

Supporting document 3

Qualitative overview of industry practices and practicalities of Labelling Review Recommendation 12

Executive summary

To understand the potential impacts Recommendation 12 of *Labelling Logic: Review of Food Labelling Law and Policy (2011)* would have on the food industry, Food Standards Australia New Zealand (FSANZ) conducted targeted consultations with Australian and New Zealand food manufacturing representatives in March and May 2014, respectively. FSANZ also met with an ingredient supplier of oils and oil blends in February 2015.

The food manufacturing representatives consulted indicated that the recommendation would significantly impact on the production and labelling of all processed foods that include sugars, fats and vegetable oils as ingredients. They reported that manufacturers would need to make commercial decisions on which of two scenarios (production approaches) they would adopt to comply with the recommendation. Scenario one is when there is flexibility in ingredient sourcing to provide the best available price depending on the supply and demand in the market. Changing the source of sugars, fat and vegetable oil ingredients would likely require changes to the label under the recommendation. Scenario two is when the source and specification of ingredients and the formulation for producing the product is kept consistent. The price of ingredients may change due to supply and demand reflecting seasonality or other factors. The labels would remain unchanged but the costs of the ingredients are likely to vary during the year.

Food manufacturing representatives consulted also considered that the recommendation would have impacts on all the stages in production where commercial decisions would be required. The relevant areas include new product development, sourcing of ingredients, production, storage and record keeping and traceability.

A number of additional concerns related to this recommendation were raised by food manufacturing representatives during targeted consultation:

- Clear definitions for ‘added sugars’, ‘added fats’ and/or ‘added vegetable oils’ would be required to clarify which ingredients are captured and not captured by these terms.
- Guidance would be required on how added sugars, fats and vegetable oils would be ordered in the statement of ingredients; for instance, would the individual ingredients in the bracketed list need to be listed in descending order of ingoing weight? If so, then the order may vary as changes are made to ingredients (e.g. different vegetable oil blends) due to costs or availability and so changes would be required to the label.
- Whether labelling would be required for components naturally present in ingredients, e.g. would the fat and sugar components naturally present in ‘milk’ be required to be separately declared (e.g. milk fat and lactose) in the statement of ingredients.

- The recommendation does not indicate how compound ingredients (an ingredient which is itself made from two or more ingredients) containing added sugars, fats or vegetable oils (e.g. curry paste made up of oil and other ingredients) would be labelled. It was questioned if these ingredients would be listed as part of the compound ingredient, or in the 'added' bracketed lists, or both which could be misleading to consumers.
- The size of the statement of ingredients would become larger and so potentially limit available space on the label and may require label redesign.
- There would likely be labelling and cost impacts for both imported and exported products.
- The recommendation would impact more than just the label on the packaged product. For example, website information about advertised products would need to be updated to reflect changes to the statement of ingredients, which was reported as a costly process; and supply chain information would need to be kept up to date.
- Analytical methods cannot distinguish between added sugars from sugars naturally present in ingredients which could be an issue for compliance and enforcement of added sugars ingredient labelling.
- Sugars, fats and oils are often added to food for technological purposes (e.g. carriers for flavours). The amounts of such ingredients may be negligible in the final product. It is not clear whether they would need to be listed in the added ingredients bracketed lists. Industry representatives considered that including the presence of these ingredients in the bracketed lists when used for such purposes would likely be confusing for consumers and would not provide them with any useful information to make purchasing choices.
- Declaring each specific source of oil in a vegetable oil blend, in order of ingoing weight, would raise major intellectual property issues for food manufacturers and ingredient suppliers.

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1 Purpose

The purpose of this report is to provide a qualitative overview of food industry practices in Australia and New Zealand concerning the use of sugars, fats and vegetable oil ingredients, and the potential impacts of Recommendation 12 of *Labelling Logic: Review of Food Labelling Law and Policy (2011)*, should it be implemented.

2 Targeted consultation with food manufacturing representatives

FSANZ conducted targeted consultation meetings with food manufacturing representatives to understand the potential impacts Recommendation 12 would have on their industry. These meetings were organised with the assistance of the Australian Food and Grocery Council (AFGC) and the New Zealand Food and Grocery Council (NZFGC) and consisted of food manufacturers that are members of these organisations. The meetings were face-to-face, with some participants linked in by phone. The Australian meeting was held in Sydney on 28 March 2014, while the New Zealand meeting was held in Auckland on 6 May 2014.

