

NEW ZEALAND BEVERAGE COUNCIL

A1129 Monk Fruit Extract as a Food Additive

31 August 2018



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Executive Summary

The New Zealand Beverage Council [NZBC] is the peak body representing the collective interests of the non-alcoholic beverages industry. As the unified voice of the New Zealand beverage industry, the NZBC offers our Members a presence far beyond individual representation in order to promote fairness in the standards, regulations, and policies concerning non-alcoholic beverages.

The non-alcoholic beverage industry requires flexibility and opportunity to innovate and provide consumers with an even greater choice of high quality low and no sugar beverages. Monk fruit extract has been shown to provide varied and more palatable characteristics than other non-nutritive sweeteners that are currently available.

Monk fruit extract is used extensively the USA, Japan and China. Almost 300 products have been launched globally that contain monk fruit extract in both food and beverages.

The NZBC also notes that Food Standards Australia and New Zealand [FSANZ] has concluded that monk fruit extract does not have any public health and safety issues and, no Acceptable Daily Intake [ADI] has been set.

The New Zealand Beverage Council's supports:

1. the use of monk fruit extract as an intense sweetener;
2. referencing the specification of monk fruit extract to Food Chemical Codex;
3. permitting a choice to refer to the ingredient as either *monk fruit extract* or *luo hang guo extract*;
4. using the term *monk fruit extract* over *monk fruit concentrate*; and
5. allowing monk fruit extract to be used in beverages through either the addition of monk fruit extract to:
 - a. Schedule 16-2 Additives permitted under GMP; or
 - b. referencing the following food classes under Schedule S15-5:

Food class number	Food class name
1.1.2	Liquid milk products and flavoured liquid milk
1.2.2	Fermented milk products and rennetted milk products
13.3	Formulated meal replacements and formulated supplementary foods
13.4	Formulated supplementary sports foods
14.1	Non-alcoholic beverages and brewed soft drinks

About the New Zealand Beverages Council

Established in 1993, the New Zealand Beverage Council proudly represents the brand owners, manufacturers, bottlers and suppliers of New Zealand's juice, carbonated drinks, flavoured-dairy and bottled water brands. We are committed to providing our members with a strong and united voice and working to create the conditions that will allow them to prosper.

Our membership is diverse and represents some the largest multinational manufacturers as well as the country's smallest boutique producers as well as those companies that provide a wide range of goods and services to those companies. Our members represent more than 75 percent of the non-alcoholic ready-to-drink beverages sold at retail level in New Zealand.

A list of NZBC members are attached - Appendix 1.

We strive to advance the industry as a whole, as well as successfully representing the range of beverages produced by our Members. These include carbonated soft drinks, energy drinks, sports and electrolyte drinks, frozen drinks, bottled and packaged waters, juice and fruit drinks, cordials, iced teas, ready-to-drink coffees, flavoured milk products and flavoured plant milks.

The unified voice of the NZBC offers our Members a presence beyond individual representation to promote fairness in the standards, regulations, and policies concerning non-alcoholic beverages. We play a role in educating people on making informed choices encouraging balance, moderation and common sense. Both individual members and the association have been actively promoting on issues such as portion sizes, nutritional labelling, industry marketing and advertising. Our Members listen to consumers and adapt their products accordingly by making positive changes and standing by a commitment to promote greater choice, smaller portions and more products with low or no kilojoules. The Australian Beverages Council & NZBC are an important conduit between the non-alcoholic beverages industry and Government.

Background

It is understood that FSANZ has accepted an application to permit the use of monk fruit extract (otherwise known as 'luo hang guo extract') as a food additive to perform the technological purpose of an intense sweetener and has prepared a draft food regulatory measure to the table at section S15-5 in Schedule 15 of the Code.

We note that only the following food groups would be permitted to contain monk fruit extract for the technological purpose of an intense sweetener:

Food class number	Food class name
4.3.4	Fruit and vegetable spreads including jams, chutneys and related products
5	Confectionery
6.3	Processed cereal and meal products
6.4	Flour products
7.2	Biscuits, cakes and pastries
11.4	Table-top sweeteners
13.5	Food for special medical purposes
20.2.0.3	Dairy and fat-based desserts, dips and snacks
20.2.0.4	Sauces and toppings

The New Zealand Beverage Council's Position and Issues for Consideration

The NZBC, advocating on behalf of the non-alcoholic refreshment beverages industry in New Zealand would like to indicate our strong support for the use of monk fruit extract as an intense sweetener. We wish to make the following points in relation to the current application.

