

INTRODUCTION

THE FOOD INDUSTRY AND “EAT MORE”

THIS BOOK IS ABOUT HOW the food industry influences what we eat and, therefore, our health. That diet affects health is beyond question. The food industry has given us a food supply so plentiful, so varied, so inexpensive, and so devoid of dependence on geography or season that all but the very poorest of Americans can obtain enough energy and nutrients to meet biological needs. Indeed, the U.S. food supply is so abundant that it contains enough to feed everyone in the country nearly twice over—even after exports are considered. The overly abundant food supply, combined with a society so affluent that most people can afford to buy more food than they need, sets the stage for competition. The food industry must compete fiercely for every dollar spent on food, and food companies expend extraordinary resources to develop and market products that will sell, regardless of their effect on nutritional status or waistlines. To satisfy stockholders, food companies must convince people to *eat more* of their products or to eat their products instead of those of competitors. They do so through advertising and public relations, of course, but also by working tirelessly to convince government officials, nutrition professionals, and the media that their products promote health—or at least do no harm. Much of this work is a virtually invisible part of contemporary culture that attracts only occasional notice.

This book exposes the ways in which food companies use political processes—entirely conventional and nearly always legal—to obtain government and professional support for the sale of their products. Its twofold purpose is to illuminate the extent to which the food industry

determines what people eat and to generate much wider discussion of the food industry's marketing methods and use of the political system.

In my 30 years as a nutrition educator, I have found that food industry practices are discussed only rarely. The reasons for this omission are not difficult to understand. Most of us believe that we choose foods for reasons of personal taste, convenience, and cost; we deny that we can be manipulated by advertising or other marketing practices. Nutrition scientists and practitioners typically believe that food companies are genuinely interested in improving health. They think it makes sense to work with the industry to help people improve their diets, and most are outraged by suggestions that food industry sponsorship of research or programs might influence what they do or say. Most food company officials maintain that any food product can be included in a balanced, varied, and moderate diet; they say that their companies are helping to promote good health when they fund the activities of nutrition professionals. Most officials of federal agriculture and health agencies understand that their units are headed by political appointees whose concerns reflect those of the political party in power and whose actions must be acceptable to Congress. Members of Congress, in turn, must be sensitive to the concerns of corporations that help fund their campaigns.

In this political system, the actions of food companies are normal, legal, and thoroughly analogous to the workings of any other major industry—tobacco, for example—in influencing health experts, federal agencies, and Congress.¹ Promoting food raises more complicated issues than promoting tobacco, however, in that food is required for life and causes problems only when consumed inappropriately. As this book will demonstrate, the primary mission of food companies, like that of tobacco companies, is to sell products. Food companies are not health or social service agencies, and nutrition becomes a factor in corporate thinking only when it can help sell food. The ethical choices involved in such thinking are considered all too rarely.

Early in the twentieth century, when the principal causes of death and disability among Americans were infectious diseases related in part to inadequate intake of calories and nutrients, the goals of health officials, nutritionists, and the food industry were identical—to encourage people to eat more of all kinds of food. Throughout that century, improvements in the U.S. economy affected the way we eat in important ways: We obtained access to foods of greater variety, our diets improved, and nutrient deficiencies gradually declined. The principal nutritional problems among Americans shifted to those of *overnutrition*—eating too much

food or too much of certain kinds of food. Overeating causes its own set of health problems; it deranges metabolism, makes people overweight, and increases the likelihood of “chronic” diseases—coronary heart disease, certain cancers, diabetes, hypertension, stroke, and others—that now are leading causes of illness and death in any overfed population.

People may believe that the effects of diet on chronic disease are less important than those of cigarette smoking, but each contributes to about one-fifth of annual deaths in the United States. Addressing cigarette smoking requires only a single change in behavior: Don’t smoke. But because people must eat to survive, advice about dietary improvements is much more complicated: Eat this food instead of that food, or eat less. As this book explains, the “eat less” message is at the root of much of the controversy over nutrition advice. It directly conflicts with food industry demands that people eat more of their products. Thus food companies work hard to oppose and undermine “eat less” messages.

I first became aware of the food industry as an influence on government nutrition policies and on the opinions of nutrition experts when I moved to Washington, DC, in 1986 to work for the Public Health Service. My job was to manage the editorial production of the first—and as yet only—*Surgeon General’s Report on Nutrition and Health*, which appeared as a 700-page book in the summer of 1988.² This report was an ambitious government effort to summarize the entire body of research linking dietary factors such as fat, saturated fat, cholesterol, salt, sugar, and alcohol to leading chronic diseases. My first day on the job, I was given the rules: No matter what the research indicated, the report could not recommend “eat less meat” as a way to reduce intake of saturated fat, nor could it suggest restrictions on intake of any other category of food. In the industry-friendly climate of the Reagan administration, the producers of foods that might be affected by such advice would complain to their beneficiaries in Congress, and the report would never be published.

This scenario was no paranoid fantasy; federal health officials had endured a decade of almost constant congressional interference with their dietary recommendations. As I discuss in Part I, agency officials had learned to avoid such interference by resorting to euphemisms, focusing recommendations on nutrients rather than on the foods that contain them, and giving a positive spin to any restrictive advice about food. Whereas “eat less beef” called the industry to arms, “eat less saturated fat” did not. “Eat less sugar” sent sugar producers right to Congress, but that industry could live with “choose a diet moderate in sugar.” When released in 1988, the *Surgeon General’s Report* recommended “choose

lean meats” and suggested limitations on sugar intake only for people particularly vulnerable to dental cavities.

Subsequent disputes have only reinforced sensitivities to political expediency when formulating advice about diet and health. Political expediency explains in part why no subsequent *Surgeon General's Report* has appeared, even though Congress passed a law in 1990 requiring that one be issued biannually. After ten years of working to develop a *Surgeon General's Report on Dietary Fat and Health*—surely needed to help people understand the endless debates about the relative health consequences of eating saturated, monounsaturated, trans-saturated, and total fat—the government abandoned the project, ostensibly because the science base had become increasingly complex and equivocal. A more compelling reason must have been lack of interest in completing such a report in the election year of 2000. Authoritative recommendations about fat intake would have had to include some “eat less” advice if for no other reason than because fat is so concentrated in calories—it contains 9 calories per gram, compared to 4 each for protein or carbohydrate³—and obesity is a major health concern. Because saturated fat and trans-saturated fat raise risks for heart disease, and the principal sources of such fats in American diets are meat, dairy, cooking fats, and fried, fast, and processed foods, “eat less” advice would provoke the producers and sellers of these foods to complain to their friends in Congress.

Since 1988, in my role as chair of an academic department of nutrition, a member of federal advisory committees, a speaker at public and professional meetings, a frequent commentator on nutrition issues to the press, and (on occasion) a consultant to food companies, I have become increasingly convinced that many of the nutritional problems of Americans—not least of them obesity—can be traced to the food industry’s imperative to encourage people to *eat more* in order to generate sales and increase income in a highly competitive marketplace. Ambiguous dietary advice is only one result of this imperative. As I explain in Part II, the industry also devotes enormous financial and other resources to lobbying Congress and federal agencies, forming partnerships and alliances with professional nutrition organizations, funding research on food and nutrition, publicizing the results of selected research studies favorable to industry, sponsoring professional journals and conferences, and making sure that influential groups—federal officials, researchers, doctors, nurses, school teachers, and the media—are aware of the benefits of their products.

Later sections of the book describe the ways in which such actions affect food issues of particular public interest and debate. Part III reviews

the most egregious example of food company marketing practices: the deliberate use of young children as sales targets and the conversion of schools into vehicles for selling “junk” foods high in calories but low in nutritional value. Part IV explains how the supplement industry manipulated the political process to achieve a sales environment virtually free of government oversight of the content, safety, and advertising claims for its products. In Part V, I describe how the food industry markets “junk” foods as health foods by adding nutrients and calling them “functional” foods or “nutraceuticals.” The concluding chapter summarizes the significance of the issues raised by these examples and offers some options for choosing a healthful diet in an overabundant food system. Finally, the Appendix introduces some terms and concepts used in the field of nutrition and discusses issues that help explain why nutrition research is so controversial and so often misunderstood.

Before plunging into these accounts, some context may prove useful. This introduction addresses the principal questions that bear on the matters discussed in this book: What are we supposed to eat to stay healthy? Does diet really matter? Is there a significant gap between what we are supposed to eat and what we do eat? The answers to these questions constitute a basis for examining the central concern of this book: Does the food industry have anything to do with poor dietary practices? As a background for addressing that question, this introduction provides some fundamental facts about today’s food industry and its marketing philosophies and strategies, and also points to some common themes that appear throughout the book.

WHAT IS A “HEALTHY” DIET?

To promote health as effectively as possible, diets must achieve balance: They must provide *enough* energy (calories) and vitamins, minerals, and other essential nutrients to prevent deficiencies and support normal metabolism. At the same time, they must not include *excessive* amounts of these and other nutritional factors that might promote development of chronic diseases. Fortunately, the optimal range of intake of most dietary components is quite broad (see the Appendix). It is obvious that people throughout the world eat many different foods and follow many different dietary patterns, many of which promote excellent health and longevity. As with other behavioral factors that affect health, diet interacts with individual genetic variation as well as with cultural, economic, and geographical factors that affect infant survival and adult longevity. On a

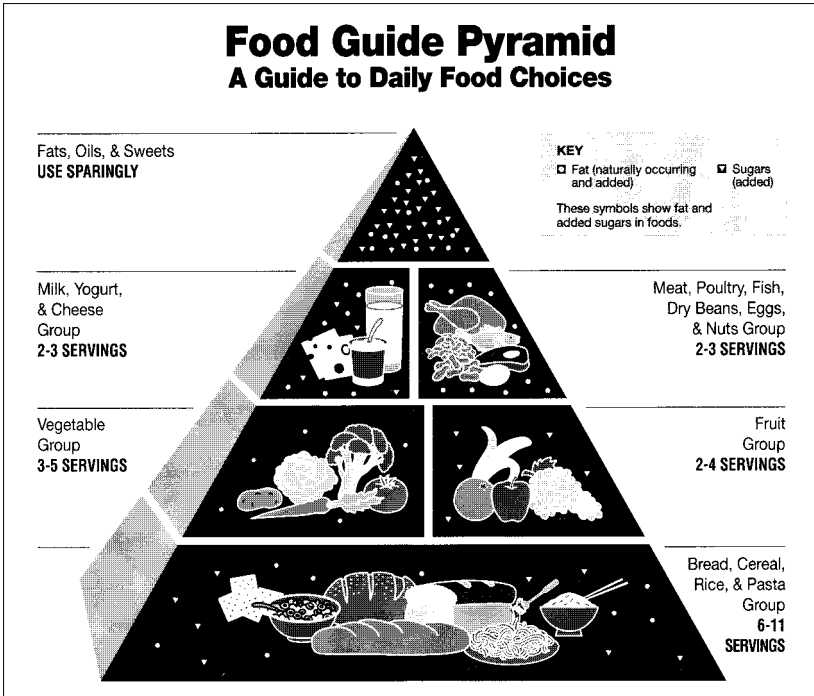


FIGURE 1. The 1992 USDA *Food Guide Pyramid* recommends a hierarchical—and therefore controversial—dietary pattern based mainly on foods of plant origin, as discussed in Part I.

population basis, the balance between getting enough of the *right* kinds of nutrients and avoiding too much of the *wrong* kinds is best achieved by diets that include large proportions of energy from plant foods—fruits, vegetables, and grains.

