

Dairy Industry Hot Topics

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The Dairy Practices Council 46th Annual Conference

Cary Frye

V.P. Regulatory & Scientific Affairs

cfrye@idfa.org

MAKING A DIFFERENCE FOR DAIRY



What is IDFA?



Represents the nation's dairy manufacturing and marketing industries and their suppliers

Milk Industry Foundation (MIF)

National Cheese Institute (NCI)

International Ice Cream Association (IICA)

IDFA's nearly 200 dairy processing members run nearly 600 plant operations, Together they represent more than 85 percent of the milk, cultured products, cheese, ice cream and frozen desserts produced and marketed in the United States.



What we'll cover today....



- Sweeping Changes for Food Labels
 - Added Sugars = Add Confusion
- GMO Labeling
- Nutrition Policy Impact on Dairy
- Focus on Listeria

Sweeping Changes for Food Labels





Current Format	Proposed Changes																												
<p>Nutrition Facts Serving Size 2/3 cup (55g) Servings Per Container About 8</p> <hr/> <p>Amount Per Serving</p> <p>Calories 230 Calories from Fat 40</p> <hr/> <p style="text-align: right;">% Daily Value*</p> <p>Total Fat 8g 12% Saturated Fat 1g 5% <i>Trans</i> Fat 0g</p> <p>Cholesterol 0mg 0% Sodium 160mg 7% Total Carbohydrate 37g 12% Dietary Fiber 4g 16% Sugars 1g</p> <p>Protein 3g</p> <hr/> <p>Vitamin A 10% Vitamin C 8% Calcium 20% Iron 45%</p> <p><small>* Percent Daily Values are based on a 2,000 calorie diet. Your daily value may be higher or lower depending on your calorie needs.</small></p> <table border="0"> <tr> <td></td> <td>Calories:</td> <td>2,000</td> <td>2,500</td> </tr> <tr> <td>Total Fat</td> <td>Less than</td> <td>65g</td> <td>80g</td> </tr> <tr> <td>Sat Fat</td> <td>Less than</td> <td>20g</td> <td>25g</td> </tr> <tr> <td>Cholesterol</td> <td>Less than</td> <td>300mg</td> <td>300mg</td> </tr> <tr> <td>Sodium</td> <td>Less than</td> <td>2,400mg</td> <td>2,400mg</td> </tr> <tr> <td>Total Carbohydrate</td> <td></td> <td>300g</td> <td>375g</td> </tr> <tr> <td>Dietary Fiber</td> <td></td> <td>25g</td> <td>30g</td> </tr> </table>		Calories:	2,000	2,500	Total Fat	Less than	65g	80g	Sat Fat	Less than	20g	25g	Cholesterol	Less than	300mg	300mg	Sodium	Less than	2,400mg	2,400mg	Total Carbohydrate		300g	375g	Dietary Fiber		25g	30g	<p>Nutrition Facts 8 servings per container Serving size 2/3 cup (55g)</p> <hr/> <p>Amount per 2/3 cup</p> <p>Calories 230</p> <hr/> <p>% DV*</p> <p>12% Total Fat 8g 5% Saturated Fat 1g <i>Trans</i> Fat 0g</p> <p>0% Cholesterol 0mg 7% Sodium 160mg 12% Total Carbs 37g 14% Dietary Fiber 4g Sugars 1g Added Sugars 0g</p> <hr/> <p>Protein 3g</p> <hr/> <p>10% Vitamin D 2mcg 20% Calcium 260mg 45% Iron 8mg 5% Potassium 235mg</p> <hr/> <p><small>* Footnote on Daily Values (DV) and calories reference to be inserted here.</small></p>
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- Updated Daily Values
- Updated Serving Size
- Emphasis on Calories
- New added sugars
- Change in nutrients required
 - Actual amounts
- New footnote

Serving Size/RACC Proposed Rule

- Milk/fluid dairy
 - No change in serving size (240 mL. - 1 cup of milk)
- Yogurt
 - RACC would change to 6 ounces -170 grams (down from 8 ounces)
 - 4 ounce/6 ounce/8 ounce containers would all remain one serving
 - Multiserving packages would use 6 ounces as serving size
- Cheese
 - RACC for most cheeses would stay the same at 30 grams (1 oz. (28 grams) for bulk cheese)



Serving Size/RACC Proposed Rule

- RACC for bulk ice cream would double to 1 cup (from ½ cup)
 - Common serving of ice cream is 0.875 cups
 - No change for novelties – individual size pieces
- Containers up to (but not including) 1 pint would need to be labeled as 1 serving
- Containers from 1 pint up to 1 quart would need to label per 1 cup serving and per whole container



FOOD SERVING SIZES GET A REALITY CHECK

Serving Size Changes

What's considered a single serving has changed in the decades since the original nutrition label was created. So now serving sizes will be more realistic to reflect how much people typically eat at one time.

