



**FOOD STANDARDS**  
Australia New Zealand  
Te Mana Kounga Kai – Ahitereiria me Aotearoa

**6 August 2008**  
**[13-08]**

## **DRAFT ASSESSMENT REPORT**

### **APPLICATION A583**

# **COUNTRY OF ORIGIN LABELLING REQUIREMENTS FOR UNPACKAGED PORK PRODUCTS**

For Information on matters relating to this Assessment Report or the assessment process generally, please refer to <http://www.foodstandards.gov.au/standardsdevelopment/>

## **Executive Summary**

Standard 1.2.11 – Country of Origin Requirements (Australia only) of the *Australia New Zealand Food Standards Code* (the Code) regulates country of origin labelling (CoOL) labelling requirements for food. Amongst other things, the Table to subclause 2(2) of Standard 1.2.11 mandates that country of origin information must be provided for the following unpackaged pork products:

- fresh pork, whole or cut, except where the product has been mixed with other food not regulated by subclause 2(2); and
- pork, whole or cut, that has been preserved by curing, drying, smoking or by other means, except where that product has been mixed with food not regulated by subclause 2(2) (other than those foods used in the preserving).

In April 2006, FSANZ received an Application from the Australian Meat Industry Council (AMIC) seeking to amend Standard 1.2.11 to remove the CoOL requirement for unpackaged pork, whole or cut, that has been preserved by curing, drying, smoking or by other means (hence referred to in this Draft Assessment Report as ‘unpackaged processed pork products’). The Applicant does not seek to remove the CoOL requirements for whole or cut fresh pork.

FSANZ completed its Initial Assessment for Application A583 on 20 November 2007 and called for public submissions. FSANZ received 19 submissions in response to the Initial Assessment Report during the 8-week public consultation period of 12 December 2007 to 6 February 2008. A summary of submitter comments is provided at Attachment 1.

To assess this Application at Draft Assessment, FSANZ has considered evidence on consumers’ understanding of CoOL requirements and their ability to make informed decisions when purchasing unpackaged processed pork products. FSANZ has also considered the impact that the proposed amendments would have on retail practices.

With a CoOL Standard in place, FSANZ’s assessments show that the removal of CoOL from unpackaged processed pork products would reduce the level of information provided to consumers. The benefits to industry from the proposed changes would be limited, as feedback to FSANZ indicates that the majority of retailers of unpackaged processed pork products are likely to continue current labelling practices regardless, and in turn would require their suppliers to provide country of origin information.

On the basis of the information relating to consumer behaviour and retail practices, FSANZ has carried out a comparison of the benefits and costs of the following regulatory options:

1. Option 1 – Rejecting the Application, thus maintaining the CoOL requirements for unpackaged processed pork products
2. Option 2 – Remove the requirement for unpackaged processed pork products to be labelled with their country of origin

The comparison demonstrates that Option 1 will have a neutral impact on industry in terms of benefits and costs. There are also benefits to consumers by continuing the provision of CoOL information on unpackaged processed pork products.

Option 2, the removal of CoOL requirements for unpackaged processed pork products will produce limited benefits to industry. Submissions indicate that even if the mandatory CoOL requirements for unpackaged processed pork products were removed, a number of retailers and suppliers are likely to provide CoOL information voluntarily. Removing the requirements is unlikely to significantly alleviate the pressure on manufacturers and processors. In addition, removing CoOL requirements from unpackaged processed pork products could leave consumers with less information when making informed purchasing decisions than they had previously.

FSANZ therefore considers Option 1 – Rejecting the Application, thus maintaining the CoOL requirements for unpackaged processed pork products to have the greater benefit to cost ratio out of the two regulatory options presented.

## **Decision**

**Application A583 seeks the removal of unpackaged whole or cut pork preserved by curing, drying, smoking or by other means from the Table to subclause 2(2) of Standard 1.2.11.**

**FSANZ has assessed Application A583 having regard to the matters listed in section 15 of the *Food Standards Australia New Zealand Act 1991* (FSANZ Act) as was in force prior 1 July 2007. FSANZ has decided to reject this Application pursuant to section 15A of the FSANZ Act (as was in force prior 1 July 2007).**

The Applicant has a right of appeal to the Administrative Appeals Tribunal in accordance with section 63 of the FSANZ Act (as was in force prior to 1 July 2007).

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## **INTRODUCTION**

FSANZ received an Application from the Australian Meat Industry Council (AMIC) on 12 April 2006 seeking to amend Standard 1.2.11 – Country of Origin Requirements (Australia only).

The Applicant specifically seeks to vary the Table to subclause 2(2) of Standard 1.2.11 to remove the country of origin labelling (CoOL) requirement for unpackaged whole or cut pork preserved by curing, drying, smoking or by other means (hence referred to as unpackaged processed pork products). The Applicant does not seek to change the CoOL requirement for whole or cut fresh pork.

The Applicant's justification for the amendment is that the pork processing industry is incurring costs from CoOL on unpackaged processed pork products, and consumers do not value this information as much as CoOL on other products.

FSANZ completed its Initial Assessment for Application A583 on 20 November 2007 and called for public submissions. FSANZ received 19 submissions in response to the Initial Assessment Report during the 8-week public consultation period of 12 December 2007 to 6 February 2008. A summary of submitter comments is provided at Attachment 1.

### **1. Background**

Part 1.2 of the Code specifies the general labelling requirements for food. In most circumstances, food for retail sale or catering purposes is required to carry a label setting out all the information prescribed in the Code. The label on a package of food for retail sale or for catering purposes must generally include the following core information:

- prescribed name or, where no name is prescribed, a name or a description of the food sufficient to indicate the true nature of the food;
- lot identification;
- name and business address in Australia or New Zealand of the supplier;
- mandatory warning and advisory statements and declarations specified in Standard 1.2.3 – Mandatory Warning and Advisory Statements and Declarations, as well as any other warning and advisory statements specified elsewhere in the Code;
- list of ingredients;
- date marking;
- nutrition information panel;
- percentage labelling (characterising ingredient/s and component/s);
- directions for use or storage where, for reasons of public health and safety, consumers need appropriate directions for use or storage of the food; and
- country of origin (Australia only).

#### **1.1 Current Standard**

Standard 1.2.11 was gazetted on 8 December 2005. Standard 1.2.11 applies in Australia only because New Zealand varied from this Standard in accordance with the *Agreement between the Government of Australia and the Government of New Zealand Concerning a Joint Food Standards System*.

The main rationale behind CoOL is to provide consumers with adequate information concerning the country of origin of foods sold in Australia.

#### *1.1.1 CoOL requirements for packaged foods*

Packaged foods must display a statement on the package that clearly identifies where the food was made or produced, or a statement that identifies the country where the food was made, manufactured or packaged for retail sale and to the effect that the food is constituted from imported ingredients or from local and imported ingredients.

In this context ‘ingredients’ should be understood to include any food component or substance used in the preparation, manufacture or handling of a food.

#### *1.1.2 CoOL requirements for unpackaged foods*

Varying transition periods were provided for different products following the gazettal of CoOL requirements on 8 December 2005, to allow for adjustments to the new labelling system. In respect to unpackaged foods, the transition period ended and labelling requirements came into force for fruits and vegetables and fish on 8 June 2006, and for pork and pork products on 8 December 2006.

Unpackaged fresh pork must display information on the country or countries of origin of the pork or a statement indicating that the pork is a mix of local and imported foods or a mix of imported foods, as the case may be.

Unpackaged preserved pork that has not been mixed with other food that is not subject to CoOL must display the country or countries of origin of the pork, or a statement indicating that the pork is a mix of local and imported foods or a mix of imported foods, as the case may be.

Unpackaged fresh and preserved fish must display a statement of the country or countries of origin of the fish, or a statement indicating that the fish is a mix of local and imported foods or a mix of imported foods, as the case may be.

Unpackaged fresh vegetables or fruit must display the country or countries of origin of the vegetables or fruit, or a statement indicating that the vegetables or fruit are a mix of local and imported foods or a mix of imported foods, as the case may be.

Unpackaged preserved vegetables or fruit that have not been mixed with other food that is not subject to CoOL must display a statement of the country or countries of origin of the vegetables and fruit; or a statement indicating that the vegetables or fruit are a mix of local and imported foods or a mix of imported foods, as the case may be.

#### *1.1.3 Country of Origin Labelling Exemptions*

The Standard applies to food sold to catering establishments in catering packs, but not to food sold to the public by restaurants, canteens, schools, caterers or self-catering institutions where the food is offered for immediate consumption.

## 1.2 Rules Governing Country of Origin Statements

Standard 1.2.11 follows the *Trade Practices Act 1974* (TPA). Sections 65AA-AN of the TPA specifically deal with CoOL representations. These provisions set out safe harbour defences for prohibitions pertaining to, amongst other things, misleading and deceptive conduct. This means that where certain tests are met, statements about the country of origin of a food do not breach the TPA.

The first defence is in relation to statements such as ‘Made in...’, or ‘Manufactured in...’. In order to claim this defence the following tests must be satisfied:

- the goods must have been substantially transformed in the country represented; and
- at least 50% of the value of production or manufacturing processes must have occurred in the country represented. If these requirements are met a claim such as ‘Made in Australia’ or ‘Australian made’ will not contravene the TPA. This approach sets a clear minimum standard for ensuring that unqualified claims of origin are not misleading and deceptive.

The TPA defines ‘substantial transformation’ as:

*A fundamental change...in form, appearance or nature such that the goods existing after the change are new different goods and from those existing before the change.*

The second defence relates to ‘Product of...’ statements. In order to claim a defence for such statements, all of the significant ingredients or components must come from the country represented, and all or virtually all of the production/manufacturing processes must also have occurred in the country represented. This statement indicates to consumers that a food contains Australian ingredients and is produced in Australia.

