



Best if Clearly Labeled

How the Consumer Packaged Goods Industry is Reducing Confusion and Food Waste



Powering every day.



DATE LABELING CLARITY

A Proactive Industry With a Proactive Solution

With more than 10 different and confusing label options — sell by, enjoy by, fresh until, display until, best before — American consumers were confused by if and when they should discard food, beverage and household products.

The consumer packaged goods (CPG) industry recognized that consumers needed clarity.

To address this confusion, the Consumer Brands Association along with the Food Marketing Institute (FMI) brought together 25 CPG and grocery retail companies to simplify and streamline the number of labels — and bring much-needed clarity to consumers.

They narrowed date labeling down to two categories: BEST if Used By and USE By. Since launching in February 2017, 87 percent of products have adopted the streamlined phrases, according to a survey conducted by Consumer Brands in December 2018, and projected 98 percent adoption by the end of 2019. Complete adoption is expected by January 2020, in conjunction with the new FDA nutrition facts panel.

Progress to Goal is Pacing Ahead of Schedule

87%

Of products are using the streamlined phrases to-date

100%

Of products are expected to use streamlined phrases by January 2020

Commonsense date labeling is an integral part of the CPG industry's culture of transparency and further evidence of its commitment to empowering consumers to make informed decisions about the products they buy.

THE PROBLEM

Majority of Americans Confused by Date Labels

Date label confusion is pervasive in American homes. A July 2017 Consumer Brands and Food Policy Action study found that 60 percent of Americans report having discussions in their households about the meaning of the date labels on their grocery products. Another 40 percent admit to having disagreements about whether to throw a product away.

The prevailing wisdom of "if in doubt, throw it out" is resulting in tremendous food waste. A report by the Harvard Law School Food Policy Clinic and the Natural Resources Defense Council found more than 90 percent of Americans may toss food too early due to misinterpreting date labels.

The USDA estimates 133 billion pounds of food is wasted in the United States each year. That is nearly a third of the available food supply, and more than \$161 billion worth of food wasted.

133
Billion pounds
of food wasted
annually

90%
of Americans
are confused
by date labels

\$161
Billion dollars
of food wasted
annually

This waste matters.

Beyond the implications for family budgets, food waste is packing landfills. The EPA estimates that more food reaches landfills than any other single material in America.

With approximately 20 percent of methane emissions in the United States coming from landfills, a reduction in food waste would have a positive impact on climate change.



DEVELOPING A SOLUTION

CPG Industry Takes Proactive Approach to Benefit Americans

BEST If Used By

Indicates to the consumer that, after a specified date, the product may not taste or perform as expected but can still be used or consumed.

USE By

Applies to perishable products that should be consumed by the date on the package and discarded after that date.

The CPG industry recognized the problem and its role in the solution. In January 2016, it started laying the groundwork to revolutionize the way products are labeled that would lessen consumer confusion and reduce waste.

Led by Consumer Brands and FMI, a working group of 25 companies reviewed, studied and debated how best to streamline and standardize label wording. Seemingly a simple task, but with tens of thousands of products and stakeholders extending from manufacturer to store, it was a complex undertaking.

After a thorough review of current wording practices, consumer research, proposed federal legislation and more, the working group put forward a resolution in January 2017 that narrowed more than 10 categories down to two: USE By and BEST If Used By.

This voluntary standard matched the recommendation for "BEST if Used By" made in December 2016 by the USDA Food Safety and Inspection Service. The federal agency said the new language would reduce consumer confusion, and research has confirmed the two new standard phrases are better understood.

THE RESULTS

By-the-Numbers

Once the uniform date labeling phrases were released, the goal was widespread adoption by summer 2018, and total adoption corresponding to the new FDA nutrition facts panel requirements in January 2020.



32,093
Products with
new labels

As of December 2018, a Consumer Brands survey found more than 32,000 products carried the streamlined language.



87%
of all products

As of December 2018, nearly nine-in-ten CPG products carried the new label language.



98%
anticipated by
end of 2019

CPG companies project that 98% of their products will carry the new labels by 2019, with total adoption by January 2020.

IMPACT

What Do Streamlined Date Labels Mean for American Consumers?

The confusion of the past approach to date labeling is clear. What is also clear are the benefits of the two streamlined labels. A December 2018 Consumer Brands survey of 1,002 American adults revealed that the simplified approach would make respondents feel safer, waste less, save money and be more confident in the products they bring into their homes every day.

88%

of Americans say that the streamlined date labels are clear to them.

85%

of Americans say that the streamlined date labels are helpful to them.

Top Benefits of Streamlined Labels



- 1.** I would feel safer about the products I eat.
- 2.** I would throw less away.
- 3.** I would save money by throwing less away.
- 4.** I would feel more confident in what I use.

