

Food without Thought

How U.S. Farm Policy
Contributes to Obesity



Institute for Agriculture and Trade Policy
Environment and Agriculture Program



The Institute for Agriculture and Trade Policy promotes resilient family farms, rural communities and ecosystems around the world through research and education, science and technology, and advocacy.

2105 First Avenue South
Minneapolis, Minnesota 55404 USA
Tel.: (612) 870-0453
Fax: (612) 870-4846
iatp@iatp.org
iatp.org
agobservatory.org
iatp.org/enviroag

About this publication
Food without Thought:
How U.S. Farm Policy Contributes to Obesity

Written by
Heather Schoonover and Mark Muller

IATP would like to thank
Wallace Genetic Foundation
and Farm Aid for their support

Published March 2006

Executive summary

Anyone who has picked up a newspaper in the last year is well aware that Americans are getting larger. Both the incidence and the financial costs of obesity have skyrocketed in recent years.

The reasons behind the obesity epidemic are many. Insufficient physical activity, unhealthy food in schools, marketing of junk foods directed at children—all indeed contribute to the problem, and all have received a high degree of attention by those trying to address obesity. But one significant contributor to obesity has thus far been overlooked: our government's farm policy.

For the past 50 years, U.S. farm policy has been increasingly directed toward driving down the price of a few farm commodities, including corn and soybeans. At the same time, prices for fruits and vegetables, grown with relatively little government support, have steadily increased.

Low commodity prices have in turn deeply influenced private investment. The food industry invests in processes that can provide the greatest economic return, and as such it has focused on cheap commodities rather than on more expensive fruits and vegetables.

The problem with the extensive use of these cheap commodities in food products is that they fall into the very dietary categories that have been linked to obesity: added sugars and fats. U.S. farm policies driving down the price of these commodities make added sugars and fats some of the cheapest food substances to produce. High fructose corn syrup and hydrogenated vegetable oils—products that did not even exist a few generations ago but now are hard to avoid—have proliferated thanks to artificially cheap corn and soybeans.

Whether by intention or not, current farm policy has directed food industry investment into producing low-cost, processed foods high in added fats and sugars. These foods are often more available and more affordable than fresher, healthier choices and, not coincidentally, U.S. consumers are now eating many more added sweeteners and oils than is healthy. Our misguided farm policy is making poor eating habits an economically sensible choice in the short term.

Public health is not the only loser in the current food system. Farmers, too, have been devastated by an agricultural system that favors the production of low value bulk commodities over higher value food crops. U.S. consumers are increasingly reliant on imports of high value produce crops, while our farmers struggle to remain viable producing low value grains and oilseeds. U.S. farm policy works against food crop production systems that are better not only for public health, but also for farmers and rural communities.

Despite the inertia for keeping the food system in its present state, there are many opportunities for change. Some people have already turned to other ways of raising and buying food. Direct purchasing from farmers has increased dramatically in recent years. Schools and workplaces have instituted their own policies aimed at bringing fresh, local foods into their cafeterias. Food councils and farm-to-school networks are springing up around the country.

Developing policies that are more supportive of these initiatives is crucial for truly changing the food system. This is true on all scales, from policies at individual schools and workplaces to city- and statewide policies to policies at the national level. But perhaps most important will be efforts to influence the direction of U.S. farm policy overall with the upcoming federal farm bill, expected in 2007. This farm bill, which will contain hundreds of programs and provisions that will have an impact on our food system, provides a unique opportunity to foster systemic change and promote both healthier diets and a stronger agricultural economy.

To accomplish these policy goals we recommend the following:

Emphasize the connections between public health, food and farm policy. Although it might not seem so at first glance, those concerned about public health and those concerned about farmers and rural communities are facing many of the same concerns. Emphasizing the connections between health, food and farm policy will do much to broaden the discussion and form a diverse base of people to develop and implement local, state and national policies that benefit both public health and family farmers.

Support local and regional food systems. In many communities, particularly low-income neighborhoods, it can be very difficult to find foods that are not highly processed and have not traveled a great distance. The rapid growth of farmers markets and other local-foods initiatives around the country shows that there is considerable consumer demand for a more direct relationship between farmers and consumers. Such initiatives provide consumers with greater choice, farmers with marketing opportunities and communities with a powerful economic development tool. These initiatives need to be expanded, supported and funded.

Develop market incentives for increasing healthy food consumption. From 1985-2000, the real price of fresh fruits and vegetables went up almost 40 percent in the United States, while the real price of fats and sugars declined.¹ Dysfunctional food markets cannot be corrected simply by getting government out of agriculture. We need to develop government policies that make buying healthy foods an economically sensible choice.

Encourage school and government procurement policies that favor healthy foods. Improving the quality of school lunch would do much more than just provide healthier food to students. These changes would also increase demand for fruits and vegetables, providing an even greater incentive for U.S. farmers to grow these crops. Similarly, government procurement policies, particularly if they place preferences on local production, can create a strong incentive for farmers to look at these opportunities.

Develop a common farmer-public health policy platform for the upcoming farm bill. Because our food and farming system is so complex and has so many impacts, most public interest groups have thus far concentrated on specific components of the farm bill. Real change in our food and farm policy will only happen if these different interests work together to develop a common, well-grounded vision that can draw congressional support away from the dominant industrial, globalized model of agriculture. The crafting of the 2007 Farm Bill could be the first time that the public health community provides a strong voice in food and farm policy. The potential strength of this new constituency—coupled with public concern over the obesity epidemic—provides a new opportunity to finally drive farm policy in a direction that promotes healthy diets, protects the environment and fosters a thriving and sustainable agricultural economy.

The agricultural and public health communities have a number of opportunities for collaborative work in the 2007 Farm Bill. Possible elements of a common farmer-public health policy platform could include the following:

- ▶ **Ensure fair prices for all crops.** The commodity title sets government policy on specific crops including corn and soybeans. Under the current farm bill, it is designed to encourage overproduction and thereby keep prices for these crops artificially low, allowing food processors to purchase commodities at a fraction of the true production costs. This market deviation has dramatically increased the amount of cheap processed food in the U.S. diet and put healthier foods like fresh produce at an unfair competitive disadvantage.
- ▶ **Keep small farmers on the land.** The inherent biases that current farm policy has toward large, industrial agriculture are well known. Unfortunately, the small- and medium-sized farms that are continually going out of business are often the most innovative. These farmers are often the most willing to grow a diversity of crops for regional markets and have the energy to seek out direct marketing opportunities. Healthy, regional food systems need this diversity of farmers.
- ▶ **Reward farmers for “producing” health benefits.** The Conservation Security Program provides farmers with a financial incentive to diversify their crop rotations and thereby produce environmental benefits that address resource concerns. Some food system problems could similarly be addressed with a “Health Security Program,” where farmers receive financial incentives for raising produce crops, grass-fed dairy and livestock, or organic products.
- ▶ **Expand funding and research in perennial agriculture.** Perennial agriculture (crops that do not need to be replanted every year) can provide health benefits. Policies promoting these crops would likely lead to a greater variety of grains, oils, fruits and grass-fed meat and dairy, and less production of sweeteners and partially hydrogenated oils.