The longest-lived populations in the world, such as some in Asia and the Mediterranean, traditionally eat diets that are largely plant-based. Such diets tend to be relatively low in calories but high in vitamins, minerals, fiber, and other components of plants (phytochemicals) that—acting together—protect against disease. Dietary patterns that best promote health derive most energy from plant foods, considerably less from foods of animal origin (meat, dairy, eggs), and even less from foods high in animal fats and sugars. The *Food Guide Pyramid* of the U.S. Department of Agriculture (USDA) is meant to depict a plant-based diet that

promotes optimal health (see Figure 1). Chapter 2 describes the extent to which this *Pyramid* fails to illustrate an optimal dietary pattern, however, and explains the food industry's role in that failure.

DOES DIET MATTER?

In addition to consuming largely plant-based diets, people in long-lived populations are physically active and burn up any excess calories they obtain from food. An active lifestyle helps mitigate the harmful effects of overeating, but the evidence for the importance of diet in health also is overwhelming. Disease by chronic disease, scientists consistently have demonstrated the health benefits of diets rich in fruit and vegetables, limited in foods and fats of animal origin, and balanced in calories. Comprehensive reports in the late 1980s from the United States and Europe documented the evidence available at that time, and subsequent research has only strengthened those conclusions.⁴

Health experts suggest conservatively that the combination of poor diet, sedentary lifestyle, and excessive alcohol consumption contributes to about 400,000 of the 2,000,000 or so annual deaths in the United States—about the same number and proportion affected by cigarette smoking. Women who follow dietary recommendations display half the rates of coronary heart disease observed among women who eat poor diets, and those who also are active and do not smoke cigarettes have less than one-fifth the risk. The diet-related medical costs for just six health conditions—coronary heart disease, cancer, stroke, diabetes, hypertension, and obesity—exceeded \$70 billion in 1995. Some authorities believe that just a 1% reduction in intake of saturated fat across the population would prevent more than 30,000 cases of coronary heart disease annually and save more than a billion dollars in health care costs. Such estimates indicate that even small dietary changes can produce large benefits when their effects are multiplied over an entire population.⁵

Conditions that can be prevented by eating better diets have roots in childhood. Rates of obesity are now so high among American children that many exhibit metabolic abnormalities formerly seen only in adults. The high blood sugar due to “adult-onset” (insulin-resistant type 2) diabetes, the high blood cholesterol, and the high blood pressure now observed in younger and younger children constitute a national scandal. Such conditions increase the risk of coronary heart disease, cancer, stroke, and diabetes later in life. From the late 1970s to the early 1990s, the prevalence of *overweight* nearly doubled—from 8% to 14% among

children aged 6–11 and from 6% to 12% among adolescents. The proportion of overweight adults rose from 25% to 35% in those years. Just between 1991 and 1998, the rate of adult *obesity* increased from 12% to nearly 18%. Obesity contributes to increased health care costs, thereby becoming an issue for everyone, overweight or not.⁶

The cause of overweight is an excess of calories consumed over calories burned off in activity. People gain weight because they eat too many calories or are too inactive for the calories they eat. Genetics affects this balance, of course, because heredity predisposes some people to gain weight more easily than others, but genetic changes in a population occur too slowly to account for the sharp increase in weight gain over such a short time period. The precise relationship between the diet side and the activity side of the weight “equation” is uncertain and still under investigation, in part because we lack accurate methods for assessing the activity levels of populations. People seem to be spending more time at sedentary activities such as watching television and staring at computer screens, and the number of hours spent watching television is one of the best predictors of overweight, but surveys do not report enough of a decrease in activity levels to account for the current rising rates of obesity.⁷ This gap leaves overeating as the most probable cause of excessive weight gain.

DO AMERICANS OVEREAT?

Overweight itself constitutes ample evidence that many Americans consume more calories than they burn off, but other sources of information also confirm the idea that people are eating too much food. The calories provided by the U.S. food supply increased from 3,200 per capita in 1970 to 3,900 in the late 1990s, an increase of 700 per day. These supply figures tend to overestimate amounts of food actually consumed because they do not account for wastage, but they do give some indication of trends (see the Appendix). Surveys that ask about actual dietary intake tend to underestimate caloric intake, because people find it difficult to remember dietary details, but easier to give answers that seem to please investigators. Even so, dietary intake surveys also indicate that people are eating more than they were in the 1970s. Then, people reported eating an average of about 1,800 calories per day. By 1996 they reported 2,000 calories per day. No matter how unrealistically low these figures may be and how imprecise the sources of data, all suggest a trend toward caloric intakes that exceed average levels of caloric expenditure.⁸

In addition to revealing how much people are eating, food supply and dietary intake surveys indicate changes in food habits over time. The increase in calories reflects an increase in consumption of *all* major food groups: more vegetables and more fruit (desirable), but also more meat and dairy foods, and more foods high in fat and sugar (less desirable). The most pronounced change is in beverage consumption. The supply of whole milk fell from 25.5 gallons per capita per year in 1970 to just 8.5 gallons in 1997. The supply of low-fat milk rose from 5.8 to 15.5 gallons during the same time, but that of soft drinks rose from 24.3 to 53 gallons. To reduce fat intake, people replaced whole milk with lower-fat varieties (same nutrients, fewer calories), but they undermined this beneficial change by increasing consumption of soft drinks (sugar calories, no nutrients). Despite the introduction of artificial sweeteners, the supply of calorie-laden sweeteners—sugars, corn sweeteners, and honey—has gone up. Because of the inconsistencies in data, the trend in fat intake is harder to discern. Fat in the food supply increased by 25% from 1970 to the late 1990s, but dietary intake surveys do not find people to be eating more of it. Although USDA nutritionists conclude that Americans are eating less fat, they also observe that people are eating more food outside the home, where foods are higher in fat and calories.⁹

In comparison to the *Pyramid*, American diets clearly are out of balance, as shown in Figure 2. Top-heavy as it is, this illustration *underestimates* the discrepancy between recommended and actual servings. For one thing, the USDA's serving estimates are based on self-reports of dietary intake, but people tend to underreport the intake of foods considered undesirable and to overestimate the consumption of "healthy" foods. For another, the USDA calculates numbers of servings by adding up the individual components of mixed dishes and assigning them to the appropriate *Pyramid* categories. This means that the flour in cookies is assigned to the grain category, the apples in pies to the fruit group, and the potatoes in chips to the vegetable group. This method may yield more precise information about nutrient intake, but it makes high-calorie, low-nutrient foods appear as better nutritional choices than they may be. The assignment of the tomatoes in ketchup to the vegetable group only reinforces the absurdity of the USDA's famous attempt during the Reagan administration to count ketchup as a vegetable in the federal school lunch program.¹⁰

The comparison hides other unwelcome observations. USDA nutritionists report that the average consumption of whole-grain foods is just one serving per day, well below recommended levels. And although the

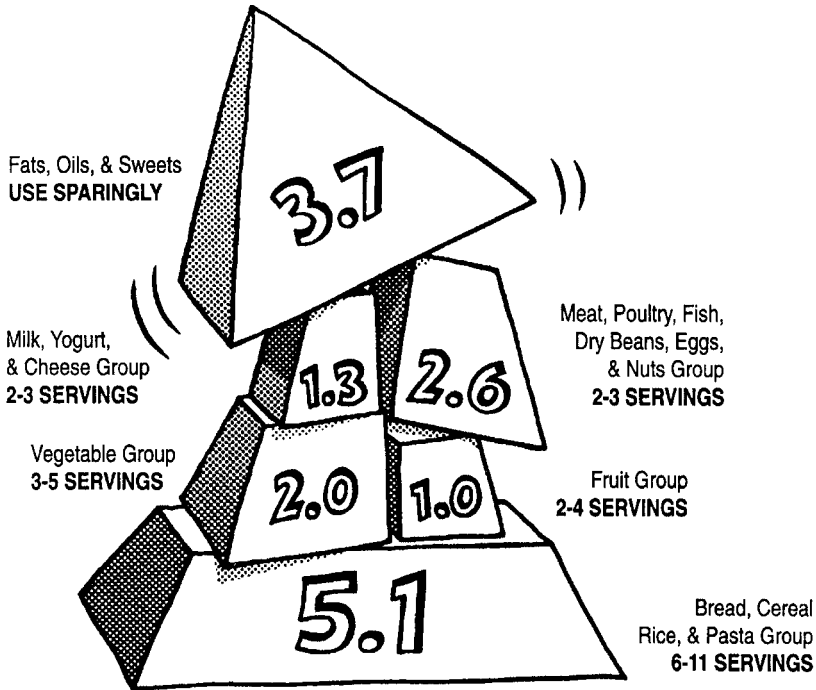


FIGURE 2. This “food consumption” pyramid compares the average number of servings consumed per day by the U.S. population in the mid-1990s to the servings recommended by the *Food Guide Pyramid*. (Courtesy National Cattlemen’s Beef Association)

number of vegetable servings appears close to recommendations, *half* the servings come from just three foods: iceberg lettuce, potatoes (frozen, fresh, and those used for chips and fries), and canned tomatoes. When fried potatoes are excluded from the count, vegetable servings fall below three per day. Even though the consumption of reduced-fat dairy products has doubled since 1970, half the dairy servings still come from high-fat, high-calorie cheese and whole milk. Servings of added fats are at least one-third higher than they should be, and servings of caloric sweeteners are half again as high. From such observations, we can conclude that 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).¹¹ It can hardly be a coincidence that these are just

the foods that are most profitable to the food industry and that it most vigorously promotes.

