

Nutrition Environment and
Market Forces Impacting
Foods and Food Ingredients

January 17, 2017

food**mind**s

Our mission



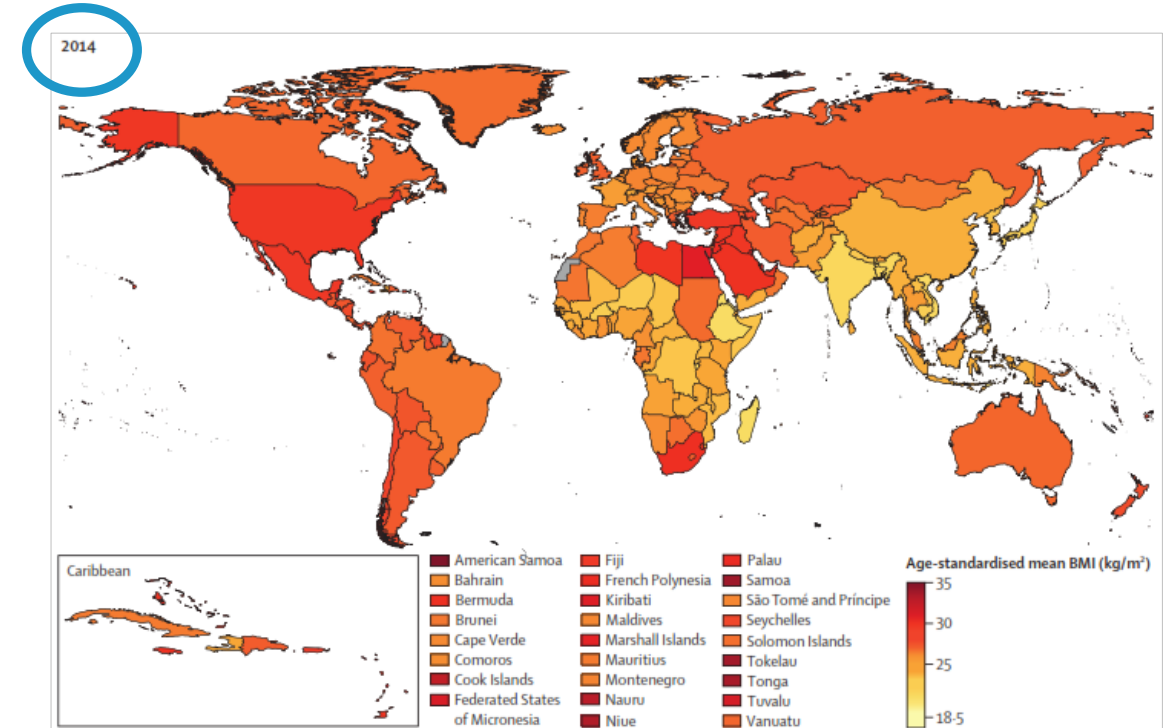
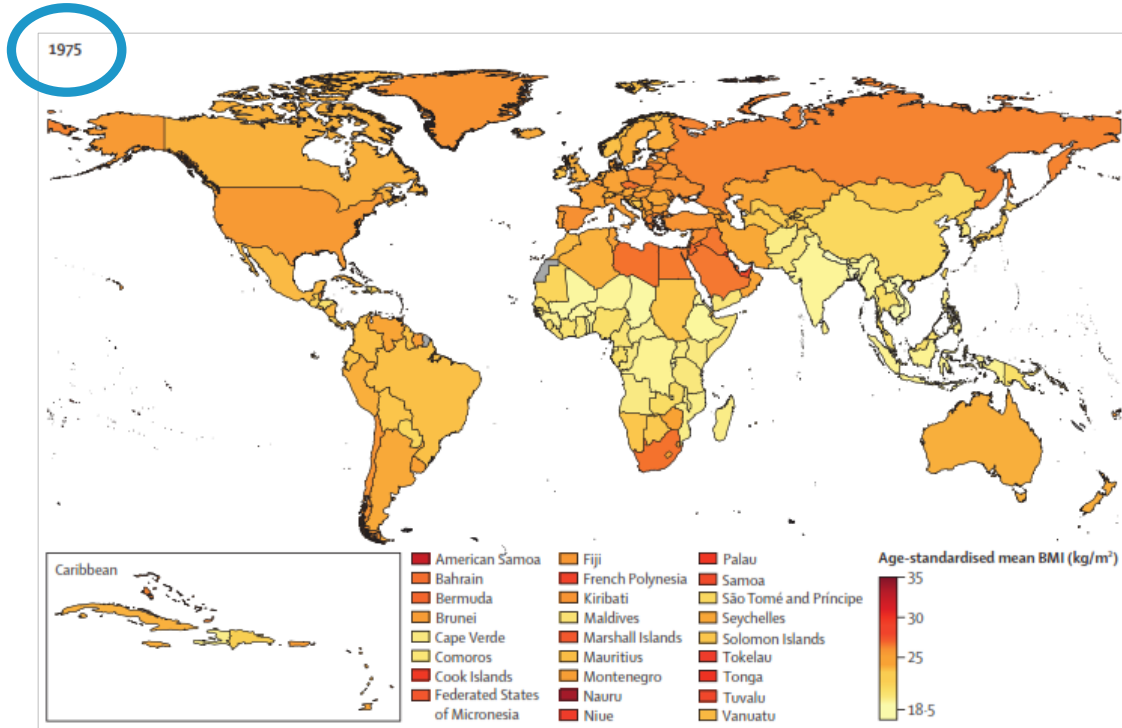
Clients Served*



