Agricultural Policy and Obesity
Two opposing viewpoints. The Alston et al article says no – not in the US!
The Elinder article is more open to the idea that US and EU ag policy can affect nutrition particularly in developing countries
Feel Full on Fewer Calories

Think "choose well" instead of "diet"

STOP!
Poor choices for weight control
- Fats and oils
- Bakery items
- Cheese
- Chocolate

CAUTION!
Limit and control portions
- Fatty meats
- Fast food
- Ice cream, fruit pie

GO!
Best choices for weight control
- Vegetables, fruits
- Potatoes (low in fat)
- Nondairy
- Cooked whole grains
- Lean protein, legumes

Low-cal foods:
- are high in fiber and moisture
- and low in fat and sugar

Compare:
- 4.5 oz apple pie = 340 calories
- 4.5 oz apple = 66 calories
Articles of motivation


• Elinder, S.T., 2005, Obesity, hunger and agriculture: the damaging role of subsidies, BMJ Vol.331
Are Agricultural Policies Making Us Fat?
Food Consumption and Obesity

- For developed countries:
- changes in food consumption patterns depends upon prices and characteristics of agricultural commodities rather than income.
Commodity programs such as crop insurance, risk management programs, agricultural R&D, and trade policies affect agricultural commodity price.

While the impact of commodity programs on commodity prices varies with the beneficiaries, agricultural R&D contributed to lower prices by reducing production cost.
Trends in Commodity Prices

- Real prices of most crops and livestock commodities show the secular downward trends except for beef cattle.

- Mixed story of healthy food prices
  - Vegetables except lettuce and asparagus experienced declining prices.
  - Prices of Apples have decreased while table grape prices have increased, and prices of oranges don’t show any trend.
Linking Commodity Prices to Food Prices

- Farm commodity prices have generally declined in real terms and faster than the consumer prices.

- The average prices of fruits and vegetables seem to have increased over 25 years but the extended seasonal availability and quality improvement should be considered in interpretation.
Other Factors

- The role of commodities in determining costs of all food consumption has decreased since the 1950s, and the relative importance of real estate, wages, employee benefits, and insurance have increased.
Implications for U.S. Policy

- The balance of public agricultural research programs should place greater emphasis on lowering consumer costs and enhancing the quality of “healthy” foods.

- Low-cost agricultural commodities are not the primary cause of overeating.

- Policies which result in increased commodity prices are not effective strategies for reducing high calories meals.

- Reducing expenditure on agricultural R&D is not a solution for obesity.
Lessons for Developing Countries

- The social costs of obesity can be large.

- Reductions in food costs are essential to combating hunger, and there are huge private and social benefits from policies, such as public agricultural R&D, that lower food costs.

- Long-term reductions in commodity prices have been driven by productivity growth within the United States and abroad.
Lessons for Developing Countries (2)

- As the development process unfolds, the direct consumption of commodities declines, and foods comprised of these commodities becomes more important.

- Changes in food prices are not always easy to determine or measure, especially for foods other than basic grains.
Obesity, hunger, and agriculture: the damaging role of subsidies
Distortive Effect of Subsidy

Subsidy → Overproduction

- Developed Countries
  - Overconsumption
  - Obesity

- Developing Countries
  - Low Growth of Ag Sector
  - Hunger & Poverty
Dairy Sector in the European Union

- The milk production is highly protected under the European Common Agricultural Policy.

- EU spends €2bn a year to maintain production level at 20% above the domestic demand and at prices twice as high as on the world market.

- Moreover, export subsidies and consumption aid are granted for disposal of surplus milk.

- Subsidizing milk with a higher fat content led to less consumption of skimmed milk in the school lunch program.
Dairy Sector in the European Union

- The milk production is highly protected under the European Common Agricultural Policy.
- EU spends €2bn a year to maintain production level at 20% above the domestic demand and at prices twice as high as on the world market.
- Moreover, export subsidies and consumption aid are granted for disposal of surplus milk.
- Subsidizing milk with a higher fat content led to less consumption of skimmed milk in the school lunch program.
The importance of Ag sector in Developing Countries

- Agriculture plays an important role in alleviation of poverty and hunger in developing countries.
- It increases accessibility to foods and creates jobs stimulating rural economy.
Suggestions for resolving obesity and hunger

- The elimination of subsidies in the developed countries
- Making internationally binding convention like the one on tobacco
Thank You
Question 1

How can US agricultural policy affect nutrition in the US and abroad?
Question 2

Do low food prices increase the consumption of food and lead to obesity?
Question 3

What is the relationship between income and obesity?
Question 4

How would you study this question in
(a) US
(b) Developing countries.