

**IMPROVING FOOD SAFETY FOR FRESH HORTICULTURAL PRODUCE
CONSULTATION PAPER
Food Standards Australia New Zealand**

**Response by Coles Supermarkets
16/06/2011**

Coles Supermarkets takes food safety of our fresh fruit and vegetable offer very seriously. We operate a 3rd party audited food safety program for all of our suppliers and have worked closely with industry in ensuring food safety risks are understood and managed. We have also worked closely with Freshcare and SQF as two of our approved standards to ensure that appropriate requirements have been set. Coles is also managing a Coles auditor approval system that uniquely ensures that auditors have the required competence to conduct a meaningful audit.

We have previously assisted the development of the FSANZ Primary Production and Processing Standards through the Seed Sprout SDC committee and would also like to offer our assistance for this review of horticultural produce food safety.

Coles broadly agrees with your assessment of risk regarding horticultural products. As the current European E. coli outbreak shows, no crop is immune from food safety issues. Microbial risk does vary and can only be mitigated using appropriate production practices for crops that are not generally cooked.

The current regulation of food safety for fresh produce is also creating inequalities, not only in potential food safety outcomes, but also in cost structures between different suppliers. Coles advocates a level playing field for growers to ensure that practices are equally applied across the industry and that therefore short-term, unfair cost advantages disappear. This also recognises that, as FSANZ points out, the industry in general would suffer in the longer term from 'budget' operations failing to address significant food safety risks.

Please find below our initial response to your specific queries raised in the Food Safety for Fresh Horticultural Produce Discussion Paper.

FSANZ Query	Coles Response
<p>We welcome input on existing food safety guidelines, schemes and programs in terms of:</p> <ul style="list-style-type: none"> • Activities that are covered 	<p>The Coles requirements for food safety (and quality) auditing by 3rd parties are attached below. They cover the use of 1 of 3 HACCP based standards (Freshcare, SQF and BRC) as well as some additional Coles requirements that are not fully covered by these standards. Activities covered by the standards include use of inputs (water, soil additives, seed), field hygiene & history, personal hygiene, postharvest practices, pest control and foreign body control among others.</p>
<ul style="list-style-type: none"> • Costs associated with implementing and maintaining 	<p>Costs are currently being reviewed in detail by a Horticulture Australia project undertaken by TQA. Indicative figures are average costs of \$2000 per annual audit and an estimated \$5000p.a. for maintaining the system as a grower (compared to no system).</p>
<ul style="list-style-type: none"> • Where you source information/advice regarding food safety risks associated with the production and/or processing of horticultural products. 	<p>Information comes from a number of sources that include international studies, Australian experts, in-house expertise, consultants from academic institutions and specialist service providers, microbial reviews and internationally published epidemiological data.</p>

<p>We want the most recent information and additional information on:</p> <ul style="list-style-type: none"> • What are the existing schemes and programs that producers currently use 	<p>There are 4 levels of food safety schemes operating in Australia:</p> <ol style="list-style-type: none"> 1) None – the food standards code does not require the operation of a specific food safety system. 2) HACCP – basic systems that generally are developed by consultants. In many cases these are poorly understood and implemented by the growers. Very little advice is given regarding specific GAPs (Good Agricultural Practices) and risk assessment itself is often difficult for growers. 3) Freshcare/ SQF/ BRC/ WQA/ GlobalGAP – these are HACCP based systems. The advantage is that these codes also provide useful insights into GAPs. In the case of Coles supplier audits these are conducted by auditors that have to qualify through a competency based system. 4) Additional Requirements – these may be implemented by proactive growers due to their own research or through customers such as Coles requiring more stringent standards in aspects of the above standards. Examples of Coles additional requirements would be minimum HACCP training requirements, Coles policies and guidelines (eg Listeria, pest control), sub-contracting rules, adherence to specifications and retention sampling.
<ul style="list-style-type: none"> • What residual risks may exist that could be managed through a regulatory framework or through other incentive based voluntary adoption mechanisms 	<p>The industry still has not uniformly adopted food safety systems. It is therefore unlikely that voluntary mechanisms will achieve uniform standards. In addition, not having a minimum standard means that market prices are distorted; this further disadvantages growers trying to adopt better food safety practices.</p> <p>The risk for significant food safety issues in some part of the fresh produce sector in Australia is significant. There are a number of factors that contribute beyond the lack of uniform standards and the fact that most produce does not undergo a kill step (ie cooking). These are non-uniform water quality due to drought and flood events, a lack of microbial understanding by growers, sometimes poor hygiene standards in an itinerant labour force, inconsistent processing of organic manures (including of human biosolids), large distances from production to market, pest pressures (from locusts to rodents) and sometimes ageing infrastructure (such as toilet facilities, storage and coldrooms).</p> <p>A better regulatory framework is needed to achieve a number of outcomes and consistency:</p> <ul style="list-style-type: none"> - Basic training and understanding of issues/ risk - HACCP and GAP implementation on farm - Basic testing of inputs/ products to verify system is working and that risks are managed

