

# FOOD STANDARDS AGENCY CONSULTATION

**Draft recommendations on saturated fat and added sugar reductions, and on portion size availability, for biscuits, cakes, pastries, buns, chocolate confectionery and soft drinks**

## CONSULTATION SUMMARY PAGE

**Date consultation launched:**

**28 July 2009**

**Closing date for responses:**

**3 November 2009**

**Who will this consultation be of most interest to?**

Food and drink businesses, trade associations, consumer and health groups.

**What is the subject of this consultation?**

Proposed voluntary recommendations for industry for reductions in levels of saturated fat and added sugar; increased availability of smaller single-portion sizes; and increased marketing of reduced/low saturated fat and reduced/low/no sugar versions of certain food products that are significant contributors of these nutrients in the UK diet.

**What is the purpose of this consultation?**

The Agency's Saturated Fat and Energy Intake Programme aims to help consumers reduce their saturated fat intakes and better balance their energy (calories) intakes with their energy needs. The Programme involves working with the food industry to reduce saturated fat and energy levels where possible. The food industry periodically changes ingredients and processes and the aim of this proposal is to develop guidance to indicate the direction for these changes to achieve improved public health. This is the first public consultation to seek views on draft voluntary recommendations for saturated fat and added sugar reductions, the increased availability of smaller single-portion sizes, and increased marketing of healthier versions of a number of food products - biscuits, cakes, pastries, buns, chocolate confectionery and soft drinks. Further consultation is planned on dairy and meat products and savoury snacks.

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**Is an Impact Assessment included with this consultation?**

**Yes**

**See Annex A for reason.**

**Draft recommendations on saturated fat and added sugar reductions, and  
single-portion size availability for biscuits, cakes, pastries, buns,  
chocolate confectionery and soft drinks**

DETAIL OF CONSULTATION .....	3
Introduction .....	3
The Agency’s Saturated Fat and Energy Intake Programme .....	3
This consultation .....	5
Proposals .....	8
General comments on the recommendations .....	8
Soft Drinks – non-alcoholic carbonated, dilutable, still and juice drinks .....	9
Chocolate confectionery.....	12
Biscuits, cakes, pastries and buns .....	16
Recognising Achievements and Commitments.....	23
Consultation Process .....	23
Other relevant documents.....	27
Responses.....	27
References.....	27
ANNEX A: STANDARD CONSULTATION INFORMATION.....	30
Queries .....	30
Publication of personal data and confidentiality of responses.....	30
Further information.....	30
Comments on the consultation process itself.....	31
ANNEX B: IMPACT ASSESSMENT .....	32
Reason for Intervention.....	34
Intended effect .....	35
Background.....	36
Options .....	39
Costs and benefits of options.....	40
Administrative Burden Costs.....	41
Consultation .....	42
Enforcement.....	42
Simplification.....	42
Implementation and Review.....	42
Competition Assessment .....	45
Small Firms Impact Test .....	45
Sustainable development.....	46
Race equality issues .....	46
Gender equality issues .....	47
Disability equality issues .....	47
Industry Costs.....	47
ANNEX C : LIST OF INTERESTED PARTIES.....	59

## **DETAIL OF CONSULTATION**

### **Introduction**

1. Two of the major health issues for the UK for which diet is particularly influential are cardiovascular disease and obesity.

### **Cardiovascular Disease**

2. Cardiovascular disease (CVD) is the leading cause of death in the UK and accounts for nearly 200,000 deaths per year<sup>1</sup>. It is also a leading cause of premature death accounting for over 53,000 premature deaths annually<sup>1</sup>.
3. A high intake of saturated fat can raise blood total and low density lipoprotein (LDL) cholesterol levels and this in turn can lead to an increased risk of developing heart disease<sup>2,3</sup>. Accordingly, it follows that reducing the intake of saturated fat should lower levels of blood total and LDL cholesterol levels and that this in turn should lead to a reduced risk of developing heart disease.
4. The UK public health recommendation for saturated fat is that population average intakes should not exceed 11% of food energy<sup>2</sup>. This recommendation was reflected by the World Health Organization in 2003<sup>3</sup>. Current intakes exceed this recommendation by 20% (at 13.3% of food energy<sup>4</sup>).
5. It has been estimated that reducing saturated fat intakes to within recommended levels could result in approximately 3500 UK deaths averted annually and should improve the quality of life of many more people, saving the UK economy about £1bn each year<sup>5</sup>.

### **Obesity**

6. Obesity has more than doubled in the last 25 years in the UK<sup>6</sup>. It is an important risk factor for a number of illnesses including CVD, some cancers and type II diabetes. Indeed, in England alone, nearly a quarter of men and women and about 10% of children are now obese, with a further 20-25% of children overweight<sup>6</sup>. In Scotland in 2003 over 20% of males and nearly 25% of females were classed as obese with two thirds of Scottish school children outside the healthy weight range<sup>7</sup>. The Government's Foresight programme suggested that without intervention approximately 60% of Britons will be obese by 2050<sup>6</sup>. Obese and overweight individuals place a significant burden on the NHS, with direct costs estimated to be £4.2 billion, and forecast to more than double by 2050<sup>6</sup>. Further, weight problems already cost the wider economy £16 billion and this is set to rise to £50 billion per year by 2050<sup>6</sup>.

### **The Agency's Saturated Fat and Energy Intake Programme**

7. The Food Standards Agency's remit is to help improve the UK diet, reducing diet-related disease to help people live longer and healthier lives and reduce the costs associated with ill-health.

8. The Agency's Saturated Fat and Energy Intake Programme (the SFEI Programme)<sup>8</sup>, published in February 2008, outlines the areas for action to address our current high intakes of saturated fat and supports UK-cross government action to tackle obesity outlined in the box below:

### **Government obesity initiatives**

#### **Obesity strategy for England**

Westminster Government's obesity strategy for England, 'Healthy Weight Healthy Lives'<sup>9</sup>. The Agency has a key role in this obesity strategy and is taking forward aspects of the 'healthy food code of good practice' with the food industry.

#### **Obesity strategy for Scotland**

The Scottish Government's 'Healthy Eating, Active Living: An action plan to improve diet, increased physical activity and tackle obesity (2008-2011)'<sup>10</sup>. FSA Scotland has a key role in this action plan and is working closely with the Scottish Government to address obesity issues.

#### **Obesity strategy for Wales**

A key policy driver for obesity prevention in Wales is the 'Food and Fitness: Promoting Healthy Eating and Physical Activity for Children and Young People in Wales 5 year plan'<sup>11</sup>. Launched in June 2006, the plan sets out some of the ways in which the Welsh Assembly Government is helping to support parents and children and young people in their efforts to eat well, be physically active and achieve the highest standard of health possible. In addition a Public Health Strategic Framework – Our Healthy Future – is currently being developed and will set the future policy direction for tackling obesity in Wales.

#### **Northern Ireland**

In Northern Ireland, FSA Northern Ireland is supporting the Department of Health Social Services and Public Safety (DHSSPS) and other key partners to put in place an obesity prevention framework for NI, building on the 2006 DHSSPS report 'Fit Futures - Focus on Food, Activity and Young People'<sup>12</sup>.

9. The SFEI Programme is part of the Agency's activity to help make the healthy choice the easy choice, including work to influence manufacturers and retailers of food and drink to improve their nutritional profile. This work sits alongside other initiatives, such as that on salt reduction<sup>13</sup>. In addition to working with industry to make available more healthy foods, the Agency provides advice and campaigns to raise consumer awareness to improve consumer understanding about food and health and provide people with the skills to choose a healthier diet. The Agency also seeks to address barriers to making healthier food choices, for example by encouraging clear front of pack nutrition labelling<sup>14</sup> and promoting calorie labelling at the point of purchase in foodservice environments<sup>15</sup>.

10. The SFEI Programme has four elements:

- improving consumer awareness and understanding of healthy eating with particular focus on the impact of saturated fat on health;
- encouraging more promotion of, and increased uptake of, healthier options e.g. reduced fat products and manufacturers' and retailers' 'healthier' ranges;
- encouraging increased accessibility of smaller food portion sizes; and
- encouraging voluntary reformulation of mainstream products to reduce saturated fat and energy.

11. This is a balanced programme of work incorporating both consumer awareness activity and work with industry. The work described in this consultation aims to provide a shared direction for the food and drink industry, building on best practice reformulation work by progressive businesses, to encourage all food and drink businesses to provide healthier food and drink for consumers. The consumer awareness aspect of the SFEI Programme aims to increase understanding about saturated fat among the population and to drive demand for reformulated and healthier products.

#### **Agency's saturated fat consumer awareness campaign**

In February 2009, the Food Standards Agency launched its consumer awareness campaign on saturated fat<sup>16</sup>. The campaign included TV, print, media advertising and a comprehensive website to engage consumers and raise awareness about the health implications of consuming too much saturated fat. It also provided simple tips on how to reduce intakes through easy swaps when shopping, cooking or eating out.

The campaign was developed following significant research and targeted 25-60 year old women as gatekeepers to food in the home, particularly those who identified as wanting to seek a balance in their diet and those who know they should do more. It was developed in consultation with all four UK Governments to ensure integration with their health strategies.

12. In addition to the media campaign, the Agency is working with a wide range of stakeholders to provide complementary partnership activity. We have worked with non-government organisations to develop a series of projects that build on, and embed, the messaging from the campaign into local community settings, including the BME (black and minority ethnic) communities for which the messaging around styles of cooking and possible food swaps needed to be adapted. The Agency has also worked successfully with industry partners and the major retailers to deliver campaign messages on food packs and with in-store promotions.

This consultation

13. This consultation relates to three specific elements of the SFEI Programme – encouraging increased accessibility of smaller food portion sizes, encouraging more promotion of, and increased uptake of, healthier options, and encouraging voluntary reformulation of mainstream products to reduce saturated fat and energy. The basis for these elements is provided in the SFEI Programme document and readers are referred to it for further detailed background information<sup>8</sup>.
14. This consultation seeks views on the Agency's proposed voluntary recommendations on biscuits, cakes, pastries, buns, chocolate confectionery and soft drinks. Specifically, we are proposing voluntary recommendations on reductions in saturated fat, added sugar and portion size for these foods and an increase in marketing effort for healthier versions of these products. A further consultation will be carried out in Autumn 2009 on recommendations for other key food groups identified in the SFEI Programme, including some dairy and meat products and savoury snacks. We are in the process of developing the recommendations for these sectors with input from interested parties and will publish our proposals at a later date.
15. On portion size, the Agency hosted an expert workshop in April 2008 to assess the evidence around portion size, its impact on energy intake and weight, and to identify potential actions that would most likely offer a benefit to consumers<sup>17</sup>. One of the key outcomes of the workshop was to suggest that industry should explore opportunities to market smaller portions with a particular focus on key contributors to saturated fat intakes and single-portion offerings of snacks and soft drinks.
16. As part of our 2007 consultation exercise on the draft SFEI Programme<sup>8</sup>, we sought views on the potential development of targets for saturated fat and added sugar levels in particular food products, as a means of encouraging a movement by industry to produce lower saturated fat and sugar products. This approach mirrors success of the work on salt reduction. A summary of the responses received is available<sup>8</sup>.
17. We received many comments on our questions about the development of targets. Consumer groups and NGOs were broadly supportive of this approach. Food industry representatives responded that developing targets for saturated fat and sugar was more complex than for salt due to the inherent nature of these nutrients in key ingredients in food products, such as meat and dairy products. The industry was also concerned about the basis for such targets and the difficulty in monitoring progress.
18. Since the publication of the SFEI Programme, we have met with stakeholders to consider these points carefully and to understand the technical challenges and issues of consumer acceptance associated with reformulation. We are aware of the significant achievements that have been made by many progressive companies and would wish to see the whole industry follow these examples. The box below outlines a few examples of reformulation. We welcome these achievements and those made on a much wider range of foods, such as ready meals and sandwiches.

### **Biscuits**

In November 2008 United Biscuits launched its reformulated McVities standard and lights plain biscuit range (Digestives, Hob Nobs, Rich Tea) containing 50% less saturated fat. This reformulation was, in part, achieved through a change in the fat blend used in the biscuit dough.

### **Cakes**

By the end of 2008 Tesco had removed 110 tonnes of saturated fat from its cakes. This was achieved by reducing the use of margarine with high levels of saturated fat.

### **Soft drinks**

Asda achieved a 3.4% sugar reduction in its own label cola by December 2008.

These headline stories are representative of progress that has been made by many forward thinking businesses in the food and drink sector and the Agency intends to publish an Achievements and Commitments table on its website to highlight the progress that is being made by these and other businesses.

19. The scale of public health issues requires concerted action and cannot rely solely on commercial pressures to influence reformulation. Our discussions with industry have highlighted that there are leaders in several sectors that are making their products healthier for their consumers, however, this is by no means universal. We believe that voluntary recommendations on the types of reformulations and portion size changes that our discussions with the industry indicate are possible will galvanise wider action in this area, and offer guidance to individual businesses on the types of changes that are possible and on which Governments wish to see active progress.
20. On a separate, but related, issue we are aware of the extensive levels of reformulation businesses have undertaken to remove and replace hydrogenated vegetable oils that contain trans fats in their products over recent years. The box below outlines the Agency position on this issue.

### **Trans fats**

In 2007, the Agency carried out a review of trans fats at the request of the Secretary of State for Health<sup>18</sup>. This review looked at the health impacts of current intakes of trans fats, recent voluntary activities by the UK food industry to reduce levels of artificial trans fats in food, and the legislative actions already taken in other countries (Denmark and New York City).

The Agency's Board considered the findings of this review and unanimously agreed that mandatory restrictions were unnecessary because voluntary measures taken by the UK food industry to reduce levels of trans fats in foods had been successful in reducing consumers' dietary intakes to low levels (half the maximum recommended average intake).

The Agency welcomes the voluntary action by the UK food industry to reduce the levels of artificial trans fats in foods. We encourage food producers to

reduce the levels of artificial trans fats in foods to a minimum without raising saturated fat levels. This can be achieved through the removal of partially hydrogenated vegetable oils (that contain high levels of trans fats) and through the use of fats and oils in food production in which trans fats have been reduced to a minimum (1-2%).

## **Proposals**

### **General comments on the recommendations**

21. These voluntary recommendations have been developed following collective and bilateral meetings with industry stakeholders and have been tailored to take into account the range of issues raised including technological issues, consumer acceptance issues and legislation.
22. The recommendations are voluntary and focus on significant contributors to saturated fat and added sugar intake: biscuits, cakes, pastries, buns, chocolate confectionery and soft drinks. They are intended to apply to mainstream products and not to lower saturated fat/sugar versions of existing products, and take into account recent progress by some businesses to reduce saturated fat and added sugar levels. We recognise that there are a number of traditional/niche/seasonal products for which recipes and means of production may limit the scope for reformulation, and that, for some products, the saturated fat content may be derived from a characterising ingredient, such as butter or coconut. For such products, we encourage businesses to consider how they may engage with this initiative to achieve the same objectives. In all the food groups outlined in the following pages, we welcome innovation on alternative means to those indicated in the following pages that will achieve the desired outcome.
23. We will continue to discuss the potential opportunities and the challenges for reformulation with stakeholders. Each recommendation includes a suggested timeframe at which progress will be reviewed to consider what further work with industry is needed. It is for individual businesses to consider the recommendations and how they may be achieved and even exceeded in the context of their own portfolios. In prioritising areas for action, we encourage businesses to identify and implement changes that will offer maximum nutritional benefit to consumers.
24. Reformulation to reduce saturated fat levels should not result in an increase in total fat, sugar or trans fat levels, and should be accompanied by a calorie reduction unless a technical case can be made that this is not achievable.
25. We are aware that, for some food categories, sales of reduced, low and no-added sugar/fat versions are increasing and we encourage businesses to use their marketing programmes to encourage preferences for such healthier options.