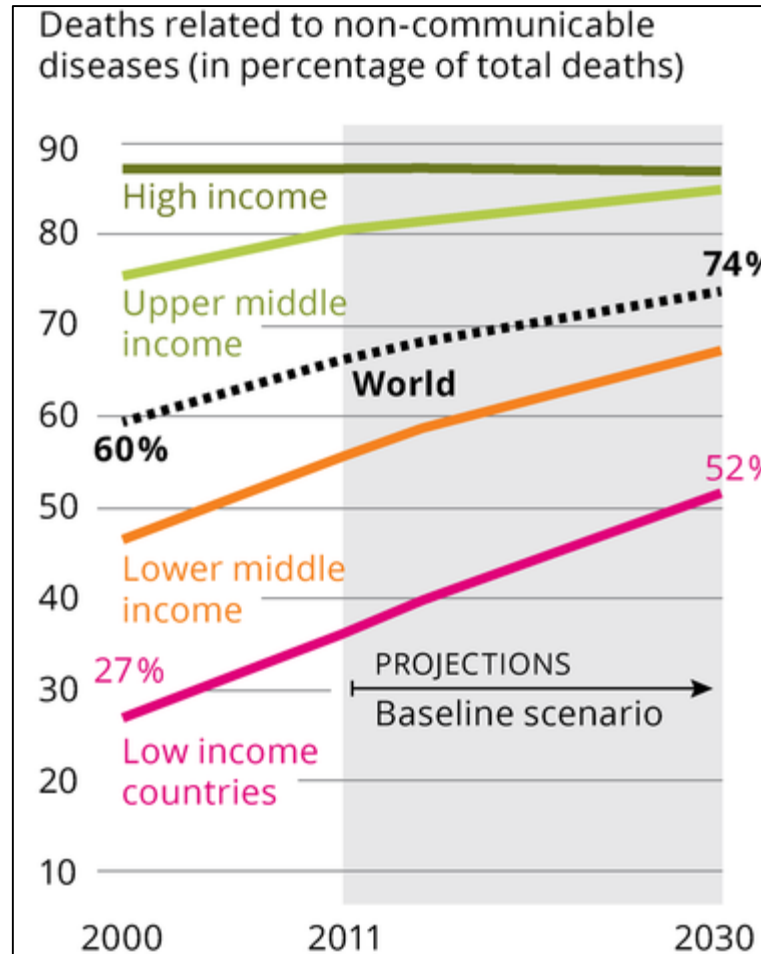
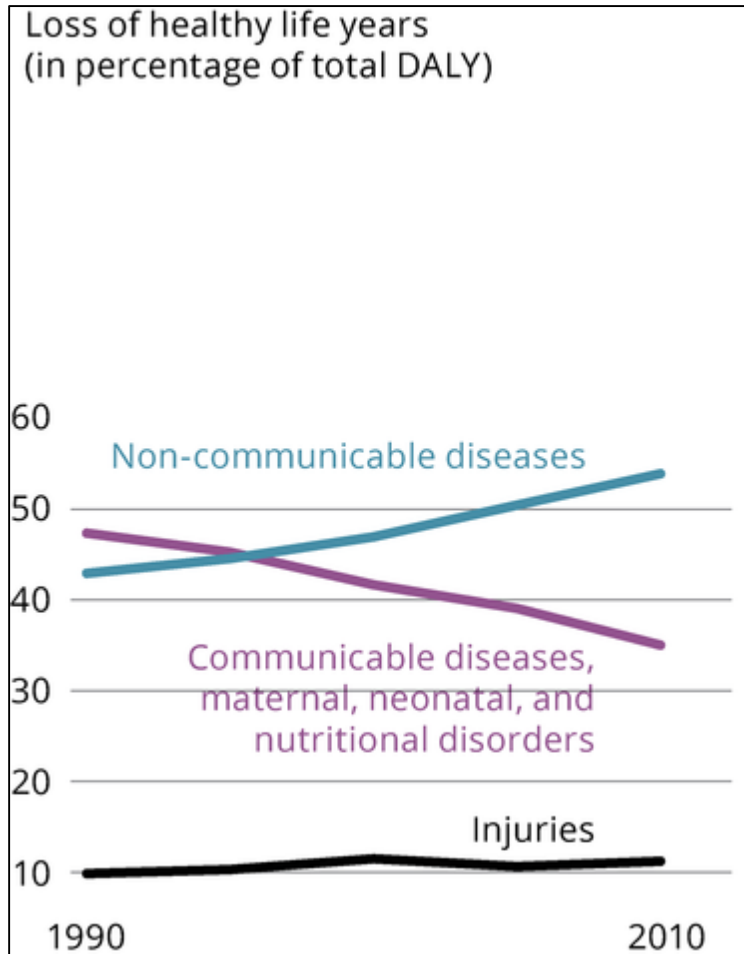
Major Forces Driving Change in the Food and Beverage Industry

Public health goal #1:
 NCDs by 25% by
2025

Rising obesity rates are a major global concern



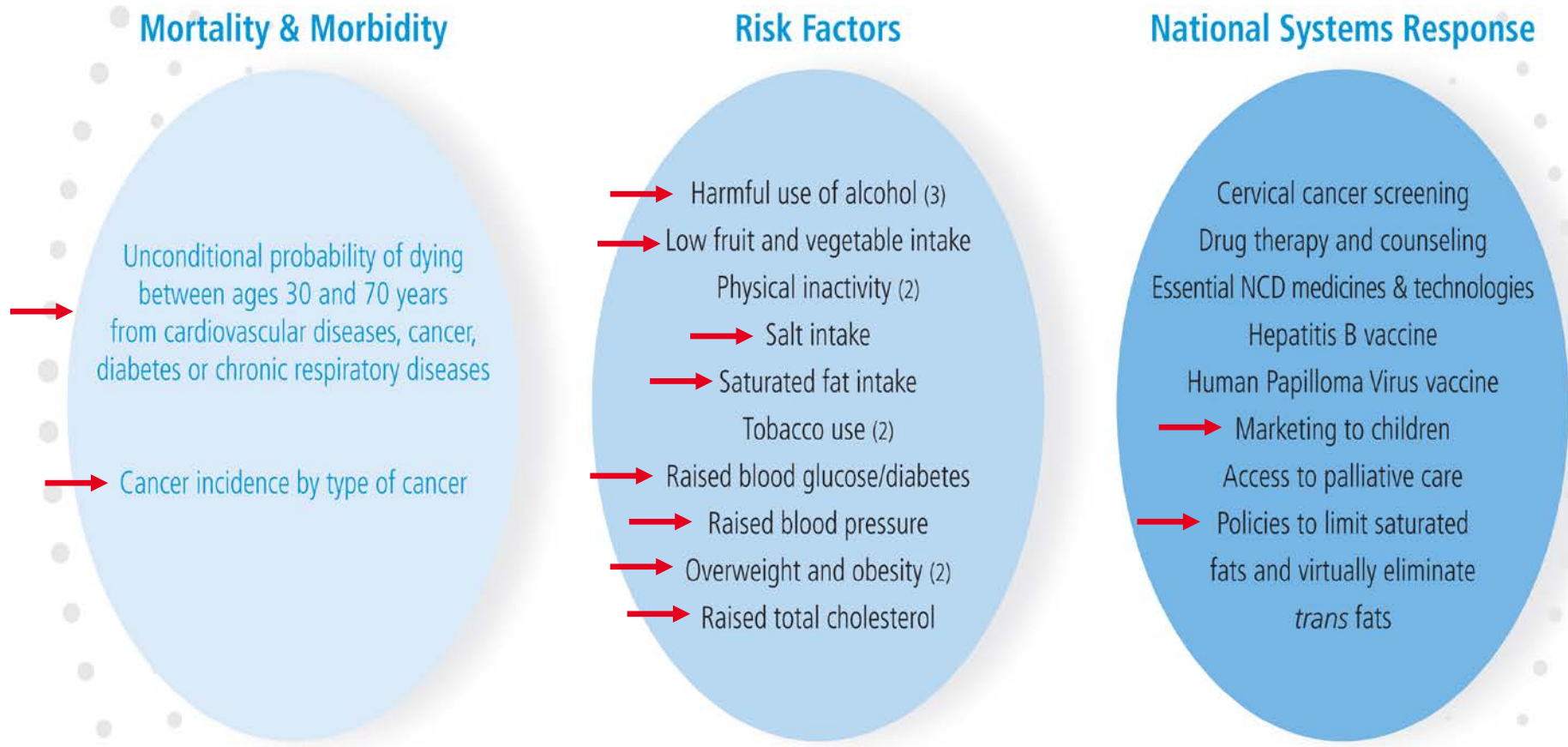
Obesity is a significant contributor to the rise in noncommunicable diseases (NCDs)



WHO Baseline Scenario Projection 2000 vs. 2030

+23% Deaths from NCD

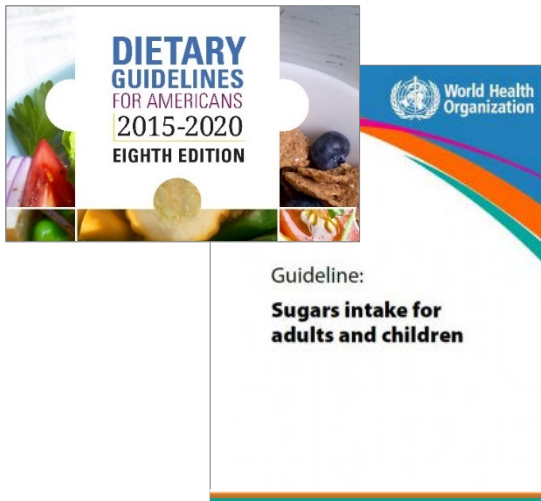
Food policy and controls at the heart of World Health Organization framework to prevent, reduce and control global NCDs



15 of 25 (60%) indicators are related to food and beverage intake

Public health pressures are reshaping the food and beverage industry

Sugar guidelines



Ultra-processed vs. whole foods

Ultra-processed foods and added sugars in the US diet: evidence from a nationally representative cross-sectional study

Euridice Martinez Steele,^{1,2} Larissa Galastri Baraldi,^{1,2} Maíra Laura da Costa Louzada,^{1,2} Jean-Claude Moubarac,² Darush Mozaffarian,³ Carlos Augusto Monteiro^{1,2}

ABSTRACT

Objectives: To investigate the contribution of ultra-processed foods to the intake of added sugars in the USA. Ultra-processed foods were defined as industrial formulations which, besides salt, sugar, oils and fats, include substances not used in culinary preparations, in particular additives used to imitate sensorial qualities of minimally processed foods and their culinary preparations.

