



# CATTLE COUNCIL OF AUSTRALIA

## SUBMISSION

25 September 2020

Department of Industry, Science, Energy and Resources  
GPO Box 2013  
CANBERRA ACT 2601  
Via email: [Originlabelling@industry.gov.au](mailto:Originlabelling@industry.gov.au)

Dear Sir/Madam

### **Re: Evaluation of Country of Origin Labelling for Food – discussion paper**

Cattle Council of Australia (CCA) is the peak industry organisation representing Australia's grass-fed cattle producers. Established in 1979, CCA brings together all state-based farming organisations representing cattle producers in their jurisdiction, associate member organisations with close connections to the cattle industry, and individual cattle producers.

CCA welcomes the opportunity to provide feedback to the Australian Government's 'Evaluation of Country of Origin Labelling for Food' discussion paper.

### **Background**

CCA provided feedback to the 2016 Country of Origin Labelling (CoOL) reforms consultation process and continues to be invested in the outcomes of CoOL reform. We support efforts to improve truth in labelling and agree that Australian consumers should be provided with clear information to enable them to make informed choices about the food they purchase and consume.

CCA recognises that the current evaluation seeks to answer the overarching question: *Have the Country of Origin Labelling reforms improved consumer access to information about the origin of food, and clarified the origin claims businesses can make about their products, without imposing excessive costs on those businesses?* As such, our response is focussed on the discussion paper questions that are applicable to beef and beef products and their sale.

The Australian beef industry is strongly export focused with approximately 70-75% of production destined for export markets. Over the past 10 years, imported beef as a percentage of domestic consumption has fluctuated between 0.1% and 0.8%<sup>1</sup> of consumption. This low level of imported product provides limited potential for retailers to differentiate beef based on country of origin, as over 99% of beef sold in Australia is produced domestically<sup>2</sup>.

At the time of CCA's original response to the 2016 CoOL reform consultation, there were limited to no imports of beef from foreign countries. Beef jerky was also a relatively niche snack product in 2016. That situation is no longer the case, with the approval of import applications for fresh and frozen beef from

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<sup>1</sup> MLA industry statistic based on consumption data and Australian Bureau of Statistics, Australian National Accounts: Input-Output Tables, 2017-18

<sup>2</sup> MLA industry statistics

Japan and subsequent arrival of product from July 2018. The Netherlands, the United States and Vanuatu have all expressed interest in importing beef into Australia and are in the process of seeking approval to do so. There has also been a rise in the consumption of beef jerky domestically as a snack product, as well as a rise in brands (Australian and foreign) producing and selling beef jerky in Australia.

### **Response to the consultation questions in the discussion paper:**

#### **Q1. Did the CoOL reforms achieve the objective of improving consumer understanding about the origins of their food?**

CCA is not convinced that better understanding of beef and beef product origins, particularly beef jerky, has been achieved through the CoOL reform process. We assert that there is still considerable confusion in the general public as to the definition of terminology used in CoOL, particularly in regard to the terms 'packed in', 'manufactured in', 'produced in' and 'grown in'.

Feedback from our membership is that the bar chart and its link to the proportion of Australian ingredients is even less well understood by most Australian consumers and is inherently difficult to interpret. Australian consumers still associate the green and gold kangaroo with wholly Australian made and produced product. CCA is concerned that the combined use of the kangaroo logo and the bar chart misleads consumers.

Trust in the integrity of CoOL is further undermined through the requirement that verification by a third party of the proportion of Australian sourced ingredients represented in the bar chart is rarely undertaken and is costly and difficult unless access to formulation and other technical information is available.

CoOL reforms have raised awareness of food provenance in the community. With increased competition in the future from foreign beef and beef products, particularly in the food services and snack industries, it is critical for the prosperity of Australian beef producers that CoOL laws provide Australian consumers with adequate information to make informed decisions at all points of purchase.

Food labelling legislation should not act as a disincentive to utilise any form of Australian labelling and in doing so, devalue some of the benefits of striving for an Australian grown point of difference. It is CCA's view that CoOL should not be used as a form of non-tariff trade barrier. Indeed, we have advocated against CoOL systems in overseas markets that have artificially restricted access for Australian exports, purely due to implementation complexities. In the US, ground beef must be labelled with the country of origin for all source countries, including Australia, Canada, Uruguay, New Zealand etc. The process of adjusting labelling to reflect purchasing and inventories means that in practice grinders will avoid changing suppliers to simplify compliance with CoOL regulation.

While CCA affirm that food labelling legislation should not impose changes to Australian businesses that lead to excessive costs, technology is advancing and is now able to provide significant information with limited labelling impact. We suggest that the Department investigate the use of QR codes in registering and monitoring ingredient origin information in both food services and retail outlets.

#### **Q2. Does the differentiation between priority and non-priority foods continue to meet consumer expectations?**

CCA believes that the provision of snacks as a non-priority food item is not fulfilling the intended aim of the CoOL reforms. In the case of beef jerky and other beef product snacks, many of these products have undergone minimal transformation. CCA is frustrated that the reforms have not offered Australian producers or consumers any further clarity on origin. As these products are exempt from mandatory CoOL with no requirement to provide origin information, this lack of mandated origin identification for snack products feeds into consumers misperceptions that unless a product is distinctly marked as being made/produced outside of Australia it is of Australian origin. Thus, the origin of snack products is commonly

unknown or incorrectly identified. CCA recommends no distinction should exist between priority and non-priority food products, particularly when a product has only marginal transformation.

