



Laucke Flour Mills
Quality Flour Millers
ESTABLISHED 1899

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Customers of Laucke Flour Mills

28th August 2009

Dear Proprietor / Manager,

I am pleased to provide you with a necessary update regarding mandatory folic acid fortification (MFF) of wheat flour for bread making.

Optimised folate nutrition is particularly important to women of childbearing age, as it can reduce the risk of neural tube defects, including spina bifida. Some years ago, based on well intentioned advice, the Australian and New Zealand Food Regulation Ministerial Council (Ministerial Council) required Food Standards Australia New Zealand (FSANZ) to draft a new Cereals and Cereal Products Standard, requiring the mandatory fortification of wheat flour for making bread with folic acid in Australia and New Zealand. This mandatory requirement, as described within Standard 2.1.1 – Cereals and Cereal Products (The Standard), was enacted two years ago and is set to be implemented on the 13th September 2009.

Laucke wholeheartedly supports efforts to improve public health, and in fact encourages proper nutrition through its unique product range. However, The Standard places the public at risk. Consequently our business is at risk of being held directly responsible for any adverse health outcomes resulting from mandatory folic acid fortification. Allow me to summarise our key points of concern:

1. The process of developing and instituting The Standard has been fundamentally flawed:

- The procedures required by the Food Standards Australia New Zealand Act 1991 were not followed by the appropriate authority.
- FSANZ failed to make a proper assessment or did so on the basis of irrelevant considerations.
- The assessment of the safety of the proposal was incomplete and based on flawed assumptions.
- There was a failure to make any assessment that addressed the practicalities of implementation.
- Since The Standard was enacted, scientific research has continued to mount evidence against mandatory folic acid fortification. Proponents of mandatory folic acid fortification have ensured that negative scientific data has been overlooked, ignored or dismissed by key decision makers.

2. Enforced consumption of folic acid may introduce adverse health risks to a wider population:

- Scientific models indicate folic acid (synthetic form of folate for use in mandatory fortification) is imperfectly metabolised and results in circulating folic acid in the bloodstream which is poorly understood and potentially dangerous.
- Scientific evidence suggests enforced consumption of folic acid may actually promote cancer growth in certain people who harbour precancerous or cancerous cells. Examples include Colorectal, Prostate, Breast and Pancreatic cancers and Leukaemia.
- Folic acid masks Vitamin B12 deficiency. In the elderly, this can have severe neurological consequences when undiagnosed and untreated.
- Scientists have also linked folic acid with Inflammatory Bowel Disease (IBD), Anaemia, Asthma, Autism, Myocardial Infarctions (heart attack), Ectopic Pregnancies and Type 1 Diabetes.

