16th February 2022

Australian Melon Association Inc
[redacted]
[redacted]

Submission to

Food Standards Australia New Zealand

in response to

2nd Call for submissions – Proposal P1052

Primary Production and Processing Requirements for Horticulture (Berries, Leafy Vegetables and Melons)

Australian Melon Association Inc

SUBMITTER'S DETAILS

Name and organisation:

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Executive Summary

Melons Australia appreciates the opportunity to provide a submission to the FSANZ P1052 proposal to amend the Australia New Zealand Food Standard Code to include a primary production and processing standard for the sectors reviewed (including melons), including consideration of non-regulatory measures to support compliance with the standards.

Melons Australia is the peak representative body for the Australian melon industry, which consists of approximately 200 growers across Australia (excluding the ACT and Tasmania), who produce on average 200,000 tonnes of melons each year with a farm gate value of $152.1 million in 2019/20.

On behalf of industry, Melons Australia has been involved to some extent in the progression of this FSANZ proposal by being a member of the Standards Development Advisory Group (SDAG) and through providing submissions to the public consultation process. While being a member of the SDAG has ultimately seen updates provided throughout the process, unfortunately this group has had no true input or influence on the development of the proposed Standards.

The following summary comments reflect the position of the industry:

- The FSANZ P1052 development process has been very haphazard and has lacked structure or any true timeliness. Melons Australia and other experts in melon food safety have provided input throughout and it is disappointing that in the presentation of the final 'preferred approach' that this has not resulted in evolution of the proposal for Melons.
- Food safety is an extremely important priority for the Australia melon industry, and the 'preferred approach' proposes to duplicate current Food Safety Schemes currently adopted and implemented by the vast majority of the melon producers in Australia.
- The proactive nature of the melon industry in implementing food safety measures, the financial contribution to improvement and the voluntary nature of food safety (to date) as a high priority has not been properly recognised.
    - Since the 2018 listeria outbreak, the melon industry has expended significant financial contributions (exceeding $1 million) in developing and adopting food safety practices.
- The vast majority of melon growers (over 95%), as is recognised in the consultation papers presented by FSANZ, already have a Food Safety System (FSS) in place with respective independent audit and certification process (largely Freshcare).
- The industry funds and supports an independent melon food safety monitoring and surveillance program led by the NSW Department of Primary Industries. This program ensures the best food safety practice is continually followed, along with measures to promote a strong food safety culture in the industry.

Due to the continued investment from industry in improving our food safety systems, best practice requirements and ongoing surveillance and monitoring programs, there is very little food safety benefit for implementing the Regulations/Standards as proposed. The Australian melon industry has come a long way since this review was initiated at the June 2018 Food Ministers' meeting, which needs to be considered when assessing the risk and the impact of what is proposed.

The industry has not been provided sufficient insight as to how the 'preferred approach' of Option 3 will be implemented by each individual State and Territory Government to fully assess the proposal. However, through being involved in meetings over recent months, Melons Australia makes the following comments on Option 3, the cost benefits analysis presented and the proposed implementation:

- Option 3 presents significant unnecessary financial, administrative and compliance burdens on the melon production industry.
    - We understand that this level of financial burden may not eventuate through the implementation with the State and Territory Governments, but the way these obligations are presented with the consultation documents (in the Standard, Guidelines and Compliance requirements), there is no doubt the proposal will place an undue red tape burden on an industry that is already meeting the requirements.
    - To simply add an unjustifiable licencing and audit scheme (with an estimated $1540 of extra cost) on top of an industry that is already doing this, under a voluntary industry food safety scheme, is not supported. It will further exacerbate the 'compliance fatigue' of growers.
    - The cost of compliance for those who are already full compliant should be $0, not an annual ongoing proposal of $1540.
- The Consultation Regulation Impact Statement is presented with bias towards the cost benefit to the consumer (through 'cost of illness') for implementing Option 3, therefore not presenting a true reflection of cost impacts across industry.
    - For example, page 10 of the CRIS presents that the losses to growers of the 2018 Listeria outbreak in Australia was 'around $15 million', which is not supported by industry experts who estimate the true impact to the Australian melon industry was in the order of $100million.
    - This loss alone highlights our industries desire to not experience any food safety incidents like the 2018 Listeria outbreak again, hence the significant investment and ongoing improvement in our Food Safety Systems.
- The documentation refers through to product being 'unacceptable and may constitute a food safety risk', yet there is no definition presented for what constitutes 'unacceptable'.
    - There are varying levels of unacceptable, and this tends to be on a product quality scale – and simply referring to product not being sold when it 'may constitutes a food safety risk' should be sufficient for these Standards.

