

SUBMISSION

SUBMISSION TO

**SENATE SELECT COMMITTEE ON AUSTRALIA'S
FOOD PROCESSING SECTOR**

IN RESPONSE TO

**INQUIRY INTO AUSTRALIA'S FOOD
PROCESSING SECTOR**

October 2011

ABOUT THE AUSTRALIAN MEAT INDUSTRY COUNCIL

The red meat sector is Australia's No.1 agricultural enterprise and is estimated to contribute around A\$17 billion to the Australian economy.

The Australian Meat Industry Council (AMIC) is the recognised Peak Council in Australia representing the post-farm gate sector including the export and domestic processing industry, smallgoods manufacturers, wholesalers, distributors, boning rooms and independent retail butchers.

90 to 95% of livestock turnoff in Australia is processed in businesses located in Australia. AMIC represents close to 2,500 member companies employing over 50,000 workers directly in meat processing, exporting, wholesaling and retailing in Australia.

There is conservatively at least the same number again of Australian's involved in ancillary services such as road transport, shipping, carton and equipment manufacture, insurance, banking, and laboratories which are all dependent on the red meat processing and export sector for a proportion of their livelihood.

AMIC provides services and support to members that improves their working environment and is focused on achieving the best outcomes for the industry and its members as part of one voice on issues critical to their business. In doing this AMIC also indirectly supports the Australian farming community and the Australian economy.

EXECUTIVE SUMMARY

The Australian Meat Industry Council (AMIC), on behalf of the red meat processing and export sector welcomes the opportunity to make the following comments on one of Australia's largest food processing sectors – the red meat industry.

From AMIC's perspective, both State and Federal Government should provide the framework for identifying and co-ordinating policy settings, legislation, operational activities, compliance and reporting activities, for organisations and individual entities in Australia's food sector. Its scope must cover all inputs and outputs from paddock to plate.

Government should seek to minimise the regulatory burden by avoiding duplication between regulatory jurisdictions. It should also be able to recognise commercially driven verification activities conducted within national audit frameworks as being suitable alternatives for direct regulatory verification involvement.

Importantly, the relationship should reflect an Australian food supply chain-Government partnership which clearly articulates outcomes-focused expectations to be delivered by industry (and other non-government entities) versus the specific role for Government involvement in identified areas where industry cannot act on its own behalf.

Red meat processing is under pressure in Australia due to:-

- Rising input costs such as raw materials, energy, transport costs etc., and a carbon tax on the way.
- The effects of high exchange rates and the escalation in Australia's terms of trade.
- Regulatory compliance costs - local state and/or federal, including a range of food standards, environmental regulations, occupational health and safety and export certification.
 - The Government's policy of a return to 100% cost recovery for AQIS export certification charges will have a significant impact on the viability of smaller, regional and more marginal red meat processors.
- Shortages in and the cost of, skilled and semi-skilled labour.
- Transport and infrastructure constraints, in particular maximum road weight limits and the need to build uniform standards across Australia.
 - Rail infrastructure particularly around moving livestock is an area that needs a lot of improvement. The nature of rail transport is better for livestock particularly over long journeys. The rails system in many parts of Australia is in need of refurbishment and is restricting the ability of farmers to get their livestock and products to market.
- Market access constraints – Without market access you cannot compete. AMIC breaks its market access strategy into 3 levels:-
 - Level 1 – the multilateral WTO Doha round negotiations
 - Level 2 – the bilateral free trade agreement tariff issues
 - Level 3 – the technical and non-tariff trade barriers

Sanitary and Phytosanitary (SPS) agreements allow WTO members to set their own levels of quarantine and food safety. Those levels or barriers are often unique to the market and can involve a wide spectrum of technical, political, religious and cultural impediments to trade. In addition developing countries are continually exhibiting a greater level of independence that necessitates more one on one solutions to issues involving Government and industry.

- Inefficient Taxation Regimes – A review of anti-competitive taxes such as payroll tax that act as a disincentive to employing additional labour units and adds to the competitive pressure.
- The red meat processing sector is a high volume, low margin business. Traditionally red meat processing is operated at a 1%-3% margin against a set of tightly controlled cost-plus parameters. The risk/reward balance is not as attractive in the red meat processing sector when Governments acknowledge broad community benefits of innovation, given the small margins they have to fund innovation from. Government needs to understand the specific needs of the red meat processing sector when tailoring R&D programs.

In addressing the issues raised above, it is also important to consider:-

- Bringing together cross-commodity food sector expertise in addressing the challenges and opportunities likely to impact Australia's future food supply.
- Creating and promoting an image of the Australian food industry as vibrant and innovative, consumer-driven, future-focused, ethical, sustainable, and critical to both the economic prosperity of the nation and wellbeing of Australians.
- Facilitating communication and awareness, and where possible integration, of divergent issues and competing agendas between and within food and non-food sectors.
- Promoting informed food policy decision making that is evidence-based, and balances the complex and/or competing interests of social, economic and environmental considerations.
- Fostering self regulatory systems with complimentary compliance arrangements and seek to remove regulatory burden without adversely affecting consumer confidence
- Promoting greater collaboration and co-investment between multiple food industry stakeholders, service providers (RDCs, etc.) and Government, including the facilitation of cross-departmental co-ordination and co-investment, where issues and strategic imperatives align.
- Promoting and protecting the power of commerce and market signals in food production, while recognising a valid place for legislative intervention where trading conditions or market signals are distorted.
- Provide pathways for new technologies or methods of alternate compliance to foster innovation.

Key drivers for Australia's red meat and livestock industry

The red meat industry acknowledges the increasingly important and complex nature of food security in the domestic and international context.

While the industry has long recognised, and responded to, the required balance of social, economic and environmental considerations in red meat and livestock production, it is the baseline (economic) competitiveness of our sectors that remains the precursor to achieving social and environmental outcomes. To this end, we draw attention to the following areas where current investment (through a combination of industry and industry-government partnerships) is of critical importance in ensuring the red meat and livestock industry remains as a sustainable and competitive contributor to Australia's food industry and the underpinning issue of food security.

1. THE COMPETITIVENESS AND FUTURE VIABILITY OF AUSTRALIA'S FOOD PROCESSING SECTOR IN GLOBAL MARKETS

Competition in the Australian food sector ensures efficient use of resources incentivises innovation and encourages rapid uptake of technology. It provides the economic and intellectual wealth that ensures industries can actively (as opposed to reactively) meet the environmental and social challenges that accompany food production in the 21st century.

