

Spotlight on Childhood Obesity and the Marketing of Food to Children

by Ryan D. Shadrick Wilson and Maile Gradison Hermida

been closely scrutinized, it has likely never faced the type of attention thrust upon it this year. It seems as if there is a new headline every day concerning child-hood obesity and the potential role of food being sold to and consumed by children. Some observers have argued that the increased scrutiny will make the prepared food industry "the new tobacco." Although Ronald McDonald and Toucan Sam are unlikely to go the way of Joe Camel, the food industry is, indeed, feeling the heat of the spotlight.

Food companies must remain aware of the latest developments related to childhood obesity and consider how and where they can commit to efforts to combat the problem.

While *Let's Move* is the name of First Lady Michelle Obama's

initiative, it could well be the mantra of the food industry as it attempts to understand the scope of the initiative and its potential impact. A review of several of the federal government's key recent activities under the auspices of the *Let's Move* campaign, as well as some of the industry's voluntary commitments to the campaign, should be helpful for each food company as it considers an appropriate response to the critical issue of childhood obesity. Thus, this article surveys the recommendations of the White House Interagency Task Force on Childhood Obesity, forthcoming compulsory process orders from the Federal Trade Commission (FTC), proposed standards for food marketed to children, efforts to improve the nutritional value of school food, and voluntary industry commitments to address childhood obesity concerns.



Ms. Wilson is an Associate at Hogan Lovells in Washington, DC.



Ms. Hermida is an Associate at Hogan Lovells in Washington, DC.

UPDATE | July/August 2010 www.fdli.org

White House Interagency Task Force

On May 11th, the Obama Administration announced its comprehensive approach to battling childhood obesity with the release of the anticipated report and recommendations from the White House Interagency Task Force on Childhood Obesity. The Task Force was established by Presidential Memorandum on February 9, 2010—the same day the First Lady launched her Let's Move campaign. It was charged with developing and submitting to the President a comprehensive interagency plan that details a coordinated strategy, identifies key benchmarks, and outlines an action plan for addressing childhood obesity.

As expected, the report includes farreaching recommendations that involve not just federal action, but also calls for action from the private sector, state and local leaders, and parents and caregivers. In total, the report includes 70 specific recommendations, many of which could be implemented immediately. The report acknowledges that "no single action alone will reverse the obesity epidemic," and drawing an analogy to tobacco prevention and control efforts, it finds that "comprehensive, multi-sectoral approaches are needed to address the many behavioral risk factors associated with obesity."

As directed by the Presidential Memorandum, the Task Force spent 90 days reviewing research, consulting experts, and reviewing public comments to produce a set of recommended actions aimed at solving the problem of childhood obesity. The Task Force received more than 2,500 public comments, and 12 federal agencies participated actively, including the Departments of Agriculture, Defense, Education, Health and Human Services, Housing and Urban Development, Interior, Justice and Transportation, as

well as the Corporation for National and Community Service, the Environmental Protection Agency, the Federal Communications Commission, and the FTC.

The report's recommendations focus on the four priority areas identified by the President, which also form the pillars of the First Lady's Let's Move campaign: (1) empowering parents and caregivers, (2) providing healthy food in schools,(3) improving access to healthy, affordable foods, and (4) increasing physical activity. Notably, the Task Force also identified and provided recommendations in the additional priority area of early childhood interventions, because the risk of obesity may first emerge during this stage of development. A summary of these recommendations, broadly highlighting selected specific recommendations that are new, novel or notable, follows:

- Getting children a healthy start on life, with good prenatal care for their parents; support for breastfeeding; adherence to limits on "screen time;" and quality child care settings with nutritious food and ample opportunity for young children to be physically active. In addition to some of these expected topics, the report addresses and suggests additional research on potential chemical exposure issues, noting that some research on exposure to endocrine disrupting chemicals and other so-called "obesogens" suggests that the origins of obesity may lie not only in well-established risk factors (diet and exercise), but also in the interplay of genetics and the prenatal environment.
- Empowering parents and caregivers with simpler, more actionable messages about nutritional choices based on the latest *Dietary Guidelines for Americans*; improved labels on food and menus that provide

clear information to help parents make healthy choices for children; reduced marketing of less nutritious products to children; and improved health care services, including BMI measurement for all children.

