

AUSTRALIAN PORK LIMITED

Submission to the Inquiry into the Competition and Consumer
Amendment (Australian Food Labelling) Bill 2012 (No. 2)

Rural and Regional Affairs and Transport Legislation Committee

Friday 26 October 2012

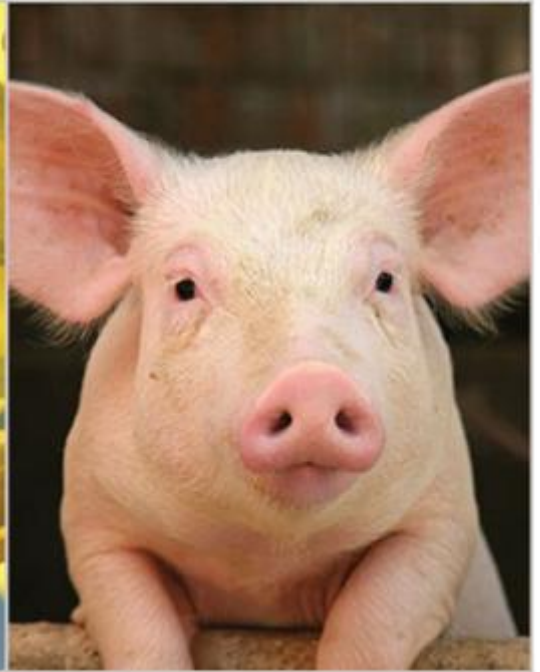


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Summary

Australian Pork Limited (APL), the peak representative body for Australian pork producers, thanks the Senate Rural and Regional Affairs and Transport Committee for the opportunity to comment on the Competition and Consumer Amendment (Australian Food Labelling) Bill 2012. APL is encouraged that legislative action is being considered in this area. APL is supportive of a distinction between food and other goods in labelling matters, but is concerned that the Bill as it is lacks internal consistency as it creates different labelling requirements for packaged and unpackaged foods.

Background information

APL is the peak national representative body for Australian pig producers. It is a producer-owned not-for-profit company combining marketing, export development, research and innovation and strategic policy development to assist in securing a profitable and sustainable future for the Australian pork industry.

2 The Australian pork industry employs more than 20,000 people in Australia and contributes \$2.8 billion in gross domestic product to the Australian economy. The pork industry contributes approximately 2.13% of total Australian farm production with roughly 1500 pig producers producing around 4.7 million pigs annually,¹ with the largest numbers in Queensland and New South Wales. Encouragingly, consumption of pork continues to rise in Australia at 557 kt in 2011, up from 552.5 kt in 2009 and 467 kt in 2005.²

3 Australian pork producers are being let down by the current Country of Origin labelling regime. As they stand, the rules allow imports to masquerade as local produce, through the "Made in Australia" claim, while denying locally grown pork the premium claim of "Product of Australia", if it has been processed into ham or bacon. This undermines Australian pork producers, who ought to be able to capitalise on their good reputation for animal welfare, food safety, and above all, quality. Australian Pork Limited is therefore seeking a more coherent labelling regime.

Proposed changes

4 As we understand the bill, it amends the Competition and Consumer Act 2010, to create specific requirements for Country of Origin labelling for food, as opposed to non-food manufactured items. It would require that the labelling on food is based on the ingoing weight of the ingredients and components instead of the substantial transformation or significant ingredient tests currently used, which we fundamentally agree with. It prevents the claims "Made in Australia" and "Product of Australia" (and variants such as "produce" etc.) from being used on food and instead requires that food be labelled with qualified statements, according to the following rules:

<i>Packaged food, 90% or more of the total weight (excluding water) of which is comprised of ingredients or components that were grown in Australia</i>	<i>(a) there must be a statement on the package that the food is "made of Australian ingredients"</i>
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¹ *Economic Impact Report: Pig production and meat processing in Australia 2010-2011*, Western Research Institute Ltd, available at: http://www.australianpork.com.au/pages/images/Final_APL_WRI_economic_impact_report.pdf, accessed 25/10/12.

² ABARES, *Australian commodities: September quarter 2012*

<p><i>Packaged food, less than 90% of the total weight (excluding water) of which is comprised of ingredients or components that were grown in Australia</i></p>	<p><i>(a) a statement that the food is “made of Australian ingredients” must not appear on the package</i></p>
<p><i>Regulated fresh food that is displayed for retail sale other than in a package</i></p>	<p><i>(a) there must be a label on or in connection with the display; and (b) there must be a statement on the label that: (i) identifies the country or countries in which the food was grown; or (ii) indicates that the food is local food, imported food or a mix of local and imported food, as the case may be</i></p>
<p><i>Unpackaged food that: (a) was not grown in Australia; or (b) contains any ingredients or components that were not grown in Australia</i></p>	<p><i>(a) a representation that the food was grown in Australia must not be made about the food</i></p>

5 Among other things, the bill lists the following as being “regulated fresh food”:

- *fresh pork, whole or cut (other than fresh pork that has been mixed with food that is not regulated fresh food);*
 - *pork, whole or cut, that:*
 - *has been preserved by curing, drying, smoking or other means; and*
 - *has not been mixed (other than for a purpose mentioned in subparagraph (c)(i)) with food that is not regulated fresh food;*

6 We understand this to mean that packaged processed pork such as ham or bacon would be subject to a 90% (not including water) test of ingredients by weight. Packaged processed pork with 90% or more Australian content would be labelled “made of Australian ingredients”. Packaged processed pork with less than 90% Australian content (such as ham made from imported pork) must not be labelled “made of Australian ingredients”, and nor could it be labelled “Made in Australia” as previously.

7 We also understand the bill to cause processed pork displayed for retail sale not in a package to be subject to a different rule. There must be a label on or in connection with the retail display which identifies the country in which it was grown, or identifies it as “local”, “imported” or “a mix of local and imported” food. The definition of “grown” is as follows:

Food, or an ingredient or component of food, is grown in a country if the food, ingredient or component, as the case may be:

- (a) is materially increased in size or materially altered in substance in the country by natural development; or*
- (b) germinated or otherwise arose in, or issued in, the country; or*

(c) is harvested, extracted or otherwise derived from an organism that has been materially increased in size, or materially altered in substance, in the country by natural development.

8 The bill does not apply the 90% test to “regulated fresh food”, although by explicitly listing “pork... that has been preserved” it appears to sidestep this problem. Nevertheless it is concerning to see different tests applied to the same product, should it be packaged differently. For example this may become a problem for types of processed pork product which are less than 90% locally grown by weight. Additionally, the possibility of making the “mix of local and imported food” claim without a stated threshold mixture may create problems in practice.

9 In summary, APL would encourage a change to the legislation controlling Country of Origin Labelling claims, and APL supports the intention of this Bill. However, APL feels that this Bill lacks internal consistency and, in our view, requires amendment.

Yours sincerely

Kathleen Plowman
General Manager, Policy
Australian Pork Limited