Industry Alert - August 2021

Global Industry Tactics to Weaken Front-of-Package Labeling Policies

This bulletin equips healthy food policy advocates with information on the latest food industry tactics to undermine and block healthy food policies around the world. It also contains key recommendations for advocates on how to mitigate these efforts.

Snapshot of Industry Tactics

The food industry has noticed the growing efforts to implement mandatory front-of-package labeling (FOPL) regulations on ultra-processed products (UPP) in many countries. It sees FOPL as a global policy trend that threatens its commercial interests. Countries considering, formulating, debating, or implementing FOPL face industry opposition specific to their contexts. However, global monitoring shows systematic and consistent use of similar interference tactics across the world.

The previous alert on FOPL exposed examples of industry interference in Argentina, Brazil, Colombia, Mexico, India, Uruguay, and the Caribbean region. This alert contains an updated analysis and examples from some of these geographies.

Industry is employing a variety of tactics to undermine healthy food policies.
Snapshot of Industry Tactics

A. Weakening the public health standards of the measure and casting doubts on the evidence supporting the measure

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Industry Dirty Tricks

These are some examples of current industry tactics to undermine and block healthy food policies.

A. Weakening the public health standards of the measure and casting doubts on the evidence supporting the measure

1. Undermining the nutrient profile model (NPM) used to determine what products get labels (cutoffs points)

Challenging the Pan-American Health Organization (PAHO) and its NPM in Latin America and the Caribbean

In Argentina, on the eve of the full Chamber vote on the Healthy Eating Promotion bill, the industry and its allies strongly criticized the PAHO NPM, effectively undermining the protection of public health, while promoting the interests of the UPP sector:

• Academics with industry ties claimed: “There are clear examples of processed foods that maintain their dietary matrix and nutritional quality. In case the cut-off points follow the model proposed by the bill, some products would be falsely impacted by warning labels, such as canned fish, varieties of cheeses, yogurts, crackers with fiber or whole-grain cereal (...). It does not make sense that these foods have more labels than soda or sugary juices.” Apparently, the industry found it problematic to inform consumers about the excess of critical nutrients in products that are falsely considered healthy.

• Industry-friendly academics related to the Argentine Association of Food Technologists (AATA) have heavily criticized the PAHO NPM and the NOVA Food Classification system. They argued: “the [NOVA] model assumes that what is prepared at home is always healthier”; “the chemical and nutritional composition of foods is independent of the manufacturing process”; and “the PAHO NPM fails because it includes additives (such as non-caloric sweeteners and caffeine) as critical nutrients.” These statements ignore scientific evidence—free of conflicts of interest—that confirms highly processed, edible and drinkable products have a relevant negative impact on the health of the population and planet. Industry has also challenged PAHO’s competence to establish a NPM and claimed that the PAHO NPM contradicts international Codex guidelines. These inaccurate claims have neither legal nor technical basis and are intended to delay and hinder regulatory processes.

In the Caribbean region, where a FOPL standard is being discussed at the Caribbean Community (CARICOM) regional level, organizations linked to the private sector—such as the CARICOM Private Sector Organization (CPSO) and the Jamaica Manufacturers and Exporters Association (JMEA)—tried to delegitimize PAHO and the science backing its NPM. These organizations pushed to cast doubts on established scientific evidence around the effectiveness of front-of-package warning labeling (FOPWL), particularly around a study conducted by PAHO in Jamaica.
• In Colombia, where Congress debated and passed a FOPL bill, the National Business Association of Colombia (ANDI) affirmed in debates and to the media that it agreed with implementing a labeling system aligned with Codex Alimentarius nutrition labeling guidelines; however, it opposed to classifying foods by their level of processing or using the term “junk food.”

