

WHERE IS THE FRUIT?

— S E P T E M B E R 2 0 1 0 —



freshfel

EUROPEAN FRESH PRODUCE ASSOCIATION



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INTRODUCTION

Freshfel Europe, the European Fresh Produce Association, is the forum for the fresh fruit and vegetable supply chain in Europe and beyond. Freshfel Europe incorporates more than 200 companies and national associations of producers, importers, exporters, distributors, wholesalers, retailers and their service providers, both within the EU and in countries with an interest in the European fruit and vegetables market.

Freshfel's mission is to facilitate international fresh produce trade, improve the efficiency and competitiveness of the sector, assist members to comply with the highest safety rules and secure a favourable environment to promote the benefits of fresh produce; **all of these with the ultimate goal of stimulating the consumption of fresh fruit and vegetables.**

The present study has been commissioned to CC Marketing, a research agency in Ireland, under the initiative of Freshfel's Promotion, Communication and Image Committee, and coordinated by the secretariat of Freshfel Europe.

The aim of this study is to establish the actual fruit content of a variety of FMCG (fast moving consumer goods) food products that contain an image/picture or a word/reference to fruit on the outer packaging or label.

The study was inspired by a similar research done in the US ("Where is the fruit? Fruit content of the most highly-advertised children's food and beverages", the Prevention Institute, January 2007).

The use of attractive images on the packaging is a common tool employed to sell food products. This unmistakably leads consumers to believe that these products actually contain a substantial amount of the product alluded to (by images or statements) in the packaging. In the new wave of health-conscious consumers, it has become more

and more common to have references to fruit or see images of fresh fruit and vegetables depicted on all types of products.

However, with the arrival of new provisions to be applied in regard to the use of claims (EU Regulation 1924/2006 on nutrition and health claims made on foods), the use of "**pictorial, graphic or symbolic representations in any form, which states, suggests or implies that a food has particular characteristics**", is now indisputably included in the definition of what constitutes a "claim", and has therefore to abide by the rules set in the Regulation.

With the research in this study, the fresh fruit and vegetables sector aims at evaluating the situation and exemplifying how the image and name of, in this case fruits, is being used (or misused) by other food products in relation to this new EU provision. This study has a general outreach and does not target a particular food category or brand.

CONTEXT



Obesity is today one of the major health challenges that Europe is confronted with. The effect of the under consumption of fresh produce, combined with other factors such as an inadequate diet rich in sugar, salt and fats, as well as a lack of physical activity is leading today's society to face this health challenge with a growing part of the population being overweight or obese.

In this context, and having been identified by the consumers themselves as one of the most valuable healthy eating habits that they should pursue ("Health, Food and Nutrition" Eurobarometer of 2006, mentioned below), the image of fruit and vegetables has become a very attractive one for food manufacturers in order to sell all types of fast moving consumer goods

(FMCG). It is indeed the manufacturers of these FMCG that have a much larger budget for marketing their products than the fresh produce sector could ever dream of having to promote fresh fruit and vegetables.

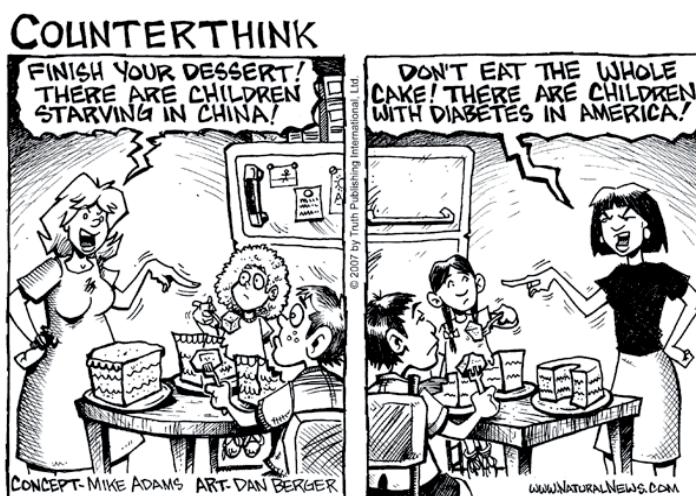
With the entering into force of the new EU Regulation on claims however, the use of images that imply that a product has certain characteristics is for the first time to be framed within a legal set of rules. This research hopefully provides a snapshot of how things are currently developing and where the fresh fruit and vegetables are being positioned in this problematic.

