

Ex. 16

■ **FEBRUARY SWEETENER MARKET DATA REPORT . . . 5-2-08**

The latest USDA Sweetener Market Data report indicates that total sugar deliveries in February totaled 858,296 strv, up 17.5 percent from February 2007. Total deliveries during the first five months of FY 2008 totaled 4,258,750 strv, up 8.2 percent from a year earlier.

REFINED SUGAR DELIVERIES
[1,000 strv]

	<u>FY 2007</u>		<u>FY 2008</u>		<u>FY TO DATE</u> <u>JAN/FEB</u>	
	<u>JAN</u>	<u>FEB</u>	<u>JAN</u>	<u>FEB</u>	<u>07</u>	<u>08</u>
BEET SUGAR	339	330	365	401	1,672	1,916
CANE SUGAR	399	363	408	411	2,089	2,114
IMPORTED D/C	16	22	47	34	96	151
HUMAN CONSUMPTION	754	715	820	846	3,858	4,181
RE-EXPORTED IN SCP	18	11	11	7	53	54
ALCOHOL/FEED	4	5	6	4	21	24
TOTAL DELIVERIES	776	731	837	858	3,938	4,259

Sugar Intake: What Does Science Say?



Straight Talk from the Sugar Association

Many people today are concerned about sugar intake. However, sugar has been part of the human diet for over 2,000 years. In fact, the potential health implications of sugar consumption have been the subject of intense scientific scrutiny for decades. And the results are remarkably consistent. Sugar is a safe food that can easily be included in healthful eating. So what does the science say?

Every major review of the scientific literature exonerates sugar as the cause of any disease, including obesity.

In 2002, the National Academy of Sciences concluded that there was insufficient evidence to set an upper level for sugar intake, based on data available on dental caries, behavior, cancer, risk of obesity and risk of hyperlipidemia. This conclusion resulted from a three-year comprehensive review that cited 279 references on dietary carbohydrates. The study found “no clear and consistent association between increased intakes of added sugars and [body mass index].”

The Academy’s findings supported earlier reports also exonerating sugar:

In 1986, the FDA Sugars Task Force, in a review of 1000 scientific papers, reported that “with the exception of dental caries, the scientific evidence clears sugars of links with other diseases including diabetes, hypertension, behavior and obesity.”

The 1989 National Academy of Sciences Report on Diet and Health stated that for those with an adequate diet, sugar consumption has not been established as a risk factor for any chronic disease other than dental caries.

In 1997, a joint FAO/WHO expert consultation also found “no evidence of direct involvement of sucrose, other sugars and starch in the etiology of lifestyle diseases.”

Clearly, individuals can enjoy sugar as part of a balanced, nutritious diet with no fear of negative health effects. Even people with diabetes can enjoy sugar-sweetened foods.

The 2003 American Diabetes Association position paper advises “intake of sucrose and sucrose containing foods by people with diabetes does not need to be restricted because of concern about aggravating hyperglycemia. Sucrose should be substituted for other carbohydrate sources in the food/meal plan or, if added to the food/meal plan, adequately covered with insulin or other glucose-lowering medication.”

When people consume the majority of their calories by eating nutrient dense foods, they can enjoy sugar in moderation as part of a balanced, healthful diet and lifestyle.

Make an informed choice.

Choose pure natural sugar – 15 calories per teaspoon.

View this document as it appeared to the public at the time it was filed. [Download this version](#)

From: Andy Briscoe
To: Cheryl Digges
Sent: 11/21/2007 10:38:30 AM
Subject: Per Capita Consumption of Sugar Chart

From: Andy Briscoe
To: Charles Baker; Cheryl Digges; Melanie Miller; Eric Wheeler; Laura Cobb
Sent: 8/13/2009 4:31:01 PM
Subject: Fw: Afternoon ASA Media Clips 08.13.09

More of the same stuff.....
AB

From: Samantha Succop
To: ssuccop@northbridgecomm.com
Sent: Thu Aug 13 16:28:51 2009
Subject: Afternoon ASA Media Clips 08.13.09

1. ASA: Media Advisory: Candy Companies Crying Wolf
2. Reuters: U.S. sugar industry says imports not cost effective, By Rene Pastor
3. Reuters: U.S. food companies seek easier sugar quotas, By Brad Dorfman
4. Marketplace: A shortage of sugar? Oh no! By Tamara Keith
5. CBS News.com: Food Firms Sound Alarm on Sugar Shortage, By Daniel Carty
6. BBC News: US sugar supplies 'running out'
7. Examiner: Sugar shortage: Food companies threaten price spikes and layoffs, By Patricia Hill
8. Daily Finance: Sugar shock: Will the 'Domino' effect drive up food prices? By Bruce Watson
9. Guardian (UK): Record prices 'will leave America with no sugar,' by Andrew Clark
10. MinnPost: General Mills says U.S. might run out of sugar, By Dan Haugen
11. Slate: The Big Money Blog: Sugary Nonsense, By Dan Mitchell

American Sugar Alliance

Media Advisory: Candy Companies Crying Wolf

FOR IMMEDIATE RELEASE
Thursday, August 13, 2009

CONTACT: Phillip Hayes
202-507-8303

To: Food, Agricultural, and Commodity Reporters

Please direct any large food manufacturers claiming sugar shortages to Jack Roney with the American Sugar Alliance: 703-351-5055. Every sugar producer in America has sugar available to sell, and the American Sugar Alliance can provide contact information for numerous suppliers.

