

18 May 2017

Primary Production Select Committee
Parliament Buildings
Wellington
select.committees@parliament.govt.nz

PO Box 10232, The Terrace,
Wellington 6143
Level 4, Co-operative Bank Building
20 Balance Street, Wellington 6011
Phone: +64 4 472 3795
Fax: +64 4 471 2861
Web: www.hortnz.co.nz
Email: info@hortnz.co.nz

Submission on the:
Consumers' Right to Know (Country of Origin of Food) Bill

Submitter: Horticulture New Zealand Incorporated
Submitted by: Mike Chapman, Chief Executive
Contact Details: Phone +64 4 494 9979
Email: mike.chapman@hortnz.co.nz

1. Horticulture New Zealand (HortNZ), along with the following listed organisations, is making this submission on the Consumers' Right to Know (Country of Origin of Food) Bill:
Hawke's Bay Fruitgrowers' Association Incorporated
Hawke's Bay Vegetable Growers Association
Katikati Fruitgrowers' Association
New Zealand Asparagus Council
New Zealand Citrus Growers Incorporated
New Zealand Kiwifruit Growers Incorporated
Onions New Zealand Incorporated
Pipfruit New Zealand Incorporated
Potatoes New Zealand Incorporated
Pukekohe Vegetable Growers Association
Strawberry Growers NZ Incorporated
Summerfruit New Zealand Incorporated
Sutherland Produce Ltd
Tomatoes New Zealand
Vegetables New Zealand
2. HortNZ advocates on behalf of New Zealand's 5,500 commercial fruit and vegetable growers. The New Zealand horticulture industry is valued at over \$5.4 billion with \$3.4 billion in exports.

Executive Summary

3. HortNZ submits in support of the Consumers' Right to Know (Country of Origin of Food) Bill but only for fresh fruit and vegetables to be required to have a country of origin label.
4. HortNZ endorses consumers' rights to make the choice when they buy fresh fruit and vegetables by knowing where their fresh fruit and vegetables come from and by having the option to support New Zealand growers and the New Zealand economy by buying local.
5. In the Consumer NZ survey conducted earlier this year:
 - 70% of the respondents want to buy fresh fruit and vegetables
 - 72% of the respondents want to know where their fresh fruit and vegetables come from

- 71% of the respondents want country of origin labelling being required by law for fresh fruit and vegetables
 - Only 9% of the respondents were opposed to country of origin labelling to be required by law for fresh fruit and vegetables.
6. HortNZ submits that unless country of origin labelling for fresh fruit and vegetables is required by law, then there is no guarantee that any label is accurate. In the Consumer NZ survey conducted earlier this year, 65% of the respondents said they looked for country of origin labelling when shopping but only found it:
- 32% of the time for fresh fruit
 - 29% of the time for fresh vegetables.
7. HortNZ submits that country of origin labelling should be required by law for fresh fruit and vegetables to ensure consistency for consumers.

Consumer NZ Survey

8. In February 2017 Consumer NZ ran one of its regular surveys. It had a section dedicated to questions on country of origin labelling on fruit and vegetables. The results of the survey on country of origin labelling have been summarised in the previous section and the detail is attached to this submission.
9. Technical details of the survey are:
- The results have a margin of error of +/- 3% at the 95% confidence level.
 - They are based on an online survey of 1,066 New Zealand adults aged 18 to 70-plus.
 - Age, gender, and region quotas were used and statistical weighting was employed to ensure the sample's composition equated to the New Zealand population according to Census data.
 - The field work for the survey took place between 7 and 19 February 2017.
 - Most people lived in a suburban area (51%), followed by urban – in a central city area (29%), inner rural – in or within 5km of a rural town (13%), and outer rural – greater than 5km from a rural town (6%).
 - In describing their household situation, the highest number of respondents were a couple with a child, or children, living at home (33%), followed by a couple who had children who had all left home (17%), a couple with no children (16%), and single people living alone (13%).
 - People were asked where they mainly bought fruit and vegetables and 78% said from supermarkets, with the rest being from local fruit and vegetable stores (15%), local farmers' market (3%), or other specialty store (4%).
 - Note that not all percentages shown add up to 100%. This is due to rounding and/or questions that allow multiple responses (rather than a single response).