Call to Decrease Sugar in Sugar Sweetened Beverages

In recent years, both Australia and New Zealand have actively been working towards addressing the issue of rapidly increasing obesity rates. Currently sugar is being singled out as a major contributor to obesity. Government's on both sides of the Tasman are proposing initiatives related to food, nutrition and health for the food industry to implement to improve the diet and health of Australians and New Zealanders.

The following are current Government initiatives that relate to sugar in the food supply:

- a. Labelling Logic: The Review of Food Labelling Law and Policy (2011) (The Blewett Review) provided recommendations to improve food labelling law and policy. Recommendation 12 was to review the ingredient labelling of added sugars;
- b. Five-year review of the Health Star Rating system. Sugar has been raised as an issue to consider;
- c. Food Industry Taskforce (FIT) on Addressing Factors Contributing to Obesity established in consultation with the Minister of Health and the Minister of Food Safety to help develop ideas to address obesity from a food and beverage industry perspective. A report is expected by the end of the year

Academics, non-government organisations, consumer advocacy groups and public health professionals are demanding sugar in food and beverages be addressed. Sugar sweetened beverages [SSB] are often singled out.

There is increasing pressure on the non-alcoholic beverage industry to innovate and reformulate to lower kilojoule levels, however, consumers will not compromise on taste.

The NZBC and its Members recognise the contribution of SSB to sugar intake in New Zealand.

Further, some of our members are voluntarily undertaking the Australian Beverage Council Ltd (ABCL) Sugar Reduction Pledge¹ and the NZBC is currently at draft stage of the NZBC Sugar Reduction Pledge. To assist beverage manufacturers to achieve the pledge's goal, we are actively seeking further innovation within the category.

¹Sugar Reduction Pledge - 20% reduction in average sales weighted sugar per 100mL by 2025
<http://www.australianbeverages.org/industry-sugar-pledge/>

Need for Innovation in Low and No Sugar Non-Alcoholic Beverages

NZBC Members require flexibility and opportunity to innovate and develop new variants. Only through this, will manufacturers be able to provide consumers with greater choice of high quality low and no sugar beverages.

Allowing the non-alcoholic beverage industry to use new alternatives to sugar, especially new plant based non-nutritive sweeteners, is vitally important as the industry has responded to consumer calls to reduce sugar in the food supply. This is also important to enable beverage manufacturers to work with public health policy authorities to achieve current initiatives and the industry's ambitious sugar reduction pledge.

Positive Sensory Attributes of Monk Fruit Extract

Monk fruit extract has been shown to have more favourable sensory characteristics than other intense sweeteners. As stated in the application, it has been found that monk fruit extract *"had a bitterness roughly equivalent or less than that exhibited by sucrose"*.¹ FSANZ stated in its call for submissions that *"monk fruit extract has a different sensory profile compared with other intense sweeteners."*² This provides the possibility for greater innovation within the category.

Although many consumers wish to reduce their sugar intake, they are not willing to compromise on taste. Offering sugar alternatives that have improved sensory properties is paramount for industry to meet these dual targets.

We note that there are some sensory restrictions to the use of monk fruit extract which limits the level of use in food products. GRAS determination 706 stated, monk fruit extract *'is self-limiting due to the off taste that occurs with higher quantities'*.³

Support Monk Fruit Extract Specification

The NZBC supports the specification of monk fruit extract aligning with United States Pharmacopeial Convention Food Chemical Codex⁴ as permitted under Section S3-2 of Schedule 3 Identity and Purity of the Food Standards Code.

This provision allows for any updates to the monk fruit extract specification to automatically align with other international authoritative approvals.

We note typical commercial extracts contain 30 to 40% mogroside V, which is in line with this specification.