From local food initiatives to the 2007 Farm Bill, the public health and agricultural communities have many opportunities to work together to develop, support and implement policies that could provide tremendous public health rewards while at the same time benefiting farmers and rural communities.

Introduction

Anyone who has picked up a newspaper in the last year is well aware that Americans are getting larger. Two-thirds of American adults are considered overweight. One-third are considered obese.² Since the 1970s, the obesity rate has more than doubled for children ages two to five and adolescents ages 12-19, and more than tripled for children ages six to 11.³ Approximately 9 million children over the age of six are considered obese.⁴

The reasons behind the obesity epidemic are many. Insufficient physical activity, unhealthy food in schools, marketing of junk foods directed at children—all indeed contribute to the problem and all have received a high degree of attention by those trying to address obesity. But one significant contributor to obesity has thus far been overlooked: our government's farm policy.

For the past 50 years, U.S. farm policy has been increasingly directed toward encouraging the overproduction of and driving down the price of a few farm commodities like corn and soybeans. Support for fruits and vegetables, on the other hand, has been lacking. Low commodity prices have, in turn, deeply influenced private investment. The food industry invests in processes that provide the greatest economic return, and as such, focuses on cheap commodities rather than on more expensive fruits and vegetables. High fructose corn syrup and hydrogenated vegetable oils—products that did not even exist a couple of generations ago—have proliferated thanks to artificially cheap corn and soybeans.

The problem with the extensive use of these cheap commodities in food products is that they fall into the very dietary categories that have been linked to obesity: added sugars and fats. Even the USDA's food pyramid now recommends reductions of these two dietary categories.⁵

Food trends

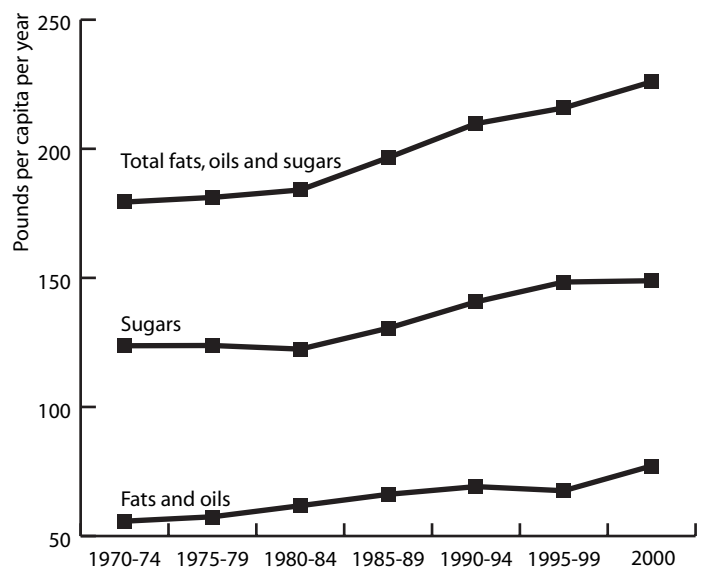
U.S. food consumption

Statistics about U.S. food consumption show that we consume a lot of unhealthy foods. For example:

- ▶ As a country, we spend over half of every food dollar on ready-prepared, ready-to-eat food⁶—most of which is high in added fats and sugars.
- ▶ Processed grocery foods, frozen foods and baked goods represented over 40 percent of supermarket sales in 2000, while produce claimed only 9 percent.⁷
- ▶ On any given day, about a quarter of U.S. adults eat at a fast food restaurant, contributing to the \$110 billion we spend at such outlets each year.⁸
- ▶ U.S. consumption of high fructose corn syrup—an added sugar—increased over 1,000 percent in the last 30 years.⁹
- ▶ U.S. consumption of added fats shot up more than 35 percent in that same time period.¹⁰
- ▶ The average American consumes over 50 gallons of carbonated soft drinks a year.¹¹
- ▶ Nearly one-third of our calories come from junk food.¹²

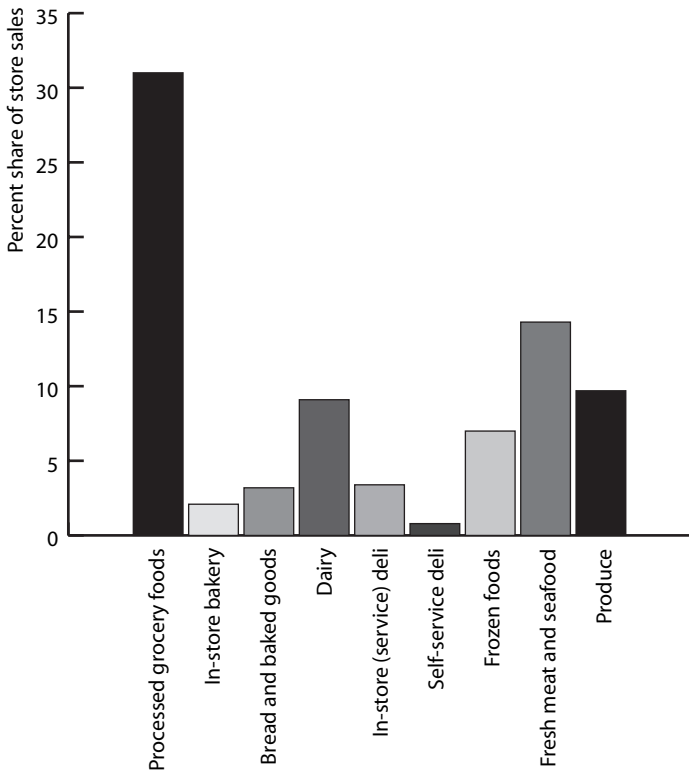
Even the “healthy” foods we eat are not all that healthy. A full one-third of U.S. vegetable consumption consists of frozen potatoes (mostly french fries), potato chips and iceberg lettuce.¹³ Nearly all of the grain we eat is refined grain, rather than whole grain recommended by USDA.¹⁴

U.S. consumption of grains, sugars and fats



Source: USDA ERS, Food Review, Vol. 25, Issue 3

Share of supermarket sales, 2000 (food items only)



Source: USDA ERS, The U.S. Food Marketing System 2002.

