



HUMANE SOCIETY INTERNATIONAL

Humane Society International Inc.
ABN 63 510 927 032

PO Box 439
Avalon NSW 2107
Australia

Telephone (612) 9973 1728
Facsimile (612) 9973 1729
Email admin@hsi.org.au

www.hsi.org.au

8 May 2009

7 5 MAY 2009

Senator, The Hon Bill Heffernan
Parliament House
CANBERRA ACT 2600

Dear Senator,

Humane Society International supplementary information to the Senate inquiry into meat marketing

Humane Society International (HSI) sent an initial submission to the Senate Standing Committee on Rural and Regional Affairs and Transport inquiry into meat marketing on 21 April 2008. In this submission, we detailed the urgent need for a reform of all State and Territory legislation and regulations applying to food labelling, branding and marketing to ensure truth in the labelling of animal-derived food products. As such, we are pleased that the Senate Inquiry has been extended to include the use of "organic" and "free-range" labels across all meat products.

Currently, these products are labelled with a suite of poorly defined and confusing terms that are subject to a range of voluntary standards and third party certification schemes of varying regulation. This has resulted in the big producers redefining the terms to suit themselves, and consumers left with a spectrum of products produced under a range of conditions. As recently as October 2008, the Weekly Times reported that with the absence of standards for free-range produce and the proliferation of the "bred free-range" labelling term, up to 80% of pork sold as free-range would not meet consumer expectations for free-range produce.¹ Despite this, the article notes that Australian Pork Limited, the pork industry's peak body, is staunchly resistant to the development of free-range standards for the pork industry. Moreover, when asked what was meant by the term "free-range", Otway Pork, producers of bred free-range produce, were quoted as saying "you better ask the consumer".

Clearly, with free-range produce increasing their market share, both in Australia^{2,3} and overseas,^{4,5} it is not in the best interests of intensive producers to be honest with consumers about their farming practices.

Board of Directors:

Verna Simpson
Michael Kennedy
Peter Woolley
Elizabeth Willis-Smith
Patricia A Forkan
Dr Andrew N Rowan
Jean Irwin

US Office:

Washington DC

Regional Offices:

UK / Europe
Canada
Latin America / Costa Rica

¹ Free-range pork row. Leslie White. Weekly Times, 7 October 2008.

http://www.weeklytimesnow.com.au/article/2008/10/07/11875_business-news.html

² Australian Egg Corporation (2006). Egg industry overview.

³ Demand soars for organic chicken meat. ABC Rural News, 30 November 2005.
<http://www.abc.net.au/rural/content/2005/s1519954.htm>

⁴ Farmed Animal Watch (2006), Chicken Meat and Egg Sales – UK and US, 17 August 2006. <http://www.farmedanimal.net/faw/faw6-30.htm>

⁵ Eurogroup for Animals (2006). Comments on DG Sanco Consultative Document Labelling, 16 June 2006.

<http://www.eurogroupanimalwelfare.org/consumers/pdf/labellingpaperjune06.pdf>

However, it is very much the right of consumers to have sufficient and accurate information to enable them to make informed purchasing decisions.

Accordingly, earlier this year, HSI submitted an application to Food Standards Australia New Zealand (FSANZ) to amend the Australia New Zealand Food Standards Code (a copy is enclosed for your information). The application proposed changes to existing Standards such that it would be mandatory for meat, eggs and dairy products to be labelled with their method of production. This would restrict the number of labelling terms and require that they are defined in legislation. In addition, they would relate to criteria on the source of the product, the type of housing provided and the specific standards of husbandry, transport and slaughter. These labelling terms would also be linked to consistent national standards.

In Australia, currently only the ACT and Tasmania expressly require the identification of production systems, and this only extends to egg production. Throughout the rest of the country, animal-derived food products are labelled with an array of unregulated and poorly defined labelling terms. Internationally, the European Union has pioneered labelling regulations on animal-derived food products, requiring the mandatory labelling of egg production systems since 2004. It has simplified labelling on egg cartons by only allowing the use of the terms "free range eggs", "barn laid" and "eggs from caged hens", which are stipulated in Commission Regulations that define these terms according to legislated criteria.

Unfortunately, HSI's application to amend the Australia New Zealand Food Standards Code was rejected by FSANZ during the initial 20 day Administrative Assessment period, largely on the basis that FSANZ considers these issues to be social or ethical in nature, rather than relating to the protection of public health and safety, which they maintain is their primary objective. While there are strong social, ethical and environmental issues associated with intensive farming methods, HSI maintains that the use of antibiotics and other drugs in this industry is a major health issue, and there is much research to support this view. Accordingly, HSI intends to expand on the use of pharmaceuticals in the intensive farming industry in Australia, and elucidate the growing international concerns regarding these practices and their effect on human health, in an updated submission that will be submitted to FSANZ in the coming months.

Notwithstanding this, while it may be the case that the protection of public health and safety is the primary objective of FSANZ, Section 18 of the FSANZ Act does list the additional objectives of: the provision of adequate information relating to food to enable consumers to make informed choices; and, the prevention of misleading or deceptive conduct.

