



FOOD STANDARDS
Australia New Zealand
Te Mana Kounga Kai - Ahitereiria me Aotearoa

7-06

4 October 2006

INITIAL ASSESSMENT REPORT

APPLICATION A552

CADMIUM IN PEANUTS

DEADLINE FOR PUBLIC SUBMISSIONS: 6pm (Canberra time) 15 November 2006

SUBMISSIONS RECEIVED AFTER THIS DEADLINE

WILL NOT BE CONSIDERED

(See 'Invitation for Public Submissions' for details)

For Information on matters relating to this Assessment Report or the assessment process generally, please refer to <http://www.foodstandards.gov.au/standardsdevelopment/>

Executive Summary

FSANZ has received an Application from the Confectionery Manufacturers of Australasia Limited (CMA) to amend Standard 1.4.1 – Contaminants and Natural Toxicants – of the *Australia New Zealand Food Standards Code* (the Code) with respect to the Maximum Level (ML) of cadmium in peanuts to align with Codex. The ML for cadmium in peanuts specified in the Table to Clause 2 of Standard 1.4.1 is 0.1 mg/kg. Codex has not established a ML for cadmium in peanuts because they are a low contributor to overall global cadmium exposure.

The Applicant is seeking the removal of the ML for cadmium in peanuts of 0.1 mg/kg to enable increased flexibility to source peanuts from a variety of countries for use in confectionery to meet demand that may result from crop seasonality and product quality. The Applicant states that at present, confectionery manufacturers are severely restricted in their choice of countries from which they can source peanuts because some may exceed the current ML for cadmium in the Code. The Applicant suggests that retaining the ML for cadmium in peanuts could be perceived as a Technical Barrier to Trade.

Cadmium is a naturally occurring heavy metal that is found at low levels throughout the environment. Food represents the major source of cadmium exposure rather than air or water. Long-term exposure to cadmium may lead to accumulation in the liver and kidneys, particularly the renal cortex, resulting in kidney damage. The Joint FAO/WHO Expert Committee on Food Additives (JECFA) re-evaluated cadmium at its sixty-first meeting in 2003. The Committee retained the previously allocated provisional tolerable weekly intake (PTWI) of 7 µg/kg bw.

FSANZ undertook a dietary exposure assessment of cadmium from all foods in 2001. Estimated mean exposures were 13-16% of the PTWI for Australia and 14-17% for New Zealand. Estimated exposures for 95th percentile consumers were 34-41% of the PTWI for Australia and 38-41% for New Zealand. The major source of cadmium in the diets of Australians and New Zealanders was potatoes (28% and 41% respectively), while peanuts were a minor contributor for both Australia (2%) and New Zealand (1%).

FSANZ has identified three regulatory options for this Application: Option 1 – Retain the ML for cadmium in peanuts of 0.1 mg/kg (Status quo); Option 2 – Harmonise with Codex and remove the ML for cadmium in peanuts; Option 3 – Establish a higher ML for cadmium in peanuts.

This Initial Assessment Report is not an assessment of the merits of the Application but rather is an assessment of whether the Application should be accepted for further consideration, according to criteria laid down in the *Food Standards Australia New Zealand Act 1991* (FSANZ Act).

Purpose

The purpose of undertaking an assessment of this Application is to determine whether it is appropriate to amend Standard 1.4.1 – Contaminants and Natural Toxicants with respect to the ML for cadmium in peanuts.

Reasons for Assessment

After considering the requirements for Initial Assessment as prescribed in section 13 of the *Food Standards Australia New Zealand Act 1991* (FSANZ Act), FSANZ has decided to accept the Application for the following reasons:

- The Application seeks to align the ML for cadmium in peanuts in the Code with Codex. The removal of the ML for cadmium in peanuts (to align with Codex) or increasing the ML would warrant a variation to Standard 1.4.1.
- The Application is not so similar to any recent previous application that it ought not be accepted.
- There are no other measures that would be more cost-effective than a variation to Standard 1.4.1 that could achieve the same end.
- At this stage no other relevant matters are apparent.