CURRENT SERVING SIZE



PROPOSED SERVING SIZE



Nutrition Labeling Proposed Rule

- Doubling of serving size and change in Daily Values will affect ability to make claims
 - Comparative claims such as “Light” and “Reduced Fat” “Reduced Sugar” would not change since they are compared on same 1 cup serving size
 - But inherent claims “fat free” or “low fat” will now be based on the larger 1 cup RACC and will require reformulation or loss of claim
 - May trigger trans fat declaration greater than 0 grams due 1 cup serving size



Dual Column Nutrition Information

- Single serving requirements change
- Foods with less than 200% of RACC are single servings
- 8 oz. – but less than 16 oz. containers labeled as single serving
- Food with 200% - up to and including 400% of RACC will require dual column labeling serving and whole container nutrition information
- Milk quarts, cottage cheese, ricotta, (16 oz) and some yogurts will require dual column labeling
 - possible exemption for product that is primarily used as an ingredient (butter milk) - (e.g.; eggs, flour, butter)

Dual Column Format

Nutrition Facts			
2 servings per container			
Serving size		1 cup (255g)	
Calories	Per 1 cup		Per container
	220		440
	% DV*		% DV*
Total Fat	8%	5g	15% 10g
Saturated Fat	10%	2g	20% 4g
Trans Fat		0g	0g
Cholesterol	5%	15mg	10% 30mg
Sodium	10%	240mg	21% 400mg
Total Carbs	12%	35g	23% 70g
Dietary Fiber	21%	6g	43% 12g
Sugars		7g	14g
Added Sugars		4g	8g
Protein		9g	18g
Vitamin D	25%	5mcg	50% 10mcg
Calcium	15%	200mg	30% 400mg
Iron	6%	1mg	10% 2mg
Potassium	10%	470mg	20% 940mg

* Footnote on Daily Values (DV) and calories reference to be inserted here.

Nutrition Labeling Proposed Rule

- **Implications for milk – Daily Values (DV)**
 - Protein, fat, sat fat, cholesterol, total carbohydrate stay the same
 - Calcium 1000 mg ↑ 1300 mg (remains excellent source)
 - Vitamin D 10 mcg ↑ 20 mcg (excellent → good)
 - Potassium 3500 mg ↑ 4700 mg (no longer good source)
 - Vitamin A 1500 mcg ↓ 900 mcg (good source)
 - Phosphorous, vitamin B12, Riboflavin (remain excellent source), Niacin (remains good source)
 - Zinc 15 mcg ↓ 11 mcg (NEW good source)
 - Selenium 70 mcg ↓ 55 mcg (NEW good source)
 - Pantothenic acid 10 mg ↓ 5 mg (NEW good source)
 - Milk (8 ounce serving) will now be a good or excellent source of 11 essential nutrients, but not potassium



Nutrition Labeling Proposed Rule

- **Implications for milk and dairy**
 - New declaration for added sugar (no DV for sugar or added sugar)
 - New definition: *Sugars that are either added during the processing of foods, or are packaged as such and included sugars (free, mono-and disaccharides), syrups, naturally occurring sugars that are isolated from a whole food and concentrated (e.g., fruit juice concentrates) and other caloric sweeteners.*
 - Flavored milk, yogurt, ice cream containing both natural (lactose) and added sugars, would need to provide records access to FDA to prove accuracy of labeling



Nutrition Labeling Proposed Rule

- Problems with added sugar definition
 - The lactose in added dairy ingredients, such as whey, nonfat dry milk, or milk protein concentrates, as well as lactose in its pure form.
 - Concentrated fruit juices, such as beet juice concentrate, that are added for color rather than sweetness.
 - Concentrated fruit juice that is reconstituted in the finished product.
 - Ingredients that contain sugars such as dextrose that are used as carriers.

Would California milk have to added sugars??



