

Guide to Food Labeling & Transparency

New regulations in the U.S. and UK highlight the growing importance for accurate and detailed food labels. But food retailers should look beyond compliance to see all the benefits of a modern and dynamic food labeling system.

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Prior to the 1960s, very few food labels included nutritional or ingredient information. In fact, consumers were lucky if the packaging didn't flat out deceive them about what was actually in the food. But back then, the majority of foods were prepared from simple staples and basic ingredients. Additives, chemicals, GMOs and an ever-expanding globalization of the food supply chain, combined with a shift in consumer eating habits, has added layers of complexity to what is in and where the food we eat comes from.

As a result, governments have seen the need for, and consumers have demonstrated a demand for, clear and detailed food labeling. While the impetus for labeling regulations around the globe is the health interest of citizens, there is more than legal concerns when it comes to posting ingredient and nutrition information on food packaging, especially in today's ready-to-eat economy where prepared foods are more popular than ever.

For prepared-food sellers like grocery stores and convenience stores, support for detailed and accurate food labeling can be found in three related cases: the regulatory case, consumer case and the business case. Moreover, the evolving nature of all three cases necessitates that food sellers be able to swiftly alter and adjust labels accordingly.

Thankfully, technology has again come to the rescue. Software platforms exist that make this flexibility not only feasible, but practical. If you're still not convinced, further consider these three cases for making label technology a priority in your stores.

The Regulatory Case

The regulatory case for accurate food labeling should be a simple sell – you're in violation of the law if you don't comply with the regulations. But it isn't enough to just know the laws exist, you must understand the regulations, as well as keep up with changes and updates, which have become increasingly more frequent over the past two decades.

As a prime example, implementation of the new Nutritional Facts Law in the United States is on the horizon. Any retailer drawing more than \$10 million in fresh and frozen food revenue is required to be in compliance by Jan. 1, 2020. (Companies with less than \$10 million in food revenue have an additional one year to meet the requirements.)

While many consumers may not spot some of the nuanced differences coming to the nutrition panel via the new law, it's imperative for businesses to update their labeling technology to meet the requirements. A detailed rundown of the changes can be found on [the U.S. Food and Drug Administration website](https://www.fda.gov/food/food-labeling-nutrition/changes-nutrition-facts-label)¹, but a few major elements of the changes worth noting include:

- Increasing the type size and font weight (bold) for “calories,” “servings per container” and “serving size.”
- Manufacturers and retailers must declare the actual amount, in addition to percent daily value of vitamin D, calcium, iron and potassium. It is voluntary to declare the gram amount for other vitamins and minerals.
- Added sugars, in grams and as percent daily value, must be included on the label.
- While “total fat,” “saturated fat,” and “trans fat” will still be required, “calories from fat” will not.
- Serving size must match the amount being consumed and should be based on packaging size (if it could reasonably be consumed in one sitting.)

Illustrating the shifting nature of food regulations, the 2020 Nutrition Label Facts law comes only two years after another major FDA update, the Menu Labeling Law, took effect. This law had a notable impact on grocery and retail chains that provide ready-made food items. It requires retailers to gather and maintain caloric and nutritional data for ingredients of menu items and self-service foods for sale.

Under the Menu Labeling Law, food retailers are required to verify that information in their nutrient analysis is complete and correct, and must provide accurate calorie counts that consumers can see prior to purchase.

Changes and updates in food labeling policies aren't confined to the United States. Just this year, the UK announced new regulations that will require food businesses to include full ingredients labeling on all pre-packaged foods.

1. <https://www.fda.gov/food/food-labeling-nutrition/changes-nutrition-facts-label>

Deemed “Natasha’s Law,” so named after a teenaged allergy victim, the new regulations will require businesses that package and sell food at the same location to include full ingredient listings – a significant change from current policy. Natasha’s Law won’t come into force until mid-2021, but many businesses are taking proactive measures to meet the requirements early as consumers applaud the government for extending protections to those with allergies.

