FRAMEWORK FOR CONSULTATION ON FRONT OF PACK (FOP) NUTRITIONAL LABELLING

Introduction

1. The final report of the findings of the independent research on FoP labelling being conducted by the Project Management Panel (PMP)[1] will be fundamental to the Agency's thinking in providing advice on FoP labelling. The findings will form the basis of **the Agency's formal consultation on FoP labelling which will be issued at the end of May**.

2. In preparing for this consultation the Agency has been discussing with stakeholders issues that will need to be factored into the impact assessment and the other aspects to be considered in the consultation. This paper reflects these discussions. It sets out the context of the work on FoP labelling, and discusses the key costs, benefits and issues of a technical nature relevant to FoP labelling.

3. **This paper is being sent to all those who have taken part in those discussions and provides them with an opportunity to comment on and influence the Agency's approach to developing the formal FoP labelling consultation package. Comments on this paper and in particular the questions contained in it should be sent to Fareed Ahmad by 6 April**.

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[1] http://www.food.gov.uk/foodlabelling/signposting/signpostevaluation/pmpanel/

Health Context

4. FoP labelling forms a part of the UK Government's wider programme of activities to tackle a range of diet related public health issues, including obesity.

5. Obesity is known to increase the risk of a number of chronic diseases, such as CVD[2], some cancers, arthritis and type II diabetes. The 2007 Foresight report[3] estimated that over 50% of adult men and women in the UK could be obese by 2050.

6. Some socio-economic groups are disproportionately affected by diet related illnesses. The Health Profile of England 2006 report[4], found that men in the lowest household income groups had higher rates of CVD than those in higher income groups. Large socio-economic inequalities also exist in Scotland in relation to the prevalence of chronic disease[5]. A study on diabetes[6] also found that the most deprived in the UK are 2.5 times more likely to have type II diabetes. Lower socio-economic groups also have lower levels of education, and poorer literacy and numeracy skills and some studies[7] have noted a correlation between these factors and poor adult health[8]. Government efforts to address these health issues[9] must therefore take account of the needs and abilities of as wide a group of consumers as possible – particularly those that are disproportionately affected by health related illnesses.

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[2] The cost of cardiovascular disease to the UK economy was £30.7 billion in 2006 (via health care costs, informal care costs and productivity losses) (Based on a study funded by the European Heart Network: (www.heartstats.org/atozpage.asp?id=2119)

[3] www.foresight.gov.uk/OurWork/ActiveProjects/Obesity/Obesity.asp

[4] A report on CVD risk factors for adults, obesity and risk factors for children (www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_4139556)

[5] (Scottish Government's Task Force on tackling inequalities: Equally Well Report of the Ministerial Task Force on Health Inequalities, June 2008 (www.scotland.gov.uk/Publications/2008/06/09160103/0). There is evidence that those from the most deprived areas more frequently consume foods high in fat, salt and/or sugar (Scottish Health Survey 2003, (www.scotland.gov.uk/Publications/2005/11/25145024/50251)), Survey of Sugar Intake in Children in Scotland 2008, (www.food.gov.uk/scotland/scotnut/scotsug))

[6] Diabetes and the Disadvantaged, Reducing Health Inequalities in the UK Nov 2006, A report by the All Parliamentary Group for Diabetes UK (www.diabetes.org.uk/Documents/Reports/Diabetes_disadvantaged_Nov2006.pdf)

[7] The Achenson Inquiry (1998) into Inequalities in Health (www.archive.official-documents.co.uk/document/doh/ih/ih.htm)

[8] The Moser Report (1999) (www.literacytrust.org.uk/socialinclusion/adults/moser.html) underlined the issue of poor literacy and numeracy among certain SEGs noting and found that that 7 million adults in England (ie 1 in 5 adults) have lower literacy than that expected of an 11 year old child. The Agency's research in 2007 (www.food.gov.uk/science/dietarysurveys/lidnsbranch) also found that men and women with low levels of educational achievement tended to have lower intakes of some nutrients compared with those with qualification at GCSE level (Grade A-C) or above.

[9] There are similar health issues in the Devolved Administrations eg as noted in the Scottish Health Survey (2003) (www.scotland.gov.uk/Publications/2005/11/25145024/50251) and the Chief Medical Officer for Wales Annual Report 2006 (http://wales.gov.uk/dphhp/publication/cmo/reports/report2006/cmoreport2006?lang=en)

Front of Pack Labelling

7. FoP labelling should be designed to allow consumers to understand and use nutrition information to make healthier choices when they purchase pre-packed foods. The Government's initial commitment to introduce at-a-glance FOP labelling that can be readily understood and used by consumers to help them make healthier choices more easily was set out in the *Choosing Health* White paper 2004. The need for clear FoP nutrition labelling to help enable consumers to make healthier choices is supported by the Devolved Administrations.