The red meat and livestock industry invests significantly, in collaboration with the not-for-profit, Government and commercial sectors, in this area. There remains, however, substantial room for enhanced co-investment and collaboration in new technology, particularly in manufacturing, environmental sustainability and in non-food-specific areas such as food safety R&D. Such activities need not be confined to a domestic level, and industry-government investment with offshore partners may, at a pre-competitive level (strategic R&D, etc.), provide a means of leveraging our investment in Australia's food industries to better effect.

While it is growth in the productivity of the Australian food industries that ensures they remain internationally competitive, it is on-going investment in the R&D that underpins such productivity that remains one of, if not the, rate-limiting factors for progress. On-going industry and Government investment in food production and processing research therefore has a large role to play in both industry competitiveness and our capacity to sustain food that is "profitable to produce and affordable to buy". Finally, R&D is an important commodity to trade.

Establishing and sustaining a commitment to the medium- to long-term stability of research and development co-investment and human capacity, as well as industry-government partnerships for planning, co-coordinating and incentivising investment in innovation for food production and processing are of particular importance to the red meat and livestock industry.

Innovation is stifled by prescriptive regulation or a heavy handed approach to regulatory compliance. Pathways need to be developed to encourage thinking "outside of the box" so that alternate more efficient processes can be developed. Regulatory and quasi regulatory burden including duplication of compliance activities also add significantly to the costs.

Maximising yields from livestock processed is another area that needs improvement. Tying those improvements to market incentives would provide far more food and by-products from existing resources.

a) Market access and crisis management

The red meat industry is heavily dependent on export markets, shipping close to 70% of total production in volume terms to over 110 countries around the world.

Remaining globally competitive and maintaining market access remain a top priority for the sector.

Industry and Government have a long partnership in working to overcome barriers to free trade in a global market. This is a key area of on-going activity and investment for the red meat and livestock industry. Continued improvements in international trading rules that allow food to flow where it is most needed will also help global food security.

Government and industry investment, potentially co-ordinated through a National Food Plan for cross-commodity issues, will continue to underpin our ability to prevent, mitigate and manage impacts of emergencies (natural disasters, disease outbreaks, etc.), incidents that would otherwise cripple Australia's food producing industries.

Supply chain integrity is another area where systems need to be further developed. Due to Australia's unique bio-security position allowing our products to access most world markets it is a prime target for substitution. Australia needs to be able to quickly verify that product in that world market place is either ours or it is not. Untold damage would be caused if product overseas was alleged to contain a serious disease.

**b) The Role of the Red Meat Market Access Committee – RedMMAC
(A whole of Government partnership with industry on market access)**

A key market access initiative in 2006 was the formation of the Red Meat Market Access Committee (RedMMAC). In the increasingly complex global environment of today, market access has changed and industry forums to address that change have had to as well. Often optimal market access can only be achieved with the functional interaction of a whole of Government and industry approach. In 2006 AMIC believed there were clear gaps in that functionality, gaps that still exist in part today.

Industry we believe must play a more active role in providing commercial feedback on market access issues of importance to the sector and in establishing priorities. Because of the sensitive, diplomatic nature of Government to Government negotiations, there is a limit sometimes to what Government can do. Industry can play a key role here. We believe a stronger partnership with Government on market access will significantly improve export market effectiveness.

A whole of Government partnership with the red meat industry, RedMMAC has the overall responsibility for identifying, prioritising and seeking solutions for market access issues. The primary role of the partnership is to set the priorities and to progress market access issues in the red meat industry that for various reasons have not progressed through traditional channels either in Government or in industry. Government must continue to give RedMMAC their full report.

c) Food Safety

Australia has one of the safest food supplies in the world, but our industry recognises this record must not inadvertently introduce complacency. Food safety incidents cause serious illness, can undermine confidence in the safety of the food supply and have a significant and lasting impact on access to export markets. The red meat and livestock industry recognises this and, in collaboration with Government, invests in the establishment of science-based standards, processes and controls to prevent food safety incursions.

On-going co-investment between industry and Government on food safety matters, as well as a more co-ordinated approach to food safety research, education and crisis management, are key considerations in maintaining a sustainable future for food processing in Australia.

d) Consumer choice

Our industry invests significantly into marketing and promotion, and the development, differentiation and fortification of red meat products. These investments produce product outcomes over and above price and safety considerations, and help position red meat as a “delivery system” for a range of nutritive components. In addition, the industry invests in products and/or production and processing systems designed to meet – and verify - specific consumer choices in relation to sustainability, environment and animal health and welfare.

On-going Initiatives directed at better informing the community about food production systems, as well as educating consumers, would benefit significantly from greater Government and industry collaboration, both within and between food industries.

2. THE REGULATORY ENVIRONMENT FOR AUSTRALIA’S FOOD PROCESSING SECTOR

a) Government policy and regulation

Regulatory reform in the food industry may warrant consideration in instances of free market distortion or failure, inequitable competition (for land, labour and resources) with other industries, or those instances where legislation is at odds within or between jurisdictions. Importantly, the measure of success in regulatory intervention must be a net improvement from the status quo; poor regulation causes perverse outcomes for industry and may exacerbate an existing problem.

Government needs to identify and address those areas of regulation that have deleterious impacts on food production and/or productivity, are duplicative or ineffectual. Such a review would also allow for the identification of common areas of regulatory impost, or issues requiring Government intervention. Additionally, consideration and coordination of policy to ensure consistency and reduced regulatory burden including duplication of verification efforts between all parties, and agreed national standards between industry Government, commercial clients and consumers remains a key priority. The ability to ‘describe’ our system to trading partners is of key importance for Australia on the world scene.

Harmonisation of regulatory arrangements (between and within state, territory and Commonwealth jurisdictions) for environmental standards relevant to land and water use, transport regulations, education and training, food safety inspection and land use competition and apportionment are key areas of interest to the red meat and livestock industry.

From a meat processors point of view one of the main barriers are the prescriptive nature of regulations and a heavy handed approach to the application of the regulations. Regulators by their nature are conservative and tend to feel comfortable working with prescription. Policy makers need to be able to specify the outcome of a regulation or a group of regulations. Using that defined outcome they should be able to assess the merits of new technologies, products and processes.

b) Labour and skills

A number of factors make it difficult for the red meat industry to satisfy its labour needs, particularly in food production. These include competition from other industries, poor promotion of the industry, an ageing population, low numbers of agricultural graduates, poor awareness of agricultural career pathways and the limited workforce planning capabilities in many agriculture enterprises. While this is not unique to the red meat and livestock industry, it is exacerbated by the industry's comparatively large presence in regional and remote areas, and the typically more 'traditional' history associated with broad-acre grazing and pastoral industries.

