

# Dateline ERS

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Economic Research Service

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ERS is the main source of research and analysis from the U.S. Department of Agriculture, providing timely information on economic and policy issues related to agriculture, food, the environment, and rural America.

## Rural America At A Glance, 2006 Edition

[www.ers.usda.gov/Publications/EIB18](http://www.ers.usda.gov/Publications/EIB18)

This brochure highlights the most recent indicators of social and economic conditions in rural areas, including trends in population, migration, and employment.

## Spinach Data Available

[www.ers.usda.gov/News/spinachcoverage.htm](http://www.ers.usda.gov/News/spinachcoverage.htm)  
ERS provides information, data, and forecasts on spinach consumption and production.

## Commodity Markets and Trade

ERS Outlook reports provide timely analysis of major commodity markets and trade, including special reports on hot topics. All reports, along with a calendar of future releases, are available at: [www.ers.usda.gov/publications/outlook](http://www.ers.usda.gov/publications/outlook)

## Amber Waves September 2006

*Amber Waves* magazine covers the full range of ERS research and analysis, including articles on food, farming, natural resources, and rural America.

[www.ers.usda.gov/AmberWaves](http://www.ers.usda.gov/AmberWaves)

### *Food Assistance: How Strong Is the Safety Net?*

In fiscal year 2005, Federal funding for the food assistance and nutrition programs was nearly \$51 billion, accounting for 55 percent of USDA's budget. The positive impacts of food assistance programs on food expenditures and incomes are clear. In 2004, adding food stamp benefits to recipients' income raised 9 percent of recipients out of poverty. Evidence of improved nutrition for program participants is more difficult to demonstrate.

### *Income Volatility Complicates Food Assistance*

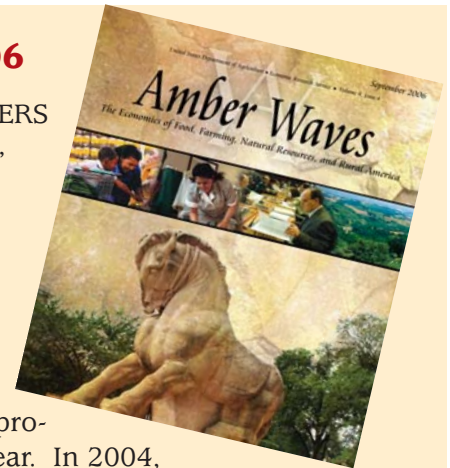
USDA food assistance programs aim to provide low-income families access to food in times of need. Temporary declines in family income—of 6 months or so—are commonly thought to be the main problem that recipients face. But many low-income families face more frequent and larger income fluctuations than do higher income families. Most often, a change in hours worked, wages, or the number of household members working is responsible for these fluctuations. Changes in marital status can also cause large income swings. This constant income volatility affects the targeting of benefits in USDA food assistance programs. Just which families are in need, and for how long?

### *Global Agriculture and the Doha Round—Market Access Is the Key*

For the past 5 years, World Trade Organization (WTO) members have struggled to negotiate a new agreement in the Doha Development Round. In launching a new round of trade negotiations, WTO members recognized the contribution of the multilateral trading system to economic growth and development and pledged to continue reforming economic policies. In addition, the Doha declaration emphasized the interests of developing countries, which constitute the majority of WTO members, adding complexity to the talks but increasing the potential gains.

### *Agricultural Policy Affects Land Use and the Environment*

While total U.S. cropland acreage has remained roughly constant for 100 years, relatively large amounts of less productive, or "marginal," cropland have shifted in and out of production over time. In general, low-productivity croplands are more environmentally sensitive than high-productivity land along several dimensions, including wind and water erosion and potential nutrient losses to water. Therefore, policy-induced land-use changes on less productive cropland may have unanticipated environmental consequences.





## Do Low-Income Households Follow the Thrifty Food Plan?

[www.ers.usda.gov/Publications/ERR20](http://www.ers.usda.gov/Publications/ERR20)

By allocating their food budgets in accordance with USDA's Thrifty Food Plan (TFP), which serves as a national standard for a low-cost nutritious diet, low-income U.S. households can meet recommended dietary guidelines. *How Low-Income Households*

*Allocate Their Food Budget Relative to the Cost of the Thrifty Food Plan* examines whether selected types of low-income households allocate their food budgets in accordance with the TFP. The analysis found that low-income households as a whole spent about 86 percent of the TFP costs for food at home. These households spent slightly over the TFP amount (102 percent) on cereals and bakery goods, but only 53 percent of the TFP costs on fruits and vegetables.

## Who Participates in the National School Lunch Program?

[www.ers.usda.gov/Publications/EIB17](http://www.ers.usda.gov/Publications/EIB17)

The National School Lunch Program (NSLP) serves more than 29 million children each day, but there is little information on the characteristics of those children. *Profiles of Participants in the National School Lunch Program: Data From Two National Surveys* reports new estimates of NSLP participant characteristics using two national surveys: the 2001 Panel of the Survey of Income and Program Participation (SIPP) and the 1999-2002 National Health and Nutrition Examination Survey (NHANES). Study results also show that these two surveys are suitable sources of data on NSLP participants since they are consistent with more aggregated administrative data of the Food and Nutrition Service. The surveys supplement periodic characteristics data available from the School Nutrition and Dietary Assessment (SNDA) surveys.



## Costs to the WIC Program Are Increasing

[www.ers.usda.gov/Publications/ERR22](http://www.ers.usda.gov/Publications/ERR22)

Over half of all infant formula sold in the United States is purchased through the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), according to *Recent Trends and Economic Issues in the WIC Infant Formula Rebate Program*. Typically, WIC State agencies obtain substantial discounts in the form of rebates from infant formula manufacturers for each can of formula purchased through the program. This analysis suggests that retail markup accounts for most of the cost to WIC of infant formula in most States. However, both it and net wholesale price have increased over time. The recent increase in these components coincides with the introduction of higher priced supplemented infant formulas. Conditions may change after the market adjusts to these new formulas.

## Policies Increasing Crop Cultivation May Have Unanticipated Environmental Consequences

[www.ers.usda.gov/Publications/ERR25](http://www.ers.usda.gov/Publications/ERR25)

*Environmental Effects of Agricultural Land-Use Change: The Role of Economics and Policy* examines evidence on the relationship between agricultural land-use changes, soil productivity, and indicators of environmental sensitivity. If cropland that shifts in and out of production is less productive and more environmentally sensitive than other cropland, policy-induced changes in land use could have production effects that are smaller—and environmental impacts that are greater—than anticipated. To illustrate this possibility, this report examines environmental outcomes stemming from land-use conversion caused by two agricultural programs that others have identified as potentially having important influences on land use and environmental quality: Federal crop insurance subsidies and the Conservation Reserve Program (CRP), the Nation's largest cropland retirement program.



### How to get more information ...

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