



AUSTRALIAN
**FOOD &
GROCERY**
COUNCIL

AFGC SUBMISSION

A1090 VOLUNTARY ADDITION OF VITAMIN D
TO BREAKFAST CEREAL

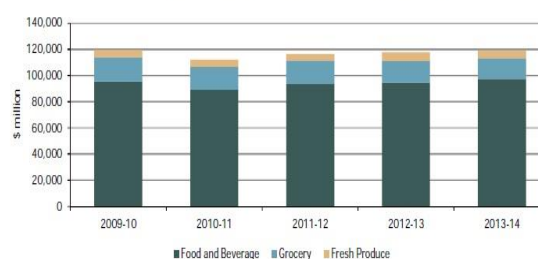
Sustaining Australia

PREFACE

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 190 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.

Figure 3.1: Composition of the defined industry's turnover (\$2013-14)¹¹



Source: Based on ABS, catalogue number 8221.0, 8159.0 and 8155.0

Australia's food and grocery manufacturing industry takes raw materials and farm products and turns them into foods and other products that every Australian uses every day. With an annual turnover in the 2013-14 financial year of \$118 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. It adds over \$32 billion to the value of the products it transforms.

Manufacturing of food, beverages and groceries in the fast moving consumer goods sector is Australia's largest manufacturing industry. The diverse and sustainable industry is made up of over 26,651 businesses and represents 30% (almost one third) of the total manufacturing industry in Australia.

The food and grocery sector accounts for over \$61.7 billion of the nation's international trade in 2014-15, with a trade surplus worth over \$10 billion to the Australian economy in 2014-15. These businesses range from some of the largest globally significant multinational companies to family-based small and medium enterprises.

The food and grocery manufacturing sector employs more than 322,900 Australians, paying around \$16.1 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 over 40% of the total persons employed being in rural and regional Australia. 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.

The contribution of the food and grocery sector to the economic and social well-being of Australia cannot be overstated. Australians and our political leaders overwhelmingly want a local, value-adding food and grocery manufacturing sector.

Data source: AFGC and EY State of the Industry 2015: Essential Information: Facts and Figures

AFGC SUBMISSION

The AFGC provides this submission in relation to the Food Standards Australia New Zealand (FSANZ) Review Consultation Paper of 8 July 2016, “*Voluntary Addition of Vitamin D to Breakfast Cereal*”.

The AFGC’s starting point is that FSANZ, in its original recommendation to the Ministerial Council, necessarily accepted that **there exists a public health need for increased vitamin D consumption in the diet of the Australian population and that breakfast cereal is an appropriate vehicle for delivery of additional dietary vitamin D to the population**. The question for this review is whether the application of a nutrient content filter, and in particular the Nutrient Profile Score Criteria (NPSC) as detailed in Standard 1.2.7, furthers or hinders the public health goal sought to be achieved.

This question arises due to what is termed a ‘clarification’ by Health Ministers in relation to their existing policy in relation to the addition of nutrients to foods. **The AFGC considers that the ‘clarification’ represents a significant extension and revision of current policy and regulatory practice, and is concerned that such a policy variation, however described, was developed without due process**. Should the Council wish to change fortification policy, it must do so in accordance with COAG policy development criteria including a full assessment of the costs and benefits, and a full analysis of regulatory and non-regulatory options. This process has not taken place in relation to the announced ‘clarification’, and its absence means that the ‘clarification’ may not have taken into consideration possible adverse impacts or perverse outcomes that might otherwise have come to light.

Such concerns are evident from the suggested use of the NPSC as a qualifying filter for vitamin D addition. The NPSC is a measure to identify foods that qualify to make general or high level health claims. It is a label claims policy for links between a nutrient and a health effect, it was not designed, nor has it ever been used, as a mechanism to judge nutrient fortification. The inappropriateness of such use in this particular case is especially evident in that **the NPSC makes no assessment of the vitamin status of foods, and so cannot by its nature be an effective tool for assessing the population impact or appropriateness of vitamin D fortification**. The proposed tool and its task are entirely mismatched.

