Nutritional Labeling and Clean Labels in the U.S.: Future of Food Retailing

Description:

“Clean label” has become one of the hottest topics in the food and beverage industry as consumers look ever more closely at what goes into their food and beverages. Many consumers are now using the kitchen test—"can the ingredients on the label be found in my own kitchen?"—as their rule of thumb to determine whether or not to buy a product. They are using ingredient panels on packages as a litmus test, looking for a short list of "real food" ingredients they recognize, and avoiding products laced with with unpronounceable, chemical-sounding ingredients. Consumer preference for clean labels and concerns about food additives are pressing issues for the processed food industry because they are deeply rooted in long-term trends including consumers’ focus on the connection between diet and health, combined with their ambivalence toward the processed food industry and skepticism about health claims on packaged foods.

While the federal government regulates the information on Nutrition Facts panels and ingredients labels on packaged foods and beverages, many leading marketers, retailers, and foodservice providers are ahead of the pack when it comes to labeling trends. These companies are redirecting proactively as they feel the winds of change—whether from potential government legislation, nutritional recommendations, or consumer demands—by reformulating and repositioning mainstream products and lines with simpler ingredients and cleaner labels. Steps taken include shortening ingredients lists; removing artificial colors, flavors, and preservatives; cutting sugar content; and switching to ingredients that are not genetically modified.

Scope and Methodology

Packaged Facts' brand-new report, Nutritional Labeling and Clean Labels in the U.S.: Future of Food Retailing, is divided into three sections. The first focuses on the nutrition labeling required for virtually all packaged foods and beverages sold in the United States, and on the parameters for clean label.

The second part of the report analyzes extensive data from a proprietary Packaged Facts National Consumer Survey conducted in January 2015 and Simmons National Consumer Survey data from Experian Marketing Services, as well as other published surveys, delving deeply into consumer use of nutritional labeling information, their preference for clean labels, and concerns about food additives.

The final chapter profiles more than two dozen mainstream marketers, retailers, and foodservice providers that are marketing clean label products and lines, including marketers such as General Mills, The Kellogg Co., Kraft Foods Group, Nestlé S.A., PepsiCo, and Unilever; retailers ranging from ALDI and Kroger Co. to Safeway, Walmart, and Whole Foods Market; and foodservice providers like Chipotle Mexican Grill, Dunkin' Donuts, McDonald's USA, and Subway.

In addition to the Packaged Facts consumer survey, our primary research for Nutritional Labeling and Clean Labels in the U.S.: Future of Food Retailing includes on-site examinations of retail and foodservice channels. Secondary research involved evaluating and comparing data from more than 200 articles and reports found in industry publications; government data from the U.S. Food and Drug Administration (FDA) and U.S. Department of Agriculture (USDA); reports by industry associations such as the American Beverage Association, the Food Marketing Institute, the Grocery Marketers Association, and the International Food Information Council Foundation; scrutinizing the websites and press releases from individual companies; annual reports, 10Ks, transcripts of earnings calls, and other financial releases from public companies; and other reports.

Contents:

Chapter 1: Executive Summary
Overview of Labeling Requirements and Clean Label Trends
Federal Regulations for Food and Beverage Labels
FDA Proposes Changes to Nutrition Facts Label
Changes in Serving Size Requirements
Hot Button Issue: Added Sugars
Front-of-the-Package Nutrition Labels
Retailers' Nutrition Ratings
What Is "Clean Label"?
Hot Button Issue: GMOs
The Consumer
Price Trumps Nutrition When It Comes to Purchasing Food
Many Actively Seek Out Nutritional Information and Guidelines

Figure 1-1 Percent of U.S. Adults Who Agree/Disagree with the Statement,"I actively seek out nutritional information and guidelines," 2015 (percent of U.S. adults)

Calories, Sugars, Sodium, and Fat Information the Most Important
Consumers Ambivalent About Processed Foods, Want Fewer Ingredients

Package Label Claims Consumers Seek Most
Majority of Consumers Trying to Eat More Healthily
Almost Half of Consumers Skeptical About Health Claims on Labels

Marketing, Retailing and Foodservice Trends
Marketer Trends
The Dannon Co.
General Mills Inc.
The Hershey Co.
Kraft Foods Group Inc.
Retailer Trends
ALDI
Costco Wholesale Corp.
H-E-B
Supervalu Inc.