THE U.S. FOOD INDUSTRY

This book uses the term food industry to refer to companies that produce, process, manufacture, sell, and serve foods, beverages, and dietary supplements. In a larger sense, the term encompasses the entire collection of enterprises involved in the production and consumption of food and beverages: producers and processors of food crops and animals (agribusiness); companies that make and sell fertilizer, pesticides, seeds, and feed; those that provide machinery, labor, real estate, and financial services to farmers; and others that transport, store, distribute, export, process, and market foods after they leave the farm. It also includes the food service sector—food carts, vending machines, restaurants, bars, fast-food outlets, schools, hospitals, prisons, and workplaces—and associated suppliers of equipment and serving materials. This vast “food-and-fiber” system generates more than a trillion dollars in sales of food alone every year, accounts for 8% of the U.S. gross national product (GNP), and employs 12% of the country’s labor force. Of the \$1.1 trillion that the public spent directly on food and drink in 2005, alcoholic beverages accounted for about \$130 billion, and the rest was distributed among retail food enterprises (53%) and food service (47%).¹²

The U.S. food industry is the remarkably successful result of twentieth-century trends that led from small farms to giant corporations, from a society that cooked at home to one that buys nearly half its meals prepared and consumed elsewhere, and from a diet based on “whole” foods grown locally to one based largely on foods that have been processed in some way and transported long distances. These changes created a farm system that is much less labor-intensive and far more efficient and specialized. In 1900, 40% of the population lived on farms, but today no more than 2% do. Just since 1960, the number of farms has declined from about 3.2 million to 1.9 million, but their average size has increased by 40% and their productivity by 82%. Most farms today raise just a single commodity such as cattle, chickens, pigs, corn, wheat, or soybeans. Many are part of a system of “vertical” integration: ownership by one corporation of all stages of production and marketing. Chickens constitute an especially clear example. In the mid-1950s, chickens were raised in small flocks by many farmers; today, most are “factory-farmed” in massive numbers under contract to a few large companies.¹³

TABLE 1. Sales and advertising expenditures for the ten leading producers of packaged food products in the United States

Company and Examples	Food Sales [Total Sales], 1999 (\$ Billions)	Advertising, U.S., 1998 (\$ Millions)
Nestlé	34.9 [49.4]	534.4
Carnation foods		31.1
Lean Cuisine		16.4
Butterfinger candy		11.2
Unilever/Bestfoods*	32.4 [55.3]	
Unilever		1,015.0
Lipton's tea beverages		41.8
Wish-Bone salad dressing		15.2
Bestfoods		202.5
Thomas' English muffins		9.5
Skippy peanut butter		4.0
Philip Morris	27.8 [78.6]	2,049.3
Kraft Foods, Inc.		146.1
Jell-O desserts		65.6
Altoids mints		10.1
Pepsico	11.6 [18.7]	1,263.4
Pepsi and Diet Pepsi		145.2
Lay's potato chips		55.8
Tropicana fruit juices		23.3
Groupe Danone	9.8 [14.2]	*
H.J. Heinz	9.3	214.5
Nabisco	8.4	225.7
Kellogg	7.7	448.5
Cereals		278.7
Eggo frozen waffles		34.3
General Mills*	6.7	597.9
Cereals		296.7
Fruit-by-the-Foot snacks		10.3
Campbell Soup	6.2	336.8
Soups		108.0
Pepperidge Farm		37.2

PRINCIPAL SOURCES: Endicott RC. 44th annual 100 leading national advertisers. *Advertising Age* September 27, 1999:s1-s46. Hays CL. *New York Times* June 7, 2000:C1,C8. Thompson S. *Advertising Age* June 12, 2000:4.

*In 2000, Unilever purchased Bestfoods soon after acquiring Ben & Jerry's and Slim-Fast. General Mills bought the Pillsbury division of Diageo, making the combined company the fifth largest of U.S. foodmakers, with \$12.2 billion in annual sales. Danone was not among the top 200 U.S. advertisers in 1998, because the company's principal markets are in Europe.

Economic pressures force food and beverage companies to expand to tremendous size. In 2000, seven U.S. companies—Philip Morris, ConAgra, Mars, IBP, Sara Lee, Heinz, and Tyson Foods—ranked among the ten largest food companies in the world. Nestlé (Switzerland) ranked first, Unilever (U.K./Netherlands) third, and Danone (France) sixth. Other U.S.

companies such as Coca-Cola, McDonald's, PepsiCo, Procter & Gamble, and Roche (vitamins) ranked among the top one hundred companies worldwide. In the United States alone, just three companies—Philip Morris (Kraft Foods, Miller Brewing), ConAgra, and RJR-Nabisco—accounted for nearly 20% of all food expenditures in 1997. Table 1 lists the ten leading producers of packaged food products in the United States in 2000, along with their annual sales and advertising budgets. The largest companies generated more than \$30 billion each in annual sales, placing great pressure on smaller companies to merge. Such pressures also apply to supermarkets. Mergers among food and cigarette companies merit special interest. As described in Table 2, two of the four leading U.S. cigarette companies, R. J. Reynolds and Philip Morris, bought—and sometimes swapped—food and beverage companies in maneuvers designed to protect stockholders' investments against tobacco liability lawsuits.

The increasing consumption of food outside the home also has implications for the food industry—and for health. Table 3 lists the leading U.S. food service companies by category: fast foods, restaurant chains, contract corporations, and hotel operations. The highest-selling food service chains are sandwich houses and fast-food chains. First among them is McDonald's; its 12,804 U.S. outlets brought in \$19.6 billion in 2000 sales, more than twice as much as its nearest competitor.

The greater efficiency, specialization, and size of agriculture and food product manufacture have led to one of the great unspoken secrets about the American food system: overabundance. As already noted, the U.S. food supply—plus imports less exports—provides a daily average of 3,900 calories per capita. This level is nearly twice the amount needed to meet the energy requirements of most women, one-third more than that needed by most men, and much higher than that needed by babies, young children, and the sedentary elderly. Even if, as the USDA estimates, 1,100 of those calories might be wasted (as spoiled fruit, for example, or as oil for frying potatoes), the excess calories are a major problem for the food industry: they force competition. Even people who overindulge can eat only so much food, and choosing one food means rejecting others. Overabundance alone is sufficient to explain why the annual growth rate of the American food industry is only a percentage point or two, and why it has poked along at that low level for many years. It also explains why food companies compete so strenuously for consumer food dollars, why they work so hard to create a sales-friendly regulatory and political climate, and why they are so defensive about the slightest suggestion that their products might raise health or safety risks.

TABLE 2. Cigarette companies' ownership of food and beverage companies: chronology

1969	Philip Morris, Inc. acquires 53% of Miller Brewing.
1970	Philip Morris buys the remaining 47% of Miller Brewing.
1978	Philip Morris acquires 97% of Seven-Up.
1985	R.J. Reynolds buys Nabisco Foods for \$4.9 billion, creating RJR-Nabisco, a public company. Philip Morris buys General Foods for \$5.6 billion.
1986	Philip Morris sells Seven-Up to PepsiCo.
1988	Philip Morris buys Kraft, Inc. for \$13.6 billion. RJR-Nabisco announces plans to "go private"; offers to buy outstanding public shares for \$17 billion.
1989	The investment firm Kohlberg Kravis Roberts leverages a buyout of RJR-Nabisco for \$24.9 billion, leaving the private company with \$20 billion in debt. Philip Morris combines Kraft and General Foods to form Kraft General Foods.
1990	Philip Morris acquires Jacobs Suchard, a Swiss coffee and confectionary company, for \$4.1 billion.
1991	Kohlberg Kravis Roberts sells stocks in RJR-Nabisco to the public. The bestseller <i>Barbarians at the Gate</i> (New York: HarperCollins, 1991) describes the takeover events.
1993	Kraft General Foods (Philip Morris) buys Nabisco ready-to-eat cereals from RJR-Nabisco for \$448 million.
1995	Kraft General Foods reorganizes into Kraft Foods, Inc. In an effort to shore up stock prices, RJR-Nabisco becomes a holding company for R. J. Reynolds (tobacco) and Nabisco Holdings (food); sells 19% of shares in Nabisco Holdings to the public.
1996	Philip Morris buys shares of Brazil's leading chocolate company, Industrias de Chocolate Lacta, S.A.; Kraft Foods acquires Taco Bell.
1999	RJR-Nabisco sells its international tobacco business; separates and renames its domestic tobacco (R. J. Reynolds Tobacco Holdings) and food businesses (Nabisco Group Holdings). This action leaves Nabisco Group Holdings with 81% of Nabisco as its sole asset (Nabisco Holdings has the remainder), only \$1 billion in debt, but with uncertain liability for tobacco lawsuits. Philip Morris said to be interested in buying Nabisco; acquires Philadelphia cream cheese; reports revenues exceeding \$78 billion.
2000	Philip Morris buys Nabisco Holdings for \$14.9 billion, creating a company that earned combined revenues of \$34.9 billion and profits of \$5.5 billion in 1999. This purchase leaves R.J. Reynolds Tobacco Holdings with \$1.5 billion in cash and the tobacco liability.
2003	Company restructures as Altria, now "parent" to Philip Morris and Kraft Foods.
2007	Altria authorizes sale of its Kraft shares.

PRINCIPAL SOURCES: Philip Morris Companies, Inc. Online: <http://www.kraftfoods.com/>. Accessed February 24, 1999. Hays CL. *New York Times* March 10, 1999:A1,C8, and July 2, 2000:C7. See www.altria.com.

TABLE 3. Where Americans eat: the top two U.S. food service chain companies in 2000 sales, by category and number of units

Chain Category	2000 Sales, (\$ Millions)	Number of Units, U.S.
<i>Sandwich</i>		
McDonald's	19,573	12,804
Burger King	8,695	8,064
<i>Pizza</i>		
Pizza Hut	5,000	7,927
Domino's	2,647	4,818
<i>Chicken</i>		
KFC (Kentucky Fried Chicken)	4,400	5,364
Chick-fil-A	1,082	1,958
<i>Grill Buffet</i>		
Golden Corral	968	452
Ryan's Family Steak House	745	324
<i>Family</i>		
Denny's	2,137	1,753
International House of Pancakes	1,199	925
<i>Dinner-House</i>		
Applebee's Neighborhood	2,625	1,251
Red Lobster	2,105	629
<i>Contract</i>		
Aramark Global	4,136	2,907
LSG/Sky Chefs	1,476	103
<i>Hotel Food Service</i>		
Marriott	1,045	248
Hilton	953	228

SOURCE: Liddle AJ. *Nation's Restaurant News* July 25, 2001:57-132.

MARKETING IMPERATIVES

To sell their products, companies appeal to the reasons why people choose to eat one food rather than another. These reasons are numerous, complex, and not always understood, mainly because we select diets within the context of the social, economic, and cultural environment in which we live. When food or money is scarce, people do not have the luxury of choice; for much of the world's population, the first consideration is getting *enough* food to meet biological needs for energy and nutrients. It is one of the great ironies of nutrition that the traditional plant-based diets consumed by the poor in many countries, some of which are among

the world's finest cuisines, are ideally suited to meeting nutritional needs as long as caloric intake is adequate. Once people raised on such foods survive the hazards of infancy, their diets (and their active lifestyles) support an adulthood relatively free of chronic disease until late in life.¹⁴

Also ironic is that once people become better off, they are observed to enter a “nutrition transition” in which they abandon traditional plant-based diets and begin eating more meat, fat, and processed foods. The result is a sharp increase in obesity and related chronic diseases. In 2000 the number of overweight people in the world for the first time matched the number of undernourished people—1.1 billion each. Even in an industrialized country such as France, dietary changes can be seen to produce rapid increases in the prevalence of chronic disease. In the early 1960s, the French diet contained just 25% of calories from fat, but the proportion now approaches 40% as a result of increased intake of meat, dairy, and processed foods. Despite contentions that the French are protected from heart disease by their wine consumption (a phenomenon known as the French Paradox), they are getting fatter by the day and experiencing increased rates of diabetes and other health consequences of overeating and overweight. The nutrition transition reflects both taste preferences and economics. Food animals raised in feedlots eat grains, which makes meat more expensive to produce and converts it into a marker of prosperity. Once people have access to meat, they usually do not return to eating plant-based diets unless they are forced to do so by economic reversal or are convinced to do so for reasons of religion, culture, or health.¹⁵

Humans do not innately know how to select a nutritious diet; we survived in evolution because nutritious foods were readily available for us to hunt or gather. In an economy of overabundance, food companies can sell products only to people who *want* to buy them. Whether consumer demands drive food sales or the industry creates such demands is a matter of debate, but much industry effort goes into trying to figure out what the public “wants” and how to meet such “needs.” Nearly all research on this issue yields the same conclusion. When food is plentiful and people can afford to buy it, basic biological needs become less compelling and the principal determinant of food choice is personal preference. In turn, personal preferences may be influenced by religion and other cultural factors, as well as by considerations of convenience, price, and nutritional value. To sell food in an economy of abundant food choices, companies must worry about those other determinants much more than about the nutritional value of their products—unless the nutrient content helps to entice buyers (see Parts IV and V).¹⁶ Thus the food industry's marketing

imperatives principally concern four factors: taste, cost, convenience, and (as we shall see) public confusion.

