



AUSTRALIAN
**FOOD &
GROCERY**
COUNCIL

AFGC SUBMISSION

**LABELLING REVIEW RECOMMENDATION 17:
PER SERVING DECLARATIONS IN THE NIP –
RESPONSE TO FSANZ CONSULTATION PAPER**

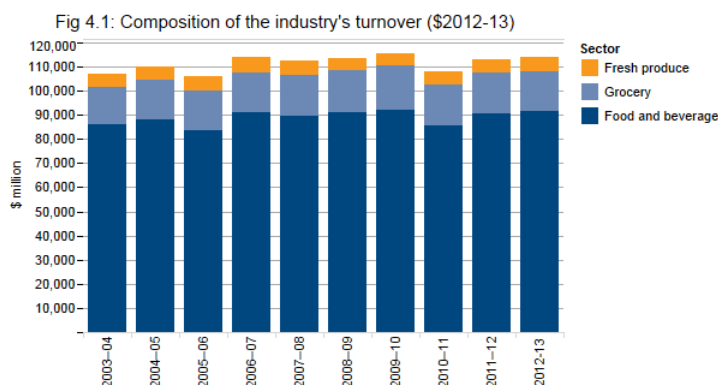
Sustaining Australia

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 178 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.

With an annual turnover in the 2013-14 financial year of \$114 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.



Manufacturing of food, beverages and groceries in the fast moving consumer goods sector is Australia's largest manufacturing industry. Representing 27.5 per cent of total manufacturing turnover, the sector accounts for over one quarter of the total manufacturing industry in Australia.

The diverse and sustainable industry is made up of over 27,469 businesses and accounts for over \$55.9 billion of the nation's international trade in 2013-14. These businesses range from some of the largest globally significant multinational companies to small and medium enterprises. Industry spends \$541.8 million in 2011-12 on research and development.

The food and grocery manufacturing sector employs more than 299,731 Australians, representing about 3 per cent of all employed people in Australia, paying around \$12.1 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 almost half 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.

Australians and our political leaders overwhelmingly want a local, value-adding food and grocery manufacturing sector.

EXECUTIVE SUMMARY

The Australian Food and Grocery Council (AFGC) welcome the opportunity to make this Submission in response to Food Standards Australia New Zealand (FSANZ) *Consultation Paper – Labelling Review Recommendation 17: Per serving declarations in the nutrition information panel [25-14]*.

The AFGC has consulted with our members and provides the following feedback to FSANZ for consideration.

The AFGC **supports** retention of the current status quo pending a fundamental review of nutrition labelling, but does **not support** a simple removal of per serve information.

The AFGC considers that BOTH per serve (i.e. portion control) and per 100g/mL (i.e. how you compare) data is relevant information and does **not** consider the simple removal of per serve column from NIPs to be a significant, necessary or even appropriate regulatory reform.

From the majority of reviews conducted of studies (as outlined within the consultation paper) it appears that the majority of consumers were more reliant upon the 'per serve' information as opposed to the 'per 100g/mL'.

The AFGC acknowledge that the scope of consideration of Recommendation 17 excludes any other aspects related to the format/content of the NIP, nonetheless the AFGC considers the provision of nutrition information to be an area requiring reform, and that the FSANZ call for comment has engendered an expectation and discussion.

The starting point for any food regulatory reform must be a demonstrated public health and safety need. A principal industry concern in relation to the proposed reform is that there has been no convincing evidence provided of a problem that needs to be 'fixed'. Further, no evidence has been provided that identifies the expected outcomes or that these outcomes will have a positive impact on consumer health.

The AFGC agrees there is a strong argument that current NIP labelling has not achieved its intended purpose. Nutrition labelling policy must be based against more consistent and better communicated Dietary Guidelines.

Reform:

- requires a better understanding as to the variety of purposes for which nutrition data is used by consumers and their health advisers, including its relationship to serve size;
- requires an evidence base as to the clarity, transparency, relevance and usability of nutrition information;
- would need to be far ranging and consider ALL options to replace the current NIP approach including deregulation, regulation through other means or options for compliance; and
- should encompass recognised equivalence to avoid relabelling of imported goods.

