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Standards Management Officer
Food Standards Australia New Zealand
PO Box 7186
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Dear Sir / Madam

Submission – Consultation Paper – Improving Food Safety for Fresh Horticultural Produce

Thank you for the opportunity to provide a submission on the above Consultation Paper.

This response has been developed in consultation with the Department of Employment, Economic Development and Innovation (DEEDI) and Safe Food Production Queensland (SFPQ) and as such represents a whole of government position.

Queensland supports the work of FSANZ which seeks to create nationally-consistent, through-chain approaches for all major primary industries in Australia. This response provides Queensland's perspective on systems currently in place and whether current measures are adequate to ensure the safety of horticultural produce.

Queensland does not intend to address seed sprouts in this submission as we are cognisant that FSANZ still has Proposal P1004 – Primary Production and Processing Requirements for Seed Sprouts (Australia only) under consideration.

We note the NSW Food Authority (NSWFA) has enacted the Food (Plant Products Food Safety Scheme) Regulation 2005 and it is recommended that FSANZ liaise closely with NSWFA to determine their observations and experience in regulating the horticultural produce industry.

Current food regulatory situation in Queensland

There is no Horticultural Food Safety Scheme under the *Food Production (Safety) Act 2000* and Regulation administered by SFPQ. In the absence of a Horticulture Scheme the general requirements of the *Food Act 2006*, administered by Queensland Health apply. Food incident responses for this sector are also coordinated under the Food Act.

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Queensland acknowledges commercial Quality Assurance (QA) arrangements, high consumer expectations and the commercial imperatives driven by major retailers mean that the majority of growers and processors already have independently audited food safety schemes in place on their farms and/or in their processing facilities.

DEEDI estimates that a very high percentage of all fruit and vegetables produced in Queensland are covered by commercial QA systems that incorporate some food safety elements. Commercially certified food safety programs that have been implemented by Queensland growers include the Freshcare Code of Practice, SQF 1000, SQF 2000, Woolworths QA and HACCP. A summary of these QA systems, including links to websites of interest, is provided in Attachment 1 - *Food Safety and Environmental Assurance for Horticulture*, prepared by Horticulture Australia Limited. In addition to the information provided in Attachment 1 there are numerous documents which provide guidance on the safe production of horticultural produce, including the Codex Committee on Food Hygiene document, the *Code of Hygienic Practice for Fresh Fruits and Vegetables*.

Development of the Freshcare Code of Practice was led by DEEDI's Horticulture and Forestry Sciences group in cooperation with growers and the major supermarkets. HACCP was used to identify the good agriculture practices required to manage the risk of food safety hazards on-farm. Since 2000 Freshcare has been widely adopted in Queensland.

However we recognise that regulation does play a role in managing businesses when they choose not to participate in voluntary programs. This can include small and marginal businesses eg., suppliers to farmers markets. We also recognise that industry programs can form part of a regulatory system.

As changes to risks occur over time, we need to ensure mechanisms are in place to identify and manage the risks. As regulators, we need to be able to assure ourselves that risks are being adequately managed.

Modelling of the horticultural supply chain in Queensland

In 2008, SFPQ commissioned CSIRO to develop a computer based mathematical model for the food supply chain which may assist in monitoring potential risks and provide guidance on the allocation of investment and resources. An initial step in this project included gathering information on the horticultural supply chain. The work undertaken by Food Chain Intelligence as summarised in Attachment 2 – Horticultural Supply Chain in Queensland, illustrates the complex nature of horticulture supply chains and the large number of businesses involved in the handling and processing of horticultural produce.

Measures to ensure the safety of horticultural produce

The Queensland Government works in partnership with industry sectors to ensure that food safety outcomes are achieved through minimum effective regulation, and supports the principles of the COAG's *National Partnership Agreement to Deliver a Seamless National Economy*, which aims to reduce costs incurred by business in complying with unnecessary and inconsistent regulation across jurisdictions. Consistent with these principles, measures to address safety of horticultural produce should not impose unnecessary additional regulatory burdens and costs on businesses where FSANZ's analyses confirm the adequacy of systems currently in place.

