

28 June 2019

Hon. Bridget McKenzie
Minister for Agriculture
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Senate
Parliament House
Canberra ACT 2600

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Dear Minister,

RE: Labelling and marketing on non-dairy alternatives

Congratulations on your party's return to government and your ministerial appointment, including retaining a position on the Ministerial Forum of Food Regulators.

The global competitiveness of Australia's dairy industry is affected by international and domestic health and nutrition policy and regulation. These settings provide consumers with assurances around safety, provenance and brand, all of which influence purchasing.

The last decade has seen an increasing number of plant-based products marketed as dairy alternatives. For example, products made from soy, nuts, coconut and rice using the term milk in their title despite not using milk as a product ingredient.

This form of labelling and marketing is unfairly disadvantaging the Australian dairy industry. A 2017 Dairy Australia survey showed 54 per cent of respondents buying these products did so because they perceived them to be healthier than dairy milk. This is due to these products falsely implying unique health properties or nutritional equivalence with dairy. Consequently, IBISWorld estimates Australia's plant based 'milk' product industry has grown at an annualised rate of 4.1 per cent over the five years through 2018-19, to \$165.8 million today. This compares to Australia's dairy cattle farming industry declining at an annualised rate of 1.8 per cent to \$5 billion over the same period.

The Australian dairy industry acknowledges and supports the recent Ministerial Forum inquiry into misleading descriptions on meat and dairy alternatives. Of interest is how changes to the Food Standards could be used to address concerns. To deliver this a two streamed work program is required. This involves:

1. conducting a holistic review of labelling and marketing on non-dairy alternatives. Current consumer perceptions need to be considered and changes to the Food Standards Code, including Standard 1.1.1-13 (4) need to be made. Closer alignment with the principles outlined in the Codex General Standard on Use of Dairy Terms (GSUDT 1999) is suggested.
2. developing additional regulations to prevent plant-based alternatives from 'evoking' the qualities and values of dairy.

These changes would bring Australia in line with many of its international counterparts. For example, the European Court of Justice decision in 2017 mandated that dairy terms could not be used on plant-based products, even with clarifying terms. More importantly, it would ensure Australia has truth in labelling for consumers to make a more accurate food and beverage choice.

If you have any questions or follow up please contact Mr Craig Hough, Director Strategy and Policy on (03) 8621 4206 or chough@australiandairyfarmers.com.au

We look forward to working with the Australian Government on resolving this issue.

Yours sincerely



Terry Richardson
President
Australian Dairy Farmers