

FOOD STANDARDS AGENCY IN NORTHERN IRELAND CONSULTATION

The Fruit Juices and Fruit Nectars Amendment Regulations (Northern Ireland)
2011

CONSULTATION SUMMARY PAGE

Date consultation launched:	Closing date for responses:
22 December 2010	2 February 2011

Who will this consultation be of most interest to?

Fruit juice manufacturers, canned fruit manufacturers, retailers, importers, enforcement authorities and trade associations.

What is the subject of this consultation?

These Regulations will amend The Fruit Juices and Fruit Nectars Regulations (Northern Ireland) 2003 in order to implement Commission Directive 2009/106/EC. The 2011 Regulations aim to remove ambiguity from the description of mixtures of fruit juice and fruit juice from concentrate and will introduce minimum Brix levels for fruit juices from concentrate.

What is the purpose of this consultation?

To seek comments on the draft Fruit Juices and Fruit Nectars Amendment Regulations (Northern Ireland) 2011. This amends the description of mixtures of fruit juice and fruit juice from concentrate by a minor linguistic change which allows easier translation by Member States. The main proposal is to introduce minimum Brix levels for juices from concentrate.

Responses to this consultation should be sent to:

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Division/Branch : Corporate Resources
Food Standards Agency in Northern
Ireland
Tel: 028 9041 7762
Fax: 028 9041 7728

Postal address:
10A-10C Clarendon Road
Belfast
BT1 3BG
Email: seth.chanas@foodstandards.gsi.gov.uk

Is an Impact Assessment included
with this consultation?

Yes

No



The Fruit Juices and Fruit Nectars (Amendment) Regulations (Northern Ireland) 2011

DETAIL OF CONSULTATION

Introduction

1. This consultation seeks views on the draft Fruit Juices and Fruit Nectars (Amendment) Regulations (Northern Ireland) 2011. These Regulations will amend the Fruit Juices and Fruit Nectars Regulations (Northern Ireland) 2003 in order to implement Commission Directive 2009/106/EC of 14th August 2009 which itself amends Council Directive 2001/112/EC.
2. The draft 2011 Regulations aim to remove ambiguity from the description of mixtures of fruit juice and fruit juice from concentrate and will introduce minimum Brix levels for fruit juices from concentrate and these are shown in the draft Northern Ireland Statutory Rule (SR - See Annex B). Brix values provide a measure of quality by setting minimum soluble solids (essentially sugar content) for fruit juices. We are seeking your views on these changes.

Options being considered are:

- (1) Do nothing – Do not adopt the proposal.
- (2) Introduce the changes proposed in the Amendment.

Preferred option

3. Option 2 is the preferred option.

Consultation Process

4. A 6-week public consultation is being undertaken on the draft SR. This is a shorter period than usual due to the EU legislation taking effect from January 2011. All responses received as part of this consultation will be given careful consideration. These will be summarised and published on the Agency website in due course.
5. These Regulations will apply in Northern Ireland only. Separate consultations are taking place in England, Scotland and Wales.

Impact Assessment

6. Comments are also requested on the Impact Assessment (IA), enclosed at Annex D. This IA has been prepared by Defra and whilst it relates to England we are keen to find out the impacts of this proposal on Northern Ireland businesses.

Question asked in this consultation:

Q1 Do you agree to the change to labelling mixtures of fruit juice and fruit juice from concentrate?

Q2 Do you agree with introduction of minimum Brix levels for fruit juices from concentrate?

Q3 Do you consider that the Brix levels proposed in the Regulations are appropriate?

Q4 How many products do you anticipate will be affected by the linguistic change?

Q5 Do you agree that the costs associated with the linguistic change and new Brix levels will be minimal and are a true reflection of the estimated costs? And that the Impact Assessment is a reasonable account of the benefits?

Q6 Are there any other manufacturers that you think might be affected by both the linguistic change and the introduction of minimum brix levels for fruit juices from concentrate?

Questions for Canned Fruit Manufacturers.

Q6 How many manufacturers do industry believe there are in the canned fruit industry?

Q7 We would welcome feedback on the number of businesses and products affected and whether reformulation or re-labelling is the more likely change.

Q8 What do you envisage the reformulation cost to be in this case? Will this result in higher ongoing costs?

Q9 Please indicate what the likely costs of re-labelling will be in this case

Q10 What is the normal re-labelling cycle for canned fruit?

Q11 Do you agree that the new Regulations will result in no additional enforcement costs over and above business as usual?

Q12 Are there any other costs and benefits that have not been considered?

Q13 Do you agree that any new administrative Burdens will be minimal? If not, please provide details, including costs, of any new administrative burden introduced.

7. We welcome comments from all stakeholders. Please send your response by email or post using the contact details on page 1.

Responses

8. Responses are required by **2 February 2011**. Please state, in your response, whether you are responding as a private individual or on behalf of an organisation/company (including details of any stakeholders your organisation represents).

Thank you on behalf of the Food Standards Agency in Northern Ireland for participating in this public consultation.

Yours faithfully,

Mervyn Briggs

**Food Hygiene, Standards and Incidents
Food Standards Agency in Northern Ireland**

Enclosed

Annex A: Standard Consultation Information

**Annex B: The Draft Fruit Juices and Fruit Nectars
(Amendment) Regulations (Northern Ireland) 2011**

Annex C: List of interested parties

Annex D: Impact Assessment

Queries

1. If you have any queries relating to this consultation please contact the person named on page 1, who will be able to respond to your questions.

Publication of personal data and confidentiality of responses

2. In accordance with the FSA principle of openness our Information Centre at Aviation House will hold a copy of the completed consultation. Responses will be open to public access upon request. The FSA will also publish a summary of responses, which may include personal data, such as your full name and contact address details. If you do not want this information to be released, please complete and return the Publication of Personal Data form, which is on the website at <http://www.food.gov.uk/multimedia/worddocs/dataprotection.doc> Return of this form does not mean that we will treat your response to the consultation as confidential, just your personal data.
3. In accordance with the provisions of Freedom of Information Act 2000/Environmental Information Regulations 2004, all information contained in your response may be subject to publication or disclosure. If you consider that some of the information provided in your response should not be disclosed, you should indicate the information concerned, request that it is not disclosed and explain what harm you consider would result from disclosure. The final decision on whether the information should be withheld rests with the FSA. However, we will take into account your views when making this decision.
4. Any automatic confidentiality disclaimer generated by your IT system will not be considered as such a request unless you specifically include a request, with an explanation, in the main text of your response.

