

**Show Transcript
Deconstructing Dinner
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Title: Packaged Foods Exposed - Kraft Part III

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Jon Steinman: And this *is* Deconstructing Dinner, a weekly one-hour radio show and podcast produced at Kootenay Co-op Radio CJLY in Nelson, British Columbia. I'm Jon Steinman.

For those of you who are frequent listeners of the program, you are probably aware of the many series that air periodically each week on Deconstructing Dinner, and what has probably been the most popular of these series, is the Packaged Foods Exposed series, where we pick one of the largest food companies in the world and spend the entire show learning as much as one can hopefully learn in an hour. And this popularity is understandable given brand name foods are essentially an integral component of Canadian and North American culture, and it's *these* foods that we as Canadians often take for granted. They fill the shelves of our grocery stores, they stare us down in magazines and newspapers, they hang out inside our televisions and speak to us on the airwaves.

In April 2006 we aired part I of this series with a one-hour expose on PepsiCo, a few months later on part II, Swiss-based Nestle was put under the spotlight, and today, on part III, we will deconstruct the second largest packaged foods company in the world and the largest in North America, Illinois-based Kraft Foods, a company founded in the early 20th century by Canadian-born J.L Kraft.

It is timely to focus on this recognizable company because it was just recently on March 30th, 2007, that Kraft Foods officially became an independent company. And here is where many Canadians may, to this day, be rather surprised, to learn that since 1988, Kraft Foods has been owned by the planet's largest and most influential tobacco company, Philip Morris, also known as Altria, makers of well known cigarette brands such as Marlboro.

And so as we probe into the operations of this company, we will do so in such a way that today's broadcast will act as somewhat of a memoir of the days in which the largest North American food company would advertise health and nutrition in one hand, and use the profits to promote death and disease in the other.

Joining the show today will be Bryan Hirsch, an organizer with the Washington D.C.-based Corporate Accountability International formerly known as INFACT.

increase music and fade out

JS: For any listeners who have not had a chance to listen to the previous episodes of this Packaged Foods Exposed Series, those broadcasts are archived on our website at cjly.net/deconstructingdinner, and located on the right-hand column of the main page is an icon directing you to a listing of those shows.

As we get today's show rolling, I have to say I'm inclined to issue somewhat of a disclaimer before you are exposed to some of the information that today's broadcast will share with you, and I guess that disclaimer would be, brace yourself!

For any new listeners to Deconstructing Dinner, it is important to point out that this program has been created to expose the most environmentally and socially responsible agricultural and food production systems, but it can almost be frightening to learn about these systems because they, in the end, present a very polar opposite alternative to the industrial models of farming, food production, distribution and retail. And so this Packaged Foods Exposed series is incredibly important, because the companies featured on this series really are feeding Canadians. Let's be realistic, co-operative grocery stores, community supported agriculture, small-scale food processing, these are all models that do exist, and *are* successful, but until such examples are embraced by the majority of Canadians, it will be the PepsiCos, the Nestles, the Unilevers and the Krafts that will feed most Canadians.

And when I say brace yourself, I'm mostly referring to the advertising tactics that today's feature company, Kraft Foods, uses to convince us Canadians to purchase their products. Now, it's one thing for a company to produce a funny and creative ad on television, but it's another to outright lie and mislead the Canadian public. And on today's broadcast of Deconstructing Dinner, I can safely say that the research that went into preparing this show, has led to the discovery of a Kraft marketing campaign that upon our dialogue with the Canadian Food Inspection Agency, does indeed contain untrue statements.

And you can stay tuned for more on this, later on the broadcast.

Audioclip of Kraft commercial: Kraft General Foods products can be found on dinner tables in almost any country on Earth. Our brands strive to meet a global desire for comfort, taste and convenience.

JS: As has been customary here on the Packaged Foods Exposed series, an expose on a food company would not be complete without a brief audio tour through the supermarket aisles where we will learn of the products that fall under the Kraft banner. And the customary supermarket music courtesy of Toronto musicians David French and Louis Simao, is essential to such a tour.

fade music in

JS: So, what does Kraft produce for the Canadian market? Well, comprising the 34.4 billion dollars in 2006 revenue, we arrive in the beverages department, representing 21% of the company's total revenues. Well known names like Kool-Aid, Crystal Light, Tang, Country Time Lemonade and Del Monte Juice Drinks fall under the Kraft name, Coffee is one of the company's big money makers with their signature brands of Maxwell House, Nabob, Chase & Sanborn, Melrose, other warm beverages such as Sanka, Tassimo, Postum Instant Cereal Beverage and Baker's Hot Chocolate.

Moving into the Snack department, and representing 29% of Kraft's total revenues, we arrive at brands such as Arrowroot, Barnum's, Chips Ahoy, Dad's, David, Dream Puffs, Fudge-O, Honeymaid, Newtons, Oreo, Peek Freens, Social Tea, Thinsations, Bits and Bites, Cheese Bits, Cheese Nips, Christie Crunchers, Crispers, Premium Plus, Rice Thins, Ritz, Triscuit, Vegetable Thins, Wheat Thins, Handi-Snacks, Magic Moments, Jell-O, Sweet'N Low, Sugar in the Raw, Cote D'Or, Milka, Terry's Chocolate Orange and Toblerone.

It's almost beginning to sound like the whole grocery store, but, we've now only covered 50% of the company's revenues, so moving along on our Kraft grocery store tour, we arrive at the Cheese and Dairy section representing 19% of the company's revenues, cultural institutions such as Philadelphia Cream Cheese, Cracker Barrel, MacLaren's Imperial, P'tit Quebec, Velveeta, Cheez Whiz, Kraft Singles, and the many standard Kraft cheeses.