As such, there is a precedent, with Country of Origin labelling, where a national mandatory labelling scheme, facilitated by the FSANZ Act and incorporated into State and Territory legislation, has been implemented for the express purpose of meeting these two additional objectives. In this case, it was made possible by a groundswell of Parliamentary support. On occasion, FSANZ takes guidance from Ministers regarding the development of standards, and the revision of the existing Country of Origin standard was prompted by Ministerial policy guidance.

Misleading marketing and advertising issues associated with the inadequate labelling of animal-derived food products are similar to those that would have been evidenced prior to the implementation of the Country of Origin FSANZ Standard. The confusing use of ill-defined and unregulated terms is clearly an example of the absence of adequate information available to allow consumers to make informed choices, and

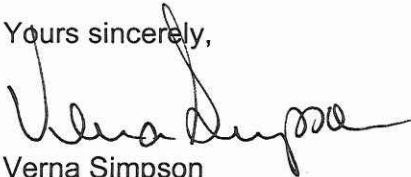
has been shown to enable misleading and deceptive conduct in product labelling. The introduction of mandatory labelling of the production method of meat, eggs and dairy products is necessary to provide this information, and would be complimentary to existing mandatory labelling schemes. Country of Origin labelling has demonstrated that this can be achieved if enough political will and parliamentary support can be garnered.

Consumers are currently in the dark. The absence of mandatory and legislated labelling of the method of production of meat, eggs and dairy products has left them with a spectrum of products produced under a range of conditions with ambiguous labelling. Consumers need to be given the opportunity make informed decisions that are facilitated by accurate product labelling. This can only truly be made possible by the implementation of a FSANZ mandatory labelling standard.

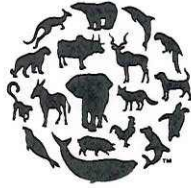
In our initial submission to the Senate Standing Committee on Rural and Regional Affairs and Transport inquiry into meat marketing, HSI recommended that the Committee examine ways in which the *Food Standards Australia New Zealand Act* could be amended to take into account environmental and ethical concerns in addition to the protection of public health and safety. This would facilitate the development of a nationally consistent and mandatory labelling scheme for animal-derived food products.

We appreciate the Committee broadening the scope of the inquiry to include the use of organic and free-range labels across all meat products. We hope this additional information we have supplied will assist your deliberations. We look forward to hearing the results of this Senate inquiry and learning of its recommendations.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Verna Simpson', written in a cursive style.

Verna Simpson
Director



HUMANE SOCIETY INTERNATIONAL

Application to amend the *Australia New Zealand Food Standards Code*

Title: "Method of production" labelling for animal-derived food products

EXECUTIVE SUMMARY

Consumer awareness of the health, environmental, and ethical considerations involved with factory farming production methods is growing, and consumers increasingly want to make informed choices on the animal-derived food products they purchase. This has been elucidated in consumer surveys and has led to concurrent industry growth of products derived from humanely raised animals. The agricultural industry is becoming aware of this market shift resulting from changing consumer attitudes, and in some cases, companies are altering their husbandry practices to adapt to the increasing demand.

However, despite this growth in awareness and demand, animal-derived food products are still labelled with a confusing array of poorly defined and unregulated labelling terms. These include: caged / battery eggs; barn laid eggs; free-range, open-range or range eggs; grain fed; bred free-range; organic and bio-dynamic. None of these terms have a nationally consistent legal definition, or enforceable standards. The suite of voluntary standards and third party certification schemes of varying regulation have left consumers with a spectrum of products produced under a range of conditions, whose ambiguity does not facilitate their ability to make informed product purchases.

Without adequate labelling laws and regulations, consumers are not in a position to make informed choices and purchasing decisions, and are vulnerable to misleading and incorrect labelling, of which there have been numerous reported cases.

There is, therefore, a need to reform the standards and regulations applying to the labelling of animal-derived food products, and this application proposes that all animal-derived food products are labelled with their method of production. This would consist of a limited number of labelling terms (for example, free range, cage eggs) that are adequately defined in legislation, and relate to criteria on the source of the product, the type of housing provided and the specific standards of husbandry, transport and slaughter. These labelling terms would also be linked to consistent national standards that include those for animal welfare. This would enable consumers to differentiate products on the basis of health, animal welfare and environmental concerns.

Such labelling would be consistent with the goals and objectives of the FSANZ Act as they relate to the protection of public health and safety, the provision of adequate information to enable consumers to make informed choices, and the prevention of misleading or deceptive conduct.

SECTION 3.1: GENERAL REQUIREMENTS

1. Applicant Details

Verna Simpson
Director
Humane Society International
Suite 5a, 27 Old Barrenjoey Rd
PO Box 439
Avalon NSW 2107

Ph: 02 9973 1728
Fax: 02 9973 1729
Email: verna@hsi.org.au

Nature of HSI's business:

Humane Society International (HSI) is the world's largest conservation and animal welfare organisation, with over 10 million supporters worldwide, and 40,000 in Australia. HSI works to achieve strong conservation and animal protection outcomes, both domestically and internationally, particularly through engagement with Government on national and international law and policy efforts.

