



Berries Australia 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)

Prepared by:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



About Berries Australia

Berries Australia was established in November 2018 as a joint venture between the Australian Blueberry Growers' Association Inc. (ABGA), Raspberries and Blackberries Australia Inc. (RABA) and Strawberries Australia Inc. (SAI) to represent the interests of the Australian berry industry as a whole. Valued at \$1.4 billion/annum, the berry industry now represents the single largest fresh produce category in Australian supermarkets. Berries Australia represents more than 800 individual growers nationally ranging from significant corporate holdings to small family farms.

About the industry

The berry category is considered to include strawberries, rubus berries (predominantly raspberries and blackberries) and blueberries. Biologically they are not closely related, and they do not share a consistent cropping system or risk profile. The grouping together of these fruits is a human construct which relates more to how we interact with them in so much as they are small, eaten whole and generally raw.

Berries sit somewhere between an annual and perennial cropping system in that the infrastructure required means a level of permanence and commitment to the crop and they tend not to be grown opportunistically. Strawberries are mostly grown as an annual crop whereas blueberries and raspberries grow on the same bushes for several years.

The majority of blueberry and raspberry production is undertaken by a relatively small number of growers but there are quite large numbers of very small producers. Strawberries are less concentrated, but the supply chain is more complex with many points of consolidation. In Queensland and Western Australia, there are also some strawberry farms which are leased and change operators from season to season.

Response to Proposal

FSANZ prepared proposal P1052 to assess whether amendments to the Australia New Zealand Food Standards Code (the Code) are required to manage the food safety risks associated with the primary production and primary processing of berries, leafy vegetables, and melons. Based on that assessment **FSANZ is proposing that the Code be amended to include a Primary Production and Processing (PPP) standard for each of the three sectors, supported by non-regulatory measures, such as fact sheets and webinars produced in collaboration with industry.**

Berries Australia has participated in the Standard Development Advisory Group (SDAG) since its inception and provided a response to the initial call for submissions in March 2020. We have not moved away from our original position that the inclusion of berries in this process was arbitrary and not based on risk in the Australian context. We still contend that the best way to manage food safety risk in Australian horticulture is to develop a Primary Production and Processing (PPP) standard for



all horticulture commodities provided that any standard recognises existing Food Safety Schemes (FSS¹).

The current process has not evaluated the risk of berries compared to any other horticultural produce and as such the justification for regulating berries is procedurally unfair. We note that the 2011 proposal to implement a whole of horticulture standard did not proceed on the basis that 75-80% of producers were considered to have a Food Safety Scheme (FSS) in place². We also note that FSANZ has identified through this process that at least 75% of berry producers have an FSS in place which highlights an inconsistency in the treatment of berries compared to other products.

Whilst we contend that the process was not risk based and methodologically flawed, we also strongly support the need for robust and effective food safety management. We consider that all berry businesses should be encouraged to implement an FSS and for that reason we **conditionally support the proposal** (option 3) outlined above with the following caveats:

- Recognition of existing food safety schemes must be explicit in the implementation methodology of all states and territories. It would be our preference that such schemes are explicitly mentioned in the berry Standard.
- Ensure that the standards are implemented and complied with according to a nationally consistent approach as many growers operate across many jurisdictions and product is consumed nationally.
- Resources (both educational and enforcement) are focused on producers who operate outside the existing FSS and developed in consultation with industry.
- The implementation period is extended from 18 months to two years.
- FSANZ monitors the implementation of the standard including undertaking an assessment of costs two years after implementation.

Berries Australia acknowledges the constitutional limitations of FSANZ in terms of how the Standards are implemented and recognises the role of state jurisdictions. However, the cost benefit to industry cannot be truly assessed without reference to how the standard will be implemented. We contend that the implementation pathway should have been discussed in conjunction with the Standard development to enable industry to understand the true impact on the sector. If the current approach cannot accommodate such concurrent discussions, then this needs to be examined at a broader level to prevent perverse outcomes.

¹ For the purpose of this paper, we are referring to GFSI accredited Food Safety Schemes.

