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Stimulus Plan for Candy: Pack It Full of Caffeine

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The candy industry is rolling out new sweets packed with more than just sugar.

Buzz-inducing candy, spiked with caffeine and, often, vitamins, are the low-growth, \$29 billion U.S. candy, gum and chocolate industry's answer to surging competition from energy drinks. And just like those beverages, the caffeine-infused candy often sports a controversial name that critics say evokes illegal drugs.



New caffeinated sweets vie to compete with energy drinks.

Last month, Mars Inc. introduced Snickers Charged, a version of the candy bar with a cup-of-coffee's worth of caffeine, plus B vitamins and amino acids, ingredients typically found in energy drinks. Jelly Belly Candy Co. has come out with Extreme Sport Beans, which are caffeinated and contain electrolytes, compounds beneficial for hydration, while **Hershey** Co. has launched caffeine-enhanced Ice Breakers Energy mints. Along with Jolt mints and gum, Buzz Bites, Foosh Mints, Crackheads chocolate-covered espresso beans and several others, these products make up a burgeoning "energy candy" category.

The new products are appearing as the candy industry is losing part of its most bankable audience -- kids. There were 3.3% fewer kids age 6 to 11 in 2007 as in 2002, according to the U.S. Census Bureau. Sales of sugar confectionary dropped by 4% from 2001 to 2006, while energy-drink sales rose by more than 400% to \$3.23 billion in the period, according to market researcher Mintel.

Fears of obesity and diabetes also are cutting into consumption. Last year, candy and snack companies including Mars, Cadbury Adams USA, a unit of **Cadbury Schweppes** PLC, and Hershey signed a pledge drafted by the Better Business Bureau in which they agreed to stop marketing their products to children under the age of 12.

Caffeinated candies present some challenges for makers, chief among them disguising the inherently bitter taste of caffeine in a sugary morsel.

"Our customers realize that the Buzz Bites aren't going to taste like Godiva," says Jason Kensey, president of Vroom Foods in Costa Mesa, Calif., which makes Foosh Mints and Buzz Bites. He

adds that many customers reorder the products. Jelly Belly's Extreme Sport Beans aren't intended to be a candy, the company says, but are instead a "sports performance product."

The energy candies replicate both the branding and ingredient lists of energy drinks, starting with a hearty dose of caffeine. "We're the most caffeinated product out there," Mr. Kensey says of Vroom's Foosh Energy Mints and Buzz Bites, which both clock in at 100 milligrams of caffeine per piece. Snickers Charged has 60 milligrams per bar, and Jelly Belly's Extreme Sport Beans pack 50 milligrams per one-ounce bag. An 8 oz. cup of coffee, by comparison, has anywhere from 65 to 200 milligrams, while a can of Red Bull energy drink has 75 milligrams. Many energy candies also have other additives typically found in energy drinks, including B vitamins; electrolytes; taurine, an amino acid; guarana, a naturally caffeinated South American fruit; and ginseng.

While caffeine's reputation has been rehabilitated to some extent in recent years by studies indicating it can benefit athletic and cognitive performance, other recent studies have shown associations with miscarriage and diabetes, as well as anxiety and stomach problems. Caffeine intoxication -- described in the Diagnostic and Statistical Manual of Mental disorders, a mental-health reference guide, as symptoms that can include nervousness, insomnia, and frequent urination -- occurs in some people after ingesting 250 milligrams of caffeine.

Both Mars and Hershey said they decided to sell caffeine-enhanced candy in response to consumer interest, pointing out that the products aren't marketed to young children. Mars spokesman Ryan Bowling notes that many products, including soda, contain caffeine, adding that parents have a responsibility to monitor what kids eat.

Depending on an individual's caffeine tolerance and how much energy candy is consumed, the products can induce either jitters or shrugs of "what's the big deal?" Lauren Summers, a 30-year-old health-care and technology publicist, bought her first pack of Jolt Gum last summer when she didn't have time for a cup of coffee before heading off to a Daft Punk concert in San Francisco. Her take: "It tasted like regular mint gum. I didn't really notice the lift," she says.

The most controversial aspects of some energy candies are their names. John Osmanski, the 27-year-old president of the company that makes Crackheads, a candy sold mostly in convenience stores in California, Texas, the Midwest and Florida, says that the name is tongue-in-cheek and that the term "crackhead" is thrown around lightly by comedians all the time.

Regardless, Michael Allured, the publisher of the Manufacturing Confectioner, a monthly trade magazine, and the Candy Buyers' Directory, an annual listing of products, wrote Mr. Osmanski a letter in late 2006, expressing dismay. "It reflects a little bit on confectionary as a whole when people stretch the limits," Mr. Allured says.

Even some noncaffeinated candy has been accused of having a druggy image. Three weeks ago, Hershey announced that it is halting production of Ice Breakers Pacs. The product, a white, powdered mint encased in rectangular, translucent baggies, has been criticized by some law-enforcement officials for looking too much like illegal drugs such as heroin or cocaine.

Energy drink brands have gone to greater extremes to reference street drugs. Last week, Cocaine Energy Drink reappeared on the market. Introduced in September 2006, the product was recalled by maker Redux Beverages last May after the Food and Drug Administration objected to the product's name and marketing that positioned it as an alternative to cocaine. The company made changes to the marketing language on the cans and rereleased the product. Now that it is back on the market

under the same name, "we're going to take another look at this product," says FDA spokeswoman Kimberly Rawlings.

Redux founder Jamey Kirby says that in the saturated energy-drink market, it takes unique marketing to stand out. "Everyone from 15- to 60-year-olds who has a bit of a sense of humor thinks it is funny," he says.

Roland Griffiths, a professor at Johns Hopkins University School of Medicine who studies how drugs affect human behavior, says that energy drinks and candy, even those marketed without overt drug connotations, send kids a worrisome message.

"It blurs the distinction between legal and illegal drugs, and it normalizes the use of performance-enhancing drugs," Mr. Griffiths says.

Candy companies say they are careful with marketing. Several products, including Snickers Charged, have labels indicating the products are "not recommended for children, pregnant women or people sensitive to caffeine." Jelly Belly's Extreme Sport Beans are sold in the sports-nutrition section of stores, not on the candy rack, says marketing director Rob Swaigen. Other candy companies point out that while their products are sold in the candy rack along with more kid-friendly treats, caffeinated energy drinks are often sold alongside fruit juice.

Schools boards, health groups and some state legislatures are starting to look at the issue of kids and caffeinated products. There is a proposed bill in the Kentucky that would prohibit the sale of caffeinated energy drinks in schools, and another that would ban their sale to anyone under 18. Last year, the Institute of Medicine of the National Academy of Sciences drafted recommendations for schools that advise that caffeinated products be avoided on campus. While the School Nutrition Association, a trade group for school food program workers, doesn't track caffeine policies directly, spokesman Erik Peterson says that it is becoming a bigger issue as caffeinated products -- particularly energy drinks -- become more prevalent.

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