

Acknowledgement

This report has been compiled by the European Food Information Council based on input from the International Food Information Council, New Zealand Nutrition Foundation and South African Association of Food Science and Technology and past input from the Asian Food Information Centre and Canadian Council on Food and Nutrition.

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Published by the European Food Information Council

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Executive Summary

Nutrition labelling is the provision of information about the nutritional content of individual food products. It is most commonly applied to pre-packaged food and beverage products, but comes in a variety of formats. Variables include: the type and number of nutrients labelled, the reference values used, whether the information appears on front-of-pack (FOP) or back-of-pack (BOP) and whether the label gives any interpretative guidance to the consumer.

The rise of overweight and obesity has focused policymakers' attention on the provision of nutrition information as it is hailed as an important instrument in promoting healthier eating habits. In some countries, government regulations for nutrition labelling have been in place for many years; others have only recently developed a statutory framework for the provision of nutrition information. In both circumstances, the provision of nutrition information on the FOP is becoming an increasingly prominent policy issue. Meanwhile, voluntary FOP nutrition labelling initiatives proliferate.

A number of reports in recent years have examined how consumers perceive and use nutrition labels and assessed consumer preferences for different nutrition labelling schemes. This Global Update seeks to provide a comprehensive overview of the state of play on the issue today: what are the major nutrition labelling initiatives adopted or in the pipeline to date? How do they work? What do the various stakeholders say? What does the research show? The key objectives are as follows:

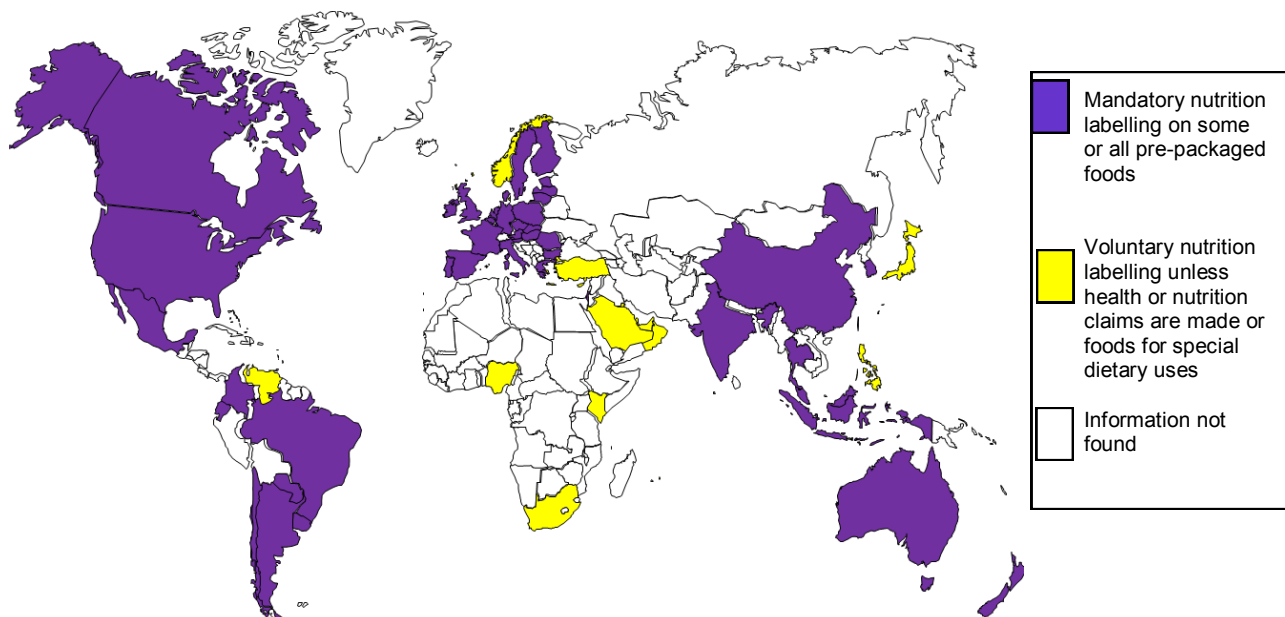
- To give an up-to-date, comprehensive snapshot of the situation worldwide.
- To evaluate research and practical experiences to date, so as to identify examples of best practice.
- To highlight emerging trends and remaining knowledge gaps.
- To suggest ways forward, particularly with respect to consumer research.