Key points about the U.S. sugar market:

- The sugar industry is unaware of a single buyer having problems finding sugar.
- The USDA increased its sugar supply estimate yesterday by 150,000 short tons bringing America's sugar surplus ratio to a healthy 11 percent for the year. With sugarbeet and sugarcane harvest around the corner, the United States is entering its highest oversupply period for the year.
- ~~Mexico sent more sugar to the United States this year than ever before—1.45 million tons. Shipments of half as~~
much next year would again leave America with a healthy 11 percent surplus ratio.
- U.S. refined sugar prices are practically identical to sugar prices at this time last year and as far back as the

Jimmy Carter Administration. Candy prices have risen astronomically in that time.

- That might explain why many candy companies are recording rapid revenue growth despite the country's recession. The National Confectioners Association boasts about a 35 percent profit margin for their industry.
- World sugar prices, which reflect a thinly traded dump market of excess sugar supplies from a handful of countries, are at a 28-year high because of anticipated sugar shortages outside of the U.S.
- Between Oct. and April, the U.S. sugar crop will be produced and the Mexican import picture will become clearer. That will give the USDA plenty of time next spring to import additional supplies if necessary.

To schedule an interview with a U.S. sugar producer, please contact:

Phillip Hayes
Director of Communications

American Sugar Alliance
202-507-8303
phillip@sugaralliance.org

Reuters

U.S. sugar industry says imports not cost effective

By Rene Pastor

8-13-09

NEW YORK (Reuters) - Importing sugar into the United States would not be cost effective because there is now little difference between the world price and the price in the U.S. domestic market, industry officials said Wednesday.

U.S. food companies are clamoring for more sugar imports, warning the country could "virtually run out of sugar" unless the Obama administration eased import curbs.

But the analysts said imports make little economic sense.

John Sheptor, president and chief executive of Imperial Sugar, told Reuters in a recent interview that freight costs would get in the way of importing sugar economically.

"Not only (do I) have to cover the price of the No. 11, but (I have to account for) the 2.0 to 3.0 cents premium for freight," he said. Imperial is the biggest sugar producer in the United States.

The price of world raw sugar is determined in the world No. 11 sugar market on ICE Futures U.S. while American domestic sugar prices are set by the ICE No. 16 domestic sugar market.

The No. 11 futures hit a 28-1/2 year peak at 23.33 U.S. cents per lb on Wednesday. Domestic No. 16 sugar saw its spot month end Wednesday at 26.95 cents, a differential of 3.0 to 4.0 cents that would be negated by shipping and storage.

In years past, the differential would range from anywhere from 8 to 10 cents. Prices in the world sugar market have exploded higher due to expectations of significant imports from No. 1 consumer India.

Jack Roney, director of economics and policy analysis at industry and producers' group American Sugar Alliance,

said U.S. food companies would not benefit from the discount usually seen in No. 11 sugar prices because of its "convergence" with the No. 16 market.

The Sweetener Users Association, which groups American confectionary companies and bakeries among others, contends that industrial users use refined and not raw sugar. The price of refined sugar now stands at 35 cents, which they said is "far above historic norms."

"The risk of disruption from a hurricane or other adverse weather is worrisome to food and beverage manufacturers that rely on an assured supply of sugar," the Sweetener Users said.

Roney said the wholesale retail price of refined sugar in the United States in July stands at 35.40 cents, but points out that is below the 38 cents seen in August 2008.

Analysts do not expect U.S. tariffs on sugar to be lifted anytime soon so they believe that with the cost of shipping and freight included, the difference between the No. 11 and the No. 16 is practically negligible.

"It doesn't become all too economical to bring (sugar) in," said Jack Scoville, vice president and analyst for brokers The Price Futures Group.

And if there is a shortage, the U.S. Agriculture Department can order imports next year by increasing imports under the tariff rate quota (TRQ) sugar program. The USDA runs the program where over 20 countries export sugar to the U.S.

"There is absolutely no shortage of sugar here," said Roney, adding new-crop sugar supplies should start flooding the market when the cane and beet sugar harvest gets going in a few weeks. "We'll have plenty of sugar coming through."

The beet sugar harvest normally gets going at the start of October. The cane sugar harvest would normally start late in the summer or early fall.

