Industry's Role: Nutrition Promotion and Commercial Interest - How Well Do They Mix?

Moderator: Kate Coler, Deputy Under Secretary for Food, Nutrition, and Consumer Services, U.S. Department of Agriculture, Washington, DC

Welcome

Kate Coler, Deputy Under Secretary for Food, Nutrition, and Consumer Services, U.S. Department of Agriculture, Washington, DC

Good afternoon. I thank you for joining us at this session and thank our excellent panel for taking time from their busy schedules to be here. In this country, we enjoy an abundance of food that is safe and affordable. But, we also have an emerging health crisis in this country with obesity. I think that it is appropriate to have members of the food industry here to talk about their priorities and initiatives in helping move Americans to a healthier lifestyle. It should be a very interesting discussion.

As we all know, the food industry works in a very competitive environment; especially in this country with the safest and cheapest food supply in the world. As nutrition educators and people in the health arena, you all work tirelessly to help move Americans to a healthier lifestyle. So, I hope that the discussions today are enlightening and that we can share ideas and learn about some of the industry's initiatives to educate their consumers. We will also hear about the research that they do to improve their products and how they incorporate that science into meeting customer demands.

Whole Grains in the Marketplace

Susan J. Crockett, PhD, RD, FADA, Vice President, Senior Technology Officer, Health and Nutrition, General Mills Bell Institute of Health and Nutrition, James Ford Bell Technical Center, Minneapolis, MN

I am a big fan of partnerships between government, health care, and the food industry. I think there are tremendous opportunities for partnerships that will improve the eating patterns of Americans. I spent most of my career as an academic, and am new to the food industry and have been pretty much overwhelmed, but pleased, to work with really smart nutritionists and scientists in the food industry. It has been a very interesting 5-1/2 years in the food industry.

What I would like to do today is tell you a little bit about one project that General Mills is very proud of, that is relatively recent. That project is a whole-grain initiative. Our company has been involved for over 80 years in promoting research about whole grains, educating consumers about whole grains, and communicating the benefits of whole grains.

Since Wheaties was introduced in 1924, and Cheerie Oats in 1941--now renamed Cheerios--and then Whole Grain Total in 1961, we have been heavily involved in whole grains. I will focus my remarks on the consumer perspective about whole grains, an aspect that General Mills is probably best qualified to discuss. We interact with thousands of consumers every day--we receive 5,000 calls on our call line every day and I am often amazed at the interesting comments that we receive from our consumers. In addition to that, we poll them, we ask their opinions, and sometimes we are even guests in their homes to watch what they do with foods. We spend a lot of time trying to understand consumers' attitudes and beliefs.

Consumers' basic sentiment about whole grain is that it is good for you. They understand it is general goodness, but it is still well down on the list of foods that they might eat to reduce the risk of disease. Number one on the list is orange juice. The level of consumer awareness about whole-grain benefits is also fairly limited compared with the awareness, for instance, about the link of calcium with bone health, or oats with cholesterol reduction. Only half of consumers we surveyed had heard about whole grains having a preventive role in heart disease.

We also know that health professionals, in general, underestimate the public health benefits of whole grain, which are estimated to be--if comparing the highest to the lowest group--that people who have the equivalent of three servings of whole grains a day can experience a benefit of about 25 percent reduced risk of heart disease.

Other benefits of whole grains, such as leaner body weight, and some of the other benefits are very little known by consumers. Consumers think they get enough whole grain. And three out of four will tell you that they get enough. This compares with the reality that only 1 in 10 consumers gets enough whole grain.

As you know, the 2000 *Dietary Guidelines* mentioned whole grains for the first time, and then it was mentioned more strongly in 2005. Using NHANES data, we actually saw that the intake of whole grain went down between 2000 and 2005, rather than what we would have expected, which is that it would go up. So the servings in 2000 roughly averaged 0.8, and the latest survey data was 0.7.

Ninety percent of consumers claim that they know what "whole grain" means and have heard of whole grains. But, this is mainly based on mistaken impressions. For instance, they tell us that whole grain is brown. But when you really look at brown foods, a lot of them are not whole grain. They say it can't be white, and we know now that there are really high-quality white flours that are 100 percent whole grain. They don't realize that many, many other interesting grains, not just wheat, are whole and should be part of the diet, such as rice, rye, oats, etc.

Of particular interest to our company is that 80 percent of consumers agree that many cereals provide good or excellent sources of whole grain; that is, they say, as long as those cereals are not presweetened or for kids. Well, okay, consumers get the last point wrong,

but the good news to us is that they are looking for the benefits of whole grain in cereal. In part, because cereal is a health driven category and universally enjoyed by children and adults. It is an ideal vehicle for whole grain.

In the September issue of *The Journal of American Dietetic Association*, Bruce Barton reported on a National Institutes of Health-funded study called, "The National Growth and Health Study." The study followed 2,300 girls from age 8 to 10 for 10 years, until they were 18 and 20. While breakfast was not a significant predictor of less development of obesity, eating cereal was a strong predictor of less development of obesity in these girls. And interestingly, 41 percent of those cereals were presweetened. So, cereal may be an ideal vehicle for whole grain, and it is a leading source of whole grain in the American diet.

But, we knew that just making cereals with whole grain would not guarantee success because an inescapable fact for every consumer food company is that taste rules. If something is supposed to be good for you, consumers will try it once. But, if it doesn't taste good, they will not buy it again.

Therefore, we knew that if our whole-grain initiative was to be successful, we had to be sure that the cereals didn't taste worse. In fact, that was a criterion for our project. The cereals could taste different--and consumers actually think some of them taste better--but they couldn't taste worse.

All 50 brands of General Mills' portfolio of cereals are sources of whole grain. This was a huge step for our company. Single-handedly, our initiative will increase by 1.5 billion the number of servings of whole grain each year in the American diet. Our definition of a serving is 16 grams, which is the USDA definition of a grain serving. This will happen even if they don't change their behavior; they just need to continue eating the cereals that they ate before the initiative.

