



## **Milk SA - Dairy Regulations & Standards 2022**

(PRJ-0316-2022)

### **Dairy Standard Agency**

**Quarter 2 2022/2022** (April 2022 till June 2022)

#### **Project goals**

**Goal 1 - Deliberation of industry regulations relating to food safety, product composition, metrological and related standards as well as voluntary industry related standards e.g. animal welfare and related matters**

##### ***Achievements***

DSA interacted on a regular basis with the project managers of the Milk SA's Consumer Education Project, SAMPRO, MPO Milk SA Technical Workgroups as well as the Project Coordinating Committee of Milk SA (DSA, CEP and R&D project of Milk SA). The Dairy R&D Committee (DRDC) and management committee meetings were attended, and subsequent contributions were made towards regulatory matters regarding sustainability with specific reference environmental management and animal welfare. Joint interaction on IDF matters as well as with the CGCSA continued to ensure comprehensive reports, based on science to the Department of Health regarding front of pack labelling.

***No Non-achievements / underperformance has been reported***

**Goal 2 - Liaison with industry and statutory bodies in terms of draft, promulgated and repealed legislation and effective communication through the Milk SA organisational structures**

##### ***Achievements***

The first meeting of the Regulations and Standards Project (R&D) of Milk SA took place on 5 April 2022 during which some of the following items were discussed:

#### **DEPARTMENT OF HEALTH – FOODSTUFFS, COSMETICS AND DISINFECTANTS ACT**

##### **1.1 Front-of-pack labelling and the draft R429 of 2014**

Front-of-pack nutritional labelling (FOPNL) refers to a nutrition labelling system that is presented on the front of food packages with the aim of supporting consumers to make healthier food choices at the point of purchase by delivering simplified and at-a-glance nutritional information.

The Department of Health (DoH) is currently addressing the issue of the mandatory use of front-of-pack (FOP) labelling, which was initially published as voluntary guidelines to the draft regulations relating to the

labelling and advertising of foods (No R429).

The FOP labelling criteria according to the draft R429, includes a traffic-light labelling system of nutrients, where red, yellow and green are used to indicate the levels of key nutrients: energy, total sugar, fat, saturated fat, and total sodium. The criteria were based on the cut-off values for 'free of' and 'low in' claims for these nutrients.

Previously falling under the Directorate Food Control of the Department of Health, FOP labelling is now administrated under the Directorate Nutrition of the same department, which proposes a warning sign on the front of processed food packaging, that warns the consumer if the product is high in fat, salt and/or sugar. These are the nutrients that are associated with increased health risks.

On 15 April 2021, the food industry and stakeholders attended a front-of-pack label research presentation, which was also attended by the Consumer Education Project of Milk SA and dairy industry members.

In principle the organised dairy industry has no reason not to support the overarching goal of improving the health of South Africans, subject to an objective scientific based approach on FOPNL and provided that any developed FOPNL warning system by DoH will not harm the undisputable contribution of the nutritional value of milk and other dairy products as part of an overall healthy lifestyle.

Information received from the Consumer Goods Council of South Africa (CGCSA) regarding the proposed thresholds for added sugar and saturated fats in food, it is clear that certain dairy products will be negatively impacted if intrinsic sugars are calculated as part of total sugars and are not recognised as a beneficial nutrient contributing to the overall nutrient and health benefits of dairy products.

In the participation process, the Regulations and Standards Project and Consumer Education Project of Milk SA collaborates with the CGCSA, with the aim to support a unified approach on FOPNL to assist companies to provide consumers with accurate, transparent, and holistic nutrition information, based on sound science. The collaboration by the Regulations and Standards Project and Consumer Education Project of Milk SA takes place through a working group referred to as the Milk SA Task Team, which aims to strengthen the position of the dairy industry, with specific reference to the unique nutritional composition of dairy.

The Milk SA Task Team is supported by two representatives from industry and Dr. Friede Wenhold (Department of Human Nutrition: University of Pretoria) to formulate the requirements for a submission to DoH under the umbrella of the Regulations and Standards Project of Milk SA. The intention of the task team is to develop an evidence-based submission so that the DoH would:

consider excluding lactose as intrinsic sugar in dairy products in the calculation of total sugars for the purpose of FOPNL;

to consider an argument for dairy fats in FOPNL, taking into account emerging research results on the health benefits of dairy towards cardiovascular disease and the overall lowering of risks of non-communicable diseases; and

to propose reasonable cut-off values for intrinsic sugars and saturated fats for consideration by the DoH.

