



AUSTRALIAN
**FOOD &
GROCERY**
COUNCIL



AFGC SUBMISSION
Proposal M1021
2022 MRL Harmonisation Proposal

4 October 2023

PREFACE

The Australian Food and Grocery Council (AFGC) is the leading national organisation representing Australia's food, beverage and grocery manufacturing sector.

With an annual turnover in the 2020-21 financial year of \$133 billion, Australia's food and grocery manufacturing sector makes a substantial contribution to the Australian economy and is vital to the nation's future prosperity.

The diverse and sustainable industry is made up of over 16,000 businesses ranging from some of the largest globally significant multinational companies to small and medium enterprises. Each of these businesses contributed to an industry-wide \$3.2 billion capital investment in 2020-21.

Food, beverage and grocery manufacturing together forms Australia's largest manufacturing sector, representing over 32 per cent of total manufacturing turnover in Australia. The industry makes a large contribution to rural and regional Australia economies, with almost 40 per cent of its 272,000 employees 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.

Throughout the COVID19 pandemic, the food and grocery manufacturing sector proved its essential contribution to Australian life. Over this time, while our supply chains were tested, they remain resilient but fragile.

The industry has a clear view, outlined in *Sustaining Australia: Food and Grocery Manufacturing 2030*, of its role in the post-COVID19 recovery through an expansion of domestic manufacturing, jobs growth, higher exports and enhancing the sovereign capability of the entire sector.

This submission has been prepared by the AFGC and reflects the collective views of the membership.

OVERVIEW

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 understands that proposal M1021 was prepared to vary the Maximum Residue Limits (**MRLs**) in Schedule 20 to align the Code with Codex and trading partner standards for food commodities to be imported and legally sold in Australia, as well as deletions, reductions or increases of MRLs proposed by the Australian Pesticides and Veterinary Medicines Authority (**APVMA**).

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 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 continues to advocate 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.

The AFGC also notes that when reading the Call for Submissions - section 1.3 - as to the rationale for preparing that Proposal, a key reason is promoting consistency between domestic and international regulatory measures. However, each time a permission is removed/changed (i.e. removal of MRL or MRL/commodity, MRL reduced, no *all other foods except animal food commodities (AoF)* or much lower AoF compared to international food regulatory measures) it is to the detriment of trade. The proposed changes disrupt trade and lead to a lack of consistency with international food regulatory measures and this in turn may lead to a lack of consumer choice in Australia.

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 supports FSANZ's statement that:

“FSANZ is committed to ensuring the implications of MRL variations proposed by the APVMA do not adversely affect trade. If stakeholders identify an MRL deletion or reduction that could potentially impact the importation of a food, FSANZ can consider delaying the implementation of the proposed variation after consultation with the APVMA.”

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 Supporting Document 1, page 5) that have an adverse effect on trade due to a lack of consistency with international food regulatory measures.

As such, the AFGC provides the following evidence on the impact of specific MRL changes on trade (particularly for imports) and request these MRLs are retained and established in Schedule 20 :

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

Proposed deletions:

- Benalaxyl / grapes
- Bendiocarb / banana
- Chlorpyrifos / tea, green, black
- Fenarimol / cherries
- Fenhexamid / blackberries, raspberries (red, black)
- Fenpyroximate /citrus fruits
- Imazalil / citron, lemon, lime
- Metalaxyl / tomato
- Methidathion / deleted AoF
- Methidathion / passionfruit
- Oryzalin / coffee beans
- Oxycarboxin / blueberries
- Phosphorous acid / assorted tropical and sub-tropical fruits - inedible peel (except avocado, passionfruit, tamarillo (tree tomato))
- Propiconazole / grapes

- Pydiflumetofen / blueberries
- Spiroxamine / banana
- Sulfoxaflor / blueberries
- Tebuconazole / blackberries
- Triadimefon / apple
- Trifloxystrobin / currants (black, red, white)

Proposed reductions:

- Chlorpyrifos / strawberries
- Quinoxifen / strawberries

The AFGC seeks clarification from FSANZ that as part of considering this request, it will assess each MRL and confirm whether there is sufficient data to support maintaining an MRL as part of the harmonisation process.

