



Australian Government

Country of Origin Labelling for Food Business Forum



MARCH 2017

Forum Agenda

What are the new requirements?

Presented by the Department of Industry, Innovation and Science/
Department of Agriculture and Water Resources

Labelling your product – an online tool

Presented by the Department of Industry, Innovation and Science/Department of
Agriculture and Water Resources

Compliance and enforcement

Presented by the Australian Competition and Consumer Commission

Informal discussion

What are the new requirements?

SCOPE

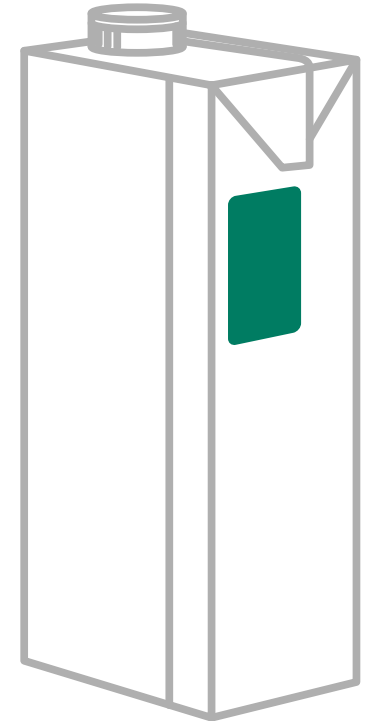
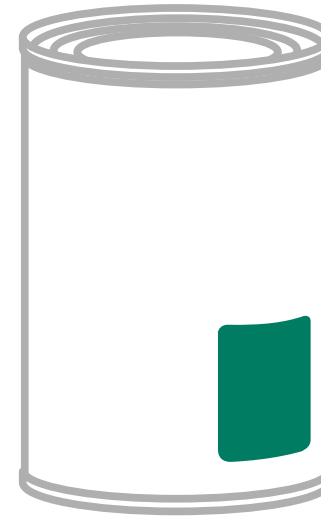
- What products are impacted?

APPLICATION

- Australian products
- Substantial transformation
- Packed in claims
- Imported products
- Sourcing variation

SUPPORT

- Calculating proportion
- Useful hints
- Resources



Application of the Information Standard

The **scope** of foods requiring country of origin labelling under the Standard is the same as current Food Standards Code:

- Country of origin labelling applies to food sold for retail sale.
- It does not apply to food sold for immediate consumption or made on the premises where it is sold - such as restaurant, cafes and takeaway shops.
- It does not apply to food sold in canteens and hospitals and the like.



Country of Origin Food Labelling Information Standard 2016

I, Christopher Pyne, Minister for Industry, Innovation and Science, make the following information standard.

Dated 13 April 2016

CHRISTOPHER PYNE

Christopher Pyne
Minister for Industry, Innovation and Science

Scope of the Information Standard

But, under the Standard, **requirements for priority and non-priority food** are different:

PRIORITY FOOD

Priority foods are the foods for which consumers most want origin information

- Australian foods must carry a “Mark” –
 - kangaroo logo,
 - bar-chart and
 - statement in a defined box
- Imported foods must carry a statement in a defined box



Scope of the Information Standard

NON-PRIORITY FOOD

Non-priority foods are the foods for which consumers least want origin information

- Australian/imported food only require a textual statement of origin – no box or graphics required
- Non-priority foods include the following food categories:
 - seasonings (salt, herbs and spices)
 - confectionery
 - biscuits and snack food
 - bottled water
 - soft drinks and sports drinks
 - tea and coffee
 - alcoholic beverages.



Origin Claims – Key Definitions

‘GROWN IN’ or ‘PRODUCT OF’ Australia (with Mark)

All of the ingredients are Australian, and all major processing was done in Australia.

