DEFINITION:

“Restaurant Industry”
All meals/snacks prepared away from home, including all takeout meals and beverages.

The Industry Mosaic

- Fullservice
- Quickservice
- Cafeterias and buffets
- Caterers
- Snack and nonalcoholic beverage bars
- Managed services/contractors at
  - Industrial plants
  - Hospital/nursing homes
  - Schools and universities
  - Airlines
  - Recreation and sports centers
- Lodging places
- Retail hosts
- Book stores
- Service stations
- Convenience stores
- Self-operated restaurant services
- Military restaurant services

Annual Sales:
$566 billion
Employees: 13 million

Locations: 945,000

Restaurant Industry’s Share of the Food Dollar

1955: 25%
Present: 48.0%

Source: National Restaurant Association

2009-2013 Strategic Plan

Industry Imperatives
• Jobs & Careers
• Food & Healthy Living
• Sustainability & Social Responsibility
• Profitability & Entrepreneurship

IMPACT GOALS:
• Increase food & alcohol safety/security in the industry.
• Increase restaurant nutrition information availability and consumer awareness.
• Improve public perceptions of the restaurant industry relating to food & healthy living

Strategies:
• Advocate for measures that ensure that global food supply sources are delivered safely and securely to the restaurant industry from farm to table.
• Develop communications protocols that enable restaurants to respond quickly to food safety warnings and recalls.
• Promote food safety training standards for restaurant managers and workers nationally.
• Advocate for enactment of national standards for menu labeling.
• Market and develop resources/products that give restaurant owners capacity to provide nutrition information for their menus.
TASTE RULES!

Two of three consumers agree their favorite restaurant foods provide flavor and taste sensations that cannot easily be duplicated in their home kitchen.

Restaurants: Industry of Choice

- 70 percent of restaurant customers customize their meals.
- 70 percent agree there are enough portion sizes for those watching calories and fat.
- 95 percent agree restaurants are responsive to special requests.
- Nearly 80 percent of customers say they are comfortable asking for foods specially prepared.

Proportion of adults who say they are trying to eat healthier now at restaurants than they did two years ago

<table>
<thead>
<tr>
<th>Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All adults</td>
<td>76%</td>
</tr>
<tr>
<td>Women</td>
<td>79%</td>
</tr>
<tr>
<td>Men</td>
<td>72%</td>
</tr>
</tbody>
</table>

Consumers: Limited Knowledge of Calorie Needs per Day

As far as you know, how many calories should a person of your age, weight, and height consume per day?

- Estimated correctly: 12%
- Underestimated: 34%
- Overestimated: 11%
- Unable to estimate: 43%

- International Food Information Council, 2008

Restaurants Collaborate

- The Association worked closely with both the Department of Health and Human Services (HHS) and USDA, submitting comments and ideas for consideration as part of the new Dietary Guidelines for Americans (released in January 05) and the new Food Guidance System.

- The USDA's new food guidance system can be viewed on the Web at www.mypyramid.gov — and can help individuals choose foods in sizes and amounts that are most appropriate for them.

- The industry also worked with the Federal Food and Drug Administration (FDA) on the 2009 Model Food Code. The model food code provides states & localities with a scientifically sound guidance for regulating the retail and foodservice segments.
Food Safety Thrives When You Focus On Five!

• The National Restaurant Association encourages restaurant and foodservice operators to begin planning for the 15th annual National Food Safety Education Month. This month-long campaign is held every September and focuses on the importance of food safety education for the restaurant and foodservice industry, while raising the awareness of the industry’s commitment to food safety. This year’s theme is “Food Safety Thrives When You Focus on Five.”

• The free National Food Safety Education Month materials are based on the ServSafe food safety training and certification program. The materials communicate concepts clearly and quickly to employees, and activities can be completed in less than 10 minutes.

Restaurants Respond to Consumer Demand

• Whether it was low fat, fat free, low carb, high fiber, low sugar, our nation’s restaurants have created hundreds of menu items to meet the growing needs of our customers.

• From farms to food manufacturers, foodservice distributors to restaurants, our entire food chain is involved in the effort of reducing and eliminating artificial trans fats.

• Almost all of the national chains have reduced or eliminated artificial trans fats in their offerings.

Restaurants are Health and Wellness Leaders

• Companies like Uno Chicago Grill and Au Bon Pain offer guests access to full, customizable nutrition information kiosks in their stores. Each nutritional kiosk allows customers to quickly determine the dietary composition of any dish.

• Pizza Hut introduced the Fit ‘N Delicious pizza – a better-for-you pizza with about 25% less fat than its comparable Thin ‘N Crispy pizza. The key difference: less cheese, more sauce and fewer indulgent toppings. The pizza also has 30 fewer calories per slice.

• Red Lobster offers a “Lighthouse Menu” providing guests with nutritional information for some of Red Lobster’s most popular menu items. The menu lists more than 30 items – including numerous entrees, accompaniments, side dishes, dipping sauce and beverages – with the caloric, carbohydrate and fat content for each.

• Romano’s Macaroni Grill offers “Sensible Fare.”

• Cheesecake Factory offers “Weight Management” menu options.