HSI Australia has a particular emphasis on national and international biodiversity policy and implementation, climate change (especially as it relates to forest and biodiversity protection), habitat protection in Australia, disaster relief support in developing countries, a small NGO grants program in Asia, Africa and India, and national and international marine campaigns.

2. Purpose of the Application

The purpose of this application is to increase the ability of consumers to make informed purchasing decisions when buying animal-derived food products.

Consumer awareness of the ethical, environmental and health considerations involved with factory farming production methods is growing, and consumers are increasingly wanting to make informed choices on the animal-derived food products they purchase. This has been evidenced by the results of consumer surveys, both in Australia and internationally, that have found consumers are prepared to pay more for ethically produced food such as free-range eggs, and the concurrent industry growth of products derived from humanely raised animals (see Section 3.2 C.1 & C.2 on pages 8-10 of this application).

However, the ability to make these informed choices is currently confounded by the array of confusing and poorly defined and unregulated terms used on the labelling of animal-derived food products. These include: caged / battery eggs; barn laid eggs; free-range, open-range or range eggs; grain fed; bred free-range; organic and bio-dynamic. None of these terms have a nationally consistent legal definition, or enforceable standards. Currently, only product labels in the ACT and Tasmania expressly require the identification of production systems, and this only extends to egg production.

Instead, a suite of voluntary standards and third party certification schemes of varying regulation have resulted in the big producers redefining the terms to suit themselves, and consumers left with a spectrum of products produced under a range of conditions.

This lack of regulation has led to numerous cases of misleading and false labelling (see Section 3.2.4 A.4 on page 12 of this application).

Therefore, this application proposes changes to Standard 1.2.2 Food identification requirements, Standard 2.2.1 Meat and meat products, and Standard 2.2.2 Egg and egg products, such that all animal-derived food products are labelled with a limited number of nationally consistent legally defined terms that refer to their method of production. These terms would relate to criteria on the source of the product, the type of housing provided and the specific standards of husbandry, transport and slaughter. These labelling terms would also be linked to consistent national standards that include those for animal welfare.

Such regulations, standards and legislated criteria are already in force for eggs sold in the European Union (see Section 3.1 Q.8 on page 7 of this application). Commission Regulation (EC) No 2295/2003 states:

"In order to safeguard consumers against statements which might otherwise be made with the fraudulent intent of obtaining prices higher than those prevailing for eggs of hens raised in batteries or standard grade eggs, it is necessary to lay down minimum husbandry criteria to be respected."

3. Justification for the Application

Consumer awareness of the health, environmental and ethical considerations involved with factory farming production methods is growing, and consumers increasingly want to make informed choices on the animal-derived food products they purchase. These considerations are outlined below.

Health Considerations

Clear and mandatory labelling of the method of production of animal-derived food products is necessary to allow consumers to make informed decisions based on health considerations.

A suite of drugs and medicines are used during animal production in intensive farming practices. In Australia, the pig industry alone utilises over 200 different varieties.¹ Antibiotics, in particular, are routinely used in factory farming environments to control disease associated with raising animals in cramped conditions, and promote animal growth. Thirteen such antimicrobial agents are registered for use as food additives in farming environments in Australia.² There have been recent reports that the heavy use of such antibiotics on factory farms is creating a range of antimicrobial-resistant superbugs, including resistant versions of salmonella, campylobacter and *E. coli*, that may be transferred to humans through meat consumption.³ This issue has been recognised by the World Health Organisation and there have been calls for a reduction in the use of antibiotics on farms as a result.⁴

Environmental Considerations

Consumers increasingly want to make environmentally conscious purchasing decisions, and clear and adequate method of production labelling will allow them to do so.

It is now commonly acknowledged that rural industries and meat farming contribute greatly to atmospheric carbon dioxide concentrations, and are subsequently one of the leading causes of global warming. However, it has recently been purported that a shift to free range production methods would not only reduce emissions associated with livestock industries, but would concurrently reduce the effects of global warming by sequestering carbon out of the atmosphere. As there is more carbon stored in soil in comparison with the atmosphere, free range farming methods can contribute to the better management of that bank of carbon. By moving animals frequently, it allows the grass to accumulate the carbon. The animals then trample the soil, enabling it to absorb the carbon. When the animals are moved, the grass is allowed to re-sprout and the process is repeated.⁵ Such free range farming effectively mitigates the methane emissions associated with raising cattle.⁶ Studies are also showing that cattle grazing on healthier grass that is allowed to regenerate produce up to 20% less methane during digestion,⁷ thereby directly contributing to a reduction in greenhouse gas emissions.

Furthermore, water usage on intensive farms is far greater than that used with free range production methods. For example, a free range pork producer would use seven times less water than an intensive farm with the same number of breeding sows.⁸

Both the United Kingdom⁹ and Sweden¹⁰ are considering food labelling schemes that will provide information on greenhouse gases involved in food production, that will be linked to environmental standards relating to, among other things, energy inputs, fertiliser use, soil management, waste management and water pollution.