Located in the grocery section of the supermarket we find 15% of Kraft's revenues coming in from brands such as Baker's chocolate, Magic Baking Powder, Bull's-Eye Barbecue Sauce, Shake n' Bake, Oscar Mayer, Cream of Wheat, Dream Whip, Cool Whip, Kraft Jams and Peanut Butters, Certo Pectin, Kraft Salad dressings, Mayonnaise, Miracle Whip and Claussen Pickles, Post cereals are a Kraft product, and an abbreviated version of their brands consist of Alpha Bits, Bran Flakes, Honeycomb, Raisin Bran, Shredded Wheat, Shreddies, and Sugar Crisp to name just a few.

And in the last section of our Kraft supermarket tour, we discover the Convenient Meals department, representing the remaining 16% of the company's revenues. And herein lies what may well be the signature product Kraft Dinner. Also in this department are the company's frozen pizzas such as Delissio.

fade music out

For anyone just tuning in, No, this is not a really long advertisement for Kraft Foods, and instead, this is Deconstructing Dinner and today's part three of the Packaged Foods Exposed series. A full list of Kraft Foods products will be listed on the Deconstructing Dinner website at cjly.net/deconstructingdinner.

As those brand names may have evoked some positive memories, maybe some negative ones, and maybe some of those foods are present in your kitchen right now, what is

surprising to note is that up until just recently Kraft Foods was owned by tobacco giant Philip Morris, maker of well-known cigarette brands such as Marlboro.

Looking back at the evolution of Kraft Foods, their solid presence in the kitchens of Canadians is understandable when looking at a chronological history of the company and their well-recognized brands which in some cases have been engrained in the North American diet for over a hundred years. The company's oldest brand was first created in 1767, and that is Terry's Orange Chocolate. And I'll go through some of the highlights of this list here. In 1883 Oscar Mayer was created, 1892 Maxwell House, 1895 Post Cereals, 1898 Nabisco, 1901 Milka, 1903 Kraft, 1908 Toblerone, 1912 Oreo Cookies, 1916 Planters Peanuts, 1927 Kool-Aid, 1933 Miracle Whip, 1934 Ritz Crackers, 1937 Kraft Macaroni and Cheese, and in 1950 Jell-O and well, you get the idea the company produces some of the most historical food brands in the world. And a link to this list in its entirety will also be made available on the Deconstructing Dinner website.

Audioclip of Philip Morris commercial (1990): (child yelling). Remember him? His name was Johnny and when he called for Philip Morris, the product that came to mind was cigarettes. Today that same call would summon quality products from every aisle and case in the supermarket. From coffee to ice cream, breakfast cereals, frozen foods and cigarettes to processed meats, dairy products, beverages and baked goods. All household brand names, all leaders in their individual markets, combined to form America's and the world's largest packaged consumer products company.

JS: Kraft was not the first food company to be owned by Philip Morris. In fact the cigarette company bought General Foods in 1985, Kraft in 1988 and then in 2000 acquired Nabisco – all three of which are now Kraft Foods. And what has been years in the making has finally happened, and that was the March 30th spin-off of Kraft Foods from parent company Altria the new name for Philip Morris since 2003. The company announced the spin-off as being one to help Kraft's ability to make acquisitions, while allowing managers to focus their respective businesses and giving both companies greater debt capacity. But one organization would suggest a few more reasons, and that is a group based in Washington, D.C. called Corporate Accountability International formerly known as INFACT. The organization has long been an opponent of the tobacco industry, and following Philip Morris's acquisition of Kraft in 1988, Corporate Accountability International was at the forefront of launching a boycott on all products made by Kraft. The organization is a membership-based one and they work to protect people by waging campaigns that challenge irresponsible and dangerous corporate actions around the world. I caught up with Bryan Hirsch, an organizer with the organization. Mingling in with this segment will also be some clips from a film released in 2001 titled Making a Killing - Philip Morris, Kraft and Global Tobacco Addiction. The film was produced by Corporate Accountability International and was made by Kelly Anderson and Tami Gold.

So why does the largest cigarette company in the world buy up one of the largest food companies back in 1988. Well here's a response from Brian Hirsch. And I'll note that in his response he makes a reference to RJR, which is also known as RJ Reynolds.

Bryan Hirsch: In the late 80's, Philip Morris acquired Kraft Foods as a political manoeuvre to disguise campaign contributions and, we suspect, to continue to curry favour with major media outlets and big TV stations even after tobacco corporations had stopped buying big advertisements with those outlets. At the same time, R.J.R. actually acquired Nabisco for similar reasons and this was a major strategy of big tobacco for a number of years and throughout the 90's.

JS: This manoeuvre to purchase Kraft and retain a positive image within the media would presumably have had a significant impact on how the media covered the heated tobacco debates of the late 80s, and Brian Hirsch comments on this influence.

Bryan Hirsch: We obviously can't speak to what happens behind closed doors, when we're not behind those closed doors. We do know a number of things from internal documents that were released by Philip Morris / Altria, after a set of lawsuits about the Kraft boycott having a real impact on the corporation. In terms of what happens behind closed doors with media outlets, like I said, we're not in the room, but we know that Kraft Foods has an extraordinary marketing budget and we can connect the dots, it seems likely that a big TV station or a big magazine that receives money from Kraft Foods is probably mindful of the fact that Kraft Foods is in fact a tobacco corporation owned by the biggest tobacco corporation in the world.

JS: As mentioned earlier, between 1988 and 2007, any consumer purchases of Kraft products would have resulted in some of that money ending up in the pockets of Philip Morris and their campaigns promoting cigarette smoking. But some of this money would have also ended up in the company's efforts to lobby government in favour of big tobacco.

