

9 February 2015

Food Standards Australia New Zealand
PO Box 7186
CANBERRA BC ACT 2610
AUSTRALIA

Via email: submissions@foodstandards.gov.au

Dear Sir/Madam

Submission on Consultation Paper: Proposal P1027 - Managing Low-level Ag & Vet Chemicals without Maximum Residue Limits

1. About Grain Trade Australia

Grain Trade Australia (GTA) is the focal point for the commercial grains industry within Australia. It facilitates trade and works to provide an efficient, equitable and open trading environment by providing leadership, advocacy and commercial services to the Australian grain value chain.

GTA members are responsible for over 95% of all grain storage and freight movements made each year in Australia. Over 95% of the grain contracts executed in Australia each year refer to GTA grain standards and/or trade rules.

GTA members are drawn from all sectors of the grain value chain from production to domestic end users and exporters. GTA members are involved in grain trading activities, grain storage, grain for the human consumption and stock feed milling industries.

GTA also attracts membership from organisations to the side of the value chain in related commercial activities such as financial (banking, stock exchanges etc), communications, grain advisory services, and professional services (e.g. solicitors and accountants).

Within this context, GTA provides comment on the abovementioned document.

2. General Comments

GTA supports the key policy principles outlined in the policy paper. The Australian grain industry has an enviable reputation for providing grain that meets customer and regulatory requirements. A key element of that is ensuring that all grain meets food safety issues including any maximum residue limits (MRLs) imposed by the market and the domestic or importing country government.

Compliance with MRLs within the grain industry, as shown by monitoring surveys such as that conducted by the National Residue survey (NRS), is high.

The grain industry places a strong emphasis on compliance with MRLs as outlined in the “Australian Grain Industry Code of Practice for the management of grain along the supply chain” which states:

- *As required by legislation industry will not trade in grain that contains a chemical in violation of relevant legislation; and*
- *For grain destined for the domestic market, grain meets all relevant Australian regulations such as:*
 - *The FSANZ Food Standards Code;*
 - *APVMA MRLs; and*
 - *Where supplied for stockfeed use, all State and Territory stock food regulations.*

In addition, industry uses references such as the document “*Australian Grains Industry Post Harvest Chemical Usage Recommendations and Outturn Tolerances 2014/15 Season*” to assist in knowing market MRLs that apply.

The pressure on industry to comply with MRLs is increasing for a number of reasons, including:

- Increased sampling and testing scrutiny on grain supplied;
- Ability to test at lower detection limits;
- Lower reporting levels;
- Reduction in MRLs both nationally and internationally; and
- An increasing emphasis on food safety in general, including a lowering of MRLs.

For these reasons industry must continually review supply chain arrangements when trading grain domestically and internationally where MRLs do not exist for specific chemical and commodity combinations.

As outlined in the FSANZ policy paper, “Under current Australian state, territory and Commonwealth Government food legislation, there must be no detectable residue (zero tolerance) in a food commodity for which an MRL has not been set in Standard 1.4.2”. Many export markets of Australian grain apply a similar policy.

Except where markets adopt a default MRL, Australian grain marketers apply a similar policy, meaning “zero tolerance”.

To assist in the supply task, GTA supports the adoption of MRLs to address the inadvertent presence of low level chemical residues in food commodities that were not treated with a specific agvet chemical product.

While supporting all policy principles, a key focus of the industry is “the promotion of consistency between domestic and international food standards”.

3. Specific Comments

3.1 Timeframe for Adoption of the MRLs

The FSANZ proposal has given a timeframe for industry submissions, including a request that industry supply in those submissions a specific list of chemical /commodity combinations appropriate to be considered for MRL adoption, by 10 February 2015.

GTA suggests that to gain the maximum outcome the process should not be a “once off” but should be ongoing. Hence GTA proposes that FSANZ consider the following recognising the cost implications of such a process:

- Further industry submissions be received post 10 February 2015; and
- Development of an ongoing project to undertake this process in the future given the potential for:
 - New chemicals to be registered
 - New uses for existing registered chemicals; and
 - Alternative markets will be supplied with Australian grain.

