

# Annual Report

## TO MEMBERS



CSPI Co-founder and Senior Scientist Michael Jacobson (left) with incoming CSPI President Dr. Peter G. Lurie

After 46 years, I have decided to step down as president of CSPI—but I am thrilled to be handing over the reins to Dr. Peter Lurie, a highly accomplished scientist who, I believe, can take CSPI to new heights.

A family physician and former Associate Commissioner for Public Health Strategy and Analysis at the Food and Drug Administration, Peter comes to CSPI with a solid foundation for meeting the challenges and seizing the opportunities in the years ahead.

At the FDA, Peter led initiatives on antibiotic resistance, international tobacco control, and caffeinated beverages, among other things. Before that, he worked for more than a decade at Public Citizen's Health Research Group, where he focused on drug safety.

Peter will build on CSPI's extraordinary record of accomplishment and continue to win new public

protections, provide consumers with accurate information, serve as a check on industry's power, and nurture a new generation of public-interest scientists.

Finally, while I am stepping down as president, I am most assuredly not stepping away from this wonderful organization. I will continue to work part-time at CSPI as senior scientist and serve on the board of directors.

Please join me in welcoming Peter.

He will be calling upon you for your help as we fight to preserve the important progress we've made together—and as we push for new science-based advances in public policy.

Thank you for everything you have done for CSPI—America's food watchdog.



## 2017 Highlights & 2018 Challenges

In this special report that I've prepared for members like you, you'll see how your support helped CSPI fight for a more nutritious, healthier, safer food supply and for sound science. I hope you are gratified to see what we have accomplished on many fronts, and I hope you continue to provide your generous support to help us meet the challenges of the year ahead.

Since our founding in 1971, we've built our reputation as an influential and independent science-based organization and your champion for healthier, safer food. As a leading voice for American consumers, we fight for government policies and corporate practices that improve foods and the food system and that affect hundreds of thousands of lives each year.

### Nutrition

CSPI works to improve the way America eats and to make it easier for you to make better-informed and healthier choices at grocery stores, restaurants, and other places.

#### Food Labeling—You Deserve to Know What You're Eating!

In 1990, you helped CSPI lead the effort to pass the law requiring Nutrition Facts labels on packaged foods. After relentless campaigning, last year we won additional important



Thanks to CSPI, the new Nutrition Facts label will show how much sugar is *added*, rather than naturally occurring.

updates, with more-prominent disclosure of calories and a new line for added sugars—something we've fought for since 1999!

Until now, Nutrition Facts labels have not had to show how much sugar is naturally occurring, as in a peach or a glass of milk, and how much is added in the form of refined sugar or high-fructose corn syrup.

With the new Nutrition Facts label, shoppers will see, for example, that a 12 oz. soft drink has about 40 grams of added sugars, which represents 80 percent of the maximum daily recommended intake (% Daily Value).

I hope that every school-age child will be taught how to read the new food label and that more and more people will choose lower-sugar foods and beverages. The labels also will encourage companies to use less sugar.

In an industry first that CSPI applauds, the restaurant chain Panera is disclosing the sugar content of its soft drinks right on the cups—and it's listing the sugar in terms of familiar teaspoons, not grams.

When the FDA set a compliance date of July 2018 for the updated Nutrition Facts label, it acknowledged that the new labels would result in \$78 billion in benefits to consumers over the next 20 years—and would cost industry less than 6 percent of that—a huge win for taxpayers and consumers! But Big Food launched a fierce campaign for a three-year delay—until 2021!

Virtually every major food industry lobbying group—from the Grocery Manufacturers Association to the corn-sugar makers—pushed hard for the lengthy delay (a strategy likely aimed at removing the added-sugars line). Even obscure groups like the Association for Dressings and Sauces and the Vinegar Institute piled on. (Yes, this being Washington, even dressings, sauces, and vinegar have their own lobbyists.)

Thanks to your support, and the hard work of CSPI, the FDA agreed to a compromise that puts off the full implementation until “only” January 2020—a delay of 18 instead of 36 months. In fact, a growing number of responsible companies are already starting to use the new labels, proving that long delays are unnecessary.