8. This commitment was reiterated in 2008, in the Healthy Food Code of Good Practice outlined in Healthy Weight, Healthy Lives[10], which recommended the development of,

> *'A single, simple and effective approach to food labelling used by the whole food industry, based on the principles that will be recommended by the FSA in light of the research currently being undertaken.'*

9. The Food Standards Agency has published a comprehensive programme of research with UK shoppers on FOP labelling which was designed to determine an approach that would:

   - make healthier eating easier for consumers;
   - enable consumers to make healthier choices at a glance;
   - be easy and clear to understand by as wide a range of consumers as possible (particularly with respect to age, socio-economic and ethnic group).

10. In March 2006 the Food Standards Agency recommended a voluntary principles based FoP labelling approach which included traffic light colours[11]. Its recommendations focused on seven categories[12] of processed foods that consumers had said they found particularly difficult to assess the 'healthiness' of. At the same time the Agency made a commitment to review the effectiveness of the three main FOP nutrition labelling schemes used in the UK market[13].

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[10] Healthy Weight, Healthy Lives: A Cross Government Strategy for England, www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_082378

[11] www.food.gov.uk/news/newsarchive/2006/mar/signpostnewsmarch

[12] (1) Sandwiches, wraps, filled baguettes and similar products; (2) Prepared or ready meals, whether hot or cold - (for example pasta salad bowls, prepared salad meals such as chicken caesar salad and prepared dishes sold with and without accompaniments such as rice, noodles, vegetables, potato or similar); (3) Burgers, sausages; (4) Pies, pasties and quiches; (5) Breaded or coated or formed meat, meat alternative, poultry, fish and similar products including those in sauces (for example chicken nuggets, fish fingers, chicken kiev, fish in parsley sauce, meat balls, lamb grills); (6) Pizzas; (7) Breakfast cereals

[13] These are monochrome schemes providing information on percentage of Guideline Daily Amount (GDA); traffic light colour coded schemes indicating nutrient level; and schemes which provide both a traffic light colour code and percentage of GDA.

11. At the start of last year the European Commission published a proposal for a new Food Information Regulation[14] which includes a provision to introduce mandatory FoP nutritional labelling of energy, fat, saturates, carbohydrates (with specific reference to sugars) and salt on pre-packed foods. It also allows Member States to develop national schemes to address 'specific consumer demands for information'. Discussions on this proposal are expected to continue beyond 2009.

<u>Independent FoP Labelling Evaluation Research</u>

12. FoP labelling is now widespread in the UK. Because the implementation was voluntary there are a number of different approaches. In view of this and in line with a commitment made in 2006[15] an independently managed research project has been commissioned. The arrangements for independent management of the study were agreed with stakeholders[16].

13. The research is being overseen by the PMP. The scope of the research and the membership of the PMP was agreed by the Nutrition Strategy Steering Group (NSSG)[17]. The NSSG was established to encourage the delivery of commitments from principal partners (industry, government departments, agencies, and non-government organisations) to achieve progress on strategic dietary health objectives[18], one of which is FoP labelling. An Advisory Group was set up[19] for the project to provide advice on existing evidence and appropriate methodologies for the study. The PMP has consulted the NSSG at key stages of the research process and the Advisory Group has input experience and expertise into the development of the study.

14. Before commissioning the research the PMP asked stakeholders to provide it with all available research carried out on FoP labelling. This work was used to inform the study design.

15. In September 2008 the PMP published insights from the first phase of the qualitative research[20] and the study design for the second, quantitative phase of the research. The PMP is expected to publish its final research findings in spring 2009.

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[14] Proposal for a Regulation of the European Parliament and of the Council on the provision of food information to consumers COM (2008) 40 final,
(http://ec.europa.eu/food/food/labellingnutrition/foodlabelling/publications/3359-en.pdf)

[15]www.food.gov.uk/aboutus/ourboard/boardmeetings/boardmeetings2006/boardmeeting90306/boardmins9mar06

[16] Minutes of meetings can be accessed at:
www.food.gov.uk/foodlabelling/signposting/signpostevaluation/pmpanel/

[17] The NSSG is jointly chaired by the Public Health Minister, Dawn Primarolo and the Food Standards Agency's Chair, Deirdre Hutton and a group of stakeholders involving retailers and consumer groups

[18] Including those noted in the Government's White Paper on *Choosing Health* and more recently *Healthy Weight, Healthy Lives: A Cross Government Strategy for England*.