Changes in food labeling requirements are coming at an increasing pace over previous decades, and with each highly publicized allergen incident or contamination outbreak looms the possibility of additional changes. For example, in response to the E. coli outbreak in romaine lettuce in the U.S. in 2018, the FDA issued new requirements for location and date-of-harvest information on romaine labels.

Though this in particular had little impact on retail-level merchants, the takeaway is that governments are growing progressively more active in efforts to protect consumers and are using labels as a primary tool in their arsenal. As a result, suppliers and vendors all along the food chain must be cognizant of future changes and should provide themselves the flexibility to adapt when necessary.

The Consumer Case

Consumers are at the heart of labeling laws, as governments and agencies aim to protect them. But the regulatory case for accurate and thorough food labeling can be viewed as a minimum threshold. The reality is that today’s consumers expect far more than the bare minimum, and that includes information about what they’re eating.

Today’s shoppers are more educated about ingredients and how they affect their health. For example, seven in 10 consumers prefer² foods with no artificial ingredients.

Society is also gaining an understanding of the importance of nutrition. The obesity epidemic, along with a general increase of awareness over health, make nutrition a driving factor for consumers buying foods.

2. <https://foodinsight.org/wp-content/uploads/2018/05/2018-FHS-Report-FINAL.pdf>

An International Food Information Council Foundation [Food Labeling Survey](#)³ in 2019 found nearly all consumers look for healthy options at least some of the time when shopping for food, with younger, highly educated and households with children most commonly showing such behavior. Another important factor in consumer behavior is the need to know where food is sourced. Consumers are increasingly more concerned about ethically sourced ingredients such as free-range, organic food. In a 2018 survey, [60% of consumers said](#)⁴ it was important to them that the food they purchase be produced in a sustainable way, an increase from only 50% a year earlier.

The source of the food can also be important, especially in the event of a contamination outbreak. Many consumers are also increasingly looking for locally or regionally sourced products.

All this nutritional and sourcing information that is of growing importance to consumers can be shared on the labels, but do most shoppers actually look at the labels? Research indicates many do.

A majority of respondents in the IFICF survey said they always read labels on food before buying it for the first time. Almost half said they use the label to determine if the food has ingredients they do want in it, while almost a third said they read the label to see if it contains ingredients they don't want.

Furthermore, consumers ranked the Nutrition Facts panel (69%) and the list of ingredients (67%) as the places they most look for information about a food's healthiness. Fewer said they frequently check for front-of-packaging content icons such as the "Facts Up Front" label or the Heart-Check symbol.

Consumers have different motivations for reading food packaging labels, so it's important to understand what they're looking for. Overall, [seven in 10 said](#)⁵ they read the Nutrition Facts panel, with 42% saying they do so frequently or almost always. The number who read the facts panel jumps to 81% in shoppers who are watching their weight, with 59% saying they look frequently or almost always.

3. <https://foodinsight.org/wp-content/uploads/2019/01/IFIC-FDN-AHA-Report.pdf>

4. <https://foodinsight.org/wp-content/uploads/2018/05/2018-FHS-Report-FINAL.pdf>

5. <https://www.supermarketnews.com/retail-financial/new-study-reveals-who-reads-nutrition-facts-labels>

Further understanding the motivations for viewing food labels, the critical reasons consumers said⁶ they read the nutrition facts and ingredient labels are:

- When looking for something specific (such as fiber or protein)
- Avoiding something specific (such as sugar or fat)
- Shopping with a food allergy
- Shopping with a health condition
- Transparency and food safety concerns

Researchers are still trying to gain a better understanding of how recent changes to the food labels and evolving consumer habits are impacting food label viewing, but it's clear the goals are to provide shoppers with all the important information they need and want.

Mary Christoph, Ph.D., M.P.H., lead author in a study from the University of Minnesota's School of Public Health and Medical School, noted⁷, "We wanted to understand which young adults used nutrition labels, what parts of the label they read and how label use was related to food intake. These questions are important for understanding how to better support young adults in making food choices, and how to meet consumer preferences in terms of label content."

