



Food Standards Australia New Zealand (FSANZ)

Consultation on amending the Food Standards Code to enact primary production and processing standard to manage food safety for high risk horticulture

March 2020

About the Australian Fresh Produce Alliance

The Australian Fresh Produce Alliance (AFPA) is made up of Australia's key fresh produce growers and suppliers. The members include:

- Costa Group
- Perfection Fresh
- Montague
- One Harvest
- Pinata Farms
- Fresh Select
- Mackay's Banana Marketing
- Driscoll's
- 2PH Farms
- LaManna Premier Group
- Rugby Farming
- Freshmax
- Fresh Produce Group.

These businesses represent:

- half the industry turnover of the Australian fresh produce (fruit and vegetables) sector - \$4.5 billion of the \$9.1 billion total
- a quarter of the volume of fresh produce grown in Australia - 1 million of the 3.9 million tonne total
- more than a third of fresh produce exports - \$410 million of the \$1.2 billion export total
- more than 1,000 growers through commercial arrangements, and
- more than 15,000 direct employees through peak harvest, and up to 25,000 employees in the grower network.

The key issues the AFPA is focusing on include:

- packaging and the role it plays in product shelf life and reducing food waste landfill,
- labour and the need for both a permanent and temporary supply of workers,
- market access to key export markets for Australian produce,
- product integrity both within and outside of the supply chain,
- pollination and research into alternative sources, and
- water security, including clear direction as to the allocation and trading of water rights.

The AFPA's aim therefore is to become the first-choice fresh produce group that retailers and government go to for discussion and outcomes on issues involving the growing and supply of fresh produce.

Products grown by AFPA Member companies include:

Apples	Blueberries	Cherries	Nectarines	Raspberries
Apricots	Broccoli	Fioretto	Onions	Salad leaf
Asparagus	Broccolini	Green Beans	Oranges	Spinach
Avocado	Brussel Sprouts	Herbs	Peaches	Strawberries
Baby Broccoli	Butternut	Lemons	Pears	Sweet Corn
Baby Corn	Pumpkin	Lettuce	Pineapples	Table grapes
Bananas	Cabbage	Mandarins	Plums	Tomatoes
Beetroot	Cauliflower	Mango	Potatoes	Water Cress
Blackberries	Celery	Mushrooms	Cucumber	Wombok



Executive Summary

The integrity of Australia's fruit and vegetable products is key to consumer confidence and also vital to profitability and commercial viability through the supply chain. Growers and the entire fresh produce supply chain invest in product integrity through refrigeration, food safety systems and processes, production and storage techniques, and correct handling procedures through the supply chain.

The Australian Fresh Produce Alliance supports Option 1 – Status Quo as outlined in the discussion paper.

As identified in the discussion paper the horticulture industry operates several Global Food Safety Initiative (GFSI) benchmarked food safety systems, the most common of these systems are Freshcare, SQF and Global G.A.P. In addition to these systems, all producers supplying major Australian retailers are also required to operate under HARPS (Harmonised Australian Retailer Produce Scheme), with an existing GFSI benchmarked system a requirement for HARPS certification.

The requirements contained in GFSI benchmarked food safety schemes are applicable to the primary production of berries, leafy vegetables and melons (and other horticultural crops). These food safety systems are third party audited, and they also address the need for control in areas most commonly associated with fresh produce related foodborne illness outbreaks.

Both the discussion paper and supporting documents refer to the non-regulatory food safety systems as voluntary. While these systems may not be mandatory in terms of government regulatory requirements for business operation, these systems are mandatory for supply to most market channels. For domestic supply of fresh produce for fresh supply (i.e. no further processing) it is most likely growers will supply via wholesale markets or directly to retailers, of which both channels require proof of a GFSI benchmarked system being operated on farm.

While to grow horticultural produce, it is technically voluntary to operate a food safety system, to access Australia's retailers a GFSI benchmarked food safety system is mandatory, while to access Australia's central wholesale markets the same standard is increasingly enforced through commercial trading agreements. It is unlikely that there are growers who are not currently supplying one, or both of these channels to market.

As identified in the discussion paper, the majority of Australian fresh produce is produced under a food safety system. The current commercial requirements for food safety are driving change in the industry; without a food safety system it is increasingly difficult to remain in the supply chain. The ability to continue to supply produce to the market is a strong incentive for managing an effective food safety system.

Critical in reducing the risk of food borne illness and recalls is the effective implementation of food safety management systems and ensuring correct decisions and practices in relation to food safety are made and followed, are highly dependent on the food safety culture of an organisation. The solution to encouraging a food safety culture within an organisation is not regulation.