[19] Members of the Advisory Group include those stakeholders who have generated evidence relevant to the research question, signposting scheme owners and representatives of consumer and health groups.

[20] www.food.gov.uk/multimedia/pdfs/quantannexa.pdf

Future Policy Options

16. Specific policy options will only be identified once the findings of the PMP research are known

Outline Costs and Benefits to be addressed when developing the Impact Assessment

17. This section provides an overview of the areas of costs and benefits associated with FoP labelling. These relate to the take up of FoP labelling by food businesses and the degree to which consumers are able to understand FoP labels and apply them to make healthier food purchasing decisions.

Industry Costs

Re-labelling

18. Adopting a FoP scheme (for the first time or adopting a different scheme to one currently being used by a business) will, in general, result in incremental cost if this is conducted outside normal business labelling cycles, is undertaken when there are no other reasons to relabel, or if an existing label does not currently include any colours[21] (eg on some value brands) and the business adopts a FoP approach which uses colours.

19. There are different labelling costs for different media (as noted in Annex 1) and we are told these costs can vary from £1,000 per Stock Keeping Unit (SKU) to £10,000 per SKU[22] (in the case of drinks cartons).

20. There may also be costs to SMEs via the supply chain if they have to change labels due to requirements of retailers and retailers require them to cover costs. The number of SMEs that may be affected is not clear and needs to be investigated further.

21. The factors related to the level of relabelling costs for business for each option will therefore include:

    i. the number of product categories included in the proposed approach;
    ii. the number of product lines to which businesses have chosen to apply the proposed approach;
    iii. the cost of labelling per SKU for those products (see issues identified in Annex 1);
    iv. the number of products that need to undergo analysis if nutrition information is not currently known.

22. If the proposed approach encompassed an existing methodology then fewer businesses will be affected and potential costs will be reduced.

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[21] ie any of the colours currently used in schemes in the UK.
[22] These include design and plate costs (see Annex 1).

23. If a proposed FoP labelling approach were to allow different FoP scheme designs then this may encourage more businesses to use FoP labelling as it offers more flexibility in label design.

24. With FoP labelling being a voluntary initiative, labelling related costs will be mitigated if businesses make changes over a period that allows existing packaging to be used up and if they align labelling changes due to FoP labelling with other reasons for labelling changes, such as recipe changes or reformulation.

25. The EU FIR ,may also result in labelling costs for industry. However, as it is unlikely that any agreement on the final EU regulation will be reached before 2010. At this stage the extent of the resulting changes to legal requirements and the related costs are unknown. The Agency will consider how costs on industry, that may arise from changes due to the Agency's recommendations on FoP labelling and from the requirements of EU FIR, can be minimised.

Consumer Information Costs

26. To maximise the potential benefits of FoP labelling there needs to be efforts made to raise awareness an understanding of FoP labels and how they can help consumers to make healthier choices. These costs will be incurred by industry, government and other stakeholders involved in educating consumers about the nutritional content of pre-packed foods. Businesses may choose to invest in raising awareness of a particular FoP labelling scheme as a part of their marketing approach. They may also choose to work with other businesses to promote awareness of a scheme design where it is used by several food businesses. Costs associated with raising awareness of a FoP approach that is already being used by a business will be less than that incurred by a business either adopting a new approach or adopting a FoP labelling for the first time.

27. The factors related to the education and awareness raising costs for business will depend on the level of expenditure for promoting FoP labelling on information leaflets, websites, advertising in the media, shelf edge ticketing (by retailers) and staff training on nutrition issues. They will also be affected by whether the costs can be shared with government where there is a common message and approach.

28. Costs to Government are associated with campaign activity to educate consumers (via advertising, information campaigns via leaflets, website etc) and embedding key messages in the school curriculum.

Product Analysis

29. There may be some product analysis costs for businesses seeking to adopt FoP labelling where the business does not already provide back of pack information for the relevant nutrients. This is not expected to be a significant cost for the majority due to the presence of nutritional information on back of pack for over 80% of the products in the UK. SMEs that choose to adopt FoP labelling but do

not currently have the nutritional information for their products may incur a cost to obtain this. No estimates are available of how many SMEs would be affected.

Reformulation

30. The decision to reformulate with respect to nutrient content is usually taken where this offers some benefit to business – this could be by way of reputational gains: creating healthier product ranges and attracting consumers interested in making healthier choices. In some instances FoP labelling has been a factor that is considered by business when reformulating products however it is not possible to isolate the reformulation costs attributable to FoP alone.

