

The Sugar Backlash and its Effects on Global Consumer Markets

Contributed by Euromonitor International
Thursday, 06 November 2014
Last Updated Friday, 07 November 2014

Added sugars – in particular fructose - in processed food and drinks play a key part in the growing problems of obesity, diabetes and tooth decay. Consumer demand is forcing manufacturers to reduce sugar content and develop natural alternatives to artificial sweeteners (such as stevia blends) in their products. Our new report studies the impacts of this change on global ingredients; consumer markets such as packaged foods, soft drinks and health and wellness; company strategy and legislation.

Sugar has become public enemy number one in packaged foods and drinks.

As increasing amounts of scientific research link it with obesity and tooth decay, sugar is seen as a health risk by most and as toxic as tobacco by others.

Sugar Tax

Fat is receding as the main problem, as public perception now lays the blame on sugary foods and drinks. In March 2014 the World Health Organization (WHO) stated that cutting intake to 5% (instead of the current 10%) of an adult's daily calories but would have additional benefits.

Governments are increasingly concerned about the rising costs of illnesses such as type 2 diabetes and cancer, which have risen alongside an obesity epidemic. The battle between food companies and governments may only just beginning; if health systems fail under the strain of obesity-related diseases, regulators will act prevent rather than cure them.

Several countries are introducing legislation to help curb intake of sugary foods; health warnings, sales taxes, banning of junk foods in schools, restrictions on advertising to children and reduced portion sizes will become more prevalent. Forms of sugar tax have already been introduced in Denmark, France, Finland, Hungary, Mexico and India.

Cut out sugar products

Sugar, fat and carbohydrate intake is falling, as consumers become aware of the need to maintain a healthy weight to prevent the onset of cardiovascular diseases and diabetes. Euromonitor International's Global Consumer Trends Survey 2013 revealed that over half of consumers are involved in some sort of weight loss or management system, with 23% on a formal diet.

Minimising sugar is high on the agenda for many consumers. Given a list of ingredients they specifically look for on food labels, 42% checked for limited or no added sugar.

Obesity will no longer be a problem limited to rich nations. Latest Euromonitor data shows obesity rates are set to increase in all countries over the forecast period, reaching 46% of the US population by 2018. The data also showed Chinese consumers were most likely to check for sugar content, while, Russian and Japanese consumers were far less concerned.

Health campaigners are also increasingly concerned about the high levels of hidden sugars in many alcoholic drinks – especially in cider, fortified wines and liqueurs.

Sweet Alternatives to Sugar

Many high profile anti-sugar protests highlight the notion that that fructose is a bigger problem than fat; it has zero nutritional value, it can cause liver damage and heart disease, it may help the body retain fat, it cause obesity and type 2 diabetes, it can be –addictive– releasing dopamine in the brain to produce a sensation akin to being rewarded.

The food industry also argues that sugar is an essential component of processed foods because it helps make products more palatable, it's a bulking agent, texture modifier, flavour enhancer and preservative. There is no one ingredient that can replicate all of these functions in every product.

Until recently, high-intensity sweeteners have suffered from their artificial image, sometimes bitter aftertaste and a lack of consumer trust in synthetic ingredients. Aspartame, in particular, has come under fire, despite a vast number of scientific

studies proving its safety.

In the face of the backlash both against sugar and artificial sweeteners, companies have been scrambling to develop naturally sweetened low-calorie formulations. The high intensity sweetener stevia has emerged as a clear winner since being approved for use in a number of markets.

Clearly Labelling the Sugar Content

Currently, companies need only specify the total sugar content in their products but under proposals put forward by the FDA in June 2014, labels would also include the quantity of "added sugars".

Health campaigners will continue to put pressure on manufacturers to reduce the levels of hidden sugars in products such as bread, ready meals and dairy items, and to be more transparent about the sugar levels in all food and drink products by providing clearer information on nutrition labels.

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