FOOD SURVEILLANCE NEWS ARTICLE
2006 RESEARCH ON KEY FOOD LABEL ELEMENTS

Background

Food Standards Australia New Zealand (FSANZ) has just published another report on how manufacturers present key information on their food labels. This report presents the results of an assessment of food labels collected in 2006. It follows on from a report on the assessment of a 2005 label collection, published in August 2008.

Label monitoring surveys have been commissioned by FSANZ since 2002 to assess how food manufacturers manage key labelling requirements such as date marking, directions for use and storage and nutrition information requirements, as set out in the Australia New Zealand Food Standards Code (the Code). In addition, in 2003 and 2005, the surveys looked at how food manufacturers present nutrition, health and related claims on packaged food labels.

Correct labelling is a key objective of the FSANZ Act 1991 to ensure consumers have adequate information to help them make informed choices.

In 2005, FSANZ raised a proposal to include phase 2 of the label monitoring survey (assessment of labels collected in 2005 and 2006) on the Coordinated Food Survey Plan (the Plan). In 2006, the survey was endorsed by the Implementation Sub Committee and placed on the Plan for 2006 and 2007. The New South Wales Food Authority and the Queensland and South Australian Health Departments agreed to participate in the survey.

The report on food labels collected in Australia and New Zealand in 2006 was jointly prepared by FSANZ and AsureQuality Limited, which it commissioned to conduct the survey. A total of 1311 labels were collected and assessed to determine the degree of consistency with the labelling requirements of the Code for certain key label elements and, where labels were inconsistent with the Code, the nature of the inconsistency with labelling provisions for those label elements assessed. The survey also enabled the gathering of data on other label information of interest. The report presents the results from the assessment of labels collected in 2006, and also makes comparisons with data collected in 2005 and to a limited extent with the 2003 survey results, thus giving a general indication of changes in the consistency of information provided on food labels since these earlier surveys.

Key findings

The survey found that for eight of the 12 key label elements, consistency with the Code was 95% or greater. This compares with seven of the 12 label elements in 2005.

Excluding labels that had only minor formatting or moderate inconsistencies in the nutrition information panel (NIP) as their only area of inconsistency, 63% of labels were consistent for all label elements. This is the same result as obtained in 2005.

Consistency with the Code was 95% or greater for the following label elements (as a percentage of the total number of labels assessed for that particular element):

- Label legibility (>99%)

- Product identification (97%)
- Mandatory warning/ advisory statements (100%)
- Allergen labelling (99%)
- Date marking (99%)
- Directions for use and storage (99%)
- Percent characterising ingredients (97%)
- Country of Origin statements (Australia only) (95%).

Label elements responsible for higher proportions of inconsistencies (as a percentage of the total number of labels assessed for that particular element) were:

- Product specific labelling[1] (17%)
- Ingredient declarations (20%)
- Nutrition information panels (18% inconsistent, excluding labels that had only minor formatting or moderate inconsistencies; 91% inconsistent including labels that had minor formatting, moderate and significant inconsistencies).

Product specific labelling had a relatively high proportion of inconsistencies (17%), however the actual number of inconsistent labels was very small and did not differ markedly in 2006 compared with 2005 (three labels and one label, respectively).

Ingredient declaration was the label element where the proportion of inconsistencies was notably higher in 2006 compared with 2005 (20% and 8% respectively).

NIPs had the highest proportion of inconsistencies in both 2005 and 2006. Sixteen percent and 18% of labels assessed for this element respectively, were inconsistent with respect to NIP requirements (when excluding minor and moderate inconsistencies).

Why is FSANZ conducting ongoing label monitoring surveys?

FSANZ needs to know how food manufacturers are interpreting the Code. Following an extensive review of the Australian Food Standards Code and New Zealand regulations, a joint Australia New Zealand Food Standards Code (the Code) was gazetted in December 2000 with a two year transition period to December 2002.

FSANZ began a pilot label monitoring survey in mid 2002 to assess how manufacturers were implementing the new food labelling provisions in the Code.

Through ongoing surveys, FSANZ can determine how food manufacturers manage current labelling regulatory measures and FSANZ can use the data to make better informed decisions about labelling laws in future.

