

June 8, 2005

Via Electronic and Paper Filing

Mr. Donald S. Clark  
Secretary  
Federal Trade Commission  
Room 159-H (Annex H)  
600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20580

Re: Food Marketing to Kids Workshop – Comment and Request to Participate,  
Project No. P034519

Dear Secretary Clark:

By Federal Register Notice dated May 12, 2005, the Federal Trade Commission (“FTC”) and the Department of Health and Human Services (“HHS”) have jointly requested public comment on a variety of issues to be discussed at the above-referenced Workshop, and have also solicited requests from those interested in participating as panelists at the Workshop.

General Mills, Inc. (“General Mills”) appreciates the opportunity to submit its comments on these issues in advance of the Workshop, and respectfully requests the opportunity to include one of its senior officers as a panelist.

**Introduction**

**1. General Mills’ experience and leadership in promoting consumer health**

With well-known brands like Cheerios, Lucky Charms, Yoplait, Pillsbury, Betty Crocker, and Green Giant (and growing brands like 8th Continent soy products and Muir Glen and Cascadian Farm organic products), General Mills is one of the leading manufacturers and marketers of food products in the United States. For decades, we have been in the vanguard of addressing consumer health and nutrition needs not only through major product advances, but also in the ways we market those advances.

Though Americans take it for granted today that their morning bowl of cereal will be a good or excellent source of key vitamins and nutrients, this important benefit has been decades in the making. In the 1970s, in response to the findings of the 1969 White House Conference on Nutrition concerning nutrient deficiencies in the U.S. population, General

Mills led the cereal industry in fortifying cereals with key nutrients lacking in the diet, including B vitamins and iron.<sup>1</sup> In the 1980s, to address a serious deficiency in the diet, we added folic acid to our cereals and promoted its importance, especially for women of childbearing age.<sup>2</sup> In the 1990s, General Mills recognized that calcium intake by kids was inadequate and declining, and responded by introducing and promoting calcium fortification in nearly all General Mills kids cereals. This was an enormous undertaking because adding calcium can have a major impact on overall product quality and taste. But we knew the expected result – a substantial increase in the percentage of kids meeting the calcium intake requirement<sup>3</sup> – would be well worth the effort. And from our introduction of whole grain Wheaties in 1974, through our 2005 announcement that all General Mills cereals now provide a good or excellent source of whole grain, General Mills has not only provided consumers with convenient and attractive ways of meeting the new U.S. Dietary Guidelines for consumption of whole grains, but we have also – through our marketing efforts – educated the public about the health benefits of whole grains more generally.

General Mills' pioneering efforts to address consumer health and nutrition needs, and to educate consumers and market to them on that basis, are by no means limited to the cereal aisle. Indeed, from vegetables to yogurt, from soy milk to soup, a large portion of our consumer sales come from products that we position significantly on the basis of health. As a result, General Mills believes that it is unusually well-qualified to provide meaningful commentary on the ways in which consumer food marketing by an industry leader can result in demonstrable health benefits to consumers.

## **2. The formula for effecting meaningful change and the role of marketing**

As will be highlighted in several case studies below, product improvement and marketing initiatives can have demonstrably beneficial impacts on health and nutrition in the United States. The formula for making an impact is straightforward. Not surprisingly, it starts with a product that effectively meets a consumer health need. To have the desired impact, though, the product must be consumed. And to be consumed, the product must taste good, conveniently fit in the lifestyle of the consumer, and be effectively marketed.

Though taste and convenience are critical, without effective marketing the best product in the world will go unconsumed, and consumers may remain unaware of the health

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<sup>1</sup> Today, as a result of these efforts, there is a powerful correlation between cereal consumption by kids and the likelihood that they will meet recommended intake levels for key nutrients. Kids who do not eat cereal are far less likely to meet recommended intake levels. See Exhibit 1 (attached).

<sup>2</sup> This effort, together with FDA's requirement a decade later (in 1998) that folic acid be added to enriched grains, has resulted in a significant reduction in the incidences of neural tube defects in the U.S. population. See Honein MA, et al., *Impact of Folic Acid Fortification of the US Food Supply on the Occurrence of Neural Tube Defects*. JAMA, 2001;285:2981-2986 (19% reduction in neural tube defects birth prevalence occurred following folic acid fortification of the US food supply). Cereal is the number one source of folic acid in the diets of women of childbearing age. NHANES 2001-2002.

