

39 O'Connell Street
North Melbourne
Victoria 3051
p: +61+(0)3 9329 3511
f: +61+(0)3 9329 3522
ABN 55 490 626 489



Apple & Pear Australia

12 July 2011

Steve McCutcheon
Chief Executive
Food Standards Australia New Zealand (FSANZ)
PO Box 7186
Canberra
ACT 2610

Improving Food Safety for Fresh Horticultural Produce

Apple & Pear Australia Limited (APAL) is pleased to accept the opportunity to comment upon the discussion paper released by FSANZ "Improving Food Safety for Fresh Horticultural Produce". APAL believes that there is a paucity of data in regard to food safety matters for horticultural produce generally, and apple and pears in particular. This includes information on extent to which food safety schemes cover apple and pear production and pack house throughput and the level of compliance with such schemes as well as statistics on the number and type, severity and cause of food borne illnesses traced back to each point along the paddock to plate continuum. APAL believes that the lack of information and data is problematic, with adverse implications for policy setting, as discussed below.

Industry Background

APAL is the peak industry body representing the interests of commercial apple and pear growers in Australia in matters of national importance including regulation and legislation, marketing, research and development.

Apples and pears are grown in all six Australian states. The major apple and pear producing areas are Stanthorpe in Southern Queensland, Orange and Batlow in New South Wales, the Goulburn Valley and Southern Victoria, Huon and Tamar Valleys in Tasmania, Adelaide Hills in South Australia and the Perth Hills, Donnybrook and Manjimup regions in Western Australia.

Apple and pear orchards in Australia are dominated by family run businesses, with around 725 farms engaged in commercial apple and pear production. It is believed that a significant proportion of apple growers also produce either stone fruit (especially in the Goulburn Valley) or cherries. Around 79% of apple and pear businesses are less than 100 hectares and less than 2% are over 500 hectares¹. Approximately 20% of apple and pear businesses produce an output valued at less than \$100,000 (from which labour, fuel, chemicals, and borrowings must be paid) and only 38% of businesses produce output valued at more than \$500,000 per annum².

Cooperative packing and marketing businesses exist in two important growing regions – Batlow in NSW and Lenswood in the Adelaide Hills. Other areas rely on large commercial packing/marketing businesses and individual packing operations on orchards. Some of the larger enterprises are quite vertically integrated,

¹ Australian Bureau of Statistics: 7121.0 - Agricultural Commodities, Australia, 2008-09

² Australian Bureau of Statistics: 7121.0 - Agricultural Commodities, Australia, 2008-09

some involved at the input level in producing nursery trees while others extend into commercial packing and marketing and supermarket category management operations.

Food safety hazards in horticultural production

APAL believes that a proper understanding of the food safety hazards associated with horticultural products is crucial first step to this Review. It is our belief that FSANZ has a responsibility to publish data in relation to food safety incidents associated with horticultural commodities. However such data must be presented in the context of all food safety incidents. Moreover, APAL strongly believes that FSANZ must determine the point within the supply chain that presents the greatest food safety risks – whether that is in on-farm production or in the pack house or somewhere else along the supply chain. A greater understanding of where food safety risks arise and exactly where food safety incidences have occurred will help provide a better and more targeted food safety risk management program.

For example, FSANZ suggests that a small proportion of fresh produce in Australia has been involved in outbreaks of food borne illness. What FSANZ fails to advise is how small that proportion actually is – whether that is measured simply as the number of illnesses as a percentage of all food borne illnesses or as measured by the number of people affected or as the severity with which people were affected. Moreover, FSANZ fails to provide any details with regard to the point - within the “paddock” to “plate” cycle – in which those food borne illnesses were caused.

APAL well recognizes the need for food safety programs for the production of apples and pears to protect human health. The need to protect the industry’s “clean, green and safe” image and reputation is also very important to apple and pear growers. Nevertheless, programs aimed at improving food safety and minimizing the risk of food borne illnesses should be prioritized, with a primary focus on areas where risks are greatest. FSANZ asks, for example, whether the industry based measures are *adequate to ensure the safety of fresh produce*. APAL would ask: How much safety assurance is required and how much risk is appropriate to bear? How do we measure what is “adequate”? What do we mean by the safety of fresh produce given the chain supply continuum?

Food Safety Quality Assurance Systems – Little information known

APAL does not have any specific data in regard to the number of growers and pack houses that have adopted Quality Assurance systems that embrace food safety and associated risk management. Market research indicates that the two largest supermarkets account for almost 60 per cent of apple fruit sold on the Australian market. This implies that at least 60% of production is produced under Freshcare and/or Woolworths Quality Assured systems. We also know that a further 13 per cent of apples are sold through Aldi and IGA both of which also operate Quality Assurance systems. What we do not know, however, is what proportion of the fruit produced by the industry is grown under a food safety assurance scheme.