Further information

5. A list of interested parties to whom this letter is being sent appears in Annex C. Please feel free to pass this document to any other interested parties, or send us their full contact details and we will arrange for a copy to be sent to them direct.
6. Please contact us for alternative versions of the consultation documents in Braille, other languages or audiocassette.
7. Please let us know if you need paper copies of the consultation documents or of anything specified under 'other relevant documents'.
8. This consultation has been prepared in accordance with HM Government Code of Practice on Consultation, available at: <http://www.berr.gov.uk/files/file47158.pdf>
The Consultation Criteria are available at: <http://www.berr.gov.uk/whatwedo/bre/consultation-guidance/page44458.html>
9. Criterion 2 of HM Government Code of Practice on Consultation states *Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.*
10. The Code of Practice states that an Impact Assessment should normally be published alongside a formal consultation. Please see the Impact Assessment at Annex D.

11. For details about the consultation process (not about the content of this consultation) please contact: [Food Standards Agency Consultation Co-ordinator](#), Room 1C, Aviation House, 125 Kingsway, London, WC2B 6NH. Tel: 0207 276 8633.

Comments on the consultation process itself

12. We are interested in what you thought of this consultation and would therefore welcome your general feedback on both the consultation package and overall consultation process. If you would like to help us improve the quality of future consultations, please feel free to share your thoughts with us by using the Consultation Feedback Questionnaire at <http://www.food.gov.uk/multimedia/worddocs/consultfeedback.doc>
13. If you would like to be included on future Food Standards Agency consultations on other topics, please advise us of those subject areas that you might be specifically interested in by using the Consultation Feedback Questionnaire at <http://www.food.gov.uk/multimedia/worddocs/consultfeedback.doc>. The questionnaire can also be used to update us about your existing contact details.

STATUTORY RULES OF NORTHERN IRELAND

2011 No. 000

FOOD

**The Fruit Juices and Fruit Nectars (Amendment) Regulations
(Northern Ireland) 2011**

Made - - - - *0th Month 2011*

Coming into operation - *0th Month 2011*

The Department of Health, Social Services and Public Safety^(a) makes the following Regulations in exercise of the powers conferred by Articles 15(1)(a) and (e), 16(1) and 47(2) of the Food Safety (Northern Ireland) Order 1991^(b).

In accordance with Article 47(3A) of that Order, it has had regard to relevant advice given by the Food Standards Agency.

As required by Article 9 of Regulation (EC) No. 178/2002 of the European Parliament and of the Council laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety^(c), there has been open and transparent public consultation during the preparation and evaluation of these Regulations.

Citation and commencement

1. These Regulations may be cited as the Fruit Juices and Fruit Nectars (Amendment) Regulations (Northern Ireland) 2011 and come into operation on 0th Month 2011.

Amendment of the Fruit Juices and Fruit Nectars Regulations (Northern Ireland) 2003

2.—(1) The Fruit Juices and Fruit Nectars Regulations (Northern Ireland) 2003^(d) are amended in accordance with paragraphs (2) to (5).

(2) In regulation 2(2) —

- (a) at the end of sub-paragraph (d) omit the word “and”;
- (b) at the end of sub-paragraph (e) substitute “; and” for the full stop; and
- (c) after sub-paragraph (e) insert —

(a) Formerly the Department of Health and Social Services; see S.I. 1999/283 (N.I.1) Article 3(6)
(b) S.I. 1991/762 (N.I.7) as amended by S.I. 1996/1663 (N.I.12), paragraphs 26 to 42 of Schedule 5 and Schedule 6 to the Food Standards Act 1999 c.28 and S.R. 2004 Nos. 482 and 505
(c) OJ No. L31, 1.2.2002, p.1. That Regulation was last amended by Regulation (EC) No. 596/2009 of the European Parliament and of the Council (OJ No. L188, 18.7.2009, p.14)
(d) S.R. 2003 No. 305, as amended by S.R. 2005 No. 574 and S.R. 2009 No. 415

“(f) being a food bearing the reserved description “fruit juice from concentrate”, it complies with the minimum Brix values specified in Schedule 6, read together with the Notes to that Schedule.”.

(3) In regulation 5—

(a) for paragraph (d) substitute—

“(d) in the case of

(i) a mixture of fruit juice and fruit juice from concentrate and which is marked or labelled with the single reserved description “fruit juice” (or such other description as, in accordance with the conditions which preface Column 1 (reserved descriptions) of Schedule 1, is required in place of the description “fruit juice”), or

(ii) a fruit nectar obtained partly from one or more concentrated products,

its labelling bears the words “partially from concentrate” or, as the case may be, “partially from concentrates”, such words to appear close to the reserved description, in letters that are clearly visible and easily distinguished from the background against which they appear;”; and

(b) for paragraph (e) substitute—

“(e) in the case of a fruit nectar obtained wholly from one or more concentrated products, its labelling bears the words “from concentrate” or, as the case may be, “from concentrates”, such words to appear close to the reserved description, in letters that are clearly visible and easily distinguished from the background against which they appear;”.

(4) In Schedule 1—

(a) in column 2 of item 3 (Fruit juice from concentrate), at the end of the final paragraph, insert—

“The minimum Brix levels for fruit juices from concentrate are indicated in Schedule 6.”; and

(b) in column 2 of item 5 (Fruit nectar), for “Schedule 4” substitute “Schedule 5” in both places.

(5) After Schedule 5, insert Schedule 6, as set out in the Schedule to these Regulations.

Sealed with the official seal of the Department of Health, Social Services and Public Safety on 0th Month 2011.



A Name

A senior officer of the Department of Health, Social Services and Public Safety

SCHEDULE

Regulation 2(5)

“SCHEDULE 6 Regulation 2 and Schedule 1

MINIMUM BRIX LEVELS FOR JUICES FROM CONCENTRATE

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<i>Fruit's Common Name</i>	<i>Botanical Name</i>	<i>Minimum degree Brix values for juices from concentrate (i.e. for reconstituted fruit juice and reconstituted fruit purée)</i>
Apple (*)	<i>Malus domestica</i> Borkh.	11.2
Apricot (**)	<i>Prunus armeniaca</i> L.	11.2
Banana (**)	<i>Musa sp.</i>	21.0
Blackcurrant (*)	<i>Ribes nigrum</i> L.	11.6
Grape (*)	<i>Vitis vinifera</i> L. or hybrids thereof <i>Vitis labrusca</i> L. or hybrids thereof	15.9
Grapefruit (*)	<i>Citrus x paradise</i> Macfad.	10.0
Guava (**)	<i>Psidium guajava</i> L.	9.5
Lemon (*)	<i>Citrus limon</i> (L.) Burm.f.	8.0
Mandarin (*)	<i>Citrus reticulata</i> Blanco	11.2
Mango (**)	<i>Mangifera indica</i> L.	15.0
Orange (*)	<i>Citrus sinensis</i> (L.) Osbeck	11.2
Passion Fruit (*)	<i>Passiflora edulis</i> Sims	13.5
Peach (**)	<i>Prunus persica</i> (L.) Batsch var. <i>Persica</i>	10.0
Pear (**)	<i>Pyrus communis</i> L.	11.9
Pineapple (*)	<i>Ananas comosus</i> (L.) Merr.	12.8
Raspberry (*)	<i>Rubus idaeus</i> L.	7.0
Sour Cherry (*)	<i>Prunus cerasus</i> L.	13.5
Strawberry (*)	<i>Fragaria x ananassa</i> Duch.	7.0

Notes:

1. If a juice from concentrate is manufactured from a fruit not mentioned in the above list, the minimum Brix level of the reconstituted juice shall be the Brix level of the juice as extracted from the fruit used to make the concentrate.
2. For those products marked with an asterisk (*), which are produced as a juice, a minimum relative density is determined as such in relation to water at 20/20 °C.
3. For those products marked with two asterisks (**), which are produced as a purée, only a minimum uncorrected Brix reading (without correction of acid) is determined.

