

Submission

Freshcare Review | 2024



ABGC is the exclusive peak industry body representing bananas across Australia. For more than sixty years, the ABGC has led and represented banana growers, with the aim of ensuring a profitable and resilient industry future. As the national industry development body, the ABGC runs several grower focused projects and advocates on behalf of banana farmers across the country. There are approximately 600 banana growers in Australia. The major banana production region is North Queensland, in and around the areas of Tully, Innisfail, the Atherton Tablelands and Lakeland Downs. About 94 per cent of the national banana production comes from across these areas. Bananas are also grown on the mid-north to far-north coast of NSW, in Western Australia at Carnarvon and Kununurra as well as a few small commercial farms in the Northern Territory.

The industry welcomes the opportunity to provide input into the Freshcare Food Safety (FC) and Freshcare Environmental (FCE) Standards administered to most of our growers via annual audits.

While the industry holds high standards for food safety and best environmental practice, we are charged with ensuring farming businesses remain sustainable. This submission focusses on reducing and minimising the cost and level of stress experienced by growers because of audits in general, while maintaining these high standards.

Some high-level considerations include that:

- Freshcare should ensure the objectives of the Standards are to deliver on the food safety and environmental standard needs of the industry to contribute to a strong market. ABGC would like to see Freshcare design the Standards with more consideration around supporting growers' needs to interpret and deliver on requirements whilst remaining sustainable.
- There is a fundamental issue that we recognise where retailers have significant influence over what the Standards are. While retailers are driven by consumer expectations, these are not always realistic for growers to implement, and concern is building in the industry about the sustainability of family-owned farms because of increasing demands and expectations at audit, all at the cost of the grower.
- Understanding of the Standards proves difficult for many growers. In addition, auditors' interpretation is inconsistent which creates uncertainty, frustration, and unnecessary penalisation worn by growers (e.g. the various interpretations around hand wash, etc).

The cost of audits and time to prepare for audit is becoming increasingly difficult for many growers to meet. ABGC anticipates the issues addressed within this submission will help inform some solutions to reduce the cost and stress to growers moving forward. Duplication and relevance, among others, are key issues that directly affect cost to growers and the industry would like to see these addressed as a priority.

[Issues and recommendations/proposed solutions](#)

Key issues that the banana industry seeks to see addressed in the FC & FCE Standards review include:

- | | |
|-----------------|-----------------------------|
| • Duplication | • Relevance |
| • Consistency | • Incentives & consequences |
| • Billing | • Increasing expectations |
| • Communication | |

Based on growers' views and perceptions collected from extensive engagement and the provision of direct support to growers undertaking the audit process, the following issues and potential recommendations/solutions have been identified:

DUPLICATION

1. There is duplication of some requirements between HARPS/FC/FCE (and Sedex). This takes time for auditors to put the same information in many times, at the unnecessary cost to growers. Additionally, some Auditors explicitly require the grower to provide the same evidence twice even though it is identical for the various audit processes.

Recommendations:

- a. Identify and streamline duplication between FC and FCE and examine whether there is potential scope for consideration of HARPs and Sedex.
 - b. Generate the templates such that growers follow one scope and auditors only input the information once.
 - c. Develop one single Standard for FCE/FC certification for banana growers.
2. In circumstances where one business owns multiple farms with identical practices, policies, and processes, each farm is engaged in multiple audits at significant cost to the grower.

Recommendation:

- a. Reduce requirements where possible, and/or streamline a process to simplify and minimise duplication across farms with one owner and similar practices.
3. Both FC and FCE require a property map, with FCE seeking the same information plus some. The quantity of information listed is unnecessary and can be overwhelming for some growers.

Recommendations:

- a. In the FCE Standard (M1.2), simply state that the same map and features can be used from FC with additional components listed, instead of all components listed again.
- b. Similarly for the nutrient records required.

CONSISTENCY

4. Inconsistency of expectations, supporting evidence and interpretation of the Standards between auditors. Expectations of specific requirements change from year to year and even when this is communicated via newsletters growers find it difficult to keep up with amendments. In cases where a business manages two farms (for example) and two different auditors administer the audits respectively, different outcomes have been observed and experienced.

Recommendations:

- a. The training of auditors be reviewed to ensure an accurate interpretation of the Standards.
- b. Compliance Bodies (CBs) held accountable to have tools in place to foster a consistent approach by auditors.
- c. More oversight of auditor performance by Freshcare.

BILLING

5. Quoting vs actual time spent is significantly different in some cases. This presents financial stress for growers in this scenario. The way travel fees are calculated are viewed as excessive and unfair.

Recommendations:

- a. Ensure CBs are held accountable for time spent on and off farm, and that caps are set to avoid ballooning audit costs.
 - b. The true cost of compliance to be calculated and presented as fact to those requiring compliance.
 - c. Travel fees to reflect the actual travel done.
6. There should be more effort by CBs to combine audit visits in particular geographical areas to ensure that single businesses are liable for the full cost of a single visit. Growers currently cover the costs of auditors in training which can be significant, particularly when more time is taken as a consequence.

Recommendations:

- a. Billable hours are applied at the same rate irrespective of the auditors' level of experience.
 - b. Ensure CBs are held accountable for fair and reasonable billable hours with cost of training of auditors not to be handed down to growers.
7. Growers are generally faced with similar charges where smaller operations are paying as much as larger farms. This is perceived by some growers as unfair and inappropriate.