Ethical Considerations

Consumers must have the right to make informed purchasing decisions that align with their ethics and belief systems.

The conditions in which the 500 million animals currently in factory farming environments are housed and treated are widely documented. As education campaigns inform consumers of the common practices in these environments, including cramped and often inhumane living conditions and cruel husbandry practices,¹¹ there is an increased need for a nationally consistent labelling scheme to assist consumers to identify those products that are produced according to humane production methods and standards.

4. Information to Support the Application

Information to support this proposal is given throughout the application under Section 3.2 General Food Labelling, and Section 3.2.4 Labelling for Consumer Information and Choice. A brief synopsis of this supporting information is given here with the relevant sections of the application containing detailed information referenced.

The welfare of farm animals is of rising concern to the public, and this has resulted in a concurrent increase in consumer demand for transparency in the food production

industry. Both within Australia and internationally, a number of consumer surveys have gauged public attitudes to factory farming and purchasing behaviour of animal-derived food products (Section 3.2 C.1 page 8). With the majority of survey respondents expressing aversion for inhumane production methods, such as battery farms, and willing to pay more for free-range eggs and meat products, these surveys demonstrate the importance of ethical considerations for consumers when making purchasing decisions.

This shift in consumer attitudes has led to concurrent industry growth of products derived from humanely raised animals. This has been elucidated in a number of market surveys spanning the free-range egg and chicken meat production industries (see Section 3.2 C.1 & C.2 on pages 8-10 for survey results and references). The free-range egg market alone reported a 200% increase in total market value between 2000 and 2006.

This shift in demand has also spread to the corporate world. The Humane Society of the United States notes that America Online (AOL) and Google have adopted cage-free policies, as has food service provider Bon Appétit in the 400 cafeterias that they service for major corporations in the USA, including Yahoo, Adidas, Nordstrom, Oracle Corp. and Cisco Systems.^{12,13}

Furthermore, Voiceless^{14,15} (and references therein) report that cage-free policies have been adopted by more than 80 colleges in the USA, and that consumer concern has led to numerous major food producers and retailers across the globe ceasing to buy caged eggs and other factory farmed products. These include:

- In the USA: Burger King, Wholefoods, Wild Oats Natural MarketPlace, Earthfare, Jimbos ...Naturally, Chipotle Mexican Grill, Ben & Jerry's, and Trader Joes;
- In the UK: Sainsbury's, Marks and Spencer, McDonald's, Little Chef roadside diners, ASDA, Waitrose, Starbucks Coffee, Pret-a-Manger, Ugo Foods Group, J D Wetherspoon, and Eden Project;
- In Europe: Albert Heijn (a subsidiary of Ahold - Netherlands), Irma (Denmark), Makro (Belgium), Colruyt (Belgium), Naturata (Germany), Coop Italia (Italy), Biocoop (France), Ecobotiga La Magrana (Spain), REWE Group (Austria), PPH Tast (Poland), J Recheis Teigwaren (Austria), and Jumbo (Netherlands).

The agricultural industry is becoming aware of the market shift resulting from changing consumer attitudes, and in some cases, companies are altering their husbandry practices to adapt to the increasing demand. For example, the world's largest pork producer Smithfield Foods, who raise 14 million pigs per annum, announced in 2007 that it would phase out the use of sow stalls over the next decade.¹⁶ Maple Leaf Foods in Canada quickly endorsed this decision and followed suit.¹⁷ Both decisions were reportedly a response to concerns raised by purchasers such as McDonald's and several leading supermarket chains.¹⁸

Consumer concerns about products derived from battery and factory farming operations are typically based on health, environmental and ethical considerations (see Section 3.1 Q.3 on page 3), and consumers have the right to be able to make informed purchasing decisions that align with these concerns. With the suite of poorly regulated and undefined labelling terms currently applied to animal-derived food products, it is impossible for consumers to make informed choices. Moreover, they are vulnerable to misleading and incorrect labelling, of which there have been numerous reported cases (see 3.2.4 A.4 on page 12).

The *Food Standards Australia New Zealand Act 1991* (FSANZ Act) has among its goals:¹⁹

- a) *a high degree of consumer confidence in the quality and safety of food produced, processed, sold or exported;*
- c) *the provision of adequate information relating to food to enable consumers to make informed choices;*

Furthermore, under Section 18 of the FSANZ Act, *the objectives (in descending priority order) of the Authority in developing and reviewing food regulatory measures and variations of food regulatory measures are:*

- 1) *the protection of public health and safety; and*
- 2) *the provision of adequate information relating to food to enable consumers to make informed choices; and*
- 3) *the prevention of misleading or deceptive conduct.*

Country of Origin labelling has demonstrated the application of a national mandatory labelling scheme, facilitated by the FSANZ Act and incorporated into state and territory legislation, for the express purpose of "providing adequate information relating to food to enable consumers to make informed choices".