Availability and accessibility of unhealthy foods

One could argue that those concerned with their health should just avoid eating foods high in added sugars and fats. But these sugars and fats are hard to avoid. Added sugars and fats are now everywhere, including places one might not expect them. Many breads, juices and even ketchup contain high fructose corn syrup. Of the more than 11,000 food products introduced in 1998, about 75 percent of them were candies, condiments, breakfast cereals, baked goods, beverages and dairy novelties¹⁵—all foods high in added sugars and fats. There are now more than 450 varieties of soda pop on the market.¹⁶ Accessibility issues come into play as well. In many places, particularly in low-income neighborhoods, it is easier to find a fast food restaurant or a convenience store than a grocery store with a wide variety of healthy options.¹⁷

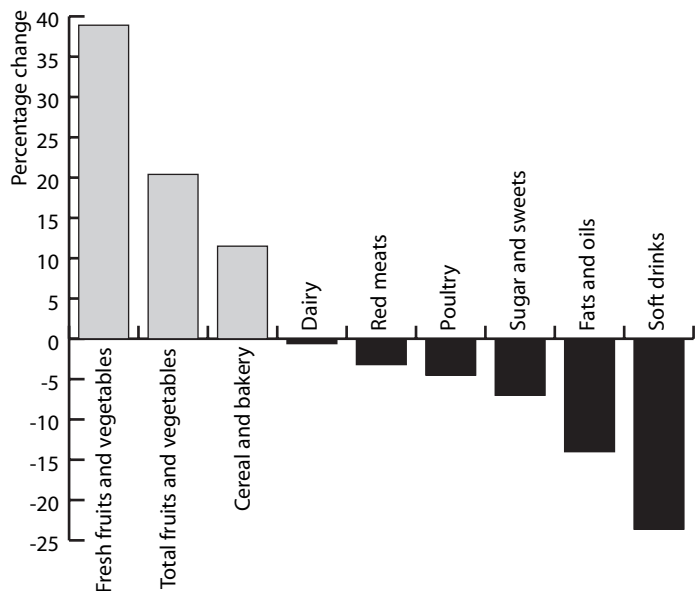
Cheap food

Affordability of unhealthy foods

Not only are these unhealthy foods easy to find, they're inexpensive. Within the United States, the real cost of fresh fruits and vegetables has risen nearly 40 percent

in the past 20 years. The real costs of soda pop, sweets and fats and oils, on the other hand, have gone down.¹⁸ A quick empirical study of a McDonald's menu reveals that a salad, while perhaps better for your health, is not the best deal for your wallet. A much more comprehensive and quantitative study from the University of Washington found that on a per-calorie basis, high-energy, low-nutrition "junk" foods do tend to be cheaper than those lower in fats and sugars.¹⁹

Change in food prices, 1985–2000 (real dollars)



Source: USDA ERS FoodReview, Vol. 25, Issue 3. Converted to real dollars.

The reason unhealthy foods tend to be less expensive on average than foods such as fresh fruits and vegetables has much to do with American farm policy. The low cost of commodities like corn and soybeans make sugars and fats some of the cheapest food substances to produce. Intentionally or not, current farm policy has directed food industry investment into producing low-cost, processed foods high in added fats and sugars.

The ability of fast-food restaurants to put hamburgers on the 99¢ value menu can also be linked to cheap commodities. Corn and soybeans are not only used directly in processed food products but also fed to the animals that later grace our plates as a chicken sandwich or a Big Mac[®]. Animal feed in the form of soy meal has an added benefit of producing soy oil as a by-product—therefore contributing not only to the burger, but also to the fries that accompany it. Our misguided farm policy is making poor eating habits an economically sensible choice in the short term.

How cheap commodities connect to cheap food

Beginning in the 1970s, food manufacturers recognized the cheap costs of commodity “inputs” and began to find enterprising ways to use them in their food products.

Around the same time that prices were dropping for corn, Japanese food scientists figured out how to process corn into high fructose corn syrup (HFCS), a product that could be used to sweeten food in place of sugar. HFCS, a liquid, was easier to work with than sugar and also had the added benefits of being six times sweeter than sugar, prolonging shelf life, resisting freezer burn and making food look as if it had been browned in an oven.²⁰ But best of all, because it was made from corn, it was cheap.

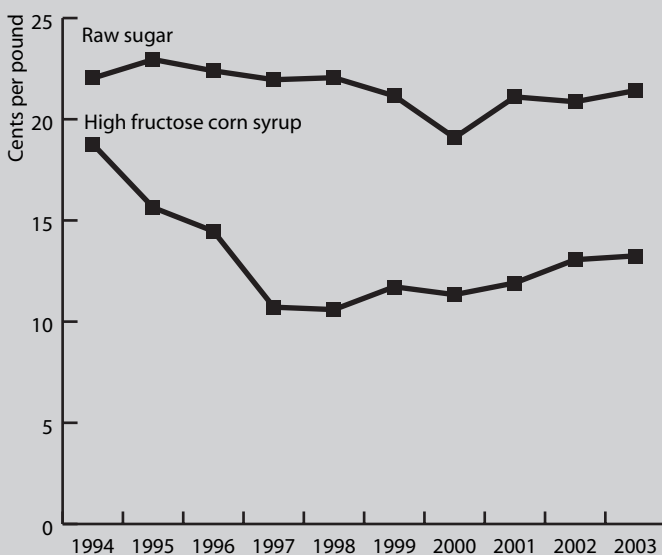
Soybeans, too, yielded a cheap and highly useful food product: vegetable oil. Oils are an important part of the human diet, but nutritionists have found that different oils have very different effects on the body. Much of the vegetable oil in the United States is altered in an industrial process called partial hydrogenation. This process makes an oil more solid, provides longer shelf life in baked products, increases fry-life for cooking oils and produces a desirable texture. Unfortunately, partial hydrogenation also creates trans fatty acids, recognized as the unhealthiest type of fat.²¹ Like HFCS, trans fats have become ubiquitous in processed foods, from fast food to breakfast cereals to crackers to baked goods.

