



Nestlé

Nestlé Submission

Commencement of Dietary Fibre Claim Provisions

Application A1101

20 November 2014

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Regulatory Affairs Manager

Phone : ████████████████████

Executive Summary

This submission is made on behalf of Nestlé Australia Ltd and Nestlé New Zealand Ltd., and Cereal Partners Worldwide (CPW).

Nestlé welcomes the opportunity to provide comments in response to A1101 Food Standards Australia New Zealand (FSANZ) Commencement of Dietary Fibre Provisions.

The criteria for dietary fibre which was gazetted as part of Std 1.2.7 contained higher levels of fibre to make a nutrient content claim compared to the criteria that industry was using as part of the voluntary 1995 Code of Practice on Nutrient Claims in Food Labels and in Advertisements (CoPoNC) (National Food Authority, 1995)

However, as a result of representation by some industry members, FSANZ agreed to re-look at the new (higher) fibre criteria which was regulated with Std 1.2.7 during the transition period for this standard. The issue was debated over the first 12 months of the transition period and therefore, Nestlé & CPW consider that for this period of time, food manufacturers were in a state of regulatory uncertainty.

Nestlé & CPW manufacture a range of products which either required reformulation to meet the fibre levels in Std 1.2.7 and / or required labelling changes to change the fibre claim made.

We refer to previous submissions made to FSANZ on this topic as well as AFGC Submissions to which Nestlé and CPW contributed extensively.

An Application has been raised by AFGC on behalf of industry to allow a further 12 months for transition of the dietary fibre criteria in Std 1.2.7, to allow industry to recoup the lost time taken by the 12 month consultation which happened in 2013.

The extra transition time is important for products which require reformulation, to take into account the many stages of such product development and reformulation.

Information and detailed timings on stages for reformulation to increased fibre levels have been previously provided.

It is also important to have the extra transition time to reduce the amount of packaging write off that would be incurred as a result of a reduced transition time for some products which require labelling changes.

Gazettal of Standard 1.2.7 introduced higher criteria for dietary fibre content claims. At the time of gazettal, in the Nestlé & CPW portfolio, there were 39 SKU's which needed to have fibre claims removed altogether, and 101 SKU's that needed to change claims. There are 10 products that need reformulation to meet the new criteria in Std 1.2.7.

Attachment 1 – Submission template for A1101 – Commencement of Dietary Fibre Claim Provisions

To assist us in compiling submissions, please complete the tables below.

Submitter name and company name:

██████████ Nestlé & CPW Australia & New Zealand

Part A – Questions for food industry

Question 1

In the table below, please give the total number of products and stock-keeping units (SKUs¹) you currently sell that carry nutrition content claims about dietary fibre (e.g. claims such as *source*, *good source*, and *excellent source* of dietary fibre or synonyms of these descriptors).

Item	Number of products	SKUs ¹
Products <i>currently for sale</i> that carry nutrition content claims about dietary fibre	90	162

¹ **SKU** - refers to a stock-keeping unit, a unique identifier for each distinct product that can be purchased in business.

Question 2

In the table below, please give the number of products and SKUs¹ you currently sell that do not meet the requirements for nutrition content claims about dietary fibre in Standard 1.2.7 (i.e. the qualifying criteria) and require changes.

Item	Number of products	SKUs ¹
Products currently for sale that carry nutrition content claims about dietary fibre that do not meet the qualifying criteria in Standard 1.2.7	25	25

¹ **SKU** - refers to a stock-keeping unit, a unique identifier for each distinct product that can be purchased in business.

Question 3

Before October 2014, did you make labelling changes in order to comply with the requirements for nutrition content claims about dietary fibre?

Please check the appropriate YES/NO box

☒ **Yes** Please provide the number of SKUs¹ involved and costs in the table below.

Please also indicate if the cost of labelling changes can be undertaken at the same time as other labelling changes for marketing or other purposes in the table below.

Item	Number of SKUs ¹ (up to October 2014)	Labelling change combined with other labelling changes? (YES/NO)	Direct cost ² of labelling change ³ (up to October 2014)
Labelling changes	17	Some were combined with other labelling changes.	\$70 K

¹ **SKU** - refers to a stock-keeping unit, a unique identifier for each distinct product that can be purchased in business.

² **Direct cost** of labelling change: labelling design, labelling production, proofing, package redesign and labour

³ Please provide only the **additional cost** for this labelling change if it was part of a routine or regular change, e.g. when you made a change for marketing purposes.