Through ongoing engagement with the State and Territory Food Safety Regulators, there is a broad acceptance that GFSI compliant Food Safety Schemes currently in place for melon producers will be relatively unaffected by the implementation of these Standards. However, this is solely based on jurisdictional interpretation of the Standards and will not be fully understood until mid-2022, including the full impact to industry.

In response to this recent development, it is there recommended that GFSI compliant Food Safety Schemes be fully recognised (should they be 100% compliant with the proposed Compliance plans) and the impact on those businesses be negligible. For example, the implementation process for those businesses who are fully compliant with an existing GFSI food safety certification scheme (eg: Freshcare) should have no more than the cost proposed for Berries of a $30 notification process.

The implementation of this Standard should be focussed on bringing those businesses (of which there are very few melon production businesses) who are not currently meeting industry food safety standards up to a minimum standard. Not impacting those who are currently fully compliant and implementing best practice food safety systems.

In supporting the evolution of these proposed Standards, the industry members of the SDAG had requested this process be extended to allow the full understanding of the implementation to be worked through with the jurisdictional representatives, however this has not been accepted by FSANZ. Therefore, there is no ability to support the current proposal and instead we present the following recommendations:

Recommendations:

1. To remove the duplication of Food Safety Certification, jurisdictional proposed licencing and audit schemes, on industry that the 'General food safety management requirements' requirement of the proposed Standards be downgraded for melons to a simple 'Notification of Business' requirement. This will remove any possible unnecessary cost and administrative burden on the Melon industry who are largely already compliant with GFSI benchmarked Food Safety Certification schemes (reported at 95%).
2. That GFSI compliant Food Safety Schemes be fully recognised and promoted by government and Industry to highlight the success of these schemes. Noting that there is opportunity for industry, Scheme owner bodies and government to work on continual improvement and evolution of these schemes into the future.
3. That the implementation timeframe of 18 months be extended to a minimum of 2.5 years, noting that if there is no consideration of reducing the 'Requirements' as recommended in '1' above there is a considerable amount of work to be undertaken between industry and the jurisdictions in implementation.

Should you wish to discuss in further detail any of this Melons Australia submission, then please feel free to contact [redacted]