The Obesity problem

Following the global trend, in most countries of the EU, more than half of the adult population is overweight or obese, with figures rising to 60% among people aged 50-70 years. In the last two decades, the proportion of children with excess bodyweight in Europe has risen from 10% of children to over 28%, with some European countries finding 35% and even 40% of children overweight. An estimated 22 million children are now overweight in the EU (25 members), and this figure is rising by 1.2 million per year.

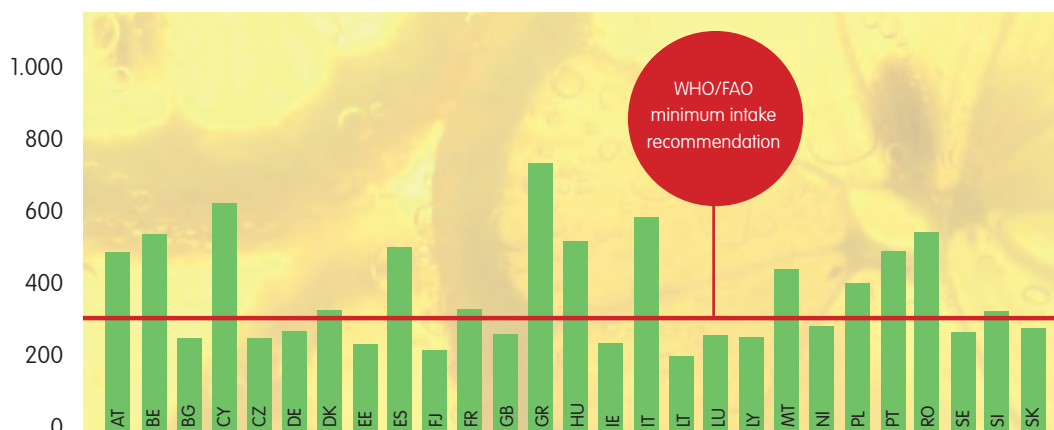
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Obesity causes a range of chronic diseases, among which are diabetes, various cancers and heart diseases. The costs of ill-health due to obesity and linked diseases are high, accounting for up to 6% of total health sector bills in the EU Member States. Added to this there are wider additional economic and social costs related to loss of productivity, absence at work, family costs of caring for obese sick relatives, etc.



Based on a wealth of robust scientific research around the world that demonstrates the health benefits resulting from the increased daily intake of fresh fruit and vegetables, as well as on the opinion from several public institutions (i.e. WHO, FAO, European Parliament, European Council, EESC), it is undeniable that fruits and vegetables have an essential role to play in the fight against obesity. Some figures elaborated by the University of Tilburg in the Netherlands in 2007 revealed that the health costs of insufficient fruit and vegetable intake amounts to 633 million €/year only in the Netherlands. The cost of obesity to the economies of the whole EU27 has been calculated to reach €150 billion plus per year. However, WHO/FAO recommendations that adults should consume a minimum of 400 grams of fruit and vegetables per day to reduce health risks and encourage a better quality of life are not being achieved. On average the EU-27 population is achieving approximately half of this recommended rate (Freshfel Consumption Monitor 2009).

FRUIT & VEGETABLES SUPPLY IN G PER DAY



Marketing budget

European consumers are becoming increasingly health-conscious in their buying choices. According to the "Health, Food and Nutrition" Eurobarometer of 2006, a majority of European consumers believe that healthy eating includes a balanced and varied diet rich in fruit and vegetables, with 58% of EU consumers finding indeed that eating a healthy diet involves above all "eating more fruit and vegetables".

The fact that many food companies put so much emphasis on marketing and promotion highlights how important they believe the issue to be. For many companies it is an integral part of their business model, and they devote significant resources to find out which consumers are buying their products and what factors are influencing their choice to buy or not buy.

However, the fruit and vegetable sector is very fragmented and operates with tight margins. Consequently, limited marketing and promotional activities are undertaken by the sector as a whole or by individual companies. Furthermore, the Common Agricultural Policy today is not focused on fruit and vegetables and insufficient resources are used on the promotion of fresh produce.