OR

☐ **No** I have not made any labelling changes before October 2014 in order to comply.

Question 4

Before October 2014, did you reformulate products in order to comply with the requirements for nutrition content claims about dietary fibre?

Please check the appropriate YES/NO box.

☒ **Yes** Please provide the number of products and costs in the table below.

Item	Number of products (up to October 2014)	Cost ¹ (up to October 2014)
Product reformulation	12 products are all in various stages of reformulation – none are completed and on the market yet.	\$50 K approx

OR

☐ **No** I have not reformulated any products.

Question 5

Between October 2014 and the end of the transition period for Standard 1.2.7, will you be making labelling changes in order to comply with the requirements for nutrition content claims about dietary fibre?

Please check the appropriate YES/NO box.

☒ **Yes** Go to **Question 6**.

☐ **No** Go to **Question 8**.

Question 6

In the table below, please give the **direct** cost (i.e. for label design and printing costs) of labelling changes required to be compliant with the requirements in Standard 1.2.7 for nutrition content claims about dietary fibre:

- (a) if the transition period remains at 18 January 2016
- (b) if the transition period is extended to 18 January 2017

Please also indicate if the cost of labelling changes can be undertaken at the same time as other labelling changes for marketing or other purposes in the table below.

Item	Number of SKUs ¹ to be relabelled	Labelling change combined with other labelling changes? (YES/NO)	Direct cost ² of labelling change ³
Transition period ending 18 January 2016	18 18 additional SKU's will be relabelled as part of the reformulation of products listed in Question 4. The costs of relabeling were included in the costs detailed in Question 4 and so have not been included here again	No	\$185K
Transition period ending 18 January 2017	18 + additional 18 SKU's as mentioned in box above	Yes	Cannot quantify, but likely to be a lot lower than above as costs can be shared with already planned changes

¹ **SKU** - refers to a stock-keeping unit, a unique identifier for each distinct product that can be purchased in business.

² **Direct cost** of labelling change: labelling design, labelling production, proofing, package redesign and labour

³ Please provide only the **additional cost** for this labelling change if it was part of a routine or regular change, e.g. when you made a change for marketing purposes.

Question 7

In the table below, please give the **indirect** cost (in terms of recalled products, written off products and packaging) of labelling changes required to be compliant with the requirements in Standard 1.2.7 for nutrition content claims about dietary fibre:

- (a) if the transition period remains at 18 January 2016

(b) if the transition period is extended to 18 January 2017

Item	Indirect costs (in terms of recalled products, written off products and packaging)
Transition period ending 18 January 2016	\$500 K
Transition period ending 18 January 2017	Negligible, business determining timing, so no special costs

Question 8

Between October 2014 and the end of the transition period for Standard 1.2.7, will you be reformulating products in order to comply with the requirements for nutrition content claims about dietary fibre?

Please check the appropriate YES/NO box.

☒ **Yes** Go to **Question 9**.

☐ **No** Go to **Part B**.

Question 9

In the table below, please indicate the number of products that are likely to be reformulated and the cost of reformulation:

- (a) if the transition period remains at 18 January 2016
(b) if the transition period is extended to 18 January 2017

Item	Number of products to be reformulated	Cost of reformulation
Transition period ending 18 January 2016	12 products in process of reformulation – see answer to question 4.	\$150-\$200K. Cost of reformulation will be the same regardless of the transition date

Transition period ending 18 January 2017	12	
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Part B – Question for all stakeholders

Question 10

Please indicate your preference for the commencement date of the provisions in Standard 1.2.7 – Nutrition, Health and Related Claims for nutrition content claims about dietary fibre.

Please check the appropriate box.

- ☐ **Retain** 18 January 2016
- ☒ **Change** to 18 January 2017
- ☐ **No preference** for either date

Please state your reasons in the box below.

Reasons to support your answer
<p>Nestle & CPW strongly supports extending the transition time to 18 January, 2017. This is to reduce costs on business associated with packaging write off, which will be borne as a result of the current transition timing being put on hold whilst the fibre criteria was re-evaluated by FSANZ for 12 months in 2013.</p> <p>This effectively cut out 12 months of transition time which could have been spent making labelling and reformulation changes for those businesses that elected to put all such work on hold whilst in a state of uncertainty awaiting the results of the fibre criteria re-evaluation.</p>