CONCLUSION

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.

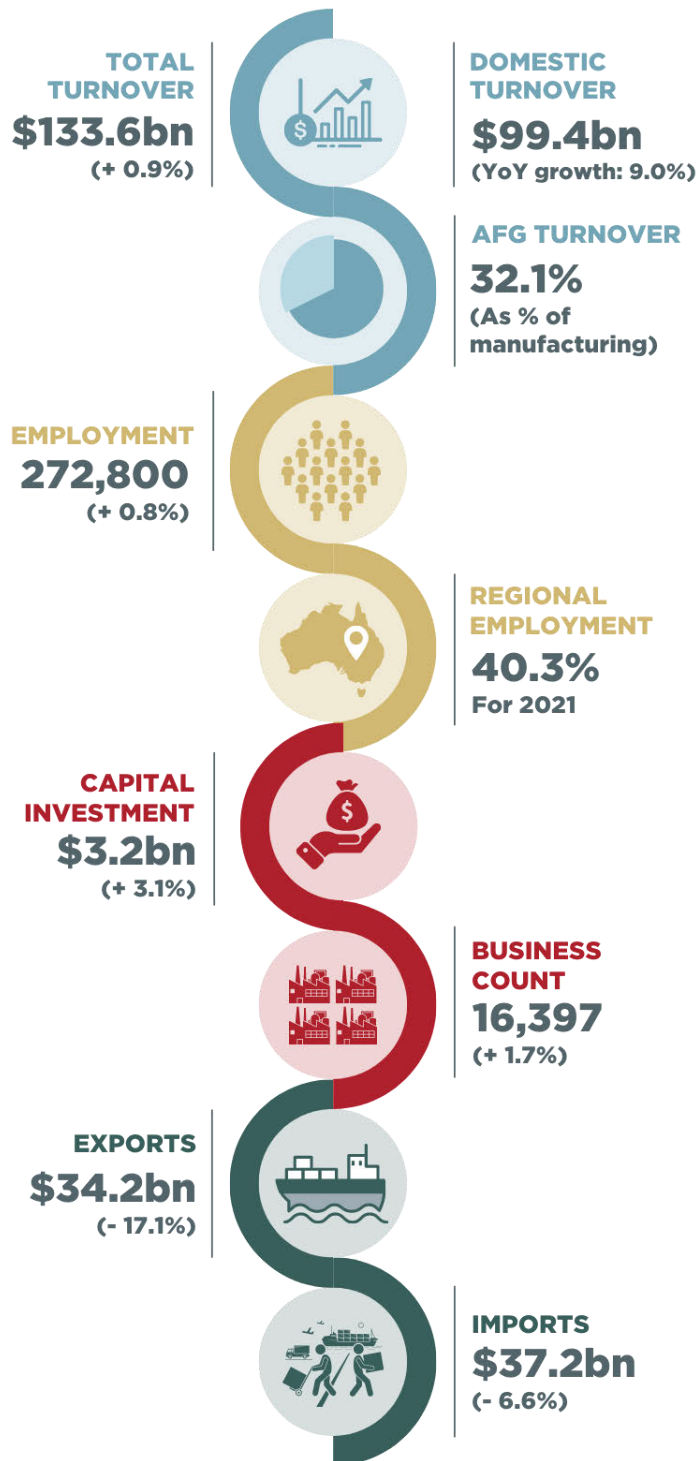
The AFGC and its member companies reiterate the importance that FSANZ and the APVMA meet the fundamental objective to ensure regulatory measures afford appropriate levels of protection to consumers whilst facilitating trade.

For further information about the contents of this submission contact:

[Redacted contact information]

State of Industry 2020-21

AUSTRALIAN FOOD & GROCERY COUNCIL



The figures on this page exclude the fresh food sector and are based on 2020-21 ABS data.

1: This is total number of employees, head count basis and does not include seasonal employees.
2: Gross fixed capital formation for food, beverage and tobacco manufacturing subsector is taken as indicator of capital investment.