

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC) FOOD PACKAGE COST REPORT, FISCAL YEAR 2014 (SUMMARY)

Background

The United States Department of Agriculture Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) safeguards the health of low-income, nutritionally at-risk women, infants, and children up to age 5 by providing supplemental foods, nutrition education that includes breastfeeding promotion and support, and referrals to health and other social services. In fiscal year (FY) 2014, the reference period for this report, total Federal WIC expenditures reported in Food and Nutrition Service (FNS) administrative data were \$6.2 billion, \$4.3 billion of which were post-rebate food costs.

This report supplements FNS administrative data on food package costs by estimating the average monthly food costs for each WIC participant category and food package type. It also estimates total pre- and post-rebate dollars spent on 17 major categories of WIC-eligible foods in FY 2014. This report is an update to the previous WIC Food Package Cost Report for FY 2010.

Methodology

The total WIC food expenditures per participant category and food package type were estimated by summing the estimated average monthly expenditures for each WIC-eligible food category across each participant category or food package type. Estimated food costs associated with Food Package III, including infant formulas, WIC-eligible nutritionals, and all other supplemental foods were not included in the calculation of food costs for this report. Report estimates were derived from three primary data sources:

- FY 2014 administrative data on participation and total food costs;
- Food price data from FY 2014 Information Resources Incorporated (IRI) data; and
- Food prescription and participant category data from the WIC Participant and Program Characteristics 2014 Report.

Estimated food costs were calculated for the 50 States, the District of Columbia, and Puerto Rico.

Results

In FY 2014, average monthly food package costs across the 52 State agencies included in this report were \$42.45, after taking into account rebates offered by infant formula and infant food manufacturers. Without rebates, average monthly food package costs would have been \$59.41.

Examining post-rebate average monthly food costs by participant category, pregnant women food costs were the highest at \$48.79, followed by breastfeeding women (\$47.94), children (\$39.07), infants (\$38.26), and postpartum women (\$38.20). See Table 1 for the pre- and post-rebate food package cost estimates for all participant categories.

Consistent with previous studies and FNS administrative data, this report finds that rebates for infant formula and infant foods provide significant cost savings. In FY 2014, rebate contracts with infant formula and infant foods manufacturers reduced the estimated average monthly cost per person for infants from \$123.06 (pre rebate), to \$38.26 (post rebate). Nearly 100 percent of the reduction is attributed to infant formula rebates. As a result, the annual contribution of infant formula to total food costs decreased from an estimated 40 percent of total pre-rebate food costs to 12 percent of total post-rebate food costs.

About 25 percent of post-rebate food costs in FY 2014 were attributable to cow's milk, 13 percent to fruits and vegetables, 12 percent to infant formula, 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. Because of key methodological differences between the current and the last iteration of this report using FY 2010 data, comparison between the two reports should be made with caution. However, both reports estimate the same top five foods with the highest percentage contribution to annual post-rebate food costs, but with different ranks. In FY 2010, infant formula was the top contributor, followed by cow's milk, fruits and vegetables, breakfast cereal, and juice.

Table 1: Estimated Average Monthly WIC¹ Pre- and Post-Rebate Food Package Costs per Person by Participant Category, FY² 2014³

Participant Category	Percent of Participants	Pre- Rebate Food Package Cost	Post- Rebate Food Package Cost
Total Participants	100.0	\$59.41	\$42.45
Pregnant women	10.1	\$48.79	\$48.79
Breastfeeding women	7.4	\$47.94	\$47.94
Postpartum women	7.2	\$38.20	\$38.20
Infants	22.3	\$123.06	\$38.26
Children	53.1	\$39.07	\$39.07

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

² Fiscal Year

³ Total Food Package III costs are not included in these estimates (see appendix C of the report for additional detail on the calculation of total estimated Food Package III costs).

Table 2: Estimated Annual Contribution to WIC¹ Food Costs by WIC-Eligible Food Category, FY² 2014, in Millions of Dollars³

WIC- Eligible Food Category	Unit	Pre- Rebate Contribution (percent)	Post- Rebate Contribution (percent)	Pre- Rebate Contribution (\$ millions)	Post- Rebate Contribution (\$ millions)
Total Estimated Amount	–	100.0	100.0	\$5,646.8	\$3,849.7
Cow's milk	Fluid ounces	17.0	24.9	\$959.6	\$959.6
Fruits and vegetables	Dollar amount of CVV/CVB	9.2	13.5	\$518.0	\$518.0
Infant formula	Fluid ounces	40.3	12.4	\$2,273.2	\$478.3
Breakfast cereal	Ounces	7.6	11.1	\$429.2	\$429.2
Juice	Fluid ounces	6.1	9.0	\$347.0	\$347.0
Cheese	Ounces	4.6	6.7	\$257.3	\$257.3
Infant fruits and vegetables ⁴	Ounces	4.1	6.1	\$234.3	\$233.7
Other whole grains	Ounces	2.6	3.8	\$146.5	\$146.5
Eggs	Dozens	2.2	3.2	\$124.8	\$124.8
Legumes	Ounces	1.3	1.9	\$71.9	\$71.9
Whole-grain bread	Ounces	1.2	1.8	\$69.0	\$69.0
Infant cereal	Ounces	1.1	1.6	\$63.9	\$62.3
Peanut butter	Ounces	0.9	1.3	\$49.8	\$49.8
Soy-based beverage	Fluid ounces	0.8	1.2	\$46.1	\$46.1
Infant food meat	Ounces	0.6	0.9	\$36.5	\$36.5
Canned fish	Ounces	0.3	0.5	\$18.9	\$18.9
Tofu	Ounces	0.0	0.0	\$1.0	\$1.0

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⁴ Estimated costs for fruits and vegetables are based on CVVs/CVBs (cash-value vouchers/cash-value benefits) of \$6 for children and \$10 for women.

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