Consultation

Public submissions are now invited on this Initial Assessment Report. Comments are specifically requested on the potential impacts on affected parties of either removing or increasing the ML for cadmium in peanuts.

Responses to this Initial Assessment Report will be used to develop the next stage of the Application and the preparation of a Draft Assessment Report.

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INVITATION FOR PUBLIC SUBMISSIONS

FSANZ invites public comment on this Initial Assessment Report for the purpose of preparing a Draft Assessment Report for consideration by the FSANZ Board.

Written submissions are invited from interested individuals and organisations to assist FSANZ in preparing the Draft Assessment of this Application. Submissions should, where possible, address the objectives of FSANZ as set out in section 10 of the FSANZ Act. Information providing details of potential costs and benefits of the proposed change to the Code from stakeholders is highly desirable. Claims made in submissions should be supported wherever possible by referencing or including relevant studies, research findings, trials, surveys etc. Technical information should be in sufficient detail to allow independent scientific assessment.

The processes of FSANZ are open to public scrutiny, and any submissions received will ordinarily be placed on the public register of FSANZ and made available for inspection. If you wish any information contained in a submission to remain confidential to FSANZ, you should clearly identify the sensitive information and provide justification for treating it as commercial-in-confidence. Section 39 of the FSANZ Act requires FSANZ to treat in-confidence, trade secrets relating to food and any other information relating to food, the commercial value of which would be, or could reasonably be expected to be, destroyed or diminished by disclosure.

Submissions must be made in writing and should clearly be marked with the word 'Submission' and quote the correct project number and name. Submissions may be sent to one of the following addresses:

Food Standards Australia New Zealand
PO Box 7186
Canberra BC ACT 2610
AUSTRALIA
Tel (02) 6271 2222
www.foodstandards.gov.au

Food Standards Australia New Zealand
PO Box 10559
The Terrace WELLINGTON 6036
NEW ZEALAND
Tel (04) 473 9942
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Submissions need to be received by FSANZ by 6pm (Canberra time) 15 November 2006.

Submissions received after this date will not be considered, unless agreement for an extension has been given prior to this closing date. Agreement to an extension of time will only be given if extraordinary circumstances warrant an extension to the submission period. Any agreed extension will be notified on the FSANZ website and will apply to all submitters.

While FSANZ accepts submissions in hard copy to our offices, it is more convenient and quicker to receive submissions electronically through the FSANZ website using the Standards Development tab and then through Documents for Public Comment. Questions relating to making submissions or the application process can be directed to the Standards Management Officer at the above address or by emailing slo@foodstandards.gov.au.

Assessment reports are available for viewing and downloading from the FSANZ website. Alternatively, requests for paper copies of reports or other general inquiries can be directed to FSANZ's Information Officer at either of the above addresses or by emailing info@foodstandards.gov.au.

INTRODUCTION

FSANZ received an Application from the Confectionery Manufacturers of Australasia Limited (CMA) on 15 November 2004 to amend Standard 1.4.1 – Contaminants and Natural Toxicants – of the *Australia New Zealand Food Standards Code* (the Code) with respect to the maximum permitted level of cadmium in peanuts. Specifically, the CMA is seeking an amendment to the Table to Clause 2 of Standard 1.4.1 to remove the existing Maximum Level (ML) for cadmium in peanuts. The CMA is the peak industry body representing the confectionery industry in Australia and New Zealand.

1. Background

1.1 Cadmium

Cadmium is a naturally occurring heavy metal that is found at low levels throughout the environment. Food represents the major source of cadmium exposure rather than air or water. Long-term exposure to cadmium may lead to accumulation in the liver and kidneys, particularly the renal cortex, resulting in kidney damage.

1.2 Current Standard

Standard 1.4.1 sets out the MLs of specified metal and non-metal contaminants and natural toxicants in nominated foods. As a general principle, regardless of whether or not a ML exists, the levels of contaminants and natural toxicants in all foods should be kept As Low As Reasonably Achievable (the ALARA principle).