Response to the Proposed Standard for Berries

Definitions

The berry definition does not currently include blackberries or other hybrid brambles. We recommend that the definition be amended to omit the reference to raspberries and replace it with the term *rubus* which encompasses raspberries, blackberries and hybrid brambles. This is consistent with the definitions within the levy system.

Refrigerated storage or Modified Atmosphere storage are not covered as part of the listed activities for Primary horticulture processors. These activities are however an important part of post-harvest processes and should be included.

The term unacceptable berries should be defined in the standard.

Notification

We consider the proposed notification process confusing and pointless from the perspective of managing food safety risk. Whilst the notification process is not particularly onerous, we consider that any additional obligation must be able to clearly demonstrate how it will meet the regulatory objective which in this case is reducing the risk of a food safety incident.

As has already been highlighted elsewhere, the majority of producers already have an FSS in place and it is those who don't have a system who create the highest risk. If growers are required to notify anything then it seems obvious that they should notify if they have a scheme in place which will enable appropriate targeting of effort in terms of the non-regulatory and regulatory measures. We recommend that growers must identify the FSS they have in place or that they do not have a system in place.

If there is no requirement to notify regarding the presence or absence of a FSS then we do not support the Standard as we consider it an unjustifiable imposition for no benefit to industry or the wider community.

As many berry businesses operate over multiple state jurisdictions, we seek clarification whether notification will need to be made for the sites within each State even though they are covered by a single food safety system. For some businesses this will require at least four separate notifications. A streamlined approach must be considered, particularly in the modern electronic era.

Traceability

We recommend the wording be amended to:

A primary horticulture producer and a primary horticulture processor must have in place system that can identify:

(a) The growing site of the berries or from whom berries were received; and



(b) To whom berries were supplied.

Response to the Proposed guidance document – Berries

The guidance document as it is currently structured provides very little guidance and is confusing. We consider that the preferred outcome is for guidance documents to steer producers toward implementing an FSS. Schemes such as Freshcare provide training and ongoing support for growers as well as 3rd party verification. Obviously there will always be some growers who don't wish to participate but since there is no mandatory food safety statement for berries the guidelines need to be approached carefully and with industry consultation. Berries Australia will work with jurisdictions to develop support materials for growers to help them understand their obligations.

Responses to questions for stakeholders

Responses to relevant questions included in the CRIS document are provided below.

1. We estimate the following number of businesses in each sector. Is there alternative information you would like us to consider?

The estimated number of primary production and primary processing businesses in Australia are:

- **750 for berries,**
- **1,500 for leafy vegetables**
- **225 for melons.**

It is extremely challenging to get accurate figures particularly for the strawberry industry. Our records indicate in the region of 800 growers although the number of actual berry growing sites is significantly larger.

2. We estimate that the following percentages of businesses are currently participating in a FSS. Is there alternative information you would like us to consider?

The estimated proportions are:

- **75% for berries**
- **25% for leafy vegetables**
- **95% for melons.**

The issue with the calculating the number of growers operating outside the schemes is that those growers tend not to engage with industry associations. We feel confident that at least 75% of berry growers operate under an FSS but engaging with the Fresh Markets Association may provide more detail.

- 3. We have assumed that, on average, businesses not on a FSS are already 50% compliant with the measures proposed by option 3 (regulation and non-regulation). Is there alternative information you would like us to consider?**

This is impossible to assess.

- 4. We have estimated the average length of the harvest and packing seasons. Is there alternative information you would like us to consider?**

The estimated seasons:

- 60 working days for berries
- 60 working days for melons
- 310 working days for leafy vegetables.

Berries are grown year-round in Australia and the length of season depends on the location and type of berry. Some sites grow all berry types and are operating up to 360 days per year. We would like clarification as to why this information is important so we can provide meaningful information. We are unsure as to whether you are referring to the season for each berry at a given site/geographic location, the production window across all berries at a given site, the production window for a multi-site multi-berry enterprise or the average length of season for each berry type at a generic level.