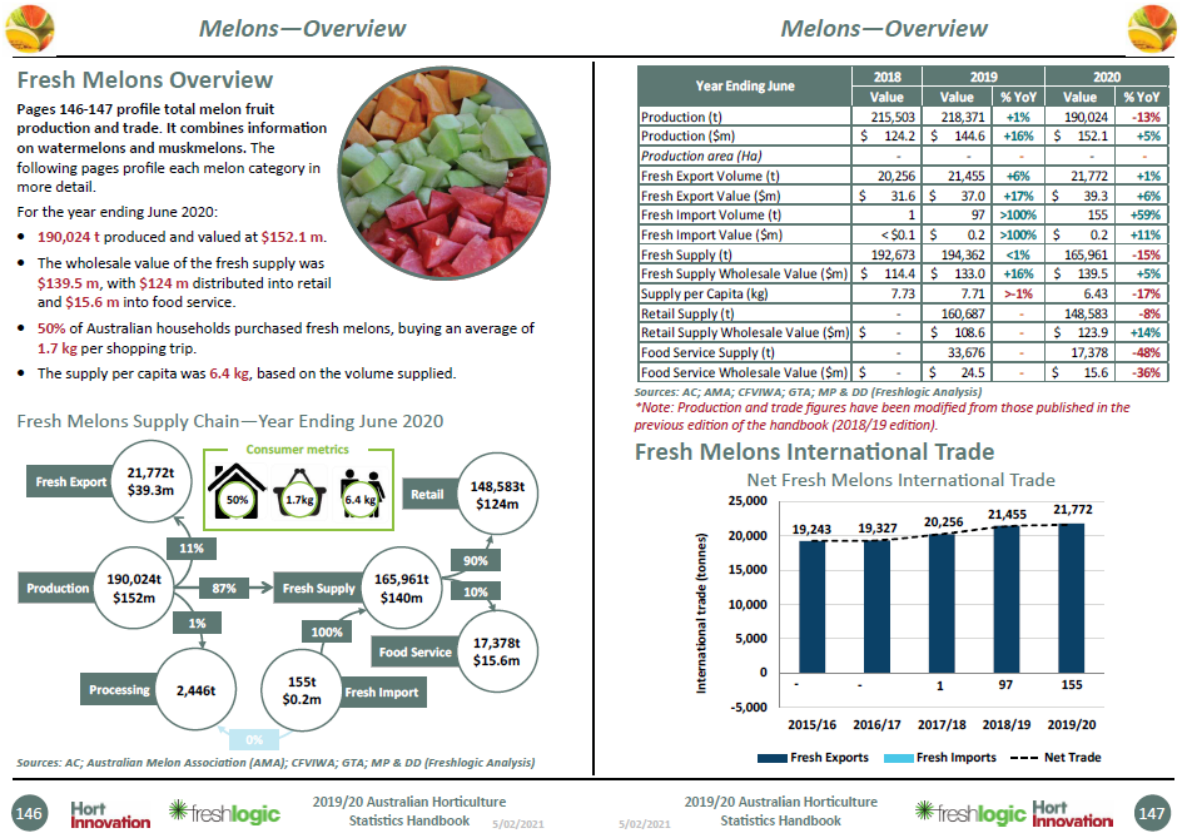
Sincerely

[redacted]

Supporting Information:

Size and location of producers in the melon industry:
The melon industry consists of approx. 200 melon growers who produced $152.1 million of melons in 2019/20 across over 8,500 hectares. Fruit is produced in all states and territories except ACT and Tasmania, with Queensland and New South Wales being the largest growing areas.

Fresh seedless watermelons, rockmelons and honeydew melons are the major fruit types, with other specialty lines being produced.



Melons—Overview

Fresh Melons Overview

Pages 146-147 profile total melon fruit production and trade. It combines information on watermelons and muskmelons. The following pages profile each melon category in more detail.

For the year ending June 2020:

- 190,024 t produced and valued at $152.1 m.
- The wholesale value of the fresh supply was $139.5 m, with $124 m distributed into retail and $15.6 m into food service.
- 50% of Australian households purchased fresh melons, buying an average of 1.7 kg per shopping trip.
- The supply per capita was 6.4 kg, based on the volume supplied.

Fresh Melons Supply Chain—Year Ending June 2020

Sources: AC; Australian Melon Association (AMA); CFVIWA; GTA; MP & DD (Freshlogic Analysis)