The AFGC therefore supports a proper, considered reform of how nutrition information is presented to consumers, recognising this would be a much larger exercise and remains committed to providing appropriate nutrition information to consumers.

1. Introduction

The Australian Food and Grocery Council (AFGC) welcome the opportunity to make this Submission in response to Food Standards Australia New Zealand (FSANZ) *Consultation Paper – Labelling Review Recommendation 17: Per serving declarations in the nutrition information panel [25-14]*.

The AFGC has consulted with our members and provides the following feedback to FSANZ for consideration.

2. Overall Position

The AFGC **supports** retention of the current status quo pending a fundamental review of nutrition labelling, but does **not support** a simple removal of per serve information.

The AFGC considers that BOTH per serve (i.e. portion control) and per 100g/mL (i.e. how you compare) data is relevant information and does **not** consider the simple removal of per serve column from NIPs to be a significant, necessary or even appropriate regulatory reform.

From the majority of reviews conducted of studies (as outlined within the consultation paper) it appears that the majority of consumers were more reliant upon the 'per serve' information as opposed to the 'per 100g/mL'.

The AFGC acknowledge that the scope of consideration of Recommendation 17 excludes any other aspects related to the format/content of the NIP, nonetheless the AFGC considers the provision of nutrition information to be an area requiring reform, and that the FSANZ call for comment has engendered an expectation and discussion.

The AFGC therefore supports a proper, considered reform of how nutrition information is presented to consumers, recognising this would be a much larger exercise and remains committed to providing appropriate nutrition information to consumers.

3. General Comments

The AFGC is aware of a public health advocacy view that per 100g/mL is the only legitimate NIP data **however** we are unaware of any industry or consumer concern in relation to the presence of per serve data in NIPs. The simple removal of the per serve column from NIPs is **NOT** a significant, necessary or even appropriate regulatory reform. Removal of the per serve details from packaging will necessitate cost but will result in no benefit to either the consumer or the industry.

The consultation paper lacks a substantiated problem definition and consumer research to support the outcomes the proposed reform is intended to achieve.

The AFGC considers that BOTH per serve (i.e. portion control) and per 100g/mL (i.e. how you compare) data is relevant information. Per serve information, combined with number of serves for pack supports other information on pack, including providing clarity on claims. Per serve information is also important for consumers in helping them to construct health diets in line with the Australian Guide to Healthy Eating.

There is a strong argument that current NIP labelling has not achieved its intended purpose as evidenced by additional labelling measures such as HSR. Nutrition labelling policy must be based against more consistent and better communicated Dietary Guidelines.

These points are discussed further in the following sections.

3.1. The problem

The starting point for any food regulatory reform must be a demonstrated public health and safety need. A principal industry concern in relation to the proposed reform is that there has been no convincing evidence provided of a problem that needs to be “fixed”. Further, no evidence has been provided that identifies the expected outcomes or that these outcomes will have a positive impact on consumer health.

The AFGC supports proper, considered reform of how nutrition information is presented to consumers including the drivers for serve size use and consumer choices.

The AFGC note that

“...the Forum acknowledged that food labels are a finite space for providing information to consumers and that the recommendation to remove per serving information aims to simplify requirements for the mandatory nutrition information panel (NIP) and reduce the regulatory burden on industry.”

The AFGC support minimum effective regulation and the reduction of regulatory burden on industry, however, it is not the requirement for per serve information but the entire approach to NIP labelling that is the regulatory burden that needs to be addressed.

For example:

The current complex nutrition labelling requirements (including both mandatory and voluntary) resulted in a member company being instructed to provide the following combination of columns in the NIP:

- Information on a per serve dry basis;
- Information on a per 100g dry basis;
- Information on a per serving as consumed basis;
- Information on a per 100g as consumed basis; and
- A column on %DI.

This increased complexity has potential to work against to the key objective of providing clear and consistent nutrition information to help inform consumer’s choice.

