# SUBMISSION ON Product Labelling Regulatory Review

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To: Ministry for Regulation

Name of Submitter: Horticulture New Zealand

# **Contact for Service:**

Felicity Lawlor
Senior Risk Policy Advisor
Horticulture New Zealand
PO Box 10-232 WELLINGTON

Ph: 04 470 5663

Email: felicity.lawlor@hortnz.co.nz



# **OVERVIEW**

# **Submission structure**

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# **Our submission**

Horticulture New Zealand (HortNZ) thanks the Ministry for Regulation for the opportunity to submit on the Product Labelling Regulatory Review and welcomes any opportunity to continue to work with the Ministry and to discuss our submission.



# HortNZ's Role

# **Background to HortNZ**

HortNZ represents the interests of approximately 4,300 commercial fruit and vegetable growers in New Zealand who grow around 100 different fruits and vegetables. The horticultural sector provides over 40,000 jobs.

There are approximately 80,000 hectares of land in New Zealand producing fruit and vegetables for domestic consumers and supplying our global trading partners with high quality food.

It is not just the direct economic benefits associated with horticultural production that are important. Horticulture production provides a platform for long term prosperity for communities, supports the growth of knowledge-intensive agri-tech and suppliers along the supply chain, and plays a key role in helping to achieve New Zealand's climate change objectives.

The horticulture sector plays an important role in food security for New Zealanders. Over 80% of vegetables grown are for the domestic market and many varieties of fruits are grown to serve the domestic market.

HortNZ's purpose is to create an enduring environment where growers prosper. This is done through enabling, promoting and advocating for growers in New Zealand.



Industry value \$7.54bn
Farmgate value \$4.89bn
Export revenue \$4.99bn
Domestic spend \$2.55bn

Source: HortNZ Annual Report 2025





# **Executive Summary**

Horticulture New Zealand welcomes the opportunity to provide feedback to the Ministry for Regulation on the development of its Terms of Reference for its next regulatory review into Product Labelling. Our main points are:

- Many of the labelling requirements are driven by retailer/consumer demands, rather than government regulation.
- We support aligning with international standards and guidance, including for our key export markets.
- Country of origin labelling is important for our horticulture industry and needs to remain. In some cases there would be benefit from better enforcement to ensure NZ grown produce is not disadvantaged in the market. This also means greater transparency for consumers.
- Labelling for basic food safety information should remain on a physical label, with other forms of labelling (such as digital labelling) allowed to convey other types of information. This should be informed by international standards, guidance and the approaches of key trading partners.



# **Submission**

# **Discussion Questions**

# 1.1. Experience with Product Labelling

Q. 1.1.1 Tell us the relevant product labelling requirements your business needs to comply with (Domestic and International) where appropriate

A summary of labelling requirements for our sector is provided below.

### **Domestic**

The Australia New Zealand Food Standards Code (issued under the Food Act 2014) applies to fruit and vegetables:

- For processed and packaged fruit or vegetables, the labelling requirements under the Code include a description, lot identification, name and physical address, useby/best before; ingredient list; amount of food; storage of food (including any specific instructions to keep the food safe to eat, such as washing lettuce or salad; irradiated and genetically modified food information; nutrition information panel, and any food warning and advisory statements. Nutrient and Health claims are also allowed in prescribed circumstances, based on scientific evidence.
- If a product is whole or cut fresh fruit or vegetables in clear packaging, it doesn't need a label. However, if there is more than one layer of packaging, only the outer package requires a label.<sup>1</sup>
- If a label is not required, any health and safety information must be displayed near the food; and made available to consumers on request.
- If a product has been irradiated (for biosecurity purposes, with a corresponding permission under the Food Standards Code), a label stating this must be on packaged food, or, on or close to the food at all points of sale. This is for consumer choice reasons.

Under the Fair Trading Act 1984:

• the Consumer Information Standards (Origin of Food) Regulations 2021 requires country of origin disclosure for single-ingredient fruit, vegetable, fish, seafood and meat that is minimally processed. The disclosure must be clear and legible and inform consumers about the country or ocean where the food was grown, raised, harvested or caught. It must be displayed on the food item; on packaging; or on signage near the food item.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> <u>Labelling food for retail sale | NZ Government</u>

<sup>&</sup>lt;sup>2</sup> Commerce Commission - Country of origin of food

• Other 'credence' claims such as 'natural' or environmental claims must not be misleading or deceiving, and a producer must have evidence to back up these claims when asked, or a product could be breach of the Act.