Design: Cross-sectional study.

Setting: National Health and Nutrition Examination Survey 2009-2010.

Participants: We evaluated 9317 participants aged 1+ years with at least one 24 h dietary recall.

Main outcome measures: Average dietary content of added sugars and proportion of individuals consuming more than 10% of total energy from added sugars.

Data analysis: Gaussian and Poisson regressions estimated the association between consumption of ultra-processed foods and intake of added sugars. All models incorporated survey sample weights and adjusted for age, sex, race/ethnicity, family income and educational attainment.

Results: Ultra-processed foods comprised 57.9% of energy intake, and contributed 89.7% of the energy intake from added sugars. The content of added

Strengths and limitations of this study

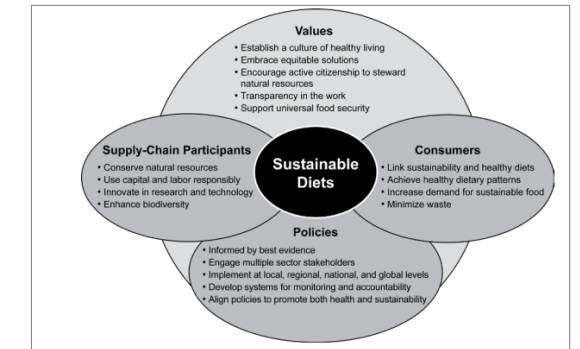
- Use of a large, nationally representative sample of the US population, increasing generalisability.
- Use of data on added sugars rather than total sugars or sugar-sweetened beverages, which correspond to the guidelines relevant area of prioritisation.
- Unlike most articles which have focused on specific food items such as soft drinks or fast food, our study evaluates the impact of a comprehensive group of products whose consumption is increasing exponentially in most countries.
- Dietary data obtained by 24 h recalls are subject to potential error and bias.
- Information indicative of food processing is not consistently determined for all food items in National Health and Nutrition Examination Survey, which could lead to modest overestimation or underestimation of the consumption of ultra-processed foods.

Conclusions: Decreasing the consumption of ultra-processed foods could be an effective way of reducing the excessive intake of added sugars in the USA.

Clean eating




Production and processing



Public health pressures driving changes to food labels

Nutrition Facts	
8 servings per container	
Serving size	2/3 cup (55g)
Amount per serving	
Calories	230
% Daily Value*	
Total Fat 8g	10%
Saturated Fat 1g	5%
Trans Fat 0g	
Cholesterol 0mg	0%
Sodium 160mg	7%
Total Carbohydrate 37g	13%
Dietary Fiber 4g	14%
Total Sugars 12g	
Includes 10g Added Sugars	20%
Protein 9g	
Vitamin D 2mcg	10%
Calcium 260mg	20%
Iron 8mg	45%
Potassium 235mg	6%

* The % Daily Value (DV) tells you how much a nutrient in a serving of food contributes to a daily diet. 2,000 calories a day is used for general nutrition advice.



FEDERAL REGISTER

Vol. 81 Wednesday,
No. 159 August 17, 2016

Part III

Department of Health and Human Services

Food and Drug Administration
21 CFR Parts 20, 25, 170, et al.
Substances Generally Recognized as Safe; Final Rule

Use of the Term “Healthy” in the Labeling of Human Food Products: Guidance for Industry

*Additional copies are available from:
Office of Nutrition and Food Labeling
Nutrition Program Staff, HFS-830
Center for Food Safety and Applied Nutrition
Food and Drug Administration
5001 Campus Drive
College Park, MD 20740
(Tel) 240-402-1450
<http://www.fda.gov/FoodGuidances>*

U.S. Department of Health and Human Services
Food and Drug Administration
Center for Food Safety and Applied Nutrition

September 2016

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 101
[Docket No. FDA-2014-N-1207]

Use of the Term “Natural” in the Labeling of Human Food Products; Request for Information and Comments

AGENCY: Food and Drug Administration, HHS.
ACTION: Notification of request for comments.

SUMMARY: The Food and Drug Administration (FDA or we) is announcing the establishment of a docket to receive information and comments on the use of the term “natural” in the labeling of human food products, including foods that are genetically engineered or contain ingredients produced through the use of genetic engineering. We are taking this action in part because we received three citizen petitions asking that we define

Impact of External Forces on the Food and Beverage Industry

Policy initiatives intended to lower sugar intake are underway

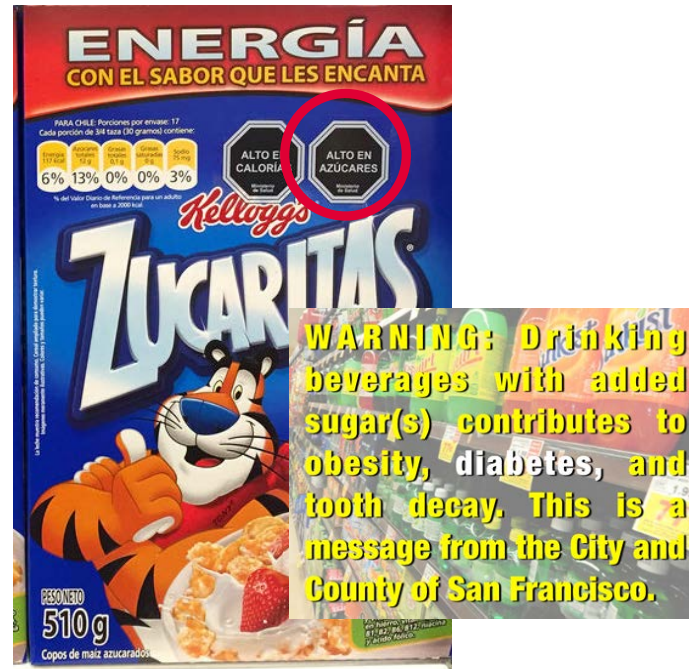
Taxes

The New York Times

Soda Tax Passes in Philadelphia. Advocates Ask: Who's Next?



Warning Labels



Restricted Access




Source: The impact of taxation and signposting on diet: an online field study with breakfast cereals and soft drinks; the Center for Health Economics, 2016. Fiscal policies for diet and prevention of noncommunicable diseases; the World Health Organization, 2016.

Marketing and advertising to children remains a concern

**Interagency Working Group
on Food Marketed to Children**

Preliminary Proposed Nutrition Principles
to Guide Industry Self-Regulatory Efforts

Request for Comments



**Monitoring
Report 2015**



EU PLEDGE




**Obesity
in CANADA**

**Ban advertising
of food and drinks
to children**



The New York Times

The Opinion Pages | OP-ED CONTRIBUTOR

The Problem With Focusing on Childhood Obesity

By THOMAS A. FARLEY DEC. 18, 2015



THERE is good news in the fight against obesity: Rates are finally falling in young children. The bad news? They're continuing to rise to new heights in adults.

The decline in childhood obesity rates is one achievement within a larger failure. By focusing so much attention on the young, in the hopes that avoiding unhealthy weight gain in childhood would prevent adult obesity, we made the same mistake health advocates made in the battle against smoking 25 years ago. Ultimately, we learned an important lesson in the power of marketing that we should apply today.