## **Proposal**

**Recommendation 1: For all the product categories covered by this consultation:-** that all businesses should increase the proportion of advertising, marketing and promotional budgets allocated to promoting reduced/low fat and/or reduced/low/no sugar options to encourage consumers to make within category switches to these products, for example, from full sugar to no added sugar soft drinks. Commitments to movement from current baselines and progress would be reported as part of the process set out in paragraph 96.

### **Question on advertising, marketing and promotion**

- 1. What share of advertising, marketing and promotional budgets do businesses spend on promoting reduced/low saturated fat and/or reduced/low/no sugar products? What plans do businesses have to increase these budgets?**

### **Soft Drinks – non-alcoholic carbonated, dilutable, still and juice drinks**

26. The causes of obesity are multi-factorial. Energy imbalance needs to be tackled through both energy intake and expenditure; and action on energy intake needs to focus on discretionary calories. Intakes of added sugars (or Non-Milk Extrinsic Sugars (NMES)) in the UK are substantially higher than recommended levels for both adults and children. Children, in particular, are high consumers of added sugars, with intakes up to 80% higher than the recommendation<sup>19</sup>. Up to 22% of their added sugars are delivered in the form of non-diet soft drinks<sup>19</sup>.
27. The Agency's healthy eating advice acknowledges the need for adequate hydration and offers guidance on healthier options to maintain fluid intake<sup>20</sup>. It particularly advises that the consumption of sugary carbonated drinks, squashes and juice drinks be kept to a minimum due to their sugar and energy content.
28. In 2008, nearly 14 million litres of soft drinks were consumed in the UK. Nearly 61% of which were low calorie and no added sugar versions (including fruit juice and bottled water)<sup>21</sup>.
29. Carbonated soft drinks, in particular, are popular, with almost nine out of ten 7-14 year olds drinking carbonates<sup>22</sup>. While market growth may have slowed, the sales value of carbonates far outperforms that of bottled water, fruit juice and juice drinks together.
30. Industry representatives report a shift in advertising and promotion of carbonates from their sugary to no-added-sugar versions<sup>i</sup> and, whilst we acknowledge this change, we need to take account of the fact that regular sugary versions still dominate the carbonates market at nearly 64% of

<sup>i</sup> Mintel reported that, in 2007, one leading soft drink brand spent 85% of its main media expenditure on a non-added sugar option.

sales<sup>21</sup> and that sugary soft drinks, in general, are one of the top contributors to energy intakes in adults and young people<sup>4, 23</sup>.

31. Therefore, as part of wider government initiatives to tackle obesity, the following recommendations on the availability of single-portion sugary soft drinks and reductions in their sugar content are proposed. It is for individual businesses to consider the recommendations in the context of their own portfolios and we would encourage the implementation of those changes that will offer maximum nutritional benefit to consumers.
32. The recommendations will provide consumers with smaller single-portion sizes as standard in all retail environments and reduced sugar content.

### Proposals

**Recommendation 2: For existing carbonated, dilutable, still and juice drinks containing 8 g total sugar /100 ml or more:-** by the end of 2012 reduce the calorie content by reducing the level of added sugar in each product by at least 4%, compared to the level of added sugar present in that product during 2008. This reduction should be accompanied by a calorie reduction unless a technical case can be made that this is not achievable. **For new drinks** containing more than 8g total sugar /100 ml, the product should have at least 4% less sugar than the nearest equivalent existing product on the market in 2008.

'Added sugar' is that defined in 'Front-of-pack Traffic light signpost labelling Technical Guidance, Issue 2, November 2007'.

**Recommendation 3: For existing and new single-portion sugar-containing carbonates, still and juice drinks:-** by the end of 2015 manufacturers and retailers should make readily available single-portion packaging sizes equal to 250ml or less for purchase singly and as part of a multi-pack and market these in such a way to encourage consumer preference for these smaller single-portion sizes.

### Recommendation 2: Sugar reduction and sugary soft drinks

33. In developing Recommendation 2, we have taken into account some of the recent progress made by innovative leaders within the industry to reduce sugar levels recognising they may not be able to make further reductions in the short term. Therefore, we have included a threshold level set at 8 g total sugar per 100 ml and a benchmark of 2008 sugar levels. We encourage businesses to consider any potential further stepwise sugar reductions as consumer palates adjust to lower sugar products and welcome alternative approaches that will achieve the same objective.
34. We are also aware from our discussions with industry that consumer detection of a reduced sugar content develops at a very low level and therefore our draft recommendations suggests a small first step in reducing sugar levels by 4% by the end of 2012.

35. The Recommendation adopts the Agency's front of pack nutrition signpost scheme definition for 'added sugars'<sup>24</sup>. Added sugars are defined as follows, with the exception of fruit juices which are not relevant for this food group:

**'any mono- or disaccharide or any other food used for its sweetening properties. This would include, but is not exclusively limited to: sucrose, fructose, glucose, glucose syrups, fructose-glucose syrups, corn syrups, invert sugar, honey, maple syrup, malt extract, dextrose, fruit juices, deionised fruit juices, lactose, maltose, high maltose syrups, Agave syrup, dextrin and maltodextrin'.**

36. Although fruit juices contribute to individuals' 5-a-day recommendations for fruit and vegetable intakes, fruit juice drinks (drinks containing fruit juice plus other ingredients) do not. Businesses are encouraged to seek reductions in added sugars from sources other than fruit juice where possible.

37. This recommendation does not apply to sports and energy drinks as these are marketed specifically for their energy content and account for a very small proportion of the market.

38. See also paragraphs 21-25 for general comments on the recommendations.

#### **Questions on sugar reduction and sugary soft drinks**

**2. Is the threshold of 8 g sugar/100 ml drink a practical threshold?**

**3. What are your views on the proposed recommendation for at least a 4% sugar reduction by end 2012?**

#### **Recommendation 3: Portion size and sugary soft drinks**

39. The contribution sugary soft drinks make to energy intakes can also be reduced through portion control measures.

40. Impulse-buy single-portion soft drinks were highlighted as a focus for action at the Agency-hosted expert workshop on portion size<sup>17</sup>. Over recent years, industry has adopted a standard serving of 250 ml of drink, and single-portion soft drinks are available in this packaging size. However, for carbonates, there has been very limited movement towards providing the standard serving of 250 ml in a single-portion format across all retail environments, with most products still available as a 330 ml can.

41. Although the size of single-portion cans across Europe stands at 330 ml, there is variability in can sizes around the rest of the world. We therefore believe there is scope to produce and market the smaller 250 ml single-portion size proposed in this recommendation.

42. Our recommendation on portion size aims to reflect industry practice on labelling and encourages businesses to provide a single-portion of 250 ml that is intended, or assumed by the consumer, to be consumed on a single occasion. It applies to products sold singly and as part of multi-packs to capture both the impulse market and the more dominant multiples market<sup>22</sup>.
43. A move towards increased availability of smaller single-portion sugary soft drinks in all retail environments and the marketing of these to encourage consumer preference for this portion size would offer a key benefit to consumers, particularly consumers of cola drinks.
44. We expect a level of investment will be required by industry as 250 ml packages are not widely available on the market today. For this reason we will review progress towards meeting this recommendation during 2015. We acknowledge the investment needed but at the same time recommend these smaller single-portion products be marketed as proportional value for money as the larger current versions.
45. We acknowledge the sustainability commitments industry has made with regards to packaging waste and, in line with the Department for Environment, Food and Rural Affairs (DEFRA) activity on waste reduction, encourage the use of the most sustainable options available to manufacturers. Assuming the number of product units sold remain the same, a reduction in packaging waste would occur.
46. See also paragraphs 21-25 for general comments on the recommendations.

#### **Questions on portion size and sugary soft drinks**

- 4. What are your views on the proposed recommendation to provide 250 ml single-portion sizes?**
- 5. Is there a practical alternative to basing the single-portion size recommendation on actual volume?**
- 6. Is a timeframe of 2015 appropriate?**

#### **Chocolate confectionery**

47. The number of chocolate confectionery products on the market today is vast, spanning a wide range of packaging sizes and nutrient contents.
48. Mintel reports that penetration of chocolate bars is high with 89% of consumers reporting some level of consumption<sup>25</sup>. Whilst chocolate confectionery may be an indulgent treat for some, for others - particularly children - it is eaten more frequently with 34% of 11-16 year olds consuming chocolate at least once a day<sup>25</sup>. It is not surprising therefore that chocolate confectionery ranks as one of the top contributors to saturated fat and energy intakes in the diet<sup>4,23</sup>. As such, the SFEI Programme identified chocolate confectionery as a focus for action.

49. Discussions with industry have highlighted the challenges to reformulating chocolate confectionery products. Legal restrictions are in place on the use of sweeteners in chocolate confectionery<sup>26</sup> and the composition of chocolate itself is controlled by EU-based legislation<sup>27</sup>, which specifies the type and quantity of ingredients permitted to be used based on quality parameters. As such opportunities to review chocolate recipes to reduce saturated fat levels are restricted for the chocolate component of any product by EU legislation.
50. We have therefore focused our efforts on reviewing the potential opportunities for reformulation of the non-chocolate components, such as fillings, and considering portion size as this would also have an impact on saturated fat, added sugar and energy intakes.
51. Some individual businesses within the industry have already begun to respond to the SFEI Programme and have put in place their own initiatives to reduce portion size and saturated fat levels through recipe changes to fillings. We welcome and encourage these initiatives.
52. In recent years there have been small reductions in the standard portion size of some chocolate bars, and the introduction of smaller sub-100 kilocalorie versions to provide wider choice to those consumers who want to enjoy chocolate but manage their consumption. Industry indicates that the consumers of the sub-100 kilocalorie products tend to be of healthy weight and it is not clear whether the introduction of these newer smaller products marketed for those who are specifically interested in energy values encourages existing chocolate confectionery consumers to switch from larger portions or encourages new consumers to chocolate confectionery.
53. To encourage continued work in this area, the following recommendations on chocolate confectionery are proposed. The recommendations would provide consumers with smaller portion sizes as standard in all retail environments, or where feasible, products with reduced saturated fat content.

## Proposals

### Chocolate blocks

Recommendation 4: **For existing and new single-portion chocolate block products that exceed 40 g packaging weight:-** by end 2012 manufacturers and retailers should make readily available single-portion packaging sizes equal to or less than 40 g for purchase singly or as part of a multi-pack and market these in such a way to encourage consumer preference for these smaller single-portion sizes.

'Chocolate block products' include milk, plain and white chocolate products containing chocolate only and bars including those with added ingredients, such as fruit, nuts, biscuit pieces, cereal, caramel or additional flavourings, in moulded block form, and their equivalents packaged in tube, packets, bag form.

### Chocolate confectionery 'countlines'

Recommendation 5: **For existing and new single-portion chocolate-confectionery countlines that exceed 50 g packaging weight:-** by end 2012 manufacturers and retailers should make readily available single-portion packaging sizes equal to or less than 50 g for purchase singly or as part of a multi-pack and market these in such a way in such a way to encourage consumer preference for these smaller single-portion sizes.

Recommendation 6: **For existing chocolate confectionery 'countlines':-** by the end of 2012, reduce the saturated fat level by at least 10% compared to each product's level during 2008. This reduction should be accompanied by a calorie reduction unless a technical case can be made that this is not achievable. **For new countlines** the product should have at least 10% less saturated fat than the nearest equivalent existing product on the market in 2008.

Chocolate confectionery 'countlines' include filled chocolate products in which chocolate is one of the main ingredients along with other ingredients, such as biscuit, fruit, nut, wafer, nougat, caramel, and their equivalents packaged in tube, packets, bag form. Examples include Mars Bars, Snickers, KitKat, Twix and Crunchie.

### Recommendation 4: Portion size and chocolate blocks

54. Legal rules restrict the reformulation opportunities to reduce saturated fat and energy in chocolate blocks<sup>26,27</sup>. However, the contribution chocolate blocks make to saturated fat and energy intakes can be reduced through portion control measures.

55. Chocolate confectionery available in single-portion packages was highlighted as a focus for action at the Agency-hosted expert workshop on portion size in 2008<sup>17</sup>. Single-portion chocolate blocks account for about a third of the market<sup>25</sup> and so our recommendation focuses on those products packaged or marketed in such a way as to indicate that it is intended, or is assumed by the consumer, to be eaten in a single occasion. We discourage

businesses from marketing larger/supersize 'single' portion sizes which may encourage overconsumption.

56. We considered a range of options on which to base a recommendation on portion size, including setting the recommendation around a specific energy value per portion or saturated fat content. A review of the market however showed that a recommendation based on the actual product weight will ensure the greatest impact on saturated fat and energy intakes whilst minimising the impact on businesses, which already market a range of single-portion packaging sizes around specific product weights.
57. The range of single-portion chocolate blocks on the market appears to cluster around the 40-50 g packaging size, and many of the products available in sizes less than 40 g are often restricted to multi-packs, which lend themselves more towards a pre-planned rather than an impulse purchase.
58. Precise statistics on the proportion of chocolate confectionery bought impulsively compared to pre-planned purchases are not available; however, purchases are almost evenly split between the major retailers and independents<sup>25</sup>, which suggest that impulse buys are a key form of purchase for many consumers.
59. It is important that any action on portion size avoids an increase in consumption by reducing the portion size to a point at which consumers may choose to eat two portions. Research of the market shows that single-portion products of 40 g are available on the market today, which indicates that this is an acceptable and recognised single-portion size for consumers.
60. Movement toward greater accessibility of smaller single-portion sizes for chocolate blocks in all retail environments would offer consumers a benefit. We recommend that the smaller single-portion sizes be offered at proportional value for money to the larger versions.
61. For those single-portion products currently only available in packaging sizes greater than 40 g, manufacturers need to develop a new smaller product size for sale as the 'standard'.
62. See also paragraphs 21-25 for general comments on the recommendations.

#### **Questions on portion size and chocolate blocks**

- 7. Is there a practical alternative to basing the recommendation on actual weight?**
- 8. What are your views on the proposed recommendation to provide single-portion sizes of 40 g or less?**
- 9. Is a timeframe of 2012 appropriate?**

#### **Recommendations 5 and 6: Chocolate confectionery countlines**

63. Unlike chocolate blocks, there are opportunities for reformulation to reduce saturated fat levels in countlines through their fillings. We therefore propose

two recommendations for countlines – portion size and saturated fat reformulation.

64. The same issues for Recommendation 4 on portion size reductions for chocolate blocks apply to Recommendation 5 – portion size reductions on chocolate confectionery countlines – see paragraphs 54-62 for full details about the basis for Recommendation 4.
65. As for chocolate blocks, the range of single-portion sizes on the market is wide; however, chocolate confectionery countlines tend to be larger/heavier than chocolate block products and appear to cluster around the 50-60 g packaging size. Similar to chocolate blocks, many of the products available in packaging sizes greater than 50 g are also available in smaller packaging sizes but restricted to the multipack trade.
66. Recommendation 6 to reduce the saturated fat content of their products by at least 10% is based on discussions with industry about the feasibility of reducing saturated fat levels in the fillings of countline products and the efforts underway to reformulate.
67. See also paragraphs 21-25 for general comments on the recommendations.

