

Master Brewers Association of the Americas

Dedicated to the technology of brewing.

A world map is shown on the left side of the slide, with the continents in a dark blue color. The map is overlaid on a background of a golden honeycomb pattern. The background of the entire slide is a warm, golden-brown color with a soft-focus image of wheat stalks on the right side.

MBAA Global Emerging Issues

***2009 Craft Brewers Conference,
Boston, MA***

Global Emerging Issues

What is a Global Emerging Issue?

A Global Emerging Issue (GEI) is anything that will or may have a negative impact upon the brewing industry either from a real or public relations viewpoint.

How can we be proactive?

MBAA has formed a **Global Emerging Issues (GEI) Committee**.

The committee's task is to inform the Association and its members of any ruling, regulation, negative science, or publicity that affects beer and brewing in general.

The GEI Committee is watchful of any issue imposed upon our industry by government agencies, NGOs (non-governmental agencies) - advocacy groups, consumer awareness groups, environmental health groups, etc.

Today, GEI Committee members will discuss the following:

- Fred Scheer (GEI Committee chair) will give an overview of issues of concern to the brewing industry and the workings of the GEI Committee.
- Ray Klimovitz, MBAA technical director, will give updates concerning labeling and diacetyl issues.
- Amie Gianino, A-B Inbev, will give an update on WHO (World Health Organization) issues of concern to all of us in the brewing industry.
- Fred Scheer wrap-up and time for questions.

Current Emerging Issues Overview

- Re-emergence of BPA (bisphenol-A) issues in hard plastics and metal cans and phthalates in packaging materials.
- Mandatory statement of nutrition information on alcoholic beverage labels (Ray will discuss).
- Perceived dangers of occupational exposure to diacetyl and other flavorings (Ray will discuss).
- Phosphoric acid – environmental and availability issues.
- World Health Organization concerns (Amie will discuss).

BISPHENOL-A

A recent example is the publicity being given to a study on bisphenol-A (BPA) leaching from plastic baby bottles, infant formula packaging, and beverage can liners. BPA is a chemical used in the manufacture of hard, clear plastics and the epoxy resins used as a lining material in food and beverage metal containers. It has re-emerged as a possible health hazard at extremely low detection levels.

In some opinions, BPA is the most studied and safest material that the packaging industry uses. It has been declared safe by the FDA, EFSA, Japan, and every regulatory agency that has reviewed it.

The NGOs realized that they had lost the science debate; they then started a concerted media effort in mid 2007. The NGOs are using BPA as their “poster child” in their effort to go after all chemicals and the process by which they are approved.

The Obama administration has already announced a sweeping review of the FDA food and drug approval process. Don't be surprised to find that BPA will be high on the list of approved products that will be reviewed.

We will have a complete presentation on the subject of BPA given by Dipl. Engineer Roland Folz (VLB Berlin) at the MBAA Convention in La Quinta, California, in October.

Alcoholic Beverage Labeling Changes

Statement of alcohol content by volume.

Serving Facts panel on the label that would include a statement of calories, carbohydrates, fat, and protein and could include listing the fluid ounces of pure ethyl alcohol per serving.

Ray will discuss this in depth later.

Occupational Exposure to Diacetyl

OSHA is requesting comment on issues related to the occupational exposure to diacetyl and food flavorings containing diacetyl, acetoin, acetaldehyde, acetic acid, furfural, and others.

This request appeared on January 21, 2009, in the *Federal Register* with comments due by April 21, 2009.

Ray will discuss in depth later.

Phosphoric Acid – Environmental and Availability Issues

The brewing industry uses cleaning and sanitation materials that contain phosphorus-based cleaning acids. Depending on usage, these acids contain 30-70% of the phosphorus in waste treatment effluents.

Phosphorus in the form of phosphate is included in the list of dangerous substances for the environment because it contributes (as nitrate does) to the eutrophication of rivers.

Some suppliers are promoting alternatives to phosphoric acid.

One such product is called Scaleva, an alternative to phosphoric acid, as an ingredient in food and beverage cleaning formulations.

This is especially so in the EU where member states are already enforcing strict limits on phosphorous levels in effluents discharged from WWTPs to water bodies.

Additionally phosphoric acid prices have skyrocketed due to demand for fertilizer phosphorus.

World Health Organization

The World Health Organization (WHO) is the directing and coordinating authority for health within the United Nations system. Its main goal is to provide leadership on health-related matters around the world.