A qualified claim may be made where it is not possible to make either a ‘Made in...’ or ‘Product of...’ claim. This type of claim implies a lesser connection with the country of origin than ‘Product of...’ or ‘Made in...’ claims. Examples of qualified claims include ‘Packed in Australia from local and imported ingredients’, or ‘Made in Australia from local and imported ingredients’.

Therefore, an unpackaged processed pork product may qualify for ‘Made in Australia’ (noting that it is not mandatory to use these exact words) if it is made from Australian pork, is substantially transformed in Australia using imported brine, and incurs 50% of the production costs in Australia. These are the minimum requirements that, if followed, will satisfy Standard 1.2.11 and will not breach the misleading and deceptive provisions of the TPA (as there is a ‘safe harbour’ defence).

## 1.3 Country of origin labelling of pork

### 1.3.1 Assessment and decision

During the development and consideration of Proposal P292 – Country of Origin Labelling of Food, FSANZ determined that unpackaged fresh or processed pork must meet the same requirements as unpackaged fruit and vegetables.

The Australia and New Zealand Food Regulation Ministerial Council (Ministerial Council) accepted FSANZ's assessment. Declaring the country of origin of unpackaged processed pork products has been a requirement since 8 December 2006.

### *1.3.2 Nature of the marketplace*

Pork imports have a significant presence in the Australian marketplace. The pork industry is demonstrating rapid growth, with Australians' consumption of pork increasing from 18.5 to 23.5 kg per person over the period of 1996-2006. Imported pork has been primarily used to cover this additional demand, with an increase from 19,600 metric tonnes in 1998 to 169,000 tonnes in 2006 (ABARE 2007).

Most imported pork comes from Canada, Denmark and the USA. The vast majority of imports (97%) are in the form of frozen unprepared meat of swine. Imports currently count for between 40% and 45% of the processed pork market in Australia (ABARE 2007).

Submissions to Proposal P292 and regular enquiries to the FSANZ advice line provide evidence that, with the quantity of imported pork increasing, consumers value country of origin information to assist their purchasing decisions on pork products.

## **1.4 Historical background**

### *1.4.1 Ministerial Council Policy Guidelines*

In December 2003, the Ministerial Council issued policy guidelines requiring FSANZ to develop regulatory principles for CoOL. The Ministerial Council's guidance proposed that the country of origin of food should be mandatory and should apply to whole foods, not individual ingredients.

Noting that CoOL is not a public health and safety issue, the Policy Guidelines require that FSANZ have regard to the following high order and specific principles:

#### 1.4.1.1 High Order Principles

- Ensure that consumers have access to accurate information regarding the contents and production of food products.
- Ensure that consumers are not misled or deceived regarding food products.
- Be consistent with, and complement, Australia and New Zealand national policies and legislation including those relating to fair-trading and industry competitiveness.
- Be cost-effective overall, and comply with Australia and New Zealand obligations under international agreements while not being more trade restrictive than necessary.

#### 1.4.1.2 Specific Principles

- Balance the benefit to consumers of CoOL with the cost to industry and consumers of providing it.

- Ensure consistent treatment of domestic and imported food products with regard to country of origin requirements.

#### 1.4.1.3 Policy Guidance

In developing a new Standard for CoOL in the Code, FSANZ should ensure that:

- the Standard is consistent with the High Order and Specific Principles;
- CoOL of food is mandatory for the purpose of enabling consumers to make informed choices;
- CoOL applies to the whole food, not individual ingredients; and
- consideration is given to the existing temporary Australian Standard (Standard 1.1A.3).

In addition, FSANZ is required to have regard to fair-trading and industry competitiveness issues, to be cost effective overall and to comply with Australia's and New Zealand's international trade obligations. FSANZ should also endeavour to ensure that domestic and imported food products received consistent treatment.

#### *1.4.2 Standards development*

Prior to the existing CoOL provisions, a transitional Standard for CoOL requirements came into effect in December 2002. In Australia, the transitional Standard required: mandatory CoOL on all packaged foods; mandatory CoOL on or near certain unpackaged foods – fish, vegetables, fruit and nuts (with some exceptions). For unpackaged foods, the use of the term 'imported', as well as the use of the specific country of origin was allowed.

FSANZ undertook an assessment of CoOL requirements (Proposal P292) between May 2004 and October 2005. This process involved three rounds of public consultation. In October 2005, FSANZ completed the Final Assessment of Proposal P292 and notified its decision to approve draft Standard 1.2.11 to the Ministerial Council. Draft Standard 1.2.11 mandated the CoOL for all packaged foods and certain unpackaged food products, including fruit, vegetables, seafood and processed pork products.

On 28 October 2005, the Ministerial Council considered the draft Standard for CoOL and supported its introduction. The resulting Standard was gazetted as an 'Australia only' Standard in December 2005.

### **1.5 The international experience**

A number of Australia's trading partners have CoOL regulations for food, but there is considerable variation in the requirements of individual countries, making direct comparisons difficult.

Australia applies CoOL across a smaller range of commodities than is the case in other countries. Overseas requirements differ from commodity to commodity, and, as is the case with some commodities in the UK, are not mandatory. CoOL is not mandatory for all foods in the USA, although this may be the case by the end of 2008 (see Section 1.5.3 below).

In Canada, labelling requirements vary on a case-by-case basis, however, CoOL is generally required for imported products.

### *1.5.1 Codex Alimentarius Commission (Codex)*

The Codex General Standard for the Labelling of pre-packaged foods states that:

- the country of origin should be declared if its omission would mislead or deceive the consumer;
- when a food undergoes processing in a second country, which changes its nature, the country in which the processing is performed shall be considered to be the country of origin for the purposes of labelling.

CoOL requirements exist for specified commodities such as avocados, bananas, and baby corn.

### *1.5.2 United Kingdom and European Union*

The CoOL requirements of the UK and the EU reflect, in general, the requirements of the provisions of the Codex General Standard for the Labelling of Pre-packaged foods.

There are certain commodities for the EU for which there is mandatory CoOL, on a vertical or commodity basis. Such commodities include beef, fruit and vegetables, fish, olive oil, eggs, poultry meat, honey and certain 'regional' products – such as those from a particular production area.

For beef, there are requirements to declare the country of birth, rearing, slaughter and cutting (where applicable) whereas for poultry, it is only required that CoOL be declared where the product originates from outside the EU.

### *1.5.3 United States of America*

In the United States of America (USA), CoOL is only mandatory for imported foods under the *Tariff Act 1930*. Country of origin claims are regulated by the Federal Trade Commission and the US Customs Service as part of the general trade regulation, rather than by the Food and Drug Administration as part of general food regulation. As described in the relevant legislation, program implementation is the responsibility of the Agricultural Marketing Service (part of the United States Department of Agriculture).

In May 2002, the Farm Security and Rural Investment Act of 2002, more commonly known as the 2002 Farm Bill, was signed into law. The Act requires CoOL for beef, lamb, pork, fish, perishable agricultural commodities and peanuts. However, in January 2004, a law was passed which delayed the implementation of mandatory CoOL for all commodities except wild and farm-raised fish and shellfish until 30 September 2006. In November 2005, this implementation was further delayed until 30 September 2008.

In the USA, beef, pork, and seafood producers associations along with some food retailers and wholesalers oppose mandatory CoOL, citing its burdensome cost and logistical complications. They are joining forces to design a cost-effective voluntary program that would provide consumers with CoOL information.

#### *1.5.4 Canada*

The Canadian system of CoOL is broadly similar in structure to the EU/UK model. Country of origin is mandatory for various products on a commodity basis. Generally, few products require a country of origin statement. Country of origin means the last country in which a food product undergoes processing that changes the nature of the food product before it is offered for sale. While most foods do not require CoOL, foods that are wholly imported require a supplier's name and address. When processed fruits and vegetables are imported, the country where the product was packed must be shown clearly and conspicuously on the label, either as a part of the name and address of the foreign operator, or as a separate declaration indicating the origin of the product.

## **2. The Issue**

The Applicant has argued that the costs incurred by the pork processing industry from the implementation of CoOL on unpackaged processed pork products are significant, and that the value that consumers place on CoOL in relation to unpackaged processed pork products is considerably less than for other products prescribed in the CoOL Standard. The Applicant states that there is no identified problem in the marketplace that justifies government intervention.

The issue for Application A583 therefore is whether there will be an overall benefit from removing the mandatory requirement to provide country of origin information on unpackaged processed pork products.

## **3. Objectives**

In relation to this particular Application, the primary consideration is to ensure the provision of adequate information to enable consumers to make informed choices on unpackaged processed pork products, including country of origin information as valued by consumers. In meeting its statutory obligations, FSANZ recognises that CoOL is not a public health and safety issue.

In developing or varying a food standard, FSANZ is required by its legislation to meet three primary objectives, which are set out in section 18 of the FSANZ Act. These are:

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

In developing and varying standards, FSANZ must also have regard to:

- the need for standards to be based on risk analysis using the best available scientific evidence;
- the promotion of consistency between domestic and international food standards;
- the desirability of an efficient and internationally competitive food industry;
- the promotion of fair trading in food; and
- any written policy guidelines formulated by the Ministerial Council.

