



growcom
together we grow



Submission to
**The Senate Standing Committee on
Economics Inquiry into the *Food
Standards Amendment Bill (Truth in
Labelling) Bill 2009***

October 2009

About Growcom

Growcom is the peak representative body for the fruit and vegetable growing industry in Queensland, providing a range of advocacy, research and industry development services. We are the only organisation in Australia to deliver services across the entire horticulture industry to businesses and organisations of all commodities, sizes and regions, as well as to associated industries in the supply chain. We are constantly in contact with growers and other horticultural business operators. As a result, we are well aware of the outlook, expectations and practical needs of our industry.

The organisation was established in 1923 as a statutory body to represent and provide services to the fruit and vegetable growing industry. As a voluntary organisation since 2003, Growcom now has grower members throughout the state and works alongside other industry organisations, local producer associations and corporate members. To provide services and networks to growers, Growcom has about thirty-five staff located in Brisbane, Bundaberg, Ayr, Toowoomba and Tully. We are a member of a number of state and national industry organisations and use these networks to promote our members' interests and to work on issues of common interest.

Introduction

Growcom welcomes the opportunity to make a submission to the Senate Standing Committee on Economics Inquiry into the *Food Standards Amendment (Truth in Labelling Laws) Bill 2009*.

Growcom has supported Country of Origin Labelling (CoOL) for many years, providing comments in support of CoOL to the DAFF *Food Regulation Standing Committee Consultation Paper on Country of Origin Labelling of Food* as far back as 2003.

In opinion polls over many years, Australian consumers have consistently demonstrated that they want to be informed of the origin, potential allergens, nutrition and other details of the foods they buy. The 2005 Auspoll survey showed that 97 per cent of Australians wanted to have clear information on the country of origin of their foodstuffs.

A 2009 survey found that 82.5 per cent of supermarket shoppers checked if the produce was Australian-grown fruit and vegetables and foodstuffs "most of the time".

As the peak Horticulture Industry body in Queensland, Growcom supports CoOL as a way of both protecting the local industry's reputation and supporting its long-term viability.

Growcom's Position

It is clear for many reasons, including the support of Australian jobs and producers, and perceived food safety issues, that Australians prefer to buy locally produced foodstuffs. Growcom supports providing consumers with as much information as possible regarding the origin of food at point of sale, so that they can make an informed choice.

Growcom supports the clear identification of country of origin labelling on products. We also agree with the tightening up of the current loopholes that allow phrases such as “Australian” and “Made in Australia” to be placed on products that are not made from ingredients predominantly sourced locally, particularly when it gives the impression that the product is 100 per cent Australian.

However, Growcom is concerned that banning any product which is not 100 per cent local from using the word “Australian” could give the impression to consumers that products which are as much as 99 per cent home grown are actually 100 per cent imported.

An example from the horticultural industry is potato wedges made from 100 per cent grown Australian potatoes, with some imported flavourings or oils. Under the proposed Bill, this product could not have the word “Australian” on its label.

Currently a food product containing a large percentage of imported ingredients can be labelled “Made in Australia” if 50 per cent of the costs are incurred here and it undergoes “substantial transformation” after being imported. Mixing, homogenisation and curing are all considered to be a “substantial transformation.”

Growcom supports the emphasis shift of the proposed Bill to the use of actual ingredients as the determinate of what is Australian Made, rather than packaging or transformation being used as determining factors. However, as outlined above, we would not support legislative changes that would prevent products entirely grown in Australia from being labelled as such due to a small amount of imported seasonings or other additions on the product being sourced from abroad.

The current definition of Australian Grown is

...that each significant ingredient has been grown in Australia, and that all or virtually all of the processes involved in the production of the good have occurred in Australia. (www.australianmade.com.au/faq_s)

Growcom supports legislative changes that would make this the definition for Made in Australia, Product of Australia, Australian, or any other combination that would lead consumers to think that a product’s ingredients are substantially Australian. This would allow for Australian grown product with small amounts of imported seasoning or additives to be labelled as such, while preventing products comprising large amounts of imported ingredients from stating they are Australian purely due to processes or packaging that occur locally.

Other Concerns

We note that while the adjective “Australian” is specified in the proposed Bill as a word that could no longer be used on foodstuffs not 100 per cent produced in Australia, the noun “Australia” and other variants that would give the same impression to consumers are not specified in the Bill. Growcom strongly recommends that the final draft of the Bill ensures that all possible combinations which could mislead consumers as to country of origin are covered.

Growcom is keen to ensure that current rules on Country of Origin Labelling of loose fruit and vegetables as per *Australia New Zealand Food Standards Code - Standard 1.2.11* - continue under this Bill, and that one aspect of it is tightened. This standard mandates the display of country of origin signs where fruit and vegetables are sold loose and not pre-packaged. However, it does not prevent shops from labelling a product as being a mix of local and imported produce. Growcom would like to see produce in stores separated according to country of origin.

Costs

There would clearly be costs involved in any change to labelling laws. Fresh food producers are price takers and unable to pass on increased costs to the rest of the supply chain. Growcom would like to see the costs of implementing any new scheme shared equally throughout the supply chain. We also see a role for Government in providing funding to facilitate the change.

Conclusion

Consumers have clearly shown a desire for foodstuff labelling that more accurately demonstrates country of origin. Growcom continues to support providing consumers with as much information as possible regarding the origin of food at point of sale, so that they can make an informed choice. This also ensures the ongoing viability of the Australian Horticulture industry and protects its reputation.

Growcom is supportive of labelling legislation changes that use ingredient content rather than packaging or "substantial transformation" as the determinant of whether or not a product is Australian made. However, we are concerned that restricting the use of the word "Australian" to products whose ingredients are 100 per cent domestically derived could lead consumers to think that a foodstuff predominantly grown in Australia, with some minor overseas additives, had little or no Australian content. Therefore, Growcom recommends that any legislative change to labelling should restrict the use of the word "Australian", "Made in Australia", and other variants to products where *each significant ingredient has been grown in Australia, and that all or virtually all of the processes involved in the production of the good have occurred in Australia*, as per the current Australian Grown definition.