Gaps between labour market supply and demand in agricultural industries are widening. In Australia university agriculture enrolments have been in decline for many years, a situation academics say is compounded by a swing to higher profile careers in mining and environmental science. Australia has never been the low cost supplier in the global meat industry and it is going to be its ability to innovate, mechanise and adopt some of the latest technology that will help maintain its competitive profile globally in the future. Consideration of a broad range of issues including funding for students and facilities, investment in research and the economic impacts of labour shortages on agricultural related industries should all be part of any review. As we educate our children to take on more technically challenging careers, access to imported skilled labour to fill some of gaps for the meat processing industry remains a critical part of its long-term viability. The war over acquiring young talent often with a country background and a passion for the meat industry remains a key challenge given the options mining and other industries can offer.

The mining boom in Australia is also driving higher wage expectations coupled with high levels of employment and labour shortage, particularly in those areas of skilled labour most favoured by the meat processing sector. It is resulting in higher labour costs, especially in regional parts of Australia.

On-going Government and industry investment to improve the supply and skill levels of the workforce and encourage participation in education and training will help meet labour shortages. New programs based on meeting the needs of the industry for the most critical emerging skills, as well as national reform of vocational education and training, will be critical in building our labour capacity and capability.

c) Biosecurity

Australia remains free from many pests and diseases that affect agriculture, natural and man-made environments, and people in other parts of the world. This favourable bio-security status confers significant economic, environmental and community benefits and safeguards on what matters most - Australia's people, environment and businesses.

Government and government-industry development of state-based based bio-security strategies, as well as collaborative planning and investment provided through the National RD&E Framework, will be critical in identifying, prioritising and sustaining continued investment in bio-security systems and programs. This is of particular importance to the red meat and livestock industry, especially given the scope of its geographic coverage, and the fact its stakeholders are often "first responders" in terms of surveillance and reporting in some of the country's most remote areas. In future, this area will become another where alignment of

jurisdictional Government policy and compliance requirements and industry practice will be important.

Imported food products need to be produced by systems that deliver equivalent food safety and bio-security outcomes to ours. Systems should be developed to verify that this is happening. This ensures a level playing field within Australia, maintains our bio-security status, and demonstrates our commitment to free trade.

Supply chain integrity is another area where systems need to be further developed. In the event of emergency situations the ability to trace produce and stock backwards and forwards quickly is imperative to controlling the event and minimising the amount of product caught up in that event.

d) Environment and environmental resources

Access to clean, safe and reliable water supplies is critical to efficient red meat food processing. Agriculture uses 66 per cent of Australia's water, and food processing a further one per cent. The red meat and livestock industry invests significantly in production and processing technologies and practices aimed at minimising net water use, while maintaining productivity levels and other parameters.

Of particular importance to the red meat and livestock industry is ensuring that the debate regarding sustainability of food production remains an informed one by inclusion of a review of the overall efficiency of red meat production. This is a key component in proving our environmental credentials in relation to food security.

It would be of concern if Government were to use food policy in an attempt to address environmental issues including official nutrition guidelines that put as much emphasis on a products environmental footprint as they do on saturated fat. There must be a rational and informed application of environmental objectives when considering food safety and food security.

Water used in food processing particularly in meat must meet "Drinking water" standards. Meat processing can be an intensive user of water. The drinking water standards are based on consuming two litres of water per day each day of your life. The development of a water standard(s) for food processing using the actual water consumption that would occur may allow a graded system of re-use or recycling that is based on the actual risk of the water when applied to the food or a surface to be cleaned rather than on the assumption of consuming 2 litres of it each and every day. This would allow a much more efficient use of water during the food processing.

e) Terms of Trade

12 months ago the industry thought a 90 cent dollar was undermining our international competitiveness. A year later we were facing a dollar in excess of parity with the US dollar and continuing to strengthen peaking at around \$1.10 to its US counterpart. Assessments from the Federal Treasury suggests the Australian dollar will continue to strengthen in line with Australia's terms of trade which have been at their highest in more than a century (highest in 140 years) and are expected to stay elevated for years to come. The implications of a sustained increase in Australia's terms of trade and a persistently high exchange rate will have a major impact on the international competitiveness of the red meat industry going forward.

Whenever the dollar is high we will continue to see the hollowing out of our trade exposed sectors. The meat processing sector is one of those given that 70% of its current production goes export. It is easy to express concern about it but much harder to know what to do about it. Current political will on both sides of politics suggests both are committed to an open economy, even while manufacturing will be facing real and painful pressures.

The Australian economy overall has been a great beneficiary of open trade. The economy has changed. In the process however we have already lost much of the textile industry, clothing and footwear. While we all support an open economy it is imperative that the Governments act to slow further decline starting with one of the larger employers in Australia, the food processing industry and in particular, meat processing. While Australia's annual gross domestic product has grown at more than 3%, manufacturing has grown at a much slower rate at only 0.8% a year for the last decade. Manufacturing productivity is falling after a decade of strong growth, slipping by 1.2% a year since 2004-2005. Government should realise that the manufacturing sector is crucial to the economy because it is responsible for a third of national innovation and exports. Competitiveness is failing with exports exceeding imports in only 3 of the 16 sectors measured by the Australian Bureau of Statistics. The meat processing sector is one area where we are still globally competitive as a further food processor. Government should be working hard to ensure that competitiveness is not further eroded by Government regulation or charges. The current Federal Government policy of a return to 100% cost-recovery for export certification charges is a good example of Government charges reducing our competitiveness relative to our major global competitors – Brazil, Canada and the United States, whose governments absorb most of these costs.

There are arguments that losing repetitious manufacturing jobs to low cost countries as Australia has largely done, is not important as long as high value-adding design, engineering, marketing and management are retained on-shore. However, formerly low cost countries are investing in engineering education to become a source of innovation (eg in the red meat industry - China). When you lose the low end you also allow other countries to use that to move upwards and capture not just the manufacturing component of the industry process but the research and development as well. Exporting livestock to be slaughtered and processed overseas also negates the importance of the Australian health and hygiene status. Meat processing involves both repetitious manufacturing jobs but also a detailed understanding of health and hygiene requirements and meeting exacting international customer standards – all absolutely essential to a viable export meat processing business.

