



Australian Fruit Juice Association

ANNUAL REPORT 2004/2005

***CODE OF PRACTICE
FOR THE
FRUIT JUICE INDUSTRY***

INTRODUCTION

This is the 12th Annual Report on the operation of the Code of Practice for the Fruit Juice Industry. The Code was developed over a number of years after extensive consultation with the industry, the Australian Competition Consumer Commission and Government authorities.

The Code is not intended to replace the provision of the Australian Food Standards Code, instead it has been designed as a mechanism to operate in line with legislation to ensure that fruit juice is not adulterated and that the public is not otherwise misled about fruit juice products.

It has operated successfully as an industry self-regulatory measure and has given support to the fruit juice industry being a responsible and law-abiding industry.

The Code applies to all fruit juices, fruit drinks and cordials as well as retail and industrial concentrate.

Fifty three companies are signatories to the Code which is representative of close to the total Australian market.

The Code was developed and is supported by the Australian Citrus Industry Council. Associations represented by the Council are:

*Australian Fruit Juice Association
National Citrus Packers Association, and
Australian Citrus Growers.*

In 1999 the Council transferred ownership of the Code to the Australian Fruit Juice Association, Members of which fund the cost associated with analytical testing and associated administration costs.

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Current signatories to the Code are:

(AS AT SEPTEMBER 2005)

**ALL SEASONS FRUIT JUICES
APPLEDALE PROCESSORS CO-OP LIMITED
BEVCO
BRENTWOOD FRUIT JUICE
BROWNES/PETERS (WA) LTD
CADBURY SCHWEPPE PTY LTD
CASCADE BREWERY COMPANY P/L
CENTRAL BURNETT FRUIT PROCESSORS CO-OP
C.G.C. JUICES PTY LTD
CLASSIC FRUIT JUICES
COCA-COLA AMATIL (CCA Beverages)
CRUSTA FRUIT JUICES P/L
EASTCOAST BEVERAGES
ECO FARMS PTY LTD
ENTEE FOOD & BEVERAGE
ESSCENT PTY LTD
FIRMENICH LIMITED
GOLDEN CIRCLE LIMITED
GROVE FRUIT JUICES (TAS P/L)
GROVE FRUIT JUICES P/L (QLD)
H J HEINZ COMPANY AUSTRALIA
IRYMPLE CITRUS PRODUCTS PTY LTD
JUICY ISLE PTY LTD
JUST SQUEEZED FRUIT JUICES PTY LTD
JUST SQUEEZED FRUIT JUICES NSW PTY LTD
KARRA VALLEY JUICE
KNISPEL FRUIT JUICES PTY LTD
KEITH HARRIS & CO LTD
LITTLE BOTTLE OF JUICE
MARANGAN PACKERS PTY LTD
MILDURA FRUIT JUICES
MOUNTAIN FRESH FRUIT JUICES
NATIONAL FOODS (BERRI)
NORCO CO-OPERATIVE LTD
NUDIE FOODS AUSTRALIA PTY LTD
NUGAN QUALITY FOODS
PACIFIC BEVERAGES AUSTRALIA P/L
P & N BEVERAGES
QUEST INTERNATIONAL
QUF INDUSTRIES LTD
SANITARIUM HEALTH FOOD COMPANY
SIMON GEORGE & SONS PTY LTD
STERIC PTY LIMITED
SPRING VALLEY FRUIT JUICES
SUMMERTIME FRUIT JUICES PTY LTD
SUNCOAST FRUIT JUICES
THE PRODUCT MAKERS (AUSTRALIA) PTY LTD
TODAY'S TREND ORANGE JUICE
WAIKERIE PRODUCERS LIMITED
WARRNAMBOOL FRESHA FRUIT JUICES
WILD ABOUT FRUIT
WILSON & HEMPHILL P/L**

PRODUCT TESTING

To support the objectives of the Code which promotes "Truth in Labelling" and fair trade, an extensive analytical testing programme was developed to monitor the authenticity of randomly selected products from the marketplace. The National Measurement Institute (NMI) have been commissioned to collect samples for analysis, the testing of which is extensive and includes the parameters as defined in the Australian Fruit Juice Parameters Manual as well as many other internationally accepted parameters which have been developed and used to great effect to detect unlawful activity.

