LASSONDE PAPPAS
NLEA LABELING WEBINAR

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QUALITY PRODUCTS GROWN BY INNOVATIVE THINKERS

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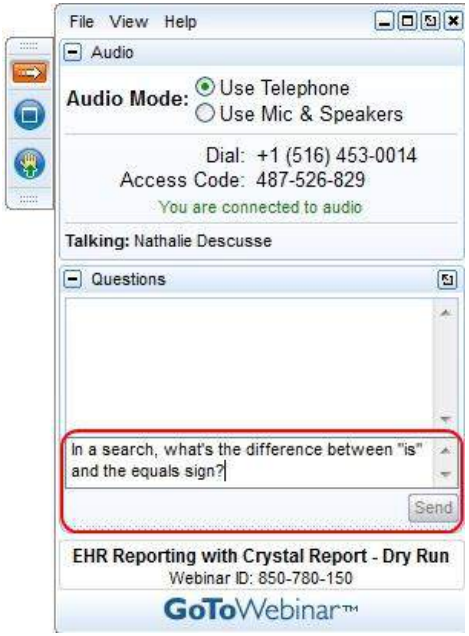
Welcome!

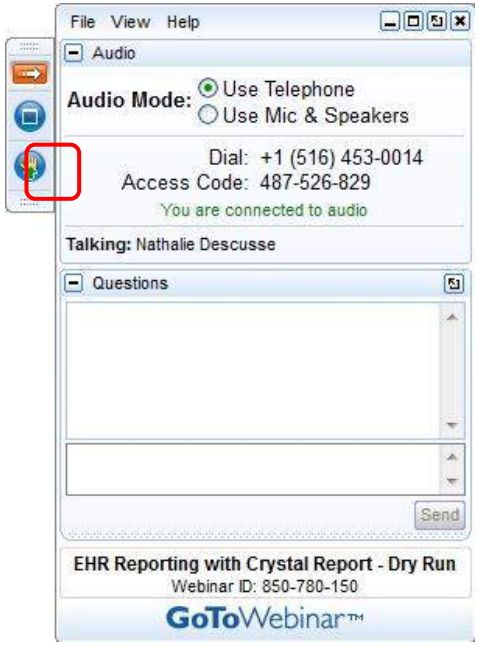
Thank you for your participation in today's session. We hope that our insights will be beneficial for you and your organization.

To ensure audio clarity, please be sure to have your microphones, headsets, and phones on **MUTE**

You can submit questions throughout the presentation, and we will address it at the end



For Q/A Session, please use the RAISE hand feature so that we can unmute you



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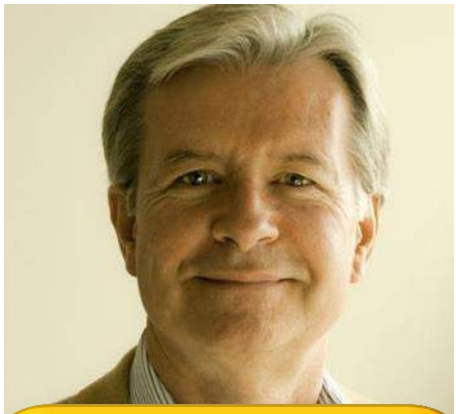
Agenda

The New Nutrition Facts Panel

Ian Wallace
Director, Legal Affairs



Clean Label

Daymon

Carl Jorgenson
Director, Global Thought Leadership - Wellness

Trends & Innovations

Jamie Bradford
Director, Product & Packaging Innovation

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THE NEW NUTRITION FACTS PANEL

Regulatory Insights

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Revamped NFP Format

OLD

Nutrition Facts

Serving Size 2/3 cup (55g)
Servings Per Container About 8

Amount Per Serving

Calories 230	Calories from Fat 72
	% Daily Value*
Total Fat 8g	**12%**
Saturated Fat 1g	**5%**
Trans Fat 0g	
Cholesterol 0mg	**0%**
Sodium 160mg	**7%**
Total Carbohydrate 37g	**12%**
Dietary Fiber 4g	**16%**
Sugars 1g	
Protein 3g	
Vitamin A	10%
Vitamin C	8%
Calcium	20%
Iron	45%

* Percent Daily Values are based on a 2,000 calorie diet. Your daily value may be higher or lower depending on your calorie needs.