Many in industry want to see more policy activity from Canberra in developing key industry sectors like the meat processing sector based on Australia's comparative advantage in leveraging its extensive pastoral interests in producing a value added high quality red meat product.

f) Energy Costs and a Carbon Tax

Electricity and fuel costs have been rising rapidly in response to the growing demands of an expanding economy in Australia, lack of investment in energy generating infrastructure in Australia and a trending up of global oil prices. In addition, the pass through costs associated with the proposed carbon tax will only continue to add to energy costs overall.

In a recent report for the Australian Food and Grocery Council by consultancy firm AT Kearney, they estimated when all costs were considered that the proposed carbon pricing scheme would cost the food and grocery manufacturing industry the equivalent of 4.4% of operating profits before tax in 2012/2013. Certain sub-groups were expected to be hit much harder, in particular the meat and meat product manufacturing sector incurring an 11.6% cost before tax.

It went on to estimate that the indirect or flow-on costs of the proposed scheme which are primarily driven by the industry's indirect emissions from the consumption of purchased electricity, heat and steam (scope 2 emissions), will incur at least an 18% increase for the meat and meat products sector.

Other drivers of indirect emission costs will be inputs from road transport freight and packaging along with expected substantial increases in compliance costs incurred by the industry including data collection, reporting requirements and customer audits and verification etc.

The Minister for Climate Change has now made it clear that upwards of 11 individual meat processing facilities in Australia will be included in the top 500 emitters, incurring an additional cost of \$23 per tonne of CO₂e carbon emissions. Having a carbon tax regime where larger meat processing plants will incur this tax while smaller plants will be excluded, will create new and significant economic distortions between participants in the industry. This will retard productivity, innovation and growth overall. It will represent a tax on economies of scale and processing efficiency and hence on international competitiveness of the Australian red meat industry.

Despite the heavy export dependence of the red meat processing industry in Australia (70% of beef production goes export – 960,000 tonnes in 2008/2009 and 65% of sheep and goat production goes export - over 329,000 tonnes in 2008/2009), the industry has been informed that it is not eligible for Emissions-Intensive Trade-Exposed (EITE) assistance under the current Government policy. This is because our sector does not exceed the energy intensity thresholds set by the EITE criteria. This indicates a poor understanding of world meat commercial realities. Australia is the world's largest red meat exporter competing fiercely year to year with large scale competitors like the United States, Brazil, Argentina and the like. It is essential that EITE relief by way of the issue of free permits be extended to Australia's red meat industry if serious economic damage is to be avoided.

With fuel also a major component of transport costs and little indication that Australia's transport infrastructure will be overhauled to any substantial extent in the near future, it would be apparent that increases in oil prices will lead to increases in transport costs as well.

g) Taxation

Inefficient taxes like payroll tax act as a deterrent for business investment, particularly when it acts as a disincentive for employment. Red meat processing in Australia employs up to 50,000 people across the supply chain. Some analysts suggest that payroll tax contradicts Government policy objectives on competitiveness because it directly undermines the future viability of marginal players in the red meat processing sector.

Surveys within the red meat processing sector have in the past identified payroll tax as the most burdensome tax on business costs. It increases the cost of labour units in a business that is fairly labour intensive and a cost that is not borne by

most of the competing businesses in overseas markets. Livestock exporters to Indonesia and the Middle East process Australian animals in facilities which don't incur the tax, increasing the live trades' competitiveness against the red meat processing sector when purchasing livestock at the saleyard in Australia. The introduction of a carbon tax, dependent on how it is to be applied, will only add to this complexity.

h) Food Labelling

Food labelling remains a disputed area with many issues up for debate in the absence of an over-arching food labelling policy pursued by Government. It would appear the recently completed Blewett Review has done little to-date to guide the development of policy to-date.

- a) Truth in Labelling - A bill to implement a beef grading system was passed in New South Wales Parliament in November 2009. The bill was passed with no regulations at the time, allowing 6 months to develop the regulation through a NSW food authority sub-committee. AMIC supported the legislation to the extent that it facilitated truth in labelling of retailed meat products but opposed a legislative grading system which is not based on science. AMIC has continued to work with the NSW Government and all sections of industry to develop a commonsense approach to this issue. There cannot be labelling requirements in NSW which are not replicated in other states of Australia. Government's role in quality grading should remain only with ensuring labels are true. Deciding on the quality grades themselves should remain a commercial matter.
- b) Country of Origin Labelling (COOL) - Food Standards Australia New Zealand (FSANZ) released a Proposal P1011 Country of Origin Labelling for Unpackaged Meat Products. Standard 1.2.11 for packaged foods and unpackaged pork, fish fruit and vegetables requires country of origin labelling. These requirements do not extend to unpackaged meat such as beef, sheep and chicken meat.

With the possibility of beef being imported into Australia, FSANZ has resolved to revisit the standard and has provided four alternatives:-

- Option 1(a) Maintain the status quo. There is no cost or benefit to stakeholders with this option.
- Option 1(b) Adopt a non-regulatory approach such as Guidelines or a voluntary code of practice developed by the industry.
- Option 2(a) Develop a food regulatory measure to extend the coverage of the standard to beef, sheep and chicken meat. This will provide consumers with mandatory information on all meat sales.
- Option 2(b) Develop a food regulatory measure (code of practice) for formal standard development, similar to Option 1(b) with the code of practice developed by FSANZ.

FSANZ within its proposal prefers Option 2(a). The AMIC Retail Council had supported Option 1(a) no change on the basis set out in the Risk Impact Statement (RIS) however this position might change should the policy be revisited.

All supermarkets currently label Australian on a voluntary basis. Independents are currently able to show one sign "all fresh meat sold in this store is Australian".

To go to 2(a) makes it mandatory to label all product and some jurisdictions may require individual trays to be labelled (as with prawns and fish).

Under Australia's new BSE policy for imported beef, countries that have had one or more cases of BSE in their cattle herd (such as the US) can apply to be assessed for access to Australia's beef market. Applications to import beef are assessed by Australian authorities under two procedures – a food safety risk assessment by FSANZ and an Import Risk Assessment (IRA) by Biosecurity Australia for animal health issues.

Biosecurity Australia commenced a regulated IRA of all animal health issues (not just BSE) for beef and beef products from the US on 8 April 2010. Work on the IRA for beef and beef products from the US was paused on 4 February 2011 pending the US providing complete information on its cattle health status, beef production, inspection and certification systems. As at 1 October 2011 this information has still not been provided.