Another way to look at this is that our cereals will deliver 26 million servings of whole grain every day. This is a significant contribution in helping Americans meet the new USDA and Health and Human Services guidelines to consume three servings.

Given the lack of understanding, we knew that consumers might easily respond, so we launched a major educational campaign. We tested messages with consumers and found that they prefer fact-based statements, clearly visible on the box, and simple content messages. But, descriptive claims did not exist for whole grain. So we carved our own path and did it the way consumers and health professionals expect, based on science.

We based our claim on USDA's definition of a grain serving, which is 16 grams in *MyPyramid*'s database. In our view, one full serving of whole grain should be the threshold for an excellent source of whole grain. To be a good source, we feel consumers should get at least half a serving, setting the bar high. Old Ways Preservation Trust Whole Grains Council--I believe there are about 40 food companies that are members of that Whole Grains Council at this point--has also endorsed the 8- and 16-gram level with their whole-grain stamp.

Claims are important because they help consumers find whole grain in their diet. As we have seen, consumers need help. They are already a bit confused about how much whole grain they are getting. The industry should not add confusion by telling consumers that a product is a good source when it has less than a significant amount. And, yet, there will be, and is, confusion in the marketplace. It will continue unless the bar is set appropriately and some discipline is imposed in the marketplace. We feel that science supports our view of this.

We will certainly follow the guidance of the Food and Drug Administration when it announces its determination about whole-grain claims. But until they do, General Mills will hold ourselves to a very high standard of at least eight grams, which is half a serving, in every single one of our cereals. Most of our cereals have 16 grams.

Since 2000, when whole grain was mentioned for the first time in the *Dietary Guidelines*, General Mills has been providing nutrition education for health professionals and consumers, for WIC and for school children. If anyone wishes to go to the bellinstitute.com website, all of these materials are available free of charge for you, or anyone else that you work with.

Sixteen thousand health professionals have made use of, not just secured, the materials that we have prepared about whole grains. They have brought that education to 5 million consumers. That is just a drop in the bucket in terms of the number of people who need education about whole grain. But we are trying to do our part in the initiative to teach Americans about whole grain.

We are also leveraging the power of the cereal box. We started out with a bold banner on the box and now have smaller but quite prominent whole grain logos on the box. We know that this is important because the cereal box is one of the most read items in the home. Each box is read on average 2.6 times, and cereal boxes are found in 93 percent of American homes. So the box itself is a unique tool, an opportunity to tell the whole-grain story and is a powerful educational tool. When the new *MyPyramid* was released, General Mills featured the new graphic and information about whole grain on 100 million cereal boxes.

I feel that this is very important because all of us in this room and, certainly, the food industry are a part of that and need to play a role in helping to educate Americans about nutrition guidance and dietary guidance from the Federal Government, and other tools that will help them improve their diets.

One consumer left a message on our website when we announced our whole-grain initiative and said, “I just heard on the news that General Mills cereals are going to have whole grain. That is the best food news I have heard in a long time. Thank you. Thank you for going out on a limb for consumers’ health and, hopefully, becoming a role model for all the other food companies.” This consumer can be reassured, because other companies are also

promoting whole grain and adding whole grain to their products. They are all helping to spread the word that will ultimately be good for all of us. None of our competitors can say that all of their cereals are whole grain, but they are jumping on the whole-grain bandwagon--and we say welcome aboard.

The *Chicago Sun Times* says that whole grain is the hottest word in food fashion, with the number of whole-grain introductions doubling in 2004. I hope that General Mills has played a positive role in improving Americans' diets by promoting whole grain, delivering significant amounts of whole grain in our cereal and by promoting solid, good government guidance about how to improve American diets.

In summary, consumers still need more help in getting whole grain in their diet. Scientists need to continue to advance whole-grain science; although, I must say, I was very encouraged in May at an International Whole Grain Research Summit in Minneapolis. We had more scientists than could fit in the room, and the enthusiasm about whole-grain science was very infectious.

Educators must make whole grain relevant. Policymakers need to set standards. And marketers must communicate the benefits of whole grain. Thank you.

Nestlé: Putting Nutrition Into Action

Laurie MacDonald, RD, Vice President of Corporate and Brand Affairs, Nestlé USA, Glendale, CA

I will bet that if we took a poll, most of you would think Nestlé means chocolate. Is that true? I hope I can change your mind in the next few minutes and share some of our nutrition activities with you.

A lot of people don't even know we are here in the USA, but we are in Glendale, California. We are a $12 billion company, and our chairman is Joe Weller, who is very dedicated to nutrition and wellness himself.

Our well-known brands range from PowerBar Pria bars, to the "Spa Cuisine," range which is a Lean Cuisine whole-grain product that my colleague, Susan, generously mentioned. We offer everything from pet care to bottled waters. We have Poland Springs, San Pellegrino, and Perrier. We have got a really wide variety of products. We definitely mean more than chocolate, but I don't think chocolate is a bad thing to be known for.

We are part of Nestlé SA, which is the world's largest food company. It is located in Switzerland, and was founded in 1867 by Henri Nestlé, who actually created an infant food for a neighbor who could not breastfeed and her child was going to die. The product saved the child's life. So our company was founded on a nutrition product. We have carried on that legacy ever since.

We have 18 research and development facilities globally. They are a global asset. Our major facility is in Lausanne, Switzerland. There are over 600 people there, 50 nationalities are represented, many languages spoken and over 300 scientists work there--everything from nutritionists, to engineers, to food scientists, to biochemists. The first piece of our focus on research is food. That is everything you would expect, from the quality of products, to the taste, ingredients, how you get flavors and aromas--such as what gives the aroma to Nestlé Tollhouse cookies.