The use of cheap commodities became an economical way to “add value” to food without adding a lot of cost. For example, raw corn sells for little, but corn processed into a bag of chips or a can of soda or fed to a cow that will become a steak fetches much higher prices. As journalist Michael Pollan notes, “the real money will never be in selling cheap corn (or soybeans or rice) but in ‘adding value’ to that commodity. ... The game is in figuring out how to transform a penny’s worth of corn and additives into a \$3 bag of ginkgo biloba-fortified brain-function-enhancing puffs...”²²

HFCS is especially economical as a sugar substitute. Sugar is one of the few commodities for which a government price support program still exists. To ensure a fair price for farmers and to maintain a domestic source, sugar prices are kept above a minimum price floor, guaranteeing that sugar prices cannot fall below the cost of production. Replacing sugar with a corn product, therefore, can represent a substantial cost savings to food manufacturers. Coke and Pepsi saved 20 percent of their sweetener costs when they switched from a 50-50 blend of sugar and corn syrup to 100 percent HFCS in the early ‘80s, a move that *Fat Land* author Greg Critser says “would prove to be one of the single most important changes to the nation’s food supply.”²³

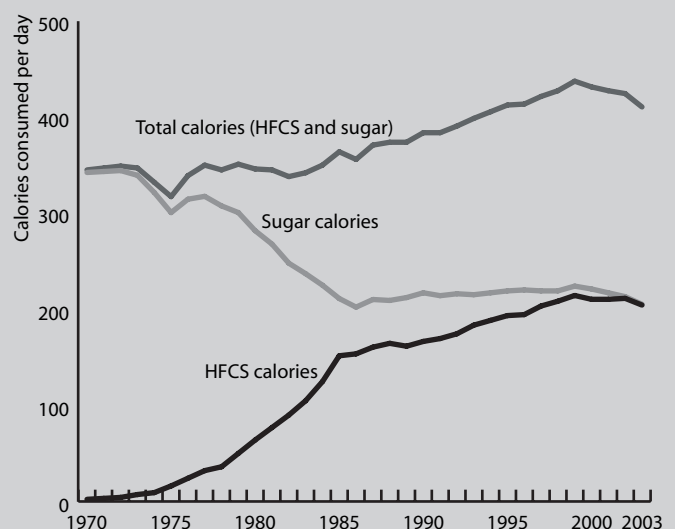
The added “value” these cheap inputs provide is not nutritional, it’s economic. The less it costs to produce a product, the higher the potential for profit.

Sweetener costs



Source: Raw sugar cost data from the New York Board of Trade, HFCS cost data from Milling and Baking News.

HFCS vs. sugar consumption



Source: Data from USDA ERS Briefing Room: Sugar and Sweeteners: Data Tables

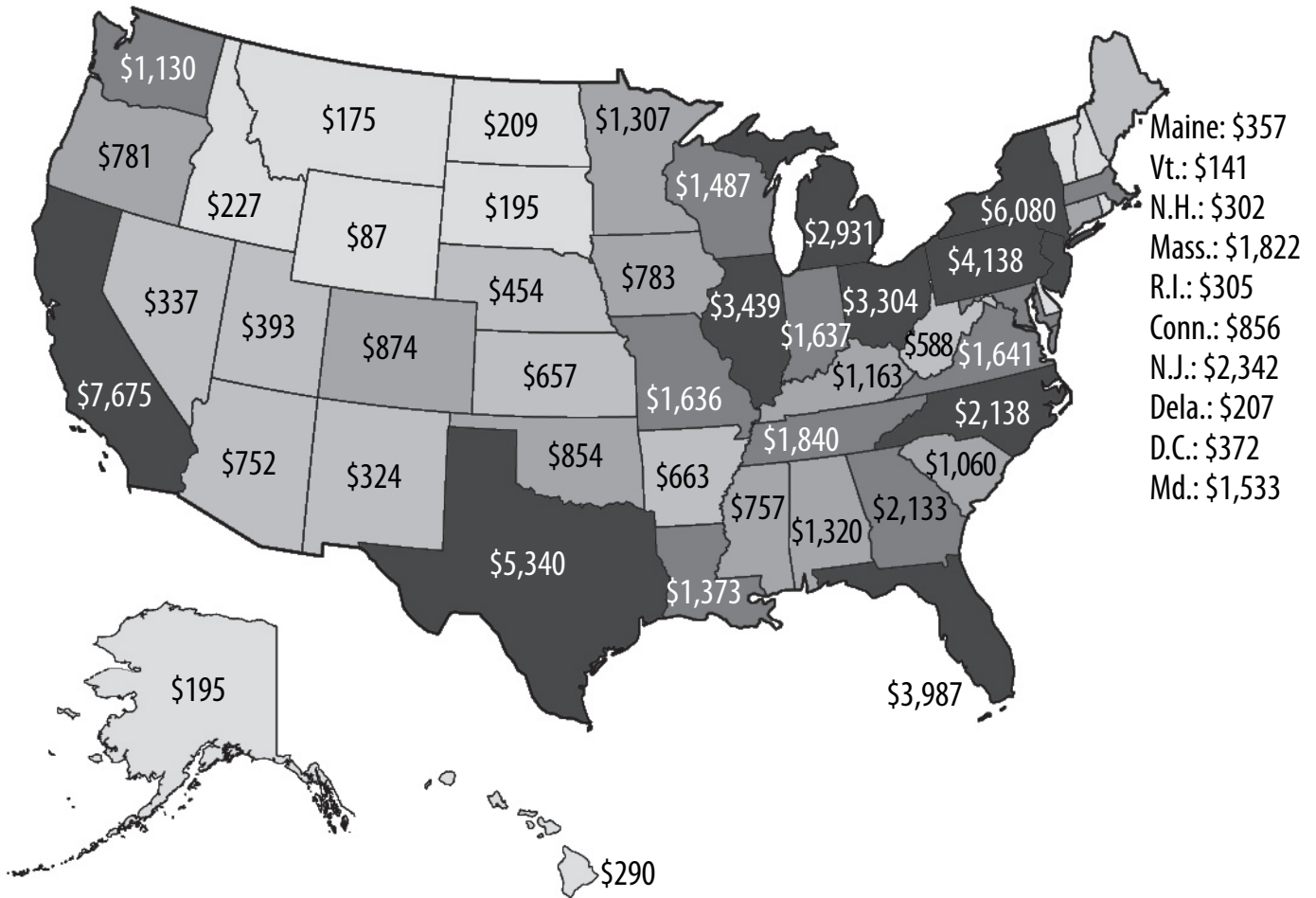
The role of price in food choices

While health-consciousness does drive some of the decision-making around food, we as consumers place a lot of importance on cost. Simply put, we want cheap food. We Americans spend a smaller proportion of our income on food than does any other nation.²⁴ Grocery stores woo customers by advertising their low prices and running coupons. “Value” meals are the norm in fast food.

Studies have demonstrated that price plays a major role in people’s food purchasing decisions.²⁵ For many people, purchasing cheaper foods may not be a matter of choice. But even for those who can afford different options in their food purchases, price often drives their choices. Recent studies from the University of Min-

nesota have found that reducing the price of healthy foods by even a small amount can significantly increase the purchase of these products.²⁶ In one study, reducing the vending machine prices of low-fat snacks by 10 percent, 25 percent and 50 percent led to increased sales of these snacks of nine percent, 39 percent and 93 percent, respectively.²⁷ In another study, a 50 percent reduction in the cafeteria price of fruit and salad led to a four-fold increase in sales.²⁸ When these foods’ prices were raised back to their original levels, sales went back down. The fact that less-healthy foods tend to be cheaper than healthier ones means people are often more likely to make unhealthy food purchasing choices.

