Presentation to the Portfolio Committee on Agriculture, Forestry and Fisheries.

Fertilizers and Feeds Bill [B41 – 2012]
The Pet Food Manufacturers Association of South Africa is supportive of the proposed Bill, in particular the move towards Registration and licensing of the manufacturing plant/factories for local industry participants, registration of raw materials and additives and continued registration of imported pet foods.

We believe the proposed move will assist in ensuring minimum nutritional standards and Good Manufacturing Practices are adhered to by all local Pet Food Manufacturers. These minimum standards should be the STANSA Pet Food Standards at SABS to which reference needs to be made in the Regulations.

We also believe this proposed Bill will help alleviate some of the current backlog of product registrations within the ACT 36 administrative office which harm the pet food industry. This has been a major area of frustration between industry and the office of the Registrar over the past two years.

Currently 532 new pet food product applications are in the approval pipeline at ACT 36 dating back to submission dates as far as July 2012, (8 months against the agreed service level of 4 months.) One-third of applications arrive at Act 36 from the pet food industry producing 300 000 tonne per year and the balance of the applications in feed from animal feed manufacturers who produce through AFMA 6.7million tonnes of a total feed around 10million tonnes per annum. The delays have grown steadily over the last 6-years. As no product may appear on the market without registration the Sector is being squeezed and set back by Rmillion’s through the delays.

Due to the nature of the Fast Moving Consumer Goods Industry, there is a specific window of opportunity within a year that new products can be brought to the retail market, this period is usually between March and October, failing which, the retail trade will postpone the launch into the following March. Companies still require at least 8 weeks for completion of product packaging and production following the approved registration process. The delay in the registration process has a significant impact on timing of product innovations which can lead to leaked market intelligence and loss of first mover advantage. This has been a major area of frustration between PFI and ACT 36 due to continued lack of resources within the technical department for the past 2 years.
A step in the right direction of this Bill is that individual product registration will no longer be required. A move that is fully welcomed by the PFI, however, imported products, raw materials and additives still need to be registered which will continue to burden the very limited technical resources within the Department.

The other matter affecting negatively on the Industry as a producer of fast moving consumer goods is:

1) the requirement for approval of all Advertising which includes, packaging of Petfood products, point of sale materials, brochures, pamphlets, billboards, TV and Radio and print Advertising.

A REVIEW is included in this “New” Fertilizers and Feeds Bill for pet food labels: This re-introduces individual pet food “registration” (the only such sector to be so treated together with feed additives) for all products local and imported, ostensibly removing the advantage above under Manufacturing Plant licensing, and again promises massive backlogs and delays in the face of the expanded number and territory for control of farm feed through inclusion also of home mixers.

The PFI has, since its inception attempted to have advertising approval removed as a pre-requisite for publication or sale of a product. The fast turnaround required for this dynamic FMCG Sectors advertising in the face of the new and demanding advertising media including the social media advertising channels is not in line with the Departments structures and ability to approve.

The Departments also does not have among their agricultural scientists’ people with the advertising and marketing experience and knowledge to make sound decisions on advertising. Precedents abound demonstrating their lack of in depth understanding in this field. If they paid attention to the Legal label requirements only for technically false and misleading inserts or failure to include required label information (including as from the Consumer Protection Act) it may be tolerable but the fact of the matter is that they extend their legislative powers into areas that they do not fully understand. To illustrate the point as examples:

1. One pet food Company was recently threatened with legal action by Act 36 over their marketing personnel using the word “than” over the Technical Advisors preferred word “that”.

2. A major pet food Company has a pay-off line that is not supported by Act 36 Regulations (goes against a specific Clause in the Regulations). Challenged at the ASA the finding was in favour of the aggrieved company. Taken to Appeal, the
ASA overturned their ruling based purely on the evidence that the Registrar Act 36 had approved the pay-off line overruling his own Regulations.

**This takes the credibility of the Industry in to no man’s land.**

Multi-National members of this Industry Sector find it incongruous that they are able to develop and launch chocolates, breakfast cereals, ice-creams through to baby food without requiring registration before launching into the market, and in particular not requiring any label review. The Department of Health does not regulate advertising within the Food and Cosmetics Act but depends on the Advertising Standards Authority of South Africa.

Why is pet food included in an Agricultural Act subjected to such rigorous investigation?

**CONCLUSION:**

*Although the PFI has pointed out its belief that the Industry should be removed from Legislation under this Agricultural Bill, it can remain there providing the insistence that labels be reviewed for the pet food industry and remove advertising approval, where it does not apply to legal requirements, is removed.*

This would place Pet Food under the following requirements:

1. The Bill, as illustrated, will always impact on the input side of the pet food manufacturing by requiring that sellers/traders in all raw materials will need to register these materials.

2. Facilities will need approval/licencing.

3. The Standards in the Industry will be a SABS SANS operation monitored by the NRCS for enforcement. Omissions required to be included in this SANS, can still be built into this SANS before publication.
4. Advertising must be attended to by the Industry and the consumer through the professional advertising and marketing evaluation of the ASA. (As with human food and the Foods & cosmetics Act)

5. Veterinary Health issues that are needed to be legislated will remain in place through Act 35 DAFF and thus trade and raw material legislation in this regard will remain in force on pet food.

FIRSTLY, though the enormous under capacity at Act 36 needs to be corrected so that harm to the Pet Food Industry is minimised before this new Fertiliser and Feeds Bill is introduced.

Barry Hundley
Executive Director
Pet Food Industry Association of SA