## **PROGRESS**

Framework for the development of the submission to the DoH is complete and the Milk SA Task Team accepted this framework.

An independent action team was established and tasked to develop an independent scientific document required for the submission. The action team consists of:

Prof. Mieke Faber: nutrition landscape in South Africa with specific reference to the role of dairy;

Prof. Corinna Walsh: dairy sugars;

Prof. Renée Blaauw: fats in dairy with special emphasis on saturated fatty acids; and

Prof. Friede Wenhold: management of the development of scientific reviews and liaison with the Milk SA task team. Prof Wenhold will also assist the Milk SA Task Team in drafting the final submission to the DoH.

The Milk SA Task Team and action team's work is scheduled to continue in the third and fourth quarter of 2022.

The contributions of the Consumer Education Project in the above regard are hereby acknowledged

## **1.2 Review of R1555 of 1997: Regulations relating to milk and milk products**

A document on "Proposed Microbiological Criteria for Revision of R1555 for Dairy Standards Agency" by Anelich Consulting Food Safety Solutions, was completed end 2021 as the technical workgroup decided that the scientific issues should be dealt with first, while all the other restrictive issues and prohibitions in the regulation could wait until later. It is also the aim that in support of the legal food safety standards in the latest draft R1555, provision be made for a scientifically driven guideline document for the purpose of interpretation. The work of this project however has been delayed due to the amount of time vested in R1510/2019, review of the dairy and imitation dairy product regulations.

## **2. DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT - AGRICULTURAL PRODUCTS STANDARD ACT**

### **2.1 Review of dairy and imitation dairy product regulations**

The Milk SA Technical Workgroup convened during the second quarter following which a draft regulation was compiled as well as comments on the draft were circulated to the industry on 14 June 2022 with comments expected by latest 8 July 2022.

The purpose of the draft is to propose amendments to R1510 in respect of definitions, various compositional standards in the existing classes of dairy products, additional compositional standards for goat milk as well as clear differentiation between "pure" dairy, modified dairy products, imitation dairy products as well as dairy alternative products.

Proposed changes by the Department of Agriculture, Land Reform and Rural Development (DALRRD): Directorate Food Safety and Quality Assurance (FSQA) and the Technical Working Group (TWG) are addressed in designated colours. The TWG endeavoured to propose a simple and focused approach with the objective to simplify the interpretation, implementation and regulation of this regulation. A key focus area is to impact and rephrase the prescribed labelling requirements in the regulation, originally added to avoid misleading the consumer. This was done with a holistic view of the dairy regulatory framework of South Africa: that all dairy, modified and imitation dairy products also need to comply with the Foodstuffs, Cosmetics and Disinfectants, 1972 (Act 74 of 1972), and the Consumer Protection Act, 2008 (Act 68 of 2008).

In terms of products such as "analogue" products (where dairy analogues are milk substitutes made e.g., from soy, oats, rice, almond and coconut used to mimic real dairy) the IDF Bulletin 507 of 2020 was used as important reference document. In this regard it is also considered that separate regulations be developed for "dairy analogue" products to rule out misleading claims on milk and other dairy products.

### **2.2. Matters relating the Border Management Authority Act, 2020**

The Border Management Authority Act of 2020 was communicated to the members of the Regulations and Standards Committee noting that the Border Management Authority (BMA) was intended to take charge in the border control area, which effectively mean that it will replace the roles of the Departments of Health and DALRRD and the South African Revenue Service at imports and exports. The implementation of this act has already been initiated and a progress report will be compiled for circulation during the third quarter.

It was noted that the Border Management Authority would be an organ of state; those competencies would be drawn from the current departments to assist in putting this authority together; and that the industry would be informed once there was more information.

### **2.3 .Draft regulations relating to the protection of geographical indications (GIs) used on agricultural products intended for sale in the Republic of South Africa**

A DALLRD meeting was held on 7 June 2022 to discuss the third draft amendment regulations for geographical indications (GIs) together with the industry members.

