Open Opportunity: A Call for More Research Regarding the Farm Bill & American Health

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On one hand, it might seem that humans are healthier than ever. Diseases have been eradicated, average lifespan has increased, and quality of life for most people has improved. On the other hand, humans today face key challenges that may contribute to poor health. Alarmingly, one third of American adults (34.9%) are obese (Ogden, 2014). Obesity is of concern because of it's relationship to other health complications, including heart disease, diabetes, and arthritis. Many factors contribute to obesity, including a sedentary lifestyle and the ease with which one can obtain energy-dense foods cheaply. Why are high-calorie, low-nutrient foods so cheap? Why are they less expensive than apples and broccoli? Agricultural subsidies have been blamed for the prevalence of inexpensive, unhealthy foods and the nationwide increase in obesity (Franck, Grandi, and Eisenberg, 2013), but conclusive evidence is still lacking.

During World War I, American farms experienced increased rates of production which continued well after the war came to an end in 1918. Overproduction and price deflation caused financial hardships for farmers in America. In response, the Agriculture Adjustment Act was passed in 1933 as part of the New Deal, a Congressional effort to stimulate the economy. Included in this law were several mechanisms control the overproduction problem. One mechanism paid farmers to leave a percentage of their land fallow. Another involved federal government purchases of excess grain that could later be resold to the public if yields dropped. These mechanisms, in combination with the guaranteed minimum prices, referred to as crop insurance. The Agriculture Adjustment Act, and similar legislation are collectively referred to as the Farm Bill.

Also part of the Farm Bill, agricultural subsidies are direct payments from the federal government to farmers and agricultural businesses to supplement income, and to influence the supply and price of

specific crops. These programs give incentives to produce certain crops and guarantee a minimum price regardless of the market demand. Running a farm is unpredictable. After years of hard work, one bout of bad weather can destroy an entire crop, resulting in financial hardship. Agricultural subsidies were designed to help mitigate this risk; payments and crop insurance make farming a less risky vocation. They are supposed to help ensure that farms stay afloat during tough times and unstable markets. They make equipment purchasing and farm expansion possible where it otherwise might not be.

There are criticisms of the Farm Bill, and especially the agricultural subsidies it contains. Large, corporate farms receive a majority of the payments, not all crops are subsidized, and the potential link between supply and demand is removed (Griswald, 2005). In order to maximize profit, farmers choose to use the majority of available land for crops that receive subsidies. This leads to overproduction without the incentives of market demands. Some believe that this contributes to obesity by making "unhealthy" foods artificially cheaper while "healthy" foods receive no such benefit. Corn, wheat, rice, and soybeans receive the majority of subsidies, while few fruits and vegetables receive such help (Franck, Grandi, and Eisenberg, 2013). Fruits and vegetables are left to the few specialty farmers, and prices remain higher. Corn producers receive the largest share of subsidies. Much of this crop goes to feeding livestock, and producing high-fructose corn syrup. There is growing evidence that grain-fed livestock and the prevalence of high-fructose corn syrup in packaged foods contribute to the poor health of Americans (Bray, 2004; Scollan, 2006; Daley, 2010)

Few argue that the federal government should drop all agricultural subsidies in the next version of the Farm Bill, which is passed every five years or so. However, there is room for reform. In the mideighties, New Zealand did away with all government payments to farmers. This had a large economic impact, but only temporarily. After an initial slump, farming returned to a booming industry, with higher productions and income than before (Wayne, 2007). The United States and New Zealand are very different countries with different economies, so this example may not directly translate. However, many thought this experiment would devastate the farming economy, which proved to be untrue.

Economists say that removing subsidies in the United States for foods such as corn and soybeans would have a small impact on consumer price (Fields, 2004). However, subsidizing healthier foods, such as fruits and vegetables, has the potential bring prices down, and make them cheaper and more accessible. This is especially important for people with lower incomes, who have less money to spend on food, and have higher rates of obesity.

Luckily, these needs have not gone entirely unnoticed. The 2014 Farm Bill, signed into law on February 7th, 2014, addresses some of the problems associated with agricultural subsidies (113th Congress, 2014). Crop insurance has been expanded

to cover an entire farm as opposed to individual crops. This will hopefully encourage more farms to grow fruit and vegetables and make them less reliant on the individual commodities crops like corn and soy. While it remains to be seen if this will be enough to influence prices for consumers, this new legislation provides the opportunity for data collection to evaluate it's impact.

The recent improvements to the Farm Bill encourage both the production and consumption of healthier foods. However, there is still a dearth of good data of the impacts of this legislation (Sumner, 2010). The 2014 Farm Bill does implement competitive grants to facilitate research concerning the effects of agricultural policies on nutrition. This is an open opportunity for cross-disciplinary research between economists, policy experts, and nutrition researchers, especially with the increased funding for research in these areas. Policy makers need to know if the legislative changes are having the intended impact: to improve the health and lives of Americans.

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