



FOOD INDUSTRY GROUP

ANNUAL REPORT

MARCH 2009

## **THE FOOD INDUSTRY GROUP**

The Food Industry Group (FIG) oversees the implementation of the Food Industry Accord and helps drive the Food Industry's obesity action strategy. FIG acts as a catalyst and facilitator for its members in finding Industry initiatives which can make a positive contribution to the health of New Zealanders.

Members of FIG belong to New Zealand Food and Grocery Council (FGC), the Association of New Zealand Advertisers (ANZA), the Communication Agencies Association of New Zealand (CAANZ) and the Television Broadcasters Council (TBC) as well as a range of other media members.

FIG also works closely with the Ministry of Health, NGOs and other stakeholders in finding projects which help address obesity in New Zealand.

It is important to note that there are many areas of the food supply chain which are not FIG members, including catering, hospitality and food service, small bakeries, chip shops and so forth. These areas of the food supply must also work to find positive ways of helping in improving the health of New Zealanders.

## **FROM THE CHAIRMAN**

The Food Industry Group's time and resources have been divided in two main areas over 2008-2009; that of ensuring a self regulatory approach is maintained for Food Industry as well as continuing to carry out the intent of the Food Industry Accord.

Despite some of the challenges, a key success was the acknowledgement by the Associate Minister of Health, the Hon. Damien O'Connor, in June 2008 regarding the achievements of FIG in meeting its 07-08 performance measures - and of the many initiatives being undertaken by Food Industry in finding ways to improve the food supply.

We are pleased to also announce that the seven projects and 20 action areas outlined in our 08-09 strategic plan are underway as scheduled or have been accomplished.

FIG continues to work closely and effectively with the Ministry of Health and in a partnership role with Counties Manukau District Health Board in their 'Let's Beat Diabetes project'.

It is important that our Food Industry members are acknowledged regarding the considerable time and investment made in their contribution to improving food products and services. Although this has not always been the case from some non industry sectors we believe there is an increasing recognition of the many positive activities being undertaken by our members.

The Food Industry Group looks forward to continuing its work for 2009-2010.

### **Jeremy Irwin, Chairman**



## **FROM THE EXECUTIVE DIRECTOR**

2008-2009 has been one of the most demanding years for Food Industry on a number of fronts and this has been reflected in the role of the Food Industry Group.

Not only did we need to spend considerable time and resources in advocating that a self regulatory approach was maintained as it related to advertising, marketing and selling of branded food products (grocery, fast food, supermarket brands), it was imperative to continue to make progress in terms of the intent of the Food Industry Accord. With the downturn in the economy later in the year it was beholden on Food Industry to continue these initiatives despite the economic challenges.

Essential to our success has been a clear strategy, the importance of advocating and presenting a clear picture on behalf of Food Industry regarding what we can achieve on a self regulatory basis as well as strong stakeholder engagement. We are pleased to announce that all of the action areas we identified in our strategic plan are underway as scheduled or have been accomplished.

The debate around the Public Health Bill was crucial for Food Industry and, such were our concerns regarding the potential impact of the Bill, the Food Industry Group took the unprecedented position of registering as a third party under the Electoral Finance Act to ensure that, if needed, our voice would be heard publicly.

There were also a number of recommendations that emerged from the Government Response to the Health Select Committee on Obesity and Type 2 Diabetes which needed to be worked through with the Ministry of Health to ensure a workable and practical outcome for Industry was achieved.

Despite these challenges, there have been a number of successes.

A very successful event – aptly titled The Shape of the Nation - was held on May 28 by FIG to highlight the many achievements made by Food Industry and to convey FIG's views on the obesity issue. The event was hosted by the Associate Minister of Health with key note speakers from the National party, Fonterra, McDonalds and the Counties Manukau Lets Beat Diabetes program. There was an excellent turnout from a wide range of organisations including the Ministry of Health, New Zealand Food Safety, FSANZ, District Health Boards, Universities, the media, SPARC, FOE, OAC, food companies and

other politicians. It was pleasing to be applauded on our progress and initiatives and to have the recognition that obesity is a complex issue with multifaceted risk factors

It was also very pleasing to receive a letter of congratulations in June 2008 from the Associate Minister of Health, Hon Damien O'Connor, acknowledging the work of the Food Industry Group and that of Food Industry in initiatives being undertaken to help find solutions to the obesity issue.

On another positive note a status paper was written by FIG outlining the rationale for forming the Group and the reasons for its success. This was prepared for possible presentation to the World Health Organisation.