Notably, the report recommends that the food and media industries jointly adopt meaningful, uniform nutrition standards for the marketing of food to children, including creation of an on-air labeling system to help consumers easily distinguish between advertising for healthy and less healthy foods. The report also recommends that the Food and Drug Administration (FDA) and U.S. Department of Agriculture (USDA) collaborate with the food and beverage industry to develop and implement a standard system of front-of-package nutrition labeling.

- Providing healthy food in schools, through improvements in federally-supported school lunches and breakfasts; upgrading the nutritional quality of other foods sold in schools; and improving nutrition education and the overall school environment. Notably, the report recommends that USDA revise its school meal pattern requirements to meet the recent Institute of Medicine nutrition standard recommendations, including setting maximum calorie levels and reducing sodium and saturated fat. The report also recommends that USDA connect school meal programs to local growers and use farm-to-school programs where possible.
- Improving access to healthy, affordable food, by eliminating "food deserts" in urban and rural America; lowering the relative prices of healthier foods; developing or reformulating food products to be healthier; and

15

FDLI July/August 2010 UPDATE

reducing the incidence of hunger, which has been linked to obesity. The report acknowledges recent calls for taxes on certain foods considered less healthy, but it does not endorse these proposals; rather, it encourages additional research on the effectiveness of this strategy. The report also recommends encouraging food distributors to explore ways to use their existing distribution chains and systems to bring fresh and healthy foods into underserved communities.

Getting children to be more physically active, through quality physical education, recess and other opportunities in and after school; addressing aspects of the "built environment" that make it difficult for children to walk or bike safely in their communities; and improving access to safe parks, playgrounds and indoor and outdoor recreational facilities. The report recommends encouraging businesses to consider which corporate facilities, like fields and gyms, could be used to increase children's access to recreational venues, noting that corporations may have large grounds they could make available to children in the community for games or other activities.

Together, these recommendations aim to meet the goal of solving the problem of childhood obesity within a generation. Although this goal has been widely touted, the report actually defines achievement of this goal to be returning to the expected childhood obesity levels in the population before the "epidemic" began. This means returning to a childhood obesity rate of just five percent by 2030, a rate not seen since approximately 1972. The report suggests that progress be charted through the Centers for Disease Control and Prevention (CDC)

16

annual National Health and Nutrition Examination Survey (NHANES), which is aggregated every two years.

FTC Compulsory Orders

Late this summer, the FTC will issue compulsory process orders that seek comprehensive information from 48 prominent food and beverage companies about their activities and expenditures to promote their products to children. FTC sought similar information through a series of orders issued in 2007, but the new orders have the notable addition of a request for nutritional information concerning the products marketed to youth in both 2006 and 2009. These orders will be onerous for the companies that receive them and will provide the Commission with voluminous information about the current status of the companies' marketing programs.

After FTC issued the initial process orders, the Commission sent a report to Congress in 2008 aggregating the data it collected. FTC reported that the companies responding to the orders spent more than \$1.6 billion employing a wide variety of techniques to market their products to children and adolescents in 2006. The report also included recommendations that companies marketing food or beverage products should: (1) adopt meaningful, uniform nutritionbased standards for all products marketed to children under age 12, and (2) apply these standards to all advertising and promotional techniques. The Commission will likely use the forthcoming orders to determine whether companies have adopted these recommendations and to shape future recommendations. Although this process of reviewing food marketing expenditures and activities began before the Obama Administration, it is likely to be influenced by the Let's Move campaign.

Proposed Standards for Food Marketed to Children

The Interagency Working Group on Food Marketed to Children, comprised of representatives of the FTC, FDA, CDC and USDA is currently working to develop recommendations concerning standards for the marketing of food to children. These recommendations were due to be reported to Congress by July 15, but an extension has been granted. In the FY 2009 Omnibus Appropriations Act, Congress directed the Working Group to develop recommendations for such standards and to determine the scope of the media to which such standards should apply. In December, the Working Group unveiled a preliminary version of its proposed standards, and it elicited quite a bit of controversy.

