

HEALTH OF THE NATION 08: HEALTHY WEIGHT, HEALTHY LIVES

Melanie Leech, Director General Food and Drink Federation

Thank you, Tam.

I'm delighted to be here this morning and I would like to congratulate Govnet on putting together such a stimulating conference programme.

My job in the next few minutes is to talk about how UK food and drink manufacturers have been playing their part in responding to the society's concerns about health, diet and lifestyles.

We are acutely aware of the positive role we can and must play in these challenging issues and I firmly believe that we have a strong record of delivery.

But I want first to give a little bit of background to the Food and Drink Federation. FDF's mission is to be the voice of the food and drink manufacturing industry here in the UK.

Our members are companies of all sizes, representing all types of ownership structure, manufacturing everything from chocolate to organic muesli, own label products to big brands, retail lines to those for foodservice.

We also represent other trade associations and sector groups, ensuring that FDF is the key trade association for this vast and incredibly diverse industry.

FDF is structured around three key priority areas:

- Food Safety and Science;
- Health and Wellbeing; and

- Sustainability and Competitiveness

Our decision to put such emphasis on health and wellbeing reflects the fact that our industry is absolutely committed to playing a positive role in the debate about healthy eating and healthy lives.

The industry we represent is today the UK's largest manufacturing sector.

We directly employ about 470,000 people and estimate that up to 1.2 million people in ancillary services, such as packaging, processing machinery and distribution, depend on our industry for their jobs.

Put another way: that's about 3,000 people on average in every MP's constituency.

We are also an important partner for British farmers: buying about two-thirds of all the UK's agricultural produce.

All this vital economic activity is carried out by 6,500 food and drink manufacturing enterprises across the country. Of these, the overwhelming majority are small, medium or micro businesses (employing less than 10 people)

And let's not forget that our industry is responsible for making some of the country's best known, and best loved, brands, the success of which are based solely on the strong relationships they have forged with consumers, usually over many, many decades.

In short: the food and drink sector is a great British success story.

The Government seems to agree. Yesterday the Prime Minister's Strategy Unit published a major report 'Food Matters: Towards a Strategy for the 21st Century',

which recognises the importance of maintaining a supportive environment for competitive UK food producers.

The Strategy Unit report recommends that the Government adopt four key strategic policy objectives for food:

- Fair prices, choice, access to food and food security through the promotion of open, competitive markets
- Continuous improvement in the safety of food
- The changes needed to deliver healthier diets
- A more environmentally sustainable food chain.

I applaud the report's identification of the need for a clear governmental strategic framework for food policy – too often we have been on the receiving end of confused or conflicting signals about priorities and expectations from government and not known who to talk to, to seek the clarity which allows businesses to invest and plan with confidence.

One of the key challenges for the new Food Strategy Task Force, also announced in yesterday's report, will be to hold government to a clarity of vision about its strategy, so that industry is no longer pulled in different directions by different departments, nor expected to bear the load of additional costs deriving from policy based on evidence that is debatable at best. Costs which of course are borne ultimately not by some abstract entity called 'business' but by the consumer.

At a time when food prices are likely to remain volatile for some time – although like others working in the sector I don't recognize some of the more lurid headlines about the sizes of increases – a tight focus on priorities and on burdens on business is not just a policy 'add-on' but essential to protect consumers, particularly those on lower incomes.

We look forward to working with Government to deliver a policy agenda that will sustain a vibrant, dynamic and innovative food manufacturing sector here in the UK.

Achieving that is key to the health and wellbeing agenda. The success of the industry to date has driven and enabled the innovations, product developments and new processes that are today meeting changing consumer demand and helping us to deliver the impressive track record in investment in healthier products, consumer information and workplace and community-based schemes I am going to talk about. And it will be essential if we are to continue that drive in the years ahead.

So what's been achieved so far?

Taking our products first:

A survey of our leading members suggests that since 2004 an impressive £15bn worth of their products have been reformulated to have lower levels of salt, fat or sugar. In addition, we found that a further £11.5 billion worth of products have been launched in lower salt, fat or sugar variants.

Earlier this year, FDF teamed up with researchers TNS Worldpanel to attempt to quantify the impact of industry's salt reformulation efforts. And we found that in five scrutiny categories – crisps, breakfast cereals, bread, home cooking and canned goods – shoppers are purchasing the equivalent of 2,000 tonnes less salt in those products than 12 months ago. And don't forget this is on top of all the work undertaken by industry for many years.

We also hear a lot about trans fats – again usually in the more lurid tabloid headlines. Retailers and manufacturers have been taking action here too. Just before Christmas, the Food Standards Agency came to the conclusion that our

voluntary measures to reduce trans fats have resulted in low consumer intakes of just 1% of food energy; which is half the recommended maximum.

Better still, our members have also committed to taking out trans fats in a way that does not increase saturated fat levels in foods – an important point, often overlooked.

Challenges remain, of course. The Food Standards Agency has unveiled its Saturated Fat and Energy Programme, one strand of which is encouraging industry to find new ways of reformulating products to reduce their saturated fat content. That will be tough – because saturated fat is not the same as, say, salt. But we're pleased that our FSA colleagues recognise the importance of building constructive working relationships with industry as the best way of generating positive outcomes.