[1] The Code requires that specific information be provided on the label of certain classes of food. As an example, where reference is made regarding the fat content of minced meat, the maximum proportion of fat in the minced meat, expressed in g/100g, must be declared on the label on the package of the food.

What was surveyed?

This survey assessed 1311 labels on packaged food products available for retail sale in Australia and New Zealand during 2006 (727 from Australia and 584 from New Zealand). This compares with 1399 labels (746 from Australia and 653 from New Zealand) in 2005.

As in 2005, the foods represented 14 food categories (approximately 2% of the product lines available) and were sampled from a range of outlets including supermarkets and small retailers. The food categories were:

- Dairy products
- Edible oils and emulsions
- Ice cream and edible ices
- Fruit and vegetables
- Confectionery
- Cereal and cereal products
- Bread and bakery products
- Meat and meat products
- Fish and fish products
- Egg and egg products
- Sugar, honey and related products
- Food intended for particular dietary uses
- Non-alcoholic beverages
- Mixed foods (e.g. sauces, dressings, desserts).

The survey looked at samples from as many different manufacturers as possible. It did not consider the market share of brands because the aim was to sample a wide range of label styles.

What key label elements were assessed?

The survey assessed a total of 12 key label elements, based on the core information required by the Code for a label on a package of food for retail sale. These 12 label elements were:[2]

1. Legibility of print
2. Product identification
3. Mandatory warning /advisory statements
4. Allergen labelling
5. Ingredient declaration
6. Date marking
7. Directions for use and storage
8. Nutrition information requirements
9. Percent characterising ingredients
10. Altered label (new label placed over incorrect one)
11. Product specific labelling
12. Country of Origin (Australia only).

[2] Although Legibility of print and Altered label are discussed throughout the report as 'label elements', neither are strictly label elements. In assessing labels against legibility requirements, each label element was assessed separately.

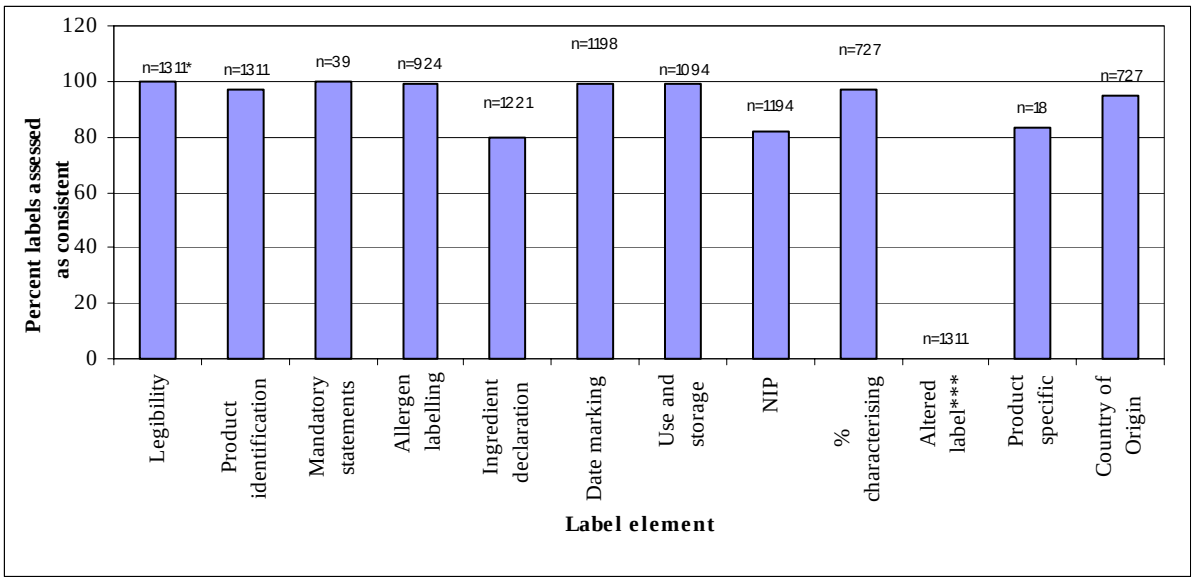
These 12 label elements were unchanged from 2005 and the same methodology was used in both years, to enable a direct comparison of results.