Taste: Make Foods Sweet, Fat, and Salty

Adults prefer foods that taste, look, and smell good, are familiar, and provide variety, but these preferences are influenced strongly by family and ethnic background, level of education, income, age, and gender. When asked, most of us say we choose foods because we like them, by which we mean the way we respond to their flavor, smell, sight, and texture. Most of us prefer sweet foods and those that are “energy-dense” (high in calories, fat, and sugar), and we like the taste of salt. The universality of such preferences suggests some physiologic basis for all of them, but the research is most convincing for sweetness. Ripe fruit is innately sweet and appealing, but many of us can and do learn to enjoy the complex and sometimes bitter taste of vegetables. Whether a taste for meat is innate or acquired can be debated, but many people like to eat steak, hamburgers, and fried chicken, along with desserts, soft drinks, and salty snacks. Such preferences drive the development of new food products as well as the menus in restaurants.

Cost: Add Value but Keep Prices Low

One result of overabundance is pressure to add value to foods through processing. The producers of raw foods receive only a fraction of the price that consumers pay at the supermarket. In 1998, for example, an average of 20% of retail cost—the “farm value” of the food—was returned to its producers. This percentage, which has been declining for years, is unequally distributed. Producers of eggs, beef, and chicken receive 50% to 60% of retail cost, whereas producers of vegetables receive as little as 5%. Once foods get to the supermarket, the proportion represented by the farm value declines further in proportion to the extent of processing. The farm value of frozen peas is 13%, of canned tomatoes 9%, of oatmeal 7%, and of corn syrup just 4%.¹⁷

As shown in Figure 3, the remaining 80% of the food dollar goes for labor, packaging, advertising, and other such value-enhancing activities. Conversion of potatoes (cheap) to potato chips (expensive) to those fried in artificial fats or coated in soybean flour or herbal supplements (even more expensive) is an example of how value is added to basic food commodities. Added value explains why the cost of the corn in Kellogg’s

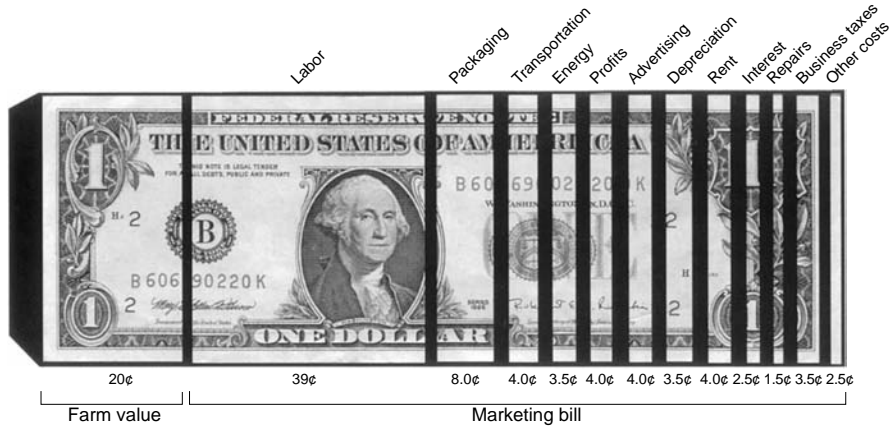


FIGURE 3. The distribution of the U.S. food dollar: 80% of food expenditures go to categories other than the “farm value” of the food itself. (Source: USDA *FoodReview* 2000;23(3):27–30)

Corn Flakes is less than 10% of the retail price. With this kind of pricing distribution, food companies are more likely to focus on developing added-value products than to promote consumption of fresh fruits and vegetables, particularly because opportunities for adding value to such foods are limited. Marketers can add value to fruits and vegetables by selling them frozen, canned, or precut, but even the most successful of such products—prepackaged and branded “baby” carrots, salad mixes, and precut fruit—raise consumer concerns about freshness, safety, and price.

Despite the focus on adding value, overabundance keeps food costs low compared to those anywhere else in the world, and this is due only in part to our high average income. The average American pays less than 10% of income for food. People in low-income countries like Tanzania pay more than 70% of income for food, and those in middle-income countries like the Philippines up to 55%, but even people in high-income countries like Japan pay as much as 20%. Americans, however, strongly resist price increases. In the United States, lower prices stimulate sales, especially the sale of higher-cost items; price is a more important factor in the consumer’s choice of steak than of ground beef. Cost is so important a factor in food choice that economists are able to calculate the effect of a change in price on nutrient intake. They estimate that a decline in the price of meat, for example, causes the average intake of calcium and iron to rise but also increases the consumption of calories, fat, saturated fat, and cholesterol.¹⁸

A more important reason for low food prices is that the government subsidizes food production in ways that are rarely evident. The most visible subsidies are price supports for sugar and milk, but taxpayers also support production quotas, market quotas, import restrictions, deficiency payments, lower tax rates, low-cost land leases, land management, water rights, and marketing and promotion programs for major food commodities. The total cost of agricultural subsidies rose rapidly at the end of the twentieth century from about \$18 billion in 1996 to \$28 billion in 2000. As we shall see in Part II, the large agricultural corporations that most benefit from federal subsidies spare no effort to persuade Congress and the administration to continue and increase this largesse.¹⁹

Convenience: Make Eating Fast

Convenience is a principal factor driving the development of value-added products. The demographic causes of demands for convenience are well understood. In the last quarter of the twentieth century, the proportion of women with children who entered the work force greatly expanded, and many people began to work longer hours to make ends meet. In 1900, women accounted for 21% of the labor force, and married women for less than 6%, but by 1999, women—married or not—accounted for more than 60%. The structure of American families changed once there was no longer a housewife who stayed home and cooked. Working women were unable or unwilling to spend as much time grocery shopping, cooking, and cleaning up after meals.²⁰

Societal changes easily explain why nearly half of all meals are consumed outside the home, a quarter of them as fast food, and the practice of snacking nearly doubled from the mid-1980s to the mid-1990s. They explain the food industry's development of prepackaged sandwiches, salads, entrees, and desserts, as well as such innovations as "power" bars, yogurt and pasta in tubes, prepackaged cereal in a bowl, salad bars, hot-food bars, take-out chicken, supermarket "home meal replacements," McDonald's shaker salads, chips prepackaged with dips, and foods designed to be eaten directly from the package. Whether these "hyper-convenient" products will outlast the competition remains to be seen, but survival is more likely to depend on taste and price than on nutrient content. Many of these products are high in calories, fat, sugar, or salt but are marketed as nutritious because they contain added vitamins (see Part V).

Nutritionists and traditionalists may lament such developments, because convenience overrides not only considerations of health but also

the social and cultural meanings of meals and mealtimes. Many food products relegate cooking to a low-priority chore and encourage trends toward one-dish meals, fewer side dishes, fewer ingredients, larger portions to create leftovers, almost nothing cooked “from scratch,” and home-delivered meals ordered by phone, fax, or Internet. Interpreting the meaning of these developments no doubt will occupy sociologists and anthropologists for decades. In the meantime, convenience adds value to foods and stimulates the food industry to create even more products that can be consumed quickly and with minimal preparation.

Confusion: Keep the Public Puzzled

Many people find it difficult to put nutrition advice into practice, not least because they view the advice as ephemeral—changing from one day to the next. This view is particularly unfortunate because, as I explain in Part I, advice to eat more fruits and vegetables and to avoid overweight as a means to promote health has remained constant for half a century. Confusion about nutrition is quite understandable, however. People obtain information about diet and health from the media—newspapers, magazines, television, radio and more recently the Internet. These outlets get much of their information from research publications, experts, and the public relations representatives of food and beverage companies. Media outlets require *news*, and reporters are partial to breakthroughs, simple take-home lessons, and controversies. A story about the benefits of single nutrients can be entertaining, but “eat your veggies” is old news. It is more interesting to read about a study “proving” that calcium does or does not prevent bone loss than a report that patiently explains the other factors—nutrients, foods, drinks, exercise—that might influence calcium balance in the body. Although foods contain hundreds of nutrients and other components that influence health, and although people eat diets that contain dozens of different foods, reporters rarely discuss study results in their broader dietary context.²¹ News outlets are not alone in focusing on single nutrients or foods; researchers also do so. It is easier to study the effects of vitamin E on heart disease risk than it is to try to explain how current dietary *patterns* are associated with declining rates of coronary heart disease. Research on the effects of single nutrients is more likely to be funded, and the results are more likely to garner headlines, especially if they conflict with previous studies. In the meantime, basic dietary advice remains the same—constant, but dull.

Newspaper sales and research grants may benefit from confusion over dietary advice, but the greatest beneficiary of public confusion is the food industry. Part II explains how virtually every food and beverage product is represented by a trade association or public relations firm whose job it is to promote a positive image of that item among consumers, professionals, and the media. These groups—and their lobbyists—can take advantage of the results of single-nutrient research to claim that products containing the beneficial nutrient promote health and to demand the right to make that claim on package labels. If people are confused about nutrition, they will be more likely to accept such claims at face value. It is in the interest of food companies to have people believe that there is no such thing as a “good” food (except when it is theirs); that there is no such thing as a “bad” food (especially not theirs); that all foods (especially theirs) can be incorporated into healthful diets; and that balance, variety, and moderation are the keys to healthful diets—which means that no advice to restrict intake of their particular product is appropriate. The 1992 *Pyramid*, however, clearly indicated that some foods *are* better than others from the standpoint of health.

PROMOTING “EAT MORE”

In a competitive food marketplace, food companies must satisfy stockholders by encouraging more people to eat more of their products. They seek new audiences among children, among members of minority groups, or internationally. They expand sales to existing as well as new audiences through advertising but also by developing new products designed to respond to consumer “demands.” In recent years, they have embraced a new strategy: increasing the sizes of food portions. Advertising, new products, and larger portions all contribute to a food environment that promotes eating more, not less.

