

PORTFOLIO COMMITTEE NO.1 – PREMIER AND FINANCE

INQUIRY INTO FRESH FOOD PRICING IN NEW SOUTH WALES

Answers to questions on notice taken during the hearing: Mr Scott Hansen, Department of Primary Industries

- 1. Previous witnesses have spoken of two problems with the fresh food situation. The first is a lack of availability and the second is poor quality. Does anyone monitor the availability of fresh food and its quality?*

Fresh food availability is maintained and monitored through commercial arrangements between suppliers and retail outlets. These commercial arrangements provide a mechanism to ensure base level forecasts of fresh food consumer demand can be met.

Seasonal fluctuations can have an impact on the supply of certain commodities and retailers need to adjust their operations for these shortages. For example, retailers may substitute supply from different geographical regions or stock alternate commodities. From a producer's perspective, farm management practices (e.g. irrigation, agronomic or even infrastructure) help mitigate against supply fluctuations, increasing productivity and maximising farm returns.

Requirements underpinning the safety and suitability of food are set out in the Australia New Zealand Food Standards Code and compliance is enforced by the NSW Food Authority. The NSW Food Authority has a partnership with enforcement agencies appointed under the Food Act 2003 (e.g. local councils), who conduct regular inspections of retail food businesses in their local area. The inspectors check that good food safety practices are in place such as temperature control, cleanliness, hand washing and labelling. This regulatory remit only extends only to safety and suitability, not to monitoring the availability or quality of commodities in markets.

As mentioned during the hearing, food quality is subjective as what is considered to be of acceptable quality is dependent on the commodity being sold, the participants in the market and what they perceive as quality, and the intended use by the consumer.

Commodities are bought and traded in the market based on the quality desired and the price consumers are prepared to pay for that quality. The fresh food market and the industries involved set food quality standards through these interactions. The fresh food quality standards are determined by the links of the supply chain which, depending on the market, include producers, agents, supermarkets and ultimately the consumers (via price signals). Most industries and markets have set quality standards agreed, however, fresh food industries typically require a range of quality standards depending on the market being supplied.

As different markets desire different qualities of food, by having an increased number of diverse markets you increase the likelihood that fresh food will be considered acceptable.

Transparency and agreement to the quality specifications of fresh food is also important to ensure the producer is aware of the standards that must be met in a certain market arrangement. DPI supports the principles contained in the relevant codes of conduct (eg. Horticulture Code of Conduct and the Grocery Code of Conduct) to ensure all parts of the supply chain can meet their obligations.

2. *What are the current requirements to establish a farmers' market?*

Local government councils are largely responsible for approving farmers' markets in their respective regions as the markets often use local government land, utilities and resources.

DPI does not have a direct role in establishing, approving or licensing farmers markets. However, stall owners and farmers' markets organisers do have a responsibility to comply with Biosecurity and Food Safety laws and legislation which fall under DPI's mandate. This includes the *Food Act 2003* and the *Food Regulation 2015*.

DPI have produced a Food Safety guide for farmers markets organisers and stall operators that detail their obligations. A page on the Food Authority website is also dedicated for markets and temporary events (see links below). Information on requirements of farmers market organisers is also readily available through the Farmers Markets Alliance of NSW Incorporated.

Food Authority Links

http://www.foodauthority.nsw.gov.au/_Documents/retail/temp_events_guideline.pdf

<http://www.foodauthority.nsw.gov.au/retail/markets-and-temporary-events>