FSANZ commenced a BSE food safety risk assessment in August 2010. Completion of the US assessment is on hold pending an in-country inspection of US beef production systems at a date yet to be agreed with the US authorities.

If the IRA when completed allows increased quantities of imported product from countries like the United States, FSANZ would undoubtedly review its position on mandatory COOL. This could be the case in future years.

AMIC reserves the right to review its position on this issue once the IRA has been concluded.

h) Government Export Certification Costs/The Legitimate Cost of Government

In 2008 the AQIS export certification costs for the meat industry were estimated at \$85 million. The meat industry paid 60% or about \$50 million of this and the Government provided a rebate of \$35 million to cover the remainder. The rebate represented the legitimate contribution of the Government for the service including the community good generated from a professional food safety system. The rebate also covered the inefficiencies that flowed from a monopoly Government service in satisfying the requirements of Government on the issue of food safety. The rebate has been in place for over a decade.

The Beale Review in 2008 recommended that Government move to a policy of full cost recovery for AQIS Export certification charges. This was in spite of the Beale Review never raising this issue at any of its "public consultations" with industry or the Australian Government admitting that it was actually part of the review in the first place.

In an era with uncompetitive exchange rates where industry has been seeking to remove cost from the supply chain, this change in Government cost recovery policy has resulted in excess of a 65% increase in Government charges for a service that was estimated would continue to escalate in cost to close to \$100 million by 2014.

AMIC argued from the outset that if Government wanted industry to pay 100% of the cost of the Government AQIS charges, substantial reform was needed. There were many efficiencies and productivity gains that had been identified over the years. These needed to be reviewed and implemented as a mean of offsetting

some of the cost of a return to 100% cost recovery. The entire meat industry supply chain was effectively going to pay more for the AQIS service with the removal of the Government's 40% rebate. It was a case of minimising what those cost increases might be.

From October 1st 2011 the Australian livestock industry has been subject to the full cost recovery of AQIS export certification fees. Without reform that totalled around \$85 million annually. A new system of delivering export inspection and certification is known as the Australian Export Meat Inspection System (AEMIS). Under AEMIS there is the opportunity to reduce the Government costs to \$55 million annually. However there has been a transfer of almost \$30 million of on line inspection costs directly to industry. AEMIS is a system of inspection and verification that uses competent inspectors who are authorised by the Government (AQIS Authorised Officers - AAOs) and responsible to the Government for on line meat inspection. AEMIS still requires an AQIS on-plant veterinarian (OPV) to inspect livestock at the abattoir (ante mortem) and to supervise post mortem inspection. The use of AAOs can reduce meat inspection costs through more efficient staffing arrangements.

The AEMIS system incorporates more objective data collection and analysis systems that can demonstrate how well an export abattoir is performing in complying with meat hygiene and safety standards. AEMIS also provides the basis for future reforms that promise real savings for producers and processors alike. The AEMIS system is a once in a generation opportunity to improve meat inspection systems. Export establishments are currently subject to monthly AQIS audits and in the future better performing export abattoirs will require fewer audits further reducing AQIS inspection fees to industry.

AEMIS will also incorporate improved systems to collect pathology data at the abattoir which has the ability to provide valuable feedback to producers on animal health. In the past AQIS officers have not regularly collected this data. This feedback can help livestock producers identify health issues that may be affecting fertility, productivity, growth rates and yield in a producers herd or flock.

Industry has always been concerned that Government needed to better understand the implications to business of a move to 100% cost recovery for export certification and the removal of the 40% rebate. Concerns have always existed that 100% cost recovery may mean the end of some smaller food processing businesses exporting meat, as these companies could not cope with the full cost recovery policy by the Government.

When assessing the Government's full cost recovery policy, AMIC has always argued that a legitimate contribution by Government to the costs of export certification was essential. At a time when the Australian Government is espousing to help in filling the gap in the emerging world food shortages and creating more jobs in regional communities, curtailing the downward spiral in the manufacturing sector, it seems at odds with the Government's policy of asking the Australian meat industry to pay higher costs for Government export certification.

This is not the case with most of our major international meat export competitors. The USA and Brazilian industry have significantly lower fees for export certification. This provides both of these major export competitors with a lower cost of production and therefore greater international competitiveness, surely a disadvantage to the Australian industry.

The AEMIS model is not the end of the negotiation process with AQIS on productivity gains and efficiencies but rather the start. Industry has the best opportunity for a long time to identify a range of new efficiencies across the board that will reduce the cost of this monopoly Government service. Government needs to remain committed to the process of reducing cost and reviewing industry structures and procedures to remove duplication and inefficiencies from the service. Government also needs to reconsider whether there is a legitimate contribution to the service that they should be making.

The Processor Group
Australian Meat Industry Council
October 2011

RESPONSES TO IMPORTANT ISSUES IN FOOD PROCESSING

In a recent submission to the Department of Agriculture on a National Food Strategy, AMIC outlined its response to some of the key questions raised about red meat and food processing in Australia. Many of those responses are directly applicable to a review of food processing. Some of these included:-

What is the most important thing you think a national food plan should try to achieve?

The National Food Plan should try to achieve:

- the uniform delivery safe quality food, in a cost effective sustainable fashion
- coordinate all efforts across agencies, jurisdictions and industry regarding the:
 - Development and uptake of comprehensive national policies on food safety, labelling security and sustainability
 - Subsequent development of regulations and standards to meet the policy objectives
 - Development of a single national training, compliance and enforcement strategy to ensure uniform application
- a communications strategies to cover all stakeholders (there are many) both during its development, implementation and ongoing operations.
- a single integrated verification and compliance regime (no duplication)
- an enhanced trade and negotiation capacity (on the international scene)
- enhanced cooperation and information sharing along the entire supply chain to ensure that consumer expectations are met
- linkages and balance across areas of conflicting interest (e.g. pressures associated with climate change, resource utilisation, compliance, product safety and innovation)
- linkages with other national strategies/initiatives such as RD&E initiatives, water, environment, carbon, bio-fuels
- the defining and application of strategies to mitigate challenges to food supply, such as natural disasters
- enhanced capability, human resource inputs and capacity
- a culture of innovation
- growth in productivity and production efficiency

1. What do you think the vision and objectives for a national food plan should be?

As described in "Meat Industry Strategic Plan 3", the industry vision is "Australia's red meat and livestock industry – guaranteeing vital food for the nation and the world". Such an aspiration captures the importance of food security (quality and quantity of supply) in a domestic and global context; the themes and imperatives (as outlined earlier) that underpin that vision frame the social, environmental and financial considerations in guaranteeing such supply.

