



Simplot Australia Submission to FSANZ – Amendment 26th November 2014 Commencement of Dietary Fibre Claim Provisions

INTRODUCTION

Simplot Australia welcomes the opportunity to provide a submission to FSANZ regarding 'Commencement of Dietary Fibre Claim Provisions'. This is an amendment to the 20th of November submission in order to remove Commercial in Confidence information.

Attachment 1 – Submission template for A1101 – Commencement of Dietary Fibre Claim Provisions

To assist us in compiling submissions, please complete the tables below.

Submitter name and company name:

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SIMPLOT AUSTRALIA

26th November 2014

Part A – Questions for food industry

Question 1

In the table below, please give the total number of products and stock-keeping units (SKUs¹) you currently sell that carry nutrition content claims about dietary fibre (e.g. claims such as *source*, *good source*, and *excellent source* of dietary fibre or synonyms of these descriptors).

Item	Number of products	SKUs ¹
Products <i>currently for sale</i> that carry nutrition content claims about dietary fibre		Approx. 111

¹ **SKU** - refers to a stock-keeping unit, a unique identifier for each distinct product that can be purchased in business.

Question 2

In the table below, please give the number of products and SKUs¹ you currently sell that do not meet the requirements for nutrition content claims about dietary fibre in Standard 1.2.7 (i.e. the qualifying criteria) and require changes.

Item	Number of products	SKUs ¹
Products currently for sale that carry nutrition content claims about dietary fibre that do not meet the qualifying criteria in Standard 1.2.7		Approx. 18#

¹ **SKU** - refers to a stock-keeping unit, a unique identifier for each distinct product that can be purchased in business.

#Types of products = frozen vegetables and canned vegetables

Question 3

Before October 2014, did you make labelling changes in order to comply with the requirements for nutrition content claims about dietary fibre?

Please check the appropriate YES/NO box

☒ **Yes** Please provide the number of SKUs¹ involved and costs in the table below.

Please also indicate if the cost of labelling changes can be undertaken at the same time as other labelling changes for marketing or other purposes in the table below.

Item	Number of SKUs ¹ (up to October 2014)	Labelling change combined with other labelling changes? (YES/NO)	Direct cost ² of labelling change ³ (up to October 2014)
Labelling changes	6	Yes	

¹ **SKU** - refers to a stock-keeping unit, a unique identifier for each distinct product that can be purchased in business.

² **Direct cost** of labelling change: labelling design, labelling production, proofing, package redesign and labour

³ Please provide only the **additional cost** for this labelling change if it was part of a routine or regular change, e.g. when you made a change for marketing purposes.

OR

☐ **No** I have not made any labelling changes before October 2014 in order to comply.

Question 4

Before October 2014, did you reformulate products in order to comply with the requirements for nutrition content claims about dietary fibre?

Please check the appropriate YES/NO box.

☐ **Yes** Please provide the number of products and costs in the table below.

Item	Number of products (up to October 2014)	Cost ¹ (up to October 2014)
Product reformulation		

OR

☒ **No** I have not reformulated any products.

Question 5

Between October 2014 and the end of the transition period for Standard 1.2.7, will you be making labelling changes in order to comply with the requirements for nutrition content claims about dietary fibre?

Please check the appropriate YES/NO box.

☒ **Yes** Go to **Question 6**.

☐ **No** Go to **Question 8**.

Question 6

In the table below, please give the **direct** cost (i.e. for label design and printing costs) of labelling changes required to be compliant with the requirements in Standard 1.2.7 for nutrition content claims about dietary fibre:

- (a) if the transition period remains at 18 January 2016
- (b) if the transition period is extended to 18 January 2017

Please also indicate if the cost of labelling changes can be undertaken at the same time as other labelling changes for marketing or other purposes in the table below.

Item	Number of SKUs ¹ to be relabelled	Labelling change combined with other labelling changes? (YES/NO)	Direct cost ² of labelling change ³
Transition period ending 18 January 2016	18	Yes (for 12 products) – However if these get further delayed we will need to instigate the changes independently	If not combined with a routine or regular change - approx. \$3670 per sku = \$66,060
Transition period ending 18 January 2017	18	Yes	

¹ **SKU** - refers to a stock-keeping unit, a unique identifier for each distinct product that can be purchased in business.

² **Direct cost** of labelling change: labelling design, labelling production, proofing, package redesign and labour

³ Please provide only the **additional cost** for this labelling change if it was part of a routine or regular change, e.g. when you made a change for marketing purposes.

Question 7

In the table below, please give the **indirect** cost (in terms of recalled products, written off products and packaging) of labelling changes required to be compliant with the requirements in Standard 1.2.7 for nutrition content claims about dietary fibre:

- (a) if the transition period remains at 18 January 2016
- (b) if the transition period is extended to 18 January 2017

Item	Indirect costs (in terms of recalled products, written off products and packaging)
Transition period ending 18 January 2016	<p>It is too difficult to cost this up at the moment as we would need to know stock on hand and stock in stores a couple of months prior to Jan 2016 to give you an estimate.</p> <p>We could hold up to 4 weeks safety stock and potentially have another 4-6 weeks stock in store. This could be higher for seasonal products.</p> <p>In addition to write off costs for products and packaging there are costs associated with recalling or withdrawing products.</p> <p>Recalling a product is charged on a per store basis. So depending on distribution for each product this can be quite costly. Withdrawing products (which is what we believe would be the case, rather than a recall) has slightly lower</p>

	associated costs per store.
Transition period ending 18 January 2017	-

Question 8

Between October 2014 and the end of the transition period for Standard 1.2.7, will you be reformulating products in order to comply with the requirements for nutrition content claims about dietary fibre?

Please check the appropriate YES/NO box.

☐ **Yes** Go to **Question 9**.

☒ **No** Go to **Part B**.

Question 9

In the table below, please indicate the number of products that are likely to be reformulated and the cost of reformulation:

- (a) if the transition period remains at 18 January 2016
(b) if the transition period is extended to 18 January 2017

Item	Number of products to be reformulated	Cost of reformulation
Transition period ending 18 January 2016		
Transition period ending 18 January 2017		

Part B – Question for all stakeholders

Question 10

Please indicate your preference for the commencement date of the provisions in Standard 1.2.7 – Nutrition, Health and Related Claims for nutrition content claims about dietary fibre.

Please check the appropriate box.

- ☐ **Retain** 18 January 2016
- ☒ **Change** to 18 January 2017
- ☐ **No preference** for either date

Please state your reasons in the box below.

Reasons to support your answer
<p>The products affected all have a shelf life over 12 months and required changes to labelling well in advance of the January 2016 commencement date. As the decision to retain the levels as in Standard 1.2.7 was not made until late 2013, many labelling changes were delayed, and as a result it likely that there will have stock in trade in January 2016 that does not comply with Standard 1.2.7.</p> <p>If the commencement date is not extended to 18 January 2017, costs will be incurred to <u>withdraw</u> stock from the trade and write off this stock as well as any packaging that has been printed.</p>