At the same time, fresh fruit and vegetables are competing with a wide range of food categories, such as those of the fast moving consumer goods (FMCG), which have significantly larger marketing resources. According to a 2009 study by the University of Bonn, in Europe the share of advertising time on TV or overall food marketing expenditures to children devoted to fruit and vegetables is negligible (less than 1%). In the US "Out of Balance" report of 2005, it was established that food, beverage, candy and restaurant advertising hit \$11.26 billion in 2004, compared to a mere \$9.55 million to advertise the Five a Day campaign, promoting the eating of five or more servings of fruits and vegetables a day (i.e. well over a thousand times greater).



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Claims

According to EU Regulation 1924/2006 on nutrition and health claims made on foods, which covers nutrition and health claims made on all foods marketed within the European Union, a claim is any message or representation, which is not mandatory under Community or national legislation, **including pictorial, graphic or symbolic representation, in any form, which states, suggests or implies that a food has particular characteristics.** The Regulation therefore covers

The use of all **wording and symbols** which imply that a food provides a particular nutritional or health benefit.

Nutrition and health claims made in commercial communications whether in the labelling, **presentation** or advertising of foods to be delivered to the final consumer.

Further, in the work that is being undertaken by the European Food Safety Authority (EFSA), the European Commission and Member States, to establish nutrient profiles, the Commission has made a proposal (European Commission, Health and Consumers Directorate-General, Working document on the setting of nutrient profiles of 16 December 2008 – latest update at the time of writing), so that for a product to be considered as part of the category "Fruits, vegetables, nuts, and their products", the following specific conditions need to be met:

1. Specific conditions: **Minimum 50g of fruit, vegetable or nut per 100g of finished products**

50%

2. Thresholds (i.e. maximum):

a. Sodium

400mg per 100g or ml

b. Saturates

5g per 100g or 100ml

c. Sugars

15g per 100g or 100ml

METHODOLOGY

The aim of the study was to establish the actual fruit content of a variety of FMCG (fast moving consumer goods) food products that contain an image/picture or a word/reference to fruit on the outer packaging or label, without targeting any specific brand or retail outlet.



In order to carry out the study it was decided that the products needed to be bought in the supermarkets of a number of European countries, within a range of categories and following certain parameters.

Given the logistic difficulty of covering all 27 Member States, nine European countries were chosen to be included in the study, representing over 75% of the whole EU population.

The selected countries are:

Belgium	Ireland	Poland
France	Italy	Spain
Germany	Netherlands	United Kingdom

The largest food supermarket, by volume, in each of the nine participating countries was then selected for the shopping trips.


From an initial list of 29 food & drinks categories, a definitive list of 23 were chosen for this study, given that for the remaining 6 it was not possible to find a corresponding product in all 9 countries and therefore the comparison would have been incomplete.

Product Groups


Yogurt Drinks	Biscuits	
Yogurt	Sweets & Chocolates	
Cakes	Crackers & Crispbreads	
Other Desserts	Baking	Flavoured Water
Stuffing/Dressing	Jams, Spreads & Honey's	Long Life Juices
Table Sauces	Milks & Custards	Smoothies
Cereal Bars	Ice Cream	Chilled Juices
Breakfast cereals	Fizzy Drinks	Fruit & Herbal Tea

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With the aim of being as neutral and objective as possible, but representative of product ranges offered to the consumers in a particular shop, a number of parameters were identified and established to conduct the study. Thus, products were chosen by shoppers designated by Freshfel using the following criteria:

 <p>PACKAGING</p>	<ol style="list-style-type: none"> 1. Products that depicted fruit on packaging 2. Products that made reference to fruit on packaging 3. Products used words relating to fruit on packaging
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Moreover, with a view of securing the widest diversity of products, Freshfel designated shoppers were instructed to (where possible):

 <p>BRANDS</p>	<ul style="list-style-type: none"> • Choose a brand located at eye level on shelf • Choose a brand using the biggest shelf space • Choose local rather than international brands • Purchase a popular / best selling brand • Choose a product on promotion • Avoid private labels
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Purchases were made between April and May 2010. The 23 product groups purchased across all nine participating countries gave a total of 207 products to be analysed. These 207 products were then divided and catalogued into a number of fruit categories based on the type of fruit ingredient or ingredients they contained. The fruit categories chosen were:

 <p>FRUITS CATEGORIES</p>	<ul style="list-style-type: none"> • Fruit • Fruit Pieces • Fruit from concentrate /Fruit Juice concentrates concentrated fruit/concentred juice* • Fruit Juice* • Dried Fruit • Fruit Puree • No fruit <p><small>*Divided into 2 groups of: (a)10% or less (b)1% -100%</small></p>
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All ingredient information, nutritional information and type of fruit included in each product, as indicated in its package, was then verified by a clinical Nutritionist & Dietitian, Linda Hogan MPhil, BSc(Human Nutrition), Dip Dietetics, MINDI.