The consultation meetings included discussions on current sourcing and production practices, expected impacts, covering production, labelling, record keeping and current labelling technology. Additional information was also passed to FSANZ from industry representatives as an outcome of the discussions.

Outcome notes of the views of food manufacturing representatives were shared with all participants, who agreed the issues discussed and comments provided were representative of Australian and New Zealand issues.

FSANZ also met with an ingredient supplier whose business includes sourcing and supplying edible oil ingredients and edible oil blends for use in food manufacturing in Australia and New Zealand. This meeting was held face-to-face in Melbourne, Australia on 13 February 2015.

FSANZ used the findings of this targeted consultation to collate and report on the food industry's views about Recommendation 12 in the following sections¹. Should a regulatory change be considered to implement Recommendation 12, these concerns would need to be fully investigated and assessed. The meetings also discussed issues industry representatives raised regarding their view of potential consumer concerns. These views are identified in section 4.8 of the Technical Evaluation Report for Labelling Review Recommendation 12.

¹ References to 'food manufacturing representatives' or 'industry participants' throughout this report refers to the outcomes of the two targeted consultation meetings held in 2014 with representatives of the food manufacturing industries in Australia and New Zealand. Comments from the oil ingredient supplier are identified separately in this report.

3 Food manufacturing impacts

Currently, the *Australia New Zealand Food Standards Code* (the Code) permits the generic names 'sugar' and 'fats' or 'oils' (specifying if the source is vegetable or animal) to be used in the statement of ingredients (with certain conditions) as detailed in section 3.1 of the Technical Evaluation Report for Labelling Review Recommendation 12. The food manufacturing representatives consulted noted that Recommendation 12 indicates that the specific source name of added sugars, added fats and added vegetable oil ingredients would be required to be declared in a bracketed list. They considered this labelling recommendation would significantly impact food products that include sugars, fats and vegetable oils as ingredients, at all stages throughout the food production system. There were no situations where it would have nil impact on food manufacture.

For the food manufacturing industry to address and be compliant with this recommendation two scenarios were considered:

1. Ingredient flexibility
Retain flexibility in ingredient sourcing, to take advantage of best available pricing and supply of ingredients. This would likely result in higher costs from producing differently labelled stock and the logistics of storing and using correct labels (e.g. slightly different oil blends would require different labels). Manufacturers might have to provide storage for ingredients so as to reduce/limit changes in formulation.
2. Fix the ingredients and formulation
Fix the formulation and use of specific ingredients in order to retain one set of labels. However, the costs of using fixed ingredients are likely to be variable due to supply and demand issues during the year e.g. oil blends.

Both scenarios have cost implications and so are highly likely to affect product pricing (which would be expected to be passed onto consumers).

3.1 Areas of food manufacturing that would be affected

Food manufacturing representatives consulted identified the potential implications of Recommendation 12 on specific stages of the food production system as reported in the following sections (sections 3.1.1 to 3.1.6).

3.1.1 New Product Development

Companies need to identify the best formulation and processes to produce a food product once a recipe has been developed as part of any new product development (NPD). It is important to build in sourcing flexibility and costings to ensure the final price point is affordable. It is therefore important for industry to understand the impacts of sugar, fats and vegetable oil ingredients on the product and pricing due to seasonal variation or availability. If the provisions being addressed in Recommendation 12 were introduced companies would make decisions on which scenario is most appropriate to their business for all their products, to either have flexibility in ingredient sourcing (scenario 1) or fix their recipe and sources to avoid labelling changes (scenario 2). They would need to include these scenarios into their price modelling, so they have a good understanding what fluctuations in prices and availability of ingredients (relevant to this recommendation) would have to their formulations in terms of likely profit price points. This would add complexity and cost to any NPD.

3.1.2 Sourcing

Depending on supply and demand factors, food manufacturers are sometimes at the mercy of the market when purchasing specific ingredients such as sugars, fats and vegetable oils. Prices and availability of such ingredients may vary during the year due to seasonal or competitive market forces. Ingredients themselves can vary during the year due to seasonal fluctuations, e.g. the sugar content of fruit juice can vary and so adjustments (i.e. sugar restitution) may be required to ensure the fruit juice sold at any time of the year is standardised and consistent in flavour and compositional profile. Industry participants noted that food manufacturers may need additional processes in place to deal with supply and quality fluctuations as a result of Recommendation 12; being the two scenarios noted above. Under scenario 1, changes to the ingredient label would likely be necessary when different sources of sugar, fat and vegetable oil ingredients are used. In contrast, under scenario 2, food manufacturers may buy bulk ingredients in advance to hedge against times of high costs or bear the price fluctuations. This could lead to further impacts such as requiring more storage and warehousing space.