The NMI testing facility is available to all industry participants to confirm authenticity of raw materials and in most cases the results are made available to the AFJA.

The testing of products from the Hospitality/Food Service segment has been added to the Testing Programme. This was achieved through the close co-operation of the State Health Departments, Hotel & Club Associations. Also, apple juice came under scrutiny in 2004.

PRODUCT SELECTION FOR TESTING

Products for testing are selected randomly by non-industry representatives of the Industry Compliance Committee. These include products found previously to be non-conforming and new lists of products drawn up by industry representatives. The non-industry representative is then required to select approximately twenty products, a list of which is then passed on to the administrator of the Code who contacts the National Measurement Institute whose representatives then collect the samples. Three samples are taken of each product, one is for testing by NMI, the other is kept for possible evidence and the other is available for any non-conforming company to carry out further testing of the product.

PERIODIC REVIEW

Under the provisions of the Code, a review of the Code is required at least every two years. This took place in June 2004. As a result the Code was reprinted to reflect changes recommended by the ACCC. The next review of the Codes Administration Rules is scheduled for June 2006. Four Addendums are under review:

- *Parameters for a wide range of fruit juices*
- *Specific Quality Descriptor Guidelines*
- *Country of Origin Guidelines*
- *Food Safety Hygiene Guidelines*

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The Industry Compliance Committee has agreed to action NMI Test Results sent to the Code's Administrator by signatories of the Code provided samples in question are collected by an NMI or Health Department representative.

The Association also met with its NZ counterpart with the aim of standardising procedures within both country's Codes, including Quality Descriptor Guidelines.

A meeting with representatives of the newly formed NSW Food Authority in August 2004 confirmed their support for the Code and development of a food safety scheme for the manufacture of unpasteurised juices.

The Director-General (George Davey) of the NSW Food Authority met with Industry Representatives on 24 May 2005 to develop a plan to promote the Code further with the other State Health/Food Authorities at their next combined meeting.

During the March 2005 AFJA Conference overseas and ACCC delegates participated in a workshop entitled "Pursuit of Self Regulation Excellence".

ACHIEVEMENTS

- * *Through networking and responsible promotion of the Code, signatories now total 53 companies at the end of September 2005.*
- * *AFJA sponsored overseas expertise to develop through NMI what is now considered to be a data base of international world-class standard.*
- * *AFJA has developed a close liaison with the Australian Competition Consumer Commission, State Health Departments, the Australian Retailers Association, and Food Standards Australia & New Zealand all of whom support the Code.*

1993 was the first year official product testing was carried out. Of the 66 products tested that year, AFJA found it necessary to dispatch 27 "First Letters of Non Conformance". Whilst on the surface this indicated poor results, the Committee was encouraged by the immediate corrective action taken by companies identified through the results of the re-testing programme.

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The following is a summary of products tested and letters issued during the past twelve years:-

	Products Tested	“Letters of Non Conformance”
1993/1994	66	27
1994/1995	60	7
1995/1996	46	14
1996/1997	54	12
1997/1998	71	5
1998/1999	55	6
1999/2000	76	14
2000/2001	96	13
2001/2002	69	9
2002/2003	58	6
2003/2004	36	4
2004/2005	38	8 (incl.6 labelling issues)

Corrective action continues to be strong in 2004/2005 with all companies taking immediate action. A total of 54 companies have been issued with letters of Non Conformance during the Code's twelve years of operation, 14 of those were not signatories to the Code of which 6 are no longer in business.

Several letters were also issued re labelling discrepancies, particularly in relation to Nutritional Information Panel.

Since 1993 information relating to ten companies who continued to breach the provisions of the Code was passed on to the Australian Competition & Consumers Commission and the Health Department in the appropriate States resulting in those companies accepting undertakings by the ACCC and placing public advertisements in newspapers.