The World Health Assembly (WHA) is the WHO's governing body and is comprised of 193 member states, or governments, that express their own health priorities and help set the WHO's work program.

At a meeting in 2005, the WHA adopted a resolution (Public Health Problems Caused by Harmful Use of Alcohol) that set into motion numerous activities and discussions by the WHO, member state governments, industry, and NGOs to look at the problems associated with alcohol misuse. At this year's assembly, another resolution (Strategies to Reduce Harmful Use of Alcohol) regarding harmful drinking was considered and adopted.

Amie Gianino will discuss this in depth later. We will now hear from Ray Klimovitz on the labeling and diacetyl issues.

DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Parts 4, 5, 7, and 24

[Notice No. 73; Ref: Notice No. 41]

RIN 1513-AB07

**Labeling and Advertising of Wines,
Distilled Spirits and Malt Beverages**

The TTB proposes to amend its regulations to require a statement of alcohol content, (expressed as % alc by volume) on all alcohol beverage products. This statement may appear on any label affixed to the container.

TTB also proposes to require a Serving Facts panel on alcohol beverage labels, which would include a statement of calories, carbohydrates, fat, and protein.

Brewers may also choose to disclose on the Serving Facts panel the number of U.S. fluid ounces of pure ethyl alcohol per serving as part of a statement that includes alcohol content expressed as percent by volume.

12 oz Bottle Label @ 4% ABV

Serving Facts	
Serving Size	12 fl oz (355 ml)
Servings Per Container	1
	Amount Per Serving
Alcohol by volume	4%
fl oz of alcohol	0.5
Calories	90
Carbohydrate	2g
Fat	0g
Protein	1g

Small Container Linear Label

Serving Facts: Serving size: 1.7 fl oz (50 ml);
Servings per container: 1; **Alcohol by volume:**
12%; Fl oz of alcohol: 0.2; **Calories:** 13;
Carbohydrates: 0g; **Fat:** 0g; **Protein:** 0g

24 oz Bottle at 4% ABV

Serving Facts

Serving Size	12 fl oz (355 ml)
Servings Per Container	2

	Amt Per Serv.
Calories	90
Carbohydrate	2g
Fat	0g
Protein	1g

A Serving Facts panel must include the following information:

- The single serving size
- The number of servings per container
- The number of calories per serving
- The number, in grams per serving, of carbohydrates, fat, and protein

Alcohol content statements may appear on the Serving Facts panel.

Single serving size and servings per container

For products containing:	a single serving or serving size is:
0.5 to 10% alc/vol	12 fl oz (355 milliliters)
over 10% alc/vol	5 fl oz (148 milliliters)

If and when the ruling is published as proposed, its effective date will be 3 years from the date the rule was published in the *Federal Register*.

Brewers will have that time to use existing label stocks. Brewers can implement the ruling anytime during those three years.

Occupational Exposure to Diacetyl

OSHA is requesting comment on issues related to the occupational exposure to diacetyl and food flavorings containing diacetyl, acetoin, acetaldehyde, acetic acid, furfural, and others. This request appeared on January 21, 2009, in the *Federal Register* with comments due by April 21, 2009.

The GEI committee is following the OSHA diacetyl investigation. This issue is focused primarily on “popcorn lung” caused by the inhalation of elevated levels of vaporized diacetyl over time.

Diacetyl as we know it in the brewing industry is naturally formed by brewers yeast during fermentation and also essentially all assimilated by the same yeast during the latter stages of fermentation with only minute amounts (0.02 to 0.10 ppm) remaining in the finished beer.

There is never any volatile diacetyl in a brewery.

I have had no calls from reporters but have had one phone call from an OSHA representative asking how diacetyl is present in a brewery. After a succinct explanation about how diacetyl finds its way into beer, that it is always in minute amounts and never in a volatilized form, he was satisfied and has not called back.

I'll now turn the podium over to Amie Gianino who will talk about World Health Organization issues with alcoholic beverages.