The AFGC note that

“FSANZ will prepare a literature review on consumer use and understanding of per serve information.”

The AFGC support this initiative and consider that this should have been done prior to the release of this consultation document.

Simply removing the per serve column is not reform in itself. Lack of a clear problem definition is a key failure of this consultation and without it, any reform risks failure and increasing the burden on industry.

3.2. Per serve & per 100g

The current NIP expresses information about the product per 100g and per serve. Both of these serve a different purpose in communicating to the consumer.

The per 100g information is about the nature of the food itself. The per serve data provides information about how the food is used and the nutrients delivered in a serving as the food is eaten.

The provision of only per 100g/ml information would require consumers to have greater numeracy skills to determine the amount of nutrients in a serving of the product. This will likely make it more difficult, and more confusing, to those consumers who wish to have this data to inform their food choices.

3.2.1. Serve sizes

The AFGC and its members are committed to providing consumers with clear and relevant information in relation to serving sizes. This commitment is articulated in the *AFGC Code of Practice for Food Labelling and Promotion*, which details the AFGC Serving Size Principles¹. These Principles have been utilised by the Commonwealth Department of Health in its consultations regarding the Food and Health Dialogue.

The AFGC is currently reviewing these Serving Size Principles to ensure they still reflect best practice in the provision of clear information and investigating what other measures may be helpful for consumers in accessing and interpreting serving size information as part of their dietary choices.

3.2.2. AFGC DIG

The AFGC continues to strongly support the Daily Intake Guide (DIG) front of pack labelling scheme, which now appears on over 7,200 products. DIG labelling reflects the per serve nutrition information from the NIP on the front of pack, providing consumers with 'at a glance' information on the food product and its comparison to daily intake reference amounts.

¹ <http://www.afgc.org.au/our-expertise/industry-codes/code-of-practice-for-food-labelling-and-promotion/> page 25.



3.3. International requirements

3.3.1. Imported Products

Lack of flexibility in NIP labelling causes issues for imported foods. The main issue is the complexity of information, which is required to be presented in a different way for each country/region – leading to more information, but not necessarily clearer presentation.

For example:

One product label could have 3 or more NIPs – one for EU, one for USA and one for ANZ – slightly different in order and presentation but essentially the same information presented multiple times.

Many of these differences are minor – ANZ requires both per serve and per 100g even where the serving size is 100g. There is also slight differences in the ordering of nutrients, the use of sodium or salt or presentation of the information (such as that used in the USA's Food Facts panel).

3.3.2. Exported Products

International consistency is also important to facilitate exports. The current prescriptive requirements of the NIP mean that it is not possible to create a single label for Australia and many Asian countries which accept English on the label.

Creating labels specific to each country increases costs and risks associated with introducing a product into a new export market. Sales generally take a while to build in a new market and there is often a lot of uncertainty around the sale volumes. The incredibly small nuances between nutrition information requirements in differing countries are a disincentive for exporters.

For example:

Type of nutrients required to be declared:

- Food standards Code (Energy, Protein, Fat, Saturated, Carbohydrate, Sugar, Sodium)
- Codex (Energy, Protein, Carbohydrate, Fat)

Order of nutrients in the panel (fatty acid example):

- Food Standards Code (saturated, trans, polyunsaturated, monounsaturated)
- Codex (saturated fatty acid, trans fatty acid, monounsaturated fatty acid, polyunsaturated fatty acid)
- Malaysia guide to nutrition labelling and claims (monounsaturated fatty acid, polyunsaturated fatty acid, saturated fatty acid, trans fatty acid)

Reference values for nutrients vary between jurisdictions:

- Recommended Dietary Intake provided in the Food Standards Code (*Protein 50g, Calcium 800mg, Vitamin C 40mg*)
- Nutrient Reference Values provided in Codex (*Protein 50g, Calcium 1000mg, Vitamin C 60mg*)
- Reference values provided by other countries: Malaysia (*Protein 50g, Calcium 800mg, Vitamin C 60mg*), China (*Protein 60g, Calcium 800mg, Vitamin C 100mg*) & US.

