

Appendix D

Commodity Policy Impact Papers

Food Security, Food Quality, Health and Nutrition Impacts of U.S. Commodity Policy

Working Draft

12/2/05 Note: This briefing paper was one of three rough draft documents prepared to jumpstart 2005 discussions among 38 National Campaign partner groups about the impacts and possible improvements to U.S. commodity policies. This is not a refined consensus document, but rather a working draft that is now being circulated to inform and be further refined by other collaborative policy processes that the National Campaign and its partners are participating in.

Impacts of the Commodity Title and related federal policy on food security, quality and nutrition:

Commodity policy in the U.S. is integral to the health of food and farming systems, therefore to the health and diets of people in the U.S. and beyond, as well as to the food security and healthy farming systems in many countries. Complex links between titles of the Farm Bill need to be better understood by advocates for specific measures in separate titles of the Farm Bill. The message that the Farm Bill ensures that the U.S. food supply is abundant, safe and affordable has been a major justification for how titles of the Farm Bill have been constructed to bring urban support for food programs and rural support for farm programs. More than any other period since the beginning of government food and farm programs powerful forces are criticizing oversupply of commodities and inequitable distribution of benefits in the food system, new and greater risks to food safety and conservation, and increased barriers to access to healthy food choices in many communities.

Evolving definition of food security in relation to food systems. As debate and new findings linking farming systems to health grow, new definitions linking production to nutrition in a rights-based context have emerged such as community food security and food sovereignty. Community level stakeholders are implementing creative efforts in both emergency and non-emergency food systems (e.g. food banks becoming local food system innovators, and work on multiple benefit value chains). Recent policy changes in reauthorization of child nutrition programs and the farm bill link healthy food choices among children and low-income families to changes in institutional procurement, such as provisions for local purchase of foods by schools and other institutions. The many innovations at the grassroots reveal barriers and opportunities for policy reform in the Farm Bill, and have brought the interests of sustainable agriculture, conservation and anti-hunger and nutrition advocates closer together. One active area of policy discussion are incentives for continued innovation, regional supply chain research and infrastructure

support, and coordination of state and federal policy packages from each major region of the U.S.

Policy implications of stronger links between health, nutrition and agriculture. Broad new coalitions to integrate food and farm policy present both challenges and opportunities for a rational farm and food policy. Market access for producers with a fair price and food access for at-risk and low income families is, broadly speaking, the historic mandate of the Commodity and Nutrition Titles of the Farm Bill. The entitlement programs in these titles make the bulk of public spending on food and agriculture (about \$80 billion per year) and are critical safety nets for thousands of farmers who would go out of business without commodity programs and millions of children and adults who would be hungry without Food Stamps, WIC and Child Nutrition Programs. Advocates for progressive reform of food and farm programs have not created strong national coalitions in the past, across all Farm Bill titles and unified in a message that both urban and rural America takes action on. Part of the reason is the deliberate dividing and pitting of regions and sectors against one another. Integrated food and farm policy may be best approached from distinct regions across urban and rural sectors, presenting policy packages from regions backed by cross-sector coalitions and forcing collaboration between advocates in Washington.

Links to international agriculture, health and food systems: trade and impacts on family scale agriculture. Commodity programs affect international trade, food security and nutrition in many developing nations. U.S. commodity payments do not dissuade or regulate overproduction of grains and fiber. These surpluses have to be disposed of both locally and internationally. Since transnational food companies purchase commodities at low world prices, they sell these commodities internationally at prices below the costs of production, undercutting local producers everywhere. The U.S. and its trading partners keep open foreign markets by using bilateral and multilateral trade agreements, enabling commodity traders to repeatedly dump products domestically and internationally. Food aid for humanitarian or disaster relief is often sourced from surplus commodity markets, depressing prices and flooding markets in some countries and keeping farmers from getting above cost prices in many regional and national markets. This accelerates food insecurity around the world, driving producers from farms into cities or into migration to other countries.

