

## **Comments for the**

### **2007 Health Challenge Think Tank “Ways Forward Toward ‘Health-Friendly’ Local and Global Food Chains**

**November 7-9, 2007, Montreal**

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I would like to thank the workshop organizers for inviting me to this meeting that addresses such an important topic in a multidisciplinary setting. There is little doubt that childhood obesity, in rich countries, is a result of lifestyle and technology changes that have raised family incomes; taken basic food preparation out of many families’ kitchens; put a huge value on time; and made parents very wary of letting children engage in unsupervised outdoor play.

My expertise is in the area of domestic and international agrifood policies. These policies change the relative prices of some primary agricultural products – but it is very difficult to trace the effects of these policies to their impacts on obesity rates. For example, Canadian agricultural policies raise the price of dairy products – that generally have a high fat content – significantly above those in the United States. We also maintain higher prices and consume less chicken and turkey than in the United States – products when cooked and consumed properly are generally lower in fat than red meats. We maintain modest tariffs (generally less than 10 percent) on many fruits and vegetables and a 26 percent tariff on beef imported from countries other than the United

States and Mexico. Our sugar prices are lower than in the United States and as a result we probably consume less corn sweetener.

What is the net effect of these policies on obesity? I don't know, but unless we are talking about major relative price changes most of the available economics research suggests that they have a very limited impact. This makes me very skeptical of the health benefits of so-called fat taxes and bans on certain products. There may be situations where it is relatively easy to switch healthy ingredients for less healthy ingredients in our foods, e.g., diet soda for sugar based soda. But, let's be honest, how big would a tax have to be to get consumers to shift from beef to broccoli? Fat taxes are a tax on the poor – and we know that poverty breeds obesity. In addition, they are inequitable – forcing healthy individuals to pay for the sins of their obese neighbors. A tax levied directly on obese individuals, or an entirely private health care system are the first-best policy solutions to correct for the externalities caused by obese individuals – but neither of these options is a political, or perhaps humane solution to the public costs of obesity. Hence, we need to find second best solutions that are effective and politically feasible.

I do believe there is a role for agriculture, food science and technology in improving our diets. To the extent it is possible to breed-out the more harmful components of foodstuffs, and breed-in more healthy characteristics – we should do so. We should eliminate regulations such as the ban on butter blends; and remove the remaining tariffs on fruits and vegetables. We should remove regulations on “container sizes” that make it more expensive to move some vegetables across the border, as well as regulations that make it more expensive to grow fruits and vegetables locally. The health effects of

these measures might be small but they move us in the right direction. We also need to remove regulations that make it difficult or impossible to advertise the health benefits of certain foods – while at the same time protecting the consumer from false claims – a difficult but urgent task.

In devising solutions to the obesity problem it is crucial that these efforts be based on facts – not emotions. Like many others at the conference I support carefully designed pilot research programs that will allow us to determine – what works, and at what cost – and what doesn't work. In particular, it is important to determine the unintended side effects of proposed policies.

In reading through the conference materials I was impressed by the remarks of one individual who stated “we need better chefs”. I take the word “chefs” to mean not just the person who prepares our meals in a restaurant – but the chefs who determine the composition of the foods we buy at the supermarket and what is served in our kitchens. My wife is a wonderful cook – I know food does not have to be laced with salt, fat and sugar to taste good. Cooperative solutions, as outlined by Peter Todd that recognize the constraints faced by consumers, processors and primary agriculture are needed to put more healthy food on our tables. Ultimately, cooperative solutions will be more successful than bans and taxes.

Let me conclude by noting that although obesity is a worldwide problem there is no reason not to tackle the problem on a NAFTA basis. It is interesting that Mexico, a developing country, faces as large an obesity problem as the United States and Canada. NAFTA solutions will not only provide a concerted focus on the health of more

than 440 million people, but it will also minimize the conflicts and lower the costs of any new food rules and regulations.