Underlying our approach – whether on health or environmental issues – is the philosophy of informed choice. That is to say, that individuals should be provided with a wide range of choices at affordable prices, and that they should be empowered to make the right choices for them and their families through the provision of clear information to guide their decisions.

There is plenty of evidence in the sales data to suggest that consumers are listening to the debate about food and health, are embracing the new choices on the market and are changing their purchasing habits. In many categories, it's the products with a healthier proposition that tend to be among those out-performing the market.

So we are convinced that our agenda of informed choice is the right one and that combined with a sustained, clear and coherent commitment to education and information it can deliver results.

As well as reformulating products, therefore, the industry has a responsibility to make it easier for consumers to opt for the healthier choices when they want to, by providing them with clearer on-pack information.

We started a decade ago with the development of Guideline Daily Amounts. GDAs are based on sound science and the GDA values were drawn up by a group of experts drawn from a wide variety of stakeholders, not just industry. GDAs now appear on the back of virtually all food packs here in the UK and are widely understood and supported by consumers. It therefore made sense to use them as the starting point for developing summary information for the front of pack.

Our vision was that by knowing what's inside the food they are buying, consumers would be empowered to make healthier food choices.

We set ourselves four critical success factors for the scheme. First consistency – the GDA scheme is the only visually consistent scheme in the market. Second critical mass. To date, more than 60 manufacturers, retailers and foodservice companies have adopted GDA nutritional labelling, in a consistent way on the front of something like 20,000 product lines here in the UK.

Third, consumer connection. Research conducted by leading independent market researchers Milward Brown since the launch shows that over 80 per cent of consumers are aware of GDA labels, 84 per cent think they are quick to read and easy to use and, significantly, 63% say they have already used the labels to make healthier choices.

And that research is backed up by a recent survey conducted by the Mirror Newspaper among its readers, most of whom are C2DEs, which found similarly high levels of awareness and understanding. And almost two-thirds of its readers said they had used the labels to check for a specific nutrient, to pick products

with a lower amount of a specific nutrient or to compare two products in the same category.

Our fourth critical success factor was credibility. On the back of the success here in the UK, the GDA approach is also gaining acceptance among retailers and manufacturers right across Europe, and beyond.

By the end of last year, GDA labels were appearing in all 27 EU member states. We estimate that the same, consistent labelling was appearing on more than 1,000 brands and 8,000 product lines – and this does not include the roll out plans of leading retailers including Aldi, Co-op Switzerland, Tesco, Delhaize, Edeka, Lidl, Metro, Monoprix and Rewe.

A GDA-style approach to nutrition labelling has also been backed by the European Commission in its proposed Consumer Information Regulation, which will be negotiated in the coming months and, probably, years.

One further benefit of the move towards GDA front-of pack labelling is that it is helping drive reformulation in the industry. We hear from our retail colleagues that they are setting new internal benchmarks, based on the GDA labelling, that are guiding all their product development work.

We also know that the GDA scheme is focusing the minds of manufacturers on the nutritional content of their foods. After all, nobody wants to be on shelf with products with the highest calorie or salt content.

Much has been made in the media, and elsewhere, of the differences between our promotion of the GDA scheme and the Food Standards Agency's promotion of its traffic light scheme. But what seems to me important to remember is that just four years ago, nobody was talking about front of pack labelling.

And we are all on a journey - to achieve a common goal of helping consumers better understand what constitutes a healthy, balanced diet and to understand and evaluate the ways in which the different labelling schemes in market are helping to change consumer behaviours for the long term.

Nearer to home, FDF members are committed to being an exemplar for promoting healthy living within their workforces.

Most of our leading members now have in place workplace schemes that promote healthier lifestyles. And we are keen to encourage more of our members – particularly smaller firms – to develop their own activities. We are also a key partner in a major initiative unveiled by Business in the Community to make workplace wellbeing a boardroom issue for all industries.

FDF has been delighted to sponsor and lead the development of the Healthy Eating Toolkit, a major new resource for businesses which provides practical guidance in promoting healthy eating in the workplace including the business case for promoting healthy eating amongst employees, examples of best practice and lessons learned from companies and a 12 step model for planning, executing, reviewing and updating your healthy eating initiative.

This is if you like the food industry's 'community' although of course many companies are also heavily engaged in initiatives in their local communities often working closely alongside other relevant bodies.

Now, for those of you who think such initiatives don't sound terribly exciting, consider the size of our industry. Remember: we directly employ 470,000 people – and some schemes enjoy employee take up rates of up to 50% - so you can see how big and how positive an impact workplace-based activities can have on a sizeable part of the manufacturing workforce. And that's just our sector.

So, we feel that's another important piece in the jigsaw. And I hope that the overall picture I have pieced together today gives you a real sense that the industry here in the UK has been using its NPD ability and marketing nous to lead the way on health and wellbeing. I haven't been able to touch on every issue, but when it comes to important areas such as reformulation, extending consumer choice, boosting the nutrition information we carry on our packs and improving the wellbeing of the people who work in our offices and factories, fantastic progress has been made. And there's a real commitment on our part to do more.

Thank you.