Restaurant and Foodservice Trends

Chapter 2: Overview of Labeling Requirements and Clean Label Trends

Federal Regulations for Food and Beverage Labels
Meat and Poultry Labeling
Exemptions to Nutrition Labeling
Small Business Exemptions
Federal Labeling Rules for Menus and Vending Machines
FDA Proposes Changes to Nutrition Facts Label
Time Frame for the Updated Nutrition Facts Panel
Changes in Nutrition Labeling
Illustration 2-1 Original vs. Proposed Nutrition Facts Panel
Changes in Serving Size Requirements
Illustration 2-2 Infographic Showing Changes in Proposed Serving Size

Hot Button Issue: Added Sugars

Dietary Guidelines for Americans
Icons, from Food Pyramid to MyPlate
Illustration 2-3 USDA Food Pyramid Introduced in 1992
Illustration 2-4 The MyPyramid Food Icon Introduced in 2005
Illustration 2-5 The MyPlate Food Icon, Introduced in June 2011

Proposed New Dietary Guidelines
Industry Labeling Initiatives
Industry Initiatives Spurred by the Obama Administration

Front-of-the-Package Nutrition Labels
Clear on Calories
Illustration 2-6 Front-of-Pack Labels
Illustration 2-7 Vending Machine Labels
Illustration 2-8 Consumer Advertisement, April 2011

Facts Up Front
Illustration 2-9 Facts Up Front Basic Icon
Illustration 2-10 Facts Up Front Basic Icons + 2 Nutrients to Encourage
Illustration 2-11 Facts Up Front Single Icon for Small Packages

