



## ZESPRI'S SUBMISSION: New Zealand Food Safety Strategy: September 2019

### Submitter details

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We note that New Zealand Kiwifruit Growers Inc, the levy-based advocacy group for NZ kiwifruit growers, has contributed to this submission and is supportive of this approach.

### Zespri and the NZ kiwifruit industry

Zespri is a New Zealand company owned by New Zealand kiwifruit growers which exports and markets the world's leading portfolio of kiwifruit 12 months of the year, as well as implementing a world-leading R & D programme. Orchards and postharvest are independently owned and managed. Zespri sets the grade standards for fruit as well as the allowed agrichemicals and use patterns.

Our fruit is grown in New Zealand, Italy, France, Japan and Korea and exported to more than 50 countries around the world. There are around 14,000 hectares in production in New Zealand and 3,500 hectares offshore, with 1,300 growers offshore and 2,500 growers in NZ.

Our major markets are Europe, Greater China and Japan. Zespri is on track to grow global sales to \$4.5 billion by 2025 from just over \$3 billion in operating revenue last season (2018/19).

### Zespri's food safety policy

Zespri has a formal food safety policy published on our website and copied below.

*Zespri is committed to producing, sourcing and supplying safe food that meets customers' and consumers' expectations and all regulatory requirements for Food Safety. To achieve this, Zespri commits to, and its suppliers are required to:*

- *Demonstrate commitment to food safety by fostering a sound food safety culture throughout their organisation*
- *Comply with all applicable laws and regulations regarding Food Safety and consumer health in fresh produce and its production, handling, packaging, storage and transportation*
- *Ensure Good Agricultural Practice, including Sustainability and Integrated Pest Management, is a key element in fruit production*
- *Only allow agrichemical use that is in response to demonstrated need, and that that meets Zespri standards, regulatory and customer requirements*
- *Ensure all staff and contractors are aware of their Food Safety responsibilities and, where appropriate, operate a certified food safety system that meets Global Food Safety Initiative Guidelines and Zespri standards*
- *Ensure every pack of Zespri fruit is uniquely identified and can be traced back to the orchard where it was grown*

## **Zespri and NZ Food Safety's Strategy**

Zespri welcomes NZ Food Safety's consultation on its updated strategy and supports the role of an effective regulator in assuring customers and consumers around the world of the standard of our products.

We see this is an opportunity to show leadership as a country, strengthening the leadership and strong food safety principles already in place among New Zealand companies. This can be done with a clear, rules-based approach grounded in a comprehensive research programme which covers customer requirements, regulations and science.

We note that the scope of this strategy is unclear with one part of the consultation document saying agricultural production is out of scope and another part of the document saying it covers the entire food safety system from the land onwards. For the purposes of this submission, we refer to kiwifruit production, packing and export as within the scope of the consulted document.

We note that the importance of proactively working with industry to protect consumers as highlighted with the introduction of the Food Act 2014. We encourage NZ Food Safety to work to understand the risk assurance systems in place across the industry and develop something which builds on this, as opposed to designing a parallel system.

### **1. These changes will affect how we produce food in New Zealand. Some of the impacts will be positive while others will be undesirable. How can New Zealand Food Safety work with industry and others to maximise or minimise these effects?**

One important way to ensure the food safety system remains fit for purpose in the face of change is to connect with the stakeholders who are often the first to face the realities of change. In Zespri's case, we are strongly connected to our customers who are significant drivers of change around the assurances they require of us. So too is Zespri aware of the impacts climate change is having on our production. Connecting directly with stakeholders such as Zespri regularly can help NZ Food Safety keep abreast of these drivers and look to adjust the system as necessary.

Zespri supports NZ Food Safety adopting a rules-based approach built on robust and internationally-reviewed scientific research while allowing room for innovation and getting new products to market. We see this will provide the necessary assurances for both our trading partners and our customers, noting large retail customers now lead the way in defining food safety risk management.