Industry Benefits

31. The main industry benefits of using a government approved approach to FoP labelling that has been shown to be most effective for consumers are those related to brand enhancement and reputational gains. It is not possible to quantify such benefits arising from FoP labelling alone. If a business decides to adopt FoP labelling it will do so if it deems that the associated benefits outweigh the costs.

Consumer Benefits

32. The main consumer benefits of FoP labelling are that it enables consumers to make healthier choices (and in so doing contribute to wider efforts to tackle health related issues noted in para 5). When developed with this objective in mind FoP labelling may be of particular relevance to socio-economic groups that are disproportionately affected by health related illnesses and families with children (as noted in para 6). If businesses use a FoP labelling approach that effectively delivers messages about the level of nutrients in food, this provides consumers (and vulnerable groups in particular) the opportunity to make informed choices about the healthiness of the food they purchase.

33. The extent of benefits will depend on the effectiveness of the FoP labelling approach (ie the level of comprehension and usage of FoP labels by consumers), the level of take up by business as well as the efforts made by government, industry, consumer groups and NGOs to raise awareness of the approach.

34. Consumers might also be expected to gain indirect health benefits where FoP labelling, along with other drivers, results in products being reformulated to make a wider range of healthier products.

Enforcement Costs

35. FoP labelling is voluntary and therefore has no direct enforcement costs. However where a business has chosen to adopt FoP labelling then Local Authority Enforcement Officers are responsible for checking that the declarations are not false or misleading as is the case with any information provided on food product packaging. The accuracy of FoP information would

normally be checked at the same time as the mandatory product labelling information is being examined by enforcement officers[23]. It is therefore not expected that any significant incremental enforcement costs arise from specifically checking FoP labels.

36. When the FSA announced its recommended voluntary FoP labelling approach it was estimated that the total enforcement costs would be £0.6m based on sampling costs for processed foods. The enforcement costs for any voluntary FoP labelling approach are unlikely to be significantly different from this estimate or any greater than the enforcement costs that are already being incurred with respect to the FoP schemes in the market place. LACORS have indicated that costs could be reduced if a single FoP labelling approach were to be used by industry.

37. ***Are there any other areas or aspects of costs and benefits that need to be considered in the Impact Assessment that will accompany the consultation in May?***

Technical Issues

38. Depending upon the type of FoP labelling approach recommended a number of other technical issues have been identified that may need to be considered as part of the consultation. These issues are discussed below. The extent of the related costs and benefits will depend upon on the number of businesses and products lines affected and will be detailed in the Impact Assessment.

Range of Foods

This would affect GDA and traffic light based schemes

39. Currently, the FSA recommends that traffic lights colour coded FoP labelling is applied to seven categories of foods[24]. Some companies have applied FoP labelling more widely. Additionally the European Commission has proposed[25] that certain types of foods are exempt from mandatory nutrition labelling (see Annex 2). The following questions will therefore need to be considered:

    a) ***Should FoP labelling be restricted to the current recommended food categories or should any additional categories be added? If so which ones and why?***

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[23] Based on discussions with LACORS at official level

[24] (1) Sandwiches, wraps, filled baguettes and similar products; (2) Prepared or ready meals, whether hot or cold - (for example pasta salad bowls, prepared salad meals such as chicken caesar salad and prepared dishes sold with and without accompaniments such as rice, noodles, vegetables, potato or similar); (3) Burgers, sausages; (4) Pies, pasties and quiches; (5) Breaded or coated or formed meat, meat alternative, poultry, fish and similar products including those in sauces (for example chicken nuggets, fish fingers, chicken kiev, fish in parsley sauce, meat balls, lamb grills); (6) Pizzas; (7) Breakfast cereals

[25] As listed in Annex IV of the European Commission proposal for a Food Information Regulation.

b) ***Should an alternative approach in which a broader range of foods is covered be considered (eg 'processed convenience foods[26])?***

c) ***Alternatively should we list categories of foods for exemption from FoP labelling? If so what foods would an exemption cover?***

d) ***Do you think that the foods listed in Annex IV of the FIR (see Annex 2 to this paper) should also be used as a basis to exempt foods from FoP labelling in the UK?***

Calories

This would affect GDA and traffic light based approaches

40. Some FoP schemes provide information on calories. The European Food Information Council (EUFIC) research[27] found that calories were one of the most looked for components of nutrition information in the UK and were a key driver in perception of unhealthiness. Of those who provide FoP information in the UK 88 companies are currently providing front-of-pack information on calories. Of these 4 colour code calories using traffic lights, with the remainder providing calorie information in a neutral colour. Further information on use of calorie information will be obtained from PMP research.

a) ***Should calories be a required part of FoP recommended approach?***

b) ***If a traffic light based approach is recommended in what ways should information be provided? Does it need to be colour coded or are numbers sufficient?***

GDA for Sugar

This would affect GDA based schemes

41. In the case of sugars there is currently no COMA, SACN, EFSA advice on dietary intakes of total sugars. There is, however, a limit for consumption of non-milk extrinsic sugars (NMES) of 10% of total dietary energy that was established by COMA[28] ie 50g. In addition COMA also said that high intakes of NMES (>30% energy or >200g/day) should be avoided. WHO in their 2002 report on chronic disease stated that the "range of population goals" should be <10% energy from free sugars and that the frequency of consumption of foods or drinks containing free sugars should be limited to a maximum of 4 times a day.