Melons—Overview

Year Ending June	2018	2019		2020	
	Value	Value	% YoY	Value	% YoY
Production (t)	215,503	218,371	+1%	190,024	-13%
Production ($m)	$ 124.2	$ 144.6	+16%	$ 152.1	+5%
Production area (Ha)	-	-	-	-	-
Fresh Export Volume (t)	20,256	21,455	+6%	21,772	+1%
Fresh Export Value ($m)	$ 31.6	$ 37.0	+17%	$ 39.3	+6%
Fresh Import Volume (t)	1	97	>100%	155	+59%
Fresh Import Value ($m)	< $0.1	$ 0.2	>100%	$ 0.2	+11%
Fresh Supply (t)	192,673	194,362	<1%	165,961	-15%
Fresh Supply Wholesale Value ($m)	$ 114.4	$ 133.0	+16%	$ 139.5	+5%
Supply per Capita (kg)	7.73	7.71	>-1%	6.43	-17%
Retail Supply (t)	-	160,687	-	148,583	-8%
Retail Supply Wholesale Value ($m)	$ -	$ 108.6	-	$ 123.9	+14%
Food Service Supply (t)	-	33,676	-	17,378	-48%
Food Service Wholesale Value ($m)	$ -	$ 24.5	-	$ 15.6	-36%

Sources: AC; AMA; CFVIWA; GTA; MP & DD (Freshlogic Analysis)
*Note: Production and trade figures have been modified from those published in the previous edition of the handbook (2018/19 edition).

Fresh Melons International Trade

Net Fresh Melons International Trade

Australian melon industry food safety culture:
FSANZ P1052 process has not considered nor evolved for the situation where the Australian melon industry is currently at, and it is apparent that following any insight presented by industry or experts in Melon food safety throughout the consultation process has been largely overlooked.

- This process has been underway following the June 2018 Food Ministers Meeting, and through Melons Australia's submissions and input presented through the SDAG, has not evolved or truly assessed the industry led changes and investment into Melon food safety following the devastating 2018 Listeria outbreak.
- Since this outbreak, the industry has expended significant financial contributions (exceeding $1 million) in developing our practices. This work has culminated in the preparation of science and evidence-based best practice food safety guides for watermelons and rockmelons and speciality melons, including the development of a Melon Food Safety Toolbox.
    - These food safety documents can be viewed at:

        - https://secureservercdn.net/198.71.233.33/exm.9c1.myftpupload.com/wp-content/uploads/2021/11/VM18003-Watermelon-food-safety-guide.pdf
        - https://secureservercdn.net/198.71.233.33/exm.9c1.myftpupload.com/wp-content/uploads/2020/09/Melon-food-safety-best-practice-guide.pdf
        - https://secureservercdn.net/198.71.233.33/exm.9c1.myftpupload.com/wp-content/uploads/2020/09/Melon-food-safety-tool-box.pdf
- Above and beyond these there are many other initiatives that the melon industry continues to pursue, including project VM20005 – Melon Food Safety monitoring and support, being led by the NSW Department of Primary Industries.
    - This project, funded through the Hort Innovation managed Melon Levy Fund, is focussed on continuing to build the strong food safety culture within the melon industry by providing a food safety testing and environmental monitoring program. The goal is to ensure the adoption of improved food safety practice is maintained within the industry. This investment will be the key to consistently delivering safe fruit and maintaining consumers and trading partners' confidence in Australian melons – which is essential for the success of export projects and market access maintenance.
- The presentation of these consultation documents, does not appear to recognise or consider the investment and development of the Food Safety culture that has been engrained in industry.
    - Any proper consideration of the melon industries progression of a Food Safety Culture since 2018 in developing the FSANZ proposal and associated consultation documents, should have arguably seen Option 1 (Status Quo) being supported for melons. However, we realise this has not been considered in any great detail and therefore seek this be considered in making a final decision.
- The proactive nature of the Melon industry in implementing food safety as a high priority has seen these guides (links above) resulting in the following measures being broadly adopted:
    - No raw animal manure being used
    - No compost containing raw animal manure being used
    - Implementation of plastic mulching for melons has improved food safety
    - Growers separating melon lines with wind breaks
    - The melon industry funding a stand-alone monitoring and sampling food safety surveillance program, allowing the capture of any food safety issues prior to reaching the consumer.
        - This is a significant component of the Melon Food Safety program which exceeds any proposal within the FSANZ standard.

The Australian melon industry regards high food safety standards as central to production of melons to ensure the health of consumers and sustain the financial viability of melon businesses. The impact of listeria on one farm had a far-ranging and negative effect on all melon businesses and continues to do so. Consumers immediately stopped buying all melons, regardless of the available fruit not being linked or involved with the affected farm.

