



Out of Balance

Marketing of Soda, Candy, Snacks and Fast Foods
Drowns Out Healthful Messages

CPEHN
California Pan-Ethnic Health Network

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The California Pan-Ethnic Health Network (CPEHN) works to ensure that all Californians have access to quality health care and can live healthy lives. CPHEN gathers the strength of communities of color to build a united and powerful voice in health advocacy. Together, they work to evolve health care from a one-size-fits-all approach to a system that works for people from all cultural and ethnic backgrounds.

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INTRODUCTION

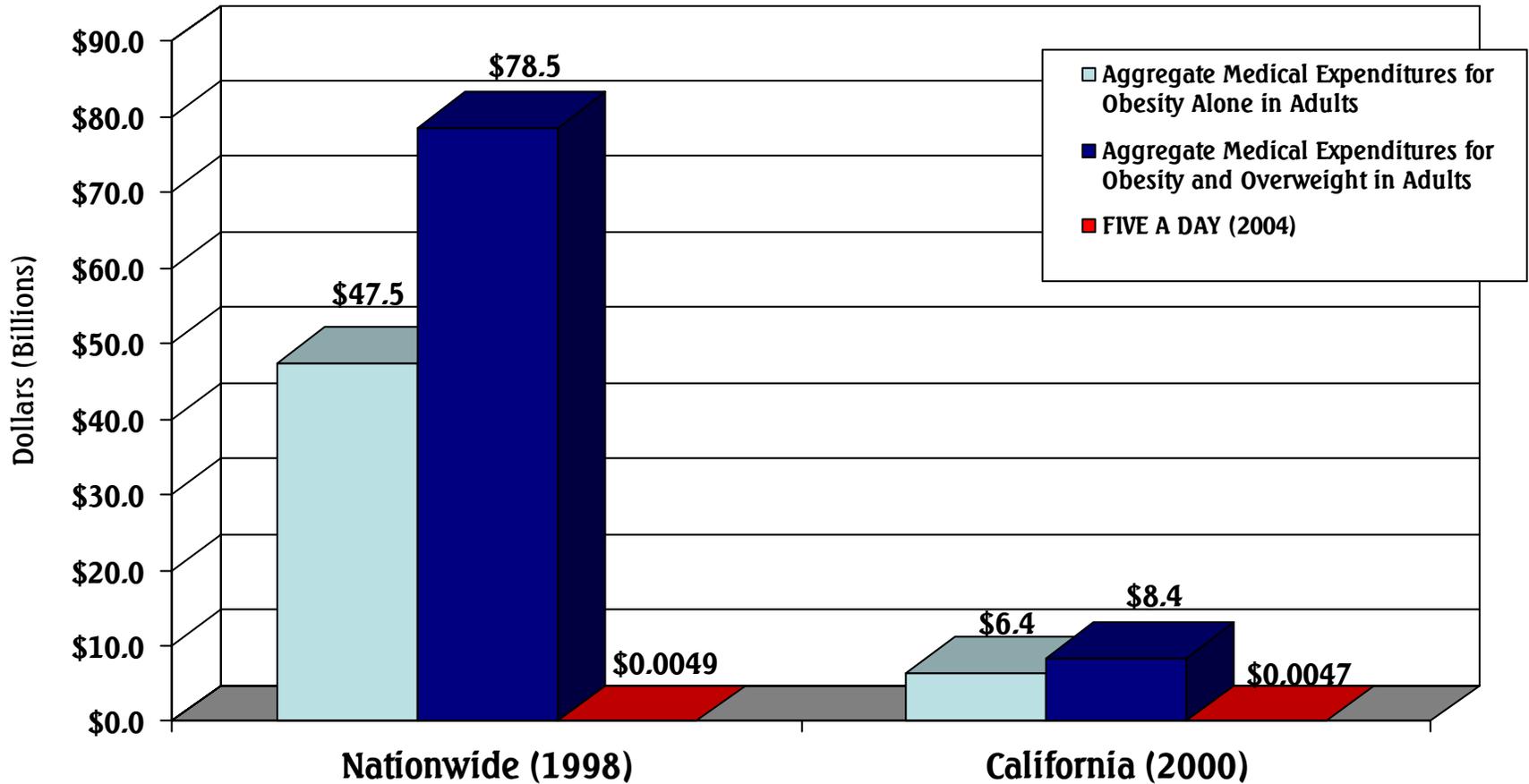
By now, there is hardly an American who has not heard the U.S. Surgeon General's oft-repeated warning that America is in the midst of an obesity epidemic. By definition, an epidemic is a rapidly spreading disease that calls for a concerted public health response. As of 2002, 31.1 percent of adults age 20-74 in the United States were obese and another 34.1 percent were overweight¹—a total of 65.2 percent, or nearly two-thirds, of adults either obese or overweight.² This represents a startlingly rapid increase in obesity rates, doubling over the past thirty years.³ The cost of the obesity and overweight epidemic to the health care system, including to government coffers, is equally startling: \$78.5 billion for the nation annually⁴ and \$8.4 billion for California alone (see Figure 1).⁵

In this paper, Consumers Union uses recently released data to highlight one of the key factors contributing to this public health crisis: the unending barrage of food, beverage, and fast food advertising in the United States. The **\$11.26 billion** spent on advertising by the food, beverage, and restaurant industries in 2004⁶ dwarfed the mere **\$9.55 million** spent on communications for the federal and California "5 A Day" programs to encourage eating 5 or more servings of fruit and vegetables each day.⁷ Industry expenditures for food, beverage and fast food advertising, thus, are 1,178 times greater than the budgets for the California and federal 5 A Day campaigns. In this context, it is no wonder that healthful dietary messages from government, parents and others are barely audible.

SCOPE OF THE PUBLIC HEALTH CRISIS

Since late 2001 when the Surgeon General's report declared obesity an "epidemic" in the United States,⁸ the problem has only worsened. A recent report found that between 2001 and 2004 the rates for obese individuals rose in 48 of the 50 states this past year.⁹ The disastrous effect of the crisis on our children is well documented—31 percent of children aged 6-19 are considered overweight or at risk for overweight.¹⁰ Overweight adolescents have a 70 percent chance of becoming overweight or obese adults.¹¹ The shocking prediction is now often heard

Cost of Obesity to Nation and California



Source: Centers for Disease Control and Prevention, www.cdc.gov/nccdphp/dnpa/obesity/economic_consequences.html (national figures in 1998 dollars); California Department of Health Services, "The Economic Costs of Physical Inactivity, Obesity, and Overweight in California Adults", www.dhs.ca.gov/ps/cdic/cpns/press/downloads/CostofObesityToplineReport.pdf (Apr. 2005) (California figures in 2000 dollars); Telephone conversation with Director of Communications, Produce for Better Health Foundation, 9/2/05 (citing 2004's Form 990); telephone conversation with former Director, federal 5 A Day Program at the National Cancer Institute, 8/31/05 (2004 budget); telephone conversation with Communications Manager, California Nutrition Network, 8/26/05 (FY 2004-2005 budget).

that this generation of children is the first to have shorter life spans than their parents due to the obesity problem.¹²

People of color in the United States are disproportionately impacted by obesity and overweight, and attendant chronic illnesses such as diabetes and cardiovascular disease. The CDC's most recent National Health and Nutrition Examination Survey (NHANES) found that in 1999-2002, while 63.3 percent of Whites were considered overweight or obese, 70.7 percent of non-Hispanic Blacks, and 72.5 percent of Mexican Americans were considered overweight or obese.¹³ This same racial disparity is reflected in rates of overweight among children in the U.S.—while 28.2 percent of White children aged 6-19 are considered overweight or at risk for overweight, 35.4 percent of non-Hispanic Black and 39.9 percent of Mexican American children meet this designation.¹⁴