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[26] This would cover pre-packed foods which are ready to eat or require no preparation other than re-hydration, defrosting, heating or cooking by the consumer before consumption. Such foods include (but are not restricted to) sandwiches, prepared or ready meals, burgers, sausages, pies, pasties and quiches, breaded or coated or formed meat, meat alternative, poultry, fish and similar products including those in sauces, pizzas and breakfast cereals

[27] http://www.eufic.org/page/en/fftid/european-consumers-spill-the-beans-on-food-labels/

[28] Dietary Reference Values for Food Energy and Nutrients in the UK (DH 1991)

42. In the context of progressing discussions on the FIR the European Commission has asked EFSA to advise on the suitability of the GDAs for macronutrients (including calories, fat, saturated fat, salt and sugars) included in the FIR. EFSA views are expected in summer 2009.

   a) What is the appropriate GDA figure for sugar that should be used on FoP labels? Please explain your answer.

   b) Should the EFSA advice on GDAs for nutritional labelling be used, when available?

<u>Salt Threshold</u>

This would affect traffic light based schemes

43. When the Agency first considered the issue of FoP labelling (in March 2006) it indicated that thresholds for salt would need to be reviewed in light of the ongoing work to reduce the levels of salt in foods. The Agency has reviewed its voluntary salt targets[29] and will shortly publish its revised targets. The European Commission has also taken forward work to develop Nutrient Profiling thresholds for the Nutrition and Health Claims Regulation which will also set thresholds for 'high' salt levels in foods for which a health claim is being made and where a high declaration needs to be made.

   a) ***In reviewing the red (high) threshold for salt, should proposals be developed which take account of ongoing work on NHCR, Nutrient Profiling and salt targets?***

<u>Small Portions</u>

This would affect traffic light based schemes

44. Some stakeholders have suggested that the Agency develop specific criteria for foods consumed in smaller portions (less than 100g).

   a) ***How would you define foods sold in small portions in respect of FoP labelling?***

   b) ***Do you think specific criteria for smaller portions eg less than 25g would be helpful to consumers? Please explain your answer.***

<u>Next Steps</u>

45. We welcome your comments on the issues noted in this initial outline paper. This together with the final published PMP research will help us develop the detailed paper that will go out for a formal 12-week public consultation in late spring.

[29] These seek to reduce the amount of salt in foods by 2010 and in some cases further reductions by 2012

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Annex 1

Re-labelling Issues

This section describes the labelling costs, average time between label changes and, briefly, the drivers for re-labelling. In order to better understand the re-labelling process and associated costs, we asked stakeholders a number of detailed questions regarding the key cost drivers related to labelling changes. The Agency is interested in the one-off costs of a labelling change and on-going costs. A summary of the responses is given below:

Labelling involves two key stages – the design (often company side) and printing (often out sourced):

1. Design: (Origination) – includes artwork process and consumer focus groups
2. Printing: Includes tooling, label production stage (the actual process of printing of which the main one-off cost is a new printing plate).

Labelling Costs

Factors that would increase/decrease labelling costs

- Reprographics and artwork costs can vary depending on the complexity of the design and level of consumer testing.
- A plate change in the 'tooling' stage of the re-labelling process is estimated to cost between £300-£1000 depending on the complexity of the plate. Small incremental changes would not necessitate a plate change (such as 'churn products') but most labelling changes would require a new plate.
- The media the label is printed on. The more complicated the packaging (for example flex printing) the greater the cost in label change.
- Colours. The greater the number of colours used on the label, the greater the cost. For some types of packaging there is a maximum number of colours that can be used eg on drinks cans there is a maximum of six colours that can be used. For labels (eg paper labels) that are produced using lithoprinting techniques then the cost of colour printing can be capped at four colours. This could be a possible on-going cost for businesses that use any FoP label that uses colours.

