



American Academy of Pediatrics

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AMERICAN ACADEMY OF PEDIATRICS, CALIFORNIA



March 25, 2019

The Honorable Jim Wood
Chair, Assembly Health Committee
State Capitol, Room 6005
Sacramento, CA 95814

Dear Assemblymember Wood:

On behalf of the more than 44,000 members of the California Medical Association (CMA), 27,000 members of the California Dental Association (CDA) and the American Academy of Pediatrics, California (AAP), we are pleased to co-sponsor AB 764 by Assemblymember Bonta. The bill is one of a package of three proposals that aim to curb the overconsumption of unhealthy sugar-sweetened beverages in California and reduce the incidence of obesity, diabetes, tooth decay and heart disease.

AB 764 stops the soda industry from targeting communities with promotional pricing strategies that make soda cheaper than water. Soda companies maintain a sophisticated multi-pronged strategy to reduce the price of their products and spur consumption. One of these methods includes utilizing discretionary promotion and marketing incentives to fund manufacturer discounts.

Manufacturer discounts and promotions target communities that lack access to healthy, affordable foods in their neighborhoods, and are especially prevalent in low-income communities. According to a 2018 Washington Post article, a study done in New York found that grocery stores were nearly twice as likely to have soda displays at the beginning of the month when food stamps are distributed¹. Even more troubling was that the study found that neighborhoods with large numbers of SNAP shoppers were over four times as likely to see soda displays at the beginning of the month.

Research has found promotional bias towards unhealthy foods, particularly sugar-sweetened beverages, fatty and sugary food items, and salty and fatty snacks. Specifically, buy-one-get-one deals are heavily skewed toward less healthy products. Focus groups of Latino mothers have revealed that the most significant barrier to establishing healthy eating habits for their children is economic constraint². Unhealthy foods are less expensive because manufacturers are subsidizing the lower price of these products to drive up consumption in targeted neighborhoods. The underlying concept of AB

¹ https://www.washingtonpost.com/news/wonk/wp/2018/06/07/soda-ad-blitzes-conspicuously-match-food-stamp-schedules-study-says/?noredirect=on&utm_term=.6a6fc2bacc76

² Lindsay, A. C.; Sussner, K. M.; Greaney, M. L.; Peterson, K. E. Influence of Social Context on Eating, Physical Activity, and Sedentary Behaviors of Latina Mothers and Their Preschool-Age Children. *Health Educ. Behav.* 2009, 36 (1), 81-96.

764 isn't new as California also restricts the ability of alcohol manufacturers to offer coupon discounts on their products³.

According to the Office of Disease Prevention and Health Promotion, almost 50 percent of all added sugars in the American diet come from drinks – like soda, fruit drinks with added sugar, and energy drinks. As a critical driver of grocery shopping behavior, price promotions have been criticized for encouraging excessive consumption and unhealthy food habits. For consumers, the real costs of discounts and promotional prices are a substantial increase in calorie consumption and health complications.

According to the Centers for Disease Control and Prevention (CDC), obesity and severe obesity is roughly triple what it was three decades ago and evident in children as young as 3-5 years old. People who are obese are more likely to develop type 2 diabetes, coronary heart disease, and certain cancers; resulting in disabilities and high health care costs. Unhealthy, sweetened beverages are also leading to unprecedented levels of tooth decay and loss of tooth enamel for a new generation of youth and young adults. The over-consumption of sugary, acidic drinks is reversing more than 50 years of public health gains realized through preventive measures such as fluoridated water and dental sealants.

To effectively influence the strategies employed by the beverage industry that lower the price of its unhealthy beverage products, the Legislature will need to act to eliminate this predatory marketing scheme. Reducing the pervasiveness of manufacturer discounts and promotions on unhealthy beverages may help to re-direct these strategies toward promotional pricing of healthy beverages that are also owned by the beverage industry; including various types of water, unsweetened teas and fruit juices. AB 764 eliminates the beverage industry's ability to lower the cost of soda and may result in incentivizing the industry to lower the cost of bottled water.

To limit unintended consequences that might harm retail business, this bill is narrowly crafted to limit the manufacturer-funded non-sale distribution incentives or financial support offered by the beverage companies. It does not limit the ability of a store to offer the customer a retailer-funded coupon or promotion.

Thank you in advance for your consideration of support on AB 764. If you have any questions, please do not hesitate to contact the California Medical Association at (916) 551-2568.

Sincerely,

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Senior Policy Analyst, California Dental Association

³ California BPC §25600.3

Kris Calvin, CEO
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cc:

The Honorable Members, Assembly Health Committee
The Honorable Rob Bonta
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