#### **4. Key assessment questions**

There are eight key assessment questions requiring investigation as part of FSANZ's consideration of this Application:

1. How will the retail practices relating to the CoOL of unpackaged pork products be affected by removing these labelling requirements?
  - (a) Will retailers change their current labelling practices?
  - (b) Do retailers currently provide voluntary CoOL on unpackaged foods that are not required to be labelled under the Code?
  - (c) Will retailers retain CoOL regardless of legislation? If yes, how will this impact on potential benefits to manufacturers?
2. Will retailers, suppliers and enforcement agencies be able to trace the country of origin of unpackaged processed pork products?
3. How will removing CoOL requirements for processed pork products affect consumers' ability to make informed purchasing decisions?
  - (a) How many consumers value CoOL of processed pork differently to other products prescribed in the CoOL Standard?
  - (b) To what extent is CoOL information on unpackaged pork products valued compared to other products prescribed in the CoOL Standard?
4. Will the removal of the labelling confuse consumers and lead to a loss of consumers' confidence in the regulatory system?
5. What are the potential benefits of reduced labelling requirements for the post farm-gate pork industry, including processors?
6. Who will benefit from the potential cost savings by the post farm-gate pork industry?
  - (a) Will the cost saving be passed onto consumers and/or pig producers and the broader pork industry?
  - (b) Will there be significant cost savings for retailers?
7. Will consumers incur a cost from the loss of CoOL on unpackaged pork products?

8. Is there an overall benefit from removing the mandatory requirement to provide country of origin information on unpackaged processed pork products?

## **RISK ASSESSMENT**

### **5. Retail practices related to country of origin labelling**

In submissions to the Initial Assessment Report, it was mentioned that retailers are likely to continue labelling unpackaged processed pork products with country of origin information, even if the mandatory CoOL requirements are removed from the Code for these foods. This practice has significant implications for Application A583; if the majority of retailers will voluntarily place CoOL on unpackaged processed pork products, then the potential benefits to industry from removing mandatory CoOL requirements would be reduced.

#### **5.1 Consultations with major retailers**

FSANZ has consulted with major supermarket retailers to confirm whether CoOL of unpackaged processed pork products would continue regardless of the proposed amendments of Application A583 being adopted. Feedback was received from the Coles Group Ltd (comments in a submission to the Initial Assessment Report), Woolworths Ltd, and Metcash Ltd (owner of IGA Supermarkets). Supermarket outlets represent approximately 80% of the market sales of unpackaged processed pork products in Australia (Retail Media, 2006).

The three major supermarket retailers have indicated that they are likely to continue placing CoOL voluntarily on unpackaged processed pork products in the event that the proposed amendments of Application A583 were to be implemented. The retailers commented that this position is based on the reasons outlined below.

- Effects on consumers

The major retailers indicated that although they consider that only a small but important segment of consumers actively seek out CoOL, the removal of CoOL from unpackaged processed pork products would likely send a negative message to their customer base.

- Capital investment

Following the introduction of Standard 1.2.11, all of the major retailers have implemented CoOL systems for unpackaged foods, with associated costs.

The major retailers mentioned that the initial investment into CoOL could not be recovered, and that the major retailers would receive no financial benefit from the removal of CoOL on unpackaged processed pork products.

- Consistency

Even if CoOL requirements are no longer deemed mandatory for unpackaged processed pork products, CoOL will still be required on other delicatessen foods.

CoOL would likely continue for unpackaged processed pork products to ensure labelling consistency across delicatessen cabinet displays.

The three retailers also indicated that they would still require country of origin information from their suppliers.

## **5.2 Consideration of retail practices in independent retail outlets**

FSANZ has also considered how CoOL affects smaller, independent retail outlets (e.g. small business delicatessens). FSANZ has determined that there is minimal difference in the impact on business operations between supermarkets and independent retailers in respect to the CoOL of unpackaged processed pork products.

Retailers can only be certain about a product's origin if it is from a local processor, as these processors exclusively source Australian pig meat for their products. Larger national/interstate suppliers provide products using pork from various locations, predominantly from overseas countries, and these locations vary on a regular basis in line with supply and demand. As the larger suppliers account for 80% of the products sold by independent retailers and 95% of products sold in supermarkets, almost all processors have to undertake similar traceability and labelling activities for unpackaged processed pork products in the current environment (Retail Media, 2006; AMIC, 2008).

## **5.3 Summary**

On the basis of the above information, FSANZ is of the view that processors and retailers have already invested significantly in CoOL systems, and the majority of retail outlets are likely to continue providing CoOL on unpackaged processed pork products voluntarily. Only a minority of unpackaged processed pork products are likely to have CoOL removed should the proposed amendments be adopted. As a result, the pork industry, especially the processing sector, would still incur the majority of current costs associated with the tracking and identification of country of origin for unpackaged processed pork products.

## **6. Consumer research**

In summary, the research on CoOL shows that Australian consumers value CoOL on food products and in particular on deli items (such as ham) which are unpackaged. The evidence also shows that consumers use CoOL to make purchasing decisions.

Consumer research on CoOL suggests that consumers value CoOL on food products. A study conducted for Australian Made Campaign Ltd (Roy Morgan Research, 2006) found that when respondents were asked whether they preferred to buy Australian made products from a range of product categories, 79% said they preferred to buy Australian made food and beverages.

The research also shows that a significant number of consumers use CoOL when purchasing food. However, the number of respondents who report using CoOL varies depending on whether the term 'country of origin' is included in the question or whether they are asked a more general question about food labelling.

A quantitative study conducted by NFO Donovan found that 10% of shoppers intercepted when reading food labels mentioned looking at the country of origin information on the product they were purchasing and this rose to 29% when they were asked specifically if they had looked at the country of origin of the product (NFO Donovan Research, 2001). A more recent survey conducted in 2003 found that 66% of consumers use CoOL 'most' or 'every time' they buy that product (NFO Donovan Research, 2003). A 2007 study conducted by TNS found that, when prompted, 59% of respondents mentioned looking at country of origin information on a food product when purchasing it for the first time (TNS Social Research, 2007).

Knowing the country of origin of a product is important for many consumers when purchasing items from the deli section of supermarkets. For food sold in the delicatessen and seafood section of supermarkets, most consumers (69%) consider knowing the country of origin to be either very important or quite important (TNS Social Research, 2006b). The same study found that for consumers purchasing ham from the deli section of a supermarket, 'knowing where a product has come from' is the third most important factor in deciding to purchase, after product appearance and price. For 37% of respondents, 'knowing where the product has come from' was either the first or second most important factor. In a similar study most consumers (76%) thought that CoOL on fresh food in the delicatessen and seafood section of the supermarket makes choosing delicatessen items easier and that 62% felt that country or origin labelling would alter their current shopping behaviour (TNS Social Research, 2006a).

This research indicates that consumers value having access to CoOL when differentiating between Australian made food and imported food. Removing the requirement for unpackaged processed pork products to be labelled with country of origin information would therefore disadvantage consumers who value this information and use it when making purchasing decisions.

## **7. Risk Assessment Summary**

From the evidence obtained by FSANZ, it can be determined that the removal of CoOL from unpackaged processed pork products would place some consumers at a disadvantage. The benefits to industry from the proposed changes would be limited, as the majority of retailers of unpackaged processed pork products are likely to continue CoOL regardless, and in turn would require their suppliers to provide country of origin information.

## **RISK MANAGEMENT**

### **8. Country of origin traceability for unpackaged processed pork products**

The Applicant has argued that CoOL cannot be enforced for imported pork products due to lack of international agreements on traceability and certification. Some comments on the Initial Assessment Report have indicated, however, that the current processes used by the Australian Quarantine and Inspection Service (AQIS) regarding imported pork products are sufficient to manage the traceability of unpackaged processed pork products in respect to their country of origin.

FSANZ has contacted AQIS to clarify the traceability of imported pig meat (AQIS 2008). The current inspection requirements for pork imports are very thorough and involve a declaration of the following information:

- the specific animal from which the pig meat was obtained from;
- country of residence of the pigs from birth through to slaughter;
- locations of the abattoirs used for slaughtering of the pigs; and
- storage locations of the pig meat prior to its transport to Australia.

The imported pork products must also be accompanied by identification numbers for the raising, slaughter and storage locations mentioned above.

FSANZ therefore considers that there are adequate processes already in place to trace the country of origin of imported pork products. FSANZ also notes from submitter comments that similar traceability information is being provided voluntarily for domestic pork products to protect against disease outbreaks, and that efforts are being made to standardise this information across the pork industry.

## **9. Options**

FSANZ is required to consider the impact of various regulatory (and non-regulatory) options on all sections of the community, including consumers, food industries and governments. FSANZ has identified two options that are available for the assessment of Application A583. The regulatory options available for this Application are as follows:

### **9.1 Option 1 – Rejecting the Application, thus maintaining the CoOL requirements for unpackaged processed pork products**

Under this option, the *status quo* would be maintained by not amending the Code to remove the CoOL requirements for processed pork products.

### **9.2 Option 2 – Remove the requirement for unpackaged processed pork products to be labelled with their country of origin**

Under this option, the Standard 1.2.11 would be amended to remove the CoOL requirement for pork, whole or cut, that has been preserved by curing, drying, smoking or by other means (unpackaged processed pork products).

## **10. Impact Analysis**

FSANZ is required, in the course of developing regulations suitable for adoption in Australia and New Zealand, to consider the impact of various options on all sectors of the community, including consumers, the food industry and governments in both countries. Where medium to significant competitive impacts or compliance costs are likely, FSANZ will use the Office of Best Practice Regulation Business Cost Calculator to calculate the change in compliance cost of regulatory options. The regulatory impact assessment identifies and evaluates the advantages and disadvantages of amendments to the Standards, and their economic impacts.

## 10.1 Affected Parties

The parties potentially affected by the identified regulatory options are:

- post farm-gate pork industry, including smallgoods manufacturers, retail butchers, supermarkets, delicatessen and other small business involved in the sale of unpackaged pork products;
- primary producers, in particular pig producers and the broader pork industry;
- consumers; and
- government, including State and Territory enforcement agencies.

