	100	100	6,253.9	4,562.7

¹ Special Supplemental Nutrition Program for Women, Infants, and Children

² Estimated cost reflects the value of the cash value vouchers (CVVs) for fruit and vegetable purchases.

Suggested Citation:

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