Players

* Joseph: suing lawyer
* Mudd: VP Corporate affairs

Kraft in trouble

* May 2003, law suite, Oreo contains transfat; use hydrogenated veg oil. Want to ban sale in Cali
* Mudd claims already contacted FDA to add details on labels

Kraft Foods Inc

* Owned by tobacco giant Altria (Philip Morris)
* 2nd F&B WW, behind Nestle. 150 countries, 110k employees. 30B$ rev

Junk foods

* High calories, good taste, low nutrition
* Over consumption leads to nutritional deficiencies, cholesterol
* Growth in US because of convenience – busy schedule; FF@ every street corner
* Over1B$ in ad spend; often targeting children
* 60%+ adults overweight; 20% obese. More severe in black, Hispanic and low income communities
* Trend for companies to oversize to motivate consumption
* 30B$ market on diet products
* 130B$ Gov spent on obese health problems – Externatily/social cost
* Some ppl want FF companies to bare social cost like tobacco

Kraft share blame

* Most of product portfolio contains ingredients that classify as junk foods
* Since 99% households have Kraft foods, they have power to influence – social responsibility
* Some spending on awareness programs
* 1M$ spend on fitness programs
* 2003 after lawsuite dropped in may 2003, Kraft announce anti-obesity initiatives

Initiatives:

* Product nutrition, marketing practices, consumer information, public dialogue (pg 7 details)
* Formed global advisory council: review products and develop policies
* Will explore ways to revamp Oreo but don’t want to jeopardize taste
* FDA thinks Kraft initiatives will + impact population
* Some analysts think it’s just a smoke show to protect against lawsuits
* Most likely will only reduce size, not ingredients

Towards Healthy Future

* McD, McKain & Kellog followed by their initiatives
* **Agree that food companies play a role in obesity but do they have responsibility to act in public interest?**
* Should they be blamed same as tobacco companies?
* Food cpy argue that ppl have a choice and prefer fat foods
* Obesity kills 300,000 americans/yr (0.1%)