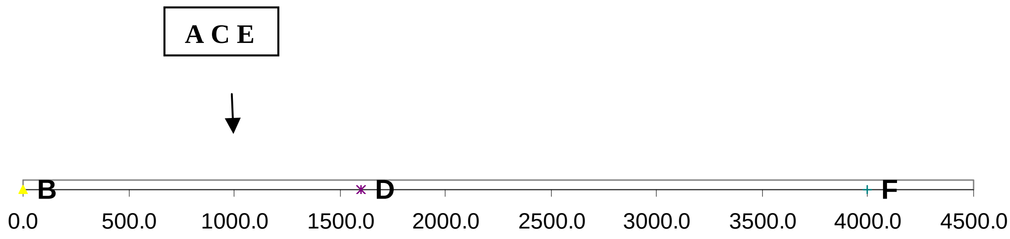
Range of re-labelling costs

The diagrams below illustrate the information on relabelling costs obtained through the stakeholder workshops. Manufacturers' labelling costs vary more greatly than retailers', though this may be due to the levelling effect of a greater number of products for retailers. The difference in ranges amongst manufacturers reflects the sensitivity of price to the different factors outlined above.

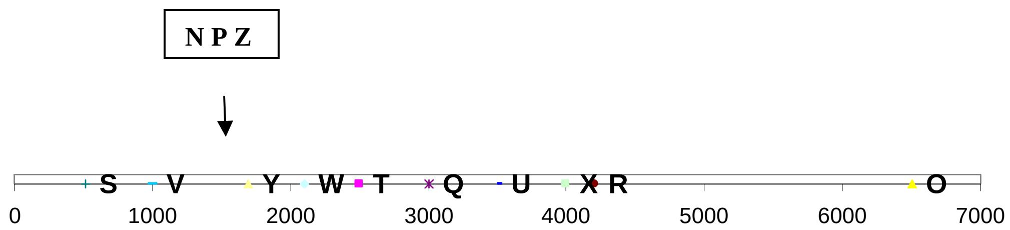
Note: All costs are given in £s per Stock Keeping Unit (SKU).

The letters (A-Z) used in the diagrams represent cost estimates provided by various manufacturers and retailers

Retailers



Manufacturers



Write-off costs

Depending on the amount of packaging or labelling stock (labels printed but not yet added to food products), a necessary labelling change with a short lead-in time could incur large costs through wastage. Based on consultations with industry, the longest period of time expressed was 2 years worth of stock. This does not mean every product would comply with mandatory legislation within 2 years but there would not be label wastage if all *new* labels were required to be within a certain format. This would not include the cost of re-labelling outside of a normal business cycle.

Labelling cycles

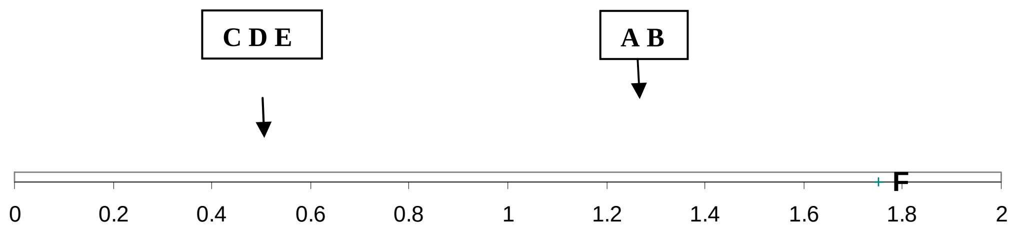
In previous Impact Assessments, a 2 year labelling cycle amongst large retailers and 5 amongst SMEs was assumed. There are often internal processes in place to review products and the need to reformulate, which can have a cyclical time-frame. However, the figures given below were estimates for the average time between the re-labelling of a product and do not represent rigid time frames but rather average times between re-labelling. They illustrate that re-labelling times are also determined by the type of food product.

FoP food categories

Note:

- All times are given in years along the diagrams, not months.
- If a range was given the mid-point within the range is the number displayed on the charts, but the highest point will be taken when recording the 'upper bound'.
- Where there were only two responses from manufacturers, only the upper and lower limit are given rather than a chart illustrating the ranges.