To prevent this impact occurring again, the melon industry has been working to increase on-farm food safety standards as outlined above.

The melon industry is supportive of exploring options to increase the standard of fresh produce food safety in Australia. This could be undertaken by a range of measures. These include education, auditing, and random checks on food safety systems.

Uptake and efficacy of industry Food Safety Schemes:

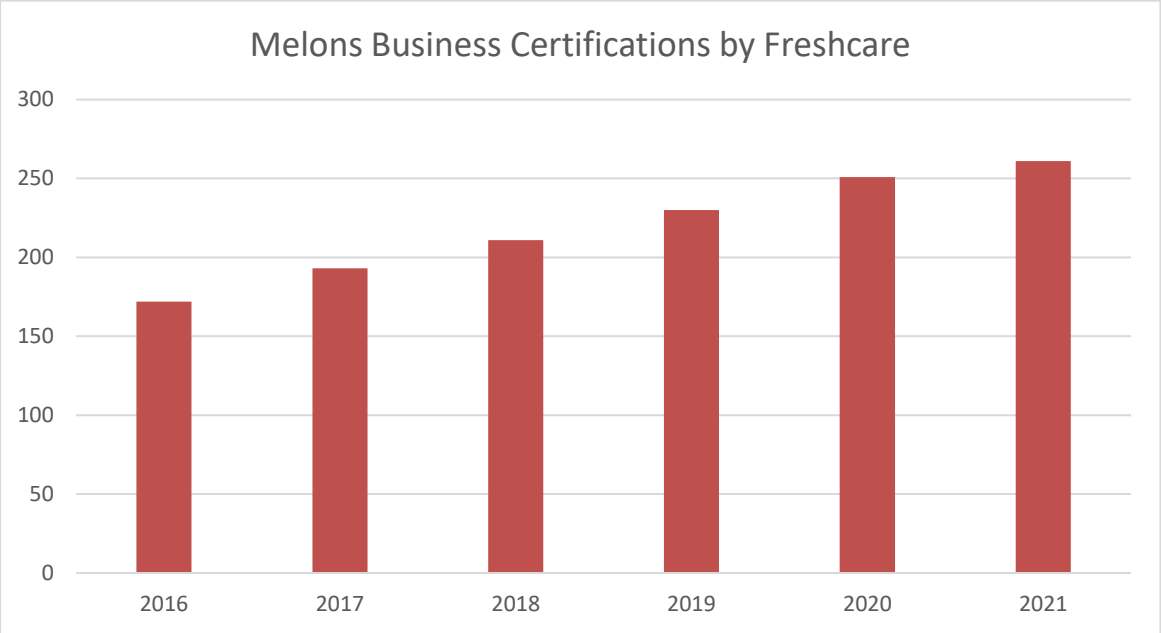


Figure 1: Participation status in Freshcare by businesses who grow one of the following (melons, watermelon, bitter melon, rockmelon, honeydew) – Source Freshcare 2022.

The vast majority of Melon growers (over 95%), as is recognised by FSANZ's own consultation documents, already have a Food Safety System (FSS) in place with respective audit and certification process (largely Freshcare but also SQF and GlobalGAP). These certification schemes are GFSI benchmarked and do not require the implementation of a further jurisdictional based licencing and audit scheme as it proposed. On farm food safety systems are also based on Hazard Analysis Critical Control Point (HACCP) principles and supported by Good Agricultural Practice (GAP).

This is evidenced by Figure 1, which shows the number of respective melon businesses with Freshcare Food Safety and Quality certification (including multiple certifications for individual businesses growing across multiple locations) from 2016 through 2021. Figure 2 presents the 2021 Freshcare licenced melon businesses by jurisdiction.

Given the extremely high level of melon business compliance with the Freshcare (GFSI benchmarked) certification food safety scheme, compliance with this FSANZ proposed Standards should cost industry $0, or the lowest possible cost (potentially a $30 notification fee as is proposed by Berries).

