

The University of Hawaii
“Go Global: Food Processing and Safety”

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***Creating and Marketing Healthful
Foods for Demanding Consumers***



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Meeting Consumers Expectations for Healthful Foods

- 1. Consumer expectations**
- 2. Technical challenges**
- 3. Regulatory challenges**
- 4. Global stewardship**

Consumer Demands

- Safe
- Convenient
- Fresh-like
- Nutritious
- Fewer Additives
- Cheap!
- Safe!!

***Where do consumers learn
about food?***

Where Do Consumers Get Their Information?

1. Phalates:

- Wikipedia
- Science News

2. Diacetyl:

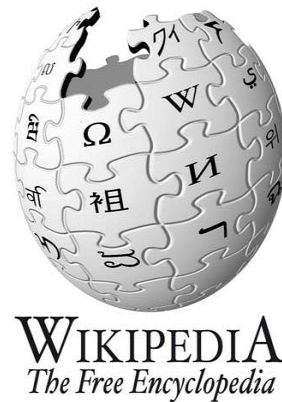
- Wikipedia
- MediLexicon Int.

3. Perchlorate:

- Wikipedia
- EPA

4. Acrylamide:

- Wikipedia
- WebMD



5. Bisphenol A:

- Wikipedia
- EPA

6. Sodium:

- Wikipedia
- Am. Heart Association

7. HFCS:

- Wikipedia
- S. F. Chronicle

8. Aspartame:

- Wikipedia
- Mikkelson (Snopes) Foundation

5 Most Visible & Influential Non Government Organizations in the Food/Beverage/CPG Arena



What are healthy foods?

What are “Healthy” Foods?

- “Healthy” as a food labeling term
 - Defined by regulation
 - Definition includes “healthier,” all words with “health” root
 - Means **all of these criteria**: low in fat, low in saturated fat, limited amounts of cholesterol and sodium, has some contribution of specific “positive” nutrients (vitamins, minerals, protein, fiber)

What are “Healthy” Foods?

- Another wrinkle:
 - “Heart healthy” foods imply heart disease risk reduction
 - Must meet criteria for making defined heart disease health claims

What are “Healthy” Foods?

- Consumer perceptions may differ from regulatory definitions of “healthy”
- “Organic”
- “Natural”
- “Fresh”
- “No artificial ingredients”

What are “Healthy” Foods?

- Consumer perceptions may differ from regulatory definitions of “healthy”
- “Organic”
 - Meets USDA definitions, certification requirements for specific agricultural, handling, processing practices
 - “Organic” does not mean healthier, does not mean safer

What are “Healthy” Foods?

- “Natural”
 - Meets USDA and FDA policies for no synthetic ingredients, no color additives, no severe processes (Meat & poultry)
 - Formulating “natural” product may pose food safety challenges if safety-related additives are prohibited (lactate, diacetate)

What are “Healthy” Foods?

- “Fresh”
 - Meets USDA and FDA rules and policies limiting use of certain processing and preservation techniques
 - “Fresh” foods may pose food safety challenges

What are “Healthy” Foods?

- “No artificial ingredients”
 - Label claim must be true
 - Formulating food product may pose food safety challenges if safety-related synthetic additives are prohibited

What are “Healthy” Foods?

- Consumer perceptions may differ from regulatory definitions of “healthy”
- **The challenge**: meeting consumer expectations for a “healthy” food product could mean that the food may not claim it is “healthy”

Technical/Logistical Challenges

- **Technological, safety**
- **Product stability**
- **Self-life**
- **Aversion to biotech?**
- **Sourcing (globalization)**
- **Consumer behavior**
- **Distribution**
- **Sustainability**
- **Price!**
- **Safety**

Meeting the Challenge

- Pay attention to “Basics”
 - Good Agricultural/Manufacturing/Aquaculture Practices (GAPs, GMPs, GAqPs)
 - Sanitation
 - Consumer practices
- Regulatory requirements
 - Nutrition/Claims
- Sourcing