World Health Organization & The Brewing Industry

Amie Gianino
Corporate Affairs

World Health Organization

United Nations

WIPO

IMF

FAO

ILO

UNESCO

WHO

- Director-General – Dr. Margaret Chan (PRC)
- Executive Board – 34 Member States
- World Health Assembly – 193 Member States
- Regional Offices

WHO Executive Board

Afghanistan 2006-2009

Bahamas 2007-2010

Bangladesh 2008-2011

Brazil 2008-2011

China 2006-2009

Denmark 2006-2009

Djibouti 2006-2009

El Salvador 2006-2009

Hungary 2008-2011

Indonesia 2007-2010

Latvia 2006-2009

Malawi 2007-2010

Mali 2006-2009

Mauritania 2008-2011

Mauritius 2008-2011

New Zealand 2007-2010

Niger 2008-2011

Oman 2008-2011

Paraguay 2007-2010

Peru 2007-2010

Korea 2007-2010

Moldova 2007-2010

Russ. Fed 2008-2011

Samoa 2008-2011

Sao Tome 2007-2010

Singapore 2006-2009

Slovenia 2006-2009

Sri Lanka 2006-2009

Tunisia 2007-2010

Turkey 2006-2009

Uganda 2008-2011

UAE 2007-2010

UK 2007-2010

USA 2006-2009

WHO Regional Offices

WHO Secretariat – Geneva

PanAmerican Regional Office (PAHO) – DC

African Regional Office (AFRO) – Brazzaville

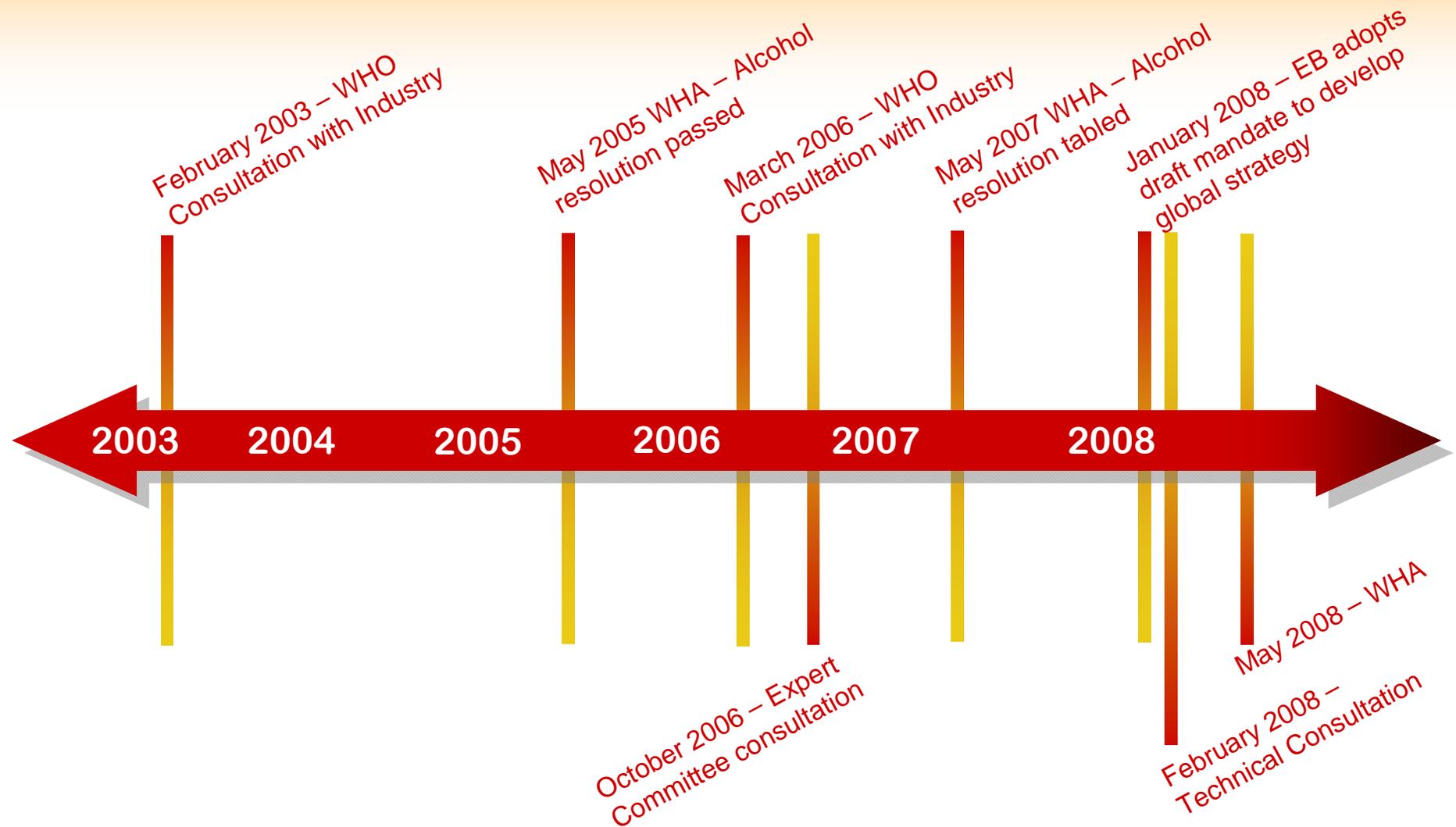
South-East Asia Regional Office (SEARO) – New Delhi