Challenging the NPM of the World Health Organization South-East Asia Region (WHO SEARO)

In India, the Food Safety and Standards Authority of India (FSSAI) working group on FOPL, which has ties to the UPP industry, enacted a very industry-friendly proposal. For instance, the proposal’s nutritional threshold for salt, sugar, and fat was “relaxed up to eight times as compared to earlier limits” established by WHO recommendations. This media article also highlights that “the food industry giants are seeking relaxation in these regulations as they fear that their products may not get manufactured” if the standards come into effect. Public health, as always, is pushed away by private interests.

Undermining critical nutrient cutoffs to benefit industry

In Uruguay, FOPWL regulation was recently established after several amendments to a presidential decree, which included modifications to the NPM. The Minister of Industry, Energy and Mining said the government continues to support the “black octagons,” but it decided to reduce the critical nutrient cutoffs because they would be disruptive to the industry. Instead, he said the industry should reformulate its food, and the government should allow the population to adjust to lower sodium, fat, and sugar content. Officials also stated that a big jump on the nutritional thresholds would fill grocery store shelves with black labels, making the policy lose its impact.
2. Proposing flexible or less restrictive FOPL policies and systems with junk arguments

Junk science defending junk food

In Argentina, the sugary drinks industry and sugary yogurt industry were the most vocal opponents to FOPL. Their lobbying tactics included paying academics to **advocate for less effective FOPL proposals without disclosing their conflicts of interest (COI)**. These academics and others with COI advocated for less effective FOPL models at informative discussions in Congress. **An industry-aligned legislator even proposed the Guideline Daily Amounts (GDA) system**, which has been shown to be very confusing to consumers and is widely discredited by experts. Moreover, representatives from the advertising industry have used the “evolving capacities” of children principle to defend exposing youth to unhealthy food advertising. This principle establishes that “as children acquire enhanced competencies, there is a reduced need for direction and a greater capacity to take responsibility for decisions affecting their lives.” Accordingly, the UPP industry has claimed: “If adolescents can drive or vote, they should also be able to choose what to eat.”

The alleged demonization of ultra-processed products

In Argentina, the Argentine Sugar Center is leading the opposition to the FOPWL, saying it “demonizes sugar.” Companies that produce 80% of the country’s UPPs on a large scale are among the strongest opponents of the bill, which they claim demonizes their products. The Argentine Chamber of Advertisers favors restricting the marketing of products directed at children that do not meet “nutritional criteria,” but it requested some changes to the bill that it considered “confusing.”

In Colombia, when the **FOPL bill was about to be discussed**, ANDI representatives suggested that all “prepackaged foods”—a term used by the industry to avoid the **negative connotation associated with UPP**—comply with the current regulatory framework and that classifying foods by their level of processing **demonizes certain products**. (see point A.1 above)
**Seeking more favorable political avenues**

In **Argentina**, the National Food Commission (CONAL) attempted to undermine congressional efforts to pass FOPL legislation by pushing for a laxer FOPL resolution. The legislative process was being overseen by four ministries: Agriculture, Livestock and Fisheries; Health; Productive Development; and Foreign Affairs, International Trade and Worship. **Sugar provinces had argued that the resolution should consider the differences in products from the regional economies.** (see point A.1 above)

Something similar happened in **Colombia**, where the FOPL law was passed by Congress in mid-June after years of advocacy efforts. Days before the law was passed, the Ministry of Health (MoH) issued a weaker resolution under intense pressure from industry lobbyists. In this scenario, an ANDI representative argued that the FOPL law was the result of a collaborative process between industry, government, and civil society, while recognizing that the MoH resolution stemmed from an ANDI initiative. The representative said the resolution transformed Colombia into “the first country in Latin America where the industry takes a step forward and tells the government to work together with some label designs and limits that will be useful for all.” (see point A.1 above)

**Creating confusion and pushing for labeling designs that have not been scientifically evaluated**

In **Colombia**, despite the MoH resolution not meeting the standards of the recent law passed by Congress, the industry keeps positioning its package warning circles to oppose the FOPL octagons, while providing no evidence that they would be more effective. However, ANDI says that the labeling proposed by the MoH resolution represents a system adapted to the nutritional needs of the Colombian population, as based in scientific evidence and international standards. (see point A.1 above)