Secondly, we look at consumers. As for consumer research, it is everything from the health benefit that they perceive and whether they perceive this to be important to them, individual differences, a lot of research on appetite and satiety, why do we eat too much, and bioavailability, what makes calcium better absorbed.

In the U.S., we have many initiatives. In a minute, I am going to talk about a few education initiatives. But, briefly, we have an in-school program right now that is getting Nesquik into school vending machines as a nutritious alternative. We are also looking at juices and water. Another example is Juicy Juice. Together with Doctor Christine Wood, we have a program that helps parents learn how to introduce solid foods to children, how to start early with good nutrition.

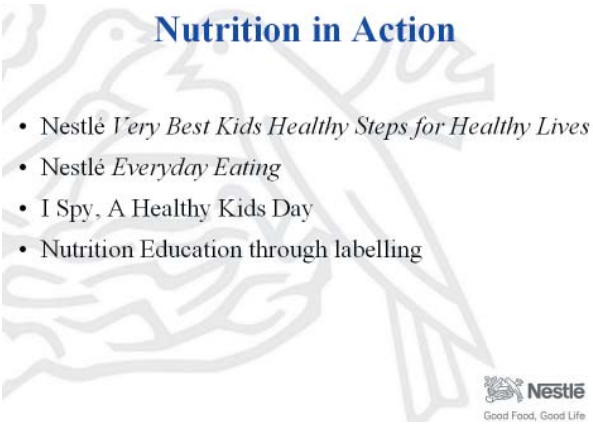
We have a global Nestlé Nutrition Workshop series, and many of you in academia may have seen it. We put on workshops with original research and publish the findings in 10 languages. These books, on a variety of topics, are distributed throughout the world to medical libraries, teaching hospitals, and schools. You may be familiar with those.
We have so many websites, it is hard to name them. You can go to our Power Bar website

and get a personalized exercise program. You can ask a nutritionist on a number of our sites, or get prenatal information. Our nutrition information runs the gamut for the public.

By January '06, we will have zero *trans*-fat in every Nestlé product in the U.S. I am really proud of the fact that 90 percent of our products never had trans-fat in them. So we only focused on 10 percent of our products to remove the *trans*-fat. That includes Toll House cookies. By '06, you will see those on shelves. Lastly, for all of you who want to do a little more biking, cycling, running, or triathlons, visit powerbar.com, where we sponsor not only leading athletes, like Lance Armstrong, but everyday athletes and people that just want to exercise. It is a really great program.

I love the title of this session, "Industry's Role: Nutrition Promotion and Commercial Interest--How Well Do They Mix?" When we were asked to participate, we were very happy. We believe it is a recipe for success and for progress, and that they have to mix if we are going to get anything accomplished in this very important area of eradicating obesity and diabetes, and promoting health.

I am going to go over four programs; I am proud of all of them. A couple of them are just launching. The first is a community program called "Nestlé Very Best Kids: Healthy Steps for Healthy Lives." This is unbranded, community-only education. "Nestlé Everyday Eating" is a diabetes program we launched last year. "I Spy, A Healthy Kids Day" is a Scholastic tie-in that is brand-related, so that will promote a brand. I like the earlier comment that cereal boxes are one of the most read items in the home. We think labels are important, too, so I will briefly talk about labels. I can't claim they are as well-read as your cereal box labels, though.



The "Healthy Steps for Healthy Lives" is going to launch as soon as we get the Children's *MyPyramid*. We are ready to drop that in and roll it out. But, it is a hands-on program, and it is on both nutrition and physical activity. We are targeting pre-K through first grade, because we feel that in this area it is so important to try to prevent obesity, rather than treat it later on. And it is a very fun curriculum. It includes a video with live action, so there are kids exercising, learning about food choices, and learning how to use the pyramid.

We have take-home materials for families that are also in Spanish, and various games that use activity cards, pyramid, etc. The graphics are very fun and cute, and teachers will get the entire kits and be able to distribute them to their whole classroom. We thought we would roll it out first to our Nestlé adopted schools.

Our philanthropic focus has always been education and literacy. We have 50 schools that we have adopted, so they will get it first, as being loyal partners with us. Then, we will mail 20,000 kits as soon as we can print them in October 2005. In '06, we are going to put it on-line at verybestkids.com, so the whole program can be downloaded, and I am sure will be reprinted and redistributed. It is a community program that we are very excited about it. It is very engaging and interactive, and it will roll out shortly.

The next program is "Nestlé Everyday Eating." It was developed for people managing diabetes. A consumer insight we had in doing studies with people living with diabetes was that they wanted to eat what they called "normal" food, brands that were familiar to them and food the rest of the family was eating. We had a number of sugar-free products that we thought were the perfect way to provide this education program, with product information, to people living with diabetes. We have the quarterly newsletter, and 700,000 copies of the next issue will go out. We have an e-newsletter, a website, and printouts that appear in magazines targeted to diabetics.

Our list of products for diabetics includes everything from Lean Cuisine which, of course, is portion-controlled, to many of our standard products, like Nestlé hot cocoa and Carnation Instant Breakfast that are in sugar-free varieties. They are given coupons for those products and told how to use them in the diet. The magazine has been very successful, and a lot of our customers, like Wal-Mart, have invited us to work with them on their wellness days, so we have been broadening the reach of this program through our customers as well. It has been very well received.

The next program, "I Spy, A Healthy Kids Day," is also branded. I wanted to show you how we do some community, unbranded education, and some branded initiatives. This rolls out this month. We worked with Scholastic, with whom I am sure all of you are familiar, and developed a curriculum, again, pre-K through first grade. This includes take-home materials and *MyPyramid*. One interesting thing is that it has a contest as well. Kids are going to actually keep a food diary with their teachers. They mail it in and the winner gets to go to New York City and spend a day at Scholastic. The whole day will be built around healthy kids, healthy lifestyles. It is very exercise-related as well. It has take-home materials, and talks a lot about how to select or make good food choices, using the I Spy idea. I am sure you are familiar with I Spy. This example allows kids to select what will go into a good salad. This is funded by a brand, Juicy Juice 100% juice, so it is different from the community effort, and rolls out this month.