	Calories:	2,000	2,500
Total Fat	Less than	65g	80g
Sat Fat	Less than	20g	25g
Cholesterol	Less than	300mg	300mg
Sodium	Less than	2,400mg	2,400mg
Total Carbohydrate		300g	375g
Dietary Fiber		25g	30g

NEW

Servings: larger, bolder type

New: added sugars

Change in nutrients required

Nutrition Facts

8 servings per container
Serving size 2/3 cup (55g)

Amount per serving
Calories 230

	% Daily Value*
Total Fat 8g	10%
Saturated Fat 1g	5%
Trans Fat 0g	
Cholesterol 0mg	0%
Sodium 160mg	7%
Total Carbohydrate 37g	13%
Dietary Fiber 4g	14%
Total Sugars 12g	
Includes 10g Added Sugars	20%
Protein 3g	
Vitamin D 2mcg	10%
Calcium 260mg	20%
Iron 8mg	45%
Potassium 235mg	6%

* The % Daily Value (DV) tells you how much a nutrient in a serving of food contributes to a daily diet. 2,000 calories a day is used for general nutrition advice.

Serving sizes updated

Calories: larger type

Updated daily values

Actual amounts declared

New footnote

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Changes to Nutrients Required / Permitted to be Declared

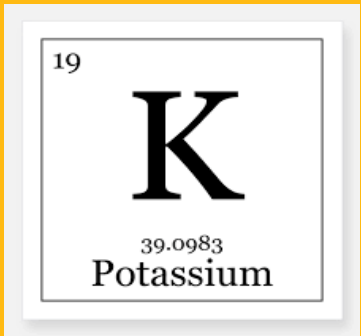
Updated list of nutrients that must or may be declared

Added Sugars

Total Carbohydrate 37g	**13%**
Dietary Fiber 4g	**14%**
Total Sugars 12g	
Includes 10g Added Sugars	**20%**

Now Required!
Indented under Total Sugars

Potassium & Vitamin D



Mandatory
instead of Vitamin A and Vitamin C

Calories from Fat

No longer required

Other Carbohydrates

Can no longer be declared voluntarily

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Added Sugars

WHY CHANGE?

- Needed to provide consumers with information to construct a healthy dietary pattern

DEFINITION

- Sugars added during the processing of foods
  - Sugars (free, mono- and disaccharides)
  - Syrups and honey
  - Concentrated fruit or vegetable juices

