

Changes to major retailer food safety audits

QUALITY ASSURANCE HARMONISATION INITIATIVE

Major grocery retailers and the horticultural industry have agreed to streamline fresh produce safety requirements lowering the cost of doing business and improving food safety across the fresh produce supply chain in Australia.

This initiative is being collaboratively driven by Horticulture Innovation Australia using cross-industry levy funds, with support from the nation's leading retailers – ALDI, Coles, Costco, Metcash (IGA) and Woolworths.

Currently, major supermarkets each have their own specific food safety requirements, which can result in time and cost inefficiencies when dealing with multiple retailers.

Under this new initiative, which is expected to be in place by year's end, all the major retailers in the agreement will accept the following combination as part of the audit process:

One of the following Global Food Safety Initiative (GFSI) 'benchmark standards' standards or GFSI recognised standards (grower or supplier can choose):

- BRC Global Standard for Food Safety – Issue 6
- GlobalG.A.P. Integrated Farm Assurance Scheme Version 5
- SQF Code 7th Edition Level 2
- Freshcare Food Safety and Quality Code of Practice (Freshcare), provisionally, pending benchmarking by GFSI which is expected to be achieved by late 2017.

Plus 60 agreed food safety elements, down from more than 200 across all retailers. These elements will be finalised in the coming months.

This more efficient auditing process will lower the cost of doing business for the industry, which is estimated to save growers, producers and the extended supply chain around \$40 million per year combined.

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Q: What specific industry sectors does the harmonisation initiative relate to?

A: The initiative will apply to those who perform the following activities:

- Grow produce for retail sale
- Pack produce for retail sale
- Operate as an aggregator, distributor, broker or agent supplying produce for retail sale
- Are direct suppliers or subcontracted supplier, i.e. pack in retailer-branded packaging

Q: Which products are captured by this initiative?

A: Fresh fruit, vegetables and nuts (not processed or pre-prepared/ value adding).

Q: When will the scheme commence? When will retailers request this as a mandatory requirement for supply?

A: Yes, it will be mandatory. We expect it to start coming into effect late 2016. This new system will be recognised as equivalent to the current retailers' schemes' for direct suppliers.

Q: Which retailers are involved in the Harmonised Australian Retailer Produce Scheme?

A: ALDI, Coles, Costco, Metcash (IGA) and Woolworths.

Q: My business is currently certified to HACCP – what does this mean for me?

A: All direct vendors will be required to participate under the specific requirements of the initiative. For indirect vendors, transition to one of the approved GFSI base schemes suitable to the scope of your businesses activities will be required by January 1, 2019.

Q: How long will my audit take?

A: This will depend on your current situation and the decisions you make moving forward for your business. When the initiative is in place later this year, and once a decision has been made about the GFSI or equivalent scheme you have chosen, your nominated certification body will be able to provide advice on this.

Q: Who will be conducting my audits in the future?

A: The retailers ultimately decide who can and cannot perform the audit. More information regarding approved certification bodies will be provided in the coming months.

Q: What will this do to the cost of my audits?

A: This depends on your current situation. If you are currently audited to multiple schemes for your customers, your audit duration will reduce, hence your audit costs for on-site audit time will also reduce.

Q: What about produce that is imported by retailers and sold on the domestic market?

A: We are currently working to identify the most robust solution for imported produce. Given the current landscape, where the overwhelming majority of produce is sourced locally for retailers, local produce must be the priority.

Q: If I achieve certification under the new harmonisation system, does this mean I can supply any of the major retailers?

A: Yes. All retailers have agreed that harmonisation initiative certification is an approved method of supply. Please note, retailers always reserve the right to decide who they source from.

Q: Who is managing the ongoing maintenance of this initiative?

A: PMA Australia and New Zealand will oversee the program with funding of about \$40,000 per year for the first three years by retailers. Following that, the program will be reviewed with funding sought as required.

Q: What are the next steps?

A: A pilot launch is expected to take place from July to September. The harmonised food safety initiative is expected to be in place by the end of the year.

To stay up to date with progress on this initiative, become a Hort Innovation member horticulture.com.au/membership-application-form (this will put you on the mailing list for information relating to this, and other levy-funded activities). Alternatively, keep an eye on the Hort innovation website for updates at horticulture.com.au