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MEDIA RELEASE

TARGETED FOOD PRICING POLICIES COULD HAVE MORE IMPACT AMONG MĀORI AND LOW INCOME HOUSEHOLDS

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New research conducted in New Zealand shows targeted food pricing policies, such as taxes on high fat foods or subsidies on healthy foods, can help improve people's diets. Moreover, shifts in diet for a given price change are generally larger among Māori and lower income groups.

The findings of the study appear in a new research paper, which has been published by international scientific journal, "PLOS ONE" – a peer-reviewed, open-access, online journal issued by the Public Library of Science (PLOS).

The paper forms part of the SPEND study, which aims to estimate the effects of a range of health-related food taxes and subsidies on population food purchases and burden of disease.

It was authored by researchers from the National Institute for Health Innovation (NIHI) at the University of Auckland, the New Zealand Institute for Economic Research, and the University of Otago's Departments of Economics and Public Health.

According to lead author Professor Cliona Ni Mhurchu, Programme Leader for Nutrition Research at NIHI, the findings suggest effects of food pricing policies could be more beneficial for low-income households, as well as Māori.

"The greater sensitivity of these groups to price changes means food pricing policies could have more positive effects on their health," says Professor Cliona Ni Mhurchu.

"Our analysis suggests that health-related food taxes and subsidies could alter the diets and nutritional health of these priority populations more than those of high-income and majority ethnic groups.

"For example, estimates in the study suggest a 10% subsidy on vegetables could lead to a 6% increase in consumption by the highest income group studied, but an 11% increase in consumption among the lowest income group."

A number of leading bodies have advocated health-related food taxes to improve the nutritional quality of diets, raise revenue to support population health interventions, and send a clear message to consumers and the food industry about which foods are healthier.

Professor Tony Blakely, co-author from the University of Otago, says while increasing evidence suggests health-related food taxes and subsidies are likely to shift consumption in the desired direction and improve health, there has been limited international evidence on the sensitivity of low-income and priority populations to price changes.

The purpose of the research paper, titled "*Food prices and consumer demand: differences across income levels and ethnic groups*" was to address this issue.

"We wanted to assess the effects of targeted food pricing policies on responsiveness to

price changes across income levels and ethnic groups," says Professor Blakely.

"The analyses presented in the paper describe the effects of price changes on consumer demand for major commonly consumed food groups in New Zealand. They provide a comprehensive summary of food demand and consumption behaviour, with particular attention to differences in price effects across income levels and ethnic groups."

"The results demonstrate important differences across income levels and ethnic groups."

The researchers analysed food expenditure data from National Household Economic Surveys in 2007/08 and 2009/10 and Food Price Index data from 2007 and 2010 in their study.

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NOTE: The article will go live on "PLOS ONE" at this link at the time the embargo lifts:
<http://dx.plos.org/10.1371/journal.pone.0075934>

About the SPEND study

The SPEND study is led by the National Institute for Health Innovation (NIHI), University of Auckland, in collaboration with the University of Otago Wellington and the University of Oxford (UK). SPEND was funded by the Health Research Council of New Zealand.

International studies show that healthy diets are more costly than less healthy diets. However, little research has been undertaken on the effects of altering food prices to encourage healthier food purchasing and consumption behaviours.

The aim of the SPEND study is to estimate the effects of a range of health-related food taxes and subsidies on population food purchases and burden of disease, and to determine feasibility/acceptability of targeted food pricing policies.

The first phase of the study (reported in the published paper) involved estimating how consumer demand for specific foods changes in response to price changes (food price elasticity). Modelling of the effects of six health-related food taxes and subsidies on New Zealand population diets and health is currently in progress.

About The National Institute for Health Innovation (NIHI)

The National Institute for Health Innovation (NIHI) is a leading New Zealand research institute with a focus on prevention and management of common serious diseases and effective healthcare. We provide independent scientific evidence that supports individuals, communities, clinicians, and policy makers to 'get it right'.

At NIHI we measure our success by our contribution to improving people's health in New Zealand and around the globe.

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