**BOTTOM LINE:** CSPI fought for years to win the new Nutrition Facts labels, and shortening the delay in requiring them represents a victory for consumers.

### Menu Labeling—Knowing What You Eat When You Eat Out

Spending on eating out has overtaken grocery store purchases for the first time ever, and without clear, easy-to-find nutrition information when ordering, it's difficult to make informed and healthy choices. Providing nutrition information at restaurants can help people choose lower-calorie meals and spur restaurants to offer healthier options.

Huge majorities of Americans want nutrition information from food-service establishments, CSPI's research indicates. Eighty percent of Americans support menu labeling in chain restaurants, 77 percent want calorie labeling at convenience stores, and 81 percent favor having supermarkets provide calorie information for their prepared, restaurant-type foods.

CSPI contends, and the restaurant industry by and large agrees, that requiring calorie labeling at supermarkets, convenience stores, and mov-

Now that the FDA has agreed to require menu labeling by next May, CSPI is targeting Congress to stop a terrible anti-menu-labeling bill that would greatly weaken labeling in restaurants and other locations.

ie theaters makes sense because those establishments offer restaurant-type food. If McDonald's is providing calorie counts for its sodas, why shouldn't 7-Eleven or Regal Cinemas? If Cracker Barrel lists calories for its salad bar items, why shouldn't Whole Foods or Safeway?

CSPI has led the effort to place calorie counts on restaurant menus, starting with state and local laws and culminating with the 2010

national law requiring calorie labeling on menus and menu boards, prepared foods in supermarkets and convenience stores, and food and beverages sold in vending machines.

That law also requires restaurants to provide full nutrition information in brochures or by other means.

The FDA finalized the regulations for menu labeling at the end of 2014, but opposition by convenience stores, Domino's and other pizza chains, and supermarkets has delayed implementation time after time.

Last May, the Trump administration threw the most recent monkey wrench into the works, by delaying the deadline for menu labeling yet again—this time until May 2018.

CSPI and other groups sued the Trump FDA over this latest delay. After the administration agreed that it would not weaken the labeling rule and would not delay it beyond next May, we agreed to settle.

Still, the pizza lobby—which in 2011 convinced Congress to count pizza as a vegetable under the school lunch program—is asking its friends on Capitol Hill to exempt most outlets of Domino's, Papa John's, Little Caesars, and other pizza chains from the labeling requirement.



The salad bar at Harris Teeter.

**BOTTOM LINE:** Another win for consumers! At long last, menu labeling in restaurants, grocery stores, movie theatres, and pizza chains will soon be here to stay. We just have to keep Congress from gutting the law over the next few months. Your year-end contribution will help CSPI work aggressively to stop efforts to punch loopholes in menu labeling and enable you to make informed decisions when you eat out.



Eighty percent of Americans support menu labeling in chain restaurants

Yet all of those chains have been providing calorie counts in New York City, Philadelphia, and Seattle, where it's required by local law. You could understand why pizzerias wouldn't want to admit that their pizzas have 2,000 or even 3,000 calories, but that's no reason to hide that information from the public.

People just want to know what they're eating, and

menu labeling will help them do that. It doesn't make sense to create loopholes for big segments of the industry. That's not what the law intended, and it's not what the American people want.

### Stop the Salt Assault!

It seems like everyone knows someone who has high blood pressure or has had a heart attack. A major culprit is the salt we eat.

Sodium is so well hidden in our food that nine out of ten Americans consume too much. Three-quarters of Americans' sodium intake comes from restaurant and packaged foods. The greatest sources—contributing about 40 percent of daily intake—are bread and rolls, cold cuts and cured meats, pizza, poultry, soups, sandwiches, cheese, pasta dishes, meat dishes, and snacks.

High-sodium diets promote high blood pressure, heart disease, and chronic kidney disease. Consuming 1,200 milligrams (about ½ teaspoon of salt) less sodium per day would save as many as 92,000 lives and as much as \$24 billion in health care costs every year.