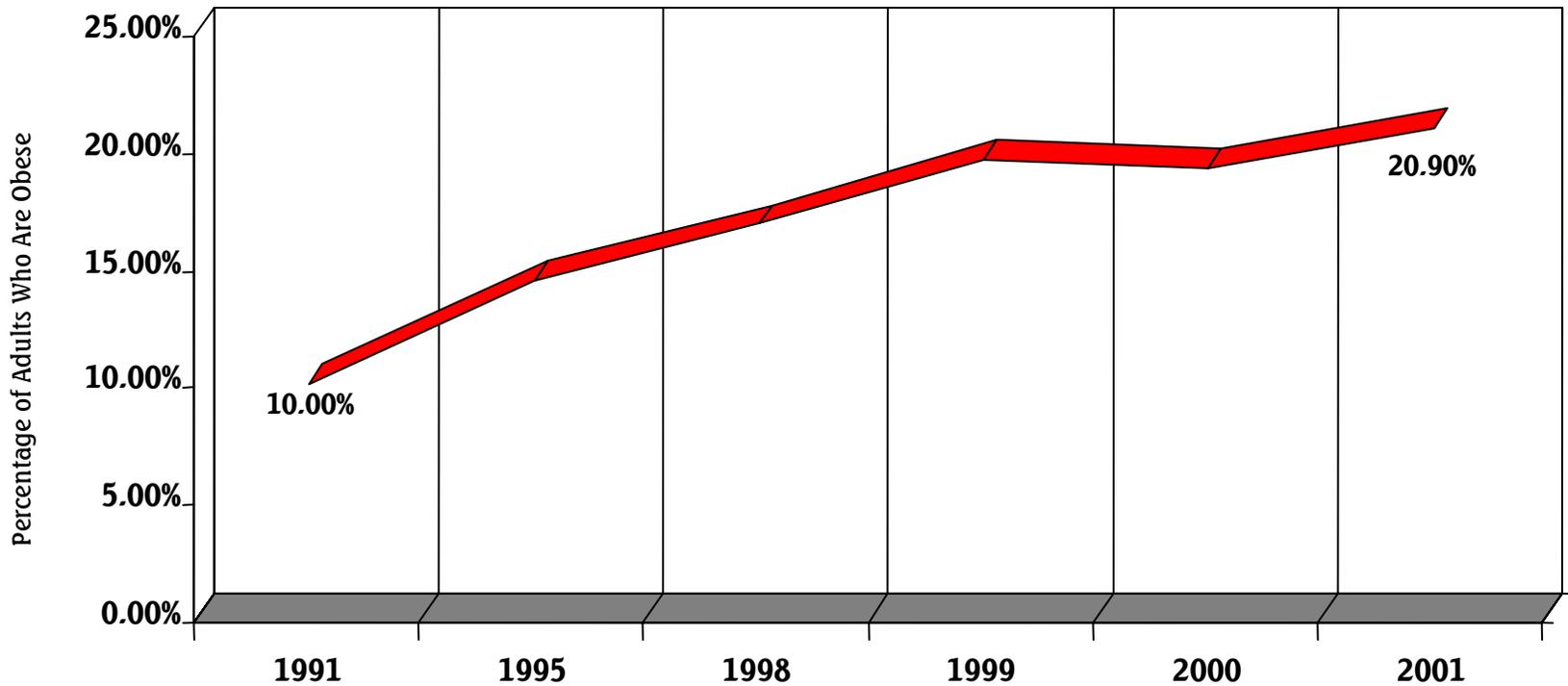
California has experienced one of the fastest rates of increase in adult obesity of any state in the nation, with the obesity rate of the adult population doubling between 1991 and 2001 (see Figure 2).¹⁵ A recent study by the California Center for Public Health Advocacy (CCPHA) found that in 2004, 28.1 percent of children enrolled in grades 5, 7, and 9 in California were overweight.¹⁶ Obesity and overweight in California also reflect racial disparities. African American, Latino, Native American, and Alaska Native adults are more likely to be overweight or obese than their White counterparts.¹⁷ CCPHA's study revealed that the prevalence of overweight among California children in grades 5, 7, and 9 is highest among Pacific Islander (35.9 percent), Latino (35.4 percent), American Indian/Alaska Native (31.7 percent), and African-American (28.7 percent) children.¹⁸

EATING TRENDS REFLECT ADVERTISING TRENDS

Eating more and exercising less, nutrition experts agree, are primary causes for the recent increase in obesity and overweight among American adults and children.¹⁹ Between 1985 and 2000, U.S. Department of Agriculture (USDA) reports tell us, Americans ate more calories, refined carbohydrates, and fats without a corresponding increase in the level of physical activity.²⁰ As Marion Nestle, Chair of New York University's Department of Nutrition, Food Studies, and Public Health,

FIGURE 2

Obesity Doubles in California in Ten Years



Source: Centers for Disease Control and Prevention, www.cdc.gov/nccdphp/dnpa/obesity/trend/prev_reg.htm.

points out, “the increased calories in American diets come from eating more food in general, but especially more of foods high in fat (meat, dairy, fried foods, grain dishes with added fat), sugar (soft drinks, juice drinks, desserts), and salt (snack foods).”²¹