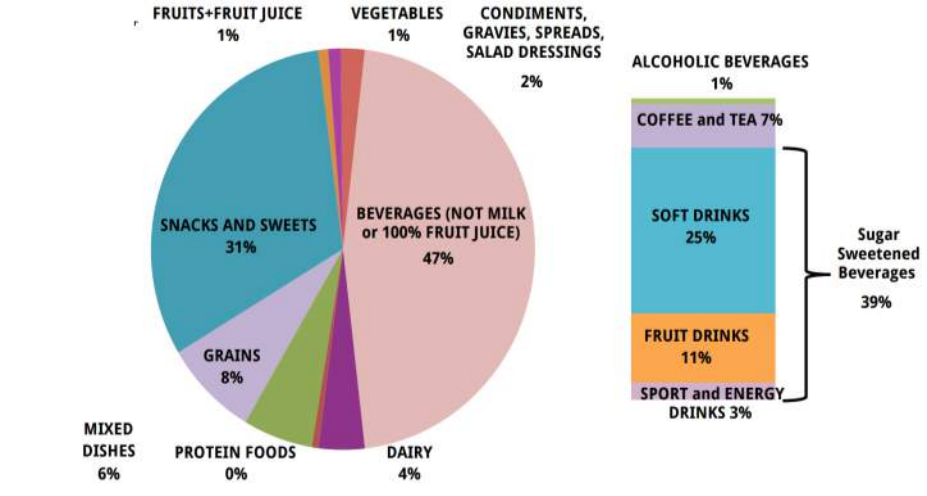
EXAMPLES

- Syrups
- Honey
- Molasses
- Maltose Sugar
- Maltose
- Lactose
- HFCS
- Brown Sugar
- Invert Sugar
- Sucrose
- Trehalose
- Concentrated Fruit Juice

JUICE CONCENTRATES

- Must declare sugar from concentrate in excess of what would be contributed by same volume of 100% juice
  - 15g concentrated apple juice added to applesauce = 6g. Same amount of 100% apple juice = 1.7g.
  - Added sugars = 6g – 1.7g = 4.3 g added sugars

Food sources of added sugars



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Dietary Fiber

2 Types of **Fiber** Qualify

- Naturally Occurring
- Isolated/Synthetic fibers with physiological benefits

Isolated Fibers that Count

✓

Beta-glucan soluble fiber
Psyllium husk
Cellulose
Guar Gum
Pectin
Locust Bean Gum
Hydroxypropylmethylcellulose

Isolated Fibers in Limbo

?

Inulin
Oligofructose
Polydextrose
Bamboo fiber
Soy fiber
Pea fiber
Fructooligosaccharides
Wheat fiber
Cotton Seed fiber
Sugar cane fiber
Sugar beet fiber
Oat fiber

Suppliers petitioning **FDA** for relief

TATE & LYLE

Promitor® soluble corn fiber

DUPONT

Soy fiber

ADM

Fibersol® resistant maltodextrin

What's next?

(1) Guidance from FDA

(2) Planned industry request for extension of compliance date

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Updated DRVs, RDIs and RACCs

What's Changing

- Updated DRVs:
  - Added Sugars – New DRV of 50g
  - Sodium – DRV from 2,400 to 2,300mg
  - Dietary Fiber – DRV from 25 to 28g
  - Total Fat – DRV from 30 to 35% of calories (to 78g)
  - Total Carbs – DRV from 60 to 55% of calories (to 275g)
- Updating and Establishing 19 RDIs:
  - Calcium – RDI from 1,000 to 1,300mg
  - Vitamin C – RDI from 60 to 90mg
- 27 Revised RACCs; 25 New Categories:
  - Carbonated and noncarbonated beverages, water, coffee, tea – from 240mL to 350mL
  - Juice - RACC remains the same

Impact on Claims

- Claim criteria have not yet changed
  - FDA intends to revisit in separate rulemaking
  - Could take years
- Claim eligibility may be affected
  - "Good source of calcium" requires 10-19% DV per RACC
  - Previously with 1000mg DV, needed 100-190mg
  - Now with 1300mg DV, need 130-247mg
  - Products with 100-130mg no longer qualify

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Serving Sizes & Dual Column Labeling

What's Changing

All containers with less than 200% of RACC must be labeled as single serving

- Removes flexibility to choose 1 or 2 servings for >150% and <200%
- No exemption for packages with multiple individually wrapped items

Dual-column labeling required for containers with ≥ 200% and ≤ 300% RACC

- Must include info both "per serving" and "per container"