Otherwise:

‘GROWN IN’

- Must have been grown in country claimed OR
- All significant ingredients are from the country claimed and all major processing was done there (e.g. a tinned peaches and pears mix)

‘PRODUCT OF X’

- All significant ingredients are from the country claimed and all major processing was done there



Grown in France

Produced in Mexico

Origin Claims – Key Definitions cont.

‘MADE IN’

- Underwent its last substantial transformation in the country named



‘PACKED IN’

- For foods from two or more countries that is combined for packing without substantial transformation



What does 'Made in' and 'substantial transformation' mean...

Made in

- A food can be described as having been *made* in a country if it underwent its last substantial transformation in that country.

Substantial Transformation

- A food has been *substantially transformed* if the end product is something different in identity, nature or essential character from its imported ingredients
- This definition aligns with consumer expectations and international practice.
- *Example: making mozzarella cheese from imported ingredients and milk could be labelled 'Made in Australia from X% Australian ingredients', but importing mozzarella cheese, shredding it and packaging it for resale could not be.*

Australian Origin Claims – The “Mark”

Logo

- Indicates the product was grown, produced or made in Australia

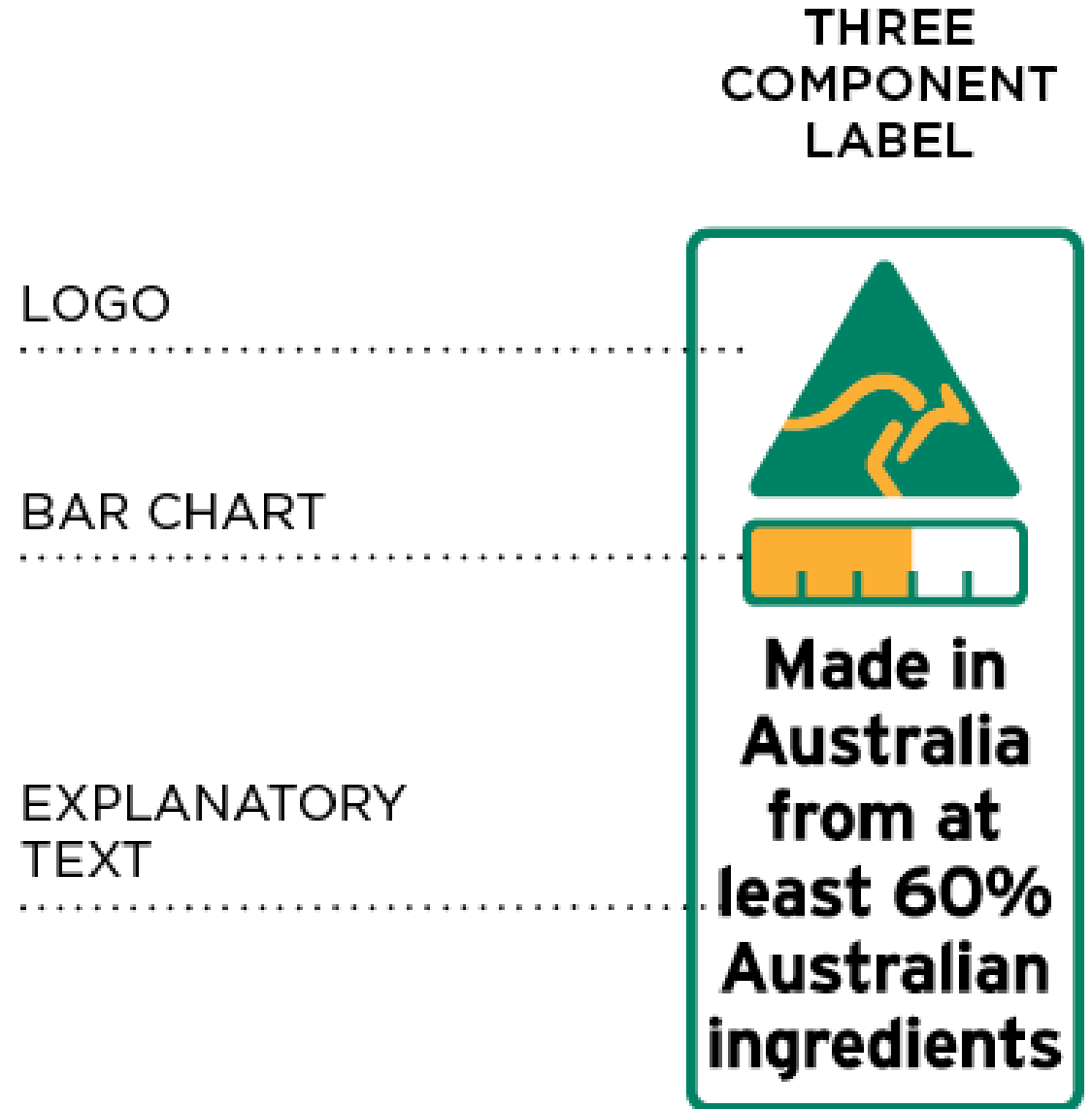
Bar Chart

- Indicates the percentage of Australian ingredients

Explanatory Text

- States if a food was grown, produced or made in Australia
- States the percentage of Australian ingredients

All in a clearly defined box



Australian Origin Claims – The Bar Chart

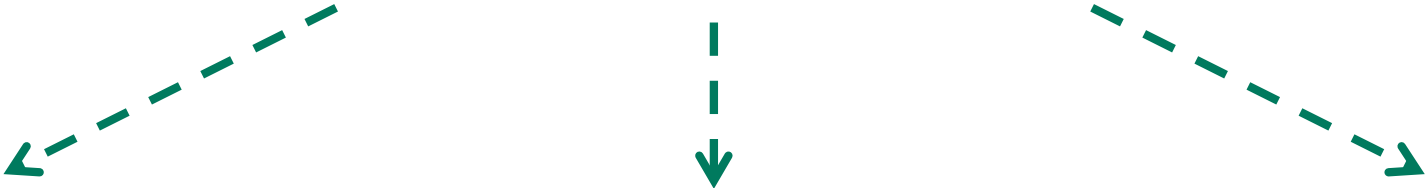
- Indicates the percentage of Australian ingredients
- Bar charts must have 20% incremental markings and generally must be filled in 10% increments
- Whole numbers