#### **Questions on chocolate confectionery countlines**

- 10. Is there a practical alternative to basing the single-portion size Recommendation on actual product weight?**
- 11. What are your views on the proposed recommendation to provide single-portion sizes of 50 g or less?**
- 12. What are your views on the proposed recommendation for saturated fat reduction by at least 10%?**
- 13. Is a timeframe of 2012 appropriate?**

#### **Biscuits, cakes, pastries and buns**

68. The recommendations that follow are grouped according to categories adopted for the National Diet and Nutrition Survey. This may reflect the role such products play in the diet as sweet snacks. However, we recognise that the manufacturers, methods of manufacture and ingredients used differ between the different subgroups and our recommendations have been developed to reflect the different opportunities for saturated fat reductions that each subgroup holds.
69. Mintel report that the biscuit market is changing; the healthier and indulgent biscuit markets are both growing, whilst the everyday market is stabilising<sup>28</sup>. Despite these market fluctuations the popularity of biscuits remains strong - half of consumers always have some kind of sweet biscuits in the home, and

that the majority of these consumers continue to buy the same biscuits<sup>28</sup>. A Mintel Sample of 951 people showed that 53% reported biscuits to be part of their everyday diet<sup>28</sup>.

70. In addition to biscuits, cakes are also eaten frequently. Mintel reports that although penetration levels and frequency of use was declining, nearly two thirds of consumers consume cakes and cake bars<sup>29</sup>. Due to hectic lifestyles and the rise in smaller households there has been a shift towards buying more products packaged in individual portions such as slices and cake bars.
71. The Agency's healthy eating advice is that consumption of biscuits, cakes and pastries should be kept to a minimum due to their saturated fat, sugar and energy contents. Biscuits, cakes, pastries and buns are one of the major contributors to saturated fat intakes amongst both adults<sup>4</sup> and young people<sup>23</sup> and the following recommendations focus action on reducing the saturated fat content of these products. In addition to specific recommendations on saturated fat, we encourage manufacturers to seek ways of reducing the contribution to overall energy intakes this group makes.
72. Discussions with industry have highlighted the vast number of biscuits, cakes, pastries and bun varieties as well as the challenges to reformulation, particularly legislative restrictions. The composition of chocolate and buttercream is controlled by EU-based legislation<sup>27,30</sup>, which specifies the type and quantity of ingredients permitted to be used based on quality parameters. We therefore recognise that the scope to reduce the saturated fat contribution from these components is restricted.
73. Some individual businesses within the industry already have in place their own initiatives to reduce saturated fat levels and portion size. We welcome and encourage these initiatives. To encourage continued work in this sector and to stimulate further action, the following recommendations are proposed.

## Biscuits

74. For biscuits, the main source of saturated fat is often the dough fat used to make the biscuit base and our discussions with industry indicate that in many cases the same dough fat is used for a wide range of biscuit products. Reformulation of the dough fat is therefore a key opportunity for saturated fat reductions. The impact such a reformulation will have on the final biscuit product will depend on the proportion of the final product that makes up the biscuit base.
75. We recognise that there are additional means to reformulate the saturated fat level of the final biscuit, such as reductions in biscuit cream. We encourage manufacturers to also explore these opportunities and make such reductions where possible to deliver the maximum benefit to the consumer.
76. For this reason, the draft recommendations do not direct businesses to a particular solution but rather provide an overarching recommendation for the final biscuit product

## Proposals

### Plain sweet and savoury biscuits

Recommendation 7: **For existing plain sweet and savoury biscuits:-** by end 2012 reduce the saturated fat content by at least 10% compared to the level in that product during 2008. This reduction should be accompanied by a calorie reduction unless a technical case can be made that this is not achievable. **For new products** the product should contain at least 10% less saturated fat than the nearest equivalent existing product on the market in 2008.

### Non-plain biscuits

Recommendation 8: **For all non-plain biscuits on the market:-** by end 2012, reduce the saturated fat content by at least 5% compared to the level in that product during 2008. This reduction should be accompanied by a calorie reduction unless a technical case can be made that this is not achievable. **For new products** the product should contain at least 5% less saturated fat than the nearest equivalent existing product on the market in 2008.

### Recommendation 7: Saturated fat and plain sweet and savoury biscuits

77. Separate recommendations are proposed for plain and for non-plain biscuits to reflect the potential impact other ingredients, such as chocolate, fillings etc, may have on a businesses' ability to reduce saturated fat.
78. For plain biscuits, whether sweet or savoury, the proportion of the biscuit component in the final product can be assumed to be 100%. For many businesses, a minimum 10% saturated fat reduction in the biscuit dough, and therefore in the final biscuit product, should be possible through a change in the dough fat.
79. See also paragraphs 21-25 for general comments on the recommendations.

### Questions on saturated fat and plain sweet/savoury biscuits

- 14. What are your views on the proposed recommendation for at least a 10% saturated fat reduction in plain biscuits by end 2012?**
- 15. Do you agree that the Recommendation can be achieved without raising sugar or trans fat levels?**

### Recommendation 8: Saturated fat and non-plain biscuits

80. The range of 'non-plain biscuits' on the market is vast, including sweet and savoury biscuits that are filled, coated and/or contain other ingredients such as fruit, nuts, chocolate chips.

81. Legal provisions on the composition of chocolate<sup>27</sup> restrict reformulation opportunities for chocolate components. However, taking this into account, there are more opportunities for saturated fat reductions in ‘non-plain’ biscuits, including a change in the proportion of biscuit base to filling or coating. As each biscuit differs the opportunities for saturated fat reductions differ, and we have therefore opted to provide businesses with the flexibility to determine the best means of saturated fat reductions for their products. For this reason, the draft recommendation on saturated fat reduction has been developed for the final biscuit product. A common factor for all biscuits is the use of dough fat in the biscuit base of the final product. The draft recommendation therefore seeks a saturated fat reduction based on a minimum 10% reduction in saturated fat in the dough fat used to make the biscuit component (without an increase in sugar or trans fat), which is assumed comprises approximately half of the final biscuit product.
82. See also paragraphs 21-25 for general comments on the recommendations.

### **Questions on saturated fat and other biscuits**

**16. What are your views on the proposed recommendation for at least a 5% saturated fat reduction in other biscuits by end 2012?**

**17. Do you agree that the recommendation can be achieved without raising sugar or trans fat levels?**

### **Cakes**

83. Legal restrictions on the composition of chocolate and buttercream limit the reformulation opportunities for these two particular components<sup>27,30</sup>; however, as the bulk source of saturated fat in a cake tends to be the fat ingredient used in the batter and the cream filling, there are options available to manufacturers seeking to reduce saturated fat levels.
84. As with biscuits, there is a vast range of different cakes on the market, each with their own opportunities for reformulation. For this reason, the recommendation on saturated fat reduction is drafted to apply to the final cake product. This provides businesses with the flexibility to explore and implement saturated fat reduction methods that are most appropriate for their individual products. The impact each reformulation will have on individual products will depend on the proportion of that product for which saturated fat reduction is possible.

### **Proposal**

**Recommendation 9: For existing cakes:-** by end 2012 reduce the saturated fat content of the final cake product by at least 10% compared to the level in that product during 2008. This reduction should be accompanied by a calorie

reduction unless a technical case can be made that this is not achievable. **For new products** the product should contain at least 10% less saturated fat than the nearest equivalent existing product on the market in 2008.

Recommendation 9: Saturated fat and cakes

85. Our discussions with industry suggest that an overall 10% reduction in saturated fat is possible through a variety of means, such as a move to lower-saturated-fat shortenings and margarines for use in cake batters and cake creams, and a switch to non-lauric-based coatings in products coated in non-chocolate coatings.

86. See also paragraphs 21-25 for general comments on the recommendations.

Questions on saturated fat and cakes

**18. What are your views on the proposed recommendation for at least a 10% saturated fat reduction in cakes by end 2012?**

**19. What are your views on how this recommendation sits alongside existing legislative requirements and current best practice?**

**20. Do you agree that the recommendation can be achieved without raising sugar or trans fat levels?**

## Pastries

87. Pastry as a food component is used in a wide range of products, including sweet and savoury pastries. In developing the draft recommendations for pastries, we were aware that these recommendations would apply to a wider range of products than sweet pastries alone. The recommendations therefore apply to the pastry component only and are valid for sweet and savoury pastries. We would welcome views from stakeholders manufacturing and selling sweet and savoury pastries and products with a pastry component.
88. Our discussions with industry have focused on the opportunities to reduce the level of total fat used in the pastry and reformulation of that fat ingredient to reduce saturated fat levels. In addition, we encourage manufacturers to take a more holistic approach to their products and consider other opportunities for saturated fat reductions, such as reformulation of the filling and a change in the proportion of pastry to filling components.

### **Proposal**

Recommendation 10: **For short and puff pastry both sold as such and where used as an ingredient in pastry products:-** by end 2012 reduce the saturated fat content of the pastry by at least 10% compared to the highest level in that product during 2008. This reduction should be accompanied by a calorie reduction unless a technical case can be made that this is not achievable.

### Recommendation 10: Saturated fat and pastries

89. Our discussions with industry suggest that a reduction of 10% in saturated fat content of pastry is an achievable goal through a variety of means depending on the type of pastry used.
90. For short pastry, we are aware that many food businesses, including small and medium enterprises, manufacture their own short pastry for their pastry products, both sweet and savoury. The recipe used in such circumstances will therefore be quite specific to that business and may have developed over many years of production. Our discussions with some businesses suggest that saturated fat reduction may be achieved by using a lower-saturated-fat shortening or margarine, or by reducing the quantity of total fat used in the short pastry. Such changes should result in a minimum 10% saturated fat reduction in the pastry without raising sugar or trans fat levels.
91. Puff pastry is generally higher in saturated fat than short pastry and the technical difficulties in producing a consistent pastry mean that many businesses opt to buy in their puff pastry component. The potential for saturated fat reductions therefore rest with a limited number of businesses in the UK. Discussions with such businesses indicate that the bulk pastry fat used in puff pastry is used as a laminating fat between the pastry sheets and that a 10% saturated fat reduction in the puff pastry may be achieved by reducing the total quantity of the laminating pastry fat without major infrastructure changes or raising sugar or trans fat levels. Longer term

solutions may include reducing the saturated fat content of the shortening and pastry fat used in the pastry dough itself and we encourage manufacturers to explore such opportunities.

92. See also paragraphs 21-25 for general comments on the recommendations.

#### **Questions on saturated fat and pastries**

**21. Is there an alternative to developing recommendations for the pastry component of pastry products that will encourage and guide businesses on saturated fat reductions in pastry products – including sweet and savoury products?**

**22. What are your views on the proposed recommendation for at least a 10% saturated fat reduction in pastry sold as such or used in further manufacturing by end 2012?**

**23. Do you agree that the recommendation can be achieved without raising sugar or trans fat levels?**

#### **Buns**

93. Compositional and market data show that the majority of buns on the market, such as teacakes, are not high contributors to saturated fat intakes. Our draft recommendation therefore focuses on doughnuts that are fried in oil.

#### **Proposal**

Recommendation 11: **For doughnuts and other fried buns:-** move to a lower saturated-fat frying oil, where possible. This reduction should be accompanied by a calorie reduction unless a technical case can be made that this is not achievable.

94. We are aware that some producers have sourced frying oils with lower saturated fats and seek to encourage all producers to review their frying oil and frying practices and adopt this as best practice.

95. See also paragraphs 21-25 for general comments on the recommendations.

### **Questions on saturated fat and doughnuts**

**24. Do you agree with the Agency's approach to buns by developing a recommendation on doughnuts and other fried buns only?**

### **Recognising Achievements and Commitments**

96. The Agency recognises the progress that has been made by many forward thinking businesses in all food and drink sectors and intends to publish an Achievements and Commitments table on its website to highlight the progress that is being made by businesses.

### **Consultation Process**

97. We would like to receive views on these voluntary recommendations and welcome suggestions for alternative options that would achieve similar outcomes.

98. Please forward your responses to the questions given below to Elizabeth Kendall - contact details are provided on page 1.

99. We will continue to meet with interested parties as part of the consultation process and encourage anyone who would like to meet to contact us.

100. A second consultation exercise on voluntary recommendations for further food groups identified for action in the SFEI Programme is being prepared and will be published shortly.

**The following lists the questions asked in this consultation, including Annex B: Impact Assessment.**

#### **Question on advertising, marketing and promotion**

**1. What share of advertising, marketing and promotional budgets do businesses spend on promoting reduced/low saturated fat and/or reduced/low/no sugar products? What plans do businesses have to increase these budgets?**

#### **Questions on sugar reduction and sugary soft drinks**

**2. Is the threshold of 8 g sugar/100 ml drink a practical threshold?**

**3. What are your views on the proposed recommendation for at least a 4% sugar reduction by end 2012?**

#### **Questions on portion size and sugary soft drinks**

4. What are your views on the proposed recommendation to provide 250 ml single-portion sizes?
5. Is there a practical alternative to basing the single-portion size recommendation on actual volume?
6. Is a timeframe of 2015 appropriate?

**Questions on portion size and chocolate blocks**

7. Is there a practical alternative to basing the recommendation on actual weight?
8. What are your views on the proposed recommendation to provide single-portion sizes of 40 g or less?
9. Is a timeframe of 2012 appropriate?

**Questions on chocolate confectionery countlines**

10. Is there a practical alternative to basing the single-portion size recommendation on actual weight?
11. What are your views on the proposed recommendation to provide single-portion sizes of 50 g or less?
12. What are your views on the proposed recommendation for saturated fat reduction by at least 10%?
13. Is a timeframe of 2012 appropriate?

**Questions on saturated fat and plain sweet/savoury biscuits**

14. What are your views on the proposed recommendation for at least a 10% saturated fat reduction in plain biscuits by end 2012?
15. Do you agree that the recommendation can be achieved without raising sugar or trans fat levels?

**Questions on saturated fat and other biscuits**

16. What are your views on the proposed recommendation for at least a 5% saturated fat reduction in other biscuits by end 2012?
17. Do you agree that the recommendation can be achieved without raising sugar or trans fat levels?

#### Questions on saturated fat and cakes

18. What are your views on the proposed recommendation for at least a 10% saturated fat reduction in cakes by end 2012?
19. What are your views on how this recommendation sits alongside existing legislative requirements and current best practice?
20. Do you agree that the recommendation can be achieved without raising sugar or trans fat levels?

#### Questions on saturated fat and pastries

21. Is there an alternative to developing recommendations for the pastry component of pastry products that will encourage and guide businesses on saturated fat reductions in pastry products – including sweet and savoury products?
22. What are your views on the proposed recommendation for at least a 10% saturated fat reduction in pastry sold as such or used in further manufacturing by end 2012?
23. Do you agree that the recommendation can be achieved without raising sugar or trans fat levels?

#### Questions on saturated fat and doughnuts

24. Do you agree with the Agency's approach to buns by developing a recommendation on doughnuts only?

#### Questions in Annex B: Impact Assessment

25. Do you agree that the information provided on improvements to public health are accurate and cover the range of benefits?
26. Is the data on industry sectors affected an accurate representation of those affected? If not please provide new evidence.
27. Is it possible to indicate how much of your reformulation costs, where saturated fat or energy reduction has taken place, relate directly to saturated fat/added sugar/portion size and how much are relate to other product changes?
28. Could you indicate how much of the reformulation work is triggered by the work of the Agency and how much is influenced by other factors?
29. How does the Agency's existing salt reduction strategy impact on your ability to engage with the Agency on reducing saturated fat/added sugar/portion size?