In terms of objectives, the *National Food Plan* should

- be the national policy framework that coordinates efforts;
- facilitate increases in efficiency of food production;
- encourage innovation
- maximises competitive advantage;
- optimises the nutritional value; and
- minimises food production's environmental impact (ecological footprint).

2. What do you see as the major risks to Australia's food supply in the coming years and decades? How could they be avoided or managed more effectively?

Bio-security

Bio-security (**quarantine**) risks presented by incoming food and livestock present a major risk. With Government downsizing and moving to a more risk based process the chances of exotic disease incursions is increasing all the time. It is important that risk assessments for imported goods are science based and must remain adequately resourced. Surveillance system covering imported goods, must be maintained or enhanced.

Endemic diseases - The long term effects of climate change particularly on the behaviour of vectors (insects that carry disease) is yet to be seen. Bluetongue is an obvious issue in this regard. This area requires further study and preparation.

A *National Food Plan* must support and enhance existing industry and Government biosecurity initiatives; given the importance of food production to the Australian economy and its communities, as well as the significant risk posed to public recreational and conservation lands by exotic pests and/or disease, the plan must also provide the basis for greater certainty in Government resourcing for Australia's bio-security systems.

Regulatory Burden

Regulatory duplication is also a threat in that with each layer of audit there is a tendency to leave lists of things to do and even though most of these issues don't really cover food safety they do add ongoing costs to the business.

Quasi regulation and audit - Buyers or users of the finished product are increasing sending in their own auditors who are becoming yet another set of layers in the audit hierarchy. For whatever reason, they don't accept the food safety audits of the regulator and the regulator doesn't accept theirs. This further adds to the interpretative dilemma and therefore the costs, with no improvement to food safety or other compliance outcomes. Often those outcomes are adversely affected where there are differences of "professional" opinions between the various Government and private auditors.

To address this ever expanding myriad of audits and standards, a **national system** that is agreed to be by Government, industry and customers where the standards are agreed, the verification methodology is agreed and a single audit process is also agreed with the results being made available to all relevant stakeholders is a far better approach to compliance verification. A practical example of that policy at work is available with the AMIC [Industry Animal Welfare](#)

[Standards for Livestock Processing Establishments'](#). This has led to better trained people, better more proactive management systems, better compliance outcomes and less interference in business and in the end worlds best practice for the stock welfare. This is a model of how any number of compliance issues can be handled.

Inflexible regulation - Regulations can be written in such a way as to discourage innovation. Also the rigid application of regulations without a real understanding of the outcomes required can also restrict innovation. Regulations need to be more outcome-based.

Differential marketing

Some sections of the supply chain when marketing food promote the virtues of their product and in doing so differentiate themselves in the market place. This tends to cast other practices in a negative light even though they are entirely acceptable. This leads to incorrect perceptions by consumers of those practices. For example some in the Organic industry claiming that because the animals are produced in an "organic" system the animals are treated more humanely through the slaughter process. This is patently incorrect as all animals are treated humanely as they are all processed through the same facilities. Better communication to urban Australians around the food supply and the valuable contribution that rural Australia plays in this area is an important strategy that the food plan must consider.

Maximising Yields

Product Waste - A significant amount of meat and meat product is condemned due to being affected by disease or parasites. Mishandling of stock can cause bruising which adds to the waste. Disease feed back systems to farmers should be developed around slaughter operations, including the necessary extension material to encourage farmers to not waste any part of the carcass. This should lead to increased product yields.

3. What does food security mean to you? How would this be achieved? How would we know if/when we are food secure?

Implicit in the MISP vision for Australia's red meat and livestock industry, "food security" means a viable food production chain supplying equality and continuity in the supply of affordable, nutritious and safe food. Importantly, we understand that to make such guarantees "to all people at all times" (UN Food and Agriculture Organisation definition) in the international context is a significant challenge.

As one of Australia's major food producing industries, the red meat and livestock industry acknowledges it does, and can continue to, play a major role in (a) the attainment of food security domestically and (b) reliably contributing to global food supply. Mechanisms that underpin this role include:

- Maintaining and, if necessary, increasing productivity to meet food demand and affordability;
- Ensuring that production is environmentally sustainable, to guarantee long-term supply;
- Ensuring that production and processing systems maximise the yield of meat, offal and other by-products from existing systems;
- Producing nutritious and safe products that meet the expectations of consumers, preferably in a form that underpins easy, nutritious food choices;

- Mitigating local and exotic threats to Australia's food supply (biosecurity, industry crises, natural disasters, etc.); and,
- Assisting in the development and ('paddock to plate') advocacy of knowledge and skills in regards to food production, processing and preparation.

Economic, environmental, social and health impacts of food tend to be considered separately; such an approach, as measure of food security, provides an incomplete and/or misleading result. An example of this, and one implicit to the red meat and livestock industry, is the appraisal of ruminant-based meat protein production on the basis of gross methane emissions. While on face value, the greenhouse gas footprint of ruminant meat protein appears high, such a measure accounts for neither the significant carbon sequestration associated with productive livestock systems, nor the unique capacity of ruminants to produce high quality protein from low quality roughages and/or land types that are incapable of supporting arable production. As such, any measure of the attainment of food security must be complete and comprehensive.

4. What are the most important benefits that Australian consumers get or should get from our food supply? Why?

By definition, Australia's (relative) food secure status implies its consumers should have access to an affordable and reliable supply of safe and nutritious food. Conversely, there is ample evidence that inadequate nourishment (quantity and/or quality of food) adversely affects not only functional health and cognition but also productivity – this has on-going impacts through rising healthcare costs associated with obesity and other chronic and acute metabolic diseases.

In Australia, the advanced nature of our food production processes, along with increasing transparency in, and connectivity across, food supply chains means that Australian consumers should and can expect continuity and consistency in this supply, along with an increasing level of supply chain responsiveness to consumer demands around product and production specifications, etc.

Beyond the direct benefits associated with Australia's food supply, consumers should expect, have confidence in, and develop an appreciation of, ethical food production. For the red meat and livestock industry, these expectations centre on the stewardship of livestock, human and environmental resources associated with production.

Australian consumers also get the benefits from the export of food in terms of income to the economy and in particular the rural economies. It also encourages Australian to retain its strong association and identity with the land. Otherwise what would politicians wear at ASEAN conferences.

