

Mainland Products Ltd

Submission

Re: Proposal 235

FTDS Market Size Information

Mainland Products Ltd currently have one FTDS on the market. It is a Fruit Yoghurt Drink with added vitamins. We have been selling 5000L per week nationally since launching the product in November 2001.

Growth

Our sales of FTDS have grown from nothing to the current volume stated above in the first 7 months of production.

Has this changed over last 5 years?

Yes. In the beverage market FTDS were virtually nonexistent in New Zealand 5 years ago. Last year we were able to launch our first FTDS product, it was well accepted and immediately outsold all initial forecasts.

Do we sell other functional/health or therapeutic products?

Mainland Products Ltd are not in the business of selling therapeutic products. However we consider many of our products to be functional from a consumer perspective. These products include Meadow Fresh and Tararua Calci Trim and Calci Kids high calcium milk, and Naturalea Yoghurt which contains oligosaccharides and probiotic bacteria. The FSC Volume 2 currently permits both of these 'functional foods'.

We believe that consumers purchase these products for their 'functional' benefits and perceive little if any difference between these products and the many FTDSs currently available on the market in New Zealand.

Our Position on P235

From a manufacturer's perspective, we would first and foremost like to see Standards expanded along general guidelines that allow and encourage the future development of innovative functional foods.

Mainland Products Ltd do not support option 2b. We believe that targeted risk assessment and the development of specific compositional standards will be very time consuming and wasteful of resources.

Many FTDSs are very close to their 'normal' counterparts in the general food supply. The average consumer most likely does not know that FTDS even exist. From a food industry perspective we see no advantage commercially in differentiating these products from the general food supply.

We do support option 2a, involving the review and expansion of existing standards such that FTDSs are incorporated into the general food supply. We would like to see current permissions extended to give us the flexibility in the future to develop products which include and make claims about a wider range of nutritive substances in a wider range of food products.

The P235 discussion document states that "The permission afforded by the current vitamin and mineral standard in Volume 2 are relatively conservative and do not cater for many of the formulations currently seen in FTDSs." We agree. It then goes on to say "Some vitamins and minerals may have a history of safe use in foods at certain levels, eg those naturally occurring in foods, but when added in higher concentrations there is no such history." Many FTDS fortified with higher than naturally occurring levels have been on the market in New Zealand for the best part of the last 5 years and in other countries for even longer. We believe that we now have the basis of a history of safe use of these levels of nutrients in these alternative foods and beverages. Arguably the sugar levels in some of the carbonated, vitamin-fortified beverages currently on the market are likely to be the cause of many more health problems in the general population than a few extra vitamins.

A Product Example

The only FTDS that we currently manufacture is otherwise an ordinary food, except that it has extra vitamins added. We didn't want to call the product a dietary supplement. However, this was the only way we could legally market it and compete with the other similar products on the beverage market. We chose the levels of vitamins added to this drink on the basis of what levels were permitted in other similar foods. We were particularly careful to keep the levels of fat-soluble vitamins low and included a recommended maximum number of serves per day on the pack. The NZDSR required us to do this, although we would have done it anyway in this case.

The only vitamins in our product not expressly permitted by Volume 2 are B vitamins and vitamin E. Our product is designed for busy people who may not be getting their B vitamins from fruit and vegetables due to their lifestyle. We therefore do not

believe that the inclusion of these vitamins in our drink will have a detrimental effect on the health of consumer, and they may be of benefit.

It took close to 24 months to develop our product. Much of this time was spent testing for the presence of vitamins to ensure that the ones we included were still present at the end of shelf life. This testing was carried out at a cost to our business in excess of \$20,000. Manufacturers using the NZDSR seem to be viewed by some groups as irresponsible, just throwing questionable ingredients/nutritive substances into their products to make a quick buck. We believe that this is not generally the case and that we, like most other manufacturers, were diligent and responsible in the development of our FTDS product.

We believe that there should be provision in Std 1.3.2 FTDS's, where the only difference from those permitted by Volume 2 are the vitamins/minerals added in permitted forms at safe and useful levels. We would like to see Std 1.3.2 expanded to provide more general provisions for vitamin/mineral addition to a wider range of foods, including:

- Maximum permitted quantities per reference quantity where appropriate
- A requirement for a statement recommending a maximum number of serves per day in cases where excesses could build up in the body over time.

Maximum limits for nutritive substances in Special Purpose Foods are determined in accordance with the intention of the food and the risk to the target group. Similarly, maximum limits of a wider range of vitamins and minerals allowed to be in a wider range of foods should be established based on the risk to the general population.

Conclusion

Mainland Products Ltd support option 2a. We believe that the expansion of existing Standards along general guidelines that allow and encourage the future development of innovative functional foods will be the most mutually beneficial way of dealing with FTDS in the long term.