An ML is generally only established where it serves an effective risk management function and only for those foods which provide a significant contribution to the total dietary exposure. MLs are generally not assigned to foods that present a low public health risk.

MLs have been set at levels that are consistent with public health and safety and which are reasonably achievable from sound production and natural resource management practices. Consideration is given to Australia's and New Zealand's international trade obligations under the World Trade Organization's Sanitary and Phytosanitary Agreement and Technical Barrier to Trade Agreement.

The ML for cadmium in peanuts specified in the Table to Clause 2 of Standard 1.4.1 is 0.1 mg/kg.

1.2.1 Definition of maximum level

Maximum Level is defined in Clause 1 of Standard 1.4.1 as follows:

maximum level (ML) means the maximum level of a specified contaminant, or specified natural toxicant, which is permitted to be present in a nominated food expressed, unless otherwise specified, in milligrams of the contaminant or the natural toxicant per kilogram of the food (mg/kg).

1.2 Historical Background

1.2.1 General Principles for Regulation of Contaminants in Foods

The regulation of contaminants and natural toxicants in food was comprehensively examined and discussed with the jurisdictions during the review of the *Australian Food Standards Code* and the New Zealand Food Regulations, culminating in the development of Standard 1.4.1. Prior to the development of Proposals to review metal and non-metal contaminants, a policy paper was prepared to obtain general agreement from all jurisdictions regarding the basis and direction of the review. This paper contained policy principles that were agreed to by the Australia New Zealand Food Standards Council in July 1997. The principles outlined are consistent with the Codex Alimentarius approach to contaminants (the ALARA principle).

In practice, MLs are set at a level that is (slightly) higher than the normal range of variation in foods in order to avoid disruption of food production and trade. However, MLs are not safety limits and any assessment of the public health risk associated with exposure to a contaminant needs to consider total dietary exposure rather than exposure from a single food.

1.2.2 Review of the Maximum Permitted Concentrations of Cadmium in Food

The then Australia New Zealand Food Authority (ANZFA) prepared a proposal (Proposal P144) on 24 July 1996 to review the maximum permitted concentrations (MPCs, now referred to as MLs) of cadmium in all foods. The MPCs that were previously in place in Australia for cadmium were established in 1980 by the National Health and Medical Research Council (NHMRC) on the basis of the limited information available at that time. There were MPCs for a number of food commodities and some food products, including an MPC of 0.05 mg/kg for cadmium in peanuts. In New Zealand, there was a single MPC of 1 mg/kg for cadmium in all foods except shellfish.

ANZFA recommended a revised MPC for cadmium in peanuts of 0.1 mg/kg on the basis that it would not increase the risk in relation to public health and safety and was less likely to be perceived as a non-tariff barrier to trade (than the previous MPC of 0.05 mg/kg). A dietary exposure assessment for cadmium in foods derived from the 1995 National Nutrition Survey did not change conclusions reached on the basis of the 1983 data that peanuts are a low contributor to overall cadmium exposure. Assurance was provided by the NHMRC that the proposed MPC for cadmium in peanuts did not raise any public health concerns. The MPC for cadmium in peanuts of 0.1 mg/kg was gazetted in 1999.

2. The Issue / Problem

Confectionery manufacturers are seeking the removal of the ML for cadmium in peanuts of 0.1 mg/kg to enable increased flexibility to source peanuts from a variety of countries to meet demand that may result from crop seasonality and product quality. Peanuts are used extensively in a range of confectionery items.

The Applicant states that at present, confectionery manufacturers are severely restricted in their choice of countries from which they can source peanuts because some may exceed the current ML for cadmium in peanuts in the Code. Some peanut growing areas in Australia are also at increased risk of higher uptake of cadmium from the soil, in particular, sandy coastal areas with light sandy soils that are acidic and have a long history of phosphate fertiliser use.

There are a number of approaches that growers can take to minimise cadmium uptake by peanut crops such as adequate irrigation, applying lime to the soil to raise the pH, and use of low-cadmium sources of fertilizer.