5. What two or three actions by the government sector / non-government sector would most benefit food consumers?

Government

Any Government and/or industry intervention to underpin one or more components of the safety, affordability, continuity and nutritional value of food supply and/or balanced food intake stands to benefit food producers, their communities and food consumers. Again, Government and industry co-investment to promote innovation and efficiency in food production, be it through research and development, improved infrastructure and/or structural reform,

remains critical to the economic foundations which support sustainable food production.

Importantly, the basic principles associated with “role of Government” must apply to ensure any regulatory actions encourage sustainable and competitive investment in food production; these actions must mitigate elements of market failure associated with inequitable or unsustainable resource utilisation in food production and/or the impediment of clear market signals from, and accurate info to, food consumers.

For Government agencies, on-going efforts in the education sector and the provision of information to consumers on the production and value of food and the importance of balanced nutrition, as well as regulatory oversight of food safety systems, will (continue to) provide significant benefits to Australian food consumers. Of particular importance to the red meat and livestock industry, Government intervention to protect the production capacity and ownership tenure of our most arable land resources, and mitigate adverse (human and land) resource competition between different industry sectors, is essential in underpinning our ability to maintain one or more elements of food security.

Non-Government

Likewise, non-government entities have a critical role to play in consumer education with respect to agricultural produce and food production systems. Individually and collectively, these groups must also continue efforts to engender an understanding of the multi-faceted nature of food security, and inferred obligations for food producers, in their respective industries. This is a key component in increasing transparency and responsiveness in food supply chains, both of which stand to provide direct benefits to consumers.

6. What do you see as the major opportunities for Australia’s food industry in the coming years and decades? How could they be realised?

Demand for good quality protein

The overarching opportunity for Australia’s food industry will be its ability to respond to the growing demand for food from a burgeoning global population - whilst maintaining a competitive and sustainable production platform. In particular, Australia’s geographical proximity to the burgeoning populations of south-east Asia, its status as a “preferred supplier” of clean and safe food and livestock, and the increasing sophistication of domestic dietary preferences all represent significant opportunities for Australia’s food industry across the board.

This increasing demand should allow Australia to secure market access conditions that are closer to our normal production system that have put us at the forefront of food safety and quality standards.

For the red meat and livestock industry in particular, the growing demand for meat protein associated with global population growth and increasing incomes of a growing middle class in greater Asia (including the Middle East and Russia) represents the greatest relative opportunity in terms of demand. On a domestic front, the discerning appetite of Australian consumers (in particular) paves the way for value-added red meat products, including developments in meal convenience and flexibility, fortified nutritional profiles and guaranteed/verified production and processing methodologies. Innovations around supply chain integration and data transfer may also support efforts to mitigate the seasonality

of supply of red meat and livestock, thereby aiding the continuity and/or affordability of red meat products.

National Food Plan

There have been quite a few opportunities over the years through various inquiries and independent reports. Unfortunately the implementation of the recommendations tends to fall short. This is not a recent occurrence. Some of the older more significant examples:-

- Royal Commission report into meat substitution recommending a single national meat inspection service (30 years ago).
- Blair review into Food Regulation recommending removal of regulatory duplication. Still require multiple licensing across jurisdictions with no automatic mutual recognition. Some jurisdictions also don't legally or otherwise recognise the other jurisdiction leading to duplication. (12 years ago).
- The National Competition Review into the Export Control Act (Frawley Report) picked up the recommendations of Blair (10 years ago).

There are more recent examples that will be quoted in other submission.

Obviously the plan needs to be developed and the relevant stakeholder consulted but one completed Government need to commit as do the opposition to the recommendations, otherwise another opportunity will be lost.

7. What two or three actions by the government sector/non-government sector would most benefit businesses that make, distribute and sell food?

Government

Removal of Unnecessary Regulatory Burden and Coordination of Effort

The current state of regulation both through the various Government jurisdictions and through commercial audits adds significant cost and confuses the food safety process.

Regulatory duplication is also a threat in that with each layer of audit there is a tendency to leave lists of things to do and even though most of these issues don't really cover food safety they do add ongoing costs to the business.

Quasi regulation and audit - Buyers or users of the finished product are increasing sending in their own auditors who are becoming yet another set of layers in the audit hierarchy. For whatever reason, they don't accept the food safety audits of the regulator and the regulator doesn't accept theirs. This further adds to the interpretative dilemma and therefore the costs, with no improvement to food safety or other compliance outcomes. Often those outcomes are adversely affected where there are differences of "professional" opinions between the various Government and private auditors.

To address this ever expanding myriad of audits and standards, a **national system** that is developed in collaboration with Government, industry and customers where the standards, the verification methodology and a single audit process is agreed with the results being made available to all relevant stakeholders is a far better approach to compliance verification. A practical example of that policy at work is available with the AMIC ['Industry Animal Welfare Standards for Livestock Processing Establishments'](#). This has led to better trained people, better more proactive management systems, better compliance outcomes

and less interference in business and in the end world's best practice for the stock welfare. This is a model of how any number of compliance issues can be handled.

Resource competition

Of particular importance to the red meat and livestock industry, Government intervention to protect the production capacity and ownership tenure of our most arable land resources, and mitigate adverse (human and land) resource competition between different industry sectors, is essential in underpinning our ability to maintain one or more elements of food security.

Availability of labour

Of particular interest to the meat processing sector is the availability of labour. Most meat processing operations are in rural Australia. Competition in rural Australia for labour is intense due to the mining boom. Access to skilled and semi skilled labour is imperative for the processing sector.

Non- Government

Responsibility and accountability and leadership

Having visionary leadership into the future is critical for the industry. In the current environment anyone who is content with the status quo will soon get left behind. It is important that the industry identifies people with leadership potential and foster them to secure their industries future.

Quasi Regulatory Burden

Non-government entities who prescribe commercial standards need to be cognisant of overlap and duplication and the fact that it all adds to the costs. Producers and processors need to proactively adopt self and co-regulatory models for a whole range of issues. They need to control their own destinies. Government has shown when there is sufficient public interest that they will intervene and that intervention can be brutal. It is far better to not put Government into that position.

8. What specific food policy and regulatory functions within or between governments, overlap, are at cross-purposes, have gaps?

Competing interests

At a macro level, the policy and/or regulatory pursuit of (competing) agendas, including between Government departments, for maximum productivity/competitiveness and maximum environmental outcomes represents one of the greatest challenges for the red meat and livestock industry. As with all triple-bottom-line considerations, the optimum position requires trade-offs between social, economic and/or environmental considerations.