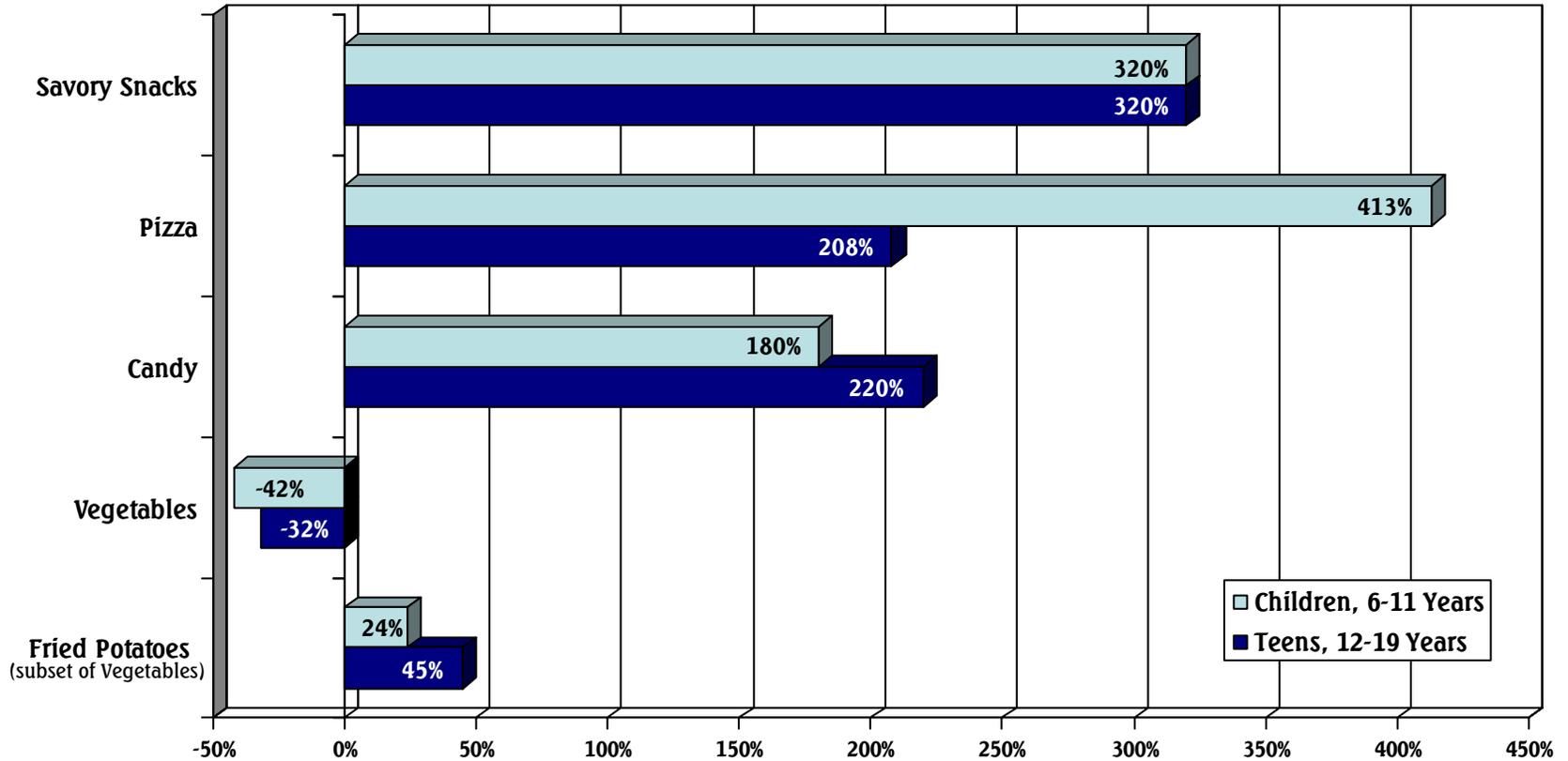
Despite the proven health benefits of eating five servings of fruits and vegetables a day, a mere 22.6 percent of Americans consume five or more servings of fruits and vegetables a day.²² The numbers are only slightly better in California, where 26.9 percent of people eat five or more servings a day.²³ In addition, according to the USDA variety in both fruit and vegetable consumption is sorely lacking with just five vegetables accounting for nearly half of all vegetables consumed (frozen potatoes, fresh potatoes, potato chips, iceberg lettuce, and canned tomatoes).²⁴

Children and youth fare even worse when it comes to meeting nutritional recommendations, both at the state and national levels. Only 22 percent of young people in the United States eat the recommended five or more servings of fruits and vegetables each day.²⁵ In fact, vegetable consumption among children and teens diminished by 42 percent and 32 percent respectively between 1997 and 2002 (see Figure 3). In California, a state-wide study revealed that a mere 2 percent of California’s teenagers meet all five diet and activity recommendations included in the *2000 Dietary Guidelines for Americans*.²⁶

Consumption of soft drinks has been linked to weight gain among children and adolescents.²⁷ Yet, by 2001-02, soda composed 50 percent of the total beverage intake for U.S. teens aged 12-19,²⁸ a 58.5 percent increase since 1997 (see Figure 4). During this same period, milk consumption decreased nearly 9 percent for teens and more than 20 percent for children aged 6-11. Kids are also eating much more fast food than they did in the past: nearly 20 percent of caloric intake among 12- to 18-year-olds come from fast food, compared with 6.5 percent in the late 1970s.²⁹

FIGURE 3

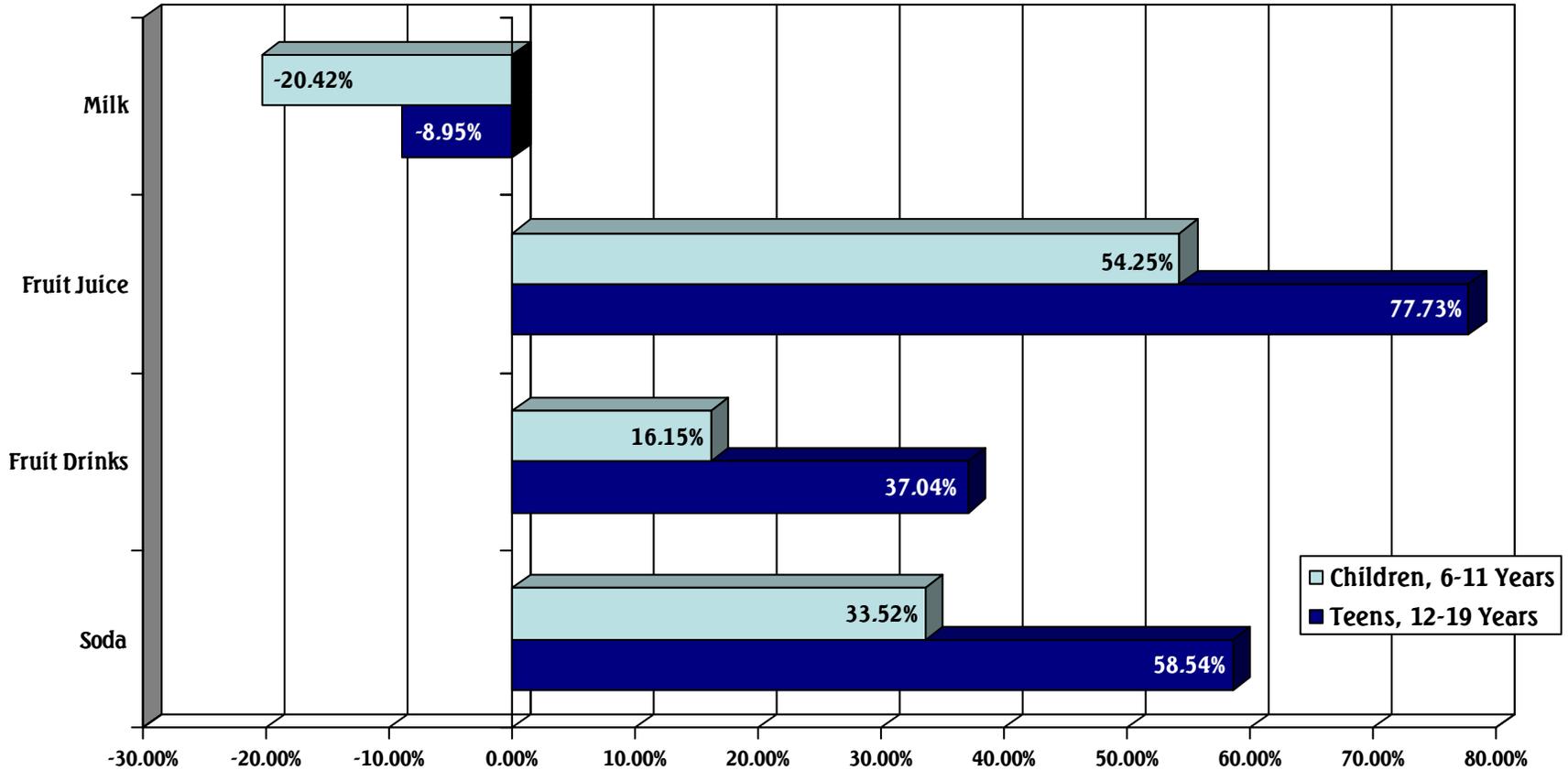
Selected Food Consumption Trends for Children and Teens, 1977-2002



Source: U.S. Department of Agriculture, "Changes Over 25 Years in the Dietary Intakes of Children 6-19 Years" (Apr. 2005) (courtesy of author Rhonda Sebastian).

