



## **Application to amend the Australia New Zealand Food Standards Code**

### **Alignment of treatment of coconut milk products with Codex standards**

#### **Executive Summary**

The Food and Beverage Importers Association is an industry body that focuses on regulatory controls applying to food and beverage imports and on operational matters and logistics issues facing food and beverage importers.

The purpose of the application is to align treatment of canned coconut milk products in the Australia New Zealand Food Standards Code with the treatment in Codex Alimentarius standards to facilitate the continued trade in canned coconut milk products.

Coconut milk is the liquid extract that comes from the grating of coconut endosperm or meat. To produce canned coconut milk products, various grades of the liquid coconut extract are combined, generally with water as a filler, then processed by heat and hermetically sealed to prevent spoilage.

As an oil-in-water emulsion, coconut milk is relatively unstable and readily separates into a heavy aqueous (water) phase and a fat phase as the top layer. To counteract the propensity of separation, additives (e.g., emulsifiers, stabilisers, thickeners) may be used to enhance the stability of the product. When used by a consumer the coconut milk will then present in consistent even colour and appearance.

Codex has established a standard for packaged coconut milk and coconut cream products: Codex Standard for Aqueous Coconut Products – Coconut Milk and Coconut Cream (Codex Stan 240-2003). This standard allows for the addition of a range of emulsifiers; stabilisers; thickeners; preservatives; and bleaching agents as there is a demonstrable need for the use of these additives and they fulfil a technological function by enhancing the stability of the food to the benefit of consumers.

There has been long-standing trade in canned coconut milk products. They are sourced from Thailand (80%), Malaysia (10%) and Vietnam, Indonesia and Sri Lanka (10%). The import value of the trade is estimated to be about \$A55 million per annum.

Coconut milk is a common ingredient in many Asian and tropical cuisines. For the consumer market, canned coconut milk products are ranged in the Asian specialty section of a supermarket along with other ingredients typically used in the preparation of meals. They are clearly marketed, promoted and sold as a cooking ingredient.

Canned coconut milk products are not positioned on shelves in the drinks or beverage section of any supermarket or available for sale in the refrigerated drinks zones of any retail outlet. They are not marketed or sold as drinks for human consumption and indeed, would not be regarded as fit or suitable for drinking.



There is no specific standard for canned coconut milk products, like the Codex standard in the Australia New Zealand Food Standards Code. Permitted uses of additives are therefore regulated by Standard 1.3.1 – Food Additives and Schedule 15 – Substances that may be used as food additives.

Schedule 15, however, does not provide a single clear answer to the question of the appropriate heading or sub-heading under which canned coconut milk products should be classified.

There are two possibilities.

(1) the specific listing for “coconut milk, coconut cream and coconut syrup” under the sub-heading “14.1.2.1 - Fruit and vegetable juice” within the Commodity Heading “14. Non-Alcoholic and Alcoholic Beverages”. That heading covers beverages and juices. As explained above, the canned coconut milk products that are covered by this application are not beverages or juices; their use is restricted to a cooking ingredient and are not suitable for consumption as a beverage or juice. This classification is not appropriate.

(2) classification in Heading 4 – Fruits and Vegetables (including fungi, nuts, seeds, herbs and spices) in Schedule 15. Two sub-headings at least seem relevant: sub-heading 4.3.6 “Fruit and vegetable preparations including pulp”, or sub-heading 4.3.8 “Other fruit and vegetable products”.

The second classification based on the nature and use of the canned coconut milk products and adopted by Codex Alimentarius is the appropriate one.

Classifying canned coconut milk products to the appropriate heading in Schedule 15 is highly critical because the additive permissions differ between the headings.

(1) Sub-heading “14.1.2.1 - Fruit and vegetable juice” does not permit the addition of GMP additives except where the juices are “separated by other than mechanical means only”. As the canned coconut milk products, do not meet that exception, if classified under this sub-heading, GMP additives that are added in line with the Codex standard would not be permitted.

(2) The sub-headings under Heading 4 – Fruits and Vegetables both permit the addition of GMP additives.

The ambiguity in how these goods are classified under the Food Standards Code may lead to an interpretation of the Code that would hold that additives permitted under Codex and used in canned coconut milk products elsewhere may not be permitted in Australia and New Zealand.

Alignment with Codex standards removes any ambiguity or confusion over the additives permissions for canned coconut milk products in the Food Standards Code. This will enable



trade in the current wide range of coconut milk products that use Codex permitted additives to continue without concern about possible regulatory impediment.

The application imposes no costs on consumers. The necessary Codex additives are currently present in coconut milk products and the application does not seek permission for new additives. What the application seeks is to remove any ambiguity or confusion about the proper classification of canned coconut milk products in Schedule 15 – Substances that may be used as food additives.

The benefits to consumers are continued availability of the current wide range of canned coconut milk products for use as an ingredient in cooking. If the application is unsuccessful, there will be a restricted choice of products; restricted supply; increasing pressure on a price rise.

There are no costs on industry that flow from this application. It does seek to impose restrictions on the production of these goods. Industry benefits through the clear understanding that the necessary additives are permitted in Australia and New Zealand. The application does not impose costs on government.

The application benefits international trade by making clear that current imports of canned coconut milk products are compliant with the Food Standards Code. This would remove any uncertainty about the legality of the products and allow trade to continue without any change.