3.1.3 Pre-production

Food industry participants envisaged that extra segregation steps would be required for the different ingredients to be used in the production of slightly different foods, on the same line or in the same plant, to ensure compliance with ingredient labelling as a result of the recommendation. More resources would be needed in logistics, to manage an increased ingredients inventory, more labels, a more detailed identity-preserved system and more storage and warehousing space.

Many food manufacturing plants operate 'just in time' processes, where only those ingredients needed for a production run are received. Such a process can be expected to become more complicated due to this recommendation. If ingredient flexibility is required (scenario 1) then different labels would be required to accommodate changes and these labels would need to be stored.

The oil ingredient supplier consulted confirmed that they prepare and supply oil blends to food manufacturers 'just in time'. They noted, however, that their own labelling requirements for the supplied oil blends are minimal compared to the manufacturer of the final food for sale. As such, they would not be as greatly impacted by the recommendation in regards to labelling or storage.

Most food production companies use a Product Information Form (PIF) that contains details on all the ingredients used in food production. Food industry participants expected that, as an outcome of this recommendation, an extra field may be required in the PIF providing full details of the oil blends. So rather than simply being identified as a vegetable oil blend, it would need to list the proportion of each oil type. There are likely to be a variety of slightly different oil blends used in many different food products. As noted earlier these oil blends could vary during the year due to seasonal, sourcing and price reasons.

3.1.4 Production

Having multiple labels to allow for slight differences in the source and amounts of added ingredients (sugars, fats and vegetable oils) under scenario 1, could bring with it the added risk of incorrect labels applied on the production line. The reason for this is explained in section 3.1.2 (Sourcing). This could be more than just a cost and compliance issue; that is, it could lead to incorrect allergen labelling. This would be important if an oil blend is changed to contain oils derived from ingredients that require mandatory declarations (i.e. allergen declaration requirements for oils derived from soybean, sesame, peanut or tree nuts, as set out in section 1.2.3—4 of Standard 1.2.3 of the Code).

As noted above, the production planning and logistics would be more complicated, due to more product lines and labels used. This could become problematic when a hard cut-off between production runs is required, where flush outs of one product must occur before a new production stream can be brought on line using different ingredients and labels.

3.1.5 Storage

As identified in the sections above, additional storage and warehousing may be required for the storing of alternative labels (under scenario 1) or bulk ingredients (under scenario 2) as a result of Recommendation 12.

An overlay of ingredient labelling changes to products that already have different date marking and different labels would be complex to manage and logistically more complicated.

Lot identification of food products applies to the time of packaging only, so it was considered to be the best option to track products. Industry participants agreed that ingredient list changes would not warrant a bar code change (relisting a bar code is very costly) for the food products involved; that is, the food products would therefore retain the same product identity. Good record keeping, however, would be required so companies can identify products. The same number of Stock Keeping Units (SKUs) would be retained and this recommendation would not change that.

3.1.6 Record keeping and traceability

The record keeping would need to be more detailed and so would be of greater complexity to deal with the different oil preparations that would need to be considered separately. Also, the number of products and labels that are only slightly different (e.g. with slightly different oil blends) would increase under scenario 1 if the recommendation was implemented.

The PIF is used for record keeping purposes and traceability, and is designed to generate labels. Managing PIFs for multiple variations of ingredients could be difficult. If ingredients are changed, it means a change to the PIF. Suppliers would need to be issued new PIFs; this is a lengthy process to negotiate and implement. Any changes to electronic PIF fields would require reprogramming to ensure that data extraction was handled correctly; this would be an additional cost.

4 Technical labelling issues

Food industry participants indicated they would have difficulty determining and agreeing how to present the statement of ingredients for many types of food products under Recommendation 12. To support this claim they provided a number of different examples; some of which are provided in Appendix 1.

A number of specific technical labelling issues were raised by food manufacturing representatives in targeted consultation as identified in the following sections. Some of these issues (e.g. definitions, order of ingredients, components of ingredients and compound ingredients) are also discussed in Supporting Document 1 regarding the potential implications of Recommendation 12 for existing labelling requirements in the Code.