- $1,540 annual fee for the vast majority of melon growers who are current compliant with the best practice food safety measures, simply to implement a licencing and further State/Territory managed Audit process (supposed totalling in excess of $300,000), is not acceptable nor required.
- The current independently audited Food Safety Schemes provide adequate standards for addressing food safety risks.
    - For example, melon growers already have annual compliance costs (through their Freshcare certification, HARPS and the associated audit fees) of $2,500-$6,000 per farm, depending on size and scale of the audit required.
        - These standards (utilising the $1,540 proposed annual cost) propose to apply a further $1,540 per business for a licencing program and associated audit to be administered by each State/Territory food regulator.

- It is unclear how this duplication, added financial and administrative burden will deliver a safer food product?

- At face value it appears that the regulation proposed does not provide a guarantee of food safety, it simply addresses a 'regulatory gap', which for the Australian melon industry has been sufficiently filled by the Safe Melons program and many years of adopting the industry provided food safety schemes.

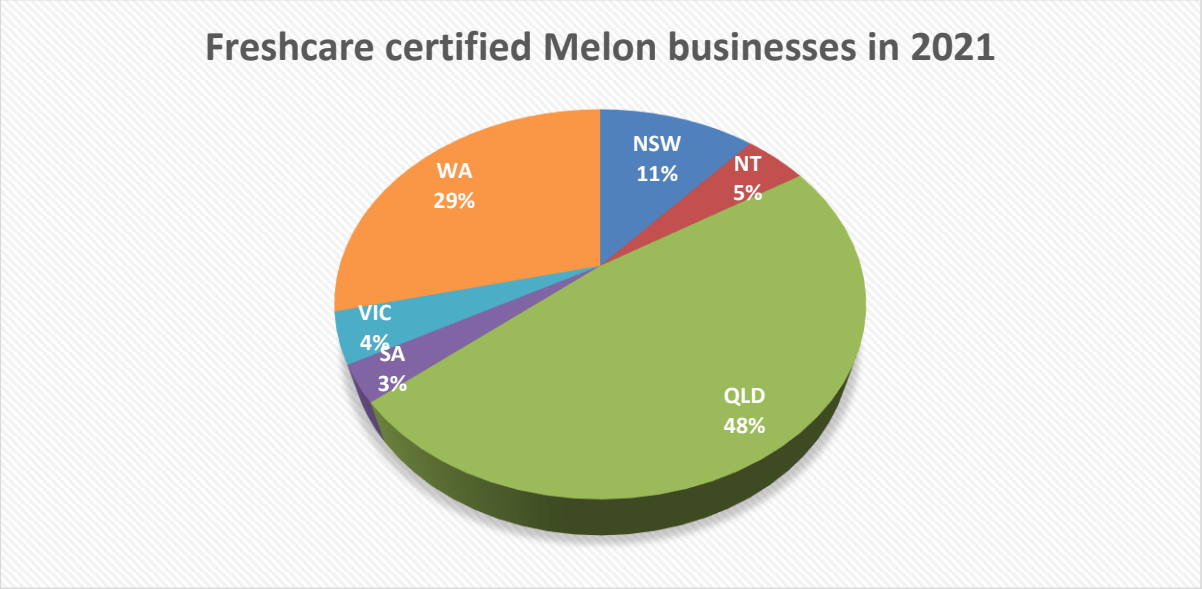


Figure 2: Freshcare certified businesses in 2021, by jurisdiction, who grow one of the following (melons, watermelon, bitter melon, rockmelon, honeydew) – Source Freshcare 2022.

Production chain intervention:

One of the concerns to the melon industry is handling in the further supply chain, more specifically cool chain maintenance (for muskmelons in particular). Producers are at risk if the fruit that has left their farm and control is then handled poorly, along the cool chain to the consumer.

We have evidenced poor quality fruit in the retail sector that has been left on the shelf for a long period of time.