Food Standards Australia New Zealand Labelling Survey

10. Food Standards Australia New Zealand (FSANZ) commissioned an online study of 1,396 Australians and 1,015 New Zealanders aged 15 years and over in 2015. The purpose of the study was to collect information on consumer use and understanding of, and confidence in, certain food labelling elements. The results are on their [website](#).
11. This survey found that 77% of New Zealanders somewhat or strongly agree that they trust the information on food labels, 70% of consumers in New Zealand used the nutritional information panel, and 65% used the ingredient list. Further to this, 42% of consumers looked for the types of sugars on the ingredient list, and 17% of consumers were interested in health claims. But country of origin was the label element most commonly looked for, by 72% of consumers.
12. The underlying reasons why mandatory CoOL is supported by consumers, as disclosed by this survey, are that they want to have the option to buy fresh, local produce, and support New Zealand growers and businesses when they can.

Practicalities

13. HortNZ submits that:

- Packaged fresh fruit and vegetable ingredient mixes should be required to be labelled identifying the origin of the fresh fruit and vegetables in the package only, but not the additives and other ingredients used in the packaging.
- Canned, dried and frozen mixes should not at this time be required by law to have country of origin labelling.
- Where fresh fruit and vegetables are sold loose in bins, those bins are labelled with country of origin, not each individual piece of fruit and vegetable.
- Where fresh fruit and vegetables are ordinarily sold with a label or in packaging, the label or packaging should be required to be labelled with the county of origin.
- As represented in the Consumer NZ survey, voluntary labelling is not effective or consistent.
- Although there may be some cost in adjusting labels from what is current practice, this is a cost that is already met by exporters and in any case, is a minimal, one-off cost that is very unlikely to result in an increase in the price of fresh fruit and vegetables for consumers.
- This is not a true food safety issue though consumers may wish to exercise purchasing preferences based on the origin of the food.

Trade Issues

14. The majority of countries that New Zealand exports to require some form of country of origin labelling requirements to be met. This includes New Zealand's major trading partners: Australia, the United States of America, major trading countries in the European Union, Japan, Taiwan and China.

15. HortNZ therefore submits that there is no trade related reason not to implement country of origin labelling in New Zealand, noting that trade is a two-way exchange of goods and services.

Clauses in the Bill

16. HortNZ submits as follows on the clauses in the Bill:

Clause	Submission
3 Purpose	HortNZ supports the stated purposes of the Bill in so far as it is applicable to fresh fruit and vegetables only.
4 Interpretation	“country of origin” : HortNZ supports this definition. “single component foods” : HortNZ supports this definition in so far as it is applicable to fresh fruit and vegetables only and HortNZ supports the exclusion of additives and other ingredients as set out in the definition. HortNZ further submits that where multiple fresh fruit and vegetables are packaged together, this definition should be amended to also cover such packaging but not the additive/s and other ingredient/s.
5 Principles	HortNZ supports the principles but submits that clause 5(b) could be clarified by specifically dealing with the situation where fresh fruit and vegetables are sold loose in bins.
6 Packaged Food	HortNZ supports this clause.
7 Unpackaged Food	HortNZ's support this clause but as with clause 5(b) submits that this clause could be clarified by specifically dealing with the situation where fresh fruit and vegetables are sold loose in bins.
8 Applicable Food	HortNZ only supports retention of clause 8(c) of clause 8 and submits that the other sub-clauses be deleted.
9 Offences	HortNZ supports the offences regime established by this clause and particularly endorses the higher penalties imposed by clause 9(4) on corporates as there needs to be meaningful penalties to ensure corporate compliance.

