

National Food Policy Conference:
“Priority Setting in a Time of Reduced Resources”
April 16, 2013, 9:15 a.m.

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The handout [pages 3-9 of this document] serves as a big fat footnote. It supports my three main points, but since you have it, I’ll let you read it at your leisure and put the points to you more casually.

- **On farm subsidies:** If there were ever a policy on the table to greatly increase government subsidy support to small independent farmers, and find the money to do this by cutting subsidies that go to agricultural corporations, this policy would have overwhelming public support.
- **On foreign aid:** the public is quite supportive of the food-related, humanitarian aspect of foreign aid, without necessarily understanding how it works. In 2004 we tested arguments about not letting food aid hinder local farmers in developing countries, and at that time a majority did not find them convincing. That was nine years ago—it should be tried again. But in the meantime, it should be assumed that public awareness of the tradeoffs involved in giving food is low.
- **On excise taxes on soft drinks or fast food:** there is modest majority support for imposing a light tax. If the tax is increased very much, this support erodes. It would be worth exploring how the public would receive the idea of a dedicated tax, with the proceeds going to a concrete purpose related to nutrition or health.

Returning to farm subsidies:

We included line items about farm subsidies in an online exercise about the federal deficit that was given to a representative sample of about 800 Americans. They worked with 31 areas of discretionary spending and they were looking for cuts to make. However, they didn’t cut the farm subsidies program as a whole. Instead, they shifted money from agricultural corporations to farms less than 500 acres, so that the small farm subsidies got a 67% increase and the large farm subsidies got a 21% cut. The overall amount remained the same.

This confirms what we found in a 2004 poll, when three quarters supported subsidies to farms below 500 acres, but a majority opposed subsidies to large agricultural businesses. When asked what they thought the real proportions were within the farm subsidy programs, the median answer was that small farmers got 40% of the help and large agricultural businesses got 60%. We then asked what they thought it should be,

and the median answer was to flip the proportions, so small farmers would get 60% and the agricultural businesses 40%.

Coming back to foreign aid: in the same online exercise about the deficit that I mentioned, there were five line items for international aid programs. The net average cut for all aid programs taken together was 9%. But within that, humanitarian assistance was increased by 18%. The real cuts went to military aid and the Economic Support Fund. So even in a deficit reduction context, there is underlying support for food aid.

The second half of the same study was devoted to taxes and revenues, and here we asked about a tax on sugary drinks. Fifty-three percent chose to impose one, though that majority is only for a modest tax of 6 cents for a typical 12-ounce can. This is in line with results found by Kaiser and other polls.

Our moderator asked me to say a little about policymakers' tendency to read public attitudes incorrectly. In 2004 we joined with the Chicago Council on Global Affairs to study this in some detail on certain international issues. Their elite sample of 450 included 100 congressional staffers, and all these were asked to answer the same questions the study was asking the public, but also to predict for 9 cases what the public would say—what were the rough proportions of support for the different answers. In 7 of 9 cases, most of the elite sample got the public wrong—though the elite sample's majority had the same views as the public's majority. The 100 congressional staff members did no better. So, why might this be?

Members and Congressional staffers have two pictures of the public that they have to deal with.

One is made up by the body of publicly released polling, plus any proprietary data they have available. This often includes polls that seem to contradict each other, which reinforces a tendency to read the polling but then discount it.

The other picture of the public they have is an ongoing read of what groups and views have the most intensity, based on their communications and personal contacts. This read goes up and down a lot, but they don't experience it as containing contradictions, while they do experience polls that way. They *expect* the experience of impacts from the public to have a bumper-cars quality; they're not assuming stability of attitudes. So this is the overriding experience for them, and it creates so much noise that the question of what the public will think after some months or years is usually obscured.