Estimated adult obesity-attributable medical expenditures (2003 dollars in millions)



From: “State Level Estimates of Annual Medical Expenditures Attributable to Obesity,” p. 23.³²

The costs of cheap food

Public health costs

The public health costs of our current food system are enormous. Poor diets—high in added fats and sugars and low in vitamins, minerals and essential fatty acids—have been linked not only to obesity but to other physical, mental and behavioral health issues as well.²⁹ On the obesity front, not only does obesity cause problems in and of itself, it is also a significant risk factor for numerous other serious health conditions including type-2 diabetes, heart disease, high blood pressure, high cholesterol, stroke and some cancers.³⁰ Many chronic health conditions typically not seen until adulthood—including so-called “adult-onset” diabetes—are now showing up in obese children and adolescents. Unless something is done to reverse the obesity epidemic, the current generation of American children may be the first to have a lower life expectancy than their parents.³¹

The financial costs of obesity are also considerable. Expenditures on treatment of obesity-related diseases in the U.S. have skyrocketed, topping \$75 billion a year.³² Half this amount is paid by taxpayers through Medicare and Medicaid. The other half is paid by health insurance. Health insurance expenditures on obesity-related diseases have increased more than tenfold since 1987.³³ The true economic costs of obesity are even higher than these figures reflect, as these figures include only medical expenses such as doctor visits, hospitalizations and drugs, not indirect costs such as decreased productivity and absenteeism from work.

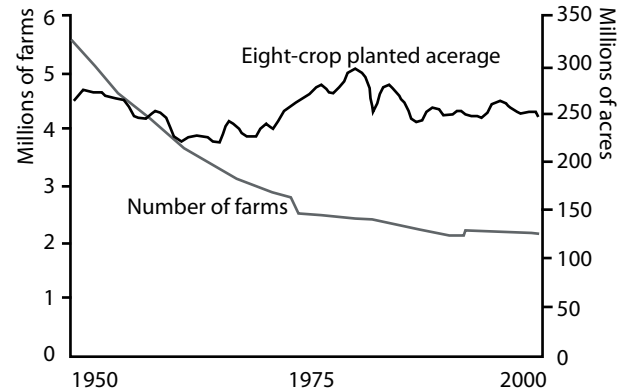
Farm costs

Public health is not the only loser in the current food system. Farmers, too, have been devastated by an agricultural system that favors low-value bulk commodities over higher value food crops. Incentives designed to reduce the financial risk for farmers growing these commodities result in increased production and decreased prices—often below the farmers’ costs of production. U.S. consumers are increasingly reliant on imports of high-value produce crops, while our farmers struggle to remain viable producing low-value grains and oilseeds. Smaller and more diversified farmers are being forced out of agriculture by an agricultural sector that encourages larger industrialized farming operations.

Farmers also face a shrinking share of the food dollar. The cost of any piece of food consists of two compo-

nents: farm value and the marketing bill. Farm value is the percentage of the food dollar that goes toward the farm sector (the actual food production part). The marketing bill is the cost of everything else, including packaging, transportation, nonfarm labor, advertising, etc. Over time, the farm value proportion of the food dollar has decreased. At present, it stands at only 19

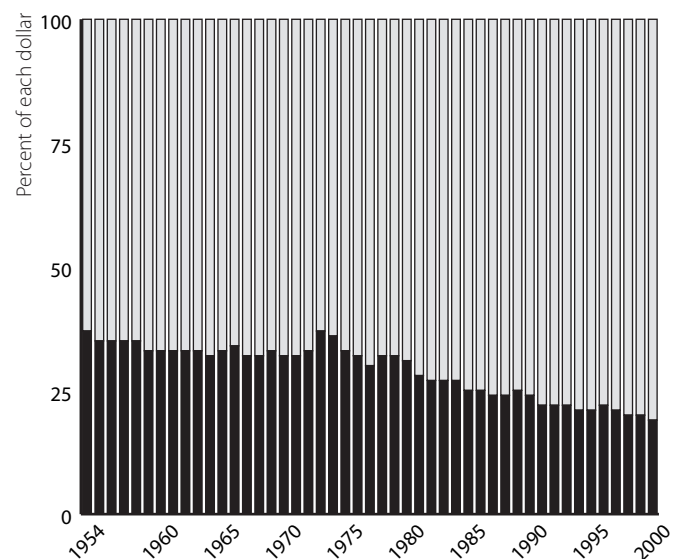
Number of U.S. farms and U.S. cropland planted to the eight major crops, 1950-2001



While the amount of land planted with the eight major farm program crops has remained relatively constant since 1950, the number of farms has declined by more than 3.5 million—meaning farms are getting larger.

Source: Graphic from Ray, Daryll E., Daniel G. De La Torre Ugarte and Kelly J. Tiller. Rethinking U.S. Agricultural Policy: Changing Course to Secure Farmer Livelihoods Worldwide. University of Tennessee Agricultural Policy Analysis Center. 2003.

Farm value vs. marketing bill, percentage of the food dollar



Source: USDA ERS Briefing Room: Food Marketing and Price Spreads: USDA Marketing Bill.

percent. That means, on average, 81 percent of every dollar spent on food goes toward the other, non-farm sectors.³⁴ Packaging costs for more “convenient” foods, labor costs for restaurant employees, advertising costs for commercials to convince consumers to buy the foods—all contribute to the marketing bill. So too do fuel costs, which have increased not only due to the increased cost of fuel itself, but also because of the longer distances much of our food now travels. As the amount of processed foods, foods eaten outside the home and foods that travel long distances increases, so too does the amount spent on the marketing bill. The problem for farmers is that the farm value is not increasing proportionately.

How farm policy creates disincentives for healthier food systems

U.S. farm policy not only encourages production of bulk commodities, but also works against the creation of healthier food systems—food systems that are healthier not only with respect to public health but also healthier for farmers, rural communities and the environment.

Distorted markets reduce demand for produce crops

Government support for producing grain and oilseed crops comes in many forms, from money invested in public universities and government agencies to research such crops, to subsidy payments that make up for low prices, to continued promises of increased export markets for these crops. Produce crops, in contrast, receive a much smaller level of government support and risk management. As a result, more grains and oilseeds are produced than should be in a properly functioning agricultural economy. While a farmer might generate a higher return in the marketplace for crops such as vegetables, lack of government support for these crops—especially when weighed against support for commodity crops—makes growing vegetables a much riskier proposition.

Lack of support for local food systems

Similarly, incentives for commodity production work against local food production. Rather than receiving incentives to grow food crops to be consumed locally, farmers are instead encouraged to grow commodity crops that go primarily to animal feed, industrial uses and exports. Ironically, this leaves many rural communities dependent on outside sources for food. In the aptly named report “Finding Food in Farm Country,”

the authors found that in southeastern Minnesota—an agricultural region that spent \$947 million growing crops in 1997—only \$2 million of the \$500 million residents spent on food that year was spent buying food directly from farmers.³⁵ In contrast, more than \$400 million is estimated to have *left* the region via food purchases from outside sources.