Fluid Milk	California Food & Ag. Code Section ¹	Minimum MSNF	Total Sugar Unrounded ²	Total Sugar Rounded	Added Sugar
Whole	35784	8.7%	11.67 g	12 g	0 g
Fat Free/Skim	38181	9.0%	12.07 g	12 g	0 g
Reduced Fat	32211	10.0%	13.04 g	13 g	1 g
Low Fat	38191	11.0%	14.7 g	15 g	3 g

IDFA Comments on Added Sugars

- **FDA should not require labeling of added sugars**
 - Would not “assist consumers in maintaining healthy dietary practices,”
 - All sugars have the same nutritional impact – a gram of sugar is a gram of sugar – and the body doesn’t distinguish a difference between naturally occurring and added sugars
 - Declaration of %DV for “added sugars” will not aid consumers in making healthier choices.
- Ingredient containing naturally occurring sugars is only considered an added sugar when it is added for the purpose of **substituting for sugars** that would otherwise be added to the food.
- **If FDA does require added sugars definition needs significant revision to exempt lactose and concentrated milk ingredients**

IDFA Comments on Proposed NFP Rule

- Insufficient evidence to support lowering sodium DV from 2400 mg to 1400 mg.
- Supported change to allow niacin equivalents as niacin
- Supported mandatory listing of vitamin D and new DV
 - Request allowance of higher fortification levels of vitamin D for dairy products
- Asked for a 4 year implementation time period

IDFA Comments on Proposed Rule

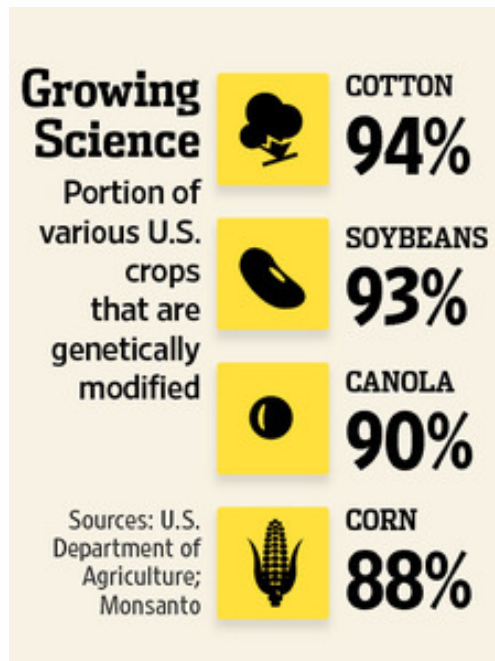
- Updated RACC Serving sizes
- Study more fully need for dual column labeling
 - Exempt fluid milk, dairy products, and cheese from dual Colum labeling due to use as ingredients
- Opposed change in ice cream and frozen dessert RACC to 1 cup
 - Maintain ½ cup serving for all frozen dessert products
 - bulk and novelty
 - If category is split, data support ¾ cup RACC for bulk ice cream
- Supported change from 8 oz. to 6 oz. RACC for yogurt
- Asked for a 4 year implementation time period

GMO Labeling

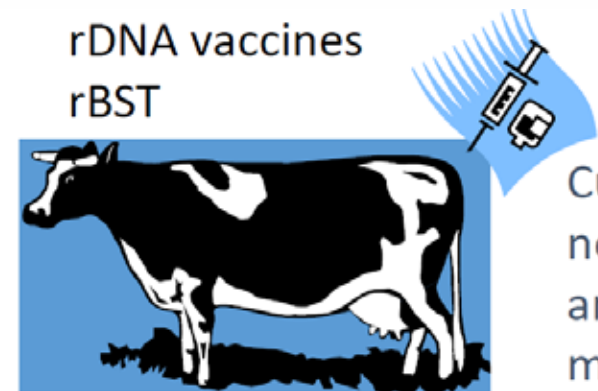


Where is GE used in Animal Agriculture?

- GE products are used in animal feed, vaccines (chickens, pigs, horses, dogs, cats), pharmaceuticals, food processing aids, and food



GMO food & ingredients



rDNA vaccines
rBST

Currently no GM animals in market



GE rennet, and other food processing aids



What are the ingredients derived from biotechnology?

Crop	Examples of food ingredients
Soybeans	Soybean oil, partially hydrogenated soybean oil, modified soybean oil (e.g., high-oleic), soy protein, textured vegetable protein, tofu, soy lecithin
Corn	Corn meal, corn flour, corn oil, corn starch, modified food starch, dextrose, corn syrup, high-fructose corn syrup
Cotton	Cottonseed oil, partially hydrogenated cottonseed oil
Sugar Beets	Sugar
Canola	Canola oil



What do consumers want?