**Cost relating to saturated fat/added sugar reduction:**

30. Page 51 outlines the reformulation process costs. Is this a fair representation of the factors influencing reformulation costs?
31. The Agency would welcome any costs or estimates of costs relating to R&D and/or capital expenditure relating to saturated fat or energy reduction.
32. Do you think that variable costs can be realistically measured?
33. Is there too great a variation between products to come up with an idea of average cost per product group?
34. Would it be possible to derive average uses of ingredients such as shortening, cake margarine, pastry margarine, biscuit oil blends amongst product groups e.g. product type x use 40% shortening? Would this be meaningful?
35. Could you provide an estimate of how much ingredients such as shortening, cake margarine, pastry margarine, biscuit oil blends comprise of the final retail cost of products in pastry, cakes, biscuits and chocolate confectionery?
36. Do you think that the cost increases for ingredients are accurate?

**Costs relating to portion size recommendations:**

37. What is the amount of packaging stock (measured by months and units) you have in reserve?
38. How much would it cost to design a new label for a smaller single-portion size per product and how many products would that affect?
39. What factory/transportation changes would need to be undertaken to account for the new single-portion sizes?
40. How much are these changes likely to cost, broken down by activity?
41. How many vending machines/other channels to distribution, not including retail, would you be likely to change to accommodate smaller single-portion sizes?
42. How much is this likely to cost per machine and how many machines are there in the current market place?

**Additional questions on the consultation:**

43. How long would it take a business to familiarise itself with the Agency recommendations?
44. Can you provide any further information/case studies showing the extent of the costs to achieve the levels of reformulation and portion size changes described in this consultation?

## **Other relevant documents**

The Agency's Saturated Fat and Energy Intake programme can be found using the link below.

[www.food.gov.uk/healthiereating/satfatenergy/satfatprog/](http://www.food.gov.uk/healthiereating/satfatenergy/satfatprog/)

Healthy Weight Healthy Lives: A cross-government strategy for England can be found at the following link.

[www.dh.gov.uk/en/Publichealth/Healthimprovement/Obesity/index.htm](http://www.dh.gov.uk/en/Publichealth/Healthimprovement/Obesity/index.htm)

Healthy Eating, Active Living: An action plan to improve diet, increase physical activity and tackle obesity

[www.scotland.gov.uk/Publications/2008/06/20155902/0](http://www.scotland.gov.uk/Publications/2008/06/20155902/0)

Food and Fitness: Promoting Healthy Eating and Physical Activity for Children and Young People in Wales 5 year implementation plan

[www.wales.gov.uk/topics/health/improvement/food/food-fitness/plan/?land=en](http://www.wales.gov.uk/topics/health/improvement/food/food-fitness/plan/?land=en)

The Department of Health, Social Services & Public safety 2005 report *Fit Futures Focus on Food, Activity and Young People, Northern Ireland*

[www.dhsspsni.gov.uk/ifh-fitfutures.pdf](http://www.dhsspsni.gov.uk/ifh-fitfutures.pdf)

## **Responses**

**Responses are required by close 3 November 2009.** Please state, in your response, whether you are responding as a private individual or on behalf of an organisation/company (including details of any stakeholders your organisation represents).

Thank you on behalf of the Food Standards Agency for participating in this public consultation.

Yours,

Stephen Airey  
Saturated Fat and Energy Intake Programme  
Nutrition Division

**Annex A: Standard Consultation Information**

**Annex B: Impact Assessment**

**Annex C: List of interested parties**

## **References**

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- <sup>1</sup> [www.heartstats.org](http://www.heartstats.org)
- <sup>2</sup> Department of Health (1994), *Nutritional Aspects of Cardiovascular Disease. Report on Health and Social Subjects 46*. London: The Stationery Office.
- <sup>3</sup> World Health Organization (2003). *Diet, nutrition and the prevention of chronic disease. Report of a joint WHO/FAO Expert Consultation*. Geneva.
- <sup>4</sup> Henderson, L et al. (2003). *The National Diet & Nutrition Survey: adults aged 19 to 64 years. Volume 2: Energy, protein, carbohydrate, fat and alcohol intake*. London: HMSO.
- <sup>5</sup> [www.ofcom.org.uk/consult/condocs/foodads\\_new/ia.pdf](http://www.ofcom.org.uk/consult/condocs/foodads_new/ia.pdf)
- <sup>6</sup> Government Office for Science (2007). *Foresight: Tackling Obesities: Future Choices*. Department of Innovation Universities and Skills.
- <sup>7</sup> Scottish Health Survey 2003
- <sup>8</sup> [www.food.gov.uk/healthiereating/satfatenergy/satfatprog/](http://www.food.gov.uk/healthiereating/satfatenergy/satfatprog/)
- <sup>9</sup> Department of Health and the Department for Children, Schools and Families (2008), *Healthy Weight, Healthy Lives: A Cross-Government Strategy for England*. [www.dh.gov.uk/publications](http://www.dh.gov.uk/publications)
- <sup>10</sup> Scottish Government (2008), *Healthy Eating, Active Living: An action plan to improve diet, increase physical activity and tackle obesity (2008-2011)*. [www.scotland.gov.uk/Publications/2008/06/20155902/0](http://www.scotland.gov.uk/Publications/2008/06/20155902/0)
- <sup>11</sup> Welsh Assembly Government (2006), *Food and Fitness: Promoting Healthy Eating and Physical Activity for Children and Young People in Wales 5 year implementation plan*. [www.wales.gov.uk/topics/health/improvement/food/food-fitness/plan/?lang=en](http://www.wales.gov.uk/topics/health/improvement/food/food-fitness/plan/?lang=en)
- <sup>12</sup> Department of Health, Social Services & Public Safety (2006), *Fit Futures. Focus on Food, Activity and Young People*. [www.investingforhealthni.gov.uk](http://www.investingforhealthni.gov.uk)
- <sup>13</sup> [www.food.gov.uk/healthiereating](http://www.food.gov.uk/healthiereating)
- <sup>14</sup> [www.food.gov.uk/foodlabelling/signposting/](http://www.food.gov.uk/foodlabelling/signposting/)
- <sup>15</sup> [www.food.gov.uk/healthiereating/healthycatering/](http://www.food.gov.uk/healthiereating/healthycatering/)
- <sup>16</sup> [www.food.gov.uk/healthiereating/satfatenergy/satfatcons/](http://www.food.gov.uk/healthiereating/satfatenergy/satfatcons/)
- <sup>17</sup> [www.food.gov.uk/multimedia/pdfs/portionworkshop.pdf](http://www.food.gov.uk/multimedia/pdfs/portionworkshop.pdf)
- <sup>18</sup> [www.food.gov.uk/healthiereating/satfatenergy/transfat](http://www.food.gov.uk/healthiereating/satfatenergy/transfat)
- <sup>19</sup> Food Standards Agency Scotland (2008). *Survey of sugar intake among children in Scotland*. [www.food.gov.uk/scotland/scotnut/scotsug](http://www.food.gov.uk/scotland/scotnut/scotsug).
- <sup>20</sup> [www.eatwell.gov.uk](http://www.eatwell.gov.uk)
- <sup>21</sup> British Soft Drinks Association (2009). *The 2009 UK Soft Drinks Report*.
- <sup>22</sup> Mintel (2009), *Carbonated soft drinks*

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<sup>23</sup> Gregory, J et al. (2000). *National Diet & Nutrition Survey: young people aged 4 to 18 years. Volume 1: Report of the diet and nutrition survey*. London: The Stationery Office.

<sup>24</sup> [www.food.gov.uk/multimedia/pdfs/frontofpackguidance2.pdf](http://www.food.gov.uk/multimedia/pdfs/frontofpackguidance2.pdf)

<sup>25</sup> Mintel (2008), *Chocolate confectionery*

<sup>26</sup> European Parliament and Council Directive 94/35/EC of 30 June 1994 on sweeteners for use in foodstuffs. OJ L 237, 10/9/94, p3, as amended

<sup>27</sup> Directive 2000/36/EC of the European Parliament and of the Council of 23 June 2000 relating to cocoa and chocolate products intended for human consumption. OJ L 197, 3/8/2000, p19.

<sup>28</sup> Mintel (2007), *Sweet biscuits*

<sup>29</sup> Mintel (2008), *Cakes and cake bars*

<sup>30</sup> Commission Regulation (EC) No 445/2007 of 23 April 2007 laying down certain detailed rules for the application of Council Regulation (EC) No 2991/94 laying down standards for spreadable fats and of Council Regulation (EEC) No 1898/87 on the protection of designations used in the marketing of milk and milk products. OJ L 106, 24/4/2007, p24.

## ANNEX A: STANDARD CONSULTATION INFORMATION

### Queries

If you have any queries relating to this consultation please contact the person named on page 1, who will be able to respond to your questions.

### Publication of personal data and confidentiality of responses

In accordance with the FSA principle of openness our Information Centre at Aviation House will hold a copy of the completed consultation. Responses will be open to public access upon request. The FSA will also publish a summary of responses, which may include personal data, such as your full name and contact address details. If you do not want this information to be released, please complete and return the Publication of Personal Data form, which is on the website at <http://www.food.gov.uk/multimedia/pdfs/dataprotection.pdf> Return of this form does not mean that we will treat your response to the consultation as confidential, just your personal data.

In accordance with the provisions of Freedom of Information Act 2000/Environmental Information Regulations 2004, all information contained in your response may be subject to publication or disclosure. If you consider that some of the information provided in your response should not be disclosed, you should indicate the information concerned, request that it is not disclosed and explain what harm you consider would result from disclosure. The final decision on whether the information should be withheld rests with the FSA. However, we will take into account your views when making this decision.

Any automatic confidentiality disclaimer generated by your IT system will not be considered as such a request unless you specifically include a request, with an explanation, in the main text of your response.

### Further information

A list of interested parties to whom this letter is being sent appears in Annex C. Please feel free to pass this document to any other interested parties, or send us their full contact details and we will arrange for a copy to be sent to them direct.

Please let us know if you need paper copies of the consultation documents or of anything specified under '**Other relevant documents**'.

This consultation has been prepared in accordance with HM Government Code of Practice on Consultation, available at: <http://www.berr.gov.uk/files/file47158.pdf> The Consultation Criteria are available at <http://www.berr.gov.uk/whatwedo/bre/consultation-guidance/page44458.html>

Criterion 2 of HM Government Code of Practice on Consultation states *Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.*

The Code of Practice states that an Impact Assessment should normally be published alongside a formal consultation. Please see the Impact Assessment at Annex B.

For details about the consultation process (not about the content of this consultation) please contact: Food Standards Agency Consultation Co-ordinator, Room 2C, Aviation House, 125 Kingsway, London, WC2B 6NH. Tel: 0207 276 8630.

### **Comments on the consultation process itself**

We are interested in what you thought of this consultation and would therefore welcome your general feedback on both the consultation package and overall consultation process. If you would like to help us improve the quality of future consultations, please feel free to share your thoughts with us by using the Consultation Feedback Questionnaire at

<http://www.food.gov.uk/multimedia/worddocs/consultfeedback.doc>

If you would like to be included on future Food Standards Agency consultations on other topics, please advise us of those subject areas that you might be specifically interested in by using the Consultation Feedback Questionnaire at <http://www.food.gov.uk/multimedia/worddocs/consultfeedback.doc>. The questionnaire can also be used to update us about your existing contact details.

## ANNEX B: IMPACT ASSESSMENT

Summary: Intervention & Options		
Department /Agency: <b>Food Standards Agency</b>	Title: Impact assessment of draft recommendations on saturated fat and added sugar reductions, and portion size availability, for biscuits, cakes, pastries, buns, chocolate confectionery and soft drinks	
Stage: Consultation	Version: 1	Date: 28/07/09
Related Publications: The final Saturated Fat and Energy Intake Programme: <a href="http://www.food.gov.uk/healthiereating/satfatenergy/satfatprog">http://www.food.gov.uk/healthiereating/satfatenergy/satfatprog</a>		

Available to view or download at:

<http://www.food.gov.uk/consultations/>

Contact for enquiries: Elizabeth Kendall

Telephone: 020 7276 8670

**What is the problem under consideration? Why is government intervention necessary?**

Two of the major health issues for the UK for which diet is particularly influential are cardiovascular disease (CVD) and obesity. Average intakes of saturated fat exceed the public health recommendation by around 20%. A high intake of saturated fat can raise blood cholesterol levels and this in turn can raise risk of CVD. Obesity levels have doubled in the last 25 years. Obesity is a risk factor for a number of illnesses such as CVD, some cancers and type II diabetes and results from excessive energy (calorie) intake in relation to energy output. While efforts to raise consumer awareness about saturated fat and healthy eating will continue and industry has already made significant changes, Government intervention is necessary to provide direction to industry on the reformulation of food and drink to reduce levels of saturated fat and energy, and on improving the availability of smaller portion sizes.

**What are the policy objectives and the intended effects?**

To establish voluntary recommendations on saturated fat and added sugar reductions, and voluntary recommendations on the availability of smaller single-portion sizes, for foods that contribute these nutrients significantly to the UK diet. The voluntary recommendations are intended to encourage industry to reformulate such products to help achieve public health recommendations on saturated fat intakes and contribute to national strategies to address obesity and overweight.

**What policy options have been considered? Please justify any preferred option.**

1. Do nothing
2. Establish voluntary recommendations for industry on reductions in saturated fat and added sugar and Recommendations on the availability of smaller single-portion sizes in key food groups. This would be the preferred option for the Food Standards Agency (the Agency) as it would encourage industry reformulation and innovation towards improving the nutrition profile of key foods without unduly burdening industry through regulation and associated costs.

**When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?**

Initial review dates for each voluntary recommendation have been proposed within the consultation document based on intelligence about the potential timeframe to achieve such change. National Diet and Nutrition Surveys will allow progress towards achieving public health recommendations to be monitored against data from past surveys. The Agency will establish an achievements and commitments table allowing food and drinks businesses to demonstrate changes they have made.

**Ministerial/CEO Sign-off** For Consultation Stage Impact Assessments:

*I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options*

Signed by the Food Standards Agency Chair\*:



.....Date: 28/07/09

## Summary: Analysis & Evidence

<b>Policy Option: 2</b>	<b>Description: Establish voluntary Recommendations for industry on reductions in saturated fat and added sugar, and Recommendations on the availability of smaller single-portion sizes in key foods.</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' Businesses that strive towards achieving the recommendations, and which do not have other strategic drivers to reduce these, will face reformulation costs, but will also gain from non-monetised benefits (see below). It would be misleading to calculate an overall cost to industry given the number of assumptions required.		
	<b>One-off</b> (Transition) <b>Yrs</b>			
	£ N/K			
	<b>Average Annual Cost</b> (excluding one-off)			
	£ N/K			
<b>Total Cost (PV)</b>		£ N/K		
Other <b>key non-monetised costs</b> by 'main affected groups' Potential requirement for the Agency to purchase salient product nutrient data to monitor industry progress towards the Recommendations.				

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' The extent of the benefits accrued will depend on a number of key assumptions, such as level of industry uptake, technological progress and the respective roles of the Agency and other drivers. For these reasons, it is not possible to quantify the exact benefit of introducing voluntary recommendations.		
	<b>One-off</b> <b>Yrs</b>			
	£ N/K			
	<b>Average Annual Benefit</b> (excluding one-off)			
	£ N/K			
<b>Total Benefit (PV)</b>		£ N/K		
Other <b>key non-monetised benefits</b> by 'main affected groups' There may be reputation and marketing benefits for businesses that implement the saturated fat, added sugar and portion size recommendations from NGOs, consumer groups, individual consumers and the media.				

**Key Assumptions/Sensitivities/Risks** This analysis assumes an equivalent uptake by industry of the voluntary saturated fat, added sugar and portion size recommendations. Economic pressures that may divert industry resource from product reformulation is a potential risk not accounted for in this analysis.