In short, according to the proposed standards, foods deemed to be "part of a healthful diet" could be marketed to children without restriction. Foods not falling within this first category would be required to both make a meaningful contribution to the diet and not exceed limits for certain nutrients. Although the Working Group developed its proposed standards for a report to Congress, it is possible that these standards could form the basis of future regulations or serve as guidelines for further industry self-regulation. Notably, the White House Task Force did not endorse mandatory regulations in its report, instead encouraging the food and media industries to jointly adopt uniform nutrition standards for the food marketed to children.

The Working Group anticipated recommending that these proposed nutrition standards be applied to all "food marketing to children" defined broadly. This would cover the 20 categories of marketing that the FTC defined in its 2008 report to Congress. In addition to

UPDATE July/August 2010 www.fdli.org

traditional advertising (print, television and radio), these categories include digital advertising, in-store promotions, product packaging, and contests and sweepstakes. These standards, coupled with the FTC's collection of data through its compulsory orders, will continue to focus attention on the food industry and likely be informed by the *Let's Move* initiative.

School Food

School meal quality became a topic of popular discussion this spring with the premier of Jamie Oliver's Food Revolution on television. In the show, the celebrity chef used a grassroots campaign to change the school lunch offerings in Huntington, West Virginia, statistically one of the "unhealthiest" cities in the country. The "Chef's Move to Schools" initiative, operated under the Let's Move umbrella, attempts to emulate the show's success. The initiative seeks to pair chefs with interested schools in their communities so together they can create healthy meals. Much of the initial attention on this program has focused on culinary stars who signed up to help. Such efforts were also featured on an episode of the television show Top Chef, during which the contestants worked with Assistant White House Chef Sam Kass to create healthy and affordable lunches for a D.C. public school. The publicity garnered by these school lunch efforts has informed many parents, who have begun their own grassroots lobbying efforts to reform school meal programs.

Paralleling the popular media attention to school lunches, this spring Congress began debating reauthorization of the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966. The legislation lays out the rules for school breakfasts and lunches and reauthorizes other food and nutrition programs. USDA is pushing for improved nutrition standards for school meals and increased education about healthy eating. The issue of funding for the reauthorization, a contentious issue in any environment, is likely to be countered by the pressure members of Congress are likely to feel from constituents who are familiar with the issue from its coverage on TV shows and in other mainstream media.

Industry Commitments

Heeding the call to address childhood obesity concerns head on, many food companies have already made prominent commitments to reformulate foods and make changes to food marketing strategies.

In May 2010, the Healthy Weight Commitment Foundation (HWCF) announced a pledge to reduce 1.5 trillion calories by the end of 2015. The HWCF is a coalition comprised of numerous food and beverage manufacturers, as well as retailers and trade associations. HWCF companies will pursue their calorie reduction goals by developing and introducing lower-calorie options, changing certain recipes to lower the calorie content of current products, or reducing portion sizes of existing single-serve products.

Members of the American Beverage Association, including Coca-Cola and PepsiCo, have committed to making the calorie content of their products more conspicuous by putting calorie information on the front of all packages, vending machines, and fountain machines. The Association also recently announced that its member companies have succeeded in reducing the calorie content of beverages sold in schools by 88 percent since 2004 by removing full-calorie soft drinks from schools and, instead, providing lower-calorie and smaller-portion beverage options. In 2009, the Association's member companies agreed to implement the Global Policy on Marketing to Children, by not placing any marketing communications for beverages other than fruit juice, milk and water in paid, third-party media when children under the age of 12 comprise 50 percent or more of the audience.

The newly formed Partnership for a Healthier America is expected to support the *Let's Move* initiative by encouraging, tracking, and communicating commitments made by members from all sectors, particularly the food industry. The Partnership may well be the vehicle by which many companies chose to publicly announce their commitments to the *Let's Move* campaign.

Conclusion

The spotlight shining on childhood obesity is unlikely to dim in the near future. Therefore, companies marketing food to children would be well served by staying abreast of developments, particularly the activities of federal agencies. Companies may wish to consider making or increasing their voluntary commitments, which could involve product reformulations, establishing voluntary standards for food marketing, or other similar actions that assist in fulfilling the goals of the four pillars of the *Let's Move* campaign. Δ

17

FDLI July/August 2010 UPDATE