Bryan Hirsch: You know, obviously, Kraft Macaroni and Cheese, for years was the product of a tobacco corporation and Kraft Macaroni and Cheese money was going into the coffers of the biggest and most notorious tobacco corporation in the world. So whether Kraft Foods is using their incredible marketing budget to curry favour with media outlets or whether Kraft is using Oscar Mayer employees to lobby public officials in Washington, D.C., you know there are lots of examples of ways that Kraft created this smokescreen for Philip Morris/Altria to advance their tobacco agenda.

JS: And here's a segment of Corporate Accountability's documentary film *Making a Killing*, and this clip summarizes Bryan's comments.

Audioclip from Making a Killing:

Narrator-female: By 1972, Marlboro gained its grip as the world's leading cigarette brand. Riding on its success, Philip Morris became the biggest and richest tobacco corporation in the world. In the 1980's, the company spent 19 billion dollars to acquire major food brands and their positive public images.

Unidentified female: They bought products that were beloved in the American psyche - macaroni and cheese, Jello, cookies.

Unidentified male: Virtually every American family, more than 9 out of 10 households, have our Kraft Foods and Miller Brewing Company products in their pantries, from Kraft macaroni and cheese to Maxwell house coffee.

Unidentified female: One of the reasons why Philip Morris and the other tobacco companies bought the kind of subsidiaries they bought is that they were forced off of television. (*Commercial plays in the background while speaker continues*). The TV stations and the radio stations were still very reluctant to talk about tobacco in any kind of negative way for fear of losing the enormous ad revenues that came from the food companies.

Narrator-female: The food subsidiaries also increased Philip Morris's power on Capitol Hill.

Unidentified male: There are so many ways for a company like Philip Morris to hide its campaign influence and so if Philip Morris can give through Kraft there's plausible deniability for a candidate from office that they didn't take money from the folks at Philip Morris, they were taking Kraft cheese money.

Audioclip of Commercial-female: Kraft macaroni and cheese dinners, more shapes, more fun and still the cheesiest.

Narrator-female: But behind Kraft's wholesome image lay a troubling reality. Studies linking Philip Morris's primary product, cigarettes, with deadly illnesses were piling up. The 1988 Surgeon General's report contained strong new evidence that nicotine was as addictive a drug as heroine or cocaine. Faced with growing public resistance at home, Philip Morris took a new approach.

JS: And this is Deconstructing Dinner. As is one of the strategies of the organization Corporate Accountability International, their organized boycott of Kraft products had a substantial impact on the image of both Philip Morris and Kraft, and Bryan Hirsch describes the history of this campaign.

Bryan Hirsch: Corporate Accountability International is a membership organization that wages campaigns challenging irresponsible and dangerous corporate actions all around the world. And in the 90's, big tobacco was a real clear example of big corporations profiting at the expense of people's health and a lot of people had no idea that Kraft Foods, with this kid-friendly image, is in fact a tobacco corporation. And, so at the height of our tobacco industry campaign, we targeted Philip Morris/Altria. RJR actually spun off Nabisco when it became too costly to the food arm to still be a tobacco corporation. RJR actually spun off Nabisco. That was a major victory for the tobacco industry campaign and that's when we really zeroed in on Philip Morris and Kraft and stepped up the Kraft Foods boycott. And in 2001 there was actually a Harris Poll that found that people who

are familiar with Philip Morris had boycotted its products in the last year. The Kraft boycott obviously our activists and members around the country mobilized millions of people to take action to campaign to boycott Kraft Foods to put pressure on this big tobacco corporation to stop aggressively marketing their products to kids.

Audioclip from Making a Killing:

Narrator-female: Opposition is also continuing to grow in the United States where the tobacco industry still addicts 3000 teenagers every day. Groups like the Corporate Accountability Organization –INFACT are challenging Philip Morris on its home turf. (*Sound of people chanting*). Part of its strategy is a boycott of Philip Morris’s Kraft Foods, focusing on its trademark macaroni and cheese.

Unidentified male: Whether you smoke or not, you can get mad at the way the tobacco industry is abusing you. And what I do is, I boycott products that I know are made by the tobacco industry. I refuse to buy Kraft. It’s sold by Philip Morris.

Narrator-female: In San Francisco, students organized and got the entire school district to boycott tobacco-owned food products.

Student-female: The reason why we chose to do a boycott was we wanted to involve other people in the struggle, so it wasn’t just the ten of us who were fighting for this change, but it involved 500 people that we got signatures from, the hundred people that we interviewed, all of the kids who helped us do surveys and it became a much bigger thing than just our group.

Unidentified female: Boycotts are a really great way for organized consumers to vote with their pocketbooks about the policies and practices of giant corporations.

Narrator-female: INFACT has successfully organized two major grassroots boycotts since 1977, one targeting Nestle that resulted in significant reforms in the marketing of infant formula and another forcing industry leader General Electric out of the nuclear weapons business.

Unidentified female: We’re calling on Philip Morris and the other tobacco corporations to stop tobacco marketing and promotion that appeals to children and young people, to stop interfering in public policy on issues of tobacco and health and to pay the high costs of healthcare associated with the tobacco epidemic.

JS: And you’re tuned in to Deconstructing Dinner, produced at Kootenay Co-op Radio in Nelson, British Columbia. My name’s Jon Steinman. Today’s broadcast marks part III of the ongoing series here on the program titled Packaged Foods Exposed, with this episode placing the spotlight on Kraft Foods, a company that recently split from parent company Altria, more commonly referred to as tobacco giant Philip Morris. We’ve been listening to clips from my interview with Bryan Hirsch of the Washington, D.C.-based Corporate Accountability International. And we’ve been listening to clips from their 2001 film

Making a Killing. The organization has long been at the forefront of a boycott on Kraft products in light of their ownership by a cigarette manufacturer. In a recent press release from the organization, it was indicated that, “in the end, Kraft’s ties to Philip Morris/Altria proved to be too great a liability for the junk food giant.” Brian Hirsch provides one example of how this was so.