Snapshot of Global Trends

At the national level, countries can be grouped into two broad categories based on their statutory regulations on nutrition labelling:

1. **Mandatory:** Those which make nutrition labelling mandatory (**European Union (EU) member states, United States, Canada, Mexico, Argentina, Brazil, Chile, Colombia, Ecuador, Paraguay, Uruguay, Israel, India, Indonesia, China, Hong Kong, South Korea, Malaysia, Taiwan, Australia and New Zealand**), even in the absence of a nutrition or health claim. They define which nutrients must be listed and on what basis (e.g. per 100g/per serving). They also allow voluntary initiatives to provide additional nutrition information.
2. **Voluntary:** Those which provide state-sponsored guidelines to be followed voluntarily (**Gulf Cooperation Council countries, Venezuela, Turkey, Singapore, Philippines, Thailand, Japan, Kenya, Mauritius, Nigeria and South Africa**). They define which nutrients should be listed and on what basis, but labelling is not mandatory unless a health or nutrition claim is made or unless the food is for special dietary uses.

Global overview of mandatory and voluntary nutrition labelling



International organisations (e.g. **Codex Alimentarius**, **EU**) and some countries provide guidelines for nutrition labelling. The final list of nutrients recommended by Codex includes energy, protein, available carbohydrates, fat and saturated fat, sodium and sugar (Codex Alimentarius, 2011a). The Association of Southeast Asian Nations (**ASEAN**) does not currently provide harmonised rules for food products, although it is a stated aim of ASEAN members (Gauthier, 2010).

Mandatory Nutrition Labelling Trend

Many countries that had voluntary guidelines in place have put in place mandatory nutrition labelling. For example, **China**, which previously had voluntary nutrition labelling, adopted a national standard for mandatory nutrition labelling, which takes effect on 1 January 2013. In addition, the **EU**, which also had voluntary nutrition labelling previously, adopted a Regulation on Food Information to Consumers in September 2011 that makes nutrition labelling mandatory. According to the new regulation, operators must display the energy value, fat, saturates, carbohydrates, protein, sugars and salt per 100g or per 100ml. The information may be shown per portion and as percentages of reference intake (i.e. Guideline Daily Amounts – GDAs) in addition. In order to improve legibility, the new regulation has also adopted a minimum font size of 1.2 mm for the x-height for all mandatory information (European Union, 2011).

The inconsistent presence of nutrition labelling on food and drink products fuelled the European debate. An EU-funded research project, FLABEL, found that the proportion of products in 5 product categories carrying BOP nutrition labelling ranges from 70% to around 95% in the EU-27 (FLABEL, 2009). However, in August 2009 the Federation of German Consumer Organisations (VZVBZ) examined 3,500 products from about 50 companies and found that almost half of the products did not display the nutritional content of calories, protein, sugar, fat, saturated fat, fibre and sodium (Allen, 2009). The presence of FOP nutrition labelling also varies across the EU, and is found on average on 48% of all products in the **EU** and **Turkey** and up to 82% of all products in the **UK** (FLABEL, 2009).

Standardisation of Front-of-Pack Labels

Additionally, FOP nutrition labels are being considered by several countries (e.g. **Australia, New Zealand, United States, Canada**). Key considerations are whether to make FOP labels mandatory and if so, whether they should emphasise a judgement of nutritional quality through colour-coding (e.g. "traffic lights"), a symbolic "health logo" based on nutrition criteria that determine whether a product qualifies to bear the health logo within a food or beverage category (e.g. heart symbol, "Green Keyhole"), or provide information as a percent of daily consumption, such as guideline daily amounts (GDAs). The debate on the format of FOP labels gathered momentum when the **UK** Food Standards Agency (FSA) launched a "traffic light" scheme for FOP labels. Many consumer groups, public health NGOs and some governments in **Europe**, the **United States**, and the **Asia-Pacific** region have voiced support for the UK FSA's traffic light scheme. In May 2011, **Thailand** became the first country to introduce mandatory FOP nutrition labels for five snack categories.

While governments have been considering FOP labels and revising statutory regulations, many variants of the above-mentioned nutrition labelling schemes have proliferated under the sponsorship of governments, international organisations, NGOs, industry associations and individual companies in order to make the nutritional information more accessible to consumers.

