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**Report Name:** Israeli Consumers Disregard Front of Pack Labeling in  
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**Report Highlights:**

Israeli Consumers Disregard Front of Pack Labeling in COVID-19 Context

## **Israeli Consumers Disregard Front of Pack Labeling in COVID-19 Context**

In January 2020, the Israeli Front of Pack (FOP) labeling regulation came into force with the goal of changing the domestic food market. The regulation required food importers and producers to label products with high contents of sugar, fat, and/or sodium in red. While observing if Israelis limited their consumption of labeled products and increased consumption of non-labeled products, market research shows that the FOP labeling regulation has not had a significant effect on market trends, and sales of labeled products did not decline in this period.

In the dairy industry, the regulation has had no effect – sales of butter, high-fat cheeses, and other marked products are rising even though Israeli consumers have a high health awareness that is growing annually. Yellow cheese sales increased by 10.5 percent over the past year.

One explanation for this trend may be the COVID-19 outbreak. Consumers were led to stock their homes with food products. Looking at 2020 supermarket sales, there has been an increase in almost every food category. The one major category that saw a decline in sales is soft drinks, but this has been an ongoing trend over the past few years. Also, during the COVID-19 outbreak, it was observed that supermarket consumers sought to complete their purchases as quickly as possible in order to limit their exposure, which may have led them to skip over soft drink aisles.

Many Israeli food producers changed their product formulations due to this requirement. For example, some major ketchup producers reformulated their products to decrease sugar content, thus avoiding the red FOP labeling. However, during the COVID-19 outbreak, consumers purchased all types of ketchup products, no matter if they were FOP-labeled or not. When storeowners contacted ketchup producers to renew their stocks and were told that low-sugar ketchup is unavailable, the storeowners proceeded to request whatever that was available.

For many producers, the product reformulation led to additional costs due to the use of more expensive ingredients and the need to change their packaging. Not all food producers succeeded with their new food formulas. Some led to a change in the taste of the product which was unexpected by consumers.

One of the largest food companies in Israel, Osem-Nestle, reformulated most of its products in order to avoid the labeling, but also reported that for the marked products, there is no significant change in consumption. The company markets two versions of the same product – one is the original product with the FOP labeling and the other is reformulated and unlabeled. Retailers report that for most products, consumers still prefer the original versions even though they are marked with red labels. An exception is the Osem-Nestle-produced ketchup, where there is a considerable preference for the low sugar, unmarked product when the two products are available.

Even though many parties such as birthdays and graduations were canceled due to COVID-19 restrictions, there has been no decrease in sales of snacks and candy. For example, chocolate bar sales are up by 16.5 percent. Breakfast cereals sales are also not declining. Consumers continue to purchase their preferred brands, no matter if they now carry the FOP label or not.

The second phase of the FOP regulation will go into force in January 2021. During this phase, the threshold of sugar, fat, and sodium content will be stricter. For example, sugar maximum levels will

drop to 10 grams per 100 grams of product, sodium levels will drop to 400 mg per 100 grams of product, and saturated fat levels will drop to 4 grams per 100 grams of product. This will lead to many more FOP-labeled food products on the shelves.

**Attachments:**

No Attachments.