	<ul style="list-style-type: none"> - Understanding of legal requirements beyond food safety (eg labelling, weights) - Traceability of product in case of issues - Understanding of processes for potential recalls
<ul style="list-style-type: none"> • Whether we have identified the commodities that present the highest risk 	<p>There appear to be a number of products that have shown a high propensity of issues. This does not mean that other crops are immune from problems – at Coles we classify all lines that are not cooked or harvested above 1m from ground as potentially high risk.</p> <p>For the purpose of this discussion we will exclude value added, minimally processed products that we deem to be higher risk and manage according to FSANZ food processing standards and additional Coles requirements (eg Coles High Care Processing guidelines). Particularly higher risk lines appear to be:</p> <ul style="list-style-type: none"> - Melons, especially honey dew - Papaya/ pawpaw - Herbs and other leafy lines - Field tomatoes (glasshouse truss tomatoes appear to have less risk due to different production practices) - Capsicum/ chillies - Cucumbers - Berries - Mushrooms (significant proportion is not cooked) - Sprouts (already covered by previous FSANZ work)
<ul style="list-style-type: none"> • The evidence that a new approach could work well and that the benefits would outweigh the costs. 	<p>The risk to the produce industry of a food safety issue arising is high. This is based on data suggesting a high relatively incidence of issues in this industry (US data seems most robust in that regard, but evidence is also available from Europe and from Australia); also outcomes are potentially severe (eg E. coli outbreaks resulting in HUS and fatalities). As pointed out in the FSANZ discussion paper, the economic impact on the product sector affected is severe and can be long lasting. The overall fruit and vegetable sector is worth approximately \$6 billion p.a. in Australia at farm gate (ABS, 2010). An estimate of financial losses to single sectors based on the US spinach scenario (1/3 loss of sales for year 1) would be \$22 million for rockmelons/ cantaloupes, \$83 million for mushrooms, \$90 million for field tomatoes or berries, \$7 million for herbs and \$50 million for lettuce (ABS, 2010) per outbreak. One estimate puts the number of produce related outbreaks in Australia at 25 over a 5 year period.</p> <p>Individual cost to growers could be 100%, ie loss of business. Costs to the public is also very significant; assuming that 5% of incidents are caused by fresh fruit or vegetables, this amounts to \$63 million of the \$1.25 billion annual food related illness cost in Australia.</p>

	<p>The additional cost of compliance is estimated as \$19 - 54 million p.a. based on approx. 11,000 fruit and vegetable growers (ABS, 2010) with a 30-75% current uptake of food safety systems and average costs of \$2000 per annual audit/ estimated \$5000 for system maintenance by a grower.</p> <p>Coles believes that the best approach to tackling the risk associated with fresh fruit and vegetable production would be a layered model:</p> <p>Layer 1 – mandating a recognised HACCP based systems that is externally audited (eg Freshcare, SQF, GlobalGAP). This would bring the industry to a minimum, uniform level without requiring significant government intervention.</p> <p>Layer 2 – publishing/ developing GAP tools for managing specific risks (eg water borne microbes) depending on crop risks. This would significantly up-skill the grower base and meaningfully address the root causes of fresh fruit and vegetables causing illness.</p> <p>Layer 3 – mandatory requirement for traceability and verification testing to ensure systems are working.</p> <p>Where we have seen all 3 elements working together, our experience is that the grower becomes a more stable business, performed better financially and food safety risks were managed pro-actively.</p>
Should we work out which commodities to focus on using risk activities and management of risks?	<p>As discussed above, Coles believes that a layered approach would work best. No fruit or vegetable sector is fully immune from food safety risks and as such a recognised HACCP based standard should apply to all producers (eg Freshcare, GlobalGAP). Beyond that, the US has chosen to publish specific product guides based on historic data.</p> <p>We would propose a matrix approach of specific GAP standards for hazards identified and to overlay that with levels of 'stringency' based on crop risk (eg low risk includes potatoes, high risk includes berries).</p>
How do you see this working in practice?	<p>Layer 1 – HACCP based systems are already available and independent auditors are working in this industry currently.</p> <p>Layer 2 - There is already much GAP data and standards available internationally. We could foresee an expert panel that would evaluate specific risks and develop GAP guidelines as part of a FSANZ produce industry standard.</p> <p>Layer 3 – The traceability and testing requirements would form part of the requirements in Layer 1 for growers. However, these elements are essential for issue management and public confidence. They span the whole industry (grower, packer, wholesaler/ agent, processor, food service, retailer) and should therefore be investigated more widely.</p>

We have also attached the relevant Coles audit requirements for your reference in confidence.