



AUSTRALIAN
**FOOD &
GROCERY**
COUNCIL

AFGC SUBMISSION

RESPONSE TO: *FSANZ A1155 – 2'-FL AND LNNT IN
INFANT FORMULA AND OTHER PRODUCTS*

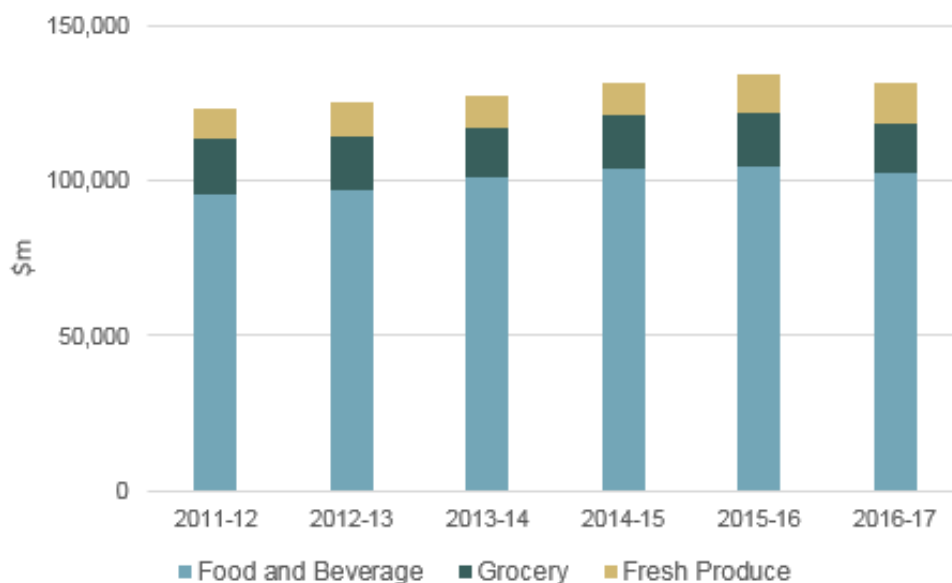
Sustaining Australia

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 180 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.

Composition of industry turnover (2016-17)



With an annual turnover in the 2016-17 financial year of \$131.3 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 36 per cent of total manufacturing turnover in Australia.

The diverse and sustainable industry is made up of over 36,086 businesses and accounts for over \$72.5 billion of the nation's international trade. These businesses range from some of the largest globally significant multinational companies to small and medium enterprises. Industry made \$2.9 billion in capital investment in 2016-17 on research and development.

The food and grocery manufacturing sector employs more than 324,450 Australians, representing almost 40 per cent of total manufacturing employment in Australia.

Many food manufacturing plants are located outside the metropolitan regions. The industry makes a large contribution to rural and regional Australia economies, with almost 42 per cent 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.

INTRODUCTION

Following an application made by Glycom A/S to amend the Australia New Zealand Food Standards Code (the Code), Food Standards Australia New Zealand (FSANZ) has prepared a draft variation to permit the voluntary addition of 2'-O-fucosyllactose (2'-FL) alone or combined with Lacto-N-neotetraose (LNnT) to infant formula products and formulated supplementary foods for young children (FSFYC). The AFGC membership includes food manufacturers, importers and marketers that will be directly impacted by FSANZ's proposal to change the Food Standards Code (the Code).

The consultation documents have been reviewed and the comments below relate to these specific documents:

- [Call for submissions](#)
- [Supporting document 1 – Risk assessment report](#)
- [Supporting document 2 –Policy guidelines](#)

In response to the Consultation, this submission will expand upon the AFGC's views in the Comments section.

COMMENTS

The AFGC welcomes the opportunity to comment on the Call for Submissions – *Application A1155 – 2'-FL and LNnT in infant formula and other products*.

The AFGC supports government policies for the protection and promotion of breastfeeding and recognises the role of scientifically-developed infant formula product as the only suitable and safe alternative when breast milk is unavailable for an infant.

The AFGC fully supports FSANZ's safety and technical assessment and resulting decision to permit the voluntary addition of 2'-FL alone or combined with LNnT to both infant formula products and FSFYC at the levels proposed.

The AFGC welcomed FSANZ's decision to apply generic ingredient labelling requirements, rather than prescribed ingredient names previously proposed, consistent with the general approach in the Australia New Zealand Food Standards Code (the FSC). FSC 1.2.4—4 requires ingredients to be identified using a name by which they are commonly known, or a name that describes its true nature, or a generic ingredient name if one is specified in FSC S10 – Generic names of ingredients and conditions for their use.

The AFGC strongly opposes the proposed prohibition of terms such as 'human milk identical oligosaccharide' or 'HiMO' (or similar words or abbreviations) on the labels of infant formula products and FSFYC for the following reasons:

- It is in conflict with the decision to apply generic ingredient labelling requirements (FSC 1.2.4—4);
- These terms have been used in scientific literature for over 20 years;
- The terms are more easily understood by consumers;
- The use of these terms on the labelling of infant formula products is limited to the ingredient list and nutrition information panel only, which are not for promotional purposes and do not claim the product is "humanised" or equivalent to human breast milk;
- The process resulting in the regulatory prohibition is based on limited consumer sample populations (in limited research) which does not comply with good regulatory practice; and
- It has the potential to constrain innovation and create trade barriers. A requirement for unique ANZ labelling restricts imports (and hence availability of products to consumers) and increases export costs.

Further, the prohibition of the terms such as ‘human milk identical oligosaccharide’ or ‘HiMO’ (or similar words or abbreviations) on FSFYC is inconsistent with permissions otherwise available in FSC 1.2.7. FSANZ has failed provide adequate justification for the prohibition. The AFGC is concerned that the policy decision to extend the prohibition to FSFYC has been made without any reference to policy guidance or the usual policy process as provided for in the FSANZ Act. It also pre-empts the work outcomes of the Codex Committee on Nutrition and Foods for Special Dietary Uses. **All AFGC members**, as manufacturers in the general food supply, are concerned this proposed prohibition would create an unwelcome regulatory precedent. FSANZ is proposing an almost bizarre regulatory measure that allows the addition of a nutrient, which has demonstrated health benefits into a food, but is prohibiting food companies from simply informing consumers of its presence.

The AFGC has had the opportunity to review the submission to this consultation by the Infant Nutrition Council of Australia and New Zealand (INC). The AFGC strongly supports the INC positions as stated in its submission and shares the concerns that the INC has described in detail.

CONCLUDING REMARKS

In summary, the AFGC is supportive of FSANZ’s decision to permit the voluntary addition of ‘2’ Fucosyllactose’ (2’-FL) alone or combined with Lacto-N-neotetraose (LNnT) to both infant formula products and FSFYC at the levels proposed in A1155. However, it is opposed to the prohibition of the use of terms such as ‘human milk identical oligosaccharide’ or ‘HiMO’ (or similar words or abbreviations) on the labels of infant formula products and FSFYC. It requests FSANZ consider other drafting options for the associated amendment of the Code given the concerns with the proposed Code amendment outlined in the comments above. The AFGC would welcome consideration of alternative options by FSANZ and is ready to engage with FSANZ further if indicated.