4. In respect of blackcurrant, guava, mango and passion fruit, the minimum Brix degree values only apply to reconstituted fruit juice and reconstituted fruit purée produced in the EU.”

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, provide for the implementation of Commission Directive 2009/106/EC amending Council Directive 2001/112/EC relating to fruit juices and certain similar products intended for human consumption (OJ No. L212, 15.8.2009, p.42).

Commission Directive 2009/106/EC makes two amendments to Council Directive 2001/112/EC. First, it makes a small linguistic change in relation to mixed juice products containing fruit juice and fruit juices from concentrate and to nectars obtained wholly or partly from one or more concentrated products, in order to alleviate translational difficulties across Member States of the EU. Second, it introduces a table laying down the minimum Brix levels for fruit juices from concentrate.

These Regulations amend the Fruit Juices and Fruit Nectars Regulations (Northern Ireland) 2003 (S.R. 2003 No. 305), so as to –

- (a) provide that a fruit juice from concentrate complies with the minimum Brix values specified in Schedule 6, read together with the Notes to that Schedule (*regulation 2(2) and the Schedule*);
- (b) make a small linguistic change to the labelling and description of mixed juice products containing fruit juice and fruit juices from concentrate, and of nectars obtained wholly or partly from one or more concentrated products (*regulation 2(3)*);
- (c) amend Schedule 1 (Reserved Descriptions For Designated Products) so that item 3 (Fruit juice from concentrate) of Schedule 1 cross-refers to Schedule 6 (Minimum Brix Levels For Juices From Concentrate) (*regulation 2(4)(a) and the Schedule*);
- (d) amend Schedule 1 (Reserved Descriptions For Designated Products) so that an incorrect reference within item 5 (Fruit nectar) is corrected (*regulation 2(4)(b)*); and
- (e) add as Schedule 6 a new Schedule which provides ‘Minimum Brix Levels For Juices From Concentrate’ (*regulation 2(5) and the Schedule*).

Interested Parties

Allegro Northern Ireland Ltd
Allied Bakeries
Asia Supermarket
Beck & Scott Ltd
Beechwood Laboratories
Blue Diamond (CP) Ltd
CAFRE
Camseng International Foods
Castlewood Farm Products Ltd
Chartered Institute of Environmental Health Northern
Ireland
Classic Mineral Water
Craigavon Soft Drinks Ltd
Curleys Supermarkets Ltd
DARD
DHSSPS
Dunnes Stores
Eurofins
Europa Foods
Food Safety Authority of Ireland
Food Safety Promotion Board
General Consumer Council for Northern Ireland
Glanbia Foods
Group Chief Environmental Health Officers, District
Councils
Invest Northern Ireland
J&J Haslett Ltd
J&T Enterprises
James A.S Finlay Ltd
Jewell Group
John Henderson Group
Johnston Brothers (Distributing) Ltd
Kestrell Foods
Lee Foods
LG Regulation
Musgrave Supervalu Centra
NI Co-Op
Northern Ireland Food and Drink Association
Northern Ireland Food Liaison Group
Northern Ireland Local Government Association
Northern Ireland Soft Drinks Association
Punjana Ltd
S D Bell & Co Ltd
Shah Jalal
Tayto NI Ltd
The Sunstart Bakery
Top Mark Cash and Carry
Ulster Farmers Union
W.G Buchanans & Sons Ltd

Title: The Fruit Juices and Fruit Nectars (England) (Amendment) Regulations 2011 Lead department or agency: Department for Environment, Food and Rural Affairs Other departments or agencies:	Impact Assessment (IA)
	IA No: DEFRA 1040
	Date: 20/12/2010
	Stage: Consultation
	Source of intervention: EU
	Type of measure: Secondary legislation
Contact for enquiries: Michelle McQuillan 0207 238 4352	

Summary: Intervention and Options

What is the problem under consideration? Why is government intervention necessary?

The Fruit Juices and Fruit Nectars (England) Regulations 2003 require revision to implement Commission Directive 2009/106/EC of 14th August 2009 which introduces two amendments to EC Directive 2001/112/EC laying down rules on fruit juice. The changes discussed are:

- 1) A small linguistic change in relation to mixed juice products containing fruit juices and fruit juices from concentrates, which will help to alleviate translational difficulties across Member States.
- 2) The introduction of minimum Brix levels for fruit juices from concentrate. (Brix values provide a measure of quality by setting minimum soluble solids (sugar content) for fruit juices.)

Government intervention is necessary in order to ensure consistency for industry across the EU and ensure consumers are guaranteed a minimum quality product.

What are the policy objectives and the intended effects?

- 1) The policy objectives are to protect consumers and provide the consistency and a level playing field for the fruit juice industry particularly when trading in fruit juice from concentrate .
- 2) The intended effects are :
 - a linguistic clarification removing any ambiguity with the labelling of mixed juices containing both fruit juice and fruit juice from concentrate where the words “partially **made with** concentrate” are replaced with “partially **from** concentrate”.
 - To introduce minimum Brix values for fruit juice from concentrate which will help ensure better consistency in product quality and will be applying the same minimum levels.

What policy options have been considered? Please justify preferred option (further details in Evidence Base)

Option 1- Do Nothing. Failure to update the Fruit Juice and Fruit Nectar Regulations to keep them in line with Council Directive 2001/112/EC may lead to infraction procedures against the UK. This could also leave industry at a disadvantage against other Member States who are applying the Brix levels enshrined in directive 2009/106/EC, leaving the UK no legal basis in cases of dispute.

Option 2 - Introduce changes now. This will allow for consistency in labelling across the EU for juice mixtures of "not from concentrate" and "from concentrate". The introduction of minimum Brix levels will ensure that all manufacturers will have to comply with the levels previously governed by voluntary codes of practice thereby creating a more level playing field.

Option 2 is the proposed option as this delivers additional consumer protection measures to ensure a minimum fruit juice quality. Manufacturers are also keen to see a level playing field across Europe with rules aligned where possible with the FAO/WHO worldwide Codex standard on fruit juices and fruit nectars. This is also the only option which ensures our EU obligations are fully met; failure to implement the measure could lead to infraction proceedings.

