



International Sugar Organization

1 Canada Square
Canary Wharf
London E14 5AA

EXECUTIVE DIRECTOR

**Press Release(17)29
(English only)**

10 July 2017

Articles from Sugaronline Ebriefing and Food Navigator.com

The Executive Director would like to call your attention to the following articles below which have a high relevance for ISO priority issues.

Sugaronline Ebriefing - 28 June 2017

US: Retailers sue local Gov't over sugar tax

A group of retailers Tuesday sued Cook County, Illinois, to try to block the sweetened beverage tax scheduled to go into effect in the Chicago area on Saturday, arguing it is unconstitutional and too vague for stores to implement, according to Reuters.

As part of the Cook County Circuit Court lawsuit, the Illinois Retail Merchants Association is seeking an injunction preventing enforcement of the law and a declaration that it is invalid.

"This ordinance is incomplete and it's a perfect example of the disaster that awaits when policies are hurried through without serious thought to how they might impact the businesses that have to try to comply with these policies," the retailer association's president, Rob Karr, said in a statement.

The Cook County Board of Commissioners passed the tax last November. It applies to all bottled sweetened beverages, including soda, sports drinks and energy drinks.

Cook County, which includes Chicago and its surroundings, joined a growing number of localities that have adopted measures to cut consumption of sugary drinks for health reasons, including Seattle, Philadelphia and San Francisco.

Cook County Board President Toni Preckwinkle's spokesman, Frank Shuftan, said in an email that county officials are still reviewing the lawsuit and they intend to "aggressively defend" the ordinance in court. Preckwinkle previously lauded the tax as a benefit to public health and a necessary way to increase revenue.

Officials with the Cook County Department of Revenue, which the association also named in the lawsuit, could not be reached for comment.

The state retail organization, which represents more than 20,000 stores, asserted in the lawsuit that the county's penny-per-ounce beverage tax violates the state constitution by imposing different taxes on similar beverage products.

For example, a packaged sweetened ice tea would be subject to the tax, while a similar drink served from behind the counter would not, the complaint said.

The tax also makes retailers vulnerable to becoming ineligible for the federal Supplemental Nutrition Assistance Program, or SNAP, according to the complaint, because the program

prohibits purchasing food that has a state or local sales tax. The program provides food benefits for millions of U.S. low-income individuals and families.

Other parties suing the county include Berkot Super Foods, Fairplay Foods, Chiquita Food Market, Leamington Foods, Tony's Fresh Market, Valli Produce and Walt's Food Centers.

Sugaronline Ebriefing - 6 July 2017

AUSTRALIA: Woolworths says "no" to new Coke due to too many sugar-free products

Industry analysts IBISWorld say the refusal by Woolworths to stock Coca-Cola "No Sugar" is all about market saturation of sugar-free soft drinks, according to Australian Business Insider. The soft drink, launched last month, is the beverage giant's biggest product launch in a decade and will replace Coca-Cola Zero from early next year.

Woolworth's reason: Its customers are already swamped with choice.

Shares in Coca-Cola Amatil, whose profits are being hit by changing tastes in Australia, are down more than 2% Thursday to A\$8.98.

Australians are moving away from traditional flavoured fizzy drinks and toward still and energy drinks.

"The nation's largest supermarket (Woolworths) cited already ample low and no-sugar cola options, including Coke Zero, as its primary reason for not stocking the new product," IBISWorld says.

"Coca-Cola Amatil launched the product in early June 2017, giving away two million cans of the new beverage. The company has also undertaken an extensive free-to-air advertising campaign."

IBISWorld says Coca-Cola Amatil is repositioning its no-sugar cola offering to stimulate renewed demand, following a profit downgrade as prices and sales volumes have fallen for the company's Australian Beverages business.

Its new "No Sugar" product is intended to be positioned as a healthier alternative to Coca-Cola Classic, with a flavour said to be closer to its classic cola than Coke Zero.

"Operators in the soft drink manufacturing industry have struggled with rising health consciousness as most soft drink products are perceived as unhealthy," says IBISWorld.

Coca-Cola Life, which had 30% less sugar than traditional Coca-Cola, was launched in April 2015.

However, low sales resulted in this product being discontinued early this year.

Coca-Cola Amatil then released Coca-Cola with Stevia to draw greater attention to its low sugar content, which is 50% lower than its standard classic drink.

IBISWorld expects industry revenue to grow by a subdued annual 0.2% over the five years through 2017-18 to reach A\$4.2 billion.

The analysts expects an expansion of private-label offerings and rising health awareness to weigh on growth in industry revenue as consumers either shift to lower value products or alternative beverages.

"However, the rising popularity of higher value energy and sports drinks will likely provide growth," IBISWorld says.

Nestlé pledges to cut sugar by 10% in UK breakfast cereals
By Gill Hyslop, 05-Jul-2017

Cereal Partners Worldwide, a joint venture between General Mills and Nestlé, has announced it will further reduce the sugar content in its Nestlé-branded cereals in the UK over the next year.

<http://www.foodnavigator.com/Policy/Nestle-pledges-to-cut-sugar-by-10-in-UK-breakfast-cereals>