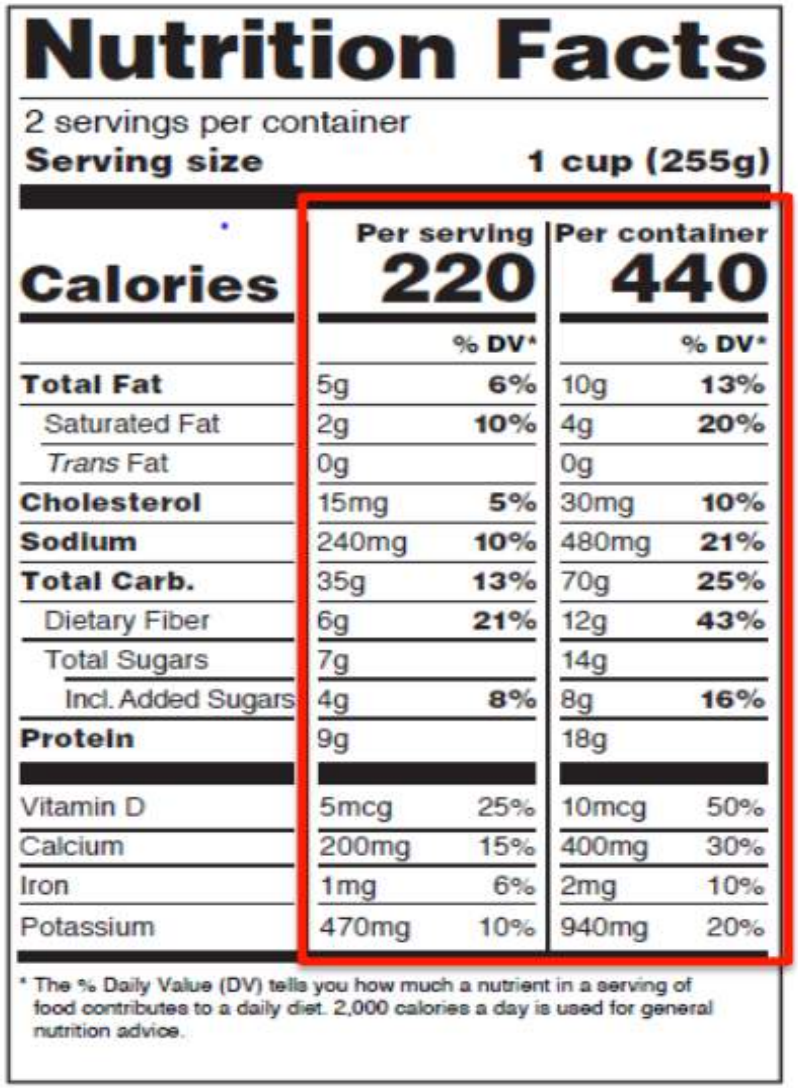
Impact on Claims

Must specify "basis" of nutrient content and health claims:

- Nutrient content claim examples:
  - good source of vitamin C per serving
  - good source of vitamin C per 8 oz.

Health claim example:

- A serving of 8 oz. of this product conforms to such a diet



Nutrition Facts

2 servings per container

Serving size **1 cup (255g)**

	Per serving		Per container	
Calories	**220**		**440**	
		% DV*		% DV*
Total Fat	5g	**6%**	10g	**13%**
Saturated Fat	2g	**10%**	4g	**20%**
Trans Fat	0g		0g	
Cholesterol	15mg	**5%**	30mg	**10%**
Sodium	240mg	**10%**	480mg	**21%**
Total Carb.	35g	**13%**	70g	**25%**
Dietary Fiber	6g	**21%**	12g	**43%**
Total Sugars	7g		14g	
Incl. Added Sugars	4g	**8%**	8g	**16%**
Protein	9g		18g	
Vitamin D	5mcg	25%	10mcg	50%
Calcium	200mg	15%	400mg	30%
Iron	1mg	6%	2mg	10%
Potassium	470mg	10%	940mg	20%

* The % Daily Value (DV) tells you how much a nutrient in a serving of food contributes to a daily diet. 2,000 calories a day is used for general nutrition advice.