Our ongoing close liaison with the Ministry of Health has proven to be effective in keeping our members informed and progressing projects which have the potential to benefit New Zealanders.

The obesity issue remains a key concern in terms of the cost to people's own health as well as the cost to the Government. It will be crucial for Industry and the Media to continue their commitment to the Food Industry Accord to demonstrate the importance of self regulation.

**Vicki Hamilton, Executive Director**



## **PROJECT S, GOALS AND ACHIEVEMENTS FOR 2008-2009**

Outlined below are the major projects and action areas the Food Industry Group set for 2008-2009. As noted, these are underway as scheduled or have been accomplished.

**Project One** FIG works with Food Industry members to implement the Food Industry Accord: General Action Area

**Goal: FIG** motivates and mobilizes Food Industry to continue to contribute to improved nutrition with their products and responsible marketing practices

**Action Areas:** Four

The Food Industry Group has completed the following:

- Liaison with food companies to identify specific actions being undertaken or planned which demonstrate the commitment to the Food Industry Accord. This includes progress in integration of the obesity issue into the company's business and marketing plan, changes in advertising and marketing policy, nutrition policy developments, new product guidelines, reformulations around fat, sugar, salt and fiber, changes in serving size, labelling initiatives, workplace policy, school initiatives and sponsorship and community developments. *Comment:* These accomplishments are outlined in the Food Industry Achievement section of the Report.
- FIG works with members to identify specific possible actions which could be undertaken, or targets which could be set, to help in the implementation of the Accord. *Comment:* It is clear that, due to the wide variety of food products on the market place, many companies have set individual targets around reduction of salt, sugar and fat in their various sku's. These targets are quite specific to the company, the product itself and the degree to which consumer tastes can change. The targets set are confidential to the various companies but have been integrated into the Business Plan.
- Members have been communicated with via a quarterly newsletter on issues of relevance in the obesity debate to ensure they are kept informed. In addition, further communications and meetings have taken place on relevant issues
- The FIG website has been updated with relevant information

**Project Two:** FIG works in association with the Ministry of Health on key activities relating to the health and obesity issue. A General Action Area

**Goal:** To identify areas where the Ministry and FIG approach activities on a shared knowledge basis.

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## Action Areas Seven

The following activities have been completed – some of these relate to areas identified under the Government's Response to The Health Select Committee Enquiry into Obesity and Type 2 Diabetes

- FIG has been a member of the Sector Steering Group which was put in place to review the Healthy Eating Healthy Action plan. Food Industry input related to ensuring goals set for Industry were practical and realistic. The plan is now with the new Minister of Health for review.
- FIG has been involved with providing information and input for the HEHA web based network which outlines to users the many positive activities being carried out by Food Industry members.
- FIG has undertaken a scoping document with the Ministry of Health and the Heart Foundation to help ensure the Government funded project managers are aware of activities already being undertaken by FIG members around improvements to the food supply. This means there will be an opportunity for work to be done in areas outside the FIG membership e.g. hospitality, food service, catering in malls and at events.
- FIG members have continued to work to provide food products which comply with the Ministry's Food and Beverage Classification System for schools and early childhood centers.
- FIG has investigated with the Ministry possible top line targets around the reduction of fat/sugar and salt in the food supply. As noted, it would be impossible to set one broad ranging target across the whole of the food supply. As a result the previous Government decided on top line targets around the Reduction of Obesity and Increase in Physical Activity. *Comment:* These have now been removed as national targets by the National Government.
- FIG has reviewed the Ministry's proposed model for the monitoring of food on television. However, a number of anomalies in this model have been identified and a review of how this area should be approached will be part of next year's action areas.
- Meetings on a regular basis (fortnightly) have been undertaken with the Ministry of Health to ensure activities and knowledge are shared.

**Project Three: Food Reformulation:** A specific action area involving food members in terms of reformulation of foods

**Goal:** FIG investigates an initiative to identify specific nutrient targets for relevant Food Industry members to improve the food supply

**Action Area:** One

With the many company driven initiatives in this area it was decided to investigate whether an overall industry target could be set across a product line or category. This would help companies to identify possible targets and how they could be achieved. A collaborative approach with the Heart Foundation, who have resources in this area, was investigated and a business

plan put together. Consideration of implementing this plan will take place for next year.

