

PUREHARVEST



Submission to

**Inquiry Into Food Production in
Australia**

To the Secretary

Senate Select Committee on Agriculture and Related Industries

Parliament House

Canberra

agriculture.sen@aph.gov.au

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SUBMISSION TO INQUIRY INTO FOOD PRODUCTION IN AUSTRALIA

Submission Contact

Don Lazzaro
Managing Director

Company/organisation name

Pureharvest [Ceres Natural Foods Pty. Ltd.]

Address (postal and street)

PO Box 178
35 Lardner Rd
Drouin
Victoria 3818
Australia

Telephone and facsimile numbers

Phone: 03 5626 6100
Facs: 03 5625 4008

Email address

don.lazzaro@pureharvest.com.au

Nature of business

Pureharvest is a major player in the organic food industry, producing and distributing a range of refrigerated and ambient natural food products across Australia and overseas.

The Secretary

Senate Select Committee on Agricultural and Related Industries

Parliament House Canberra

Attention: Committee Members

As the Managing Director of Pureharvest [Ceres Natural Foods Pty. Ltd.], an Australian company which produces and distributes organic and natural food products, I wish to put forward for the consideration of the Committee a number of issues which relate to its terms of reference.

The terms of reference go directly to the question of how to produce food in Australia which is:

- a] affordable to consumers;
- b] viable for production by farmers; and
- c] of sustainable impact on the environment.

As Committee Members will be well aware, Australia is a market-directed economy. We do not produce according to the dictates of a central authority. At Pureharvest we produce food that is demanded by our consumers whose purchasing behaviour is governed not only by price signals but by knowledge of the product which they are buying. Furthermore, they undertake their purchases on the understanding that there will be government safeguards in place to ensure that the product they are purchasing is what the provider says it is and that it is safe to consume.

Our supplier's production is directed by consumer preferences here and overseas. Should a product be shown to not be exactly what the consumer believes he or she is buying, there will be an immediate consumer shift away from that product and, consequently, from production of that product, ie it will not be viable for the producer and may ultimately affect the farm viability if new or alternative product markets cannot be found. It is therefore in our own self-interest as producers and suppliers of food, and extending right back in the food chain to farmers, to ensure that our consumers are fully informed about the products which they are purchasing.

This is particularly so in relation to the numbers of novel foods and genetically-modified foods which are now making their way into foods within

the Australian market, the attributes of which Australian consumers are yet to become fully familiar.

I am interested in highlighting to the Committee the importance of securing truth in labelling on consumer food products and to point out that the common practice of not fully informing consumers, for fear of them switching to alternative products when they discover what their purchases contain, is not acceptable behaviour and is, effectively, deception by omission. I refer the Committee in particular to the efforts I, and others, have been making to ensure that all food which is derived from genetically-modified material should be so labelled.

The Committee is addressing sustainable impacts of food production in the environment and doubtless there have been submissions in support of the production benefits of genetically-modified (GM) crops. However, I would point out to the Committee that it has been many years since economists were of the view that successful companies were production-driven and that the man who invented a better mouse trap would become rich and famous. Alas in the modern economy this is not so. All modern companies are market-driven not engineer-driven. These GM crops will only ultimately be successful if consumers have full knowledge of them and want them. Attempts by producers to hide the genetically-modified origin of their products will ultimately produce a backlash from the market. These products will only be viable for farmers if those at the end of the food chain, ie the consumers, declare they want them.

We have no problem if consumers make such a declaration. However, we put it to the Committee that the current processes to ensure that full and comprehensive food labelling is in place are failing. We are aware that the Ministerial Council oversighting Food Regulation in Australia and New Zealand has recently announced an independent review of the policy and law surrounding the labelling of food [24 October 2008]. However, as far as we can ascertain, the genesis of this review appears to be in a recommendation of the Victorian Government stemming from recommendations of the Victorian Competition and Efficiency Commission report 'Simplifying the Menu: Food Regulation in Victoria' which was released by the Victorian Treasurer on 10 February 2008.

Our fear is that the focus of such a review will be on reduction of what is termed 'red tape' which underpins an agenda of dominant producers to

provide less direct labelling information about contents of their products to consumers, ie further reducing consumer sovereignty not increasing it.

We wish to highlight to the Committee that on these important issues of labelling which go to the heart of the contract between producers and consumers, there has to be a fair and independent regulator. At this time that arbitrator is Food Standards Australia and New Zealand [FSANZ]. However, our own experience with FSANZ has been less than satisfactory. In fact, we are of the view that FSANZ is avoiding consideration of issues of merit on food labelling of GM-derived food products which we have put to them, and that the processes which it is following are ultimately detrimental to the free flowing of market information and go to the heart of viability and sustainability of crop production.

Briefly the background is as follows. We have been seeking to have mandatory food labelling provided wherever a GM food, or food derived from a GM source, has been used anywhere in the production process irrespective of the presence of GM material in the final food. Such an approach is consistent with the current best practice in the world exemplified by the European Union through European Commission regulations. This is neither a trivial nor in any way radical proposal. It deserves serious consideration.

We developed a fully comprehensive submission which we submitted to Food Standards Australia and New Zealand. [If Committee members are interested in the nature of this submission it is attached for information as a separate file.] Our submission was in the form of an Application to vary Australian and New Zealand Food Standards Code as it relates to labelling of genetically-modified foods under Standard 1.5.2 – Food produced using gene technology. This Application [PA 1013] was recently rejected for a third time by FSANZ despite our best efforts to meet their 'Administrative Assessment' criteria. In essence, the Application has been rejected because we cannot provide certain information which would itself be forthcoming as part of any wide ranging review. We consider this to be the classic 'Catch 22'.

We now consider that the barriers to securing an approved Administrative Assessment with FSANZ are insurmountable. We reject as fatuous the FSANZ rejection statement that it 'does not take into account any consideration of the merits of the Application'. We contend that our Application does indeed meet the FSANZ Administrative Assessment requirements and that this is purely a mechanism to avoid consideration of the merits of the case we have put. We would appeal to the Administrative

Appeals Tribunal were we not specifically prevented from doing so under subsection 22[2] of the FSANZ Act.

We spent much time energy and money putting together this case aimed at giving consumers fully informed choice concerning GM labelling of food, a case which we believe must indeed be given the opportunity to be 'considered on its merits'.

We put it to the Committee that it must ensure that any government regulatory mechanisms relating to food production need to be fair and independent and should allow for free and democratic consideration of alternate viewpoints. In addition they must be seen to be fair and independent and there must be room for appeal against decisions which appear to be arbitrary or partisan.

Yours sincerely

Don Lazzaro