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## **When a Foodie Meets an Economist**

Jayson L. Lusk

Regents Professor and Willard Sparks Endowed Chair

Oklahoma State University

Contributed presentation at the 60th AARES Annual Conference,  
Canberra, ACT, 2-5 February 2016

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# When a Foodie Meets an Economist

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WELCOME

TO *Fabulous*

LAS VEGAS

NEVADA

**What Happens In VEGAS, Stays In VEGAS**

**The Inside Story of the Food Industry,  
America's Obesity Crisis &  
What We Can Do About It**

"Fascinating  
[and]  
empowering."  
—SHAPE

# FOOD FIGHT

**KELLY D. BROWNELL, PH.D.**

Director of the Yale Center for Eating and Weight Disorders

— AND KATHERINE BATTLE HORGAN, PH.D. —

**“toxic food  
environment”**

*The*  
Omnivore's  
Dilemma

A NATURAL HISTORY *of* FOUR MEALS

MICHAEL POLLAN

*Author of*  
THE BOTANY OF DESIRE



**“Americans have  
a national eating  
disorder.”**



**“a holocaust of a  
different kind”**





### **Join the Pamela Anderson pledge:**

I want to eat better, feel better, and stop supporting cruelty to chickens, pigs, cows, fish, and other animals who are raised and killed for food. By signing my name, I pledge to explore veganism/vegetarianism for at least 30 days.



**“THE industrial production of animal products is nasty business. From mad cow, E. coli and salmonella to soil erosion, manure runoff and pink slime, factory farming is the epitome of a broken food system.”**

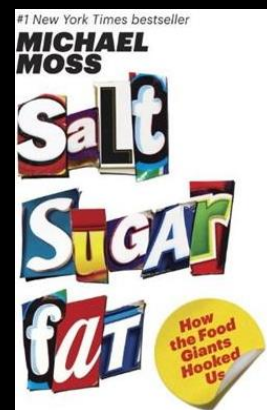
-James McWilliams, New York Times, 2012



**Food companies use salt, sugar, and fat as “weapons”**

**Food companies need to be held “accountable for the social costs that keep climbing”**

**“To diminish these cravings , they would have to pull back on their use of salt, sugar, and fat , perhaps by imposing industry-wide limits”**





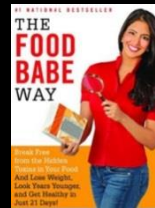
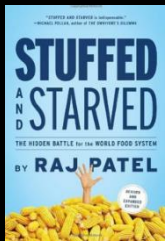
**THE JOURNEY OF A FOOD INTOLERANT  
AND AN INTOLERABLE FOODIE.**



**A Farmers' Market**

# The Problem

Too much sugar, too much meat, too much processed food, too many pesticides; we're too fat, spending too much on health care



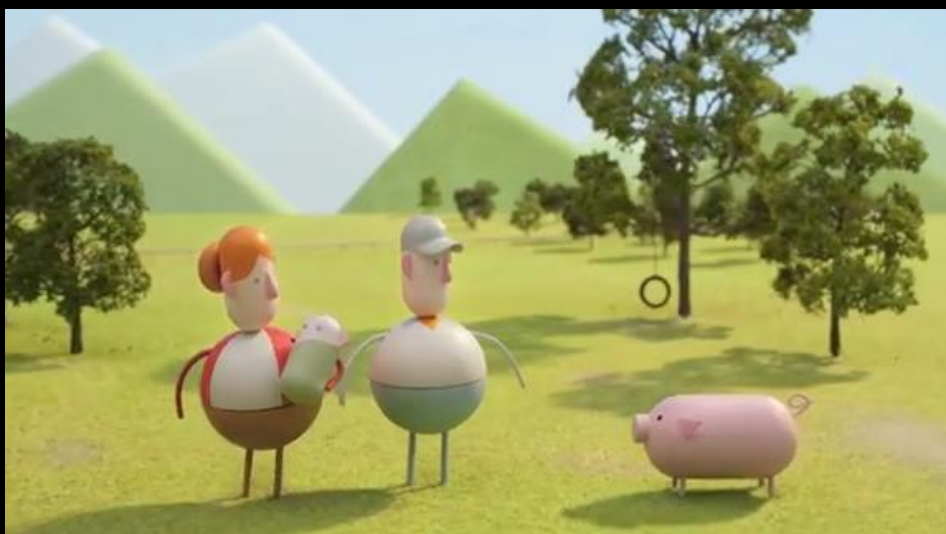
Agriculture  
too much  
too subsid

- “Hidden Battle”
- “Dark Side”
- “Took Over”
- “Hidden Toxins”
- “Secret Take Over”

# The Solution

**local, organic, slow, natural, unprocessed**

***A return to nature***

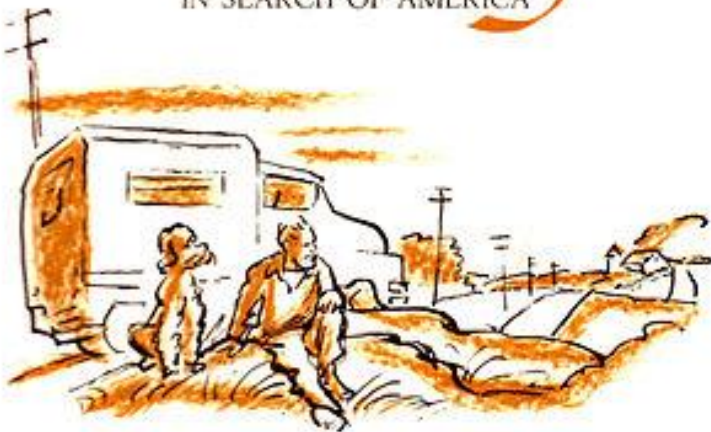


**Taxes, subsidies,  
regulation, social  
pressure**

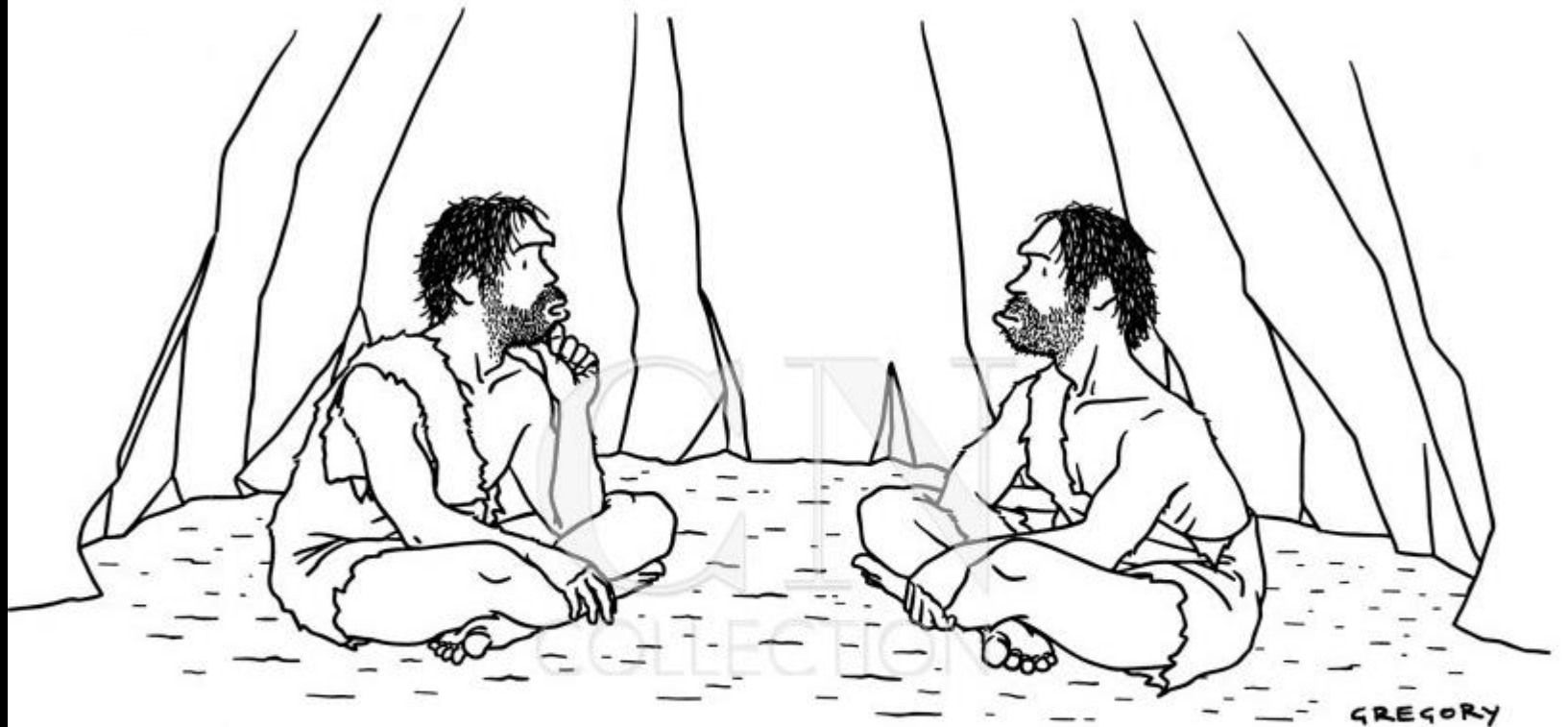


**STEINBECK**

*Travels  
with  
Charley*  
IN SEARCH OF AMERICA



**“Even while I protest  
the assembly-line  
production of our food,  
our songs, our  
language, and  
eventually our souls, I  
know that it was a rare  
home that baked good  
bread in the old days”**



