

Australian Food and Grocery Council SUBMISSION

MAY, 2012

TO:

FOOD STANDARDS AUSTRALIA NEW ZEALAND

IN RESPONSE TO:

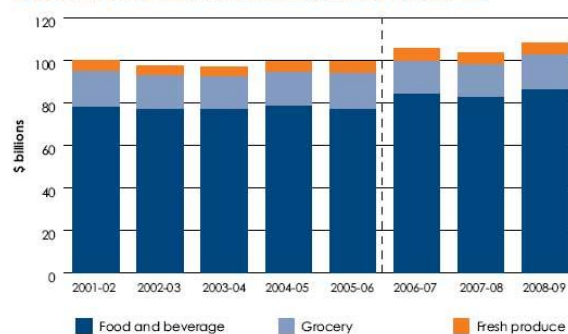
A1065 - PACKAGING SIZE FOR PHYTOSTEROL-ENRICHED
MILK

The Australian Food and Grocery Council (AFGC) is the leading national organisation representing Australia's food, drink and grocery manufacturing industry.

The membership of AFGC comprises more than 150 companies, subsidiaries and associates which constitutes in the order of 80 per cent of the gross dollar value of the processed food, beverage and grocery products sectors.

With an annual turnover of \$108 billion, Australia's food and grocery manufacturing industry makes a substantial contribution to the Australian economy and is vital to the nation's future prosperity. The industry is similar in size to the mining sector.

Figure 4.1: Composition of the industry's turnover (\$2008-09)



Source: ABS, catalogue number 8221.0 and 8159.0

Manufacturing of food, beverages and groceries in the fast moving consumer goods sector¹ is Australia's largest and most important manufacturing industry. Representing 26 per cent of total manufacturing turnover, the sector is the second largest industry behind the Australian mining sector and accounts for over one quarter of the total manufacturing industry in Australia.

This growing and sustainable industry is made up of over 30,100 businesses and accounts for \$46 billion of the nation's international trade. The industry spends \$368 million a year on research and development.

The food and grocery manufacturing sector employs more than 312,000 Australians, representing about 3 per cent of all employed people in Australia, paying around \$13 billion a year in salaries and wages.

Many food manufacturing plants are located outside the metropolitan regions. The industry makes a large contribution to rural and regional Australia economies, with almost half of the total persons employed being in rural and regional Australia². It is essential for the economic and social development of Australia, and particularly rural and regional Australia, that the magnitude, significance and contribution of this industry is recognised and factored into the Government's economic, industrial and trade policies.

Australians and our political leaders overwhelmingly want a local, value-adding food and grocery manufacturing sector.

¹ Fast moving consumer goods includes all products bought almost daily by Australians through retail outlets including food, beverages, toiletries, cosmetics, household cleaning items etc.

² About Australia: www.dfat.gov.au

1. INTRODUCTION

The Australian Food and Grocery Council (AFGC) welcomes the opportunity to make this submission to the Food Standards Australia New Zealand in response to the assessment report for Application A1065 - Packaging Size for Phytosterol-enriched Milk.

AFGC notes the intent of this application is to amend Standard 2.5.1 – Milk, in the Australia New Zealand Food Standards Code, to remove the 1 litre volume restriction on milk enriched with phytosterols.

The AFGC supports this application on the basis that there is no identified risk to public health and safety and that FSANZ has established that there are potential benefits for consumers in convenience, cost-saving, and enhanced consumers choice.

Recommendation:

That FSANZ amend Standard 2.5.1 to remove the restriction on package size for phytosterol enriched milk, enabling phytosterol-enriched milk to be sold in any volume.

2. GENERAL COMMENT ON APPLICATION

AFGC believes that an internationally competitive domestic food and grocery manufacturing industry supported by a robust and responsive policy and regulatory framework is critical to ensuring our food supply is secure, that it meets the nutrition and health needs of consumers and it is sustainable for the longer term. This application is intended to reduce the regulatory burden on industry, providing a more competitive and innovative market in responding to consumer need, and thereby provide an opportunity for improved public health and a reduction in the burden of disease on the community.