• Taco Bell offers their Fresco Menu with 9 Taco Bell favorites under 9 grams of fat.

Hot / Trendy Food Offerings

Restaurants are Health and Wellness Leaders

• McDonald’s fresh salads have become such a popular menu item that it is currently the leading purchaser of lettuce heads in the U.S. – ahead of grocery chains and other retail providers. The brand also offers its Apple Dippers with low-fat milk.

• Applebee’s has teamed up with Weight Watchers to offer a menu that identifies better-for-you choices for those who are looking to eat more healthfully.

• T.G.I. Friday’s unveiled a “Right Portion, Right Price” menu last year offering smaller portions of several menu items at a lower cost.

• Chili’s has its “Guiltless Grill.”

• Burger King recently launched their new BK Fresh Apple Fries. The red apples are cut to resemble french fries and are served in the same containers as fries, but they are not fried and are served skinless and cold. The 2.4-ounce serving of Apple Fries will have 35 calories and can be selected as a side order for all kids and adult meals.

• Mimi’s Café has a low-carb, low-fat “Lifestyle Menu.”

Hot / Trendy Food Offerings

Fullservice Restaurants

1 Locally grown produce
2 Bite size desserts
3 Organic produce
4 Nutritionally-balanced children’s dishes
5 New/fabricated cuts of meat (e.g. Denver steak, pork flat iron, bone-in Tuscan veal chop)

Source: National Restaurant Association; American Culinary Federation

Hot / Trendy Food Offerings

Quickservice Restaurants

1 Healthy options in kids meals
2 Organic items
3 Locally-sources items
4 Spicy items
5 Wraps/pitas/tortillas

Source: National Restaurant Association; Quickservice Restaurant Survey
Council of Better Business Bureau’s (BBB) Children’s Food and Beverage Advertising Initiative

- Each company prepares a ‘Pledge’ that describes its commitment to the initiative.
- Participating companies devote at least 50% of their advertising directed to children under 12 to promote healthier or better for you dietary choices and/or to messages that encourage good nutrition or healthy lifestyles.
- Reduce the use of third-party licensed characters in advertising primarily directed to children under 12.
- Not pay for or actively seek food and beverage product placement in editorial or entertainment content that is primarily directed to children under 12.
- Over a dozen national brands have already joined the initiative.

Food & Healthy Living

Public Affairs

Food Safety

- The National Restaurant Association considers food safety a top priority for the restaurant industry.
- Food Safety legislation passed the House in July (H.R. 2749).
- Contains many of the principles we strongly advocated: It focuses on prevention, allocates more resources for food-safety efforts, and focuses resources where risk is greatest.
- The Industry also advances food safety through our ServSafe food safety training program.

Menu Labeling/Nutrition Disclosure

- The NRA supports a national nutrition labeling standard for foodservice establishments with 20 or more locations.
- The bi-partisan proposal, originally called the Labeling Education and Nutrition Act of 2008 (LEAN ACT), is currently included in both the House and Senate Health Care bills.
- It would require such establishments to post calorie information directly on the menu, menu board & drive through.

Menu Labeling/Nutrition Disclosure

- Succinct statement concerning suggested daily caloric intake & availability of additional information.
- Upon request, restaurants would have to provide information on: calories from fat, total fat, saturated fat, cholesterol, sodium, carbohydrates, sugars, dietary fiber and protein. FDA is expected to require trans fat.
- Maintains critical elements: National Uniformity; Liability Protection; Small Business Protection.
Menu Labeling/Nutrition Disclosure

- Independent restaurants may elect to be subject to the federal requirements by registering biannually with FDA and complying with the federal menu labeling requirements.
- Without a national standard an estimated 30–40 states & localities could establish their own competing standards.
- When would the draft legislation take effect? Upon enactment, though mandatory requirements are not expected to take effect until after FDA finalizes its regulations. The legislation directs FDA to propose full regulations within one year.

Public Opinions on the Issue

- Among voters, the approach that garners the strongest and most wide-ranging support is one requiring detailed nutritional information and allowing restaurants to decide the best way to provide that information to their customers.
  - 79% favor a law that would require restaurants to provide detailed nutrition information in writing, though not necessarily on the menu.
- Consumers own up to their responsibility when it comes to the choices they make when dining out and most would like restaurants and not the government to decide what information to provide and how to provide it.
  - 83% of voters say people who eat at restaurants bear the most responsibility, just 11% say restaurants, and only 5% say the government.


Sodium Reduction Efforts in US Foods

- Using different spices and ingredients as substitutes for salt and other condiments.
- Chef education.
- Offering more fresh produce items on menus.
- Switching to reduced-sodium (i.e., soy sauce), and/or no-salt-added ingredients.
- Working with suppliers to reformulate and gradually decrease sodium.
- Looking for new solutions, such as value added produce with a custom packed sauce (that is lower in sodium).
- Working with the American Heart Association.

Restaurant Industry: Nutrition & Healthy Choices

Mike McCallum
Chief Strategy Officer
National Restaurant Association
2009 Consumer Issues Conference
September 24, 2009 | University of Wyoming