

14th August 2002

FSANZ
PO Box 10559
The Terrace
Wellington

Dear Sir/Madam

Re: Submission by Frucor Beverages on P235 – Review of Food-Type Dietary Supplements

We will cover off two issues in this submission. First, we will provide some data indicating the size of the beverage dietary supplement market in NZ and hence indicate that there is strong consumer interest in such products. Secondly, we will indicate our preferred options for the regulation of food-type dietary supplements under the food standards code.

1) Market Size of beverage products which are manufactured in NZ under the NZ Dietary Supplement Regulations

Product Type	Retail Sales in NZ per annum (NZ\$ million)	Anticipated growth each year over next 3 years (%)
Fruit juice with added minerals (principally calcium) and or vitamins	20	10
Fruit Drinks with added minerals and/or vitamins	60	5
Bottled water with added vitamins and/or minerals (lightly flavoured)	15	20
Energy drinks	110	5

These products have grown from about zero sales in 1996.

It is important to understand that these products have not developed in isolation in NZ. Beverages with added vitamins and minerals have been available for consumers in other developed countries throughout Europe, UK, USA and Asia for many years. The Food Regulations in these countries have broad vitamin and mineral permissions which enable the development of such products. It was the demonstrated strong demand by consumers for these products over many years which stimulated the interest of manufacturers in NZ to provide products for the NZ consumer.

However, in NZ & Australia, there has traditionally been a more conservative approach to addition of vitamins and minerals to foods and the resultant food regulations have not permitted the addition of a wide range of vitamins and minerals to beverages.

Hence, beverage manufacturers have resorted to using the NZ Dietary Supplement regulations to meet the perceived consumer demand for such products. It is very apparent from the growth seen in this market segment since 1996, that this consumer demand is very real.

2) Options for dealing with these products under the Australia NZ Food Standards Code.

The obvious approach is to align ourselves with the approach used in the other countries above, which is to broaden our permissions for vitamin and mineral addition to beverages within standard 1.3.2. This would be consistent with the stated objectives of FSANZ of developing horizontal standards where possible. This approach would certainly be preferred by Frucor. However, we understand that this is likely to involve a policy change which may in fact be difficult to achieve.

If this is the situation then our second option would be to support a vertical standard as per the recent application from the Australasian Soft Drinks Association (ASDA), for a Formulated Beverages Standard.

Yours sincerely



General Manager R & D