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Compliance & Next Steps

Compliance date is **July 26, 2018** for large companies and one year later for company with **< $10M** in annual sales

Means products **introduced into interstate commerce** after July 26, 2018 need to comply

Ok to **comply early**, but can't pick and choose from old and new rules – need to adopt new rules **wholesale**

Compliance Roadmap

(1) Beginning **Jan. 1, 2017**, all products teched to new NFP
(2) Minimize/avoid **reformulations**
(3) Time to evaluate **underperforming SKUs**
(4) Stick to established **timelines and milestones**

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CLEAN LABEL 2016

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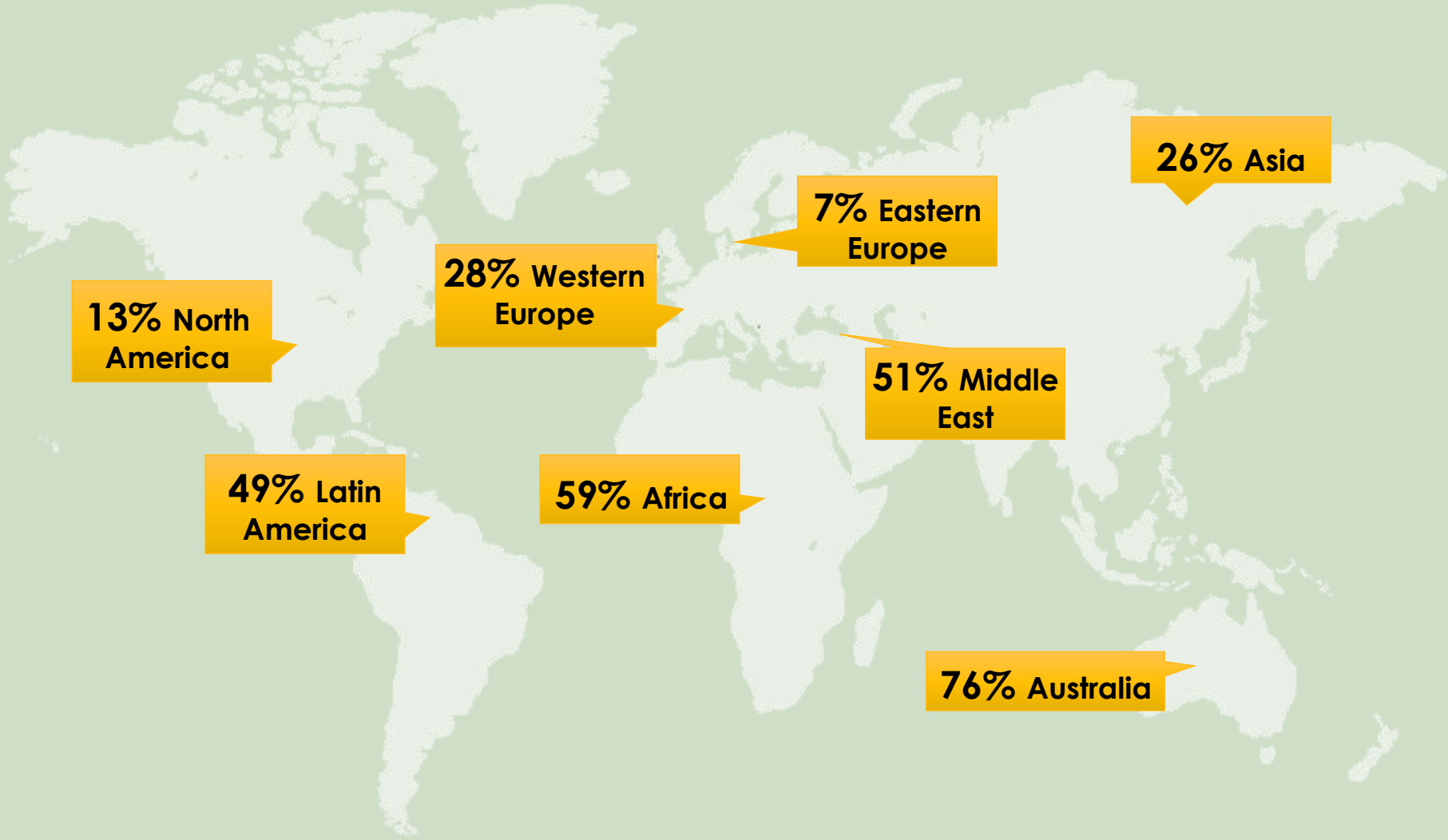
Clean-label: A global trend