4.1 Definition of ‘added sugars’

Food manufacturing representatives considered that if this recommendation was to be implemented then a clear definition for the term ‘added sugars’ would need to be provided to ensure which ingredients are covered, and as importantly which are not captured. They considered that the level of complexity and difficulty for ingredient labelling of added sugars would depend on how ‘added sugars’ is defined.

In their view, the development of a definition for ‘added sugars’ would be problematic given the variety of definitions for ‘added sugars’ found in the literature and used in different international regulations. They also referred to the two definitions for ‘sugars’ in the Code (in Standard 1.1.2 - Definitions used throughout the Code) which serve different regulatory purposes. In Standard 1.1.2, ‘sugars’ is firstly defined as monosaccharides and disaccharides for the purpose of nutrition information labelling (Standard 1.2.8) and generally for nutrition and health claims (Standard 1.2.7 and Schedule 4). A second broader definition of ‘sugars’ (i.e. it includes further products such as starch hydrolysate and maltodextrin) applies otherwise across the Code and specifically as part of the conditions for a ‘no added sugar(s)’ nutrition content claim (in Schedule 4). Food manufacturing representatives believed it would be inappropriate to apply the existing broader definition of ‘sugars’ in Standard 1.1.2 to an ‘added sugars’ definition for ingredient labelling because it does not explicitly include honey which they considered should be captured.

The interaction between the criteria for making a ‘no added sugar(s)’ nutrition content claim and ‘added sugars’ ingredient listing was also raised. The ‘no added sugar(s)’ claim conditions in Schedule 4 requires that the food contains no added ‘sugars’ (being the broader ‘sugars’ definition in Standard 1.1.2 as indicated above) and also no honey, malt or malt extracts, and no added concentrated fruit juice or deionised fruit juice (with some exceptions). Depending on how the term ‘added sugars’ is defined for ingredient labelling purposes, it could impact the use of the ‘no added sugar(s)’ nutrition content claim.

Table 1 in section 2.6 of Supporting Document 1 (Potential implications of Labelling Review Recommendation 12 for the Code) details the ‘sugars’ definitions and ‘no added sugar(s)’ claim conditions referred to above.

4.2 Added fats and/or added vegetable oils

A separate issue arising from Recommendation 12 is whether bracketed lists for both added fats and added vegetable oils would be included in the ingredient list. Food industry participants considered that having both bracketed lists would significantly extend the ingredient list. Mandating both lists could require food manufacturing businesses to decide whether an ingredient they have used should be considered as an added fat or an added vegetable oil for some specific types of products. These potentially problematic products have been characterised by industry as being fractionated, refined, hardened and hydrogenated forms of fats or oils. It is possible that different companies and different enforcement or auditing agencies may have different views on such ingredients.

There is also potential for vegetable oils to be considered as an added fat and as an added vegetable oil. If vegetable oils were captured in both bracketed lists, this would give the impression that a greater quantity of the ingredient has been added to the food. This would be misleading and not reflective of the overall indicative amount of the added fat and added vegetable oil.

Clear definitions would likely be required for 'added fats' and/or 'added vegetable oils' to ensure which ingredients are captured by these terms to provide consistent ingredient labelling across food products.

4.3 Listing order of ingoing ingredients

Currently section 1.2.4—5 of Standard 1.2.4 (Information requirements – statement of ingredients) of the Code requires that ingredients must be declared in the statement of ingredients in descending order of ingoing weight.

Recommendation 12 does not provide any guidance on how the grouping of added sugars, fats and vegetable oils should be listed in the statement of ingredients. The recommendation does state that the addition of these ingredients should be declared as the generic term followed by a bracketed list (e.g. 'added vegetable oils (sunflower oil, palm oil)'). However, what is not stated is whether the bracketed list of ingredients needs to be listed in descending order of ingoing weight, or if their order can be random.

This question is quite important for the food industry since any change in order of weight of any of the individual ingredients in added sugars, fats or vegetable oils would require a different label if the requirement is to list by descending order of ingoing weight. Food industry participants offered the example of vegetable oil blends to illustrate the potential impact of ordering of ingredients should Recommendation 12 be implemented. In general, vegetable oil blends are currently permitted to be listed in the statement of ingredients using the generic name 'vegetable oils' (Schedule 10 – Generic names of ingredients and conditions for their use). Under current requirements, as the amount of a vegetable oil blend used in the production of a food will not alter, its position in the ingredient list using the generic name 'vegetable oils' will not vary. However, the ratio of the individual oils in the blend does vary due to seasonal variation and sourcing availability. A consequence of Recommendation 12 is that the positioning of the individual vegetable oils in the bracketed list of added fats and vegetable oils may change and would trigger the need for different labels.