The Weights and Measures Act sets out requirements for selling goods by quantity (weight, measure or number). In future any labelling provisions under any Organic Product standard under the Organic Products and Production Act will apply to organic food and beverages.

For agricultural compounds, these are regulated under the Agricultural Compounds and Veterinary Medicines Act 1997, with approval for use also required under the Hazardous Substances and New Organisms Act 1996. This requires registration unless a product is exempt; any specific conditions are then put on-label for a grower to follow. Some products can be used 'off-label' – i.e. applying products in ways that deviate from their approved usage. If a product does not have specific prohibitions on its use, then it can be used on crops that aren't named on the label – the grower is responsible for ensuring safe use and adherence to any safety requirements.

### International

Internationally, the importing country sets labelling requirements. Processed fruit and vegetables will be subject to importing country labelling requirements and the exporter is advised to check these before entering a market.

The requirements for fresh fruit and vegetables are administered by MPI and our exporters are required to meet all market access requirements before export certification is provided. This can include labelling requirements. Food exporters are required to label with country of origin for Australia.<sup>3</sup>

## Private /retail standards driven by the market and consumer demand

Producers may also be required or choose to label their produce with private or retail standards. Companies such as GS1 provide traceability and bar codes.

Consumers also drive demand for labelling. For example, consumers may want to know how much of an environmental impact their produce has, or how sustainable their product is. This drives labelling practices, such as Plastic Identification Codes, or 'sustainably sourced' claims and certification schemes.

Private retailers such as supermarkets also have labelling requirements (e.g. for supplying private brand products). Our members note often private standard requirements can exceed regulatory requirements.

Q. 1.1.2 How easy is it to comply with the relevant product labelling requirements?

We have not provided a ranking but provide the answer below:

There are some concerns from our growers with regards to food and beverages labelling. We support the Country-of-Origin Labelling Standard for the industry,

<sup>&</sup>lt;sup>3</sup> Country of Origin food labelling rules 2018

including for imports. However, this should be clearly enforced by regulators to ensure a level playing field.

For some of our members with more processed foods, specific concerns include multiple regulations leading to confusion and increased costs, reducing spend on innovation. This can lead to having to employ consultants to help with labelling matters and a risk in getting product to market.

For Agricultural Products (agricultural chemicals) - many of our members use agricultural chemicals 'off-label' as the product is not registered for specific use on that crop. This is a longstanding issue which means there are no specific directions on how to use the product on specific crops (I.e. use patterns) in order to comply with Maximum Residue Limits. Our growers therefore manage this through the application of Good Agricultural Practice. Please refer to the submission made by Hort NZ to the Ministry for Regulation Review on Agricultural and Horticultural Products.<sup>4</sup>

Q. 1.1.3 What aspects of product labelling regulations work well for your business?

Hort NZ supports the Country-of-Origin Labelling standard for fresh fruit and vegetables as it is good for the horticulture sector. This enables clear labelling of New Zealand produced product, so that consumers can make an informed choice of what they choose to buy.

Q. 1.1.4 What are the regulatory challenges you face with product labelling (e.g. duplication, conflict, unclear). Refer to specific requirements and associated regulation.

Labelling requirements can span different agencies and have different purposes. This can lead to complexity and confusion. Depending on the agency responsible, there can also be different approaches to enforcement.

There are also government standards as well as private /retailer standards for our members, which can contribute to a crowded landscape.

The Health Claims standard (under the Food Standards Code) can be difficult to interpret leading to the use of consultants to ensure compliance with requirements.

Q. 1.1.5 How do product labelling regulations affect your business operations? E.g. new markets, technologies

Legal regulations generally require labelling on a package or nearby. The regulations do not generally prohibit innovation in providing information to consumers above and beyond basic requirements for food safety and use. If consideration was given to

<sup>&</sup>lt;sup>4</sup> 240908 FINAL SUBMISSION HortNZ Min Reg Review ag hort product approvals.pdf

allowing products to have regulatory information provided in other ways (for example, QR codes linking to more detailed information), this would need to be carefully considered. Minimum food safety or consumer information should always be displayed on a physical label. The private sector is moving towards more digital labelling.

Q. 1.1.6

How difficult is it for you to meet current international and or domestic regulations? Tell us which regulations you find difficult.

We note concerns include multiple regulations which can lead to confusion about what is required, and increased cost.

From the brief interactions we have had with exporting members, we do not have issues to highlight for exports. These are set by the importing country.

Difficulties remain around the rules for agricultural compounds under the Agricultural Compounds and Medicines Act, particularly complying with requirements for off-label use.

Q. 1.1.7

Do you consider labelling regulations impose unnecessary compliance costs on your business?

