



# Challenges for Changing Food Offerings on the Way to Consumers: Conversations with Food Manufacturers and Restaurant Chains

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RTI International is a trade name of Research Triangle Institute.

## 1. Reformulation Research

- Two Part Project to Investigate Food Reformulation Issues
  - Build a computer model to predict the likelihood of reformulation in response to FDA regulations
  - Conduct conversations with manufacturers and restaurateurs about implementation of changes to assist in weight management

## 2. Reformulation Probability Model

### Context of the Regulation (Model Inputs)

- Affected Product Category
- Type of Regulation
- Type of Reformulation Option

### Economic and Market Factors Affecting Manufacturer Responses to the Regulation

### Model Data

- Product Rankings — for each factor affecting reformulation decisions
- Importance Weights — for each factor influenced by the regulation

### Model Outputs

- Probability of Each Feasible Regulatory Response
  - Product reformulation
  - Product relabeling
  - Product discontinuation

## 3. Insight from the Model

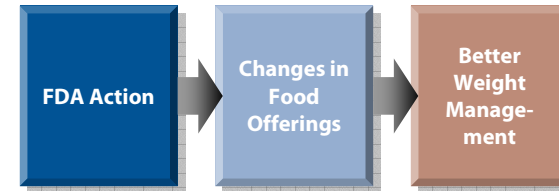
- Product decisions are labeling decisions
  - Every formulation change causes a label change
  - The impact on the label is as important as the physical and functional impact on the food product
  - Consumers buy based on label information as well as other product characteristics
- Manufacturers respond to labeling changes of competing products
  - Information on labels creates various margins for competition
  - Even if only a small percentage of consumers respond to a labeling change, profit margins are thin enough such that reformulating to attract that small percentage of consumers is worthwhile to manufacturers



- Prominence is king when changing label information
  - If a label change affects the front of the package (e.g., health and nutrition content claims), it will initiate more reformulation than would a change to the side of the package (e.g., footnote to the Nutrition Facts Panel).
- Consumers are most sensitive to changes to labels for the following product categories:
  - Beverages
  - Breakfast Foods
  - Infant Foods
  - Soups
  - Weight-loss Foods
  - Seafood Products
  - Dairy Foods
  - Egg Products

## 4. From Modeling to Conversations with Industry

- The Reformulation Probability Model provided a springboard for conversations with industry
- Project funding was provided by HHS-ASPE under the supervision of Laina Bush
- Unique conversations with one theme:
  - What could FDA do that would encourage firms to change food offerings to assist consumers in managing their weight?



## 5. Restaurateur Suggestions

- Develop a basic nutrition information format applicable for restaurants
  - Determine the type of nutrition information that consumers want in restaurants
  - Information must be shorter than on packaged food
- Allow flexibility in the methods of providing information to customers across different types of restaurants
  - Possible methods include brochures, printed receipts, posters, hand-held server device, 800 number, and website
- Government should educate consumers about:
  - appropriate portion sizes
  - customizing food orders
  - need for caloric balance
  - impact of small dietary changes

## 6. Manufacturer Suggestions

- Emphasize Calories more on the label
  - Make the Nutrition Facts Panel more Calorie focused with a Percentage Daily Value
- Teach caloric balance with graphics by illustrating
  - Relationship of caloric intake to caloric expenditure
  - Relationship of caloric content of the specific food product to caloric expenditure
- Create a unified federal weight management message
  - One public message on weight management across FDA, CDC, and USDA
- Study consumer reactions to different Calorie messages
  - Conduct research on how consumers react to different messages about Calories

## 7. Industry Identified Barriers to Reformulation

- 40 Calories for "Low Calorie" claims is too low
  - It is hard to get much nutrition into 40 Calories
  - 80-90 Calories would be much easier and encourage more product development
- Allow claims for small Calorie reductions (less than 25%)
  - Currently, reduced claims can only be made for reductions of 25% or more, but smaller reductions are better than none
  - Some research shows that general caloric imbalance is in the range of 5 percent
- Slow approval of food additives
  - Time required for FDA approval of food additives (e.g., fat and sugar substitutes) is a cost and deterrent
- Limitations and slow approval of health claims
  - Availability of more health claims would spur more reformulation
- Counting all fiber in Calorie count
  - Interviewees claimed that counting soluble fiber in the measurement of total calories raises the Calories on the label without adding calories to the body

## 8. Using the Results

- Policy Input
  - Identify ways to capture some of the huge potential health benefits from reformulation
  - Identify ways to lower barriers to reformulation
- Regulatory Analyses
  - Estimation of the benefits and costs of reformulation as a regulatory compliance option

## For More Information

For additional details on the model and findings from the industry conversations, see the following:

Muth, M.K., S.A. Karns, D.W. Anderson, M.C. Coglaiti, and M.S. Fanjoy. October 2003. "Modeling the Decision to Reformulate Foods and Cosmetics." Report prepared for David Zorn, FDA Center for Food Safety and Applied Nutrition, College Park, MD, by RTI International, Research Triangle Park, NC.

Muth, M.K., K.M. Kosa, and M.C. Coglaiti. March 2004. "Phase II — Modeling the Decision to Reformulate Foods and Cosmetics." Report prepared for David Zorn, FDA Center for Food Safety and Applied Nutrition, College Park, MD, and Laina Bush, DHHS Office of the Assistant Secretary for Planning and Evaluation, Washington, DC, by RTI International, Research Triangle Park, NC.