Advertise, Advertise, Advertise

Advertising operates so far below the consciousness of everyone—the public, most nutritionists I know, and survey researchers—that it hardly ever gets mentioned as an influence on food choice. The subliminal nature of food and beverage advertising is a tribute to its ubiquity, as well as to the sophistication of the agencies that produce it. Extraordinary amounts of money and talent go into this effort. Food and food service

companies spend more than \$11 billion annually on direct media advertising in magazines, newspapers, radio, television, and billboards. Some examples of expenditures by specific companies are given in Table 1. In 1999 McDonald's spent \$627.2 million, Burger King \$403.6 million, Taco Bell \$206.5 million, and Coke and Diet Coke \$174.4 million on direct media advertising. Even small products have impressive advertising budgets, as illustrated by expenditures of \$117 million for Wrigley's chewing gum and nearly \$80 million for M&M candies.²² For every dollar spent that "measured" way, the companies spend another two dollars on discount incentives—for example, coupons for consumers and "slotting fees" for retailers to ensure space on supermarket shelves. In total, food companies spent more than \$33 billion annually at the turn of the century to advertise and promote their products to the public. Most of this astronomical sum is used to promote the most highly processed, elaborately packaged, and fast foods. Nearly 70% of food advertising is for convenience foods, candy and snacks, alcoholic beverages, soft drinks, and desserts, whereas just 2.2% is for fruits, vegetables, grains, or beans.²³ Figure 4 illustrates the disproportionate distribution of marketing expenditures relative to dietary recommendations. Although the costs of marketing may appear huge, they amount to just a small fraction of sales.

Advertising costs for any single, nationally distributed food product far exceed (often by 10 to 50 times) federal expenditures for promotion of the *Pyramid* or to encourage people to eat more fruit and vegetables. Of the more than \$300 million that the USDA spends annually on nutrition education, most goes for research projects, the educational components of agricultural extension, and other activities that target relatively few people. Despite protestations by marketers that advertising is a minor element in food choice and that the ubiquity of advertising dilutes its impact, they continue to use it to sell products. Successful campaigns are carefully researched, targeted to specific groups, and repeated frequently. Advertising promotes the sales of specific food products and in proportion to the amount spent, as shown for commodities such as milk, cheese, grapefruit juice, and orange juice. Food sales increase with the intensity, repetition, and visibility of the advertising message.²⁴ Promotion of nutritional advantages (low-fat, no cholesterol, high-fiber, calcium-added) increases sales, as does the use of health claims (lowers cholesterol, prevents cancer). Cigarette company-owned food advertisers are particularly adept at using charity to sell food products, as shown in Figure 5. Advertising sells food to children, a phenomenon well understood by advertisers

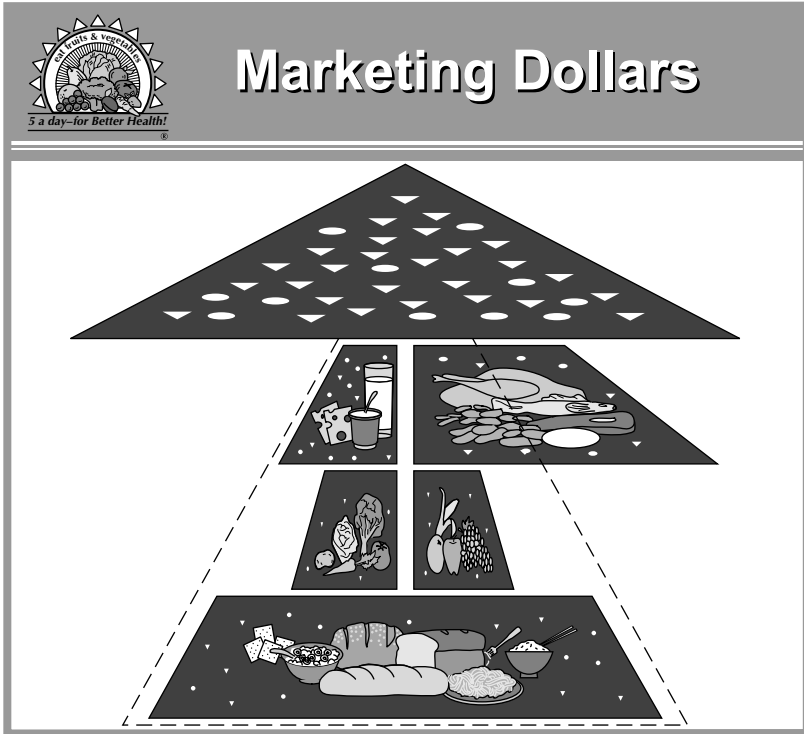


FIGURE 4. The Produce for Better Health Foundation, a government–industry partnership to promote consumption of fruits and vegetables, created this “food marketing” pyramid to illustrate the disproportionate expenditure of advertising dollars in comparison to dietary recommendations. (Courtesy Elizabeth Pivonka, ©Produce for Better Health Foundation, Wilmington, DE)

of tobacco and beer. As discussed in Part III, advertisers deliberately promote food brands among children and more active demands for advertised foods.




Introduce New Products


To food and beverage companies, added value and convenience are driving forces for new-product development. Whether the industry creates new products in response to consumer demand or generates demand by

Katya's mom no longer worries where her next meal is coming from.

Thanks in part to the Philip Morris family of companies, Katya's mom knows she can always get free food from the food pantry. Over the past decade, Philip Morris has given over \$350 million in donations and food – including many of our brands like Kraft Macaroni & Cheese, Post Cereals, and Jell-O – to help feed the hungry. For the whole story, visit philipmorris.com. **Working to make a difference.**

THE PHILIP MORRIS FAMILY OF COMPANIES



© 2000 Philip Morris Companies Inc.

FIGURE 5. This Philip Morris advertisement for its philanthropic food donations appeared in *Walking*, a health and fitness magazine aimed at young women, in October 2000. No advertisements for cigarettes appear in the magazine. Philip Morris owns Kraft Foods and Miller Beer.

TABLE 4. Major categories of the 11,037 new food products introduced in 1998

Product Category	Number of New Products
Candy, gum, snacks	2,065
Condiments	1,994
Beverages	1,547
Bakery foods	1,178
Dairy foods	940
Processed meats	728
Entrees, pre-prepared	678
Fruits and vegetables	375
Soups	299
Desserts	117
Pet foods	105
Breakfast cereals	84
Baby foods	35

SOURCE: Gallo AE. *FoodReview* 1999;22(3):27-29.

creating the products is difficult to untangle; most likely, both interact. Regardless, new-product introductions have increased greatly since the mid-1980s when there were fewer than 6,000 annually. In the peak year of 1995, manufacturers introduced 16,900 food and beverage products, but the number has since declined. All told, 116,000 packaged foods and beverages have been introduced since 1990, and these joined a marketplace that now contains 320,000 items competing for supermarket shelf space large enough to hold just 50,000.¹² The glut of food products means that only the most highly promoted products will succeed; even these may encounter difficulties if they do not taste good, raise questions about health or safety, or cost too much.

In 1998, manufacturers introduced slightly more than 11,000 new products (Table 4). More than two-thirds of those products are condiments, candy and snacks, baked goods, soft drinks, and dairy products (cheese products and ice cream novelties)—foods largely allocated to the top of the *Pyramid*. Slightly more than one-fourth are “nutritionally enhanced” so that they can be marketed as low in fat, cholesterol, salt, or sugar or as higher in fiber, calcium, or vitamins. Some such products, among them no-fat cookies, vitamin-enriched cereals, and calcium-fortified juice drinks, contain so much sugar that they belong at the top of the *Pyramid*. Developing such foods has only one purpose: to attract sales.

Serve Larger Portions

“Eat more” marketing methods extend beyond billboards and television commercials; they also include substantial increases in the sizes of food packages and restaurant portions. When the *Pyramid* recommends 6 to 11 grain servings, these amounts seem impossibly large with reference to restaurant, fast, or take-out foods. The *Pyramid* serving numbers, however, refer to portion size *standards* defined by the USDA: A standard grain serving is one slice of white bread, one ounce of ready-to-eat cereals or muffins, or one-half cup of rice or pasta. Therefore, a single bakery muffin weighing 7 ounces, or one medium container of movie-theater popcorn (16 cups), easily meets or exceeds a day’s grain allowances. Larger servings of course contain more calories. The largest movie-theater soft drink contains 800 calories if not too diluted with ice. Larger portions can contribute to weight gain unless people compensate with diet and exercise. From an industry standpoint, however, larger portions make good marketing sense. The cost of food is low relative to labor and other factors that add value. Large portions attract customers who flock to all-you-can-eat restaurants and order double-scoop ice cream cones because the relative prices discourage the choice of smaller portions. It does not require much mathematical skill to understand that the larger portions of McDonald’s french fries are a better buy than the “small” when they are 40% cheaper per ounce.²⁵

Taken together, advertising, convenience, larger portions, and (as we shall see) the added nutrients in foods otherwise high in fat, sugar, and salt all contribute to an environment that promotes “eat more.” Because dietary advice affects sales, food companies also conduct systematic, pervasive, and unrelenting—but far less apparent—campaigns to convince government officials, health organizations, and nutrition professionals that their products are healthful or harmless, to undermine any suggestion to the contrary, and to ensure that federal *dietary guidelines* and food guides will help promote sales.

ISSUES AND THEMES

Overabundant food and its consequences occur in the context of increasing centralization and globalization of the food industry and of altered patterns of work, welfare, and government. The food system is only one aspect of society, but it is unusual in its universality: Everyone eats. Because food affects lives as well as livelihoods, the situations discussed

in this book generate substantial attention from the industry and the government, as well as from advocates, nutrition and health professionals, the media, and the public at large. In this book's discussions of specific topics and incidents, several themes occur. Some of these themes touch on matters central to the functioning of democratic institutions and are worth noting as they emerge in the chapters that follow.

One such theme is the "paradox of plenty," the term used by historian Harvey Levenstein to refer to the social consequences of food overabundance, among them the sharp disparities in diet and health between rich and poor.²⁶ Wealthier people usually are healthier, and they choose better diets. They also tend to avoid smoking cigarettes, to drink alcohol in moderation if at all, and to be better educated and more physically active. Health habits tend to cluster in patterns, making it difficult to tease out the effects of diet from that of any other behavioral factor. Most paradoxical in the presence of food overabundance is that large numbers of people in the United States and elsewhere do not have enough to eat. The economic expansion of the twentieth century differentially favored people whose income was higher than average and provided much smaller gains for the poor. As noted earlier, when people in developing countries go through a "nutrition transition," they increase the intake of meat, fat, and processed foods, gain weight, and develop risk factors for diseases of overconsumption. In the United States, low-income groups seem to have about the same nutrient intake as people who are better off, but they choose diets higher in calories, fat, meat, and sugar, and they display higher rates of obesity and chronic diseases. The income gap between rich and poor can be explained by the functioning of economic and related educational systems. The gaps in diet and health are economically based, but they also derive in part from the social status attached to certain kinds of food—meat for the poor and health foods for the rich, for example. Food and beverage companies reinforce this gap when they seek new marketing opportunities among minority groups or in low-income neighborhoods. The alcoholic beverage industry is especially adept in marketing to "disenfranchised" groups.²⁷

A second theme is the conflict between scientific and other kinds of belief systems. Although most scientists view scientific methods—testing hypotheses by controlled experiments—as inherently valid and truthful, we shall see that many people regard science as just one of a number of belief systems of equal validity and importance. Religious beliefs, concerns about animal rights, and views of the fundamental nature of society, for example, influence the way people think about food. So do vested

interests. Like any other kind of science, nutrition science is more a matter of probabilities than of absolutes and is, therefore, subject to interpretation. Interpretation, in turn, depends on point of view. Government agencies invoke science as a basis for regulatory decisions. Food and supplement companies invoke science to oppose regulations and dietary advice that might adversely affect sales. Advocates invoke science to question the safety of products perceived as undesirable. In contrast, scientists and food producers, who might benefit from promoting research results, nutritional benefits, or safety, tend to view other-than-scientific points of view as inherently irrational. Debates about food issues that affect broad aspects of society often focus on scientific proof of safety whether or not safety constitutes the “real” issue, largely because alternative belief systems cannot be validated by scientific methods.²⁸

The third theme constitutes this book’s central thesis: diet is a political issue. Because dietary advice affects food sales, and because companies demand a favorable regulatory environment for their products, dietary practices raise political issues that cut right to the heart of democratic institutions. Nearly all of the situations discussed in this book involve struggles over who decides what people should eat and whether a given food is “healthy.” As a result, they inevitably involve struggles over the way government balances corporate against public interests. Such struggles are fundamental to the functioning of the American political system. They are revealed whenever a company attacks its critics as “food police” or justifies self-interested actions as a defense of freedom of choice or exclusion of “Big Brother” government from personal decisions. They are expressed whenever food companies use financial relationships with members of Congress, political leaders, and nutrition and health experts to weaken the regulatory ability of federal agencies and whenever they go to court to block unfavorable regulatory decisions. Despite the overwhelmingly greater resources of food companies in defending their own interests we shall see that consumer advocates sometimes can be highly effective in convincing Congress, federal agencies, and the courts to take action in the public interest. On that optimistic note, let’s begin by tracing the history of federal dietary advice to the public and the ways in which such advice has been influenced by the actions of the food industry.