The Applicant has also stated that Australia's domestic production of peanuts declined by almost 35% from 41,000 tonnes in 2000 to 27,000 tonnes in 2003, increasing reliance on peanut imports for manufacture into confectionery.

2.1 International regulation

Codex has not established a ML for cadmium in peanuts. At the 36th session of the Codex Committee on Food Additives and Contaminants (CCFAC) in March 2004, it was agreed to discontinue the development of a range of proposed MLs for cadmium in commodities, including peanuts, where these foods do not contribute to overall global exposure. Most countries have not established an ML for cadmium in peanuts. Outside Australia and New Zealand, only Switzerland has set an ML, of 0.2 mg/kg.

The Applicant asserts that the ML for cadmium in peanuts could be removed without compromising public health and safety on the basis of assessments undertaken by the Joint FAO/WHO Expert Committee on Food Additives (JECFA), and retaining the ML for cadmium in peanuts in the Code could be perceived as a Technical Barrier to Trade.

3. Objectives

In developing or varying a food standard, FSANZ is required by its legislation to meet three primary objectives which are set out in section 10 of the FSANZ Act. These are:

- the protection of public health and safety;
- the provision of adequate information relating to food to enable consumers to make informed choices; and
- the prevention of misleading or deceptive conduct.

In developing and varying standards, FSANZ must also have regard to:

- the need for standards to be based on risk analysis using the best available scientific evidence;
- the promotion of consistency between domestic and international food standards;
- the desirability of an efficient and internationally competitive food industry;
- the promotion of fair trading in food; and
- any written policy guidelines formulated by the Ministerial Council.

The specific objective of this application is to determine whether an ML for cadmium in peanuts is warranted on public health and safety grounds, and if so, whether the existing ML should be amended, taking into consideration:

- the level of cadmium in peanuts that would be reasonably achievable from sound production and natural resource management practices; and
- Australia's and New Zealand's international trade obligations under the World Trade Organization's Sanitary and Phytosanitary Agreement and Technical Barriers to Trade Agreement.

4. Key Assessment Questions

These are the key assessment questions that FSANZ will consider at Draft Assessment:

- Would removing the ML for cadmium in peanuts or establishing a higher ML pose any risk to public health and safety?
- What would be the potential dietary intake of cadmium for mean and high consumers of peanuts and peanut containing products should the ML be increased or removed?

RISK ASSESSMENT

5. Safety assessment

Cadmium consumed in food accumulates in the liver and kidney and has a long biological half-life. Accumulation of low levels are tolerated by the body, however, long term chronic exposure may result in the accumulation of toxic levels of cadmium. The kidney is the critical target organ in humans exposed to low levels of cadmium for long periods of time. Cadmium produces renal tubular dysfunction, which disrupts the kidney's ability to reabsorb solutes filtered from the blood. Renal tubular dysfunction is characterised by an elevated level of calcium in the blood (hypercalciuria) which can lead to kidney stones, and increased excretion of several low molecular mass proteins (proteinuria). Cadmium-induced proteinuria can progress to continuous loss of calcium and phosphorus in the urine (acquired Fanconi syndrome) and disturbance of vitamin D metabolism in the damaged kidneys which can lead to weakening of the bones (osteomalacia, also known as rickets).

Cadmium can affect organs other than the kidney at higher doses. Acute effects can occur after ingestion of very high concentrations, but these do not arise from typical dietary concentrations. Although exposure of workers to cadmium by inhalation has been shown to result in pulmonary cancer, there is no evidence that cadmium is carcinogenic to humans exposed by the oral route.

Gastrointestinal absorption of cadmium is influenced by diet and nutritional status. In particular, low iron status increases cadmium uptake.

The Joint FAO/WHO Expert Committee on Food Additives (JECFA) re-evaluated cadmium at its sixty-first meeting in 2003. The Committee considered renal proximal tubular dysfunction, as assessed by biomarkers, to be the most sensitive indicator of cadmium-induced renal dysfunction. The Committee retained the previously allocated provisional tolerable weekly intake (PTWI¹) of 7 µg/kg bw.