As part of FSANZ work on fresh fruit and vegetables, Queensland supports FSANZ undertaking an analysis of existing on-farm food safety systems for horticulture, focusing in the first instance on those products considered to be of high-risk by FSANZ, to determine the adequacy of current approaches and identify any gaps in the existing systems revealed through its risk assessment. Queensland considers that FSANZ should aim to build on the positive elements of current approaches where possible and address any deficiencies revealed by its risk analysis.

The complexity and number of businesses and products involved in the horticultural supply chain create a range of challenges for state regulatory authorities wishing to verify the safety of horticultural produce. SFPQ considers that government surveys in this sector have also been limited in scope in regard to food safety. Therefore, Queensland also supports the need for FSANZ to continue its risk assessment work in this sector in order to gain a better understanding of the food safety hazards along horticultural supply chains.

The importance of food traceability

Queensland Health is responsible for investigating food-borne illness investigations and initiating and responding to food recalls in Queensland. As such, traceability of food is recognised as a cornerstone of ensuring the supply of safe food. Queensland also recognises that there are challenges with ensuring traceability through chain for numerous reasons including the nature of some produce (e.g. an individual pea); the co-mingling of produce throughout the entire supply chain, including by consumers; and the reuse of packaging, such as cartons.

Any proposed requirements relating to traceability would need to consider the above factors and the potential economic impacts for individual horticulture businesses, horticulture sectors (which may potentially be negatively impacted if a particular commodity is implicated in a food safety incident) and consumers affected by unsafe produce. The importance of this has been demonstrated by recent food-borne illness outbreaks in Europe and the United States.

Given the complexities associated with the horticulture industry and traceability, the conventional regulatory models used in managing food safety in other sectors may not be the appropriate model for this sector. Therefore following on from FSANZ's risk assessment and analysis work in this field, alternative approaches should be explored.

Conclusion

Queensland supports the approach outlined by FSANZ in its consultation paper, to look at what microbiological, chemical and physical risks may be present in fresh produce for sale in Australia; and at the suite of food safety systems that are currently in place, to determine whether current systems are sufficient to protect consumers or whether there are gaps that could be addressed through a regulatory or other approach. Queensland recognises the need for FSANZ to continue its risk assessment work in the horticulture sector, which will assist in gaining a better understanding of food safety hazards along horticultural produce supply chains, and the adequacy of current approaches.

Given the nature of the industry, and subject to the outcomes of FSANZ's work in this field, alternative approaches to those used for other primary production and processing sectors should be explored. Where FSANZ risk assessments indicate that the current systems for horticultural produce are functioning well, then FSANZ should seek to build upon the strengths of these existing systems where possible.

Should you wish to discuss any aspects of this submission please feel free to contact me in the first instance.

Yours sincerely

Executive Director, Health Protection

Attachments:

Attachment 1 – Food Safety and Environmental Assurance for Horticulture, prepared by Horticulture Australia Limited

Attachment 2 – Horticultural Supply Chain in Queensland, extracted from report by Food Chain Intelligence

Food Safety and Environmental Assurance for Horticulture

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Introduction

Food safety regulations that apply to processors, wholesalers and retailers mean that all Australian growers and packers of fresh and processing horticultural crops require an independently audited quality assurance (QA) system. Quality Assurance is a term that has evolved to include independent certification to schemes that assure customers of food safety, quality, environmental, ethical and occupational health and safety requirements. Most growers and packers have now achieved certification to food safety requirements at least.

Horticultural producers and packers have a range of options when it comes to choosing a QA system for their business. This means that there is an option for each business depending on where it sits in the supply chain and what its customers require, regardless of whether those customers are in Australia or in export markets. Businesses can choose a system that will be the best long-term choice.

Why do growers and packers have to implement a QA system?

Food Safety Standards became enforceable in Australia from February 2001. They have been progressively adopted by each state and territory. While the Food Safety Standards apply to 'Food Businesses' - basically defined as businesses that process, wholesale or retail food - growers and packers are specifically exempted *except* when they conduct some form of processing on-farm or sell direct to the public. See www.foodstandards.gov.au for further clarification and information.

