



**Ingredient Labeling
To Capture Consumer Confidence**

Considering Regulatory Risk

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“Clean” Labeling

Consumers

associate “clean” eating with fewer ingredients in the list

Are looking for recognizable, familiar, pronounceable, whole food names

Seek to avoid processed/refined ingredients and unrecognizable or difficult to pronounce names

“Clean” Labeling

Associated with health but some nutritionists/dietitians who counsel individuals don't like it –

Not really related to nutrients – e.g. link between “organic” and vitamin/mineral content of same food

About toxicology, additives

“processing” touches on nutrient content but the Nutrition Label reveals, not the declared name within the ingredient list

The Ingredient list is a required label element
For “clean” labeling, consumers seek the absence of certain ingredients or associate value with ingredients that are present based on how the name is declared



“Clean Labeling” is about ingredients

No official government definition or regulation

More consumers seek transparency and shun artificial ingredients.
Shoppers equate “healthy” with natural minimally processed foods

Ingredient quality or compositional claims must be supported by the ingredient list.

Some ingredient-related claims associated with “Clean” labeling -

- Natural, Organic, No-GMO
- Gluten-Free, [Allergen]-Free, Lactose-Free
- Fresh, Wild, Artisanal, Pure, Authentic, Real, Simple
- No Preservatives, No Artificial: Flavors, Colors, Ingredients
- No Caffeine

“Clean Labeling” is about ingredients

Industry tendencies

Eliminating artificial coloring, flavorings

Replacing artificial preservatives with natural ones

Switching to GMO-free ingredients

Reducing or eliminating antibiotics given to animals

Consumers, retailers, industry and regulators are all driving more transparency in labeling.

How an ingredient is named on a food label is vital to a product's consumer appeal

To regulate “truthful and non-misleading” labeling declarations government agencies enforce the use of certain “common or usual names” which are statements of identity for ingredients.

These names can be regulated by standards, policy definitions or established by general industry marketplace practices.

Ingredient list names are generic

subject to FDA rules:

- Official or acceptable name only
- No trademarked brand names
- No fanciful names
- No descriptors such as “pure”, “non-gmo”, “real”, etc
- No geographic/origin unless an established part of the common/usual name
- Botanical or generic source specifics ok – e.g. “corn sugar”

How an ingredient is named on a food label is vital to a product's consumer appeal

Descriptive terms or phrases about the quality of an ingredient are generally not part of the ingredient's common or usual name

e.g., “pure,” “fresh,” “certified non-GE”

So if used in the ingredient list it is intervening material and a non-compliant violation

Elsewhere on the label ok – as an ingredient claim or part of the product name

Ingredient list names must comply with government requirements which can be detailed regulatory definitions

Standards of Identity – in code of federal regulations

Some names are subject to FDA or USDA criteria if used – requirements must be met to use the name within compliance

SOI detail which ingredients can be used, in what amounts, and how they must be declared on the label

Examples of foods with FDA established standards of identity:

- French Dressing
- Ketchup
- Mayonnaise

Ingredient List names not subject to an SOI may be subject to government requirements that can be general policy guidelines

e.g. FDA has Policy Compliance Guides for

- Mustard
- Vinegar

Similar to regulations but not quite as detailed and exacting – descriptions of ingredient names and composition

Compliance Policy Guides are not codified regulations but do serve as documented FDA recognition of established marketplace practices

FDA common/usual name alternatives

- (3) Skim milk, concentrated skim milk, reconstituted skim milk, and nonfat dry milk may be declared as “skim milk” or “nonfat milk”.
- (4) Milk, concentrated milk, reconstituted milk, and dry whole milk may be declared as “milk”.
- (5) Bacterial cultures may be declared by the word “cultured” followed by the name of the substrate, e.g., “made from cultured skim milk or cultured buttermilk”.
- (6) Sweetcream buttermilk, concentrated sweetcream buttermilk, reconstituted sweetcream buttermilk, and dried sweetcream buttermilk may be declared as “buttermilk”.
- (7) Whey, concentrated whey, reconstituted whey, and dried whey may be declared as “whey”.
- (8) Cream, reconstituted cream, dried cream, and plastic cream (sometimes known as concentrated milk fat) may be declared as “cream”.
- (9) Butteroil and anhydrous butterfat may be declared as “butterfat”.
- (10) Dried whole eggs, frozen whole eggs, and liquid whole eggs may be declared as “eggs”.
- (11) Dried egg whites, frozen egg whites, and liquid egg whites may be declared as “egg whites”.
- (12) Dried egg yolks, frozen egg yolks, and liquid egg yolks may be declared as “egg yolks”.

