CULTURE AND DIET

How retailers could help us cut salt intake

By Stephen D. Sugarman

According to the American Medical Association, as many as 150,000 early deaths each year might be saved if Americans were to reduce their salt consumption by 50 percent. Because the sodium in salt raises blood pressure, which in turn increases the risk of heart attacks and strokes, less sodium means better health for many of us.

But merely telling people to eat less salt is unlikely to do the trick. After all, people like salt for its flavor. Moreover, most of the salt we consume is not added in our home kitchens or at the table. Instead, it's added by food processors to the food we buy in supermarkets and restaurants. We just don't realize how much salt we're eating in many products. Although packaged goods today contain standardized information about sodium, it's easily ignored or misunderstood (cast as it is in terms of portion size and daily recommended amounts).

A more creative way to attack this problem is with performance-based regulation.

This approach imposes outcome targets on business by imposing financial penalties if those targets aren't met.

The more nimble the business, the more likely it is to achieve the targets most efficiently.

For salt, we could demand that large retailers cut the total amount of salt in the food they sell. Regulated firms would include both retailers that sell primarily for home consumption — like Wal-Mart, Costco, Walgreens and supermarket chains — and those that sell prepared foods mostly to eat on site — like McDonald's and Applebee's.

If Wal-Mart were told to cut the total amount of salt in the food it sells by 7 percent a year for seven years, by the end of that time its customers would be getting only half as much salt as they do today in the food purchased from Wal-Mart.

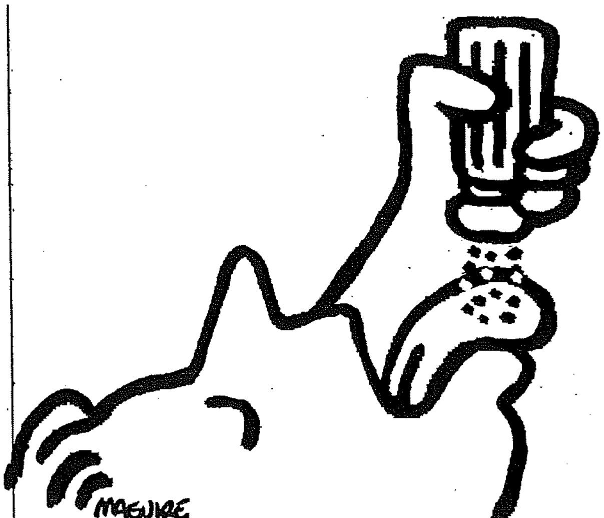
To achieve its target, Wal-Mart could engage in a variety of strategies. These could include telling its food providers to reduce the salt they add to their products, reducing the volume of salty products it sells (by raising the price, providing smaller or less-attractive shelf space), introducing and promoting less-salty or salt-free alternative foods, giving Wal-Mart customers more information about the salt they're consuming, and more.

I have no doubt that Wal-Mart would efficiently achieve its goal, provided that stiff penalties for failing to do so made it financially more attractive to reach its salt-reduction target.

This approach is very much like the cap-and-trade strategy being employed to fight global warming. Businesses such as power plant operators and automakers are being told they have to reduce the carbon their products emit, and it's up to them to sort out how best to achieve that goal.

Performance-based regulation is also like a special sort of tax strategy — in which the targeted retailers would be taxed only to the extent they failed to meet their salt-reduction quotas.

Most important, performance-based regulation frames a public health problem as one for industry to



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crack. And that seems quite fair to me. After all, food retailers, who profit from the sale of salty foods, are well positioned to reduce the flow of salt in ways that best satisfy consumer preferences.

With sophisticated bar code data, this sort of scheme wouldn't be too costly or difficult to administer. Safeway, Kroger and Whole Foods could compete to figure out how best to achieve the reduced salt objective, and their suppliers could compete to offer less-salty (or salt-free) foods.

The market would be used to promote the common good.

Were the American Medical Association goal of a 50 percent reduction of salt in the American diet achieved, it is not clear exactly how much that would lower the blood pressure of the average American. But this would be a big step in a healthier direction, and performance-based regulation is the most promising way to get there.

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