Then lastly, labels. We have a huge opportunity to make nutrition information more understandable. Who isn't confused by labels? I mean, it is "low," "high," "good source of." These are just draft ideas, but Nestlé has undertaken a global initiative to make our labels work harder as more transparent educational pieces on our products. Where you want to call out things like "good source of," on the Juicy-Juice 100% Juice, it says a 6-ounce serving counts as a fruit serving on *MyPyramid*. We are trying to find ways to enhance and bring out what we think is relevant. That is underway right now and, hopefully, you will see them on Nestlé products all over the world.

Lastly--and I think I am just echoing what my colleague, Susan, said--this is going to take a concerted effort from everybody. If we want to stem the rise of obesity, make any difference in public health, it will of course take the food industry, government, NGOs, health professionals, schools, even employers. We are looking at ways to get our workforce healthier because it just amplifies good health in your family, and even in people you interact with. We all have a role to play. I think, if all of us can put a little steam and effort behind this, we can truly make a difference. Thank you for your time.

The Kraft Foods Perspective

Richard M. Black, PhD, Vice President Global Nutrition, Kraft Foods Global, Inc., Glenview, IL

I just recently moved to Kraft 6 months ago. In learning about a new company, you spend all of your time inside the company and don't get a chance to get out and actually meet people who do the things you love to do, and that is nutrition. So, for me, this is a wonderful opportunity.

A lot of people looked at me and said, "Nutrition? Kraft?" But this has helped me with this. It is fair to say that Kraft has had a history of producing very good tasting foods, but foods which have not been driven by nutrition. Kraft, as many other food manufacturers have recognized, has said there is more that we can do. It is not just that there is more that we can do, but there is more that we should do in order to help people to manage their diets, manage their weight, and improve their health.

As a person who works on nutrition, when you are given the opportunity to work in a company that is making food for people around the world, changing the way that company makes food, and changing the way that company markets food to children and to adults, it is not an opportunity you can lightly pass up. So that is why I came to Kraft.

What I hope to show you is some of Kraft's initiatives to give you a sense of where the company is headed and why I think it is so important. Consumer expectations are extraordinarily high. You are all consumers, you have heard it before already: "Taste is king," of course.

Health and well-being is an important lifestyle issue around the globe. It is either the number one or the number two-ranked issue in a number of different countries. It doesn't matter where you go, whether it is China, Australia, Italy, Canada, or the U.S.--globally, 75 percent of the people say they feel very knowledgeable about what is healthy and what is not healthy to eat. Whether they truly are is a different issue because there is a lot of misinformation out there. But only 47 percent say they find it very easy to do this. This is a critical point.

We can talk a great deal about what we should be doing as consumers, as parents, as whatever, but the reality is that, certainly in the Western world, people are time-crunched. So, our job in the food industry is to figure out ways to make affordable, healthy food available for people to improve their diets.

The main reason for following a healthy lifestyle is to prevent illness. This is what people tell you, but what they tell you and what they really want are sometimes different. Depending on how you ask the question, you might also see it includes wanting to look good. There is nothing wrong with that. If people have that as a target and it results in health, I am all for that as well.

All of this, though, has led to a fundamental transformation in the food business. Looking at these companies here, one out of every three products introduced in 2004 by these companies had a health benefit focus. One out of three. I think that is absolutely astounding. If you go back even just 3 or 4 years ago, you would never have seen numbers like that. Even in Loblaws--and for those of you from Canada (I am from Canada)--they have President's Choice. Loblaws is launching "Better For You" products as well--Blue Menu for adults, Mini Chefs for children. It is just across the whole board.

Whole Foods, very big here in the States, is launching in Europe. I don't know how many people have shopped there, but my wife and I shop there all the time. I am not a huge organic fan, but it is the quality of their products. Many people go to Whole Foods to shop for one reason: They trust the store. If I buy it at Whole Foods, I trust Whole Foods.

That is what the food industry has to get to: I trust this company; therefore, I will buy their products because they have already vetted the product for me. If you go to buy something at Whole Foods, you assume Whole Foods has vetted the product. It is either going to be safe, or wonderful, whatever it can be within its category.

McDonalds has become the number-one server of salads in the world and of apples, just because they are so large. There has been a 31-percent growth in soy-based drinks, 19 percent in drinkable yogurts, and 14 percent in fruit bars. There has also been an increase in egg consumption, I think in part driven by Omega-3 eggs in which you get increased Omega-3 fatty acids by feeding chickens flax-enriched diets.

The key growth in the food business right now is in the health benefits of foods. We also see in the media, day in and day out, an increased number of stories--particularly those targeted at obesity, as well as at a whole host of diseases. People are realizing that their diet plays a huge role, not just in their weight, but in their overall ability to enjoy life. This is a huge shift from when I was as a kid, and where my parents were. We ate food because we were hungry and it was what you need. But, people are beginning to understand the link between what you eat and how you feel.

The regulatory environment is changing as well, and that is transforming the food industry. There is a tremendous amount of regulatory activity, primarily in the westernized countries. In Brazil, it is very high as well. Europe is developing legislation around health claims, Canada has, the U.S. has, and Australia has. Susan Crockett was mentioning that, with whole grains, the USDA is considering how to communicate effectively to consumers about whole grains--what is a serving, what is half a serving, what is rich, what is an excellent source, what is a good source. Those regulations drive the growth of business as well as change in business.

