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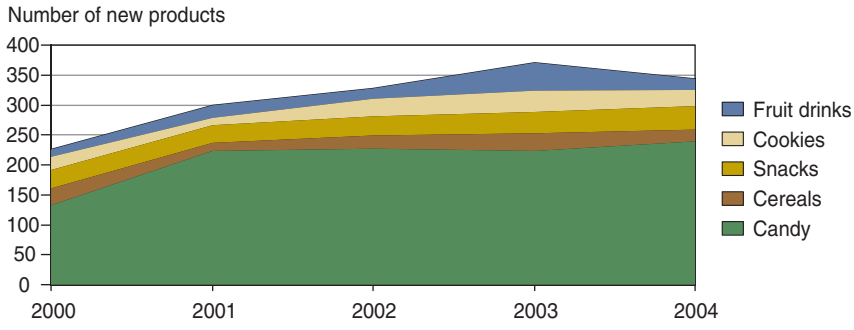
Companies Continue To Offer New Foods Targeted to Children

Food manufacturers have been responding to increased concerns about childhood obesity rates and the marketing of high-fat, sugary foods to America's children by developing new, more healthful foods and beverages. Between 2000 and 2004, the number of new whole-grain, low-fat, and low-sugar products targeted to children totaled 259, or 15 percent of all new children's foods and beverages, compared with 165, or 9 percent, from 1995 to 1999. Product introductions targeted to children accounted for over 10 percent of all new products in 2004, down from 12 percent for 2002 and 2003.

Food product introductions include new national and regional brands, new seasonal products, and new private label products, and most have a short lifespan. Industry analysts estimate that only between a fifth and a third of all new products appear in 75 percent of stores and generate noticeable sales in the first 9 months, then continue to grow in the second and third years.

Candy tops the list of new foods and beverages for children



Source: DataMonitor, Productscan database.

Manufacturers introduced 35 new children's products with whole-grain ingredients during 2000-04. Breakfast cereals accounted for all but one of these product introductions, and 10 alone were introduced in 2004. More whole-grain products are expected in 2005, on the heels of new government dietary guidelines recommending more whole grains in American diets (see "Will 2005 Be the Year of the Whole Grain?" on page 12). Using ACNielsen household panel data, ERS tracked the sales of the 118 children's breakfast cereals introduced during 2000-03. Eighty-three percent of these cereals (including whole-grain cereals) were purchased by panel households and generated sales totaling 2.5 percent of all cereal sales over the period.

New children's beverages accounted for 5 percent of all beverages introduced during 2000-04. Forty-three percent of children's beverages introduced during the period were fruit and fruit-flavored drinks. Milk, nondairy, and yogurt beverages followed with slightly more than 21 percent of new children's beverages, and beverage mixes and flavorings constituted 12 percent. Soft drinks made up just 3 percent of new beverages targeted at children, compared with 9 percent in the previous 5 years.

Despite the gains made in introductions of more healthful foods, candy remains the leading new product category heavily marketed to children. Many of these new candies reflect seasonal, short-term introductions timed to coincide with holidays, mainly Halloween. Over 2000-04, 46 percent of new food products targeted at children were candies, 8 percent were snacks, 6 percent were cookies, and 5 percent were breakfast cereals.

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For more information . . .

The ERS Briefing Room on Food Market Structures: www.ers.usda.gov/briefing/foodmarketstructures/

The U.S. Food Marketing System, 2002 , by J. Michael Harris, Phil Kaufman, Steve Martinez, and Charlene Price, AER-811, USDA, Economic Research Service, June 2002, available at: www.ers.usda/publications/aer811/

After Leaving Welfare: Food Stamps or Not?

USDA's Food Stamp Program can ease the transition from welfare to independence by supplementing the resources of the working poor. However, many individuals who leave cash welfare, also known as Temporary Assistance for Needy Families (TANF), drop off the food stamp rolls, even though they appear to be eligible.

Past studies have identified the effects of individual and family demographics, such as marital status and household earnings, on Food Stamp Program participation. A new ERS report goes beyond the study of individual and family characteristics and examines the influence of community-level characteristics on program participation in Illinois of former welfare recipients who remain eligible for food stamps. The report concludes that the strength of community-level characteristics as an influence on a TANF leaver's decision to participate in the Food Stamp Program depends on the density of social networks in the individual's neighborhood.

Ties with and the frequency of contact with family, friends, and acquaintances are instrumental in helping individuals achieve certain tasks, particularly in seeking employment or accessing public benefits. Because such social networks are likely to be more concentrated in urban neighborhoods than in rural areas, the effects of community characteristics would be stronger for residents in Chicago than for downstate residents. For example, the proportion of people in poverty had a strong influence on the food stamp participation rate of TANF leavers in Chicago, but not outside Chicago. Public assistance offices often vary in the way they perform certain tasks, such as community outreach and communication. Differences in these efforts provide another source of variation in community characteristics. The study found evidence that such differences influence Food Stamp Program participation by TANF leavers, but again only in Chicago.

Other community-level characteristics, such as the proportion of single-mother households and the proportion of residents who are noncitizens, did not contribute to understanding Food Stamp Program participation by TANF leavers beyond the information measured by individual and family demographics.

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This finding is drawn from . . .

Understanding the Food Stamp Program Participation Decisions of TANF Leavers, by R. Goerge, M. Reidy, S. Lyons, M. Chin, and A. Harris, Chapin Hall for Children at the University of Chicago, ERS project representative: William Levedahl, E-FAN-04-011, USDA, Economic Research Service, September 2004, available at: www.ers.usda.gov/publications/efan04011/