

CFBAI: Self-Regulation and Responsible Food Marketing to Children

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Children's Food and Beverage Advertising Initiative

- Created in Fall 2006 in response to IOM and FTC call to action that self-regulation do more to address childhood obesity
 - Grew out of a review and updating of CARU Guidelines
 - Administered by the Council of Better Business Bureaus (“CBBB”)
 - Ten founding companies, now 17
 - Now represents more than 80% of food and beverage advertising to children



CFBAI — Participants



CFBAI — The Program

- Designed to shift the mix of products in advertising primarily directed to kids under 12 (“child-directed”)
 - Fewer calories, and lower in fats, sodium, sugars
 - More nutrient dense
- Goal is to be part of the solution



CFBAI — The Limits

- Places limits on what products can appear in child-directed advertising
- Also limits use of:
 - Licensed characters
 - Product placement
 - Interactive games
 - Advertising in schools



CFBAI — Media Covered

- Applies to:
 - TV, radio, print
 - Internet
 - Video and computer games
 - DVDs
 - Mobile media



CFBAI — Compliance

- CBBB monitors compliance
 - Members submit for CBBB review:
 - product nutrition information
 - media buy information
 - copies of advertising
 - CBBB independently monitors
 - CBBB publishes annual compliance report



CFBAI Has Changed Children's Advertising

- **Pre-CFBAI**—Few companies had nutrition standards for child-directed advertising
 - CARU Guidelines for *how*, but not *what* to advertise
 - No third-party accountability on *what* was advertised
- **CFBAI**—Meaningful standards govern child-directed ads
 - CBBB provides encouragement, transparency, and accountability
 - CFBAI stimulates competition among participants

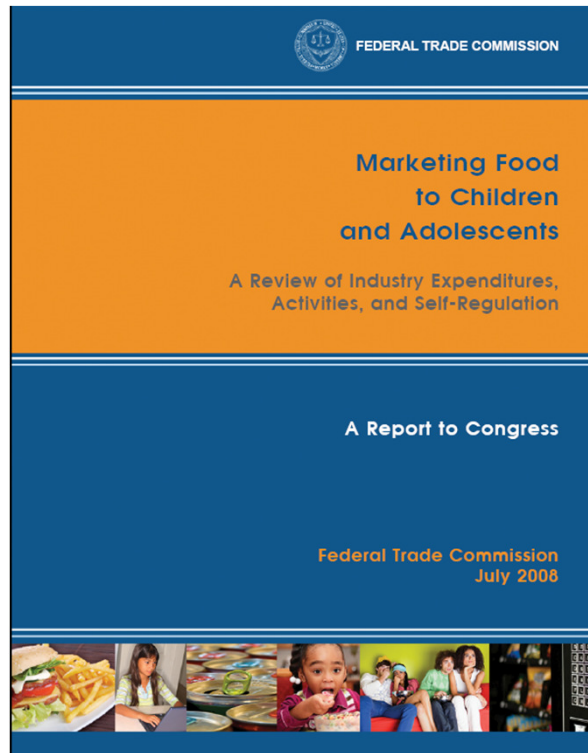


Advocacy/Health Groups Positive Reactions July 18, 2007 Statements

- *American Dietetic Association*: “When fully implemented, the pledges announced today will represent an *important* step toward... addressing issues such as childhood obesity.” “These companies are exerting *leadership* that will mean children may have a better environment for choosing healthier food options.”
- *Alliance for a Healthier Generation*: “The Alliance... commends the BBB and the participating companies for taking an *important* step toward assuring that food advertising targeted to children focuses on foods that are nutritious and healthy.”
- *CSPI*: “That a number of major food companies are setting some basic nutrition standards for the foods they advertise to children is a *positive and historic* development.”