Unprompted polls on additional food labeling—less than 1% replied they want mandatory GE labeling (IFIC 2012)

Ground swell of activist who want foods and food ingredients derived from genetic engineering labeled

- Consumer Choice
- Right to Know



FDA Position on GE Labeling

- GE foods are established to be safe (FDA 1992)
- FDA Guidance (2001):
 - GE labeling could be required if the GE production is a material fact (e.g., the food has significantly different nutritional properties or includes an allergen the consume might not expect).
 - Voluntary truthful labeling statements can be used for a food that is not bioengineered or doesn't contain bioengineered ingredients, but the statements should not mislead a consumer to think the food is safer.
 - **FDA's guidance only considers the food itself and does not address agricultural inputs like feed or hormones used in production of the food.**



GE Legislation

- Legislative efforts advocating for “right to know” laws on labeling GE foods



- Generally, legislation would not restrict the lawful use of GE ingredients, but would require their presence be declared



State Legislation

- 3 states have bills on the books—
Maine, Connecticut, and Vermont
 - Maine & Connecticut are “conditional” on contiguous states passing similar bills
- Vermont is not and becomes effective in summer of 2016



- **Vermont Consumer Protection Law 121**
- Would require labeling of processed foods with statement such as “**produced with genetic engineering**,” “**may be produced with genetic engineering**” or “**partially produced with genetic engineering**” on the front or back panel of label

Vermont Consumer Protection Law 121

- Each company must decide their own course of action on how to comply with the law
- Exemptions:
 - Food consisting entirely of or derived entirely from an animal which has not itself been produced with genetic engineering, **regardless of whether the animal has been fed or injected with any food, drug, or other substance produced with genetic engineering.**
 - Milk products made from milk from cows treated with rbST (with no other GE ingredients used)
 - Cheese that uses recombinant enzymes, but contain no other GMO ingredient
 - genetically engineered materials less than 0.9% of the total weight of the processed food.
 - Foods for food service/immediate consumption use would be exempt from the labeling requirement.



Natural Claims

- VT prohibits “any statement about the food that contains the word natural on any product that is produced or partially produced with GE
 - On the label, labeling or in advertising
 - “ natural,” “all natural,” “naturally grown,” “naturally made,” “
 - Does not apply to food’s trade, brand, or product name or any information required by FDA’s regulations



Effective Date

- Applies to food distributed on or after July 1, 2016
 - Distributed = sold or transported to retailer
- Packaged processed foods offered for sale before January 1, 2017 are presumed to have been distributed prior to July 1, 2016 and are not covered, unless there is evidence to the contrary



GMO Labeling: Help on the Way?

- In the absence of federal legislation, the GMO battle will be fought in the states
 - Patchwork of different requirements
- Federal legislation?
 - H.R.1599 - Safe and Accurate Food *Labeling* Act of 2015 (passed 275-150)
 - Establish mandatory FDA review of biotechnology premarket notification
 - Define labeling for GMOs (non-GMO as well as containing GMO)
 - Express preemption for GMO labeling and “natural” claims
 - Authorize USDA to develop certification for Non-GMO claims (like Organic)
 - Senate Bill pending but maybe not this session



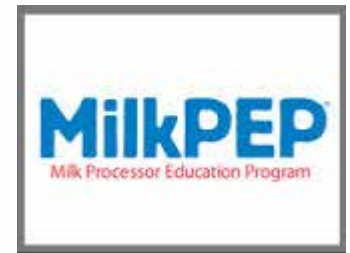
Litigation Update

- IDFA joined GMA, SFA, NAMA, in a lawsuit challenging the measure's constitutionality for mandatory labeling of GE foods
- Lawsuit against Vermont is pending
 - April 2015 District Court ruling
 - May 2015 appeal to 2nd Circuit
 - Oral arguments heard early October 2015
 - Final ruling not expected before January 2016 or later