## 10.2 Benefit Cost Analysis

### 10.2.1 *Option 1: Rejecting the Application, thus maintaining the CoOL requirements for unpackaged processed pork products*

#### 10.2.1.1 Benefits

##### ***Industry***

There are some tangible benefits to the Australian pork manufacturers and processors in maintaining CoOL requirements on unpackaged processed pork products. Consumers who prefer Australian made unpackaged processed pork will be attracted to those products. Retailers may also benefit from the regulatory framework of CoOL requirements on unpackaged processed pork products, as an increasing number of retailers have expressed the view that their customers seek CoOL information, and retailers consider this information valuable from a food safety and quality perspective.

Nevertheless, consumer research for Proposal P292 has indicated that this behaviour does not translate into a large impact on the market and it is likely that the benefits to industry will be small.

##### ***Consumers***

Consumers will continue to benefit from information as follows:

- FSANZ's assessment of consumer research indicates that consumers value CoOL on unpackaged processed pork products (see section 6 of this report). The data specific to food sold in the deli and seafood section of supermarkets shows that most consumers consider knowing the country of origin to be either very important or quite important. Of those consumers purchasing ham from the deli section of a supermarket, 'knowing where a product has come from' is the third most important factor in deciding to purchase, after product appearance and price (TNS Social Research, 2006b).
- The increasing number of retailers adopting CoOL both voluntary and mandatory, along with interest shown by consumers, supports the view that consumers value CoOL.

## ***Government***

Government and enforcement agencies may receive potential benefits from the consistent labelling of unpackaged processed pork products with country of origin information.

### 10.2.1.2 Costs

## ***Industry***

Some submitters have raised concerns with the determination of country of origin, and the accuracy and reliability of CoOL information in relation to pork products.

However, the focus of this Application is to examine if it is appropriate to remove CoOL requirements for unpackaged pork products from the Code. How the information requirements are complied with, presented and /or interpreted is an issue beyond the scope of this analysis.

Potential ongoing costs incurred by the industry include the following:

#### 1. Resources for enhanced traceability and record keeping measures

Stakeholders have referred to other regulatory measures whereby pork importers have to declare country of origin information for their products, and domestic producers voluntarily provide traceability information on their livestock. Moreover, processors are expected to provide a declaration of origin when transporting products to retail outlets (Australian Standard for the Hygienic Production and Transport of Meat and Meat Products for Human Consumption). In addition, suppliers provide retailers with country of origin information.

Investigations into retail practices have indicated that investments have already been made into substantial tracing and record keeping systems, and so FSANZ expects CoOL requirements to be a minimal addition to the existing requirements.

#### 2. Additional costs incurred by manufacturers and/or retailers for changing labels to comply

Several manufacturers and retailers have indicated that they would continue to provide CoOL information for unpackaged processed pork products voluntarily as they have already developed their logistics to record and present the information. Therefore, the number of Stock Keeping Units affected will be associated only with those manufacturers that are unwilling to provide CoOL information voluntarily.

## ***Consumers***

It is unlikely that maintaining CoOL requirements for unpackaged processed pork products will impose additional costs to consumers. CoOL has been in place for some time, and so most of the costs will have been incurred, with any price effects already established in the marketplace.

## **Government**

FSANZ has been advised that CoOL requirements for pork products do not result in discernable costs for the government enforcement agencies, as they are able to investigate CoOL when conducting labelling checks as a whole.

*10.2.2 Option 2: Remove the requirement for unpackaged processed pork products to be labelled with their country of origin*

### 10.2.2.1 Benefits

#### **Industry**

The benefits to the industry from removing CoOL requirements for unpackaged pork products are limited because the potential cost savings for not having to comply with the requirements are also limited. This is because:

- (a) As mentioned above, there are other regulatory requirements in effect to ensure CoOL information is recorded and presented at various stages in the supply chain of unpackaged pork products; and
- (b) On the basis of investigations into the retail environment, it is likely that the majority of retailers have already invested and are committed to providing CoOL information to meet customer demands. A reversal of the labelling requirements for unpackaged pork would not bring about significant benefits to the retailers or their suppliers (manufacturers).

#### **Consumers**

The perceived benefit to consumers from any cost-reductions at a manufacturing level (that may flow on to retail prices) is likely to be small.

## **Government**

There will be no benefits to the government and/or government enforcement agencies from removing CoOL requirements for unpackaged processed pork products. CoOL checks are carried out for unpackaged foods as a whole, and will still be carried out even if unpackaged processed pork products are removed from the CoOL requirements.

### 10.2.2.2 Costs

#### **Industry**

The removal of existing CoOL requirements for unpackaged processed pork products may reduce manufacturing costs for a small segment of the processing industry. However, it is likely that the overall costs to industry will remain unchanged, as the majority of manufacturers and suppliers will still have to provide retailers with country of origin information on unpackaged processed pork products

## ***Consumers***

FSANZ's consumer research indicates that consumers will have access to less information if CoOL requirements are removed from unpackaged processed pork products. Several studies have established that consumers value country of origin information (see section 6 of this report).

FSANZ also received several submissions from individual consumers stating that they place high importance on CoOL information in their purchasing decisions and are concerned if the information was no longer available.

FSANZ therefore considers that the removal of CoOL from unpackaged processed pork products is potentially detrimental to some consumers.

## ***Government***

There will be no additional costs to the government and/or enforcement agencies from removing CoOL requirements from unpackaged processed products.

### **10.3 Comparison of Options**

A comparison of the benefits and costs of each option leads to the conclusion that Option 1, maintaining the CoOL requirements for unpackaged processed pork products, will have a neutral to very small impact on industry in terms of benefits and costs. The incremental costs of continuing CoOL requirements for unpackaged processed pork products are low because of initial investments made by retailers and suppliers to record and present this information.

These costs may be offset by additional benefits to manufacturers and retailers who can attract consumers that value CoOL information at a premium price. There are also benefits to consumers through continued access to information on the country of origin for unpackaged processed pork products.

Option 2 will not yield significant benefits to the industry, because of the processes that are already in place to provide CoOL information for unpackaged processed products. An increasing number of retailers and suppliers are providing CoOL voluntarily, and removing the requirements will not completely alleviate the pressure on manufacturers and processors of unpackaged processed pork products.

Option 2 could be detrimental to the interests of consumers, especially those that value country of origin information.

FSANZ therefore considers Option 1 – Rejecting the Application, thus maintaining the CoOL requirements for unpackaged processed pork products to have the greater benefit to cost ratio out of the two regulatory options presented. This option maintains the provision of country of origin information to consumers, is likely to have small impact on industry as CoOL requirements have been in place for some time, and is consistent with FSANZ's objectives. Option 2 will have no significant benefit to industry, but may leave consumers with reduced information when making purchasing decisions.

## **COMMUNICATION AND CONSULTATION STRATEGY**

### **11. Communication**

A user guide on CoOL for food manufacturers and retailers and State and Territory enforcement agencies was published in March 2006. A CoOL brochure for consumers was also launched when the new requirements for fruit vegetables, nuts and seafood came into force on 8 June 2006. The user guide is currently being updated.

### **12. Consultation**

FSANZ received 19 submissions in response to the Initial Assessment Report for Application A583 during the 8-week public consultation period of 12 December 2007 to 6 February 2008. A summary of submitter comments is provided at Attachment 1. Submissions were received from stakeholder groups as follows:

<b>Category</b>	<b>Australia</b>	<b>NZ</b>	<b>Total</b>
Government	5	1	6
Industry	8	1	9
Consumers	3	1	4
Grand Total	16	3	19

The majority of submissions received to the Initial Assessment Report were in support of Option 1 – Rejecting the Application, thus maintaining the CoOL requirements for unpackaged processed pork products.

#### **12.1 Main Issues Raised in Submissions**

The following sections detail the common issues that were raised in submissions to the Initial Assessment Report. FSANZ's response to these issues is documented in *italic text*.

##### *12.1.1 The impact on retailers from removing CoOL on unpackaged processed pork*

A number of submitters made reference to how retailers would respond to the removal of CoOL from Standard 1.2.11. Supporters of Option 1 stated that the removal of CoOL would provide only a minimal benefit to retail businesses, as non-recoverable initial investments had already been made into implementing CoOL. Also, it was mentioned that retailers would continue to voluntarily place CoOL on unpackaged pork, as their customers want this information. This would therefore mean that retailers would continue to request country of origin information from their suppliers.

Supporter of Option 2 viewed the removal of CoOL as a financial benefit to retailers, with the view that documentation and auditing activities of manufacturers will decrease with the removal of this labelling requirement.

*FSANZ recognises the significant role that retailers have in ensuring that CoOL is displayed on unpackaged foods within Australia, particularly the influence of major supermarket chains.*

*Therefore, FSANZ carried out further consultations with retailers involved in the sale of unpackaged processed pork products to specifically determine how Application A583 will affect their businesses. The results of this consultation process are discussed in Section 5 of this Assessment Report.*

### *12.1.2 Determining the country of origin for processed pork products*

Comments were received stating that CoOL on unpackaged processed pork is not as effective as it should be, given that no processed Australian pork can meet the ‘Product of Australia’ safe harbour requirements under the TPA (see Section 1.2 for safe harbour requirements). Curing and preserving agents for processing pork are not available in Australia, and therefore not all of the significant components of processed pork products are of Australian origin.

Other submitters mentioned that ‘Made in Australia’ claims do not necessarily distinguish the country of origin, as these claims can be made even when substantial amounts of imported pork are used in processed products.