**National Food Policy Conference:
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From *How the American Public Would Deal with the Budget Deficit*—Program for Public Consultation (released February 3, 2011)

<http://worldpublicopinion.org/pipa/articles/brunitedstatescanadara/677.php?lb=brusc&pnt=677&nid=&id=>

In the spending half of the exercise, respondents saw expected 2015 spending levels for 31 functional areas of discretionary spending, as projected by OMB. They also saw the expected budget deficit that assignable to this part of the budget. As they entered their own numbers, each change they made was interactive and gave constant feedback on the effects of their choices on the deficit.

Shown an projected 2015 discretionary budget of \$1.355 trillion, and a projected deficit for this portion of the budget of \$625 billion, the average respondent made a net cut of \$146 billion.

Some areas had large majorities of respondents choosing to make cuts in their funding. **The largest majorities cutting were for subsidies to agricultural corporations (70%);** development assistance (67%); the space program (66%); the defense budget (64%); the Economic Support Fund (63%); and military aid (63%).

RELEVANT FOOD POLICY BUDGET ITEMS

	Amount budgeted (billions)	Mean preference	\$ change	% change
Q16a. Subsidies to small farmers (farms below 500 acres) provided on a regular annual basis	3	5	2	66.7%
Q16a. Subsidies to agricultural corporations with large farms, and manufacturers of farming equipment and fertilizers	11	8.7	-2.3	-20.9%
Q6a. Humanitarian assistance: Food aid to malnourished people, assistance in the event of disasters, aid to refugees from political conflict	6	7.1	1.1	18.3%

From:
PIPA-Knowledge Networks Poll
Americans on Farm Subsidies

<http://www.worldpublicopinion.org/pipa/articles/btglobalizationtradera/83.php?lb=btgl&pnt=83&nid=&id=>

Questionnaire

Dates of Survey: Dec 19 – Jan 5, 2004	Margin of Error: +/- 2.3% [full sample]
Total Sample Size: 1,896	+/-2.8% [2/3 sample]
Farm States Sample: 736	+/-3.2% [1/2 sample]
	+/-4.0% [1/3 sample]

Note: The farm states sample includes an oversample of 312, plus 424 from the general population sample who qualified in the states oversampled. The states chosen were the 17 states that receive the highest dollar amount of farm subsidies: Iowa, Texas, Illinois, Nebraska, Minnesota, Kansas, Arkansas, North Dakota, Indiana, Missouri, California South Dakota, Mississippi, Ohio, Montana, Wisconsin, and Oklahoma. For Texas, California, and Illinois the major designated metropolitan areas were excluded.

[FULL SAMPLE]
 STATEMENT: The next questions are about farm subsidies. These are various forms of financial aid the US government gives to small farms and large farming businesses that produce a variety of crops.

[FOR QUESTIONS 38-52 SAMPLE WAS DIVIDED INTO THIRDS: SAMPLE 1, 2 AND 3]

[SAMPLE 1]

Q38: Do you favor or oppose the US government giving subsidies to small farmers, who work farms less than 500 acres?

	National	Farm
Favor	77%	81
Oppose	19	16
(No answer).....	4	3

Q40: Do you favor or oppose the US government giving subsidies to large farming businesses?

	National	Farm
Favor	31%	31
Oppose	65	64
(No answer).....	4	6

[1/3 SAMPLE A,E,I,L]

Q77: Do you think that the US government

	National	Farm
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Favors small farmers.....	6%	6
Favors large farming businesses	79	77
Treats them equally.....	12	12
(No answer).....	3	5

Q73: What percentage of farm subsidies do you think go to small farmers working farms less than 500 acres--and how much do you think goes to large agricultural businesses, including farms over 500 acres and other large companies that provide equipment and services to farmers? [respondent gives two percentages that are required to add to 100%]