European Regional Office (EURO) – Copenhagen

Eastern Med. Regional Office (EMRO) – Cairo

Western Pacific Regional Office (WPRO) – Manila

Road Towards an Alcohol Strategy



Strategies to reduce the harmful use of alcohol

- Authorized the WHO to draft an alcohol strategy for review at the 2010 WHA
- Triggered consultations with industry and non-governmental organizations
- Regional technical consultation meetings
March through May

SIXTY-FIRST WORLD HEALTH ASSEMBLY

WHA61.4

Agenda item 11.10

24 May 2008

Strategies to reduce the harmful use of alcohol

The Sixty-first World Health Assembly,

Having considered the report on strategies to reduce the harmful use of alcohol and the further guidance on strategies and policy element options therein,

Reaffirming resolutions WHA32.40 on development of the WHO programme on alcohol-related problems, WHA36.12 on alcohol consumption and alcohol-related problems: development of national policies and programmes, WHA42.20 on prevention and control of drug and alcohol abuse and WHA57.16 on health promotion and healthy lifestyles,

Recalling resolution WHA58.26 on public-health problems caused by harmful use of alcohol and decision WHA60(10),

Noting the report by the Secretariat presented to the Sixtieth World Health Assembly on evidence-based strategies and interventions to reduce alcohol-related harm, including the addendum on a global assessment of public health problems caused by harmful use of alcohol,¹

Noting the second report of the WHO Expert Committee on Problems Related to Alcohol Consumption² and acknowledging that effective strategies and interventions that target the general population, vulnerable groups, individuals and specific problems are available and should be optimally combined in order to reduce alcohol-related harm,

Mindful that such strategies and interventions must be implemented in a way that takes into account different national, religious and cultural contexts, including national public health problems, needs and priorities, and differences in Member States' resources, capacities and capabilities,

Deeply concerned by the extent of public health problems associated with harmful use of alcohol, including injuries and violence, and possible links to certain communicable diseases, thereby adding to the disease burden, in both developing and developed countries,

Mindful that international cooperation in reducing public-health problems caused by the harmful use of alcohol is intensifying, and of the need to mobilize the necessary support at global and regional levels,

¹ Documents A60/14 and A60/14 Add.1.

² WHO Technical Report Series, No. 944, 2007.

Consider this...

“Both as members of the Global Alcohol Policy Alliance and independently, ... CSPI looks forward to sharing the ... advocacy materials we have developed on ... alcohol policy issues – e.g., taxes and pricing policies, advertising and marketing, alcohol promotion and sports, product development, minimum legal purchase age, underage drinking, etc.”

“In addition, an effective [alcohol] strategy must include a clear explication of the (non-)role of ‘economic operators’ in the policy-development process. Industry’s role should be limited to ... implementing a strategy designed by public health actors.”

George Hacker
Center for Science in the Public Interest
United States

And this...