Dairy Industry Messaging on GMO

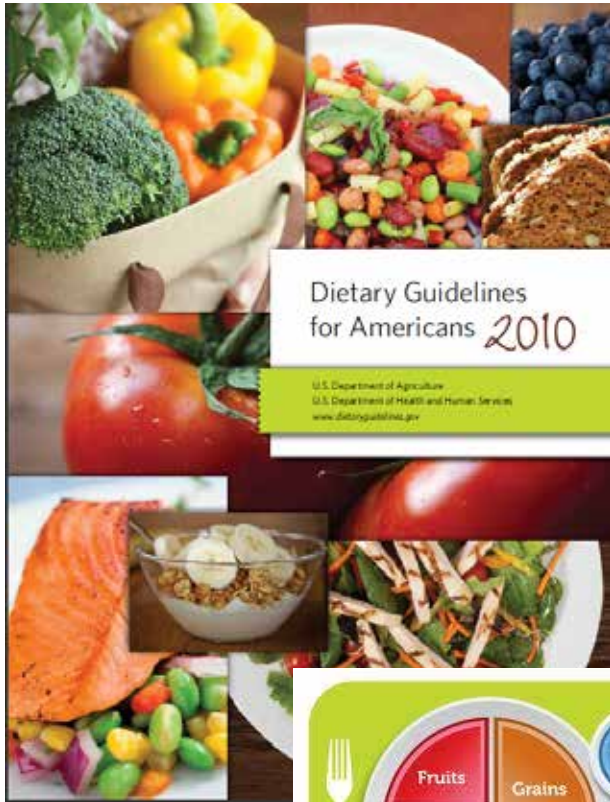
- Milk is not genetically modified, but the feed for the cows on dairy farms can be grown from genetically modified seeds.
- Genetically modified crops allow farmers to grow feed and food more efficiently...Scientific experts have confirmed that crops are safe and provide the same nutrition.
- We understand some people are concerned about GMOs, but it's important to know that the cows do not come from genetic engineering and the milk they produce is not genetically modified.
- The dairy industry strives to offer a wide variety of choices for American families.
- On certified-organic dairy farms the feed comes from crops that are not genetically modified.



Nutrition Policy Impact on Dairy



At Look at the 2010 Dietary Guidelines



Three Servings a Day

Milk: [fat-free \(skim\)](#), [low fat \(1%\)](#), reduced fat (2%), whole milk, and flavored milks:

Milk-based desserts:

[Puddings](#), ice milk, [frozen yogurt](#), ice cream

Calcium-fortified soymilk (soy beverage)

Cheese:

hard natural cheeses

soft cheeses:

processed cheeses

Yogurt;

fat-free [low fat](#), reduced fat, whole milk yogurt

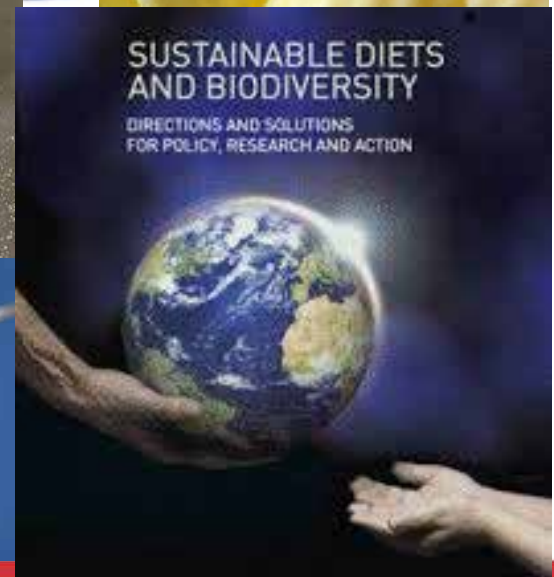
If sweetened milk products are chosen (flavored milk, yogurt, drinkable yogurt, desserts), the added sugars also count against your maximum limit for "[empty calories](#)" (calories from solid fats and added sugars).