RESULTS

(N.B.): As the majority of products contained more than one fruit component, some products were included in several of the fruit categories. Therefore totals in specific graphs might not add to 100%.

Main findings

Product Type All Countries	Number Products Containing Fruit	Number Products Containing NO Fruit
Yogurt Drinks	8	1
Yogurt	9	0
Cakes	8	1
Other Desserts	7	2
Stuffing/Dressing	9	0
Table Sauces	8	1
Cereal Bars	8	1
Breakfast cereals	9	0
Biscuits	7	2
Sweets & Chococlates	8	1
Crackers & Crispbreads	8	1
Baking	2	7
Jams, Spreads & Honey's	9	0
Milks & Custards	4	5
Ice Cream	9	0
Fizzy Drinks	9	0
Juice Packs	9	0
Sports Drinks	3	6
Flavoured Water	3	6
Long Life Juices	9	0
Smoothies	9	0
Chilled Juices	9	0
Fruit & Herbal Tea	5	4
TOTAL PRODUCTS	169	38
% of all products	82%	18%

Per product category:

In total 10 product groups had some level of fruit in all of the 9 products purchased: Yogurt, Stuffing / Dressing, Breakfast Cereal, Jams, spreads & honey, Ice cream, Fizzy drinks, Juice Packs, Long life juices, Smoothies and Chilled juices.

5 product groups contained the highest number of products with no fruit ingredients: Baking, Milk & Custard, Sports Drinks, Flavoured Water and Fruit & Herbal Tea.

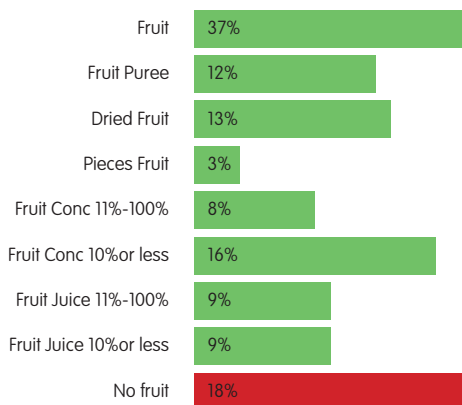


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Per products:

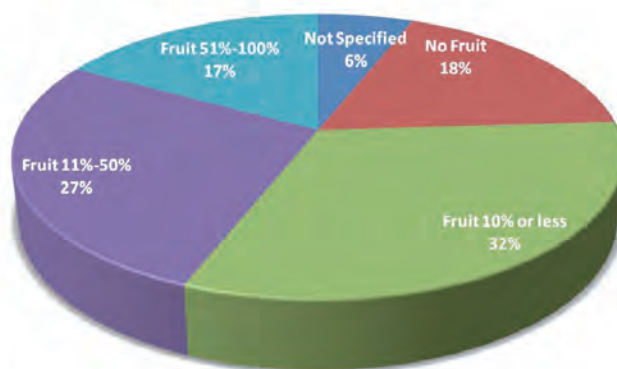
% Products Containing Fruit & Fruit Category

All Countries 207 products / products can be included in more than one category



Of the 207 products studied the results show that **18%, almost 1 in 5 products, contained no fruit** while the remaining 82% had fruit in one form or more.

Fruit Contained in All Products/ 207 products



A full **50% of products contained no (18%) or minimal fruit (32% had less than 10% fruit content)** despite the display of images or reference to fruit in their package.

27% had a content between 11% and 50% of fruit.

Only 17% of products had more than 50% fruit content.

An **additional 6%** of products did not specify the amount of fruit content, so these could be either above or below 10% content.

From all the products, 29% contained more than 15g per 100g or ml of sugar. Of those products containing at least 50% of fruit, 20% were also above this limit.

