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24 October 2017

Mrs Ann McDonald  
Head of Export Legislation Review  
Department of Agriculture and Water Resources  
GPO Box 858  
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Via email: [exportlegislation@agriculture.gov.au](mailto:exportlegislation@agriculture.gov.au)

Via email: [Ann.McDonald@agriculture.gov.au](mailto:Ann.McDonald@agriculture.gov.au)

**RE: Submission in response to the Public Consultation on Australia's agricultural export legislation**

Dear Mrs McDonald,

I refer to the consultation on improvements to agricultural export legislation and exposure draft of the Export Control Bill 2017 (Bill) and welcome the Department of Agriculture and Water Resources' (DAWR) approach to consolidating and simplifying existing legislative provisions.

The Australian Lot Feeders' Association (ALFA), as the Peak Council representing the Australia cattle lot feeding sector, has been liaising closely with DAWR to ensure that requirements for Grain Fed beef trade description currently contained in the Export Control (meat and Meat Products) Orders 2005 are retained in the proposed Rules to accompany the Bill once finalised.

This has been supported and we appreciate the consultative process to date and commitment by DAWR to ensure that the relevant sections are retained.

ALFA is supportive of the principle to harmonise, consolidate and streamline 17 Acts and 40 legislative instruments together with structural improvements. It is essential these changes continue to ensure market access for the products our members produce and so that supply chains can continue to prosper and grow under the legislative framework moving forward.

Yours sincerely,

Christian Mulders  
Chief Executive Officer  
Australian Lot Feeders' Association



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Public Consultation on  
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**October 2017**

**AUSTRALIAN LOT FEEDERS' ASSOCIATION**

**Level 5, 131 Clarence St Sydney NSW 2000**

## INTRODUCTION

The Australian Lot Feeders' Association (ALFA) is the peak representative body for the Australian cattle feedlot industry. Its charter is to provide advocacy on issues that impact upon the sector, determine the allocation and prioritisation of grain fed beef levies and to deliver industry development activities to improve the standards and practices of the industry over time.

There are approximately 400 accredited feedlots in Australia located in areas that are in close proximity to cattle, grain, water and beef processing facilities. The cattle feedlot industry has a value of production of approximately \$4.6 billion, employs close to 2,000 people directly and is integral to the overall red meat and livestock industry.

The industry accounts for approximately 40% of Australia's total beef supply and exports around 66% of its production to over 100 countries around the world.

In 2016 Australia exported 260,386 tonnes of Grain Fed beef. The industry systems and legislative frameworks that underpin the production and description of Grain Fed beef are essential to providing customers confidence in the product they purchase.

## GRAIN FED TRADE DESCRIPTION

Current agricultural export legislation relevant to red meat are:

- The Export Control Act 1982 and specifically the Export Control (meat and Meat Products) Orders 2005 (The Orders).
- The Australian Meat and Livestock Industry Act 1997.

Under the Export Control Orders, meat and meat products exported for food are required<sup>1</sup> to have a trade description on the packaging that contains basic species and gender category information and other specific information such as net weight, place where the meat was packed, country of origin, date packed, and identity of the batch.

Importantly, The Orders also define use of specific trade descriptors such as use of the term Grain Fed as outlined below:

*Export Control (Meat and Meat Products) Orders 2005, Schedule 7 Integrity, transfer, Halal certification and EU, PART I — SEGREGATION, IDENTIFICATION, SECURITY AND INTEGRITY, Clause 5 Grain Fed:*

*5.1 The description Grain Fed must not be applied to meat and meat products unless the meat and meat products:*

- (a) are derived from a carcass that meets the carcass criteria; and*
- (b) meet the meat quality assessments;*

*specified for Grain Fed (symbol GF) or for Grain Fed Young Beef (symbol GFYG) in the Australian Meat Industry Classification System Manual 1.*

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<sup>1</sup> See: Export Control (meat and Meat Products) Orders 2005, Part 1 Trade descriptions, Part 1 Trade descriptions, Division I Requirement to have a trade description Meat and meat products must have a trade description, Clause 1.1.

