Business

BY JENNIFER ORDONEZ

XCEPT FOR THE OCcasional oversize bag of naked Cheetos lying around (they're not yet covered in fluorescent orange cheese flavoring), the maze of windowless rooms on the second floor of the Frito-Lav headquarters could pass for a university microbiology lab. Highly flammable beakers of globby fats are separated, broken down and measured, as scientists try to test the fat content in batches of chips. A walk-in cooler is filled with huge boxes of apples, part of something the company calls the "Eden Project." And don't laugh: with the recent launch of Frito's Flat Earth line of baked fruit and vegetable crisps ("one-half serving of real vegetables in every ounce"), the company is now the nation's largest buyer of pumpkin, a big ingredient in the snack.

It's all part of Frito-Lav's attempt to secure its financial future by creating the ultimate oxymoron: healthy junk food. At a time when rising obesity levels have become a national preoccupation and New York City has banned artery-clogging transfatty oils in restaurants, food companies are trying to adapt to shifting nutritional mores. It's a risky and expensive balancing act-no company wants to alienate the junkies who care about taste above all. But, in

fits and starts, food companies are changing. McDonald's has become the nation's biggest buyer of apples (which it serves with a side of sugary caramel sauce). Coca-Cola recently launched Diet Coke Plus, fortified with vitamins. After several years and 28 recipes, all 4,500 Dunkin' Donuts stores will be using zero-gram trans-fat oil to make the doughnuts. But will Homer Simpson still approve?

Perhaps no company has more at stake than chip-giant Frito-Lay, the world's biggest producer of snack foods, with \$10 billion-plus in annual sales. Home of Doritos, Fritos, Cheetos and Tostitos, Frito-Lay represents 36 percent of parent company PepsiCo's operating profits. Faced with emerging scientific data of the perils of trans fats, which are created when hydrogen is added to

Taking the Junk Out of Junk Food

How Frito-Lay is re-engineering its munchies to make healthier snacks



liquid oil in a process that creates a solid fat that's easier to work with, Frito-Lay abandoned their use in 2002. But now that so many other food companies have made the switch, how can Frito-Lay still look more healthful than the competition?

The snack company has come up with a provocative new tack: making chips it claims provide the kind of dietary fat a

body needs (seriously). Often, companies replace trans fats with saturated fats, which are known to raise LDL, or "bad," cholesterol. So Frito-Lay is starting to use more unsaturated fats, which help lower LDL cholesterol and are believed to raise HDL, or "good,"

such a large scale. When the company first eliminated trans fats, it switched to cottonseed oil, which, although healthier in some respects, was still high in saturated fat. Amid mounting evidence of a link between saturated fat and heart disease, Brown said the company knew it would need to evolve further, but its choices were limited: soybean oil, which spoils easily, or sunflower oil, of which there was

little supply.

It took several years and millions of dollars for Frito-Lay, oilmakers and farmers to develop a sustainable sunflower crop. It was only last year that the supply was steady enough to make the switch—"eliminating 60 million pounds of saturated fat from the U.S. diet," the company

cholesterol. "We're telling cus-

tomers that it may seem counterintuitive, but there are good

fats, and the fat you are going to

get in our products is going to

be beneficial," says Bob Brown,

Frito-Lay's director of nutrition

and regulatory affairs. It's not the easiest argument to make-no

company has yet developed a

chip as nutritionally sound as, say,

vear to sunflower oil, however,

demonstrates the complex-

ity of addressing consumer

awareness about nutrition on

carrot sticks or a few raw nuts. Frito-Lay's conversion last

crowed. Frito-Lay's research division is now looking for the next competitive advantage, from using more whole grains to adding colon-healthy fiber and lycopene, an antioxidant found in tomatoes and watermelon.

Not that Frito-Lay's core customer cares deeply about heart-healthy eating habits. And, good fats or not, dietitians don't plan on blessing high-calorie processed snacks any time soon. "Nobody got heart disease from a deficiency of chips,"

says Lisa Young, a dietitian at New
York University. "I think
the food industry gets an
A in marketing. But this
is better than nothing." As
the saying goes (sort of):
all that, and a bag of transfat-free, good-cholesterolenhancing chips.

No company has yet developed a chip as nutritious as, say, some carrot sticks or a handful of raw nuts