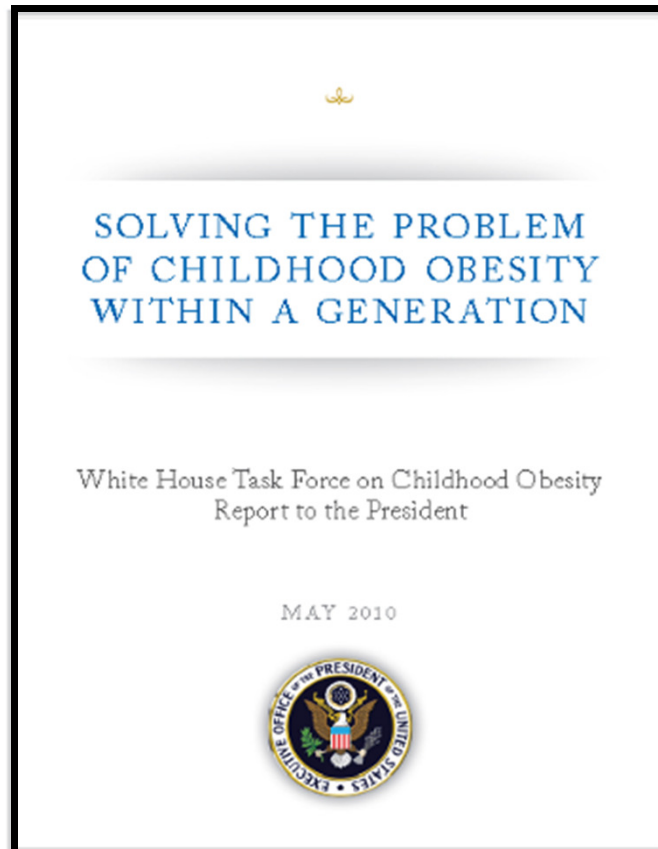
FTC's 2008 Report



- Adopt uniform definitions of “advertising primarily directed to children under 12”
- Expand program scope to cover **all** advertising and promotional techniques
- Adopt uniform nutrition standards



White House Task Force Report (May 2010)



- Food and beverage, media and entertainment industries should adopt
 - uniform nutrition standards, AND
 - uniform definitions of what constitutes marketing
- Food and beverage and entertainment industries should create on-air ad labeling to distinguish healthy and unhealthy foods
- If voluntary efforts fail, FCC should consider revising rules for advertising during kids' programming



Designed to be a Dynamic Program

- Responds to developments in nutrition science and dietary recommendations
- Addresses developments in advertising – new media
- Recognizes consumer, regulatory, and political environments



CFBAI Requirements as of January 2010

- Advertising limited to healthier products (or no advertising)
 - New: Increased from 50%
 - New: Eliminated “healthy lifestyle messaging” as a compliance option
- Advertising coverage
 - Traditional measured media: TV, radio, print, Internet
 - New: Digital and mobile media
 - New: Ads on video games rated “EC” or labeled as child-directed, DVDs of child-directed G rated movies and similar content
 - New: Word-of-mouth advertising that is primarily child-directed



CFBAI Requirements as of January 2010

- Licensed characters, movie tie-ins (new), and celebrity use (new) in covered advertising limited to healthier products
- Seeking out or paying for product placement in child-directed content not permitted
- No advertising in schools to kids in pre-K — 6th grade
(New: Added pre-kindergarten)



New: “Child-Directed” Ad Definitions Substantially Harmonized (Fall 2010)

- Companies using a variety of definitions of “child-directed”
- CFBAI sought use of threshold no higher than 35% audience ages 2-11
- Several participants moved from 50% to 35%; others added 35% to their multi-factorial definitions
- Now no participant uses higher than 35%



New: Monitoring of Policies on Not Advertising to Kids < 6 (Fall 2010)

- Before: 6 participants prohibited ads primarily directed to children < 6
- Now: Majority have such policies
- CFBAI will monitor/report on compliance



Company v. Uniform Criteria

- **Critics say uniformity needed**

- Company-specific criteria
 - Too weak
 - Provide loopholes

- **CFBAI says uniformity unnecessary**

- Company standards are
 - Rigorous
 - Driving steady, ongoing change
- Competition drives better/best standards