Labels were also assessed for false, misleading or deceptive representations according to the Australian Trade Practices Act and the New Zealand Fair Trading Act.

What did the survey find?

Overview of the consistency status of labels collected in 2006, by label element

For the 1311 labels collected in 2006 in Australia and New Zealand, consistency with the Code was 95% or greater for eight of the twelve label elements assessed. It should be noted that if any one of the twelve label elements was deemed inconsistent, the label was assessed as inconsistent overall. Excluding labels that had only minor formatting or moderate inconsistencies in the nutrition information panel (NIP) as their only area of inconsistency, 63% of labels were consistent for all label elements. The consistency of labels for individual label elements is given in Figure 1.



* n= total number of labels assessed for that particular element.
** Excluding labels that had only minor formatting or moderate inconsistencies in the NIP.
*** There were no altered labels identified amongst the 1311 labels collected in 2006.

Figure 1: Overview of the consistency status of each label element assessed

All labels collected were assessed for Legibility and Product identification, with greater than 99% and 97% of these assessed as consistent with the labelling provisions respectively. Failure to declare the name and address of the supplier according to the labelling provisions was the greatest cause of labels being assessed as inconsistent with the label element Product identification.

Three percent of all labels (39 labels) were assessed for Mandatory warnings and advisory statements, all of which were assessed as consistent with the labelling provisions.

Seventy percent of all labels were assessed for Allergen labelling, with 99% of these assessed as consistent with the labelling provisions. Those labels assessed as having consistent allergen labelling were further assessed to determine the placement and prominence of the declaration to provide additional information, noting that there are no labelling provisions in relation to placement or prominence of allergen information. The majority of consistent labels (96%) declared the presence of the allergen in the ingredient list, with 31% featuring an allergen declaration elsewhere on the packet. This included using the name of the allergen in the name of the food, as well as summary statements and voluntary precautionary statements. Increased prominence of allergen declarations (i.e. bold type) was featured on 52% of the labels assessed as consistent for this label element. Soybeans were declared on 21% of labels with consistent allergen labelling, while gluten containing cereal was declared on 20% of these labels and milk on 18% of these labels.

Ninety-three percent of all labels were assessed against the labelling provisions for Ingredient declaration, with 80% of these labels assessed as consistent. The main reason for inconsistent ingredient labelling was the additive class name being absent or incorrect.

Date marking was assessed on 91% of all labels, and was assessed as consistent on 99% of these. In all cases, the inconsistencies were due to an absence of date marking where it was required by the Code.

Directions for use and storage was assessed on 83% of all labels, and 99% of these were assessed as consistent with the labelling provisions. The main reason for inconsistency was that directions for use and storage were not provided where required.

Ninety-one percent of the labels collected were assessed as requiring or voluntarily providing a NIP. The level of severity of the NIP inconsistency was assessed; inconsistencies could be categorised as minor formatting inconsistencies, moderate inconsistencies or significant omissions and inconsistencies, according to their potential impact on consumer understanding of the NIP information. Where a NIP had more than one inconsistency, it was rated against the most severe level. Excluding labels that had only minor formatting or moderate inconsistencies, 82% of labels assessed under this element were consistent with the labelling provisions, assuming the NIP was in the prescribed format given in the Code. If minor formatting and moderate inconsistencies were included, 9% of labels assessed under this element were consistent with the labelling provisions.

Twenty percent of labels assessed as inconsistent with NIP labelling provisions were assessed as having significant omissions and inconsistencies, 9% of labels were assessed as having moderate inconsistencies and 70% of labels had only minor formatting inconsistencies as their most severe level of inconsistency.

