

Invited Commentary

How Society Subsidizes Big Food and Poor Health

Raj Patel, PhD

Approximately 80% of calories eaten in the United States are grown domestically.¹ Yet, the US diet is a leading cause of morbidity. The analysis by Siegel et al² in this issue of *JAMA Internal Medicine* suggests that through commodity subsidies that encourage poor diet we are, in part, paying for our own demise.

However, commodity subsidies are a small part of a bigger problem. From 2014 to 2023, the 2014 US Farm Bill will cost \$956 billion (letter from D. W. Elmendorf to Frank D. Lucas, chair of the House Committee on Agriculture; <http://www.cbo.gov/sites/default/files/cbofiles/attachments/hr2642LucasLtr.pdf>), of which direct support for commodity production is only \$44.5 billion over 10 years. Furthermore, among a range of agricultural products, farmers receive the greatest share of the retail price in beef and milk at 50% compared with only 7% for processed food, such as bread. So, while processed food prices may be low, commodity subsidies are not the primary cause.

To understand better how the Farm Bill affects food consumption in the United States, consider the Bill's largest component, namely, support for low-income families to buy food. Although initially introduced between 1939 and 1943, food stamps were made a permanent part of US social policy in the early 1960s, were joined to farm supports in the 1970s, and became the Supplemental Nutrition Assistance Program (SNAP) in 2008. SNAP is now the largest part of the Farm Bill, responsible for \$756 billion of the spend, and 65 million households are eligible for the benefits today, although only 47 million take advantage of it (letter from D. W. Elmendorf to Frank D. Lucas, chair of the House Committee on Agriculture; <http://www.cbo.gov/sites/default/files/cbofiles/attachments/hr2642LucasLtr.pdf>).

One response has been to see SNAP as a way to shape preferences among those with low incomes, which is misguided. The poorest families spend a greater share of their food budget on fresh fruits and vegetables and cook at home far more than the richest families.³ Furthermore, such restrictions may not be effective. Most important, while the subsidy is a necessary support to families on low incomes, it is also a substantial gift to one of the largest players in the food system. The *Wall Street Journal* reports that Walmart “rakes in about 18% of total US outlays on food stamps” (<http://www.wsj.com/articles/SB10001424052702303843104579168011245171266>). As the largest grocery store and therefore the most visited conduit for benefits to support low-income shoppers, Walmart finds SNAP a reliable source of revenue. Assuming the trend continues, \$136 billion of the next Farm Bill will be spent at the world's largest retailer, which points to a more general phenomenon around agricultural subsidies that many of its ultimate beneficiaries are large corporations operating within the food system.

The Farm Bill supports farmers, although not quite in the way that advocates of agricultural subsidy reform might think.

Farmer debt has increased since the farm crisis of the mid-1980s. Subsidies are vital for highly indebted farmers to pay their creditors. Not all farmers benefit from government support: previous Farm Bills have supported approximately 40% of US farmers, with the rest being ineligible for subsidy. Although some among the beneficiaries are larger-scale enterprises, many are not. Yanking away the income on which many depend will do little to help and may cause harm.

Our food policies must also take farmworkers into account. Agricultural laborers earn a mean annual salary of \$19 300 in the United States.⁴ Farmworkers in the United States are not covered by the 1935 National Labor Relations Act (National Labor Relations Act of 1935. [49 Stat 449] 29 USC §151-169), and attempts to unionize can be met with retaliation or evasion. Although restrictions on the right to unionize are not a direct payment from the government to a particular industry, production is cheaper because of workers' lack of legal bargaining power.⁵ In every way that matters, workers' inability to bargain collectively is a subsidy to the industry in which they work. It reduces the price of commodity food and makes such food cheaper. But, if we open the door to a broader understanding of subsidy—and we should—then we are forced to consider other instances where the food industry benefits from social subsidies.

There are other important harms in our agricultural system. Industrial agricultural production requires a great deal of water, inorganic fertilizer, and pesticides. The children of some agricultural workers exposed to pesticides have IQ scores 7 points lower than those of nonexposed peers.⁶ In a 2012 KPMG report, analysts found the food industry's environmental damage alone exceeded its earnings before interest, taxes, depreciation, and amortization by 224%.⁷

So, how do we reduce the consumption of processed food grown under unsustainable conditions? One way would be to limit demand by restricting the advertising of highly processed food, especially to children. In 2009, the food industry spent \$1.79 billion in marketing to children.⁸ Restricting marketing is a cost-effective approach to manage the subsidy of young minds and wallets to the food industry.⁹ Such policy has been vigorously opposed by the food industry.

There are other ways we can benefit farmers and those who depend on their products. Public health advocates in Brazil have found common cause with farmers, against large food corporations, to support and encourage local and agroecological food consumption.¹⁰ A national farm to school program, in which farmers are paid to produce healthy food for consumption in schools—and paid a premium for sustainable production just as Brazilian farmers are—can begin to redress some of the problems with the commodity subsidy system. However, the deeper problem in the US food system is poverty. Healthy food grown with respect for workers and the environment will be more expensive than food in which social and



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environmental costs are externalized. Yet, some of the poorest Americans work to make this cheap food: 7 out of the 10 worst-paying jobs in the United States are in the food system (Bureau of Labor Statistics; http://www.bls.gov/oes/current/oes_nat.htm#00-0000). If we are to ensure that everyone in the United States is able to eat healthily, policies will need to

raise household income and ensure that the food industry pays for the damage it has caused. An analysis of food subsidies points to the fact that poverty and environmental damage are public health issues. The medical community would be valuable allies in the political coalition required to move us away from our current, damaging addiction to “cheap” food.

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