Bryan Hirsch: Altria itself acknowledged that the spin-off will improve Kraft’s ability to recruit and retain management. It’s been a difficult task in the past for them to do that because they’re a big tobacco corporation. In a number of ways it’s a liability. Employee morale is just one example.

JS: And here’s another segment from the organization’s documentary film *Making a Killing*.

Audioclip from Making a Killing:

Commercial plays in background while unidentified female speaks: In October 1999, the corporation revamped its entire public relation strategy.

Audioclip of Commercial:

Older male: Don’t forget what we talked about. No..

Young girl: ...drinking and no smoking.

Narrator-female: Philip Morris is running a series of advertisements they say are designed to prevent youth smoking. But a Centres For Disease Control study found the ads don’t work and may even encourage youths to smoke.

Unidentified male: The laws prohibit tobacco companies from advertising on radio and TV, and this is another way of Philip Morris getting their name out in the market place.

Audioclip of Commercial-older female: I want to thank the people at the food bank for all the food you’ve been bringing me.

Unidentified female: Philip Morris is now hi-lighting its connection with Kraft.

Audioclip of Commercial-unidentified female: For over 20 years, Kraft, part of the Philip Morris family of companies has been a leader in the fight against hunger. Working to make a difference, the people of Philip Morris.

Unidentified female: I think that ultimately, this will backfire and that you can’t say enough good things to make up for all the damage that Philip Morris has done.

JS: A listener of Deconstructing Dinner in Victoria British Columbia recently wrote an email to me and in it mentioned this, “I really do hope that you keep up with your show, because I do believe the food issue is going to be the next 'Big Tobacco'.” An interesting observation and one I presented to Bryan Hirsch.

Bryan Hirsch: I’ve heard that line a lot, that food is the next ‘Big Tobacco’. I understand the connection people are making. We’re on the brink of an obesity crisis. What was once known as adult onset diabetes is now commonplace among children. And the statistics are really staggering, but is food the next tobacco? It’s kind of... to me the question is like saying: Is it worse to have Exxon Mobile crafting our energy policies or to have Philip Morris/Altria drafting our health policies?

You look at the Grocery Manufacturer’s Association, which is the lobbying arm of the junk food industry and you look at their influence on the new, as of last year, USDA health guidelines and nutrition guidelines and food pyramid. You know, junk food corporations have no place interfering with our nutrition policy in the same way that tobacco corporations have no place interfering with our tobacco programs. Is junk food the next ‘Big Tobacco?’ Big junk food corporations have a lot of...have taken a number of actions they need to be held accountable for. They have an important role in the nation’s obesity crisis, in the world’s obesity crisis. And they need to be held accountable, but I think how does it stack up next to tobacco? They are both doing things wrong and there is a lot we can do to correct those irresponsible and dangerous behaviours.

Audioclips of commercials:

#1 – Unidentified male: Something wonderful happens when you change to Philip Morris. You’ll feel better.

#2 – Unidentified male: According to this nationwide survey more doctors smoke Camels than any other cigarette.

#3 – 1st male: None of the things that have been found in tobacco smoke are at concentrations which can be considered harmful. *2nd male:* But the components of cells can be considered harmful, can they not? *1st male:* Anything can be considered harmful. Applesauce is harmful if you get too much of it.

JS: In wrapping up my conversation with Brian Hirsch of Corporate Accountability International, I asked him whether the recent spin-off of Kraft Foods as an independent company will now place the organization into a position of support for Kraft’s products.

Bryan Hirsch: The fact that we lifted the boycott does not mean that we are promoting the company at all. We are mindful of the fact that Kraft Foods is taking plays directly out of the tobacco industry playbook in its public posturing around the obesity crisis. We’re also mindful of the fact that Kraft Foods is a member of various lobbying organizations that you would be concerned about having influence over our nutrition

policies. So we are not calling for a boycott of Kraft foods anymore. Our Kraft boycott was a major victory and we achieved what we set out to achieve in launching the boycott, but that does not mean that we are actively promoting Kraft Foods.

JS: And that was Brian Hirsch, an organizer with Corporate Accountability International, formerly known as INFACT. Bryan spoke to me over the phone from his office in Washington, D.C. You can learn more about the organization on their website at stopcorporateabuse.org and more info on today's broadcast will also be found on the Deconstructing Dinner website – cjly.net/deconstructingdinner.

Audioclip of Commercial-unidentified male: Today Philip Morris is much more than a tobacco company, but its tobacco business is still important. Tobacco provides capital for the expansion and future growth of Philip Morris's food and beverage companies.

soundbite

JS: And this is Deconstructing Dinner and today's part III of the Packaged Foods Exposed series where we are focusing on the second largest packaged foods company in the world Kraft Foods. Later on the show we will explore some of the responses from Health Canada and the Canadian Food Inspection Agency on the topic of a recent Kraft marketing campaign. There were some shocking deceptive strategies used within the ads, least among them, a couple of outright lies located within the ads themselves. And we'll focus on that and other Kraft marketing campaigns in just a short while.

But having now recapped the *history* of Kraft Foods, here is where the company is at today. Kraft is now one of the world's largest buyers of dairy products, sugar, meats, coffee, oils and nuts. They are a significant purchaser of wheat, rice, corn and soy. In 2004 for example they purchased 3.6 billion dollars worth of farm commodities, 1.3 billion of dairy, a half a billion dollars worth of pork, and a quarter of a billion worth of sugar.

