



*Getting to the
Root of the
Problem*

Hunger Action Network OF NEW YORK STATE

Testimony of the Hunger Action Network of New York State to the New York State Senate Health Committee on Food Policy in New York State

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My name is Mark Dunlea and I am Executive Director of the Hunger Action Network of New York State. Hunger Action, started in 1982, is a statewide membership organization of direct food providers, advocates and other individuals whose goal is to end hunger and its root causes, including poverty, in New York State. The state's 3,000 emergency food programs help feed three million New Yorkers annually. Hunger Action has also operated various anti-obesity initiatives in recent years in New York City and Schenectady through funding from the Robert Wood Johnson Foundation and the United States Department of Agriculture.

We appreciate Senator Duane and the Health committee for focusing attention on the critical issue of obesity and food policy in New York State. We will devote most of our comments to our support for establishing a tax on soda and other sweetened beverages, with the provision that the funds raised be used to help offset the regressive nature of the tax and to provide funding for anti-obesity, anti-hunger and nutritional initiatives.

We would first note that Governor Spitzer three years ago issued an Executive Order re-establishing a State Food Policy Council that had existed during Governor Cuomo's administration. We have long advocated that the Food Policy Council have a permanent status and are pleased that the Governor will offer a program bill this session to enact it by statute. We do note however that we tend to favor the legislation that was developed by Assemblymember Ortiz and Senator Young, starting with the establishment of a broad-based advisory council.

A soda tax is a critical step in the effort to reduce obesity, especially among children, and to promote better nutrition. Proceeds from the soda tax should be clearly earmarked to support anti-obesity, nutrition and health care programs. Prior public opinion polls have shown strong support for the soda tax – if it is clearly linked to anti-obesity and children's health initiatives, as the NYS Department of Health itself admits. In New York, 52% of adults support a tax on soft drinks. If revenue from the tax is used to help prevent obesity among children and adults, 72% of New Yorkers would support such a tax. We do not feel that saying the funds will go to HCRA clearly establishes the linkage to anti-obesity programs needed to develop broader support.

The Governor is proposing a penny per ounce excise tax on sugar sweetened beverages. The tax will reduce sugar sweetened beverage consumption by 10% or more and subsequently reduce healthcare costs. The tax will raise \$465 million this year and \$1 billion once it is fully annualized (tax would start in Sept. 2010). The excise tax on beverage syrups and soft drinks would be levied when they are first imported into the State, or produced, refined, bottled, or manufactured; rather than at the retail level. The

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tax is equivalent to the rate of one cent per ounce on soft drinks that contain more than 10 calories per 8 ounces. These include sweetened water, soda, sports drinks, “energy” drinks, colas, sweetened bottled coffee or tea, and sweetened fruit or vegetable drinks containing less than 70% natural fruit or vegetable juice. Milk, milk products, milk substitutes, dietary aids, and infant formula are exempt. This tax will increase the price of sugar-sweetened beverages by an estimated 17% on average.

Hunger Action supports using the proceeds both to increase anti-obesity programs and to reduce the regressive nature of the tax, which will hit low-income consumers the hardest. Options supported by Hunger Action include using the funds to increase state subsidies for the school meal program; fund Farm to School initiatives; support programs to bring affordable fresh fruits and vegetables to low-income neighborhoods; increase funding for emergency food programs (HPNAP); and, fund programs to increase purchases at farmers markets, including doubling the value of food stamps (SNAP) used at such markets. The group also supports a state supplement to the food stamp program.

Using the tax proceeds in this manner is also critical to address the regressive nature of the soda tax, since it hits hardest on low-income households who tend to have fewer alternatives to the beverages they consume. Low-income New Yorkers spend a greater proportion of their income on food.

Unfortunately, several NYC-based anti-hunger groups have opposed the tax for this reason. It is important that there a portion of the proceeds be directly used to increase the purchasing power of low-income New Yorkers so they can obtain a more healthy, nutritional diet. Low-income individuals will also benefit by reducing their soda consumption, thereby improving their health outcomes.