	National	Farm
Small farmers		
None.....	0%	0
1 to 9%	2	1
10 to 19%	8	9
20 to 29%	20	23
30 to 39%	16	13
40 to 49%	10	11
50 to 59%	15	15
60 to 69%	6	6
70 to 79%	9	7
80 to 89%	4	3
90 to 99%	3	4
100%	2	2
(No answer).....	5	5
Mean	42.49	41.13
Median	40	40
Large agricultural businesses		
None.....	1%	1
1 to 9%	1	1
10 to 19%	3	3
20 to 29%	9	7
30 to 39%	5	4
40 to 49%	6	6
50 to 59%	16	16
60 to 69%	13	11
70 to 79%	22	20
80 to 89%	12	17
90 to 99%	7	8
100%	1	1
(No answer).....	5	5
Mean	58.12	59.61
Median	60	64.98

Q74: What do you think the percentages should be? [respondent gives two percentages that are required to add to 100%]

	National	Farm
Small farmers		
None.....	1%	2
1 to 9%	0	1
10 to 19%	0	1
20 to 29%	3	3
30 to 39%	3	3
40 to 49%	6	5
50 to 59%	26	26
60 to 69%	14	12
70 to 79%	20	18
80 to 89%	11	11
90 to 99%	7	9
100%	6	6
(No answer).....	4	5
 Mean	 63.50	 62.73
Median	60	60
 Large agricultural businesses		
None.....	5%	5
1 to 9%	2	3
10 to 19%	6	7
20 to 29%	21	21
30 to 39%	10	8
40 to 49%	13	11
50 to 59%	26	25
60 to 69%	6	5
70 to 79%	4	3
80 to 89%	1	2
90 to 99%	0	1
100%	0	1
(No answer).....	7	7
 Mean	 36.64	 36.45
Median	40	40

From *How the American Public Would Deal with the Budget Deficit*—Program for Public Consultation (released February 3, 2011)

Foreign Aid

International aid programs were presented to respondents as five different budgeted areas, including humanitarian assistance, development assistance, global health, the Economic Support Fund, and military aid. The total 2015 budget for international aid programs was \$53 billion. Respondents made a net average cut of \$5 billion--a cut of 9.4%.

However, there was substantial variation in specific areas. As mentioned, substantial cuts were made to programs with strategic objectives: the Economic Support Fund (cut \$2.3 billion or 23%) and military aid (cut \$1.8 billion or 15%). However, programs with a more altruistic purpose did much better. **Humanitarian assistance was actually increased (\$1.1 billion or 18%), and global health was lightly nicked (\$0.2 billion or 2%),** though development assistance received a bit more in cuts (\$1.8 billion or 14%). Combined, altruistic programs were cut just \$0.9 billion or 3%.

Furthermore, it is important to note that these cuts may have been influenced by misperceptions about what amount of the federal budget actually goes to foreign aid. It appears that many respondents assumed that there were substantial amounts of foreign aid hidden in some other areas of the budget. At the very end of the questionnaire respondents were asked to estimate “about what percentage of the federal budget goes to foreign aid.” The median response was 15%--far more than the actual amount of 1%. Even as a percentage of the items presented in the exercise as part of the discretionary budget, all of the aid areas listed represented only 3.9% of the total. Asked what percentage of the budget they thought it should be, the median respondent said 5%--far more than the amount they actually budgeted as a percentage of the budget as a whole, and substantially more than the amount that they budgeted as a percentage of the presented discretionary budget.

This inquiry was prompted by the fact that numerous previous studies have shown that Americans vastly overestimate the amount of foreign aid. The median respondent tends to estimate that foreign aid is 20-25% of the budget and to say that it should be 10%.¹ The fact that in this study the median estimate was 15% suggests that the exercise had some impact on their assumptions, but only a limited amount.

Tax on Sugary Drinks

Another idea to raise revenue that has been proposed is to tax sugary drinks, which currently have no excise tax laid upon them. Respondents were told:

Another idea is to tax sugary drinks, such as some soft drinks. This would also have the benefit of discouraging excessive consumption of such drinks, which have been linked to obesity.