<sup>3</sup> See Weimer KL, *Successful Marketing of Healthful Food Products for Children: A Case Study*. CVD Prevention, 2000, 3/2 (130-131). (Estimate of 6 to 8 percentage point increases in kids meeting calcium intake requirements based on computer modeling.)

issues the product addresses. Beyond that, the ability to effectively communicate to consumers encourages and enables the investment in the product in the first place, and allows retailers to feel assured in stocking the product, knowing that it will be supported by marketing communication. When it comes to healthful products geared toward kids, effective marketing can take a variety of forms – ranging from communicating to kids those health benefits that truly register with kids, to communicating more specifically about health to parents, to simply making a healthful product fun and appealing to kids without excess communication about the inherent health benefits.

Below, we provide several case studies showing how effective marketing can result in significant and demonstrable benefits to consumer health by: (i) increasing consumer adoption of healthful products; (ii) making it easier for parents to make good choices for themselves and their kids; (iii) educating hard-to-reach, vulnerable populations about healthful products for themselves and their kids; and (iv) motivating kids directly to make good choices. As several of the case studies show, success breeds greater success in this area. Effective marketing spawns competitive products and advertising from the balance of the industry – the snowball effect of which can have an even more substantial impact on consumer health.

### **Case Studies**

#### **1. Yogurt consumption by kids – how General Mills accelerated kid adoption of a healthful product by marketing the concept of fun (and not particular health benefits) directly to kids**

Not too many years ago, American kids did not eat much yogurt. General Mills set out to change that – not by directly telling kids that eating yogurt would be better for them than other common snack foods (like cookies and candy) that yogurt may displace in a kid's diet – but by making yogurt fun and appealing.

Among other important initiatives to encourage this, we introduced Go-Gurt (a squeezable tube of yogurt suitable for snacking on the go) and Trix yogurt (a conventional cup yogurt branded in an appealing way), and supported these products with appealing advertising emphasizing an association between fun and yogurt. Adoption of these products by kids in response to the marketing has been impressive. In a 2005 survey of kids who consume yogurt, 76% said they like Go-Gurt and 74% said they like Trix, on par with the liking scores of longstanding and dominant products like Popsicles (77%) and Oreos (74%).<sup>4</sup> Considering that these kid-oriented yogurt products did not exist prior to the 1990s, this is extraordinary. Beyond the growth of our brands, our efforts with Go-Gurt and Trix have helped drive competitive responses and build up yogurt more generally as an extremely popular snack for kids. In a 2003 survey, for example, 28% of kids surveyed picked yogurt as their favorite snack – at parity with cookies (28%), and ahead of candy (26%) and pudding (20%).<sup>5</sup> Overall, in the past two decades, as our products and competitive products were

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<sup>4</sup> *General Mills Brand Equity Survey*, January 2005.

<sup>5</sup> *General Mills Attitude and Usage Study*, February 2003.

being introduced and marketed, frequency of yogurt consumption by kids ages 6 through 12 has nearly quadrupled.<sup>6</sup>

Thus, effective marketing of these kid-oriented yogurt products has essentially created a product category that did not formerly exist, encouraging kids to more often choose nutrient-dense yogurt as a healthful snack, providing kids with calcium and protein without much sodium or fat.

2. **Postscript to the yogurt story: extending the yogurt model to vegetables – how General Mills hopes to get kids to eat their vegetables, drawing on our experience with yogurt**

As every parent knows, getting kids to eat vegetables can be an uphill struggle. Though General Mills is relatively new to the vegetable business, having acquired the Green Giant business only recently, and though we have not yet had the sort of breakthrough success that we have had in getting kids to adopt yogurt, we believe that there are great opportunities to make eating vegetables a fun and appealing prospect for kids.

Since the Green Giant acquisition, in addition to actively working to expand the number of brand offerings and to increase national distribution, General Mills has begun to work on a number of in-market tests designed to expand the appeal of the Green Giant vegetable line for families and kids. For example, we are currently testing three new products that are marketed directly for kids, using special packaging to make vegetable consumption by kids easier, more convenient, and more fun. In addition, other new products and packaging, advertising campaigns, and new uses of brand characters like the Green Giant and Sprout are being explored to make the products more appealing and relevant for kids.