However, growers and packers are *indirectly* implicated in the Standards. This is because food businesses such as wholesalers, processors and retailers are required to take all practicable measures to ensure that they only accept food that is not contaminated from their suppliers. Contamination is further defined as "... a biological substance, chemical agent, foreign matter or other substance that may compromise food safety or suitability."

This flow-on effect is largely complete. Retailers such as Woolworths, Coles, Metcash/IGA and Aldi have driven almost complete food safety certification of packers, processors and wholesalers that supply direct to their distribution centres and stores. Acceptable systems include Woolworths Quality Assurance Standard (WQA), SQF 2000^{cm}, SQF 1000^{cm}, Freshcare and Codex HACCP. These suppliers in turn are required to have Approved Supplier Programs in place and these have programs have captured the many growers and packers further back in the supply chain.

Suppliers to processors are also now moving to independent certification. Some suppliers are also implementing environmental assurance in response to customer requirements.

As suppliers well know, the systems continue to evolve and the inclusion of ethical trading and environmental requirements is the most recent development. The retail requirements apply equally to imported and domestically produced products, as indeed the Food Standards Code does.

Woolworths, Coles and Metcash also have all the distribution centres that supply stores certified to a QA system, as well as food safety training and implementation at store level.

There are other reasons for implementing a QA system into a business apart from legal or customer requirements. Self interest is a great motivator and most businesses that have a system operating effectively will openly admit to unexpected benefits such as reduced waste, downtime, rejects and repacking. For some, it's just a better, more professional business where people know what they should be doing. One modestly-sized problem avoided each year is often more than enough to justify the cost of implementing and maintaining a QA system.

Where to start?

A good start would be to download the *Guidelines for On-farm Food Safety for Fresh Produce* from http://www.daff.gov.au/data/assets/pdf_file/0003/183171/guidelines_onfarm_food_safety_fresh_produce_2004.pdf. The *Guidelines for Environmental Assurance in Australian Horticulture* document is available from http://www.horticulturefortomorrow.com.au/for_growers/guidelines_table.asp or contact HAL on 02 8295 2300. Anyone interested in implementing quality assurance should speak to their customer/s to find out which system is most appropriate for their position in the supply chain. You should also research retailer web sites for their latest requirements.

What are the Options?

The following summarises the main current options.

Freshcare Code of Practice for Food Safety and Quality is designed for growers who supply packers, and grower-packers who supply wholesalers, processors and retailers. It is the system with the greatest uptake in Australia. It is suitable and acceptable for indirect suppliers to Woolworths (generally; see Woolworths Quality Assurance Standard below) and direct and indirect suppliers to Coles (conditions apply)¹ and IGA Fresh. Freshcare is being sought by many wholesalers and processors and is owned and endorsed by many peak industry associations. For further information, contact the National Program Manager, Clare Hamilton-Bate, on 1300 853 508 or www.freshcare.com.au.

Freshcare Environmental Code was developed in parallel with the *Guidelines for Environmental Assurance in Australian Horticulture*, part of the Horticulture for Tomorrow project funded by the Commonwealth Government and managed by HAL. The elements of the Code outline specific practices that must be implemented and maintained in order to achieve certification. The Freshcare Environmental Code has been specifically designed for application on-farm. It was established to enable easy integration with the Freshcare Code of Practice for Food Safety and Quality – there are quite a few elements in common – with combined certification as/when required. The Freshcare Environmental Code is being implemented with food safety systems such as Freshcare, SQF and WQA.

Hazard Analysis Critical Control Points (HACCP) is an internationally recognized preventative approach to manage food safety hazards. It is an auditable code in its own right and forms the foundation of all food safety systems. Put simply, HACCP requires an analysis of all processes in the business (planting,

¹ <http://www.supplier.coles.com.au/quality/supplier-audit-requirements.aspx>

pest management, harvest, storage, packing, etc) to identify food safety hazards (chemical, microbiological and physical contaminants) and then the identification of critical points in those processes where the hazards will be controlled and how. HACCP certification is acceptable for indirect suppliers to Woolworths but not Coles. Many certification bodies (auditors) provide complimentary HACCP certification when the business has been successfully audited to other standards. See www.codexalimentarius.net and contact any of the certification bodies for further information.