FIGURE 4

Beverage Consumption Trends for Children and Teens, 1977-2002



Source: U.S. Department of Agriculture, "Changes Over 25 Years in the Dietary Intakes of Children 6-19 Years" (Apr. 2005) (courtesy of author Rhonda Sebastian).

FOOD AND BEVERAGE MARKETING EXPENDITURES

A variety of complex factors have led Americans to eat such a poorly balanced diet. Lack of access to affordable, fresh food in many low-income neighborhoods; changed family structures with more single parents than ever spending less time at home; and a federal farm subsidy program that promotes the surplus production of corn and grains above other crops are surely some of the contributing factors. Personal responsibility for food choices as well must be acknowledged. Similarly, the overwhelming presence of food and beverage advertising in American life is a powerful part of the context that cannot be ignored in a discussion of eating and obesity trends in the United States.

The National Cancer Institute (NCI) has noted that, “Commercial advertisers have learned that a consistent and prominent presence in the marketplace is key to achieving and holding market share.”³⁰ The statistics for food and beverage advertising in 2004 bear this out, with advertising expenditures for “measured media” in the food, beverage and candy industries in 2004 totaling \$6.84 billion, and restaurants adding another \$4.42 billion, for a **total of \$11.26 billion**.³¹ *Advertising Age* defines “measured media” as the variety of measurable, traditional marketing strategies utilized to sell goods—magazine, newspaper, billboard, network and cable television ads, radio spots, and internet advertising. For 2004, the most popular advertising media for the food, beverage, and candy industries was network TV, followed by magazine advertising, and then cable TV.³²

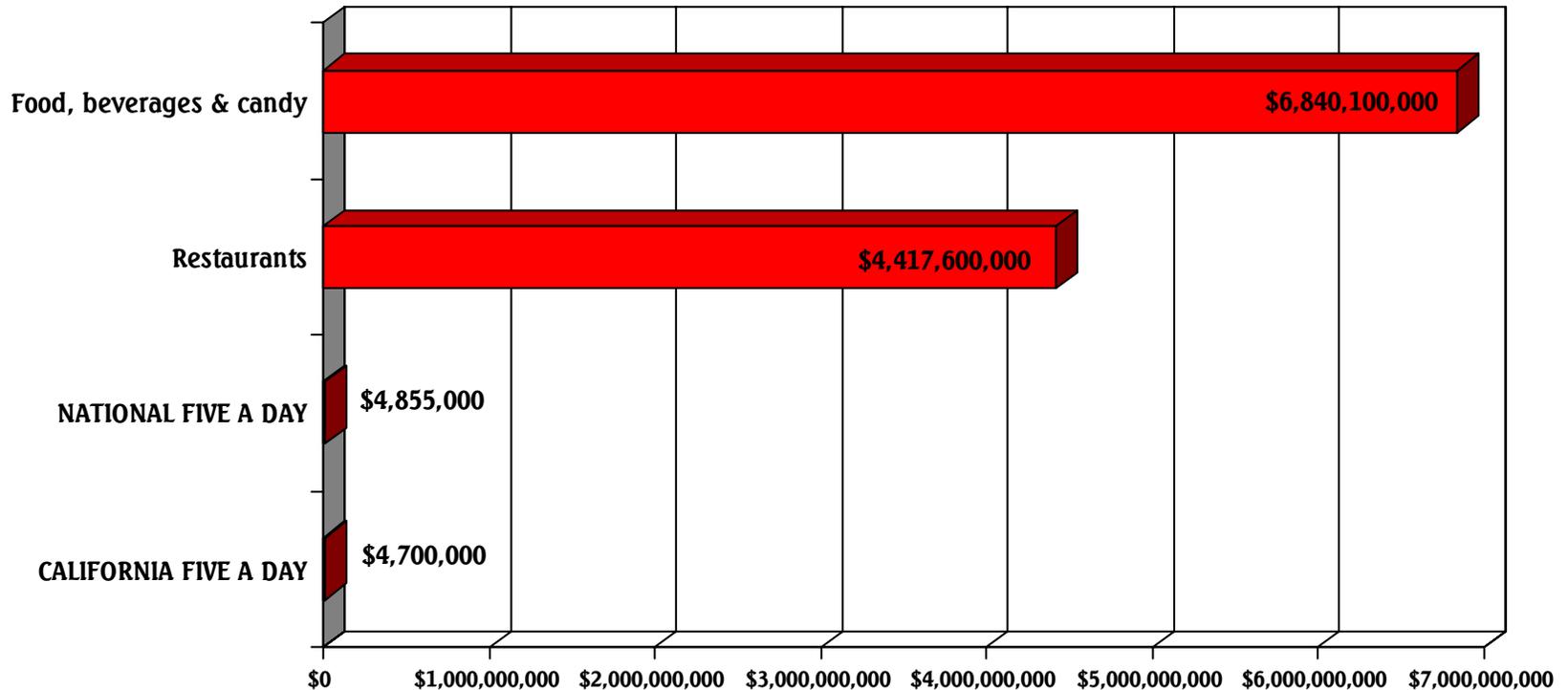
FOOD AND BEVERAGE ADVERTISING EXPENDITURES VS. 5 A DAY³³

When commercial advertising efforts are grouped together and compared to the resources allocated for the promotion of healthful messages through the 5 A Day program, the one-sidedness of the national nutritional conversation appears in stark relief:

(1) Figure 5 demonstrates the dramatic contrast in 2004 between food, beverage, candy, and restaurant industry advertising expenditures (**\$11.26 billion**) and the communications expenditures for the federal 5 A Day program (**\$4.85 million**)³⁴

FIGURE 5

Measured Advertising Dollars (2004) for Food, Beverages, Candy and Restaurants Compared to 5-A-Day



Source: "50th Annual 100 Leading National Advertisers", *Advertising Age*, June 27, 2005. Accessed August 5, 2005. <<http://www.adage.com/images/random/lna2005.pdf>>; Telephone conversation with Director of Communications, Produce for Better Health Foundation, 9/2/05 (citing 2004's Form 990); telephone conversation with former Director, federal 5 A Day program at the National Cancer Institute, 8/31/05 (2004 budget); telephone conversation with Communications Manager, California Nutrition Network, 8/26/05 (FY 2004-2005 budget).

and the California 5 A Day program (**\$4.7 million**),³⁵ funded through the USDA's Food Stamp program.

(2) Figure 6 shows the growth of U.S. food industry advertising over the past eight years, according to *Advertising Age* annual reports.

(3) Figure 7 compares restaurant expenditures in 2004 on various "megabrands"—brands for which companies spent more than \$10 million per year on measured advertising—compared to 5 A Day advertising expenditures. This shows that the cited fast food restaurants alone—with advertising totaling \$2.3 billion—overwhelm the federal and California 5 A Day programs' communications expenditures—just \$9.55 million—by 24,300 percent.

