



AGREEMENT

BETWEEN

Food Safety and Standards Authority of India (FSSAI)

Represented by

Mr. Arun Singhal (IAS), CEO
Ms. Inoshi Sharma (IRS), ED

AND

Indian Institute of Management Ahmedabad (IIMA), India

Represented by

Prof. Arvind Sahay
Prof. Ranjan Kumar Ghosh

For collaboration in the implementation of the survey-based study on

“Consumer perceptions of different front-of-pack labels for packaged food among Indian population.”

September 2021

Noted
The Ahmedabad
Mercantile Co-op. Bank
Ltd, Ambawadi Branch,
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§ 1. Background and Objective

The objective of this study is to understand which front-of-the-pack labels (FOPL) are most suited for Indian consumers in helping to choose healthier packaged food products. The suitability is indicated by the comprehensibility, credibility and likeability of the FOPL and its ability to influence purchase decisions. Globally, FOPLs have evolved as an important complement to the Nutrition Facts Table as the latter are difficult for consumers to interpret. They contain numerous forms of information on nutrients that include both mandatory and voluntary measures adding to the confusion of consumers. Moreover, while consumers have the abilities to interpret simple information in differentiating between product characteristics, they find the tables difficult to use for health choice decisions. On the other hand, some studies have shown that FOPLs help guide healthier product choices.

There are numerous studies that have analyzed the effectiveness of different FOPL formats in different countries that have implemented these systems either on a voluntary or mandatory basis. Majority studies conclude that placing nutrition facts on front of the packages are more effective than when they are placed at the back.

For the case of India, its food regulator Food Safety and Standards Authority of India (FSSAI) plans to introduce an FOPL system that would be effective in informing consumers about healthy food choices in terms of saturated fat, total sugar, salt/sodium, energy content and, probably, other positive nutrients. In this context, the proposed study is planned to test the effectiveness of five types of FOPL designs/models - Health star rating, Nutriscore, Warning label, Multiple traffic lights, and Monochrome GDA.

§ 2. Methodology and Activities

A randomized controlled trial (RCT) approach will be used on a nationally representative sample of respondents who will be randomized to one of the six groups:

Group 1: No FOPL, Group 2: Health Star Rating (Code 1), Group 3: Nutriscore (Code 2), Group 4: Warning label (Code 3), Group 5: Multiple traffic lights (Code 4), Group 6: Monochrome GDA (Code 5).

Randomization will be done using a computerized system making an equal probability of assignment of subjects per treatment. The sampling frame will be weighted by the relative consumption of an item in a particular geography.

For Control Group 1, participants will be asked to buy (hypothetically) one product each from 2 categories, biscuits and chips. The control group will have no FOPL, the treatment groups will have an FOPL. This will make 6 groups; 1 control and 5 treatments. In addition, each category will have two product variants: a healthy and an unhealthy. There will be a control group for both the healthy and unhealthy product and a treatment group. That will make a total of $2 + 10 = 12$ groups. The purpose here is to judge the relative effectiveness of the different FOPLs as a signage for "healthy" and "unhealthy" foods.



After the choices are made, participants will be asked to self-report on socio-demographic variables that include: gender, age, occupation/profession, city/village, income, education, body height and weight, etc. Additional control questions will be on: health awareness (knowledge of obesity, under nutrition, non-communicable diseases), awareness about conventional nutritional contents in a package, general views on packaged food and noticeability of regulatory logos- FSSAI/Agmark, etc. All the FOPL's will be tested for their Comprehension, Credibility and Liking using a Likert Scale post survey questionnaire.

The sample size would contain around 18,000 respondents (tentative). The operational aspects of the field work and survey will be conducted by Dexter Consultancy Private Ltd. which has the experience of conducting previous similar studies in a similar context.

§ 3. Financial Arrangements

On behalf of the Indian Institute of Management Ahmedabad (IIMA), Prof. Arvind Sahay and Prof. Ranjan Kumar Ghosh will execute the tasks as specified in § 2. On behalf of Dexter Consultancy Private Ltd., Ms. Khyati Acharya will be responsible for all operational aspects of the survey. On behalf of FSSAI, Mr. Arun Singhal and Ms. Inoshi Sharma will coordinate and support monitoring of activities towards completion of the study. FSSAI will provide financial and logistical support to the IIMA team towards execution of the tasks.