- 12. Do you agree with the following benefits of implementing option 3 (or can provide additional information about these benefits)?**

- Health related benefits
- Improved capacity to effectively and efficiently manage a food safety incident, reducing costs
- Improved inventory and business management
- Potential additional export sales
- Government's improved capacity to effectively and efficiently manage a food safety incident
- A reduction in illness costs

The key grower benefit relating to the implementation of Option 3 is to level the playing field between those producers who pay the costs of being compliant by having an FSS in place and those who operate outside the system. This benefit will only accrue if the implementation plan clearly includes a requirement for growers to identify if they have an FSS in place.

At an industry level there is some benefit in terms of reducing potential risk if the approach can identify the outliers who do not have an FSS and bring them into the system. Again, this requires a focus on those who do not have an FSS. There may be a potential benefit in terms of ensuring imported product is also compliant

- 13. How might implementing option 3 affect business viability?**

- 14. How might implementing option 3 specifically affect small businesses?**

The proposed standard will have minimal impact on business viability for those growers who have an FSS in place provided the implementation mechanism recognises the FSS and actively focuses on those who do not have one in place. If there is no requirement to notify regarding the presence or absence of a FSS then we do not support the Standard as we consider it an unjustifiable imposition on the majority of the berry sector for no benefit to industry or the wider community.

As many berry businesses operate over multiple state jurisdictions, we seek clarification whether notification will need to be made for the sites within each State even though they are covered by a single food safety system. For some businesses this will require at least four separate notifications. A streamlined approach must be considered, particularly in the modern electronic era.

For growers who operate outside the existing systems there will be an increased cost but we also contend that by implementing an FSS there are potential benefits in terms of accessing additional customers.

15. Do you think that implementing option 3 will have any flow-on impacts for business in the supply chain e.g. transport

There may be some wholesalers who accept fruit from growers who are not under an FSS and the new requirements may restrict their access to “cheap” product. The business model of some stallholders in Farmers Markets and the growers who supply them is based on cheap uncertified product. It is a source of frustration within industry that Farmers Markets are considered somehow more wholesome than purchasing product in a shop when the opposite is more often true.

16. Do you think certain locations might be effected more than others from implementing option 3?

For instance, might businesses in remote areas experience notably different effects than businesses nearer cities; might businesses based in certain climatic regions experience more difficulties?

A key challenge in the fresh produce sector is the often remote and regional location of production. The current notification requirement could potentially be difficult for growers with poor internet or limited digital capacity. We consider that the CALD communities, particularly within the WA strawberry industry may be hard to engage.

Further, regional locations typically limit access to qualified food safety professionals to either employ on an ongoing basis or engage as a contractor. This is true of all skilled roles in horticulture – regional locations make these roles challenging to fill. The rural location of many businesses, particularly if they are smaller operations with limited ongoing employment opportunities may make it challenging to obtain food safety expertise that could be necessary to implement and meet the standards as outlined.

17. How might implementing option 3 affect the price of each commodity or quantities bought or sold?



It is well documented that growers are price takers, and that supply is one of the key drivers of price. For that reason, it is unlikely that individual producers will see any increase in price and will have to absorb any increased compliance costs. This cost will be minimal for those with an FSS in place and more significant for those operating outside existing systems.

If the implementation mechanisms do in fact drive an increased uptake of FSS then a best-case scenario would see non-certified product removed from the supply chain with all growers having to pay the true cost of production. It is unlikely that this will have sufficient impact on volume to impact price, but it will provide a psychological benefit to compliant growers that they are operating on a level playing field. A consistent frustration voiced by growers is that the retailers push suppliers to have an FSS in place, but when supply is short they purchase fruit from the market floor which is perceived as being not being subject to the same requirements.

The flipside is that berry growers not only compete with each other, but also with other fruit commodities. Any increased cost in production that is not shared across the whole fresh produce category effectively erodes the profitability of berry growers compared with other fruit types which is inherently unfair.

Some consumers may no longer be able to access cheap fruit from Farmers Markets as those producers will no longer be able to sell at that price or go out of business due to increased compliance costs. Again, other fruit types will fill the gap so there is a net disadvantage to the berry industry being included in this scheme while our competitors are not.