The stakes are high. The 38 percent of American adults who are obese are at risk of developing diabetes, heart disease, stroke, cancer and depression. According to a recent study published

Allegations of predatory marketing practices



Rudd Report
UCONNRUDDCENTER.ORG
August 2015

Food advertising targeted to Hispanic and Black youth: Contributing to health disparities

UCONN RUDD CENTER FOR FOOD POLICY & OBESITY
SA! Salud America! Growing Healthy Change



Coke Is Using the Rio Olympics to Target Latinos – And It's a Huge Problem

Food.Mic

By Alex Orlov
August 15, 2016

GET MIC DAILY:

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Food advertisers are thirsty for attention during the Olympic recent interview with a Coca-Cola spokesperson reveals that targeting Hispanics with its #ThatsGold campaign.

ARTICLE "Cheerios Protein" Has Negligibly More Protein, but Far More Sugar, than Original Cheerios

CSPI Sues General Mills, Citing Misleading Labeling and False Advertising

November 9, 2015



Public health pressures also driving changes to private policies



Disney Nutrition Guideline Criteria

Disney partners with parents to inspire kids to lead healthier lifestyles. In 2006, Disney became the first major media company to establish nutrition guidelines, which associate its brands and characters with more nutritionally balanced foods.

The nutrition guideline criteria were developed with the help of experts and align to the federal Dietary Guidelines for Americans. The criteria assess food items and meals based on the following:

- **Do they contribute to a nutritious diet?**
 - fruits, vegetables, whole grains, low fat dairy, or lean protein
- **Do they encourage kid-appropriate portions?**
 - calorie criteria
- **Do they limit 'nutrients to avoid'?**
 - sodium, sugar, saturated fat, trans fat

Mickey Check

The Mickey Check is a new tool that makes it easier to identify nutritious choices that meet these nutrition criteria. The Mickey Check will be on Disney-licensed food products sold at retail, on qualifying recipes on Disney.com and Family.com, and at various locations throughout Walt Disney World® and Disneyland® Resorts.

Mars Food Nutrition Criteria

Mars Food has developed a set of global nutrition criteria to guide us as we seek to further improve the nutritional composition of our product portfolio. These criteria are based on nutrition science and recommendations from public health authorities worldwide, including the World Health Organization (WHO), United States Department of Agriculture (USDA), the European Food Safety Authority (EFSA), and Food Standards Australia New Zealand (FSANZ).

Mars Food currently offers a variety of products that fit into a healthy lifestyle, and our criteria will guide us as we develop new products in the future. A majority of our product portfolio now meets our criteria, and over time we will increase the percentage of our portfolio that falls within them.

Below you will find:

- An overview of the nutrition philosophy underpinning the Mars Food approach to Nutrition and Wellness.
- More information about how we define "responsible nutrition"; and
- More information about our criteria and how we developed them.

Our nutrition criteria will be regularly reviewed by internal and external nutrition experts to ensure it reflects the latest science and guidance. Our nutrition criteria focus on the following "nutrients to limit" (NTL): energy, added sugar, fat, saturated fat, and sodium. Further iterations will be expanded to include "nutrients to enhance" (NTE).



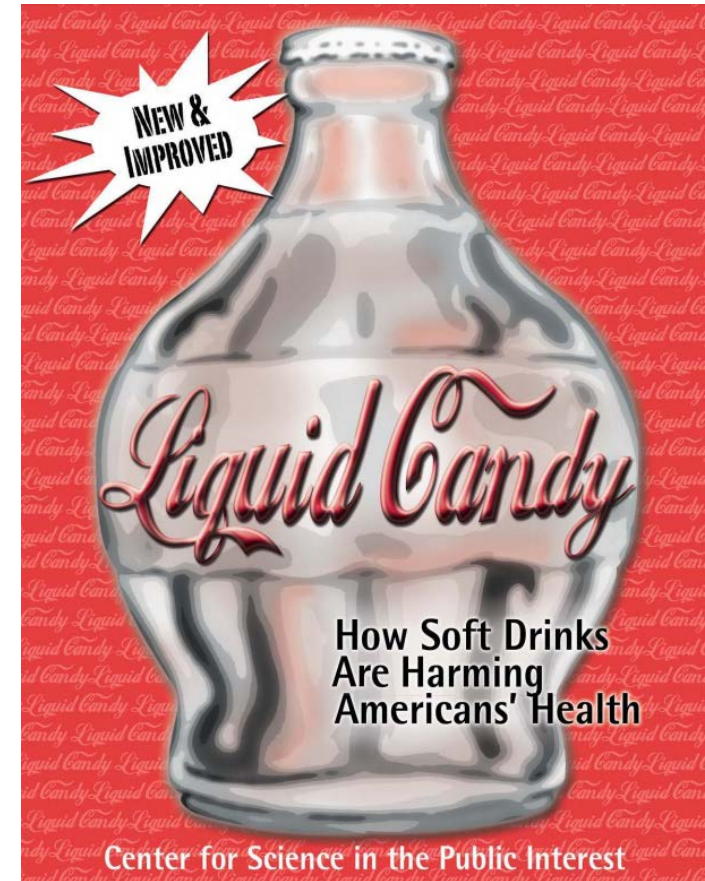
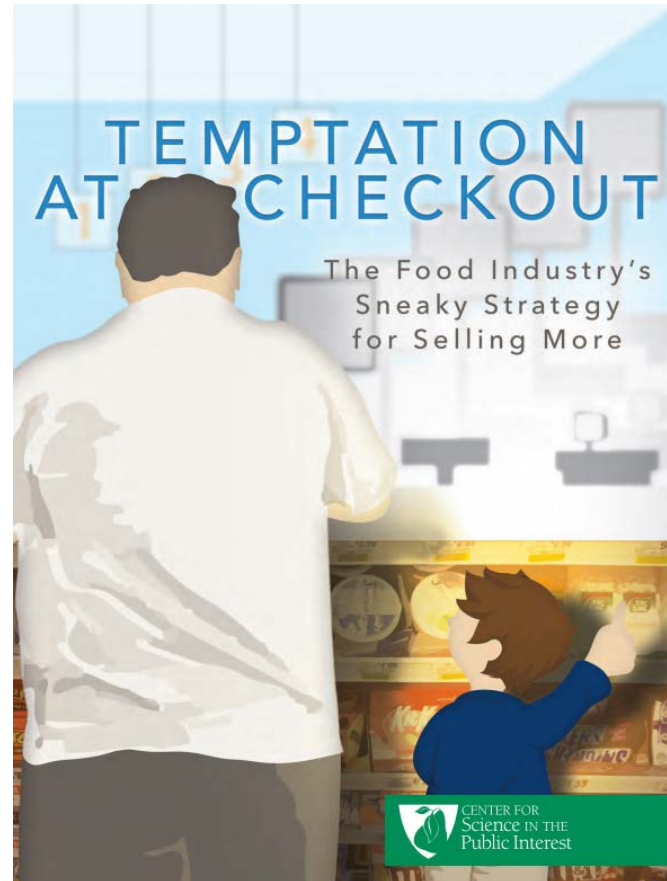
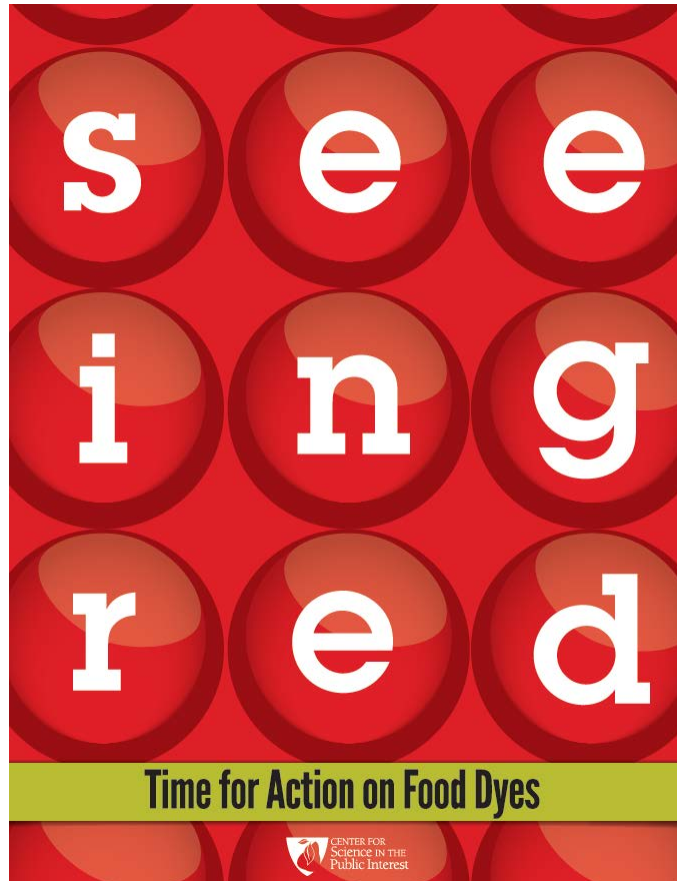
FOOD, BEVERAGE & PROCUREMENT STANDARDS