	All Products		All Products with fruits 51%-100% (35 products)	
PRODUCTS CONTAINING	PRODUCTS	%	PRODUCTS	%
Sugar 15g+per 100g/100ml	61	29%	7	20%

Analysis in view of EU Regulation 1924/2006:

Given the new EU Regulation on nutrition and health claims and the discussions as they stand so far on what qualifies as a “fruit and vegetable product”, and the requisites thereof to make claims on them, Freshfel’s research shows that from all the products included in the study (207 products), **only 13,5% (28 products) would actually be “allowed” to carry images of fresh fruit on their packages without being in breach of the EU Regulation and therefore misleading to the consumers.**



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CONCLUSIONS

Marketing tools used in packaging have an enormous impact on consumer choice and are very powerful to influence and even change consumer tastes and preferences.

Consumers' food purchase behavior is not only dictated according to taste and lifestyle, but is also heavily influenced by the marketing of that food, including on the packaging.

In the current market conditions and given the "halo" that healthy foods have in the mind of consumers, particularly those conscious of the obesity problem, it is clear that using the image of fresh fruit and vegetables in the packing of products is a marketing tool to make them attractive and increase sales.

The image of fresh fruit is indeed being used by a high number of fast moving consumer goods (FMCG) sold and marketed directly to consumers in different store settings. These images make consumers believe that those products have the specific characteristics and benefits that consuming fresh produce would provide.



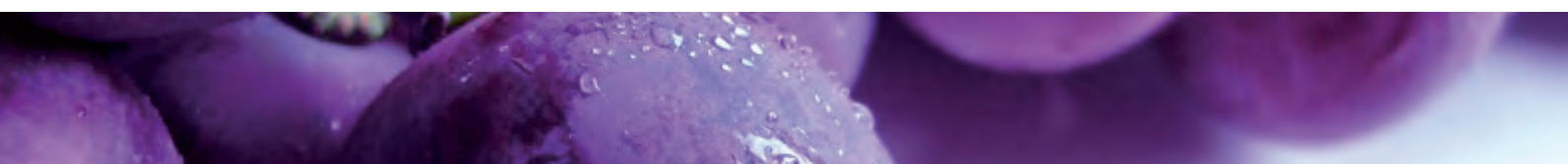
This study demonstrates that consumers across Europe might for a great number of their food purchases be misguided into buying products which do not have the characteristics depicted on their packaging.

The packaging of certain products simply reminds consumers of the nutritional value of fresh produce, without delivering the benefits. This situation is not unique to Europe. A similar study in the US concluded that nearly two-thirds of highly-advertised children's food products with images or references to fruit on the package contained little or no fruit and were high in added sweeteners ("Where is the fruit? Fruit content of the most highly-advertised children's food and beverages", the Prevention Institute, January 2007).

Consumers need truthful and trustful information when they make purchasing decisions and should not be misled. There is currently a lot of discussion on how the increased awareness of consumers on the benefits of consuming fruit and vegetables is however not translating into a behavioural change. Perhaps a relatively large part of consumers believe that their food choices are in line with increasing fresh produce consumption without this being the case.

As this research exemplifies, under the new EU Regulation, a much reduced amount of those products (only 13.5% in the research) actually qualify to make any claims relating to their fruit and vegetable content.

In light of this, either misleading images and statements from packaging – such as allusions to fruit and vegetables in products that contain little or no fruit or vegetables – should be removed, or existing food and beverages should be reformulated to significantly increase their fruits and vegetables content.



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NOTES AND DISCLAIMER

The present research study was made with limited resources and therefore it is limited in reach, at least on what refers to the number/category of products and markets analysed. However, Freshfel took care that both the products and methodology used for the research provide representative findings of a more complex reality on the food market and the final conclusions could therefore apply in a larger context.

For purpose of the study, brands and outlets chosen for the research have the objective to depict a situation and are in no way meant to target specifically any particular product category or brand. Conclusions drawn are therefore general and not specific.

Disclaimer: This report has been prepared by Freshfel Europe with a view to pointing out the actual fruit content of food products that contain an image/picture or a word/reference to fruit on the outer packaging or label. The report is for information purposes only. Freshfel bases its estimates of the fruit content of the various products examined in this report on the ingredient labelling of those products and therefore cannot guarantee the accuracy of the data. Freshfel does not accept responsibilities for or liability of any sort for any loss or direct, consequential, incidental, indirect or special damages of any kind, or any other damages howsoever arising out of or in connection with the information provided. Each page of the report must be read in conjunction with this disclaimer.

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