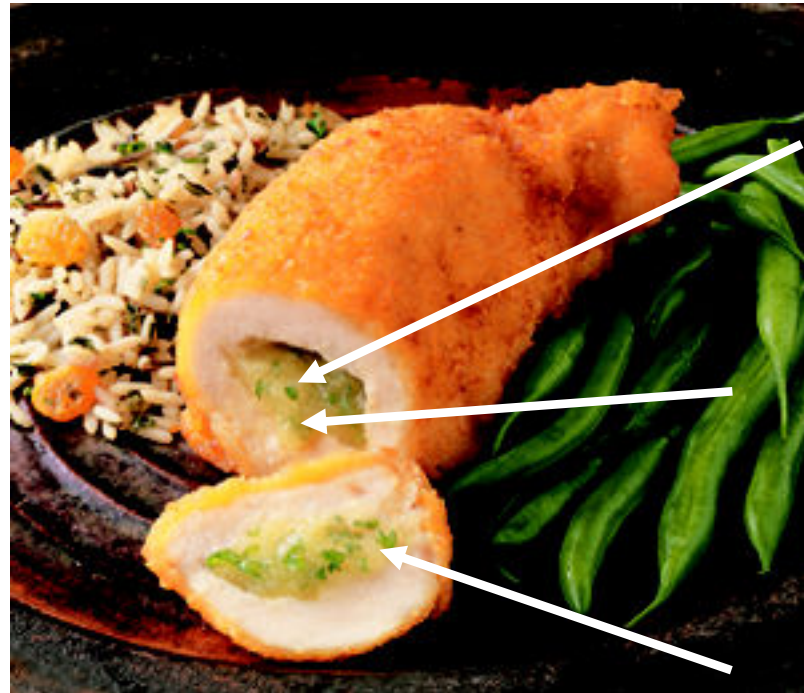
***Where is our food coming
from?***

Impact of Income on Diet

USDA/ERS Observation

- Growing wealth in countries creates a demand for different food attributes.
- Beyond organoleptics consumers consider health, safety, convenience, and process attributes.
- Process attributes—which refer to the manner in which food is grown/raised, processed, and marketed — are becoming increasingly important.

“The World on your Plate”



Chicken Kiev
>10 countries!

**Herb
Butter**

Salted butter - Ireland
garlic puree - China, USA, Spain
garlic salt - China, USA, Spain
lemon - USA
parsley - France, UK
pepper - Indonesia
water - Ireland

**Chicken
Breast**

Chicken - Ireland, Belgium
UK, France etc.

Batter:

Flour - Belgium, France
Water - Ireland

**Bread
Crumbs**

Bread crumb - Ireland, UK
Rape-seed oil - EU, Australia
Eastern Europe

Courtesy A. Reilly, FSAI, Ireland

US Imports

	Jan-Nov 2005	Jan-Nov 2006	
Volume	<i>Thousand metric tons</i>	<i>Thousand metric tons</i>	<i>Percent</i>
Beef & veal	1,074	923	-14
Dairy products	321	298	-7
Fruits, fresh or frozen	7523	7698	2
Fruits, prepared or preserved	993	1099	11
Vegetables, fresh or frozen	4656	4921	6
<p>Source: Compiled by ERS using data from Census Bureau, U.S. Department of Commerce.</p>	<p><i>U.S. Agricultural Trade Update/FAU-121/January 11, 2007</i></p>	<p>Economic Research Service, USDA</p>	

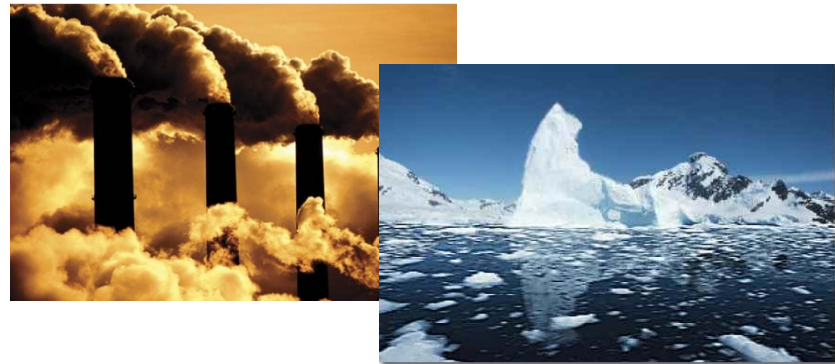
The Issue - Sustainability

Why Sustainability And Why Now?

Changing Political Landscape



Scientific Realities Increasing



Changing Consumer Landscape

Consumers are most interested in what companies are doing to:

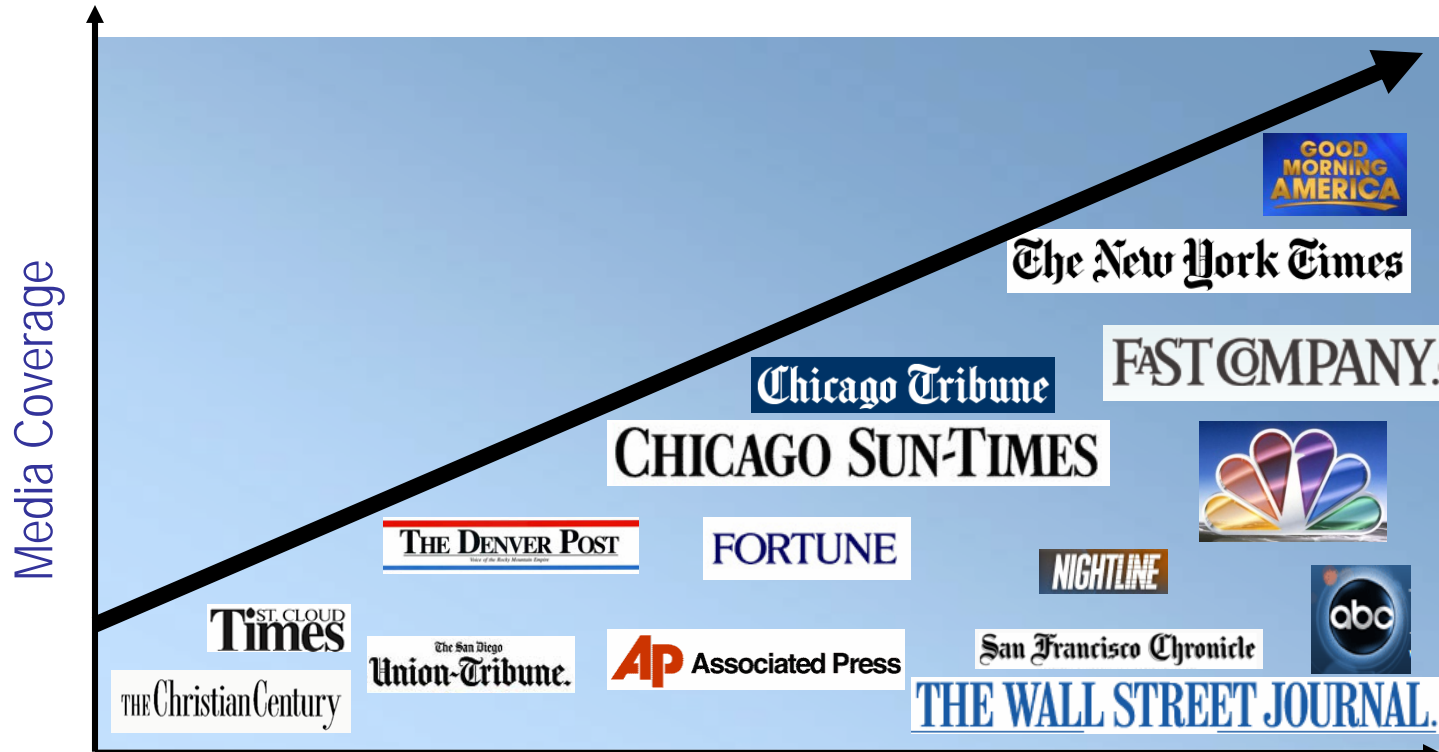
- Protect the environment
- Recycle
- Reduce waste

Media Coverage



Media Coverage Is On The Rise

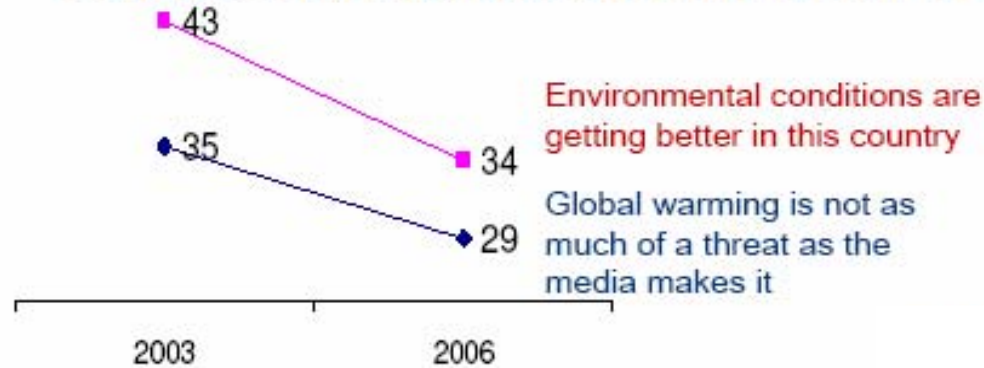
Increased number of stories; intensified negative tone -
400 articles since July 1, 2007