Percentage of Australian Ingredients	How the Bar Chart appears
Between 10% and 94%	The percentage will be rounded down to the lower decile
Between 95% and 99%	Bar chart will show 95%
Less than 10%	Bar chart show 5%



Labels for Products: PACKED IN AUSTRALIA

PACKED IN AUSTRALIA



Foods from multiple countries (including Australia)



Foods from multiple countries (not Australia)



Foods grown, produced or made in a single overseas country



Labels for Imported Products

IMPORTED PRODUCTS



SINGLE ORIGIN

If the food product is from one country

Made in New Zealand

MULTIPLE ORIGIN

If foods are from more than one country, and have not been substantially transformed, the label must indicate they are imported or of multiple origins. If packaged then the label must also state where it was packed.

Packed in Brazil from imported ingredients

AUSTRALIAN CONTENT

Bar chart optional for products with Australian content

 **Made in Vietnam from at least 50% Australian ingredients**

Food exported from and re-imported to Australia

- If food of Australian origin is exported for minor processing before being re-imported for sale in Australia, this must be disclosed in the label
- Minor processing might be shelling nuts and packing nuts, or shelling, freezing and packing prawns
- If any new ingredients of non-Australian origin are added offshore, the product will no longer qualify for an Australian origin claim
- For example, an Australian prawn shelled, crumbed with non-Australian ingredients and packed overseas would use a 'Packed in' claim



Providing additional information

Calling out Specific Ingredients

- The origin of specific ingredients can be called out for most products
- The ingredients highlighted must come entirely from that country



Additional product information

Additional origin information can be included on packaging e.g. flags, logos or iconic images, so long as the overall impression is not false or misleading.