While the proportion of deaths in Australia due to cardiovascular disease (CVD) has fallen in the past decade, CVD still accounts for 15% of all deaths in 2010, compared with 20% in 2001³, according to the Australian Bureau of Statistics in March 2012. CVD in Australia is significantly lower than that of a number of other countries, and notably half that of the United States where CVD is the number one cause of death in 2007, collectively accounting for 33% of deaths⁴. Most of these deaths were attributable to ischemic heart diseases, in which a portion of the muscle in the heart does not receive adequate blood flow.

Phytosterols have been known for almost 60 years to lower blood cholesterol in humans, with initial hypotheses pointing to a disruption of cholesterol absorption. Since then, many studies have been done to quantify the effects of phytosterols on blood cholesterol, with one meta-analysis indicating that phytosterols can lower LDL-C (which is considered atherogenic) by approximately 10%. This in turn has a potential to reduce the risk of 'luminal occlusion'.

³ <http://www.abs.gov.au/ausstats/abs@.nsf/mediareleasesbytitle/63AFD409CBAA7592CA25757C00272CF2?OpenDocument>

⁴ Xu J, Kochanek K, Murphy S, Tejada-Vera B (2010) Deaths: final data for 2007. Natl Vital Stat Rep 58:1-136

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Phytosterols therefore have an important role in helping to reduce the risk of CVD, but this is contingent of consuming approximately 3 g of phytosterol per day. The best way to do this is to have phytosterol fortification available in a variety of foods that permit and encourage a balanced and healthy diet. Low fat milk and low fat yoghurt are effective vehicles to deliver phytosterols in addition to using fortified margarines, table spreads and cheese.

Increasing the availability and encouraging the consumption of phytosterols by the target population to ensure those at risk achieve the 3g/day threshold can reduce the incidence of CVD and therefore provide a potential saving to the community through a reduction of the burden on the public hospitals, the pharmaceutical benefits scheme, or the costs associated with morbidity or mortality.

In addition, there are potential direct savings to the target consumer group associated with purchasing phytosterol enriched milk products if the restrictions on packaging size are removed through the opportunity to market such products in larger discounted volumes, or alternatively to market product in smaller more convenient packages to take to outings such as picnics or in convenience stores for a single serve drink, rather than being forced to buy a full 1 liter bottle.

Consumers are advised to drink two to three serves of phytosterol enriched milk per day to obtain the required amount of phytosterols to gain the proposed health benefit in terms of lowering levels of serum cholesterol. However, this is not necessarily best served if it is only consumed once per day in the home, but rather spread throughout the day.

AFGC notes that the restriction on milk package size introduces an inequitable situation in comparison to other sectors where no such restrictions apply, for example, 'Edible Oil Spreads' are permitted in Standard 2.4.2 to contain phytosterols (or their equivalents), with no pack restrictions stipulated. This means a 500 g tub of edible oil spread can contain fifty serves of 10 g. In comparison, if the restriction were removed then a 2 litre container of milk would contain only eight serves of 250 mL and a 3 litre pack only twelve serves, providing greater in-home convenience.

Removing the restriction on package size would also create a more harmonised international regulatory outcome as there is no restriction on a package size for milk applied in legislation anywhere else in the world, including the European Union, United States of America, or the Codex Alimentarius.

AFGC notes that the principle argument for introducing a restriction on size and mandatory warning statements was the concern by regulators that children and pregnant or lactating women might be at risk from certain nutritional deficiencies if they were regularly consuming phytosterols.

While AFGC acknowledges that children and pregnant or lactating women are not the intended target population, and that there is no evidence from household consumer surveys to indicate that families with young children are significantly purchasing and consuming phytosterol enriched foods. Nevertheless, AFGC supports retaining the current requirements for the mandatory advisory statements that the product should be consumed as part of a healthy diet, may not be suitable for children under the age of five years and pregnant or lactating women on the basis that it improves consumer understanding and awareness of the product and its intended use.