The population is aging. The percent of the population over age 55 is going to continue to grow. The big shifts you see really are in Latin American and the Asian-Pacific region, as life expectancy increases. So we need to be aware of that. But, people are not looking at just whether they can get older; that is no longer acceptable. It is, can I get older in a healthy way, I want to be able to enjoy my old age.

A guy I used to work for, Jim Bankey, he is retired now, said there are three chapters in your life. There is the chapter when you are growing up until you retire. That is the chapter where you are banking everything. You are leading your life to put as much deposit in the bank as possible--health, mental, financial, all the rest.

The second chapter is where you really get to enjoy life. That is, you are kind of steady, maybe a slow decline health-wise or physical-wise. That is what people want to be able to capitalize on and extend as long as possible. They want to make that third chapter of their lives, when you are really sliding downhill, to be as short as possible. That is the goal for most people, and that is what we have to help them do. To extend that chapter of your lives when you can truly enjoy what you are doing.

The percent of adults that are obese in the U.S. is 31 percent; in the U.K. it is 22 percent. It depends upon how you measure obesity as well. Clearly this is an issue for the food industry and for public health officials. As has been said already, this is not solvable simply by government action. It is not solvable simply by education. It is not solvable simply by one or two companies in the food industry taking on this charge. This has to be a partnership. It just absolutely has to be. Because if there isn't dialogue between these three groups, you are going to be talking at cross purposes, you will have different agendas, there won't be any focus on what you are trying to do. When you take that kind of approach, nobody is going to be able to succeed.

There are other drivers as well. Cancer is a driver, cardiovascular disease is a huge driver, as is diabetes, tied into obesity in large part as well. Things like stress, tiredness, lack of energy, gastrointestinal problems, osteoporosis, and bone health. These are also key drivers for consumers. Consumers are looking, as often as not, for easy, simple solutions. That is another role that the food industry can play, and that is providing those simple solutions.

There are a number of nutrient deficiencies. You have heard already about whole grains; dietary fiber is a key one as well. So are vitamins and minerals, depending upon where you are in the world, but also within the U.S.--calcium, fruits, and vegetables. The food company that can figure out how to get affordable fruits and vegetables in a convenient way to the consumer so they are going to love to eat them, and children especially, without losing the inherent nutrition in the foods, is going to have a huge, huge win. I am not just talking about washed bags of lettuce. That is the Holy Grail for me in the food industry.

So, within Kraft, what are we trying to do? There are two components. One is called our "Sensible Solutions" program. You might have seen this on some of our products, which is driving new product development within the company. The second piece is growing public trust. That is the Whole Foods example that I gave you when I started the talk. It is essential that a food company capture that public trust. Otherwise, there is no chance of being successful at this.

What are we doing in order to grow public trust? We are working on product nutrition, on the way in which we communicate to consumers, and the types of information to communicate to consumers. Our website for food is kraftfoods.com. If you go to kraft.com, it is the corporate site, but you can get to kraftfoods.com through that site as well. We have outreach to health professionals through that site. We are changing our marketing practices, and we are being very clear in the messages from the advocacy and dialogue perspective.

The "Sensible Solutions" flag is our way of flagging those products. Let me be very clear, these foods are not healthy products, these are products within a category that are "better for you" products. For instance, these "better for you" foods are not actually Oreo cookies. They don't have the cream inside, none of that. But, they have the flavor of an Oreo, kind of have the black and the white. So you have to look beyond the traditional style of what your product is, and there are self-limiting packages.

We are also trying to work very hard at describing exactly how many servings are in the pack. We are looking at reclosability issues--whether or not packages should be reclosable, how they should be reclosable, and all that. Bear in mind the cost of packaging and the additional throw-away that you have as a result.

But in this big bag of Teddy Grahams, it says on the front, there are about three servings. On the back, we include the dual column. We don't ask the consumer to figure it out. There is a single serving, but guess what? If you eat the whole bag, 380 calories. It is there, you don't have to figure it out.

Overall, we are trying to be as clear as possible on our nutrition label and on our package labels about nutrition as well. If you look at Miracle Whip in the lower left-hand corner of the label, in each of these flags, we are pulling out the key nutrition attributes, which are readable. That is the goal of the "Sensible Solutions" flag--to say, look here to see what is up with this product.

We have put a huge emphasis on nutrition communications and are monitoring very closely the kind of communications that we do as well. We have a recipe magazine that goes out. We have a very clear target--25 percent of our recipes in that magazine have to be what we call healthy living recipes. A number of the other recipes always have instructions saying if you want to make this with half the fat, make this substitution, or if you want to increase the dietary fiber in this recipe, make this kind of substitution.

We found that when people make chili for their Super Bowl party, they want chili. You don't want healthy chili, you want chili. Okay, that is fine, but there are people who think, well, what if we could do something that just improves it a bit? Why don't we offer that up? So, that is the kind of change that we are making as well.

You can make small changes in a number of different places, which over the course of the day, the course of the week, or the course of the month, can result in significant changes in the diet.

We have fundamentally changed the way we advertise and market to kids. We will no longer have marketing in school for children. High school is a different issue, but I mean for grade eight and lower. The products that go in vending machines have to meet very, very strict nutrition criteria.

We have a number of outreach programs as well. The largest one that we have is "Salsa, Sabor y Salud." This is largely in the Chicago area, where Kraft is based, but it is a community outreach program. We also encourage employees within the company to do outreach on their own. We have one program called "BANK." I can't tell you what the "B" stands for, I am racking my brain, but the "ANK" stands for activity, nutrition, and kids.

You find the word Kraft once in a large booklet Kraft developed--it is a teaching program for children on food, the *MyPyramid*. We encourage Kraft employees in whatever factories they work, or whatever facilities they work in, to go to their local public schools and work with them to get this into the classroom and work with the teacher. They, the employee, then teach the program to the children. It is all about nutrition.