When will the policy be reviewed to establish its impact and the extent to which	It will be reviewed in ~ 2-3
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the policy objectives have been achieved?	yrs
Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?	Yes

SELECT SIGNATORY Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:..... Date:.....

Summary: Analysis and Evidence

Policy Option 2

Description: Introduce the Fruit Juices and Fruit Nectars (England) (Amendment) Regulation 2010

Price Base Year 2009	PV Base Year N/A	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: - 0.01
COSTS (£m)		Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)	
Low		0.002	N/A	N/A	N/A
High		0.16	N/A	N/A	N/A
Best Estimate		0.07 ¹	0	0.07	0.07
Description and scale of key monetised costs by 'main affected groups'					
<p>There will be one-off familiarisation cost to manufacturers of fruit juices and canned fruit of approximately £283 and to English local authorities of approximately £9000. There will also be a re-labelling cost to one affected England-based fruit juice manufacturer, of approximately £7200, due to the linguistic change on the labels of fruit juices containing juice both "not from concentrate" and "from concentrate". Lastly, there will be further relabelling costs to England-based canned fruit manufacturers, of up to £144,000, due to the setting of minimum Brix levels.</p>					
Other key non-monetised costs by 'main affected groups'					
BENEFITS (£m)		Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)	
Low		N/A	N/A	N/A	N/A
High		N/A	N/A	N/A	N/A
Best Estimate		N/A	N/A	N/A	N/A
Description and scale of key monetised benefits by 'main affected groups'					
<p>No benefits monetised have been identified.</p>					
Other key non-monetised benefits by 'main affected groups'					
<p>The inclusion in law of defined Brix levels will help further ensure consistency in product quality, allowing England-based fruit juice and canned fruit juice manufacturers to compete with EU-based counterparts on the same terms. This should ensure product quality for consumers and provide trading standards officers with a benchmark against which to judge the authenticity and quality of fruit juices.</p>					
Key assumptions/sensitivities/risks				Discount rate (%)	3.5%

¹ Our best estimate of transitional costs is the mid-point of the identified total transitional cost range of approximately £16k to £160k. Please see Evidence Base for further detail.

Assumptions

- There will be familiarisation costs for both industry and English local authorities.
- There will be relabelling costs for mixtures of juices containing both fruit juice and fruit juice from concentrate. Relabelling costs are based on one identified affected manufacturer.
- There will be no relabelling costs associated with the setting of minimum Brix values for fruit juices from concentrate, as UK producers already adhere to a code of practice which recommends the same levels as now required by law.
- There will be costs for affected canned fruit manufacturers, associated with the setting of minimum Brix levels, and these will re-label or reformulate in response to the amended regulations. Affected manufacturers will choose the lowest cost option where reformulation has no material impact on consumers' perception of products.

Risks

There is a strong risk of infraction proceedings against the UK if these Regulations are not implemented. Failure to transpose the amending Commission Directive into national legislation could result in this course of action.

Impact on admin burden (AB) (£m):			Impact on policy cost savings (£m):		In scope
New AB: N/A	AB savings: N/A	Net: N/A	Policy cost savings:		No

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?			England		
From what date will the policy be implemented?			01/01/2011		
Which organisation(s) will enforce the policy?			Local Authorities		
What is the annual change in enforcement cost (£m)?			nil		
Does enforcement comply with Hampton principles?			Yes		
Does implementation go beyond minimum EU requirements?			No		
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: N/A	Non-traded: N/A	
Does the proposal have an impact on competition?			No		
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?			Costs: N/A	Benefits: N/A	
Annual cost (£m) per organisation (excl. Transition) (Constant Price)	Micro	< 20	Small	Medium	Large
Are any of these organisations exempt?	No	No	No	No	No

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...?	Impact	Page ref within IA
Statutory equality duties² Statutory Equality Duties Impact Test guidance	No	17

² Race, disability and gender Impact assessments are statutory requirements for relevant policies. Equality statutory requirements will be expanded in 2011, once the Equality Bill comes into force. Statutory equality duties are part of the Equality Bill and apply to GB only. The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Economic impacts		
Competition Competition Assessment Impact Test guidance	No	17
Small firms Small Firms Impact Test guidance	No	17
Environmental impacts		
Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance	No	17
Wider environmental issues Wider Environmental Issues Impact Test guidance	No	17
Social impacts		
Health and well-being Health and Well-being Impact Test guidance	No	17
Human rights Human Rights Impact Test guidance	No	17
Justice system Justice Impact Test guidance	No	17
Rural proofing Rural Proofing Impact Test guidance	No	17
Sustainable development	No	17
Sustainable Development Impact Test guidance		

Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

References

Include the links to relevant legislation and publications, such as public impact assessment of earlier stages (e.g. Consultation, Final, Enactment).

No	Legislation or publication
.	
1	
2	
3	
4	

+ Add another row

Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

Annual profile of monetised costs and benefits* - (£m) constant prices

	Y ₀	Y ₁	Y ₂	Y ₃	Y ₄	Y ₅	Y ₆	Y ₇	Y ₈	Y ₉
Transition costs (EAC)³	0.009	0.009	0.009	0.009	0.009	0.009	0.009	0.009	0.009	0.009
Annual recurring cost	0	0	0	0	0	0	0	0	0	0
Total annual costs	0.009	0.009	0.009	0.009	0.009	0.009	0.009	0.009	0.009	0.009
Transition benefits	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

³ Equivalent Annual Costs – the profile shows the EACs for the mid-point of the identified total cost range of approximately £16k to £160k.

Annual recurring benefits	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total annual benefits^{4*}	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

⁴ For a description of non-monetised benefits, please see summary pages and main evidence base section.

Evidence Base (for summary sheets)

Problem under consideration

It is proposed to revise the Fruit Juices and Fruit Nectars (England) Regulations 2003 to implement Commission Directive 2009/106/EC which introduces two amendments to EC Directive 2001/112/EC. EC Directive 2001/112/EC lays down rules on fruit juices and fruit nectars. These changes were introduced to better align current EU rules on fruit juice with the worldwide Codex Standard on Fruit Juices and Nectars.⁵ Its primary aim is to ensure consistency in the minimum quality for products labelled as fruit juices and fruit nectars and that consumers are not misled in their purchases. The changes discussed are:

- 1) A small linguistic change in relation to mixed juice products containing fruit juices and fruit juices from concentrates, which will help to alleviate translational difficulties across Member States.
- 2) The introduction into the Regulations of minimum Brix levels for fruit juices from concentrate⁶.

Rationale for intervention

Intervention is required to implement EU Directive 2009/106/EC. The Fruit Juices and Fruit Nectars (England) Regulations 2003 require two amendments. These regulations apply to England only separate but parallel Regulations will be implemented in Scotland, Wales and Northern Ireland.