*FSANZ considers that Standard 1.2.11 must be consistent with the TPA and the requirements and principles of trade practices law. FSANZ acknowledges that processed pork products cannot currently meet the ‘Product of Australia’ requirement. However, this is a reflection of the manufacturing practices associated with pork processing, rather than a failure in the provision of CoOL information, or in the way that Standard 1.2.11 interacts with the TPA.*

*The idiosyncrasies associated with ‘made in Australia’ claims are not unique to processed pork products. In particular, packaged processed pork products are currently subject to the same requirements in respect to ‘made in Australia’ claims as unpackaged processed pork products. Also, there is nothing to prevent pork processors and manufacturers from clearly identifying the actual amount of Australian (or other country) content or input into their products.*

*FSANZ is therefore of the view that the use of ‘made in Australia’ claims on unpackaged processed pork products provides a level of information to consumers that is commensurate with the use of CoOL statements on other food products (both packaged and unpackaged).*

### *12.1.3 The impact on consumers from removing CoOL on unpackaged processed pork*

Of those submitters supporting Option 1, the comments were to the effect that consumers place significant value on CoOL in respect to certain products, and that they would be disadvantaged if some of the CoOL requirements were removed from the Code. Several submitters cited consumer surveys to validate their arguments (see Attachment 1 for details).

Submitters in support of Option 2 stated that CoOL does not effectively differentiate between imported and Australian processed pork products, and so provides no value to consumers.

*This issue is a key consideration in the assessment of Application A583. FSANZ has therefore undertaken an assessment of consumer behaviour in respect to CoOL, which includes a consideration of the consumer research data mentioned in submissions. The details of this assessment are provided at Section 6.*

#### *12.1.4 The impact on the pork industry from removing CoOL on unpackaged processed pork*

Comments were mixed on this issue. Several submitters indicated that removing CoOL on unpackaged processed pork could have benefits for the post-farm gate industry, due to less stringent auditing and documentation requirements (with an associated reduction in liabilities). However, most comments were to the effect that the importation of pig meat is placing severe stress on the Australian pork industry, and that the removal of CoOL on processed pork will create additional hardship for an already stressed industry.

*The direct impacts on the pork industry from removing CoOL on unpackaged processed pork have been considered as part of this Draft Assessment. However, although CoOL can influence consumer purchasing and thus may have an indirect influence on the demand for imported foods, the food labelling provisions within the Code are not a suitable instrument for addressing trade and productivity issues.*

#### *12.1.5 Frozen pork imports*

Comments were received stating that the wording of the current drafting in Standard 1.2.11 needs to provide greater guidance on the application of CoOL to the Standard for frozen pork products. It was mentioned that the proposed removal of CoOL will also apply to frozen raw imported pork products. Imported pork that is defrosted and then sold unprocessed would not be considered 'fresh', as the defrosting process means that the meat is no longer technically 'fresh'. If the proposed amendments are implemented, then only 'fresh' pork products will be required to meet CoOL requirements, and not imported unprocessed pork.

*Imported frozen pork falls within tariff subheading 0203.29 of the Australian Customs Tariff. This subheading covers frozen, boneless cuts of 'meat of swine', as well as some 'bone in' cuts. On arrival in Australia this imported pig meat is directed to a Quarantine Approved Premise cold store or direct to a processing plant, and all movement must be approved by AQIS. Once the product has been processed appropriately it is then released from quarantine (AQIS 2008). As a result, imported pork can only be used by the smallgoods manufacturing sector (mainly for the production of boneless hams and bacon), and not sold as fresh meat (Productivity Commission 2007).*

*FSANZ therefore considers that all imported pig meat will be subject to the outcomes of Application A583, as all imports must be processed prior to sale.*

## **12.2 Issues outside the scope of Application A583**

FSANZ considers the following issues that were raised in submissions to be outside the scope of Application A583:

- comparisons between unpackaged processed pork products (required to display CoOL), and unpackaged beef and lamb smallgoods (that are not required to display CoOL);
- the CoOL arrangements in New Zealand;
- safety and quality issues associated with imported pig meat; and
- comments on the overall effectiveness and strength of CoOL provisions in the Code.

## **CONCLUSION**

### **13. Decision**

#### **Decision**

**Application A583 seeks the removal of unpackaged whole or cut pork preserved by curing, drying, smoking or by other means from the Table to subclause 2(2) of Standard 1.2.11.**

**FSANZ has assessed Application A583 having regard to the matters listed in section 15 of the FSANZ Act (as was in force prior 1 July 2007). FSANZ has decided to reject this Application pursuant to section 15A of the FSANZ Act (as was in force prior 1 July 2007).**

The Applicant has a right of appeal to the Administrative Appeals Tribunal in accordance with section 63 of the FSANZ Act (as was in force prior to 1 July 2007).

#### **13.1 Reasons for the Decision**

FSANZ has rejected this Application having regard to the following matters listed in section 15 of the FSANZ Act (as was in force prior 1 July 2007):

- (a) any submissions made to it within the specified period in response to a notice given under section 13A or 14; and
- (b) the objectives and matters listed in section 18; and
- (c) whether costs that would arise to bodies or persons from a food regulatory measure developed or varied as a result of the application outweigh benefits that would arise to the public from the measure or variation; and
- (d) whether there are any alternatives (available to the Authority or not) which are more cost-effective than a food regulatory measure developed or varied as a result of the application; and
- (e) any other relevant matters.

FSANZ's findings in regard to the above matters, leading to its decision, are detailed in the following sections.

##### *13.1.1 Any submissions made to the Authority within the specified period in response to a notice given under section 13A or 14;*

FSANZ has considered all submissions received within the specified period and has noted that the majority of submitters from industry, consumer, and government sectors do not support the amendments proposed by Application A583 (see Attachment 1 for a summary of these submissions). The main issues raised in submissions and FSANZ's response are detailed at section 12.1.

13.1.2 *The objectives and matters listed in section 18;*

13.1.2.1 Subsection 10(1)

FSANZ has considered the Application against subsection 18(1) objectives as follows:

***Objective (a): the protection of public health and safety***

Policy Guidelines note that CoOL is not a public health and safety issue. For the purposes of assessing Application A583, the protection of public health and safety is therefore not a relevant consideration.

***Objective (b): the provision of adequate information relating to food to enable consumers to make informed choices***

Consumer research undertaken shows that Australian consumers value CoOL on food products and in particular on those deli items (such as ham) that are unpackaged. The evidence also shows that consumers use CoOL to make purchasing decisions, and that removing CoOL from unpackaged processed pork products would reduce the level of information provided to consumers.

Details regarding consumer research are in section 6.

***Objective (c): the prevention of misleading or deceptive conduct***

Standard 1.2.11 follows the principles of the TPA which contains requirements concerning the place of origin of goods. False or misleading country of origin statements are prohibited.

There are tests for the safe use of ‘product of’ statements and other statements as to country of origin, such as ‘made in’ or ‘manufactured in’ or other like statements. In conforming with the safe harbour defences provided under the TPA, the mandatory requirement to provide CoOL on unpackaged processed pork products therefore protects consumers against misleading and deceptive practices in relation to these products. Details of rules governing country of origin statements under the TPA can be found at section 1.2.

13.1.2.2 Subsection 10(2)

FSANZ is also required to have regard to the matters listed in subsection 10(2), and has considered the Application against these matters as follows:

***Matter (a): the need for Standards to be based on risk analysis using the best available scientific evidence***

FSANZ has given full consideration to the available evidence on consumer behaviour and purchasing patterns as part of its recommendation for Option 1. This evidence includes research published as recently as 2006, as well as consumer research submitted by the Applicant as part of its Application document. Details of this analysis are in section 6.

***Matter (b): the promotion of consistency between domestic and international food standards***

FSANZ considers that making direct comparisons is difficult, as there is considerable variation in the CoOL requirements of individual countries. The international experience with CoOL requirements is detailed in section 1.5.

***Matter (c): the desirability of an efficient and internationally competitive food industry, and***

***Matter (d): the promotion of fair trading in food***

FSANZ has considered the impact that the removal of CoOL for unpackaged processed pork products will have on the ability for various sectors of the Australian food industry to compete and trade fairly.

Pork imports have a significant presence in the Australian marketplace as demonstrated by the rapid growth of imports from 19,600 tonnes in 1998 to 169,000 tonnes in 2006. It is estimated that imports account for 40-45% of all processed pork sales in Australia (ABARE 2007). With such substantial amounts of pork imported into Australia, the maintenance of CoOL on unpackaged processed pork products will continue to allow information on the origin of pork products to be made available to consumers, including information relating to Australian origin.

In this context, unpackaged processed pork products are subject to the same CoOL requirements as other unpackaged foods of diverse origin such as fruit (28%), vegetables (23%) and seafood (50%) (ABARE 2007). The CoOL requirements for unpackaged processed pork products are also the same as those for packaged food (including packaged processed pork products).

***Matter (e): any written policy guidelines formulated by the Council for the purposes of this paragraph and notified to the Authority***

In its assessment of Application A583, FSANZ has referred (where applicable) to the *Australia and New Zealand Food Regulation Ministerial Council Policy Guidelines on the Country of Origin Labelling of Food*. Of particular importance for Application A583 are the requirements to:

- ensure that consumers have access to accurate information regarding the contents and production of food products, and
- balance the benefit to consumers of CoOL with the cost to industry and consumers of providing it.

***13.1.3 Whether costs that would arise to bodies or persons from a food regulatory measure developed or varied as a result of the application outweigh benefits that would arise to the public from the measure or variation;***

A comparison of the benefits and costs of each option leads to the conclusion that maintaining CoOL requirements for unpackaged processed pork products will have a neutral impact on industry in terms of benefits and costs.

The incremental costs of continuing CoOL requirements are low because of initial investments made by retailers and suppliers to record and present CoOL information as valued by consumers.

The removal of CoOL requirements for unpackaged processed pork products from Standard 1.2.11 will not yield significant benefits to the industry for the same reason that processes are already in place to provide CoOL information for unpackaged processed products. An increasing number of retailers and suppliers are providing CoOL voluntarily, and removing the requirements will not completely alleviate the pressure on manufacturers and processors of unpackaged processed pork products.

