

12 April 2011

Ms Toni Matulick
Committee Secretary
Senate Community Affairs Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

By email: Janice.Webster@aph.gov.au

Dear Ms Matulick

Re: Senate Inquiry – Inquiry into Food Standards Amendments (Truth in Labelling – Palm Oil) Bill 2010

Please find below Woolworths Limited's response to the questions taken on notice by Woolworths during our appearance at the Committee's hearing on 19 April 2011.

A. Is there a price premium for sustainable palm oil?

Palm oil is an internationally traded commodity where the price is determined with reference to global supply and demand and will fluctuate over time. As we advised the Committee during the hearing, Woolworths is aware that there is currently a price premium for sustainable (or RSPO certified) palm oil. Woolworths does not, however, have any direct visibility or data on the level of that premium as Woolworths does not directly manufacture its Private Label products (or directly acquire the ingredients for those products such as palm oil). From discussion with suppliers of Private Label products Woolworths does however understand that this premium for sustainable palm oil may fluctuate between \$10 and \$200 per tonne on top of the price for uncertified palm oil.

Woolworths understands that specific price information or data regarding the price premium for sustainable palm oil would more likely be available from companies that are directly involved in purchasing palm oil as part of their refining operations – for example Goodman Fielder or Cargill. Alternatively, this information may also be available from major grocery manufacturers such as Nestle or Unilever who are directly involved in the trading of palm oil.

B. Is there a difference between people responding to a survey about what they might want and their actual behaviour in a supermarket? Does Woolworths have any research / survey data about this issue?

As Woolworths advised the Committee on 19 April 2011, it is Woolworths' experience that there are discrepancies between the responses customers give regarding their purchasing intention and their actual purchasing behaviour (for example, regarding the importance they put on environmental or ethical issues when making purchasing decisions).

A 2010 study of 1000 Woolworths shoppers undertaken by Net Balance (with the support of Woolworths and the Australian Food and Grocery Council) discusses this issue. The purpose of this study was to examine the current influences of sustainable or green considerations on

shopping behaviour. A copy of the report summarising this study can be found at: <http://www.afgc.org.au/sustainability.html#GreenShopper>

The study confirms the discrepancy between a customer's stated concerns / beliefs regarding environmental issues and the extent to which they currently act on those concerns / beliefs when making purchasing decisions:

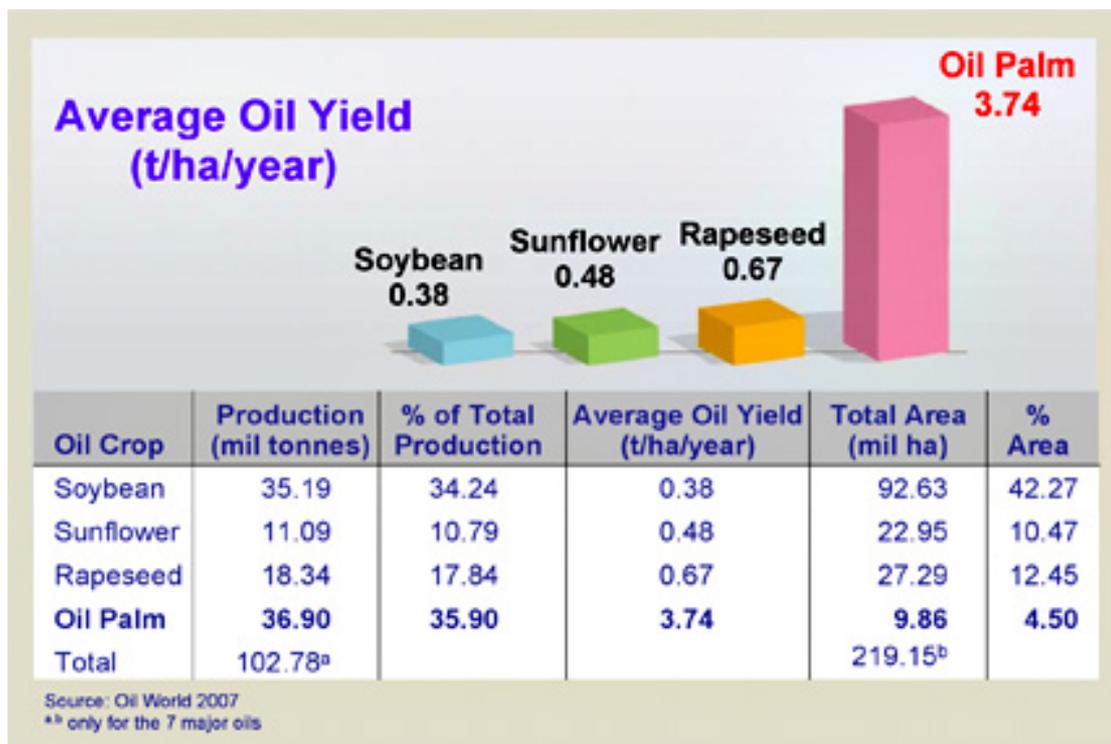
84% of shoppers interviewed are concerned about the impact of their purchasing decisions on the world. In addition, 80% of people Net Balance surveyed agreed that they thought about environmental or green issues when shopping