Now the recent spin-off of the company into an independent entity allows the company as they have stated, to make acquisitions. So what are the speculations, who are they potentially going to buy out? Well on March 15th, Cadbury/Schweppes announced they will sell or spin off its North American beverage unit to focus on sales of their confectionary unit. More news on this potential takeover probably won't be announced until June. But with Cadbury shrinking in size, they will undoubtedly need to merge their confectionary business with another, because the food industry is now at a point where without size, without growth, and acquisitions, almost certain failure faces any company that simply sits back and works with what they have. Almost a sad state of affairs. If you take a look at Kraft's recent press releases relating to their financial health, the tone that these releases has is rather negative as though the company is in dire need of a new direction. Well, the 34 billion in revenues in 2006 resulted in a whopping 3 billion dollars in profits, and when farmers around the world are receiving less and less from the food chain itself, it's frightening to know that companies like Kraft is itching for more of that final dollar.

soundbite

JS: Setting the company up for its March spin-off, Kraft placed a new CEO and President at the helm of the company, and that was Irene Rosenfeld who has now been in the position since June of 2006. It's fitting to know that prior to Rosenfeld's position at Kraft, she was the CEO of the Frito-Lay division of PepsiCo, and so was actually with the company when this Packaged Foods Exposed series on Deconstructing Dinner first aired in April of '06. Prior to her role at PepsiCo, Rosenfeld was the president of Kraft Canada between 2000 and 2004.

Now moving into the next segment on today's Kraft expose, the focus will now be placed on the marketing strategies used by the company, and this segment really only came about upon my coming across what I for one can only consider to be some of the lowest and most immoral advertising strategies I have ever seen. And I'm not saying that to garner some sort of effect, I really mean it, and watching the jaws drop of the people who have already been presented with some of this information, I'll say as I said at the beginning of today's broadcast, brace yourself.

Now advertising is a hot topic these days, and probably the hottest in the UK, where a new junk food advertising ban has just come into effect, whereby any ads for foods high in fat, salt or sugar cannot be broadcast around television shows aimed at four to nine year olds. In January 2008, the restrictions will extend to shows aimed at children up to 15 years as well as adult programs watched by children. Dedicated children's channels will require a full-ban in place by January 2009.

Here in Canada, a similar ban exists, but only in the province of Quebec, where outside of the Indigenous populations of the country, food is probably the most valued of any province.

But is such a ban ever going to appear on a large scale here in North America? Well nothing is on the horizon but in November 2006, ten major food and drink companies including among them McDonald's, Coca-Cola and Kraft announced that their child-oriented advertising will do more to promote health foods and exercise, and they agreed to reduce the use of outside characters to pitch unhealthy foods.

So I decided to take a look at how Kraft has acted upon such an announcement, and I came across their recent marketing campaign for Kraft Singles, a product recently mentioned during the Deceivable Dairy series here on Deconstructing Dinner. The campaign has run on television and through Internet advertising, and features animated cows promoting the health benefits of these processed slices of cheese.

But before continuing on, I wanted to share two quotes with you on the topic of lying, and the first is by American writer Josh Billings, "A lie with a purpose is one of the worst kind, and the most profitable."

I was recently on the website for the nationally distributed Exclaim Magazine, in which happens to be a short profile on Deconstructing Dinner, and there, on the right hand column of the website was one of these Kraft Singles ads. The marketing campaign focuses on the calcium content of the product.

And here is what the ad stated, and listen closely because this gets interesting.

It makes 4 claims listed under the title “Kraft Facts.” And two of these facts stand out, the first is this, and I quote, “Canada’s Food Guide to Healthy Eating recommends kids get 2 to 4 servings of calcium from milk products per day.”

The second claim reads this, “According to Statistics Canada, it is suggested that kids may not get the recommended amount of calcium.”

As I found these statements to be highly questionable, I contacted Health Canada and the Canadian Food Inspection Agency to comment on these claims. And in response to the first one, they indicate that nowhere in Canada’s food guide is there any recommended number of servings of *calcium*, as the Kraft Singles ad states. On the contrary, there are only recommended servings of Milk and Milk Alternatives. There is no such thing as servings of calcium. Another problem with the statement is that it refers to servings of calcium from *milk products*. Canada’s new 2007 food guide does not list milk products as a category anymore, and instead the category is now referred to as milk and alternatives. So here again, the ad is misleading as it refers to the food guide published in 1992.

In looking at the second statement presented in the Kraft Single advertisement, again it reads, “According to Statistics Canada, it is suggested that kids may not get the recommended amount of calcium.” Now again, I spoke with Health Canada and the CFIA on this and they too, say it is misleading. In fact, the statement is an outright lie, because Statistics Canada has *never* suggested this, and Health Canada suggested that the company is referring to a 2004 report indicating that children do not receive the recommended amount of *milk products*.

Such labeling laws fall under Canada’s Food and Drug Act whereby it clearly states in Section 7, Subsection 5(1) – No Person shall label, package, treat, process, sell or advertise any food in a manner that is false, misleading or deceptive or is likely to create an erroneous impression regarding its character, value, quantity, composition, merit or safety."

Upon speaking with the Canadian Food Inspection Agency’s Charmaine Kuran, she indicated that if a complaint is filed with the agency on this issue, they *will* investigate it. But first, what Deconstructing Dinner is going to do, is file a complaint with Advertising Standards Canada – a not-for-profit industry body that provides clearance for advertisement before they reach the Canadian public. The organization also takes in consumer complaints and contacts the companies involved. Once we hear back regarding this complaint, we will post the progress of this on our website and fill you in on the air

once we know more. And again, today's broadcast will be archived under April 12th, 2007 at cjly.net/deconstructingdinner.

soundbite

JS: Now this kind of deceit is not new in the food industry, and is certainly not new to Kraft Foods. Looking back to 1987, a year *before* the company was taken over by Philip Morris, the Federal Trade Commission in the United States announced that advertising for Kraft Singles exaggerated the calcium content of the cheese product. The ads claimed that each slice of Kraft Singles contained as much calcium as five ounces of milk, which the FTC said were false and misleading. Kraft responded by announcing this, "Kraft has always been committed to informative and truthful advertisements, and this campaign clearly meets those criteria." That was back in 1987, 20 years before this most recent Kraft Singles incident first brought to light here on Deconstructing Dinner.