SQF 2000^{CM} and SQF 1000^{CM} incorporate HACCP with a small number of additional requirements at their Level 3 standards. SQF 2000 is for packhouses and wholesalers (and manufacturers and distributors) while SQF 1000 is for growers. The SQF programs were developed in Western Australia in the 1990's and focus on both quality and safety hazards. The SQF programs are now gaining recognition by international retailers and there are businesses SQF certified in many countries. SQF 1000 and SQF 2000, both at Level 3, are acceptable for certain direct and indirect suppliers to Coles (conditions apply) and (generally; see below) indirect suppliers to Woolworths. Contact the Asia Pacific regional representative, Bill McBride on 02 9541 4777, info@sqfi.com.au or see www.sqfi.com.

Woolworths Quality Assurance Standard (WQA) is mandatory for all Australian and international "...direct suppliers of produce and packers of Woolworths branded products..." WQA focuses on product quality and safety of individual products. Although the WQA Standard is available on the Woolworths web site as a free download, vendors participate in the program by invitation only. WQA includes a HACCP Plan, significant support programs and the need for independently certified suppliers. Contact the Woolworths buyer or merchandise manager in your state for further information or <http://www.wowlink.com.au/wps/portal> for WQA information and product specifications.

ISO 9001:2008, ISO 22000:2005 and ISO 14001:2004 are most likely to apply to larger processors and larger packers. ISO 9001 is the 'original' quality management standard and horticultural businesses are likely to have combined this business management standard with Codex HACCP to cover food safety issues. ISO 22000 effectively combines ISO 9001 and HACCP in the one standard. Horticultural businesses with ISO 9001 are progressively moving across to ISO 22000. There are approximately 80 horticultural businesses, including wholesalers, certified to either ISO 9001 or ISO 22000. ISO 14001 is the international standard for environmental management systems and there is a small but growing number of horticultural businesses certified to this standard. Contact Standards Australia Ltd at www.standards.com.au or your state Standards Australia Ltd office.

GLOBALGAP (formerly known as EUREPGAP) has established itself as a key international standard for Good Agricultural Practices (G.A.P.). GLOBALGAP is a private sector body that sets voluntary standards for the certification of agricultural products around the globe. GLOBALGAP is one standard for Good Agricultural Practice (G.A.P.) with different product applications (meat, horticulture, aquaculture, dairy, etc). GLOBALGAP is a pre-farm-gate standard and is open to all producers worldwide. GLOBALGAP consists of the GLOBALGAP General Regulations, the GLOBALGAP Control Points and Compliance Criteria and the GLOBALGAP Checklist. The GLOBALGAP standard is subject to a three year revision cycle of continuous improvement to take into account technological and market developments. As at June 2010 there were over 100,000 businesses certified to GLOBALGAP worldwide. GLOBALGAP is acceptable for indirect suppliers to Woolworths and numerous UK retailers. Further information can be found at www.globalgap.org.

British Retail Consortium Global Standard for Food Safety, often referred to as just the BRC standard, was created to establish a standard for the supply of food products in the UK and to act as key piece of

evidence for UK retailers and brand owners to demonstrate food safety 'due diligence'. The Standard possesses a comprehensive scope covering all areas of product safety and legality for both the supplier and the retailer. The Standard covers such critical topics as HACCP, quality management, factory environment and product and process control. Like SQF 2000, this standard is clearly aimed at packers and processors. The BRC standard is acceptable for direct suppliers to IGA Fresh and indirect suppliers to Woolworths and numerous UK retailers. The standard can be ordered from www.brc.org.uk.

EnviroVeg is the vegetable industry developed and owned environmental program specifically for vegetable growers. EnviroVeg provides growers with guidelines and information on how to manage their business in an environmentally responsible manner. It provides a visible way of demonstrating a responsible attitude towards the environment. It also assists growers by showing the community that they are responsible environmental managers. It is free to all levy paying vegetable growers. See <http://www.ausveg.com.au/enviroveg.cfm> or phone 03 9822 0388.