In **Mexico**, where a robust FOPWL has been implemented, there were rumors about a FOPL proposal that would use a traffic light image and emoticons to help customers quickly identify products’ nutritional benefits through five colors: red (high), orange and yellow (medium), and purple and blue (low).
Promoting alternative solutions

In **Jamaica**, JMEA launched a campaign to fight non-communicable diseases (NCDs) using the slogan: “Stay in the know and #KnowDiNutriFacts.” The campaign was intended to provide information to consumers about how to read the nutritional panel (back-of-pack labeling), which is known to be difficult to understand by the average consumer. JMEA rolled out this education campaign to emphasize the importance of back-of-pack labeling at a key moment when a FOPWL standard is being discussed at the regional level.

In **Peru**, the Lima Chamber of Commerce asked the authorities to modify the FOPL manual to allow the permanent use of FOPWL stickers for imported products (instead of permanently printing the warnings on the packaging), arguing there could be shortages without the change. Likewise, the Association of Exporters (ADEX) asked to delay the second phase of technical parameters that requires reducing sugar, sodium, and saturated fat in processed products by at least nine months.

Healthy Eating law: the controversy about the third extension of the use of stickers.
B. Fearmongering and stalling through legal, trade, and economic messages

3. Arguing for the need to harmonize with regional and international commercial standards as a way to stall country efforts

As featured on our first alert regarding Argentina, there are ongoing endeavors from industry allies to undermine the country’s effort and willingness to regulate and promote healthier food environments. A representative of the United States Chamber of Commerce (AmCham) highlighted the need to harmonize this topic within Mercosur countries and suggested that FOPL legislation should be provisional until this happens.

In Jamaica, the Private Sector Organisation of Jamaica (PSOJ) has emphasized the need to define a FOPL model that is most suitable for the CARICOM region. The PSOJ believes the Chilean model (warning labels) is tailored to a country with limited trade. Rather than a “one-size-fits-all” approach, it says the regional reality should be considered to develop appropriate policy designs.

4. Claiming that front-of-package warning labeling will be an obstacle to trade and a violation of intellectual property rights

Industry interference in the Colombian Congress put the country’s FOPL bill at risk. Industry constantly attacked the concept of UPP and argued that FOPWL legislation was an obstacle to trade and a violation of intellectual property principles.

In Argentina, the Dairy Industry Center (CIL) joined the claims of AmCham, CONAL, and the sugar union to argue that the FOPWL bill would not only hurt internal consumption of dairy products, but also cost the industry foreign exchange income from exports. They claimed the FOPWL rules would generate a competitive disadvantage with respect to other countries, mainly the Mercosur partners. They also suggested that the bill would cause legal, productive, and logistical problems that would affect Argentine dairy exports.

In Jamaica, JMEA has said that, while the private sector is worried about NCDs, it is also concerned about the trade impact of warning labels that could create the impression that a product was unhealthy. In Barbados, “Barbadian manufacturers have given qualified support for a front-of-package labeling standard, saying they could not back the move if it hurts businesses.” (see point A.1 above)
In Mexico:

• Although commercial rights are not absolute, new legal threats and challenges have been put forward using trademarks and intellectual property rights aimed at protecting UPP. Arguments being used include:
  
  • International and national legal standards mandate to use trademarks to maintain usage rights.
  
  • The FOPWL is causing direct and collateral damages, such as detriment to the value of the brand and necessary investment in new advertising and strategies to reposition the brand, among others.
  
  • Companies have submitted more than 50 amparo legal remedies against the FOPWL policy, arguing that it has restricted companies’ constitutional rights, such as freedom of expression on the use of cartoons and other figures that emotionally link consumers to their products.
  