Conclusion

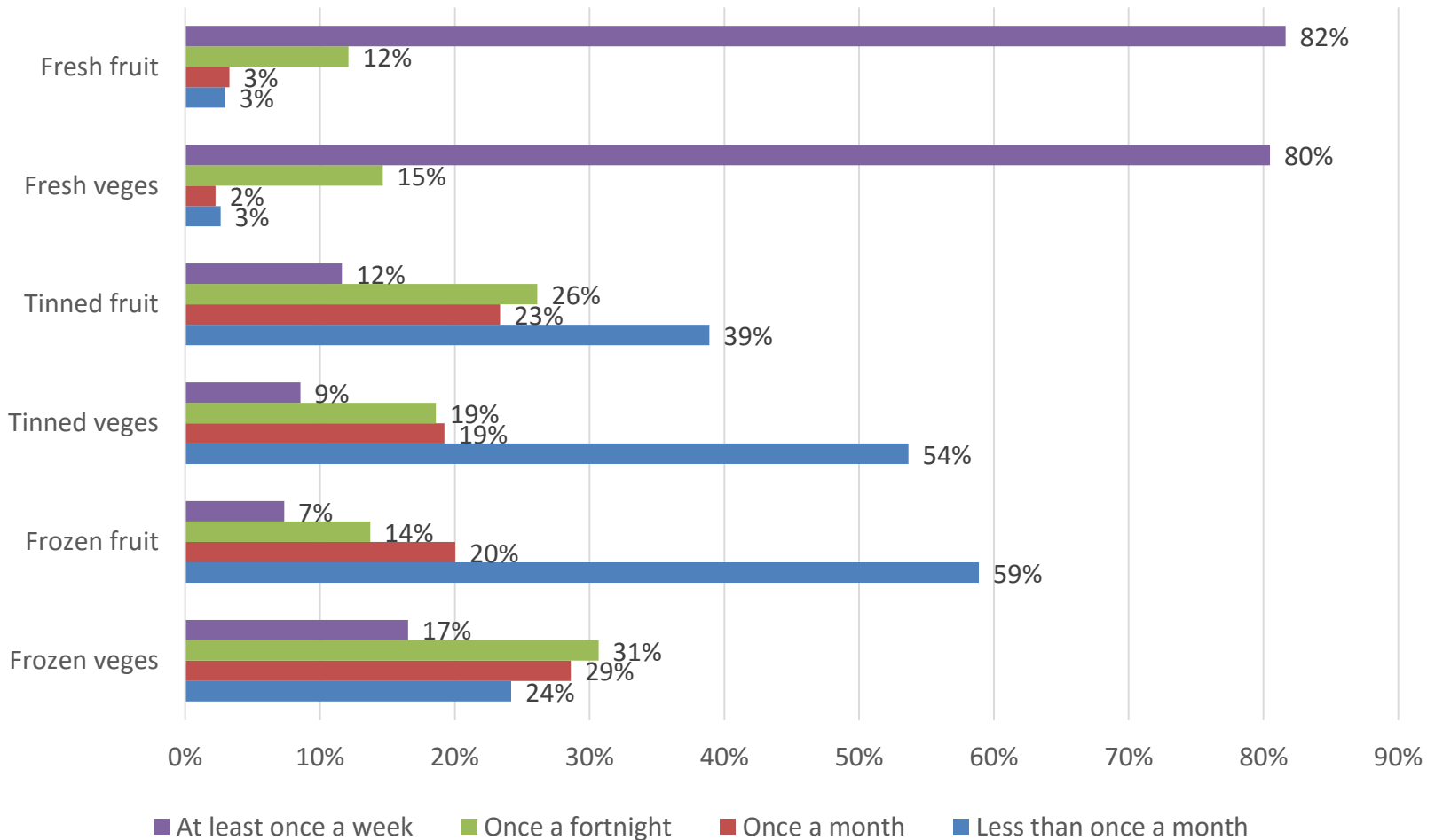
17. Both the Consumer NZ and FSANZ surveys support the introduction of country of origin labelling being a legal requirement as a matter of consumer choice. The Australian legislators have heard consumers; HortNZ submits that it is now time for New Zealand's Members of Parliament to follow suit and answer consumers in the affirmative.
18. HortNZ submits that fresh fruit and vegetables, whether loose or packaged, should be required by law to be labelled with their country of origin.
19. HortNZ commends the Government for its consideration of this bill and wishes to be heard in support of this submission.



