Menu items

Aug 28th 2008 | NEW YORK From *The Economist* print edition

Restaurant chains must now list the calorie content of the food they sell

IN JANUARY New York became the first American city to pass a law requiring restaurant chains to state the number of calories in everything on their menus, right down to the last pretzel. Full enforcement of the new rules began last month. Other cities and counties have since followed. Los Angeles is expected to vote on its own law within the next two weeks. California, meanwhile, is considering a statewide bill.

Fans of menu labelling say it helps consumers, who tend to underestimate the calories in the food they buy. Critics say it is another step towards a nanny state. Companies complain that it is costly to reprint menus, and the National Restaurant Association says restaurants will find it difficult to meet a "patchwork" of city, county and state standards. The New York State Restaurant Association was so outraged by the New York regulations that it sued, claiming infringement of commercial freedom of speech under the First Amendment. The case is now in the New York courts on appeal, and a decision is expected any day.

America's restaurant industry, which is expected to have \$558 billion in sales this year, has vigorously fought menu-labelling legislation. Some restaurants, already concerned about the slowing economy, worry they could lose customers if they draw attention to the number of calories in their food. Already, many New Yorkers have been disheartened to learn what their favourite dishes contain. Marion Nestle, professor of nutrition at New York University and the author of "Food Politics", says frequent restaurant-goers have found the calorie information "just astonishing".

It is too soon to say whether menu labelling will reduce sales or prompt diners to order something different. One study, published this year, found that customers ordered foods containing an average of 52 fewer calories when the information was prominently displayed in fast-food chains in New York. Another study found that diners ordered lower-calorie meals when the menu was labelled—but only on Mondays and Tuesdays.

Yet the new rules could also enable restaurants to attract customers, and reduce costs, by tweaking their menus. Many companies have already started to introduce new low-calorie items and serve smaller helpings.

Starbucks, for example, has changed its "default" milk from whole milk to reduced-fat milk, cutting the calories in its drinks by 14%. (Reduced-fat milk also happens to be cheaper.) Dunkin' Donuts has a new lower-calorie line called "DD Smart" that is designed to appeal to the health-conscious with such things as egg-white flatbreads and fruit smoothies. And McDonald's has reduced the size of a helping of French fries, cutting the number of calories—and costs.

Le Pain Quotidien, a mid-range bakery chain with \$165m in worldwide sales and 17 outlets in New York, thinks it has profited by adapting quickly to the new rules. Jack Moran, the company's vice-president of branding, initially thought it was "frightening" that customers would be able to see the calories in everything on the menu. So he put together a team to overhaul the menu, cutting portions and eliminating items with lots of calories. This has proved, he says, a "strategic advantage" and boosted business. The company is now planning to provide calorie information voluntarily in Washington, DC, and Los Angeles—even though the local laws do not yet require it.