

Federation of Bakers May 2006.

Good afternoon. It's a pleasure and a privilege to be with you at your annual conference.

I'll start with one confession and one disclaimer if I may.

First the confession. I did everything possible to get out of making a formal speech today. I pleaded with the Executive Secretary of your Federation to allow me just hold a Q&A session. But I was told that tradition demanded a more structured intervention. So I'll do that and take questions later.

Second: the disclaimer. What I have to say might bear a curious resemblance to what I said at the F.D.F dinner in March. So for those of you who were there you should feel no inhibitions about having a short siesta. My only request is that you neither snore nor grind your teeth.

Having got that off my chest what I propose to in the next 12 minutes is to examine the progress which the food industry has made since the government published its White Paper on Public Health in the Autumn of 2004.

As it relates to diet, nutrition and health the White Paper is:

- Sensible, thoughtful and pragmatic
- It addresses all of the key issues – labelling, advertising to children, public education, physical activity.
- The task now is to identify and implement solutions that get to the heart of these problems, without getting distracted by some of the politics and emotion surrounding them.

The issue tackled in the White Paper is essentially one of poor nutrition. Our bad eating habits are resulting in some of us getting **too few** essential nutrients and many more of us taking in **too many** calories. As a nation we are getting fat and unfit and are consuming almost twice the amount of salt that we should. It is doing none of us any good.

Why has this come about? Well it is largely an outcome of the success of our own industry.

- Massive improvements in farming, manufacturing and retailing mean food is now more plentiful, more available and cheaper than at any time in human history. The temptation to over consume is great.
- Despite this if you track consumption data back to the end of the war, the British, as a nation, are **NOT** taking in as many calories in 2005 as they did in 1945. The big difference between now and then is that we are **expending** far fewer calories.
- Why this should be so is obvious. In the 1950's and 60's our lifestyles were much more active. Back then:
 - most people walked to work or school;
 - manual labourers outnumbered office workers;
 - T.V. was for the privileged few;
 - car ownership was low;
 - hopscotch and street soccer (rather than Tomb Raider) were our children's games of choice.

Let us not forget this (and to its credit the White Paper does not) but there are two sides to the the obesity equation – diet and physical activity. As an industry our duty is to address the diet side of the equation, whilst at the same time gently prompting government to tackle the problem of our dangerously inactive lifestyles.

So what has the industry done in the eighteen months since the White Paper?

A great deal, I would argue, and under a number of headings

- **On Labelling** we have built a consensus that we should all move to marking G.D.A's – Guideline Daily Amounts – on our products.
- Most of us have done this on the **backs** of our packs, and a growing number plan to put a simplified version on the **front**.
- **On Salt** we have worked closely with the FSA to produce large reductions across the whole range of processed foods
- In Bread it is down by almost a third since the early 1990's.

- Breakfast Cereals down 22% over the past three years.
- Soups and jarred meal sauces reduced by around 30% in 3 years.
- There are similar stories to tell in snack products, crisps, biscuits and cakes.

- **On fat** there have been extensive efforts to minimise or eliminate trans fats from our products and to reduce saturated fats.

- **On Portion sizes** there have been initiatives from the fast food industry and we have seen Confectioners withdrawing and/or reformatting king size products

- **On advertising to children** we have made proposals to government on how to tackle this sensitive issue.

Significant and measurable progress has been made.

So what remains to be done?

There is unfinished business in five areas

- Recipes and formulations
- Front of pack labelling
- Advertising to children
- Food in schools
- Public education

Let's start with Recipes

- On recipes the issue that has preoccupied your industry the most is salt.
- Here you've made great progress.
- You were the first food sector to take a public initiative – as far back as the 1990's
- You've made a series of moves since then.
- I know that you feel that you are coming up against some real technical constraints.
- I know also that the branded manufacturers feel that they've borne the brunt of this and that in-store bakeries and small artisanal outlets have got away with not doing very much.

- But I can't promise that this is the end on salt. The FSA and the DH are right to focus on salt. It does have a big impact on public health. Like it or not they will continue to put pressure on categories like yours which are big contributors to salt in the diet

The second area of unfinished business is labelling.

- In March the FSA recommended a new scheme based on multiple traffic lights. They want our packs to display 4 nutrients (saturated fat, fat, sugar and salt) and also total calories. We are happy to do this.
- The F.S.A scheme is, in essence, **very** close to the one being used by Tesco and the one which most of the major food manufacturers will adopt.
- There is one important difference. The FSA would like us to colour code the nutrients – red, amber or green – according to their level in the product. Their reasons for insisting on this are based on market research which suggests that consumers want a simple, “at a glance” mechanism for choosing. They also believe that low income, poorly educated consumers will be confused by the percentage G.D.A's which we - the manufacturers - plan to use. These are serious concerns which we should take seriously.
- However it is important too that people understand why we take a different view from the FSA.
- My worry about traffic lights is that they will drive the wrong consumer behaviours. Let me illustrate this with some examples.
 - Take a man shopping for butter or margarine. Standing in front of the chiller cabinet he will see full fat butter with 54% saturated fat, next to it will be a low fat margarine with just 12% saturated fat – under the FSA scheme both will carry a red traffic light for saturated fat. The consumer not surprisingly will conclude that there is no difference between them. A nutritionist or a G.P. would tell him otherwise.
 - Another example is mayonnaise. A woman shopping for mayonnaise will, of course, naturally choose Hellmanns. Here she will be confronted with a choice – Hellmanns Original (with 80% fat) and Hellmanns Light which has less than half the amount of fat - 30%. Again the FSA scheme will give both a red light for total fat.
 - This can't be right. I'm all for simplicity and I badly want a scheme which a single mother in Sunderland can understand but I have serious concerns about one which has been simplified to such an extent that it will lead her to make worse, not better, choices.