Inadequate labelling of animal-derived food products due to the confusing use of ill-defined and unregulated terms is clearly an example of the *absence* of adequate information available to allow consumers to make informed choices, including those on the basis of health considerations. The introduction of mandatory labelling of the production method of animal-derived food products is necessary to provide this information, and would be complimentary to existing mandatory labelling standards.

5. Assessment Procedure

General

6. Confidential Commercial Information

Not applicable. This application does not contain any confidential commercial information.

7. Exclusive Capturable Commercial Benefit

Not applicable. Any amendment to the Code resulting from this application would not provide any commercial benefits to the applicant, exclusive or otherwise.

8. International and Other National Standards

International

There are no Codex Standards that are relevant to this application. The Codex Standard that refers to labelling, Codex Standard 1-1985 "General Standard for the

labelling of pre-packaged foods” does not refer to method of production labelling for any products.

Other National Standards or Regulations

The European Union has required the mandatory labelling of egg production systems since 2004,²⁰ and has simplified labelling on egg cartons by only allowing the use of the terms “free range eggs”, “barn laid” and “eggs from caged hens”.²¹ These are stipulated in Commission Regulation (EC) No 2295/2003 and amended in Commission Regulation (EC) No 1515/2004, which also defines these terms according to legislated criteria according to animal welfare conditions.

The European Union has also proposed a mandatory labelling scheme for chicken meat and meat products based on compliance with animal welfare standards.²²

9. Statutory Declaration

A signed Statutory Declaration is attached at the end of this application.

10. Checklist

Completed checklists for Section 3.1 General Requirements, Section 3.2.1 General Food Labelling, and Section 3.2.4 Labelling for Consumer Information and Choice of are attached at the end of the application.

SECTION 3.2: GENERAL FOOD LABELLING

A. GENERAL INFORMATION ON THE APPLICATION

- 1. Purpose of the application**
- 2. Justification for the application**

See the responses given under 'Purpose of the Application' and 'Justification for the Application' in Section 3.1 (pages 2-5) above.

B. GENERAL INFORMATION TO SUPPORT THE PROPOSED LABELLING CHANGE

1. A description of the proposed labelling change

This proposal is for all animal-derived food products (meat and eggs) to be labelled with their method of production / rearing method.

This would consist of a limited number of labelling terms (for example, free range, cage eggs) that are adequately defined in legislation, and relate to criteria on the source of the product, the type of housing provided and the specific standards of husbandry, transport and slaughter. These labelling terms would also be linked to consistent national standards that include those for animal welfare.

The Standards that will be affected by the proposed labelling change will be:

- Standard 1.2.2 – Food identification requirements
- Standard 2.2.1 – Meat and meat products
- Standard 2.2.2 – Egg and egg products

2. A list of the foods and / or food groups likely to be affected by the proposed change

The proposed labelling change would apply to meat and eggs, and include packaged and unpackaged food, food intended for restaurants, food intended for catering purposes, food intended for retail sale and food not intended for retail sale.

C. INFORMATION RELATED TO THE POTENTIAL IMPACT ON CONSUMER UNDERSTANDING AND BEHAVIOUR

1. Information to demonstrate consumer support for the proposed labelling change

It is generally acknowledged that the welfare of farm animals is of rising concern to the public, and that this has resulted in a concurrent increase in consumer demand for transparency in the food production industry.²³ A number of consumer surveys have gauged public attitudes to factory farming and purchasing behaviour of animal-derived food products, both in Australia and internationally. These are summarised below.

In a 1994 survey of Australian attitudes to battery hen egg production, 66% of respondents felt that battery cages were unacceptable, due to their cramped and inhumane conditions.²⁴ A similar study in 1998 revealed that 81% of consumers would willingly pay more for eggs if the use of battery cages was banned,²⁵ results corroborated by a survey in the ACT in 2005 that found 84% of participants felt that keeping chickens in battery cages was cruel, and 73% supported their prohibition. Results from yet another survey in 2006 revealed that 63% of participants would be more inclined to buy free-range pig products after becoming aware of factory farming conditions. Moreover, a survey in Queensland in 2001 showed that many consumers rank the humane treatment of animals ahead of price.²⁶

Internationally, similar trends are also evident. A survey in the USA by the Animal Industry Foundation in 1999 found that 44% of consumers would pay 5% more for meat and poultry products from animals labelled as being humanely raised.²⁷ Similarly, 75% of people surveyed in an EU study said they would be willing to pay more for eggs sourced from humane farming systems,²⁸ while 55% of respondents in a UK survey said they would be pay more for food produced by companies with a good animal welfare record.²⁹ Furthermore, a study conducted for the Canadian Council of Grocery Distributors in 1997 found that 37% of consumers were influenced by ethical concerns when making purchasing decisions,³⁰ while 75% of respondents in an EU survey believed they can influence animal welfare through their purchasing decisions.³¹

Most recently, over 63% of the people of the state of California in the USA voted to end the practice of confining animals raised for food in crates and cages too small for them to stand up, turn around and extend their limbs in.³² This measure applies to breeding pigs, veal calves and egg laying hens, and goes into effect in January of 2015, giving factory farms six years to shift to different housing systems.