Achieving the outcome of a reduced risk of foodborne illness and recalls as a result of a food safety incident, will not be successful by implementing regulation which achieves the same standards as existing industry food safety systems. Rather, the support outlined in Option 2, 2.B: "These requirements may be supported by non-regulatory measures such as industry guidance, promotion of food safety culture or consumer education" would be much more successful in assisting industry to reduce risk.



Introduction

The integrity of Australia's fruit and vegetable products is key to consumer confidence and also vital to profitability and commercial viability through the supply chain. Growers and the entire fresh produce supply chain invest in product integrity through refrigeration, food safety systems and processes, production and storage techniques, and correct handling procedures through the supply chain.

Product Integrity is also one of the priority issues identified by the Australian Fresh Produce Alliance in the 2019 White Paper *"Growing a Healthier Australia – The Fresh Produce Industry Roadmap"*. In this paper the AFPA advised:

- Recommendation 9: **Adopt an industry led approach to addressing the underlying issues in food tampering and food safety**, with a focus on coordinating the key players across multiple government and regulatory jurisdictions to deliver cohesive and considered responses.

Industry overview & classification of 'high risk'

The horticulture industry is similar to many agricultural industries whereby a significant portion of value is delivered with a small number of large players. These large businesses in fresh produce operate with high levels of sophistication, employee expertise across all areas of the business (including food safety) and continue to provide support and management through their supply chains.

In 2017/18, 61 per cent of fruit and vegetable production was sent for fresh market supply, 17 per cent for fresh export and 22 per cent for processing (juicing, freezing, preserving)¹. When considering the 61 per cent of fresh produce that enters fresh market supply, the main channels for this product are via Australia's network of wholesale markets or direct to retail.

In terms of food safety within the industry, there are a number of GFSI benchmarked systems that operate in the industry as have been identified in both the discussion paper and supporting documents. It is important that these systems are effective as food safety management is critical to an industry's success and the protection of the public's health and safety.

Given the widespread use of food safety systems in the industry, careful consideration should be given to the terminology used to classify products to ensure that the language ('high risk') does not reduce consumer confidence and therefore consumption.

Further, an important distinction needs to be made between the use of international and local data when relying on such data to establish a risk rating. With particular reference to berries; the international data in supporting documents shows that among other produce, raspberries and strawberries have been associated with foodborne illness outbreaks (identified as part of the review of P1015). In contrast those outbreaks which have occurred in Australia have only involved **imported** frozen berry products. The classification of fresh Australian grown berries as 'high-risk' would require further evidence based on Australian production and processing practices and food safety management data.

This however does not discount the fact there are food safety risks associated with fresh produce that need to be effectively controlled.

¹ 2017/18 Australian Horticulture Statistics Handbook



Existing industry standards

As identified in the discussion paper the horticulture industry operates several GFSI benchmarked food safety systems, the most common of these systems are Freshcare, SQF and Global G.A.P. In addition to these systems, all producers supplying major Australian retailers are also required to operate under HARPS (Harmonised Australian Retailer Produce Scheme), with an existing GFSI benchmarked system a requirement for HARPS certification.

The requirements contained in GFSI benchmarked food safety schemes are applicable to the primary production of berries, leafy vegetables and melons (and other horticultural crops). These food safety systems are third party audited and they also address the need for control in areas most commonly associated with fresh produce related foodborne illness outbreaks, including:

- Management of pre- and post-harvest water quality
- Management of fertilisers
- Management of animals (wildlife and domestic animals) and pests
- Maintenance of facilities
- Hygiene and sanitation
- Process control

While the effectiveness of the current food safety compliance system has been identified as adequate by the Fresh Produce Safety Centre as part of the Innovation Project, potential opportunities for improvement are also investigated as part of this project. The purpose of the Innovation Project is to achieve a more robust, efficient and cost-effective food safety compliance system that underpins consumer expectations today and into the future. Any changes to the system will not change the existing Food Safety Schemes used in the horticultural industry but will focus on how those standards are implemented, managed and assessed for compliance.

Effective implementation of food safety management systems and ensuring correct decisions and practices in relation to food safety are made and followed, are highly dependent on the food safety culture of an organisation. Elements of food safety culture have been added to the GFSI benchmarking requirements 2020, and it would be expected that these be included in the requirements of GFSI benchmarked schemes as part of the next revision of the standards.

Important cultural components include leadership, education, communication, hazard and risk awareness. Consideration should be given to (further) education and support to businesses, in the form of basic food safety education, guidance material and communications. These efforts should be primarily aimed at more effectively managing food safety risks, in particular where there are changes in risk profile, for example as a result of an adverse weather event.

Further reduction in food safety risks will come from increasing the cultural components of existing food safety systems, rather than the process elements of the system. Risk reduction should be supported by further education and support to businesses, in the form of basic food safety education, guidance material, tools and communications to effectively manage food safety risks.