Price Base Year N/A	Time Period Years N/A	<b>Net Benefit Range (NPV)</b> £ N/K	<b>NET BENEFIT (NPV Best estimate)</b> £ N/K
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What is the geographic coverage of the policy/option?				UK	
On what date will the policy be implemented?				December 2009	
Which organisation(s) will enforce the policy?				N/A	
What is the total annual cost of enforcement for these organisations?				£ N/A	
Does enforcement comply with Hampton principles?				Yes	
Will implementation go beyond minimum EU requirements?				No	
What is the value of the proposed offsetting measure per year?				£ N/A	
What is the value of changes in greenhouse gas emissions?				£ N/A	
Will the proposal have a significant impact on competition?				No	
Annual cost (£-£) per organisation (excluding one-off)		Micro	Small	Medium	Large
Are any of these organisations exempt?		No	No	N/A	N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)				(Increase - Decrease)	
Increase	£	Decrease	£	<b>Net Impact</b>	£

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Evidence Base (for summary sheets)

### Reason for Intervention

UK Governments objective is to improve the health of the nation by reducing the incidence of costly chronic diseases, such as cardiovascular disease, through improvements in dietary health.

Cardiovascular disease (CVD) is the leading cause of death in the UK and accounts for nearly 200,000 deaths per year<sup>2</sup>. It is also a leading cause of premature death (death before the age of 75) accounting for over 53,000 deaths annually<sup>2</sup>. CVD has significant personal and economic costs – estimated at £30.7 billion in 2006 (health care costs, informal care costs and productivity losses)<sup>2</sup>. There are many risk factors for CVD - a significant risk factor is high blood cholesterol, which can be lowered by reducing saturated fat intake.

Obesity is also an important risk factor for a number of illnesses including CVD, some cancers and diabetes and its prevalence has more than doubled in the last 25 years in the UK<sup>3</sup>. Indeed, in England alone nearly a quarter of adults and about 10% of children are now obese, with a further 20-25% of children overweight<sup>3</sup>. In Scotland in 2003 over 20% of males and nearly 25% of females were classed as obese with two thirds of Scottish school children outside the healthy weight range<sup>4</sup>. Further, the Government's Foresight programme suggests that without intervention over 50% of Britons will be obese by 2050<sup>3</sup>. Obesity and poor health have a wider cost to society and business that is estimated to be £49.9 billion per year with NHS costs attributable to overweight and obesity expected to double to £10 billion per year by 2050<sup>3</sup>.

The Food Standards Agency (the Agency) has strategic targets to improve the nation's health with programmes of work to provide advice and raise consumer awareness about healthy eating, and is working with industry to encourage better labelling and promote healthier products<sup>5</sup>. The Agency is now working with health departments and other stakeholders to encourage the reduction of population average saturated fat intakes from the current level of 13.3% to within the recommended 11% of food energy for everyone over 5 years of age. It has been estimated that reducing saturated fat intakes to within public health recommendations could result in approximately 3500 annual UK deaths averted and should improve the quality of many more lives, saving the UK economy about £1bn each year<sup>6</sup>.

The Agency has also committed to support wider government initiatives to address obesity levels by helping consumers to achieve a balance between energy (calorie) intake and energy output.

In February 2009, the Agency launched its saturated fat awareness campaign with a combination of television, press and poster advertisements<sup>7</sup>. The Agency has also supported improvements in food labelling through the introduction of voluntary Front of

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<sup>2</sup> [www.heartstats.org](http://www.heartstats.org)

<sup>3</sup> Government Office for Science (2007), *Foresight: Tackling Obesities: Future Choices*. Department of Innovation, Universities and Skills.

<sup>4</sup> Scottish Health Survey 2003.

<sup>5</sup> Food Standards Agency (2005), *Strategic Plan 2005-2010 – Putting consumers first*. Food Standards Agency

<sup>6</sup> [www.ofcom.org.uk/consult/condocs/foodads\\_new/ia.pdf](http://www.ofcom.org.uk/consult/condocs/foodads_new/ia.pdf)

<sup>7</sup> [www.food.gov.uk/healthiereating/satfatenergy/satfatcons](http://www.food.gov.uk/healthiereating/satfatenergy/satfatcons)

Pack signposting schemes. Such efforts help to increase the demand for reformulated products.

There is scope to galvanise reformulation activity through voluntary saturated fat, added sugar and portion size recommendations in the food groups that contribute most to dietary intakes. Therefore, the Agency is encouraging reformulation of mainstream products. Voluntary recommendations will reinforce consumer trends and speed up the delivery of reformulated products so that public health outcomes can be achieved more rapidly. Further, reformulation of mainstream products has the potential to deliver significant reductions in population average intakes, in addition to the provision of lower fat healthier options.

According to industry intelligence, the market for 'healthy options' has risen twice as fast as the total food market at around 30% of retail sales in the five markets of dairy, bakery, crisps and snacks, confectionery and soft drinks<sup>8</sup>. The Agency is seeking to build on this market response and is encouraging reformulation of mainstream products, focusing on sectors that contribute the most saturated fat and energy through added sugars to the population's diet. This consultation relates to an initial set of recommendations for soft drinks with added sugar, chocolate confectionery, biscuits, cakes, pastry and buns. A further consultation with an appropriate impact assessment will be developed to cover dairy products, meat products and savoury snacks later in 2009.

## **Intended effect**

The purpose of Government intervention is to establish voluntary Recommendations for saturated fat reductions in biscuits, cakes, pastries, buns and chocolate confectionery that encourage food and drink businesses to reformulate their products to help to reduce the population average intake of saturated fat to within public health recommendations.

A further purpose is to establish voluntary Recommendations for reductions in added sugar in soft drinks, and single-portion size availability for soft drinks and chocolate confectionery to help reduce the contribution these foods make to energy intakes.

These Recommendations are designed to complement awareness campaigns targeted at the consumer with the overall goal of achieving public health recommendations.

By reducing saturated fat, added sugar and single-portion sizes of mainstream foods (compared to 'healthier options'), public health is improved irrespective of whether consumers choose healthier alternatives or change their eating habits.

Our expectation is that these first step voluntary recommendations will focus food industry activity on reformulation and single-portion availability, complement the significant progress already made by some progressive UK businesses and build on consumer awareness activities that will result in consumers seeking products that contain less saturated fat and added sugar and choosing smaller single-portion sizes.

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<sup>8</sup> Mintel (2008), *Healthy Eating and Drinking – UK*. Note that 'healthy options' include low calorie, low fat, low salt, additive free and 'better for you'.

## Background

### Public Health Issues

Cardiovascular disease (CVD) and obesity are two of the major health issues for the UK for which diet is particularly influential.

#### Cardiovascular disease

In 2006, the cost of CVD to the UK economy was estimated at £30.7 billion (via health care costs, informal care costs and productivity losses)<sup>2</sup>.

A high intake of saturated fat can raise blood total and low density lipoprotein (LDL) cholesterol levels and this in turn can lead to an increased risk of developing heart disease<sup>9,10</sup>. Accordingly, it follows that reducing intakes of saturated fat should lower the blood total and LDL-cholesterol levels and that this in turn should lead to a reduced risk of developing heart disease. Therefore, reducing population average saturated fat intakes to within public health recommendations (i.e. from 13.3% to within 11% of food energy) would be expected to reduce the incidence of CVD in the UK population.

In its 1994 report on *Nutritional Aspects of Cardiovascular Disease*, the Committee on Medical Aspects of Food Policy (COMA) published its recommendations on diet and cardiovascular disease<sup>9</sup>. This included a recommendation to reduce saturated fat intakes to no more than 11% of food energy (equivalent to no more than 10% of total dietary energy). This recommendation reflects the World Health Organization report on diet and chronic disease published in 2003<sup>10</sup>.

#### Obesity

Obesity is an important risk factor for a number of illnesses, including CVD, some cancers and diabetes, and has more than doubled in the last 25 years in the UK<sup>3</sup>. Indeed in England alone, nearly a quarter of adults and about 10% of children are now obese, with a further 20-25% of children overweight<sup>3</sup>. In Scotland in 2003 over 20% of males and nearly 25% of females were classed as obese with two thirds of Scottish school children outside the healthy weight range<sup>4</sup>. Further, the Government's Foresight programme suggests that, without intervention, based on current trends, approximately 60% of Britons will be obese by 2050<sup>3</sup>. Obesity and poor health have a wide cost to society and business that are estimated to be £49.9 billion per year, with NHS costs attributable to overweight and obesity expected to double to £10 billion per year by 2050<sup>3</sup>.

### Government programmes

National strategies to tackle obesity levels are in place and this initiative supports these objectives.

In England, the cross-department strategy Healthy Weight, Healthy Lives was launched in 2008 and aims to reverse the trend in rising obesity and overweight,

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<sup>9</sup> Department of Health (1994), *Nutritional Aspects of Cardiovascular Disease. Report on Health and Social Subjects 46*. London: The Stationery Office.

<sup>10</sup> World Health Organization (2003), *Diet, Nutrition and the Prevention of Chronic Disease. Report of a Joint WHO/FAO Expert Consultation*. Geneva.

particularly for children, and to reduce it to the levels of 2000 by 2020<sup>11</sup>. The Agency has a key role in this obesity strategy and is taking forward aspects of the 'healthy food code of good practice' with the food industry, including the reformulation Recommendations described here.

Food Standards Agency Scotland has a key role in the Scottish Government's Healthy Eating, Active Living: An Action Plan to Improve Diet, Increased Physical Activity and Tackle Obesity (2008-2011) and is working closely with the Scottish Government to address obesity issues<sup>12</sup>.

In Wales, the Welsh Assembly Government's Food and fitness – Promoting Healthy Eating and Physical Activity for Children and Young People Implementation Plan (2006) sets out the actions to improve nutrition and physical activity levels to tackle the increase in overweight and obesity among the young<sup>13</sup>.

In Northern Ireland, FSA Northern Ireland is supporting the Department of Health Social Services and Public Safety (DHSSPS) and other key partners to put in place an obesity prevention framework for NI, building on the 2006 DHSSPS report 'Fit Futures - Focus on Food, Activity and Young People'<sup>14</sup>.

## Food Standards Agency Strategy and Programmes

The Agency's remit is to help improve the UK diet, reducing diet-related disease to help people live healthier lives and reduce the costs associated with ill-health. This work is aligned with that described above on diet and obesity.

This consultation is part of the Agency's activity to make the healthy choice the easy choice and sits alongside other Agency initiatives, such as the voluntary targets to reduce salt.

In addition to working with businesses to promote healthier foods, the Agency provides advice and campaigns to raise consumer awareness to improve understanding about food and health, providing people with the skills to choose healthier diets. The Agency also seeks to address barriers to people making healthier food choices, for example, by encouraging front of pack nutrition labelling<sup>15</sup> and promoting calorie labelling at the point of purchase in foodservice environments<sup>16</sup>.

The proposed recommendations contained in this consultation should be considered in the wider context of this broad programme of evidence-based work.

## The Agency's Saturated Fat and Energy Intake Programme

The Agency's Strategic Plan to 2010 sets out the UK-wide objective to work with health departments/directorates and stakeholders to reduce population average UK

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<sup>11</sup> Department of Health and the Department for Children, Schools and Families (2008), *Healthy Weight, Healthy Lives: A Cross-Government Strategy for England*. [www.dh.gov.uk/publications](http://www.dh.gov.uk/publications)

<sup>12</sup> Scottish Government (2008), *Healthy Eating, Active Living: An action plan to improve diet, increase physical activity and tackle obesity (2008-2011)*. [www.scotland.gov.uk/Publications/2008/06/20155902/0](http://www.scotland.gov.uk/Publications/2008/06/20155902/0)

<sup>13</sup> Welsh Assembly Government (2006), *Food and Fitness: Promoting Healthy Eating and Physical Activity for Children and Young People in Wales 5 year implementation plan*. [www.wales.gov.uk/topics/health/improvement/food/food-fitness/plan/?lang=en](http://www.wales.gov.uk/topics/health/improvement/food/food-fitness/plan/?lang=en).

<sup>14</sup> Department of Health, Social Services & Public Safety (2006), *Fit Futures. Focus on Food, Activity and Young People*. [www.investingforhealthni.gov.uk](http://www.investingforhealthni.gov.uk)

<sup>15</sup> [www.food.gov.uk/foodlabelling/signposting/](http://www.food.gov.uk/foodlabelling/signposting/)

<sup>16</sup> [www.food.gov.uk/healthiereating/healthycatering](http://www.food.gov.uk/healthiereating/healthycatering)

intakes of saturated fat to within public health recommendations and to help consumers to achieve a balance between calorie intake and energy output<sup>5</sup>.

The Agency launched its UK-wide Saturated Fat and Energy Intake Programme in February 2008 following a significant public consultation in 2007<sup>17</sup>.

The Programme is comprised of four elements:

- improving consumer awareness and understanding of healthy eating with particular focus on the impact of saturated fat on health;
- encouraging promotion and increased uptake of healthier options, e.g. reduced fat products and retailers' 'healthier' ranges;
- encouraging increased accessibility of smaller food portion sizes; and
- encouraging voluntary reformulation of mainstream products to reduce saturated fat and energy.

### Consumer awareness

The Agency launched its saturated fat consumer awareness campaign on 9 February 2009<sup>7</sup>. It covered TV, print, media advertising and a comprehensive website to engage consumers and raise awareness about the health implications of too much saturated fat. The campaign provided simple tips on how to reduce intakes through easy swaps when shopping, cooking or eating out.

This first element of the Programme is designed to encourage demand for healthier products providing an impetus to industry to meet this demand.

### Working with industry

The other three elements of the Programme have involved discussions with industry on the technical, legislative and operational challenges and opportunities for making available and enhancing healthier options, for reformulating mainstream products and for considering the accessibility of smaller portion sizes of energy-dense products.

Discussions with industry, together with wider stakeholders, have informed the development of the first set of voluntary Recommendations.

### Industry good practice

There are many examples of progressive businesses with programmes in place to improve the nutrition profile of their products. For example, Dairy Crest launched its healthier alternative, Cathedral City Lighter in 2007, which contains 30% less fat than standard Cheddar cheese. Unlike other reduced fat cheeses, it is not marketed to slimmers, but rather those who are interested in their health, but still want a tasty product.

United Biscuits launched their reformulated McVities standard and lights plain biscuit range (Digestives, Hob Nobs, and Rich Tea) containing 50% less saturated fat in 2008. This reformulation has, in part, been achieved through a change in the fat blend used in the biscuit dough.

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<sup>17</sup> [www.food.gov.uk/healthiereating/satfatenergy/satfatprog/](http://www.food.gov.uk/healthiereating/satfatenergy/satfatprog/)

Since 2003, Walkers has transformed its entire crisps and snacks portfolio – reducing saturated fat by up to 80% and salt by up to 55% – removing 40,000 tonnes of saturates and 2,400 tonnes of salt from the British diet. To make these changes, £20 million has been invested in research and development. Walkers are committed to building on these achievements and will continue its commitment to reformulation.

Coca-Cola Great Britain has halved the sugar content of 'Oasis' from 10g to 5g per 100ml over three years and there is now 30% less sugar in the 'Fanta' range

We acknowledge the efforts such businesses have already made, but believe there is a role for Government to help move forward reformulation activities.

## **Options**

We have identified two broad options on saturated fat, added sugar and single-portion size reduction:

- Do nothing – no further Government efforts to encourage industry to reduce levels of saturated fat and added sugar in foods and the availability of smaller portion sizes.
- Introduce voluntary recommendations for reductions in saturated fat and added sugar and recommendations on the availability of smaller portion sizes for the food sectors identified.

### **The “do nothing” option**

This would mean taking no action with industry to encourage reductions to saturated fat and added sugar levels and availability of smaller single-portion sizes. Reduction activities would rely on market forces and current industry policies.