Method of production labelling of animal-derived food products would allow consumers to make informed choices in accordance with their personal ethics. Importantly, as the proposed labelling would provide additional information to facilitate informed purchasing decisions, there would be no adverse effects on any consumer groups.

2. Information to demonstrate that the proposed labelling change will be understood and will assist consumers

The increasing consumer awareness of the health, ethical, and environmental considerations involved with factory farming production methods, has led to improved animal welfare practices in agricultural industries, as well as industry growth of products derived from humanely raised animals. This is due to consumer understanding of method of production labelling terms such as “free-range” and “cage free”. Voiceless notes a number of industry analyses that have documented this trend in market growth.³³ These are summarised below.

Within Australia, the free-range egg market has doubled in the last six years alone, with the result that it now comprises over 30% of the total retail egg market value,³⁴ representing an increase of more than 200% since 2000. Similar growth has occurred in the free-range chicken market, with one of Australia’s major chicken-producers, Inglewood Farms, reporting a tripling in sales over a 6 month period in 2005.³⁵

Similar growth has been evidenced in overseas markets. In the UK, sales of the meat of free-range chickens are growing at ten times the rate of that sourced from factory farms,³⁶ and Freedom Food (an animal welfare based food accreditation scheme) has recorded a growth in its sales of chicken meat of over 160%.³⁷

Moreover, the combined sales of organic, free-range and Fairtrade foods in the UK had risen by 62% in the 4 years prior to 2007.³⁸ UK senior economist with the Meat and Livestock Commission affirmed the increased interest of consumers in where, and how, their food is produced, and noted that in 2004 ethical spending was worth £4 billion (A\$9.9 billion), and rising.³⁹

This market growth exemplifies the response of consumers to product labelling that is clear and informative on the method of production for animal-derived food products.

3. Information to demonstrate that the proposed labelling change will not have any adverse health or diet impacts on any population groups (e.g. age or cultural groups)

Method of production labelling of animal-derived food products would allow consumers to make informed choices in accordance with their personal ethics. As the proposed labelling would provide additional information to facilitate informed purchasing decisions, there would be no adverse effects on any consumer groups.

D. INFORMATION RELATED TO THE IMPACT ON THE FOOD INDUSTRY (FOOD INDUSTRY APPLICANTS ONLY)

Not applicable.

SECTION 3.2.4: LABELLING FOR CONSUMER INFORMATION AND CHOICE

A. ADDITIONAL INFORMATION RELATED TO ASSISTING CONSUMERS TO MAKE AN INFORMED CHOICE

1. Information to show that the current labelling, or lack of labelling, or information from alternative sources does not allow consumers to make an informed choice

Despite the growth in consumer awareness and demand for greater transparency in the food production industry, animal-derived food products are still labelled with a confusing and incoherent abundance of poorly defined and unregulated labelling terms.

These include: caged / battery eggs; barn laid eggs; free-range, open-range or range eggs; grain fed; bred free-range; organic and bio-dynamic. None of these terms have a nationally consistent legal definition, or enforceable standards. A suite of voluntary standards (such as those set by the Free Range Egg and Poultry Association of Australia) and third party certification schemes of varying regulation have resulted in the big producers redefining the terms to suit themselves,⁴⁰ and consumers left with a spectrum of products produced under a range of conditions. This ambiguity does not facilitate the ability of consumers to make informed product purchases.

The response to Q4 (Section 3.2.4) below details examples of where voluntary labelling and self-regulation have resulted in misleading product labelling which has confounded the ability of consumers to make informed choices.

2. Information to show that there are no, or a limited number of, suitable substitute products in all food categories currently available to consumers

Animal-derived food products exist in all food categories. However, at present only product labels in the ACT and Tasmania expressly require the identification of production systems, and this only extends to egg production. Throughout the rest of Australia, animal-derived food products are labelled with the array of unregulated and poorly defined labelling terms detailed above.

Standards and regulations, incorporating the production method of animal-derived food products, that are legally consistent and apply nation-wide as part of a comprehensive national food labelling system, are urgently required.

3. Information to show that the proposed specific labelling change will assist consumers to make an informed choice or will provide alternative labelling that will not hinder consumers from making an informed choice

This application proposes the provision of succinct, accurate and meaningful method of production information on the labels of animal-derived food products to enable consumers to make informed purchasing decisions.

In contrast to the largely unregulated system of voluntary standards and third party certification schemes currently in place, this application proposes that method of production labelling terms are limited, nationally consistent and adequately defined in legislation, and linked to consistent national standards, including those for animal

welfare. Definitions of terms must include criteria on the source of the product, the type of housing provided and the specific standards of husbandry, transport and slaughter. Such reform will provide consumers with protection, confidence, and an increased ability to make suitably informed choices.

4. Information to demonstrate that, in the absence of the proposed labelling, alternative measures to address the issue would not be effective

The absence of nationally consistent legal definitions or enforceable standards for the range of product labelling terms in use, such as caged / battery eggs, barn laid, free-range, grain fed, bred free-range, organic and bio-dynamic, has facilitated the proliferation of misleading labelling and marketing, product substitution, and consumer confusion. Several instances where this has occurred have been documented.