for Philadelphia Hospitals



Healthiest Snack:
No artificial additives

Activists use “name and shame” to compel change



Source: Seeing red: time for action on food dyes; Center for Science in the Public Interest, 2016. Temptation at the checkout; Center for Science in the Public Interest, 2015. Liquid candy; Center for Science in the Public Interest, 2005

Shaming strategies often focus on artificial ingredients

Petitioning CEO, Mars Incorporated Paul Michaels and 6 others

M&M's Candies: Stop Using Artificial Dyes Linked To Hyperactivity

 Renee Shuttlers and CSPI



DISSECTING STARBUCKS "Pumpkin" Spice Latte

Think before you drink.



- 2 doses of **Caramel Color Level IV**, coloring made with ammonia and considered a carcinogen
- Absolutely **No Real Pumpkin** in ingredients
- Made with "**Monsanto Milk**" cows fed GMO corn, soy, and cottonseed or soy milk that contains **Carrageenan** stabilizer linked to intestinal inflammation and cancer
- Toxic dose of **Sugar** ("Grande" has over 50 grams of sugar)
- Ambiguous **Natural Flavors** that can be made from anything found on earth
- Artificial Flavors** made from substances like petroleum
- Preservatives & Sulfites** that can cause allergic reactions
- Possible **Pesticide Residue** from using non-organic coffee beans
- Contains condensed conventional milk, **NOT VEGAN** even with soy milk options

FoodBabe.com **FOOD BABE** #FoodBabeArmy

Crayola challenged to show its true colors in consumer backlash against artificially dyed candies

By Vladimir Pekic , 26-May-2015
Last updated on 26-May-2015 at 15:14 GMT



 Change.org 
@Change

 Follow

Julie wants @Crayola to stop marketing "Color Your Mouth" candies because of artificial dyes: change.org/crayolacandies ...

"Crayola calls these candies "Color Your Mouth" because they have so much artificial dye in them, they will stain kids' tongues, fingers, and clothes bright red, yellow, green, orange, and blue."

-Julie Rossi's petition

[CHANGE.ORG/CRAYOLACANDIES](https://change.org/crayolacandies)

Consumers are moving beyond taste, price and convenience when making food purchasing decisions

Figure 1: The consumer value driver plate



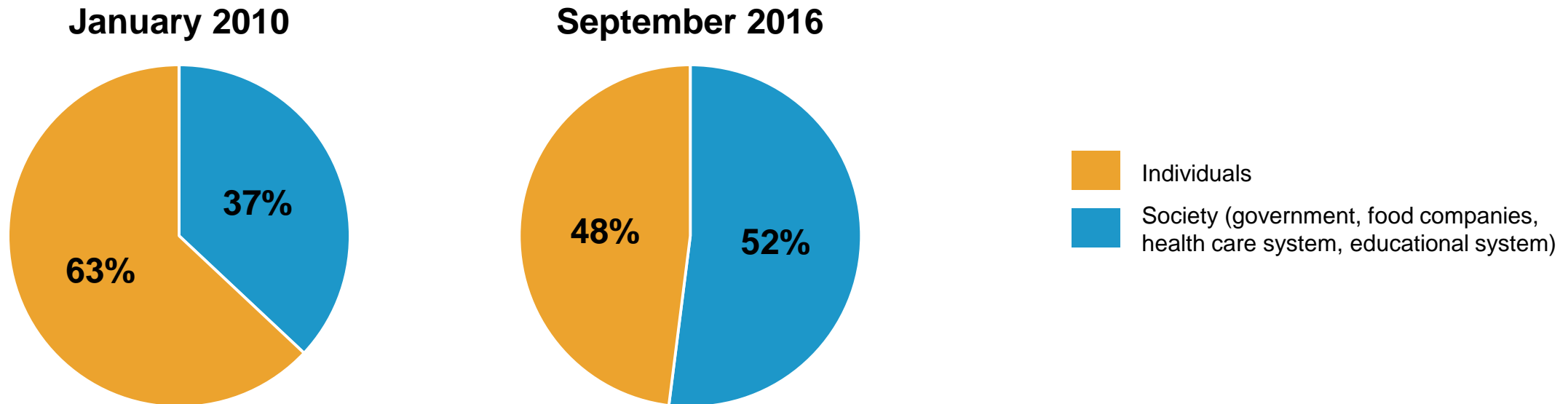
51%

of US food purchasers say **evolving value drivers** are more important than traditional value drivers

Health & Wellness *includes nutrition*
Social Impact *includes sustainability*

Erosion in the belief that health is primarily personal responsibility

In your opinion which of the following groups holds the PRIMARY responsibility for making sure the public makes the right food choices to stay healthy and avoid obesity?



Impact of Internal Forces on the Food and Beverage Industry



May 2015



January 2017


Some research suggests that better-for-you products are good for the bottom line

Hudson Institute


Lower-Calorie Foods and Beverages Fuel Growth at Healthy Weight Commitment Foundation Companies