Likewise food industry participants assumed that when the added sugars, added fats and added vegetable oils have been collected and added together to their individual categories, their combined weight would need to be positioned in the statement of ingredients in descending order of ingoing weight, to meet the intended purpose of the recommendation. This could be different to the current position of the individual ingredients in the ingredients list.

4.4 Components of ingredients

Food industry participants questioned whether a primary ingredient would be split out into its components, such as splitting out the fat and sugar components naturally present in 'milk' and listing these separately in the statement of ingredients. Examples of foods which could be split into their sugars, fats and oils components are:

- Milk, which could be split into milk fat and lactose, so being considered as added fats and added sugars respectively; added fat (milk fat) and added sugars (lactose).

- Full cream milk powder, which could be considered to contain added fat (milk fat (26%)) and added sugars (lactose (40%)).
- Cocoa mass, which contains 50% cocoa butter (fat), so could be considered to contain added fat (cocoa butter).

FSANZ has assumed, as indicated in Supporting Document 1, that the recommendation would not capture the components of such ingredients, as the components are not added as separate ingredients to the food.

4.5 Compound Ingredients

A compound ingredient is an ingredient which is itself made from two or more ingredients. Food industry participants noted it was unclear how compound ingredients containing added sugars, fats or vegetable oil ingredients would be labelled if Recommendation 12 was implemented. For example, curry paste added as a compound ingredient to a food might contain a reasonable amount of oil. It is not clear if the oil ingredient would be labelled as part of the compound ingredient or within the bracketed list of 'added vegetable oils', or in both, which would be misleading to consumers.

4.6 Impacts on imported and exported products

Food industry participants also commented that changes arising from Recommendation 12 would impact the labelling of both imported and exported food. Given that all imported food is required to meet the Code requirements, either new labels would be required or over-labelling would need to be undertaken to comply with new labelling requirements. Food industry participants noted that information would need to be obtained from overseas suppliers for imported products to ensure the manufacturers would comply with new requirements. Obtaining this information, or maybe using unique ingredients, to assist with Code compliance would be costly for ingredient suppliers that operate internationally and where the Australia and New Zealand markets are only a small proportion of their business. In relation to exports, participants noted that companies would need to check whether the labelling for added sugars, added fats and added vegetable oils would be acceptable to (and consistent with food legislation of) those countries to which they export to. FSANZ notes this situation is the same for any (labelling) changes in the Code; companies need to ensure imported and exported products comply with the requirements for the countries in which they are sold.

4.7 Loss of labelling space

As illustrated from the examples provided by the food industry participants in Appendix 1, many ingredient labels are likely to be longer as a result of Recommendation 12 than current labels. Some current ingredient labels are already quite large and complex. Food industry participants commented that further extending their size will decrease the label space for other labelling purposes and in some cases may require redesigning the label itself which would present an additional cost.

4.8 Broader impacts of label changes

Recommendation 12 would impact more than just the label on the packaged product. For example, website information about advertised products would need to be updated, which was reported as a costly process. Food industry participants questioned if each label variation of products which are essentially the same would need to be displayed on websites. Additionally there would be potential impacts for manufacturers in keeping supply chain information up to date.

Food industry participants were concerned that consumers would believe the label change would mean that the product has changed; they believed this would lead to consumer complaints and enquiries when such changes occur and that staff would need to be trained and available to respond to an expected influx of queries.

Consumers are using various phone applications to assist them in identifying food products and such applications will be impacted and likely need updating.

The broader potential impacts on label variation and the supply chain would need to be fully considered if this recommendation was to proceed.

5 Other issues

5.1 Analytical concerns

There are no analytical methods available that can distinguish 'added sugars' from sugars naturally present in ingredients of a food. A similar situation would exist for added fats and added vegetable oils though to a lesser extent. Food industry participants believed that this would be problematic for enforcement agencies to identify whether ingredient lists were compliant in relation to added sugars, fats and vegetable oils and to differentiate from those that are naturally occurring. They considered that it would therefore be very unlikely that enforcement agencies would bring prosecution cases for perceived Code breaches to court, or could expect a successful prosecution outcome. FSANZ notes that an assessment of any implications for enforcement, including consultation with enforcement agencies, would need to be undertaken should the recommendation proceed.