In the end of course both the FSA and the Food Industry have the same goal in mind – the provision of clear information to the consumer.

If we are intellectually honest we should be “evidence led”. The FSA concur in this view and we have agreed with them that we should allow the different schemes to go ahead and then evaluate them in two years time. At that point, on the basis of fact, we should move **not** to the one that is preferred by consumers, but the one that is driving the right behaviour.

A third area of unfinished business is Advertising to Children

- Here there is a difference of opinion between government and industry
- Advertising to children - whether it's toys, food or leisure products - is an emotional issue. And with food there are clearly strong societal and political pressures for change.
- The Food industry recognises these and has put forward a range of proposals to OFCOM
- We hope that OFCOM will recommend a response that is proportional and pragmatic and one that satisfies all stakeholders.

The fourth area of unfinished business is Food in Schools

- Here it is unquestionably right for Government to intervene. **Right** because it is important to instil good nutritional habits at an early age. **Right** because as the provider of these meals government have a duty to specify the nutritional standards that they wish to provide to the children in their care. As suppliers we will meet the specifications prescribed for us.
- My only advice to the DFES is to be pragmatic in introducing this policy. Children will vote with their feet if we go back to serving them braised liver and boiled cabbage. We already know that, in the Borough of Greenwich where Jamie Oliver did such great work, the take up of school meals has fallen. You can't go faster than your consumer is ready to tolerate.
- Beyond the food served in school canteens, the area of most interest to our industry is vending and tuck shops. This is not because it is either large or profitable. In fact it is neither. We are interested because draconian action here will bring all kinds of unintended consequences. If carbonated drinks, chocolate and crisps are banned from school premises a black market will develop overnight. The smuggling trade will be rampant and cause all kinds of problems for teachers, parents and children. Think prohibition in 1920's America.

- My advice to government is don't underestimate the ingenuity of the average school boy. Before you know it the Daily Mail will be running front page profiles of the Al Capones of the play ground who are out there peddling contraband Kit Kats – once again a well intentioned policy will be ridiculed. And who will take the rap, you've guessed – Cadbury, Walkers and Coke.

This segues neatly into the final area of unfinished business - Public Education.

- With food so cheap, so plentiful and so tempting the only way to address poor nutrition and obesity in an enduring fashion is with education. People (and particularly children) need to understand the consequences of the every day choices that they make in terms of diet and exercise (i.e. Do I have that pudding? Do I play on the computer or go out and kick a ball around?)
- Finally after a great deal of discussion between government and industry the Department of Health have come forward with a proposal for a major public health campaign.
- It will go under the strap line “small change/big difference” and will focus on both diet and physical activity.
- I am delighted by this. And for a number of reasons:
 - It focuses on the right issues – Both Diet and Exercise
 - It follows a proven model: the State of Colorado have been running with some success a campaign called “small steps, big difference”.
 - It is based on the consumer insight that people want to make changes, but can probably only manage small ones.
 - Finally it has at its foundations some very sound science. The work that Dr Kay Tee Kwah has done at Cambridge is compelling.
- As an industry we should get behind this government campaign and see what we can do to make it bigger and better.
- So let's take stock.
- **Since the publication of the White Paper the food industry has made excellent progress** towards improving the nutritional profile of its products. It is also providing clearer information to consumers, so that they can make the right choices for them and

their families. We are also addressing meaningfully issues of portion sizes and vending in schools.

- **What still needs to be done?:**

- We still need to agree on ONE approach to front of pack labelling.
- We still need to satisfy people's worries about advertising to children.
- We need to improve the quality of food in schools. The government must lead on this. But outlawing chocolate, crisps and soft drinks will get them nowhere. The Roosevelt administration had to abolish the Volstead Act in 1933 after criminalising a generation of Americans.
- We need to make the Small Change/Big difference campaign a brilliant multi-media success.

The only way in which all this can be done is by government and industry working effectively together. The issues of diet and health which we confront are too complex, too multi-dimensional for either of us to solve on our own. Like it or not, we are condemned to work together in the interests of that pesky individual who we in business call consumers and people in government call citizens.

In concluding I would express one wish: and that would be for a greater sense of balance and perspective in the way in which food is discussed and reported. Someone arriving from outer space and reading the Guardian newspaper would get the impression that we are a generation which demands qualities of our low fat yoghurts that we once expected of our saints. Like all really good things in life – claret, sex, opera - food is something that has to be consumed with thought and moderation.

I would be very happy to take any questions that you may have.