For the latest U.S. sugar market supply/demand fundamentals for 2009/10, including beginning and ending stocks, beet and cane sugar production, please double click on:

(Editing by Lisa Shumaker)

Reuters

U.S. food companies seek easier sugar quotas

Brad Dorfman

8-13-09

CHICAGO (Reuters) – Large U.S. food companies have been pushing the Obama administration to ease sugar import curbs, citing forecasts for unprecedented sugar shortages that could result in higher retail prices and possible job losses.

In a letter to U.S. Agriculture Secretary Tom Vilsack dated August 5, companies and groups that include Kraft Foods Inc, General Mills Inc and Hershey Co warn that "our nation will virtually run out of sugar," if a USDA forecast is accurate.

The letter was written a week before the Agriculture Department on Wednesday said the closely watched stocks-

to-use ratio in the U.S. sugar market for 2009/10 stood at 6.7 percent, up from 3.4 percent in last month's report.

The situation is seen easing because of increased beet sugar and cane sugar production, according to the USDA.

U.S. sugar industry officials say importing sugar into the United States would not be cost effective because there is now little difference between the world price and the price in the U.S. domestic market.

In any event, analysts say, rising sugar costs are unlikely to boost prices of food products because prices for other ingredients such as grains have declined since last year.

Still, the USDA prefers the stocks ratio at 15 percent and the government has used a figure below that level as a reason to order imports, as it did in August 2008.

The Sweetener Users Association, representing companies that use sugar, called on Thursday for an increase in the U.S. sugar import quota of 450,000 short tons for this marketing year, which ends on September 30.

The association said the sugar supply will be unduly tight despite USDA's forecast of slightly larger domestic output.

Food industry analysts say inflation should be contained for an industry that sharply increased prices in the past year as costs for commodities such as vegetable oil, wheat and corn surged.

Many commodity prices have retreated, and manufacturers are trying to defend the price increases as consumers and retailers try to rein in costs in a weak economy.

"For every ingredient that has gone up in price, there's probably two or three that have gone down in price," D.A. Davidson analyst Timothy Ramey, said.

Lee Linthicum, global food research manager at Euromonitor International, likened the food industry's concern over sugar prices to warnings manufacturers raised when oil futures rose to about \$140 a barrel last year. NYMEX light crude futures traded at \$71.51 on Thursday.

"Nobody thought that oil would ever go below \$100 a barrel ever again and now, look where we are," he said.

Sugar prices have been at record highs as a weak monsoon season raises concern about production in India and Brazil.

India, the world's largest sugar consumer, swung to a net importer this year from a net exporter last year after a poor domestic harvest, and a weak monsoon augurs for another disappointing crop in 2009/10.

Slow harvesting in Brazil after recent rainfall is also expected to damage yields and Brazilian mills are hard hit by the credit crunch, limiting their capacity to step up production to meet the resilient global demand, analysts say.

Current import quotas limit the amount of tariff-free sugar the food companies can import in a given year, except from Mexico.

American sugar growers reject claims by confectionary companies that the United States is running short of sugar, arguing that supplies will improve as the U.S. beet and cane harvest gets underway. In the case of cane, that would be later this month and beets are harvested at the start of October.

"There is absolutely no shortage of sugar here," Jack Roney, director of economic and policy analysis of industry group American Sugar Alliance.

Supplies from domestic harvest are about to flood the market, he said. "If we run short, we can increase the TRQ," he said, referring to the tariff import program under which more than 20 countries take part in importing sugar to the United States.

Shares of Kraft were down 26 cents at \$28.24 on Thursday on the New York Stock Exchange, while General Mills' were down 52 cents at \$57.32 and Hershey's were up 10 cents at \$38.48.

(Additional reporting by Rene Pastor in New York and John Tilak in Bangalore; Editing by David Gregorio)

Marketplace

A shortage of sugar? Oh no!

By Tamara Keith

8-13-09

Big names in the food industry are warning of dire consequences if the U.S. doesn't increase sugar import quotas. Tamara Keith reports.

TEXT OF STORY

BILL RADKE: Big names in the food industry are calling on Secretary of Agriculture Tom Vilsack to help with what they call a pending sugar shortage. Here's reporter Tamara Keith.

TAMARA KEITH: Names like Krispy Kreme, Hershey and the American Baker's Association want to make sure we can all keep getting sugar highs without paying higher prices. In a letter sent to the agriculture secretary, they say consumers will pay more and manufacturing jobs will be at risk without prompt action. They want the government to allow more foreign sugar imports. Robb MacKie is president and CEO of the Baker's association.

ROBB MACKIE: The sugar market in the United States is not a free market. It's artificially supported or shall I say, artificially sweetened by federal sugar policies.

Those policies inflate U.S. sugar prices to help farmers. That's why Jack Roney the chief economist at the American Sugar Alliance thinks this is more about pricing than an actual sugar shortage.