FSANZ considers Option 1 – Rejecting the Application, thus maintaining CoOL requirements for unpackaged processed pork products to have the greater benefit to cost ratio out of the two regulatory options presented. This option protects consumers in terms of increased choice and information, has minor impact for industry and is in accordance with FSANZ’s objectives.

*13.1.4 Whether there are any alternatives (available to the Authority or not) which are more cost-effective than a food regulatory measure developed or varied as a result of the application;*

Having regard to all of the information available FSANZ has determined that there are no alternatives to the regulatory measure in place.

*13.1.5 ‘any other relevant matters’*

A late submission was made to the Initial Assessment for Application A583. FSANZ has considered the issues raised in this submission.

## **13.2 Notification of a preliminary decision to the Applicant**

Prior to making its decision, FSANZ informed the Applicant via correspondence on 28 May 2008 of its intention to reject Application A583. Contained within this correspondence was a copy of this Draft Assessment Report, which included a statement of the reasons for rejecting the Application.

The Applicant was provided with a 21 day period to respond to the preliminary decision to reject the Application. No response was received within this timeframe.

## **Reference List**

1. ABARE (2007) *Australian Commodity Statistics*. Australian Bureau of Agricultural and Resource Economics, Canberra.
2. AMIC (2008) Personal communication. 2 May 2008.
3. AQIS (2008) Personal communication on the import of pig meat. 4 March 2008.
4. NFO Donovan Research (2001) *Food labelling issues - Consumer qualitative research*. ANZFA, Canberra.
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6. Productivity Commission (2007) *Safeguards Inquiry into the Import of Pigeat*. Report No. 42; <http://www.pc.gov.au/inquiry/pigmeatsafeguards/docs/acceleratedreport>. Accessed on 3 April 2008
7. Roy Morgan Research. (2006) Australian Made Campaign Report. Australian Made Campaign. [http://www.australianmade.com.au/objectlibrary/205&filename=RO4442\\_Australian\\_Made\\_8-11-06.pdf](http://www.australianmade.com.au/objectlibrary/205&filename=RO4442_Australian_Made_8-11-06.pdf). Accessed on 20/3/2008
8. Retail Media (2006) *Retail World's Australasian Grocery Guide*. 16 ed., Retail Media, Sydney.
9. TNS Social Research (2006a) *A study of consumer responses to the legibility and importance of country of origin labelling. Phase 1.*, 1-41.
10. TNS Social Research (2006b) *A study of consumer responses to the legibility and importance of country of origin labelling. Phase 2.*, 1-34.
11. TNS Social Research (2006c) *A study of consumer responses to the legibility and importance of country of origin labelling. Phase 2.*, 1-34.
12. TNS Social Research (2007) *Consumer Attitudes Survey*. FSANZ, Canberra, 1-182.

## **ATTACHMENT**

1. Summary of Submissions to the Initial Assessment Report

## Summary of Submissions on the Initial Assessment Report

FSANZ received 12 submissions in response to the Initial Assessment Report for Application A583, during the 8-week public consultation period of 12 December 2007 to 6 February 2008. A summary of submitter comments is provided in the table below.

Two regulatory options for Application A583 were presented at Initial Assessment, namely:

- *Option 1* – Rejecting the Application, thus maintaining the CoOL requirements for unpackaged processed pork products; or
- *Option 2* – Amend Standard 1.2.11 to remove the CoOL requirement for pork, whole or cut, that has been preserved by curing, drying, smoking or by other means (processed pork products).

No.	Submitter	Submission Comments
<b>Industry</b>		
1.	<b>Australian Food and Grocery Council</b>	<p><b>Supports Option 2</b></p> <p><i>General comments</i></p> <ul style="list-style-type: none"> <li>• Rejects Option 1 on the basis that CoOL is ineffective in providing consumers with meaningful information and incurs unnecessary cost to the industry.</li> <li>• The space required in a minimum 5 mm font to display the required text ‘Made in Australia, local &amp; imported ingredients’, reduces the overall legibility of the CoOL.</li> </ul> <p><i>Determining the Country of Origin for Processed Pork</i></p> <ul style="list-style-type: none"> <li>• The process of pork manufacturing involves the use of substances for curing or preserving, which are imported. These substances form a significant component of the processed pork. Therefore the finished product may only be labelled as ‘Made in Australia’ and not ‘Product of Australia’.</li> <li>• Imported pork which is processed in Australia undergoes substantial transformation, and 50% or more of the costs of product associated with the production of pork products are incurred in Australia. Therefore if the value of the imported pork used in the product is less than 50% of the cost of production it can be labelled as ‘Made in Australia’. If it is more than 50%, the product can be labelled as ‘Made in Australia from imported ingredients’.</li> <li>• Pork is the only meat required to carry CoOL, and the labelling is unlikely to be an accurate reflection of the origin of the meat in any particular batch of product purchased for the reasons stated above. This makes the CoOL of little use or relevance for the consumer.</li> </ul>

No.	Submitter	Submission Comments
		<p><i>Impact on retailers</i></p> <ul style="list-style-type: none"> <li>• Even though CoOL may be provided on a voluntary basis, there can be economic value to the retailer and consumer to do so where the country of origin is considered a desirable characteristic.</li> <li>• Manufacturers and retailers are potential beneficiaries from removing CoOL, where retailers do not require labelling and assuming that accompanying documentation and auditing of manufacturers is also not required.</li> </ul> <p><i>Impact on consumers</i></p> <ul style="list-style-type: none"> <li>• CoOL on unpackaged pork is of significantly less value to consumers than for other commodities, given that there is no differentiation of processed pork products made from imported pork flesh in Australia from Australian grown pork.</li> <li>• There is some value in the declaration that a processed pork product is fully imported, but given that such products attract a premium price, it is likely that such products will continue to have CoOL.</li> <li>• Consumers will not be disadvantaged by the removal of CoOL on unpackaged pork as current CoOL provides inaccurate and irrelevant information concerning processed pork. It would be better to remove the requirement, and the inequity it creates with other unpackaged processed meats.</li> <li>• Whether cost saving are ultimately passed on to consumers will depend on market costs and competitive pressures, particularly in comparison with equivalent packaged foods that will retain CoOL requirements.</li> </ul> <p><i>Impact on the post-farm gate industry</i></p> <ul style="list-style-type: none"> <li>• Removing CoOL dispenses with unnecessary regulations, and reduces a potential liability during auditing to demonstrate regulatory compliance.</li> </ul> <p><i>Impact on the broader pork industry</i></p> <ul style="list-style-type: none"> <li>• There will be a negligible impact from removing CoOL, as this information is still required on pork and processed pork products that are packaged, and on unpackaged pork flesh.</li> </ul>
2.	Australian Pork Ltd (APL)	<p><b>Supports Option 1</b></p> <p><i>Traceability</i></p> <ul style="list-style-type: none"> <li>• AQIS requires pork importers to declare the country of origin of their products as part of compliance with the Australian Standard for the Hygienic Production and Transport of Meat and Meat Products for Human Consumption. Processors have to provide a declaration of origin when transporting products to retail outlets. Retailers are provided with country of origin information by suppliers.</li> <li>• APL therefore argues that the tracing and record keeping associated with CoOL is a minimal addition to existing requirements.</li> </ul>

No.	Submitter	Submission Comments
		<ul style="list-style-type: none"> <li>• There is no mandatory traceability system to cover Australian pig production, however voluntary measures are being implemented within the industry. APL itself is developing a program to improve traceability.</li> </ul> <p><i>Impact on retailers</i></p> <ul style="list-style-type: none"> <li>• Retailers are hesitant concerning CoOL, as they ultimately bear the responsibility and liability for correctly implementing the labelling requirements. However this concern is unnecessary provided suppliers are giving correct information to the retailers.</li> <li>• Pork CoOL requirements have been in place since December 2006, and therefore initial investments (fixed costs) should already be in place. Removing CoOL should provide small cost savings to retailers due to reduced variable costs (e.g. reduced labour costs).</li> <li>• APL cannot gauge actual costs to retailers, but correspondence with retailers indicates that these costs are negligible.</li> </ul> <p><i>Impact on Consumers</i></p> <ul style="list-style-type: none"> <li>• APL is of the view that the criteria for ‘Product of Australia’ and ‘Made in Australia’, as specified in the TPA, are insufficient. These requirements are unclear and not readily understood. However removing CoOL would disadvantage consumers and remove important information.</li> <li>• APL cites data from Roy Morgan Research (2007) showing that 82% of consumers consider it important to buy Australian processed food that is Australian, and 74% of consumers state that a reason for buying ‘Australian Grown’ is to support the local farmers and businesses.</li> <li>• APL also cites additional Australian Grown campaign information (2004) that shows 83% of consumers value CoOL when buying fresh food, and that 72% consider CoOL important when buying packaged food.</li> <li>• Survey data from Sweeney Research, conducted for the Department of Industry, Science and Resources (1999) found that 88% of consumers prefer Australian goods, and that 77% are willing to pay extra for Australian made goods.</li> <li>• APL states that in the absence of CoOL, consumers will assume that unpackaged pork products are 100% Australian.</li> <li>• Removing CoOL on pork products will confuse consumers because this labelling has been in place since December 2006. Removing CoOL will also compromise the ability of consumers to make informed choices.</li> </ul> <p><i>Impact on post-farm gate industry</i></p> <ul style="list-style-type: none"> <li>• There is unlikely to be substantial cost-benefits due to the removal of CoOL requirements. Actual cost-benefits will be limited to ongoing costs of complying with the CoOL Standard, which are reported to be negligible, and initial investments will not be recovered.</li> </ul>