....
 50% of respondents 'often' or 'sometimes' knew the environmental reputation of the companies that produce their products. This is identical to the 50% in the 2008 'What Assures Consumers in Australia' research findings. This suggests that consumers remain concerned about the environmental performance of the companies producing their products. **Despite this only 13% of shoppers interviewed on the day reported that they had just purchased a product because of its environmental features [Emphasis added]**

[Source: Green Shopper Summary Report, p 3]

C. What lifecycle assessment (or similar) has Woolworths taken in relation to the use of palm oil?

As Woolworths advised the Committee on 19 April 2011, Woolworths has not undertaken any specific lifecycle analysis regarding the use of palm oil in its Private Label products. In considering the ongoing use of palm oil, Woolworths has, however, had regard to publicly available information from organisations such as Oil World which demonstrate that palm oil has a much greater yield per hectare than other oil crops (an example of this analysis is set out below). This production yield information is important as deforestation is the most material environmental issue/concern with palm oil production and production yield will effect the land clearing rate (the lower the yield the higher forest clearing is necessary to meet any given demand).



The Average Yield per Oil Crop (Source Oil World 2007)

D. Examples of Woolworths Private Label Palm Oil products

As requested, set out in **Annexure A** are two examples of Woolworths Private Label products where palm oil is now separately listed on the ingredients list.

Should you have any further questions or if we can be of any further assistance, please feel free to contact me on 02 8885 59133 or at cbeasley@woolworths.com.au

Yours sincerely



Charlie Beasley
Public Policy Manager
Woolworths Limited

Annexure A – Examples of Woolworths Private Label Ingredients List (where Palm Oil is labelled)

Woolworths homebrand

smooth
easy to spread
Peanut Butter

1 kg

Energy 506kJ
DI* 6%

Per 20g Serve

MONEY BACK GUARANTEE

If you're not happy with this product, return it and we will gladly change it or give you your money back.
For more information free call 1800 103 515 (Aust.), 0800 728 4739 (NZ).

| Nutrition Information | | 20g (1 Tablespoon) | |
|--------------------------|-----------------|--------------------|----------------|
| Servings Per Package: 50 | Per Serving 20g | %DI* | Per 100g |
| Energy | 506kJ | 5% | 2530kJ |
| Protein | 4.9g | 10% | 24.6g |
| Fat - Total | 9.0g | 13% | 44.9g |
| - Saturated | 2.0g | 4% | 10.1g |
| - Trans | Less than 0.1g | - | Less than 0.1g |
| - Polyunsaturated | 2.9g | - | 14.6g |
| - Monounsaturated | 4.0g | - | 20.0g |
| Carbohydrate | 5.3g | 2% | 26.5g |
| - Sugars | 2.1g | 2% | 10.6g |
| Sodium | 105mg | 2% | 524mg |

Ingredients: Roasted Peanuts (88%), Vegetable Oil (Palm), Sugar, Salt.

Allergen Advice: Contains: Peanuts.

Storage Instructions: Store in a cool, dry place.