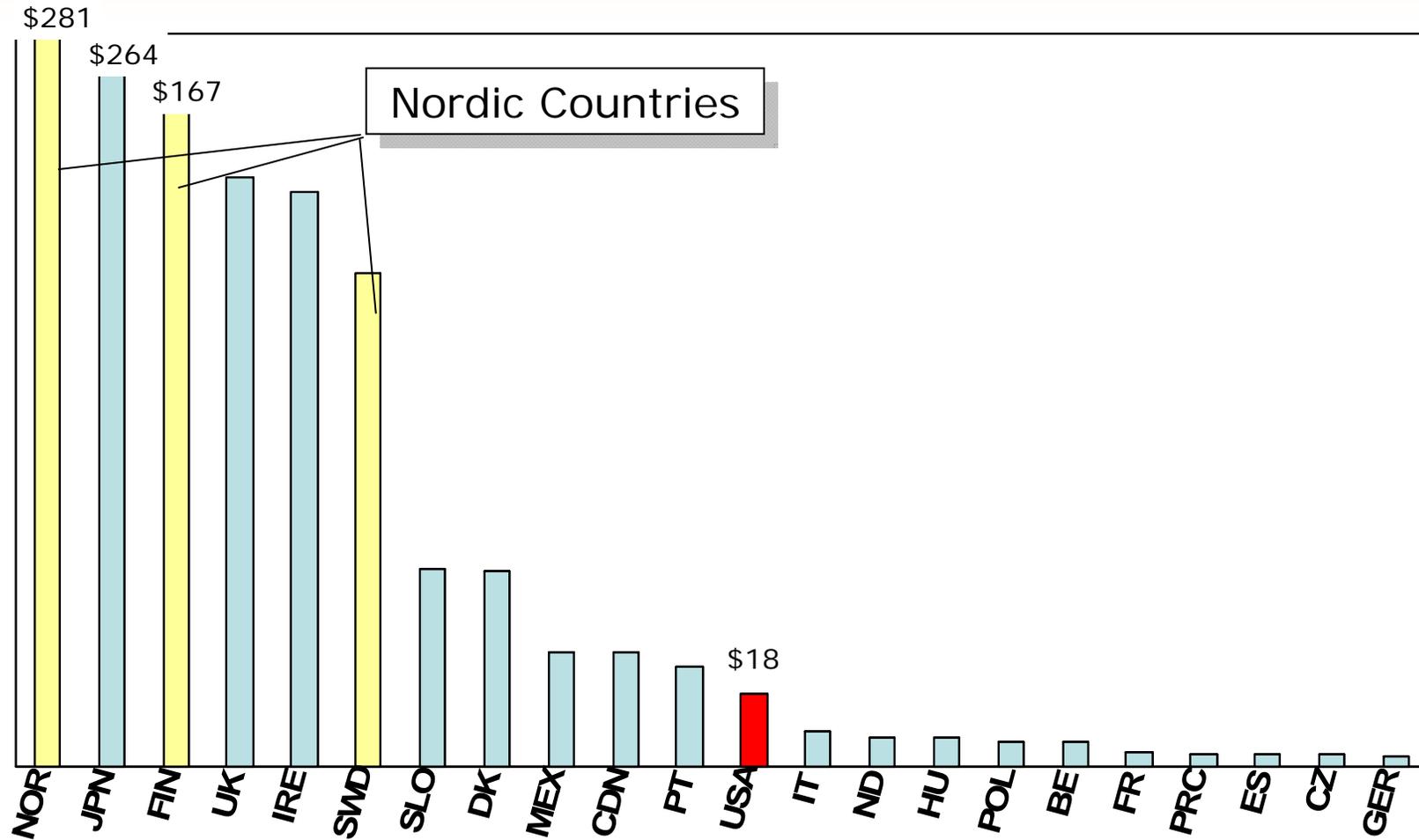
“Taxation is one of the most effective measures to reduce alcohol-related harm ... According to STAP, tax levels should be ... based on the economic principle that the level of taxation on products like alcohol ... should relate to the costs of these products for society...”

“To better protect children against the effects of alcohol marketing, STAP pleads for a total ban on alcohol advertising (similar as with tobacco).”

“STAP is a strong proponent of a world-wide Framework for Alcohol Policy similar to the WHO Framework on Tobacco Control. A world-wide agreement ... to reduce youth drinking, to reduce harmful drinking by adults, to reduce drunk driving and to protect third parties ...”

STAP (National Foundation for Alcohol Prevention)
Netherlands

Current Beer Tax Rates (\$/BBL)



What should we say?

“Health is a state of complete physical, mental and social wellbeing and not just the absence of disease”

– WHO Constitution

Moderate consumption can be part of a healthy diet and lifestyle

The evidence for a *“regular low-to-moderate consumption of alcohol [as] protective against CHD [Coronary Heart Disease]”* was listed as *“convincing”* in a joint WHO/FAO expert consultation

Generally less than 10% of the population meet the criteria for alcohol abuse.

“[m]ost adults who drink alcohol drink in moderation and are at low risk for developing problems with their drinking” – US NIAAA

What should we say?

“The biggest enemy of health in the developing world is poverty and the struggle for health is part and parcel of the struggle for development”

- Former UN Secretary General Kofi Annan
- WHA 2001

“[P]overty continues to contribute to poor health, and poor health anchors large populations in poverty.”

