

# POLICY INTERVENTION BRIEFS > NUTRITION INTERVENTION: JUNK FOOD RELATIVE PRICING

- The following brief reports the effects of junk food relative pricing policies on the reduction of childhood obesity prevalence in the state of Louisiana, from an evidence-based modeling program.
- This policy intervention represents a relative price increase for junk food in places where people typically purchase and consume food and beverages, or a price decrease for healthy food options.
- Policies may include: taxing sales of potato chips, baked goods, candy, chocolate, or ice cream; taxing sales of soda and sugar-sweetened beverages; or subsidies and reduced prices for fresh produce.

## Policy Goals

- Replace junk foods with healthy alternatives and reduce overall consumption of junk food.
- Make healthy foods more **available, affordable, and desirable** for everyone in Louisiana.
- Provide support for stores and schools that offer healthy foods as competitive food options.

## What Does the Research Tell Us?

- Subsidizing fruit and vegetable purchases is related to lower body weight in adults and children, suggesting that reduced prices for healthy foods may help reduce weight.<sup>68</sup>
- Creating or increasing taxes on junk foods effectively reduced junk food consumption<sup>69</sup> and slightly improved fruit and vegetable consumption.<sup>70</sup>
- There is evidence that adjusting the relative price of junk food through junk food taxes or healthy food subsidies can promote healthy eating behaviors.<sup>71,72</sup>

## Current Policy Environment in Louisiana

- Louisiana does not have any statewide or local legislation that permits taxation of any category of junk food.<sup>73,74</sup> On the contrary: some junk foods, including soda, are exempted from taxation.<sup>75</sup> Louisiana halved the soda tax in 1993, then the Louisiana State Legislature completely repealed the soda tax law in 1997.<sup>76</sup> More recently, the Louisiana State Legislature specifically prohibited local governments from levying soda taxes.<sup>77</sup>
- There are no state policies currently in place that make healthy foods more competitively priced compared to unhealthy foods at grocery stores, convenience stores, and other food retailers.
- The Louisiana Board of Elementary and Secondary Education (BESE) enforces regulations on vending machines and competitive foods, but these policies are not consistent across all grade levels.<sup>78-80</sup>

## What is Junk Food?

*"Junk" food refers to foods that have low nutritional value and are calorically dense, meaning they are high in solid fat and/or added sugar. Soda and sugar-sweetened beverages are also considered junk foods.*



*Junk foods are appealing for their taste and because they are often cheaper and more readily available compared to snacks with lower fat, sodium, and/or sugar. Soda and junk foods have been linked to higher risks of obesity, diabetes, heart disease, and lower intake of important nutrients.<sup>81-83</sup>*

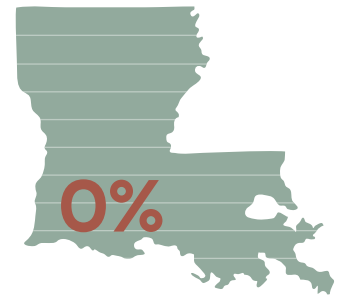
## WAYS TO SUPPORT

### Junk Food Relative Pricing

- Subsidize or provide coupons for fresh produce items in WIC, EBT, and SNAP programs.
- Reduce participation barriers for school breakfast, lunch, and summer meal programs.
- Support legislation to tax junk food and ask your legislators to reinstate the soda tax.
- Alter the relative pricing of health versus junk foods in school food stores/cafeterias and in vending machines available to students.
- Implement and enforce school wellness policies that require that free water is available to students at all times and that healthy food options are served during all school events.
- Support school fundraisers that do not involve candy or other unhealthy foods.
- Propose that sports complexes and event concessions carry healthy snack options.
- Provide incentives to store owners who provide and promote healthier snack foods and beverages.

## Achieving Maximum Intervention Results

- Within the PRISM model, the initial conditions for the junk food relative pricing policy intervention was set at the lowest value (0%) because Louisiana has no applicable junk food taxes or policies influencing the relative price of healthy foods.
- Maximum intervention represents a junk food relative price increase of 20%, which is the maximum rate allowed by PRISM, with a moderate intervention level set at 10%. These rates are based on economic impact studies<sup>84</sup> and reported data of current tax rates in neighboring states and communities.



## Projected Effect on Louisiana's Childhood Obesity Prevalence

### PRISM Results: Can a Policy Intervention Changing the Relative Price of Junk Food Versus Healthy Food Reduce the Prevalence of Childhood Obesity?

Policy Strength	Maximum (20%)	Maximum (20%)	Moderate (10%)	Moderate (10%)
Year Implemented	2013	2016	2013	2016
% Change [ROU <sup>^</sup> ]	↓ 8% [6-10%]	↓ 6% [5-7%]	↓ 4% [3-5%]	↓ 3% [3-5%]

<sup>^</sup> ROU refers to the Range of Uncertainty determined by the PRISM sensitivity analysis.

Note: The symbol ↓ signifies that the percent change is negative, and the percent represents a decrease.

- Implementing policies that change the relative pricing of junk foods may reduce the childhood obesity prevalence in Louisiana by up to 6% [Range of Uncertainty: 5-7%] if strong policies are enacted by 2016.

## Implementing the Policy

Although obesity prevalence has been linked to state-level soft drink and snack taxes, additional evaluation and research is needed to demonstrate a solid association between intentional, economically-derived taxes or subsidies and the reduction in obesity at the population-level. A recent study suggested that small changes in pricing regulations are unlikely to decrease a community's obesity prevalence, but nontrivial taxes or subsidies may show measureable effects.<sup>70</sup> Junk food taxes are not widely supported by the public<sup>85</sup> and face opposition from lobbyists and industry leaders.<sup>86</sup> Since Louisiana enacted laws exempting soda from taxation by local governments, does not collect sales tax for other junk foods, and does not have any statewide programs to facilitate competitive pricing for healthy food options, it would be extremely difficult to immediately propose an intervention that increases the relative price of soda by 20%. Therefore, it may be more feasible for Louisiana to gather support for policies that reduce the price of healthy foods to make them more competitive options in food retail stores and schools.

Schools can be very effective points for obesity prevention efforts, and the Louisiana BESE has made headway in reducing the amount of junk food available to students by



*"The growing evidence base...indicates that changes in the relative prices of less healthy and healthier foods and beverages can significantly change consumption patterns and may have significant impacts on weight outcomes at the population level, particularly among populations most at risk for obesity and its consequences. Raising the prices of less healthy options by taxing them has the added benefit of generating considerable revenues that can be used to support costly programmes and other interventions aimed at improving diets, increasing activity and reducing obesity, including subsidies for healthier foods and beverages."<sup>70</sup> ~Powell et al., 2013*

implementing vending machine regulations and enforcing school meal nutrition requirements. While it may take many years for a maximum intervention to occur statewide with regard to the sale of junk food, the LA Department of Education and BESE can take additional steps by enhancing the language in their current nutrition policies and developing new policies and programs to ensure that students in all grade levels have healthy food options available at affordable prices.

For more information, please contact **Dr. Stephanie Broyles** at Pennington Biomedical Research Center

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