A detailed review of the safety of cadmium will be presented in the Draft Assessment Report.

6. Dietary exposure assessment

6.1 Previously undertaken cadmium exposure assessments

Dietary modelling was undertaken as part of Proposal P144 for cadmium from a range of foods across the diet to assess the exposure for the Australian population. The modelling was based on data from the 1983 National Dietary Survey, with an assessment of total dietary exposure to cadmium based on mean food consumption amounts for all survey respondents of 9-15µg/day (15-25% PTWI assuming 60 kg body weight). Dietary modelling indicated that peanuts represented 3% of the total dietary cadmium intake for the whole population. The major sources of cadmium in the diets of Australians based on the 1983 survey were potato 46%, wheat 16%, cocoa 12% and meat 7%.

A revised exposure assessment for cadmium was undertaken in 2001 which was based on a broad range of analytical concentration data and food consumption information from the 1995 Australian and 1997 New Zealand National Nutrition Surveys. Australian respondents were 2 years and above while New Zealand respondents were 15 years and above. This revised assessment was conducted using DIAMOND. Estimated mean exposures were 13-16% of the PTWI² for all survey respondents for Australia and 34-41% PTWI for 95th percentile consumers of cadmium. Estimated mean exposures were 14-17% of the PTWI for all survey respondents for New Zealand and 38 -41% PTWI for 95th percentile consumers of cadmium.

The foods that contributed to cadmium exposure for the Australian population based on the 1995 National Nutrition Survey were cereals (9%), meat and offal (10%), cocoa (5%), fruit (15%), potatoes (28%), other roots and tubers (6%) and other vegetables (14%). The main contributors to cadmium exposure for the New Zealand population were cereals (6%), meat and offal (9%), fruit (8%), potatoes (41%), other roots and tubers (6%) and other vegetables (9%) and molluscs (9%). Peanuts were a minor contributor for both Australia (2%) and New Zealand (1%).

¹ The PTWI is the maximum intake of a contaminant or natural toxin at which no harmful effect should occur (including a safety factor)

² For the purposes of reporting Dietary Modelling in this review of cadmium exposure, the PTWI for cadmium of 7 µg/kg bw was converted to a Provisional Tolerable Daily Intake (PTDI) of 1 µg/kg bw because the National Nutrition Surveys have 24-hour consumption data. Exposures are reported here as a proportion of PTWI to maintain consistency throughout the Report.

6.2 Proposed dietary modelling for this application

The dietary modelling to be undertaken for presentation at Draft Assessment will assess dietary exposure to cadmium for the Australian and New Zealand populations using food consumption data from the 1995 Australian and 1997 New Zealand National Nutrition Surveys and available concentration data.

Scenario assessments will analyse the risk of cadmium exposure from peanuts imported into Australia and New Zealand and how this exposure will be affected by either increasing or removing the ML for cadmium in peanuts.

RISK MANAGEMENT

7. Options

FSANZ is required to consider the impact of various regulatory (and non-regulatory) options on all sectors of the community, which includes consumers, food industries and governments in Australia and New Zealand. The benefits and costs associated with the proposed amendment to the Code will be analysed using regulatory impact principles.

Three regulatory options have been identified for this Application:

Option 1 – Retain the ML for cadmium in peanuts of 0.1 mg/kg (Status quo).

Option 2 – Harmonise with Codex and remove the ML for cadmium in peanuts.

Option 3 – Establish a higher ML for cadmium in peanuts.

8. Impact Analysis

8.1 Affected Parties

Parties possibly affected by the regulatory options outlined in Section 7 include:

1. Consumers of peanuts and products containing peanuts.
2. Those sectors of the food industry wishing to market peanuts or processed foods containing peanuts.
3. Importers of peanuts and processed foods containing peanuts.
4. Peanut growers of Australia in Queensland, the Northern Territory and northern New South Wales.
5. Government agencies enforcing the food regulations.

8.2 Benefit Cost Analysis

FSANZ will consider the impact of all options on the affected parties identified in section 8.1. The Regulatory Impact Assessment identifies and evaluates, though is not limited to, the costs and benefits of the regulation, and its health, economic and social impacts.