No.	Submitter	Submission Comments
		<ul style="list-style-type: none"> <li>• Meat businesses already provide identity preservation and traceability systems to meet current legislation. Removing CoOL will have limited benefits.</li> </ul> <p><i>Impact on broader pork industry</i></p> <ul style="list-style-type: none"> <li>• Canada, Denmark, the US, Finland and Sweden are all able to export pork products to Australia. Canada, Denmark and the US dominate imports. The Australian pork industry has aggressively marketed local products, with a resulting 35% increase in fresh pork consumption. However imports have increased their share in the growth of Australian pork relative to production and consumption.</li> <li>• Cheap imports are having a significant negative economic impact on the pork industry. This situation resulted in the launch of a Productivity Commission investigation.</li> <li>• Between 2004-2007, the profits of pork producers decreased by 30 cents/kg. This loss is attributed to rising production costs and cheaper imports.</li> <li>• The current industry crisis has meant that Australian pork producers are leaving the industry. This will lead to a shortfall in pork supplies that will eventually translate into higher pork prices for consumers.</li> <li>• APL believes that removing CoOL will further damage the pork industry due to a lack of differentiation between imported and local pork products.</li> </ul>
3.	Coles Group Ltd	<p><b>Supports Option 1</b></p> <p><i>Traceability</i></p> <ul style="list-style-type: none"> <li>• Traceability of raw materials is critical from a food safety and quality perspective, and is not negotiable as far as Coles is concerned.</li> </ul> <p><i>Impact on retailers</i></p> <ul style="list-style-type: none"> <li>• The removal of CoOL for pork products would have a limited impact on Coles because: <ul style="list-style-type: none"> <li>– Coles will still require this information from suppliers;</li> <li>– Coles will most likely continue to label unpackaged pork products with CoOL to meet customer demands for this information, and to ensure consistency within delicatessen displays.</li> </ul> </li> <li>• The costs for CoOL have already been incurred and a reversal of the labelling requirements for unpackaged pork would not bring about cost savings to Coles or its suppliers (manufacturers).</li> </ul> <p><i>Impact on Consumers</i></p> <ul style="list-style-type: none"> <li>• Coles supports CoOL as this information assists customers to make informed purchase decisions regarding the origin of their food.</li> </ul>

No.	Submitter	Submission Comments
		<ul style="list-style-type: none"> <li>• Anecdotally believes removal of CoOL for processed pork will make it more difficult for consumers to make informed choices about their food.</li> <li>• Agrees that removal of the existing labelling requirements for processed pork products could cause confusion to consumers.</li> </ul> <p><i>Impact on the post-farm gate industry</i></p> <ul style="list-style-type: none"> <li>• There may be cost savings associated with reduced labelling requirements post farm gate, particularly to manufacturers and perhaps smaller retailers.</li> </ul> <p><i>Impact on the broader pork industry</i></p> <ul style="list-style-type: none"> <li>• Removal of existing labelling requirements favours imported pork and is likely to disadvantage the Australian pork industry. This however may be outside the scope of the FSANZ objectives.</li> </ul>
4.	DA & JA Gommers & Son Pty Ltd	<p><b>Supports Option 1</b></p> <p><i>General Comments</i></p> <ul style="list-style-type: none"> <li>• CoOL has not discriminated against imported meat, rather it has given consumers the decision to buy Australian.</li> <li>• Pork meat produced in other countries is grown using different farming practices to those in Australia, some of which are ethically unacceptable to use in farms within Australia. The labelling of ‘country of origin’ advises the consumer of the products they feel are ethically produced.</li> </ul> <p><i>Impact on Consumers</i></p> <ul style="list-style-type: none"> <li>• Imported meat needs to be labelled ‘country of origin’ for consumers to make a conscious decision on what products they choose to buy.</li> </ul>
5.	Food Technology Association of Australia	<p><b>Supports Option 1</b></p> <p><i>General comments</i></p> <ul style="list-style-type: none"> <li>• There are insufficient reasons as to why this product should be regarded as significantly different to any other imported or locally produced product.</li> <li>• Application A583 is at complete variation to the principles of CoOL.</li> <li>• The TPA, which is the legal reference for CoOL, may regard the lack of labelling information on unpackaged pork products as deceptive.</li> </ul>

No.	Submitter	Submission Comments
6.	George Weston Foods Ltd	<p><b>Supports Option 2</b></p> <p>Rejects Option 1 on the basis that CoOL is ineffective in providing consumers with meaningful information and incurs unnecessary cost to the industry.</p> <p><i>General comments</i></p> <ul style="list-style-type: none"> <li>• The current CoOL on unpackaged pork is inequitable as other meat products do not require such labelling.</li> <li>• By omission, consumers may be lead to believe that all smallgoods manufactured from beef or lamb is derived solely from meat of Australian origin.</li> </ul>
7.	New South Wales Farmers' Association	<p><b>Supports Option 1</b></p> <p><i>General Comments</i></p> <ul style="list-style-type: none"> <li>• Unpackaged, processed pork products should be treated in the same manner as seafood and vegetables in respect to CoOL. The associated costs are of no consequence in comparison to the benefits to Australian consumers, producers, and the many significant regional communities which are dependant on primary production.</li> </ul> <p><i>Impact on consumers</i></p> <ul style="list-style-type: none"> <li>• Consumers must have CoOL in order to make judgements about their selection of foodstuffs based on a number of factors: <ul style="list-style-type: none"> <li>– Desire to support domestic regional producers, processors and the communities that depend on those industries.</li> <li>– Direct customer value – realisable willingness to pay for the information (as expressed in price). Cites research showing that US consumers are willing to pay for a range of premiums if they perceive that a product's origin is integral to its quality.</li> <li>– External value – societal willingness to pay for improved trust and reputation of the food system and claims made about it.</li> <li>– Health and safety concerns which may be related to country specific issues – the agricultural practices of some countries are not necessarily at the same standard of Australian producers in relation to food safety compliance.</li> <li>– Environmental concerns from the practices of some countries which result in environmental degradation in return for least cost outcomes and market access.</li> <li>– Human rights concerns from consumers having moral objections to certain countries human rights practices.</li> </ul> </li> <li>• Results of industry and consumer research conducted nationally by Sweeney Research on behalf of the Commonwealth Department of Industry, Science and Resources (1999) found that almost 70 per cent of consumers look for information about a product's origin when making purchasing decisions.</li> </ul>

No.	Submitter	Submission Comments
		<ul style="list-style-type: none"> <li>When consumers specifically ask for country of origin information at the point of sale, 78 per cent of those who receive an answer go on to purchase the product whereas only 45 per cent of those who do not receive the requested information go on to purchase the good.</li> </ul>
8.	New Zealand Pork Industry Board	<p><b>Does not indicate a preferred option</b></p> <p><i>General comments</i></p> <ul style="list-style-type: none"> <li>NZPIB recognises that Application A583 does not apply to New Zealand. However, NZPIB emphasises its position, documented over many years, that CoOL requirements should apply in New Zealand, as well as in Australia.</li> <li>Specifically believes that CoOL information for processed pork, both packaged and unpackaged, is a particular issue of concern because of the potential to mislead New Zealand (as well as Australian) consumers by omission if this information is not available.</li> <li>However the reality is that a statement covering name and address of ‘supplier’ (where ‘supplier’ is defined within the Code to include the packer, manufacturer, vendor or importer of the food in question) is all that is required in New Zealand.</li> </ul>
9.	Victorian Farmers Federation (Pig Group)	<p><b>Supports Option 1</b></p> <p><i>General comments</i></p> <ul style="list-style-type: none"> <li>Many countries have varying standards for meat production. The standard of animal welfare, drugs used such as carbadox, or the traceability of the meat they buy varies. By labelling Country of Origin the consumer at least is provided with some information in this regard.</li> </ul> <p><i>Determining the country of origin for processed pork</i></p> <ul style="list-style-type: none"> <li>A requirement is needed where if any percentage of imported meat is blended into a product, then the whole product must be labelled as ‘containing imported pork meat’ or equivalent.</li> <li>Whilst there is a percentage labelling requirement in the Code, this does not appear to apply to CoOL, which is misleading for the Australian consumer.</li> <li>Removing CoOL requirements from unpackaged pork product will provide further opportunity for misleading and deceptive conduct. Whilst litigious type reparations are available to the industry in this regard under various trade practices and fair trading legislation, it would be unwise and irresponsible for regulatory bodies to allow this situation to occur.</li> </ul> <p><i>Impact on consumers</i></p> <ul style="list-style-type: none"> <li>There is a substantial body of evidence showing that Australian consumers are extremely concerned with knowing where their food has been produced. Data from Roy Morgan Research (late 2006) shows that Australian consumers want to buy Australian, and that more than two thirds consciously do so whenever possible.</li> </ul>

No.	Submitter	Submission Comments
		<ul style="list-style-type: none"> <li>• The level of importance consumers place on country of origin information differs according to product type. However, the Roy Morgan Research shows that 83% of consumers believe that country of origin information is important when purchasing fresh food, and 72% believe that country of origin information is important when choosing packaged foods.</li> </ul> <p><i>Impact on the broader pork industry</i></p> <ul style="list-style-type: none"> <li>• Profits across the pork industry have been high in the past, however the industry now incurs losses (sales = \$AUD 2.30/kg, costs = \$AUD 2.70/kg).</li> <li>• The industry is under considerable stress as a result of a large surge in imports, which may be supported by the domestic policies in their country of origin. This has been supported by a recent Productivity Commission inquiry (December 2007) into the industry.</li> <li>• To remove CoOL requirements from domestically purchased pork products will place further pressure on the Australian pork industry.</li> </ul>
<b>Government</b>		
10.	New South Wales Food Authority	<p><b>Does not indicate a preferred option</b></p> <p><i>General Comments</i></p> <ul style="list-style-type: none"> <li>• FSANZ should prepare a proposal to amend Standard 1.2.11 so that consumers are effectively informed about the origin of pork in processed pork products.</li> <li>• If the objective of the Standard is to inform consumers of the country origin of the pork used in preserved products, then the Standard should be amended to remove the option of ‘made in <i>name of country</i>’.</li> </ul> <p><i>Determining the country of origin for processed pork</i></p> <ul style="list-style-type: none"> <li>• Processed products manufactured from imported pork may have the option of describing the product as ‘Made in Australia’ by virtue of the safe harbour available under the Trade Practices Act. As a consequence the consumer may be unable to distinguish between processed products using imported pork and processed products using local pork.</li> <li>• The first defence or safe harbour is available for claims such as ‘Made in Australia’ where the goods have been substantially transformed, and where 50% or more of the production costs are in Australia. Curing of ham is cited as an example of substantial transformation by the ACCC.</li> <li>• Production costs may vary between products and companies however anecdotal advice from the industry suggests the production costs are mostly in Australia, and that the safe harbour is therefore available.</li> </ul>