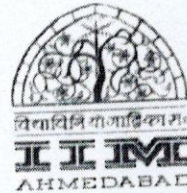
The financial support by FSSAI to IIMA will be to the tune of approximately INR Sixty Lakhs (Rs. 60,00,000/-, i.e. for 15 consulting days X 4,00,000 INR per day) towards consultation fee of IIMA and Respondent Participation Cost as per actuals (Tentative Cost: 1,44,00,000/- INR One Crore Forty-Four Lakhs only, i.e. for approximately 18000 respondents x 800/- per respondent cost) plus GST @ 18%, which amounts to a total of 2,40,72,000 INR (INR Two Crore Forty Lakh Seventy Two Thousand Only).

The adjustment of final payment shall be subject to the actual sample size of participants taken in the survey which may be higher or lower than the 18,000, subject to calibrations done after the pilot phase to match study requirements. Any savings on the cost of conducting the survey, either by way of reduction in number of participants or rate per participant or any other means would be passed on to FSSAI.

The money can be used by IIMA towards payment of fees for partner agency (Dexter Consultancy Private Ltd.) through a sub-grant agreement/MoU; research assistance, data collection, travel, overheads, capital purchase, faculty consulting fees and external consultants, if any. The internal disbursements to faculty, staff and other expenses may be done as per IIMA's internal norms. Any cost overruns beyond the allocated budget has to be pre-approved by FSSAI and an amendment to the agreement has to be made to that order.

Payment Schedule from FSSAI to IIMA

First Installment: 40% of the total amount immediately upon signing of the Agreement and raising of Invoice – Within 1 month of the date of signing of MoU.



Second Installment: 30% of the total amount on completion of data collection – After 3 months

Third Installment: 20% of the total amount on completion of data analysis and submission of technical/financial reports – After 5 months

Final Installment: 10% of the total amount on acceptance of final report and presentation to FSSAI – After 6 months

§ 4. Survey Period

The survey based study aims to begin by 6th September, 2021 and end on 28th February, 2022. Any change to the schedules regarding starting dates, end dates or spread of the phases will be mutually agreed by both the parties and documented in the form of an amendment.

§ 5. Intellectual Property Rights

Both parties will ensure that any results, audio, video and print content and publications originating from this collaboration will be available to both FSSAI, IIMA and partner agency Dexter Consultancy Private Ltd. The ownership in the intellectual assets created or acquired out of this survey shall vest in FSSAI. IIMA and partner agency Dexter Consultancy Private Ltd. will not disclose any information related to this survey through any communication media in public domain till the final submission of survey report to FSSAI. No part of this study may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without prior written permission of FSSAI. The above mentioned terms or conditions may be reviewed or changed by FSSAI as per mutual discussion and decision with IIMA.

All research staff working within the project will be allowed to use common unpublished data with a reference to data owner in the acknowledgements. Only researchers within the project that significantly contribute to the writing of his/her paper(s) or own unpublished data used in the paper should be offered a co-authorship.

§ 6. Dispute Resolution

In the event of any dispute, it is agreed by the parties that such disputes will be amicably resolved mutually through discussion. In case no amicable resolution or settlement is reached within a period of thirty (30) days from the date of which the dispute or difference arose, then such dispute or difference shall be referred to and settled by arbitration under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996. The sole arbitrator would be appointed by IIMA and FSSAI jointly. The place of arbitration shall be Ahmedabad, Gujarat, India.

§ 7. Force Majeure

Neither Party to this agreement shall be liable to the other for delay or default in performance of its obligations or any loss or damage which may be suffered by the other directly due to a Force Majeure event provided that the affected Party notifies the other Party of such event and its likely



effects within 2 weeks of the occurrence of the event and duration and takes all reasonable steps to mitigate the losses/disruption.

§ 8. Approval

In agreement with the above terms of participation, the authorized representatives of FSSAI and Indian Institute of Management Ahmedabad, hereby affix signatures.

Mr. Arun Singhal, IAS
Chief Executive Officer
FSSAI
Date:

Prof. Errol D'Souza
Director
Indian Institute of Management Ahmedabad
Date:

Ms. Inoshi Sharma, IRS
Executive Director, FSSAI

Prof. Arvind Sahay
Indian Institute of Management Ahmedabad
Co-Principal Investigator

Prof. Ranjan Kumar Ghosh
Indian Institute of Management Ahmedabad
Co-Principal Investigator