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Dr Joseph Morrall
Senior Policy Advisor
Agvet Chemicals Regulation Reform
Department of Agriculture
via email agvetreform@agriculture.gov.au

Dear Sir/ Madam,

**REDUCING THE REGULATION OF STOCK FOOD AND PET FOOD
REGULATION IMPACT STATEMENT
AGRICULTURAL AND VETERINARY CHEMICALS LEGISLATION
AMENDMENT (ANIMAL FEED REFORM AND OTHER MEASURES) DRAFT
REGULATION 2014**

Australian Pork Limited (APL) welcomes the opportunity to provide a submission on the Regulation Impact Statement (RIS) and Draft Regulations for the reform of stock and pet foods, with stockfeed the primary concern for APL.

2 APL is the national representative body for Australian pig producers. It is a producer-owned, not-for-profit company combining marketing, research & innovation and policy development to assist in securing a profitable and sustainable future for the Australian pork industry. APL works in close association with key industry and government stakeholders.

3 The Australian pork industry employs more than 20,000 people in Australia and contributes approximately \$2.8 billion in gross domestic product to the Australian economy. The pork industry contributes approximately 2.13% of total Australian farm production with approximately 1800 pig farmers producing around 4.8 million pigs annually.

4 As shown on the graph below, Australia has a higher cost of production when compared to other major pork producing countries, with stockfeed the single biggest input cost, accounting for around 60% of total input costs.



5 Pork producers source feed from a variety of sources, including pre-mixed feeds, specified diets from feed-mills, from on-farm mills, and food waste (with producers complying with swill feeding regulations). The industry welcomes any improvement to stockfeed regulation that will decrease the costs of this significant input cost.

Regulatory Reform

6 The RIS adequately reflects the issues surrounding stockfeed that are currently regulated veterinary chemical products.

7 APL has considered the options presented in the RIS, and considers Option B (self-determination of VCP status) to be the best regulatory model that pragmatically balances risk management and regulatory burden.

8 APL welcomes the decision to align Australia's feed regulatory practice with that of international standards as presented in Option B of the RIS. The development of an approved list of feed ingredients, which are routinely used is likely to lower the cost of stockfeed production. This will remove some of the costs currently incurred by stockfeed manufacturers and passed through to pig producers.

9 APL expects that the removal of red tape surrounding stockfeed manufacture and ingredients will lower the costs of production and allow for a competitive marketplace. This will provide opportunities for smaller stockfeed manufacturers to enter the market without the pressure of existing cost burdens such as regulatory and licensing fees.

10 APL understands that as a consequence of self-determination, the responsibility for the product will shift onto manufacturers and suppliers. It is anticipated that this shift in accountability will allow for increased competition regarding the quality of, and ingredients used in, stockfeed. Moreover, the removal of red tape will allow for product ingredient diversity. The four part test described in the RIS is a novel regulatory innovation. Its application ought to support the registration of safe and efficacious feed ingredients.

11 Access to new, safe and efficacious ingredients for feed will improve the health of Australia's pig herd, potentially reducing reliance on antibiotics that would otherwise have been used to treat pigs and/or maintain pig herd health. The industry sees this as an important benefit arising from this proposal.

12 The decision to exclude ingredients such as hormones, antibiotics and vertebrate animal material from the criteria is a sensible one. APL is confident that the Option B takes into consideration factors such as ingredients, claims, manufacture and supply, and labelling concerns. This is likely to lead to a number of stockfeeds qualifying using the four part risk model, benefiting pork and other producers and buyers. APL concurs that avenues for complying with this criterion, other than through formal licensing with the APVMA, need to be established, and that industry quality assurance programs provide a suitable means of achieving this. APL's quality assurance program APIQ[✓]® is a good example of an industry program that can deliver the required criteria compliance.

13 APL is supportive of regulating Option B self-determination presented in the RIS, aimed at reducing the regulation of stock and pet food. APL suggests these regulatory changes be quickly implemented as soon as practicable.

Should you have any questions about this submission, please do not hesitate to contact James Battams on 02 6270 8809 or James.Battams@australianpork.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Deb Kerr". The signature is written in a cursive, slightly slanted style.

DEBORAH KERR
General Manager, Policy