

An emerging dilemma brands face: The Impact of the State-level Food Additives Bans

Legislation to ban food additives in multiple states highlights that consumer apprehensions regarding transparency remain steadfast.



Decoding the conundrum: do you know how your products and category are affected?

76% of grocery shoppers say transparency is important, an increase of 7pts since 2018¹

How many items are affected? Food Additives Potential Ban Impact

- Red Dye #3 – 5K items
- Brominated Vegetable Oil ~300 items
- Propyl Paraben ~ 250 items
- Potassium Bromate ~500 items
- Titanium Dioxide ~ 7K items
- High Fructose Corn Syrup ~ 25K items

The recent discussions around what is commonly referred to as the "Skittles ban" in California, which covers multiple food additives and is crossing multiple states, has drawn widespread attention. For numerous brands, this situation presents a challenge that requires potential reformulations. As brands consider how to accurately label their products in compliance with these regulations, they face the critical decision of whether to implement these changes nationwide or solely for the specific state affected.

Source: NIQ Retail Measurement Services, NIQ Product Insight, powered by Label Insight; Total US xAOC; Total Food & Beverage; \$ Share, Number of UPCs selling impacted; Total US xAOC, Total Food & Beverage; 52 weeks ending September 30, 2023
1 - FMI and NIQ 2023 Transparency Report

Implications for food and beverage companies



Starting with **the need for reformulations**, the implications are significant. Reformulations are needed as some additives are banned in certain states and Europe, requiring companies to find alternative ingredients to comply with regulations without compromising quality or taste.



Labeling is another crucial aspect to be considered. As highlighted by the issues with Prop 65, **companies may be required to issue specific labels** for banned additives in certain states, manage distribution and ensure compliance throughout the supply chain to avoid legal repercussions.



Banned additives face scrutiny from activist groups. The FDA and IFT argue against a complete ban due to insufficient evidence, while the European Union adopts the Precautionary Principle. This discrepancy in regulatory approaches adds complexity for companies in the food and beverage industry, as **they must navigate varying standards and expectations in different regions**.

Consumers are becoming more interested in and savvy about ingredients. NIQ and FMI research has seen a 7-point increase in interest in transparency, and consumers are more knowledgeable than ever about beneficial and detrimental ingredients. NIQ research shows GenZ leading many clean label attribute trends. While the bans may not pass across all states, the media coverage will inform consumers looking at labels.

Staying ahead of the game with NPI



NielsenIQ offers a Full View into product attribution, enabling clients to use our NIQ Product Insight (NPI) Characteristics to measure the market through claims, certifications, and ingredient-level product attributes.

NPI provides unmatched insights: By combining attributes with RMS data, companies can identify products that may be affected by the recent food additives ban, make informed decisions, and thrive in the face of regulatory changes.

The NIQ NPI team can help you stay on top of the current challenges, while you preserve the quality of the products your consumers love! For more information, please contact [Kieran Ward \(Kieran.Ward@nielseniq.com\)](mailto:Kieran.Ward@nielseniq.com).