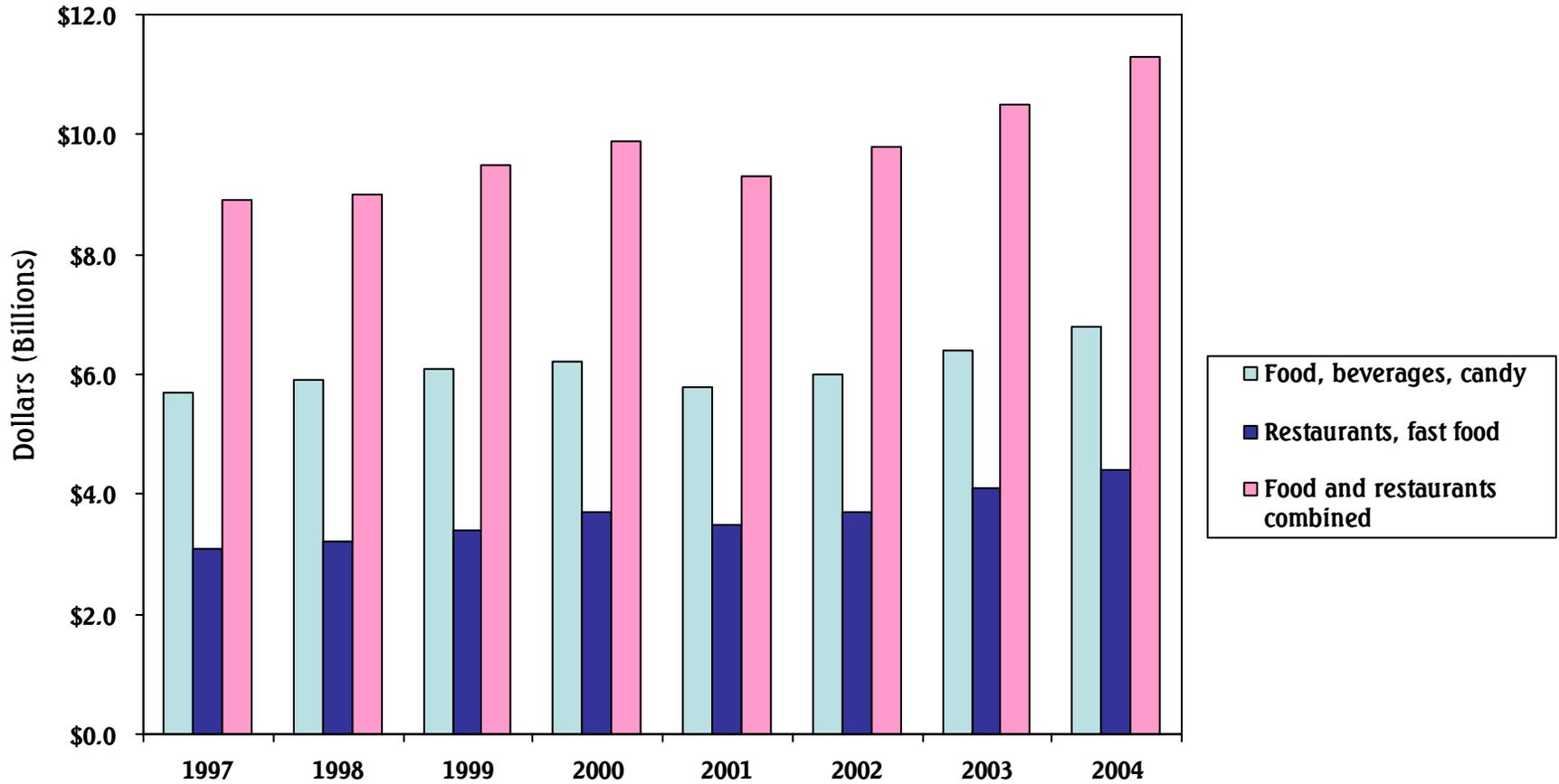
(4) Figure 8 shows advertising expenditures in 2004 for selected sodas, snacks, and candies contrasted to 5 A Day expenditures. Even the lowest expenditure on advertising for a single product on the chart, Dove Candy & Ice Cream, is greater than the combined communications budgets for the federal and California 5 A Day programs.

UNMEASURED MEDIA

As startling as these charts are, they do not even take into account another category of advertising expenditure—a large and growing portion of overall marketing spending which *Advertising Age* terms "unmeasured media." This category includes marketing strategies used by food companies for which ad buy data may not be accessible, such as direct mail, sales promotion, couponing, catalogs, and special events.³⁶

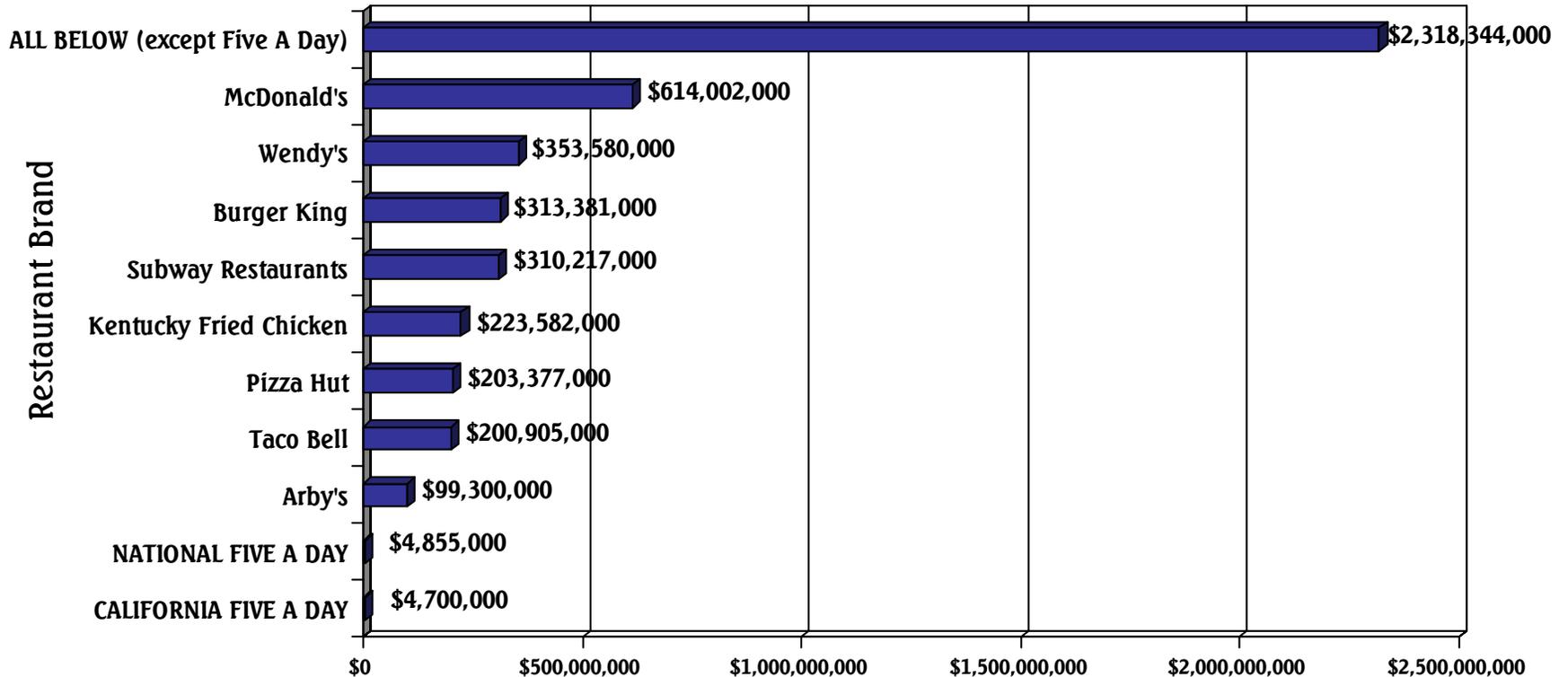
FIGURE 6

Domestic Spending on Food Advertising (Measured Media, Nominal Dollars)



Source: Advertising Age, Annual Reports on 100 Leading National Advertisers (1998-2005).