JACK RONEY: The amount of surplus left over at the end of this year is over 11 percent and that is certainly adequate.

It seems sorting through this fight could put the USDA in a sticky situation.

In Washington, I'm Tamara Keith for Marketplace.

CBSNews.com

Food Firms Sound Alarm on Sugar Shortage

By Daniel Carty

8-13-09

It could get a lot easier to reduce the amount of sugar in your diet, if some of America's biggest food companies are to be believed.

Several giant food producers sent a letter to Agriculture Secretary Tom Vilsack warning that the U.S. might "virtually run out of sugar" if the country didn't reduce import restrictions on the increasingly expensive commodity, according to a Wall Street Journal report Thursday.

The firms – including Kraft Foods Inc., General Mills Inc., Hershey Co. and Mars Inc. – indicated that if they couldn't tap supply markets like Brazil, they'd run out of sugar to make candy bars, cookies, cereal and a host of other products.

Currently, the U.S. only allows unlimited imports from Mexico without tariffs in an effort to boost prices for U.S. sugar farmers. Tariff-free supplies from other sugar-exporting countries are limited by a quota.

If those restrictions aren't eased, the food companies said they'd be forced to hike prices and slash jobs.

Many economists, however, aren't buying the argument and doubt the intentions of the firms.

"We doubt if they will do anything because there is absolutely no shortage of sugar in this market. Every sweetener-user company that's looking for sugar can find it. We've got sugar sellers right now who've got sugar piled up waiting to sell," Jack Roney, chief economist for the American Sugar Alliance, told CBS News.

Roney said that the projections used by the companies assumes Mexico will cut its current level of supply to the U.S. to just one-tenth of what it was last year.

BBC News

US sugar supplies 'running out'

08-13-09

A number of large US food manufacturers have called on the government to ease sugar import limits, saying they fear the country could run out of supplies.

"There is absolutely no shortage of sugar here" - Jack Roney, American Sugar Alliance

The letter from firms such as Kraft Food and Hershey comes in the week sugar prices have hit 28 year highs due to worldwide supply shortages.

Currently US food firms can only import a certain amount of sugar before they have to pay import tariffs.

US sugar manufacturers insist there is no shortage of domestic stocks.

Imminent sugar harvest

In their letter to US Agriculture Secretary Tom Vilsack, the food firms, which also include General Mills, warned that "our nation will virtually run out of sugar".

However, the US Department of Agriculture said earlier this week that domestic supplies were now increasing.

This was backed by sugar industry group American Sugar Alliance (ASA), which said the next main sugar cane harvest would start later this month, while the sugar beet harvest would begin in October.

"There is absolutely no shortage of sugar here," said Jack Roney, director of economic and policy analysis at the ASA.

Global sugar prices have been pushed up by growing demand in Brazil for sugar to be turned into ethanol for vehicle fuel, and a sharp fall in production in India, the world's largest sugar consumer.

Examiner

Sugar shortage: Food companies threaten price spikes and layoffs

Patricia Hill - Charlotte Managing Debt Examiner

8-13-09

As food firms tout a U.S. sugar shortage, economists say it's a bogus claim, as they try to determine the intentions behind these claims. Some of the firms named include: General Mills, Hershey, Kraft Foods, and Mars.

The crisis call was addressed to Tom Vilsack, Agriculture Secretary, which stated they needed to gain access to overseas markets such as Brazil, in order to continue food production; essentially a mission to lift current import restrictions.

Before you dash to the store to make your own sugar stash, the chief economist for the American Sugar Alliance, Jack Roney, indicated that there were sweet dealers with stock piles just waiting to be sold.

If you're still uncomfortable and feel the need to squirrel back a few extra pounds of sugar, you might want to store them in a Zip-Lock bag for super-safe keeping.

Additionally, if you're worried about grocery prices increasing, chances are, they will continue to rise before leveling off by mid fall. As for sugar, economists say we should be okay.

Daily Finance

Sugar shock: Will the 'Domino' effect drive up food prices?

Bruce Watson

8-13-09

In a recent letter to Agriculture Secretary Thomas Vilsack, several large food producers warned that unless the U.S. increases its quota of tariff-free sugar imports, it may, "run out of sugar" in the next year. This, in turn, would lead to layoffs, skyrocketing prices, and a serious shift in trade.

Part of the problem lies in a worldwide sugar run as Brazil diverts part of its sugar crop into ethanol production and monsoons have wiped out much of India's sugar crop. All told, the Department of Agriculture expects sugar supplies to drop by 43 percent over the next year.

In many ways, the government is caught in a squeeze play. On the one side, there are domestic sugar beet and cane growers who are strongly invested in maintaining a high price for American sugar. Perhaps more importantly, they also have a very strong lobby that helps them to control import quotas. This ultimately translates into an American sugar market that is priced at two to three times the global market rate and American companies that make billions per year in inflated profits.