In most cases the areas of non-conformance involved labelling problems, such as describing a product as being "fresh" when it contained some concentrated fruit juice or "forgetting" to mention the addition of sugar to a product labelled "no added sugar". The addition of pulp wash to orange juice was also detected in some market survey samples. Also imported juice was detected in some products labelled "Product of Australia". "May contain", is considered to be deceptive and misleading by the ACCC, eg, "may contain concentrate due to seasonal availability". The view is if the ingredients change, so must the label. Also ACCC has ruled "100%" is the same as "Pure" - a single ingredient that contains no additives.

INDUSTRY COMPLIANCE COMMITTEE - ICC

The AFJA provides for at least one of the members of ICC to be legally qualified. That member is the Chairperson, Mr Philip Holt, formerly Managing Director of Australian Business Limited (December 2001). Other members of the Committee include -

*Mr Bill Porter, representing NSW Food Authority
Ms Vivienne Atkinson, Australian Retailers Association
Mr Peter Varelis, Food Science - Consumer representative*

*three industry representatives -
Mr Peter Swain and Mr David Goldberg
of the Australian Fruit Juice Association, and
Mr Michael Crook of the Australian Citrus Growers.*

In the process of evaluating a juice product for compositional authenticity, the ICC has a mandate to follow certain steps and these are -

- 1. Samples of products to be tested are nominated by an independent member of the Industry Compliance Committee.*
- 2. That list of products is then given to the National Measurement Institute who collect the samples and carry out the testing.*
- 3. One copy of the test results are given to the Administrator of the Code, one copy is given to the ICC Members for consideration.*
- 4. If there are breaches found the offending company receives a "First Letter of Non Conformance" and further samples of the products are taken and tested by NMI.*
- 5. If these samples still breach the Code then a "Second Letter of Non Conformance" is issued.*
- 6. The company is required to reply within seven days of receiving the "Second Letter" with an explanation. If a reply is received it is circulated to the ICC for comment.*
- 7. If the explanation is not satisfactory, or not forthcoming, the ICC may recommend to the AFJA that the offending company be referred to the Australian Competition Consumer Commission and the appropriate Health Department.*

In the case of suspected labelling irregularities, a procedure was established as an Addendum to the Code.

The Committee has met on 25 occasions and the main brief was to assess the results of the National Juice Monitoring Programme for breaches of the Code. It also has the responsibility of recommending any appropriate disciplinary action for non-conformance of the Code.

MEDIA PROMOTION

The names of the signatories to the Code have been promoted to Retailers, Health Departments, ACCC, and the Australian New Zealand Food Authority. A press release was sent to major newspapers outlining the objectives of the Code together with a listing of the signatories. Also an advertisement was placed with "The Australian" newspaper and the TV and Radio media has had comments from the Association on a number of matters.

Under the AFJA's Strategic Plan, a much broader and comprehensive public relations campaign promoting the Code commenced in 2005.

ACKNOWLEDGMENT

The Industry's Technical Food Regulatory Committee, in conjunction with the Australian Competition Consumer Commission spent many months in developing the Code to its present form.

The assistance by the ACCC, Health Department, and a lot of hard work by industry representatives is much appreciated.

The Industry Compliance Committee which has given many hours of valuable time in assessing the NMI results and their contribution to making the Code more effective is appreciated by the AFJA.

The Code is held in high regard throughout the food industry and continues to perform well against the benchmarks of credible industry self-regulation and indicates clearly to the public that the Fruit Juice Industry is seeking to handle its affairs in a way that is sensitive and responsive to consumers' needs.

COMMENT

The AFJA is proud of the Code's achievement since its introduction in 1993 which

- * covers the bulk of the industry;*
- * is managed efficiently at a relatively low cost to participating companies;*
- * operates formal and accessible complaints handling procedures;*
- * involves external interests;*
- * provides public information and is open to scrutiny;*
- * provides sanctions for non-compliance; and*
- * subjects itself to regular monitoring, reviews and public reporting.*

The AFJA is confident that the signatories are committed to the ongoing operation of the Code and its continuous improvement. Signatories are encouraged to (in the first instance) refer concerns about competitors for possible breaches of the Code to the Industry Compliance Committee for action. It is a self-regulating scheme and Industry should be given the opportunity to respond to complaints rather than referring complaints to Government Authorities.

***PRESENTED TO THE AFJA ANNUAL GENERAL MEETING
18 OCTOBER 2005***