MJ Chapman
Chief Executive

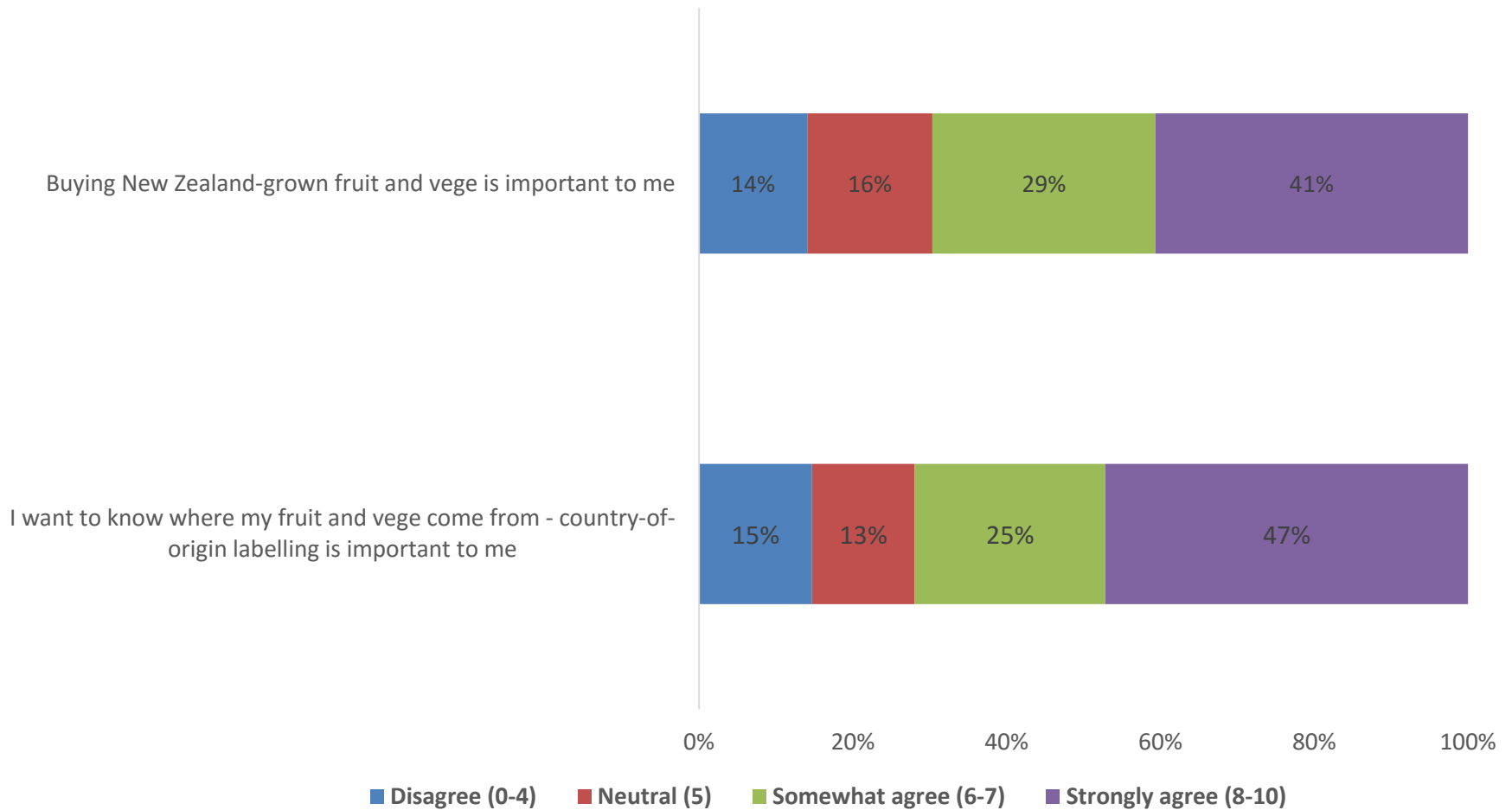
Frequency of purchase

Four out of five Kiwis purchase fresh fruit and veges at least once a week. Processed fruit and vegetables are purchased less frequently.



