

Summary: Fiscal Year 2000 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 FY00, infant formula rebates totaled about \$1,439 million, an increase of \$22 million over the prior year.
- FY00 rebates were equivalent to 50.5 percent of total post-rebate WIC food expenditures which were \$2,852 million.
- The average monthly food package cost in FY00 was \$33.05, an increase of \$0.53, 1.6 percent, over the FY99 cost of \$32.52.
- The FY00 average food package cost of \$33.05 was about 1.1 percent below the FY00 President's Budget projected average food cost of \$33.42.
- 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 FY00 increased 1.65 percent over the TFP average in FY99.

FY2000 WIC Food Package Cost Analysis

Table 1: FY00 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	11.7%	\$ 38.34	\$ 38.34
Breastfeeding	5.2%	\$ 38.35	\$ 38.35
Postpartum	7.4%	\$ 30.75	\$ 30.75
Total Women¹	24.3%	\$ 36.02	\$ 36.02
Infants	26.3%	\$ 90.45	\$ 27.09
Children	49.4%	\$ 34.75	\$ 34.75
Total	100.0%	\$ 49.72	\$ 33.05

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	27.2%	\$ 774.8	18.1%	\$ 774.8
Cheese	12.7%	\$ 362.0	8.4%	\$ 362.0
All Formula	24.2%	\$ 689.0	49.6%	\$ 2,128.1
Cereal - adult	13.3%	\$ 378.5	8.8%	\$ 378.5
Cereal - infant	1.2%	\$ 34.7	0.8%	\$ 34.7
Juice	15.0%	\$ 428.4	10.0%	\$ 428.4
Peanut Butter	1.3%	\$ 37.6	0.9%	\$ 37.6
Beans	0.7%	\$ 21.4	0.5%	\$ 21.4
Eggs	4.4%	\$ 125.8	2.9%	\$ 125.8
Total	100.0%	\$ 2,852.2	100.0%	\$ 4,291.3

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 FY00 average retail price estimates. Average food prescriptions by food category from the “Study of WIC Participant and Program Characteristics, 1988” are used as proxies for food quantities purchased by participants.

¹ The weights for the pre- and post-rebate food package costs for total women have been updated. Therefore, these costs are not directly comparable to prior years.