### **The option to introduce voluntary recommendations for reductions in saturated fat and added sugar and the availability of smaller portion sizes**

To date, reformulation achievements for these nutrients have been as a result of individual businesses implementing their own nutrition policies. These voluntary recommendations are intended to act as guidance towards reductions in saturated fat, added sugar and portion size to broaden action and encourage widespread activities across industry.

Our expectation is that these recommendations will build momentum across the whole of the industry whilst at the same time allowing individual businesses to consider the recommendations in the context of their own portfolio, and drive reformulation initiatives that suit their business model.

The recommendations have been developed following significant consultation with industry representatives and take into account the challenges raised and progress achieved. They are presented in a flexible format to allow individual businesses to determine how and which products hold the potential for improvements. The progress the food industry has achieved in reducing salt against voluntary recommendations published by the Agency in 2006 show the validity of this approach.

## **Costs and benefits of options**

### **Sectors and groups affected**

In our opinion, the following groups may be affected: UK food and soft drink manufacturing, retailing and catering businesses; and UK consumers.

### **Economic impacts**

Option 1 (do nothing), whilst not involving any additional costs to business or the public sector, would not deliver the full public health benefits that can be delivered by Option 2. Given this, our preference is for Option 2, which also provides flexibility for businesses. The cost-benefit analysis is provided below to inform the current policy analysis.

The Agency considers that under Option 2 any actions taken by industry to reduce saturated fat, added sugar and portion size in foods are voluntarily undertaken. The introduction of recommendations is intended to focus and encourage industry activity in the key food groups identified. Whilst we emphasise the voluntary nature of the scheme, we acknowledge that businesses that engage in achieving the recommendations and which do not have other strategic drivers to reduce saturated fat, added sugar and portion size, will face reformulation costs, including capital expenditure where necessary and re-labelling costs. Further details can be found in the Annex.

Due to the voluntary nature of the policy, there are no direct administrative costs to be considered for industry as a whole. However, those businesses that engage in achieving these recommendations may incur minimal reporting and reading costs. As with the other costs, it is assumed that businesses will take a business decision on whether to engage with this programme.

### **Benefits (Public Health)**

It is not possible to accurately quantify the exact benefit that will be accrued, as this is dependent upon a wide range of factors including: the level of voluntary uptake of the recommendations by industry; technological progress; the effectiveness of consumer awareness activities to promote behavioural changes (campaigns) and promote improved choices through use of front of pack labelling; and changes over time of population consumption patterns.

However, to illustrate the potential benefits of reductions in saturated fat intakes we have estimated the health benefits afforded by a half a percentage point reduction i.e. from current intakes of 13.3% of food energy to 12.8%.

To estimate the public health benefits of saturated fat intake reductions we referred to the existing analysis laid out in Ofcom's Regulatory Impact Assessment on restricting broadcast advertising to children<sup>18</sup>.

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<sup>18</sup> [www.ofcom.org.uk/consult/condocs/foodads\\_new/ia.pdf](http://www.ofcom.org.uk/consult/condocs/foodads_new/ia.pdf)

It is estimated that a half a percentage point saturated fat reduction across the UK population yields an annual benefit of 217,500 Quality Adjusted Life Years (QALYs). A QALY (Quality Adjusted Life Year) is an economic measure that takes into account both the quantity and the quality of the extra life provided by a healthcare initiative. The DfT gives a full value of life at £1.5m, however, when subjects have only the latter stages in life a full value of life could seem disproportionate and therefore a QALY would be used.

As explained in detail in the Ofcom RIA, the Agency considers it good practice to monetise a QALY at £30,000 in nominal terms. Discounting and summing these monetised QALYs yields a net present value benefit of £200 million delivered by a 0.5 percentage point reduction (discounted over 5 years in line HM Treasury Green Book Guidance).

With regards to reductions in overweight and obesity, the proposal includes recommendations on improved availability of smaller single-portion sizes and reductions in added sugar for certain foods. These recommendations are intended to contribute to much wider Government initiatives to address rising obesity levels. The multifactorial nature of conditions such as overweight and obesity mean that it is not possible to identify and isolate the potential public health benefit of introducing voluntary recommendations on sugar and portion size for a limited range of foods.

**25. Do you agree that the information provided on improvements to public health are accurate and cover the range of benefits?**

### **Administrative Burden Costs**

When saturated fat and added sugar reductions and improved availability of smaller single-portions are not undertaken as part of the normal reformulation cycle there may be additional ongoing administrative costs to those businesses that engage in achieving the recommendations (such as additional re-labelling and record keeping). Businesses that do engage will be encouraged to report progress to the Agency through an Achievements and Commitments Table that will be published on the Agency's website. However, as this policy is not mandatory, these additional costs do not fall within the Government's definition of administrative burden.

## **Consultation**

The Agency has previously consulted on the draft Saturated Fat and Energy Intake Programme, which included the proposition of voluntary targets on saturated fat and sugar levels in foods. Industry was not supportive of the idea to develop targets<sup>17</sup>. However, discussions about the opportunities and challenges to reformulation through numerous collective and bilateral meetings with industry stakeholders have indicated a need for Agency guidance on what steps individual businesses could be working towards.

Our priority has been to speak to the manufacturers of the biggest selling products. However, Small and Medium Size Enterprises (SMEs) have been involved with our discussions through the involvement of trade associations. The Annex includes a number of questions about which it would be helpful to gain industry views and examples.

We have sought independent expert advice on saturated fat reformulation and on portion size and actions to take in this area.

The Agency has also held discussions with other government departments; the Department for Environment, Food and Rural Affairs (DEFRA) to consider the potential environmental impacts of these Recommendations, health departments to consider how the Recommendations support other Government health initiatives, and the Department for Business Enterprise, Innovation and Skills (BIS) to consider impacts on business.

## **Enforcement**

Both options (do nothing and introduce voluntary recommendations) carry no enforcement requirements or costs as activity to reduce saturated fat, added sugar and increase the availability of smaller portion sizes would be voluntary.

## **Sanctions**

Neither option would carry sanctions, as any action is voluntary.

## **Simplification**

The voluntary approach allows individual businesses to decide if and how to address the Recommendations. There are therefore no simplification measures with this policy.

## **Implementation and Review**

The Agency will continue to:

- Monitor saturated fat and added sugar intakes in people's diets
- Review the major contributors in the diet
- Monitor levels of saturated fat, added sugar and portion sizes of key foods

Saturated fat, energy and sugar intakes will continue to be monitored through the National Diet and Nutrition Survey rolling programme, which will collect data on the types and amounts of food consumed and allow progress to be measured.

Arrangements for collecting product information will be determined in the light of consultation responses. The Agency currently proposes to monitor progress in foods through commercially sourced food label data on a regular basis – this would have no resource implications for industry but would result in limited costs to the Agency. Label data is insufficient for some food categories, such as the pastry component of pies, and therefore we would also wish to collect data at product level direct from industry.

The Agency will also collect information through an Achievements and Commitments Table. We propose to ask industry to provide details on a voluntary basis and to supply information in the following areas: overall progress to date (where this data is available) and their future work programme, where this is possible.

Under the preferred option (option 2) of introducing voluntary recommendations for reductions in saturated fat and added sugar and the availability of smaller portion sizes, implementation and delivery rests with the food industry. The timetable for product changes is therefore the responsibility of individual businesses. However, each recommendation includes a proposed timeframe for achievement based on discussions with industry stakeholders. These points, plus data collated as part of the National Diet and Nutrition Survey rolling programme, will allow progress to be reviewed and enable consideration of what further work with industry is necessary.

The Agency will continue to engage with stakeholders across the UK on its Saturated Fat and Energy Intake Programme. We regularly meet with stakeholders, including industry organisations to discuss progress. As part of these reviews we will consider what further work will be required to meet public health targets.

Further consumer awareness campaign activities to support industry activity are planned for 2009/10. This will continue to promote awareness about saturated fat and encourage consumers to choose lower saturated fat foods.

## Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

**Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.**

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment		Yes
Small Firms Impact Test		Yes
Legal Aid	No	
Sustainable Development		Yes
Carbon Assessment	No	
Other Environment	No	
Health Impact Assessment	Yes	
Race Equality		Yes
Disability Equality		Yes
Gender Equality		Yes
Human Rights	No	
Rural Proofing	No	

## **Competition Assessment**

Industry bodies had previously expressed concerns that individual businesses may be at a competitive disadvantage if they act unilaterally in following any Government advice to reduce saturated fat, added sugar and increase the availability of smaller single-portion sizes. The introduction of voluntary recommendations is intended to facilitate individual action by businesses in a context where it is likely to be perceived as a generally desirable development.

Health is an area of strong competition among businesses. The Agency's recommendations are aspirational and not therefore a threat to competition or product innovation. Businesses make the decision to undertake reformulation individually, and our experience with salt reduction shows that some businesses seek to obtain a competitive advantage by going beyond recommendations.

The Agency has a remit to undertake work for the UK only. Imported foods make a contribution to the number and variety of products currently on sale in the UK and some concerns have been raised about the potential for recommendations to disadvantage UK businesses compared to their EU competitors. However, these recommendations support EU-wide activity on reformulation already outlined in the EU Platform for Action on Diet, Physical Activity and Health.

## **Small Firms Impact Test**

It is the Agency's opinion that the introduction of voluntary recommendations for reductions in saturated fat and added sugar and for the increased availability of smaller single-portion sizes for key foods (Option 2) is unlikely to impact on small businesses' policy-related or administrative costs disproportionately.

Lack of resources to develop reformulated products to reduce the levels of saturated fat and added sugar could impact on small businesses' engagement with this initiative. However, discussions with industry have indicated that the levels of reductions recommended should be achievable by small businesses. We are aware that many small businesses produce niche and traditional products and our Recommendations recognise that it may not be possible to reformulate products with traditional ingredients or recipes.

In terms of retailer influence, the main supermarkets already have in place nutrition strategies encouraging the reduction of saturated fat and added sugar. We wish this voluntary initiative to be a proportionate measure across a wide range of businesses, and it is not our intention for retailers to pressurise small businesses to work toward the recommendations within a shorter timeframe than our suggestion. We expect the larger, influential businesses to provide support to their smaller suppliers on how manageable reductions can be made and encourage them to do so.

The Agency is involved with two projects in the East Midlands Region designed to help small manufacturing and retail businesses consider healthier eating in general and provide support for them to make changes.

The first project is managed by the Agency, funded by Department of Health for England and coordinated by the East Midlands Food and Drink Forum. It targets food

manufacturers and provides free consultancy on technical and flavour issues related to reformulation and development of healthy options, dietetic advice on portion size, labelling advice on front-of-pack labelling, and labelling advice on health and nutrition claims. The project will be completed by March 2010.

The second project is funded by the National Social Marketing Centre (Regional Manager) as a Beacon Project with matched funding from Linc Teaching Primary Care Trust and additional in-kind funding from Trading Standards East Midlands sampling programme. The project works with Chinese and Indian takeaways in the region to develop a social marketing campaign to encourage and support the reduction of saturated fat, salt and energy in their meals. It follows regional sampling for this sector by Trading Standards Officers in the East Midlands and will use social marketing techniques to provide advice and guidance, but rather than focusing on changing consumer behaviour, this project aims to change the behaviour of food businesses. The project is intended to be completed by March 2010.

## **Sustainable development**

Impacts under the three pillars of sustainable development (environmental, economic and social) have been, and continue to be, considered in the preparation of this Impact Assessment. Option 2 is the preferred option because it minimises the cost to industry whilst maximising the benefits to consumer health and costs to the NHS and wider economy.

Reformulation may require more frequent changes to labelling. To accommodate such label updates, the Recommendations have been drafted to include flexible timescales, which allow businesses to incorporate label updates within their usual packaging cycle thereby minimising waste.

Option 2 should not increase volumes of packaging. This has been raised by industry as a deterrent to smaller packaging, but we are not suggesting a rise in units sold. Therefore, in line with the work by WRAP (Waste and Resources Action Programme) - which acts to help individuals, businesses and local authorities to reduce waste and recycle more - the presence of smaller single-portion sizes on the market could actually result in less packaging waste.

With regard to fat and oil sources, such as palm oil, it is our understanding from discussions with industry that the level of reformulation and fat/oil ingredient changes indicated within our recommendations are such that they are unlikely to influence world trade or, as a result, sustainable production.

## **Race equality issues**

There are no statistical differences in consumption levels of any food category included in this policy by specific ethnic groups (Low Income Diet and Nutrition Survey<sup>19</sup>).

However, ethnic differences in rates of obesity and CVD morbidity and mortality exist in the UK. For example, levels of obesity (based on body mass index) are lower in Black African, Indian, Pakistani, Bangladeshi and Chinese men compared to the

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<sup>19</sup> Nelson, M et al (2007), *Low income diet and nutrition survey. Volume 2 Food Consumption, Nutrient Intake*. London: TSO. [www.food.gov.uk/multimedia/pdfs/lidnsvol02](http://www.food.gov.uk/multimedia/pdfs/lidnsvol02)

general population<sup>20</sup>. These differences may in part be due to differences in diet, though other factors such as level of physical activity, smoking and genetics may also influence obesity and/or CVD risk.

In our view there is little indication at this time of a differential health impact of this policy on any ethnic groups.

## **Gender equality issues**

Some differences in patterns of consumption exist between genders in relation to both the type and quantity of food consumed. However, overall, the consumption of foods included in this policy does not vary greatly between genders. For example, men are less likely than women to eat buns, cakes and pastries (40% and 48% respectively), but when they consume these foods they consume them in greater quantities<sup>19</sup>.

Gender differences in rates of obesity and CVD morbidity and mortality exist in the UK. For example, approximately 6.5% of men compared to 4.0% of women in England have coronary heart disease<sup>21</sup>.

There is little evidence at this time that indicates a significant differential health impact of this policy on different genders.

## **Disability equality issues**

Overall we do not consider there to be any differential impacts for disabled people other than positive impacts for people with heart disease and weight related problems who are within the scope of disability legislation.

## **Industry Costs**

### **Industry sectors affected**

	<b>Annual sales (£bn)</b>	<b>Number of products (SKUs)</b>	<b>Number of manufacturers</b>
<b>Chocolate</b>	£3.4	3535	81
<b>Cakes</b>	£1.5	4463	125
<b>Biscuits</b>	£1.5	4182	166
<b>Pastry</b>	£0.3	1058	72
<b>Soft drinks</b>	£6.0	300‡	29†
<b>Total</b>	£12.7	13238	444

All in 2007 prices

SKUs=stock keeping units

Number of manufacturers were estimated based on TNS sales data except †soft drinks where BSDA membership was taken as a proxy

‡No. of soft drink cans derived from a number of sources outlined below

<sup>20</sup> Department of Health (2005), *Health Survey for England 2004*.

[www.ic.hns.uk/pubs/hlthsvyeng2004upd](http://www.ic.hns.uk/pubs/hlthsvyeng2004upd)

<sup>21</sup> Joint Health Surveys Unit (2008), *Health Survey for England 2006. Cardiovascular disease and risk factors*. The Information Centre: Leeds, and previous editions.

**26. Is the data on industry sectors affected an accurate representation of those affected? If not please provide new evidence.**

### Soft Drinks

Carbonated soft drinks had sales of approximately £6 billion in 2007, according to a recent Mintel report<sup>22</sup>. It is estimated there are 29 carbonated soft drinks manufacturers operating in the UK and around 300 canned soft drink products<sup>23</sup>.

### Chocolate

Chocolate confectionery had sales of approximately £3.4 billion in 2007, according to a recent Mintel report<sup>24</sup>. Based on TNS data there are 3535 product lines and 81 businesses manufacturing chocolate bars<sup>25</sup>. There are likely to be more small-scale manufacturers not included in the TNS data but they will be manufacturing on a small scale/specialist basis and, whilst we encourage their engagement with this initiative, we recognise that they are less likely to engage specifically in achieving the Recommendations.

