



Vol. 14 No. 5

March 10, 2006

EUROPEAN COMMISSION PAPER ON “HEALTHY DIETS” HAS IMPLICATIONS FOR FOOD INDUSTRY

by
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In yet another sign of the times for the food industry, the European Commission recently issued a Green Paper entitled “*Promoting healthy diets and physical activity: a European dimension for the prevention of overweight, obesity and chronic diseases.*” The paper, which comes in response to rising obesity rates in the European Union, particularly among children, outlines and offers for discussion several ways to promote healthy diets and physical activity in Europe.

In particular, the paper raises several issues that are likely to have a direct effect on the food industry. These issues include:

- Advertising of high fat, salt, and sugar food products to children and the marketing of these products in schools;
- Providing clear and consistent nutritional information about foods, including establishing a nutrient profile system;
- Fostering healthy dietary choices at schools and improving the nutritional values of school meals;
- Improving the nutritional value of workplace meals and snacks.

The paper acknowledges that industry self-regulation could possibly be the preferred method by which to address several of these issues, but cautions that other options must be considered in the event that industry self-regulation fails to yield satisfactory results.

The questions raised in the Green Paper are especially meaningful at a time the industry is facing a major conundrum: the profitability of most “healthy” food products such as fruit and vegetables, dairy, and soy, is much lower than that of less healthy confectionery and snack foods. Moreover, there appears to be a rather significant disconnect between the goals of government regulators who want to decrease obesity rates and the public’s continued demand for foods high in fat, salt, and sugar. As it becomes more expensive to develop and launch the “healthy” food products that are clearly desired by governmental bodies and policy groups, the food industry will have to find a way to maintain already-diminishing profitability margins while providing products that meet both governmental scrutiny and satisfy consumer cravings.

Green Papers are intended to foster discussion in specific policy areas, eliciting feedback from affected organizations, industry, and individuals, and sometimes resulting in legislative initiatives. However, even when they do not result in new regulation, Commission Green Papers often serve as a roadmap for future change. Accordingly, the food industry is well-advised to closely examine the points raised in this most recent paper, as it likely serves as a bellwether of things to come.

The current message is clear: now is the time for industry to work together in an effort to self-regulate, rather than wait for what are likely to be far less desirable regulatory initiatives imposed by the Commission. In fact, some segments of the industry are already responding to the Commission's message. In a major move that will likely set the standard for other food industry groups, the Union of European Beverage Associations (Unesda) recently announced that its members, including Coca-Cola, Cadbury Schweppes, and PepsiCo, among others, will stop advertising soft drinks to children under the age of 12.

The public consultation will run through March 15, 2006 and a report summarizing the comments received in response to the paper is expected to be available on the Commission's website by June 2006.

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