APAL believes that a proper understanding of the food safety systems currently in place and their ability to manage food safety hazards is critical to this Review. Unfortunately APAL does not have a good grasp of the facts in relation to the status (coverage, adherence, effectiveness) of food safety systems along the apple and pear industry supply chain or of the impact and cost of meeting the requirements of those systems. APAL therefore strongly encourages FSANZ to consult growers, pack houses, wholesalers and retailers as well as the major service providers of QA systems and their advisors. APAL would be delighted to assist FSANZ in identifying various cohorts of growers and pack houses so that an appropriate cross-section of the industry

might be consulted with regard to their food safety practices. We are certain that Horticulture Australia Limited would ably assist in identifying relevant contact points within the wholesaler and retail sectors as well as within the quality assurance companies.

Nationally consistent approach across the horticulture sector / Imposed Regimes

FSANZ indicates that it does not know whether the audited industry schemes that address food safety in Australia are sufficient to provide a nationally consistent approach.

APAL does not believe that "national consistency across horticulture" should be a prime objective that drives the decision to rely on industry food safety schemes or take the regulatory route to develop and impose a national requirement. APAL supports the view expressed by Freshcare³ that food safety risks and appropriate risk management strategies can only be identified and developed if product, inputs, process and end use are all considered. There is no 'one size fits all'.

More importantly, it is APAL's view that schemes designed and managed by industry will better reflect the needs of the industry supply chain, provide greater flexibility to reflect market and environmental developments and be less costly than would a government regulatory approach. Whilst the existing system, which is voluntary and commercially based, may have its flaws, it is better to expose those flaws and decide how they can be addressed by industry rather than introduce heavy handed government regulation.

FSANZ has acknowledged that it does not know whether the industry based measures are adequate to ensure the safety of fresh produce or whether the development of a national requirement could provide a greater level of assurance. It also remains unclear what criteria FSANZ might use to determine "adequacy" and whether other criteria, such as cost, efficiency, effectiveness, simplicity, acceptance by growers and pack houses and acceptance by retailers might also be used in the determination of whether to impose a national standard.

Voluntary versus Compulsory

APAL understands the vexed issue of whether food safety assurance schemes should be voluntary or compulsory. APAL believes that FSANZ should document the advantages and disadvantages of requiring compliance with a code or standard, including an industry commercially based scheme. Some consideration of whether a compulsory scheme might be a requirement of produce sale (by grower or pack house) as opposed to a condition of purchase by wholesalers, agents or retailers should be explored. The costs of enforcing compliance should be included. The competitive cost disadvantage that those who chose to operate and comply with a food safety assurance scheme should be measured for voluntary schemes and compared with the cost advantage that an operator gains by not operating such a scheme. Alternative mechanisms to provide incentives for more growers and pack houses to operate under a food safety assurance scheme should also be explored.

Imported versus Domestic Product

FSANZ analysis of how to improve the food safety of fresh horticultural produce should also consider the manner in which domestic and imported product is treated. Whilst we are confident that a significant proportion of Australian grown apple and pears is produced under food safety assurance schemes, neither the retailers, importers or government could make any pronouncements with regard to imported product.

³ Submission (2011) to FSANZ "Improving food safety for fresh horticulture produce 2011"

Indeed there is a significant gap in the import risk analyses conducted by the Government to assess import applications for horticultural produce. Biosecurity Australia, for example, undertakes risk analyses according to the processes outlined in the Import Risk Analysis Handbook. It is APAL's experience that such analyses concentrate only upon the pests and diseases of biosecurity concern. To our knowledge Biosecurity Australia does little to exercise its authority, as outlined in the Handbook, to consult with the Department of Health on relevant matters that may have implications for human health. In practice there seems to be little to no assessment of the food safety risk of imported product, whether product is produced under a food safety assurance scheme and whether that scheme would meet Australian food safety requirements.

The more favourable treatment given to imported horticultural produce than to Australian grown produce is evidenced by the chemical testing schemes that are run over the two products. The National Residue Survey (NRS) monitors residues of agricultural chemicals and environmental contaminants in Australian apple and pears. The NRS undertakes the survey on behalf of the industry and is funded by levies placed on growers. Each year the NRS undertakes about 600 samples of apple and pears, collected either directly from packing sheds, or from central markets by third party samplers. The fruit is tested against 62 chemicals, most identified by the industry as being in current use or previously registered for use by apple and pear growers. In contrast, imported apple and pears are tested against a much smaller list of only 49 chemicals, and only 27 of which are common to the Australian apple and pear screen.

Process

APAL also believes that FSANZ could do well to establish and communicate the timeframes and processes for its review to improve food safety for fresh horticulture. The Discussion Paper does not clearly articulate whether there is a deadline for the review and whether the completed review is for further decision-making and by whom - PIMC or other?

APAL also requests that FSANZ develop an Issues paper which not only outlines options and their pros and cons, but also nominates the preferred approach of government. This will help focus the debate on key issues and enable industry to weigh the relative merits of options proposed.

Yours sincerely

Managing Director