



Submission to Food Standards Australia New Zealand

On

Proposal P1062 Defining added sugars for claims

8 October 2023

Introduction

- 1.1 The Brewers Association represents major brewers with the core purpose to celebrate beer, its contribution to the economy and to social wellbeing through responsible consumption.
- 1.2 Our members (Lion Pty Ltd and DB Breweries Ltd) produce approximately 80% of the beer brewed in New Zealand. The brewing industry is a major contributor to the ongoing success of the New Zealand economy – worth \$3.3 billion in the year ending September 2022. The brewing industry contributes over \$896 million to GST and alcohol excise tax and support thousands of jobs throughout New Zealand in the primary production sector through Hop and Barley production as well as the retail and hospitality sectors.
- 1.3 The Brewers Association supports the moderate consumption of beer by adults. Many people enjoy drinking beer which can be part of a healthy lifestyle when consumed in moderation. The Brewers Association believes where there are instances of misuse or underage consumption, targeted interventions and education are best placed to successfully reduce harm for specific at-risk groups.
- 1.4 Our core principles are:
- a) Drinking beer can add to an adult's enjoyment of life, and as a lower alcohol and natural product, can be part of a healthy lifestyle when enjoyed in moderation.
 - b) Beer plays a positive role in our society and the economy due to its important role in the agricultural, brewing, tourism and hospitality sectors, as well as our culture and heritage.
 - c) We support targeted efforts by industry, Government and the community to reduce alcohol misuse.
- 1.5 This submission has been prepared on behalf of the Brewers Association of New Zealand by [REDACTED], [REDACTED] of the Brewers Association. He can be contacted on [REDACTED]

2. Position of the Brewers Association of New Zealand.

- 2.1 The Brewers Association of New Zealand appreciates the opportunity to provide input on the Call for Submissions documents (the CFS) for Proposal P1062, relating to the definition of added sugars for claims. Our association shares a commitment to informing consumers about the products they select and consume, enabling them to make well-informed choices.
- 2.2 However, we express our reservations regarding the proposed alteration to the Table to Schedule 4-3, specifically the entry addressing "Sugar or sugars". In its current form, we find the proposed variation inconsistent with the rationale presented by FSANZ for this modification, particularly concerning its impact on beer. It's crucial to emphasise that the use of malt and malt extracts in brewing beer does not constitute the addition of sugar. Furthermore, dietary guidelines do not identify malt and malt extracts used in beer production as areas of concern.
- 2.3 These ingredients are fundamental to the beer-making process, and any sugars they contain are consumed during fermentation and that beer is the product of this transformation. Any residual sugars will be oligosaccharides (DP4-10) at levels less than 1% by weight. Implementing the proposed amendment could disrupt the established regulatory status regarding 'no added sugars' labelling for beer without a compelling justification.
- 2.4 We note that similar concerns are being raised by other parties with respect to the proposed variation affecting other fermented beverages, including wine and fruit wine. It is our belief that the definition of 'added sugars' presented in the CFS will have far-reaching implications beyond 'no added sugars' claims. This definition will effectively shape the interpretation of 'added sugars' in forthcoming regulatory proposals related to labelling added sugars in the Nutrition Information Panel (NIP). Hence, it is important that the definition of 'added sugars' is applied consistently to fermented products like beer and wine.
- 2.5 We note that alongside the proposal in P1062 and the preferred option as recommended in P1049 to continue to allow for claims around carbohydrates and sugars, would lead to a situation where confusion arises. If a low sugar claim is made on a product where the sugar from malt has been fermented into alcohol but there is a requirement to call out the malt as an added sugar based on its initial level prior to fermentation, the consumer is likely to be confused by the statement of low sugar. As noted, the Brewers Association of New Zealand supports informed choice and with the calories/kilojoules most likely (and supported by us) to be labelled as per P1059 Energy Labelling of alcoholic beverages, believe consumers have the most relevant information relating to energy. It is our view the confusion including fermented carbohydrates would create does not support the ability to make informed choices.
- 2.6 In light of these considerations, the Brewers Association of New Zealand requests an adjustment to the proposed definition of 'added sugars' in the CFS. Specifically, we advocate for the exclusion of carbohydrate sources used in the fermentation of alcoholic beverages to ensure equitable treatment across all products within this category.