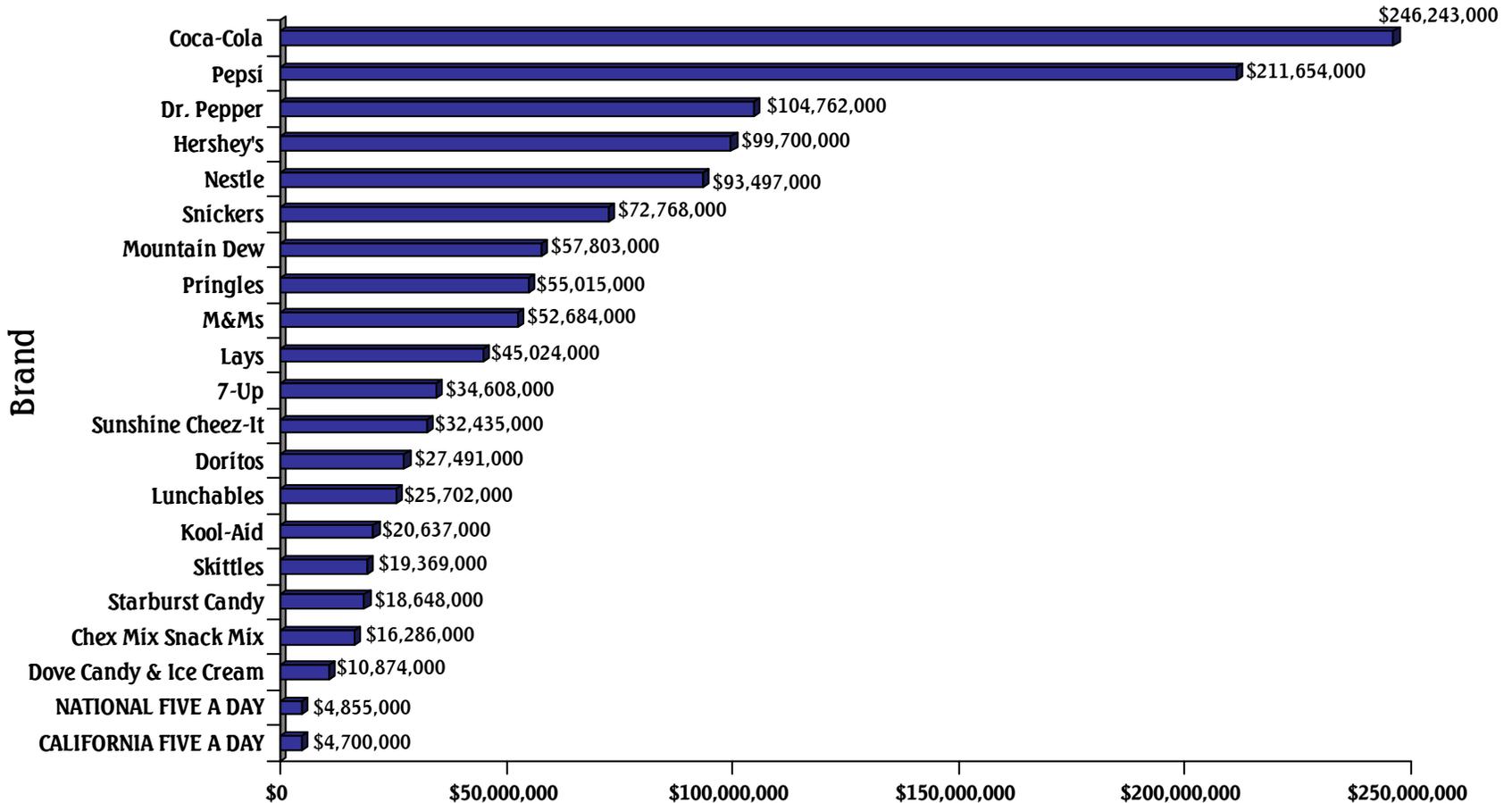
Measured Advertising Dollars (2004) for Selected Fast Food Brands



Source: "The Top 200 Megabrands", *Advertising Age*. July 18, 2005. Accessed August 7, 2005. <<http://www.adage.com/images/random/lna2005.pdf>>; "50th Annual 100 Leading National Advertisers", *Advertising Age*. June 27, 2005. Accessed August 5, 2005. <<http://www.adage.com/images/random/lna2005.pdf>>; Telephone conversation with Director of Communications, Produce for Better Health Foundation, 9/2/05 (citing 2004's Form 990); telephone conversation with former Director, federal 5 A Day program at the National Cancer Institute, 8/31/05 (2004 budget); telephone conversation with Communications Manager, California Nutrition Network, 8/26/05 (FY 2004-2005 budget).

FIGURE 8

Measured Advertising Dollars (2004) for Selected Soda, Snack, and Candy Brands



Source: "The Top 200 Megabrands", *Advertising Age*. July 18, 2005. Accessed August 7, 2005. <<http://www.adage.com/images/random/lna2005.pdf>>; "50th Annual 100 Leading National Advertisers", *Advertising Age*. June 27, 2005. Accessed August 5, 2005. <<http://www.adage.com/images/random/lna2005.pdf>>; Telephone conversation with Director of Communications, Produce for Better Health Foundation, 9/2/05 (citing 2004's Form 990); telephone conversation with former Director, federal 5 A Day program at the National Cancer Institute, 8/31/05 (2004 budget); telephone conversation with Communications Manager, California Nutrition Network, 8/26/05 (FY 2004-2005 budget).

It is not possible at this time to provide comprehensive information on advertising expenditures for unmeasured media for food and beverage products and restaurants for 2004.³⁷ However, the 2004 estimates for company-wide unmeasured media spending by the two leading soda and fast food companies are as follows:

Burger King	Measured \$314,443,000	Unmeasured \$227,700,000
Coca Cola	Measured \$379,425,000	Unmeasured \$161,126,000
McDonald's	Measured \$639,226,000	Unmeasured \$749,636,000
Pepsi	Measured \$861,404,000	Unmeasured \$400,757,000 ³⁸

As well, in response to television ad-skipping technologies and renewed public attention on the volume of TV advertising directed at children, food, beverage, candy, and fast food companies are increasingly using non-traditional marketing methods, including:

- increased use of product placements or “branded content”;³⁹
- word of mouth and “buzz” marketing;⁴⁰
- advergaming (advertising immersed in games);⁴¹
- branded internet environments;⁴²
- web-based cross promotions;⁴³ and
- cell phone and text messaging ads,⁴⁴ among others.

Clearly, unmeasured media and non-traditional marketing strategies are a significant, burgeoning part of the food and beverage advertising world.⁴⁵ Thus, the \$11.26 billion overall advertising figure highlighted throughout this report vastly understates the true extent of marketing expenditures by these industries.

MARKETING TO COMMUNITIES OF COLOR

Savvy food companies and advertisers target people of color directly through “ethnic-oriented” media outlets and programs. In 2004, the food, beverage, and candy industries spent over \$260 million to pitch their products to consumers of Hispanic-oriented broadcast TV networks, cable stations, and Spanish-language

magazines and newspapers.⁴⁶ Similarly, six of the top ten advertisers on Black Entertainment Television (BET) in 1999 were food or beverage companies, which together spent \$30.5 million to market their goods to viewers of BET that year.⁴⁷ In August 2005, Kraft announced the launch of its first marketing effort targeting Asian Americans, which was to include print ads placed in Chinese newspapers and bilingual “brand ambassadors” deployed to retailers to provide information to shoppers on products such as Oreos, Ritz, Kraft Barbecue Sauce, Capri Sun, and Philly Cream Cheese.⁴⁸ Advertising to communities of color is a growing industry, with ad agencies specializing in “ethnic markets” vying for accounts from large companies.