Another serious area of concern is the sale of cut and wrapped fruit not held in refrigeration.

Leaving cut and wrapped fruit out of refrigeration with no recording of cut times and length of display is simply unacceptable in maintaining strong food safety practices.

Producers are not able to control these practices and should not, therefore, be held responsible for practices down the cool chain and in retail stores.

The melon industry is supportive of changes to the regulation for the supply chain to ensure that the cool chain is monitored and documented and that all cut and wrapped produce is kept in appropriate refrigeration.

Good traceability in horticultural production systems is fundamental to maintaining strong food safety. This requires all parts of the supply chain to be actively involved and apply a traceability system adequately.

The melon industry, through Melons Australia, with funding from the Australian Government, is currently leading the implementation of a series of whole supply chain traceability pilot programs, which are currently underway and are being well received by industry. This work, being

operationalised through collaboration with NSW Department of Primary Industries, is opening up innovative traceability mechanisms to have Australian melons traced from paddock to plate.

The melon industry supports the development measures to provide complete through-chain traceability from paddock to plate.

Other commentary:
It is important to note that the Standards/Regulations propose to implement 'Appropriate washing and sanitisation of produce' for melons. And this too remains open to interpretation from the respective jurisdictional Food Safety Regulator. There are key comments that Melons Australia notes, which need consideration:

- Washing and sanitising is not best practice for watermelons.
- It is noted that actual text of the Standard presents '*A primary horticulture processor must take all reasonable measures to ensure that: (a) visible extraneous material on harvested melons is removed; and (b) any washing or sanitising of harvested melons does not make the melons unacceptable."*
    - The issue remains with all melons being captured under the single standard, that there are different best practice standards for food safety purposes that need to be fully understood.

The current costs of melons, cost of production and maintenance of food safety certification needs to be considered when assessing the fiscal impact the Standards as proposed may have on industry.

- The margins in producing melons in Australia are minimal at best in the current COVID-normal world we operate in. Melons Australia are aware of at least 8 growers in 2021 who have ceased production due to the inability to break even, let alone make a profit and this is becoming more prevalent across industry.
- To produce a melon costs in the range of $0.50 to $3.50 per kg.
    - This varies depending on many factors, including commodity grown, whether a seed or seedling is used in planting, and also a suite of input costs (which due to COVID have increased 10-40%).
- Then when considering for Watermelon the price at present into the wholesale market is $0.65-$0.70 per kg, there is very little, if any profit being delivered to growers in the current market. Growers are going backwards, yet they still maintain their current food safety certification as it it crucial to their
    - And now we are being asked to consider an assess the current proposed 'Standard' and the proposed cost structure ($1,540 for already compliant growers), which is creating an unnecessary burden on growers.
    - This proposal and the concept of increased cost and administrative burden for 100% compliant growers has placed significant mental health stress on industry, which needs to be considered in progressing any proposed implementation process.

Noting the information presented throughout this submission there is significant stress on industry at present, there needs to be recognition of the lengths the Australian melon industry has gone to in improving food safety culture and practices. This therefore results in our recommendations presented:

1. To remove the duplication of Food Safety Certification, jurisdictional proposed licencing and audit schemes, on industry that the 'General food safety management requirements' requirement of the proposed Standards be downgraded for melons to a simple 'Notification of Business' requirement. This will remove any possible unnecessary cost and administrative

burden on the Melon industry who are largely already compliant with GFSI benchmarked Food Safety Certification schemes (reported at 95%).

2. That GFSI compliant Food Safety Schemes be fully recognised and promoted by government and Industry to highlight the success of these schemes. Noting that there is opportunity for industry, Scheme owner bodies and government to work on continual improvement and evolution of these schemes into the future.
3. That the implementation timeframe of 18 months be extended to a minimum of 2.5 years, noting that if there is no consideration of reducing the 'Requirements' as recommended in '1' above there is a considerable amount of work to be undertaken between industry and the jurisdictions in implementation.