*“Something’s just not right—our air is clean, our water is pure, we all get plenty of exercise, everything we eat is organic and free-range, and yet nobody lives past thirty.”*



**Pollan: corn is “too cheap” and we should “pay more, eat less”**

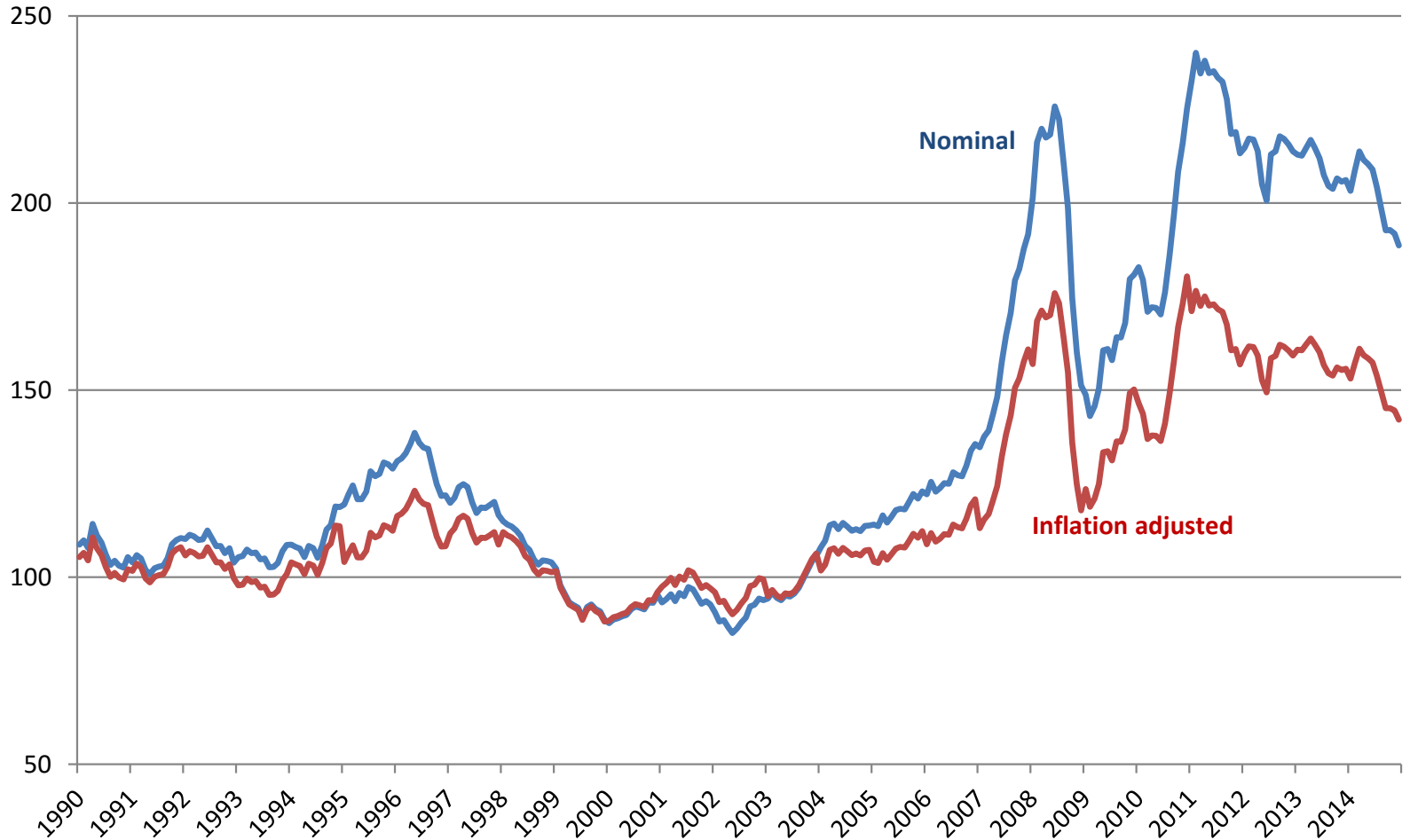
**Nestle: “food is too cheap in this country”**

**Bittman: “Prices for these foods are unjustifiably low”**

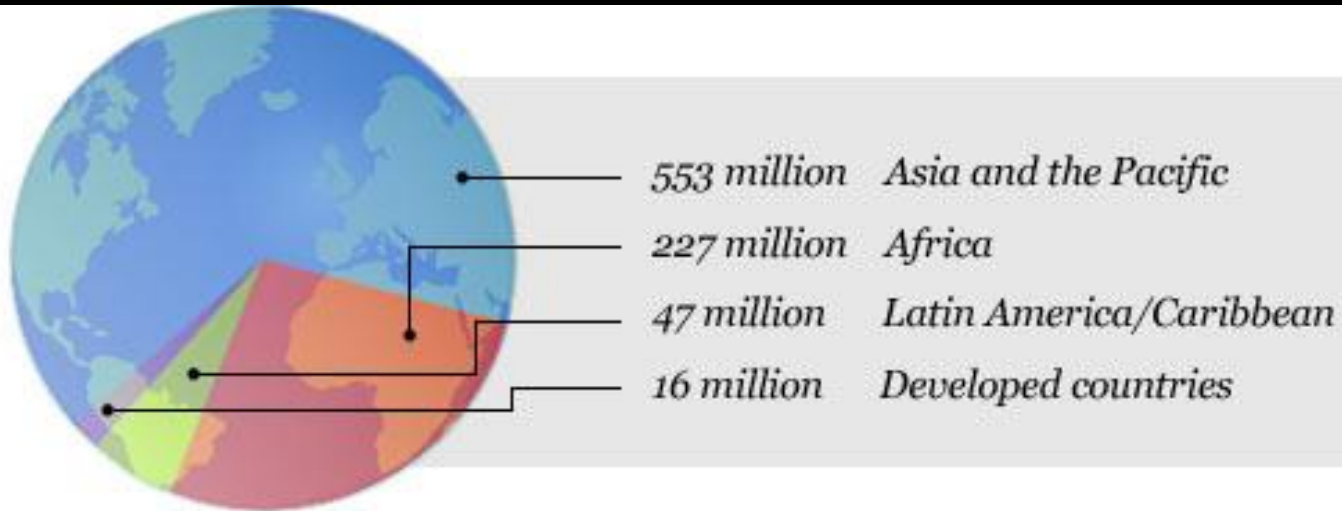
**Pew blog (May 2014): “Is food too cheap for our own good?”**