Buying NZ-grown and country of origin labelling

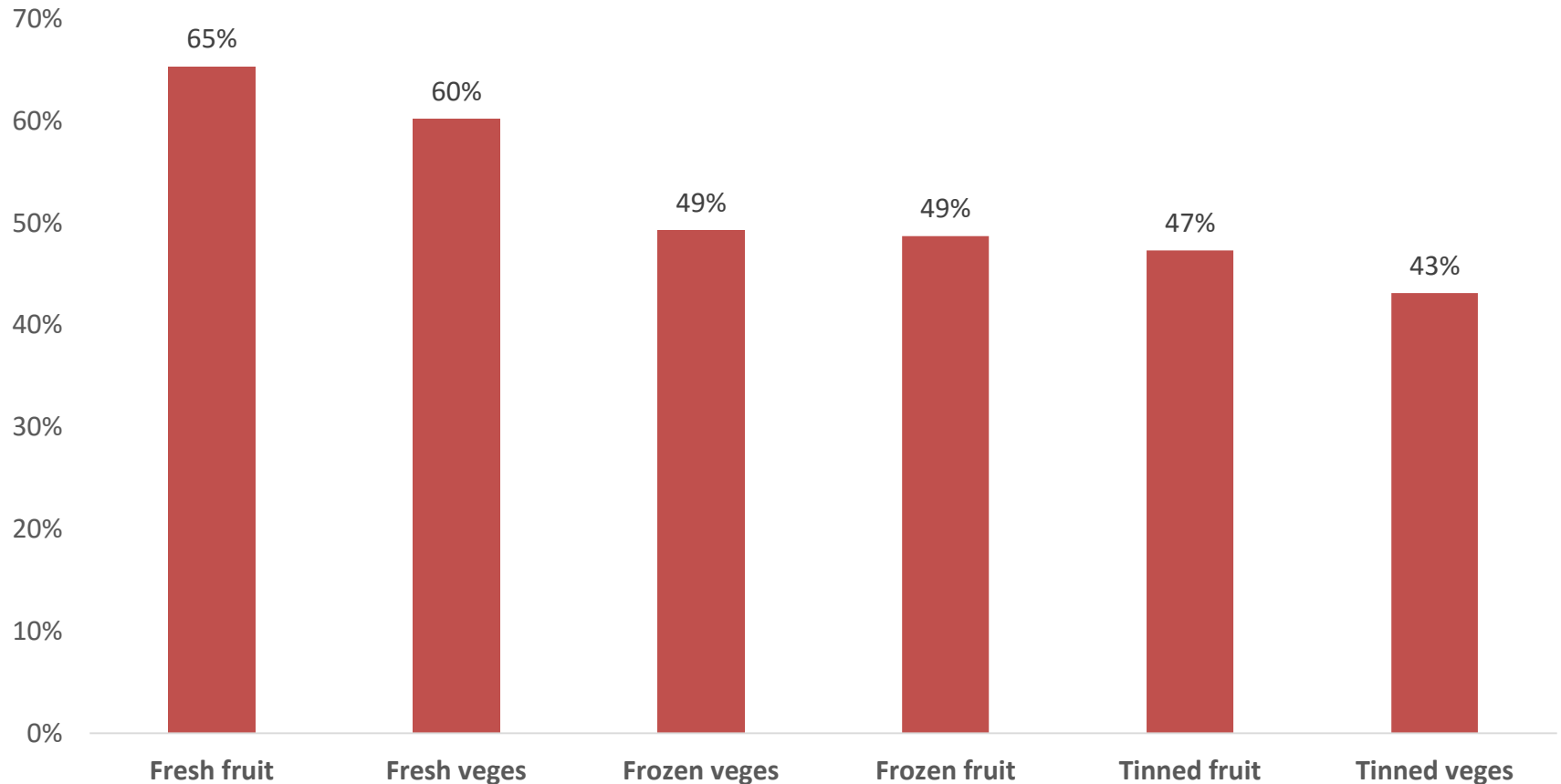
Seventy percent agreed or strongly agreed buying NZ-grown fruit and veges is important to them. A slightly higher proportion (72%) agreed it's important for them to know where their fruit and veges come from and that country of origin labelling is important to them.



Q: How strongly do you agree or disagree with the following statements?
Base: 1066

Looking for country of origin information

Consumers are more likely to look for country of origin information when buying fresh fruit and veges. Specifically, 65 percent look for country of origin information when buying fresh fruit and 60 percent do so when buying fresh veges.

