



AUSTRALIAN
**FOOD &
GROCERY**
COUNCIL

AFGC SUBMISSION

RESPONSE TO:

FSANZ M1020 – MAXIMUM RESIDUE LIMITS 2021

27 April 2022

Sustaining Australia

PREFACE

The Australian Food and Grocery Council (AFGC) is the leading national organisation representing Australia's food, drink, and grocery manufacturing industry. The membership of AFGC comprises more than 180 companies, subsidiaries, and associates.

Food, beverage, and grocery manufacturing together forms Australia's largest manufacturing sector, representing 32 per cent of total manufacturing turnover in Australia. This \$132 billion sector significantly contributes to the Australian economy and directly employs 270,800 Australians, with many more employed across an expansive supply chain.

The diverse and sustainable industry is made up of 16,000 businesses and accounts for \$81 billion of the nation's international trade. These businesses range from some of the largest globally significant multinational companies to small and medium enterprises. Industry made \$2.8 billion in capital investment in 2018-19.

Many food manufacturing plants are located outside the metropolitan regions. The industry makes a large contribution to rural and regional Australia economies, with almost 40 per cent of the total persons employed being in rural and regional Australia.

It is essential to the economic and social development of Australia, and particularly rural and regional Australia, that the magnitude, significance, and contribution of this industry is recognised and factored into the Government's economic, industrial and trade policies.

In Australia, the food and beverage (grocery was not included in the Government's strategy but is recognised as a vital industry) manufacturing sector has been confirmed as an essential service and a National Strategic Priority.

The Australian Government through its recently announced Manufacturing Strategy has challenged the sector to develop an industry roadmap describing how it will contribute to the post-COVID-19 recovery through expanding manufacturing, growing jobs, boosting exports, and enhancing sovereign capability across the sector.

Food and beverage manufacturing plays an integral role in Australia's economic and social fabric. It is the lifeblood of many regional and rural communities. As such it is well placed to do the heavy lifting in the Manufacturing Strategy through its size, its know-how in adding value to the commodities of the agricultural sector, and to leverage the reputation for safety and quality among consumers in overseas markets.

INTRODUCTION

The Australian Food and Grocery Council (AFGC) supports the continual review and update of the Australia New Zealand Food Standards Code (the Code) in order to reflect the current status of agricultural and veterinary (agvet) chemicals in use in Australia, and to support international trade through recognition of agvet chemicals in use in other markets (e.g. through alignment with applicable Codex Alimentarius standards).

The AFGC appreciates the opportunity to comment on this proposal.

GENERAL COMMENTS

Members of the AFGC import food ingredients and formulated foods into Australia which may contain residues of agricultural and veterinary (agvet) chemicals arising from intentional use during agricultural production and/or cross-contamination (such as spray drift or soil residue when crops are rotated or from other co-mingling).

Compliance with the Maximum Residue Limits (MRLs) in Schedule 20 of the Food Standards Code (the Code) is challenging when these MRLs vary from those in other jurisdictions (and Codex) and may represent a regulatory burden and trade barrier. Therefore, the AFGC welcomes initiatives to align local MRLs with those internationally.

The outcome of a misalignment with other jurisdictions is that importers are prohibited from importing food containing these chemicals which are frequently present at the lowest levels of detection and represent no incremental risk to consumers. Australian consumers are disadvantaged by the resulting limitations on food choice and companies lose business opportunities.

The AFGC has previously advocated for the establishment of a default MRL similar to the arrangements in place in New Zealand, Canada, and our other trading partner countries. In order for the food industry to operate in the global market, Australian regulators need to develop a more comprehensive, innovative, and timely approach to the management of low levels of agvet chemicals which pose no safety risk to Australian consumers.

SPECIFIC COMMENTS

DELETIONS AND REDUCTIONS IN MRLS

One of the key points to be noted in FSANZ assessment report is:

“FSANZ is fulfilling its objective to promote consistency between domestic and international food regulatory measures without reducing the safeguards that apply to public health and consumer protection. This also facilitates trade of food commodities to be imported and legally sold in Australia.”

The AFGC understands that FSANZ wishes to facilitate trade by reducing technical barriers, and it wishes to highlight that the proposed deletions and reductions will also have an adverse effect on trade due to lack of consistency with international food regulatory measures.

The AFGC supports FSANZ's assessment that:

"Countries that establish MRLs routinely use GAP and Good Veterinary Practice (GVP) to ensure the safety and quality of food and other agricultural products. However, agvet chemicals are used differently in countries around the world as pests, diseases and environmental factors differ and therefore use patterns will vary. This means that residues in imported food may legitimately differ from those in domestically produced food. The proposed MRLs may minimise trade disruption and extend consumer choice for a range of commodities."

The AFGC notes FSANZ may reconsider requests to establish an MRL in Schedule 20, during a harmonisation process, if there are proposed MRL deletions for an agvet chemical, as per the supporting document 1 page 5. Consequently, based on residue changes, the AFGC requests that FSANZ consider maintaining the current (Pre-M1020) MRL due to the differences between Schedule 20 and other markets/Codex on 11 items (see below).

Additionally, we seek clarification that as part of FSANZ considering this request, FSANZ will assess each MRL and confirm either way if there is sufficient data to support a request (as part of the harmonization process) to maintain an MRL. Please note the following attached

- **chemical/commodity reports** which support the impact these changes will have on imported foods. The MRLs in all other markets are listed. Refer to **Attachment 1**.
- **supporting evidence** for possible ramifications of the proposed deletions and reductions on imported foods. Refer to **Attachment 2**.

Deletions:

- Amitrole/pineapple
- Azinphos-methyl/blueberries, grapes, pome fruits and stone fruits
- Azoxystrobin/banana
- Cyfluthrin/tomato
- Diquat/tea, green, black
- Ethoprop/banana, tomato
- Fenarimol/cherries
- Forchlorfenuron/blueberries, kiwifruit, mango, plums (including prunes)
- Hexazinone/pineapple
- Methidathion/ apple, citrus fruits (except mandarins), mandarins, mango, passionfruit, pear, stone Fruits
- Omethoate/fruit

Reductions

- Omethoate/Mango, Melons, Rhubarb, Strawberry, Watermelon, Citrus Fruits

CONCLUSION

The comments offered above demonstrate that the current approach of harmonising MRLs provides no certainty and is of limited benefit to the food industry in Australia.

The food industry continues to be disadvantaged by lost opportunities and the cost of sourcing materials compliant with Australian-based MRLs which has a flow-on effect to consumers.

The AFGC and its member companies consider it is of utmost importance that FSANZ and the APVMA meet the fundamental objective to ensure regulatory measures afford appropriate levels of protection to consumers whilst facilitating trade.

The AFGC will continue to advocate for this situation to be appropriately addressed.

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Attachments:

Attachment 1

- Chemical/commodity reports for the following chemicals
 - Amitrole
 - Azinphos-methyl
 - Azoxystrobin
 - Cyfluthrin
 - Diquat
 - Ethoprop
 - Fenarimol
 - Forchlorfenuron
 - Hexazinone
 - Methidathion
 - Omethoate

Attachment 2

- Supporting evidence for possible ramifications of the proposed deletions and reductions on imported foods