But unfortunately, with a few exceptions, companies are not doing enough to lower sodium levels. While some industry leaders such as Mars, Nestlé, and General Mills are gradually reformulating many of their products, the food industry as a whole is lagging behind. One major study found that the industry is

reducing sodium by less than 1 percent per year. At that rate it is going to take decades to bring sodium down to safe levels.

Surprisingly, bread is the top source of sodium in the American diet. CSPI's latest "Salt Assault" investigation found widely varying amounts of sodium in different brands of 100% whole wheat and white bread. Eating one slice of Whole Foods Organic 100% Whole Wheat Sandwich Bread is like eating 22 potato chips. And one slice of Pepperidge Farm Farmhouse Hearty White Bread has as much sodium as 21 potato chips—a surprisingly high level considering that Pepperidge Farm announced a sodium-reduction program almost 10 years ago.

Many restaurant meals also are dangerously high in sodium, including:

- Chili's Mix & Match Loaded Fajita Trio with Prime Rib, Seared Shrimp, Pork Carnitas, and Flour Tortillas has 6,210 milligrams of sodium, more than 2½ times the recommended daily sodium limit. And that's just for the entrée—it gets even worse if you add a high-sodium appetizer and dessert.
- Typical entrées at Chipotle are dripping with sodium: burritos (2,700 mg), burrito bowls (2,010 mg), tacos (1,540 mg), and salads (2,590 mg). Adding half a typical order of chips & dip tacks on an additional 400 mg of sodium to your meal. (You should try to limit sodium to 2,300 mg for the entire day.)
- Out of the 333 breakfast items CSPI analyzed from 16 popular quick-service restaurants, Hardee's Monster Biscuit committed the biggest salt assault, with 2,490 mg of sodium—more than an entire day's worth! That's only breakfast—and without any side orders.

Every day, hundreds of Americans die prematurely because the FDA has failed to do its job of requiring restaurants and manufacturers to cut the salt in their foods. In June 2016, after we sued the FDA for inaction on salt, the agency finally issued draft voluntary sodium-reduction targets for more than 150 different restaurant and packaged food categories. One of our top priorities for 2018 is to get the FDA to finalize those targets to en-



Nine out of ten Americans consume too much sodium.

courage companies to cut the salt. Ultimately, we want mandatory sodium limits, as many other countries are adopting, to help prevent high blood pressure and heart disease.

At the state and local level, we’re calling on health departments to follow New York City’s lead by requiring chain restaurants that sell excessively salty foods to put a warning icon on menus and menu boards and to explain the health risks of high-sodium diets.

And we will continue to educate consumers. Our recent acclaimed series of “MilliGrammy Awards” videos highlighted the extraordinarily high sodium levels in restaurant meals.

**BOTTOM LINE: CSPI continues to lead the campaign to end the salt assault. Your support will help us convince the government and companies to cut the salt—and reduce the rates of heart attacks and strokes.**

## Food Safety

CSPI supports policies to keep food free of dangerous contaminants and pathogens and to curb the use of dangerous dyes, artificial sweeteners, and other poorly tested chemicals.

### Defending Your Right to Food that Won’t Make You Sick

Americans demand clean food, air, and water; depend on safe products; and want big corporations to be held accountable when they put families in harm’s way. CSPI led the fight for the Food Safety Modernization Act, which will lead to safer produce and other foods regulated by the FDA.

Now, Congress just needs to let the food safety rules go forward. Instead, the House of Representatives passed a bill (the so-called Regulatory Accountability Act) that would block the adoption of rules designed to safeguard Americans. If enacted, it would force government agencies to focus on the cheapest, rather than the safest, options when it comes to public health.

We call the bill the “Filthy Food Act” because it would make it nearly impossible for the USDA and the FDA to adopt new safeguards to keep our food supply free from deadly bacteria like *Salmonella*, *E. coli*, and *Listeria*. It would also block new protections from harmful pesticides and known carcinogens and keep agencies from issuing common-sense safeguards that provide transparency for products, including food.

Even worse, this horrible piece of legislation would affect not just food safety, but the environment, worker health, and every other health and safety protection. Big corporations and polluters would benefit, while workers, consumers, and families would get sick.