So why is it that North Americans continue to support a company that insists on peddling such information to the public? And perhaps 18th century British literary figure Samuel Johnson said it best, "A man would rather have a hundred lies told of him than one truth he does not wish should be known." Now, I would reword that, and suggest that it seems North Americans would rather have a hundred lies told *to them*, than one truth they wish should not be known."

soundbite

JS: For any of you who caught part II of the recent Deceivable Dairy series here on Deconstructing Dinner, you may recall reference to Kraft Singles during that broadcast. And the reason for it was rather interesting in light of this topic. Back in 2002, Kraft Singles hit the mainstream media and the desk of US senators. This was following a Federal Department of Agriculture visit to a Kraft processed cheese factory in Champaign, Illinois.

Following the visit, the FDA issued a warning letter to Kraft Foods. In it was the following statement, "Your firm's 'Kraft Singles American Pasteurized Process Cheese Food products are misbranded within the meaning of Section 403(g)(1) of the Act in that they purport to be or are represented as a food, namely pasteurized process cheese food." The statement is referring to the company's use of what is known as Milk Protein Concentrate, an ingredient increasingly being used dairy products instead of actual milk. As this ingredient does not fall under the definition and standard for labeling the product as a food, Kraft was forced to change the label from Processed Cheese Food to Processed Cheese Product. And this is the very definition used on their label here in Canada as well.

Now this becomes a rather publicized story back then in American media and encouraged Kraft Foods to issue a response and post it on their website. And the response answers the question, Why did the name on the KRAFT American Singles label change? Located on the website is the answer, "The Kraft Singles label changed, but the great taste remains

the same. Kraft *proactively* changed the generic product name to be consistent with recent statements from regulators.”

So the company insists they were *proactive* about this, even though it was *reactive*.

soundbite

JS: And you're tuned in to Deconstructing Dinner, produced at Kootenay Co-op Radio in Nelson, British Columbia. If you miss any of today's broadcast you can listen to an archived version located on our website at cjly.net/deconstructingdinner. More info on today's topic will also be found there.

Coming back to the Kraft Singles advertisement featuring the false health claims, yet another question arises, and it's in regards to the company's use of Canada's Food Guide to Healthy Eating to promote the product. And the question is: Is it moral to use Canada's Food Guide to promote a product that in the United States and Canada is not allowed to be labeled as a cheese food and instead because of its composition, can only be labeled as a cheese product? That's a question that can only be answered by you. There are no laws preventing that from happening.

Yet another issue that was discussed on part II of the Deceivable Dairy series, is that the ingredient found in many of Kraft's cheese products, is unregulated. And the increasing use of this Milk Protein Concentrate and sometimes referred to in Canada as a Modified Milk Ingredient, is undermining both American and Canadian dairy farmers who are losing access to this market given the ingredient is predominantly imported from other countries. I happened to come across a circa 1990 promotional video for the plant in Champaign, Illinois where Kraft Singles are manufactured for the U.S. market, and it's interesting to hear the comment made by the mayor of the city with reference to the plant. Take a listen.

Mayor of Champaign: The Kraft complex recently celebrated its 25th anniversary in the city of Champaign. It is the largest corporate employer and it's been one that has grown over the years. When you add the employment at the Kraft plant itself, plus the businesses which support it, it has an overwhelming impact on the city of Champaign. The Kraft complex utilizes feedstocks (*rooster crowing in the background*), agricultural feedstocks made in this area.

JS: In just a moment we'll take a closer look at another Kraft advertising campaign taking place in the United States, but before we get to that, another interesting finding came out of the research for this broadcast and it again relates to Kraft and Canada's Food Guide. The company recently launched a new label that they will be affixing to products, and the label reads Sensible Solution. Now the label will only apply to Kraft products that are deemed by the company to be, and I quote, "better for you." Better than what, I don't know, and Kraft's website does not provide that information. But the logo is surprisingly similar to the logo used on the image of the cereal box in Canada's new Food Guide.

Cereal is a key product division of Kraft. And we've placed a comparative image on our website for you to take a look at, and I think you'll find the similarities rather startling.

Another similarity can also be found in the food guide and that is the image of a jar of peanut butter placed in the meat and alternatives section. The image is strikingly similar to a jar of Kraft Peanut Butter with its signature green lid. Apart from the lid, the label of the food guide image contains a peanut located where on the Kraft product are two bears. Circling the peanut is a blue and red oval, reminiscent of the blue and red Kraft logo. Are these similarities a coincidence, check out the image on our website, and decide for yourself at cjly.net/deconstructingdinner, located under the show titled Packaged Foods Exposed part III.

soundbite

JS: Kraft Foods isn't always so smart when putting products and marketing campaigns together. In 2005, they were encouraged to stop production of a candy product called Trolli Road Kill Gummies, where partially flattened squirrels, chickens and snakes were turned into chewable candies. (laugh) And I'm not joking about this, and I don't think this product ever did make it to Canada, but it did exist at one point in the United States.

Onto yet another startling advertising campaign being waged right now by Kraft Foods. It's for their recently launched Microwavable Macaroni and Cheese, known as EasyMac.