The right to non-emergency local sources of culturally appropriate food. There are more than 21 million new immigrants living in the United States in addition to an estimated 4 million farm workers of diverse ethnicity. The presence of farm workers and the influx of new immigrants not only changes the face of the United States but dramatically recasts consumption and dietary habits of Americans. The food system needs to embrace and be representative of the cultural diversity of each community, minority or otherwise. The current lack of access to fruits and vegetables as well as other culturally appropriate foods within the new immigrant communities and the widespread access to commodity (cheap and fast) foods will only lead to the destruction of a culturally diverse food system for each community. The federal 2005 Dietary Guidelines for “Americans” and the newly introduced MyPyramid are not reflective of the culturally diverse foods of local minority communities. Minorities should be encouraged to introduce and produce fruits and vegetables and their culturally appropriate foods into the local food security system that

includes local schools, community centers, restaurants and businesses. Embrace of culturally diverse food choices in policy continues the legacy of the U.S. food system being enriched by new immigrants, new ideas, new agricultural and cultural practices, and new ethnic foods.

Current Mechanisms Linking Commodity Policy to Food Security and Nutrition:

Included in the commodity title are provisions for procurement by USDA of surplus commodities designated to be in “market distress” and supplied to nutrition programs. Formulations in existing commodity policy create domestic market “dumping” in markets such as institutions and agencies receiving federal commodities. These markets are therefore under-priced for local and regional producers in the U.S. who wish to access institutional markets. Improvement to this system would include allowing federal government procurement to target in-state or regional producers/suppliers where possible and scaling up provisions like the “Purchase of local foods” provision in Title IV of the 2002 Farm Bill. Programs in the Nutrition Title affected by reform of the commodity title cost the taxpayer over \$50 billion per year and include, among others:

- The Food Stamp Program
- The National School Lunch and Breakfast Programs
- The Summer Food Service Program
- The Child and Adult Food Program
- The Supplemental Food and Nutrition Program for Women, Infants, and Children (WIC)
- The Emergency Food Assistance Program (TEFAP)

The politics of hunger relief, nutrition education, and agriculture are now greatly influenced by the epidemics in obesity and other nutritional diseases. Health is a major unifier for formerly disparate interest groups. Coupled with innovation and bridge building at local levels around farm to cafeteria and local/regional foods systems, a health focus at the national level bringing anti-hunger, sustainable agriculture and conservation groups together has a potential to change the political calculus in the next farm bill. Positive changes to the commodity title may be one result of these changes.

Case Study 1: Corn and Sugar Program Effects on Obesity and Health

Nationwide, now worldwide, concern over obesity can be directly linked to the policies of the U.S. government through the federal dietary guidelines and federal agricultural policies since the 1970's. During the 1970's the USDA, under the leadership Secretary Earl Butz, promoted the planting of soy and corn crops “fence-row to fence-row.” This produced a readily available source of cheap soybeans and corn. At about the same time Secretary Butz was promoting a vast increase in the planting of corn and soybeans, food scientists in Japan developed a process that produced high fructose corn syrup cheaply and in abundance. High fructose corn syrup (HFCS) is much sweeter than sugar, cheaper than sugar to produce and easier to integrate with various food products such as soft drinks. Soft drink manufacturers caught on to this new sweetener by the late 1970's and replaced sweeteners derived from sugar beets or sugarcane with HFCS. The increase in high fructose consumption mirrors the increase in obesity, and some scientists attribute it with much of the blame for our weight

gain (see notes for more information). Many animal studies show that caloric intake, weight and body fat all increase with high-fructose diets. One reason is that glucose derived from carbohydrates triggers a stop eating/lose weight message, while fructose has no effect. According to a recent *Wall Street Journal* article, childhood weight gain in America might be caused in good measure by "the sweetening of America."¹

