

Chewing the fat on a saturated fat tax

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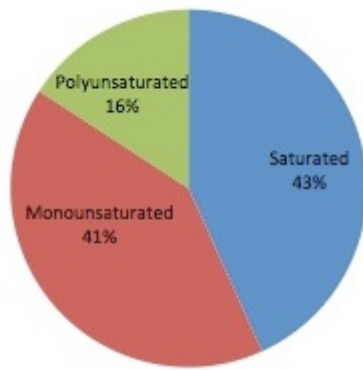
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An article we published last week generated plenty of debate [1] (some thoughtful, some distortionary), and in particular debate on the complexities of taxing food. In this blog I argue that, yes, such tax packages have to be well designed (and more research would be helpful), but nevertheless that there is much that could be potentially gained by taxes on saturated fat.

In the paper we published in the [Australian and New Zealand Journal of Public Health](#), we reviewed the meta-analyses on replacing dietary saturated fats with polyunsaturated fats to prevent heart attacks and strokes and tried to put the results in the context of modest changes to the New Zealand diet. We found that these meta-analyses supported this, eg, a 5% shift in dietary energy from saturated fats to polyunsaturated fats would reduce risk of cardiovascular disease by around 10%. We also discussed some of the potential policy ideas for helping with such a shift, including a Danish-style saturated fat tax.



Specific dietary fats as a proportion of energy intake from all fats for NZ adults (NZ Adult Nutrition Survey 2008/09)

The debate and media coverage following our publication emphasised the complexities of tax policy in this area, in part at least due to the complexities in diet. For example, any blunt tax policy that merely shifts consumption from foods with saturated fats to certain vegetable oils and spreads (eg, margarine) may have two limitations. Firstly if it increased margarine intake this may increase intakes of *trans*-fats which are clearly hazardous and which have been banned in processed foods in some countries. Secondly, the benefit of consuming oils that are high in omega-6 fatty acids may not be as great as those with higher ratios of omega-3 to omega-6 fatty acids (see [this](#) review published in 2012).

However, a careful consideration of a Danish-style saturated fat tax is still justified. The results of the meta-analyses we reviewed in our article strongly indicate this. But it may be that more health gain might be achieved if such taxes were also used to cross-subsidise healthy alternatives such as nuts and flaxseed oil, as this would maximise the benefits from the fatty acids with the higher omega-3 content. Such a saturated fat tax could also fund a media education campaign on the health benefits of increasing nut consumption and the healthiest oils (eg, flaxseed), while decreasing refined carbohydrates. Combining a tax with a complete ban on *trans*-fats in processed foods may also be desirable.

These issues collectively suggest that tax policy to achieve much healthier fat intakes in the population would probably be complex and require fairly smart policy making. That is why taxing sugar in sugar-sweetened beverages is probably the place for governments to start in terms of food taxes (see a recent [Public Health Expert post](#) on this.)

Regardless of the direct health issues around saturated fats, it is important to also consider the wider problems from animal fat consumption. That is livestock agribusiness is not currently sustainable in terms of greenhouse gas production, water usage, water pollution and (probably) contributing to antibiotic resistance that degrades the pharmaceutical arsenal against microbes.

New Zealand has the legal mechanisms (in its existing emissions trading legislation) to start putting a price on agricultural greenhouse gases such as methane – but this keeps being delayed by NZ politicians.

This need not mean we turn our back on modern agriculture – indeed, it is the backbone of our economy. But New Zealand should strive to be a leader in research and development

that does all of: maintaining our competitive advantage, reduces the environmental impacts, and produces healthier products. The Government's National Science Challenge "High value nutrition" with its goal to develop high value foods with validated health benefits should contribute here.

There is much to think about when it comes to taxes and subsidies on food, especially fats. But we certainly need integrated thinking that combines such issues as nutrition, food security and minimising environmental impacts from food production.

Reference

[1] See for example, the Science Media Centre which contained comments by nutrition experts:

<http://www.sciencemediacentre.co.nz/2013/07/31/dietary-fats-and-heart-disease-in-new-zealand-experts-respond/> and this Blog:

<http://profgrant.com/2013/08/02/saturated-fat-is-bad-for-you-really/>

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