- WHO Six Point Agenda

Health and prosperity are linked. The farm-to-table nature of beer means the brewing industry can and does contribute to the economic and physical well-being of millions of people worldwide.

QUOTES OR STATS?

What should we say?

“On a regional basis, unrecorded alcohol consumption is estimated to be at least two thirds of all alcohol consumption in the Indian subcontinent, about half of consumption in Africa, and about one third in Eastern Europe and Latin America”

– Rehm et al., 2003

Setting policies for *commercial* alcohol may inadvertently impact the production and consumption of *noncommercial* alcohol. Policies designed to limit the availability of regulated alcohol increases the risk of illicit or gray market activity.

“The 1985 [anti-alcohol] campaign led to a dramatic extension of production into non-traditional settings, ranging from apartments in the industrial cities of the Urals to schools and even long-distance trains.” McKee, 1999

What should we say?

“Vital registration data were used to estimate deaths by cause for 78 countries.... To estimate deaths by cause for the remaining 78 countries without usable death registration data, CodMod was applied at country level”

– WHO Global Burden of Disease: 2004

Alcohol policy solutions should be based on the full body of evidence. And where no local data exists, governments should foster standardized data collection about problem behaviors and disease outcomes before implementing legislation.

[In China] *“alcohol related harm has not been systematically studied and reviewed”* (Hao, 2005)

Conclusion

- A strategy to reduce alcohol abuse worldwide is under construction
- Stay informed of WHO and regional activities

www.who.int/substance_abuse/activities/globalstrategy/en/index.html

- Communicate your views through your associations with the US Department of Health & Human Services / Ministries of Health
- Thank you and I now turn the podium back to Fred Scheer

What is the role of the MBAA with respect to addressing Global Emerging Issues?

- Should we act as an active representative of the brewing industry?
- Are we prepared for any questions of liability especially in our environment?
- Should global emerging issues be considered from various viewpoints, i.e., impacts on the industry, on individual companies, on the MBAA, on our members as master brewers and technologists?

The questions are important, as we have to act on global emerging issues forced upon us.

What will the MBAA do to address any emerging issue?

- First, we have to become aware of an issue through trade organizations, research institutions, supplier organizations, etc.
- Next we have to get the scientific background information on the issue.
- We (MBAA) should take a close look as how it will impact us.
- As a team we then have to develop an appropriate response and action plan.



The GEI web page was developed as a portal to provide MBAA and other brewing organization members with easy access to environmental and sustainability issues.

<http://www.mbaa.com/emergingissues/>

How the GEI Committee Will Function

The purpose of the committee is to focus on emerging issues or trends from various sides of the industry that could/will have an impact on our businesses.

These issues could be political (WHO), technical, agricultural (bio-fuels), or even labeling (nutritional labeling) and distribution trends.

How the GEI Committee Will Function

We start with a discussion of current issues then rank them in order of importance.

We then brainstorm for names of individuals to give an update on the topic.

That update could take whatever form fits the MBAA's cycle; perhaps it may be a written update or a convention presentation or a convention workshop.

I look forward to any ideas and updates that come out of this meeting.

How the GEI Committee Will Function

As the world around us is changing so fast, we have to constantly monitor all that develops in our area, starting with incoming raw materials, handling of raw materials, wastewater, water conservation, energy conservation, government affairs, and what national and international research and development offers to us.

The interactive MBAA GEI committee will assist the entire brewing industry by making everyone aware of any new or relevant information.

What Should We Be Watching For?

- *Going green in our industry (packaging??)
 - *Ethanol issues
 - *Energy conservation issues
- *Water issues (bbl H₂O/bbl beer as an example)
- *Health issues (WHO) national and international
 - *Discussion on alcohol usage
 - *Hops in beer as related to human health
- *Regulations on transporting our product
 - *Raw materials issues
 - *CO₂ into the environment

We have to be vigilant and establish relationships with other associations and experts by:

- Making the committee of value to small brewers.
- Finding non-traditional members not related to brewing for the committee.
- Collaborate with other associations – ASBC, Brewers Association, ACS, ASQC, and others.

Thanks to all who made this committee possible!

Especially thanks to Ray Klimovitz for his input on the subjects etc., to Ian Stanners for his continuous work and help to get the web site running, the MBAA Executive Committee for all of their help and input, and to the staff at MBAA HQ for all of their help and input.

AND, let's not go here again.....PLEASE