Conversion factors:

- Codex 4.2kJ per 1 Cal
- Food Standards Code 4.18kJ per 1 Cal

4. Specific Comments

Notwithstanding the AFGC position on the proposed change under recommendation 17, we provide the following information in response to the questions for submitters.

4.1. Questions for Submitters

Uses of per serving information on food labels

Q1 How do you or your organisation use per serving information in the nutrition information panel on food labels?

Per serve information connected to content claims and health claims, provides verification that criteria are met. This is useful to enforcers, health professionals and consumers. A number of products include the Heart Foundation Tick. The provision of per serve information helps in assessment against the Heart Foundation's criteria for their program.

When ingredients such as sugar or salt are reduced in a product the %DI in relation to the 'per serve' can provide a clearer picture as to the actual impact is on what consumers will receive in a serving.

A member company has advised that they receive a number of consumer contacts regarding the benefit of the 'per serve' information in relation to providing guidance to help manage dietary conditions (restricted kilojoule intake, sodium intake etc).

Q2 Are there any particular food categories or types of food packages (e.g. single serve packages) for which per serving information is particularly useful? If so, what are they? Explain why the information is useful.

Any food that is not in a single serving package should provide guidance as to how many serves it contains to assist consumers in managing a healthy diet. This information then supports the information on the daily intake of nutrients for that person, when % DI is included.

Education on healthy eating today is mainly established around portion control and what constitutes a 'serve size', for example a piece of fruit or the amount of coverage of meat on a plate. Therefore maintaining a per serve reference is consistent with how consumers are being educated.

Communication of per serve information and education related to appropriate serve sizes is reflective of guidance provided in the Australian Guide to Healthy Eating. Simple omission of the serve size information from packaging in isolation of a broader discussion on health messaging is counterproductive.

Daily Intake Claims

- Q3 *The Labelling Review recommendation suggests that per serving information be voluntary unless a daily intake claim is made. Do you support this approach? That is, do you think declaration of per serving information in the nutrition information panel should be mandatory if a daily intake claim is made (e.g. %DI or %RDI)? Give reasons for your answer.*

The AFGC supports the status quo pending a fundamental review of nutrition labelling, but does **not support** a simple removal of per serve data. The per serve information in the NIP supports the %DI and %RDI information, enabling consumers to see it at a glance rather than having to verify the information by doing their own calculations from the per 100g information.

- Q4 *As noted in Section 4, there is currently variation in the format of NIPs on food labels because of voluntary permissions for the use of %DI labelling and the option to include a third column for foods intended to be prepared or consumed with at least one other food. If per serving information in the NIP was voluntary this would result in more variability in the format of NIPs across the food supply. Do you think this would be a problem? Why/why not?*

The AFGC supports the status quo pending a fundamental review of nutrition labelling, but does **not support** a simple removal of per serve data.

From the majority of reviews conducted of studies (as outlined within the consultation paper) it appears that the majority of consumers were more reliant upon the 'per serve' information as opposed to the 'per 100g/mL'.

The AFGC consider that the variable presence of the per serve column in the NIP will certainly cause greater variability across NIPs on food products, and potentially some consumer confusion based on less consistency. The AFGC is aware that some food manufacturers will continue to include the per serve information in the NIP, whether it is required or not, while others may choose to remove it.

Qualifying criteria for nutrition content claims

- Q5 *If per serving information in the nutrition information panel was voluntary, do you think the inclusion of per serving information in the nutrition information panel should be mandatory when a nutrition content claim about vitamins, minerals, protein, omega-3-fatty acids or dietary fibre is made? Give reasons for your answer.*

Yes

Ultimately consumers are receiving the benefits of these nutrition content claims, based upon the serving size of the product they consume. With the number of other nutritionally fortified (and naturally occurring) products people may consume, it's very important that 'per serve' information is provided to ensure consumers have clear information as to what the claim relates to.

Q6 If per serving information in the nutrition information panel was voluntary, do you think the inclusion of per serving information in the NIP should be mandatory in any other specific regulatory situations? Explain your answer

The AFGC supports the status quo pending a fundamental review of nutrition labelling, but does **not support** a simple removal of per serve data.