# World Food Prices 1990-present, UN FAO

2002-2004=100

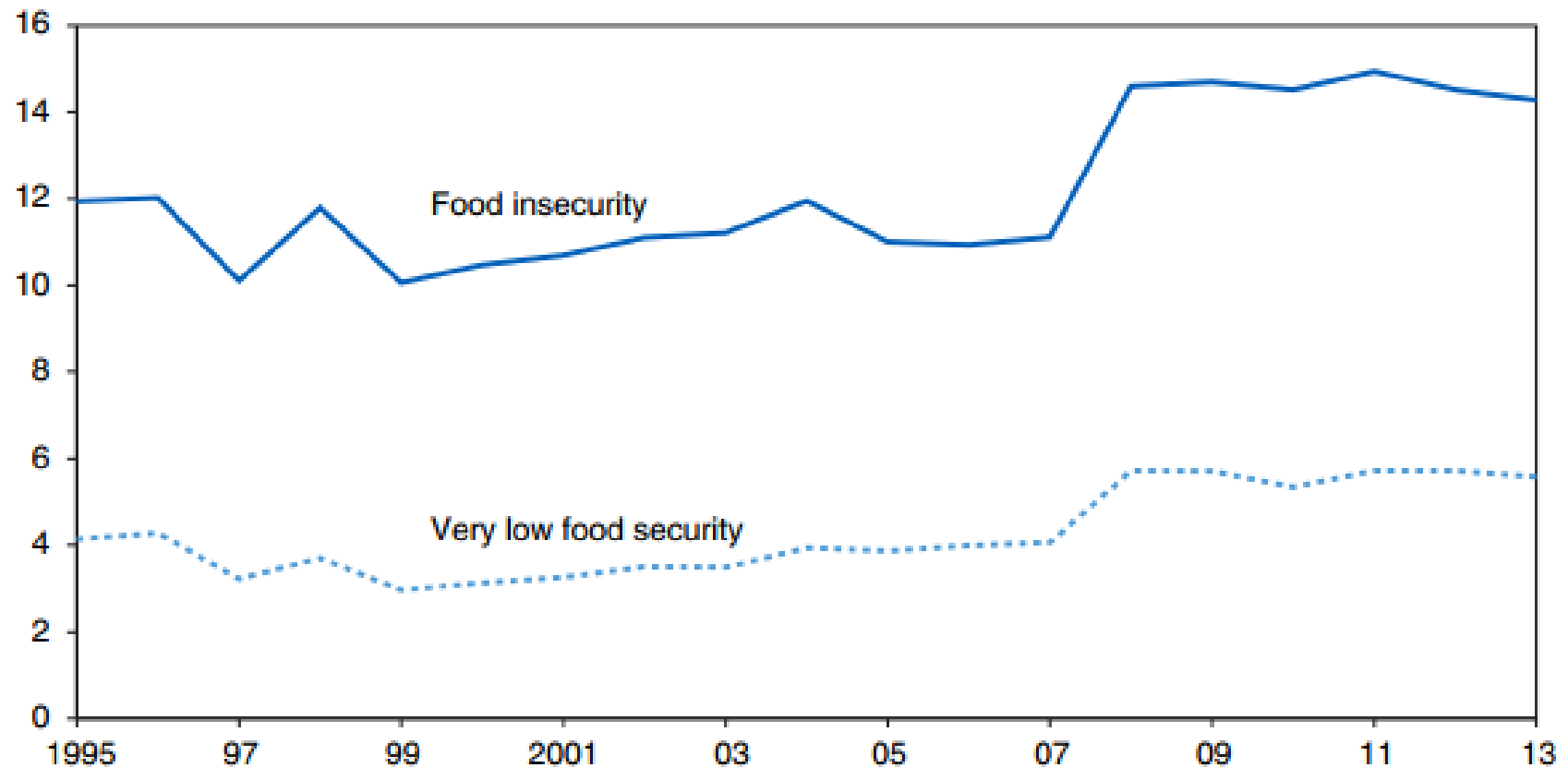


# 842 million hungry people in the world



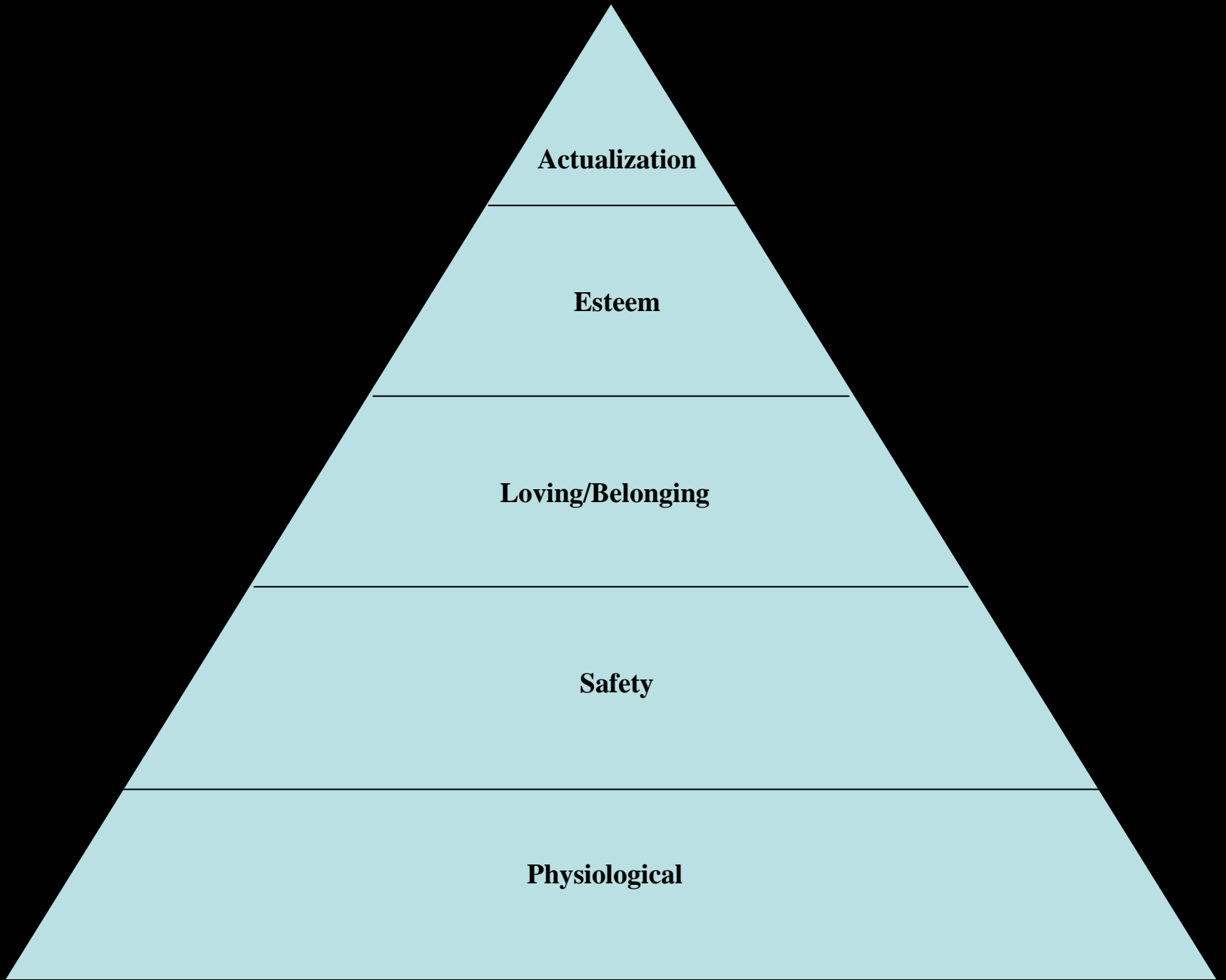
## Trends in the prevalence of food insecurity and very low food security in U.S. households, 1995-2013<sup>1</sup>

Percent of households



<sup>1</sup>Prevalence rates for 1996 and 1997 were adjusted for the estimated effects of differences in data collection screening protocols used in those years.

Source: Calculated by USDA, Economic Research Service based on Current Population Survey Food Security Supplement data.



