



## FAKE FOOD CLAIMS LEAVE BITTER AFTERTASTE

Kangaroo Island, off the South Australian coast, boasts what is believed to be the only pure strain of the Ligurian honeybee in the world.

These industrious little bugs produce some of the most sought-after honey in the world. And it's organic: the bees feed off the native vegetation, which is protected from contamination by the island's isolation.

Kangaroo Island turns over more than 100 tonnes of honey each year, so it makes sense that honey sellers would be keen to associate themselves with the brand.

Aldi Foods did just that. Between 2008 and 2010 the labels on Aldi's Just Organic honey stated it was produced or made with honey produced on Kangaroo Island.

The problem was, the honey contained only between 1 per cent and 50 per cent of Kangaroo Island honey (although one batch contained 100 per cent).

*It seems chickens and eggs are popular products when it comes to false credence claims.*

The product was manufactured by Spring Gully Foods and supplied for sale exclusively through Aldi stores. Spring Gully developed the label, which Aldi approved.

After ACCC action, both companies agreed the labels were likely to mislead customers. They agreed to publish corrective notices and not make similar claims in future.

The case highlighted an all-too-common practice in the food industry and one the ACCC is committed to protecting consumers from—false credence claims.

Many consumers want to engage in what you could call responsible purchasing. They may wish to buy only organic foods, or

products that do not harm or have not been tested on animals, or products that do not damage the environment.

These consumers are prepared to pay a premium for these kinds of products, and manufacturers and suppliers—and advertisers—are well aware of that.

Claims made about such products are called credence claims.

When genuine, these claims offer businesses an opportunity to differentiate their products. However, over the past few years the ACCC has seen a number of examples where claims about products have overstepped the line.

One was the ACCC's action against a number of chicken-meat processors for claims that their chickens were 'free to roam'.

## *Consumers should be able to rely on the accuracy of food labels.*

Baiada Poultry, Bartter Enterprises and Turi Foods claimed their chickens were free to roam in barns with substantial space.

The ACCC alleged the chickens were reared indoors with high-density stocking that significantly restricted their ability to roam.

Turi Foods admitted the misleading conduct and the Federal Court ordered by consent that they pay a penalty of \$100 000. The case is continuing against the others.

It seems chickens and eggs are popular products when it comes to false credence claims.

Several years ago the ACCC took action against an egg supplier for substituting and selling non-organic eggs as organic.

GO Drew sourced organic eggs from a certified producer. But for two years the company deliberately supplemented shortfalls of organic eggs with other eggs. It cost the company \$270 000 plus court costs.

In another case the ACCC took enforcement action against the producers of eggs claimed to be free range when they were not.

From 2006 until 2010, Western Australian wholesalers CI and Co sold cartons of eggs labelled 'free range' or 'free range Omega 3' when most of the eggs were not. The court ordered penalties of \$50 000.

And even as recently as February this year the ACCC instituted proceedings against the owner of Rosie's Free Range Eggs, alleging that the eggs she supplied to retailers, bakeries and restaurants in South Australia were not free range, but cage eggs.

Another type of misleading claim is about the place of origin—associating a product with an area or region that has a reputation for producing top-quality produce.

For four years Victorian butcher Hooker Meats claimed it sourced its meat from King Island in Tasmania, an area renowned for its high-quality beef and dairy.

But the meat it sold was not from King Island. In February this year the court ordered the company to pay \$50 000.

Consumers should be able to rely on the accuracy of food labels.

Primary producers work hard to develop a reputation for quality produce and traders that falsely associate themselves with that reputation undermine its integrity.

As far as the ACCC is concerned, if a business makes a claim about its products, it needs to be able to prove it.

The ACCC booklet *Food labelling guide* helps educate businesses in the food and beverage industry about their obligation to ensure their product labelling, packaging and advertising is accurate and is not likely to mislead consumers. It is available at [www.accc.gov.au](http://www.accc.gov.au).

*As far as the ACCC is concerned, if a business makes a claim about its products, it needs to be able to prove it.*