3. SPECIFIC COMMENTS ON THE PROPOSAL

The AFGC notes that the consultation paper poses three questions concerning risk assessment, consumer behaviour, social justice and equity for which AFGC notes the following in order of the questions as posed:

1. AFGC is not aware of any new information that has been published within the last 2 years that would indicate the risk assessment associated with the consumer of phytosterols in either the target population or the non-target population has changed.
2. AFGC does not have access to market / consumer purchasing behaviour to provide conclusive evidence of the issues concerning consumption patterns, cost and equity. However, supports the logic and the rationale behind the application that providing phytosterols in a variety of foods allows the consumer to achieve the 3g per day of phytosterol needed to be effective. Providing phytosterol enriched milk in a variety of package sizes allows the consumer to choose the right size for their lifestyle and needs, in particular noting the recommended three servings per day of 250ml.
3. Milk is also an excellent source of calcium and by consuming three serves of milk per day there is the added benefit of reducing the potential risks associated with calcium deficiency and osteoporosis.
4. AFGC does not have specific information about the costs and potential saving to the manufacture or consumer by removing the restriction on one litre volumes, nevertheless it is apparent from industry practices that selling product in larger volume general provides a saving for the consumer and in the milk category this is often around 10%.

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Australian Food and Grocery Council

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FPM Cereal Milling Systems Pty Ltd
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Fibrisol Services Australia Pty Ltd
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General Mills Australia Pty Ltd
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Go Natural
Goodman Fielder Limited
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Harvest FreshCuts Pty Ltd
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Hoyt Food Manufacturing Industries P/L
Hungry Jack's Australia
IGEA Group
Jalna Dairy Foods
JBS Australia Pty Limited
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Kerry Ingredients Australia Pty Ltd
Kimberly-Clark Australia Pty Ltd
Kraft Foods Asia Pacific
Laucke Flour Mills

Lion Dairy and Drinks
Madura Tea Estates
Manildra Harwood Sugars
Mars Australia
McCain Foods (Aust) Pty Ltd
McCormick Foods Aust. Pty Ltd
McDonald's Australia
Merisant Manufacturing Aust. Pty Ltd
Murray Goulburn Co-operative
Myosyn Industries
Nerada Tea Pty Ltd
Nestlé Australia Limited
Nutricia Australia Pty Ltd
Ocean Spray International Inc
Only Organic 2003 Pty Ltd
Parmalat Australia Limited
Patties Foods Pty Ltd
Pfizer Consumer Healthcare
Procter & Gamble Australia Pty Ltd
Queen Fine Foods Pty Ltd
QSR Holdings
Reckitt Benckiser (Aust) Pty Ltd
Red Bull Australia
Rosella Foods Pty Ltd
Safcol Canning Pty Ltd
Sanitarium Health and Wellbeing
Sara Lee Australia
SCA Hygiene Australasia
Schweppes Australia
Sensient Technologies
Simplot Australia Pty Ltd
Spicemasters of Australia Pty Ltd
Steric Pty Ltd
Stuart Alexander & Co Pty Ltd
Subway
Sugar Australia Pty Ltd
SunRice
Tasmanian Flour Mills Pty Ltd
Tate & Lyle ANZ
The Smith's Snackfood Co.
The Wrigley Company
Tixana Pty Ltd
Unilever Australasia
Vital Health Foods (Australia) Pty Ltd
Ward McKenzie Pty Ltd
Yakult Australia Pty Ltd
Yum Restaurants International
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Amcor Fibre Packaging
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CHEP Asia-Pacific
CSIRO Food and Nutritional Sciences
CoreProcess (Australia) Pty Ltd
*CropLife
CROSSMARK Asia Pacific
Dairy Australia
FACTA (Food Allergen Control Training Analysis)
Food Liaison Pty Ltd
*Foodservice Suppliers Ass. Aust.
*Food and Beverage Importers Association
*Food Industry Association QLD
*Food Q
Foodbank Australia Limited
*Grains & Legumes Nutrition Council
Grain Growers
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