Of course, this comes with a considerable cost, particularly to food producers, who form the other part of the

government's squeeze. Sugar futures have already gone up by 95 percent this year, hitting a 28-year high. In their letter, the sugar producers proposed an almost apocalyptic scenario, in which the country would have only "13 days' worth of sugar on hand." While nutritionists might see this as a good thing, an astounding array of foods contain sugar and higher sugar prices lead to higher prepared food prices. In the case of Kraft Foods (KFT), sugar currently accounts for six percent of food costs; for Hershey's (HSY), it is eight percent. Added in with increases in the cost of corn -- also due to ethanol production -- and food manufacturers are looking at a major spike in production costs.

As food prices rise, consumers will feel the change every time they visit the supermarket, a trend that is bound to increase voter irritation and which may translate into pain at the polls. On the other hand, with big sugar calling the shots, any move toward increasing imports is also fraught with peril.

One solution is to use high fructose corn syrup (HFCS); as the price of sugar rises, the compound becomes comparatively cheaper and thus more attractive to food manufacturers. However, as more customers become aware of the health dangers associated with HFCS, many food companies are shying away from it. In fact, even the soft drink industry -- long a bastion of HFCS -- has begun experimenting with new sugar-sweetened sodas.

As they currently stand, sugar quotas are driving up food costs, weakening international trade and driving an already-overpowered corn industry. As the price of candy bars is poised to shoot up, perhaps it is time for the government to put Big Sugar on a big diet.

Guardian (UK)

Record prices 'will leave America with no sugar'

Andrew Clark, New York
8-13-09

Food manufacturers have warned that sweet-toothed Americans could be left bereft of sugar unless the Obama administration loosens import restrictions as the price soars to a 28-year high.

Mars, Nestlé, Krispy Kreme Doughnuts, Kraft Foods and Unilever have joined trade bodies and fellow manufacturers in a joint letter to the US agriculture department asserting that unless imports are increased, "our nation will virtually run out of sugar".

The price has leapt by 80% this year, driven in part by excessive rain in sugar-producing Brazil and a poor monsoon season in India. Trade policy in the US caps the amount of sugar which can be imported in any given year without tariffs.

"Experts forecast unprecedented shortages without prompt action," the manufacturers told agriculture secretary Tom Vilsack, citing a forecast from the government's own statistical literature which predicts that the US will end the next fiscal year with less than 13 days' worth of sugar on hand.

"Without a quota increase, consumers will pay higher prices, food manufacturing jobs will be at risk and trading patterns will be distorted," said the letter, which is co-signed by the Consumer Federation of America, the Grocery Manufacturers' Association and the American Beverage Association.

The US is the world's fifth-biggest sugar importer, behind India, the European Union, China and Brazil, according to Leonardo Bichara Rocha, an economist at the International Sugar Organisation in London. But poor crops and rapidly growing demand are combining to create an expected two-year shortfall in global sugar production of 13m tonnes.

Bichara Rocha said high prices were likely to remain for some time: "There will be some supply response to the high

prices but that will take at least 12 months. For the short to medium-term, we will continue to see high prices."

The US restricts sugar imports to protect the income of its domestic farmers across the midwest, the south and the northern plains. The department of agriculture said it would continue to review market conditions to ensure "an appropriate safety net for growers" and a "stable supply environment".

Alex Oliveira, a sugar analyst at broker Newedge USA in New York, said the price had risen to "ridiculous" levels but the outlook was highly uncertain: "People are talking about shortages for the next couple of years, but it's a very weather-dependant commodity. If we get some improvements in weather over the next years, the situation could get better."

MinnPost

General Mills says U.S. might run out of sugar

By Dan Haugen

8-13-09

General Mills says the United States might "virtually run out of sugar" if the Obama administration doesn't loosen tariffs on imported sugar, Reuters reports.

The Golden Valley company is one of several large food-makers that signed a letter last week to U.S. Ag Secretary Tom Vilsack urging sugar trade reform. The Wall Street Journal explains that current policy artificially inflates the price of U.S. and Mexican sugar by charging tariffs on imports from other countries.

The food companies, which included Kraft and Hershey, are threatening to increase prices and layoff workers if the government doesn't allow cheaper imported sugar.

Slate: The Big Money Blog

Sugary Nonsense?

By Dan Mitchell

8-13-09

Several big food processors have written a letter to Agriculture Secretary Tom Vilsack warning that the United States could "virtually run out of sugar" unless the federal government eases import restrictions.

~~I'm nearly always in favor of knocking down trade barriers, but my BS detector is beeping loudly on this one. The~~ companies, including Kraft Foods, General Mills, Krispy Kreme, Hershey and Mars, "bluntly raised the prospect of a severe shortage of sugar," as the Wall Street Journal put it. They also threatened to raise prices and lay off workers unless something is done.

