



Free-range egg prosecutions

The humble egg has had a marketing makeover in recent years with egg cartons sporting labels such as 'cage-free', 'barn-laid' and 'free-range'. But how can we be certain that the eggs inside the carton came from chickens that were kept in the conditions advertised?

That's where the ACCC comes in, monitoring and enforcing the misleading and deceptive conduct parts of the *Competition and Consumer Act 2010* (CCA), formerly the Trade Practices Act.

Last year, following a complaint, the ACCC instituted proceedings against a West Australian egg wholesaler for prominently using the words 'free-range eggs' when in fact the eggs were not free-range.

Earlier this year the Federal Court found Antonio Pisano and Anna Pisano (trading as C.I. & Co) had breached

the law and deceived 'unsuspecting and often well motivated consumers'. Mr Pisano was ordered to pay a civil pecuniary penalty of \$50 000.

In his judgment Justice North described the conduct as a 'cruel deception of consumers who seek out free range eggs as a matter of principle.' Justice North further stated that the conduct was extremely difficult to detect because, once the eggs were placed in the cartons, it was impossible to determine whether they were free range or not.

C.I. & Co is not the only court action the ACCC has taken for misleading labels on egg cartons. In 2007 the ACCC also secured an outcome against G.O. Drew Pty Ltd who was found to have substituted and sold non-organically produced eggs as organic eggs.

Former ACCC Chairman Graeme Samuel said the ACCC is committed to protecting consumers and businesses operating within the law against those who falsely label eggs in the Australian market.

'These proceedings should act as a warning to the Australian egg industry that the ACCC views egg substitution as a serious matter and will take strong enforcement action to stop similar conduct,' Mr Samuel said.

The ACCC is working with the egg industry encouraging suppliers to be clear and honest in their labelling. The ACCC wrote to all producers and suppliers outlining the dos and don'ts of complying with the Competition and Consumer Act in relation to egg marketing and pointing out the consequences for those who flout the law.