Previous research has already shown that labels do indeed influence behavior, if at least for those with certain dietary targets. Still, researchers feel more can be accomplished through accurate and complete food labels.

In an article for STAT, authors Dariush Mozaffarian, M.D., a cardiologist and dean of the Tufts Friedman School of Nutrition Science and Policy, and Siyi Shangguan, M.D., an internal medicine attending physician at Massachusetts General Hospital, proclaimed, "To solve the nutrition crisis in the U.S. and around the world, we need smarter labels as well as smarter supportive policies that can together make healthy eating the easier, cheaper, more widely available choice."

6. <https://www.forbes.com/sites/thehartmangroup/2016/07/20/nutrition-101-consumers-actually-do-read-product-labels/#3069465245e6>

7. <https://www.supermarketnews.com/retail-financial/new-study-reveals-who-reads-nutrition-facts-labels>

The Business Case

Staying in compliance with regulations and catering to your customers' needs should be enough of a business case for employing a dynamic labeling system, but there are other important bottom-line advantages to a modern, tech-driven labeling system.

One such advantage is the ability to regulate labels at multiple retail outlets from one central location. Not only can you establish uniform labels across all locations, you'll have visibility of each store's adherence to the established production plans and use of ingredients as it relates to label data. Changes at any level can be communicated and updated, ensuring consistent accuracy.

Team members at individual locations have access to standardized recipes, and the system generates legally-compliant labeling panels with accurate ingredient lists and nutritional facts, removing the burden and complexity of the regulatory environment from store-level staff, who can simply focus on making food and providing the best service to customers.

The advantages of a central software solution become especially beneficial in fresh food departments like the bakery, where customized labels are common. You gain the ability to quickly print barcoded labels that still replicate the depth of information from existing scale labels, including allergen warnings and nutritional facts. Typically, these labels can be produced on most standard printers, reducing the overhead and maintenance of larger, more specialized equipment such as scale printers.

Detailed and accurate labels not only help your business operate more productively but, can also help you avoid potential litigation. While food label lawsuits are typically targeted at major brands, the number of food label litigation cases filed in 2018 grew over the previous year, and industry experts expect the trend⁸ to continue. Law firm McGuireWoods observed that consumers continue to look for weaknesses in food labels, noting, "Essentially, plaintiffs in 2018 experimented with a new generation of food-labeling claims to see what would stick."

8. <https://www.mcguirewoods.com/client-resources/Alerts/2019/1/food-labeling-litigation-trends-2019>

The Big Picture

Accurate food labeling isn't an option, it's a requirement by law. It's vital that food retailers understand these laws. Noncompliance could result in crippling fines, or worse yet, could cause injury or death to a consumer, such as the circumstance behind the aforementioned Natasha's Law.

But there's more to labeling than meeting regulations. The consumer and business cases for making your labeling as detailed and thorough as possible support investment in a system that goes beyond satisfying these government policies. Food sellers unable to provide shoppers with clear, detailed information on prepared foods are losing a competitive advantage and risk alienating and losing trust of customers who want to know where their food comes from and what it contains.

Fortunately, labeling technology is available that not only ensures stores stay compliant through evolving regulations, but efficiently provides labels with detailed data that shoppers want and need – whether that's potential allergen information, the original source of an ingredient or when the item was prepared.

Implementing a Food Labeling System

Upshop's Labeling Solution helps connect upstream systems to in-store bar-coding devices while ensuring data integrity. Fresh food retailers can send price, nutritional information, ingredient statements, label formats, speed keys, graphics and label data to more scale and printer types than any other system in the world. It also enables retailers to track label transaction as though they were transaction logs, giving users insight into how much product is produced and when. Contact an Upshop representative today to find out more.

To learn more. contact us at
info@upshop.com

T. +1 813 849 1818
E. info@upshop.com

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