Product of China

Packed for Woolworths 1 Woolworths Way Bella Vista NSW 2153 Australia

84887 www.woolworths.com.au www.progressive.co.nz NOT FOR RESALE

MONEY BACK GUARANTEE

If you're not happy with this product, return it and we will gladly change it or give you your money back.
For more information free call 1800 103 515 (Aust.), 0800 728 4739 (NZ).

| Nutrition Information | | 20g (1 Tablespoon) | |
|--------------------------|-----------------|--------------------|----------------|
| Servings Per Package: 50 | Per Serving 20g | %DI* | Per 100g |
| Energy | 506kJ | 6% | 2530kJ |
| Protein | 4.9g | 10% | 24.6g |
| Fat - Total | 9.0g | 13% | 44.9g |
| - Saturated | 2.0g | 8% | 10.1g |
| - Trans | Less than 0.1g | - | Less than 0.1g |
| - Polyunsaturated | 2.9g | - | 14.6g |
| - Monounsaturated | 4.0g | - | 20.0g |
| Carbohydrate | 5.3g | 2% | 26.5g |
| - Sugars | 2.1g | 2% | 10.6g |
| Sodium | 105mg | 5% | 524mg |

Ingredients: Roasted Peanuts (88%), Vegetable Oil (Palm), Sugar, Salt.

Allergen Advice: Contains: Peanuts.

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Product of China

Packed for Woolworths 1 Woolworths Way Bella Vista NSW 2153 Australia

84887
www.woolworths.com.au
www.progressive.co.nz
NOT FOR RESALE

Serving Suggestion
Delicious on toast, sandwiches, pancakes and more.

Nutrition Information

| Servings Per Package: | | 20 | |
|-----------------------|-----------------|------------------|----------------|
| Serving Size: | | 20g | |
| | Per Serving 20g | %DI* Per Serving | Per 100g |
| Energy | 456kJ | 5% | 2280kJ |
| Protein | 1.3g | 3% | 6.4g |
| Fat - Total | 6.5g | 9% | 32.4g |
| - Saturated | 1.3g | 5% | 6.6g |
| - Trans | Less than 0.1g | - | Less than 0.1g |
| - Polyunsaturated | 1.4g | - | 7.2g |
| - Monounsaturated | 3.7g | - | 18.6g |
| Carbohydrate | 11.1g | 4% | 55.7g |
| - Sugars | 9.9g | 11% | 49.6g |
| Sodium | 10mg | 0.4% | 49mg |

Quantities stated above are averages only.
* Percentage Daily Intakes are based on an average adult diet of 8700kJ. Your daily intakes may be higher or lower depending on your energy needs.

Ingredients: Sugar, Vegetable Oil (Canola, Palm), Hazelnuts (14%), Fat Reduced Cocoa Powder (7.4%), Skimmed Milk Powder, Sweet Whey Powder, Emulsifier (322, Soy Lecithin), Natural Vanilla Flavour.

No Added Artificial Colours, Flavours or Preservatives

Select
Woolworths Select is our commitment to bringing you the very finest in quality and taste.
We guarantee that if you're not 100% satisfied with this product we will refund the total purchase price from your closest store. For more information freecall 1800 103 515 (Aust), 0800 728 4739 (NZ).

Storage Instructions
Store in a cool, dry place away from direct light. For Best Before date, see lid.

Allergy Advice
Contains: Milk, Soybeans, Tree Nuts.

Made in Germany from Local and Imported Ingredients
Packed for Woolworths 1 Woolworths Way Bella Vista NSW 2153 Australia 80 Favona Road Mangere Auckland New Zealand 84218

QUALITY ASSURED

1 PETE

Select

WOOLWORTHS

Hazelnut Spread

Delicious on toast, sandwiches, pancakes and more

400 g NET

| | | | | |
|------------------------|--------------------|------------------------|------------------------|-------------------------|
| Energy 456kJ DI* 5% | Fat 6.5g DI* 9% | Sat Fat 1.3g DI* 5% | Sugars 9.9g DI* 11% | Sodium 10mg DI* 0.4% |
|------------------------|--------------------|------------------------|------------------------|-------------------------|

Per 20g serve (20 Servings Per Package)