

**4 August 2011**

**National Food Plan Unit  
c/- Department of Agriculture, Fisheries and Forestry  
GPO Box 858  
CANBERRA ACT 2600**

**Re: National Food Plan Issues Paper Submission**

The Stock Feed Manufacturers' Council of Australia (SFMCA) makes this submission following release of the Issues Paper to Inform Development of a National Food Plan.

The SFMCA is the Federal Council body representing the State stock feed manufacturers' associations. Individual companies involved in stock feed manufacture belong to their relevant State association. SFMCA members manufacture in excess of 90% of commercial feeds sold within Australia.

SFMCA member companies manufacture over 5,500,000 tonnes (SFMCA 2009/10 members survey) of animal feeds annually across Australia in 113 milling sites. Feed is supplied to all classes of livestock for the production of meat, milk and eggs. Stock feed manufacturers are a significant user of cereal grains, pulse grains, vegetable protein meals, animal protein meals, fats, oils, molasses and other raw materials within the Australian domestic market.

The SFMCA wishes to make the following comments in relation to the Issues Paper, reference is made to the numbering system and question numbers within the Issues Paper. Comments are provided for the Issues Paper sections and questions seen as being relevant to the stockfeed industry.

**1.2 Purpose and scope of a national food plan**

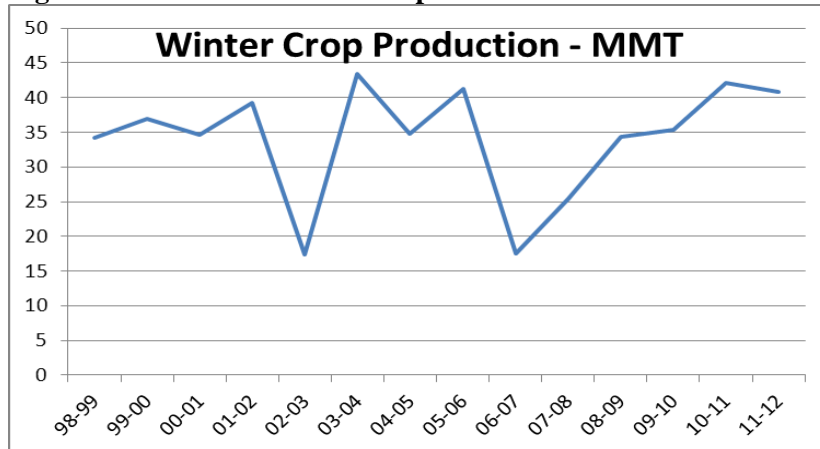
The SFMCA recognises the basis of developing a national food plan and supports a whole-of-chain approach from government. However, in developing a national food plan the SFMCA does not want to see any dilution of existing government funding and programs operating within Australian agriculture.

3. What do you see as the major risks to Australia's food supply in the coming years and decades? How could they be avoided or managed more effectively?

The production of poultry meat, eggs, pork, beef, lamb and milk in Australia are reliant upon the supply of cereal grains. We know that grain production is subject to favourable rainfall with crop production being significantly reduced in dry growing seasons, Figure 1. During drought years

the availability of grain supply can fall below domestic demand, this resulting in escalation of grain prices and the requirement to import grain for animal feeding purposes.

**Figure 1. Australian Winter Crop Production**



Source: ABARE Crop Report June 2011 (2011/12 forecast)

Added to the variability in grain production, Australia has seen significant growth in the demand for grain in animal feeding. The proportion of grain being fed to livestock has been increasing, this placing more significance upon Australia having a consistent and reliable source of feed grains.

The major risk Australia faces is a nationwide drought that extends over two winter cropping years. Limitations in biosecurity for imported grains would result in a grain shortage and reduced production of meat, milk and eggs for both domestic and export consumption.

The SFMCA believed the National Food Plan needs to develop strategies for handling the consequences of a growing demand for livestock feeding, with inherent demand for feed grains and the consequence of Australia's unpredictable climatic conditions.

We strongly support government and industry initiatives that look to ensure Australian agricultures productivity level is maintained or enhanced through development of new grain varieties and agronomic practices that meet the challenges of Australian climatic conditions.

We have a grain production system that is highly dedicated to the production of milling wheat and malting barley varieties for human food consumption. However, a major proportion of these grains are used for animal feeding, both in Australia and within export market destinations. The livestock industries compete for access to these grains. Australia does not have a dedicated feed grain market supplying sufficient grain volume to meet livestock feed demand. This is unlike many other parts of the world where livestock producers have access to dedicated feed grains. The SFMCA believes there needs to be closer analysis of the link between grain production and varieties grown relative to end use demand. We believe it is highly inefficient to have human consumption grains being grown for animal feeding. To this end we believe greater work needs to be done to foster the development of the production of feed grain varieties within Australia.