INFLUENCING GOVERNMENT

FOOD LOBBIES AND LOBBYISTS

TO UNDERSTAND HOW FOOD COMPANIES are able to exert disproportionate influence on government nutrition policy, we must begin with a discussion of lobbying and its integral position in American political processes. Lobbying is any *legal* attempt by individuals or groups to influence government policy or action, a definition that explicitly excludes bribery. Historically, lobbying always has involved three elements: (1) promoting the views of special-interest groups, (2) attempting to influence government laws, rules, or policies that might affect those groups, and (3) communicating with government officials or their representatives about laws, rules, or policies of interest.¹ Food lobbyists, therefore, are people who ask government officials to make rules or laws that will benefit their clients' companies, whether or not they benefit anyone else.

At their best, lobbyists provide federal officials with well-researched technical advice about proposed legislation, regulation, and public education. The value of this expertise has been the ostensible reason for congressional reluctance to limit lobbying activities. Offering expertise, however, is only one strategy. More important are personal contacts established through meetings and social occasions. Other lobbying methods include arranging campaign contributions, staging media events, organizing public demonstrations, harassing critics, and encouraging lawsuits. Such efforts have been—and are—so successful that lobbyists have sometimes been considered to constitute their own branch of government.

Lobbyists, however, are hired, not elected. They differ from advocates and independent experts in that they are paid to represent private—not

public—interests, and many of their activities are hidden from public view. Thus lobbying raises questions about undue influence and misuse of power. Our political system must balance the rights of individuals and groups against the rights of society as a whole, and it requires elected officials to listen to groups demanding self-interested actions. What concerns us here is the differential ability of food companies to obtain laws and rules that act in their favor at the expense of public health.

SETTING THE STAGE FOR FOOD LOBBYING: THE HISTORICAL CONTEXT

That food lobbies are permitted to do what they do derives directly from the long tradition of acceptance of lobbying as an integral part of the American political system. That lobbying would create tensions in that system was known from the outset. In 1787 James Madison wrote of the “dangerous vice” of *factions*—his term for lobbying groups. He viewed factions as an inevitable result of basic human nature, as well as of the unequal distribution of property. He believed that the “mischiefs” caused by special-interest groups would be controlled inevitably as a natural outcome of majority rule: “There are two methods of curing the mischiefs of faction: the one, by removing its causes; the other, by controlling its effects . . . [a faction] may clog the administration, it may convulse the society; but it will be unable to execute and mask its violence under the forms of the Constitution.”²

As Madison predicted, public exposures of excessive and dishonest lobbying were followed by investigations and demands for its regulation. For the next 150 years, various states and Congress made sporadic but unsuccessful attempts to control lobbying—so much so that beginning in 1911, nearly every session of Congress involved some attempt to address lobbying abuses. When Congress finally did act on the matter, it made lobbying *legal*. It required only that persons paid to lobby register and disclose their sources of funds. Furthermore, Congress did not specify enforcement procedures, which may be one reason why the law resulted in only a single conviction—and that in 1959. Lobbying regulations were universally viewed as unenforceable and, therefore, ineffective.

Legislation passed in 1995 closed some, but by no means all, of the loopholes.³ That law defines lobbyists as people who spend at least 20% of their time on such activities, have contact with government officials or staff, and are paid more than \$5,000 in a six-month period for this work.

Because all three of these criteria had to be met, people whose activities met just one or two did not need to register.⁴ At about the same time, amendments to federal election laws limited the value of gifts and meals that legislators could accept from lobbyists. The House rule barred lobbyists from buying meals for members and aides except at stand-up receptions attended by 25 people (the “toothpick” rule), although small gift items were still permissible. The Senate’s rules were somewhat less restrictive. Senators and aides, for example, could not accept paid travel to *recreational* events, or gifts or meals worth more than \$100 from any one individual in a year. Such restrictions were easily evaded.⁵

Those rules not only led to an increase in registration of lobbyists (which was their intention) but also to an increase in overall lobbying activity. According to data collected by the Center for Responsive Politics, a public-interest group that goes to a great deal of effort to track this sort of information, the number of registered lobbyists increased from 15,000 to more than 20,000 just between 1997 and 1999. The Center estimated that lobbyists spent more than \$1.42 billion on behalf of clients in 1998; it calculated that if this amount went just for lobbying Congress, then *each* of the country’s 100 senators and 435 representatives would be contacted by an average of 38 paid lobbyists spending \$2.7 million on each legislator to do so.⁶ It must be understood that this army of largesse-dispensing lobbyists represents every conceivable component of American corporate and private enterprise; no industry is too small, no group too isolated, and no opinion too extreme to forgo paying for its own professional lobbyist. With billion-dollar expenditures, lobbying is a huge industry unto itself. At this point, we can now examine how food lobbies fit into the broader political picture.

INFLUENCING THE AGRICULTURAL ESTABLISHMENT

To understand how food lobbying works, we need to know something about the relationships between Congress and the federal agency most responsible for food and agriculture, the U.S. Department of Agriculture (USDA). By the end of World War II, a period during which government and food producers worked together in the national interest, farmers and food producers had come to view USDA as *their* department and its secretary as *their* spokesman. Food producers, together with USDA officials and members of the House and Senate Agricultural Committees, constituted what was universally understood to be the “agricultural

establishment”—an entity so strongly united in purpose that it could ensure that any federal policy related to land use, commodity distribution, or prices would promote the interests of food producers. The control exercised by producer groups over USDA and congressional actions was so complete that this “establishment” virtually excluded the Secretary of Agriculture and even the President of the United States from any significant role in policy decisions. Their jobs, after all, were temporary.⁷

Guaranteeing the perpetuation of this system were congressional seniority and the strong representation on agriculture committees of members from farm states. Membership on such committees gave the appearance of lifetime tenure. Allen Ellender (Dem-LA), for example, chaired the Senate Agriculture Committee for 18 years; his successor, Herman Talmadge (Dem-GA), held the position for 10 more. Most remarkably, Representative Jamie Whitten (Dem-MS) chaired House Agriculture Committees from 1949 to 1992, accumulating so much power during this 43-year period that he was referred to as the *permanent* Secretary of Agriculture.⁸

In the early 1970s, this system began to break down as new constituencies began to demand influence over agriculture policies. Consumers, for example, complained when a combination of bad weather, poor harvests in foreign countries, and massive purchases of U.S. grain by the Soviet Union caused an increase in food costs. Large processing and marketing companies formed as agriculture gained importance in the U.S. economy, and the interests of these new entities differed from those of smaller food producers. Even more, the expansion of food assistance programs following the 1969 White House Conference on Food, Nutrition, and Health meant that an increasingly large proportion of USDA's funding went for Food Stamps and other such activities. Advocates for the poor became a new agricultural interest group. In response to these new demands, the House expanded agricultural committee membership in 1974 to include representatives from urban as well as rural areas. In 1977 Congress gave the agriculture committees of both houses jurisdiction over policies and programs related not only to agricultural production, marketing, research, and development but also to a wide range of new areas: rural development, forestry, domestic food assistance; some aspects of foreign trade, international relations, market regulation, and taxes; and, as we have seen, nutrition advice to the public. These changes stimulated a huge proliferation of lobbying activities related to the expanded functions of federal agriculture committees.⁹

REPRESENTING FOOD INDUSTRY INTERESTS

In the 1950s just 25 groups of food producers dominated agricultural lobbying, but by the mid-1980s there were 84 such groups, and by the late 1990s there were hundreds—if not thousands—of businesses, associations, and individuals attempting to influence federal decisions related to every conceivable aspect of food and beverage production, manufacture, sales, service, and trade.⁴ Although the total number of lobbyists and groups working on food and nutrition issues is uncertain, a 1977 study identified 612 individuals and 460 groups in this category.¹⁰ A cursory review of the list of all registered lobbyists suggests that less than 5% might be concerned with such issues—perhaps about 1,000 individuals, law firms, and associations representing widely diverse groups with interests in federal policies on food, nutrition, and agriculture. Advocacy groups, professional societies, and universities with agriculture programs also retain lobbyists to work for them, but these groups are usually acting on behalf of public interest or nonprofit goals.

Like all lobbyists, those for food companies gain access to federal officials and staff in ways that extend far beyond technical expertise, although such expertise provides an excuse for regular contact. Among these ways, two are worth particular attention: (1) the evident and not so evident transfer of funds from lobbyists to federal officials through federally sanctioned donations of “hard” money, legal but unsanctioned “soft” money, and gifts and (2) the frequent job exchanges between lobbyists and federal officials known as the “revolving door.” Both practices raise questions about undue influence. Because the revolving door sets the scene for later discussion of more obviously commercial transactions, let’s examine that method first.

