

TRANS FAT TASK FORCE INDUSTRY MEETING

SUMMARY OF PRESENTATIONS

Lord Elgin Hotel, Ottawa June 13th, 2005

PURPOSE OF THE MEETING

On June 13th, the Task Force held a consultation meeting to build a better understanding of the industry issues and concerns pertaining to the reduction and elimination of industrially produced *trans* fats. Stakeholder feedback was invited through a <u>consultation questionnaire</u> posted on Health Canada's website a few weeks prior to the meeting. The questions outlined key information gaps identified by the Task Force in the early stage of its work, mainly regarding the issues affecting the industry:

- What they are doing and have done to reduce trans fats
- Problems they are facing
- Potential implications
- Current and future trans fat alternatives
- Timelines for trans fat reduction/elimination in product lines

A further public consultation will be held this fall, this time on the health effects of some of the proposed alternatives to trans fats.

On June 13th, members had the opportunity not only to listen and learn from industry representatives but also engage in dialogue to further explore and understand the issues at hand. A synopsis of each presentation is provided below.

CANADIAN COUNCIL OF GROCERY DISTRIBUTORS SHERRY CASEY, LOBLAWS

The Canadian Council of Grocery Distributors labelling committee members are involved with various issues, one of which is trans. Mrs. Casey noted that consumers are looking for trans-free foods, not simply reduced, yet the product must deliver on taste. They are also confused by the labelling.

Mrs. Casey stated that there are many trans fat replacement oils (blended/modified/liquid oils and saturated fats) currently being used in a variety of products such as breads, pastries and chips, to name a few – greater use of saturated fat containing modified oils. Product impacts include a 1 to 2 yr (or more) development time, reduced shelf life, a 10 – 15% increase in packaging, handling and distribution costs, generally passed onto the consumer who's acceptance of products made with trans fat alternative is not fully understood at this time.

Since the larger manufacturers are geared to handling one or two types of oils for many different products, the impact of introducing new alternatives and nutrition re-labelling is costly and affects many products (brands). However, the small to medium sized manufacturers are faced with the most challenges – a lack of resources/knowledge, expensive healthier oils, capital costs and re-labelling issues-thus moving them away from innovation. Providing research, tax incentives, government funding and more time would most certainly help their cause. Finally, imported products present challenges due to lack of knowledge, interest, urgency and varying requirement definitions. Educating consumers about *trans* fat/healthy eating, promoting new Nutrition Facts labels and

providing regulatory incentives are solutions to reduce Trans fat consumption. She stated that manufacturers need "real" support and suggested that the Task Force members should avoid setting "regulated" *trans* limits and consider different solutions for different food categories.

CONSEIL DE LA TRANSFORMATION AGROALIMENTAIRE ET DES PRODUITS DE CONSOMMATION (CTAC) Christine Jean & Sylvie Cloutier

Christine Jean stated that the Conseil de la Transformation Agroalimentaire et des Produits de Consommation recognize the need for industry to find alternative solutions for trans fat reduction or elimination. She cited examples of industries that have launched trans-free products as well as factors and considerations industry must take into account in their continued effort to find healthier alternatives.

In the short term, the mandatory labelling that will come into effect at year's end will help consumers make more informed, healthier choices but there is concern over the issue of imported "unlabelled" products. She cautioned that imposing *trans* fat reduction / elimination regulations with short or hurried timeframes may lead to undesirable alternative solutions. Industry has acted quickly to develop alternatives, yet they require more time and R&D to ensure safe and healthy solutions.

PEPSICO TIM CIVIL & GRANT MORRISON

Tim Civil presented insights on PepsiCo's effort to reduce, and in many cases eliminate, processed *trans* fats in its products, under the food brands it offers beyond their beverage portfolio. The company has had a history of looking at healthier innovations over the last couple of decades across all of their divisions which include Frito-Lay, Pepsi-Cola, Tropicana, Gatorade and Quaker. Over the last 5 years, they have focused on improving their products to responding to the emerging "wellness trend".

Consumers are concerned about *trans* fats but want great tasting products that are consistent with a healthy lifestyle. Meeting the consumer demand can be difficult since "taste is king" and consumers will not sacrifice taste. The solution means providing consumers with healthier product choices and marketing it in a way that would help them adopt healthier lifestyles. Eliminating *trans* fats has been one of the cornerstones of PepsiCo's focus and efforts. Mr. Civil stated that over the last 3 years, 50% of PepsiCo's new products ("good for you" or "better for you" line) were healthier product choices, they have eliminated trans and reduced saturated fat by 66% from the Frito-Lay portfolio and have had significant trans fat reduction with their other products (i.e. Quaker). Tim Civil stated that PepsiCo is well aware that each product line faces unique challenges – some more onerous than others and reformulation of the remaining products in their portfolio may prove to be even more challenging.