The “Filthy Food Act” is characteristic of a Congress that puts the profits of industries above the critical environmental and health protections that keep our air safe to breathe, our water safe to drink, and our food safe to eat.

**BOTTOM LINE: We are vigilant and united against the effort to snuff out public protections. As America’s food watchdog—and as we do with all legislation affecting your right to safe food—CSPI will keep up the pressure on the Senate in 2018 to block the passage of the Filthy Food Act.**

### Synthetic Food Dyes Harm Kids

Widely used in candy and other foods aimed at children, synthetic food dyes are also used in many other foods—like mayonnaise, salad dressing, yogurt, marshmallows, some brands of pickles, and even chocolate cake.

Dyes provide no health or nutritional benefit. They are completely unnecessary. Companies sometimes add them to avoid the expense of using fruit or other “real” ingredients, and to trick consumers into thinking that the colors in blueberry muffins, breakfast cereals, or fruit-flavored beverages come from real fruits and vegetables, rather than synthetic chemicals.

CSPI’s latest report, *Seeing Red*, clearly draws the link between dyes and behavioral disorders in children. Thousands of parents wrote us about their struggles to figure out the reasons for their children’s inattention, behavior problems, and even violence toward siblings—only to learn that supposedly safe dyes were contributing to the problems!

Since then, we have escalated our efforts to get synthetic dyes out of our food, and in 2017 we pushed for legislation in California requiring a warning label on foods containing dyes.

In the coming year, CSPI will continue to push for state warning labels on dyed foods. Also, we will ask the FDA to ban Red 3, which poses a cancer risk and is already banned in drugs and cosmetics that are not ingested. About 200,000 pounds of Red 3 are used annually in foods like maraschino cherries, sausage casings, baked goods, candies, and ice cream bars, to name just a few. It’s crazy that the FDA still permits companies to use Red 3.

We will also be pressuring food companies to voluntarily drop their use of dyes, as companies for the most part have done in Europe. And we’ll be publicizing the surprising places dyes hide in foods.

**BOTTOM LINE:** Considering the harm that synthetic dyes inflict on some children and how easily they can be replaced with safe, natural ingredients, it's high time that companies got rid of dyes altogether. Your generosity will help CSPI lead that charge throughout 2018.

### How FDA Drops the Ball on Dangerous Food Additives

Synthetic dyes are not the only dangerous chemicals CSPI is working to get out of your food. Our *Chemical Cuisine* report rates the safety of the most commonly used additives—from acetic acid to yellow prussiate of soda—in a definitive glossary of the ingredients used to flavor and preserve our foods.

While most additives are safe, some are not. One of our priorities is to get companies to stop using—and the FDA to ban—the widely used artificial sweetener aspartame. Three top-notch studies have found that aspartame causes cancer in animals.

More broadly, we want to reform the way food additives are approved by the government. You might expect that the FDA reviews the safety of new ingredients added to our foods before they are approved. But, in fact, companies are allowed to bypass the FDA’s additive-approval process. Companies simply can determine for themselves—in secret—whether additives are safe, and can put them into foods



The FDA does not know everything that’s in the food we eat.

without any public notice or rigorous, independent testing.

Over the years, food companies have added as many as 1,000 chemicals to our food supply without ever telling the FDA. The FDA literally does not know everything that’s in the food we eat! (And the FDA knows about, but hasn’t itself approved, more than 2,000 other chemicals.)

The safety of our food supply is too important to leave to chemical companies and food

manufacturers—and their shadowy trade associations and lobbying groups. Yet that’s exactly what the FDA has allowed, and that’s why CSPI has sued the agency to force it to do its job, as required by law.

Our lawsuit charges the FDA with ignoring the law, which puts the agency (not industry!) in charge of the safety of food chemicals.

CSPI is determined not to allow the FDA to continue its lackadaisical approach to oversight of potentially risky food ingredients.