This Kraft EasyMac campaign is playing on an issue that I for one consider to be very serious. It is all too common that University students paying such high fees to receive a post-secondary education, are often then placed into a position whereby there is very little money left over to not only purchase healthy foods, but simply purchase food in general. The poverty and hunger that many students face then extends past the university and college campus when they are then, upon graduation, presented with years, if not decades, worth of student debt. But Kraft Foods is using hunger, to sell Kraft EasyMac to student-age consumers and are doing so through the website titled u-starvin.com, this is no joke, u-starvin.com. And you can check it out. On the site are a number of features, the first, is an interactive video whereby a student appears on the screen standing in a dormitory room (and this isn't an animation). The student on the screen looks towards you and says this:

(Male voice): Hey, is there anything to eat?

JS: Following this, website visitors are encourage to select any of the items located in the room, and upon selecting one, the student will decide whether or not to eat it. For example, if you click on his fish tank, here's his response.

(Male voice): No way, man, I'm a vegan.

JS: But his response is in fact a lie, because he's not a vegan. When clicking on his mini-refrigerator, the student proceeds to drink curdled milk. A subsequent click on the

refrigerator also sees the student eat an old piece of moldy meat. And here's what he says before he ingests it.

(Male voice): I didn't know it came with the mayo already on it.

JS: Clicking once again on the fish tank, the student returns and picks up the fish food.

(Male voice): A little for Gilly, and a little for me.

JS: And the last example of what the student is prepared to ingest in light of possibly being unable to afford to eat, here is what happens when the website visitor clicks on his garbage can.

(Sound of garbage can opening and rustling noises, then male voice): Mmm, burrito...*(More rustling, then eating noises, then a distressed male voice)*...Donde esta el bano?

JS: And for any non-Spanish speaking listeners, the student was looking for the washroom given that old burrito made him ill.

Now Kraft Foods position on hunger is needless to say, not that serious. But here's a quick segment of an old promotional video for the company.

Narrator-female: For over 20 years, Kraft, part of the Philip Morris family of companies has been a leader in the fight against hunger. Working to make a difference, the people of Philip Morris.

JS: Continuing on with Kraft's fight against hunger through their EasyMac microwavable macaroni and cheese product, we arrive at another section of their "u-starvin" website. This is yet again another interactive feature called Micro Maniac, whereby visitors are presented with a microwave and list of item items to choose from. Items like marshmallows, cake, eclairs, eggs, tomatoes and metallic packets of ketchup can be selected, and when they are, a hand appears off the side of the image and places the item into the microwave (and again, this is a real life video). Upon placing the item in the microwave, website visitors are treated to a video of cartons of eggs exploding, tomatoes being reduced to mush and metallic ketchup packets exploding. Kraft's fight against hunger involves not only wasting food, some of which is healthy food, but is indirectly encouraging others to do the same. Of course the hope is that the company will then sell more of their EasyMac product.

As part of this same marketing campaign, the company is running a television ad for EasyMac where two students approach a cafeteria counter prepared to purchase what may very well be healthy and unpackaged food from the heated serving trays behind the counter. But the employee behind the counter does not appear to be so healthy, and the

students are quickly convinced that the packaged microwavable Easy Mac is a safer option.

Audioclip of Commercial: (Student 1): Man, I'm starving. (Student 2): Tell me about it. A Man makes loud coughing sounds. (Narrator-male): Need food now? Make Easy Mac cups. Warm, cheesy, Kraft Mac and Cheese. When hunger hits, quick, mic some Mac.

JS: Again, the website for Kraft's hunger campaign can be found at u-starvin.com

soundbite

JS: And this is Deconstructing Dinner and part III of the ongoing Packaged Foods Exposed series, where we are taking a critical look at one of the most influential and powerful food companies in the world – Kraft Foods.

With more than 90,000 employees and 159 manufacturing and processing facilities worldwide, let's take a quick look at the company's presence in Canada. Kraft Canada Inc. is a division of Kraft North America Commercial, and their head office is located in Toronto. Most important to note is that J.L. Kraft, the founder of the company, was a Canadian, who in 1874 was born in Stevensville, Ontario, just outside Fort Erie, and later relocated to the United States where Kraft Foods was then born. Another well known Canadian company W.M. Christie was also purchased by Kraft upon their acquisition of Nabisco in 2000.

Looking at some more numbers, according to Kraft Canada, almost 99% of Canadians have purchased a Kraft product within the past year, and an average 21.9 million Canadians enjoy at least one Kraft product each month. The company employs approximately 7,100 people across the country. A list of all of the Kraft production facilities in Canada and what they produce will be listed on the Deconstructing Dinner website.

A glimpse at some other notable marketing strategies by Kraft includes the recent lawsuit filed against the company in January of 2007. Kraft began labeling their Capri Sun beverages in the United States as all-natural, when in fact they were sweetened with high-fructose corn syrup, which is far from natural. The lawsuit filed by the Center for Science in the Public Interest was dropped when Kraft agreed to change the label.

Another recent incident involving the company's beverages dates back to June 2006, when a Health Canada spot check of soft drinks found high levels of benzene in some of the Kraft Kool-Aid and Crystal Light products. Benzene is a carcinogen formed when sodium benzoate and ascorbic acid come together under certain conditions. The American FDA knew of the problem as early as 1990, but yet again, the ingredients are still being used together.

In yet another recent lawsuit in the United States, a California woman alleged that Kraft Foods misled consumers by calling a product guacamole when in fact it contained less

than 2% avocado. Kraft has since changed the name from guacamole to guacamole flavor.

soundbite

JS: Some other interesting tidbits of Kraft news, in 1996 a study issued by the University of Wisconsin and the Wisconsin Department of Agriculture found that Kraft was manipulating national dairy markets. This was done at the expense of farmers and the company reaped millions in revenues from this.