The amendments are:

- 1) *Linguistic change to the description of mixed juices containing fruit juice and fruit juice from concentrate*

This is a very minor linguistic change for the labelling of mixed juices containing both fruit juice and fruit juice from concentrate where the words “partially **made with** concentrate” are replaced with “partially **from** concentrate”. This aligns the text with terminology already in use elsewhere in the directive when describing juices from concentrate and allows for more consistent translation into national legislations across each Member State.

- 2) *Brix levels*

One of the functions of setting specific compositional standards for certain food and drink products is to ensure consumers can be assured of a minimum quality when making purchasing decisions. The introduction of minimum Brix levels for fruit juice from concentrate is important as it ensures such juices meet a minimum value associated with that particular variety of fruit juice. Brix levels can vary naturally but most fall within a certain range. In the UK, an industry code of practice ensures that signatories produce fruit juice from concentrate which already adhere to minimum Brix values. The values being set in the proposed amending regulations are in line with what the industry currently works to and represent levels which produce a juice of acceptable quality for the consumer. Government intervention is necessary in order to ensure consistent standards for industry across the UK and EU to work to, and also to ensure consumers are guaranteed a juice of at least a minimum quality standard.

Guideline Brix values for fruit juices from concentrate have recently been agreed in the Codex Alimentarius Commission and the European Commission was keen to adopt similar Brix standards in the EU to ensure EU manufacturers were not disadvantaged in international trade.

⁵ Codex is a WHO/FAO body which sets international food standards to facilitate trade and protect consumers. The Codex General Standard on Fruit Juices and Fruit Nectars is STAN 247-2005

⁶ Brix values provide a measure of quality by setting minimum soluble solids (sugar content) for fruit juices. The Brix to acid ratio is an easy way to tell if a juice is sweet or acidic (sour); the higher the ratio, the sweeter the juice.

Policy objective and intended effect

- 1) To remove ambiguity from the description of juice mixtures containing both fruit juice and fruit juice from concentrate, and to reduce the time and costs associated with the translation of descriptions across Member States.
- 2) The introduction of minimum Brix values will ensure consistency across fruit juice products, and assure consumers of a minimum quality when purchasing a fruit juice from concentrate. It will also assist with detecting adulteration and testing of juices, with consequent benefits for the consumer.

Options considered

- 1) Do nothing - Do not adopt the proposal
- 2) Introduce proposed changes as above

Option 2 is the preferred option.

Background to the changes proposed

The aim of the amending Regulations is to introduce changes to the existing rules on fruit juices which arise as a result of an amendment to Council Directive 2001/112/EC on Fruit Juices and Fruit Nectars. These changes were proposed and agreed by Members States in order to further align EU rules with the Codex Standard on Fruit Juices. This will help ensure a level playing field in international trade and assures consumers additional protection in terms of fruit juice quality. The Commission Directive introduces only two amendments: a very minor linguistic change to the naming of mixed juices consisting of fruit juice and fruit juice from concentrate; and the introduction of minimum Brix levels (sugar content) for fruit juices from concentrate.

Other more technical and detailed changes are also currently being discussed in Europe but these will take much longer to agree and will require consideration by the European Parliament. Thus a much longer timescale of around 2-3 years is envisaged before further changes are required. The Commission has been keen to progress this first set of amendments to, ensure Europe has in place its own minimum Brix requirements. Although the Brix levels are broadly similar to that recently set in the Codex standard, there are some fruits where the levels differ and are more appropriate to the fruit varieties and growing conditions found in Europe. In the absence of legal European rules manufacturers could be forced to accept the levels in Codex and therefore creating disadvantage.

The major fruit juice manufacturers and packers in the UK already adhere to an industry Code of Practice (COP), which recommends minimum Brix levels for fruit juice from concentrate. The values laid down in the proposed amending Regulations are identical to that set out in that COP, and the industry has indicated that these can be implemented at low cost. The proposals are supported by industry and, indeed, were put forward by the trade themselves.

1) Linguistic change –

For consistency, a minor change to the labelling of mixtures of fruit juice and fruit juice from concentrate is proposed. The UK can accept this is more consistent with the terminology used in the reserved descriptions⁷ but has, during discussions, questioned the overall benefit. It will require re-labelling for mixtures of juices containing **both** fruit juice and fruit juice from concentrate; however these products account for only a very small proportion of the UK market (thought to be around four products).

How many products do you anticipate will be affected by the linguistic change?

2) *Addition of Brix levels* –The EU currently has no legally specified Brix levels for fruit juices from concentrate so it is important that the figures are in line with EU manufacturing practices. Brix levels, broadly speaking, represent the sweetness of a juice. Fruit juice can be made in two distinct ways. It

⁷ Reserved descriptions are names set out in law for certain commodities which define their composition and often require specific labelling requirements. The Fruit Juice and Fruit Nectar Regulations lay down reserved descriptions for fruit juice products.

can be obtained directly from the pressing of the fruit, in which case it is known as 'not from concentrate' and the reserved description "X juice" is used (where X represents a type of fruit). Alternatively, to minimise cost, the juice may be extracted and concentrated in the country of origin and transported to processors in various countries, where it is reconstituted by the addition of the same amount of water originally removed. This type of juice is described as 'from concentrate' and the reserved description "X juice from concentrate" must be used. The Brix levels being proposed are to be applied to "from concentrate juice" only and are required to ensure that restored juices meet a minimum Brix level.

The inclusion of Brix levels in law will have direct benefits for the consumer, at a minimal additional cost. It will help guarantee product quality and ensure that competitive international trade in fruit juice is supported by consistent quality standards across the EU. It will also assist with detecting adulteration and testing of juices by setting down legal minima not previously in place. The values being proposed are in line with UK trade practices. UK fruit juice manufacturers already adhere to Brix levels, which have been laid down across Europe through an Association of the Industry of Juices and Nectars from Fruits and Vegetables of the European Union Code of Practice (AIJN). The AIJN represents the major European fruit juice manufacturers, and its code represents a consensus on minimum Brix values manufacturers must achieve in order to ensure product quality and meet minimum standards. The values in the amending Regulations have been derived directly from the code, so in practice there will only be small associated costs arising from the inclusion of Brix levels in UK law.

Options

Option 1- Do nothing. Failure to update the Fruit Juices and Fruit Nectars (England) Regulations 2003 to keep them in line with Council Directive 2001/112/EC may lead to infraction procedures. This would also leave UK industry at a competitive disadvantage against other Member States as its current code of practice would have no legal basis.

Option 2 - Introduce amending regulations. This will allow for consistency in labelling across the EU for mixed juices and juices made from concentrate. The introduction of minimum Brix levels will ensure that all manufacturers will have to comply with the levels previously governed by voluntary codes of practice.

