

PRODUCTIVITY COMMISSION DRAFT REPORT REGULATION OF AUSTRALIAN AGRICULTURE

RESPONSE TO INFORMATION REQUESTS

Information Request 9.2 - Egg Stamping

Queensland's egg industry is comprised of both a number of large processing and distribution businesses, as well as approximately 86 egg production farms.

The Queensland Egg Food Safety Scheme, administered by Safe Food Production QLD (Safe Food), has been in place since 2005 and contains mandatory egg identification requirements for traceability purposes. Food traceability is entirely different to 'labelling'. The National Egg Standard developed by Food Standards Australia New Zealand and introduced in late 2012 contains similar requirements to the Queensland Egg Scheme.

An independent economic assessment of the Queensland egg industry indicates that the Egg Food Safety Scheme has achieved an estimated net public benefit of at least \$14.81 million since its introduction. The economic assessment also reports that during the same period, the competitive position of the Queensland egg industry moved from third to second nationally in terms of shell egg production.

Alternative 'traceability' approaches for eggs, such as labelling of cartons, have been demonstrated to provide limited evidence to be able to trace product in the event of a food incident. There are a number of reasons for this, e.g. eggs present but carton disposed of, eggs sourced from multiple suppliers and no link to carton or carton not available, eggs co-mingled at food service sector, absence of supporting invoices, etc. An egg unique ID requirement is the only system that is capable of covering the entire egg supply chain.

In Queensland, there have been a number of recalls of eggs due to possible food safety concerns which could not have been undertaken without the eggs in question being individually stamped. It is virtually impossible to identify eggs that are packed in 'catering packs' (usually overwrapped with plastic) by way of carton labelling as cartons are not used, especially after these eggs are removed from the packs. Use and re-use of egg cartons, for example at farmers' markets, also renders reliance on egg carton labelling ineffective as a traceability mechanism.

A Safe Food survey has indicated that for 83% of Queensland small egg producers (500 birds or less) it cost \$100 or less to purchase the necessary stampers with the same number stating that it cost \$100 or less in annual costs to maintain the equipment (e.g. replacement rubbers/stampers and ink). This equates to an ongoing cost of approximately \$0.28 per day for the stamping of a minimum 250 eggs. The Commission's own performance benchmarking Report from 2009 outlines the estimated costs associated with egg stamping.

Information Request 9.3 - Food Safety Audits

Food safety auditing is only one of a range of food safety monitoring tools used by Safe Food. There are many examples where approaches other than audit have been successful in verifying food safety compliance and in avoiding or minimising perceived duplication with, for example, commercial audits.

Safe Food notes that, as indicated in the draft Report, that the Australian Food and Grocery Council and Horticulture Innovation Australia are currently working towards aligning commercial auditing requirements of the major retailers to reduce the burden imposed by those audits on producers. Safe Food also notes that the Commission has not identified significant scope for governments to further reduce the burden of regulatory food safety audits.