Source: Innova Market Insights

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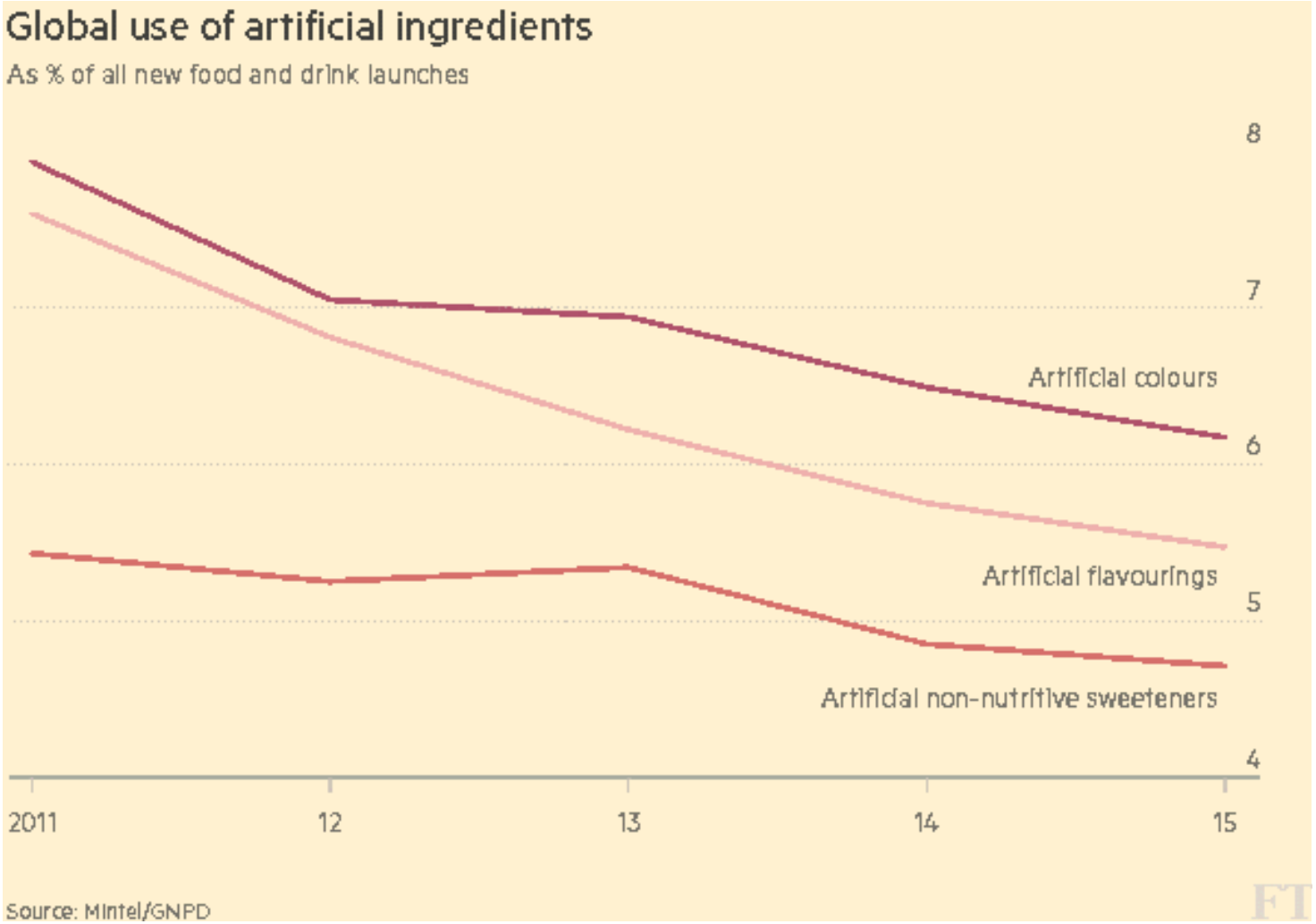
Artificial ingredients are declining globally