¹ Saraya Co. Ltd. (2016). Application to amend the Australian New Zealand Food Standards Code Schedule 15 – 'Substance that may be used as food additives' and Schedule 8 – 'Food additive names and code numbers (for statement of ingredients)' to permit the use of Luo Han Guo extract as an intense sweetener. pp 15.

² Food Standards Australia New Zealand (2018). Call for submissions – Application A1129 monk fruit extract as a food additive. pp 5.

³ US Food and Drug Administration. 2017, 'GRAS notices - GRN no. 706'. viewed 16 August 2018. < <https://www.fda.gov/downloads/Food/IngredientsPackagingLabeling/GRAS/NoticeInventory/ucm590281.pdf> >

⁴ The United States Pharmacopeial Convention (2014). Food chemicals codex, 9th edn, The United States Pharmacopeial Convention, Rockville, MD. pp 817-818.

Request Clarity on the Labelling of Monk Fruit Extract

We request FSANZ consider the terms monk fruit *extract* and monk fruit *concentrate*. We note *luo han guo* fruit concentrate is a GRAS listed flavouring substance (4711) published by the Flavour and Extract Manufacturers' Association of the United States, and is therefore currently permitted for use in Australia under Section 1.1.2-2(3).

Is it the view of FSANZ that the terms *extract* and *concentrate* in relation to monk fruit be used interchangeably? The NZBC believes that this could cause confusion and would support the use of the term *extract*. As the FCCC for mogroside V states, it is produced through selective extraction of this mogroside. Concentrate is generally associated with squeezing of fruit to create juice, which is then concentrated or freeze dried and therefore not selective for particular substances.

The NZBC supports the choice to refer to the ingredient as either *monk fruit extract* or *luo han guo extract*, depending on what best suits the product brand positioning.

Significant Historical Use of Monk Fruit Extract

Highlighted in the call for submissions paper and supporting documents there is a long history of use of monk fruit in China and Japan. We note that the first USA GRAS determination for *luo han guo* fruit extract was issued in 2010. There are currently no reported issues with its consumption.

Extensive Use of Monk Fruit Extract in Overseas Markets – including in beverages

Permitting the use of monk fruit extract in Australia will not only allow industry here to compete internationally, but it will also provide consumers with a wider range of low and no sugar options.

We note internationally there is a variety of permitted food categories in which monk fruit extract is permitted for use. This includes:

- ✓ USA general purpose non-nutritive sweetener in foods including beverages.
- ✓ Japan food additive in foods including beverages, no restrictions on use or concentration.
- ✓ China natural flavouring substance, no restriction on scope of application or maximum concentration level.
- ✓ Canada table-top sweetener.

The last five years has seen the launch of almost 300 new product containing monk fruit extract around the world. A significant proportion of these have been beverages. In 2017, there was a total of 86 product launches with monk fruit extract, and of those a remarkable 41 were beverages⁵.

FSANZ is required under the FSANZ Act assessment requirements to consider:

“the desirability of an efficient and internationally competitive food industry”.

The NZBC does not believe that monk fruit extract has been considered for the non-alcoholic beverages industry. As the call for submission paper currently stands, the beverages industry is disadvantaged and will be less competitive than food domestically and cannot be competitive internationally with markets including the USA, China and Japan.

Request Extension of Food Classes Permitted to Contain Monk Fruit Extract

The NZBC requests that FSANZ extends the use of monk fruit extract to other foods classes.

We note that FSANZ concluded that there is no public health or safety issues in relation to monk fruit extract, no ADI has been set and there is significant technical justification for its use. We believe enabling the use of monk fruit extract is imperative for the beverages industry to be competitive both locally and globally.

We feel there is reasonable grounds to include monk fruit extract under Schedule 16-2 Additives permitted under GMP. This would align with how the monk fruit extract is treated in the USA. This is the NZBC’s favoured option.

Another possible method could be to allow monk fruit extract in Schedule S15-5 referencing specific food class numbers. The NZBC feels the following food classes should be added:

Food class number	Food class name
1.1.2	Liquid milk products and flavoured liquid milk
1.2.2	Fermented milk products and rennetted milk products
13.3	Formulated meal replacements and formulated supplementary foods
13.4	Formulated supplementary sports foods
14.1	Non-alcoholic beverages and brewed soft drinks

We wish to highlight the need to allow monk fruit extract in broad beverage food classes. We note that restrictions on classes previously has constrained the beverage industry’s ability to innovate and has exhausted many hours of both industry and FSANZ’s time, in the assessment preparation and review of application A1149 *Steviol glycosides in fruit drinks*. This application was necessary following the omission of fruit drinks in the use of steviol glycosides.