3.2 Harmonisation of MRLs in Australia

It is recognised that since 2011 the APVMA has been able to “amend Schedule 1 of Standard 1.4.2 under the Food Standards Australia New Zealand Act (1991)”. Harmonisation of MRLs under APVMA and FSANZ has greatly assisted industry. Once MRLs for chemical /commodity combinations are adopted under this proposal, grain that is traded overseas will be shown to be compliant with all appropriate Australian legislation, providing further “comfort” for the marketplace.

The previously agreed process of adoption of low level MRLs by both APVMA and FSANZ should also occur under the current proposal. Joint adoption of revised MRLs should occur in a timely manner and not await the “annual process” as alluded to in the proposal paper under point 1.2.1.

3.3 Criteria for adoption of MRLs

The grain industry agrees with the proposed approach that sets MRLs for “all other foods” for domestic and imported foods. As outlined previously, the grain industry has a strong export focus and interest in developing low level MRLs.

In the grain industry inadvertent residues can arise through contamination from infrastructure. While the industry implements measures to minimise the risk of this contamination, a zero level of contamination is often impractical. Hence this cause of contamination should also be adopted as one of the criteria for developing low level MRLs.

The grain industry suggests that FSANZ consider overseas MRLs for the same chemical / commodity and currently available levels of detection when developing MRLs under the proposed risk based approach. The reason being, while all food

safety issues may be addressed by adopting as low an MRL as practical for a particular chemical/commodity in Australia, the MRL in the overseas market may still be lower. Hence the risk of a trade issue may still be present. In those circumstances, where warranted and able, adoption of a higher MRL may mitigate the trade risk and any food safety issues.

3.4 Sources of Information on Residues on Commodities & Prioritisation

In Australia there is no national commercially available database for industry to determine:

- Chemical use by commodity. If available it would assist industry to determine the risk of residues contaminating grain inadvertently through infrastructure etc.
- Chemicals detected on each commodity, thus causing an issue when that commodity is traded by other industry participants. We understand there is an Australian Total Diet Study (formerly the market basket survey) but this only has “limited use for exports”. We are also aware that under the NRS program residue testing results are treated in confidence and only provided to the exporter/marketer and grain packer / operator. Again, if available, a complete database of residues detected would assist industry to prioritise chemical /commodity combinations appropriate for this MRL adoption approach.

Hence additional time is required for the industry to develop an appropriate list, suitable to meet the criteria outlined in the FSANZ proposal. We would also like to be able to prioritise those chemicals/commodity combinations through further industry consultation.

Additionally we would be willing to assist FSANZ in developing its full priority list once all nominations have been received from all industry sectors.

Once the full list for MRL adoption has been developed by FSANZ, to assist industry to continue to implement strategies to minimise contamination (for those chemicals where there is no registered use), those chemical / commodity combinations adopted under this proposal should be separately identified by the APVMA and FSANZ. This will also identify those chemicals in Australia adopted under this process where different than Codex, given that Codex does not adopt MRLs unless legitimate uses may lead to trade disruptions.

3.5 Specific Chemical & Commodity Combinations

The grain industry accepts that for the reasons outlined in the policy paper only certain chemicals and commodities would qualify for adoption of low level MRLs.

Below is a preliminary list for FSANZ consideration, recognising the comments outlined above.

Chemical	Commodity	Reason for Inclusion
Sulfuryl fluoride	Oilseeds	No MRL is an issue when exporting to the EU
Chlorpyrifos-methyl	Canola	Residues have been detected on shipments
Thiabendazole	Canola	No Australian MRL

Thank you for the opportunity to comment on this proposal. This initiative will complement the efforts of the grain industry in its ongoing commitment to supply grain that is not only safe to eat but also is compliant with relevant customer and regulatory MRLs.

Yours sincerely



Geoff Honey
Chief Executive Officer
Grain Trade Australia