The variety of nutrition labelling schemes has led to calls for a single format for FOP labels based on harmonised nutrient criteria. In response to pressure to standardise a single format for FOP labels, the **United States** Food and Drug Administration (FDA) announced their intention in 2009 to pursue new regulation in an effort to unify a FOP labelling system and reduce consumer confusion (United States Food and Drug Administration, 2009c). The agency has also drafted a letter to industry to serve as guidance regarding point-of-purchase food labelling (United States Food and Drug Administration, 2009d) and, along with the Centers for Disease Control and Prevention (CDC), commissioned the Institute of Medicine (IOM) to review FOP nutrition rating systems and symbols (Institute of Medicine, 2010). In light of this development, some programs decided to postpone operations. For example, on 23 October 2009 the Smart Choices Program™, which was developed by the Keystone Center Food and Nutrition Roundtable, voluntarily postponed active operations.

The prevailing view in countries with mandatory and voluntary labelling alike is that standardised labels are preferable to a multitude of different nutrition labels. There remains broad disagreement, however, on what format is most effective at influencing consumer behaviour.

In October 2010, the IOM Committee on Examination of FOP Nutrition Rating Systems and Symbols released their Phase I Report. After reviewing 20 FOP labelling systems, the IOM Committee recommended a nutrient-specific system that highlights four nutrients of greatest concern: calories, serving size, trans fat, saturated fat and sodium. The IOM Committee released their Phase II Report on consumer receptivity, understanding and usability of specific FOP labelling systems on 20 October 2011. The IOM Committee made two recommendations:

- The U.S. FDA and USDA should develop, test, and implement a single, standard FOP system to appear on all products; and
- Implementation should include a multi-stakeholder, multi-faceted awareness and promotion campaign that includes ongoing monitoring, research, and evaluation

The rating system recommended by the IOM Committee incorporates symbols to display on

the FOP that graphically convey calorie counts by serving size and a "point" value showing whether the saturated and trans fat, sodium and added sugars in the products are below threshold levels (Institute of Medicine, 2011). This system has not yet been consumer tested.

In the meantime, the Grocery Manufacturers of American (GMA) and the Food Marketing Institute (FMI), representing leading U.S. food and beverage manufacturers and retailers respectively, launched a new voluntary fact-based FOP nutrition labelling system called Nutrition Keys. This system adds nutrition information on calories and other important nutrients (saturated fat, sodium and total sugars content) to the FOP of many of the country's food and beverage products. Operators may choose to display up to two out of eight of the "nutrients to encourage" (e.g. fibre, calcium) on the FOP in addition. The Nutrition Keys labelling concept was consumer tested to determine comprehension, ease of understanding and interpretation. The labels will be rolled out in the coming months according to seasonality and production schedules and promoted with a \$50 million consumer education campaign in autumn 2011.

The direction the U.S. and EU take will certainly have global implications.

Another key recent development for FOP labels is the **EU's** adoption of the Regulation on Food Information to Consumers.

The regulation allows for voluntary FOP labelling, but if operators choose to display FOP nutrition information, it must follow the regulation. The information for energy, fat, saturates, sugars and salt may be repeated on the FOP per 100g/ml or per portion. Additional forms of expression and presentation of the nutrition declaration, such as colours, graphical forms or symbols, are permitted under certain conditions established in the regulation.

In **Australia** and **New Zealand**, the nutrition labelling debate has reached a critical stage as the Food Labelling Law and Policy review for the Ministerial Council of Food Standards Australia New Zealand (FSANZ) was released in January 2011. The review recommends that a voluntary multiple traffic lights FOP labelling system should be introduced and should be mandatory if health claims are made or equivalent endorsements, trade names or marks appear on the label (Blewett et al., 2011). The Ministerial Council did not immediately endorse the report's recommendation for a traffic light system at its meeting in December 2011 and has opted for further consultation instead. Officials shall provide a substantial report on the development of a FoP labelling scheme within six months, with a view to agreeing on a system by end 2012.

In Asia, **South Korea** was the first country to press ahead with recommendations for voluntary traffic light labels on children's food starting 1 January 2011. The Korean Food and Drug Administration revealed a draft plan for its system in May 2010, which would attach a red, yellow or green label to the package of food items depending on the amounts of fat, saturated fat, sugars and sodium. This move could potentially have implications for other countries in the Asia-Pacific region.