What to Expect for 2015

Dietary Guidelines for Americans

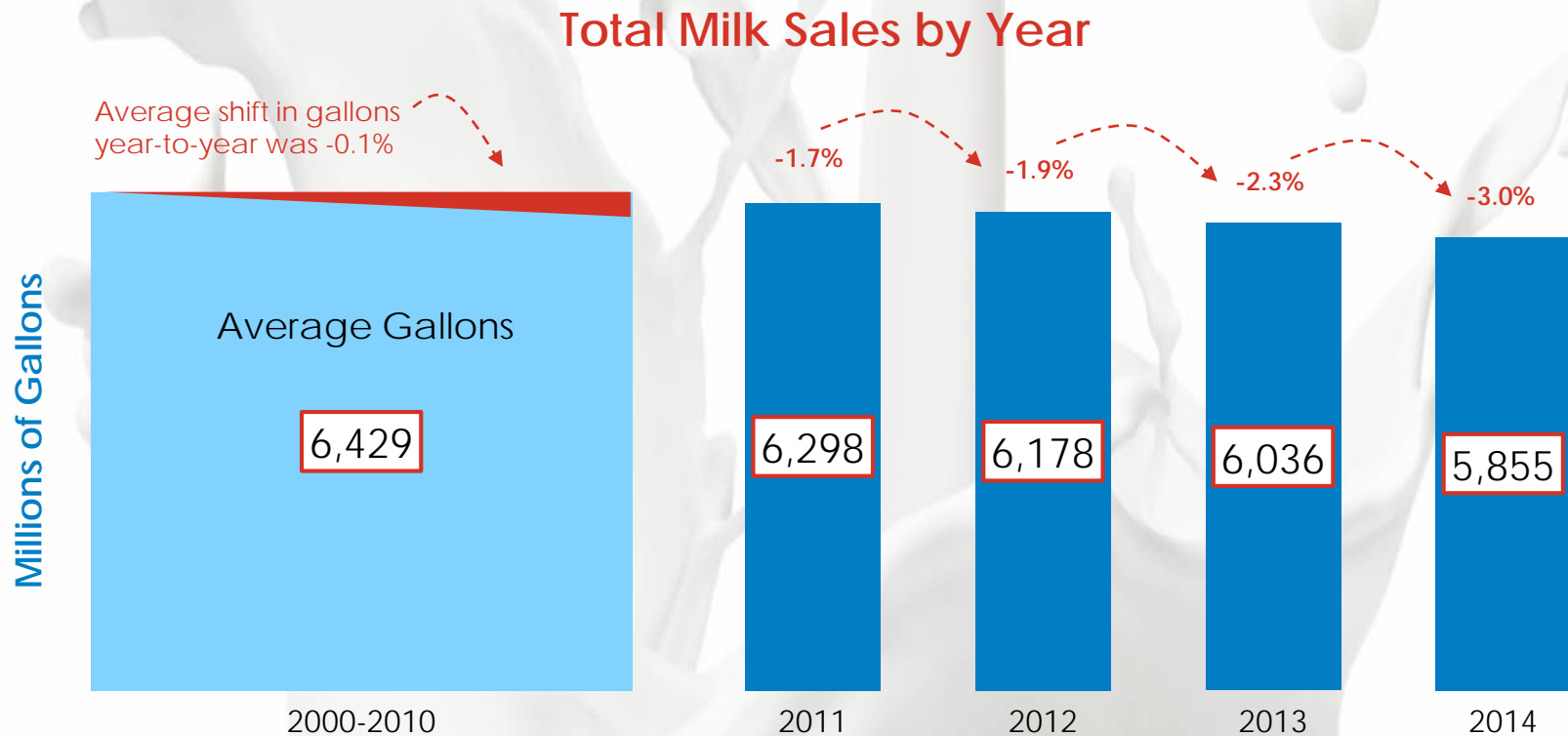
- Dietary Patterns
- Nutrients of Concern
- Added Sugars
- Sodium/Salt
- Fat/Milkfat
- Sustainable Diets & Environmental Factors
- Nutrition Science → Advocacy



DECLINE IN FLUID MILK VOLUME

Both white and flavored milk experienced these declines (white -3.1% and flavored -2.4% in 2014).