5.2 Intellectual Property

Food manufacturing representatives and an oil ingredient supplier noted that the proportions and specific source of oils used in vegetable oil blends is often protected intellectual property (IP). As such, they reported that declaring each specific source of oil in the blend, in order of ingoing weight, would raise major IP issues for industry. This is an important issue for trade agreements.

5.3 Sugars, fats and vegetable oils can perform a technological function

Food manufacturing representatives noted that sugars, fats and vegetable oils can be added to food to achieve a range of technological functions (e.g. food additives or processing aids or ingredients to achieve specific purposes – see examples below) or have an additional purpose different to what might be a consumer's expectation e.g. sugar added for a different purpose than adding sweetness to food. They believed that the labelling of such ingredients as 'added sugars/fats/vegetable oils (ingredient)' in the ingredient list of foods would likely be confusing and misleading for consumers. Such a listing would be unlikely to provide any useful information to consumers when making purchasing choices. Examples of such uses provided by industry:

- As a carrier for other substances (and hence as a processing aid). Sugars such as maltodextrin are used as carriers for flavours, vitamins and minerals. Different vegetable oils are also used as carriers for flavours and some types of colours. The amounts of such ingredients may or may not be negligible in the final product. It is not clear whether they would need to be listed in the added ingredients bracketed list. FSANZ notes that processing aids are usually exempt from ingredient labelling.
- Fats used as an emulsifier food additive.
- Sugars added to cereal bars to adjust texture, to soften or to prevent the bars from 'slumping' (losing rigidity).

Appendix 1: Examples of alternative statement of ingredients provided by food manufacturing representatives compared to current statement of ingredients

Food Product	Current Statement of Ingredients	Alternatives due to Recommendation 12	Explanation and comment
Chocolate confectionery product	Contains: Chocolate (70%) caramel centre (30%). Ingredients: sugar, milk solids, wheat glucose syrup, cocoa mass, cocoa butter, vegetable fat, invert sugar, emulsifiers (soy lecithin, 476, 471), food acid (331), flavours, salt. Milk chocolate contains cocoa solids 29%, milk solids 24%.	Contains: Chocolate (70%) caramel centre (30%). Ingredients: added sugars (sucrose, wheat glucose syrup, fructose, glucose), milk solids (contains added fat (milk fat), added sugars (lactose)), cocoa mass (contains added fat (cocoa butter)), added vegetable oil (hydrogenated palm oil), emulsifiers (soy lecithin, 476, 471) food acid (331), flavours, salt. Milk chocolate contains cocoa solids 29%, milk solids 24%.	Combines the separate ingredients for the added sugars and lists added fat and vegetable oil ingredients. Does not include the sugars and fat components of the cocoa mass or milk solids in the added sugars or added fat lists but identifies them as 'added' components of the ingredient. Impacted ingredients: Sugar, Wheat glucose syrup, Invert Sugar – added sugars (sucrose, wheat glucose syrup, fructose, glucose) Cocoa butter – added fat (cocoa butter) Vegetable fat – added vegetable oil (hydrogenated palm oil) Milk solids – contains added fat (milk fat), added sugars (lactose)) Cocoa mass – contains added fat (cocoa butter))
		Contains: Chocolate (70%) caramel centre (30%). Ingredients: added sugars (sucrose, wheat glucose syrup, lactose, fructose, glucose), added fat (cocoa butter, milk fat), added vegetable oil (hydrogenated palm oil), defatted cocoa mass, milk protein, emulsifiers (soy lecithin, 476, 471) food acid (331), flavours, salt.	Combines all fats and sugars regardless of source and assumed the remainder of the ingredient after removal are called something else. Cocoa mass has been split into cocoa butter as an added fat and defatted cocoa mass, while milk solids has been split into a milk fat as an added fat, lactose as an added sugar and milk protein (or milk solids