Case Study 2: Grain Feeding to Ruminant Animals

The current system of ruminant animal production includes an intensive period of high grain feeding prior to slaughter. This system works due to a combination of the market drive for a uniform product, the historic demand for marbled meats and cheap commodities. Negative consequences of this system include increase animal and human susceptibility to disease as well as conservation and environmental issues. As all livestock producers understand, ruminant animals have the ability to convert roughage to protein in an efficient manner. Adding grains certainly speeds up the process but also results in higher levels of liver abscesses and bloating. Humans consuming grain-finished beef are ingesting a higher level of both total fat and saturated fat with associated health problems. Grainfed beef has less of the "good fat" or omega-3 fatty acids than grassfed beef and each day an animal spends in the feedlot reduces the level of good fats. Grassfed beef is also higher in vitamin E than grainfed beef. Grain feeding of ruminants is not likely to disappear any time soon, but a shift toward increased use of high quality forage in the diet and reduced or eliminated grain feeding periods will result in healthier humans and animals and will decrease the need for commodity grains in the country. Changes in the commodity programs can provide for a healthier and environmentally sustainable meat supply.

Policy Recommendations:

Reorient commodity programs in relation to nutrition, research, trade and rural development policy to support systematic transition to local and regional food chains, providing incentives to small and family producers growing fresh food for local and regional markets. Rational farm and food policy should provide incentives for diverse regional food systems domestically and globally that include:

Reform of existing commodity policy related to nutrition and food security:

- Support commodity policy reforms that **reduce supply of low price raw products** for industrially processed foods (dumping) in domestic and international markets (see other working papers).
- **Shift surplus commodity procurement** from the USDA for domestic or international markets to producers in the same regions as the markets (schools, prisons, military bases, etc.).
- Support **food security reserves** with multi-sector, regional control.
- Shift government payments to support for start-up of local and regional **innovative food system projects and supply chains** including multiple benefits of agriculture.

¹ Waldholz, Michael, Wall Street Journal, February 20, 2003.

Alternative Policy Initiatives in Farm Bill to meet reforms in Commodity Title:

- **Reform procurement policy** for emergency and non-emergency food systems to allow open, competitive and local procurement. Set asides for federally sponsored Nutrition Programs to procure locally or regionally grown foods (Nutrition)
- Scale up programs that support **innovation and entrepreneurship** for regional food supply chains (Rural Development)
- Support public funding for health-based **nutritional research** based on farming systems diversification, including regional supply of seasonal foods and culturally valued foods and excluding research for commodity diversification in food technology, including applications of genetic research for industrial food, such as nutraceutical and pharmaceutical research. (Nutrition and Research)
- Increase **technical assistance** funding for building minority and socially disadvantaged farmer access to emerging institutional food service markets. (Miscellaneous and other)
- Provide for scale appropriate **food safety** standards to reduce barriers to small scale producers and processors, while still protecting the consumer. (Nutrition)

Information/Research Available

1. Distribution of subsidies among commodities by region and state:

Government payments and the farm sector: Who benefits and how much?, USDA

Economic Research Service <http://www.ers.usda.gov/Briefing/FarmPolicy/gov-pay.htm>

2. Selected articles on federally subsidized cheap foods and their impact on health and well-being:

1. The Fat of the Land: Do Agricultural Subsidies Foster Poor Health? by Scott Fields
2. The Cheapest Calories Make You the Fattest, Interview with Michael Pollan, Sierra
3. Subsidizing Corporate Agriculture, Roanoke Times
4. When Corn is King, Christian Science Monitor
5. The Murky World of High Fructose Corn Syrup by Linda Forristal
6. Is the U.S. government's farm policy making you fat? by Alan Bjerga
7. Modern foods from Subsidized Crops by Bill Sanda

3. *Building the Bridge*, Community Food Security/ World Hunger Year, 2005 documents emergency and non-emergency food system linkages.

4. *High Fructose Corn Syrup and health*: Bray, G., S. Nielsen, and B. Popkin, *Consumption of high-fructose corn syrup in beverages may play a role in the epidemic of obesity*. American Journal of Clinical Nutrition, 2004. 79(4): p. 537-43.

5. Food Security Learning Center, World Hunger Year

