

22nd December 2006

## **Television Advertising of Food and Drink Products to Children Ofcom Consultation on Modified Package 1**

Consultation question:

*In light of the impact of Modified Package 1 in particular on the revenues of music channels, Ofcom is seeking views on Modified Package 1 in so far as it extends the restrictions contained in Package 1 to children up to 16.*

### **Submission from Kraft Foods UK and Ireland**

#### **1. Introduction**

Globally, Kraft Foods is one of the world's largest food and beverage manufacturers. In the UK the company employs more than 2000 people at two key locations: our UK commercial head office in Cheltenham and our EU coffee manufacture site in Banbury.

Our major brands include Kenco and Carte Noire coffee, Philadelphia and Dairylea cheese and Terry's Chocolate Orange and Toblerone confectionery.

Kraft takes an active stance in promoting healthy lifestyles to our consumers. Our activity is focussed in four priority areas:

- Improving product nutrition, including continuing to reduce the salt, fat and saturated fat content of our products
- Improving and expanding the range of consumer information we provide
- Ensuring that every aspect of our marketing is responsible
- Acting as a catalyst in community involvement and advocacy

We have undertaken a wide range of activities. Of particular note, we were among the first wave of companies to implement clarity guidelines to govern the nutrition labelling of our products in the UK and Ireland, including our commitment to provide full nutrition information, Guideline Daily Amounts and 'salt equivalent' information, where relevant and practicable. To support this we have introduced on-pack 'healthy-lifestyle messaging'.

In the area of advertising and marketing we have changed our policies to restrict print and broadcast advertising to children under 12 years.

#### **2. General comments on the consultation:**

Kraft Foods welcomes the opportunity to contribute to the important debate on the advertising of food and drink products to children. We recognise the concern of regulators and the public and we share the view that food manufacturers and broadcasters should act responsibly in their communications to children.

We believe that an effective framework of standards should exist to guide communications to children and have our own robust global policies on this issue. We agree with the principle of targeting advertising restrictions towards foods that are

higher in fat, salt and sugar (HFSS) and feel that only foods that meet certain 'better for you' criteria are suitable for advertising to children under 12.

We feel that a pre-9pm ban on HFSS foods is disproportionate and we welcome Ofcom's clear statement on this issue.

Kraft's policies and our own nutrition profiling criteria currently restrict our advertising, while driving innovation towards development of 'better for you' alternatives. We don't believe that the nutrient profiling model proposed by the Food Standards Agency incentivises this kind of innovation and, as stated in previous consultations, it features other fundamental flaws that concern us deeply.

There should be a thorough review of the FSA nutrient profiling model once it is being used in practice. As a new model, it has yet to be properly tested 'in the field' and, given the widespread concern over the many anomalies it contains, we would strongly suggest a review at the earliest opportunity and within at least 12 months of application.

We believe that Ofcom, as the regulator of the broadcast industry, should remain the decision-maker on this complex issue, rather than the debate being led at headline political level. Ofcom has a complete overview of the topic and is best placed to provide balance between the range of consumer groups, industry and public stakeholders concerned.

We are disappointed at the late appearance of the extended Option 1. We are concerned that this new option was introduced only a few weeks ago and feel that for many stakeholders, the impact on their operations may not be easy to calculate in the short timescales available.

Finally, we would echo the findings of Ofcom's own research that "multiple factors account for childhood obesity" (4.1) and are of the view that action by a wider group of stakeholders and across a much wider front is necessary if obesity is to be effectively halted. In our view, without parallel approaches on other fronts, a ban on advertising of high fat salt and sugar foods will have little or no impact on obesity levels.

### **3. Modified package 1 – Kraft's views**

In broadening Option 1, Ofcom has taken restrictions into a wider age group and affected a bigger impact on advertisers and broadcasters than previously indicated. We are extremely concerned at this extension beyond Ofcom's stated remit and feel that this point has not been widely highlighted, nor acknowledged by some of the parties in the debate.

We do not support the extension of restrictions into family viewing time. Family viewing, where the majority of young children watching are in the presence of parents or other responsible adults, is for families themselves to regulate.

It is worth highlighting that during Ofcom's OLR research a number of participants expressed concern about the intrusion of regulation into adult viewing. Indeed by extending the age range, many adults who are able to make their own choices will also be prevented from viewing adverts. Ofcom's own research shows that by targeting 4 to 9 year olds it reduces 5.5 adult impacts for every child, but this rises to 11.4 adult impacts under the proposed extension (5.124)

We would also question the effectiveness of this extension in light of Ofcom's statement, which notes that children in their mid teens are "fully media literate, influenced by advertising, but able to recognise when they are being sold to" (5.145)

Likewise, we oppose the principle of the use of the 120 index mechanism because of its inevitable infringement into family viewing and this remains our position, particularly in light of its extension and therefore further incursion into family viewing.

The new restrictions will have a considerable impact on our current family viewing slots and this is on top of the voluntary restrictions that Kraft has already imposed on its own advertising and media buying activities.

We hope that any impact of the new restrictions on children's behaviour is carefully monitored and viewed next to the impact on manufacturers and broadcasters. We would be interested to be part of any future discussions on how this is achieved.

As a final point, we believe that it is crucial the new regulations and their effectiveness are reviewed in 2008 at the earliest, by which time an accurate picture of positive and negative impacts will have started to form. It is important to note that, before this time, we believe it will not be possible to make a judgement, however, we would like Ofcom to set out the criteria for this 2008 review now, so that all parties are aware of the parameters as we go forward.