Inconsistent transport regulations

On-going inconsistency between state and territory jurisdictions with respect to transport regulation (weight, height, drive time, limits, etc.) is a major issue for the red meat and livestock industry, especially given its strong dependence on medium- and long-distance transport for the movement of livestock, livestock products and inputs.

Uncoordinated RD&E effort

The disconnected nature of RD&E investment and prioritisation between the RDC structure overseen by DAFF and that of the Department of Innovation, Industry,

Science and Research (DIISR) presents an on-going source of frustration (due to competition and/or fragmentation of investment) for the red meat and livestock industry (and agriculture more broadly).

Removal of Unnecessary Regulatory Burden and Coordination of Effort

There are three layers of Government involved, local, state and federal. Each has its own regulatory base and references national standards in different ways. When assessing and enforcing compliance each layer interprets the relevant food safety standards differently. Add to that the fact that the users of the meat also are to requiring second and third party audits further adding to the interpretative dilemma and therefore the costs with no improvement to food safety or other compliance outcomes. Often those outcomes are adversely affected.

For example it is not uncommon for some meat plants to have more "audit days" than they do production days each year. To service this booming audit industry many processors have had to employ extra staff just to deal with audits and their endless list of things to do.

To address this ever expanding myriad of audits and standards, a **national system** that is developed in collaboration with Government, industry and customers where the standards, the verification methodology, and a single audit process is agreed with the results being made available to all relevant stakeholders is a far better approach to compliance verification. A practical example of that policy at work is available with the AMIC ['Industry Animal Welfare Standards for Livestock Processing Establishments'](#). This has led to better trained people, better more proactive management systems, better compliance outcomes and less interference in business and in the end world's best practice for the stock welfare. This is a model of how any number of compliance issues can be handled.

9. Which regulation or regulatory regime poses the greatest burden on the food industry along the food supply chain (production, processing/manufacturing, transport and logistics, wholesale, retail)? What could be done to reduce this burden?

The Australian red meat and livestock industry is one of the most highly regulated production, processing, retail and export chains in Australia. While some regulations are advantageous, others are onerous, have little or no marginal benefit, are inconsistent, impose unnecessarily high compliance costs and can impair the productivity and competitiveness of enterprises, supply chains and the broader industry.

The red meat and livestock industry has comprehensively researched the nature and impacts of these regulations, the result of which have been summarised in two reports submitted to the Productivity Commission which examined the regulatory burdens on business (July 2007 and March 2008).

The 2008 submission titled: *'Red Meat Industry Submission to the Productivity Commission, Second Review on Regulatory Burdens on Business'* outlines a set of 'points of principle' that should overarch all regulation regimes. These include:-

- The red meat and livestock industry operates in open, competitive markets and considers the market plus its needs should be primary regulators of operational and investment decision-making and adjudicators of performance.
- The industry supports appropriate levels of regulation. It is a widespread, multi-participant industry providing food for domestic and world markets.

Responsible, consistent, effective standards add stability to the industry and assist on-going operation in some marketplaces against strong competition.

- The industry supports regulations that show net benefits to most participants in the meat production, processing, retail and export marketplaces. While acknowledging that regulatory systems usually increase costs, the industry has developed some rule systems that are partly enforced by Government (co-regulation).
- All regulation, including industry rules, requires on-going critical review.
- The industry is conscious of cost, competitiveness and red tape issues raised by supply chain businesses. Fast changing marketplaces, competition and technologies make regular questioning of rules and their effects increasingly important.
- Australia must achieve common-sense, clever, uniform regulations and reduce the huge costs to taxpayers arising from duplication of Governments and departments.
- The total weight of regulation is a serious issue that needs to be addressed in all reviews. While single rules or instructions may appear justified, regulatory burden accumulates, imposing cost prohibitive structure on production and processing systems. Multiple rule regimes impact on motivation, innovation and investment.
- The onus for proving the need for rules should reside with proponents of the regulation. Governments or groups advocating rules that impact on businesses should be required to prove such intervention will have a sizeable and tangible marginal benefit for the majority of industry.

The submission goes on to detail the range of rules/regulations impacting the red meat sector, from production to processing, retail and export. The key impacts identified include:-

- Across-industry regulatory impacts - road transport and environmental compliance;
- Employment and skill regulations; and
- The regulatory process itself - including regulatory creep, agency charges and multiple rules for processing.

Rather than reproducing this material in its entirety, this submission is available to the *National Food Plan* Unit upon request.

Some solutions could be:-

- Mutual recognition between jurisdictions to avoid duplication.
- Further development and implementation of national framework for audit skills.
- Development of national verification/audit methodology.
- Further efforts could be made by Governments, considering the future decline in compliance resources faced by the jurisdictions, to accept recognised, and international auditing processes/firms with agreed processes and verification practices (e.g the service provider model).

- Further, efforts can be made to introduce a risk based inspection regime, focussing on areas of high risk/low compliance, community concerns etc. and coordinated national benchmarking exercises in consultation with industry.
- Additionally, effort could be directed at coordinating jurisdiction to avoid future duplication e.g. DHS, local council, EPA, State Food Authorities – effort to be considered in terms of “mandate” e.g. the United Kingdom utilises their food authorities to cover all key areas concerning regulation in coordination with the retailers.
- Drawing a line between “monitoring” and enforcement – Government can remain the enforcers (under their regs), but need to see that monitoring and communication of compliance can be by third party under service provider model.
- Potentially production. As move to whole of chain, watch PPS development.
- Retail – education, skills etc.

10. What two or three actions by the government sector/non-government sector would most benefit communities that are highly dependent on food production, processing, distribution or sale?

Government

Provide the necessary incentives and infrastructure in rural areas to facilitate business and to encourage migration to rural hubs (transport, power, education, community, facilities, tax benefits).

Build relationships with local education facilities

To encourage interest in the rural and food processing sectors develop courses that provide vocational training and exposure to the food industries whilst the children are still attending school. Target truants with incentives to attend school in exchange for part time work to develop skills and responsibility and a sense of worth. There are examples of these schemes working already.

Non-Government

Build relationships with local education facilities

To encourage interest in the rural and food processing sectors work with educational facilities and Government to develop courses that provide vocational training and exposure to the food industries whilst the children are still attending school. There are examples of these schemes working already.

Encourage employment services to use vocational training

To encourage people back into the work force use the same vocational training process as for the school students.

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