  • The American Bakers Association said the application of the new FOPWL in Mexico does not comply with the trade provisions of the United States–Mexico–Canada Agreement (referred to as T-MEC in Mexico), presenting a trade barrier for US exporters. Moreover, more than 25 US agricultural groups sent a letter to the US Department of Agriculture and the US Trade Representative about their concerns on trade with Mexico, which included the FOPWL policy. Rural, social, academic, and research organizations responded by urging the Mexican government not to give in to the US agri-food industry, which is lobbying against the FOPWL, a decree that gradually eliminates the use of glyphosate, and a ban on transgenic corn.

C. Leveraging legal loopholes to continue promoting ultra-processed products and undermining the policy implementation

5. Marketing strategies to boycott the FOPWL purpose

Undermining advertising restrictions

In Chile, a “super crunchy” sticker was placed on the “high in calories” warning label.
In Mexico:

- FOPWL laws prohibit the use of animated characters, celebrities, and any other element aimed at children and adolescents. However, **BIMBO has taken advantage of legal loopholes by providing Tupperware gifts decorated with images of the BIMBO bear.**

- As previously documented, products are still **arranged on store shelves near cartoons** and with the **back of the pack (without the warning labels) facing forward.**

- Huge package displays advertising products high in salt and fat contain **no warning labels.**

- Kellogg’s has promoted a flashy, digital campaign marketing junk food to children. The campaign announces **“the return” of the company’s cereal cartoon characters** (Melvin, Tony the tiger, and Sam), using the slogan: **“Do not forget it, we will always be close to you.”**

**Using the warning labels to promote products**

In Mexico, products with an “excess sodium” warning label are accompanied by an “excess flavor” green octagon. This marketing strategy could generate confusion among consumers.
6. Casting doubts around policy effectiveness

Undermining advertising restrictions

In Mexico, the media has put forward different messages regarding the effectiveness of the FOPWL policy. For instance, an article published by Forbes stated that compliance with the law won’t necessarily translate into better consumption habits. This information was leveraged by the industry in Colombia, while the FOPWL bill was being discussed in Congress. Fortunately, the National Institute of Public Health of Mexico refuted this misinformation with scientific arguments in defense of public health.

D. Recommendations for advocates

• Counter industry arguments simply and effectively: Healthy food policy advocates have extensive resources to debunk and demystify the usual industry statements. For instance, the PAHO document “Front-of-Package Labeling as a Policy Tool for the Prevention of Noncommunicable Diseases in the Americas” could be adapted to your local context and communicated to the public, government, and other stakeholders. Reach out to us if you need supportive evidence to counter industry arguments.

• Include UPP in the scope of the policy: In addition to a strong NPM to define when a product is high in critical nutrients, mandatory FOP labels/legends on the presence of sweeteners, caffeine, and other additives could allow consumers to easily identify UPPs. These could play a key role when the industry starts reformulating its products to avoid labels for items high in fat, sugar, sodium, etc. An UPP with fewer critical nutrients could be less harmful, but it is not necessarily healthy.

• Link FOPL to other healthy food policies: FOPL policies represent an opportunity to promote other healthy food policies—such as taxation, marketing restrictions, procurement policies, and regulation of school environments—that can contribute to a broader healthy food environment. Coordinating FOPL with other policies increases the likelihood that each can be implemented effectively by denying industry the chance to subvert the intent of individual policies. Moreover, products under the scope of the labeling should not be allowed to be promoted with other positive/contradictory/confusing seals or health/nutritional claims on the same package. Points of sale should also be regulated, reducing the industry’s chances of undermining the FOPL purpose when consumers make purchasing decisions.

• Organize and mobilize multiple voices: FOPL designed according to the best health standards represents a powerful tool to promote more sustainable food systems for human and environmental health. This presents opportunities to unite voices from academia, environmental groups, small farmers, and other activists and NGOs in support of FOPL. These stakeholders can influence policymakers and the public to move toward a healthier and more sustainable future for all. Mobilizing multiple voices can also create a support network for advocates working to counter industry opposition to healthy food policies.

We welcome comments and feedback at fpp@advocacyincubator.org