

Study offers support for taxing soda and other junk foods

By Karen Kaplan, Los Angeles Times

Want to get people to eat more salad and less junk food? Make vegetables cheaper and soda more expensive.

It's not exactly a new idea, but a study out Tuesday offers some fresh support for those in favor of using sin taxes and subsidies to steer people toward a more healthful diet.

The study, published online by PLoS Medicine, is a meta-analysis of 32 other studies that use statistical modeling to gauge the impact of various tax and subsidy policies. Overall, it found that consumers buy less of something when the price goes up and they buy more of it when the price goes down.

For instance, for each 1 percent increase in the price of a carbonated soft drink, consumption was predicted to fall by 0.02 percent. When it comes to saturated fat, a tax that raised the price by 1 percent was also predicted to reduce consumption by 0.02 percent.

But there was a twist: The tax would prompt people to switch from fatty dairy foods to foods that were higher in salt, sugar and total calories, undermining the reason for the tax in the first place.

On the flip side, mathematical models predicted that reducing the prices of fruits and vegetables by 1 percent would lead to a 0.35 percent increase in consumption, the meta-analysis found. Two of the studies suggested that a subsidy for high-fiber foods would translate into lower consumption of foods that have a lot of saturated fat.

But some models also predicted that if produce became cheaper, people would wind up eating less fish too.

Influencing what shoppers put in their shopping carts is only part of the battle. At the end of the day, the goal of any tax or subsidy is to make people healthier. On this score, some of the models are even less encouraging.

Three studies in the meta-analysis attempted to make a connection between taxes and health, and their combined estimate was that a tax on dairy foods high in saturated fat would lead to an increase in death due to cardiovascular and coronary heart disease. In addition, taxes targeting junk foods in general had the unintended consequence of causing more deaths due to stroke and cardiovascular disease.

In both cases, the study authors wrote, it wasn't that eating less saturated fat or junk food made people unhealthy; whatever they were eating instead of the taxed foods was to blame.

Subsidies seemed to be better than taxes at promoting good health. Two of the three studies examining the health outcomes of fruit and vegetable subsidies predicted a reduction in premature deaths due to cardiovascular or coronary heart disease, stroke or cancer.

It's important to remember that mathematical models can go only so far in predicting real-world outcomes. And there are some real-world experiments involving food taxes and subsidies that bear watching, according to the study authors:

–Denmark has implemented a tax that's the equivalent of \$3.13 per kilogram of saturated fat on foods whose saturated fat content exceeds 2.3 percent.

–France levies a tax of 0.036 euros (5 cents) per liter of sweetened beverages.

–Hungary has introduced a flat tax of 10 forints (5 cents) per food item that’s high in total fat, sugar and salt.

The health benefits (if any) of these policies have not yet been evaluated. Studies are sure to come, but even if these countries were to find that fewer of their citizens are dying of heart attacks or diabetes, there’s always some guesswork involved in figuring out how much credit should go to the taxes.

This is not a problem American researchers will have to deal with soon. Proposals to tax unhealthy foods are routinely vilified as “nanny state” initiatives that impinge on consumers’ right to eat as many Flamin’ Hot Cheetos as they’d like, and wash them down with gallons of Orange Crush. Just last month, voters in El Monte and Richmond rejected measures to tax sugary drinks in the name of good health.