We are beginning to look at these sorts of possibilities. Though we have not necessarily found the “Go-Gurt answer” yet, we believe it can be done, and that expert marketing can be a powerful tool to help solve an age-old parental struggle.

3. **Calcium and other improvements to cereal – how General Mills has made it easy for parents and kids to make beneficial choices about breakfast**

Though the yogurt case study above is a tremendous example of how a superior product, innovative packaging, and effective marketing can yield a positive result by getting consumers to adopt a healthful product that they formerly may not have considered, it is not every day that a product category can be created from whole cloth like this.

In many circumstances, a more reliable approach to rapidly achieving a positive impact on consumer health, with high odds of consumer acceptance, has been to recognize a consumer health need, and to determine a strategy for tackling it without asking consumers to change their eating habits in a significant way. This can be done by delivering improvements in

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<sup>6</sup> *National Eating Trends*, NPD Group (reflecting a 380% increase in annual eatings per capita by this age group from 1984 to 2004).

products that consumers already know and enjoy to provide additional health benefits, and then marketing those benefits to consumers. In the case of products geared toward kids, such health-based marketing may be directed toward parents or the kids themselves. Alternatively, the marketing may follow the yogurt model and be based on advertising and promotion that does not directly speak to health, but which can nonetheless produce the same desirable outcome of encouraging product use. In the cereal aisle, we have achieved beneficial and demonstrable results through a variety of these approaches.

### Calcium

In 1998, General Mills added calcium to nearly all of its cereals eaten by kids. At that time, it had become clear from national dietary intake surveys that calcium intake by children was inadequate and had been declining over a 20-year period and that consumption of fluid milk was also declining. Focus group research conducted with parents revealed that they believed their children were getting enough calcium despite the fact that few children were. Moms in the focus groups understood the significance of calcium for themselves, but had low awareness of its importance during childhood bone-forming years.

General Mills saw an opportunity to help meet consumer health needs by fortifying breakfast cereal with calcium, and to educate parents about the importance of calcium. (Cereal is a particularly appropriate vehicle to deliver nutrients to kids because cereal is so broadly and regularly consumed.<sup>7</sup>) Through the calcium fortification program by which General Mills added 10% of the daily intake requirement of calcium to nearly all of its cereals, the percent of male and female cereal eaters ages 6 to 18 meeting their calcium requirement was estimated to increase by 8 percentage points and 6 percentage points, respectively.<sup>8</sup>

Addressing the focus group results, General Mills also helped to educate Americans that children were not getting enough calcium and that cereals – in addition to traditional dairy food sources – were now a significant source of calcium. This was accomplished through a calcium quiz on all child cereal boxes. A press release was widely distributed and published, and television and print advertising reached millions of consumers.

General Mills' calcium project alone was not the solution to the calcium shortfall in kids' diets. However, it is a fine example of a contribution that a food marketer can make, in conjunction with the public health and medical communities, to help significantly swing the pendulum on a consumer health problem, while also educating parents about the problem.

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<sup>7</sup> 47% of kids ages 4 through 12 eat cereal at least every other day, and 68% of kids ages 2 through 18 eat cereal at least once per week. General Mills, Inc., *Bell Institute of Health and Nutrition Dietary Intake Study* 2001-02 (unpublished).

<sup>8</sup> See Weimer KL, *Successful Marketing of Healthful Food Products for Children: A Case Study*. CVD Prevention, 2000, 3/2 (130-131).

### Other fortification and benefits

Calcium fortification is just one example in a long line of fortification efforts we have undertaken. And because cereal is so broadly consumed as noted above, cereal fortification has had a tremendous impact on vitamin and mineral intake.

Studies confirm that children who consume ready-to-eat cereal are more likely to meet recommended intakes for key nutrients. As the graphs attached as Exhibit 1 (attached) show, kids who do not eat ready-to-eat cereal are far more likely to fall short of recommended intake levels for calcium, vitamin C, thiamin, riboflavin, niacin, vitamin B6, folate, vitamin B12, iron, and zinc than kids who do eat ready-to-eat cereal.