The point I am trying to make is that the company is doing it at the corporate level, but as Nestlé was doing it in an unbranded way, encouraging employees within the company in supporting that as well. People get time to do that.

We will not advertise a product to a child unless it has the "Sensible Solutions" flag. It puts restrictions on sugar content, fat content, dietary fiber, and so on. This means that there are a large number of breakfast cereals that we have in our portfolio that we can no longer advertise to children. That is very bad for the business, obviously. What does it do? It forces the business to reformulate those products so they meet these criteria, which then allows them to go back and advertise to their prime consumer. You have products now--like Alpha-Bits, which has no sugar, has a certain level of dietary fiber, and so on and so forth--to meet those criteria.

In working along this way, it is important to point out--and I think Kraft is not alone in saying this--that Kraft feels that if we can do this the right way, the industry is far better off regulating itself. Having said that, that may not be possible because the entire food industry has to behave in an appropriate manner. For the large companies, this is not going to be a concern. But all companies have to play by the same rules, and that will be the challenge.

This can truly grow the portfolio. We have a broad portfolio from value products, like Tang, convenience products, and indulgence products. But, at all levels, we can improve the products, and in indulgence, it is not going to be making a whole-grain Oreo, but it is removing the *trans*-fat. It is going to be getting a lower-fat product. But, Oreo is the number-one cookie in the country, and people have this kind of visceral reaction to their Oreo--and boy, you better not mess with that. So, it is not just a snap to take out whatever fat is in there now and put in something else, and ah-ha. It is a lot of work to get it done. But, we will be getting it done.

Some of the nutrition drivers that we target in growing our portfolios include low-fat dairy, cheeses, whole-grain fiber, fruits and vegetables, and lean proteins. Look at Oscar Meyer's healthy oils, with Omega-3 fatty acids as an example. We also target poly-unsaturated fatty acids and the reduction of negatives. Those are critical. This drives base growth, it drives new products, and it drives our choice of acquisitions, divestitures, and reformulations. It impacts all of the business. This was the most encouraging piece when I went to talk to Kraft initially, because "nutrition" has become not just a support service but it is, in fact, a strategic partner for the company now. That is when you are going to have impact and change the way a company does business.

Some of the ads that you might have seen for our products, where nutrition is the core message, include the Tang ad--for fortification of Tang. I think in Russia it is the "lose 10 pounds the heart-healthy way;" the Post healthy classics; the nutrition messages that go with nuts; and so on.

This approach has led to a number of new products. The most interesting for me is the South Beach Diet. Everybody says, oh, didn't you miss that boat? Well, the South Beach Diet, if you hear Dr. Agatston talk about it, is not about no carb, low carb, none at all. There is a 2-week run-in phase where the carbs are significantly restricted, but then he talks about the right carbohydrates. Nobody has actually done a clinical trial on this. We went out and

spent a $1 million and did a clinical trial. Guess what, the diet works, and it works without counting the calories. Because of the way the foods are formulated, you don't have to pay too much attention to the calories, you can lose weight.

That business has grown phenomenally in 6 months. It is now a $100 million business, which in the food industry is an enormous success. But, double the calcium in the products--such as in Crystal Light on the Go (little tiny packets that you just add to water and you get a flavored drink) to encourage the consumption of water, and so on. "Back to Nature" is a Kraft product. Fruit-20 is a water drink with carbonated water, with just a hint of flavor in there. It is really quite nice. Another product--the Tazo teas you buy at Starbucks.

So, how do we get there to this kind of thing? You can have a great idea, and I can say that Kraft had the whole grains idea 5 years ago, so did General Mills. It is very, very hard to take a really good idea in health and wellness, and nutrition in particular, and get it into a product. It is just not easy. Because there are so many competing ideas, and costs, and the consumer is not there yet. There are all kinds of reasons why you shouldn't do it, so it takes a great deal of drive, persistence, and support throughout the company.

This is what you have to ante up to the table with. These are just absolute musts: taste, affordability, and meaningful nutrition. I don't care if I can put a fruit bar together, if in putting it together I got rid of all the nutrient value. Sure, it has dietary fiber, I am sure it says apple on the ingredient line. But, if I have lost all the nutrient value of the apple, what is the point?

Ask the question, is there a consumer need? I could come up with something that would prevent ingrown toenails, but I don't think that is going to be a big seller. Which ingredients can deliver the benefits? Sometimes you can sell the ingredients, sometimes you can sell the benefit, and there is a big distinction between the two in where the consumer is at as well. Then, we have to look at the technologies that can deliver against the idea. It is not a simple task to mill whole grain and make it acceptable for taste. It is not that easy to do.

You ask what claims can you make. Do you just want to say something contains Omega-3 fatty acids? I would like to ask whether saying "contains Omega-3 fatty acids" is a smart kind of claim. It is a heart claim, but there are people who will take it the other way and look at it as making their child smarter. If you say calcium, a lot of people hear it as stronger bones. Many will hear it as osteoporosis.

What we need to do is in a quote from Wayne Gretzky--I am a Canadian and you have to quote Wayne Gretzky, it is kind of written in the Constitution: "You don't skate to where the puck is, you skate to where the puck is going to be." You cannot ask the consumer, "What do you want in the way of nutrition?" because you are presuming then that the consumer is an expert in nutrition. No, that is our job. We have to be able to anticipate where the consumer is going to be, get there first, and pull them along with us. I think that is a huge challenge in a business, because they go out and ask the consumer. Marketing people ask the consumer--and find out they don't even know about Omega-3 fatty acids yet.

This one was easy. The message is critical. You heard about 1 out of 9, 1 out of 10 people--is that what it was?--don't get enough whole grains. Two out of three kids don't get enough calcium. The feature: two times the calcium. The benefit: helps build strong bones--very clear. This is on Kraft Singles.