Labelling for seasonality and varying content

- Many Australian food products contain seasonal produce
- The proportion of ingredients varies throughout the year
- Can be labelled using an average content claim calculated over a 1, 2 or 3 year period
- The consumer can scan the barcode, call a hotline or go to a website to get information on the percentage of Australian ingredients in that specific product
- **Alternatives:** use a base minimum claim year-round OR change labels



Calculating proportion of ingredients

Proportion of Australian content is a minimum claim

$$\left(\frac{\text{total ingoing weight of ingredients exclusively grown or produced in Australia}}{\text{total ingoing weight of all ingredients}} \right) \times 100$$

Calculating proportion of ingredients

Primary ingredients – Tomato Sauce

	Australian Ingredients		Imported Ingredients
Ingredients	1 kg tomatoes 170 g olive oil 20g sugar	10g basil 150g water	130g onion 20g garlic cloves
Amount of Australian ingredients by ingoing weight	1350g		
Total ingoing weight	1500g		
Calculation	$\frac{1350}{1500} \times 100$		
Percentage of Australian Ingredients	90%		

Calculating proportion of ingredients

Primary and Compound Ingredients – Beef Lasagne

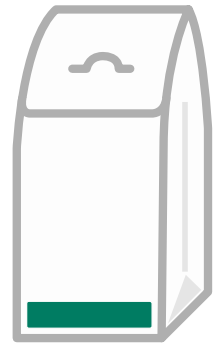
	Australian Ingredients	Imported Ingredients	Compound Ingredients
Ingredients	60g beef 60g vegetables	10g garlic cloves	<ul style="list-style-type: none"> • 80g sauce (90% Australian content) = 72g of Australian content • 175g pasta (36% Australian content) = 63g Australian content
Amount of Australian ingredients by ingoing weight	255g		
Total ingoing weight	385g		
Calculation	$\frac{255}{385} \times 100$		
Percentage of Australian Ingredients	66%		

Treatment of Water

Water added as an ingredient would take on the origin of where it was collected or harvested.

Exceptions

- Water used to reconstitute dehydrated or concentrated ingredients – would take on the country of origin of the ingredients
- Water that forms part of the liquid packing medium (e.g. for canned vegetables) is not counted in the weight of ingredients or food



Food Exports

- Subject to the labelling rules in the importing country, businesses can use their domestic labels on exported food – there is nothing in the Information Standard to prevent them.
- Food companies wishing to use the kangaroo logo in any other way on their food products overseas will need to obtain a licence through Australian Made Campaign Ltd (AMCL).
 - They still need to meet grown, produced or made in criteria.
 - The product will need to be certified by AMCL as being of Australian origin.



Resources

business.gov.au/foodlabels

- Style guide
- label library
- FAQs
- Online tool

Guidance and information through websites and call centres:

- ACCC, business.gov.au
- Other linkages – to the Department of Health, the Department of Immigration and Border Protection (Customs) and the Department Agriculture and Water Resources



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Using the online tool



Product Scenario – Apple Juice

1. Place of last substantial transformation?

Answer: Australia

2. Any water content, if so why?

Answer: Yes, to reconstitute the Australian concentrate

3. Proportion of Australian content?

[Online tool](#)

	Australian Ingredients	Imported Ingredients
Ingredients	300g Apple juice concentrate 1 kg water	Nil
Amount of Australian ingredients by ingoing weight	1300g	
Total ingoing weight	1300g	
Calculation	$\frac{1300}{1300} \times 100$	
Percentage of Australian Ingredients	100%	