The likely impact of applying the NPSC as a filter would be to preclude certain pre-sweetened breakfast cereal products from being fortified with vitamin D. However, **the role of sugar sweetened ready-to-eat breakfast cereals in total diet and health have recently been challenged in two reanalyses of the 2011-12 National Nutrition Survey data**, cited in submissions to FSANZ on this matter by Kellogg Australia and by the Grains and Legumes Nutrition Council. The AFGC has had the advantage of seeing these two submissions and supports their respective arguments based on the reanalyses.

The FSANZ *Review Consultation* cites FSANZ research to the effect that vitamin fortification (and vitamin claims) have little effect on product purchase. On this basis, **to use a qualification filter for fortification will only serve to nutritionally disadvantage those consumers who consume ‘disqualified’ cereals**. FSANZ’s own evidence is that they will not change their eating habits because of vitamin claims. **Where such consumers are nutritionally disadvantaged, the intended public health benefit is diminished** in that consumers of disqualified cereals are denied the equivalent opportunity to improve their vitamin D status. The application of an NPSC filter as part of a fortification permission will thus work counter to the intended public health outcome and should for this reason not be further considered.

The AFGC recommends that FSANZ again recommend to Ministers an unchanged draft regulatory measure proposing permissions to permit the voluntary fortification of breakfast cereals with vitamin D. Such a recommendation will necessarily be accompanied by reasons explaining why the suggestion of imposing any NPSC-like criteria on the permission would only serve to act counter to the intended public health benefit intended to be achieved through the measure.

QUESTIONS TO SUBMITTERS

- (1) The basis of voluntary vitamin D addition to breakfast cereal was public health need. In your view, is public health and safety protected by applying the NPSC to permission to fortify ready-to-eat breakfast cereal with vitamin D? Please provide evidence for your view.

No, or more accurately, the public health is better served by permitting the addition of vitamin D to all breakfast cereal without any overlying NPSC-like qualification filter.

In support of this position, the AFGC references FSANZ's own consumer behaviour research presented in the Review Consultation, as well as the GLNC and ABCMF reanalyses of the 2011-12 dietary survey data provided in other submissions.

- (2) What are the positive and negative impacts on the breakfast cereal industry of permitting vitamin D in all breakfast cereal?
- (3) How (if at all) would these impacts differ if the permission were to be restricted to breakfast cereal that meets the NPSC? Please provide data or evidence to support your response.

In the first case, there would be some small positive impacts in that permission would allow the use of international vitamin formulas currently denied to the Australian industry. These positive impacts would be diminished if permissions were to be restricted by any NPSC-like qualifying criteria.

That said, the industry impacts should not be the focus of this review. The far more serious concern lies in the potential of the application of NPSC-like qualifying criteria to diminish the public health benefits sought by the proposed measure and nutritionally discriminate against the consumers of 'disqualified' products

- (4) What evidence do you have on the effects of added vitamins and minerals on consumers' perceptions of or choice of breakfast cereal product?

The AFGC relies on the FSANZ research, and believes that research reflects market reality to the extent that vitamin and mineral fortification is taken as a given by cereal consumers when the product is presented with claims to that effect, and that the actual constituents of that fortification are of less individual concern. In other words, the AFGC agrees with the FSANZ research that consumers are not likely to change eating patterns due to the presence or absence of vitamin D fortification claims.

- (5) What, if any, is the difference in consumer's response to the presence or absence of vitamin D in food compared to their response to the presence or absence of other vitamins? Please provide the evidence used to inform your response.

The AFGC has no evidence on this question, but doubts whether vitamin D enjoys any special status in driving choice amongst breakfast cereal consumers.

CONCLUSION

The AFGC recommends that FSANZ provide the Ministerial Council with an unchanged recommendation on the proposed regulatory measure, but provide the Ministerial Council with additional information demonstrating that artificially imposing NPSC-like criteria on fortification permissions would diminish the public health goal sought to be achieved by the voluntary vitamin D fortification permission.