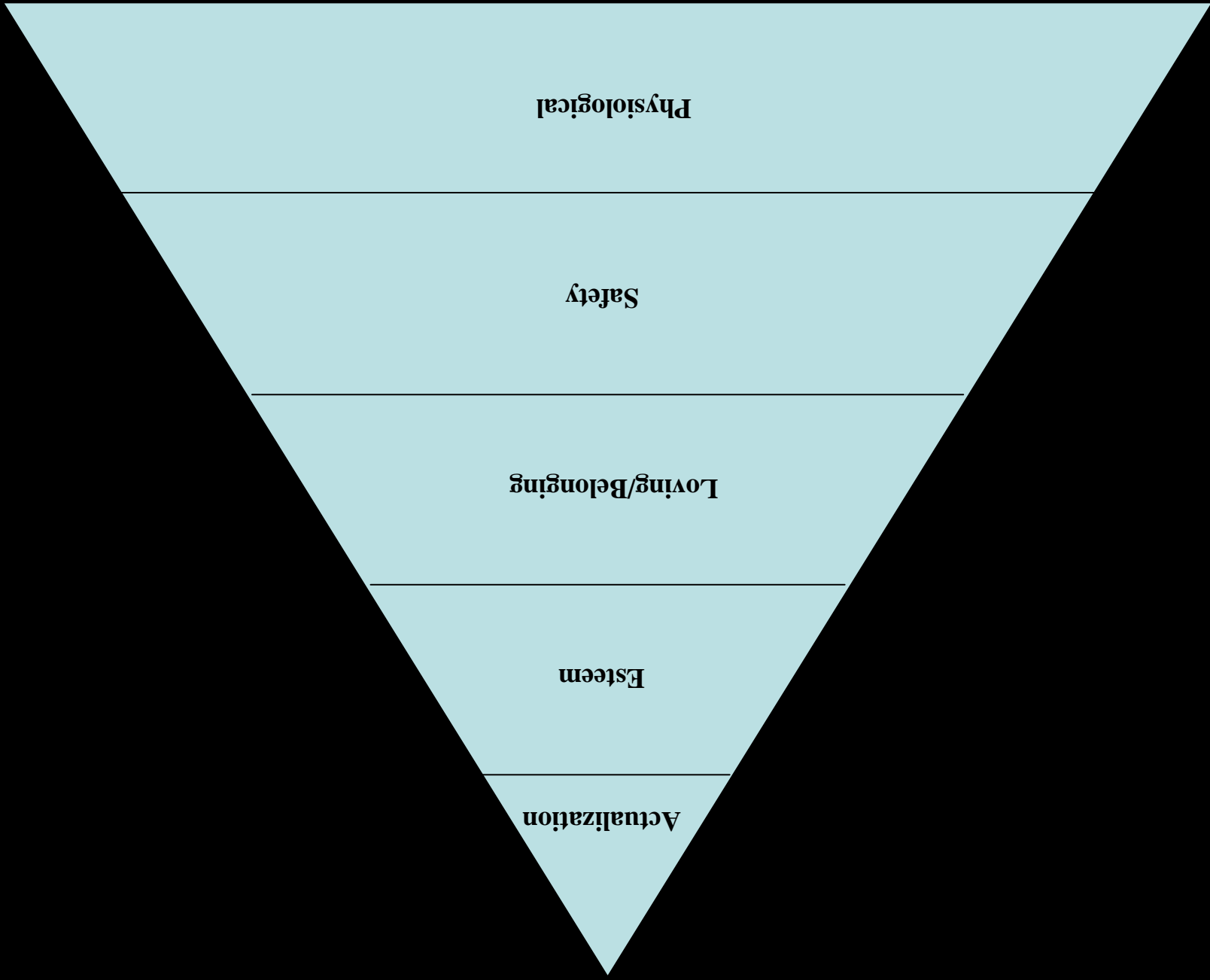
**Actualization**

**Esteem**

**Loving/Belonging**

**Safety**

**Physiological**



Physiological

Safety

Loving/Belonging

Esteem

Actualization

# Are local foods the solution to our health, environmental, and food security problems?

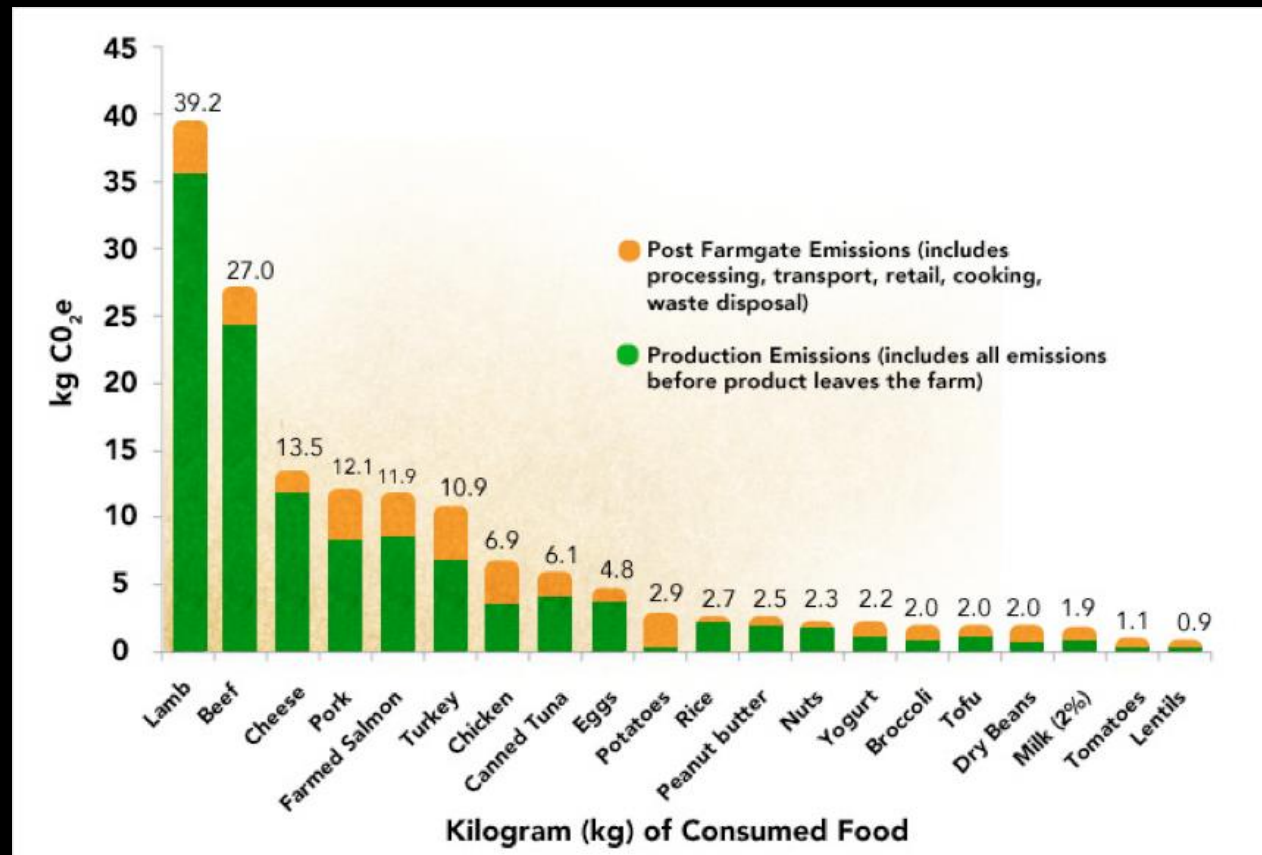


Pete Evans





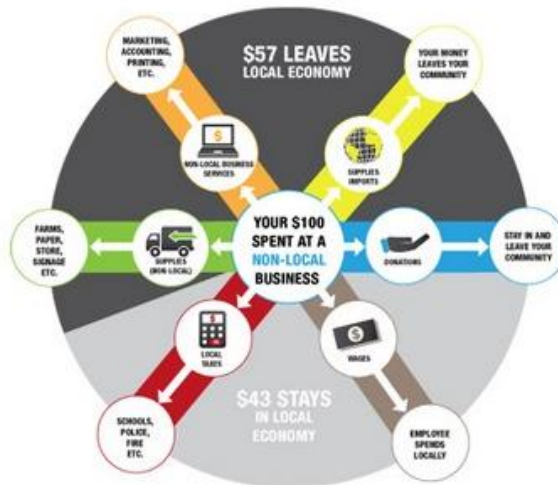
# Miles traveled is a poor indicator of environmental impact



~80% of global warming impacts happen on the farm



For every \$100 spent at a locally owned business, \$73 remains in the local economy, \$27 leaves.

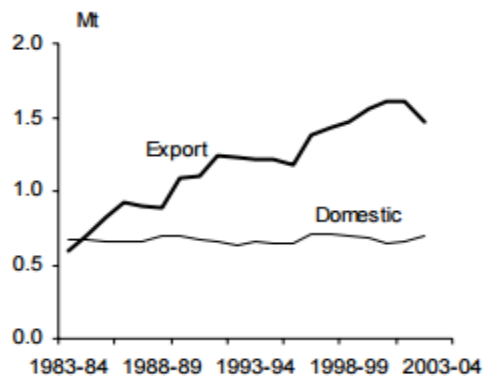


For every \$100 spent at a non-locally owned business, \$43 remains in the local economy, \$57 leaves.