The targeting of communities of color by food companies is not inherently negative, as information about available consumer goods should be accessible to all communities. What is disturbing is the finding of a number of recent studies that the types of food and beverages advertised to African-Americans and Latinos are often less healthful than those marketed to general audiences.

A 2005 study in the journal *BMC Public Health* found that 52 percent of the food and beverage advertisements in popular Hispanic women’s magazines were for “overtly unhealthy food and drink”,⁴⁹ while this number dropped to 29 percent for mainstream women’s magazines targeted at a predominantly White audience.⁵⁰ A recent survey of prime-time television programs found that far more food commercials appear on shows with large African-American audiences than those for general audiences and that most of these advertisements are for “fast food, candy, soda, or meat (e.g. sausages, cold cuts).”⁵¹

TARGET MARKETING TO CHILDREN

Food, beverage, candy and restaurant companies are focusing increasing attention on selling to children, a demographic group estimated to influence a staggering \$680 billion of household spending per year.⁵² Heavy marketing to children is driven largely by the desire to develop brand awareness and loyalty at an early age. James U. McNeal, a noted youth marketing consultant notes that children become “brand conscious” at about 24 months of age, and by three years old can

make a connection that a brand can say something about their personalities—e.g. that they are strong, cool or smart.⁵³ A 2000 study by toy marketing strategists found that 2-5 year olds demonstrate brand knowledge and influence at a level demonstrated only by older children in decades past.⁵⁴

Of the top six brands of which these very young children were aware, four were food brands: Cheerios, McDonald's, Pop-Tarts, and Coke (the other two brands were Disney and Barbie).⁵⁵ According to McNeal, by the time kids reach first grade they typically are loyal to one brand within each of the major categories of food they regularly consume such as cereal, candy and soft drinks. Youth marketing firms rely on the fact that brands you are emotionally connected to as a child you remain connected to as an adult.⁵⁶

Television advertising and in-school marketing are two of the most prevalent forms of marketing to children. It is well documented that food is the most frequently advertised product category on children's television, and that the foods promoted during the hours when children watch TV are predominantly high in sugar and fat, with almost no references to fruits or vegetables.⁵⁷ One recent study revealed that convenience and fast foods and sweets comprised 83 percent of foods advertised during television programs heavily viewed by children.⁵⁸

According to Alex Molnar, Director of the Commercialism in Education Research Unit (CERU) of Arizona State University, the majority of children attending public schools in the United States are exposed to advertising and other marketing activities while in school. The bulk of these marketing efforts are financed by companies that sell foods of minimal nutritional value or foods high in fat, sugar or salt.⁵⁹ In-school commercial activities include: (1) product sales, through vending machines, soft drink "pouring rights" agreements (exclusive contracts), branded fast food, and fundraisers; (2) direct advertising, such as food and beverage ads in schools; and (3) indirect advertising, such as corporate-sponsored educational programs, sports sponsorships, and incentive programs using contests and coupons.⁶⁰

New avenues such as digital and other non-traditional means of advertising described above are gaining on television and in-school advertising as popular strategies for selling to youth. In a July 2005 comment to the Federal Trade

Commission (FTC), American University Professor Kathryn C. Montgomery stated that, “[t]he interactive media are ushering in an entirely new set of relationships, breaking down traditional barriers between ‘content and commerce,’ and creating unprecedented intimacies between children and marketers.”⁶¹ Much of this new marketing—through the internet, through engagement of “word of mouth” teams, through text messaging ads—takes place without parental knowledge.

THE “5 A DAY” PROGRAM

California blazed the trail in 1988 in creating the 5 A Day program, which was initially funded by a grant from the National Cancer Institute (NCI). California’s Department of Health Services conducted an extensive review of the scientific literature, concluded that a minimum target of 5 servings of vegetables and fruit daily was required for a healthy diet, and developed a statewide dietary change campaign.⁶² The long-range goal of the campaign was to reduce the incidence of cancer and other chronic diseases.

The specific program objectives were to increase public awareness of the importance of the simple regimen of eating at least 5 servings of vegetables and fruits per day and to provide consumers with specific information about ways to incorporate more servings of these foods into their daily eating patterns.⁶³ The program demonstrated success—statewide population surveys conducted in 1989 and 1991 found that “vegetable and fruit consumption rose by 0.3 servings for both Caucasian and African American adults, a rate four times higher than secular trends.”⁶⁴

In light of the accomplishments of the California model, the 5 A Day program was adopted federally in 1991. A public-private partnership structure was created pairing the National Cancer Institute with a new “Produce for Better Health Foundation” started with contributions from 60 companies and commodity groups. Social marketing techniques guided the communications plan for the program. Spending on a national media campaign to spread the word about healthful consumption of fruit and vegetables has always been a part of the 5 A Day program, but funding for that effort has been extremely limited. In 2004, the

communications budget for the federal 5 A Day program was \$4.85 million.⁶⁵ Notwithstanding its limited budget, the federal 5 A Day campaign has shown encouraging results in improving public awareness. The percentage of Americans who know they should eat “5 A Day” has increased nearly five-fold – from 8 to 36 percent—since program began in 1991.⁶⁶

Today, the California 5 A Day campaign receives ongoing primary funding from the United States Department of Agriculture (USDA) Food Stamp Program. Because of this funding source, the mission of the California program has been mainly to target low-income Californians. Specifically, 50 percent of the impressions made by California’s 5 A Day program must be targeted to populations that are eligible for food stamps. The communications budget for the California 5 A Day campaign was \$4.7 million for FY 2004-05, including advertising production costs.⁶⁷

RECOMMENDATIONS

Policymakers searching for solutions to redress the obesity epidemic-- and the severe disparity between the advertising of foods of minimal nutritional value and the advertising of five or more servings of vegetables and fruit per day-- will need to look at dual approaches. On one side of the imbalance, policymakers must consider how to elevate the 5 A Day program to a true campaign with funding sufficient to raise its visibility to approach that of soda, candy, snacks, and fast foods. Ideally, from a public health perspective, the components of a healthy diet would receive greater visibility than foods and beverages of little or no nutritional value. This seems unlikely in America today. Thus, policymakers should also, on the other side of the imbalance, address the sheer magnitude of product advertising for these foods and consider whether and how to restrict the current torrent of marketing, especially to children.

On the federal level, activities are underway to explore approaches to regulating food advertising and marketing particularly with regard to children. The Institute of Medicine (IOM), the Federal Trade Commission (FTC), and the Federal Communications Commission (FCC) have roles to play and are examining what they

might do. For example, regulating advertising of children currently rests with the Children's Advertising Review Unit (CARU), a self-regulatory body of the Council of Better Business Bureaus, Inc. Many parties, including Consumers Union, believe that this self-regulatory structure is not working.⁶⁸ The FTC recently held a workshop on the advertising of food to children.⁶⁹ The FCC currently regulates children's advertising, enforcing the Children's Television Act of 1990 passed by Congress that year. An IOM study on food marketing to children is due by year's end.

Two bills currently pending before Congress, S.799 introduced by Senator Edward Kennedy and S.1074 introduced by Senator Tom Harkin, address some food marketing issues. And Congress always holds the purse strings that could raise funding levels for the federal 5 A Day program.