Food Product	Current Statement of Ingredients	Alternatives due to Recommendation 12	Explanation and comment
			non-fat). This approach of splitting out components of an ingredient does not accurately describe the actual ingoing ingredients (e.g. have not added 'defatted cocoa mass'). If have to declare the name of the vegetable oil, also have to declare any process that has altered the fatty acid composition in accordance with Standard 2.4.1 (i.e. 'hydrogenated palm oil').
Salted caramel chocolate cupcake	<p>Chocolate cupcake mix: sugar, wheat flour (thiamin, folate), cocoa powder (7%), raising agents (500, 450, 341), salt, natural flavour (milk).</p> <p>Caramel frosting: sugar, milk solids, molasses (wheat), vegetable oil (contains soy), salt, natural flavour (milk).</p> <p>Salted caramel sauce: sugar (brown, white), glucose syrup, water, sweetened condensed milk (milk, sugar), invert sugar, thickener (1422), golden syrup, milk powder, vegetable fat, molasses, salt (1.4%), flavour, preservative (202), emulsifiers (471, 433), colour (160c)</p>	Added sugars (caster sugar, icing sugar, brown sugar, white sugar, glucose syrup, invert sugar, golden syrup, molasses (from wheat)), wheat flour (thiamin, folate), water, cocoa powder (7%), added fat (milk fat, hydrogenated palm oil), added vegetable oil (palm oil (contains soy)), thickener (1422), salt (1.4%), flavour, preservative (202), emulsifiers (471, 433), raising agents (500, 450, 341), natural flavour (milk), colour (160c).	Combines all fats and sugars but individual ingredients now not in descending order as per the current Code requirements. It is very difficult when using compound ingredients as the percentages of the ingredients is not always known.
Chocolate cake mix	Chocolate Cake Mix: Sugar, wheat flour, cocoa (8%), chocolate chips (5%) (sugar, cocoa mass, cocoa butter, milk solids, emulsifiers (soy lecithin), flavour), vegetable oil (emulsifiers (471, 477, soy lecithin)), raising agents (500, 341, 450), milk solids, salt, natural flavour (milk).	Chocolate Cake Mix: Added sugar (caster sugar), wheat flour, cocoa (8%), chocolate chips (5%) [added sugar (white sugar), cocoa mass (contains added fat (cocoa butter)), added fat (cocoa butter), milk solids (contains added fat (milk fat)), emulsifiers (soy lecithin), flavour], added fat (palm oil)[(emulsifiers (471, 477, soy lecithin)), raising agents (500, 341, 450), milk solids (contains added fat (milk fat), salt, natural flavour (milk).	Combines and lists added sugars and fats, in descending order. Does not include the sugars and fat which make up a compound ingredient in the combined added sugars or fat lists but identifies them as 'added' ingredients in brackets after the compound ingredient name. Does not include the sugars and fat components of the cocoa mass or

Food Product	Current Statement of Ingredients	Alternatives due to Recommendation 12	Explanation and comment
	<p>Chocolate Frosting: Sugar, cocoa (18%), whipping fat (glucose syrup (wheat), vegetable fat, emulsifiers (471, 472a), milk protein, stabiliser (340)), maize starch, vegetable oil (contains soy), natural flavour (milk), salt.</p>	<p>Chocolate Frosting: Added sugars (icing sugar), cocoa (18%), whipping fat [added sugars (glucose syrup) (from wheat), added fat (palm oil), emulsifiers (471, 472a), milk protein, stabiliser (340)], maize starch, added vegetable oil (palm oil) (contains soy), natural flavour (milk), salt.</p>	<p>milk solids ingredients in the combined added sugars or added fat lists but identifies them as 'added' components of the ingredient. Potential confusion over what considered as added fats compared to added vegetable oil for fractionated, refined, hardened and hydrogenated ingredients.</p> <p>Impacted ingredients: Sugar – added sugars (caster sugar or white sugar or icing sugar) Cocoa mass – cocoa mass (contains added fat (cocoa butter)) Cocoa butter – added fat (cocoa butter) Milk solids – milk solids (contains added fat (milk fat)) Vegetable oil – added fat (palm oil) Whipping fat (glucose syrup (wheat) – whipping fat [added sugars (glucose syrup (from wheat), added fat (palm oil) Vegetable oil (contains soy) – added vegetable oil (palm oil) (contains soy)</p> <p>Combines all added fats and sugars, but not in descending order. Milk solids split into milk fat and milk protein.</p>
		<p>Added sugars (caster sugar, icing sugar, glucose syrup (from wheat), white sugar), wheat flour, cocoa (26%), added fat (palm oil, cocoa butter, milk fat), added vegetable oil (palm oil) (contains soy), emulsifiers (soy lecithin, 471, 477, 472a), milk protein, stabiliser (340), raising agents (500, 341, 450), maize starch, salt, natural flavour (milk).</p>	