*Note 1: For the meaning of Australian Meat Industry Classification System Manual 1 see suborder 8.1.*

*Note 2: For the use of the word beef see paragraph 1.2 (b) of Schedule 6. See also the meaning of beef in suborder 8.1.*

*5.2 The description Grain Fed is taken to be applied to meat or meat products if any of the circumstances specified in paragraphs 15 (2) (a) to 15 (2) (c) of the Act exist.*

*Note: For accuracy requirements for raising claims generally see section 15 of the Act which creates offences for false trade descriptions applied to prescribed goods.*

During the development of the Orders, ALFA was supportive and instrumental in having Grain Fed trade description included. ALFA continues to support this position and has been liaising with the Department of Agriculture and Water Resources (DAWR) to ensure that the Grain Fed trade description requirements contained in The Orders are retained in the proposed new Rules that will accompany the Export Control Bill 2017 once finalised.

The DAWR has been supportive of this position and has assured industry that it intends to retain the Grain Fed trade description requirements within the Rules that will accompany the Export Control Bill 2017.

## **RATIONALE FOR THE RETENTION OF GRAIN FED TRADE DESCRIPTION**

ALFA's rationale for retaining the Grain Fed trade description requirements is threefold. Firstly Grain Fed trade description underpins the integrity of claims associated with Australian grain fed beef; secondly it facilitates Australia's access to High Quality Grain Fed Beef quota in the European Union market and thirdly it enables access into Australia's key grain fed market destinations.

### **1. Grain Fed trade description underpins the integrity of claims associated with Grain Fed beef.**

Grain Fed trade description requirements are one of three key requirements that underpin the integrity of Grain Fed beef production, labelling and marketing claims. These requirements include:

- The National Feedlot Accreditation Scheme (NFAS): The NFAS is the Australian feedlot sector's independently audited Quality Assurance Program. The Scheme supports industry's commitment to implement continual improvement in production, welfare and environmental management within the feedlot industry. Only NFAS accredited feedlots are able to produce cattle eligible to be graded and then described as Grain Fed beef in accordance the Export Control (meat and Meat Products) Orders 2005.
- The Grain Fed Standards (GF and GFYG): The Industry's production and meat grading standards that outline the requirements for the production and grading of meat eligible to be called Grain Fed beef.
- The Grain Fed Trade description within the Export Control (meat and Meat Products) Orders 2005: The Orders ensures appropriate description and labelling of Grain Fed beef and underpins the integrity of associated marketing claims.

## **2. The Grain Fed trade description facilitates Australia's access into the European Union Market High Quality Beef (Grain Fed) Quota**

Australia meets the European Commission's Quota Administration Rules for High Quality Beef Import Tariff Rate Quota (*Article 8 (2) No 620/2009 13 July 2009*) via the Export Control (meat and Meat Products) Orders 2005.

The Orders do this by underpinning the European Union Cattle Accreditation Scheme (EUCAS) and prescribing the European Commission's requirements for the supply of High Quality beef. These requirements prescribe a Feed Standard for Grain fed beef of which Australia's Grain Fed Standards are a component.

The European Union Market High Quality Beef (Grain Fed) Quota is an important market for Australia.

## **3. Grain Fed trade description underpins access into Australia's key grain fed market destinations**

The systems the Australian Industry and Government have in place to supply its meat products to customers globally are robust and underpin customer confidence. This confidence is derived from the sum of industry based standards and production systems and government legislation and oversight that ensure we deliver products of the highest quality.

Accurate trade description is one, but an important, component of the overall system that Australia uses to access over 100 destination markets and deliver safe, wholesome high quality product to its customers.

In the case of Grain Fed beef, the trade description requirements in the Orders underpinning Grain Fed beef enables access to key traditional markets such as Japan and Korea as well as emerging markets.

50% (129,005 tonnes) of Australia's Grain Fed beef exports were sent to Japan with 21% or 55,756 tonnes being exported to Korea during 2016 alone.

ALFA has been liaising closely with DAWR to ensure that requirements for Grain Fed beef trade description currently contained in the Export Control (meat and Meat Products) Orders 2005 are retained in the proposed Rules to accompany the Bill once finalised.

This has been supported and we appreciate the consultative process to date and commitment by DAWR to ensure that the relevant sections are retained.

ALFA looks forward to working with DAWR to ensure Grain Fed beef trade description requirements are retained in the proposed Rules to accompany the Export Control Bill 2017 once finalised.

End.