In order to undertake a more detailed Regulatory Impact Assessment at Draft Assessment, FSANZ has obtained the following information on imports of peanuts to Australia.

Peanuts and peanut products are most likely to be imported under Tariff Chapters 8 (Edible Fruit and Nuts; Peel of Citrus Fruit and Melons) and 20 (Preparations of Vegetables, Fruit, Nuts or Other Parts of Plants). According to the data for these Tariff Chapters for the years 2002-2004, peanuts imported to Australia totalled almost 20,000 tonnes. Peanut³ imports into Australia for the years 2002, 2003 and 2004 were 9,777,670 kg, 5,963,282 kg, and 4,236,310 kg respectively.

Imports from China seem to be steadily declining since 2002, although it is still the largest exporter of peanuts to Australia with a total of approximately 2,789,611 kg in 2004. The major countries from which peanuts were imported into Australia in 2004 are shown in the Table 1.

Table 1: Major peanut exporters⁴ to Australia in 2004.

Country	Quantity (KG)
China	2,789,611
New Zealand	405,152
India	318,353
Thailand	171,441
Indonesia	149,000
UK	134,435
Vietnam	84,367
Malaysia	47,844
Iran	37,225
Philippines	35,701
Hong Kong	14,676
Germany	13,612
Turkey	10,154

Other countries contributing up to 2,000 kg peanut imports to Australia in 2004 included the Netherlands, Denmark, Taiwan, USA, Singapore and Korea. A number of other countries also contributed smaller quantities to the annual total.

All imported peanuts (and food containing greater than 30% peanuts) are initially referred to AQIS by Customs because peanuts are tested in the risk category for aflatoxin under the Imported Food Inspection Scheme (IFIS).

³ Peanut imports under Tariff Chapters 8 and 20 may include processed products containing peanuts as well as unprocessed peanuts. For products containing mixes of peanuts with other produce an estimate of 30% peanut content was made.

⁴ These estimates also include the situation where another country is a through port for import from the originating country to Australia as the end destination. For example, the applicant has informed us that NZ do not have a domestic peanut growing industry to any extent.

However, testing frequency is reduced for producers that demonstrate a good history of compliance, and therefore the data presented are under-estimate of the actual volumes imported. Testing under the IFIS is intended to determine compliance with the *Imported Food Control Act 1992*, including any specific provisions in the *Australia New Zealand Food Standards Code* (the Code). Under the current random surveillance category, in which 5% of imported shipments are inspected and tested, peanuts, peanut products and products containing peanuts with 30% or less peanut content are inspected and analysed for pesticides and cadmium. During 2002 and 2003, 248 tests were conducted on foods under Tariff Chapters 7, 8 and 20 for cadmium and 15 failures were reported for spinach and peanuts. During 2004, 120 tests were reported for the same Tariff Chapters with 16 failures for peanuts.

Data for peanut imports into New Zealand will be obtained and analysed as part of the Draft Assessment.

To develop the analysis of the costs and benefits of the regulatory options proposed, FSANZ seeks comment on what the potential costs or benefits of this Application are for:

- consumers of peanuts and products containing peanuts;
- those sectors of the food industry wishing to market peanuts and processed foods containing peanuts;
- importers of peanuts and processed foods containing peanuts;
- peanut growers in Australia (The Peanut Company of Australia) in Queensland, the Northern Territory and northern New South Wales; and
- Government agencies enforcing the food regulations, in particular, AQIS and NZFSA.

COMMUNICATION

9. Communication and Consultation Strategy

This Application is likely to draw interest from some key stakeholder groups, namely the peanut growing industry in Australia, confectionery manufacturers and key food industry bodies in Australia and New Zealand. In addition, consumers may be concerned by the Application as it seeks a loosening of regulations and may interpret any subsequent change in regulations giving preference to trade considerations above the protection of public health and safety. This Application will also interest other government departments such as the Department of Agriculture, Fisheries and Forestry (DAFF) and the Department of Foreign Affairs and Trade (DFAT).