Actimel, on the other hand, who knows about L-casei defensis? Nobody does. We won't talk about LC-1 which was the Nestlé equivalent. It was a great product, but didn't do quite as well. Actimel sold the benefit, and that was immunity, the body's defenses. Sometimes you can sell the ingredients, sometimes the benefit. The trick is figuring out which is going to be the most effective way to communicate with the consumer.

Then there are challenges, such as taste. Don't kid yourself, it doesn't matter how good it is for you. You have heard it before, you will hear it again, taste is the key driver. They will try it once. You will get the diehards who will eat it no matter what it tastes like. That is my mother-in-law. You would not believe the mess of things she puts in her breakfast cereal. But, most of us won't go there.

It has to be affordable, meaningful nutrition. Don't give me smoke and mirrors, or snake oil. It is not going to fly and you won't have credibility with the consumer. It has to be grounded in consumer need. It may be that the consumer is not aware of that need at this point in time but, ultimately, it has to be grounded there.

Finally, you have to be able to have effective, straightforward--and when I say that, I mean nonmisleading--communication because at the end of the day, we have to be able to talk about the benefit of the products that we are making. That is the direction that Kraft is headed in. I hope you have enjoyed the presentation. Thank you very much.

Industry's Commitment to Promoting a Healthy America

Barbara Ivens, MS, RD, FADA, Senior Nutrition Fellow, PepsiCo Beverages and Foods, Chicago, IL

Today I would like to share with you what PepsiCo has been doing specifically as it relates to health and wellness. As we have already heard, there are a lot of demographic shifts in the population. There are many things that are driving consumers right now. There are demographic shifts, and then there is the need that results from some of these.

There are increasing time pressures. What is the opportunity that results from the increasing time pressure as an industry looks at this? There are increasing health concerns. From the demographic shifts as an industry, we would look at what we could do with our products, whether we can make them taste better or tailor them for specific ages.

When there are increasing time pressures, how can you make your food products more convenient? Can you redefine snacks for your consumer? With increasing health concerns--which is where the growth area is as it relates to more consumers looking for opportunities for wellness--consumers are looking for good-for-you nutrition and better-for-you food choices.

In terms of trying to find a health and wellness solution, you look at energy balance. To nutritionists, we think of energy balance as balancing calories in and calories out. To consumers, they see it much broader than this. They see energy balance as related to their whole lifestyle, how they go about living, how they go about selecting foods, how they go about managing their family.

How can we help consumers make better choices within their lifestyle? There is a whole continuum, as it were, in terms of what you can do--starting with things such as creating an appropriate environment--to help motivate that individual to select more healthful lifestyles.

From PepsiCo's standpoint, we looked at where there was an intersection between the business interests of trying to capture those wellness opportunities, to where there was a public interest in terms of promoting health, real solutions. We are seeing that at that interface is where we can identify and make healthy products and choices, and help promote healthy lifestyles.

One of the unique things that PepsiCo, of course, brings to this table is that we are able to make products that are enjoyable for mainstream consumers. Many people do not know who PepsiCo is as a company. They may think of us as Frito and as Pepsi, but they don't recognize that PepsiCo is the parent company of Quaker, Tropicana, Dole, and Gatorade. In this survey, which asked consumers who are the most respected brands in health, under PepsiCo, four of those top brands are PepsiCo brands.

So what we are doing specifically is focusing in two areas: choices and habits. When it comes to choices in food products, we are looking at how we can change and accelerate the food products that we are making to help consumers make better choices.

We have a commitment that 70 percent of our 3-year new product revenue is going to come from products that fit into the healthy choice category. We are launching new products and launching products into new platforms, which include things such as fruits and vegetables, new proteins, and whole grains. We are looking at what we can do to improve the healthfulness of the existing products that we have. You are probably aware that Frito-Lay completely eliminated *trans*-fats from all of their snack foods. With that elimination, 55 million pounds of *trans*-fats were removed from the consumer diet.

We also established Smart Spot criteria for our products. This established a guidepost internally for all of our product development people against which to develop products, so that they could fit into healthy criteria.

We have also launched new products in portion control--smaller containers of cola, 8-ounce containers.

From a habit standpoint, what can a company do to help promote habits with our consumers? We have developed new products that we have taken into schools that are very specific to wellness. These are new SKUs that meet those Smart Spot criteria for products, and we have offered them through vending machines that are focused on Aquafina water or Gatorade.

We have also done things to promote healthy lifestyles with children. For example, we are promoting youth sports through our Gatorade University of North Carolina alliance, through promoting educational programs, as well as partnering with America On the Move (AOM) to develop school-based children's curriculum promoting 2000 Steps. We also support the decision-makers in the schools, the members of the School Nutrition Association and the cafeteria workers, to help them identify product choices.

I would like to let you know what the Smart Spot criteria are that we are using as such critical guidance for our product development purposes. These criteria are all based on authoritative statements from the Food and Drug Administration (FDA) and the National Academy of Sciences (NAS). The Food and Drug Administration has criteria for definition of a healthy food which defines specifically the amount of fat and saturated fat, sodium, and positive nutrients that must be in the product. We started with those criteria. We then moved to the National Academy of Sciences dietary recommendations for additional criteria as it related specifically to the sugar and total fat, because those were not in that FDA criteria. The NAS criteria are based on total diet.