The majority of inconsistencies for the NIP were due to incorrect internal or external borders (41% of all NIP inconsistencies) when compared with the prescribed format in the Code. This type of inconsistency was assessed as a minor formatting inconsistency as it is less likely to impact on consumer understanding of the information presented on the label. Twenty-five percent of NIP inconsistencies related to the presentation of nutrients. The most common reason was the use of incorrect text case, a minor formatting inconsistency. Less than 1% of NIP inconsistencies relating to the presentation of nutrients were due to the omission of nutrient information from the NIP, a significant omission. A further 22% of NIP inconsistencies related to serving size information. Only a small proportion of these (2%)

were due to the absence of serving size information, a significant omission. Most of the remaining inconsistencies for serving size information related to incorrect text case and alignment, minor formatting inconsistencies. One percent of NIP inconsistencies were due to the absence of a NIP, a significant omission. In total, significant omissions and inconsistencies made up only 10% of all NIP inconsistencies recorded.

Over half of the labels collected (55%) were assessed as requiring or voluntarily providing percent characterising ingredient information. Of these, 97% were assessed as consistent with the labelling provisions. All inconsistencies were due to the absence of percent characterising ingredient information for ingredients emphasised in the name of the food or in the product description.

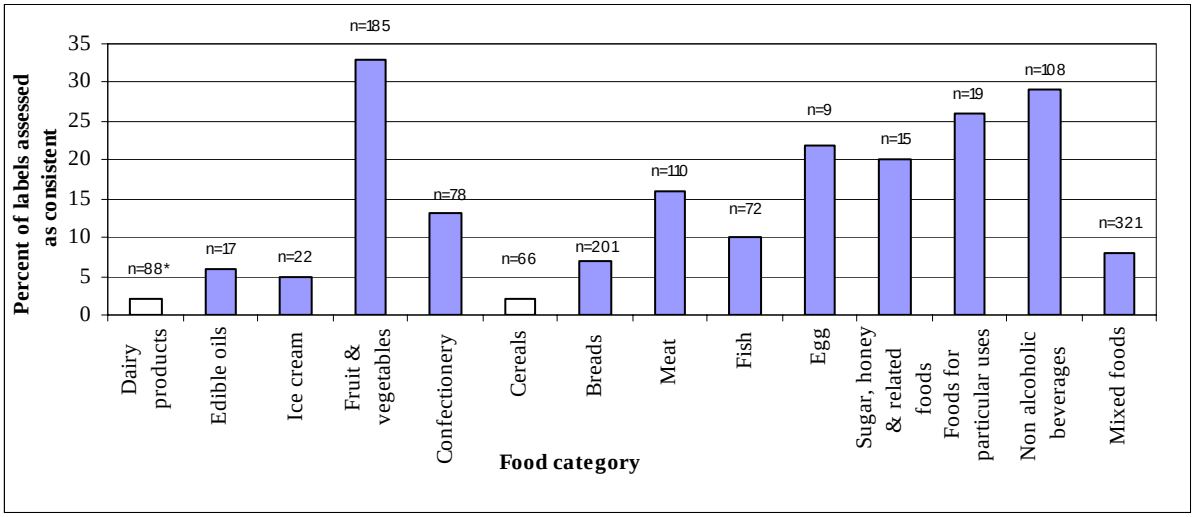
There were no altered labels (new label placed over incorrect one) identified amongst the labels collected in 2006. Eighteen labels out of the 1311 collected were assessed as requiring product specific labelling. Of these, three labels were assessed as having Product specific labelling that was not consistent with the labelling provisions.

Country of Origin statements were assessed on all 727 labels collected in Australia only, as the Country of Origin Labelling provisions of the Code do not apply in New Zealand. Thirty-three percent of labels were assessed as having 'Product of' type statements and 50% featured 'Made in' type statements. Of all labels assessed for Country of Origin statements, 5% of labels were assessed as having statements that were not in agreement with the labelling provisions.

More than 99% of all labels collected in Australia and New Zealand were assessed as consistent with the provisions of the trade practices legislation covering false, misleading or deceptive representations.

Overview of the consistency status of labels collected in 2006, by food category

Notwithstanding large differences in the total number of foods assessed in each food category (as a result of the agreed product sampling plan), the food categories with the highest proportion of consistency were Fruit and vegetables (33%), Non alcoholic beverages (29%) and Foods intended for particular dietary use (26%). Ninety-eight percent of labels in the food categories Dairy and Cereals and cereal products were inconsistent with at least one label element. Note that these results, as presented in Figure 2, include labels that had NIP inconsistencies at any of the three levels of severity.