**Q3. Has consumer demand for origin information changed since the introduction of the reforms?**

Consumer research undertaken by the red meat industry identifies increased consumer interest in provenance information relating to Australian beef. As noted earlier, the current volume of imported beef is minimal, and most Australian consumers would correctly assume that the beef products they are consuming originate in Australia. Origin is critical in marketing the value of Australian beef. Generally, consumers are more focused on where their food comes from and how it is produced, and the animal welfare, nutritional and sustainability credentials of Australian beef are world renowned.

**Q4. Is the current scope of mandatory CoOL appropriate? Should the exemption for food service be maintained?**

Previous reforms to CoOL have not provided Australian consumers with as much or the most accurate information they could reasonably expect to make informed decisions on their purchases. This is particularly pertinent regarding food service exemptions under CoOL requirements, which places the burden of origin identification squarely on wait-staff and other food service staff. This exemption does not provide adequate provision for consumers to identify foreign beef and make fully informed choices.

Currently most imported beef products are sourced from Japan (marketed as Wagyu beef) and sold in high end restaurants as a luxury product that demands a high-end premium. Awareness of the origin of this product is completely dependent on the wait-staff in these establishments and is usually high as it is marketed as a 'once in a lifetime' product and gains a premium from being acknowledged for its Japanese origin.

Australia currently has the most expensive cattle and beef in the world. While acknowledging extenuating circumstance (i.e. herd rebuilding), the value of Australian beef has been driven by increased demand due to quality and safety. The industry is now significantly more exposed to cheaper imports as a result. The potential increase of imported beef or beef products used in the food service industry will likely increasingly be sourced from foreign countries (particularly in the beef product range that includes minced product for meatballs/burgers/patties). The current exemption of CoOL requirements for food service deny Australian consumers the most accurate information available while potentially undermining the Australian beef industry should cheaper, inferior product, enter the Australian market.

**Q5. Do the criteria for making a 'Made in' claim reflect consumer perceptions and expectations?**

No. The criteria for making 'Made in' claims do not reflect consumer perceptions, expectations, or common use of language. It is reasonable to assume that the term 'Made in' describes a product that is solely derived from the 'Made in' origin claim. Although provision within the Standard allows for the term to be used if it is "*made in a country if it was last substantially transformed into the final food through one or more processes that occurred in that country*". By this provision, products manufactured in Australia such as pies, burger patties, meatballs etc, can claim 'Made in Australia' provisions and contain minimal or no Australian beef products. The consequences of this provision do not reflect consumer perceptions and expectations of what entails a 'Made in Australia' product.

**Q6. Does use of the Australian Made logo and bar chart reflect consumer perceptions and expectations?**

No. There is limited to low understanding in the Australian consumer environment as to the implications, intent and meaning behind the inclusion of the bar chart in CoOL, and the interaction it has with the other elements of the standard labelling marks.

For most consumers, CCA considers that the inclusion of the Australian Made logo still produces a perception that the product is solely Australian made. Therefore, we argue that the imagery of the Australian Made logo overrides any information as to percentage of Australian content in the product being depicted by the bar chart. A product can claim to be Australian Made, carry the Australian made logo and only contain a minor portion of Australian product.

**Q7. Do the CoOL requirements for online sales provide consumers with adequate origin information about products prior to making their purchase?**

The recent rise of online food service industry activity, which has been exacerbated by COVID-19 restrictions, comments made earlier in this submission relating to food services should be considered relevant for online sales also.

**Q8. Have communication activities and online resources been effective in raising consumer awareness of the CoOL reforms and helping consumers to understand CoOL information?**

Online resources are only effective for those aware of them and search for these resources resulting in little to no impact on the average consumer in understanding CoOL information. There is significant scope for the Department to conduct a sustained and extensive communications campaign to educate Australian consumers if they are serious in their endeavour to improve and clarify understanding of CoOL standards to empower more informed consumer decision making.

**Q9. Are there any product types for which consumers seek greater access to origin information?**

As noted earlier in this submission, there should be greater CoOL information made available for the food service sector and snack products.

**Q15. How well have businesses complied with CoOL requirements?**

Truthful labelling is critically important for consumer confidence and is strongly supported by CCA. Currently there is a myriad of beef labelling terms for beef products, including CoOL. We firmly believe that all labelling terms associated with beef and beef products that relate to raising claims, antibiotic status, feed regimes and provenance are neither regulated nor effectively enforced.

**Q16. Do the current CoOL requirements provide adequate flexibility for food and beverage producers to manage variations in the supply of ingredients?**

Please refer to earlier comments regarding QR code technology and ingredient data base use.

CCA looks forward to further consultation with the Department of Industry and the ACCC on the assessment of the impact of CoOL reforms, consumers understanding, industry and individual businesses interaction with the reforms and any subsequent changes as a result of this review process.

If there are any queries about this submission, please do not hesitate to contact our office on 1300 653 038 or email [cca@cattlecouncil.com.au](mailto:cca@cattlecouncil.com.au).

Yours sincerely

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Chief Executive Officer