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Dear Diane

Attached are the comments that the New Zealand Food & Grocery Council wishes to make on Proposal P1058 Nutrition labelling about added sugars, following the stakeholder consultation meetings in September 2022.

Yours sincerely

Raewyn Bleakley  
**Chief Executive**



# **Proposal P1058 Nutrition labelling about added sugars – Comments following Stakeholder Consultation**

**Submission by the New Zealand Food & Grocery  
Council**

**14 October 2022**

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## NEW ZEALAND FOOD & GROCERY COUNCIL

1. The New Zealand Food & Grocery Council (“NZFGC”) welcomes the opportunity to comment on Proposal P1058 Nutrition labelling about added sugars, following the stakeholder consultation meetings in September 2022. We are responding to questions contained in the background paper that was circulated prior to the September workshops.
2. NZFGC represents the major manufacturers and suppliers of food, beverage and grocery products in New Zealand. This sector generates over \$40 billion in the New Zealand domestic retail food, beverage and grocery products market, and over \$34 billion in export revenue from exports to 195 countries – representing 65% of total good and services exports. Food and beverage manufacturing is the largest manufacturing sector in New Zealand, representing 45% of total manufacturing income. Our members directly or indirectly employ more than 493,000 people – one in five of the workforce.

### OVERARCHING COMMENTS

3. NZFGC supports many of the proposals by FSANZ including the exemption from application for infant formula products and products for special medical purposes. We are particularly concerned to point out that none of the fruit and vegetable juices listed, if at single strength or reconstituted back to single strength, in our view represent added sugar. Neither in our view do extracts of fruit and vegetables constitute ‘added sugar’ when included as an ingredient in other foods or concentrated purées of fruits and vegetables with no additional sugar when added to food or beverages with free water to reconstitute them back to single strength fruit and vegetable juices.
4. We also consider it is especially important that single ingredient foods be exempt from added sugar labelling and consider the name ‘sugar syrups made from plants’ to be too general. We point out some of the pitfalls of such a term below.
5. In relation to incidental sugars in carriers (recognising there may be other sources of ‘incidental’ sugars beyond just carriers), NZFGC considers that a declaration should not need to be made simply because the sugar in such substances is generally so close to zero as to round down to zero. A practical/ sensible approach might be to set some ‘close to zero’ threshold for carriers.
6. NZFGC is very concerned at the prospective cost of this possible change to the Food Standards Code. An industry estimate for a label change cost of \$7,500 per label across the many thousands of SKUs this change will affect will lead to a multimillion-dollar industry cost that would at least in part be passed on to consumers. With food production and manufacturing costs increasing more in the past year than at any other time in the past 13 years, this is a cost that the consuming public could likely do without.
7. If the change proceeds, NZFGC strongly recommends a long transition period be considered to address the cost of change, packaging supply difficulties, to take account of the several other label changes progressing through the food system and the number of products impacted by the proposals. We recommend 3-5 years together with an enduring stock-in-trade period to account for long shelf-life products on the market. Costs of label changes are high and when there is no food safety imperative (such as was the case for plain English allergen labelling – PEAL), timing could be more generous.

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## DETAILED COMMENTS

*Q1 Do you support the above food categories above to **not** be captured as sources of added sugars? [Categories:*

- Lactose naturally present in milk and dairy products;*
- Sugars naturally present in cereal grains nuts and seeds;*
- Sugar from whole or processed fruit and vegetables, other than juices listed in viii (Fruit and vegetable juices (i.e. single strength)), ix (concentrated fruit and vegetable juices; x (Powdered fruit and vegetable juices); and xi (Deionised fruit juice)*
- Milk and dairy products*
- Cereal grains, nuts and seeds*
- Whole/raw fruit and vegetables (including legumes) and those reduced in size (e.g. cut, sliced, diced or peeled)]*