In 2008, Channel 7's Today Tonight (Sydney) program reported instances of meat substitution, where cheaper cuts of meat and cheaper imports were being falsely and misleadingly sold as a more premium and expensive product.⁴¹ Research by the Sydney Morning Herald revealed how customers buying organic products, including meat products, are paying premium prices in comparison to their non-organic counterparts, yet the labelling is often misleading or ambiguous.⁴²

Later that year, the Senate Standing Committee on Rural and Regional Affairs and Transport held an inquiry into meat marketing and noted the concerns of individual producers, processors and industry bodies that the substitution of hogget and young sheep for lamb has occurred for a number of years.⁴³ They also noted that as AUS-MEAT accreditation is voluntary for domestic-only abattoirs, there is no certainty that AUS-MEAT Language standards are applied consistently to all sheep meat in the domestic market.

In December 2007, HSI became aware of incorrectly labelled Christmas hams in the David Jones Market Street store Foodhall in Sydney. This store was selling what they claimed to be organic and free range Christmas hams. However, further investigation revealed that the company had been misinformed by the distributor for the product, which had in turn led to the hams being mistakenly labelled as organic and free-range. More recently, Woolworths responded to correspondence from an HSI supporter concerned about the welfare of pigs supplied to the company, stating that 50 of their stores across Victoria and 20 in NSW stock a range of free range pork. HSI knows through direct liaison with the company that this is false.

This issue has also been raised by representatives of the meat industry. Producer-owned Australian Pork Limited (APL) have expressed concern over food labelling issues, particularly *"the absence of an effective regulatory system relating to 'free-range' and 'organic' status"*.⁴⁴ In this submission, they acknowledged the dissatisfaction of consumer groups with Australia's organic standards under the Australian Quarantine and Inspection Service (AQIS), and the lack of adequate definitions for "free-range" and "organic meat production" that have prompted animal welfare organisations, including HSI, to develop separate standards for welfare-oriented production. The APL concludes that *"addressing food labelling concerns must be the focus of the Australian Government in years to come."*

Given the incidences of misleading product labelling detailed above (of which there are likely to be many more that have gone unreported), and the concerns expressed

by consumer, animal welfare and industry groups, there is a clear need for a reform of standards and regulations applying to food labelling.

REFERENCES:

- ¹ Chris Richards and Associates Swine Veterinary Consultants.
<http://chrisrichards.com.au/index.php?page=msds's>
- ² Silbergeld EK, Price L & Graham J (2008). Antimicrobial resistance and human health. A report of the Commission on Industrial Farm Animal Production.
http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Industrial_Agriculture/PCIFAP_AntbiogRprt.pdf
- ³ Putting Meat on the Table: Industrial Farm Animal Production in America. A Report of the Pew Commission on Industrial Farm Animal Production (2008).
- ⁴ Poulter S (2008). Factory farms "to blame for new superbugs". Daily Mail, 11 August 2008.
- ⁵ Walljasper J (2008) Can cattle save us from global warming? 30 June 2008. Eatwild: Grassfarming benefits the environment. <http://www.eatwild.com/environment.html>
- ⁶ Finishing cattle on pasture may reduce greenhouse gases. Eatwild: Grassfarming benefits the environment. <http://www.eatwild.com/environment.html>
- ⁷ DeRamus HA, Clement TC, Giampola DD & Dickison PC (2003). Methane emissions of beef cattle on forages: efficiency of grazing management systems. *Journal of Environmental Quality* 32(1): 269-277.
- ⁸ Humane Society International. The environmental benefits of free range farming over intensive farming. <http://www.humanechoice.com.au/news.html>
- ⁹ Clover C (2008). Eco-label will create green standard for food, says Miliband. The Telegraph UK, 19 April 2008. <http://www.telegraph.co.uk/news/uknews/1543832/Eco-label-will-create-green-standard-for-food,-says-Miliband.html>
- ¹⁰ Climate labelling of food in Sweden. KRAV. <http://www.krav.se/upload/Broschyr%20EN.pdf>
- ¹¹ RSPCA Australia. Fair go for farm animals. <http://www.rspca.org.au/campaign/fairgo.asp>
- ¹² The Humane Society of the United States. Google Search Finds New Cage-free Egg Policy, 12 May 2006. http://www.hsus.org/farm/news/ournews/google_cage_free.html
- ¹³ The Humane Society of the United States. Bon Appetit Puts the Chicken Before the Egg, 18 October 2005. http://www.hsus.org/farm/camp/nbe/cagefreecampus/bon_appetit_puts_chicken_before_egg.html;
The Humane Society of the United States. JoPa and JoPa Café Put the Chicken Before the Egg, 4 December 2006. http://www.hsus.org/farm/news/pressrel/jopa_and_cafe_cage_free.html.
- ¹⁴ Voiceless (2007). From label to liable: lifting the veil on animal-derived food product labelling in Australia.
- ¹⁵ Sherman B, Sherman O & Sharman K (2005). From paddocks to prisons. Voiceless December 2005.
- ¹⁶ Smithfield Foods (2007). Smithfield Foods Makes Landmark Decision Regarding Animal Management. 25 January 2007. <http://news.thomasnet.com/companystory/506160>
- ¹⁷ Maple Leaf Foods (2007). Maple Leaf Endorses US Industry Direction on Sow Stalls
<http://investor.mapleleaf.ca/phoenix.zhtml?c=88490&p=irol-newsArticle&ID=956262&highlight>
- ¹⁸ Kaufman M (2007). Largest Pork Producer to Phase Out Crates. The Washington Post (United States), 26 January 2007.
<http://www.washingtonpost.com/wp-dyn/content/article/2007/01/25/AR2007012501785.html>
- ¹⁹ *Food Standards Australia New Zealand Act 1991*. Section 3 Objects of the Act, viewed online at www.comlaw.com.au
- ²⁰ Council Regulation 2001/05/EC of 19 December 2000 amending Regulation 1907/90/EEC on certain marketing standards on eggs [1999] OJ L 2/1; cited by Voiceless (2007), above n 14.
- ²¹ Commission Regulation (EC) No 2295/2003 of 23 December 2003 introducing detailed rules for implementing Council Regulation (EEC) No 1907/90 on certain marketing standards for eggs
<http://faolex.fao.org/docs/pdf/eur45596.pdf> as amended by Commission Regulation (EC) No 1515/2004
<http://faolex.fao.org/docs/pdf/eur45599.pdf>
- ²² Commission of the European Communities. Communication from the Commission to the European Parliament and the Council on a Community Action Plan on the Protection and Welfare of Animals 2006-2010. Brussels, 23 January 2006.
http://ec.europa.eu/food/animal/welfare/com_action_plan230106_en.pdf
- ²³ RSPCA (undated). Scientific articles: ethics and animal husbandry.
http://www.rspca.org.au/resource/article_ethics.asp
- ²⁴ AGB McNair (1994). Battery Hen Survey. Prepared for Animal Liberation Victoria.
- ²⁵ People Data (1998). Examining Attitudes to the Battery Caging of Hens, Understanding of Current Egg Carton Labelling, and Egg Buying Habits and Intentions. Survey conducted on behalf of Animals Australia.
- ²⁶ Voiceless (2007), above n 14.
- ²⁷ Data from American Humane Association; cited by RSPCA Australia (undated), above n 23.
- ²⁸ Special Eurobarometer, Attitudes of Consumers Towards the Welfare of Farmed Animals, June 2005