And kids who eat cereal frequently are receiving these nutrients without consuming a large number of calories. Indeed, cereal accounts for less than 5% of a kid's calorie intake, while accounting for much more substantial percentages of key nutrient intakes.<sup>9</sup> Not surprisingly, kids who eat cereal frequently (which of course includes kids who eat pre-sweetened cereals) are far less likely to be overweight than those that do not eat cereal often. For example, while 50% of kids between ages 7 and 9 who do not eat cereal regularly (0 to 3 times in 14 days) are overweight, only 16% of kids in that age group who eat cereal frequently (more than 7 times in 14 days) are overweight.<sup>10</sup> These numbers are not unique to this age range – similar results are found for all ages between 4 and 12 years.<sup>11</sup>

From key nutrient intake to body mass index, frequent consumption of ready-to-eat cereals by kids is linked to better health. Therefore, effective marketing of these kids cereals – which, like kid-oriented yogurt, can often be done by marketing taste and fun – can be tremendously important and beneficial from a consumer health perspective.

### Honey Nut Cheerios and Heart Health

Aside from marketing cereals that are specifically directed to kids, successful health-based marketing of other cereals to parents (for their own consumption) can often result in benefits to kids, simply by getting the product into the household. Our success with Honey Nut Cheerios is an excellent example of this.

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<sup>9</sup> See Exhibit 2. Moreover, contrary to common misconceptions about cereal (especially pre-sweetened cereal), NHANES data establishes that ready-to-eat cereals account for only 5% of the sugar in kids' diets. *NHANES*, 2001-02.

<sup>10</sup> Albertson et al., *Ready-to-eat cereal consumption: its relationship with BMI and nutrient intake of children aged 4 to 12 years*. *J Am Diet Assoc*. 2003;103(12):1613-9. See Exhibit 3 (attached) for a graphical depiction. The link between frequent cereal consumption and healthier body mass for other age groups is established in numerous other studies as well. See, e.g., Cho et al. *The effect of breakfast type on total daily energy intake and body mass index: Results from the Third National Health and Nutrition Examination Survey (NHANES III)*. *JACN*. 2003;22(4):296-302; NIH-sponsored National Growth and Health Study relating to girls ages 8 to 18 (publication forthcoming, September 2005)

<sup>11</sup> See *id.*

As background, the Cheerios brand (known as “Yellow Box Cheerios” internally) has been successfully marketing an FDA-approved claim about soluble fiber and its link to reducing cholesterol since 1997. This claim has been leveraged across all marketing mediums including advertising, packaging, and public relations as well as direct marketing efforts to health professionals. The in-market result has been very positive and has sustained since its first launch.

In 2002, a decision was made to pursue a similar marketing claim for Honey Nut Cheerios, which is a product extension of Yellow Box Cheerios and one with particularly strong appeal to households with kids, including a more diverse consumer base of African-American and Hispanic-American households with kids. Honey Nut Cheerios was reformulated to add more soluble oat fiber while maintaining its great taste profile so that the brand was able to deliver the cholesterol-lowering health benefits without sacrificing its traditional taste appeal. This heart health benefit was marketed using advertising, packaging, and public relations, with specific efforts to reach the more diverse consumer profile of the brand. Though the marketing was directly to adults, this health-oriented initiative gained the brand an additional 706,000 households with kids in 2002 as compared with 2001, presumably with the same diverse consumer base.

Getting the product into households with kids, even through adult-directed health marketing, can yield significant benefits. In 2002, following the heart health marketing initiative, 13% more kids ages 6 to 12 ate Honey Nut Cheerios than in 2001,<sup>12</sup> thus extending the brand’s soluble fiber and other benefits to more kids, as well as to more adults.

**4. The whole grain revolution – how General Mills marketed to parents in a manner that neither they nor the rest of the industry could miss**

Because whole grains offer benefits ranging from weight management to decreasing the risk of coronary heart disease and certain cancers, it is not surprising that the new U.S. Dietary Guidelines recommended three servings of whole grains per day. But research showed General Mills that, while 90% of consumers had some awareness of whole grains and 71% made “some” effort to eat whole grains, only 10% were actually meeting the daily intake recommendation of three servings, and 40% were eating no whole grains at all.<sup>13</sup> In part, this was due to confusion about where to find whole grains in the diet, and in part, it was due to a lack of awareness of the specific health benefits that whole grain consumption can provide.