8. NZFGC does not agree.
9. In our view none of the fruit and vegetable juices listed, if at single strength or reconstituted back to single strength, represent added sugar. Neither in our view do:
  - extracts of fruit and vegetables constitute 'added sugar' when included as an ingredient in other foods
  - concentrated purées of fruits and vegetables with no additional sugar when added to food or beverages with free water to reconstitute the purée back to single strength fruit and vegetable juices.
10. Where there is insufficient free water and sugar is above single strength such as in concentrates or powders, we consider that only the amount of sugar that is not reconstituted to single strength would be counted as added sugar.
11. In our view, the generally miniscule amounts of sugar as carriers for processing aids and food additives should not be considered added sugars eg maltodextrin as a bulking agent in flavours and a carrier of colours and vitamins and gums used as a stabiliser. They are not added for the purpose of sweetening but rather have separate and diverse functions.
12. NZFGC supports the FSANZ proposal that lactose naturally present in milk and dairy products are excluded from added sugar labelling. Ingredients such as milk protein concentrate and whey protein concentrate fall within the scope of dairy products and would therefore also be exempt, in line with international jurisdictions such as USFDA.
13. We support more broadly clarifying that sugars naturally present in other extracts, isolates and refined ingredients made from foods in the list to which Q1 refers be excluded from the added sugars definition. This would include for example inulin, protein isolates, milled flours, desiccated coconut.
14. NZFGC also supports the products in Standards 2.9.1 and 2.9.5 of the Food Standards Code being exempt due to the extensive regulatory requirements for these products.

*Q2 Do you think any of these food categories need to be specifically listed in the Code?*

15. NZFGC would generally not consider any of these categories need to be specified and that a positive list should be sufficient for clarity and certainty. However, the list of excluded substances such as sorbitol, mannitol, glycerol, xylitol, polydextrose, isomalt, maltitol, maltitol syrup, erythritol or lactitol and low energy mono-

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and disaccharides could prove useful so long as this was not intended to be an exhaustive list.

*Q3. Do you agree with the addition of maltose [to the list of inclusions comprising dextrose, fructose, sucrose, and lactose].*

16. NZFGC agrees with the addition of maltose as an added sugar.

*Q4 Should any other mono- or disaccharides be explicitly listed?*

17. NZFGC does not suggest any other mono- or disaccharides be explicitly listed at this time.

*Q5. Does the new name [Sugar syrups made from plants] adequately capture fruit sugar syrups and other plant-based syrups as intended?*

18. NZFGC considers the name 'Sugar syrups made from plants' to be too general, that is, it is not meant to capture cane sugar yet sugar cane is a plant and already covered in the table.

*Q6. Are there any unintended consequences associated with this name change [Sugar syrups made from plants]?*

19. Yes, as noted above, there will be confusion for manufacturers, regulators and consumers. In our view, it is especially important that single ingredient foods be exempt from added sugar labelling to avoid confusing consumers.

*Q7. Is 'and similar products' [in the list "Glucose syrups, maltodextrin and similar products"] necessary, or are such similar products already adequately captured by the different ingredients listed in this table?*

20. NZFGC considers 'and similar products' to be an unnecessary addition. If this phrase is retained, FSANZ would need to provide clarity around what is covered under this term.

*Q8. Would this [Products derived at a sugar refinery, including brown sugar and molasses] capture icing sugar or does this need to continue to be specified individually below?*

21. NZFGC is of the view that if all icing sugar was produced at a sugar refinery then it would be captured by the statement "Products derived at a sugar refinery, including brown sugar and molasses". However, NZFGC suspects this not to be the case.

*Q9. Do you agree to treat fruit and vegetable juice concentrates the same as both contribute to the 'added sugar' content?*

22. As noted above, NZFGC does not agree that fruit and vegetable juice concentrates contribute to 'added sugar' content where they are reconstituted to single strength.

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Q10. Are there any issues with other source names identified in Table 1 that we are not proposing to modify?

23. As noted above 'syrups made from plants' remains problematic. 'Honey' falls into the same area since it is collected from plants and 'processed by bees. When sold as single ingredients, NZFGC considers these products should not be considered 'added sugar' and should be exempt from added sugars labelling.

Q11. Do you support the proposed approach to include the following as sources of 'added sugars'?

[The mono- and disaccharide content of the following are 'added sugars']

- a) Single strength fruit and vegetable juice.
- b) Powdered fruit and vegetable juices.

24. NZFGC does not support the proposed approach in relation to a) and b) nor to a consequential amendment to the Code to include these in the 'no added sugar' and 'unsweetened' claim conditions.

Q12. Do you support the proposed approach to exclude the following as sources of 'added sugars'?

- a) Fruit and vegetable component of canned and frozen fruit and vegetables.
- b) Dried fruit and dried vegetables.
- c) Processed fruit and vegetables including pulps, pastes, purees, extruded and powdered (except for powdered juices).