**Project Four: Counties Manukau District Health Board.** A specific action area looking at work with at risk population groups

**Goal:** FIG continues its partnership with Lets Beat Diabetes to positively influence food choices and food purchase involving at risk groups in the NZ population

**Action Areas:** Three

FIG has worked with Lets Beat Diabetes on a number of initiatives over the last three years. For 08-09 it was decided to concentrate on three main food industry initiatives. These are:

- To increase consumption of milk with emphasis on lower fat varieties. The four major milk players have undertaken, at their expense, market research to identify how this can be achieved. A plan has been put together as to how to progress this initiative and activities are planned to commence shortly.
- Increase the consumption of fruit and vegetables whether fresh, frozen or canned. This activity has commenced with selected supermarkets and will continue for the rest of the year.
- Decrease the consumption of full sugar soft drinks (fizzy) with a move to other alternatives. A plan to undertake such an initiative was produced last year. However, research showed the project would not be viable. As a result, another two plans have been proposed. Both are currently being researched with the aim to have at least one of these operational early 09-10.

**Project Five: Healthier Options through Retail Outlets.** A Cross Sector Approach

**Goal:** To work with Supermarkets and Quick Service Restaurants (as sector groups) to ensure there is a choice of, and improvement in, the availability of healthier food varieties

**Action Areas:** Two

- For Quick Service Restaurants – A commitment across the QSR sector has been agreed to regarding progressively ensuring healthier menu options are available. In addition, QSR's have identified specific action areas they can undertake as part of their own marketing and new product development plans.
- For Supermarkets –Both major supermarket chains have made a commitment to ensuring all food categories are carrying a range of products including healthier choices. In addition, both

retailers have introduced confectionery free check out aisles and are putting increased emphasis on fresh produce areas.

**Project Six: Advertising and Media:** To work with Food Industry and Media to implement a responsible self regulatory approach to advertising and marketing practices

**Goal:** The media industry puts in place self regulating practices around the advertising of foods and promotes healthier eating messages through various media

**Action Areas:** Five

- The Television Broadcasters Council has implemented, and will shortly be reviewing the guidelines around advertising of foods in children's TV programming time – the CF System
- The Communication Agencies Association of New Zealand along with FIG and the Ministry of Health have undertaken presentations to advertising agencies outlining the issue around obesity in the New Zealand population. This helps agencies understand the impact of obesity when they are creating advertisements.
- The Communication Agencies of New Zealand has also introduced an Advertising Effectiveness (EFFIE Award) relating to a new category promoting healthy eating/lifestyle.
- The Food Industry group has investigated the introduction of a media award or training booklet for journalists to aim for more balanced and factual reporting/information regarding nutrition, health and obesity. This is quite a complex area and work with the New Zealand Nutrition Foundation has commenced to undertake this project.
- All media outlets have been instrumental in ensuring there is increased information around healthier eating and the importance of having a balanced diet and undertaking regular exercise. Some of these initiatives are outlined in the Food Industry Achievements Section.

Note: The ASA has also put in place a review of the Code for Advertising to Children and Advertising of Food. Many FIG members will be involved in this area.

**Project Seven: Work Place Health:** A Specific Action Area with food company employers as it relates to their employees

**Goal:** FIG investigates what further actions might be undertaken by employers to ensure the work place promotes and encourages healthier eating options for employees

**Action Area:** One

This is a follow up to Project 6 in the 2007-2008 plan where information on healthier eating was disseminated and made available to members. Many

food companies are undertaking specific actions of their own, as noted in the Food Industry Achievement Section. Resources are, however, available via the previous Government's Well at Work initiative. A public/private approach in this area for next year will be further investigated.

## **OTHER ACTIVITIES:**

### **PRESENTATIONS AT INDUSTRY AND NON INDUSTRY CONFERENCES**

FIG has been active in presenting Food Industry Achievements at public health and food related conferences. It is important to present our accomplishments so food related organisations understand what has been achieved.

**MEDIA** The Food Industry Group continues to write regularly on relevant issues in industry magazines. It also writes press releases and responds to media stories in newspapers and magazines

### **LIAISON WITH OTHER ORGANISATIONS**

The Food Industry Group liaise on relevant issues with a large number of relevant organisations including:

- The New Zealand Nutrition Foundation
- The Dietitians in Industry Special Interest Group
- The New Zealand Food Safety Authority
- FSANZ
- The National Heart Foundation of New Zealand
- The New Zealand Institute of Food Science and Technology
- The Counties Manukau District Health Board
- The New Zealand Juice and Beverage Association
- The Confectionery Manufacturers Association of Australia
- The Advertising Standards Authority
- The Foundation for Advertising Research