Hank Cardello and Jeffrey Wolfson
October 2014

Support for this report was provided by the Healthy Weight Commitment Foundation



50th Anniversary
1961-2011

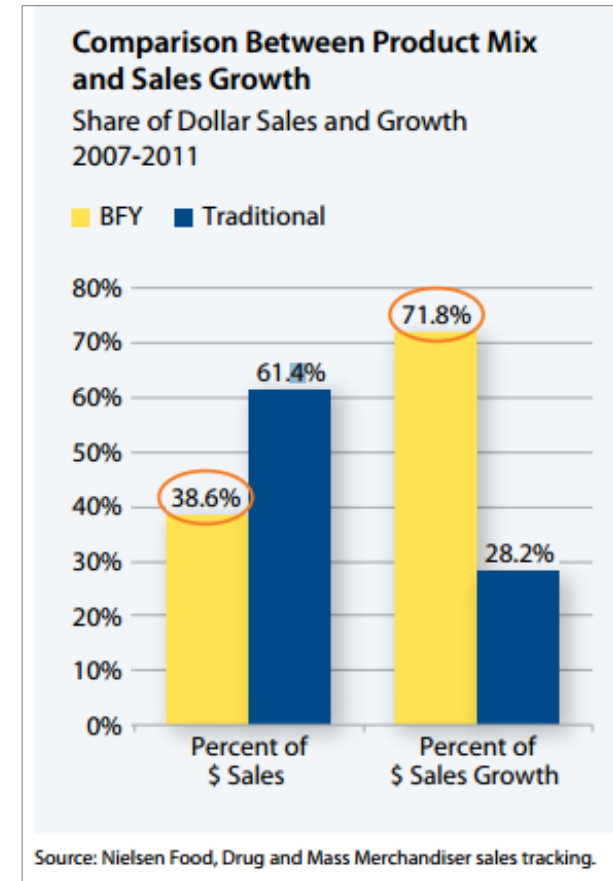


Hudson Institute

Better-For-You Foods

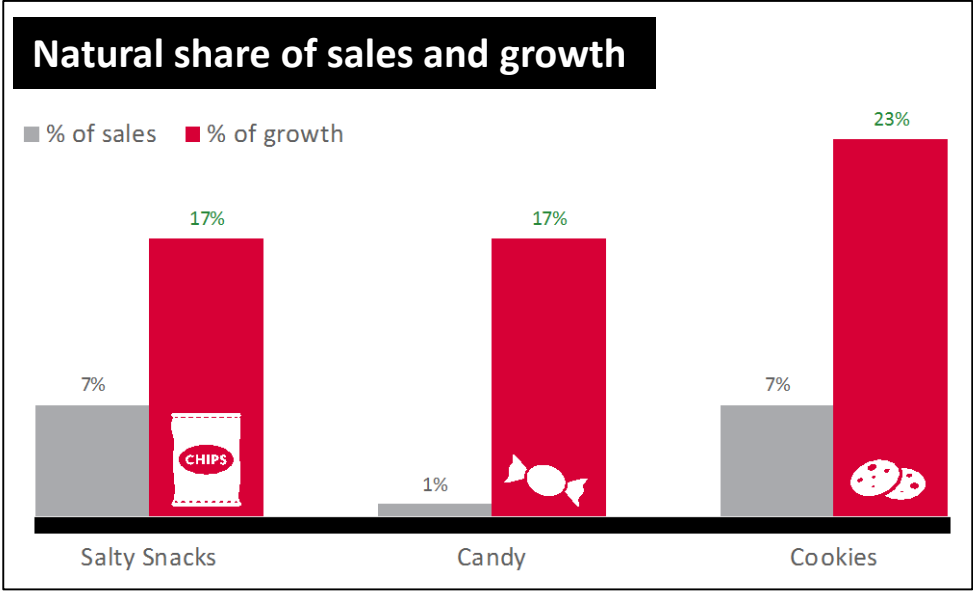
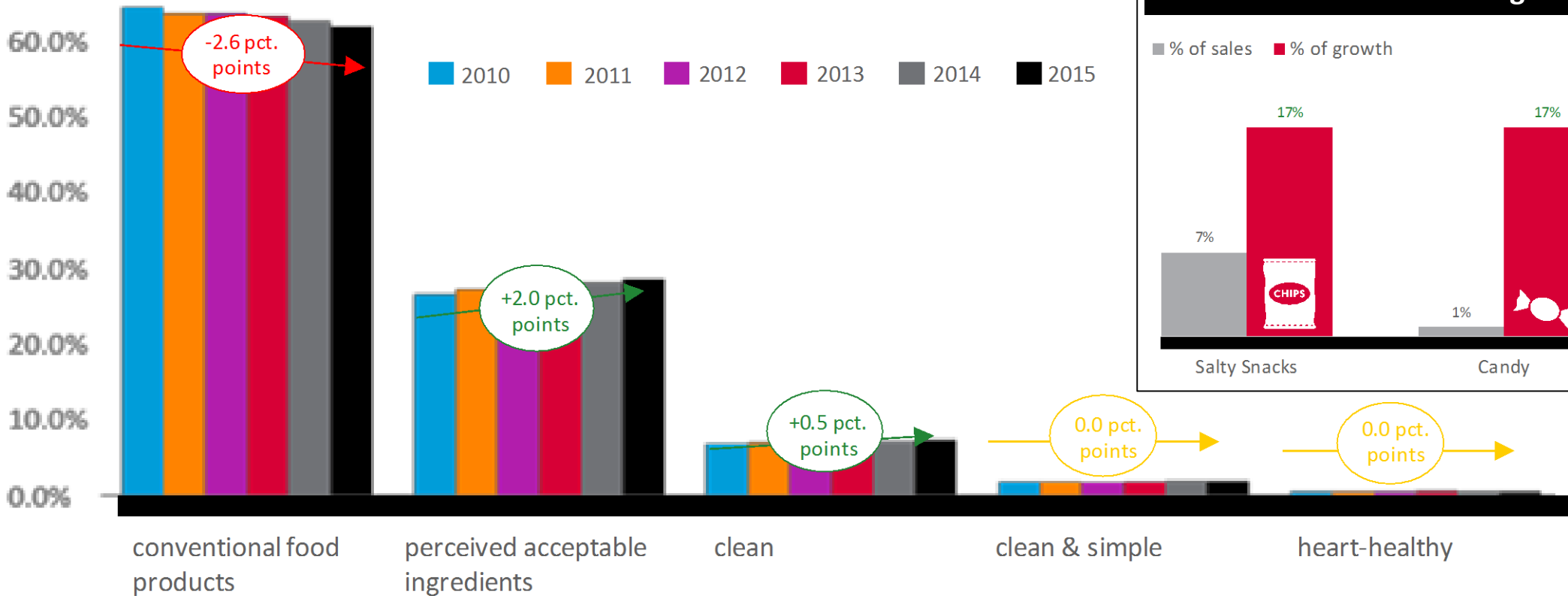
It's Just Good Business

Obesity Solutions Initiative
October 2011



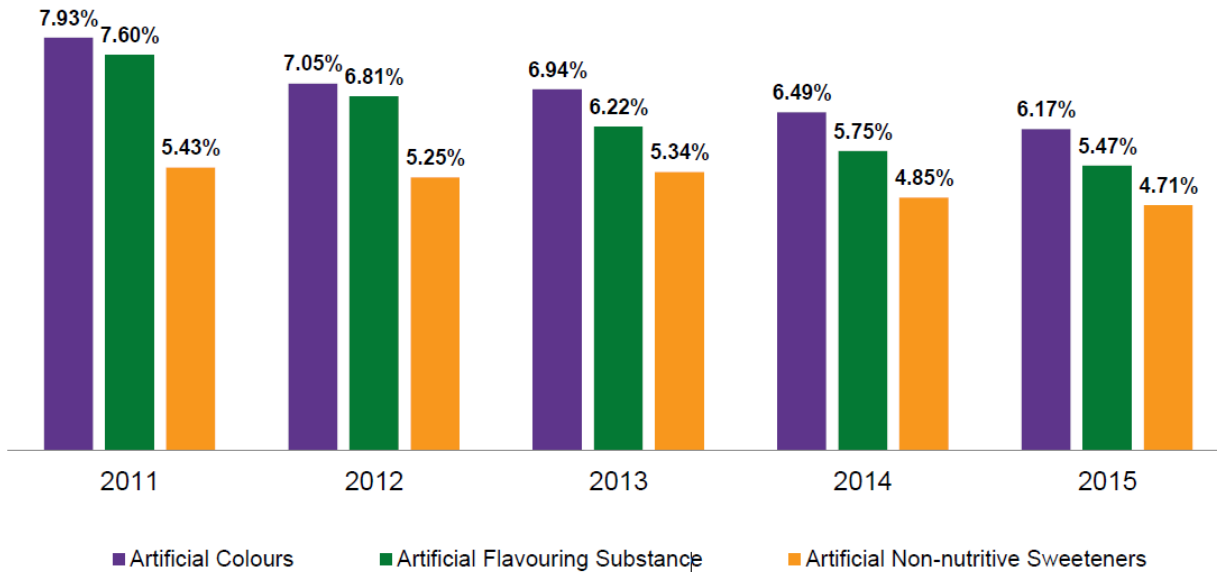
Share shifting from conventional foods to those with perceived clean labels, natural ingredients driving growth in indulgent categories

Dollar share percentage point change – conventional vs. clean label segments



Food and beverage companies are shifting to cleaner labels

Global use of selected ingredient groups, as percent of all new product introductions, 2011-2015



Starbucks Pulls Artificial Coloring From Pumpkin Spice Latte



Companies actively promoting 'clean' foods

WELCOME TO


The Land of Clean

You are entering a wondrous world, where everything is food and the food is as it should be. A world untouched by artificial preservatives, sweeteners, flavors and colors from artificial sources ("No Nos" for short.) Or so we thought...

