

# Recent Food Inflation's Impact on Nutrition Assistance Programs and Participants

USDA's 100<sup>th</sup> Annual Agricultural Outlook  
Forum

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# Thrifty Food Plan

- The Thrifty Food Plan (TFP), introduced in 1975, is one of four food plans USDA develops that estimates the cost of a healthy diet across various price points
- Maximum SNAP allotments are based on the TFP
- In 2021, the TFP was reevaluated which led to a modest increase in the monthly SNAP allotment



Aligns with dietary guidance



Represents a limited food budget



Reflects what Americans buy and eat



Supports a healthy, active lifestyle

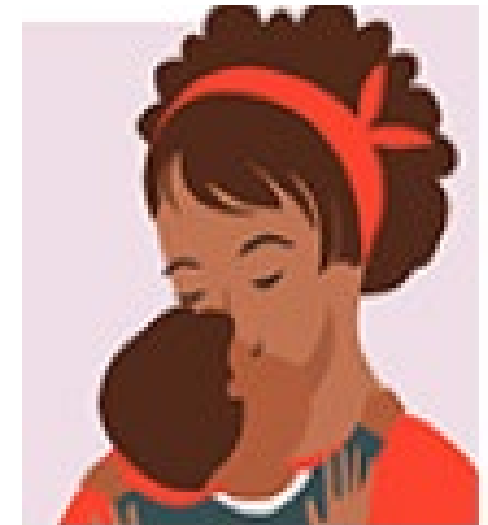
# SNAP



	FY2019	FY2020	FY2021	FY2022	FY2023
# Individuals (Thous.)	35,702	39,853	41,604	41,208	42,148
# Households (Thous.)	17,964	20,487	21,706	21,621	22,289
Value of Benefits (Mil. \$)	\$55,622	\$74,157	\$107,932	\$113,973	\$107,188
Av. Monthly Benefit per Person (\$)	\$129.83	\$155.06	\$216.19	\$230.48	\$211.93
<b>Growth Index (FY2019 Base)</b>	<b>1.0</b>	<b>1.19</b>	<b>1.67</b>	<b>1.78</b>	<b>1.63</b>
Av. Monthly Benefit per Household (\$)	\$258.03	\$301.64	\$414.37	\$439.29	\$400.69
<b>Growth Index (FY2019 Base)</b>	<b>1.0</b>	<b>1.17</b>	<b>1.61</b>	<b>1.70</b>	<b>1.55</b>
Total Cost (Mil. \$)	\$60,385	\$79,163	\$113,172	\$119,571	\$112,841
<b>Growth Index (FY2019 Base)</b>	<b>1.0</b>	<b>1.31</b>	<b>1.87</b>	<b>1.98</b>	<b>1.87</b>

# WIC Program

	FY2019	FY2020	FY2021	FY2022	FY2023
Av. Monthly Participation (Thous.)	6,396	6,247	6,244	6,260	6,575
Av. Monthly Food Costs per Person	\$40.90	\$38.48	\$35.58	\$47.75	\$56.02
<b>Growth Index (FY2019 Base)</b>	<b>1.0</b>	<b>0.94</b>	<b>0.87</b>	<b>1.17</b>	<b>1.37</b>
Total Cost (Mil. \$)	\$5,286	\$5,016	\$5,051	\$5,751	\$6,655
<b>Growth Index (FY2019 Base)</b>	<b>1.0</b>	<b>0.95</b>	<b>0.96</b>	<b>1.09</b>	<b>1.26</b>



# School Lunch and Breakfast

	SY2018-2019	SY2019-2020	SY2020-2021	SY2021-2022	SY2022-2023
# Lunches Served (Mil.)	4,867	3,210	2,155	4,952	4,644
Federal Reimbursement per Free Lunch	\$3.39	\$3.50	\$3.60	\$3.75	\$4.03
<b>Growth Index (FY2019 Base)</b>	<b>1.0</b>	<b>1.03</b>	<b>1.06</b>	<b>1.11</b>	<b>1.19</b>
# Breakfasts Served (Mil.)	2,451	1,818	1,369	2,597	2,376
Federal Reimbursement per Free Breakfast	\$2.14	\$2.20	\$2.26	\$2.35	\$2.52
<b>Growth Index (FY2019 Base)</b>	<b>1.0</b>	<b>1.03</b>	<b>1.06</b>	<b>1.10</b>	<b>1.18</b>



# How are FNS program participants impacted by changing food prices?

- When food prices go up, overall spending power is decreased
- Some program participants may find that their benefits are insufficient to provide enough food
  - Rates of low and very low food insecurity go up as households struggle to have enough food to eat
- Program participants may look to food banks, soup kitchens, etc. to help supplement their food needs
- School food authorities may pivot to address increasing food and supply chain costs
  - Ordering in advance, substitutions, reducing or repeating weekly menu offerings

# How does FNS address changing food prices and economic conditions?

- Monthly SNAP allotments, reimbursement for school meals, and the WIC Cash Value Voucher/Benefit are adjusted annually to account for inflation
- During periods of high inflation and other economic conditions (e.g., pandemic, recession), Congress authorized FNS to supplement SNAP with additional funds to improve food security, ensure households can continue to purchase a healthy diet, and help stimulate the economy
  - SNAP benefits were boosted during Great Recession (late 2000s) which kept more households from being food insecure
  - Emergency Allotments during COVID 19 pandemic boosted SNAP household spending power to keep up with rising food costs and downward economic conditions

# (con't) How does FNS address changing food prices and economic conditions?

- USDA provided nearly \$4 billion in Commodity Credit Corporation (CCC) funding to schools since 2021 to purchase domestic minimally and non-processed food to help offset rising prices and supply chain disruptions
- Congress provided almost \$400 million in additional funding for The Emergency Food Assistance Program (TEFAP) to support states in distributing food through organizations like food banks
  - Additional supplemental funding through various grants and cooperative agreements to target undeserved areas (e.g., \$100 million in Reach and Resiliency grants to remote, rural, tribal, and/or low-income areas that are underserved by the program)
- Most recently, USDA provided \$943 million in FY 2024 for TEFAP to help emergency food organizations as they continue to deal with supply chain challenges and elevated food costs by supporting food purchases



# What research does FNS support related to changing food costs and impacts on participants?

- Surveys of school food authorities and collection of school meal cost and purchasing data to understand how changing food prices impact school meals
- Analysis of WIC and SNAP food purchasing data to understand what foods participants are purchasing with their benefits and changes over time
- Evaluation of the ability to purchase healthy diets on maximum SNAP benefits
- Develop methods to collect food price data in rural areas to inform cost adjustments of the TFP for the U.S. territories

Thank you!