Sandwiches, wraps, filled baguettes and similar products

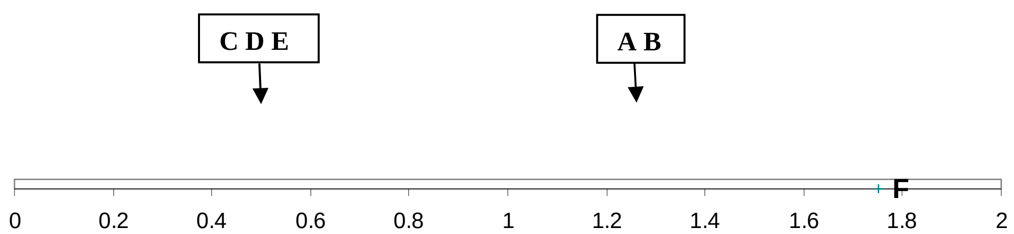


Lower = 6 months or 0.5 a year

Upper = 2 years

Prepared or ready meals (hot/cold)

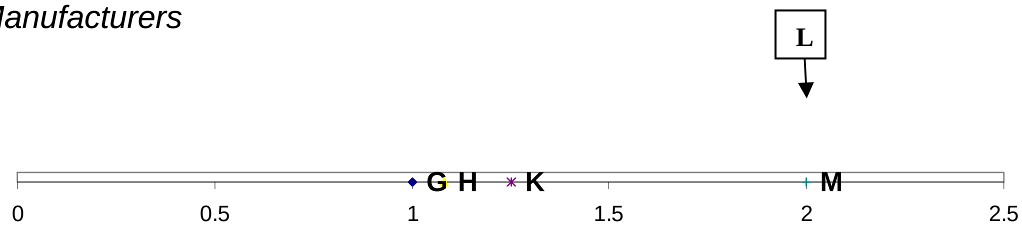
Retailers



Lower = 6 months or 0.5 a year

Upper = 2 years

Manufacturers

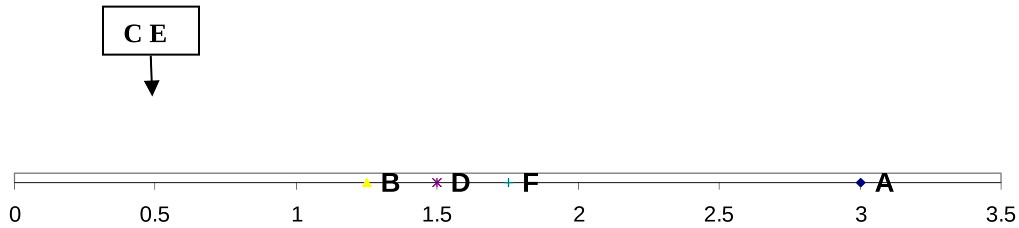


Lower = 1 year

Upper = 2 years

Burgers and Sausages

Retailers



Lower = 6 months or 0.5 year

Upper = 3 years

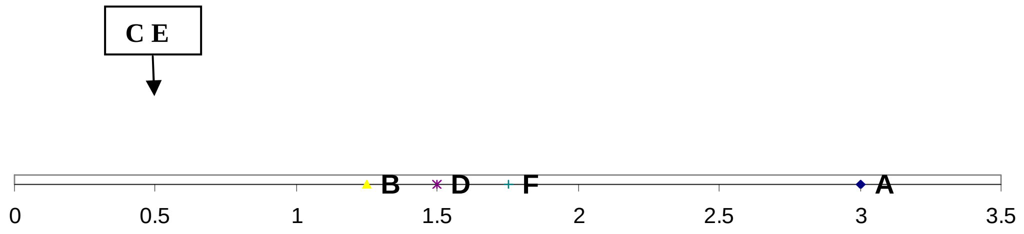
Manufacturers

Lower = 1 year

Upper = 1 year 6 months

Pies, Pasties and quiches

Retailers



Lower = 6 months or 0.5 year

Upper = 3 years

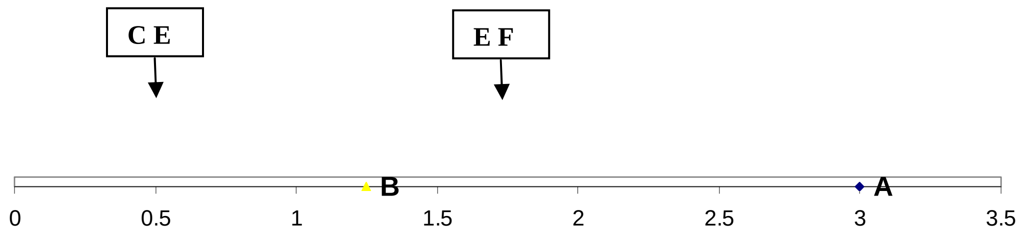
Manufacturers

Lower = 1 year

Upper = 1 year 6 months

Breaded or coated or formed meat, meat alternative, poultry, fish and similar products including those in sauces