25. NZFGC supports the proposed approach to exclude the listed products as sources of 'added sugars'. We do not support the exception of powdered juices as sources of 'added sugars' especially where these are reconstituted to single strength. The exemption category should also include single strength fruit and vegetable juices.

Q13. What foods currently display no added sugars or unsweetened claims that would be impacted by this proposed approach?

26. For specifics, NZFGC suggests FSANZ uses GS1 in both countries. However, by way of categories, we suggest foods in the following categories currently display *no added sugars* or *unsweetened* claims that would be impacted by this proposed approach. We would point out that these comprise many hundreds of products:

- Beverages (containing fruit juice with no added sugars)
- Fruit Juices (no added sugars)
- Fruit Drinks (no added sugars)
- Water based flavoured drinks (containing any amount of fruit juice with no added sugars)

27. We would support the inclusion of yoghurts and other dairy products that contain fruit juice with no added sugar in Schedule 4 so as to be clear.

Q14. Do you support the proposed approach where mono- and disaccharides with an energy level less than 17 kJ/g in section S11—2(3) **are not** 'added sugars'?

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28. NZFGC supports the proposed approach in relation to low energy products, that they are **not** 'added sugars'.

*Q15. Do you support the proposed approach for the added sugars labelling of 'added sugars' sold as single ingredient foods?*

29. NZFGC does not support the proposed approach that would see single ingredient foods that are sugars being considered 'added sugars'. It is illogical to label a pack of sugar or jar of honey as an 'added sugar' when it is not added to a food and nothing additional has been added to it. The examples provided of *sugar, coconut sugar, rice syrup, glucose powder, honey, maple syrup, fruit juice* should not be labelled 'added sugar'. Doing so would otherwise be potentially misleading to consumers as they may understand added sugar to be sugars that have been added to the food by the manufacturer.

30. If this proposal is pursued, the change would require significant, potentially continuing, consumer education as well as management of consumer queries by manufacturers that could otherwise be avoided by not proceeding down what many might view as a nonsensical route.

*Q16. Should sugars formed from hydrolysis during food manufacture be considered 'added sugars'?*

31. There are differing situations to consider. Where manufacturers apply hydrolysis, and this process results in an increase to the total level of sugars (as mono or di-saccharides), 'added sugars' should be quantified in the product at the time of sale to consumers.

32. NZFGC supports an exemption to the proposed approach for lactose so that "lactose free products" can still be available to consumers with lactose intolerance, recognising that the total level of sugars does not increase following hydrolysis of lactose.

*Q17. What approach would generally be taken to quantify 'added sugars' in this situation?*

33. NZFGC understands that, like any nutrient in the NIP (including total and added sugars), industry would use a range of methodologies to ensure information as stated in the NIP is accurate.

*Q18. What foods, (in which sugars are formed from hydrolysis during manufacture) currently display no added sugars or unsweetened claims? Please list the type of food and provide the number of stock keeping units (SKUs) affected.*

34. NZFGC has not been able to determine this.

*Q19. Do you support the proposed approach? [If a fermented food (including alcoholic beverages) has 'added sugars' in the ingoing ingredients, then any residual 'added sugars' after fermentation **ARE** 'added sugars']*

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35. NZFGC supports the proposed approach such that if a fermented food has 'added sugars' in the ingoing ingredients, then any residual 'added sugars' after fermentation are 'added sugars'.

*Q20. Do you agree with the proposed approach? [Current practice for (total) sugars declarations in the NIP in relation to ingredients containing mono- and/or disaccharides in a carrier can be applied to 'added sugars' declarations.] In particular, please explain why current practice for (total) sugars declarations in relation to sugars from carriers can or cannot be applied to 'added sugars' in the NIP.*

36. In relation to the incidental sugars in carriers, (recognising there may be other sources of 'incidental' sugars beyond just carriers), NZFGC considers that no declaration be made simply because they are generally so close to zero as to round down to zero. A practical/sensible approach might be to set some 'close to zero' threshold for carriers, such as 0.05g/100mL, that would make this 'rounding down to zero' clear as to applicability.

*Q21. Do you think a threshold for added sugars present as a carrier in an ingredient is required? If yes, please explain why, in what situation it would be useful and suggest what the threshold could be, giving reasons.*

37. NZFGC considers a threshold for added sugars present as a carrier in an ingredient is required. As noted above, the substances that have sugars as carriers are generally added at very low amounts such that the sugar is so close to zero as to round down to zero. A practical/sensible approach would be to set some 'close to zero' threshold for carriers that would make this 'rounding down to zero' clear as to applicability.