FDA Standard of Identity with options

“flour” can be “wheat flour”

Can imply “whole-wheat” but isn’t

Some names are simply established industry practices.

Dressings for Salad –

- Italian
- Russian
- Thousand Island

How an ingredient is named on a food label is vital to a product's consumer appeal

Functional labeling – describes additive purpose

- Required for preservatives and colors
- Optional but permitted for other additives

Ingredient List requirements

Preservatives and Colors – function required

Sodium Benzoate (Preservative) OR “to protect flavor”

Colors – if certified by FD&C #: “Yellow 5”

All others – “Artificial Color”

OR

By name as color – i.e. Annatto Color

Cochineal extract or carmine must be listed by common or usual name, "cochineal extract" or "carmine."

“Natural Color” ingredient name or claim **NOT** permitted

Added colors are always “artificially” coloring the finished product

Trend towards naturally sourced colors from vegetables or fruit, can be listed as “fruit/vegetable

Fruit juice and vegetable juice when used as color additives in food may be declared as “Artificial Color,” “Artificial Color Added,” or “Color Added,” or by an equally informative term that makes clear that a color additive has been used in the food, such as “Colored with Fruit Juice” or “Vegetable Juice Color.”

Colors

More likely to see actual ingredient name than option “Artificial Color”

e.g. Annatto (color)

No such thing as a “natural” color – if it artificially colors the product, it is an artificial
COLOR

Ingredient list rules for seasonings and spices

Spice

“any aromatic vegetable substance in the whole, broken, or ground form, except for those substances which have been traditionally regarded as foods, such as onions, garlic and celery; whose significant function in food is seasoning rather than nutritional; that is true to name; and from which no portion of any volatile oil or other flavoring principle has been removed.”

includes listing in 182.10 and part 184 such as:

Allspice, Anise, Basil, Bay leaves, Caraway seed, Cardamon, Celery seed, Chervil, Cinnamon, Cloves, Coriander, Cumin seed, Dill seed, Fennel seed, Fenugreek, Ginger, Horseradish, Mace, Marjoram, Mustard flour, Nutmeg, Oregano, Paprika, Parsley, Pepper, black; Pepper, white; Pepper, red; Rosemary, Saffron, Sage, Savory, Star aniseed, Tarragon, Thyme, Turmeric.

Paprika, turmeric, and saffron or other spices which are also colors, shall be declared as “spice and coloring” unless declared by their common or usual name.

Spice and flavor

Spices – can be a collective name or individual spices can be separated out

“Natural Flavor” can be “suspect”

[origin of Flavor] “extractives” might be more consumer friendly
– e.g. cumin extractive

There are often options for ingredients – check supplier specs

US Dept of Agriculture (USDA) Food Safety & Inspection Service (FSIS) differences

USDA-FSIS has product specific uses and restrictions for spice, seasoning and flavors in meat/poultry

Some ingredients can be listed as "natural flavor," "flavor," or "flavorings" rather than by a specific common or usual name

Spices (e.g., black pepper, basil, and ginger), spice extracts, essential oils, oleoresins, onion powder, garlic powder, celery powder, onion juice, and garlic juice are all ingredients that may be declared on labeling as "natural flavor," "flavor," or "flavoring." Spices, oleoresins, essential oils, and spice extracts are listed in the Food and Drug Administration regulations.

Incidental Additives

Introduced by another ingredient

Processing Aids

Nonfunctional in finished food product

Can be omitted from label

Current tendency is to include or omit from raw material

Clean labeling has driven the labeling of sweeteners

Sugars can be

- Raw
- Turbinado
- Brown

Other sweeteners perceived as “clean” or “unprocessed”/not refined
molasses

honey

agave

FDA and industry style “cane juice.”