Retailers



Lower = 6 months or 0.5 year

Upper = 3 years

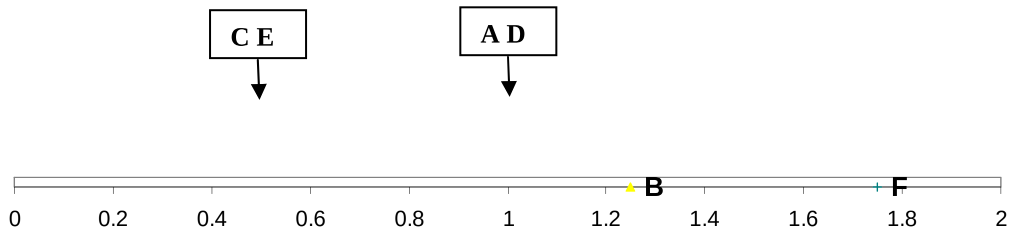
Manufacturers

Lower = 1 year

Upper = 1 year 6 months

<u>Pizzas</u>

Retailers



Lower = 6 months or 0.5 year

Upper = 2 years

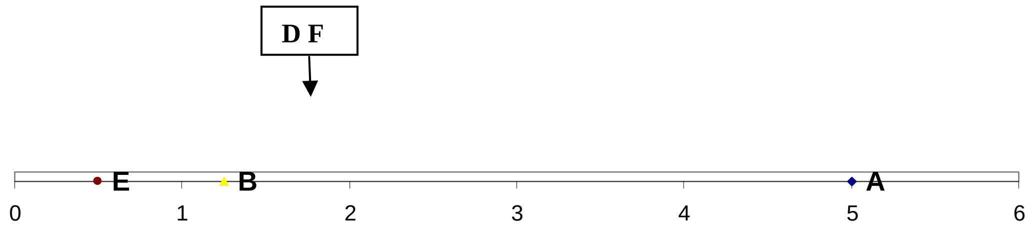
Manufacturers

Lower = 4 months

Upper = 1 year 6 months

Breakfast Cereals

Retailers



Lower = 6 months or 0.5 year

Upper = 5 years

Manufacturers

Lower = 1 year

Upper = 1 year 6 months

To summarise, amongst the categories above, a lead in time of 3 years would cover every category within expected re-labelling times except breakfast cereals where several companies only re-label approximately every 5 years.

Other categories

Ambient products, core brands and staple foods are likely to be labelled very infrequently, with anything up to 10 years. However, some core brands, seasonal goods and chilled products can be re-labelled as frequently as twice a year.

Drivers for re-labelling

Re-formulation and re-labelling are often are bundled together and it is difficult to disentangle the real drivers behind this process, as many other changes are 'piggy backed' on once the re-formulation/re-labelling process has been initiated. Some companies have review cycles and/or indicators, which initiate reviews (such as falling sales) of food products but the list below are the main factors considered when re-labelling/re-formulating:

- Reformulation is the main driver/cause of re-labelling – linked to - health agenda (driven either internally or voluntary targets such as the salt campaign), ingredient costs/seasonality and consumer preferences
- Legislation/regulation – normally absorbed into re-labelling/re-formulation cycles
- Rebranding
- Seasonal campaigns

Annex 2

ANNEX IV OF THE EUROPEAN COMMISSION PROPOSAL FOR A FOOD INFORMATION REGULATION

Foods which are Exempted from the Requirement for the Mandatory Nutrition Declaration:

- unprocessed products that comprise a single ingredient or category of ingredients;
- processed products which the only processing they have been subjected to is smoking or maturing and that comprise a single ingredient or category of ingredients;
- waters intended for human consumption, including those where the only added ingredients are carbon dioxide and/or flavourings;
- a herb, a spice or mixtures thereof;
- salt and salt substitutes;
- products covered by Directive 1999/4/EC of the European Parliament and of the Council of 22 February 1999 relating to coffee extracts and chicory extracts[30], whole or milled coffee beans and whole or milled decaffeinated coffee beans;
- herbal infusion, tea, decaffeinated tea, instant or soluble tea or tea extract, decaffeinated instant or soluble tea or tea extract, which do not contain added ingredients;
- fermented vinegars and substitutes for vinegar, including those where the only added ingredients are flavourings;
- flavourings;
- food additives;
- processing aids;
- food enzymes;
- gelatine;
- jam setting compounds;
- yeast;

- food in packaging or containers the largest surface of which has an area of less than 25 cm^2;
- food sold by private persons in the context of occasional activities, and not as part of an undertaking that would imply a certain continuity of activities and a certain degree of organisation;
- food directly supplied by the manufacturer of small quantities of products to the final consumer or to local retail establishments directly supplying the final consumer;
- food in inner package not designed for sale without the outer package (nutrition information shall be provided on the outer package unless it belongs to the categories of foods that are exempted under this Annex).

[30] OJ L 66, 13.3.1999, p. 26.