⁵ Mintel (2018). Global New Product Database.

Summary

The NZBC wishes to extend its gratitude to FSANZ for the opportunity to provide a submission in support of the monk fruit extract as a food additive to perform the technological purpose of an intense sweetener.

We would like to take the opportunity to make the following summary points relating to this application:

- The non-alcoholic beverages industry is under increasing pressure to decrease the level of sugar in its products. Some of our members have signed the Australian Beverage Council Ltd (ABCL) Sugar Reduction Pledge and the NZBC is in discussions with members around the potential of an NZBC Sugar Reduction Pledge.
- To meet this, other targets set in sugar reduction and customer expectations, innovation within the category is required. The permission of new alternatives to sugars are necessary to achieve this.
- Monk fruit extract has been shown to provide different and more palatable characteristics than other non-nutritive sweeteners currently available.
- The NZBC supports the use of the terms *monk fruit extract* or *luo hang guo extract*. We believe allowing both the terms *monk fruit extract* and *monk fruit concentrate* could cause confusion.
- Monk fruit extract is used extensively in the USA, Japan and China. Almost 300 products have been launched globally that contain monk fruit extract in both food and beverages.
- The NZBC requests that monk fruit extract be permitted for use in beverages. We see this as imperative to reducing the sugar available in the food supply. We also note that FSANZ have concluded that monk fruit extract has no public health and safety issues and there is no ADI set.
- We feel it is appropriate to include monk fruit extract under Schedule 16-2 Additives permitted under GMP.
- The other possibility, which in our view is less favourable, is to extend its use to the following:

Food class number	Food class name
1.1.2	Liquid milk products and flavoured liquid milk
1.2.2	Fermented milk products and renneted milk products
13.3	Formulated meal replacements and formulated supplementary foods
13.4	Formulated supplementary sports foods
14.1	Non-alcoholic beverages and brewed soft drinks

Contact

We thank FSANZ for the opportunity to provide this submission in support of monk fruit extract as a food additive to perform the technological purpose of an intense sweetener.

If you wish to discuss any aspects of this submission, please contact

Technical Advisory Group

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Appendix 1: NZBC Member List

A J Park	Nekta Nutrition Ltd
ADM Australia Pty Ltd	New Zealand Artesan Water Ltd (ESTEL)
Antipodes Water Company	NZ Beverages Ltd
Axio	NZ Quality Waters
Barker's of Geraldine	NZ Sugar Ltd
Brenntag New Zealand Ltd	O-I New Zealand
Coca Cola Amatil NZ Ltd	One Pure International
Coca Cola Oceania	Oravida Waters Ltd
Codemark Limited	Orora Beverage Cans
Cospak NZ Ltd	Otakiri Springs Ltd
Directus International	Pall New Zealand Ltd
Diversey New Zealand Limited	PepsiCo Holdings ANZ Pty Ltd
Drinks Collective a division of Lion	Profuit 2006 Ltd
Ecolab	Pure Bottling Limited
Eden Orchards Ltd	RD2 International Ltd
Frucor Suntory NZ Ltd	Red Bull New Zealand Ltd
Goodpack Australia Pty Ltd	Relax NZ Ltd
Hawkes Bay Water Ltd	Sensient New Zealand
Hawkins Watts Ltd	SOS Hydration NZ Ltd
International Flavours & Fragrances NZ Ltd	Tate & Lyle ANZ Pty Ltd
Invita NZ Ltd	The Better Drinks Co Ltd (Charlies)
IXOM Bronson & Jacobs	The Beverage Boutique
James Crisp NZ Ltd (Ocean Spray)	The Homegrown Juice Co Ltd
Kerry Ingredients NZ Ltd	The Packaging Forum
Kiwifruit Processing Ltd	Zebra International
Labelmakers Ltd	