

AUSTRALIAN
Pork

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AUSTRALIAN PORK LIMITED

Country of Origin Food Labelling

23 April 2014



Australian Pork Limited (APL) welcomes the opportunity to provide a submission to the House Standing Committee on Agriculture and Industry's Inquiry into Country of Origin Food Labelling.

2 APL is the national representative body for Australian pig producers. It is a producer-owned, not-for-profit company combining marketing, export development, research and innovation and policy development to assist in securing a profitable and sustainable future for the Australian pork industry. APL works in close association with key industry and government stakeholders.

3 The Australian pork industry employs more than 20,000 people in Australia and contributes approximately A\$2.8 billion in gross domestic product to the Australian economy. The pork industry contributes approximately 2.13 per cent of total Australian farm production with roughly 1,500 pig farmers producing around 4.8 million pigs annually.

4 As a member of the National Farmers' Federation (NFF), APL is supportive of the NFF position as outlined in their submission to this Inquiry.

The current Labelling system

5 The current food labelling system is failing to meet its policy objective as it confuses, rather than informs consumers. Research suggests that consumers believe labelling should be clearer, and that many consumers don't understand the existing *Made in Australia* claim.¹

6 Australian pork producers are similarly being let down by the current Country of Origin labelling regime. Existing rules for packaged food allow products processed or packaged in Australia (e.g. bacon made from imported pork or orange juice made of imported juice concentrate), to be labeled *Made in Australia*² without indicating the main ingredient is not of Australian provenance. The problem is compounded by requirements for *Product of Australia*³ being so restrictive that some Australian grown food can't use the label due to small quantities of imported ingredients which are difficult to source in Australia.

Principles of a new food labelling system

7 In 2010 the government commissioned *Independent Review of Food Labelling Law and Policy* (the Blewett review) gave food producers a glimmer of hope. The Blewett review recommended that *Made in* should not be used on food products as a stand alone claim; and

¹ CHOICE, 'Country of Origin Labelling – The Jargon surrounding Labelling confuses consumer', 10 May, 2011, viewed on 22 April 2014, from <http://www.choice.com.au/reviews-and-tests/food-and-health/labelling-and-advertising/nutritional-labelling/country-of-origin-labelling-survey-results.aspx>.

² **Made in Australia** – under Australian Consumer Law, this claim is valid for goods that have been substantially transformed in Australia or where 50 per cent or more of the cost of production was incurred in Australia.

³ **Product of Australia** – under Australian Consumer Law, this claim is valid for products where all of the significant ingredients originate from Australia, and all or virtually all of the manufacturing or processing is also carried out in Australia. *Product of Australia* claims are difficult to sustain for any product that has a significant imported ingredient/component that affects the nature of the product; or if any of the processing locations were not Australia. Under this definition, even if the primary ingredient is 100% Australian, a miniscule amount of imported ingredient (e.g. curing salts used in ham) will render a product ineligible to use this claim.

that a new consumer friendly labelling framework should be developed based on the percentage of Australian ingredients in a product by weight (excluding water).

8 Supporting the outcomes of the Blewett review, APL has worked closely with the National Farmers' Federation (NFF) to develop an agreed agriculture-wide position on food labelling, and principles to underpin the basis of a revised system. APL believes that an improved food labelling system should:

- Be simple, consistent and easy to understand;
- Align with Australia's trade obligations and trade liberalisation credentials;
- Be minimum cost and practical to implement;
- Ensure *made in* claims are qualified;
- Include clearly defined tests;
- Include clear pack labelling, and;
- Be mandatory.

Conclusion

8 Australians can be proud of their pork producers - the first pork industry in the world to commit to a voluntarily phase out of sow stalls by 2017. More than 60% of the industry has already met this commitment. A clear labelling system will allow consumers to support Australian producers, and enable farmers to market the high-quality products they have produced.

9 APL would welcome the opportunity to expand on its labelling position as part of the House Inquiry process as this would advance the interests of consumers and producers, secure transparent country of origin labelling, and support our local food sector.