Environmental Working Group's Food Scores
Illustration 2-12 Environmental Working Group Food Scores
Illustration 2-13 Environmental Working Group Food Scores Details
Retailers' Nutrition Ratings
Guiding Stars
Illustration 2-14 Delhaize America's Guiding Stars
Clean Labels
What is “Clean Label”?
Ingredients Consumers Can Recognize
Free-From
Clean Label a Challenge for Food Developers
When Clean Labels Are Too Clean
Hot Button Issue: GMOs
Bill Proposed for National Certification of GMO-free Products
Transparency in Sourcing
Chapter 3: The Consumer
Packaged Facts Proprietary Survey
Shoppers Mindful of Nutrition, Ingredients
Price Trumps Nutrition When It Comes to Purchasing Food
Figure 3-1 Factors in Choosing Packaged Foods and Beverages, 2015 (percent of U.S. adults)
Vast Majority of Shoppers Look at Nutrition Facts Panel
Figure 3-2 When buying packaged food and beverage products, do you ever look at the Nutrition Facts panel?, 2015 (percent of U.S. adults)
Many Actively Seek Out Nutritional Information and Guidelines
Figure 3-3 Percent of U.S. Adults Who Agree/Disagree with the Statement, “I actively seek out nutritional information and guidelines,” 2015 (percent of U.S. adults)
Calories, Sugars, Sodium, and Fat Information the Most Important
Figure 3-4 Information Consumers Seek on Nutrition Facts Panel, 2015 (percent of U.S. adults)
Most Consumers Want Fats and Sugars Broken Out by Type
Table 3-1 Consumer Attitudes Toward the Nutrition Facts Panel, 2015 (percent of U.S. adults)
Consumers Ambivalent About Processed Foods, Want Fewer Ingredients
Table 3-2 Consumer Attitudes Toward Ingredients, 2015 (percent of U.S. adults)
General Attitudes Toward Nutrition
Table 3-3 General Consumer Attitudes Toward Nutrition, 2015 (percent of U.S. adults)
Nutrient Influence on Fresh and Packaged Food Choices
Figure 3-5 Frequency of Buying Fresh Foods and Beverages Largely Because They Contain Specific Nutritional Ingredients, 2015 (percent of U.S. adults)
Because They Contain Specific Nutritional Ingredients, 2015 (percent of U.S. adults)
Figure 3-6 Frequency of Buying Packaged Foods and Beverages Largely Because They Contain Specific Nutritional Ingredients, 2015 (percent of U.S. adults)
Package Label Claims Consumers Seek Most
Cholesterol, Blood Pressure, and Weight the Key Health Issues
Figure 3-7 Package Label Claims Consumers Seek on Foods and Beverages (percent of U.S. adults)
Most Consumers Watching their Diet to Improve Health
Figure 3-8 Health and Wellness Concerns Consumers Seek to Target with Foods and Beverages* (Percent of U.S. adults)
Figure 3-9 Consumers Watching Their Diet for Health Reason (percent of U.S. adults)
Simmons National Consumer Survey
Majority of Consumers Trying to Eat More Healthily
Table 3-4 Percent of U.S. Adults Who Agree/Disagree with the Statement, “I try to eat healthier foods these days,” 2004 vs. 2014
Nutritional Value the Top Consideration in Choosing Which Foods to Eat
Table 3-5 Percent of U.S. Adults Who Agree/Disagree with the Statement, “Nutritional value is the most important factor in the foods I eat,” 2004 vs. 2014
Consumers Want to Know About Ingredients
Table 3-6 Percent of U.S. Adults Who Agree/Disagree with the Statement, “I like to know as much as possible about ingredients before I buy food products,” 2004 vs. 2014
Table 3-7 Percent of U.S. Adults Who Agree/Disagree with the Statement, “I actively seek information about nutrition and healthy diet,” 2004 vs. 2014
International Food Information Council Foundation Survey
The Free-From Shopper
Almost Half of Consumers Skeptical About Health Claims on Labels
Consumers Trust Labels More Than the Media
Consumers Have Mixed Responses about Processed Foods
Other Consumer Surveys
NPD Group Finds That Consumers Have Cut Back on “Better for You” Foods
Consumer Interest in Label-Reading Declines
National Grocers Association-Supermarket Guru 2014 Survey
Hartman Group
Nutrition Business Journal Survey on Clean Label
Natural Marketing Institute: Consumers Use Label Information to Make Food Choices
Mothers More Likely Than Fathers to Read Nutrition Labels
Organic Trade Association U.S. Families’ Organic Attitudes and Beliefs Survey
80% of Americans Support Mandatory Labeling for DNA in Foods
Chapter 4: Marketing, Retailing, and Foodservice Trends
Food and Beverage Industry Going Cleaner
Simply Simple Brand Names
Marketer Trends
The Dannon Co.
Flowers Foods Inc.
General Mills Inc.
Illustration 4-1 Gluten-Free Cheerios
Illustration 4-2 Yoplait Has Reduced Its Sugar Content
The Hershey Co.
The Keebler Co.
Illustration 4-3 Keebler Simply Made Chocolate Chip Cookies vs. Keebler Chips Deluxe Original Chocolate Chip Cookies
The Kellogg Co.
Illustration 4-4 Slide Presentation for Kellogg's Origins Cereal
Kraft Foods Group Inc.
Illustration 4-5 Kraft Macaroni & Cheese, Star Wars Shapes
Illustration 4-6 Reformulated Kraft Singles
Nestlé S.A.
PepsiCo Inc.
Illustration 4-7 Mountain Dew DEWshine
Illustration 4-8 Pepsi True, Sweetened with Sugar and Stevia
Illustration 4-9 Pepsi-Cola Made with Real Sugar
Illustration 4-10 Frito-Lay’s Simply Line
Tyson Foods Inc.
Unilever USA
Illustration 4-11 I Can't Believe It's Not Butter!
Retailer Trends
Natural Product Retailers Blaze the Trail
ALDI
Illustration 4-12 ALDI SimpleNature
Costco Wholesale Corp.
H-E-B
Kroger Co.
Illustration 4-13 Kroger's Simple Truth “Free From 101”
Raley's Supermarkets
Safeway, Inc.
Supervalu Inc.
Illustration 4-14 Supervalu Wild Harvest
Target Corp.
Illustration 4-15 Target's Simply Balanced Clean Label Line
Walmart U.S.
Illustration 4-16 Walmart Wild Oats Marketplace 125 No-No Ingredients
Illustration 4-17 Walmart's Great For You Icon
Wegmans Food Markets
Whole Foods Market
Restaurant and Foodservice Trends
Carl’s Jr.
Chipotle Mexican Grill
Dunkin' Donuts
McDonald’s USA
Illustration 4-18 McDonald’s Artisan Grilled Chicken Sandwich
Subway
Illustration 4-19 Food Babe’s Petition Targeting Subway
Illustration 4-20 Food Babe’s Video Targeting Cereal Makers

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