8. What two or three actions:
  - by the government sector would most benefit businesses that make, distribute and sell food?

1. Recognition that the national food plan must encompass all players within the supply chain. The Issues Paper clearly identifies primary producers and those that make, distribute and sell food. There would seem to be little appreciation for the requirement for the supply of animal feeding ingredients and the manufacture of stockfeed that goes back to primary producers and their livestock. Australian livestock producers utilise over 11 MMT of animal feed annually. This is a major industry that value adds Australian raw materials into meat, milk and eggs via the manufacture and supply of feed.
2. There remain non uniform approaches between state governments in the application of legislation for stockfeed manufacturing industries. The feed and food chain operates across state borders, there are however state regulations for the manufacture and supply of stockfeed, with limited consistency in the regulatory approach between states. A national working group has been developing an Australian Feed Standard with the intent that this standard would be adopted by each state and territory to become a uniform method for regulating stockfeed. This process is in its fourth year and would seem still a long way from being completed. A lack of government resources and full commitment from all states to the process of completing the standard and defining methods of legislative implementation has been a barrier that is delaying progress. The SFMCA strongly supports a national approach to stockfeed regulations and would like to see greater federal and state commitment to achieving this result.

## **4.2 Safe Food**

The SFMCA sees food safety as a major industry and community concern and to this end our organisation has been actively working with both federal and state government regulators in the implementation of quality assurance accreditation of Australian stockfeed manufacturers. The program known as FeedSafe<sup>®</sup> was launched in 2003 and requires stockfeed manufacturers to undergo annual independent third party site audits. These audits are completed against the Code of Good Manufacturing Practice for the Manufacture of Stockfeed, with this code being endorsed by the Primary Industries Ministerial Council.

There has been a push by government for industry to implement programs such as FeedSafe<sup>®</sup>, these being driven and funded by industry. The limitation is that such programs are not legislated and we only have control over our members requiring them to complete accreditation. While the majority of feed mills are FeedSafe accredited, there remain some feed mills that have not completed QA accreditation and are free to continue supplying feed without any independent auditing system. There is also no registration requirement for feed mills operating in Australia and no state or federal authorities have a listing or knowledge all manufactures and suppliers of feed.

The SFMCA believes this to be a major weakness that needs to be addressed. This can be achieved through a requirement for stockfeed manufacturers to be registered with this registration being based upon annual Code of GMP accreditation audits. The FeedSafe audits address food

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<sup>®</sup> SFMCA October 2002

supply chain risks identified in the Issues Paper such as presence of chemical residues and natural contaminants, feed traceability, use of agricultural and veterinary chemicals and residues that can be harmful to human health and trade.

A national food plan needs to take account of the stockfeed supply and food safety issues resulting from the feeding of livestock. The stockfeed industry is an essential part of the supply chain as it utilises both domestically supplied and imported raw materials that are blended and milled into stockfeed for distribution across Australia's livestock industries.

39. Are there labour supply issues with skilled and professional workers in the food industry? If so, what are they, and what causes them? What particular skills or professions are in short supply and why? Is there a role for government in improving the supply of skilled and professional staff?

There has been a dramatic decline in agricultural science graduates from Australian universities. This has now hit a critical point where industry is unable to employ new graduates and there are unfilled positions that are limiting industry development. The stockfeed industry requires agricultural graduates to work in the areas of nutrition, farm advisory and consultation, sales representation, quality assurance, mill operations, purchasing and business management. While some positions are being filled through seeking agricultural science graduates from overseas, barriers in understanding Australian agriculture, remote work locations and language differences are resulting in a significant employment problem. Over the next 10-20 years this problem will become more extreme due to retirement of existing qualified staff and insufficient graduates coming into the agricultural system.

42. Are you aware of programs to attract and retain new entrants to the field of agriculture working? If yes, how could these programs be improved?

We refer to the Australian Council of Deans of Agriculture work in trying to reverse the trend in declining enrolment numbers in agricultural university courses. We are also aware that the various agricultural industries are all recognising the shortfall in availability of agricultural graduate. It would seem that to date there has been insufficient co-operative work, including government input, into reversing the trend in falling student enrolment numbers. It is in the interests of the whole food supply chain to become far more proactive in promoting agriculture as a career opportunity.

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