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<sup>12</sup> *National Eating Trends*, NPD Group.

<sup>13</sup> *General Mills Attitudes and Usage Study*, 2003; *Gallup Study of Attitudes Toward and Knowledge of Cholesterol and Saturated Fats*, 2001; Albertson, AM et al., *Whole grain consumption and food sources in the United States: Data from NHANES 1999-2000 and the USDA's Pyramid Servings Database for the USDA Survey Food Codes*. FASEB J. 2005; A87:75.6.

As in the fortification case studies above, General Mills saw clearly that these whole grain intake and knowledge deficiencies were consumer health issues tailor-made to be addressed by cereal reformulations and educational marketing surrounding these reformulations.

In 2005, General Mills announced that it had converted its entire portfolio of Big G cereals to good or excellent sources of whole grain. Instantly, this conversion provided Americans with 26 million additional servings of whole grain per day. This was a costly undertaking and was big news. We advertised it heavily, reaching 95% of adult consumers an average of 13 times each within a very limited time period in early 2005. The advertising focus was on the heart health and weight management benefits of whole grain, and it was backed up with 500 million educational public relations impressions.

This kind of health-oriented marketing does not go unnoticed or uncopied. Though none of our competitors have been able to match our conversion of an entire cereal portfolio, Kellogg, Post, and Quaker all reacted to our move by aggressively marketing their existing whole grain cereals. Even outside the cereal category, the whole grain message spread, with Nestlé and others promoting whole grain products. As a result, our addition of 26 million incremental whole grain servings per day began to effectively multiply, yielding an even more significant consumer health benefit.

**5. Goodness Corner – the best practice for communicating health attributes to parents and other adults, so that informed choices can be made**

The most significant tool in educating consumers to help them make more informed and healthful choices about what they eat can be the packaging of the food itself. And while the Nutrition Facts box serves a definite purpose in this regard, many in the industry have concluded that, to effectively market to parents and other consumers on the basis of real health attributes offered by the product, consumers would also benefit from messages about nutrition and health on the front of the package.

In doing this, though, General Mills believes that it is crucial for the industry to avoid using vague symbols and phrases that could blur, rather than complement, standard FDA terminology and FDA-mandated communications. Consumers need consistent messages based on strong, scientific rigor, and we support using the standards employed by the FDA under the NLEA regulations. Permitting broadly defined symbols and phrases on a company-by-company basis undermines the critical need for consumers to have clear, consistent messaging. With all the misinformation and partial information that is often found in the media, food packages should be a source of information that consumers can trust.

With that sentiment in mind, General Mills has introduced the “Goodness Corner” on all of our cereal products, a series of icon-based communications relating to meaningful nutrition information. The Goodness Corner is firmly grounded in standard FDA terminology. It is not a self-serving, self-defined, company-specific stamp of approval. To be labeled as a “good source of calcium” in our Goodness Corner, for example, a product

must contain at least the amount of calcium that FDA would require of a product labeled as a “good source.” Our Goodness Corner does not present new information or muddle understanding of existing information – it is simply a way of communicating up front to consumers the information being presented more dryly in the Nutrition Facts box. Though we are still working to refine the Goodness Corner, we believe that we have hit upon the industry best practice for presenting meaningful nutrition information in a simple-to-understand format, and in a manner that incorporates rather than obscures FDA standards and guidelines.

Consumer testing backs up that belief. Consumers tell us the Goodness Corner helps them make informed choices and effectively communicates nutrition and health benefits in easy-to-understand, objective terms. And when compared with three peer company approaches, the Goodness Corner was ranked as the best by 63% of the consumers we surveyed, compared with 17%, 15%, and 6% for the three others, respectively.<sup>14</sup>

**6. Folic acid program and Latino heart health program – marketing health to vulnerable populations**

General Mills prides itself on developing innovative means for effectively reaching lower income, minority, and other vulnerable populations with educational messages about health and nutrition. Here are two recent successes that show the power of creative marketing and consumer outreach to improve the health of a hard-to-reach audience.