¹ See “American Public Vastly Overestimates Amount of U.S. Foreign Aid,” WorldPublicOpinion.org, November 29, 2010.
<http://www.worldpublicopinion.org/pipa/articles/brunitedstatescanadara/670.php?nid=&id=&pnt=670&lb=>

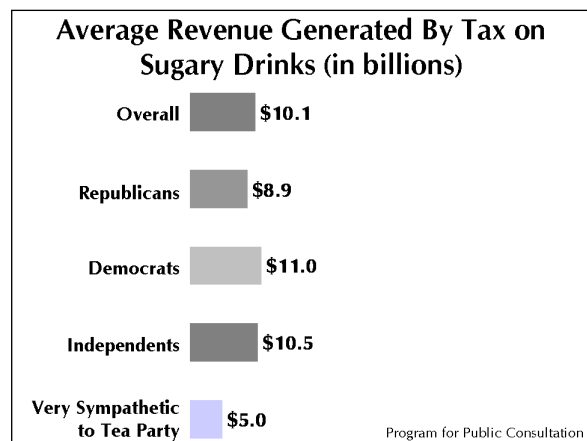
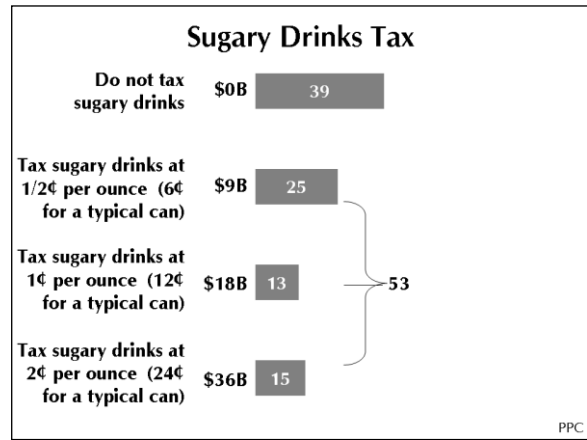
Respondents were offered four options: to keep the status quo, with no excise tax on sugary drinks; or to tax them at ½ cent per ounce (6 cents for a typical 12 oz. can); 1 cent (12 cents a can); or 2 cents (24 cents a can). These options would raise \$9, \$18, and \$36 billion respectively

Using the majority-rule method, a modest majority--53%--chose to at least create the excise tax at ½ cent per ounce, raising \$9 billion. Twenty-nine percent wanted a higher tax—at 1 cent per ounce (13%) or 2 cents per ounce (15%). Forty-seven percent either selected the status quo (39%) or did not answer (8%).

On average, respondents implemented a tax and raised \$10.1 billion. Republicans raised an average of \$8.9 billion, Democrats \$11.0 billion, and independents \$10.5 billion. Those very sympathetic to the Tea Party raised an average of \$5.0 billion.

Attitudes were quite similar among Republicans, Democrats and independents, with modest majorities of each (52-54%) willing to create an excise tax on sugary drinks. Fewer Republicans, however, chose levels above ½ per ounce (24%, compared to 32% of Democrats and 30% of independents). Among Tea Party sympathizers, two thirds (66%) chose not to create this excise tax.

In red districts, respondents raised \$10.4 billion on average; in blue districts this was \$9.7 billion.



“Junk Food” and Soft Drink Taxes—poll questions from other organizations:

Do you support or oppose putting a special tax on junk food--that is, things like soda, chips, and candy--and using the money for programs to fight obesity? (If Support/Oppose, ask:) Is that strongly or somewhat?

Kaiser/Washington Post Dimensions of Partisanship Survey, Jul, 2012

35% Support strongly

18% Support somewhat

12% Oppose somewhat

35% Oppose strongly

1% No opinion

(I'm going to mention some general approaches that could be considered to help decrease the deficit--some of which may mean a sacrifice for you and your household. For each, please tell me if you think this approach should be strongly considered, just considered, or taken off the table.)...Add a penny-an-ounce tax on sugar-sweetened drinks, meaning 12 cents for a 12-ounce can of soda

Bloomberg Poll, Mar, 2010

29% Strongly considered

28% Considered

42% Taken off the table

1% Not sure