I'll have more to say on this later, but for now, note that the Journal says that "agricultural economists scoff at the notion of an America bereft of sugar."

From: Andy Briscoe
To: Cheryl Digges
Sent: 7/29/2010 10:46:54 AM
Subject: RE: Unilever Article

Many thank Cheryl. I'll include this in our next generic e-mail to the Board.

AB

From: Cheryl Digges
Sent: Thursday, July 29, 2010 10:39 AM
To: Andy Briscoe
Subject: Unilever Article

agra-net.com
Serving the global agrifood industry

Unilever maps out challenges in switching to "clean" food ingredients

Monday July 26 2010

Don't think moving to greener, more sustainable food ingredients is free of challenges, even for one of the world's largest consumer products companies, said Douglas Balentine, director of nutrition sciences for Unilever North America, at the Institute of Food Technologists annual meeting, in Chicago, last week.

Speaking on a three-person panel July 18, during one of the conference's early sessions on clean food labels and sustainability claims, Balentine said his \$57 billion company, with corporate offices in London and Rotterdam, has been aggressively shrinking its carbon footprint by reducing greenhouse gases, water and waste, but the transition to cleaner ingredients poses its own set of challenges.

Since 2004, Unilever has been working to remove partially hydrogenated vegetable oil from its margarines, Balentine recounted. The company discovered, however, that removing trans fat increases levels of another unpopular dietary ingredient — saturated fat.

So, Unilever opted to invest in new ingredients and processes, embracing palm oil, which results in acceptable levels of saturated fat. While palm oil might be healthier, it poses its own environmental issues, however, as activists believe tropical rainforests are being cleared for palm oil plantations. In response to those concerns, Unilever is working to source 100% of its palm oil from certified sustainable palm growers by 2015, Balentine said.

Another example given by Balentine was Unilever's effort to source eggs, an essential ingredient in its Hellmann's mayonnaise product, from cage-free poultry farms. The company discovered that few farms are producing cage-free eggs and now estimates that it will take five years to build enough volume to satisfy Hellmann's demand.

It's not unusual for the transition to sustainable material to take five to 10 years, Balentine said.

Food companies face other tradeoffs when switching to sustainability claims, too. There are minimum levels of preservatives in the natural yogurts produced by Unilever under its Brummel and Brown labels, for example, but that leads to increased sodium levels, Balentine noted.

Unilever has improved the nutritional quality of its Ragu pasta sauce by switching from corn syrup to sugar and lowering sodium levels. The company is planning, by 2011, to launch a new product that doubles the servings of vegetables in each jar, Balentine said, but increasing tomato solids so there are more fiber nutrients has been a challenge. To reduce its carbon footprint, Unilever has instituted a new policy of improved irrigation practices, reducing water consumption for tomato growers.

There is growing evidence that companies are going to have to look more closely into how foods are produced to please health-conscious consumers.

Susan Borra, managing director of nutrition, food and wellness at Edelman, a public relations firm, and another member on the IFT conference panel, said she's seeing a convergence of nutrition and environmental sustainability in consumer buying attitudes for foods. Recent surveys show consumers are becoming more interested in how foods are produced, though taste is still the number one factor in food purchasing, she said.

Companies that jump for natural or sustainable food labels should be aware of the legal liability that accompanies those claims, warned attorney Sarah Taylor Roller, a partner at Washington, D.C.-based Kelley Drye & Warren and

the third member of the IFT panel. If there's a "disconnect" between consumer expectations and the company's label claims, the company can become vulnerable to lawsuits.

Roller advises companies identify all applicable regulations that apply to natural or green claims, get up to speed on consumer deception cases and become engaged in public policy issues.

"We have inconsistent state and federal laws" and no clear definition of the term "natural," she said, so there's a need for federal preemption in this area.

— Joan Murphy joan.murphy@informa.com

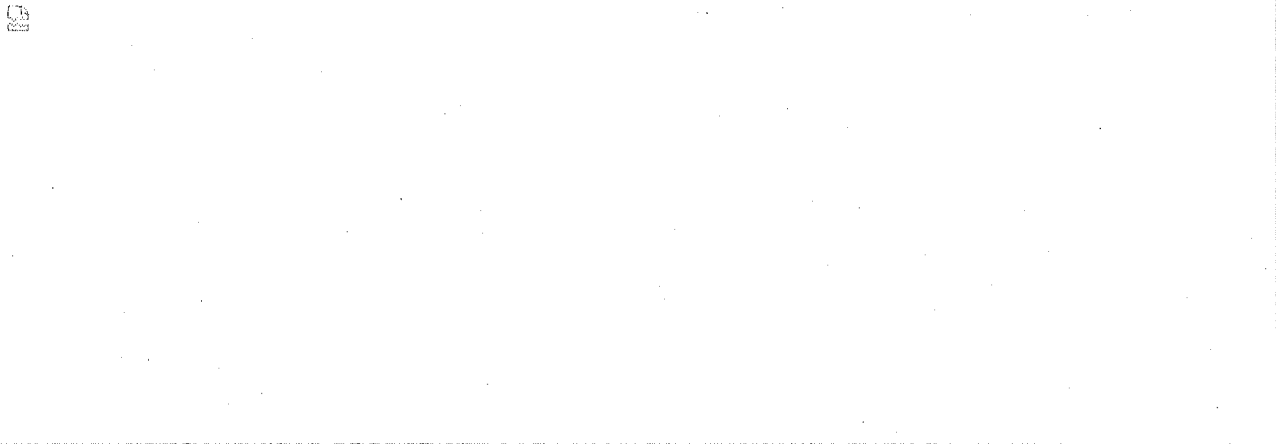
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Sugar – Sweet by Nature
Just 15 Calories Per Teaspoon