Nutrition Standards Are Based Upon Authoritative Statements from FDA and NAS

PEPSICO

	FDA Criteria	NAS Dietary Recommendations	Smart Spot™ Criteria		
			Beverages	Foods	Snacks
Fat	≤ 3g	20- 35% of kcal	3 g	30% of kcal	35% of kcal
Saturated Fat	≤ 1g	low	≤1 g	≤1 g	≤ 1 g
Trans Fat	No Std	low	0	0	0
Cholesterol	60 mg		60 mg	60 mg	60 mg
Sodium	480 mg		480 mg	480 mg	270 mg
Vitamin A, C, Fe, Ca, fiber or protein	10%		10%	10%	Not applicable
Add sugar	No std	≤25% of kcal	≤ 25% of kcal or 10% fiber	≤ 25% of kcal or 10% fiber	≤ 25% of kcal or 10% fiber
OR					
A Functional Benefit having Significant Scientific Agreement					
OR					
Reduced: Calories, Sugar, Fat, Sodium	≤ 25%	Not defined	≤ 25%	≤ 25%	≤ 25%

We took those criteria and developed from them specific criteria for beverages, foods, and snacks. All products were then taken through this exquisite criteria list to determine if they met the Smart Spot criteria. Products could also qualify if they provided a functional

benefit. That meant that they had to have consensus scientific agreement from authoritative statements. An example of this would be Gatorade, which has had specific scientific agreement to show that athletes rehydrate better with Gatorade than with water.

A third way in which our products could qualify for our Smart Spot is if they meet the FDA criteria for reduced, which is on the bottom of the list. The new products that we have introduced to the marketplace this past year and continue to advance, are those for which we looked at specifically reducing the fat in the products, and include our baked product lines, the Cheetos and the Doritos.

We have products in which we have reduced sugar--specifically, Tropicana Light and the lower-sugar oatmeal products. We have also looked at adding positives to our products, so that we have new Healthy Kids Tropicana juices with added calcium. We have added soy protein to our portfolio with our Quaker Soy Chips. We have added fruits and nuts to our oatmeal products.

This wellness business is promising with consumers in terms of their buying it. While the Smart Spot contribution is about a third, this past year, 48 percent of our new revenue growth resulted from these Smart Spot identified products.

We did not do this alone. I think that is a very important thing to recognize. We have done this in partnership with others. We have enlisted very important partners, everyone from Dr. Jim Hill with America On the Move. We have worked with the School Food Service Association to give us advice and counsel. We also have a Blue Ribbon Advisory Board on health and wellness. These individuals talk to us about health and wellness--issues, areas, and things that we should be doing to do a better job as a food company.

The question, as we were identifying the Smart Spot, is: "How do we talk about this to a broader audience? How do we take this to the consumer?" So we went and asked the consumer. We said: "How can we talk to you about this? How can we make it easier for you to identify those products that meet those nutrition criteria? How can we demonstrate for you our commitment to be part of the solution?"

They told us. It was this Smart Spot, this green small check that you see on many of our products. It was simple, they told us it was easy to understand and it was positive. It says, "Smart Choices Made Easy." It provides a quick identification on the front of the packages, and then on the back of all of the packages that qualify, there is an additional nutrition ribbon which explains specifically why that product qualifies.

There is also a website where people can get additional information. We have advertised the Smart Spot on our consumer advertising and a whole series of ads covering all of our brands. We have a website to motivate the behavior. This goes back to how to motivate consumers. We are providing information at smartspot.com, which talks about healthy lifestyles and healthy children.

We have information that we give to retailers which talks about how to motivate that behavior. It is capitalizing on our partnership as the national presenting sponsor with America On the Move and Dr. Jim Hill, to say "here is how consumers can get additional information of what they can do to be more active."

Our lesson plans are in grades one through two, three through five. These are lesson plans with a pedometer. They are focused on energy balance, so it is providing information both in terms of making better food choices, as well as how to increase activity for energy. We have posters for both classrooms and for the cafeteria. We have additional tools for health professionals--everything from portion posters to booklets, what you see about the criteria.

I want to share with you what we have done with our employees because one of the goals with our employees is to encourage healthy lifestyles and good health care. We are doing that in three different areas. First, in providing information about fitness and nutrition; second, by providing tools to make smart healthcare decisions; and third, by health promotion--meaning we are helping them change their behavior through coaching and targeted programs.

Our website that is targeted to our employees is available, of course, 24 hours a day. It is for the employees and their families. This page features America On the Move, as well as the 5-A-Day Program. It has Dr. Pamela Peeke giving information about healthy lifestyles and exercise. It has navigation on the left-side which can be personalized for individual employees so that they can target exactly what their needs are. Since we launched this, we have had 92 percent of employees complete the health assessment; 8,000 of them are now getting one-on-one coaching; 3,000 of them have signed up for America On the Move.

Just a quick story: One of the Frito-Lay truck drivers had gone through this health assessment program, and he received a pedometer as part of the program. After he got started wearing the pedometer, he found out that he logged approximately 5 to 7 miles during his 6-hour shift. He found that he needed to change the types of snacks he was taking with him, and he increased the number of fruits and vegetables that he was eating. In the first 5 weeks of the program, he lost about 10 pounds.

We had another employee who had just signed up for the program because they are highly encouraged within our company to sign up. He has since bonded with his one-on-one coach and from having these conversations with the coach on a weekly or monthly basis, the employee is now choosing to take the stairs more often, he is walking further when he gets to the airport, he is now eating more fruits and vegetables and, of course, eating more whole grains. So just this level of awareness internally, all focused around the Smart Spot, has helped our employees as well.

We just announced a partnership last July with America On the Move, the National Council of La Raza, and the Urban League. We are tailoring the AOM initiative specifically to the African-American and Latino communities, because they have very specific health issues in

those communities. Again, we are trying to help motivate behavior change for a healthier lifestyle.

We see that the Smart Spot is more than just the spot on the package. It has been a unifying force across a variety of audiences that PepsiCo is reaching. It is trying to promote healthy lifestyles and help people make healthy choices.

The business results are constantly being monitored. We look at the growth, of course, of the Smart Spot products, consumer awareness of Smart Spot products, what is happening within our pipeline, and a shift in our total portfolio. We are continuing to focus on education and programming through all of these various audiences.

I thank you very much for allowing us the time to share with you what we are doing. We are very proud of our program and we look forward to further dialogue with you.