Other considerations

Q7 What additional studies examine consumer use and understanding of per serving information in the nutrition information panel on food labels? Please provide a copy of studies where possible.

- **Member Company, Consumer Research, 2015. (Unpublished)**

In a survey of 524 Australians in February 2015 (main grocery buyers, female, predominantly breakfast cereal consumers), 95% indicated the NIP impacted their purchasing decisions. In this group the per serve information was actively sought out and used as frequently as the per 100g information, but for different reasons.

Overall, there was a high awareness of the per serve information on the NIP (96%). When asked about the use of specific parts of the NIP, 42% indicated they use the per serve information compared to 47% who use the per 100g information. The frequency of using the per serve information is similar to the frequency of NIP usage, with 56% using the information when they buy a new product, and 29% reporting they use it every time they shop. Open-ended responses indicated people reporting using the per 100g information do so because the recommended serve sizes do not match their portion size. Respondents using the per serve information reported using the information as a guide to how much of a nutrient is in a portion when 100g is not a realistic portion.

Further, 71% indicated they use the recommended serve size to guide how much to eat at least half the time (51% usually or always). In addition, 65% responded they would like to see the number of serves in a pack displayed on front of pack.

Advantages and disadvantages of Recommendation 17

Q8 From your perspective, what are the advantages and disadvantages of per serving information in the nutrition information panel being voluntary? Please provide evidence where possible.

If it is only voluntary there is the potential for a higher degree of consumers to be misinformed as to what is a suitable serving size of a particular product. There are some benefits which were highlighted within the study 'Can serving-size labels reduce the portion-size effect?' which has highlighted that there was a correlation between the decrease in the amount eaten of a product when a clearly defined 'per serve' size was referenced.

For people who rely on a 'per serve' reference, if products did not provide this information there is the potential for consumers to become frustrated if they do not have this information readily available as they would need to do the calculations themselves.

Q9 Do you think the declaration of the amount of energy and nutrients per serving in the NIP should be voluntary? YES/NO/UNCERTAIN

The AFGC supports the status quo pending a fundamental review of nutrition labelling, but does **not support** a simple removal of per serve data.

5. Reform

The AFGC agrees there is a strong argument that current NIP labelling has not achieved its intended purpose. Nutrition labelling policy must be based against more consistent and better communicated Dietary Guidelines.

Reform:

- requires a better understanding as to the variety of purposes for which nutrition data is used by consumers and their health advisers, including its relationship to serve size;
- requires an evidence base as to the clarity, transparency, relevance and usability of nutrition information;
- would need to be far ranging and consider ALL options to replace the current NIP approach including deregulation, regulation through other means or options for compliance; and
- should encompass recognised equivalence to avoid relabelling of imported goods.

Principles for a review:

- Reform on a scientific and credible basis.
- Based on sound research to show what nutrition product information (including product labels/NIP and extended labelling options) consumer seek to make decisions that influence their health and what they need going forward to support health.
- **Flexibility** for manufacturers to communicate to consumers about their products, for example where the serve or pack size is 100g only have one column of NIP values.
- Flexibility to reduce burden for imported products and alignment with overseas regulations.
- Consistency with international standards.
- Explore a range of options that go beyond on pack labelling, including extended labelling options.

Education

What is clear is that to address the identified lack of basic nutrition skills and numeracy there needs to be coordinated initiatives in line with the 2013 Australian Dietary Guidelines that educate consumers and enable them to identify healthier choices, whilst also addressing the factors that drive selection of unhealthy diets and over-consumption of nutrient-poor, energy-dense foods - for example value for money, peer and cultural norms.

6. Conclusion

The AFGC does not consider any demonstrable concern has been identified with the per serve column in the NIP and that reform of nutrition information labelling is a needed exercise to be undertaken as a full policy review rather than piecemeal exercise.

The AFGC supports retention of the current status quo pending a fundamental review of nutrition labelling, but does **not support** a simple removal of per serve data.