http://ec.europa.eu/food/animal/welfare/euro_barometer25_en.pdf

²⁹ Waitrose, Corporate Social Responsibility Report (2006), 8; cited by Voiceless (2007), above n 14.

³⁰ Data from British Columbia SPCA; cited by RSPCA Australia (undated), above n 23.

³¹ Special Eurobarometer 229 (2005). Attitudes of Consumers Towards the Welfare of Farmed Animals. June 2005 http://ec.europa.eu/food/animal/welfare/euro_barometer25_en.pdf

³² Humane Society International (2008). Ballot signals an end to factory farming in the US. Media Release, 7 November 2008.

³³ Voiceless (2007), above n 14.

³⁴ Australian Egg Corporation (2006). Egg industry overview.

³⁵ Demand soars for organic chicken meat. ABC Rural News, 30 November 2005.

<http://www.abc.net.au/rural/content/2005/s1519954.htm>

³⁶ Farmed Animal Watch (2006), Chicken Meat and Egg Sales – UK and US, 17 August 2006.

<http://www.farmedanimal.net/faw/faw6-30.htm>

³⁷ Eurogroup for Animals (2006). Comments on DG Sanco Consultative Document Labelling, 16 June 2006. <http://www.eurogroupanimalwelfare.org/consumers/pdf/labellingpaperjune06.pdf>

³⁸ Sanderson R (2006). Green is the New Black in Ethical Britain. Reuters, 13 October 2006.

<http://www.news.com.au/business/story/0,27753,20573370-462,00.html>

³⁹ Buchan J (2006). How Ethics Can Impact on the UK's Shopping Habits. The Scotsman (Scotland), 12 July 2006. <http://business.scotsman.com/6983/How-ethics-can-impact-on.2791512.jp>

⁴⁰ Choice (2008). Free-range phony? How free are the hens that lay "free-range" eggs?

⁴¹ Today Tonight Product Labeling story aired on 3 March 2008

⁴² Frith M (2008). Coming clean on organic logos. The Sydney Morning Herald, 23 March 2008.

<http://www.smh.com.au/news/environment/coming-clean-on-organic-logos/2008/03/22/1205602728858.html>

⁴³ The Senate Standing Committee on Rural and Regional Affairs and Transport: Meat marketing. Interim Report September 2008.

⁴⁴ Australian Pork Limited. Submission to the Productivity Commission Inquiry – Annual Review of Regulatory Burdens on Business: Primary Sector. August 2007.