From: Andy Briscoe
To: Andy Briscoe
Sent: 8/3/2010 12:56:14 PM
Subject: Fw: Sugar Association News - The Sugar Packet

[click here](#)
odell@sugar.org



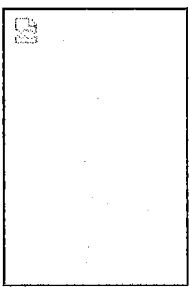
Consumers Continue to Demand All-Natural Sugar; Food and Beverage Manufacturers Listen

Sugar Association President and CEO, Andy Briscoe, was featured in the July edition Beverage Innovation Magazine. Read his op-ed below:

Consumers preference for foods and drinks sweetened with all-natural sugar continues to expand. Products such as Heinz and Hunt's ketchup, Pepsi Throwback, Snapple, Gatorade, and Wheat Thins are just a few of the household names to answer the call.

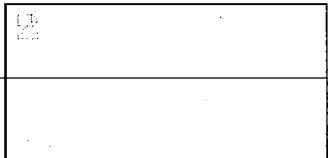
Starbucks, one of the America's biggest restaurant chains, summed up its decision to use sugar in its food products: "We heard loud and clear from our customers that they want food, when they purchase food at Starbucks, to be made of high quality ingredients and from simple recipes."






[READ THE FULL STORY]



Consumers Are Confused: Decoding Artificial Sweeteners

"So the last thing I had time to do was to stand in a grocery store aisle squinting at ingredients that I couldn't pronounce to figure out whether something was healthy or not."

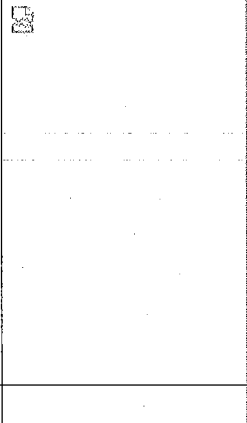


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In This Issue...

- Consumers Continue to Demand All-Natural Sugar; Food and Beverage Manufacturers Listen
- Consumers Are Confused: Decoding Artificial Sweeteners
- Removing Flavored Milk in Schools Lowers Consumption of Essential Nutrients for Children

Look Who's Switching to Sugar...



That statement probably sums up how most parents have felt in recent years at the grocery store.

But "most parents" didn't make the statement; it was made by the "First Parent," Michelle Obama.

August marks the five-year anniversary of the Food and Drug Administration's (FDA) receipt of a petition to help clear up some of the confusion, but for five years now, the Agency has been silent on the petition. And parents are still squinting and confused.

[READ THE FULL STORY]

Removing Flavored Milk in Schools Lowers Consumption of Essential Nutrients for Children

Part 3 of 3: The unintended consequences of drastic sugar intake recommendation: Nutrition Loss

Removing flavored milk from your child's lunch menu to reduce sugar intake? Essential nutrients could be removed, too. 70 percent of flavored milk contains sugar and consuming this milk is an essential way children receive vitamins and nutrients.

A recent study, conducted by the Milk Processor Education Program and presented at the School Nutrition Association's annual conference, addresses the consequences of removing flavored milk from school cafeterias. The study found that instead of encouraging students to drink more milk, it prevented them from choosing milk altogether.

"When flavored milk was not an option, many children wouldn't take the white milk or if they did, they frequently threw it away," said Linda Stoll, MPH, executive director of food services at Jeffco Public Schools in Jefferson County, Colorado. She saw a 35 percent drop in milk consumption in schools that participated in the study.