Recruiting Lobbyists: The “Revolving Door”

Charges of undue influence cannot help but arise from the realization that lobbyists and government officials are not always distinct populations. Today’s public servant is tomorrow’s lobbyist, and vice versa. The revolving-door transformation of government officials into lobbyists and of lobbyists into government officials is not a new phenomenon. In 1968, for example, at least 23 former senators and 90 former representatives had registered as lobbyists for private organizations. More recently, among congressional representatives defeated in the 1992 election, 40% became lobbyists. So did their staff; from 1988 to 1993, 42% of Senate

committee staff directors and 34% of those on the House side became lobbyists. By 1998, 128 former members of Congress were listed as lobbyists—12% of all senators and representatives who had left office since 1970. As an example of what is at stake, the firm to which former senator (Rep-KS) and presidential candidate Robert Dole belonged earned \$19 million in lobbying fees in 1997.¹¹

In the food industry, job exchanges between lobbyists and the USDA are especially common because as many as 500 agency heads and staff are political appointees chosen on the basis of party affiliation and support. Some examples are especially striking. In 1971, USDA Secretary Clifford Hardin traded places with Earl Butz, who was then director of Ralston Purina; Mr. Butz became Secretary of Agriculture, and Mr. Hardin went to Ralston Purina. The chief USDA negotiator who arranged for private companies to sell grain to the Soviet Union in 1972 resigned to work for the very company that gained the most from the transaction. A report in 1974 listed numerous assistant secretaries, administrators, and advisors who had joined USDA from positions with meat, grain, and marketing firms or, on the other hand, had left the agency to take positions with food producers.¹² Later, in the early 1990s, the appointment of a former president of the National Cattlemen's Association, JoAnn Smith, as chief of the USDA's Food Marketing and Inspection Division, raised questions about two of her decisions that seemed to favor the interests of meat producers over those of consumers: she approved the euphemistic designation "fat-reduced beef" for bits of meat that had been processed from otherwise unusable slaughtering by-products, and she opposed an American Heart Association proposal to put a seal of approval on certain meat products that were low in fat, an action that might suggest that low-fat meats were more healthful.¹³ The changing administration in 2001 continued this tradition. The new Secretary of Agriculture, Ann Veneman, appointed a lobbyist for the National Cattlemen's Beef Association as her chief of staff, while the former secretary Dan Glickman, went to work for a law firm that lobbies for agriculture and food companies.¹⁴

Similar exchanges apply to the Food and Drug Administration (FDA). In the mid-1990s, Dr. John Hathcock, a senior researcher at FDA and an expert on nutritional toxicology, accepted a high-level position with the Council for Responsible Nutrition, a leading trade association for the dietary supplement industry. In 1999 Dr. Fred Shank, former director of the agency's Center for Food Safety and Applied Nutrition, became director of government relations at the Institute of Food Technology, a trade organization for academic and professional developers of food products

and ingredients. Also in 1999 Dr. Morris Potter left his FDA position as director of the Food Safety Initiative to work for the International Life Science Institute, an organization that represents concerns and interests of the food industry. In 2000 Joseph Betz, an FDA expert on the pharmacological properties of plants, joined the American Herbal Products Association, thereby ensuring that this organization would “continue to play a leadership role in addressing the unique challenges confronting botanical products.”¹⁵

When officials of regulatory agencies go to work for industry, they are almost certain to be paid better than they were in their government jobs, and they contribute to industry the valuable expertise that they acquired at the expense of taxpayers. The practice of recruiting industry executives to government work raises questions of conflict of interest, even when they accept lower salaries to do so, because it is difficult to imagine that they can make decisions without keeping their former employer’s interests in mind. Revolving-door issues are not always easy to categorize, however, as is perhaps best illustrated by the career of Michael Taylor.

Mr. Taylor is a lawyer who began his revolving-door adventures as counsel to FDA. He then moved to King & Spalding, a private-sector law firm representing Monsanto, a leading agricultural biotechnology company. In 1991 he returned to the FDA as Deputy Commissioner for Policy, where he was part of the team that issued the agency’s decidedly industry-friendly policy on food biotechnology and that approved the use of Monsanto’s genetically engineered growth hormone in dairy cows. His questionable role in these decisions led to an investigation by the federal General Accounting Office, which eventually exonerated him of all conflict-of-interest charges.¹⁶ In 1994 Mr. Taylor moved to USDA to become administrator of its Food Safety and Inspection Service. In this position, he became the *hero* of food-safety activists for his courageous development of the agency’s groundbreaking policies for controlling dangerous microbial contaminants in meat and poultry. After another stint in private legal practice with King & Spalding, Mr. Taylor again joined Monsanto as Vice President for Public Policy in 1998. He resigned that position late in 1999 during the height of public controversy over Monsanto’s aggressive promotion of its genetically engineered foods. At the time of this writing, he had returned to the private sector, this time to Resources for the Future, a nonprofit think tank on environmental and natural resource issues in Washington, DC.

This example illustrates the dilemma posed by revolving-door issues. Although former government officials provide expertise useful to food

companies, it is also true that former food company employees provide expertise that can help government agencies do a better job of regulation. Mr. Taylor's career demonstrates that the revolving door does not *always* favor industry, even though it invariably gives the appearance of doing so.

Funding Elected Officials

Less ambiguous is the role of money in interactions between lobbyists and government officials. One of the most unsettling ways in which lobbyists exert influence over federal decisions is by spending money and, insofar as can be determined, lots of it. Despite reporting requirements, it is difficult to find out precisely how much money lobbyists spend on federal officials. A great deal of lobbying takes place in unreportable gray areas of social transaction, such as dinner parties, receptions, meetings, golf games, birthday parties, and weddings. The Center for Responsive Politics estimates that food and agriculture lobbyists spent \$52 million in 1998 on issues other than tobacco (on which they spent another \$67 million). For example, lobbyists for the Grocery Manufacturers of America reported spending more than \$1.4 million, the National Cattlemen's Beef Association \$400,000, the National Pork Producers Council \$200,000, Kraft General Foods \$120,000, and the Cheese Importers Association \$20,000 in 1998.⁴ These are reported amounts, required by law to be revealed. Donations are conveniently classified into two categories of money: "hard" and "soft."

Giving "Hard" Money (PACs) Like other industries, food companies disburse most funds to individual members of Congress through Political Action Committees (PACs). PACs began in the early 1940s when Congress prohibited labor unions from contributing to political campaigns; the unions got around this restriction by collecting *voluntary* contributions from members to support the reelection of President Franklin D. Roosevelt. In 1974, soon after the scandals of Watergate, amendments to the Federal Election Campaign Act authorized formation of PACs by unions, corporations, and other groups for the purpose of collecting and allocating voluntary campaign contributions. These funds are governed by legislation and for this reason are known as "hard"—legally sanctioned—money. Although the law limited the amount of money any one *individual* could contribute to federal candidates to \$1,000 each for each election, it permitted PACs to donate up to \$5,000 to each candidate. Because the act did not restrict either the number of candidates to whom

contributions could be made or the number of PACs to which any one donor could contribute, individuals could contribute quite large amounts of money. Within just one year, 608 PACs formed and contributed \$12.5 million to the 1974–1975 election campaigns. The number of PACs grew rapidly. In 1982, 3,400 PACs contributed \$83 million, and in 1990, 4,700 PACs contributed more than \$370 million. Late in 2002, Congress passed new campaign finance laws to increase the amounts individuals and committees could give to federal candidates.¹⁷

Most PACs represent businesses, but in the greater scheme of Washington lobbying, relatively few represent food and agriculture interests. A survey in 1978 identified 82 such PACs, 46 of them representing producer groups.¹⁰ Data from the Center for Responsive Politics indicate that 211 agribusiness PACs contributed \$4.3 million to federal candidates in the 1999–2000 election cycle. For example, the American Meat Institute PAC contributed \$56,500, PepsiCo \$66,825, ConAgra \$86,750, and the Food Marketing Institute \$133,308 to various candidates. Agribusiness PAC money is remarkable for its unequal distribution among Democrats and Republicans; \$1.5 million went to Democrats but \$2.8 million to Republicans in that cycle. Although some types of PACs contribute almost equally to Democratic and Republican candidates, most do not. Republican candidates received nearly 64% of the funds from egg and poultry PACs, 78% from livestock producers, and 84% from food processors, which suggests that PAC money preferentially goes to candidates most likely to favor particular corporate interests.⁴

PAC funds also go to where they seem most likely to benefit the donors. Not surprisingly, agribusiness contributions go preferentially to members of House and Senate Agriculture Committees. From 1987 to 1996, 18 of the 25 leading Senate recipients of contributions from meat and poultry processor PACs—and 17 of the 25 leading House recipients—were members of agriculture committees, as were about half of the top 25 recipients of contributions from grocery distributors, wholesalers, and retailers.¹⁸ As just one example, Table 12 provides a partial listing of food and agriculture PACs that made contributions to Richard Lugar (Rep-IN) in 1997–1998 when he chaired the Senate Committee on Agriculture, Nutrition, and Forestry. Mr. Lugar received \$316,300 in total PAC contributions, of which 36% came from food and agriculture groups, most of them corporate. Among the few noncorporate exceptions were the American Dietetic Association, which represents nutritionists who hold credentials as Registered Dietitians (\$1,000), and the American School Food Service Association, whose members work in school

cafeterias that provide federally supported meals to low-income children (\$750).⁴ In general, PACs that represent consumer, health, or public-interest groups are very much in the minority.

Most of Mr. Lugar's PAC contributions amounted to \$1,000 or \$2,000 and ranged from \$250 (National Confectioners Association) to \$5,000 (Archer Daniels Midland)—amounts too small to seem likely to influence anyone, especially compared to the annual income and advertising budgets of food corporations (refer to Table 1). The contributions can add up to substantial amounts, however. In 1997–1998, for example, the ranking minority member of the House Committee on Agriculture, Charles Stenholm (Dem-TX), received \$862,000 in PAC contributions—all, as required by law, in amounts no greater than \$5,000; to this total, 133 food and agriculture PACs contributed \$330,000 (38%).⁴

Because it is not certain whether PAC money goes to candidates who already share corporate interests or to candidates who change their opinions in response to the contributions, observers differ on whether PAC contributions “buy” influence. Some believe the power of PACs to be vastly overrated, whereas others view PACs as an insidious system that makes legislators “more beholden to the economic interests of their committee constituents than to the interests of their district residents or to the President or party.”¹⁹

Although research on the effects of PACs does not prove that they buy influence, it certainly suggests a strong correlation between contributions and desired outcomes. About 95% of the funds from agricultural PACs go to incumbents. Thus PAC money follows voting records and reinforces them. In the 1980s, researchers demonstrated that members of the House of Representatives who received PAC funds from dairy industry groups were almost twice as likely to vote for dairy price supports as those who did not. Legislators who favored price supports received 2.5 times more PAC funds than those in opposition, and the more money the members received from dairy PACs, the more likely they were to back price-support legislation.²⁰ More recently, a study of the connection between PAC contributions and congressional votes on sugar subsidies indicated that the largest contributions from sugar PACs had gone to members who voted for the subsidies and that the larger the PAC contribution, the more likely the members were to support industry positions. Month-by-month analyses of the history of legislation on sugar and peanut subsidies demonstrate an increase in contributions to both parties just prior to votes. Because PACs give more money to legislators who are more likely to vote for their interests, researchers conclude that PAC

TABLE 12. A partial list of food and agriculture political action committee (PAC) contributors to Senator Richard G. Lugar (Rep-IN), chair of the Committee on Agriculture, Nutrition, and Forestry, 1997–1998⁴

Agricultural Retailers Association	Nabisco Brands
Agri-Mark	National Broiler Council
American Dietetic Association	National Cattlemen's Beef Association
American Feed Industry Association	National Confectioners Association
American Frozen Food Institute	National Food Processors Association
American Meat Institute	National Grain and Feed Association
American Peanut Shellers Association	National Pork Producers Council
American School Food Service Association	National Restaurant Association
American Sheep Industry Association	National Turkey Federation
Archer Daniels Midland Co.	Nestlé, USA
Central Soya Co.	Novartis Corporation
ConAgra	PepsiCo
Farmers' Rice Cooperative	Snack Foods Association
Florida Citrus Mutual	Sunkist Growers
Food Marketing Institute	United Egg Association
Grocery Manufacturers of America	United Fresh Fruit & Vegetable Association
International Dairy Foods Association	Western Pistachio Association
Kraft Foods	
Milk Marketing	
Monsanto	

contributions do have a significant effect on voting decisions.²¹ Given the costs of election campaigns, the lack of public funding for them, and the resistance of Congress to reform campaign finance laws, it is no mystery why legislators might not want to make decisions that displease PAC contributors.