3. Questions 1 and 2.

- 3.1 The Brewers Association of New Zealand fully supports the idea that 'no added sugar' claims should only apply when sugar is added to a product from the outside. We agree with FSANZ on this, especially when it comes to fruit juice sold as pure fruit juice. However, we believe that the proposed definition of 'added sugars' in the P1062 proposal doesn't consistently

apply this rule to alcoholic beverages like beer and wine. So, we think it needs to be changed to fix this inconsistency.

- 3.2 From our perspective, the definition of 'added sugar' should not include malt and malt extracts used in beer production. Malt and malt extract are the basic ingredients for making beer, and they're not added to beer; beer is basically malt and malt extracts that have gone through fermentation. There's no good reason to treat malt and malt extracts differently from fruit juice in products sold as fruit juice.
- 3.3 We believe the argument against calling malt and malt extracts 'added sugars' is even stronger than for fruit juice because almost all the sugar in malt and malt extracts gets used up during fermentation. So, beer ends up with very little sugar left in it, far less than what's needed for a 'low sugar' claim, which is 2.5 g/L or 2.5%.
- 3.4 If the idea is to follow dietary guidelines, then calling malt and malt extracts used in beer 'added sugars' doesn't make sense. The dietary guidelines don't say that malt and malt extracts in beer are a problem for public health in terms of sugar. The same reasoning that applies to processed vegetable products in the CFS should apply here too.
- 3.5 The CFS says that one of the main reasons for matching the 'added sugars' definition with dietary guidelines is to make sure consumers aren't confused or misled when they see 'no added sugar(s)' claims. It also mentions in section 3.2.2 that most people think 'added sugar' means sugar added during making or preparing food, not sugar that's already in the food naturally. So, saying that malt and malt extract in beer are 'added sugars' would be misleading because they're part of what makes beer, and they don't really add much sugar.
- 3.6 The Brewers Association of New Zealand thinks that the proposed change would affect how 'no added sugar' claims work for beer. Right now, we believe these claims are allowed. Even though FSANZ has said before that they didn't originally intend to allow claims about sugar in alcoholic drinks, in practice, both New Zealand and Australia have let these claims be made, including ones about sugar in the table for "Sugar or sugars." So, according to our view, malt or malt extracts used in fermentation aren't 'added,' so 'no added sugar' claims are okay.
- 3.7 We note the same arguments are made for things like adding grape juice or grape juice concentrate to wine, fruit juice or fruit juice concentrates to fruit wine, and using allowed sugars for fermentation in these products. They're basically just grape juice or fruit products that have been fermented. Using these fermentable carbs isn't really an 'addition,' and it's not a problem according to dietary guidelines.
- 3.8 Based on the examples given in the CFS it is the Brewers Association of New Zealand position that internationally it appears that added sugar regulations are not intending to capture alcoholic beverages where sugars are largely fermented out.
- 3.9 For example Mexico's definitions specifically talk about non-alcoholic beverages which implies alcoholic beverages are excluded. Canada sets maximum of 4% by weight of residual sugars in beer – with no requirement to display a NIP for a beverage with an alcohol content >0.5%. And Brazil as noted in the CFS is the only country that defines added sugars when making claims specifically calls out an exemption for added sugars consumed by fermentation. See below example:

3.10 **Added sugars:** *all monosaccharides and disaccharides added during food processing, including fractions of monosaccharides and disaccharides from the addition of the ingredients cane sugar, beet sugars, sugars from other sources, honey, molasses, molasses, rapadura, cane broth, malt extract, sucrose, glucose, fructose, lactose, dextrose, invert sugar, syrups, maltodextrins, other hydrolyzed carbohydrates and ingredients plus any of the previous ingredients, with the exception of polyols, added sugars consumed by fermentation or non-enzymatic darkening and sugars naturally present in milk and dairy products and sugars naturally present in vegetables, including fruits, whole, in pieces, powdered, dehydrated, in pulps, purées, whole juices, reconstituted juices and concentrated juices.*

Question 10

The Brewers Association of New Zealand supports a three-year transition period for the implementation of any changes that come from this proposal to comply with new claim conditions. This aligns with the transition proposed for P1049.