It seems some unwelcome No Nos have made their way into The Land of Clean. A special MyPanera reward awaits anyone who can remove them all.

[Play the Game](#)

[WHAT DOES 'CLEAN' MEAN?](#)

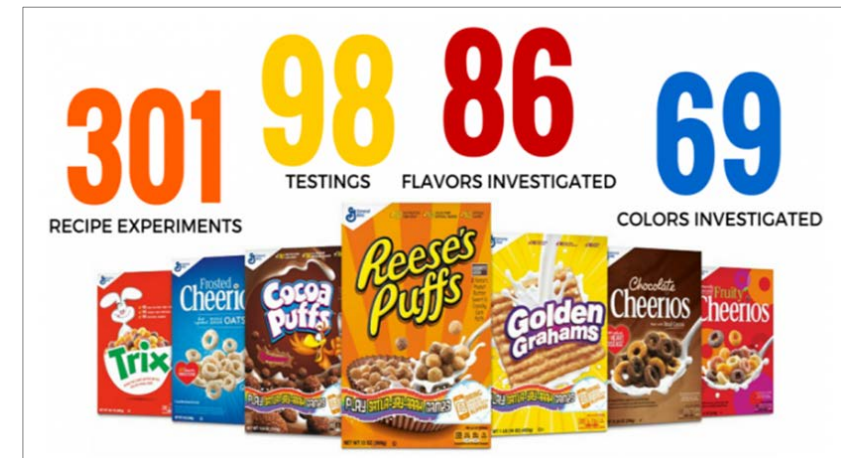


Panera extends 'clean' commitment to beverages

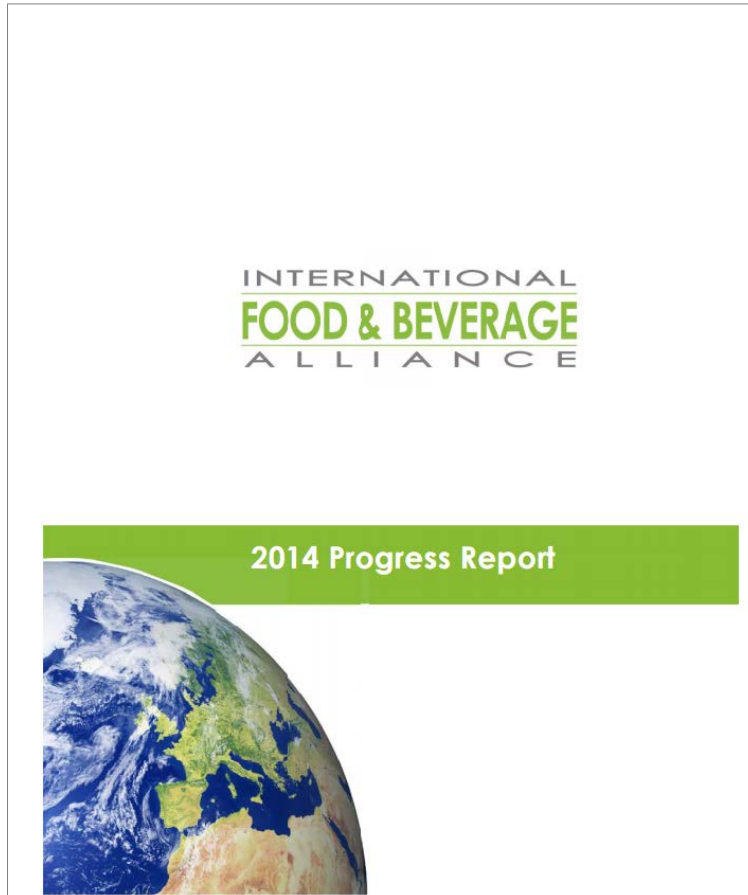
Aug. 18, 2015 - by Eric Schroeder

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Search for similar articles by keyword: [Panera Bread], [Starbucks], [Beverage], [Clean Label]



Multi-national public commitments of self-regulation attempting to head off taxes and further restrictions



Our Commitments					
<p>Guiding Principles</p> <p>We have committed our time, resources and expertise to help consumers around the world achieve balanced diets and healthy, active lifestyles. We are committed to working with all stakeholders in the execution of our commitments and the realization of the goals of the World Health Organization's strategies on global public health. Transparency and accountability underpin our efforts. We will monitor and publicly report on our progress in respect of each of the commitments.</p>					
<p>Product Formulation and Innovation</p> <table border="1"> <thead> <tr> <th>Our Commitment</th> <th>Our Goals</th> </tr> </thead> <tbody> <tr> <td>We are committed to continuous product improvement and are innovating to create products that increasingly make available food choices that help people eat healthy, balanced diets.</td> <td> <ul style="list-style-type: none"> Improve the formulation of products, continuing to reduce nutrients, such as sodium sugar and saturated fats Increase components to encourage, wherever possible – fibre, whole grains, vitamins and minerals, fruits and vegetables and low-fat dairy Provide reduced sugar, saturated fat and salt options; Replace trans fats with unsaturated fats; and/or continue progress on trans fat reductions Provide a variety of portion size packaging, including small and/or reduced portion sizes and/or low- and no-calorie options, as well as portion guidance Reduce sodium, wherever applicable and possible, with regard to WHO's recommendation for daily salt intake </td> </tr> </tbody> </table>		Our Commitment	Our Goals	We are committed to continuous product improvement and are innovating to create products that increasingly make available food choices that help people eat healthy, balanced diets.	<ul style="list-style-type: none"> Improve the formulation of products, continuing to reduce nutrients, such as sodium sugar and saturated fats Increase components to encourage, wherever possible – fibre, whole grains, vitamins and minerals, fruits and vegetables and low-fat dairy Provide reduced sugar, saturated fat and salt options; Replace trans fats with unsaturated fats; and/or continue progress on trans fat reductions Provide a variety of portion size packaging, including small and/or reduced portion sizes and/or low- and no-calorie options, as well as portion guidance Reduce sodium, wherever applicable and possible, with regard to WHO's recommendation for daily salt intake
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Investors are calling for foods and ingredients perceived to be healthier

Walmart and Others Are Being Asked to Stop Selling as Much Meat

by Reuters SEPTEMBER 26, 2016, 1:38 PM EDT



In closing . . .

Trump's administration is likely to be pro-business and less regulation



“The FDA Food Police, which dictate how the federal government expects farmers to produce fruits and vegetables, even dictates the nutritional value of dog food.”

