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Food Standards Australia New Zealand (“FSANZ”)

By email to: submissions@foodstandards.gov.au

Name and contact details of Submitter:

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Level at which the submission was authorised: Managing Director

To whom it may concern

Proposal P1050 – Pregnancy Warning Labels on Alcoholic Beverages

Introduction

Constellation Brands New Zealand Limited (“CBNZ”) is a grower, producer and seller of New Zealand and international wine brands sold domestically and exported globally. CBNZ proudly makes wines including established brands Kim Crawford, Selaks and Nobile. Selaks, a brand which turns 85 this year, is currently New Zealand’s #1 bottled wine brand. Our 2019 production is estimated at nearly 4 million cases and we have also been selling wine in cans since 2017.

CBNZ has a significant interest in the responsible labelling and consumption of alcohol. We were early adopters of the current voluntary pictogram and broadly support responsibility initiatives across the beverage alcohol industry.

Summary of Key Submissions

A summary of CBNZ’s submissions are as follows:

1. **CBNZ supports** the proposed transitional period of two years from the date of the change, and the exemption for ‘stock in trade’ at that date.
2. **CBNZ supports** FSANZ’s recognition that the producer should have the ability to place the label on any part of the package.
3. **CBNZ requests** that the requirement to use specific ink colours for the label be replaced with a more flexible requirement to make the warning label prominent by other means such as mandated use of colour contrast and borders rather than fixed colours.
4. **CBNZ requests** that the volume threshold that determines whether the pictogram only is able to be used is revised to allow packaging volumes of less than 300mls (the current proposal being 200mls).

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5. **CBNZ would appreciate** further clarity that the mandatory labelling requirement does not extend beyond the selling unit (ie. shipping cartons).

Further Comments on Proposal P1050

Transitional Period:

We note and support the proposed transitional period of two years from the date of the change, together with the exemption for 'stock in trade' ie all product that is already packaged and labelled, at that date. This period of transition will help with planning and preparation for the supply chain implications.

Label Placement:

We also support FSANZ's recognition that producers should have the ability to place the label on any part of the package. The implications of the final requirements are currently unknown and this flexibility will be critical.

Prominence can be achieved without Mandatory Ink Colours:

CBNZ understands and agrees that to be effective, a warning label must be noticed and accordingly prominence is important. However, we strongly believe that prominence can be achieved without stipulating mandatory ink colours.

The proposed label includes both red and black ink, which may both be new colours to incorporate in a packaging lockup that involves neither. Leaving aside the increased costs of compliance, depending on the print capability of the packaging provider, the practical difficulties of incorporating 2 new colours may be high. This will be especially true with printed cans where limited colour numbers are possible.

CBNZ are strongly of the view that FSANZ's objective of ensuring a highly visible warning label can be achieved with the more flexible, but still mandated, use of colour contrast and borders rather than fixed colours.

Minimum Vessel Thresholds:

Proposal P1050 states that alcoholic beverages of less than or equal to 200mls will only be required to use the pictogram. CBNZ currently sells wine in cans that are 250mls slimline. These cans have limited colour options (as noted above) and are already very densely populated with mandatory labelling information, mandatory patent disclosures as well as the voluntary pictogram. To require the inclusion of the full text warning label version will be much more difficult than with any larger volume vessel.

The vast majority of single serve sizes are over 300ml and CBNZ submits that amending the volume threshold to that slightly higher level (300ml) will still support the widespread adoption of the full warning label version.

Mandatory Labelling when not a Selling Unit:

CBNZ would appreciate further clarity that the mandatory labelling requirement does not extend beyond the selling unit. In particular, bottles and cans are shipped in cartons that are not for sale as a single unit. We understand that these are considered "transportation outers" and are not subject to the mandatory labelling requirements but would like this to be confirmed.

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General Comment - Compressed time to Respond

CBNZ have had very limited opportunity to consider and respond to the information contained in Proposal 1050. The extremely compressed response time provided has limited the ability to gather concrete data and specific examples regarding the packaging implications caused by the Proposal that FSANZ has said it will give weighted attention to.

We agree that FSANZ would have benefitted from reliable industry information about how it may be affected, together with data and relevant technical information. But the process has not properly enabled industry the opportunity to do so.

Conclusion

CBNZ fully supports responsible labelling of alcoholic beverages and is broadly supportive of Proposal P1050. We are also comfortable with most of the proposed detail.

We are wary that some practical difficulties caused by mandated elements (eg. the compulsory use of red ink) will cause compliance costs that far outweigh any benefit that could just as easily be achieved by a more flexible requirement. We also believe amending the pictogram only volume threshold from 200ml to 300ml will not detract from widespread awareness of the warning label while recognizing the difficulties of accommodating the full warning label in small vessel sizes.

If you have any questions about any of the matters above or wish to discuss this submission in further detail please contact me on the details below.

Yours faithfully

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