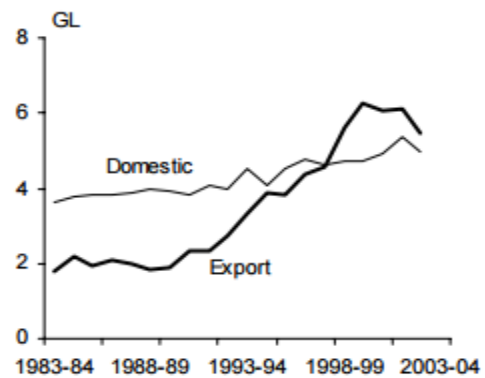
# The Columbian Exchange



### Beef



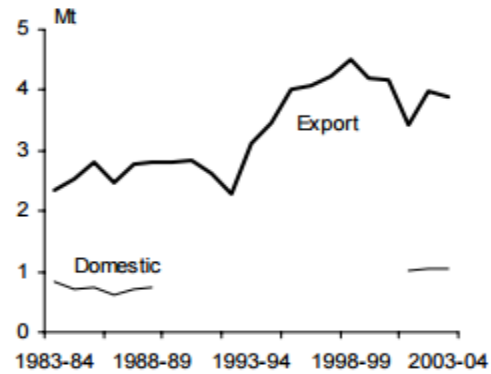
### Dairy



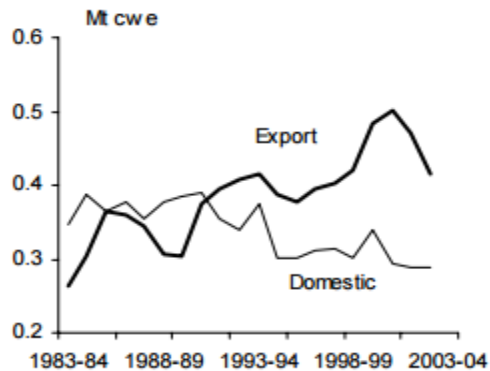
### Wheat



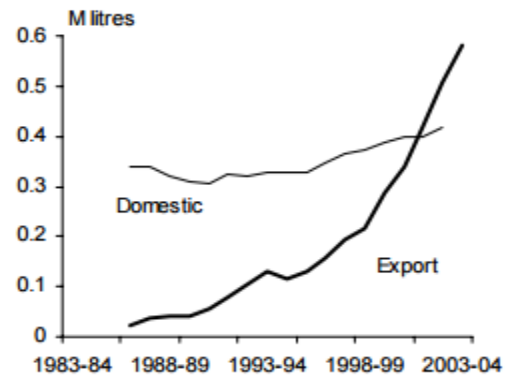
### Sugar



### Sheepmeat

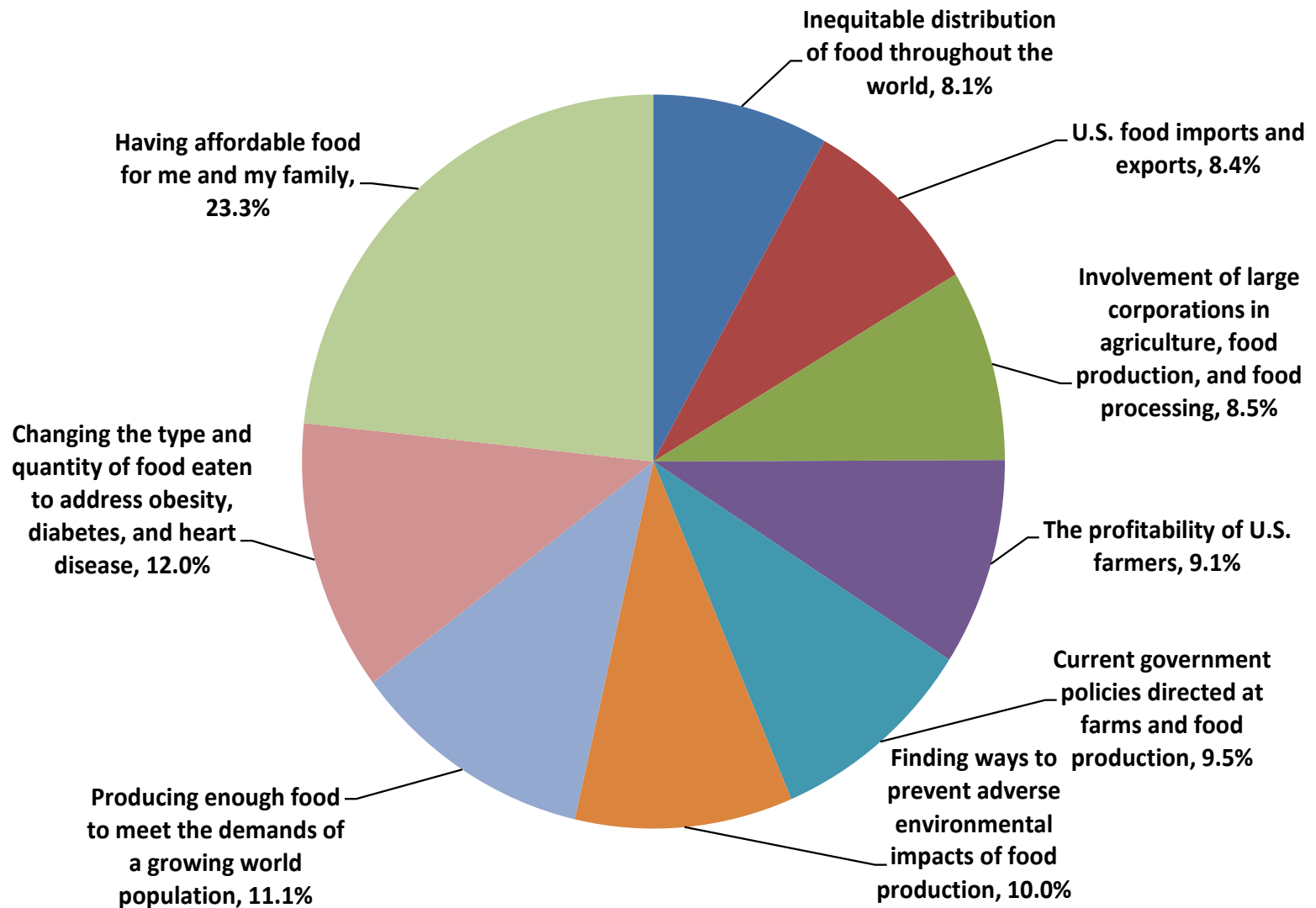


### Wine

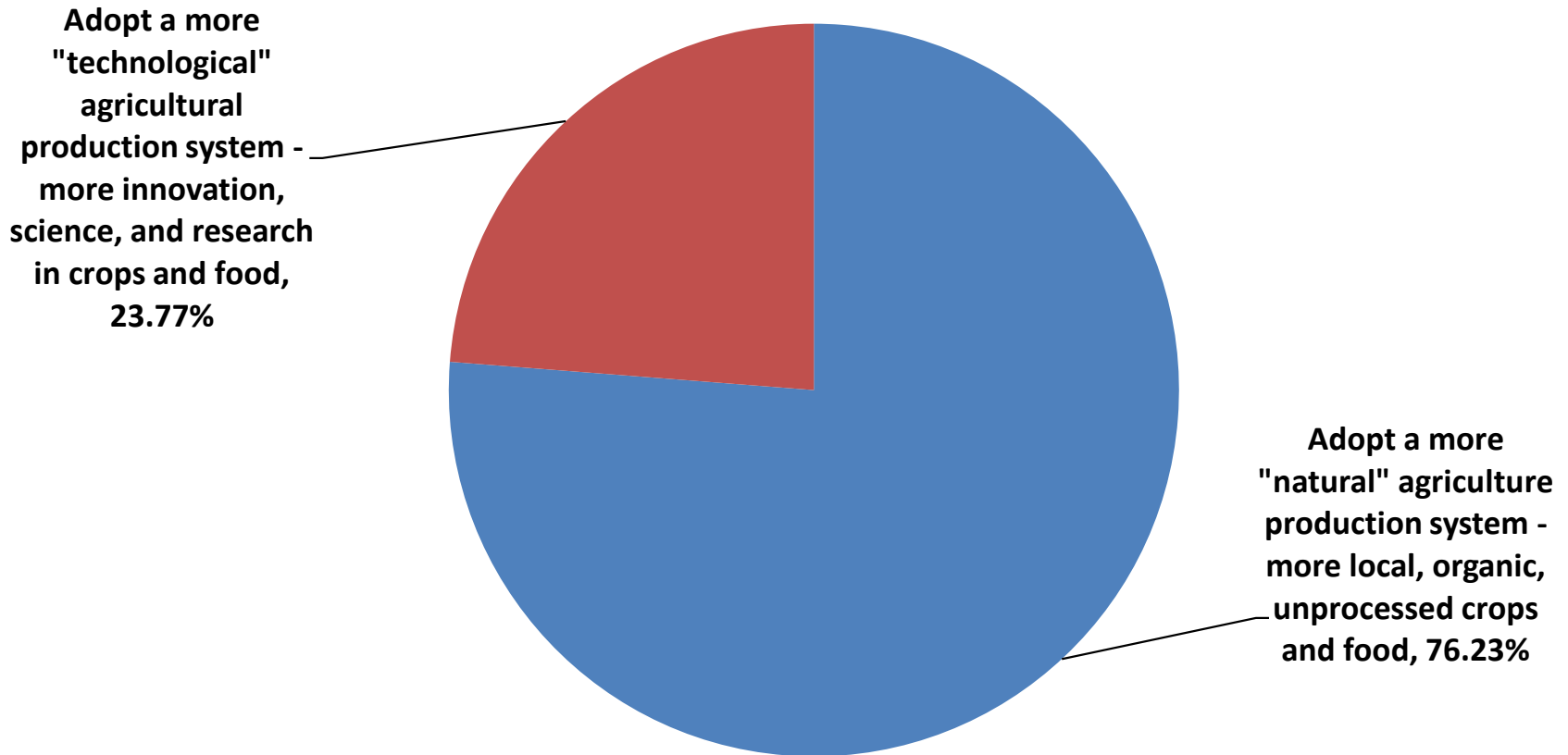


**What kind of food future will we  
have?**

# Thinking about the future, which of the following food and agriculture challenges are you most concerned about?



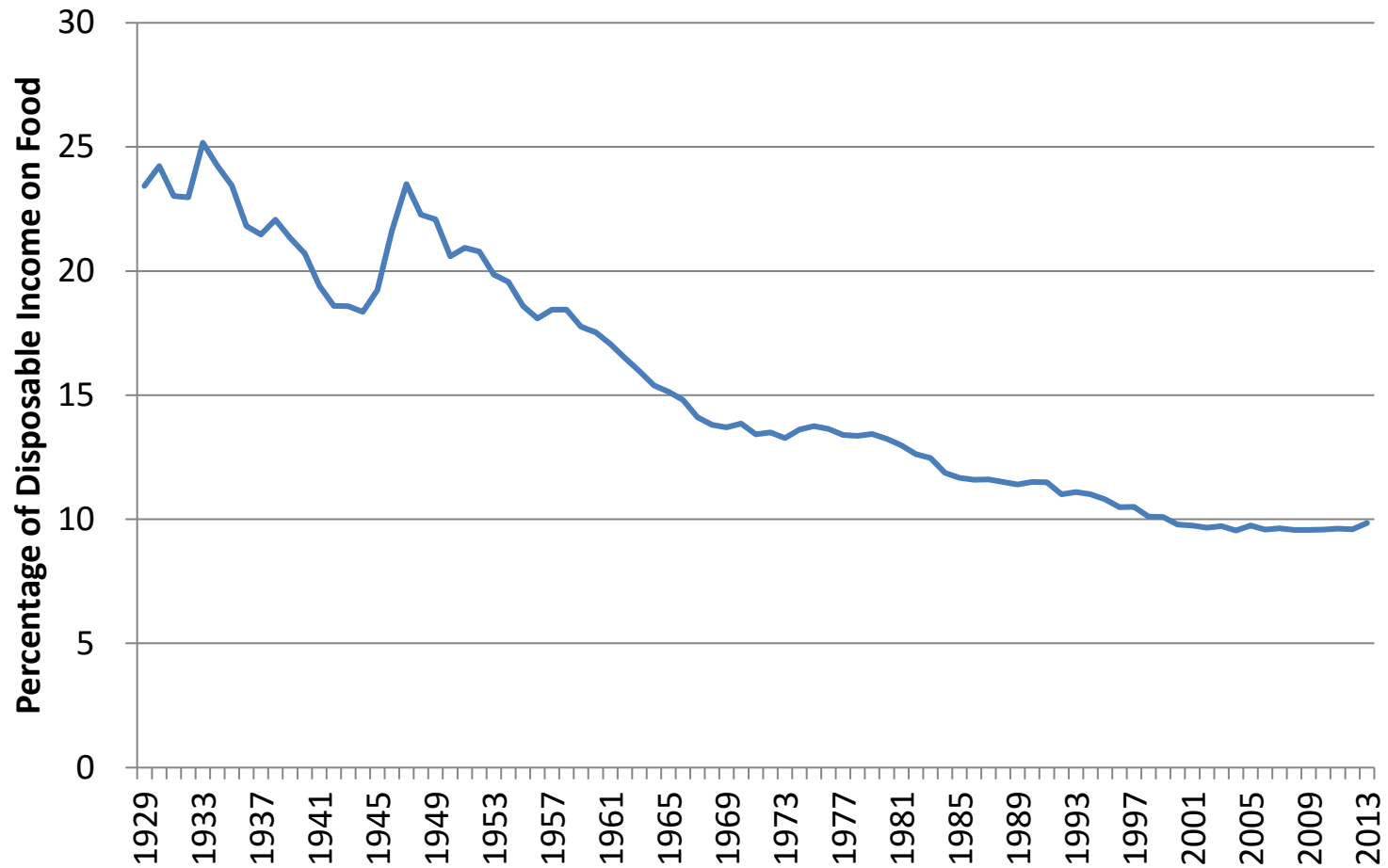
Which of the two following options do you believe would be most effective in addressing the challenges you thought were most concerning?