CANADIAN MEAT COUNCIL (CMC) CARLA ABBATEMARCO & JIM LAWS

Founded in 1919, the Canadian Meat Council is the national trade association of federally inspected red meat packers and processors, operating under federal standards and regulations. Ms. Abbatemarco stated that the levels and type of *trans* fats found naturally in foods from ruminant animals should continue to be excluded from the debate. The vast majority of *trans* fat values in processed *meat based* products with pastry, breading and sauces as well as meat pies and quiches containing meat are the result of processed fat and oil ingredients. Some Canadian Meat Council members have already been proactive in searching for zero or reduced trans fat alternatives.

Healthier alternatives need to be cost effective and have sufficiently long shelf life. Suppliers need incentives to encourage them to make these healthier alternatives available so they can still remain economically competitive in the marketplace. In regards to the Regulatory Framework, the CMC recommends a mandatory imposition of an upper limit that would apply to all *processed trans* fat and that the maximum level should focus only on the trans fat *added* to the product, and not on the total amount of trans fat in the final product. She concluded by stating that to ensure adequate implementation across Canada, the transition period should be between 3 to 5 years. In addition, government should ensure a practical and effective system at the raw material processing level to monitor levels on a regular basis.

ACADEMIE CULINAIRE FRANÇOIS MARTEL

L'Academie Culinaire is a culinary arts school for cooking enthusiasts and professionals. It also houses an applied research and development centre for the production of new food products and techniques targeted to food industry manufacturers and distributors.

Mr. Martel presentation focussed on their studies in *trans* and saturated fats over the last few years and on their involvement in the development of alternatives. In 2003, they launched a line of low-fat vegetarian and meat spreads called PurPlaisir that won the CTAC's Innovation Award. He introduced their latest product called "zero3" that is free from *trans* fats, saturated fats and cholesterol. The product can be formulated in different ways, it is made with natural components and contains significant levels of omega-3 fatty acids. It is a healthy option with applications in the preparation of bread and pastries as well as processed meats and spreads. Mr Martel noted the challenges in finding *trans* fat alternatives, including R&D time and costs, stakeholder involvement, increasing shelf life and securing investment from various levels of government.

JOHNSON MATTHEY CATALYSTS DENNY SEAMAN

Denny Seaman provided scientific information on processes in technology hydrogenation. Johnson Matthey supplies catalysts to a wide range of industry processes. One of the applications in which their catalysts are used is partial hydrogenation of edible oils. They have a vested interest in ensuring that their products "do not unduly place consumers in any country at risk".

Today, the two main oil crops in Canada are canola and soy – both oils have high linolenic content and poor oxidative stability and need to be modified to be used in various food applications. He reviewed the fatty acid profiles and processing conditions of the alternatives currently offered by suppliers to manufacturers who wish to replace partially hydrogenated oils. In keeping with their goal to lower the production of *trans* fatty acids during hydrogenation, he explained how changing processing conditions – agitation, low temperature and high pressure can increase changes in the hydrogen concentration in the reactor thereby reducing trans fat content within certain limits. He also reviewed their intensive research and development project on catalyst improvement and concluded by stating although there is no "silver bullet" catalyst, by ensuring a precise control of the processing environment, significantly lower trans are already possible using existing catalysts. The project Johnson Matley Catalysts is working on (which we hope to commercialize by end 2006 if successful) aims to make yet further reduction possible.

CARGILL STEPHANIE QUAH

Stephanie Quah provided information on Cargill's zero/low *trans* fat substitutes, the availability of supply and the consumer reaction to foods reformulated for trans fat reduction. These substitutes, based on high oleic canola, are grown, processed and manufactured in Canada. She outlined and profiled the different categories of substitutes including, heavy duty frying oils, high stability oils and solid shortenings. In anticipation of market demand, Cargill will produce over 500 million pounds of high oleic canola oil this fall. The supply can be rapidly increased if market demand continues to grow.

She provided results from a consumer survey that focused on *trans* labelling vs. non trans labelling on products. Based on branded corn chip and breakfast cereals, they concluded that if given a choice, an overwhelming number of consumers would select the healthier product and one third of the respondents would be ready to pay more. In summary, Cargill believes that consumers value healthier products; it's a win-win situation for the food industry and their customers.

ARCHER DANIELS MIDLAND (ADM) BRENT FLICKINGER

Brent Flickinger presented ADM's low and zero trans fat alternatives portfolio called Novalipid. Positioned in the middle of the food supply chain, their main efforts as an "ingredient manufacturer" is to provide the infrastructure for the processing of oil seed into functional ingredients for the makers of retail food goods. Their Novalipid's portfolio of low *trans* solutions include naturally stable oils, interesterified products, tropical oils and blended fats/oils. He pointed out that the focus must be on soy and palm oils/fats since they currently dominate and dictate processing worldwide. ADM has been involved on a variety of levels with the United Soybean Board (USB), the United States Department of Agriculture (USDA) and Technology Providers in the development of future solutions for trans alternatives including low linolenic soybean oil. Oilseed supply considerations include cost, R&D, field trials, breeding expansion, etc. However having uniform, commodity oilseeds offers greater processing flexibility as well as savings generally associated with intellectual property and identity preservation costs.

