



Constellation Brands
WORTH REACHING FOR

Submission on FSANZ proposals in relation to Application A1256 *Colour of pregnancy warning labels for corrugated cardboard packaging*

16 November 2022

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Introduction: Constellation Brands New Zealand Limited (“CBNZ”)

CBNZ is a grower, producer and seller of New Zealand wine brands which are exported globally. It is a proud producer of globally recognised wines including established brands Kim Crawford and Selaks, with Kim Crawford being the top-selling New Zealand wine brand in North America. Selaks, a brand which is more than 85 years old, is currently New Zealand’s number 4 bottled still wine brand. CBNZ’s 2022 production is estimated at approximately 4.2 million cases and over 60% of its wines are exported, showcasing Hawke’s Bay and New Zealand wines to the world.

Approximately 1.6 million cases of CBNZ’s wines are currently sold in New Zealand and Australia each year. This makes Application 1256 *Colour of pregnancy warning labels for corrugated cardboard packaging*, and FSANZ’s proposals in relation to that application, highly relevant to CBNZ, notwithstanding that currently none of its wines are actually sold to consumers in New Zealand or Australia in their outer packaging.

CBNZ is grateful for the opportunity to provide feedback on FSANZ’s proposals in relation to Application 1256 *Colour of pregnancy warning labels for corrugated cardboard packaging*. We set out below our comments for your consideration.

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[REDACTED]

Submission:

1. Overall, CBNZ **supports** FSANZ's proposals, including its draft regulatory food measure, ie the draft *Food Standards (Application A1256 – Colour of pregnancy warning labels for corrugated cardboard packaging) Variation*.
2. FSANZ's proposals do not provide a perfect solution, not least because they will give rise to additional costs for businesses, but CBNZ **supports** them as the best compromise solution available to address the technical printing issue. In particular:
 - a. The proposed change to the Code is a minor, technical one and does not derogate from the policy intent underlying the Code.
 - b. The impact of the proposed change on consumers will be minor given the small percentage of alcoholic beverages that are actually sold in their outer packaging in New Zealand and Australia and given the warning marks placed on individual units, which will be seen at the point of consumption in any event.
 - c. The proposed requirements in relation to increased size and colour contrast will more than adequately address any concerns in relation to visibility and consumer attention.
 - d. The available technical solutions for addressing the printing issue are either impractical and/or uneconomic, and would grossly outweigh any perceived adverse impacts of adopting an alternative, compromise solution such as the one proposed.
 - e. Failing to respond to the technical printing issue, ie preserving the status quo, would be a worse outcome given the risk of the effectiveness of the consumer message being reduced as a result of misalignment of the different elements of the warning mark.
3. CBNZ also **supports** the proposal to extend the transition period for a further six months and to allow stock-in-trade to be sold until exhaustion. The former is necessary to provide enough lead time between the change being formalised and the effective date of the change, and the latter is necessary given the long shelf-life of wines and the commercial need to avoid costly measures such as relabelling or stickering.
4. CBNZ notes, however, that it will not be prudent for businesses to start taking active steps to prepare for the change until Ministerial approval is actually given. If there is any delay in the granting of that approval, the timetable may need to be reviewed as a full six months is likely to be needed to prepare for the change.



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