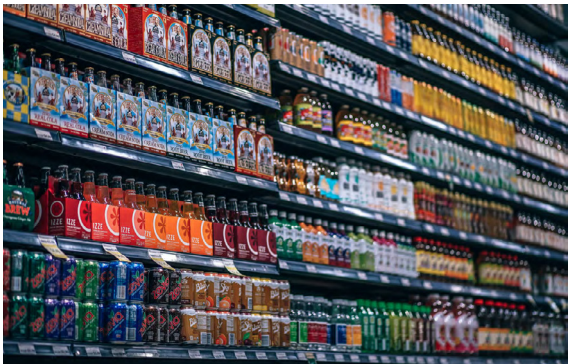
REACTION

What Government and Non-Profits are Saying

The simplified date labeling process was a welcome solution for experts who had long expressed concern about food waste and for members of Congress who appreciated the proactive approach of the CPG industry.

"Clarifying and standardizing date label language is one of the most cost effective ways that we can reduce the 40 percent of food that goes to waste each year in the United States...I am thrilled to see Consumer Brands and FMI incorporate FLPC's recommendations and take this critical step toward making date labels clearer, so that consumers can make better decisions and reduce needless waste of food and money."

—Emily Broad Leib,
Director, Harvard Law School Food Law and Policy Clinic



"I am pleased to see the grocery manufacturing and retail industries tackling this issue head on. Not every issue warrants a legislative fix, and I think this industry-led, voluntary approach to standardizing date labels is a prime example."

—U.S. Rep. Mike Conaway,
R-TX, chairman of the House Agriculture Committee

"Commonsense, standard food labels save money and reduce food waste. This voluntary initiative is a positive first step toward streamlining the dizzying patchwork of arbitrary and confusing food date labels."

—Sen. Richard Blumenthal,
D-CT



REACTION

What the Industry is Saying

CPG companies also welcomed the change. Standardized date labels are better for customers and fit into the industry's culture of sustainability.

"Eliminating confusion for consumers by using common product date wording is a win-win because it means more products will be used instead of thrown away in error. It's much better that these products stay in the kitchen — and out of landfills."

—Ralph Scozzafava, CEO, Dean Foods



"The customer comes first in our business, and this voluntary industry initiative provides shoppers with clear, easily understood date label information, so our customers can be confident in the product's quality and safety."

—Joe Colalillo, President of ShopRite of Hunterdon County, Inc. and chairman and CEO of Wakefern Food Corp

"As advocates for the customer, we're delighted with this industry-wide, collaborative initiative that will provide consistency, simplify consumers' lives and reduce food waste in homes across America."

—Frank Yiannas, former Vice President of Food Safety & Health, Walmart



DATE LABELING FAQ

Why not require immediate adoption?

Companies were urged to immediately phase in the streamlined phrases, and the changes have been implemented quickly. Still, packaging changes involve considerable effort and cost. The voluntary nature of the initiative gives companies the flexibility to work in labeling changes with other packaging updates that are planned or underway. This efficiency ultimately reduces implementation costs that may otherwise be passed on to consumers.

Why isn't there a federal standard?

With the widespread adoption of the streamlined phrases, which will be complete by January 2020, the CPG industry has solved the problem proactively. State laws remain in some cases, and companies will continue to comply with applicable regulations.

Will this make a real difference in reducing food waste?

The date labeling initiative is a key step in reducing food waste, but far from the only one being taken. From recycling and donation programs to multi-industry initiatives, the CPG industry is an engaged partner looking for multiple solutions to this complex problem.



BEYOND DATE LABELING

Taking it Further

The date labeling initiative is the latest example of the CPG industry's commitment to getting accurate information in the hands of American consumers.

There is no single solution to food waste. Date labeling is a small, but important, step toward meaningful food waste reduction. The CPG industry is committed to meeting the larger challenge head-on and is taking a variety of steps to do so.

- The Food Waste Reduction Alliance — a partnership with Consumer Brands, FMI and the National Restaurant Association — was created in 2011 to reduce food waste, increase the available food supply to those in need, and to recycle unavoidable food waste, keeping it out of landfills.

- CPG manufacturers recycled 97 percent of food waste from their operations and donated 800 million pounds to food banks in 2015.

- CPG brands including Conagra, General Mills, Kellogg's, PepsiCo, Unilever and Campbell Soup Company are just a few of the 21 organizations who have become USDA and EPA "U.S. Food Lost and Waste 2030 Champions," pledging to cut waste in half by 2030.



Conclusion

The fight against food waste is ongoing, but the date labeling effort initiated and developed by the CPG industry is a key step in empowering consumers to affect change.

Standardized terms were a commonsense solution for American consumers and manufacturers. They had a quick effect and promise to have a lasting impact.

American families deserve to have confidence and trust in the products they buy. The CPG industry is ensuring that they get it.