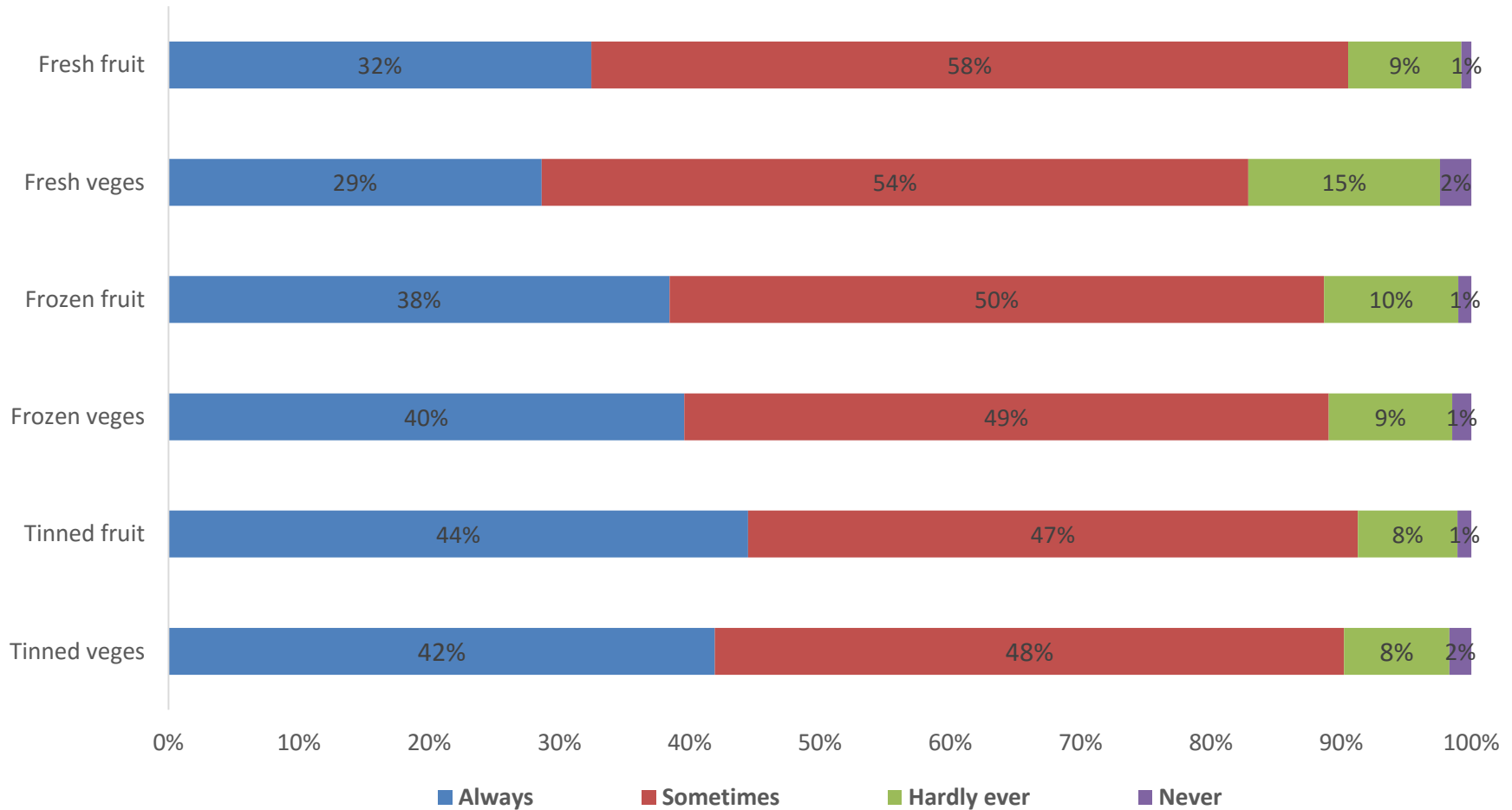


Q: In general, do you look for country-of-origin information when buying fruit and veges?
Base: 1066

consumer.
now you know

How often do Kiwis find country of origin information?

Of those who look for country of origin information when buying fresh fruit, less than a third said they always find it; even fewer (29%) said they always find this information when buying fresh veges.



Q: In general, do you look for country-of-origin information when buying fruit and veges?

Base: Fresh fruit: 699, fresh veges: 644, frozen fruit: 522, frozen veges: 528, tinned fruit: 506, tinned veges: 465.

Support for mandatory CoOL for fruit and vegetables

Five out of seven Kiwis think it should be mandatory for fruit and vegetable retailers to display country of origin information. Regular buyers of fresh fruit and veges are more likely to share this opinion.