* n= total number of labels assessed in each particular category.

Figure 2: Overview of the consistency status of each food category with the labelling provisions assessed

Overview of the comparison of label assessments on labels collected in 2005 and 2006

The same methodology was used for the current survey as was used for the survey carried out in 2005. Therefore some general observations about changes to information provided on food labels over time can be made.

A number of label elements had a relatively low proportion of inconsistencies in both 2005 and 2006 (as a percentage of the total number of labels assessed for that particular element); these were Label legibility (1% and less than 1%, respectively), Product identification (2% and 3%, respectively), Mandatory warning/advisory statements (less than 1% and 0%, respectively), Allergen labelling (3% and 1%, respectively) and Country of Origin (9% and 5%, respectively).

The proportion of inconsistencies for Date marking was notably lower in 2006 compared with 2005 (1% and 10%, respectively), and for Directions for use and storage (1% and 14%, respectively) and for Percent characterising ingredients (3% and 11%, respectively).

Product specific labelling had a high proportion of inconsistencies (17%), however, the actual number of inconsistent labels did not differ markedly in 2006 compared with 2005 (three labels and one label, respectively).

Ingredient declaration was the label element with the proportion of inconsistencies that was notably higher in 2006 compared with 2005 (20% and 8%, respectively). The most common reason for an Ingredient declaration to be assessed as inconsistent in 2006 was the use of an incorrect additive class name.

Nutrition information requirements had the highest proportion of inconsistencies in both 2005 and 2006. Sixteen percent and 18% of labels assessed for this element respectively, were inconsistent with respect to NIP requirements (when excluding minor and moderate inconsistencies). Significant omissions and inconsistencies included the absence of a NIP, illegibility of a NIP, and absence of a panel heading.

Overview of the comparison of label assessments on labels collected in 2006 with previous surveys

Assessments on labels collected in 2003 were carried out using the same methodology as assessments on labels collected in 2005 and 2006 for Legibility, Date marking and Percent characterising ingredients. This allows results for these three label elements to be compared amongst the 2003, 2005 and 2006 surveys. Each of these label elements had a higher proportion of inconsistent labels in 2003 than in 2005 and 2006; Legibility (9%, 1% and less than 1% respectively), Date marking (20%, 10% and 1% respectively) and Percent characterising ingredients (30%, 11% and 3%). These data suggest that the consistency with the requirements in the Code for these three label elements has improved over the three surveys.

What will happen now?

The results of this ongoing survey will assist FSANZ to assess how food manufacturers manage labelling regulatory measures and will also provide evidence to inform future decisions on labelling laws, as part of the standards development process. Future surveys may also include an assessment of contemporary labelling provisions, such as the assessment of Country of Origin labelling undertaken for the first time in 2005.

It is anticipated that a label monitoring survey will next be conducted in 2010. This will allow time for the introduction of new labelling requirements (such as the Standard for Nutrition, Health and Related Claims). Future label monitoring surveys may then undertake an assessment of how food manufacturers have managed changes to these new labelling requirements. It is an option to extend future surveys to include analytical testing of a subset of foods to assess the nutrient content against the NIP and claims on the label. Future surveys may also include collecting data on levels of fortification of vitamins and minerals, which will assist FSANZ in its investigation of the impact of separate permissions to fortify the food supply (that are agreed at different times).

It should be noted that ongoing label monitoring surveys are not being conducted for enforcement purposes as this is the responsibility of the governments of Australia and New Zealand and the Australian States and Territories, not FSANZ. However, FSANZ is continually working with all major stakeholders, including jurisdictions and food industry organisations, to provide manufacturers with helpful information on labelling requirements. Anecdotal evidence from the industry suggests that ongoing label monitoring surveys are one means of achieving this objective.

Copies of the executive summary and full report are now available on the FSANZ website at [web link]. For further information please contact Janis Baines by phone (+61 2 6271 2234) or email (janis.baines@foodstandards.gov.au).