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Consumers are moving towards Clean Eating…

And retailers and brands are delivering

Major companies are making shifts to natural colors and flavors

58% of primary grocery shoppers:
"It is important for items to be clean."

Major retailers are offering clean label private brands

Source: NPD Group, How Consumers Define Clean Eating.

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What is "*Free-From*"?

Free-from is the clean-label promise to the customer.
The promise can take a number of forms,
but in general it means…

Ahold Delhaize, USA

The product does not contain either:

- **Specific ingredients, or**
- **Ingredient categories**

Sainsbury's, UK

Free-from is the new **"natural"**

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Prioritizing Ingredients for the *Free-From* List

Consumers pay attention to (in %)

67 easy to understand ingredient information

62 no artificial additives

61 free from preservatives

60 no artificial colourants

Sources: Nutrition Business Journal, GNT Group

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Before, it was about what was NOT in Foods

Australian brand Super Nature's Super Foods prepared meal dedicates a large portion of the back panel of its packaging to explaining the positive benefits of its ingredients

Before: Absence of	*Now:* Positive Benefits
Fat	Healthy fats
Salt	Low-glycemic
Sugar	Sustainable
MSG	Full Fat
Preservatives	Superfoods
Artificial Flavors	Fair Trade
Artificial Colors	Calming
GMOs	Antioxidants
	Probiotics
	Prebiotics
	Protein
	Cage-Free

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The Mindset Has Flipped… Now It's About What's IN Food

Dave's Killer Bread
Positives: Sprouted Wheat, Organic, Omega-3

Path of Life Frozen Quinoa Dishes
Positives: Ancient grain quinoa, complete protein, superfood vegetables, organic

Ojio Yacon Syrup (Sweetener)
Positives: Organic, Low-Glycemic, Prebiotic

Green & Wild's Superfood Dog Food
Positives: Superfood vegetables, Antioxidants, Protein, Sustainably sourced

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Culinary techniques coming to the rescue to mitigate taste losses from elimination of sugar & salt

Air frying

Smoking

Charring

Roasting

Umami

Minerals

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Source: "Effect of iron on taste perception and emotional response of sweetened beverage under different water conditions." Aili Wang et al. Food Quality and Preference, 6/16/2016

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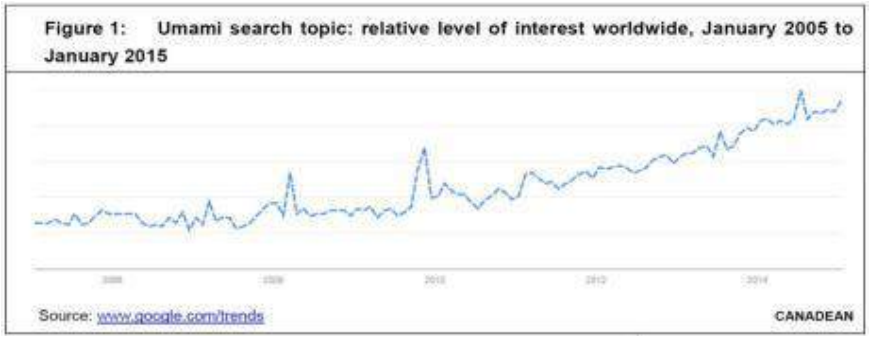
Umami enhances flavor without salt or sugar

Umami-generating ingredients include tomatoes, soy sauce, edible seaweed, mushrooms, parmesan cheese, cured meats, fish, and many others.

