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Subject
Submission Proposal P1027

Dear Sir / Madam,

This submission on proposal P1027 (Managing Low-level Ag & Vet Chemicals without Maximum Residue Limits Consultation Paper – Proposal P1027) from Nutreco is made in response to the Consultation Paper released by FSANZ for submissions.

Nutreco is a global leader in animal nutrition and fish feed and produces a broad range of innovative nutritional products serving the needs of poultry, pigs, ruminants and other livestock animals as well as fish. Nutreco's activities can be divided into three segments, Animal Nutrition, Fish Feed and Compound Feed & Meat Iberia. Nutreco's fish and shrimp feed business Skretting has operations on five continents producing feed in 14 countries, including Australia, with sales in over 40 countries. Skretting produces and delivers high-quality sustainable feed from hatching to harvest for more than 60 species of farmed fish and shrimp. All grower feeds are formulated with the underlying drive to deliver excellent quality fish. The total annual sales volume is about 1.9 million tonnes.

Skretting plays a key role in converting Australian grown grains and pulses, animal and vegetable protein meals, milling by-products, fats and oils into fish feed used by the Australian Aquaculture industry for both domestic and export market consumption.

We understand that in the Proposal P1027 two possible changes to the Food Standards Code 1.4.2 have been reviewed. These possible changes, based on practices elsewhere in the world, are:

- a) "default MRL" to accommodate low level residues for all chemicals
- b) case-by-case risk assessment by relevant authorities

However in the scope part of the Proposal P1027 (2.1 Scope) the approach is a little different and states

- *to establish a low level MRL "all other food products" for specific chemical/food combinations in the chemical categories of herbicides, fungicides and insecticides.*

Trade register
16058721

VAT number
NL0083.07.064.B01

We suggest that this approach doesn't offer a pragmatic solution to the scope of the Proposal P1027. The reasons for this are;

1. Establishing a MRL for each chemical/food combination with the scope of "*all other food products*" does not solve the current issues as described in the Proposal P1027 (1.3 Reasons for preparing the Proposal).
 - a. It will take a lot of time, effort and money to establish all these MRL's.
 - b. Due to limited scientific knowledge it is doubtful how reliable the MRL's will be. Generally speaking: Due to the fact that there is no current MRL for specific chemical/food combination implicates that there is limited scientific knowledge available to establish a MRL. In addition it implicates that the specific chemical is not often (or never) found in the product.
 - c. The proposed approach doesn't appropriately address what will happen when low level residues are found in products for which no MRL is established yet. Under the proposed approach it is still illegal to sell the product and businesses affected have to wait for the risk assessment.
2. The scope "*all other food products*" is very broad and efforts should be made to be more specific
3. It is proposed to set up a list of chemical which should be first assessed to establish the (general) MRL for the scope "*all other foods*".
 - a. More details must be give as to what will be the basis for this list
 - b. There is very limited data available of pesticides in fish and limited of land animal husbandry. So this approach will negatively effect on some businesses.
4. The Proposal P1027 does not consider the situation of derived products (this is part of the EU regulation). If a derived product does not have a MRL you can calculate the MRL based on the MRL of the original product and taking a conversion factor into account.
 - a. Example: Chemical Promycidone has been found in Soybean-oil. No EU-MRL established, but in Soybean the MRL is 0.02 mg/kg product. Promycidone is fat-soluble and a conversion factor for soybean to soybean-oil is known to be 5. This implicates that the MRL of this chemical in the oil is $5 * 0.02 = 0.1$ mg/kg.

Nutreco suggest that Proposal P1017 also considers the following in setting MRLs;

1. "Default MRL" of 0.1 mg/kg product within scope "*all other products*". Additionally to define specific chemical/food combinations in the chemical categories of herbicides, fungicides and insecticides that still needs a zero-tolerance. If (new) scientific information is available for a



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certain chemical/food combination a specific MRL for this chemical/food combination must be established and introduced into the regulation.

2. Including MRLs on derived products (this is part of the EU regulation). If a derived product does not have a MRL you can calculate the MRL based on the MRL of the original product and taking a conversion factor into account (for an example see point 4 above).

These approaches address the issue of "illegal use". Today we have the situation where commodities can be incidentally exposed to chemicals via dust, wind, cross-contamination during storage and/or transport etc and therefore be deemed "illegal to use" because MRL's are not established. The levels of chemical found in commodities will be low and do not pose a risk to animal or human health.

We believe a "default MRL" and including calculated MRL on derived products will give operators, laboratories, quality people and regulators more guidance in dealing with quality issues in a pragmatic way. Although it is not always easy to calculate a derived MRL this approach is pragmatic, realistic and reliable.

Yours sincerely,

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A small black rectangular box redacting the name of the Nutreco Quality Director.

Nutreco Quality Director