### Cakes

Cakes and cake bars had sales of approximately £1.5 billion in 2007, according to a recent Mintel report<sup>26</sup>. Based on TNS data there are 4463 product lines and 125 businesses manufacturing cakes. There are likely to be more small-scale cake manufacturers not included in the TNS data but they will be manufacturing on a small scale/specialist basis and, whilst we encourage their engagement with this initiative, we recognise that they are less likely to engage specifically in achieving the Recommendations.

### Biscuits

Biscuits had sales of approximately £1.5 billion in 2007, according to a recent Mintel report<sup>27</sup>. Based on TNS data there are 4182 product lines and 81 businesses manufacturing chocolate biscuits. There are likely to be more small-scale biscuit manufacturers not included in the TNS data but they will be manufacturing on a small scale/specialist basis and, whilst we encourage their engagement with this initiative, we recognise that they are less likely to engage specifically in achieving the Recommendations.

<sup>22</sup> Mintel (2009), *Carbonated soft drinks*

<sup>23</sup> Estimate derived from TNS plus other sources

<sup>24</sup> Mintel (2008), *Chocolate confectionery*

<sup>25</sup> TNS market data purchased by the FSA in 2007. Businesses manufacturing chocolate bars are counted as holding companies rather than total manufacturers.

<sup>26</sup> Mintel (2008), *Cakes and cake bars*

<sup>27</sup> Mintel (2007), *Sweet biscuits*

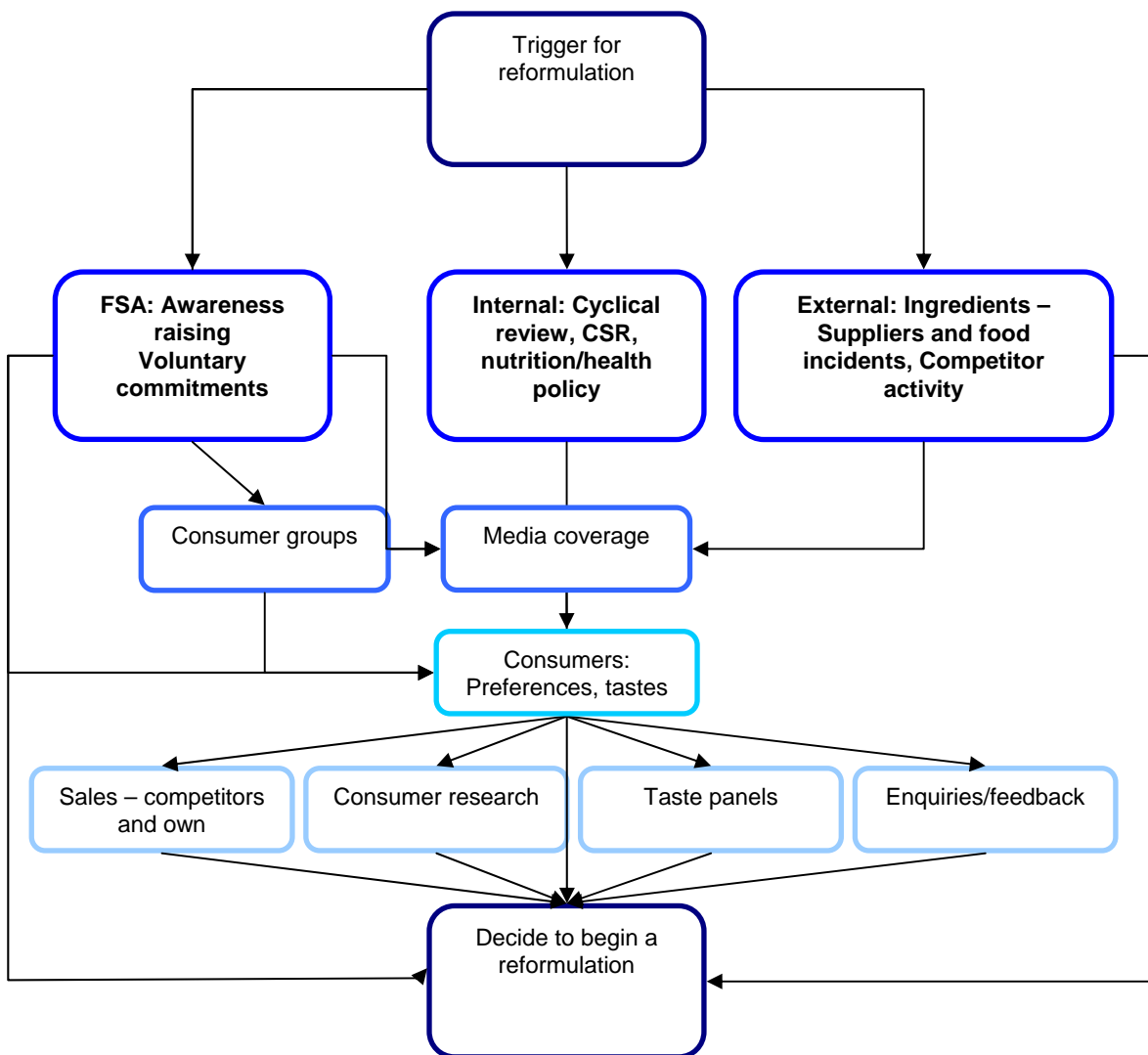
## Pastry

Pastry sales were valued at approximately £300 million based on TNS data 2007. Based on TNS data there are 3535 product lines and 81 businesses manufacturing pastry. There are likely to be more small-scale pastry manufacturers not included in the TNS data but they will be manufacturing on a small scale/specialist basis and, whilst we encourage their engagement with this initiative, we recognise that they are less likely to engage specifically in achieving the Recommendations.

## Saturated fat reduction in chocolate confectionery, biscuits, cakes, pastry and buns

### Drivers for reformulation

The cost of reformulation is not a new cost for businesses to bear; reformulation and, more generally, reviews of food product recipes are a normal part of product development within normal business practice. Therefore, in order to understand the influence of the saturated fat recommendations on reformulation, it would be necessary to disentangle all the other drivers illustrated below:



The direct influence of saturated fat and energy recommendations will be only for those businesses that have engaged in this initiative. However, for products that do undergo reformulation to reduce saturated fat or energy, a business will also include

other changes that were on their general reformulation agenda and often generate additional benefits. Therefore, costs are modelled where the investment or additional on-cost may be attributable to these particular recommendations and not taking the total cost of any reformulation where saturated fat or energy is reduced. Any aggregation would therefore need to be deflated to account for the other drivers for reformulation. In the absence of any further information, a deflator of 1/3 is assumed on all reformulation process costs not directly linked to investment in saturated fat reduction.

We are aware that other Government-led initiatives may impact on the ability of a business to engage. For example, the Agency's salt reduction strategy encourages businesses to reduce levels of salt in the foods they produce and sell along similar lines described above<sup>28</sup>. It is assumed that the drivers and challenges to reformulation to reduce salt, saturated fat and added sugar in foods are similar; however, we welcome information on the impact and challenges that engaging with both the salt reduction strategy and the Saturated Fat and Energy Intake Programme raises.

**27. Is it possible to indicate how much of your reformulation costs, where saturated fat or energy reduction has taken place, relate directly to saturated fat/added sugar/portion size and how much are relate to other product changes?**

**28. Could you indicate how much of the reformulation work is triggered by the work of the Agency and how much is influenced by other factors?**

**29. How does the Agency's existing salt reduction strategy impact on your ability to engage with the Agency on reducing saturated fat/added sugar/portion size?**

### Business as usual – Reformulation cycles

Based on information from our stakeholder workshops, most food products (not including staple or ambient products) are reformulated within 3 years as part of the normal business cycle (or at least reviewed); this average masks large variations amongst product categories.

### Reformulation costs

The key costs for businesses that engage in achieving the Agency's Recommendations and have no other drivers to do so, such as consumer trends, competitor benchmarking, pressure from NGOs etc, are reformulation costs.

Through a series of stakeholder workshops, both on saturated fat/energy and salt, the Agency has gained an insight into the different components of reformulation costs. For saturated fat/energy reduction, businesses have indicated that one of the largest costs will be the annual increase in ingredients costs and within the reformulation process the largest (and most varied) costs occur i) where a factory run is required ii) the labour costs involved in a long process and; iii) during sensory testing.

<sup>28</sup> [www.food.gov.uk/healthiereating/salt/](http://www.food.gov.uk/healthiereating/salt/)

## One-off costs

By one-off process costs, we mean the costs relating to the process of reformulation excluding any on-going costs by either an increase in ingredients costs or any on-going processing costs from a different manufacturing process as a result of the reformulation.

### *The Reformulation process*

The actual process of reformulation can last between 8 weeks to over a year and the costs can vary considerably. Therefore, an average cost for reformulation would be misleading as it is a function of a number of factors:

Reformulation process costs can be represented as:  $f(k,s,c,z)$

Where  $k(p,f,r)$

$k$  – capital investment – The capital investment for a saturated fat or energy reduction will be dependant upon:

- $p$  – the type of product – The technical issues for saturated fat/energy reduction and therefore investment needed will vary considerably within broad food categories and even on a micro-level amongst product lines.
- $f$  - the existing production facilities and the capabilities of the factories/production facilities to absorb new changes.
- $r$  – Research and development – The amount of R&D previously undertaken and the R&D needed to implement capital changes will all contribute to the final cost.

$s$  – Sales – The larger amount of sales will be a proxy to reflect whether a product is a market leader and the scale of consumer usage. This will affect the cost of reformulation through the following:

- The amount of sensory trialling needed is likely to be a function of the size of consumer usage (if a product has large sales across countries, trials will need to be conducted within each of those countries) and sales will reflect this.
- The cost of a trial factory run, larger sales would indicate larger factory runs as factories will be tooled to the demands of production.

$c$  – Capabilities – The capabilities for reformulation within a food company: the size of the technical team, in-house knowledge and the frequency of reformulation work will all affect the final cost.

$z$  – All other unobservable or otherwise unmeasured factors

**30. Page 51 outlines the reformulation process costs. Is this a fair representation of the factors influencing reformulation costs?**

One off costs – capital and R & D spend

As shown above, there are often capital investments needed relating to process changes (factory equipment, transportation, storage etc) and long-term research and development costs where new techniques are utilised beyond the short-term technical research as part of technical exploration. Again, to estimate this would require in-depth knowledge of a business' current factory and production capacity, as well as the problems of variability amongst food products described above.

**31. The Agency would welcome any costs or estimates of costs relating to R&D and/or capital expenditure relating to saturated fat or energy reduction**

One off costs - process

Below is a summary of where the main one-off costs for the reformulation process occur, this excludes capital costs (which are dealt with later) from the above:

Note:

- All costs are assumed to vary according to c (capabilities) above.
- The costs given in ranges are based on a small sample of industry consultations for both salt targets and saturated fat/energy reformulations. The costs quoted are exemplary in order to illustrate the weighting of activities in terms of cost.
- Although the list is largely chronological, there may be several stages that need to be repeated at: the kitchen development stage, initial factory trials and sensory testing.
- The costs include food safety testing

Exercise	Main costs		Fixed or variable cost?
<b>Producing a product brief / technical exploration</b>	Labour costs	The initial scoping and discussions with technical team/suppliers can take up to 6 months	Variable highly - f(p)
<b>Creating the product for trial</b>	Kitchen samples	£0.1k – 6	Variable low – f(p)
	Failure rates	% needed to repeat in the factory	Variable – f(p,f)
	Factory run	Opportunity cost of not running the factory £200-50k Industrial production run - £1.5-20k	Variable highly – f(s) Variable highly – f(s)
<b>Sensory testing</b>	Consumer panels	Varies widely £1-360k	Variable highly – f(s)
<b>Analytical testing</b>	Nutritional analysis	£0.25-1.5k	Fixed
	Shelf life evaluation	£100-350	Fixed
<b>Labelling and packaging</b>	Artwork and design	£200-600	Variable low
	Printer re-tooling, new plates	£500	Fixed

Minimum costs

The minimum costs - those costs that will occur in every reformulation and are unlikely to vary based on the factors described - can therefore be summarised as:

Minimum costs of reformulation process = Analytical testing + labelling and packaging

Therefore minimum costs for every reformulation would be approximately £1000-3000 and can be considered as a lower boundary for reformulation costs. This can be summarised below if every product is reformulated:

	Annual sales (£bn)	Number of products (SKUs)	Number of manufacturers	Estimates of minimum reformulation costs (£)	% of sales value of costs
Chocolate	3.4	3535	81	5,302,500	0.2%
Cakes	1.5	4463	125	6,694,500	0.4%
Biscuits	1.5	4182	166	6,273,000	0.4%
Pastry	0.3	1058	72	1,587,000	0.5%
Total	6.7	13238	444	19,857,000	

This total of £20m should also be taken as an upper limit because, as indicated in the section above, businesses frequently reformulate within a certain time-period and often, when reformulating, businesses will carry out other changes at the same time. Therefore the full cost of the reformulation process cannot be solely attributable to this particular policy, as saturated fat or energy reduction frequently comprises just one component of the reformulation work.

### Variable costs

It could be possible to estimate the additional variable costs by deriving the relationship between total sales for a product and the factory run and consumer panels as a functioning formula but this would require more information from industry. The variable  $p$  could also be derived by comparing reformulation costs across product groups but again this would require further information and also the information would have to reflect the characteristics of the food product. It may not in fact be possible to make these generalisations across food product groups and would therefore not produce a useable formula.

**32. Do you think that variable costs can be realistically measured?**

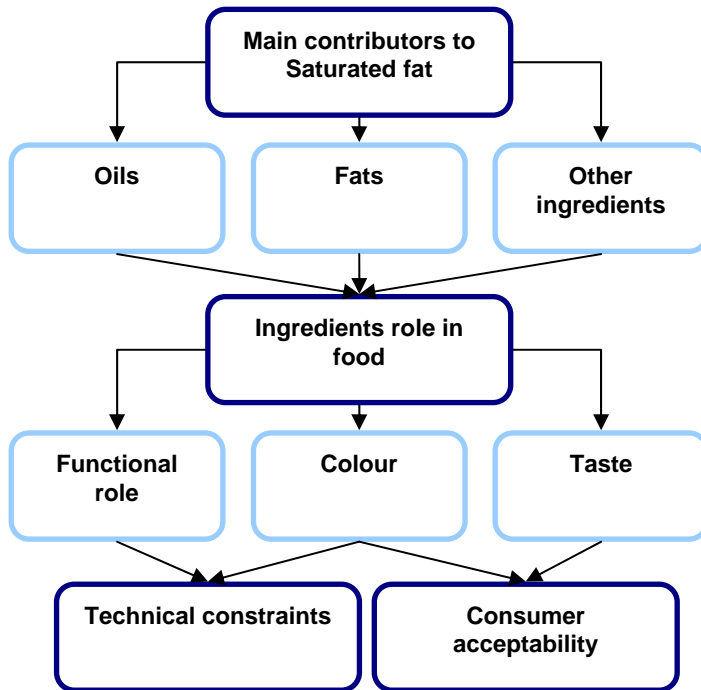
**33. Is there too great a variation between products to come up with an idea of average cost per product group?**

### On-going costs

#### *Ingredients*

This is likely to be the most costly aggregated cost of reformulation, as even a small increase in the costs of ingredients when aggregated up by volume sales would represent a large aggregate.

The chart below illustrates the difficulties relating to replacing ingredients and reducing for example saturated fat. These difficulties are then related to the cause of the difficulties (final tier).