Product Scenario – Tomato Sauce

1. Place of last substantial transformation?

Answer: Australia

2. Any water content, if so why?

Answer: Yes, as an ingredient

3. Proportion of Australian content?

	Australian Ingredients	Imported Ingredients
Ingredients	1 kg tomatoes 170 g olive oil 20g sugar 10g basil 150g water	130g onion 20g garlic cloves
Amount of Australian ingredients by ingoing weight	1350g	
Total ingoing weight (Australian +imported)	1500g	
Calculation	$\frac{1350}{1500} \times 100$	
Percentage of Australian Ingredients	90%	

Product Scenario – Beef lasagne

1. Place of last substantial transformation?

Answer: Australia

2. Any water content, if so why?

Answer: Yes, as a sub-ingredient in compound ingredient

3. Proportion of Australian content?

	Australian Ingredients	Imported Ingredients	Compound Ingredients
Ingredients	60g beef 60g vegetables	10g garlic cloves	<ul style="list-style-type: none"> 80g sauce (90% Australian content) = 72g of Australian content 175g pasta (36% Australian content) = 63g Australian content
Amount of Australian ingredients by ingoing weight	255g		
Total ingoing weight	385g		
Calculation	$\frac{255}{385} \times 100$		
Percentage of Australian Ingredients	66%		

Product Scenario – Tinned Four Bean Mix

1. Place of last substantial transformation?

Answer: Multiple

2. Any water content, if so why?

Answer: Yes, part of the packing medium

3. Proportion of Australian content?

	Australian Ingredients	Imported Ingredients	Compound Ingredients
Ingredients	250g chickpeas	250g butter beans 250g lima beans 250g kidney beans	Brine (10g Australian salt and 300g Australian water)
Amount of Australian ingredients by ingoing weight	260g (water forming part of a packing medium doesn't count)		
Total ingoing weight	1010g		
Calculation	$\frac{260}{1010} \times 100$		
Percentage of Australian Ingredients	25%		

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Australian
Competition &
Consumer
Commission

The ACCC and the Country of Origin Food Labelling Information Standard 2016

CoOL Labelling Forum March 2017

What the ACCC Can and Can't Do

ACCC Can...

- ✓ provide information about rights and obligations
- ✓ investigate alleged breaches
- ✓ direct you to useful resources
- ✓ Refer you to other agencies (as appropriate)

ACCC Can't...

- ✗ tell you what label to use or 'approve' your label
- ✗ provide legal advice

When is a food ‘substantially transformed’?

A food is substantially transformed in a country if:

- it is ‘grown’ or ‘produced’ in that country or
- as a result of processing in that country, it is fundamentally different in **identity, nature** or **essential character** from its imported ingredients/components.

- **Identity**
- **Nature**
- **Essential character**



Recordkeeping

You must keep records supporting a country of origin claim for **12 months after the sale of the food item.**

Records should include:

- ✓ Information regarding the proportion or Australian ingredients
- ✓ Traceability information
- ✓ Contact details of who the products were received from / who they were supplied to
- ✓ Dates of transactions
- ✓ Batch or lot identification
- ✓ Volume or quantity of products
- ✓ Relevant production records



You will be required to provide this information to the ACCC or another Australian Consumer Law regulator upon request.

Non-compliance with the Standard and the ACL

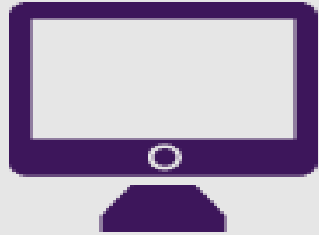
Non-compliance with the Standard - likely to contravene the ACL

Must still ensure that any country of origin representation made is not false, misleading or deceptive

Maximum financial penalty for a breach of the ACL is \$1.1 million for a body corporate and \$220 000 for a person

Third parties may also take legal action for breach of the ACL.

ACCC guidance material



www.accc.gov.au/cool



Small business helpline 1300 302 021

Small Business Info Network

Sign up at www.accc.gov.au/sbin



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Free online education programs

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Disclaimer

The material presented to you today should be considered only general advice and guidance.

It is not legal advice.

Businesses remain responsible for determining whether their labels comply with the new requirements