- Donald Trump on 2016 Presidential Campaign Trail

The future of food and nutrition policies proposed and implemented by the Obama administration are unknown

Food labeling



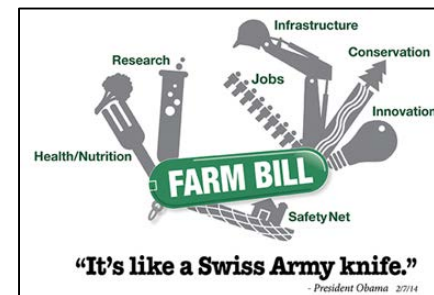
GMO labeling



Healthy Hunger Free Kids Act



2018 Farm Bill



Sodium guidance

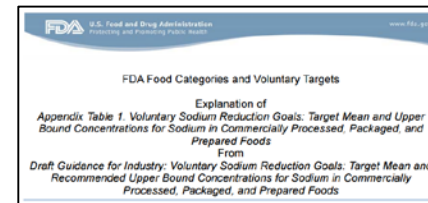
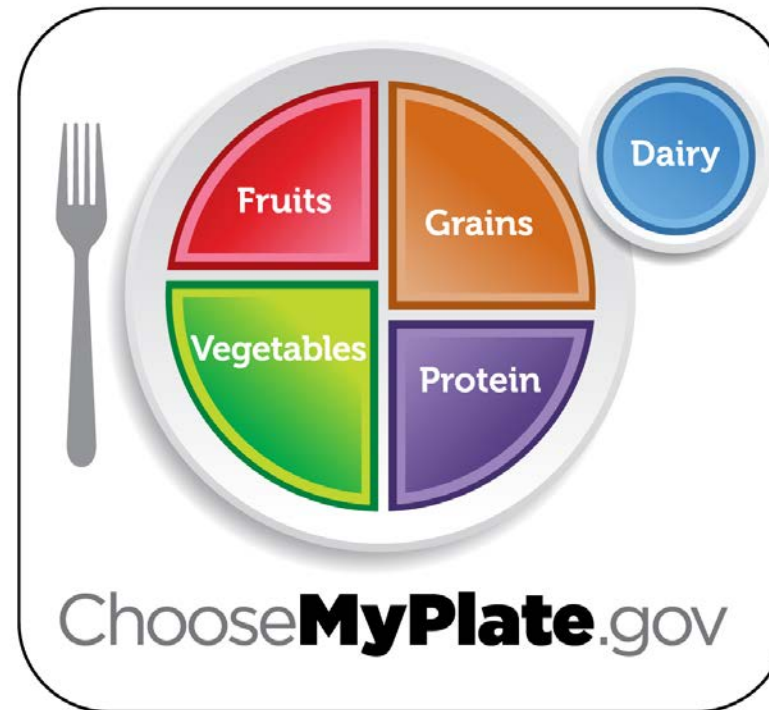
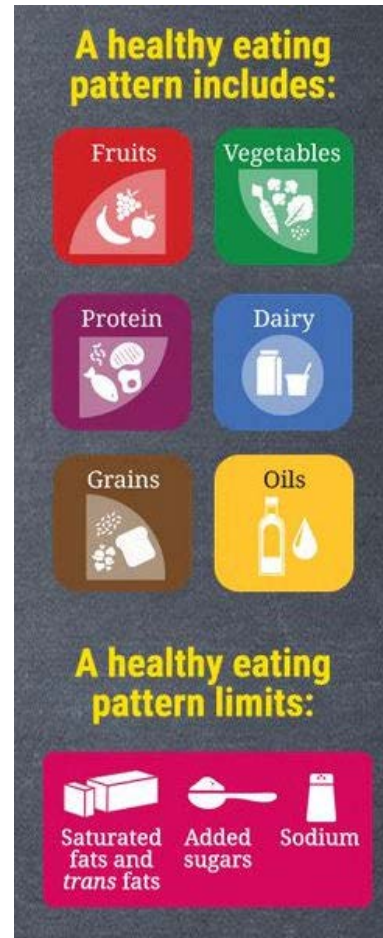


Table 1.13: Mixed Ingredient Dishes - Categories and Targets

Food Category ID	Food Category Name	Food Category Description	2018 Recommended Sodium Concentration (mg/100g)	2018 Recommended Sodium Concentration (mg/100g) - Upper Bound	2018 Recommended Sodium Concentration (mg/100g) - Target Mean
128	Frozen Meals/Entrees	Frozen meals and entrees ready-to-eat after heating, e.g. frozen pot pies, frozen lasagna, and frozen burritos. Excludes frozen pizzas (see 145a, 146a).	332		280

2020-2025 Dietary Guidelines for Americans unclear but likely to continue emphasis of healthy dietary patterns



Activist concerns will continue to provoke negative attention

Social Media

Dietitians for Professional Integrity
August 19 · 🌐

Coca-Cola unleashed its largest teen-focused social media campaign ever for the 2016 Olympic Games, Campaign US reports.

Highlights:
* "To reach teens during the most connected games in history, Coca-Cola launched #ThatsGold, a multi-platform social media effort designed to engage 13- to 19-year-olds with a steady stream of content filled with influencers, musicians, and of course, the athletes."... See More



How Coca-Cola targeted teens during the 2016 Olympic Games
The brand's largest social campaign ever received its highest level of engagement with Facebook Live. From Campaign US


CAMPAIGNLIVE.COM



Litigation

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Counsel for Plaintiffs and the Proposed Class

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

Dina Lipkind and Lyle Takeshita, Chad Fenwick, individually and on behalf of all others similarly situated,
No. _____
Plaintiffs,
**CLASS ACTION COMPLAINT
DEMAND FOR JURY TRIAL**
— against —
PEPSICO, INC.,
Defendant.

Plaintiffs Dina Lipkind, Lyle Takeshita and Chad Fenwick (together, "Plaintiffs"), individually and on behalf of all others similarly situated, bring this Class Action Complaint against PepsiCo, Inc. ("PepsiCo" or "Defendant"), and on the basis of personal knowledge, information and belief, and investigation of counsel, allege as follows:

Shareholder Resolutions

Humane Society buys ownership stake in Hormel

By JULIE FORSTER | forster@pioneerpress.com
PUBLISHED: September 13, 2010 at 11:01 pm | UPDATED: November 12, 2015 at 6:33 am

Hoping to pressure Hormel Foods to change the way it confines breeding pigs, the Humane Society of the United States has taken a stake in the Austin, Minn.-based pork processor.

AS YOU SOW 2014 Proxy Memo: GENERAL MILLS
Shareholder Resolution: Report on Packaging Recyclability

Shareholder Proposal to General Mills Report on Packaging Recyclability

Our shareholder proposal to General Mills asks the company to issue a report assessing the environmental impacts of continuing to use unrecyclable brand packaging. Our supporting statement says we believe the report should include an assessment of the reputational, financial and operational risks associated with continuing to use unrecyclable brand packaging and, if possible, goals and a timeline to phase out unrecyclable packaging.

The company acknowledges in its statement in opposition to the proposal that much of its packaging sustainability improvement has been due to light weighting and not due to further improvements in material recyclability. It states that by 2015, 60% of its global product volume will be sold in "improved" packaging. This is a very vague statement. In discussions with the company, it revealed to us that most of this improvement relates to light weighting and none was due to improved recyclability. This information by itself justifies voting in favor of our proposal requesting a report asking for further improvement of recyclability of packaging.

The company's statement in opposition says 85% of its packaging is recyclable. We appreciate that most of its packaging can be recycled but the goal of the proposal is to get the company to assess the remaining 15% that is not recyclable and report to shareholders on the feasibility of replacing it with recyclable packaging. The company does not address this point in its statement in opposition.

Further, the fact that a container can be recycled does not mean it will be recycled. For example, while more than 60% of the population has access to recycling of 85 polypropylene plastic, the material used to package General Mills' popular Yoplait yogurt cups, the U.S. Environmental Protection Agency 2012 municipal solid waste report indicates that only an estimated 2.2% of these kinds of containers are actually recycled! We engaged General Mills management to commit resources to better educate consumers about the ability to recycle these containers or to take other actions to boost the recycling rate; the company declined to do so.

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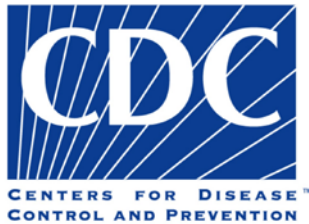
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- Informed by broad understanding of marketplace trends and regulatory and activist pressures
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