Yet another dairy related news bit, between 2003 and 2005, Kraft along with other companies advertised increased dairy consumption as a weight-loss method. The Physicians Committee for Responsible Medicine filed a lawsuit against the companies maintaining that scientific evidence contradicts the dairy industry's claims. Kraft was dropped from the lawsuit when they stopped running the ads.

On the topic of genetically modified organisms, Kraft has long been the focus of anti-GMO campaigns, as they were one of the first companies to begin using the ingredients in their products. In 2002, the company donated \$161,000 to help defeat Oregon's Measure 27, which would have required labeling of genetically modified foods on products sold in the state. One campaign launched against the company is called Krafted, and here is the audio from a short animated video that they produced.

Narrator-male: Ah, the holidays. That magical time of year is upon us once again. If you're like 99% of American families you'll be bringing Kraft Foods into your home this holiday season. And by doing so, you'll also be taking part in the largest genetically-engineered food experiment in history. That's right Kraft is using ingredients genetically-engineered in a laboratory. They are serving up new and inadequately tested combinations of DNA never before eaten by human beings, posing risks to our health, such as, new allergies, new toxins, and anti-biotic resistance. And that's why Kraft counts on you and your family to help them determine the health effects of eating virtually unregulated, genetically-engineered foods. This method of product safety testing is a favorite of Kraft's parent company, tobacco giant, Philip Morris. The truth is Kraft really doesn't know what genetically-engineered products will do to us. *(Sound of record scratching, then another male voice)* Tell Kraft you don't want to be part of the experiment.

JS: The website for the Krafted campaign is krafted.org

I'll also give you a heads up that in the next few weeks we will be airing a show on the topic of coffee, and featured on that broadcast will be some more information on Kraft given the company is one of the four major global purchasers of coffee beans. I have already interviewed a member of the World Wildlife Fund who will share with us information on how your jar of Maxwell House and Nabob instant coffee is contributing to the potential extinction of three significant animal species in Southeast Asia. So stay tuned for that show.

In closing out today's broadcast, I'll end on the word Integrity.

Integrity has been quite the theme of today's broadcast, with a standard dictionary defining the term as, "adherence to moral and ethical principles; soundness of moral character, honesty."

On Kraft's website is a list of their values alongside definitions of what these values mean to them. Among them is integrity, and their definition, quote, "Doing the Right Thing."

Narrator-male: Throughout the day our products give people simple pleasures. (*Children laughing*). A cigarette, a sandwich, a bottle of beer.

fade music in

So, what does Kraft produce for the Canadian market? Well, comprising the 34.4 billion dollars in 2006 revenue, we arrive in the beverages department, representing 21% of the company's total revenues. Well known names like Kool-Aid, Crystal Light, Tang, Country Time Lemonade and Del Monte Juice Drinks fall under the Kraft name, Coffee is one of the company's big money makers with their signature brands of Maxwell House, Nabob, Chase & Sanborn, Melrose, other warm beverages such as Sanka, Tassimo, Postum Instant Cereal Beverage and Baker's Hot Chocolate.

Moving into the Snack department, and representing 29% of Kraft's total revenues, we arrive at brands such as Arrowroot, Barnum's, Chips Ahoy, Dad's, David, Dream Puffs, Fudge-O, Honeymaid, Newtons, Oreo, Peek Freens, Social Tea, Thinsations, Bits and Bites, Cheese Bits, Cheese Nips, Christie Crunchers, Crispers, Premium Plus, Rice Thins, Ritz, Triscuit, Vegetable Thins, Wheat Thins, Handi-Snacks, Magic Moments, Jell-O, Sweet'N Low, Sugar in the Raw, Cote D'Or, Milka, Terry's Chocolate Orange and Toblerone.

It's almost beginning to sound like the whole grocery store, but, we've now only covered 50% of the company's revenues, so moving along on our Kraft grocery store tour, we arrive at the Cheese and Dairy section representing 19% of the company's revenues, cultural institutions such as Philadelphia Cream Cheese, Cracker Barrel, MacLaren's Imperial, P'tit Quebec, Velveeta, Cheez Whiz, Kraft Singles, and the many standard Kraft cheeses.

Located in the grocery section of the supermarket we find 15% of Kraft's revenues coming in from brands such as Baker's chocolate, Magic Baking Powder, Bull's-Eye Barbecue Sauce, Shake n' Bake, Oscar Mayer, Cream of Wheat, Dream Whip, Cool Whip, Kraft Jams and Peanut Butters, Certo Pectin, Kraft Salad dressings, Mayonnaise, Miracle Whip and Claussen Pickles, Post cereals are a Kraft product, and an abbreviated version of their brands consist of Alpha Bits, Bran Flakes, Honeycomb, Raisin Bran, Shredded Wheat, Shreddies, and Sugar Crisp to name just a few.

And in the last section of our Kraft supermarket tour, we discover the Convenient Meals department, representing the remaining 16% of the company's revenues. And herein lies what may well be the signature product Kraft Dinner. Also in this department are the company's frozen pizzas such as Delissio.

fade music out

A full list of Kraft Foods products will be listed on the Deconstructing Dinner website.

ending theme music

JS: That was this week's edition of Deconstructing Dinner, produced and recorded at Nelson, British Columbia's Kootenay Co-op Radio. I've been your host Jon Steinman.

I thank my technical assistant John Ryan. The theme music for Deconstructing Dinner is courtesy of Nelson-area resident Adham Shaikh.

This radio program is provided free of charge to campus/community radio stations across the country, and relies on the financial support from you, the listener. Financial support can be donated through our website at cjly.net/deconstructingdinner or by dialing 250-352-9600.

Till next week.