

Agriculture and Food Production 101

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Premises of Presentation

American agricultural policy provides the foundation for our food supply and influences the cost and types of foods available.

Our food and nutrition policy is a related but distinct issue which builds on the food supply helping influence what we eat and what we know about it – as well as the health effects.

Goal today is to consider the intersection of federal agricultural or farm policy and its relation to food and nutrition policy especially as relates to the issue of obesity and public policy responses.

Primary goals of federal farm policies

Support the increased efficient production of food – in the form of basic commodities – to meet demand, insure adequate supplies for domestic and international uses (both commercial and humanitarian) and to maintain food prices are reasonable and affordable levels (some might call it a cheap food policy).

to do so in ways that conserve the natural resources agriculture depends on – primarily soil, water and farmland, and to support a wide range of choices for farmers as to what they grow and consumers as to what they eat (the idea of food democracy).

Leaves aside issue of food safety- it is a given – both as to domestic production and imports – though what is a “safe” food may arguably be applied in the obesity context.

Goals achieved through variety of programs.

First there are what are commonly known as farm programs, including:

- the commodity programs which offer price and income supports to producers, crop insurance, and disaster loans
- conservation and environmental protection, and
- credit programs to support new, beginning and minority farmers.

Second, in addition to “farm programs”, a second key portion of this effort are the various nutrition programs. These are reflected primarily in the:

- food assistance programs such as food stamps – now known as the Supplemental Nutrition Assistance Program (SNAP) and other federal food assistance programs like WIC, the farmers market nutrition coupons, and

- school and childhood related feeding efforts, such as the school lunch and breakfast and summer feeding efforts.

All of these program have integrated into them – at varying levels – nutrition standards and requirements as to the types of meals offered, the types of food available and nutrition education.

In the recently enacted 2008 farm bill – known officially as the Food, Conservation and Energy Act of 2008 – the spending for these programs reflects over 73% of total expenditures.

The nutritional assistance programs are supported by programs to provide consumers with information and education most importantly through nutrition labeling.

Third, in recent years there has been significant attention to improving the range of food products and opportunities supported by federal policy – such as specialty crops, fruits and vegetables, farmers markets, and efforts to link farmers with consumers. Growth in the organic food sector is one example of these, as are related increases in local foods and sustainable agriculture.

Agricultural Policy and the Food and Obesity Connection

A central question on most people's minds is how farm policy – our Ag 101 relates to obesity and food policy? Is it direct, indirect, can it be altered so the goals are mutually supported – these are all questions to ponder.

Observations on farm policy

It is obvious agricultural policy and food policy are related. The goal of increasing our food supply helps shape what is available to eat.

However it is too easy and convenient to overstate or over simplify the connection between the two – especially the connection to obesity.

Corn price – obesity link?

Some people argue there is a direct link between farm programs supporting corn and obesity – unfortunately we heard this yesterday from our hosts. If the matter was this simple then I have good news – corn prices have tripled in the last two years so we can apparently expect obesity to wane. You are bright enough to know rising corn and food prices will not address issues of obesity - but will raise new questions of hunger and food availability.

The logic and the flaws

The logic is if commodity programs support farm families who produce commodities like corn, wheat, oilseeds and sugar these policies lead to over production and low prices, which in turn lead to over consumption of low cost calorie dense foods like HFCS and vegetable oil – which leads to increased obesity. Ipso facto - farm programs support obesity.

Some even go so far as to say this was the purpose of farm programs – to subsidize the production of low cost ingredients for food companies.

From my perspective this analysis is not just wrong it is misguided and unhelpful.

Where logic fails

It is wrong for many reasons. Farm programs don't support producing commodities but instead support income of farm families who receive payments regardless of what is grown – or not. The programs do not keep grain prices low – markets shape prices as current forces reveal. Food companies will produce the same foods with or without farm programs. If HFCS becomes too expensive low cost sugar will work just as well.

How view is unhelpful

This logic is misguided because it ignores many fundamental aspects of how the food system and economy work – as I will discuss. And it is unhelpful because it sets up a false conflict – end farm programs to address obesity – and obscures more productive efforts to develop programs to support the production and marketing of more healthy foods.