In addition, local food systems keep more money in local communities than do non-local production systems. Of the \$947 million that southeastern Minnesota spent on crop production in 1997, about \$400 million went to outside input suppliers and creditors, thus drawing wealth out of the community. Added to the money lost to food purchases sourced outside the region, an estimated \$800 million per year flows *out* of this agricultural region. In contrast, money spent locally cycles more through the local community.

Long-distance transport also results in foods that are far less fresh than if they were produced locally. A typical vegetable in the U.S. now travels an average of 1,500 miles between the farm and the dinner table.³⁶ Not all food can be grown everywhere—it would be difficult to produce orange juice in Minnesota, for example. But in many cases, foods shipped across the country or even around the world are foods that could be grown regionally. A recent Iowa State study comparing a typical meal sourced from around the country with the same meal sourced only from Iowa found that the “all-Iowa” meal required the ingredients to travel an average of only 74 kilometers (46 miles). Compare this against an average of 2,577 kilometers (1,601 miles) if the carrots, onions, potatoes, beef and other ingredients came—as they usually do—from around the country.³⁷

Incentives for CAFOs over pasture-raised livestock

Government support for commodity production also works against healthier livestock systems. For example, grass-fed beef has been shown to be higher in health-promoting nutrients, omega-3 fatty acids and cancer-fighting conjugated linoleic acid (CLA) than beef that is fed grain.³⁸ Yet despite these health benefits, grass-fed beef still remains a small, niche market.

By keeping the cost of corn and soybeans artificially low, U.S. farm policy provides an indirect subsidy to grain-fed livestock in what are called concentrated animal feeding operations, or CAFOs. The crowded conditions for livestock raised in CAFOs increase the risk of disease, often leading to the use of subtherapeutic antibiotics in their feed. Growth-enhancing hormones

can also be added to food rations, accelerating weight gain and decreasing the amount of time it takes to get livestock to market. Furthermore, these CAFOs often pose numerous environmental risks.

If left on their own, most livestock, particularly ruminants like cattle, would not seek out corn and soybeans. Nor, for that matter, would they seek out factory-style habitats, antibiotics or hormones. Similarly, when consumers are given the choice, they prefer options like hormone-free milk and antibiotic-free chicken.³⁹ By enabling the production of below-cost feed grains, current U.S. farm policy creates an unfair market advantage to centralized industrialized livestock production over diversified sustainable livestock production.

Opportunities for change

Low crop prices and the subsequent shift toward poor diets are not inevitable consequences of free market forces. The food and agricultural industries bear little resemblance to a free market, and likely never will. Just

as in other industries such as electricity, water, fuel and transportation, appropriate government oversight is needed to ensure the proper functioning of agricultural markets. In addition, agriculture has the added importance of being a primary form of sustenance, the dominant land use in the country, a central part of American culture and the primary industry in many rural communities.

Despite the fact that some powerful interests want to keep the food system in its present state, there are many opportunities for change. Some people have already turned to other ways of raising and buying food. Direct purchasing from farmers has increased dramatically in recent years. Schools, hospitals and workplaces have instituted their own policies aimed at bringing fresh, local foods into their cafeterias. Food councils and farm-to-school networks are springing up around the country.

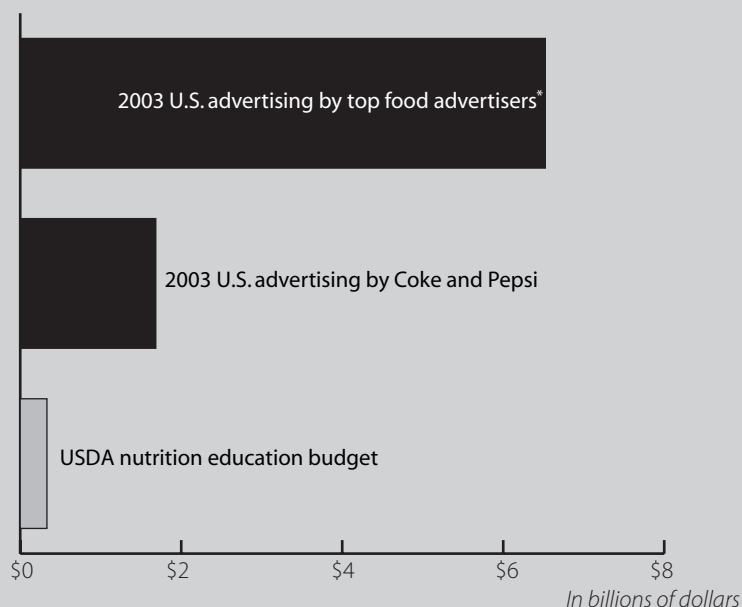
Developing policies that are more supportive of these initiatives is crucial for truly making change in the

Who benefits?: The role of the food industry

Given the negative impacts of our current cheap commodity policy on public health, farmers, rural communities and the environment, it would be prudent to examine who benefits from our commodity-focused agricultural system. The primary beneficiaries of cheap commodities are food processors, manufacturers and retailers. As mentioned above, cheap inputs—in the form of added fats and sugars—mean lower production costs.

From this perspective, it makes sense that highly processed food products are so ubiquitous, as these generate the most profit for the food companies, retailers and others involved in the food production chain. It is also no wonder that food companies spend such large sums of money advertising these products. The USDA's \$333 million budget for nutrition education⁴⁰ can hardly compete with the billions of dollars the food industry spends advertising the very products nutritionists are telling us to avoid. In the U.S. alone, Pepsi spent over \$1.2 billion on advertising in 2003.⁴¹

Food and beverage advertising vs. USDA nutrition education budget



Sources: Food and beverage advertising data from Advertising Age "100 Leading National Advertisers" 2003. USDA nutrition education budget from Gallo, Anthony E. "Food Advertising in the United States." In: USDA ERS, America's Eating Habits: Changes and Consequences, 1999. *Top food advertisers are Altria Group, ConAgra Foods, Nestle, Sarah Lee Corp., Campbell Soup Co., Kellogg Co., General Mills, and Mars, Inc.

food system. This is true on all scales—from individual schools and workplaces to city- and statewide policies to reform at the national level. An important opportunity to influence the direction of U.S. farm policy overall will be the upcoming federal farm bill, expected in 2007. This farm bill, which will contain hundreds of programs and provisions that will have an impact on our food system, provides a unique opportunity to institute policies that foster systemic change.

