FOOD DIRECTIONS LLC.

2015: Review | 2016: Outlook

2016: Highlights

Food and Drug Administration

- Food Safety Modernization Act (FSMA) Final Rules
  - Sanitary Transportation of Human and Animal Food
  - Focused Mitigation Strategies to Protect Food Against Intentional Adulteration
- Menu and Vending Labeling Compliance
- Nutrition Facts Panel Final Rule/Added Sugar Daily Value
- Sodium Reduction Voluntary Guidance
- Generally Recognized as Safe (GRAS) Reform
- Caffeine GRAS Guidance
- Updates to Health and Nutrient Content Claims
- Compliance of Labeling Animal Antibiotics

US Department of Agriculture & Health and Human Services

- Dietary Guidelines for Americans 2015 Release

US Department of Agriculture

- Nutrition Facts Panel Update Proposed Rule
- Local School Wellness Implementation Final Rule
- USDA Fresh Fruit and Vegetable Program Final Rule
- Child Nutrition Program changes and updates
- Child and Adult Care Food Program

Congress

- Child Nutrition Reauthorization
- GMO labeling
- SNAP reform conversations
- Menu labeling debate

State Activity

- GMO labeling
  - VT Law to become effective
  - Activity in additional states
- Sugar sweetened beverage taxes
- Waivers for exclusions on SNAP benefits
- Sodium labeling
  - NYC sodium labeling enforcement to begin

National Academy of Medicine

- Review of DGA Process
- WIC Food Package Review

Media's Growing Influence

- Chef spokespeople
- Ingredient use focus
- Sustainable, natural, local pressure
- Restaurant food sourcing announcements
- Humanely-raised and animal welfare practices
- Whole foods and clean labels

A Review of 2015 and An Outlook for 2016

2015 was a BIG year for food policy. From the Food and Drug Administration (FDA), five of the seven Food Safety Modernization Act (FSMA) rules were released, the Agency made their final determination on partially hydrogenated oils (PHOs) taking them off the Generally Recognized as Safe (GRAS) list, and the nutrition facts panel (NFP) rule pushed forward with a supplemental proposal – proposing a daily value for added sugars and an update to the NFP footnote. That said, the long-awaited sodium reduction initiative continues to sit on the backburner, while the FDA waits for the Obama Administration to give the go-ahead.

The US Department of Agriculture (USDA) and Department of Health and Human Services (HHS) have been exceptionally busy as well, co-leading the 2015 Dietary Guidelines for Americans (DGA). In February, the Dietary Guidelines Advisory Committee (DGAC) Scientific Report was released accumulating a media storm and over 29,000 comments. As a result, Congress got involved calling both Secretaries to testify and adding a rider in the omnibus spending bill that would disallow any funds being made available to release or implement the 2015 DGA until each revision was reviewed for scientific agreement and would additionally require a comprehensive study of the entire DGA process by the National Academy of Medicine in preparation for 2020. We expect the 2015 DGA to be released first thing in the New Year.

Interagency efforts continue to focus on Combatting Antibiotic Resistant Bacteria (CARB). CARB focus has swelled throughout the USDA, FDA, CDC, and within the Administration. Last year, the White House held a public forum on the issue, highlighting new plans for action. Additionally, FDA initiatives curbing medically important antibiotic use are set to take effect on-farm by December 2016.

Another interagency issue on the forefront is the definition of "Natural." While the USDA was expected to propose a definition first, the FDA took the lead in 2015 by opening a docket asking stakeholders to comment on 16 questions regarding use of the term. We expect this will be the first step in rulemaking, though no formal rulemaking process has yet begun. Additionally, we anticipate FDA to work closely with the USDA on the development of such a definition.

On the legislative front, Congress was set to reauthorize child nutrition (CNR) in September, but has yet to do so. These programs continue to run on autopilot and recent intel has CNR listed as a top priority when Congress returns in the new year.

Genetically Engineered (GE) foods (aka GMOs) are another top priority. The industry worked diligently, without success, seeking congressional action that would preempt state and local laws. Without federal preemption, the Vermont law, effective July 1, 2016, will mandate food and beverages containing GE ingredients bear a label. Speaking of GE Foods, FDA caused a stir when they approved the AquaBounty GE salmon, apparently without alerting the Hill that this was about to take place. In response, riders were included in the omnibus that will block the sale of this fish before final guidance from the FDA on how to label it– adding further controversy to the GMO debate. Not stopping there, FDA dismissed a Center for Food Safety petition reasoning that without a finding that biotech crops are materially different from their conventional counterparts, the Agency has no reason to require labeling. These many actions should keep the GMO debate in full swing into the new year as we wait to see if federal preemption can beat the ticking clock in Vermont.

Given 2016 is a Presidential election year – which will limit federal activity due to a condensed Congressional calendar and tense political climate – we could see issues ramping up at the state level, especially given recent advocate success on GMO and sugar sweetened beverage taxes. That said, at the federal level we anticipate the majority of activity during the first six months of 2016, in hopes to remove any temptation of the incoming administration to pull-back on items released late in an Obama Administration. These activities will include implementation of the DGA across federal food programs, a revised NFP, potential action on sodium, more FSMA final rules, and growing attention on issues like animal welfare, sustainability, and clean labels making for an busy new year.