Sugary soft drinks have been pinpointed repeatedly in medical studies as the biggest contributors to our obesity epidemic, which is impacting one in four New Yorkers. Obesity is linked to higher rates of many preventable illnesses such as diabetes, heart disease, cancer, asthma and hypertension. High sugary soft drink consumption increases the risk of diabetes by 83 percent in women according to a study in the Journal of the American Medical Association.

Nearly 25 percent of New York's children and 67 percent of adults are overweight or obese, costing \$7.6 billion a year to treat diabetes, heart disease and other obesity-related problems. Eighty-one percent of those medical costs are already born by the taxpayer through Medicaid and Medicare payments.

Earlier this year, Elie Ward of the American Academy of Pediatrics in New York said that "soda and other sugar-sweetened drinks are the leading single contributor to obesity. Raising the price of this liquid candy will put children and teens on a path to a healthier diet."

One of every five calories in the American diet is liquid. The nation's single biggest "food" is soda.

Soft drinks are linked to diabetes and obesity in the way that tobacco is to lung cancer. Every 10 percent price increase on cigarettes reduced sales by about 3 percent over all, and 7 percent among teenagers, according to the 2005 book “Prescription for a Healthy Nation.” A tax of 1 cent per ounce on sugar-sweetened beverages is expected to increase the price of soft drinks by 17% on average and reduce their consumption by a minimum of 10 percent. The impact on youth is expected to be even higher. Reducing consumption of sugar-sweetened beverages by 10 percent would save about 7,400 calories per year. If not replaced by other caloric beverages or food, this could reduce yearly weight gain by 2 pounds.

A study from Harvard Medical School determined that each additional 12 ounce sugary soft drink consumed per day increases the odds of a child becoming obese by 60 percent. If the sugary soft drink tax helps to achieve an overall 5 percent reduction in consumption, that would result in an average of 4,100 calories saved per year per person, about 1.2 pounds. This would go a long way in helping reverse the obesity epidemic.

One new study estimates that 24 million Americans now have diabetes, more than four times the number in 1980. The total direct and indirect cost to Americans is \$218 billion each year — an average of \$1,900 per American household. Each year, diabetes contributes to the deaths of more than 200,000 Americans.

The calories from sugar-sweetened beverages are fundamentally different in the body than those from food. The main sweetener in soda — high-fructose corn syrup — can increase fats in the blood called triglycerides, which raises the risk of heart problems, diabetes and other health woes. This sweetener also doesn't spur production of insulin to make the body "process" calories, nor does it spur leptin, a substance that tamps down appetite, as other carbohydrates do.

Hunger Action has been less active on the issue of labeling of calories in restaurant but has long supported the initiatives by Assemblymember Felix Ortiz in this area. American adults and children consume, on average, one-third of their calories from eating out. The average American eats out four meals a week, and dining out has been linked to higher calorie consumption and obesity. Children eat almost twice as many calories when eating in restaurants compared to eating at home: Evidence shows that most people find it difficult to guess the calorie counts of typical restaurant meals and routinely underestimate such amounts. One study showed that less than 15 percent of New Yorkers could guess the lowest or highest calorie menu items at any chain restaurant in the survey. Moreover, voluntary industry disclosure practices, such as posting nutritional information online, on tray liners, or in brochures, is inadequate; a study of New York City consumers showed that 95% of diners do not see nutrition information provided in this way.

Studies have found however that consumers who see calorie content values prior to ordering choose meals with fewer calories than patrons who do not see calorie information. One study showed that in New York City, which has already implemented a calorie posting requirement, fast food customers who saw calorie information displayed purchased food with an average of 52 fewer calories than customers who did not see the information. A study conducted in California, which has also enacted menu labeling legislation, estimates that if 80 percent of adult customers at fast food restaurant reduce their caloric intake based on posted calorie information, they could each avoid an average of more than two pounds of weight gain per year. In addition, the New York City initiative is expected to prevent at least 30,000 new cases of diabetes over the next five years.