Steaking a claim on meat and dairy brands

Strategic Communications

If imitation is the greatest form of flattery, then the world's livestock industries should be immensely proud that the fledging plant-based meat makers are attempting to liken their products to animal-based protein.

Instead, it's steak knives at dawn as livestock industries campaign to prevent what they claim are deliberate attempts to deceive consumers into eating meat that isn't meat, to the detriment of the traditional source of animal-derived protein. And they are increasingly seeking government intervention to protect their meat, beef, lamb, pork and chicken, as well as dairy brands.

Australia is the most recent example, where a <u>Senate</u> <u>Committee</u> recently found that Australia needed to beef up its labelling regulations and enforcement to prevent consumers from being duped.

"Consumers say they are confused by plant products featuring names like 'chicken', 'beef' or 'prawns' with pictures of those animals on the packaging and the words 'plant based' or 'meat free' printed in much smaller letters," said Rural and Regional Affairs and Transport Committee Chairman Sen. Susan McDonald (Nat – Queensland).¹

The committee made several recommendations, such as calling on the Australian Government to develop a



1.https://susanmcdonald.com.au/media-releases/vegan-food-packaging-focus-of-inquiry-recommendations/

mandatory regulatory framework for labelling products made from plant-based protein. It also recommended greater enforcement by statutory watchdogs including the Australian Competition and Consumer Commission and Food Standards Australia New Zealand.

The reactions were unsurprising. The livestock industries welcomed the committee's findings, calling them a step forward for truth in labelling. The plant-based/faux meat makers roasted them, claiming that there was no evidence that consumers were being misled.

The Australian Senate Committee's recommendation for greater truth in labelling requirements for plant-based/cultured meats is the latest example of government intervention in the truth in the labelling fight. And it's the livestock industry fighting for it.

THE EU AND US EXPERIENCE

In 2018 and 2019 numerous USA states, mainly those with large agriculture industries, passed laws forbidding "misrepresenting a product as meat that is not derived from harvested production livestock or poultry".² In many cases, violations could lead to criminal prosecution.

And it's not confined to meat. The dairy industry is similarly upset about producers of plant-derived liquids such as almond, soy, and oat attaching the "milk" brand to its products.

Last year, US senators and congressmen from dairy-producing states introduced legislation to prevent products from nuts, seeds and plants being labelled as milk. The bipartisan bill had 33 congressional cosponsors. It called on the Food and Drug Administration to enforce its regulations that define milk and cream and stop the labelling of plant-based products as milk, yogurt or cheese. The bill failed to pass in both 2017 and 2019 and is now languishing.

2.https://wyoleg.gov/Legislation/2019/SF0068https://wyoleg.gov/Legislation/2019/SF0068; https://www.senate.mo.gov/18info/BTS_Web/Bill.aspx?SessionType=R&BillID=73322740



There's a similar debate in Europe, where the focus has largely been on the dairy industry and its brands, such as milk, cheese and cream. The labelling of plant-based alternatives to dairy products was subject to very intense political discussions during the recent reform of the EU Common Agricultural Policy (CAP) and in particular, the review of Regulation (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products (CMO regulation).

The CAP was quite prescriptive in prohibiting the use of dairy designations to define non-dairy products, even before its last review. Names such as 'soy milk' or 'vegetarian cheese' are not allowed in the EU. This was also confirmed by the European Court of Justice (ECJ) ruling on case <u>C-422/16 ("TofuTown case")</u> in 2017 against the German company Tofu Town. The court confirmed that ''purely plant-based products cannot, in principle, be marketed with designations such as 'milk', 'cream', 'butter', 'cheese' or 'yoghurt', which are reserved by EU law for animal products'.

In 2019, the European parliament's agriculture committee backed a ban on vegetarian and vegan products using terminology traditionally associated with meat – such as 'steak', 'sausage', 'escalope', and 'burger' – on its labelling and product descriptions.

However, in 2020 Members of the European Parliament (MEPs) rejected proposed Amendment 165 to the EU's common agricultural policy which sought to restrict the terms steak, sausage, escalope, burger, hamburger and those terms related to poultry items and cuts for use exclusively in connection with products made from animal products.

Instead, terms such as 'veggie burger' were allowed. At the same time, it voted for stricter rules on labelling of dairy substitutes, backing a ban on terms such as "milk-like" or "cheese-style" for plant-based products that contain no dairy ingredients, supporting the 'Tofu Town' ruling.

THE CURRENT DEBATE

Fast forward to 2022, and the debate is heating up again with the European Green Deal, and its signature Farm to Fork strategy, explicitly encouraging the transition towards more plant-based diets for both environmental and health reasons.

The transition towards plant-based diets is also explicitly mentioned in the <u>EU's Beating Cancer plan</u> from 2021 as a way of prevention of non-communicable diseases.

And while the 'veggie burger' managed to keep its label in Europe as opposed to the ''plant-based'' milk, nothing should be taken for granted - as the next opportunity for a change on both sides will be the looming review of the EU food marketing rules expected in the second half of 2022.

In Europe, both sides of the debate will be rolling out communications strategies seeking to win the hearts and minds of the regulators and the general public. Whilst industry participants in the rest of the world will be watching closely on whether the status quo remains or change is recommended, and the implications it will have for their own market.

HOW WE CAN HELP

- Global companies operating in several jurisdictions need to keep up with a patchwork of national debates on food labelling. FTI Consulting has an integrated global team of agri-food experts who can help you understand the regulatory threats and opportunities across the markets your business operates and advise on a successful public affairs approach tailored to the local policy landscape.
- 2. In the crowded political space with a multitude of industry voices, FTI Consulting's Strategic Communications team is ideally placed to assist you to design and implement an effective stakeholder engagement program supported by data-driven solutions.

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