CFBAI Considers New Nutrition Standards

- Process
 - “Nutrition Science Review” conducted
 - Leading government and other experts presented
 - Company nutritionists, lawyers, government affairs staff attended
- What CFBAI reviewed
 - Dietary Guidelines for Americans 2010
 - IWG proposal
 - Various governmental food and nutrition reports
 - Feedback regarding desirability of uniform nutrition standards
- Goals
 - Uniform nutrition standards or updated, stronger company-specific criteria
 - Aligned with new Dietary Guidelines
 - Tougher than most current company standards
 - More practical and achievable than IWG



CFBAI Uniform Criteria

- 10 categories, not one-size-fits-all
- Overall stronger than current company-specific criteria
 - Include nutrients to limit criteria for saturated fat, *trans* fat, sodium and total sugars for all categories
 - Include nutrition components to encourage (food groups and/or nutrients) for all product categories
 - Include calorie limits for all categories
 - Eliminate product qualifying on “reduced” claim (i.e., $\geq 25\%$ less sodium)
 - Eliminate product qualifying because in portion controlled, 100-calorie pack
- Uniform criteria fill gaps in current company-specific standards
- More transparent and less complex than company-specific criteria



Implementation Deadline

- December 31, 2013
 - Change product formula or stop advertising the product
- In limited circumstances administrator may grant extension of no more than 12 months if a participant encounters unexpected circumstances



Uniform Criteria Means More Product Changes

- Many products will need to be reformulated to meet the standards
 - ~ 1/3 of products participants currently advertise to kids don't meet new criteria
 - Calories, fats, sodium, and/or sugars need to be reduced
 - Nutrition components (e.g., fruits, whole grains, certain nutrients and vitamins) need to be increased, OR
 - Both need adjustment
 - Affects products now in the pipeline
 - Impacts new product development



Response to New CFBAI Criteria

- **FTC Chairman Jon Leibowitz stated:**

“The industry’s uniform standards are a significant advance, and are exactly the type of initiative the Commission had in mind when we started pushing for self-regulation more than five years ago. . . . Our agency is committed to playing a role in reducing childhood obesity – and doing it in a pragmatic, non-regulatory way – and we applaud industry for making healthy progress.”

- **IWG letter to members of Congress (Sept. 12, 2011):**

- “The IWG . . . anticipates making significant changes to both the marketing and nutrition principles as it develops final recommendations as required by Congress.”
- The CFBAI- “led voluntary effort complements the goals of the IWG and we intend to take this significant development into account. . . .”



Even Before Uniform Standards, Advertising and Products Have Changed

- **No child-directed advertising**
 - 4 participants
- **≥ 100** products changed or created to meet nutrition standards
 - Other products discontinued or no longer advertised
- **Calories**
 - Virtually every individual product under 200 calories
 - No entrees/main dishes > 350 calories; No meals > 600 calories
- **Sodium**
 - Pre-CFBAI some products with > 900 mg sodium
 - Now highest is 760 (most far less: FDA “healthy” levels used by many)
- **Sugars**
 - Pre-CFBAI some cereals had as much as 15 or 16 grams per serving
 - Most cereals now 10 grams or less per serving; limit is 12 grams
- **Fats**
 - 2 grams or ≤ 10% calories sat fat; trans fat limits generally 0 g labeled
 - A number of products reformulated to lower fats to meet limits
- **Positive Nutrients**
 - More fiber & Vitamin D (nutrients of public health concern in U.S.)
 - Whole grains usage has increased



CFBAI Comment to IWG

- Nutrition principles unworkable: new CFBAI uniform criteria far better
 - Reformulation problems *vastly* underestimated
 - Sodium reductions very difficult
 - Significant consumer acceptance issues
- Advertising scope inappropriate and overbroad: CFBAI well calibrated scope
 - Sweep in family/adult directed advertising, etc.
 - Treat teens like toddlers



Conclusion

- CFBAI has been effective in shifting the mix of advertising to children
- CFBAI will be more effective than IWG
- Self-regulation more important than ever for companies that want to be part of the solution