Realities of food economy

First, people are going to eat, it is not optional and farmers are going to produce – they have no choice if to survive. Second, many factors influence food choices and effect what we eat and our health – cost, convenience, economics, advertising, activity all shape consumer demand. Third, food companies produce what consumers demand regardless of ingredient cost and will pass the higher costs on in the form of higher prices.

Fourth higher food prices affect food choices and nutritional opportunities for consumers, with a disproportional impact on low-income citizens and access to healthy foods.

Fifth, providing adequate supplies of food with relative low consumer costs are essential public goals and will continue to be so.

Sixth, providing healthy food is an emerging public goal still searching for the policies to support it.

So what is the upshot of all this?

If low prices and oversupply are the cause of obesity does this mean shortages and high food prices are the answer? Intuitively and personally you recognize the dangers of this approach as a policy response. Higher prices and food shortages are not a sustainable or popular public policy – and will not address obesity.

Consider what is happening now

First, food prices are increasing at rapid, even alarming rates, triggering public concern and news coverage. Second, commodity prices are at records with Iowa corn selling for \$7.50 per bushel up from \$2.50 two years ago. This is great news for corn farmers but not so good for consumers – or livestock producers and poultry growers – who face high feed costs and are liquidating herds and flocks leading to even higher meat prices for consumers.

Third the current events on the ground in the Midwest and Iowa with record flooding and loses of millions of acres of crops could reduce grain crop by several billion bushels driving all prices higher.

Fourth, added to all this is the rapidly evolving public debate about bio-fuels.

Bio-fuels controversy

In recent months U.S. policy - that now directs over 30% of our corn crop for use as ethanol - has come under increasing scrutiny. Many question the wisdom of turning food into fuel and criticism from the international community about the impact this has on world food prices and hunger is increasing.

Do corn critics welcome ethanol?

But can we assume those who criticize low corn prices as the cause of obesity now welcome high corn prices and diverting it food to fuel – if there in lies the answer to obesity? Some may cheer the tripling of corn prices and the related impact of food prices but it is not the answer to obesity.

The problem – and the good news

The problem – if there is one – with agriculture policy isn't commodity programs and a link to obesity. The problem is the lack of programs to support increasing production and marketing of healthy foods and supporting lifestyles and education to address obesity.

Here we do have good news – both in the 2008 farm bill – and in advances in state and local policy. It is here we can find fertile ground for improving the nation's health.

2008 Farm Bill and Promoting Healthy Food Opportunities

The 2008 Farm Bill – formally the Food, Conservation, and Energy Act of 2008 – had a long and difficult road to passage. But after final enrollment, a second Presidential veto and another Congressional over-ride vote to deal with the missing trade title issue – the bill will become law sometime in June. The bill involves fifteen titles, hundreds provisions, and over 630 pages of legislative text.

12 farm bill provisions important to healthy food promotion

It will shape the economic and political structure of agriculture and rural America for many years. Every section of the bill is important to someone, but the following discussion identifies twelve provisions with particular importance for those working on public health and obesity

“Americans are increasingly focused on better nutrition, healthy lifestyles and locally produced foods and are often willing to pay a premium for high-quality. We know that locally produced food tends to be fresher and tastier. For all these reasons, there is a bright future for local producers and local markets. This is one of the brightest new developments in U.S. agriculture today.”

<http://harkin.senate.gov/InvestingLocalMarkets.cfm>

1) Expand Farmers' Market Promotion Program (FMPP)

- created in 2002 to provide grants to local governments, non-profit organizations and other organizers of farmers' markets. The new farm bill provides \$33 million to make significant strides in helping to expand farmers' markets, roadside stands, community-supported agriculture programs (CSAs), and other direct producer-to-consumer marketing opportunities. [§10106]

2) Expand Senior's Farmers Market Nutrition Coupons

- federal nutrition assistance programs, like the Senior Farmers' Market Nutrition Program (SFMNP), provides coupons to low-income seniors for purchasing eligible foods at farmers' markets, roadside stands, and CSAs. The farm bill increased annual funding for this program by more than 35 percent, to \$20.6 million. [§4231]

3) Improve EBT access at farmers markets

- A challenge for low-income families is using electronic benefit transfer cards at farmers markets. Many markets do not have the proper infrastructure to allow for EBT purchases. The bill modified the FMPP to require the Secretary of Agriculture to use at least 10 percent of program funding to support the use of EBT systems at farmers' markets. The technology will help all market patrons who want to use credit or debit cards.