**40% less time in food preparation**  
**81% less time on meal clean-up**





**Today, less than 10% of disposable income spent on food**

# Annual income spent on food

(% OF HOUSEHOLD CONSUMPTIVE EXPENDITURES)

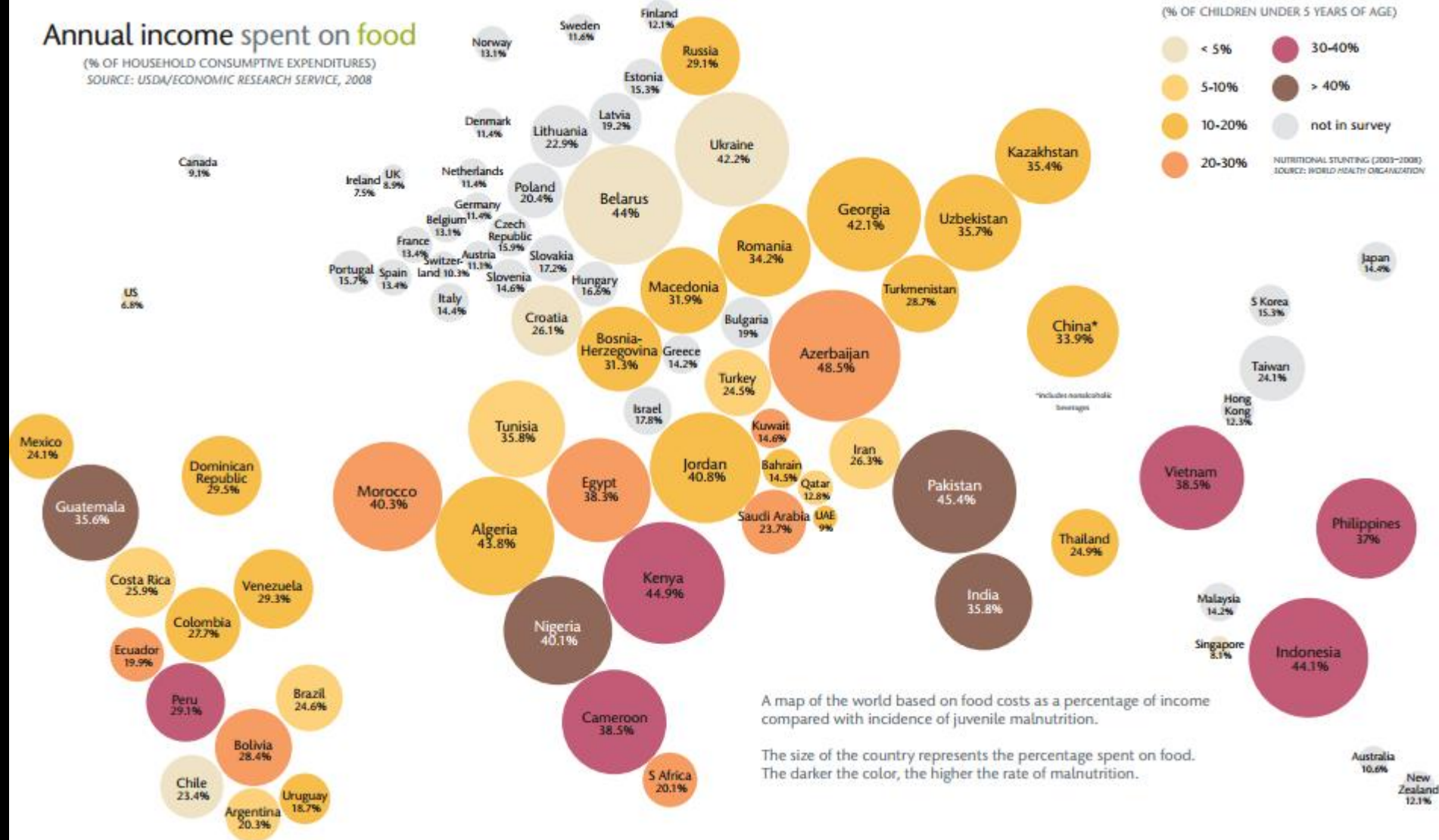
SOURCE: USDA/ECONOMIC RESEARCH SERVICE, 2008

## Malnutrition

(% OF CHILDREN UNDER 5 YEARS OF AGE)