[READ THE FULL STORY]

More on Consumer Confusion

Fact Sheet: Consumers have a right to know about sweeteners

Audio: Consumer Sweetener Confusion News Release

See what new sweetener labels might look like

Contact for Reporters

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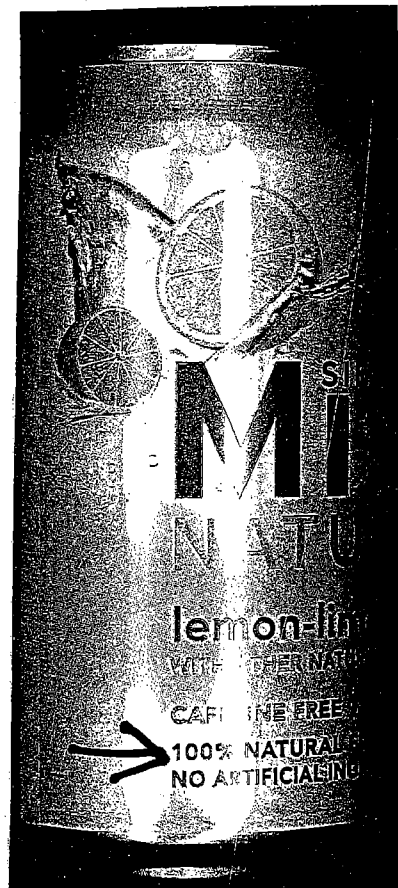
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[MORE]

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From: Andy Briscoe
To: Larry Graham (larry.graham@candyusa.org)
CC: James McCarthy (jmccarthy@sfa.org); Connie Tipton (ctipton@idfa.org); Robb MacKie (RMackie@americanbakers.org); sneely@ameribev.org; Dawn Sweeney (dsweeney@dineout.org)
BCC: Mollie O'Dell - NorthBridge Communications (Modell@northbridgecomm.com); phayes@northbridgecomm.com
Sent: 10/22/2010 3:13:20 PM
Subject: FW: 10-22-10 Tips for a Sweet Halloween

Good afternoon Larry (and Food and Beverage CEO colleagues):

Since your members will be selling a lot of sugar-based product in the week ahead, find attached and below a newly created Sugar Association document for your review and use titled "Have a Sweet Halloween." Please feel free to forward to your members and/or PR folks, to cut and paste any of this text for use in a statement in the week ahead.

Andy
Briscoe@sugar.org

Have a Sweet Halloween

With the sweetest day of the year approaching, the Sugar Association reminds parents that when consumed in moderation, sugar (sucrose) is a healthy part of a balanced diet. And you might be surprised by what else you find out. No tricks here, just treats and a few tips.

1. Sugar doesn't cause obesity. A 2002 National Academy of Sciences review found "no clear and consistent association between increased intakes of added sugars and [body mass index]."
2. Sugar doesn't wear a costume. The all-natural sugar found in fruits and vegetables is the same sugar found on grocery store shelves.
3. Sugar doesn't make kids hyper. Multiple published scientific studies have concluded that children who consume drinks and foods with sugar show no difference in behavior than kids who consume sugar-free products.
4. Sugar adds to the quality of children's diets. The American Heart Association found that "when sugars are added to otherwise nutrient rich foods, such as sugar-sweetened dairy products like flavored milk and yogurt and sugar-sweetened cereals, the quality of children's and adolescents' diets improved..."
5. Sugar is a natural preservative, so you don't have to tackle that basket of sweets all at once. Have a few pieces on Halloween sweets and save the rest for later.
6. Sugar is safe to consume. Just this month, the Institute of Medicine (IOM) found insufficient evidence to list sugar on front-of-package labels. The IOM panel said, "it is difficult to conclude that total sugars intake is of sufficient public health concern to be included in FOP [Front of Package] rating systems."
7. Sugar is the sweetener of choice by parents. In a Harris Interactive survey, 81 percent of parents said all natural foods are better for you than those that contain artificial ingredients.
8. Sugar doesn't have an intake limit. In fact, the European Food Safety Authority (Europe's equivalent of the

Food and Drug Administration) found that “available data do not allow the setting of a Tolerable Upper Level for total or added sugars, neither an Adequate Intake nor a Reference Intake range.”

9. Sugar doesn’t trick consumers. Only all-natural sugar can be listed as “sugar” on ingredient labels. It’s easily recognized and a sweetener everyone can pronounce.

10. Sugar isn’t a “fad sweetener.” At just 15 calories per teaspoon, sugar has been a trusted part of diets for more than 2,000 years.



From: Andy Briscoe
To: Melanie Miller
CC: Charles Baker; Cheryl Digges; Eric Wheeler; Laura Cobb
Sent: 5/7/2008 12:39:04 PM
Subject: Dow Jones Article is in today's Wall Street Journal

FYI - today's WSJ in NYC has the Dow Jones article titled "Higher Corn-Syrup Prices Make Sugar Look Sweeter" on page B3B .

Andy

Sent from my BlackBerry Wireless Handheld

From: Cheryl Digges
To: Andy Briscoe
Sent: 4/29/2011 10:38:42 AM
Subject: FYI

Cheryl Digges
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Sugar Sweet by Nature
Just 15 Calories per Teaspoon