



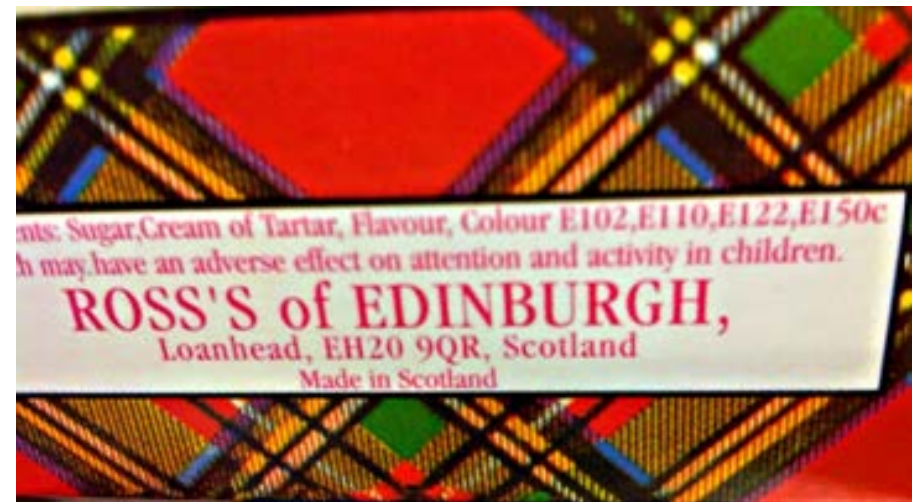
Economic and Regulatory Impact of Food Additive Changes

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Food Coloring

EU warning labels on synthetic food coloring

“may have an adverse effect on activity and attention in children”



Background

- 2006
 - Southampton U. Study
- 2008
 - EU Parliament and Council of Ministers Agreement
 - EFSA Opinion
- July 2009
 - EU Notifies the WTO as an amendment
- July 20 2010
 - Implementation begins



U.S. Timeline

- Aug 2009 – Comments Made to EU
- SPS Meetings
 - Oct 2009, March 2010, Oct 2010
- Ambassador Kirk & EU Commissioner Dalli
 - May 2010 visit to DC
 - June 2010 Follow-up letter
 - July 2010 Rejection
- July 2010
 - Colors Industry Forming Coalition
- Sept 2010 to Present
 - Industry & FAS meet with U.S. Ag Negotiator Isi Siddiqui
 - Ag Posts individually dealing with the issue



U.S. Impact



- \$6.4B worth of trade in jeopardy
 - 3 of 6 colors account for 85% of all food coloring in the US
- Industry Actions
 - Relabeling
 - Reformulating
 - Pulling out of EU Market

Global Impact

- Countries Following suit
 - Israel lowering ADIs
 - Peru's ban on Yellow 5 (retracted)
 - Saudi Arabia attempts to ban Yellow 5 and Red 40 (retracted)
 - Korea notifies WTO to ban synthetic food colors in 2009
 - Impact Est. \$2.3B market
 - Jan 2010 - Rule returned to KFDA after FAS meets with Korea Prime Minister



Korea Impact



U.S. Trade to South Korea **January - June**
Cumulative To Date Values in Thousands of dollars

Product	2009	2010	2011	% Change (2011 vs 2009)
Canned Vegetables	12,301	9,594	9,189	-25%
Salty Snacks	14,487	8,553	8,539	-41%
Baked Sweet Snacks	5,198	3,031	5,368	3%
Milk and Milk-Like	1,650	632	2,732	66%
Breakfast Cereal Groats	6,410	3,601	1,677	-74%
Fruit Intermediate Product	1,329	78	137	-90%
Soft Drinks	7,133	152	116	-98%
Vegetable Intermediate Product	168	13	48	-71%
Yogurt	204	152	24	-88%
Savory Snacks	334	44	0	-100%
Grand Total	49,214	25,850	27,830	-43%

Natural vs. Synthetic



- Economic Issues
 - Supply & Demand
- Public perceptions
 - Carmine Red



Thank You

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Questions?