- Folic acid has also been shown to interfere with drug treatments for disorders such as: Epilepsy, Rheumatoid arthritis, Psoriasis, and Malaria.
 - Professor Leonie Segal has estimated that The Standard, whilst aiming to prevent between 14 and 49 cases of Neural Tube Defects annually, will place 200,000+ Australians above the recommended folic acid daily intake level and thereby at increased risk.
 - Every human is genetically unique, and responds in a different manner to all supplements. It is very simple: MFF will force 22 million Australians to consume folic acid. With the apparent randomness of individual genetics, it is certain that some will suffer adverse consequences. Irrespective of the postulations by FSANZ and others, in the real world, inadvertently, people will get hurt by MFF even as some others benefit.
- 3. The legislated range of folic acid addition (2 – 3mg/kg of flour) will not be possible for domestic millers to reliably achieve:**
- Technical limitations prevent accurate measurement, dosing and verification of the folic acid levels required to meet The Standard.
 - The Standard requires all domestic millers to guarantee legislated levels at the final point of sale which may be several months after manufacture. However, folic acid denatures over time and at varying rates dependant on complex interactions with other ingredients (e.g. ascorbic acid, common in all bread improvers). Millers expect nonconformances will inevitably result in products such as pre-mixes.
- 4. Flour millers are legally liable for health claims resulting from mandatory folate fortification:**
- Given that it is not possible for flour millers to reliably prove that their products can conform to The Standard, public liability issues put Laucke at risk of litigation should folic acid fortification correlate with disease onset in individual consumers.
 - Despite discussions with insurers and the national representative insurance body, no insurer has been willing to guarantee cover against this future liability risk.
- 5. Mandatory fortification restricts consumer freedom of choice:**
- The Standard does not provide sufficient alternative options to support freedom of choice. Organic flour is exempted from mandatory folic acid fortification. However, the organic community (of which Laucke is a proud certified supplier) represents perhaps 1% of the total baked goods market. Current organic grain supply and organic product distribution is inadequate to meet significant changes in demand should consumers seek organic bread products as the single alternative to mandatory folic acid fortification.
- 6. Mandatory folic acid fortification is still not enough for the target population:**
- Mandatory folic acid fortification (2 – 3mg/kg of flour) will fall short of the recommended daily intake (400µg per day) for the target population of pregnant and pre-conceptive women. Therefore extra folate supplementation will still be a requirement for the very same population group that mandatory folic acid fortification seeks to target.
 - US researchers have observed that mandatory fortification leads to consumers assuming that mandatory fortification is delivering all of their nutritional requirements, resulting in a net decline in dietary folate levels in targeted population groups.
- 7. Australia must heed increasing international concern for mandatory folic acid fortification:**
- Earlier this month, New Zealand announced that it had deferred their Standard mandating folic acid fortification until 2012, pending a review of emerging science. 87% of public opinion was against mandatory folic acid fortification. Currently, NZ Bakers are proactively pursuing voluntary folate fortification (VFF) of individual products as the most appropriate alternative.
 - In Ireland, mandatory folic acid fortification was put on hold in 2006 after safety concerns were raised. The Food Standards Authority Working Group investigation report stated that “there would be no benefit to public health in introducing mandatory folic acid fortification now”. The report identified that the key population groups were now obtaining sufficient folate from foods under a voluntary folic acid fortification model.
 - The United Kingdom delayed mandatory folic acid fortification pending a review of the emerging science.

- Mandatory folic acid fortification is being reviewed by a Congressional Committee in the USA. Of interest, the USA has had mandatory folic acid fortification for over ten years, and it was initiated at a time when no undue health risk was perceived. Now, recent research has found a correlation between MFF and increased levels of Colorectal cancer, supporting similar research findings.

Laucke, as part of the group of Australian millers, has for a period in excess of 10 years sought to ensure that a practical and safe model of folic acid fortification is implemented, recommending:

- That mandatory folic acid fortification is the least effective option.
- That a thorough and formal review of mandatory folic acid fortification be initiated, with a view to evaluate and institute enhanced voluntary folic acid fortification of food.
- That public education campaigns must target key population groups at risk of folate deficiencies.

Laucke Leadership.

Laucke has a long and proud history of leadership in the Australian flour milling community, continued by me, a third generation owner of this business and President of the Flour Millers Council of Australia. While major flour millers and national bakers have reasonably and perhaps expectedly acquiesced to comply with The Standard, Laucke are still endeavouring to ensure that the most effective solution is achieved. We believe that firm and decisive leadership is required to raise public awareness of the inadequacies and issues associated with The Standard, and to ensure the health of the Australian public is not put at undue risk.

Therefore, I advise you that Laucke Flour Mills have decided to abstain from compliance with The Standard and WILL NOT be fortifying our flours and pre-mixes with folic acid.

I have not taken this decision lightly. My decision was taken at this late stage because I had always hoped that due process would result in an acceptable solution to the problems that are obviously inherent with the current Standard. I have ascertained that the individual members of Ministerial Council are generally uninformed about the inequities and risks associated with MFF and The Standard, and remain comfortable with MFF. Recognising this, I decided that the only way to change their perspective was for them, individually and as a group, to perceive and understand that there is political risk in maintaining MFF.

On the 24th of July 2009, I sent letters to all 18 parliamentary members of the Ministerial Council, identifying all issues and seeking an immediate hold on implementation of The Standard whilst a fair, equitable and formal review of the risks, requirements and alternatives to mandatory folic acid fortification takes place. This letter also provided formal advice to the Ministerial Council that Laucke will not be following The Standard and that Laucke may seek media assistance to ensure the issues are made known to the general public. I have been less than satisfied by the responses to date.