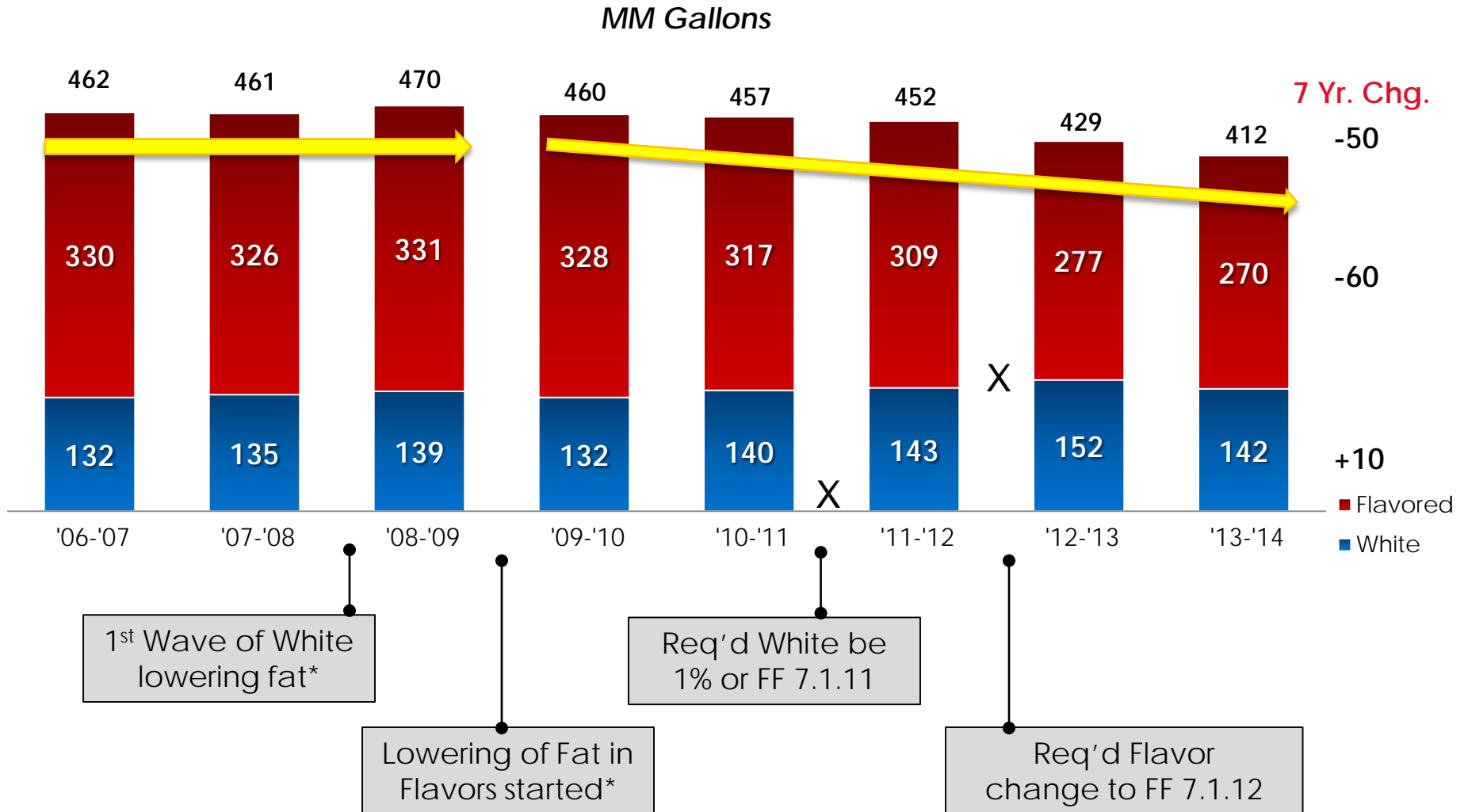
Price of milk, decline of cereal consumption and increased consumption of alternative beverages and yogurt and **significant drop in school milk sales** have contributed to this decline.



School Milk Situation

Volume Dropping Faster Than Retail

Milk has declined 10% or 45.7 MM gal. over 2 years



* Individual districts began changing ahead of USDA requirements.

X Lower Fat implementation requirement.

Child Nutrition Act Reauthorization



**Capitol Hill
briefing**



**Legislation to
be introduced
in the House**

MAKING A DIFFERENCE FOR DAIRY

School Milk Nutrition Act of 2015



- U.S. Representatives Glenn 'GT' Thompson (PA-05) and Joe Courtney (CT-02) introduced H.R. 2407
- *Preserve milk's integral role in school meals*
- *Give schools the option of **offering low-fat (1%) flavored milk, rather than only fat-free** – but only if the milk contains no more than 150 calories per 8-ounce serving.*
- ***Allow milk to be sold in the same age-appropriate container sizes as competing beverages.***
- *Establish a pilot program designed to increase milk consumption through expanded breakfast programs, a la carte sales, new outlets*
 - *with a focus on improvements to packaging, refrigeration, flavors and merchandising.*
- *Encourage USDA to address the needs of lactose-intolerant students by offering extended shelf-stable lactose-free milk through the USDA Foods Program.*
- *Allow mothers in the **WIC program to select reduced-fat milk (2%)** for themselves or their children with a written request*



School Milk Nutrition Act of 2015



- Kicked the bill off with...
- Hill Briefing with Senate Ag Committee
- Endorsements from USDA, School Association and even the White House on the benefits of milk
- Released report on “Fluid Milk in School Meals” by the National Dairy Council
- Secretary Vilsack has testified on the importance of flavored milk