Giving to National Committees (“Soft” Money) Provisions of the Election Campaign Act apply to *federal* elections; they do not limit the amounts of money that can be contributed to state or national political organizations. This loophole allows for contributions of “soft” money for administrative and other expenses involved in supporting issues that political parties and candidates might favor. This money supports elections indirectly, can come from any source, is unrestricted in amount, and does not need to be disclosed.²² Unlike PAC funds, soft-money donations can be substantial; in 1991, for example, several food and agriculture corporations made \$100,000 contributions to the Republican Party, and in the 1997–1998 election cycle, agribusiness corporations made soft-money donations of \$1.3 million to Democrats and \$1.4 million to

Republicans. As just one example, the Flo-Sun Sugar Company and its subsidiaries made 21 donations of amounts ranging from \$2,500 to \$25,000 to congressional campaign committees in 1997–1999, for a total of \$202,500 to Democrats and \$147,500 to Republicans.¹⁷

Flo-Sun is unusual in distributing more money to Democrats than to Republicans—and to good effect, as I shall soon explain. As I mentioned earlier, most food corporations favor Republicans because members of this party are more likely than Democrats to protect and promote business interests. Dole Food, for example, gave \$15,000 in soft money to Democratic committees in 1998 but gave \$382,000 to Republican committees. In 1997–1999, food retailers gave nearly \$1.1 million to Democrats but more than \$3.8 million to Republicans—for example, Coca-Cola (Democrats \$215,500 versus Republicans \$394,000), the American Meat Institute (\$4,000 versus \$142,000), and the Grocery Manufacturers of America (\$30,000 versus \$290,000). The tangible rewards of such generosity will be evident throughout this book.

Giving Presents Election laws have long permitted lobbyists to give members of Congress small gifts such as lunches, books, awards, liquor, samples, and theater tickets. The lobbying reform law that went into effect in 1996 was designed to limit the value of such gifts. It prohibited House members from accepting all but the smallest gifts from lobbyists and firmly excluded meals and entertainment; it allowed Senate members to accept individual gifts worth no more than \$50 each and totaling no more than \$100 during any one year. As might be expected, this law caused much consternation in Congress over how members might continue business as usual while adhering to the letter—if not to the spirit—of the law.

That lobbyists might be paying for legislators' vacations particularly attracts scrutiny. Under the terms of pre-1996 ethics rules, members of Congress could take trips and accept speaking fees paid for by lobbyists. An analysis of the travel practices of members of the House of Representatives in 1989–1990, for example, found that collectively they had taken nearly 4,000 sponsored trips, two-thirds of them courtesy of corporations or trade associations; they also had accepted more than \$500,000 in honoraria. Agriculture interest groups sponsored 390 trips, 239 of them taken by members of agriculture or appropriations committees. Charles Stenholm (Dem-TX), a senior member of the House Agriculture Committee, for example, had taken 50 trips, 37 of them sponsored by agricultural lobbying groups, and had earned \$38,250 in honoraria for these efforts.²³

The 1996 law attempted to bar elected officials and their staff from accepting vacations paid for by special-interest groups, but loopholes remained: members of Congress could take trips paid for by corporate lobbyists if the event was sponsored by a political party, was a fact-finding mission, or was a conference at which the member was an invited speaker. In 1996–1997, 87 senators, 356 representatives, and 2,020 of their staff employees took paid trips worth about \$8.6 million. The leading recipient of trips paid for by the meat industry, for example, had gone on 26 of them worth \$18,550.¹⁸ Two agriculture concerns—the Florida Sugar Cane League and the Sugar Cane Growers Cooperative of Florida—were ranked 9th (44 trips) and 11th (39 trips), respectively, among the 20 leading sponsors of congressional travel that year.²⁴

BUYING ACCESS AND INFLUENCE

Do campaign contributions, trips, and presents buy corporate influence over government decisions? Much evidence suggests that they do, and in proportion to the amounts spent.²⁵ Here, I present just two especially intriguing examples that involve food companies.

Fighting the Banana Wars

Bananas are the most popular fruit among Americans; per capita consumption is about 75 annually, and nearly all are imported from Central America by Chiquita Brands International. This company, formerly known as United Fruit, has dominated global trade in bananas for a century and has an exceptionally rich history of influence over the U.S. government.²⁶ The head of Chiquita Brands, Carl H. Lindner, gives generously to both political parties. In 1998, he gave \$176,000 in soft money to Democrats and \$360,000 to Republicans, ranking him fourth on the *Mother Jones* list of the top 400 political contributors that year.²⁷ In 1999–2000, his contribution of \$500,000 placed him second among the leading donors of soft money to Republicans, but he also gave \$250,000 to Democrats. He contributed both donations through the American Financial Group, an insurance business. All told, Mr. Lindner's enterprises were worth at least \$14 billion at the turn of the twenty-first century.⁴

In the late 1990s, Chiquita Brands encountered a problem with the European Union (EU). In an effort to strengthen the economies of former colonies, the EU had imposed limits on imports of bananas from everywhere else, a policy that Chiquita Brands believed was responsible for

some of its financial difficulties. In response to pressure from Chiquita's sympathetic allies in Congress, the U.S. trade representative filed a formal complaint with the World Trade Organization (WTO), arguing that quotas on bananas violated international trade agreements. When, in retaliation, the United States imposed high tariffs on certain European luxury goods, the WTO supported that action and ordered the EU to comply with trade accords.

The methods through which Chiquita Brands achieved this remarkable victory have been described by investigative reporters for *Time* magazine who "followed the money" and documented how "\$5.5 million in campaign contributions . . . bought Chiquita access in Washington" and got the Clinton administration to "mount a global trade war on Lindner's behalf."²⁸ The reporters noted that the government's decision to wage a trade war over bananas differed significantly from its handling of issues related to other agricultural products and was especially noteworthy because Chiquita *already* controlled 20% of the European banana market, even with the trade restrictions. They considered the unusual intervention an attempt to strengthen the WTO's ability to negotiate international trade disputes. Alternatively, it seemed possible that the White House was engaging in a collegial effort to help the company compensate for having lost \$350 million in income from 1999 to 2000 and more than \$1.3 billion since the EU imposed the quotas. Late in 2000, the EU offered to drop the colonial preference and establish import quotas, but Chiquita rejected that proposal, blamed the Clinton administration for the company's financial difficulties, threatened bankruptcy, and sued the EU for \$525 million. Soon after the Republican administration of George W. Bush took office in 2001, its trade negotiators pushed the Europeans to make concessions to Chiquita, saving it from threatened bankruptcy and, for the moment, ending a nine-year conflict—the latest episode in the company's long history of success in influencing the U.S. government to solve its problems.²⁹

Getting Sweet Attention

A second example concerns sugar, a top-of-the-Pyramid food that provides calories but no other nutrients. As explained in Part I, government dietary guidelines suggest moderation (meaning limits) in sugar consumption. Nevertheless, for more than 200 years, the United States has controlled the price of sugar, at first to raise revenue but later to protect

the economic interests of domestic producers. For this commodity, the relationship between agricultural policy and health is unusually complex. As a result of an elaborate system of price-support programs and import tariffs and quotas codified during the Depression and the early years of World War II, Americans pay artificially high prices for sugar, a practice that cost consumers \$1.9 billion in 1998. Since 1985 the price of a pound of raw sugar has ranged from 8 to 14 cents higher in U.S. markets than in world markets, and by the time sugar is sold at retail prices, this difference doubles.³⁰

From a nutritional standpoint, higher sugar prices might be a useful disincentive to consuming soft drinks, desserts, and candy, but from a financial standpoint, the policy is highly undesirable. Besides the harm it causes consumers, the windfall benefits a surprisingly small number of sugar producers. In 1991, for example, 1,700 farms raised sugarcane and 13,700 raised sugar beets in the United States, but 42% of the sugar subsidies went to just 1% of these growers.³¹ The owners of these few farms give generously to both political parties. The Fanjul family, for example, controls about one-third of Florida's sugarcane production and collects at least \$60 million annually in subsidies. The Fanjuls contributed more than \$350,000 to the two political parties—more to Democrats than to Republicans—through their Flo-Sun companies in 1997–1998. In 2000, Alfonso Fanjul hosted a dinner attended by President Bill Clinton that raised more than a million dollars for the Florida Democratic party.³²

Sugarcane production is concentrated in two Southern states, Florida and Louisiana, where working conditions of migrant canefield workers from Caribbean countries have raised human-rights concerns.³³ Environmentalists view the Florida canefields as blocking the free flow of water into the Everglades. Sugarcane companies, in particular those owned by the Fanjul family, have successfully resisted attempts to mandate improvements in working conditions or the return of canefields to marshland in order to protect the Everglades. The same investigative reporters for *Time* magazine who were mentioned in connection with the banana wars also described how the Fanjuls used their political connections to avoid having to pay for cleaning up the Everglades. Even if their account misrepresented the family's actions (as one critical response has claimed), the Fanjuls indisputably have unusual access to the highest levels of government.³⁴

The most stunning example of such access is documented in, of all unexpected places, the *Starr Report*—the 1998 account by Independent Counsel Kenneth Starr of the relationship of President Clinton with a

young White House intern, Monica Lewinsky. According to Mr. Starr, on the afternoon of the President's Day holiday, Monday, February 19, 1996,

The President told her [Ms. Lewinsky] that he no longer felt right about their intimate relationship, and he had to put a stop to it . . . At one point during their conversation, the President had a call from a sugar grower in Florida whose name, according to Ms. Lewinsky, was something like "Fanuli." In Ms. Lewinsky's recollection, the President may have taken or returned the call just as she was leaving . . . the President talked with Alfonso Fanjul of Palm Beach, Florida, from 12:42 to 1:04 p.m. The Fanjuls are prominent sugar growers in Florida.³⁵

Reportedly, Mr. Fanjul had called the President on a federal holiday because Vice President Gore had just announced a plan to tax Florida sugar growers. The proposed tax would help pay for federal efforts to restore parts of the Everglades that had been polluted by sugarcane runoff. Furthermore, the House was debating whether to phase out sugar subsidies. The *Time* reporters noted that the tax was never passed. Their account concluded, "That's access."

In these two instances, financial contributions bought access to government officials and resulted in policies favorable to donors. Given that level of connection, it is understandable that agency officials would not want to do battle over a matter so seemingly trivial as the use of the verb *moderate* rather than *limit* in guidelines about sugar consumption. The job of food lobbyists is to make sure that the government (1) does nothing to impede clients from selling more of their products and (2) does as much as possible to create a supportive sales environment. We have seen that they accomplish this goal most effectively through personal contacts established through the revolving door, as well as through financial contributions. In the next chapter, we will see how food companies engage food and nutrition professionals in marketing campaigns by encouraging them to emphasize the health benefits of products or to minimize potentially adverse effects.