No.	Submitter	Submission Comments
		<p><i>Impact on consumers</i></p> <ul style="list-style-type: none"> <li>• The removal of the CoOL requirement for preserved pork will not affect consumers' ability to make informed purchasing decisions. Not because consumers do not need the information but because the CoOL advice currently required by the Standard does not effectively inform the consumer about the origin of the pork used in the preserved product.</li> </ul> <p><i>Impact on the broader pork industry</i></p> <ul style="list-style-type: none"> <li>• Removing the labelling requirements may have no impact on the industry, as the current labelling requirements do not effectively differentiate between products made from local or imported pork. Consumers are therefore not able not make an informed choices to support the local pork industry.</li> </ul>
11.	New Zealand Food Safety Authority (NZFSA)	<p><b>Does not indicate a preferred option</b></p> <p><i>General comments</i></p> <ul style="list-style-type: none"> <li>• For many years New Zealand has favoured a voluntary system of CoOL. The reasons for taking this position include: <ul style="list-style-type: none"> <li>– CoOL does not provide information relevant to food safety or public health (which is the primary reason for existing mandatory labelling requirements);</li> <li>– it is potentially trade-restrictive;</li> <li>– relevant and adequate legislation governing deceptive practices already exists in current consumer legislation;</li> <li>– to maintain access for New Zealand exports to overseas markets, New Zealand has consistently opposed mandatory CoOL in various international forums;</li> <li>– it is primarily a marketing tool, not a consumer protection measure, and is best employed voluntarily in response to consumer demand;</li> <li>– it may be anticompetitive and may mislead consumers as to the quality or environmental impact of a product;</li> <li>– the cost of mandatory CoOL to industry and consumers would exceed potential benefits; and</li> <li>– it is a competitive disadvantage to countries such as New Zealand that rely on a high proportion of imported ingredients in food manufacturing.</li> </ul> </li> <li>• NZFSA would be interested in the outcomes of the cost/benefit analysis for A583 and any investigations regarding consumers' understanding of CoOL requirements, including the value consumers place on information regarding CoOL and how it influences their ability to make informed choices.</li> </ul>

No.	Submitter	Submission Comments
12.	Queensland Health	<p><b>Supports Option 1</b></p> <p><i>General Comments</i></p> <ul style="list-style-type: none"> <li>• Queensland Health is of the opinion that removal of CoOL for unpackaged pork products will breach the higher order principles agreed to by the Ministerial Council in December 2003, that consumers have access to accurate information regarding the contents and production of food products and ensure they are not misled or deceived regarding food products.</li> <li>• Also is of the view that removal of the requirements will not meet two objectives in the FSANZ Act, namely the provision of adequate information relating to food to enable consumers to make informed choices, and the prevention of misleading or deceptive conduct.</li> <li>• In addition to opposing the proposed removal of CoOL requirements for processed pork products, calls for FSANZ to tighten the wording of the current drafting in Standard 1.2.11 to provide greater guidance on the application of the Standard to frozen pork products. This could be done by the inclusion of an appropriate editorial note.</li> <li>• Requests that FSANZ prepare a proposal to reassess products in the meat sector that should be subject to CoOL.</li> <li>• Removing the CoOL requirement for unpackaged pork products should not result in significant savings for enforcement agencies as inspections would normally be done when conducting labelling checks as a whole.</li> </ul> <p><i>Determining the country of origin for processed pork</i></p> <ul style="list-style-type: none"> <li>• While outside the scope of the Application, wishes to make an observation that the current requirements for ‘substantial transformation’ and Standard 1.2.11 mean that processing raw pork in some cases circumvents the CoOL requirements. For example, sliced sandwich meat produced by cooking a leg of imported pork and sold unpackaged in a delicatessen will not require the country of origin to be declared.</li> </ul> <p><i>Impact on consumers</i></p> <ul style="list-style-type: none"> <li>• If there is a disparity in labelling requirements it is conceivable that retailers could remove slow selling imported pork products from their packaging and sell it in an unpackaged state. This would circumvent customers that are reluctant to purchase packaged pork products from overseas. Most consumers would regard this as deceptive.</li> <li>• The same principle would apply to ‘wholesale’ packs of ham and bacon which are sold unpackaged in delicatessen displays because consumers would be disadvantaged in their choice between local and imported products.</li> <li>• While all imported pork products are subject to the same standards regardless of their country of origin, it is likely that some customers may be prejudiced against purchasing pork products from some countries, particularly pork imported from developing countries. Removal of the labelling requirements would disadvantage these customers.</li> </ul>

No.	Submitter	Submission Comments
		<p><i>Impact on the broader pork industry</i></p> <ul style="list-style-type: none"> <li>It is likely that some Australian pig farmers and processors are incurring financial hardship following the eight-fold increase in imports from 1999 to 2005 quoted in Section 1.2.2 of the Report. Removal of the current CoOL requirements could discriminate against some of these Australian businesses.</li> </ul>
13.	<p><b>South Australian Department of Health</b></p>	<p><b>Does not indicate a preferred option</b></p> <p><i>General comments</i></p> <ul style="list-style-type: none"> <li>The issues raised by the Applicant are contradictory to comments made by the Australian Pork Limited during the development of Standard 1.2.11. Pork industry bodies strongly supported the inclusion of processed pork products in mandatory CoOL requirements.</li> <li>The Department seeks evidence to support the removal of CoOL requirements from processed pork products.</li> <li>The Department queries the statements made by the Applicant that ‘the requirements are excessively trade restrictive’ and ‘Standard 1.2.11 discriminates against processors of imported pork’. This appears to be refuted in the previous approval process for CoOL.</li> </ul>
14.	<p><b>Bob Such MP (Member for Fisher)</b></p>	<p><b>Supports Option 1</b></p> <p><i>General comments</i></p> <ul style="list-style-type: none"> <li>The consumer has the right to know the country of origin of foods (and preferably component percentages).</li> </ul>
15.	<p><b>Tony Zappia MP (Member for Makin)</b></p>	<p><b>Supports Option 1</b></p> <p><i>General comments</i></p> <ul style="list-style-type: none"> <li>Australian products are grown or manufactured to Australian Standards. Those same Standards do not necessarily apply to overseas products, raising issues relating to contamination, use of banned chemicals, health risks, and unknown additives being added to products.</li> </ul> <p><i>Impact on consumers</i></p> <ul style="list-style-type: none"> <li>Consumers wanting to support local producers should be able to do so without any confusion or misunderstanding about products.</li> </ul> <p><i>Impact on the broader pork industry</i></p> <ul style="list-style-type: none"> <li>Non-compliance with Australian Standards can reduce production costs thereby creating an unfair advantage for overseas producers, who are not required to meet these Standards.</li> <li>The Australian Pork Industry has been in decline for several years whilst overseas imports of pork have risen markedly. Any relaxation of labelling laws will cause further decline of this industry, with consumers ultimately being left with imported pork as the only choice. That is neither healthy for Australia’s balance of trade or for the health of consumers.</li> </ul>

No.	Submitter	Submission Comments
<b>Consumers</b>		
16.	<b>Country Women's Association of New South Wales</b>	<p><b>Supports Option 1</b></p> <p><i>Impact on consumers</i></p> <ul style="list-style-type: none"> <li>All consumers have the right to know the origin of products they will be consuming and can then make a decision as to whether or not they wish to purchase.</li> </ul> <p><i>Impact on the broader pork industry</i></p> <ul style="list-style-type: none"> <li>Australian pork producers would be opposed to the possibility of consumers not knowing whether or not they are buying locally produced products and that imported product could be misrepresented as local produce.</li> </ul>
17.	<b>Paul Elwell-Sutton (NZ Individual)</b>	<p><b>Supports Option 1</b></p> <p><i>General comments</i></p> <ul style="list-style-type: none"> <li>As a pork consumer, it is very important to be able to choose pork that has been produced in either New Zealand or Australia.</li> <li>Although this Application applies only in Australia, I am concerned that pork products from Australia may go on sale in New Zealand without displaying CoOL.</li> </ul>
18.	<b>Ivan Jeray (Australian Individual)</b>	<p><b>Supports Option 1.</b></p> <p><i>General comments</i></p> <ul style="list-style-type: none"> <li>All pork should be labelled so that consumers have a choice to: <ul style="list-style-type: none"> <li>consume pork sourced from overseas;</li> <li>determine from the country of origin whether the pork is genetically modified and/or has been fed genetically modified organisms.</li> </ul> </li> </ul>
19.	<b>Clive Umbers (Australian Individual)</b>	<p><b>Does not indicate a preferred option. However comments suggest support for Option 1.</b></p> <p><i>General comments</i></p> <ul style="list-style-type: none"> <li>Wants to know where food is coming from i.e. overseas countries standards are very important and prefers to make own judgements on food.</li> </ul>