While we note that these Regulations apply to England only, separate but parallel regulations will be implemented in Scotland, Wales and Northern Ireland. **Therefore, the geographic scope of this impact assessment is England only.**

The markets affected by the amended regulations

Fruit juice manufacturing

According to the Inter-Departmental Business Register (IDBR) from the ONS there are 40 fruit and vegetable juice manufacturers in the UK; 35 of these are located in England and 5 in Wales. Based on the number of employees⁸ 30 are defined as micro businesses, 5 as small and 5 as medium. There are also 235 soft drinks manufacturers in the UK, some of which may also produce fruit juices as part of their range.

The market for fruit juices is quite concentrated. Own label brands account for approximately 60% of sales, with a further 32% accruing to just 6 brands⁹.

Retail value of all fruit juice sales was approximately £1.8bn in 2009, down by 4.5% on 2008 figures. In volume terms, consumption of fruit juice peaked in 2007, before year-on-year falls of 3.4% and 3.1% respectively in 2008 and 2009¹⁰. The sector breakdown between chilled and ambient juices¹¹, based on litres consumed, is given in the table below

⁸ Standard definitions of business size based on number of employees are as follows: Micro - less than 10; Small – less than 50; Medium – less than 250; Large – 250 or more.

⁹ Mintel, *Fruit Juices and Fruit Juice Drinks*, November 2008.

¹⁰ The 2010 UK Soft Drinks Report, BSDA: <http://www.britishtsoftdrinks.com/PDF/2010%20soft%20drinks%20report.pdf>

¹¹ Ambient juice does not need to be refrigerated before opening but can be stored at room temperature. Ambient juice tends to be from concentrate.

<i>Types of Juice</i>	<i>Percentage share</i>
Ambient juice	45
Chilled 'Not From Concentrate'	25
Chilled 'From concentrate'	21
Smoothies	5
Freshly squeezed	4

Source: 2010 UK Soft Drinks Report, BSDA.

Given that the amended regulations affect mixed juices, blended from fruit juice and juice from concentrate, and juices from concentrate, approximately 66% - the ambient juice and chilled 'from concentrate' sectors - of the fruit juices market will be affected by this legislation.

Canned fruit manufacturing

Current estimates suggest that there are approximately 10 manufacturers of canned fruit in the UK¹², and we assume that these are all based in England. These Regulations will also apply to canned fruit preserved in fruit juice. Retailer own brands account for approximately 67% of the canned fruit market, with brand leader Del Monte accounting for approximately 13%; however other brands such as Princes and SPC Nature's Finest have seen the biggest growth recently¹³.

Costs and Benefits of the options

Option 1 forgoes the benefit of having clear legislation consistent with other Member States, and the benefits of introducing Brix levels, namely: ensuring product quality, supporting competitive international trade in fruit juice, detecting adulteration and testing of juices.

Option 2 will result in benefits to both industry and consumers. To our knowledge, introducing Brix levels for fruit juice from concentrate juices will have negligible impact, as packers and suppliers of such juices already comply with minimum Brix levels through voluntary codes of practice. However, we are aware that canned fruit packers who pack fruit in a juice medium will be affected and may face some additional costs.

Option 2 is the preferred option, as this ensures industry and consumers benefit from legislated minimum standards at little cost to the fruit juice industry. An 18-month timescale since adoption of the Directive has allowed producers to prepare for label changes in the relatively small amount of products affected and to work towards exhausting current label stocks.

Option 1

Costs

There would be no change to the regulatory environment for England-based industry and therefore there are no immediate costs. However, the absence of consistency of product descriptors and quality standards across fruit juice products may cause lost business for England-based fruit juice and canned fruit manufacturers beyond 2011.

Benefits

There is no change to the regulatory environment, and therefore no incremental benefits.

Option 2

Costs

Costs to industry

¹² Based on market analysis we have identified the key manufacturers in canned/package fruit as: Del Monte, Princes, SPC Nature's Finest, John West and own-label manufacturers. This has been rounded up to 10. As we have no further information, and in order to be cautious, we assume that these are all in England.

¹³ Mintel, (2007), Frozen and Canned Fruit and Vegetables UK

Familiarisation costs

Fruit juice and canned fruit manufacturers will need to read and become familiar with the new Regulations. However, as industry has been aware of the proposed changes for over 2 years and is already working to the Brix level through their own code of practice, it is likely that relatively little time will be required for this.

We estimate that it will take one manager approximately 15 minutes to read and become familiar with the Regulations. The average hourly pay rate for *production managers* is £19.38¹⁴. This is up-rated by 30% to account for overheads, in line with standard cost model methodology¹⁵, to a wage rate of £25.19¹⁶. For a reading time of 15 minutes this represents an average cost per business of £6.30.

For the 35 fruit and vegetable juice producers in England, this represents a total familiarisation cost of approximately £220. Using the same per business cost of familiarisation as outlined above, this represents a total familiarisation cost to the identified 10 England-based canned fruit manufacturers of £63.

Therefore, the total one-off familiarisation cost to fruit juice and canned fruit manufacturers is £283.

We would welcome feedback from industry on the number of manufacturers in the canned fruit industry.

One-off costs associated with the linguistic change

Re-labelling

The linguistic change will require minor re-labelling for mixtures of juices containing both fruit juice **and** fruit juice from concentrate; however these products account for only a very small proportion of the UK market. Information from the industry trade association representing the large fruit juice manufacturers, the British Soft Drinks Association (BSDA), indicates that there are very few stock keeping units (SKUs) which will require to be changed. BSDA has indicated that only one of their member manufacturers will be affected by the linguistic change resulting in four of their products requiring label changes. **We assume that this manufacturer is England-based.** All of the BSDA's other member companies (21 in total), manufacturing fruit juices, have indicated no changes will be needed.

We would welcome feedback on any other manufacturers affected

Based on the results of recently-commissioned Defra research¹⁷, we estimate that re-labelling costs of £1800 per SKU. **For the four affected SKUs, this represents a re-labelling cost of approximately £7200.** Additionally, this commissioned work also highlights the importance of lead-in times. The longer the implementation time allowed for a given mandated label change, the higher the probability of its alignment with business-as-usual (for instance, marketing driven) label changes, and, therefore, the greater the consequential cost saving to the manufacturer. **Therefore, we suggest that actual re-labelling costs would be below £7200**, but do not attempt to quantify the saving which would accrue to any lead-in time for the amended regulations.

Stakeholders are invited to give feedback on whether this a true reflection of the likely re-labelling costs.

¹⁴ http://www.statistics.gov.uk/downloads/theme_labour/ASHE-2009/2009_occ4.pdf

¹⁵ <http://www.berr.gov.uk/files/file44503.pdf>

¹⁶ Costs are estimated by multiplying wage rates uplifted by 30% to account for overheads in line with standard cost model methodology. This means that wage rates reported in the text are rounded to 2 decimal places and when grossed may result in rounding errors.