Managing Farm Safety is a program developed by Farmsafe Australia to develop skills in risk management of farm safety - an approach which is in line with the way other farm business risks are managed. Contact 02 6752 8218, info@farmsafe.org.au or www.farmsafe.org.au.

Other Programs. There are other programs that operate in horticulture. Some of these are similar in content and operation to the HACCP-based programs above, such as those developed by major food service and quick serve restaurant customers. Salad GAP, good agricultural practices for growers of fresh-cut salad vegetables, is required over and above existing food safety certification by most salad manufacturers. Salad GAP is managed by Freshcare on behalf of the Salad Producers' Forum.

Just as in Australia, our main UK customers have their own systems, for example Marks and Spencer's Field to Fork, Tesco's Nurture <http://www.tesco.com/nurture/>, Waitrose-endorsed Linking Environment and Farming <http://www.leafmarque.com/leafuk/>, the Assured Produce scheme <http://www.assuredproduce.co.uk/ap/> and various others.

There are also a (declining) number of programs developed by processor customers to address specific food safety and possibly quality hazards for their suppliers. These are generally inadequate for fresh produce and are being progressively replaced by independent certification to programs such as Freshcare.

Ethical trade, also known as ethical sourcing or worker welfare, is being introduced into Australian retail QA programs. These requirements are not new and have been QA requirements in some countries for some years. The Coles and Woolworths requirements are based on the Ethical Trading Initiative <http://www.ethicaltrade.org/> and the International Labour Organisation (ILO) Conventions <http://www.ilo.org/global/lang-en/index.htm>. They focus on working practices and conditions, human rights and compliance with the law. Both Coles and Woolworths have included compliance with environmental regulation in their ethical sourcing policies, which can be found on their respective web sites.

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ATTACHMENT 2

Horticultural supply chain in Queensland

Figure 1 shows a generic model of the current Australian horticultural supply chain. About 1282 vegetable growers are based in Queensland, representing 31% of the total vegetable grower concentration. It is further estimated that 2320 fruit growers are settled in Queensland.

The main participants of the chain are:

Growers. The Queensland grower sector remains fragmented, with growers ranging from 'hobbyists' farmers to family owned enterprises with turnovers in excess of \$40 million per annum. Individual growers seem to be more susceptible to market changes, as they often do not have firm orders or contracts to fill and their knowledge and influence in the chain is limited. Network and consolidator growers have specific orders or contracts to fulfill, sometimes even before the planting occurs. They also have knowledge of the supply chain, markets and they have some influence on their supply chain partners (CDI Pinnacle Management, 2004).

Consolidators. These can be: (a) growers who grow produce on their own but also coordinate other growers to supply them; (b) 'in-house' consolidators, which have a role as procurers to retailers and logistics coordinators; and (c) non-grower consolidators, whose main role is to manage the relationship between retailers and growers.