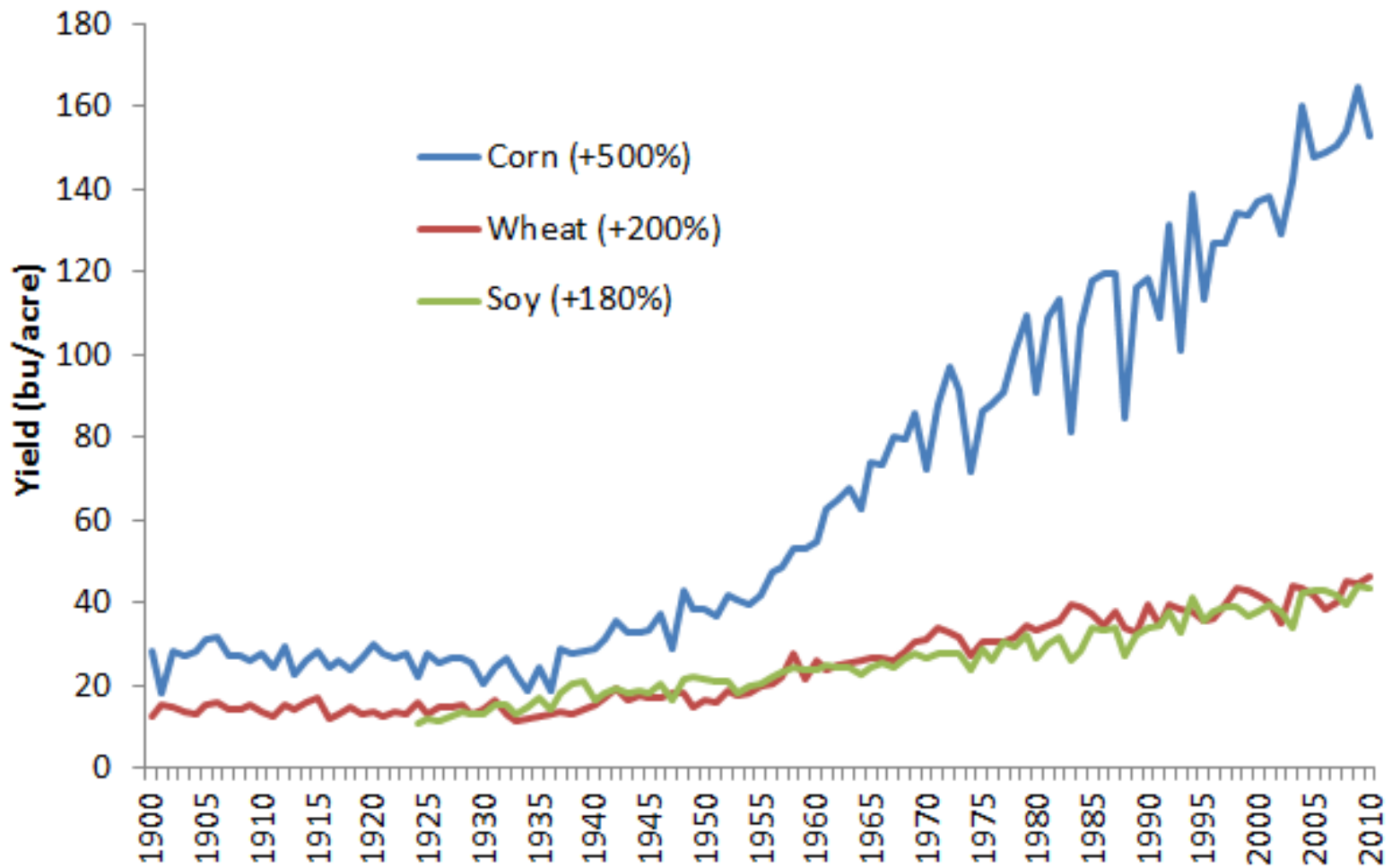


NUTRITIONAL STUNTING (2003-2008)  
SOURCE: WORLD HEALTH ORGANIZATION

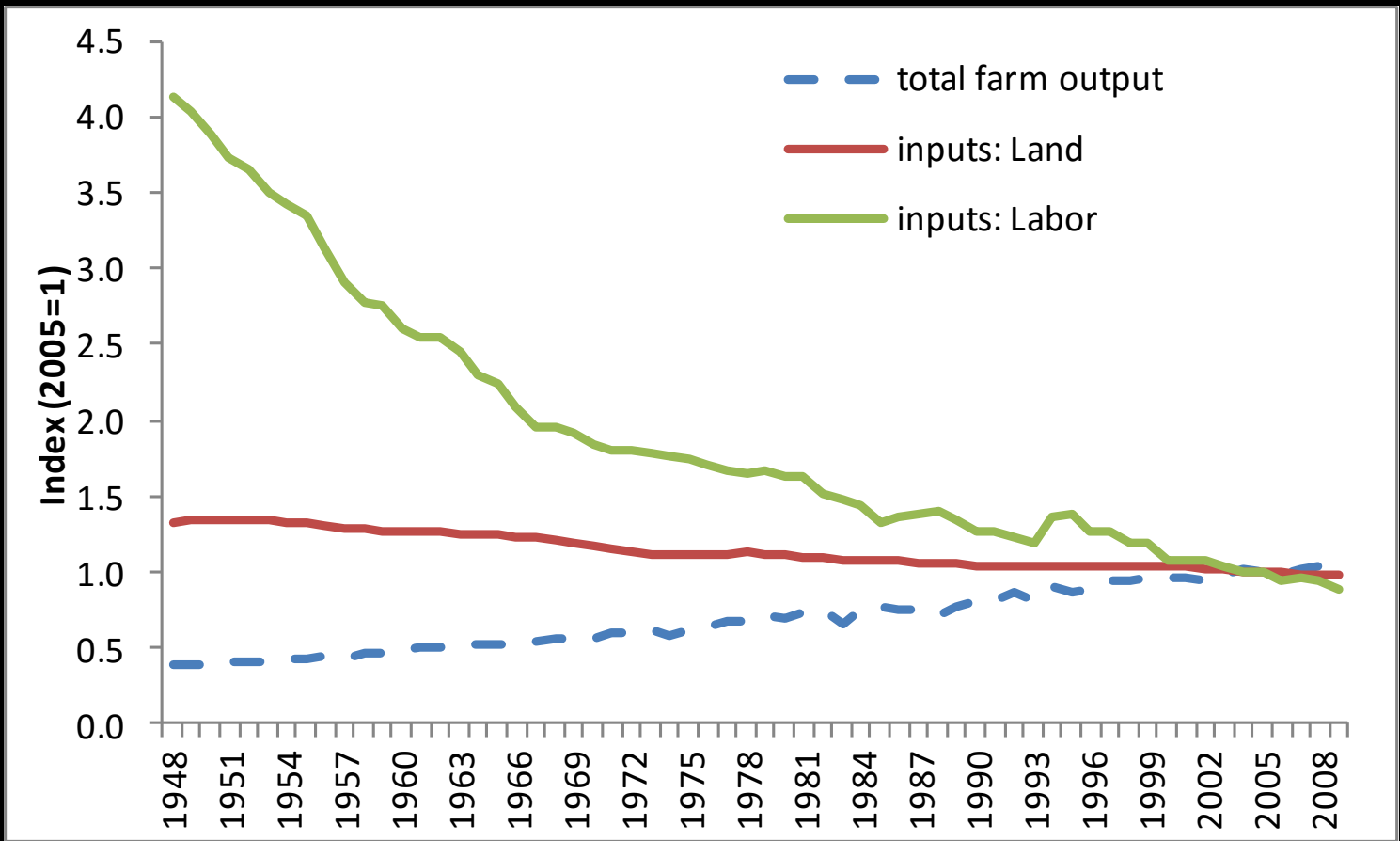


A map of the world based on food costs as a percentage of income compared with incidence of juvenile malnutrition.

The size of the country represents the percentage spent on food. The darker the color, the higher the rate of malnutrition.