### *Change in fat/oil mixture*

Discussions with industry indicate that oils that are generally higher in saturated fat (such as palm oil) tend to be cheaper than alternatives containing a lower level of saturated fat, such as sunflower or rapeseed oils.

It is our understanding that if UK demand increased for lower saturated fat oils and they represented a significant proportion of world oil consumption this could affect price. However, this is unlikely to occur, since the segments of the UK food industry that will be affected by the recommendations only represent a small fraction of world consumption and therefore would not have a meaningful affect upon price.

Whilst we recognise that some businesses may be able to meet the recommendations through the use of less oil/fat ingredient, which may reduce costs, we have carried out an estimate on the increase in costs as a result of changing the type of oil/fat ingredient as this provides an indication of how costs may increase. The estimates of cost increases given below relate to the cost of raw ingredients and do not include the reformulation process costs and other costs detailed above. These costs have not been aggregated up to derive a cost for the whole market because the use of the ingredients below varies markedly between and even within product categories. Also, we do not have information on the proportion of cost of ingredients to the final retail price.

**34. Would it be possible to derive average uses of ingredients such as shortening, cake margarine, pastry margarine, biscuit oil blends amongst product groups e.g. product type x use 40% shortening? Would this be meaningful?**

**35. Could you provide an estimate of how much ingredients such as shortening, cake margarine, pastry margarine, biscuit oil blends comprise of the final retail cost of products in pastry, cakes, biscuits and chocolate confectionery?**

*Shortening – Used in short crust pastry, desserts, boiled pastry, some biscuits*

A reduction of between 14-20% in the saturated fat levels of the shortening, depending on where the original baseline is taken, would increase the cost of oil per metric tonne by 10-17%. This is based on a change from higher saturated fat levels to lower saturated fat levels amongst the highest volume sales.

*Cake margarine – Used in cakes*

A reduction of between 10-22% in the saturated fat levels of cake margarine, depending on where the original baseline is taken, would increase the cost of oil per metric tonne by 10-27%.

*Pastry margarine – Puff pastry products*

A reduction of up to 10% in the saturated fat levels of pastry margarine representing up to 22% of saturated fat added into the product would represent a cost saving or increase, depending on where the original baseline is taken, of approximately 8%.

*Biscuits*

A reduction of approximately 8% in the saturated fat levels of biscuit oil blends would increase costs of oil per metric tonne by approximately 20%. This is based on limited data for the biscuit oils market.

**36. Do you think that the cost increases for ingredients are accurate?**

*Other*

Other on-going costs could include changes to processes including transportation resulting from reformulation. For example a reduction in shelf life could introduce logistic challenges, particularly for seasonal products, that could result in a loss in economies of scale. We currently do not have accurate costing information for this.

## Reduction in Portion size: Chocolate confectionery and Soft drinks

### Chocolate

See above section for information on the number of chocolate confectionery products on the market.

## Soft drinks

See above.

## Benefits - industry

Any benefits that may arise due to a reduction in portion size, e.g. reduction in costs arising from reduction in ingredients used, are likely to be superseded by an increase in costs. Further information on industry costs is outlined below.

## Benefits - consumers

Consumers will benefit from wider choice and the ability to consume smaller portions.

## Costs - industry

If businesses decide to follow the Agency's recommendation by increasing consumer choice in offering smaller single-portion sizes and also maintaining value for money in line with larger sizes, there may be a reduction in absolute revenue but not necessarily profit. However, the reduction in absolute revenue assumes that the costs, technology, branding and product positioning stay the same.

### *Changing to new packaging*

As this will be a voluntary proposal to increase the prevalence of smaller portion sizes, the new packaging for smaller packaging sizes can be phased in alongside normal packaging and therefore no wasted packaging is anticipated. However there are likely to be costs if this would necessitate a design for new labelling.

**37. What is the amount of packaging stock (measured by months and units) you have in reserve?**

**38. How much would it cost to design a new label for a smaller single-portion size per product and how many products would that affect?**

### *Factory and transportation re-tooling*

Factories and transportation are likely to be tooled to the current portion sizes, so there are likely to be costs involved in altering production and distribution to accommodate alternative portion sizes.

**39. What factory/transportation changes would need to be undertaken to account for the new single-portion sizes?**

**40. How much are these changes likely to cost, broken down by activity?**

### *Vending machine changes*

Vending machines will be designed for the current portion sizes and if these were changed to incorporate the new sizes it is likely they would have to be adjusted.

**41. How many vending machines/other channels to distribution not including retail, would you be likely to alter/change to accommodate smaller single-portion sizes?**

**42. How much is this likely to cost per machine and how many machines are there in the current market place?**

#### *International manufacturing*

If some businesses are producing for the UK market and abroad there may be costs involved with producing different sizes for different markets.

#### All policies

#### Familiarisation costs

**43. How long would it take a business to familiarise itself with the Agency Recommendations?**

Once a figure on time (above) is known, this will be multiplied by the number of manufacturers known to engage in achieving the recommendations.

#### Admin Burdens

Businesses may incur additional on-going costs, such as ingredients or processing, as part of a business decision to work towards the recommendations. The Agency is not aware of any administrative burden costs on extra checks or processes related.

Additional information

The Agency welcomes any additional information on the costs relating to the implementation of the recommendations described in this consultation.

**44. Can you provide any further information/case studies showing the extent of the costs to achieve the levels of reformulation and portion size changes described in this consultation?**

## **ANNEX C : LIST OF INTERESTED PARTIES**

3663 First For Foodservice  
Aarhus Karlshamms (AAK)  
Academy of Culinary Arts  
Age Concern  
Agriculture & Horticulture Development board (MLC)  
Ajinomoto  
Aldi  
Allied Bakeries  
Alpro Soya  
American Peanut Council  
Andrew Holdings Ltd  
Aramark  
Arena (Hospitality network)  
Arla Foods  
Artisan Bakers of Northern Ireland  
Asda  
Associated British Foods  
Association of Cereal Food Manufacturers  
Autograph Foodservice  
Avenance /Elior  
Baker Perkins  
Bakers Food and Allied Workers Union  
BakeMark UK  
Bakkovor  
Bell Pottinger  
Bernard Matthews plc  
Birds Eye  
Birds Eye Iglo group  
Blood Pressure Association  
Bolton Metro Commercial Services  
Boots  
Braid Soft Drinks  
Brakes Ltd  
Brambles Foods Ltd  
Bristol Primary Care Trust  
British Association for Shooting and Conservation  
British Baker  
British Bakeries  
British Beer and Pub Association  
British Cheese Board  
British Dietetic Association  
British Dietetic Association (NI)  
British Frozen Food Federation  
British Heart Foundation Health Promotion Research Group  
British Heart Foundation  
British Hospitality Association  
British Hypertension Society  
British Meat Processors Association  
British Medical Association  
British Nutrition Foundation  
British Retail Consortium  
British Sandwich Association  
British Seafood  
British Soft Drinks Association  
British Sugar  
Britvic  
Budgens / Londis  
Business, Innovation and Skills Unit  
Burger King  
Burton's Foods  
Cadbury  
Café Nero  
Campden & Chorleywood Food Research Association

Cancer Research UK  
Cardiovascular Research Institute  
Cargill  
Caroline Walker Trust (The)  
Carrie Ruxton (freelance dietitian)  
Caterhouse Limited  
Cauldron Foods  
Center for Science in the Public Interest  
Central Foods Ltd  
Cereal Europe, Quaker Oats  
Cereal Partners UK  
Charlton House  
Chartered Institute of Environmental Health  
Chartered Institute of Environmental Health (NI)  
Chequer Foods Ltd  
Chilled Food Association  
Cholesterol UK  
Cmi Plc  
Coca Cola  
COI  
Coldwater Seafood (UK) Ltd  
Community Food Enterprise  
Compass Group  
Compassion In World Farming  
Cool Delight Desserts Ltd  
Co-Operative  
Consumer Council NI  
Country Range Group Limited (The)  
County Supplies  
Crown Foods  
Cumbria Contract Services  
Cygnet Foods Limited  
Dairy Council (The)  
Dairy Crest  
Dairy Farmers of Britain  
Dairy UK  
Daloon Foods (UK) Ltd  
Danone Ltd  
Danone Waters & Dairies UK Ltd  
DBC Food service  
Department for the Environment, Food and Rural Affairs  
Department of Education (NI)  
Department of Health  
Department of Health, Social Services and Public Safety (NI)  
Dera Food Technology UK Ltd  
Direct Table Food Ltd  
Dow Agro Sciences  
Dr Oetkers  
Drinkaware  
Duchy Original  
Dunnes Stores  
Eat  
Education Department  
ESPO  
Essex Flour & Grain Co. Ltd  
Evron Foods Ltd  
F J Need (Foods) Ltd  
Faculty of Public Health  
Farm fresh express  
Fat Consultant  
Fat Panel (The)  
Federation of Bakers  
Federation of Oils, Seeds and Fats Association  
Finsbury Food Group  
First Milk  
Five Star Fish Limited

Focus on Food  
Food and Drink Federation  
Food Commission  
Food Safety Authority of Ireland  
Food Safety Promotion Board Ireland (covers north and south)  
Foodaware  
Foodmatters  
Foodservice Options Limited  
Four S  
Fox's Biscuits  
Fresh Fields  
Fribo Foods Ltd  
Friends of the Earth  
General Mills  
Genesis Breads of the World  
Gin and Vodka Association  
Ginsters  
Glanbia Foods  
Glaxo Smithkline Ltd  
Glenryk  
Golden Wonder Ltd  
Grahams Bakery  
Grampian Foodservice  
Green Gourmet Ltd  
Greencore  
Greggs  
Group Chief Environmental Health Officers  
Guild of Food Writers  
Haldane foods  
Haringey PCT  
Heart of Mersey  
HEART UK  
Heinz  
Henley Centre  
Henry Colbeck Ltd  
Her Majesty's Prison Service (HMPS)  
Herefordshire Jarvis Services  
Hilton Group Plc  
Holland Pies  
Holroydhowe  
Horizons for Success  
Humdinger Limited  
Iceland  
Initial Catering Services  
Institute of Biology  
Institute of Grocery Distribution  
Institute of Public Health  
Intercollegiate group on Nutrition  
Irwins Bakery  
J & J Haslett Ltd  
James Neill Ltd  
John Henderson Group  
John West  
Joseph Heler Cheese Limited  
Kavli  
Kavli Limited  
Kelloggs  
Key County Foods  
Kerry Foods  
Kerry Foodservice  
Kettle Foods /Chips  
Kitchen Range Foods Ltd  
Kitchen Range Foods Ltd C/o Esca Food Solutions  
Knotts Bakery  
Kraft Europe  
Lactalis McLelland

Law Laboratories  
Le Pain Croustillant  
Leatherhead Food International  
Lexington Catering  
Lidl  
Linwoods  
Livestock & meat commission for NI  
Local Authorities Coordinators of Regulatory Services  
Local Authority Caterers Association  
Local Government Association  
Lyons Vending (Group) Services Ltd  
Maine Soft Drinks  
Margarine and Spreads Association (FDF)  
Marks and Spencer  
Martin Mathew & Co Ltd  
MARS  
McCain Foods (GB) Ltd  
McCambridge (North)  
McCormick Foodservice Ltd  
McDonalds  
Medical Research Council – HNR  
Milk Link  
Mitchells and Butler  
Morning Foods Ltd  
Morris Bakers  
Morrisons  
Mothers Pride Bakery  
Muller  
Muller Dairy (UK) Ltd  
Munro and Forster  
Musgrave, Supervalu & Centra  
Mysupermarket.com  
Nandos  
National Association of British and Irish Millers (NABIM)  
National Association of Care Catering  
National Association of Cider Makers  
National Association of Master Bakers  
National Consumer Council  
National Consumer Federation  
National Edible Oil Distributor's Association  
National Farmer's Union  
National Federation of Women's Institute  
National Heart Forum  
National Institute for Health and Clinical Excellence  
National Obesity Forum  
Nestle UK Ltd  
Netto Foodstores Ltd  
New Britain Oils  
Nisa Today's  
Northern Foods Plc  
Northern Ireland Amusement Caterers Trade Association  
Northern Ireland Centre for Food and Health (NICHE)  
Northern Ireland Chest Heart and Stroke Association  
Northern Ireland Co-Operative  
Northern Ireland Food Advisory Committee  
Northern Ireland Food and Drink Association (NIFDA)  
Northern Ireland Food Liaison Group (NIFLG)  
Northern Ireland Local Government Association  
Northern Ireland School Caterers Association  
Northern Ireland Soft Drinks Association  
Northern Ireland Wholesale Confectioners Association  
Nutrition Society  
Oasis Foods Ltd  
Oils and fats international magazine  
Opinion Leader Research  
Out of Town Restaurant Group

Palatinit  
Peakhouse Foods Ltd  
Pelican Buying Co Ltd  
Pepsico International Ltd  
PepsicoUK and Ireland  
Pete & Johnny plc (PJ)  
Pioneer Foods  
Pizza Hut  
Politics UK (PR firm, represent coca cola)  
Potato Processors Association (The)  
Premier Foods  
Premier Foods/manor bakeries  
Premier Foods  
Prêt a Manger  
Primebake  
Princes Foodservice Division  
Pritchitt Foods  
Procter and Gamble  
Provision Trade Federation  
Public Health Agency  
Pura (ADM)  
Purac  
Pure Organics Ltd  
Quintus (public affairs)  
Reading Scientific Services  
Richmond ice cream  
Roquette UK LTD  
Royal College of General Practitioners  
Royal College of Paediatricians  
Royal College of Pathologists  
Royal College of Physicians  
Royal Institute of Public Health and Hygiene  
Royal Institute of Public Health  
Royal Society for the Promotion of Health  
Sainsbury's  
Salmon Boats  
Scandic Foods Ltd  
School Food Trust  
School of Clinical Medicine  
Schwan's Consumer Brands UK Limited (Chicago Town)  
Scotch Whisky Association  
Sea Products International  
Seafish UK Limited  
Seed Crushers and Oil Processors Association  
Sefton PCT  
Shellfish Association  
Snacks, Nuts and Crisps Manufacturers Association  
Society of Independent Brewers  
Sodexo  
Soil Association  
Somerfield Stores Ltd  
Spar UK Ltd  
Specialist Cheese Manufacturers Association  
Spring Clear Ltd  
Starbucks  
Streamline Foods Ltd  
Stroke Association  
Subway  
Sugar Bureau  
Surrey PCT  
Sustain – The Alliance for Better Food and Farming  
Tesco Stores Ltd  
TFX – The campaign against trans fats in food  
The Norton Knatchbull School  
The Spirit Group  
The Vegetarian Society

The Whitehouse Consultancy Ltd  
Tilda  
Tivall  
TOAST  
Trading Standards South East  
Tragus Group Ltd  
Tulip Foodservice Ltd  
Udale Speciality Foods  
UK Public Health Association  
Unilever  
Unilever Foodsolutions UK  
United Biscuits  
Universe Foodservice  
Van Dijk Foods Ltd  
Vegetarian Economy & Green Agriculture  
Vegetarian Society (The)  
Vending  
Vion  
W Jordans (Cereal)  
Waitrose  
Walkers Shortbread Ltd  
Weetabix Ltd  
Weight Concern  
Wessex Foods, Irish Food Processors  
Westler Foods Ltd  
Which?  
Whitbred Group Plc  
Whitworths Ltd  
Wicken Fen  
Wine & Spirits Trade Association  
Wisemans  
World Health Organisation  
Wyke Farms Ltd  
Yoplait  
Young's Bluecrest Seafood Ltd/Macrae