The Way Forward

The debate over which nutrition labelling scheme is the most effective will certainly continue in **Europe**, **Asia-Pacific** and the **United States** for the foreseeable future. More research would certainly be useful to inform these discussions. Governments, NGOs, food manufacturers and retailers have all explored which scheme consumers might prefer, for what reasons and how certain schemes impact purchasing behaviour and balanced choices. While some evidence has emerged on several of these issues, there remains no consensus among stakeholders on the way forward. Evidence on the impact of the various schemes on purchasing behaviour, and therefore on their relative effectiveness in helping consumers make balanced choices, also remains limited, partly because of the relative novelty of

interpretative guidance schemes in the market place.

Nonetheless, there is agreement on the need to provide consumers with more informative and simpler nutrition information on food labels. The mandatory Nutrition Facts Panel/Table is regarded as a public health tool that is intended to assist consumers in making informed and healthful food choices in the **EU**, the **United States**, **Canada**, **Hong Kong**, **Malaysia**, **Australia**, **New Zealand** and **India**. Yet, like

all tools, it only has an impact if it is suited to its task and if consumers actually understand and use it. There is a growing opinion in the United States that the Nutrition Facts Panel is not enough or that it should be revised to make it more understandable and usable.. While the dietary guideline approach (e.g. GDAs, % daily intake) for BOP labels has gathered much support among food manufacturers and policy-makers, its usefulness to guide consumer choices will depend to a significant extent on the effort that is made in educating consumers about how to use it.

Also, by providing nutrition information about the nutrient content of foods, nutrition labelling allows for—but does not necessarily cause—more healthful food choices. Corollary issues to consider include the question of what factors underlie consumer motivation to make changes in their diets and how appropriate and meaningful nutrition information can be provided on the food label so that motivated consumers can act on their desire to improve their diets.

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SUMMARY POINTS

- **Policy decisions should fundamentally be based on science: the key question is which labelling scheme gives the best guidance from a nutritional point of view.** In this respect, it is clear that what matters is the overall diet, not the consumption of an individual product.
- **Nutrition labelling policy should take into account consumer use, interpretation and understanding of different nutrition labelling schemes, but ultimately it is the impact on purchasing decisions and overall diets that matters.** The consumer research section of this report shows that these factors vary from country to country and among consumer segments. Most research on FOP formats has been conducted in **Europe** and **North America**. Given the potential for variance, studies in other regions are needed to understand better local consumer attitudes, especially in **South Africa**, which may adopt a uniquely South African scheme. Publicly available research on the actual impact of FOP nutrition labels is limited, particularly in the **United States**. Programs like NuVal, Hannaford Guiding Stars, Smart Choices and Nutrition Keys/Facts Up Front have completed consumer research regarding consumers' preference for logos and intended use, but the overall impact is not publicly known as sales data are often proprietary.

• **Further consumer research seems to be needed in particular on the following questions:**

- ◇ **Do consumers make long-term healthier food choices as a result of having used nutrition information on food packaging?** Some research has shown that consumers understand and know how to use accurately various nutrition labels should they choose to do so, and studies in **Europe** have shown no demonstrable short-term effect on purchasing decisions. Little is known about whether consumers make long-term healthier food choices as a result of having used nutrition information. If healthier food choices cannot be traced to nutrition information, other factors that motivate healthier food choices should be identified.
- ◇ **To what extent do nutrition labelling schemes have to be standardised to help consumers cultivate healthy eating habits?** Research by FLABEL and EUFIC in **Europe** and by the Australian Heart Foundation in **Australia** suggests that different labelling schemes can be equally effective in helping consumers identify healthy options, yet many groups discussed in this report assert that standardised nutrition labels are imperative. A future study on the impact of the EU regulation and consumer testing of the **United States** FDA's plans to standardise the nutritional criteria on which FOP nutrition labelling must be based would be insightful.
- ◇ **How can consumers best be helped to make good use of nutrition labels to make better food choices?** Research suggests that good use of nutrition labels is related to better nutrition knowledge, and that overall use is linked to health motivation. How can consumers be motivated to eat more healthily? What awareness raising and education initiatives are most effective? Who should be the primary target of which information and education initiatives – parents, children, others?
- ◇ **Is nutrition labelling beyond packaged foods useful?** The menu labelling debate in the **United States** is amplifying calls for menu labelling in **Canada** and the **UK**. Further research is needed to fully gauge whether nutrition labelling beyond packaged foods has an impact on food choices.