¹⁷ *Developing a framework for assessing the costs of labelling changes on the UK* (Campden BRI, forthcoming for Defra). The key finding from Campden BRI's research is that the costs of labelling changes vary across a number of parameters, and these were found to be: product shelf life, complexity of label change, firm size and printing technique employed (which, in turn, is influenced by the type of packaging used). Campden BRI suggests that the average cost of implementing a minor labelling change, such as minor a linguistic change, is £1800.

One-off costs associated with the setting of minimum Brix levels for juices from concentrate

For fruit juice manufacturers

These Regulations are unlikely to affect fruit juice products, as major fruit juice manufacturers and packers in England and the rest of the UK already adhere to an industry code of practice (COP) which recommends minimum Brix levels for fruit juice from concentrate. The values set out in the proposed amending Regulations are identical to those in the COP, and industry stakeholders have indicated that there is unlikely to be a reformulation or re-labelling cost associated with this part of the Regulations.

For canned fruit manufacturers

Canned fruit may be packed in several types of liquid mediums such as syrup, water or fruit juice. The new Brix requirements would mean that packers would need to ensure that those fruits packed in fruit juice would meet the minimum Brix levels. We are aware that for certain canned fruits packed in juice made from concentrate a Brix level that is lower than that laid down in the industry's current the new regulations is sometimes used. This is particularly an issue for apple and grape juices where the milder flavour of such juices is used is required so as not to impinge on the flavour of the fruit.

Businesses whose products do not meet the minimum Brix levels set out in the Regulations will either have to reformulate in order to meet the new minimum Brix levels, or re-label products using different descriptors.

We would welcome feedback on the number of businesses and products affected and whether reformulation or re-labelling is the more likely change.

Reformulation - The cost of reformulation varies widely on a product-by-product basis. Reformulation of fruit juice in order to meet minimum Brix levels is likely to impose a one-off cost to manufacturers associated with changes in production processes. There may also be an increase in on-going costs if a higher volume of concentrate is required for each unit of output produced. **However, based upon industry stakeholder feedback received during initial discussions of the proposed amendments, we suggest that both one-off and recurring reformulation costs would be negligible in this case.**

What do you envisage the reformulation cost to be in this case? Will this result in higher ongoing costs?

Re-labelling - it is estimated that approximately 80 canned fruit SKUs¹⁸, produced by the 10 canned fruit manufacturers identified as being England-based, could be affected by these Regulations. Assuming average re-labelling costs (for a minor label change) of £1800 per SKU, and if all canned fruit manufacturers were to re-label affected products, they would incur a re-labelling cost of £144,000. Given both the importance of lead-in times highlighted above, and the significant lead-in time that the industry has had in this case - industry has been aware of these Regulations since August 2009, and so may have taken the proposed changes into account when planning routine label changes. We suggest that actual re-labelling costs would be below a maximum (if all canned fruit manufacturers re-labelled in response to the Regulations) of £144,000.

Please indicate what the likely costs of re-labelling will be in this case.

What is the normal re-labelling cycle for canned fruit?

Do you agree that the costs associated with the new Brix levels will be minimal? And that this is a reasonable account of the benefits?

¹⁸ Based on products available from the three leading supermarkets according to mysupermarket.com on 02/07/10. Included are all canned fruit, fruit pots and fruit jars which contain fruit in fruit juice – excluding pineapple in its own juice and grapefruit in its own juice.

The decision to re-label or reformulate canned fruit SKUs, in response to the Regulations, would vary on a product-by-product basis across manufacturers. We currently have no information on the number of products that would be re-labelled in response to the Regulations being imposed. **Therefore, we assume that the true cost associated with the setting of minimum Brix levels for juices from concentrate for canned fruit manufacturers would be between zero (if all SKUs were reformulated in response) and £144,000 (if all SKUs were re-labelled in response, and with no alignment of mandated label changes with business-as-usual label changes).**

Costs to English local authorities

Familiarisation Costs

Local authorities will also need to become familiar with the new Regulations. It is estimated that it would take one Trading Standards officer, and one public analyst, 1/2 hour each to read and become familiar with the Regulations, and disseminate them to key staff.

The average hourly pay rate for *inspectors of factories utilities and trading standards* is £15.58, and for public analysts is £19.38 per hour. These are up-rated by 30% to account for overheads, in accordance with the standard cost model, to £20.25 and £25.97, respectively. This represents a familiarisation cost per local authority of £23.11.

To estimate the total familiarisation costs, this is multiplied out by the number of local authorities in the UK, as per below.

Number of English local authorities	389
Familiarisation cost per local authority	approximately £23
Total local authority familiarisation cost for England	<u>£8991</u>

Enforcement Costs

The Regulations will be enforced by Trading Standards officers in local authorities. Brix levels will require testing in order to demonstrate compliance. The test required uses standard techniques measuring soluble solids by refractometer already in everyday use by Public Analysts and so we anticipate that these Regulations will result in no additional enforcement costs.

Do you agree that the new Regulations will result in minimal additional enforcement costs over and above business as usual?

Summary of one off costs incurred

Familiarisation costs

Industry

England	£283
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Local authorities

England	£8,991
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Costs associated with the linguistic change

Relabelling costs for fruit juice manufacturers	£7,200
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Costs associated with the setting of minimum Brix levels

Reformulation costs for canned fruit manufacturers	£negligible
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Relabelling costs for canned fruit manufacturers	£144,000
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England-based canned fruit manufacturers	£nil to £144,000
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Equivalent Annual Costs (EACs)

In order for 'one-off' transition costs to be compared on an equivalent basis across policies spanning different time periods, it is necessary to 'equivalently annualise' costs using a standard formula¹⁹. Under standard HMT Green book guidance²⁰, a discount rate of 3.5% is used.

Total EACs for industry and local government

Where all canned fruit manufacturers relabel in response to the setting of minimum Brix levels

Total costs for England £160,474

Equivalent annual cost (over a 10-year appraisal period) £19,296

Where all canned fruit manufacturers reformulate in response to the setting of minimum Brix levels

Total costs for England £16,474

Equivalent annual cost (over a 10-year appraisal period) £1,981

The total EACs of the policy are therefore presented as a range, where the range spans £1,981 (where all canned fruit manufacturers reformulate in response to the setting of minimum Brix levels) and £19,296 (where all canned fruit manufacturers re-label in response). The true EAC of the policy will lie in the range identified.

Benefits

Consumer

The inclusion in law of defined Brix levels will ensure consistency in product quality by providing a clearly-defined, pan-European minimum quality standard for UK manufacturers to adhere to. The proposal will assist with detecting adulteration and testing of juices, as minimum Brix figures are now laid down in law, with consequent benefits for the consumer in terms of consistency and quality of product. Consumers can now be assured that the reconstitution of concentrated fruit juice with water to make fruit juice form concentrate will be carried out to meet minimum Brix levels when previously no such values were laid down in law.