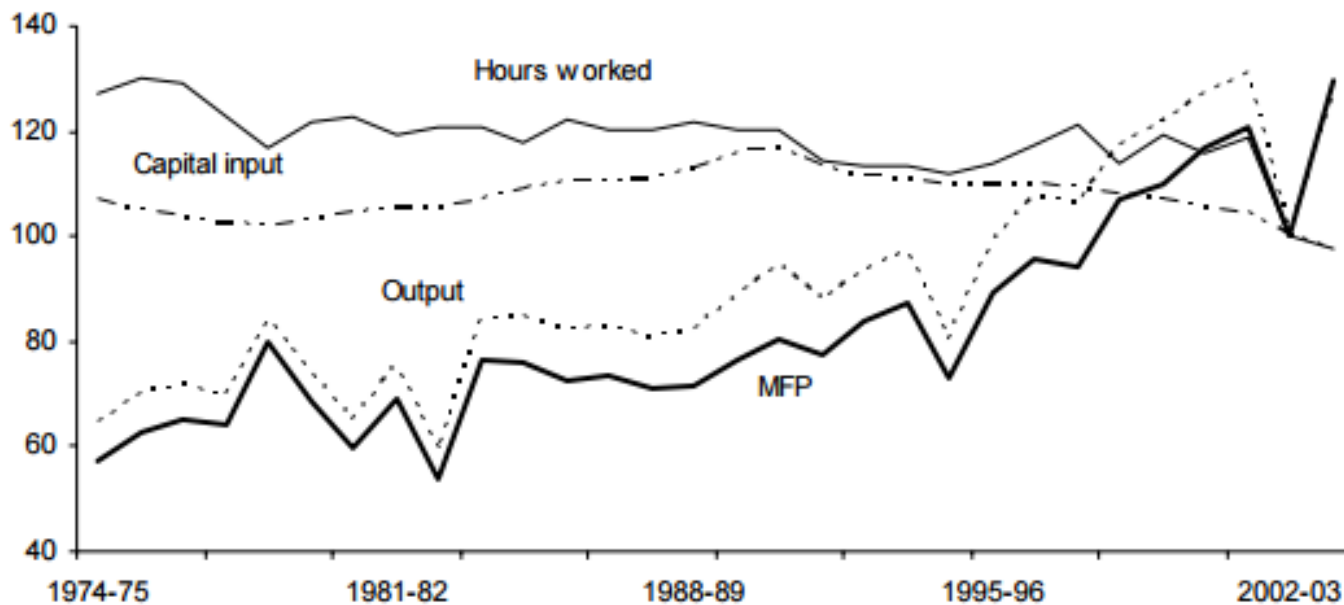


**More food per acre**

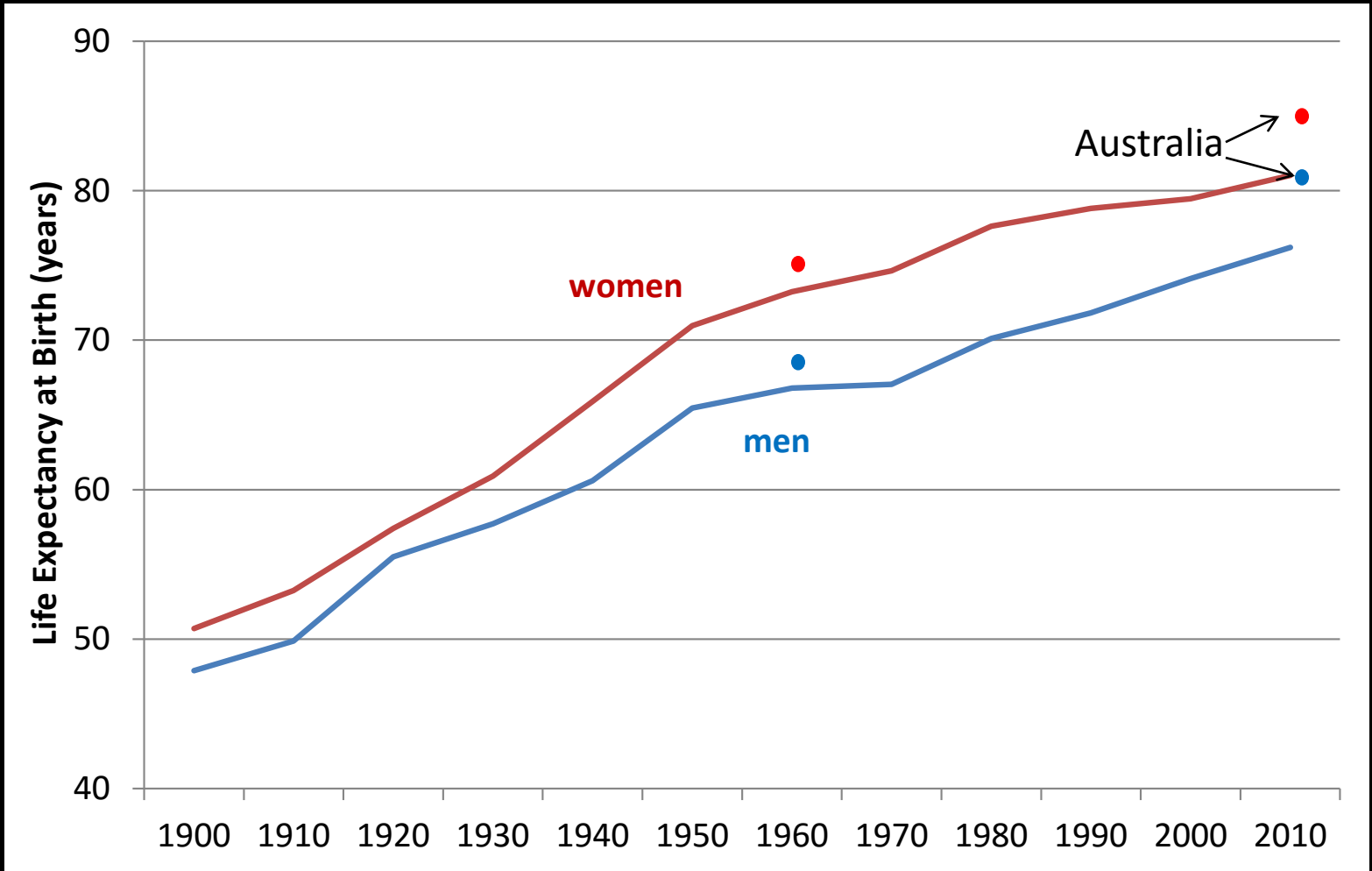


**More food using less land and less labor**

**Figure 17 Growth in inputs, outputs and multifactor productivity for agriculture, 1974-75 to 2003-04**  
Index 2002-03



# Australian Ag Productivity



**Living longer**

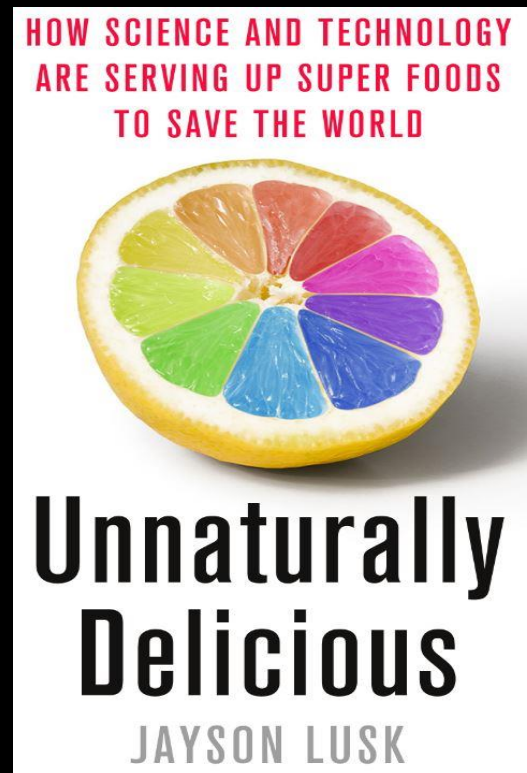


**“There is no doubt that [the food system] delivers—more nutritious food with wider variety; improved safety, with less environmental impacts; and greater convenience than at any time in the Nation’s history.”**

# My take

---

- **Need an optimistic, forward looking vision for the future of food**

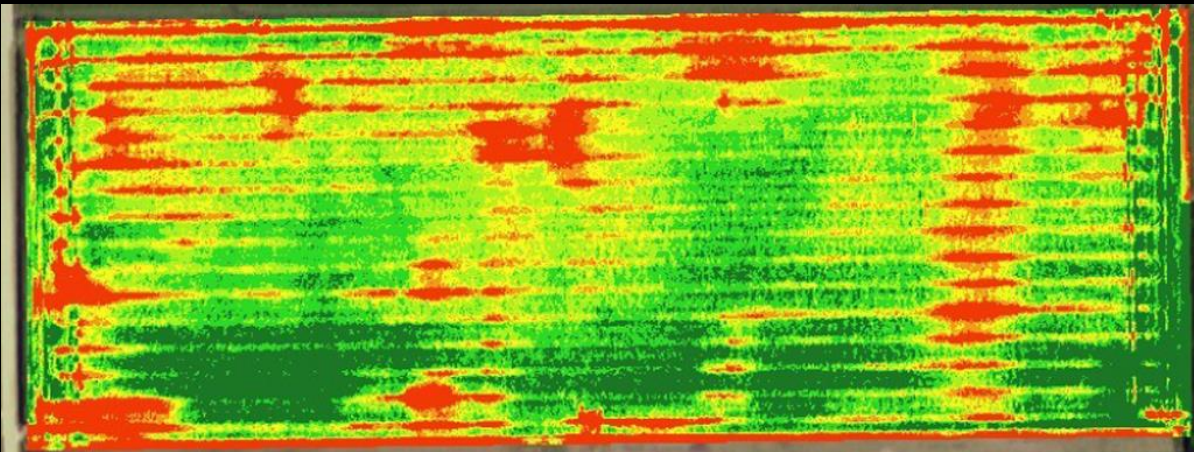




# Innovation, Entrepreneurship

 **SST Software**  
*Manage Data. Harvest Information.*

 **SST Software** | The Leader in Agriculture  
Information Management



# Innovation, Entrepreneurship



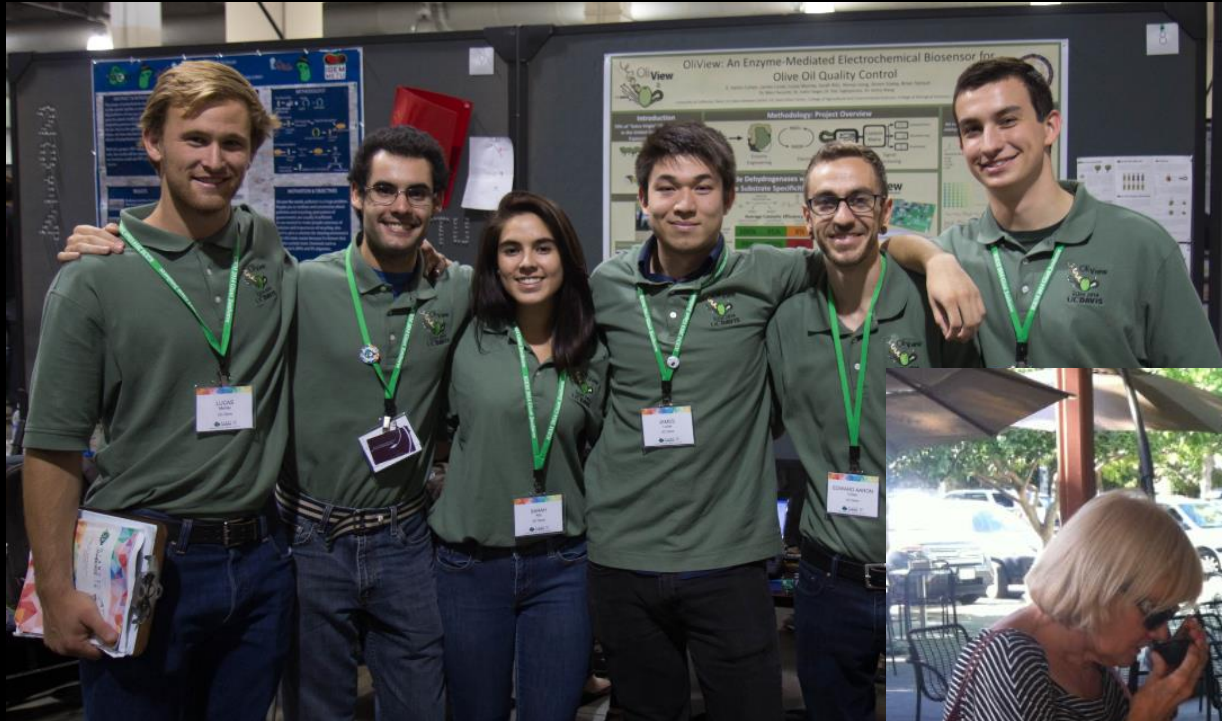
# Innovation, Entrepreneurship



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# Innovation, Entrepreneurship



# Innovation, Entrepreneurship

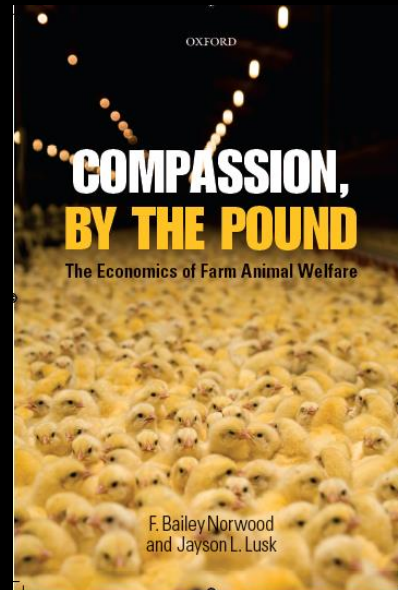
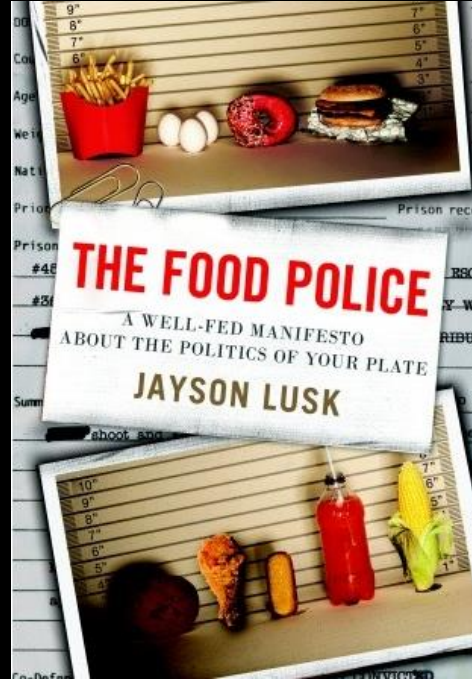


HOW SCIENCE AND TECHNOLOGY  
ARE SERVING UP SUPER FOODS  
TO SAVE THE WORLD



# Unnaturally Delicious

JAYSON LUSK



≡ The Oxford Handbook of  
**THE ECONOMICS OF  
FOOD CONSUMPTION  
AND POLICY**

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