*Q22. If a threshold was applied that could result in an added sugars value of zero, would the added sugars potentially be included in the total sugars quantification or not?*

38. NZFGC is of the view that if a threshold was applied that could result in an added sugars value of zero, then these sugars would generally not be included in the total sugars quantification because one would be adding zero to total sugars.

*Q23. Are you aware of any other situations and/or food types where quantification of added sugars could be complex and therefore need specific consideration?*

39. NZFGC is not aware of other situations and/or food types where quantification of added sugars could be complex. However, the burden of quantifying and separating added sugars from total sugars (especially when incidental) is significant. Another, potentially more, significant issue for industry is the lack of harmonisation with other countries and therefore the variability with the treatment of added sugars and the associated labelling.



**Q24. Do you support the proposed approach for the presentation of added sugars in the NIP, as shown above? [ shown as:**

NUTRITION INFORMATION		
Servings per package: (insert number of servings)		
Serving size: g (or mL or other units as appropriate)		
	Quantity per serving	Quantity per 100 g (or 100 mL)
Energy	KJ (Cal)	KJ (Cal)
Protein	G	g
Fat, total	G	g
—saturated	g	g
Carbohydrate	G	g
—sugars, total	g	g
—added sugars	g	g
Sodium	mg (mmol)	mg (mmol)
(insert any other nutrient or biologically active substance to be declared)	g, mg, µg (or other units as appropriate)	g, mg, µg (or other units as appropriate)

40. NZFGC supports the presentation of added sugars in the NIP as an additional indented line under ‘sugars, total’.

**Q25. Do you think a reference value for added sugars is required to enable %DI information to be provided in the NIP, consistent with other nutrients in the NIP?**

41. NZFGC does not consider a reference value for added sugars is required to enable %DI information to be provided in the NIP. The arguments presented in the background paper are not compelling and, in reference to the WHO recommendations, daily intake is based on free sugars (not specifically added sugars) and the recommendation was for dental caries, not nutrition.

**Q26. Do you think a reference value for added sugars of 50 g should be included in the Code?**

42. No, NZFGC does not consider a separate reference value for added sugars should be included in the Code for the reasons set out above. A reference should, in any case, be based on current available scientific knowledge.

*Other issues*

43. NZFGC is very concerned at the prospective cost of this possible change to the Food Standards Code. An industry estimate for a label change cost of \$7,500 per label across the many thousands of SKUs this change will affect will lead to a multimillion-dollar industry cost that would, at least in part, be passed on to consumers. Statistics New Zealand issued its most recent Food Price Index report on 13 October 2022 and stated “The annual increase was also 8.3 percent in August 2022, the highest since July 2009.”<sup>1</sup> With food production and manufacturing costs increasing more in the past year than at any other time in the past 13 years, this is a cost that the consuming public could likely do without.

44. **Transition:** If the change proceeds, NZFGC strongly recommends a long transition period be considered to address the cost of change, packaging supply difficulties, to take

<sup>1</sup> <https://www.stats.govt.nz/news/annual-food-price-increase-remains-at-a-13-year-high-of-8-3-percent>

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account of the several other label changes progressing through the food system and the number of products impacted by the proposals. We recommend 3-5 years together with an enduring stock-in-trade period to account for long shelf-life products on the market. Costs of label changes are high and when there is no food safety imperative (such as was the case for plain English allergen labelling – PEAL), timing could be more generous to assist in avoiding packaging write offs and allowing time for nutrition programs that companies support to be updated as this would all be done on calculation.

45. As well, our experience with PEAL is instructive. There was a grey area around primary and secondary packaging (i.e. during transition it is acceptable for primary and secondary packaging to meet either current or new regulation). For added sugar labelling, a similar approach would allow for primary and secondary packaging to meet different requirements during the transition (when used in combination they are not matching).
46. **Dietary fibre:** NZFGC notes that the current provisions require the addition of dietary fibre in the NIP if a claim related to sugars is made. Consideration of the treatment of this requirement will be necessary. We consider there should be no additional labelling requirements with the addition of added sugars in the NIP (i.e. requirement to add dietary fibre).