**BOTTOM LINE: The FDA must ensure that new ingredients are safe before they can be used in our food. CSPI is leading the way to overhaul a system that is allowing unsafe or poorly tested additives into our food supply. Your support will help us keep the pressure on the FDA to do its job, and will help us press the government, elected officials, and manufacturers to make your food safer.**

### The Coming Epidemic of Antibiotic Resistance

Most antibiotics sold in the United States are not used to treat sick people—instead, they’re being squandered by the livestock industry.

Roughly 80 percent of antibiotics are used in cattle, chickens, and pigs, mostly to promote faster growth and prevent diseases that are rampant in filthy, overcrowded factory farms. The overuse of antibiotics can lead to deadly, antibiotic-resistant “super germs.”

While the World Health Organization and major health and medical groups have called for better management of antibiotics in animal agriculture, the FDA and USDA plod along with loophole-laden programs.

CSPI is a member of a strong and effective coalition that is pressuring poultry producers to stop raising chickens with unnecessary antibiotics. Already, Tyson, Perdue, and several other marketers have found ways to raise chickens without using any antibiotics at all!

But we can do more. We are pressuring restaurants and supermarkets to stop selling chicken that has been treated with antibiotics. And while it takes time for companies to change their production practices or to realign their supply chains, we’re making huge progress.

McDonald’s has switched to no-antibiotic chicken, and Subway has done the same for both chicken and turkey. Panera has eliminated antibiotic use in producing almost all the poultry and pork that it uses. As the public increasingly demands antibiotic-free food, other restaurants will undoubtedly follow.

We are working with partners to look beyond chicken to beef, pork, and even farmed fish, as the next frontier for our marketplace campaigns. There remains much work to do.



Roughly 80 percent of antibiotics are used in livestock.

**BOTTOM LINE: Antibiotics are the crown jewels of life-saving medicines, but we are running out of time to protect the ability of those drugs to stop infections caused by antibiotic-resistant bacteria. Your year-end contribution will help CSPI confront this urgent challenge and campaign for a ban on all irresponsible uses of antibiotics in animal agriculture.**

### Representing You in Court

You deserve expert lawyers to fight on behalf of you and other consumers, and CSPI uses the courts to win better food labeling and more honest marketing. We pioneered the field of food law, wielding the power of litigation, negotiation, and partnership to take on corporations and the government when appropriate.



CSPI pioneered the field of food law.

Earlier this year, CSPI sued the FDA for its illegal delay on menu labeling and for burying the science on food additives. CSPI also took on the soft-drink industry:

- This year we filed a landmark lawsuit contending that the Coca-Cola Company and the soda industry’s trade association, the American Beverage Association (ABA), mounted an unlawful campaign to mislead and confuse the public about the harmful health impacts of sugar drinks.

CSPI is representing two African-American pastors, among others, who are deeply troubled by the impact of Coca-Cola’s marketing on the health of their communities and the public at large.

Coca-Cola and the ABA’s advertising campaigns have attacked the strong science linking routine consumption of sugar drinks to obesity, type 2 diabetes, and heart disease while promoting lack of exercise as the primary driver of those diseases. The campaign also leads consumers to believe that all calories are the same, when the evidence shows that sugar drinks play a unique role in

promoting obesity and related epidemics. The lawsuit also charges that Coca-Cola has been advertising to young children, even though its own publicized advertising guidelines forbid that.

The case is pending in the Superior Court of the District of Columbia, and your support for 2018 will help us bring our best to the fight. We expect the industry, especially Coca-Cola, to use every legal trick in the book to kill the lawsuit and possibly even counter-sue CSPI. But if we can prevail, the lawsuit will limit the industry’s ability to deceive consumers about the major health threat posed by sugar drinks.

- In February of this year, we reached an agreement with PepsiCo regarding our 2016 lawsuit over deceptive labeling of its Naked Juice line of beverages. Naked’s Kale Blazer, for example, claimed to contain mostly kale, “veggies,” and “dark leafy goodness.” Indeed, the label touted that “kale is the king of the garden. And, when it’s blended with cucumber, spinach, celery, and a pinch of ginger, you get a royal roundtable of yum. Long live greens.”