Based on the minimal responses of the Ministers at the time of writing this letter, it appears highly likely that the media will be necessarily engaged by Laucke and that mandatory folic acid fortification of bread will become a significant and very public issue in Australia. Many of the media are awaiting opportunities to publish information on this issue.

On the 4th of September 2009, I will be meeting The Honourable Mark Butler, Parliamentary Secretary and Chair of the Ministerial Council. I will present the health concerns outlined above and will exert political pressure by means of possible negative media attention to ensure that my message is understood. Depending on the outcomes reached consequent to this meeting, Laucke may then seek to have the media publish all the health risks associated with folic acid fortification so as to exert the required political pressure to have The Standard for MFF revoked.

Why seek media publicity?

I have not engaged with the media so far, and would prefer not to do so. By allowing the media to publicise the wide range of adverse health outcomes that are associated with folic acid fortification, the certain result is that the public at large will perceive that bread products containing folic acid are dangerous and either avoid them, or bitterly resent the authorities that are forcing them to consume folic acid. It is my certain belief that the members of Ministerial Council could not afford the political damage associated with such public resentment. This has been proven in New Zealand.

I must, of necessity, not only advise the members of Ministerial Council that I will initiate media publicity highlighting the risks of MFF, but I must also be prepared to carry this through. The reason I am so prepared is because if MFF is implemented, I am sure that the health risks will inevitably be publicised, to the direct detriment of the baking industry. Either way, whether I initiate the publicity or not, the public will become aware of the health risks associated with MFF and will avoid bread products containing folic acid, whether voluntarily fortified or by mandate. Therefore, I am prepared to inform the general public of the risks to their health if the members of Ministerial Council fail to act as they must, because we have this special, small opportunity in time to exert effective political pressure without undue downside.

How will our decision affect you?

I will do everything practical to ensure that media exposure is not necessary, and that The Standard is not implemented. We will succeed either in the short term by halting implementation, or in the long term by having The Standard varied from MFF to VFF. However, if The Standard is implemented, then we must exert political pressure by public and media engagement, and by non-compliance. I have consciously and purposefully placed myself as the public face of non-compliance with The Standard. As such, I have sought to ensure that all compliance and/or prosecution issues will be solely and squarely directed at myself and the Laucke business. We are ready, willing and able to shoulder this burden as we believe that it is an absolute requirement to ensure the right and correct outcome is reached.

The responsibility for adding folic acid to wheat flour rests entirely with the flour miller. If folic acid is not added to wheat flour in accordance with The Standard, then the flour mill is liable, not the baker. Laucke fully accepts that enforcement and prosecution may result from our non-compliance. It may also be that authorities seek to require you to utilise MFF flour. I wish to assure you that we are taking a very public position here and I will actively seek the required levels of public notoriety so that it is my business, not your business, which receives any attention from regulatory officials. However, I do not think that it will get to this stage of confrontation and intimidation.

In light of the possible media campaign, there will be an overall negative health message perceived by the public. It is also likely that the general public may seek alternatives to mandatory folic acid fortified breads should The Standard not be immediately withheld or withdrawn. There may even be an opportunity for bakers to provide the general public with a choice to purchase bread that is free from mandatory fortified folic acid.

Your support will make a difference. I urge you to be strong, and to investigate and discuss what I have related to you and to adopt the same principles as Laucke. I urge you to continue to purchase and use Laucke flour. By choosing to bake bread that is free from mandatory fortified folic acid, you add to the weight of public opinion that will exert the political pressure required to ensure The Standard does not proceed.

We welcome your opinion, feedback and questions on this issue. Should you be required, or feel compelled or pressured to substantiate compliance with The Standard, then please contact me directly for discussion and advice.

I believe that it takes strong leadership to achieve great things. I believe we here at Laucke are a unique, passionate and determined group. I believe it is these qualities, amongst others, that separate and distinguish Laucke Flour Mills as flour millers and why we are the very best supplier to serve your requirements.

Yours sincerely,



Mark Laucke
Managing Director
Laucke Flour Mills

Cc. The Honourable Mark Butler