Many fruit and vegetable growers are exempt from some food labelling regulatory requirements, but those that are more processed are subject to more labelling requirements meaning increased compliance costs, including businesses struggling to get products to market and/or finding the labelling is incorrect, and having to relabel.

Food Standards Code regulations can be harder to meet, including for nutrition and health claims. To help compliance, industry groups have in some instances developed guidelines around making claims.

The phasing out of the non-compostable fruit label adds a cost as it requires a change to compostable labels, although we note this has been extended to 2028 which will help alleviate costs associated with this.

Private standards i.e. from retailers should also be considered in this review. Often, these are driven by consumer demand and preferences and are a requirement of a retailer. Whilst not government regulatory requirements, they can still add time and considerable expense to the sector.

# 1.2. Opportunities for improvement

Q. 1.2.1

What changes would make product labelling more efficient or effective from your perspective?

Food safety information and other information that reduces the risk to consumers should be on the physical label. It is important to take a risk-based approach. Food safety information should be front and foremost.

There is a need for clear labelling around ready-to-eat products which have a food safety risk. Currently, many fresh products don't require a label stating whether they need washing before consumption. For example, for bagged salad some companies wash their product and label 'washed and ready to eat', whereas other similar products don't wash their product, but also don't suggest washing before eating. This is a considerable health risk to customers. Therefore, consideration should be given to having washing instructions in a clear and prominent position, similar to the rules around cooking before consumption.

However, there is also a public education aspect that can sit alongside labelling requirements, as it is hard to convey on a small label the importance of washing produce or other food safety requirements. We consider the Government has a role to play in education that sits alongside labelling, working with industry bodies.

Other information could conceivably be off the label or provided electronically. However, there should be alignment with international standards or guidance or best practice in key export markets, as to what is allowed off-label and in what form.

There could be better enforcement or a clearer role of the regulators. Labelling enforcement can be spread across different agencies - e.g. MPI for food labelling, Commerce Commission for the Fair Trading Act, and Trading Standards within MBIE enforces the Weights and Measures Act. Each regulatory can have a different approach (including resources available to undertake enforcement). There could be benefit from a clear enforcement strategy across agencies to ensure a level playing field for our producers, such as for enforcing the Country-of-Origin labelling requirements.

There could be government intervention on some private standards, such as for example one certification/labelling system for sustainable packaging.

Some growers support a clear New Zealand grown label, based on the country of origin labelling standard.

Q. 1.2.2

Would aligning New Zealand's product labelling standards more closely with international standards benefit your business; how do international standards help?

Any imported product should meet the same labelling requirements as any New Zealand product - there should not be any differences in standards.

We agree with aligning international standards where possible, as long as they are science and evidence-based and do not restrict trade.

Some labelling requirements can present as a non-tariff barrier/technical barrier to trade. We support the work of our government agencies who work hard to gain market access and help shape international standards-setting, including lessening the requirements for technical barriers to trade. If New Zealand and international standards align, this means that when we export product in theory the changes in requirements are minimal.

Labelling is required to meet the language requirements of the importing country. However, having international agreement of what information is required on a label; along with placement and minimum size of text helps with meeting labelling

requirements in export markets. Any moves towards digital labelling should consider international standards or guidelines, as well as requirements of key export markets.

# 1.3. Experience with regulators

Q. 1.3.1

Do you feel you have enough support to understand and comply with labelling regulations in your field? Please share suggestions for amendment.

There could be better enforcement or a clearer role of the regulators. Labelling enforcement can be spread across different agencies – e.g. MPI for food labelling, Commerce Commission for the Fair Trading Act, and Trading Standards within MBIE enforces the Weights and Measures Act. Each regulatory can have a different approach (including resources available to undertake enforcement. There could be benefit from a clear enforcement strategy across agencies to ensure a level playing field for our producers, such as for enforcing the Country-of-Origin labelling requirements.

EPA and MPI can do more for agricultural compounds, in particular for off-label use for minor crops. This includes better synergies between the regulators: MPI and the EPA. The EPA can sometimes put restrictions on the use of a product, but these conditions are not easily available to a grower as this does not appear on the label: i.e. it requires searching the EPA website. There could be more digital labelling in this regard.

For off-label use for agricultural compounds, we consider processes can be improved. Please see our responses to the Agricultural and Horticultural Products Review <sup>5</sup>, noting some of these issues are now being addressed partly by the Government response to the Review.

<sup>&</sup>lt;sup>5</sup> <u>240908 FINAL SUBMISSION HortNZ Min Reg Review ag hort product approvals.pdf</u>