

Background and Press Release

10/March/2017

From the Brewer's Guild of New Zealand

The Brewers' Guild of New Zealand's position and opinion on the *Beer the Beautiful Truth* campaign launch by the Brewers Association (BA).

BACKGROUND:

Who are the Brewers' Guild of New Zealand (The Guild, BGNZ)

The Brewers' Guild of New Zealand (BGNZ) is an organisation comprised of members from across the beer brewing industry in New Zealand. The Guild is over 10 years old and represents over 100 brewing entities from the largest to the smallest brewers in New Zealand. One role of the Guild is to provide a collective voice that represents the majority of its members.

The Guild's mission statement is to grow the value and quality of the New Zealand beer sector while maintaining integrity with its members, the Industry and the public as a whole.

Membership of the Brewers Guild of New Zealand is open to all brewing entities in New Zealand.

Who are the Brewers Association (BA)

The Brewers Association (BA) is an industry body representing the largest brewing entities in New Zealand and Australia. In New Zealand, the BA represents only Lion Nathan and DB, the two largest brewing entities in New Zealand.

The BA in New Zealand represents only Lion and DB and is not open to other members of the brewing industry.

Background:

The BA has launch a campaign titled "Beer the beautiful truth" (BTBT). That campaign centres around providing nutritional information panels (NIPs) on beer labels similar to those seen on food products. Labelling laws currently do not require this information to appear on beer labels.

Along with this labelling the BTBT campaign highlights to the public certain components of that nutritional information. As an example, at the forefront of the campaign is highlighting beer as being "99% sugar free".

The BA has approached the BGNZ and individual member breweries of the Guild inviting them to support the campaign. The BA has offered assistance to individual breweries to help them comply with nutritional labelling requirements.

Issue:

The launch of the BTBT campaign and the BA's approach to members of the Brewers' Guild of New Zealand has sparked intense debate amongst the brewing industry. Some members of the Guild support the BA's move to include nutritional labelling saying, for example, that the public have the right to know the nutritional content of the products they buy and that the claims such as 99% sugar free will enhance the public perception of beer. Others oppose the move saying, for example, that the compliance cost for smaller brewers will disadvantage them relative to larger brewers and that claims such as 99% sugar free could be misinterpreted as a health claim which ignores the fact that the product contains alcohol.

Brewers' Guild of New Zealand actions:

The Brewers Guild surveyed its members (42 brewery responses to date) with a series of questions relating to the BTBT campaign.

When the Brewers' Guild members were asked if they would voluntarily add nutritional labelling to their packaging. Over 90% said they would not, with many commenting that the additional costs would make them less competitive than larger brewers. Some saw it as a deliberately anti-competitive move by the larger brewers and the BA.

When the Brewer's Guild members were asked if they thought a claim of beer being 99% sugar free could be misleading, over 80% of respondents thought it would, with many suggesting that ignoring the energy component associated with alcohol and the health impacts of alcohol was misleading.

Based on feedback, the Brewers' Guild executive believe that the Brewers' Guild of New Zealand should make public their position on the "Beer the Beautiful Truth" campaign.

..... Press Release Below.....

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Official Brewers' Guild of New Zealand response:

Press Release 10th March 2017 from the Brewers' Guild of New Zealand

Brewers' Guild of New Zealand President Emma McCashin outlines the Guild's stance on the Brewers Association campaign *Beer the Beautiful Truth*.

START:

Spokesperson and Brewer's Guild executive member Ralph Bungard says that "the Brewers' Guild of New Zealand operates as a collective voice for the brewing industry. The Guild's aim is to reflect the majority view of its members in a transparent manner."

Bungard states that "Members of the Guild understand both the positive and the negative impacts that alcohol has in our society", and although the Guild's mission is to grow the value and quality of the New Zealand beer sector, central to that mission is also maintaining integrity with its members, the industry and importantly the public as a whole."

Bungard said that the Brewers' Guild of New Zealand believe that in its current form, the BA campaign *Beer the Beautiful Truth* is "potentially misleading to the public." He says "Although it may be completely true for example that beer is 99% sugar free, the Guild's opinion is that highlighting those single positive aspects in isolation is not being entirely transparent." He goes on to say that "On top of that, many of the smaller brewery members fear that the campaign may lead to nutritional labelling being mandatory and that it will be difficult and expensive for those members to comply, effectively putting them at a disadvantage compared with larger brewers."

Bungard points out that "the BA represents only Lion Nathan and DB Breweries", just two of the over 150 breweries now operating in New Zealand and a small proportion of those represented by the Brewers' Guild. Bungard also says that the Guild has a good working relationship with the BA. "We work well together on many challenges facing our industry. However, on this campaign", he says, "the opinions of our organisations differ."

He said that "there are great things that we would like people to know about the diverse and beautiful products we produce, and some of those things may be that it is preservative free, low in sugar and low in calories compared with some other drinks, but it is important to remember that we produce an alcoholic product, so our industry need to get that message across in a socially responsible manner. That done the right way", Bungard goes on to say, "would be fantastic for both our brewers, our consumers and the public as a whole."

END:

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BGNZ Spokesperson on Beer the Beautiful Truth