4) Purchasing local food by schools

- The bill eliminates the federal prohibition on local preferences in procuring food in the National School Lunch Program. Previously, school districts wanting to require using locally-grown agricultural products, were prohibited from geographic preferences. The bill eliminates the prohibition and provides communities flexibility to structure school lunch procurement rules to encourage buying local products. [§4302]

5) Rural Development loans to support local food businesses

- the Business and Industry Loan program is modified to provide loans to establish businesses to process, distribute, aggregate, store and market locally-grown foods. The Secretary is required to set aside five percent of B&I funds for these activities. Individuals, cooperatives, organizations, and businesses can use the funds to build warehouses, install coolers, or work with area farmers and retail outlets. [§6015]

6) Value-Added Product Market program to support local foods

- the bill modifies this popular program to provide grants to farmers and farm organizations to facilitate aggregation and marketing locally grown foods. The Secretary is required to reserve 10 percent of funds each fiscal year for local and regional supply networks. Farmers and farmer organizations can use this program for feasibility studies, business planning and for working capital for support staff. [§6202]

7) Funding for Community Food Projects (CFP)

- the bill includes \$5 million a year for competitive grants to eligible nonprofit organizations to improve community access to food through the development of innovative projects such as farm-to-cafeteria programs, school-to-garden programs, and urban greenhouse initiatives, all of which help strengthen the links among farmers, consumers, students, and the local community.

[§4402]

8) Healthy Urban Food Enterprise Development Center

- the bill provides \$3 million to establish a center dedicated to research and technical assistance in order to increase access to healthy affordable foods, including locally-produced agricultural products in underserved communities. The Center may provide sub-grants to entities to establish or assist enterprises that process, distribute, aggregate, store and market healthy affordable foods.

[§4402]

9) Expand Fresh Fruit and Vegetable program

- in 2002 Sen. Harkin created the Fresh Fruit and Vegetable Program, to provide free fresh fruits and vegetables to low-income children in elementary schools. The new bill invests more than \$1 billion in the program. Annual funding will increase to \$150 million and be indexed to inflation. The funding will serve free, fresh nutritious fruits and vegetables to 3 million low-income children nationwide, including more than 45,000 children in Iowa. [§4304]

10) Study on food deserts

- the bill authorizes the Secretary to spend up to \$500,00 to conduct a study on the existence of food deserts and their impact on the limited access to affordable and nutritious food, particularly in predominantly low-income neighborhoods and communities. [§7527]

11) Expanded organic food production initiative

- the bill includes a range of programs to support the expansion of organic food production in the US. Including a sharp increase in research funding, cost sharing for organic transition, more funding for the USDA organic program office, and changes in crop insurance which have discriminated against organic production. [§10301 et seq.]

12) Expanded specialty crops support

- the bill includes a title devoted to “Horticulture and Organic Agriculture” and authorizes a range of programs to expanding specialty crop production, including new block grant funding to the states. [§10109]

- A number of important opportunities are available to influence federal agricultural policy to support healthy foods and lifestyles:
- Implementation of the 2008 farm bill changes,
 - Election of a new administration supportive of addressing obesity problems and food access
 - Reauthorization of the Childhood Nutrition Act in 2009 with Sen. Harkin leading
 - Support for innovative state and local food projects

Examples of local actions

- The creation of state and local food policy councils
- Creation of school gardens and related food based educational initiatives
- Expansion of farmers markets and other direct marketing opportunities
- Growth in Buy Fresh Buy Local and other local food projects
- Integrating food access into community design