To accomplish these policy goals we recommend the following:

Emphasize the connections between public health, food and farm policy. Although it might not seem so at first glance, those concerned about public health and those concerned about farmers and rural communities are facing many of the same challenges. And while farm policy is not yet a hot topic of discussion in doctors' offices, grocery stores, kitchens and public health association conferences, initiatives such as Kaiser Permanente's sponsorship of farmers markets on its medical centers' grounds⁴² and Physicians Plus Insurance Corporation's subsidization of community supported agriculture (CSA) shares⁴³ demonstrate that these connections are starting to be made. Emphasizing the connections between health, food and farm policy will do much to broaden the discussion and form a diverse base of people to develop and implement local, state and national policies that benefit both public health and family farmers.

Support local and regional food systems. The current unhealthy system is dominated by a few multinational food processing and retail corporations. In many communities, and particularly in low-income neighborhoods, it can be very difficult to find foods that are not highly processed and have not traveled a great distance. The rapid growth of farmers markets around the country shows that there is considerable consumer demand for a more direct relationship between farmers and consumers. Programs that bring fresh, local foods into school cafeterias, hospitals and workplaces are springing up around the country, as are direct marketing initiatives, U-pick farms, CSA farms, food cooperatives and food policy councils. Such initiatives provide consumers with greater choice, provide farmers with marketing opportunities and provide communities with a powerful economic development tool. Supporting these initiatives will allow them to thrive and will, in turn, help fuel the development of policies to further support and expand them.

Develop market incentives for increasing healthy food consumption. From 1985-2000, the real price of fresh fruits and vegetables went up almost 40 percent in the United States, while the real price of added fats and sugars declined.⁴⁴ It is no wonder that food processors and restaurants have found ways to utilize more fats and sugars and less produce. Dysfunctional food markets cannot be corrected simply by getting the government out of agriculture. Rather, we need to develop government policies that make buying healthy foods an economically sensible choice.

Encourage school and government procurement policies that favor healthy foods. Improving the quality of school lunch—such as through higher nutrition standards for the National School Lunch Program and healthier products in the USDA commodity donations to schools—would do much more than just provide healthier food to students. These changes would also increase demand for fruits and vegetables, providing an even greater incentive for American farmers to grow these crops. Similarly, government procurement policies, particularly if they place preferences on local production, can create a strong incentive for farmers to look at these opportunities.

Develop a common farmer-public health policy platform for the upcoming farm bill. Because our food and farming system is so complex and has so many impacts, most public interest groups have thus far concentrated on specific components of the farm bill. For example, environmental groups have focused on set-aside programs, nutrition groups have focused on food stamps and dietary guidelines, and farm groups have focused on commodity policies. The result is that while we may enjoy limited success in various arenas, we have done little to actually change the inherent flaws in much of our food and farm policy.

Real change will only happen if these different interests work together to develop a common, well-grounded vision that can draw congressional support away from the dominant industrial, globalized model of agriculture. The crafting of the 2007 Farm Bill could be the first time that the public health community provides a strong voice in food and farm policy. The potential strength of this new constituency, coupled with public concern over the obesity epidemic, provides an incredible opportunity to finally drive farm policy in a direction that promotes healthy diets, protects the environment, and fosters a thriving and sustainable agricultural economy.

The agricultural and public health communities have a number of opportunities for collaborative work in

the 2007 Farm Bill. Possible elements of a common farmer-public health policy platform could include the following:

- ▶ **Ensure fair prices for all crops.** USDA has addressed health and nutrition issues in the past with the nutrition title of the farm bill. The 2002 nutrition title includes funds for food stamps and the Emergency Food Assistance Program. These programs are absolutely critical to ensure adequate nutrition for low-income consumers. They do not, however, address the emerging obesity epidemic. This requires changes in the largest and most important component of the farm bill—the commodity title—and not simply the addition of new nutrition programs. The commodity title sets government policy on specific crops including corn and soybeans. Under the current farm bill, it is designed to keep prices for these crops artificially low, allowing food processors to purchase commodities at a fraction of the true cost. This market deviation has dramatically increased the amount of cheap processed food in the U.S. diet and put healthier foods like fresh produce at an unfair competitive disadvantage.
- ▶ **Keep small farmers on the land.** The inherent biases that current farm policy has toward large, industrialized agriculture are well known. Unfortunately, the small- and medium-sized farms that are continually going out of business are often the most innovative. These farmers are often the most willing to grow a diversity of crops for regional markets and have the energy to seek out direct marketing opportunities. Healthy, regional food systems need this diversity of farmers. We need to think creatively about policy options for keeping small farmers on the land. For example, Dr. Willard Cochran, chief agricultural economist in the Kennedy administration, recommends providing a cash subsidy to small family farms so that these farms remain viable.⁴⁵ Ideas like this need further consideration, and can provide benefits well beyond the farm gate.
- ▶ **Reward farmers for “producing” health benefits.** One of the successes of the 2002 Farm Bill was the incorporation of a new program called the Conservation Security Program (CSP), although it has been appropriated only a fraction of what is needed. CSP provides farmers with a financial incentive for producing environmental benefits that address resource concerns. Some food systems issues

could similarly be addressed with something like a “Health Security Program,” where farmers receive financial incentives for raising produce crops, grass-fed dairy and livestock or organic products.

- ▶ **Expand funding and research in perennial agriculture.** A growing coalition of land grant universities, agricultural groups and conservation organizations are promoting perennial agriculture as a method of addressing the soil and water issues facing the Midwest. Perennial agriculture (crops that do not need to be replanted every year) can also provide health benefits. Policies promoting these crops would likely lead to a greater variety of grains, oils, fruits, and grass-fed meat and dairy, and less production of sweeteners and partially hydrogenated oils. Promoting perennial agriculture provides an organizing tool that can be strongly supported by both the environmental and the public health communities.

The increasing concern about obesity and other food-related public health issues, coupled with consumer demand for healthier foods, have already inspired many people to turn to other ways of raising and buying food. Policies that support these actions are crucial if they are to expand and thrive. From local food initiatives to the federal 2007 Farm Bill, the public health and agricultural communities have many opportunities to work together to develop, support and implement changes that could provide tremendous public health rewards while at the same time benefiting farmers and rural communities.