We see more research needs to be done into food safety risk, particularly emerging risks and opportunities in food safety. Having a formal process of horizon scanning to identify and quantify risks before developing processes then measuring outcomes would ultimately provide robust assurances and ensure resource is allocated to areas of greatest risk where it can do most good.

## 2. Please choose what priorities New Zealand Food Safety should focus on over the next five years?

Zespri submits that all the priorities mentioned here need to be progressed but acknowledges that to make meaningful progress, prioritisation is necessary. As an exporter, Zespri sees connectedness into the international community and expanding our influence as a key priority. Our trading status is dependent on trust and confidence in our system.

We see a clear role for NZ Safety in ensuring science-based rules are developed and using its influence to have these rules implemented consistently across our trading partners. In particular we note:

- One of the examples from the proposed action plan for *ensuring NZs world class food safety system remains robust in responding to future challenges* is providing templates and tools for businesses. Templates and tools are not enough on their own, they need to be backed up by a real culture of food safety with training and systems and processes.
- *To ensure our food safety system remains robust* means that we need to understand and get ahead of changes in our trading partners' food safety systems and maintain our equivalent system recognition. This includes guidance for exporters on how to meet these systems and also provide a way for exporters to be able to give assurance to overseas bodies that we comply with NZ food safety regulations. At present this is limited to being able to say that don't have any product recalls which doesn't send a clear message to regulators or customers.

## 3. Do you have any alternative priorities that should be considered? Why?

We note that NZ Food Safety identifies a role in supporting positive industry culture. Zespri considers that NZ Food Safety should take a stronger leadership role in promoting **food safety culture**. Zespri has found that improving food safety culture requires deliberate actions and leadership. It is a slow process but with some dedicated actions we are lifting food safety awareness and culture in our sector. We encourage NZ Food Safety to consider a stronger leadership role in building a food safety culture which goes right from food production through to the end consumer.

There is no mention here of residues in food which are managed through the setting of **MRLs** and it is not clear if this is considered within scope. The strategy needs to consider how the agency will ensure its regulations keep pace with developments across customers, other regulators and scientific developments. This is a critical area as testing continues to detect residues at increasing lower levels. We encourage NZ Food Safety to prioritise policy and research into this area, including consideration of biological compounds.

Another key area which is not addressed in the strategy is **traceability**. This is a key part of the Zespri brand promise and our industry can trace every tray of Zespri Kiwifruit to the block on the orchard it was grown on, as well the agrichemicals applied and when, results of tests for more than 300 residues, brix levels, firmness, when it was picked, where it was packed and when it was shipped, as well the results of any quality checks. This is key to our business model and gives assurance to our customers and regulators. We urge NZ Food Safety to outline its approach to traceability.

Good traceability is critical in recall situations, but also has the added benefit of creating a framework for consumers to attribute credence – eg sustainability claims and country of origin labelling - when choosing products.

We note the **US FDA** recently updated its priorities (copied below) which we see as also being relevant to a NZ context.

***Tech-Enabled Traceability and Foodborne Outbreak Response:*** Looking at technologies, data streams, and processes that will greatly reduce the time it takes to track and trace the origin of a contaminated food and respond to public health risks.

***Smarter Tools and Approaches for Prevention:*** Enhancing the use of new knowledge from traceback, data streams and tools for rapidly analyzing data. The ability to use new data analysis tools and predictive analytics will help FDA and stakeholders better identify and mitigate potential food safety risks and advance the preventive controls framework that FSMA established.

***Adapting to New Business Models and Retail Food Safety Modernization:*** Advancing the safety of both new business models, such as e-commerce and home delivery of foods, and traditional business models, such as retail food establishments.

***Food Safety Culture:*** Promoting and recognizing the role of food safety culture on farms and in facilities. This involves doing more to influence what employees and companies think about food safety and how they demonstrate a commitment to this work. Strengthening food safety cultures also extends to the home and FDA is working to educate consumers on safe food handling practices

#### **4. To continue to have a world-class food safety system, it needs to be agile and robust. What gaps should we be looking to close?**

Zespri encourages NZ Food Safety to focus on prevention through a risk-based approach. As previously mentioned, a food safety culture is key here to generating change and getting people in the industry to live these values.

