Economic and Regulatory Impact of Food Additive Changes

Chih-Yung Wu
International Trade Specialist
Processed Products & Technical Regulations Division
Food Coloring

EU warning labels on synthetic food coloring

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

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

**January - June**

**Cumulative To Date Values in Thousands of dollars**
Natural vs. Synthetic

- Economic Issues
  - Supply & Demand

- Public perceptions
  - Carmine Red
Thank You

Chih-Yung Wu
202.720.9058
Chih-Yung.Wu@fas.usda.gov
Questions?