As a minimum, FSANZ has applied the basic communication strategy of advertising the availability of assessment reports for public comment in the national press, making the reports available on the FSANZ website and issuing a media release drawing journalists' attention to the matter. The Applicant and individuals and organisations who make submissions on this Application will be notified at each stage of the Application.

If a change to the ML for cadmium in peanuts is recommended, once the FSANZ Board has approved the Final Assessment Report, we will notify the Ministerial Council. The Applicant and Stakeholders, including the public, will be notified of the gazettal of changes to the Code in the national press and on the website. FSANZ provides an advisory service to the jurisdictions on changes to the Code.

In addition to the basic communication strategy, FSANZ will seek to engage in discussion with DAFF and DFAT and peanut growers in Australia early in the consideration of this Application. FSANZ will prepare information that can be provided to interested consumers initially, and if appropriate, meet with Australian Consumers' Association (ACA) and the New Zealand Consumers Institute (NZCI).

10. Consultation

Public comment is sought on the Initial Assessment Report for this Application.

The purpose of the Initial Assessment Report is to seek early input on a range of specific issues known to be of interest to various stakeholders, to seek input on the likely regulatory impact at an early stage and to seek input from stakeholders on any matter of interest to them in relation to the Application.

All stakeholders that make a submission in relation to the Application will be included on a mailing list to receive further FSANZ documents in relation to the Application. If readers of this Initial Assessment Report are aware of others who might have an interest in this Application, they should bring this to their attention. Other interested parties as they come to the attention of FSANZ will also be added to the mailing list for public consultation.

At this stage FSANZ is seeking public comment to assist it in assessing this Application. All stakeholders must observe the relevant due date for submissions.

Comments that would be useful could cover:

- The impact of removing or increasing the ML for cadmium in peanuts on peanut growers in Australia, distributors and sellers of domestically grown peanuts, manufacturers of peanut containing foods in Australia and New Zealand and importers of peanuts or peanut containing foods. If possible, the impacts should be quantified.
- What countries would manufacturers of peanut containing foods source peanuts from if able and what is the cadmium content of peanuts from these countries?

FSANZ will undertake further targeted consultation with relevant government departments, peanut growers and potentially consumer groups as indicated in section 9 of this Report.

10.2 World Trade Organization (WTO)

As members of the World Trade Organization (WTO), Australia and New Zealand are obligated to notify WTO member nations where proposed mandatory regulatory measures are inconsistent with any existing or imminent international standards and the proposed measure may have a significant effect on trade.

There is no ML for cadmium in peanuts set by Codex and amending the Code to either remove or increase the ML is unlikely to have a significant effect on international trade as regulations in Australia and New Zealand would be less restrictive. This issue will be fully considered at Draft Assessment and, if necessary, notification will be recommended to the agencies responsible in accordance with Australia's and New Zealand's obligations under the WTO Technical Barrier to Trade (TBT) or Sanitary and Phytosanitary Measure (SPS) Agreements. This will enable other WTO member countries to comment on proposed changes to standards where they may have a significant impact on them.

CONCLUSION

11. Conclusion and Preferred Option

This Initial Assessment Report is based mainly on information provided by the Applicant, supplemented by data from the previous review of cadmium in all foods (Proposal P144), data on peanut imports from 2002-2004 and surveillance under the Imported Food Inspection Scheme. After having regard to the requirements for Initial Assessment as prescribed in section 13 of the FSANZ Act, FSANZ has decided to accept the Application for the following reasons:

- The Application seeks to align the ML for cadmium in peanuts in the Code with Codex. The removal of the ML for cadmium in peanuts (to align with Codex) or increasing the ML would warrant a variation to Standard 1.4.1.
- The Application is not so similar to any recent previous application that it ought not be accepted.
- There are no other measures that would be more cost-effective than a variation to Standard 1.4.1 that could achieve the same end.
- At this stage no other relevant matters are apparent.

Responses to this Initial Assessment Report will be used to develop the next stage of the Application and the preparation of a Draft Assessment Report.