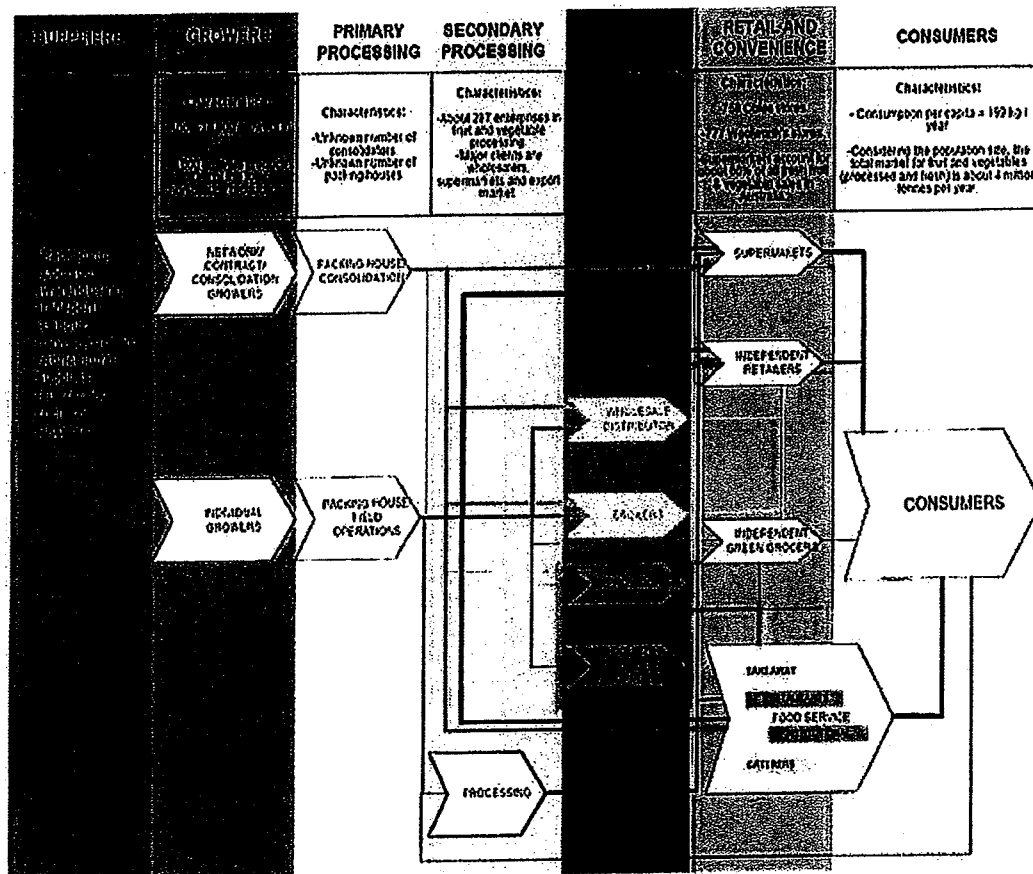


Figure 1 A generic model of the current Australian horticultural supply chain (Sources: HAL, 2008; BITRE, 2008; IBISWorld, 2007)

Central markets. Once the central players of the selling and distribution system, central marketers (e.g. wholesalers, suppliers, brokers) now act as forwarders and consolidators to retail and convenience. Central markets act as the hub for movement of large volumes of fresh produce from growers to retailers and consumers. The only other marketing channels that bypass central markets is direct selling from farm to distribution centres of major supermarket chains (CDI Pinnacle Management, 2008) or direct selling from growers to consumers. Central markets can also act as processing centres of fruit and vegetables by providers and processors that supply to the food service sector.

Processors. Potatoes, tomatoes, peas, carrots and beans are the principal vegetables processed in Australia. Australian processing companies include Berri Ltd, Golden Circle, Logan Farm, Kraft, McCains, MasterFoods, Nestle, Simplot, Coca-Cola Amatil, Unilever, and fresh cut processors One Harvest and Golden State Foods (GSF).

In terms of fruit, oranges are the most processed fruit. The major orange juice manufacturers in Australia include Berri Ltd, Mildura Fruit Company and Golden Circle Ltd.

There are a number of smaller Processors who focus on deliveries to local markets. There is also an emerging fresh cut fruit industry, centering on melon, pineapple, apple and grape. The turnover of this fresh cut industry is currently estimated at \$10 million.

Retailers. The combined market share of Coles and Woolworth's is estimated to be 60-65% of all fruit and vegetable sales in Australia. Fresh produce provides the highest return per square metre of major supermarkets. Additionally, there are about 4700 independent retailers and supermarkets in Australia, including IGA, Metcash, ALDI, Spa, Pick n Pack, and Foodworks, plus unbranded, independently run stores.

In the retail side, greengrocers compete effectively with supermarket chains. There are about 1600 greengrocers in Australia (CDI Pinnacle Management, 2008).

Foodservice. This sector comprises companies that supply food products to institutions, e.g. hospitals, retirement villages/homes, prisons, schools, fast food restaurants, vending, catering, and hospitality (i.e. restaurants and hotels). The largest fast food chains (e.g. McDonald's, Hungry Jacks, Pizza Hut) may source directly from growers. Smaller companies use wholesalers, providers or country order suppliers.