#### **5. We think the system works best when consumers have the information they need to make informed food choices. As a consumer how do you want to receive information about food safety? Why? What other things are you interested in?**

Strengthening food safety culture also extends to the home and we encourage NZ Food Safety to educate consumers on safe food handling practices.

Zespri provides country of origin labelling on all our products and we welcome the Consumers' Right to Know (Country of Origin of Food) Act which will make country-of-origin labelling mandatory for fresh or frozen fruit, vegetables, meat, fish and seafood sold in NZ. Country-of-origin labelling is mandatory in many of our markets and providing this information at point of sale allows consumers to make educated choices about the products they consume.

**6. The trading environment is shifting and our role in shaping this helps to safeguard New Zealand's reputation and getting New Zealand food to overseas markets. What do you think we should do to protect and increase our influence overseas?**

As a major exporter, Zespri relies on our trading partners and customers having trust and confidence in our food safety system. NZ Food Safety has a critical role in this by setting clear rules, avoiding duplication in assurance and verification systems, and maintaining strong relationships with trading partners.

New Zealand should build on the expertise and brand recognition of companies like Zespri, to champion NZ Inc, raising the profile of New Zealand and our commitment to excellence, and creating more opportunities for New Zealand businesses.

We can build our reputation and influence by publishing, being present at and contributing in international forums, presenting at international conferences etc. Zespri submits that a clear and targeted budget is established for government experts to travel and represent NZ in these forums. We also note that including industry experts (covering their own costs) in some of these forums can also add a lot of value.

We note this raises the risk around longevity, consistency and continuity of people capability. To have standing in international forums we must represent NZ consistently and with continuity with the same people fronting at key forums. We also see risk around attracting people with the necessary expertise while a number of our experts are retiring.

We also note the following:

- The Discussion Document mentions threats to multilateralism and increased trading complexity. We encourage NZ Food Safety to outline the proactive approach it plans to take to address this.
- There is potential for food safety requirements to create barriers to trade making a realistic, rules-based approach, and efforts to overcome non-tariff barriers, even more critical.
- The need to maintain equivalence/recognition with other authorities.
- The need for NZ Food Safety to continually horizon-scan not just for regulations but also engaging with exporters on the consumer trends and big retail customer requirements that they are seeing, as these developments feed into the regulations of the future.

**7. Food advances and innovations/technologies affect every part of the food supply chain. What do you think needs to be done to foster innovation while keeping food safe and suitable?**

- We see a real drive for transparency and traceability through the supply chain with our consumers around the world want to know country of origin and details of food production.

- As well as horizon scanning for regulatory requirements, we encourage NZ Food Safety to maintain close relationships with exporters to inform them of big retail and customer requirements, as these are often drivers of change.
- We encourage NZ Food Safety to make use of the data it has to measure and inform decisions with predictive analysis informing risk-based assessments.
- We would like to see a better process for both assessing and approving biological products for crop protection, including building the necessary expertise to assess the risks. Also consideration needs to be given to the market access implications (quarantine pest status) and food safety implications of particularly live compounds (bacteria, fungi etc.) being applied to fresh produce.
- We agree that NZ Food Safety needs to monitor new developments in risk detection and prevention. This requires technology with a good level of probability – as close to 100 percent as possible - and a realistic risk-based approach.

#### **8. Is there anything not in the strategy that we should be? Why?**

- We encourage NZ Food Safety to future-proof its regulation to deal with new technologies in food production, continually horizon-scanning for regulatory developments in our trading partners.
- This is a great opportunity to provide leadership in driving a strong food safety culture which would underpin the sector.
- There is no mention of how NZ Food Safety will address the issue of traceability. This is fundamental to food safety and a requirement from regulators and customers alike.
- There is no mention in the document of residues and the approach NZ Food Safety will take to ensure our regulations keep pace with international developments across other regulators and scientific research.
- Zespri agrees with the sentiments and goals outlined in the strategy. We encourage NZ Food Safety to develop a set of priorities with specific actions and goals for communication with industry.