The Consumer Is Noticing



% agreeing completely/mostly with following statements



The Customer Has Responded

The **WAL*MART** 
Live Better
Sustainability Summit

TESCO

 **TESCO**
Greenerliving

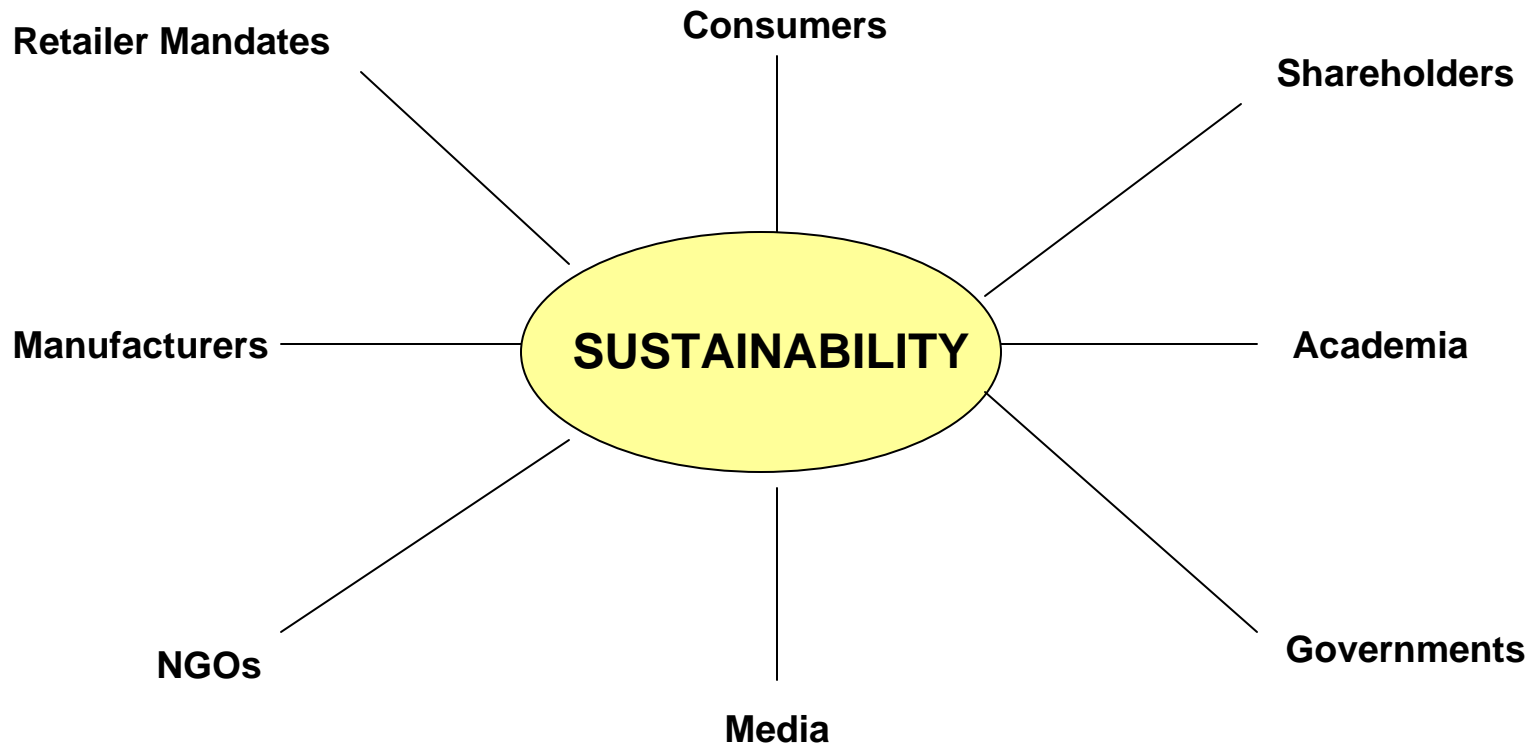
WAL*MART
FACTS
.com

Wal-Mart Unveils "Packaging Scorecard" to Suppliers

WHOLE
FOODS
MARKET

WHOLE PLANET
FOUNDATION

Sustainability – The Challenge



Strategy to Drive Sustainability for the Industry

- Leverage industry knowledge & practices
- Manage customer expectations
- Engage in emerging regulations/programs

GMA Sustainability Initiative

Two Phases

Phase I –

IAC Organization and Issue Definition & Prioritization

Retailer Mandates - Deloitte Compendium

Case Studies

Phase II –

Work Groups

Initiatives

The Summit

Summary

- The biggest challenge is meeting consumer perceptions of “healthy” and with truly “healthy” foods that are safe have long shelf life and in regulatory compliance.
- Consumer education continues to be a challenge especially with respect to
 - proper food handling and
 - the value of new technologies such as biotech, nanotech and irradiation.
- Balancing the desired value with cost competitive products that are environmentally friendly confronts all stakeholders.