*Using partnerships to educate WIC and Latino audience about folic acid*

In 2002, General Mills, in partnership with the March of Dimes, published nutrition education resources to help educate lower income and lower literacy women about the benefits of folic acid in reducing birth defects. Folic acid supplements can be prohibitively expensive for this population and are also often culturally unacceptable. Therefore, for this population, cereal is an extremely important and cost effective food source of folic acid.

The project used facilitated discussion as a training approach and also supplied guides in English and Spanish for dissemination and use by WIC clinics across the country. In 2002 alone, the materials reached over 3500 WIC nutrition educators and more than one million pregnant women. The materials are still being distributed to WIC clinics, so the numbers continue to grow.

*Using a clinical study and media to market heart health to Latinos*

In 2001, General Mills funded a clinical study at Columbia University and the University of Texas about soluble oat fiber and cholesterol lowering in Latino subjects. Dr. Henry Ginsberg, Director of Clinical Research, Dr. Walter Palmas, a bilingual

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<sup>14</sup> General Mills Research Study, May 2005.

cardiologist, and Wahida Karmaly, RD, were lead researchers on the study. When the results showed that the soluble oat fiber in Cheerios lowered serum cholesterol significantly,<sup>15</sup> General Mills launched an educational campaign aimed at Latino media markets. A press and video news release was prepared in both Spanish and English.

The news story about the study featured Karmaly, Ginsberg, and Palmas plus Elba Hernandez, a study participant. It reached 10.6 million mainstream television viewers and 3.2 million Latino viewers. Impressions on Hispanic radio stations were 3.7 million, 1.5 million in Latino newspapers, and 400,000 on the Internet for a total of 19.4 million impressions.

Heart disease is a significant health problem among Latino people, as it is in all population groups. Efforts by food companies to encourage consumption of foods containing soluble fiber and to educate consumers about heart disease risk, though only part of the solution to the problem, has been a useful adjunct to traditional public health approaches.

**7. [This Case Study redacted from electronic filing due to confidential content; please see copy of this Comment being filed in paper format]**

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<sup>15</sup> Karmaly, W., et al., *Cholesterol and homocysteine-lowering benefits of oat-containing cereal in a Hispanic population* (accepted for 2005 publication).

## **Conclusion**

As noted at the outset, and as shown throughout the case studies above, a food company willing and eager to respond to consumer health needs, and to capitalize on its marketing of products addressing those needs, can have significant, positive impacts on consumer health. General Mills has proven this time and again.

Without the ability to effectively advertise and market, however, companies would not be able to justify the investment in product improvements and consumer education efforts that positively affect consumer health. We likely would not have seen the reduction in the incidence of neural tube birth defects in America. We would have fewer well-informed parents, more kids lacking in calcium and other key nutrients, and likely more incidences of many other health issues that General Mills and similar companies have addressed over the years beyond the few presented here. Without advertising and marketing to kids in particular, kids likely would have been unwilling to adopt bone-building yogurt as a favorite snack, and we would have less hope of winning the age-old “eat your vegetables” struggle. Undoubtedly, we would see far fewer kids eating cereal regularly, and fewer still eating cereal with greater frequency, and this would be a significant lost opportunity from a kid health perspective.

Marketing does not play the only role in improving consumer health and nutrition, but as these examples show, it can be one of the most powerful tools we have.

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General Mills sincerely appreciates the opportunity to submit these comments to FTC and HHS, and hopes that the comments are helpful. In the event that FTC or HHS has any questions about our submission, we would be happy to respond. Please contact Janice Marturano, Vice President-Deputy General Counsel, at (763) 764-4950.

June 8, 2005

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**Request to Participate**

As noted above, General Mills respectfully requests the opportunity to include one of its senior officers as a panelist for the Workshop. Given our track record and leadership in promoting consumer health through marketing efforts, we believe that General Mills is unusually well-qualified to describe the beneficial role of marketing in consumer health.

Sincerely,

GENERAL MILLS, INC.

By: \_\_\_\_\_

Kendall J. Powell,  
Executive Vice President and  
Chief Operating Officer, U.S. Retail

Attachments (Exhibits 1 through 3, filed in electronic format as a separate document)