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NEW ZEALAND FOOD & GROCERY COUNCIL

20 May 2011

Manager
Application Assessments
Food Standards Australia New Zealand
PO Box 10559
The Terrace
Wellington 6143
New Zealand

Email: submissions@fsanz.gov.au

Dear Sir/Madam

Attached are the comments that the New Zealand Food & Grocery Council wishes to present on the Assessment Report for **Application A1026** *Minimum Alcohol Content for Wine*.

Yours sincerely

A handwritten signature in black ink that reads 'Katherine Rich'.

Katherine Rich
Chief Executive

Food Standards Australia New Zealand Application A1026
MINIMUM ALCOHOL CONTENT FOR WINE
Assessment Report
2 June 2011

The New Zealand Food & Grocery Council (the "FGC") welcomes the opportunity to comment on the Food Standards Australia New Zealand ("FSANZ") Assessment Report for Application A1026 – Minimum Alcohol Content for Wine (the "Application").

The FGC represents the major manufacturers and suppliers of food, beverage and grocery products in New Zealand. A number of these manufacturers and suppliers are major importers and exporters in New Zealand. FGC member companies supply over 95 percent of the processed food and beverages to the New Zealand grocery retail industry and over 70 percent of supermarket packaged good sales.

The FGC notes that the application seeks amendment to Standard 4.5.1 Wine Production Requirements which is an 'Australia Only' Standard. The FGC interest is to support standards in either country that provide for closer alignment of outcomes between Australia and New Zealand.

An amendment is being sought that seeks to reduce the minimum alcohol content prescribed in Standard 4.5.1 for wine and sparkling wine produced in Australia from 80 mL/L to 45 mL/L of ethanol at 20°C (i.e. 8% to 4.5% alc/vol). A minimum alcohol content of 4.5% alc/vol is sought to harmonise with the European Union (EU) with which Australia has an international trade Agreement. Australia can export wine to the EU with a minimum of 4.5% alc/vol if it is legal to produce such wine in Australian regulations. It is also stated that the amendment would address a disadvantage for Australian produced wine in comparison to wine imported into Australia and remove a technical barrier to innovation by permitting Australian producers to produce a lower alcohol wine than they are legally permitted to do so at this time.

The Assessment Report states that "Approval of the proposed amendment promotes consistency between domestic and international food standards, particularly with the European Union" (pp ii and 9). This is, of course, only true in part as there are several countries, Canada, USA, New Zealand and South Africa included, where no minimum alcohol limit is set.

It appears that explicit reference to the level of alcohol in wine in the Australia-EU Trade Agreement is limited to wines that 'are described by and presented with, in accordance with Australian legislation, "botrytis" or words to similar effect, "noble late harvested" or "special late harvested" '(p204 of the Agreement). These wines are required to have no less than 8% alc/vol. It would therefore seem more sensible for wines so described to have minimum

alcohol limits set as an exception and for any other minimum requirement to be removed. This would remove any and all barriers to future technological advances to meeting demands for low alcohol and low calorie wines in Australia and internationally.

In any event, requirements for export to specific markets would usually be able to be dealt with on a market-by-market basis rather than by reflecting the requirements of a single market as the 'Australian standard'. In an environment where community views about alcohol consumption are heightened, removal of the minimum level entirely for Australian produced wine could be a well received amendment.

FGC notes, however, that trade considerations are a matter for Australian interests and to the extent that the proposed amendment does not present a barrier to the import of low alcohol wines by Australia, the FGC supports the amendment.

The FGC's specific interests, as identified at the outset, are to support any moves that remove differences as to regulatory outcomes between Australia and New Zealand. For this reason, and in response to Question 1 in the Assessment Report, What are the potential costs and/or benefits to you as a stakeholder, the FGC supports the proposed amendment as a move that better aligns the requirements for wine production between Australia and New Zealand.

In response to Question 2, Are there other potential issues that you feel should be considered in the impact analysis, the FGC points to a third option of removing the minimum level of alcohol content entirely with exceptions for trade purposes being the exception rather than the rule.

For further information, please contact:

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