

# FOOD POLICY

# THE GOAL OF THE FOOD INDUSTRY

- Generate profit for investors/owners/shareholders

# FOOD PRODUCTION & MORAL HAZARD

## Moral Hazard

One party engages in "risky" actions at least in part due to the knowledge that some other party bears the cost of those risks. This typically arises when one or both of the parties possesses incomplete information about the other ("information asymmetry").

- Does the food industry engage in practices that accrue risks borne primarily by food consumers & government?

# THE MISALIGNMENT OF INTERESTS

- Food industry generates profit only by either (i) lowering costs; (ii) increasing demand
  - Push to lower costs encourages features of IFS
    - Increasing demand requires either (i) increased processing; (ii) increased consumption

# INFLUENCING POLICY

## Lobbying

any *legal* attempt by individuals or groups to influence government policy or action (i.e. no bribery or coercive threats)

1. Promoting the views of special-interest groups
2. Attempting to influence government laws, rules, or policies that might affect those groups
3. Communicating with government officials or their representatives about laws, rules, or policies of interest.

- Two primary means of influence
  1. "Revolving door" of lobbyists & policy makers
  2. Direct spending
    - PACs and "hard" money
    - "Soft money" contributed to state & national political organizations