But Kale Blazer consists predominantly of sugary fruit juices, not dark leafy vegetables. And while it and other juices brag about having “no added sugars,” they often have as much or more sugar from apple or other juices as a can of Pepsi—as much as 15 teaspoons per serving!

**BOTTOM LINE:** In 2018, CSPI will use the courts to stop deceptive marketing and to challenge the Trump administration’s unprecedented assault on life-saving consumer protections and public health policies.

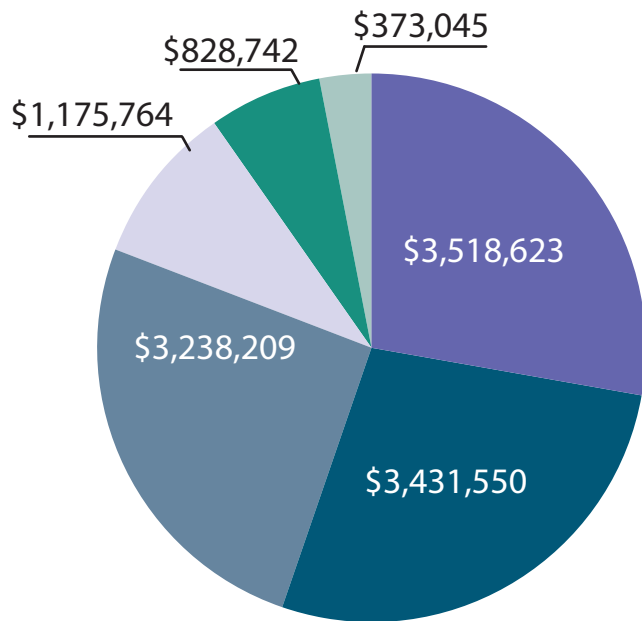
You have a right to safe and healthy food. CSPI advocates on behalf of you and all consumers before government and in the courts to counter the tremendous pressure from the food, beverage, and agriculture industries that put their profits before your health. We need you with us in the year ahead, and I urge you to offer your strongest year-end support today. Please make the most generous contribution you can and return it with the 2018 Priority Issues survey enclosed so CSPI can make your top concerns the leading issues we work on in the coming year. Thank you!



## FY2017 Expenses

Total Expenses: \$12,565,933

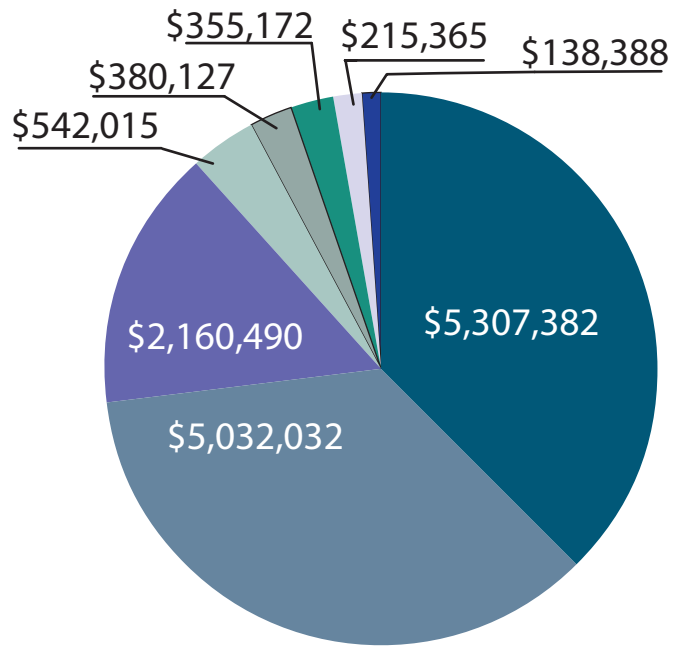
- Public Education
- Nutrition Action Healthletter*
- Projects & Programs
- Membership Development
- Fundraising
- Management & General



## FY2017 Support & Revenue

Total Revenue: \$14,131,065

- Membership Dues & Subscriptions
- Contributions
- Foundation Grants
- Other Income
- Net Gain on Investments
- Royalty Income
- Litigation Income
- Investment Income



## FY2017 Statement of Financial Position