Umami is trending



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Kokumi is a newer flavor, linked with Umami

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Fast Food is Getting Dejunked

McDonald's Next in Hong Kong

Panera window, CT

Chick-fil-A

Chick-fil-A kale salad

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TRENDS & INNOVATIONS SEEN AT SIAL PARIS

THE WORLD'S LARGEST FOOD INNOVATION EXHIBITION

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QUALITY PRODUCTS GROWN BY INNOVATIVE THINKERS

Hot off the press

SIAL INSPIRE FOOD BUSINESS

From famous Parisian food markets to the trade show floor at SIAL – what's next in innovation is consistent across the world

Packaging Evolves with eco-responsible, re-sealable, spoutable pouches & premiumization

Products that enhance your life, provide personal well-being & convenience

Beverage segments continue to blur with health, hybridization & unique experiences at the forefront

Ingredients that are super foods & have functional properties

Flavors that combine traditional fruits & vegetables with more unique - botanicals, herbs, fruits & seeds

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Packaging Evolves

Eco-responsible, premiumization & re-sealable, spoutable pouches

- Premium Glass
- Multi-serve Pouch w/ Spouted Flip Cap
- Squeezable beverage pouch
- Whiskcap
- Keep Can re-sealable can
- Paperboard Cup w/straw & sip top
- Eat & Go Pots

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Products give you what you seek from morning to night

Support the "always on" phenomena with personal well-being solutions

Sport/ active

energy

shape

health

beauty

Anti-age/ vitality

love

relax

Focus/ sharp

From Wake Up to Good Night Convenience

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Flavors/ingredients provide MORE

Traditional fruits & vegetables with **more unique - botanicals, herbs, fruits & seeds** including many **super foods & functional ingredients**

TAMARIND beetroot **COCONUT** Blood orange BASIL SEED **RHUBARB** DATES aronia **MELON** dandelion STARFRUIT Gac fruit HIBISCUS Yum berry Cashew fruit oolong PINK GUAVA **BAOBAB** ROSE **SEA BUCKTHORNE** Cassia seed LEMON acai FIGS **HONEY** nutmeg Camu camu turmeric BASIL turnip GINGER Barley mangosteen GOLDENBERRY Morello cherry GOJI BERRY burdock **COLLAGEN** MANDARIN ORANGE passionfruit ELDERFLOWER **AVOCADO** strawberry shizandra **COFFEE** White peach **BANANA** edamame **ALOE VERA** Chia seed MORANGO **LYCHEE** cinnamon SOURSOP sapodilla Sour cherry Calamasi lime

*largest font denotes seen the most at the show/markets

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Beverage segments continue to blur with health, hybridization & unique experiences at the forefront

Carbonated Coffee

Sparkling Juice + Botanicals/ Herbs

Herb & Spice Inspired Juices

Basil Seeds + Juice

Chia Seeds + Juice

Health Drinks

Drinkable Yogurt +Fruit

Drinkable Oats + Fruit Smoothie

Drinkable Soup

Functional Teas

Pregnant woman focused

Alternative Waters + Fruit/Veg

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PLMA'S 2016 - INNOVATION

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Innovation – PLMA 2016

Continue to develop innovative products in shelf-stable

Double Fiber Prune Juice	Auntie Anne's® Lemonade	Cinnabon® Apple Cider	Alternative Waters	Sparkling Juice	Glass
					
$126MM	$280MM	$129MM	$330MM	$160MM	$351MM

Natural/Organic Isotonics	Natural/Organic Oral Electrolytes	Agua Frescas	Jugo Del Sol	Fair Trade
				
$3.6B	$161MM	Growing segment	Growing segment	Lemonade, Tea & Sauce

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Innovation – PLMA 2016

Expand into fast-growing, perimeter of the store segments

Organic Drinkable Soups

New Segment

Smoothies

$631MM

Liquid Coffee

$602MM

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Q&A SESSION

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THANK YOU

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