Industry

The proposal to include Brix values will provide regulatory certainty for manufacturers. There are currently no specified Brix levels set in UK law, and it is therefore important to ensure that UK manufacturers are not disadvantaged in the international trade of affected fruit juice and canned fruit products. Brix levels are also laid down in a Codex standard covering fruit juices meaning that in the absence of European or UK rules industry could be forced to accept these levels. The Regulations, in certain instances, set levels which are slightly different to the Codex standard in order to take account of European fruit processing practices. This provides a more secure basis for UK manufacturers in any trade disputes.

Local authorities

Local authorities now have a further analytical bench mark to judge the authenticity and quality of a juice product, by ensuring a juice from concentrate meets a legal minimum Brix level.

Are there any other costs and benefits that have not been considered?
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¹⁹ The equivalent annual cost formula is as follows: $EAC = PVC/A$, where $A = [1 - 1/(1+r)^t]/r$, where PVC is the present value of costs, r is the social discount rate and t is the time period over which the policy is being appraised.

²⁰ http://www.hm-treasury.gov.uk/data_greenbook_index.htm

Risks and assumptions

Risks

- There is a strong risk of infraction proceedings being taken out by the Commission. Failure to transpose this amending Commission Directive into national legislation could result in this course of action.

Assumptions

- There will be familiarisation costs for both industry and English local authorities.
- There will be relabelling costs for mixtures of juices containing both fruit juice and fruit juice from concentrate. Relabelling costs are based on one identified affected manufacturer.
- There will be no relabelling costs associated with the setting of minimum Brix values for fruit juices from concentrate, as UK producers already adhere to a code of practice which recommends the same levels as now required by law.
- There will be costs for affected canned fruit manufacturers, associated with the setting of minimum Brix levels, and these will re-label or reformulate in response to the amended regulations. Affected manufacturers will choose the lowest cost option where reformulation has no material impact on consumers' perception of products.

Administrative Burden Costs

Food Labelling is an administrative burden, but any incremental changes to the administrative burden of this proposal should be minimal.

Q: Do you agree that any new administrative burdens will be minimal? If not, please provide details, including costs, of any new administrative burden introduced.

Wider Impacts

It is not foreseen that there are any wider impacts, other than those outlined in this Impact Assessment.

Consultation

An informal consultation was carried out in August 2007 when the Commission first indicated that it intended to move forward with revision of the fruit juice Directive. The responses received were used to develop the UK's negotiating position. Responses to that consultation indicated overwhelming support by industry and LACORs for the introduction of Brix values. The linguistic change was proposed later, in response to translation problems in other languages. Stakeholders have been regularly informed and updated on progress with the Commission's plans. Interested Party letters have also sought stakeholders' views on the issues as they arose, and there have also been stakeholder meetings to talk through the changes which the new amending regulations would bring about.

A formal four week consultation is now proposed to seek additional views on the impact of the proposed amending regulations.

Enforcement

The Regulations will be enforced by Trading Standards officers in local authorities. Brix levels will require testing in order to demonstrate compliance. The test required uses standard techniques measuring soluble solids by refractometer already in everyday use by Public Analysts.

Simplification

There are no simplification measures as part of these proposals.

Implementation

The changes will be implemented by an amendment to the current Fruit Juices and Fruit Nectars (England) 2003 Regulations. It is proposed to bring the Regulations into force as soon as is practical to allow products meeting the new labelling requirements to co-exist with the current requirements during a transitional period. The required implementation date is 1st January 2011. Review of the new requirements of the proposed Regulations is possible during the second phase of further amendments of fruit juices and nectars currently in the early stages of discussion at European level.

Summary and preferred option

Option 2 is considered to be the proposed option.

Option 2 provides consumers with improved measures for the minimum quality for juices. Option 2 provides regulatory certainty for manufacturers and ensures that UK industry has a level playing field and can compete on the same legal basis with its EU counterparts. It also will help avoid trade disputes, as levels are similar to that in the Codex standard. The costs of imposing option 2 are minimal for all stakeholders. Those most affected, the fruit juice manufacturers and processors, are in favour of the proposed amending Regulations.

Annexe 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but, exceptionally, a longer period may be more appropriate. A PIR should examine the extent to which the implemented Regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR, please provide reasons below.

<p>Basis of the review: The Commission published a new proposal on 22 September 2010 which will introduce further amendments to the Fruit juice Directive in order to further align with the Codex and make necessary technical adaptations. It is envisaged that negotiations will take place over the next year with a view to adoption of the proposal by the end of 2011. This will be required to be implemented into UK law within 18 months and will provide a further opportunity for a review of the current amending Regulations and whether there are any issues arising from the introduction of this legislation or indeed whether they are still necessary.</p>
<p>Review objective:</p> <ol style="list-style-type: none">1. Check that the new minimum Brix levels are not causing any issues for manufacturers or local authorities
<p>Review approach and rationale:</p> <ol style="list-style-type: none">1. Re evaluate the estimated costs and benefits.2. Consider feedback from industry, enforcement and consumers as a result of informal discussions in the normal course of business.3. A further re-evaluation of the impact at the time of introduction of additional measures in approximately 3 years.
<p>Baseline:</p> <p>Option 2 (preferred) will be the baseline for review if new Regulations put in place.</p>
<p>Success criteria:</p> <ol style="list-style-type: none">1. Success will be measured by positive feedback from manufacturers and local authorities2. A measure of success could also be determined by any enforcement actions been taken by local authorities due to introduction of newly defined Brix levels3 The industry also conduct their own surveillance of the quality of juices on the UK market and this information could inform on whether the measure is working
<p>Monitoring information arrangements:</p> <p>Monitoring is carried out through normal "business as usual" activities via routine discussions and meetings as well as feedback and enquiries from consumers, industry, enforcement bodies and NGOs. These exchanges with stakeholders will be documented and will help to assess whether the policy aims have been met, and to identify positive and negative impacts</p>
<p>Reasons for not planning a PIR: N/A</p>

Annexe 2: Specific Impact Tests

Statutory Equality Duties Impact Test

Race equality issues

No impacts on specific ethnic groups have been identified from the policy options.

Gender equality issues

No gender specific issues related to the policy options have been identified.

Disability equality issues

No disability specific issues related to the policy options have been identified.

Competition Assessment Impact Test

The proposed legislation applies to all relevant UK food and drink manufacturers equally, allowing them to trade across EU Member States, if appropriate. It should not limit the number or range of suppliers either directly or indirectly or reduce the ability of, or incentives to, suppliers to compete. Therefore, it is not expected to significantly impact on competition.

Small Firms Impact Test

It is acknowledged that the market for fruit juices is dominated by small and micro businesses. However, as industry is in favour of these Regulations and has been informally consulted during the policy development stage, we do not envisage these Regulations imposing a significant or disproportionate burden on small businesses.

Sustainable Development Impact Test

We do not envisage that either option outlined in this IA will have a significant impact on sustainable development. There are no significant environmental impacts or social benefits associated with this policy and we do not anticipate that our actions will have any impact on future generations.