2.3.1 The following in the third draft amendment document will be revisited by the DALRRD:

The regulations to include applications for registration of a trans-border GI or trans-border designation of origin that is not yet registered in the bordering country.  
Certain regulations be simplified and clarified the intention and interpretation, as well as to avoid confusion.

2.3.2 The definition for “agricultural product” is to be further deliberated upon bilaterally.

2.3.3 The draft regulations for GIs will be circulated to stakeholders for further comments after accommodating the changes as agreed upon during the meeting.

The fourth draft amendment regulations for GIs and designation of origin will be circulated for comments as soon as all the agreed-upon changes have been accommodated.

## **2.4 DALLRD AND THE APPOINTED ASSIGNEE: NEJAHMOGUL TECHNOLOGIES AND AGRIC SERVICES**

Since the high court ruling, attempts made by the assignee to successfully present a business plan as well as standard operating procedures failed. It was also noted that the first appointed business rescue practitioner disappeared and that a second practitioner was appointed. The matter regarding the assignee was forwarded to the Milk SA’s lawyer to investigate and proceed with action following the taxation relating to the costs of the court case. In the interim it was determined that the warrant of execution is still with the sheriff pending service. No further correspondence has since been received from DALRRD also noting a letter to the minister by the Consumer Goods Council of South Africa (CGCSA), which was supported by the secondary industry (Sampro) to consider the dissolution of the appointments of assignees.

## **3. SARS INCREASE IN HEALTH PROMOTION LEVIES (NATIONAL BUDGET 2022<sup>[1]</sup>)**

Page 50 under Table 4.7, titled “Increase in health promotion levy”, which stated that “the health promotion levy for beverages with more than 4g of sugar content per 100ml will be increased from 2.21c/g to 2.31c/g from 1 April 2022. Consultations will also be initiated to consider lowering the 4g threshold and extending the levy to fruit juices.” This implied that fruit juices, previously exempted would be affected and that clarity was needed clarity on whether the dispensation on the issue of tariff codes still stood, or how would it be addressed in terms of dairy. In terms of the industry objections raised, a media statement was issued by SARS, stating that the idea of addressing the health promotion levy on sugar would stand over for further consultation until 1 April 2023.

## **4. SABS AND AFRICAN ORGANIZATION FOR STANDARDIZATION**

The African Organization for Standardization’s (ARSO) ambition is to have a minimum of 75 different standards for dairy products developed for the African continent in support of its strategic objective, which is to harmonize trade in Africa in the next four years. Three workgroups for milk and milk products (TC 05) exist that meets monthly as well as one plenary session during which progress is discussed. The Milk SA project manager with the assistance of a contracted expert attended the meetings and also convenes workgroup one, making contributions to the development of the standards.

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[1] <http://www.treasury.gov.za/documents/national%20budget/2022/review/FullBR.pdf>

***No Non-achievements / underperformance has been reported***

**Goal 3 - Liaison and consultation on an internal and external basis and**

**comment within specified time frames via Milk SA organisational structures**

***Achievements***

**The project manager in consultation with the management committee were in regular contact with the organised dairy industry and consulting in a transparent manner. Closing dates on comments were not always met, resulting in extension of commenting periods.**

***No Non-achievements / underperformance has been reported***

**Goal 4 - Report to industry via Milk SA structures**

***Achievements***

**Reports to industry via the Regulations and Standards Project of Milk SA was Handled by the project manager in respect of all relevant regulating matters as well as quarterly reports.**

***No Non-achievements / underperformance has been reported***

**Income and expenditure statement**

Income and expenditure statement	<a href="#">PRJ-0316.pdf</a>
Unnecessary spending during period	No

**Popular Report**

[R&S Quarterly popular report April to June 2022.pdf](#)

**Additional documentation**

No file has been uploaded

**Statement**

Levy funds were applied only for the purposes stated in the contract	Yes
Levy funds were applied in an appropriate and accountable manner	Yes
Sufficient management and internal control systems were in place to adequately control the project and accurately account for the project expenditure	Yes
The information provided in the report is correct	Yes