Stearic- & PUFA-rich shortenings are being developed and encouraged as solutions for food manufacturers as part of ADM's Novalipid portfolio. Mr. Flickinger stated that the use of the terms "fully hydrogenated" or "hydrogenated" in the list of ingredients confuses customers regarding trans content, and concluded by saying that ADM has received guidance from the FDA on allowing the use of the term "interesterified vegetable oil" on food labels to address this confusion.

MONSANTO

BOB INGRATA

Monsanto is an agriculture company focused on seeds, biotechnological traits, healthier foods and agricultural inputs. They have been doing research in food and nutrition for over 20 years. Consumer-driven, they recognise that without taste there is no nutrition. Mr. Ingrata stated that Monsanto's food program is focused on healthier oil for healthier living. Monsanto is striving to provide products whose composition is more healthful or can deliver healthy molecules in food.

The focus of Monsanto's food platform has been on helping to find low *trans* and saturated fat solutions. Montanto's *trans* fat alternatives include low linolenic soy oil, low lin/mid oleic soy and high stearate soy. Soybean is not optimal for most food applications therefore the oil is often hydrogenated or blended. They have launched and commercialized a soybean called Vistive I, a non biotech product with reduced linolenic acid (no *trans*). By 2012, Vistive III will offer a more stable, no *trans*, low saturated fat soybean oil. Preliminary Vistive study results with Tortilla Chips have been very encouraging. He noted that the first available low linolenic (Vistive) soybean varieties are produced in the US and he outlined the farm production cost drivers. He discussed

omega-3 oils, namely vegetable and fish oil in terms of consumer diet, awareness, taste and product application. Mr. Ingrata concluded by emphasizing Monsanto's commitment to the improvement of soybean and canola oil using all available technology and the need to work together to find solutions.

DOW AGROSCIENCES CANADA JIM WISPINSKI

Mr. Wispinski's presentation focussed on *trans* fat alternatives currently available. He stated that the overall goal of reducing both *trans* and saturated fats is achievable by replacing partially hydrogenated oils with alternative, naturally stable oils. Frying and food processing alternatives are now being used and baking alternatives are under development.

Natreon, a healthy branded oil grown from Nexera canola seed, was the focal point of his presentation. Dow's breeding program has been based in Saskatchewan since the mid 1990s. Natreon qualifies for "Trans Fat-Free" status (only very small amounts of *trans* from final processing). Mr. Wispinski reviewed comparative oil profiles and highlighted Natreon's low saturated fat, reduced linolenic and increased oleic contents. He also explained the benefits of Natreon from functionality, cost, stability and health perspectives.

Mr. Wispinski noted that Canada has great expertise in growing canola. In the future, 1.5 MM acres of Nexera canola seed could replace <u>all</u> partially hydrogenated oils. The supply of alternatives to partially hydrogenated oils could therefore respond to demand. He concluded by underlining that this solution could be produced by Canadian farmers and processors.

CANOLA COUNCIL OF CANADA TYLER BJORNSON

Mr Bjornson began his presentation by stressing what the goals of the Task Force should be to ensure that the decision-makers have all the relevant information to make recommendations that lead to an overall improvement in public health. He questioned the focus of the Task Force's mandate on processed trans fat and stated that for the benefit of public health, we must not differentiate between processed and naturally occurring *trans* fats. He also pointed to the need to understand the complexity of the oil/fat issue and how alternatives may impact on Canadians' intake of other fatty acids, in particular, saturated fat.

Canola is one of the healthiest alternatives, yet failing to duly consider and understand the "whole" issue may have a detrimental impact on the Canadian canola industry. He outlined the benefits of canola by comparing its fatty acid content with other oils, emphasizing the low level of saturated fat and high levels of monounsaturated fat and omega-3.

He noted that innovation in canola has already benefited public health and that government assistance to research and development as well as effective public education could help regulate trans reduction without having to impose regulations. He concluded by stating that the Task Force should look at assessing the efficacy of existing mechanisms in addressing the problem.

DAIRY FARMERS OF CANADA (DFC) GAIL EWAN

Gail Ewan began her presentation by stating that the DFC supports the mandate to effectively eliminate or reduce *processed trans* fats but does not support its application to foods containing *naturally occurring* trans fats found in ruminant fats. Her presentation focused on how these two types of *trans* fats differ in terms of hydrogenation process, appearance in the food supply, distribution of isomers and health impact. She presented several studies that not only differentiated ruminants from processed fats, but also associated naturally occurring *trans* fats with positive health effects compared to more detrimental health effects resulting from processed *trans* fat consumption.

Citing a ruling from Denmark that supports the differentiation between these two types of fats, she concluded by reiterating that ruminant *trans* fats should remain exempt from any new trans fat regulation.

CONCLUSION

Industry representatives thanked the members of the Task Force for the opportunity to provide input and to share their perspectives on the various challenges associated with the *trans* fat issue. At the end of the day, Task Force Members had gained valuable information and insights as well as a sense of optimism. They were pleased to hear that industry shares the same *trans* fat reduction goals. In thanking the industry representatives, the Task Force co-chairs assured them that the feedback and issues conveyed during the day would feed into the following day's meeting deliberations where members would integrate the information they had received from industry and identify any remaining information gaps.