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**Title:** Changes in tax policy and support for vegetable farmers in Iceland – Effects on price and consumption

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**Introduction:** Per capita vegetable consumption in Iceland has traditionally been among the lowest in Europe, partly resulting from high cost of production and transport cost. Protective tariffs on imports have further added to the cost. In 2002 a governmental policy change removed a 30% flat import tax on all greenhouse vegetables, and partially for outside grown vegetables. In addition, greenhouse farmers received increased government support. Here we describe the subsequent changes in retail prices, consumption and domestic production of vegetables in Iceland.

**Methods:** Data on vegetable production, imports and price were obtained from Statistics Iceland and the Directorate of Health in Iceland.

**Results:** Mean vegetable price dropped by 20% from year 2001 to 2003, while prices of tomatoes, the most common greenhouse vegetable, decreased by 50%. Vegetable consumption in kg/person/year increased sharply from 34.6kg in years 1999 to 2002, to 45kg in 2006. The greatest increases were for those vegetables with the greatest decreases in price, i.e., greenhouse vegetables, with a 50% increase in tomatoe consumption. Our data show that vegetable consumption increases by 0.8% for each 1% decrease in price, while for each 1% increase in mean income, vegetable consumption increases by 2.4%. Domestic production of greenhouse vegetables decreased slightly from 2002 to 2004, but rebounded quickly. For example the market share of domestic tomatoes increased from 64% to 70% from 2001 to 2009.

**Conclusions:** Government price policy and trade restrictions impact the consumption of vegetables. Appropriate changes in policies can be an effective public health measure.