“FDA’s current policy is that sweeteners derived from sugar cane syrup should not be declared as “evaporated cane juice” because that term falsely suggests that the sweeteners are juice ”

FDA's decision on the natural status of "high-fructose corn syrup"

Consumer lawsuits: 'natural' deceitful due to HFCS , a "highly processed sugar substitute" created through "enzymatically catalyzed chemical reactions"

FDA initially objected to natural for HFCS, then advised the Corn Refiners Association that it's OK if synthetic fixing agents have no contact with high dextrose equivalent corn starch hydrolysate & acids used to get starch hydrolysate must meet natural policy

However, most consumer research surveys show they do not consider HFCS to be natural and perceive it as processed

“Non-GMO” claims have driven the labeling of sweeteners

Most corn and beet sourced sugars are gmo-sourced

So “Cane Sugar” identifies a non-gmo sourced sugar

But cane sugar can be treated with bone-char (for whitening) – vegans don’t want

some vegan cane sugars are becoming available

Sweeteners – FDA alternative names

“Glucose syrup” can be specified by type

“Corn syrup”

“Wheat syrup”

“Tapioca syrup”

“Lactose” can be declared as “Milk sugar”.

“Cane syrup” as “Sugar cane syrup”

Clean Labeling Ingredients can conflate with Nutrition Facts

e.g. the “Boomer” generation seeks to avoid

- Sugar - presence of HFCS in ingredient list
- Sodium – MSG
- Trans Fats - hydrogenated oils

Millenials are reportedly not as concerned with HFCS in the ingredient list

Ingredient Names can influence purchase

“survey commissioned by specialty PR agency Ingredient Communications that found as many as 73 percent of consumers are happy to pay a higher retail price for a food or drink product made with ingredients they recognize and trust.”

“Clean” Labeling and purchase intent

“Nearly 4 in 10 US consumers say they would switch from the food and beverage brands they currently buy to others that provide clearer, more accurate product information”

68% willing to pay more for products that don't contain ingredients perceived as “bad”

53% - exclusion of undesirable ingredients more important than including beneficial. (beverages free of artif. sweeteners outperforming calorie-free beverages with antioxidants.)

“today's consumers are just as concerned about ingredients and formulations as they are about being able to understand those formulations when they're printed on a package.”

-research from the Nielsen Co. as reported in “Clear and clean labeling needed on products” Meat and Poultry News 8/30/17

Consumer “friendly” ingredient labeling

Ingredient list can accommodate functional labeling for explanation to counter “unfamiliar” terms

Descriptions to emphasize “Clean” ingredients may be better identified in claims elsewhere on the label because ingredient list is only for common/usual name and function required for preservatives or color and optionally acceptable for other additives within the ingredient list

Just as the government wants ingredient list to be straightforward “no-nonsense” generic names of identity, consumers want the ingredient list to speak for itself in support of a “clean” label product

Rosemary Extract vs. Natural Flavor

Another survey was conducted to further research the consumer's perspective on the importance of the transparency of ingredients. In this survey, consumers were asked their labeling preference for the same ingredient, 'rosemary extract' or 'natural flavor.' While the majority of consumers preferred naturally-sourced options versus having no preference, the millennial generation significantly exceeded the average.²

Of millennial consumers who have a preference, almost two-thirds selected 'rosemary extract' over 'natural flavor' as the desired ingredient label. Millennials were the only generation for whom 'rosemary extract' dominated over the 'no-preference' option. This supports the theory that millennials seek more specificity and transparency in their food labels.

While all other generations selected 'no preference' most frequently, the selection of 'rosemary extract' was higher than that of 'natural flavor' for those stating a preference. This shows that when comparing similarly functioning ingredients, most consumers prefer to know the specific description of the ingredient.

source: Kalsec



More research about what consumers don't want to see in the ingredient list than what they do want to see

Opportunity – research the positive – what's behind “real” ingredients?

More to it than just “whole food” names?

What does “wholesome” mean?

How is it implied through ingredient list names?

Ingredients avoided in the quest for “clean” can be category specific

e.g. Plant-based/vegan – ingredients in meat substitute products - whole foods?

Snack foods – seek real fruit, whole grains

Clean Label ingredients are

Minimally processed

Close to the original form

Sourced from whole foods

More than just the absence of artificial

Trust “recipe-like” food names like what they can find in their own kitchen – e.g. “baking soda” instead of “sodium bicarbonate”

Millenials seek 3rd party certifications

Clean label as ingredient drivers

Quest for clean-label supportive ingredient statements is driving product reformulation

Make sure any new ingredients for reformulated products are consumer-friendly, demographic sensitive as needed

Get supplier documented support for the labeled name in your end-product – you are responsible for this decision but the supplier info is your source reference – make sure the package is properly labeled as received by your production facility