IMPROVE CHILDREN'S DIETS with Nutrient-rich MILK

- **Low-fat and fat-free milk are a good or excellent source of nine essential nutrients.** Milk is the #1 food source of three of the four nutrients the 2010 Dietary Guidelines for Americans (DGA) identify as falling short in the diets of both children and adults – calcium, potassium and vitamin D.
- **The DGA recommends** low-fat or fat-free milk and milk products daily
 - 3 cups for 9 years or older
 - 2 1/2 cups for 4-8 year olds
 - 2 cups for 2-3 year olds
- **Milk is an integral part of school nutrition programs.** Offering white or flavored milk with each school meal:
 - Provides important nutritional benefits to all, especially to the at-risk and food-insecure and
 - Helps students meet nutrition recommendations

By the age of 6 children do not consume the recommended number of servings from the Dairy Group

Visit nationaldairyreport.com and thedairyreport.com
Health and wellness organizations recognize low-fat and fat-free milk as an integral part of child nutrition programs.



Focus on Listeria



FDA Recent Food Safety Failures

About 48 million people (1 in 6 Americans) get sick, 128,000 are hospitalized, and 3,000 die each year from foodborne diseases

- Bean Sprouts Linked to 2 Listeria Deaths, 3
- Mexican-Style Dairy Linked to Death, 3 Listeria Illnesses
- Carob Powder, Carob-Containing products Salmonella Contamination
- Cheese Sickens 8 in MD and CA with Listeria; 1 Dead
- Blue Bell Ice Cream linked to listeria, 3 deaths, 10 hospitalized, 4 states, 3 facilities



Listeria monocytogenes



- Recent contamination events and outbreaks of listeriosis, internal FDA research and risk assessments have provided FDA with new information to consider with respect to Lm
- FDA is looking at alternative approaches to the draft Lm Compliance Program Guide (CPG) and draft guidance for industry on control of Lm in RTE foods
- FDA draft guidance that has been available since 2009, but not being followed very well...
- FDA will be finalizing this guidance in conjunction with final FSMA PC rule.

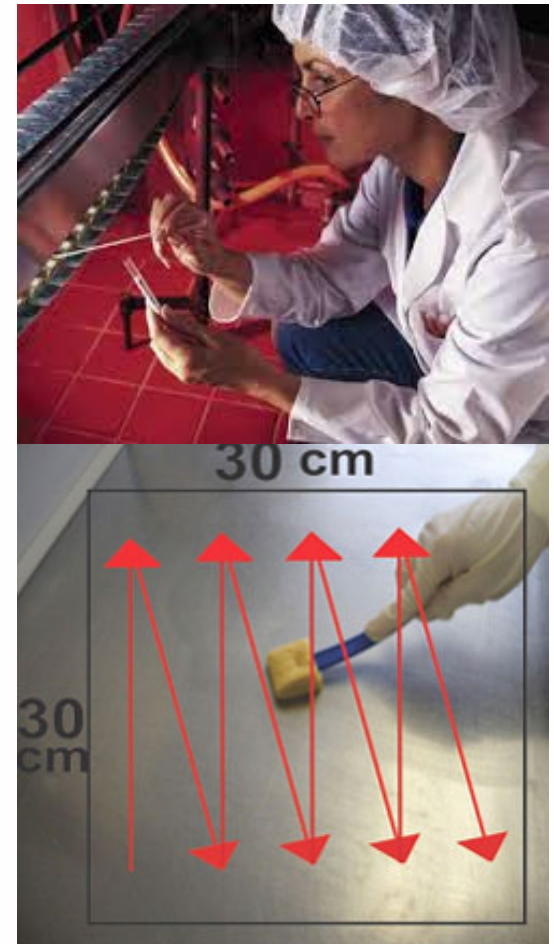
Industry efforts at controlling Lm

- “Control of *Listeria Monocytogenes* – Guidance for the U.S. Dairy Industry” - developed by the Innovation Center for US Dairy
- Innovation Center for U.S. Dairy will fund research on *Listeria monocytogenes* intervention
- IDFA guidance document for ice cream industry (and beyond)



FDA FY 2016 Assignments

- For dairy, there are three requested so far:
 - Salmonella in powder manufacturing facilities
 - *Listeria monocytogenes* in ice cream facilities and
 - EU-related chemical contaminants in foods (retail sampling)





Questions?