References

1. Data from USDA ERS *Food Review*, Vol. 25, Issue 3. Converted to real dollars.
2. Centers for Disease Control and Prevention, National Center for Health Statistics, 2004. <http://www.cdc.gov/nchs/fastats/overwt.htm>
3. Institute of Medicine of the National Academies. *Preventing Childhood Obesity: Health in the Balance*. September 2004. <http://www.iom.edu/focuson.asp?id=22593>
4. *Ibid.*
5. Department of Health and Human Services and USDA. *Dietary Guidelines for Americans, 2005*. January 12, 2005. <http://www.healthier.us.gov/dietaryguidelines/>
6. Tillotson, James E. "Our ready-prepared ready-to-eat nation." *Nutrition Today*, January 1, 2002.
7. Martinez, Steve W., *The U.S. Food Marketing System 2002*. USDA ERS. <http://www.ers.usda.gov/publications/aer811/>
8. Schlosser, Eric. *Fast Food Nation: The Dark Side of the All-American Meal*. Houghton Mifflin Press, 2001.
9. Bray, George A., Samara Joy Nielsen and Barry M. Popkin. "Consumption of high-fructose corn syrup in beverages may play a role in the epidemic of obesity." *American Journal of Clinical Nutrition*, Vol. 79, No. 4, April 2004. <http://www.ajcn.org/cgi/content/full/79/4/537>
10. USDA ERS *FoodReview*, *op cit.*
11. American Beverage Association. "Soft Drink Facts." 2004. www.nsda.org/variety/facts.asp
12. Block, Gladys. "Foods contributing to energy intake in the US: data from NHANES III and NHANES 1999-2000." *Journal of Food Composition and Analysis*, Vol. 17, Issues 3-4, June-August 2004. As noted in UC-Berkeley press release, June 1 2004: http://www.berkeley.edu/news/media/releases/2004/06/01_usdiet.shtml
13. *Ibid.*
14. *Ibid.*
15. Nestle, Marion. *Food Politics: How the Food Industry Influences Nutrition and Health*. University of California Press, 2002.
16. American Beverage Association, *op cit.*
17. Prevention Institute. *Nutrition Policy Profiles: Supermarkets Access in Low-Income Communities*. May 2002. http://www.preventioninstitute.org/CHI_supermarkets.html
18. Data from USDA ERS *FoodReview*, *op cit.*
19. Drewnowski, Adam and S.E. Spencer. "Poverty and Obesity: The Role of Energy Density and Energy Costs." *American Journal of Clinical Nutrition*, Vol. 79, No. 1, January 2004. <http://www.ajcn.org/cgi/content/full/79/1/6>
20. Critser, Greg. *Fat Land: How Americans Became the Fattest People in the World*. Mariner Books, 2004.
21. University of Maryland Medical Center. "Trans Fats 101." <http://www.umm.edu/features/transfats.html>
22. Pollan, Michael. "The (Agri)Cultural Contradictions of Obesity." *New York Times*, October 12, 2003. <http://query.nytimes.com/gst/health/article-page.html?res=9A0DE2D61E3CF931A25753C1A9659C8B63>
23. Critser, *op cit.*
24. USDA ERS Briefing Room: Food CPI, Prices and Expenditures: Expenditures on Food, by Selected Countries, 1999. <http://www.ers.usda.gov/Briefing/CPIFoodAndExpenditures/Data/table97.htm>
25. See, for example, list in Drewnowski, *op cit.*
26. Sohn, Emily. "Generation XXXL." *Minnesota Monthly Magazine*, January 2005.
27. French, Simone A., Robert W. Jeffrey, Mary Story, Kyle K. Brietlow, Judith S. Baxter, Peter Hannan and M. Patricia Snyder. "Pricing and Promotion Effects on Low-Fat Vending Snack Purchases: The CHIPS Study." *American Journal of Public Health*, Vol. 91, No. 1, March 2003.
28. French, Simone A. "Pricing Effects on Food Choices." *Journal of Nutrition*, March 2003. <http://www.nutrition.org/cgi/content/full/133/3/841S>
29. Van de Weyer, Courtney. *Changing Diets, Changing Minds: How Food Affects Mental Well Being and Behaviour*. Winter 2006. http://www.sustainweb.org/news_detail.asp?iEve=135&iType=1082
30. The Robert Wood Johnson Foundation and the American Heart Association. *A Nation at Risk: Obesity in the United States*. May 2005. http://www.rwjf.org/files/publications/other/AH_NationAtRisk.pdf
31. Belluck, Pam. "Children's Life Expectancy Being Cut Short by Obesity." *New York Times*, March 17, 2005. <http://query.nytimes.com/gst/health/article-page.html?res=9F01E3D7133CF934A25750C0A9639C8B63>
32. Finkelstein, Eric, Ian C. Fiebelkorn and Guijing Wang. "State-level estimates of annual medical expenditures attributable to obesity." *Obesity Research*, volume 12, number 1. January 2004.
33. Hellmich, Nanci. "Heath Spending Soars for Obesity." *USA Today*, June 26, 2005.
34. USDA ERS. "Calculating the Food Marketing Bill." *Amber Waves*, February 2004. <http://www.ers.usda.gov/AmberWaves/February04/Indicators/behinddata.htm>
35. Meter, Ken and Jon Rosales. *Finding Food in Farm Country*. Crossroads Resource Center, 2001. <http://www.crcworks.org/ff.pdf>
36. Pirog, Rich, Timothy Van Pelt, Kamyar Enshayan and Ellen Cook. *Food Fuel and Freeways: An Iowa Perspective on How Far Food Travels, Fuel Usage, and Greenhouse Gas Emissions*. Leopold Center for Sustainable Agriculture, June 2001. <http://www.leopold.iastate.edu/pubs/staff/ppp/>
37. Halweil, Brian. *Eat Here: Reclaiming Homegrown Pleasures in a Global Supermarket*. Worldwatch Institute, 2004.
38. "Health Benefits of Grass-fed Products." Eatwild.com: The Clearinghouse for Information about Pasture-Based Farming. <http://www.eatwild.com/nutrition.html>
39. "Roper Poll Shows Consumers Trust Family Farms." Organic Valley Press Release, May 3, 2004. <http://www.organicvalley.com/newsroom/article.html?cat=1&id=38>
40. Gallo, Anthony E. "Food Advertising in the United States." In: USDA ERS, *America's Eating Habits: Changes and Consequences*, 1999. <http://www.ers.usda.gov/publications/aib750/aib750i.pdf>
41. Endicott, R. Craig. "100 National Leading Advertisers." *Ad Age*, June 28, 2004.
42. Maring, Preston. "Produce to the People." *The Permanente Journal*, Spring 2004. <http://xnet.kp.org/permanentejournal/spring04/produce.html>
43. Physicians Plus Insurance Company: Eat Healthy Rebate Web page. <http://www.pplusic.com/about/index.asp?cid=25&scid=210>
44. Data from USDA ERS *Food Review*, *op cit.* Converted to real dollars.
45. Cochrane, William W. "A Food and Agricultural Policy for the 21st Century." January 2000. <http://www.agobservatory.org/library.cfm?RefID=29732>

20  *years*

INSTITUTE
for
AGRICULTURE
and
TRADE POLICY

2105 First Avenue South | Minneapolis | Minnesota | 55404 | USA | (612) 870-0453 | iatp.org