Supply chains driving standards and traceability

Commercial supply arrangements are currently dictating both traceability and food safety requirements. Current supply arrangements must be considered in terms of how to actually engage with the supply chain to deliver the desired outcome of reduced food safety risks.

Both the discussion paper and supporting documents refer to the non-regulatory food safety systems as voluntary. While these systems may not be mandatory for business operation, these systems are mandatory for supply to most market channels. For domestic supply of fresh produce for fresh supply (i.e. no further processing) it is likely growers will supply via wholesale markets or directly to retailers, of which both channels, in most cases require proof of a GFSI benchmarked system being operated on farm.

All major Australian retailers require suppliers across all levels (defined as Tier 1, Tier 2 and Tier 3) to supply a certificate that a GFSI benchmarked food safety system is currently operating. Where a grower is supplying indirectly to retail (i.e. via a wholesaler, agent or another growing business) this grower is still required to provide proof of an independently audited GFSI benchmarked food safety system in place.

In the instance where a grower is supplying to a wholesaler in one of Australia's central market locations, changes to the Horticulture Code of Conduct in 2017 have seen the introduction of mandatory Horticulture Produce Agreements (HPAs). The standard HPA template provided by Fresh Markets Australia (FMA) includes a requirement for growers providing produce against these agreements to be operating a GFSI benchmarked food safety program; many wholesalers in the market have adopted this template and this practice.

While to grow horticultural produce, it is technically voluntary to operate a food safety system, to access Australia's retailers a GFSI benchmarked food safety system is mandatory, while to access Australia's central wholesale markets the same standard is increasingly enforced through commercial trading agreements. It is unlikely that there are growers who are not currently supplying one, or both of these channels to market.

As outlined above, effective implementation of food safety management systems and ensuring correct decisions and practices in relation to food safety are made and followed, are highly dependent on the food safety culture of an organisation. The solution to encouraging a food safety culture within an organisation is not regulation.

Effective traceability is critical to ensure products can be isolated, withdrawn or recalled effectively in case of a food safety incident, limiting the impact of the incident. Currently the minimum standard is for products to be traced from production to its destination (customer).

It's important that initiatives to improve horticulture supply chain traceability, including developing and trialling technologies that digitise information flow, continue to be explored and trialled. Traceability technologies should focus on practical application, cost effectiveness, have the support of the industry and align with retailer requirements.

Further, commercially a number of traceability initiatives are being trialled and implemented. It is these systems that are underpinned commercially that will see the greatest rate of success as they provide value to the grower, supplier and retailer. A regulated traceability system, particularly one that does not align with any current commercial systems will not deliver the desired outcome of more transparent supply chains and better paddock to plate traceability.



Recommendation

AFPA members in the first instance support Option 1 – Status Quo.

The discussion paper outlines that there is no nationally consistent set of food safety requirements for horticultural produce and notes that existing measures are not regulatory. Despite existing food safety schemes being non regulatory measures, as outlined the operation and independent third-party auditing is a requirement of the supply of fresh produce to both retailers and wholesalers. Further, despite there being 3 commonly used food safety schemes, these schemes are all HACCP based, GFSI benchmarked and even further aligned through the use of HARPS which provides consistency across systems.

If considering Option 2 – Food Regulatory measures, thought must be given to what it is that these additional measures aim to achieve. Assuming the outcome of regulation is to decrease the risk of foodborne illness, the question needs to be asked how will regulation and its implementation further mitigate the risk? Variations to the Code as an outlined regulatory option would see duplication of systems as the requirements in Chapter 3 of the Food Standards Code cover those areas reflected in GFSI benchmarked standards and the Harmonised Australian Retailer Produce (HARPS) scheme.

While there have been incidents across **imported** berries, leafy vegetables and melons there is also a documented case of Salmonella in sprouts in 2016; an industry that had regulatory measures implemented in 2013. Given this case, it is clear that regulation has not entirely eliminated the risk of recalls and incidents.

As identified in the discussion paper, the majority of Australian fresh produce is produced under a food safety system. The current commercial requirements for food safety systems are driving change in the industry, as businesses without these systems will be removed from the supply chain. Businesses are incentivised to operate and audit these systems through commercial supply chain arrangements and requirements; as without a food safety system in place growers have very limited markets for their products.

In reaching the outcome of a reduced risk of foodborne illness and recalls as a result of a food safety incident, implementing regulation which achieves the same standards as existing industry food safety systems will not be successful in achieving this outcome. Rather, the support outlined in Option 2, 2.B: “These requirements may be supported by non-regulatory measures such as industry guidance, promotion of food safety culture or consumer education.” would be much more successful in assisting industry to reduce risk.