Meanwhile, some steps policymakers in California can take to help level the playing field include:

1. BANNING THE ADVERTISING AND MARKETING OF UNHEALTHY FOODS IN CALIFORNIA PUBLIC SCHOOLS.

Positive farm-to-school and other healthful eating initiatives are springing up in some parts of California. At the same time, however, as discussed above, advertising and marketing of unhealthy foods in schools has reached unprecedented levels. Alex Molnar, Director of the Commercialism in Education Research Unit (CERU) of Arizona State University, has recently found that the majority of children attending public schools in the United States are exposed to advertising and other marketing activities while in school. The bulk of these marketing efforts are financed by companies that sell foods of minimal nutritional value or foods high in fat, sugar or salt.⁷⁰

The Legislature and the Governor should take action on this issue by enacting a ban on the advertising and marketing of unhealthy foods to children and adolescents in California's public schools. This would be a natural extension of the state's current ban on the sale of unhealthy beverages in elementary and middle schools, the nutritional standards requirement on "competitive foods" sold in elementary and

middle schools, and the pending bills—SB 12 and SB 965—that would create more rigorous nutrition standards for food sold on K-12 campuses and eliminate all sales of soda on high school campuses, respectively.⁷¹ This year, four states have introduced legislation restricting the advertising and marketing of foods of minimal nutritional value on school grounds or school buses—Maine (LD 796), Massachusetts (SB 1921), Oregon (SB 560 and SB 860), and Pennsylvania (HB 185).⁷² California should take similar action to keep schools free of marketing messages for unhealthy food and beverages.

In the meantime, local school districts can take action on this issue right now by passing resolutions to ban advertising and marketing of low nutritional value foods in their school districts, include restrictions on contracts between schools and outside vendors that sell or advertise unhealthy foods in public schools. A survey of California high schools found that, in 2000, 13 percent of the respondents prohibited fast food and beverage advertising on the campuses.⁷³ A subsequent survey in 2003 found that the number dropped even lower, and only 6 percent of the respondents banned such advertising.⁷⁴ In 1999, the San Francisco Unified School District's Board of Education passed the "Commercial-Free Schools Act", which limited in-school advertising.⁷⁵

State agencies such as the California Department of Health Services and the California Department of Education should provide support and technical assistance to school districts working to ban the marketing of unhealthy food and beverages from schools.

2. SUBSTANTIALLY INCREASING FUNDING TO CALIFORNIA'S 5 A DAY CAMPAIGN TO PROMOTE CONSUMPTION OF FIVE OR MORE SERVINGS OF FRUITS AND VEGETABLES PER DAY.

As on so many consumer and public policy fronts, California led the way on promoting dietary change with the original California 5 A Day campaign, the model upon which the federal 5 A Day program is based. Today, California's allocation of funds for public awareness in this one state alone, drawn from USDA

Food Stamp funds, is equivalent to the direct federal 5 A Day expenditure for the entire nation. But we can do—and need to do—more.

The Governor and state officials should commit to significantly more funding for the communication and education efforts of the 5 A Day program. When the national marketing of candy, foods, and beverages of no nutritional value such as M&Ms, Coca-Cola, and Lay's Potato Chips, and of restaurants like McDonald's and Burger King, exceeds the national budget for 5 A Day by one thousand or two thousand to one, it is not enough to double, or triple, or quadruple the budget for California's 5 A Day program. When the cost to California of obesity (not including overweight) is \$6.4 billion annually, it is a far more prudent fiscal policy to invest in a ten-fold, twenty-fold, or thirty-fold increase in prevention now in order to save billions of dollars later.

While such an increase still would not begin to approach the gargantuan annual advertising budgets of major food companies, it would at least begin to redress the imbalance in messages. More resources are sorely needed for this program to even begin to compete with food industry dollars for ad space and airtime.

FUNDS TO INCREASE THE ACTIVITIES OF THE CALIFORNIA 5 A DAY CAMPAIGN COULD BE RAISED BY:

(a) Disallowing California's state tax (or federal tax) deductions by corporations for advertising and marketing expenses related to unhealthy food.

According to a study published by the California Department of Health Services in April 2004, the problem of obesity and overweight in adults currently costs the state \$8.4 billion in medical care, workers compensation, and lost productivity.⁷⁶ At the same time, food companies promoting their goods in California are permitted to write off advertising expenses from their federal and state taxes.

Earlier this year, the Congressional Research Service estimated that food producers' tax deductions for advertising expenses in 2001 (most recent figures) totaled \$12.6

billion; the federal tax revenues associated with and foregone by allowing those deductions for advertising expenditures claimed by food producers is estimated to be \$4.2 billion.⁷⁷ In California, all corporations (not just food and beverage companies) filing returns in 2002 collectively took over \$148 billion in deductions for advertising.⁷⁸ Disallowing the state tax deduction for advertising for food, beverage, candy, and fast-food corporations could provide substantial dedicated revenues to the state. These funds could then be used to pay for an increase in the 5 A Day program.

(b) Placing a small tax on soft drinks, snack foods, fast foods, or the advertising of these items.

According to one study, as of 2000 eighteen states had taxes on soft drinks, candy, and snack foods.⁷⁹ For example, California has a sales tax on carbonated soft drinks, but not on candy or snack foods sold in grocery stores. The study estimated that California's 7.25 percent sales tax on soft drinks generated \$218 million in revenues annually, and also estimated that a one-cent tax nationally on soft drinks would generate approximately \$1.5 billion annually in revenue.⁸⁰ Unfortunately, these taxes on less nutritious foods are not earmarked, partially or wholly, for activities promotions of healthy eating, such as the 5 A Day program. California has the opportunity to be the first in the nation to specify that taxes levied on snack foods or sodas be used to fight the obesity epidemic by promoting the eating of healthy foods.

CONCLUSION

The causes of this nation's obesity epidemic are many and complex. Lack of access to affordable, fresh food in many low-income neighborhoods; changed family structures with more single parents than ever with less time at home; neighborhoods that lack access to open space for exercise; and the dominance of sedentary lifestyles that plague modern life all contribute to the problem. To be sure, an element of personal responsibility for food choices must be acknowledged.

Just as individuals and families must take responsibility for dietary decisions, so must the food, beverage, and fast-food industries take responsibility for excessive marketing of foods with little or no nutritional value—what the advertising world calls “surround marketing” to capture consumer attention at every possible moment. A legislative ban on marketing of unhealthful products in the schools would provide a needed respite for our children and adolescents.

Today’s din of commercial food and beverage messages combined with study-of-the-week dietary findings creates a cacophony of dietary advice. The 5 A Day program’s simple fruit and vegetable consumption message can be lost in the mix. While the program has been effective in raising public awareness, 64 percent of Americans still remain unaware that eating at least 5 servings of varied vegetables and fruits each day can improve health outcomes and help manage weight gain. A concerted public health response to the obesity epidemic calls for investing significant funds in 5 A Day efforts to truly create a unified campaign for widespread changes in Americans’ dietary practices.

ENDNOTES

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- ^{xxxix} Initiative Magazine, an advertising industry publication, in discussing expectations for 2005 stated that "a key trend will be the growing number of brands choosing 'branded content' as the main plank of their marketing strategies. This year the TV networks will become more open to discussing innovative content options, in order to bring in added revenue" ("A World of Change," *Initiative Magazine* Winter 2005: 8. Available on-line at <<http://www.initiative.com/static/InitMag4.html>> Accessed August 23, 2005.) While deriving an expenditure figure for food, beverage and restaurant "branded content" is not possible, last year \$3.46 billion was estimated as spent overall on branded content for all products, up from just \$1.63 billion in 1999. Elliot, Stuart, "More Products Get Roles in Shows, and Marketers Wonder if They're Getting Their Money's Worth." *The New York Times* March 29, 2005.
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