Recommendations:

- a. Small farms without a packing shed to have a concession where a minimum mandatory audit time is not applicable. This is because only half of the process is being scrutinised.
- b. Consider farm scale/production and implement a tiered system for quoting and charging growers of various sizes.

COMMUNICATION

8. Communications regarding changes to the Standards is not reaching all growers, therefore some are surprised to receive Corrective Action Records (CARs) based on changes they were unaware of. It is understood that changes to Standards are communicated via email. Growers have claimed to miss the information as the emails are often for commodities that are very different to bananas and assumed irrelevant. Growers do not have time to read all the updates and critical information is easily missed.

Recommendations:

- a. Work with industry directly (ABGC) to help get the word out and consider multiple avenues to reach growers.
- b. If there are areas of common CARs, ABGC can help communicate this with growers to build awareness and attention to these respective requirements.

RELEVANCE

9. Relevance of the Standards including Global Food Safety Initiative (GFSI) and cross-commodity. Due to bananas being a domestic commodity, GFSI requirements are not relevant.

Recommendations:

- a. Banana growers should be exempt to any requirements in the Standard relating to GFSI as appropriate.

10. Bananas are a low-risk fruit in a high compliance area.

Recommendations:

- a. Bananas have a natural skin/barrier therefore some packaging and handling requirements could be adjusted reasonably to reflect this.
- b. If not possible to have a banana-specific version of the standards, the industry/individual growers could have an avenue available to them to request an exemption on relevant audit requirements.

11. Some auditors are good at recognising the difference between commodities, but others are not.

Recommendation:

- a. Training of auditors and ensuring CBs are accountable is important here.

12. In terms of logistics and resultant costs, it is increasingly difficult to organise audit times. Travel costs and times are very high particularly in remote areas (WA is a noteworthy example). It proves difficult for growers to find an auditor that can cover all of the different Standards at once (FC/FCE/HARPS/Supply Chain/Ethical sourcing) resulting in more time/increased travel cost impost on growers. While growers in these remote areas try and organise themselves in groups to reduce travel costs, it is still extremely expensive. Growers say that CBs can be difficult to deal with, taking a long time to respond, offering limited times, and having a lack of ability to negotiate on cost.

Recommendations:

- a. CBs be held accountable and encouraged to streamline services across Standards in remote areas.
- b. CBs work to accommodate group audits in remote areas, splitting travel related costs between growers.
- c. Introduce caps to travel costs.

INCENTIVES & CONSEQUENCES

13. There is no cost incentive for highly compliant growers.

Recommendation:

- a. A system whereby growers who are compliant with less than an identified number of CARs over a period could be rewarded in future to off-site audits, less frequent audits, and/or fewer requirements to check. This will likely increase compliance and reduce cost to growers.

14. Audits are an anxious time for many growers, with a sense from some that auditors are fearmongering and interrogating their family business by invading their place of pride and work. This is not a complaint or report on auditors, but something to be aware of.

Recommendations:

- a. This should be acknowledged and considered in communications with growers during and around the audit time.
 - b. Mechanisms for growers to provide feedback on auditors could be useful to establish patterns of behaviour and make CBs accountable for their staff behaviour. This could help avoid any potential perceived/otherwise bullying or negative behaviour.
15. A fear of retribution exists for some where growers feel powerless, and the audit is at the hands of the auditor.

Recommendations:

- a. Communication with growers about their rights would be beneficial.
- b. The auditor is the face of the Standard, so Freshcare should consider how their preferred culture and brand is presented by CBs and their auditors.

INCREASING EXPECTATIONS

16. It is perceived by some that auditors are constantly looking for more requirements to justify their role and increase their profits.

Recommendation:

- a. A system to keep CBs and auditors accountable.
17. The emphasis on continuous improvement heightens the bar each time. There is a perception that growers who are non-compliant are asked to do baby steps, and those who are compliant are expected to make larger leaps each year. This is viewed by growers as unfair and inappropriate.

Recommendations:

- a. Consider applying fair and achievable expectations on all growers whether compliant or otherwise.
- b. Communication with growers and CBs/auditors would be important to help manage this.

18. It has been perceived by some growers that the Banana Best Management Practice (BMP) checklist is used to increase FCE requirements each year.

Recommendations:

- a. While it is acknowledged that the BMP is modelled off FCE, it is owned by growers. This is important to note to support and encourage adoption.
- b. Communications on this is important moving forward, particularly if additional requirements are introduced to FCE in future.
- c. It's important that Freshcare helps to maintain the intent of the BMP. It is an industry owned guideline and should be treated as such, as opposed to the perceived excuse to introduce more red tape.

- d. The positive relationship between FCE and the Banana BMP should be promoted and communicated in the context of this.

GROWER SUPPORT

- 19. Access to auditors is limited in regional parts of Australia. While a range of CBs are available to access, some growers find that very few respond to their requests for audit which reduces the options for access to competitive rates.

Recommendations:

- a. Freshcare could better support growers to access a wider range of available auditors.
 - b. CBs should be held accountable regarding their availability to growers.
- 20. Guidance material is currently too vague and difficult for many growers to understand clearly. Misinterpretation or misunderstanding of the guidelines result in CARs and therefore more unnecessary cost and stress to the grower.

Recommendations:

- a. Guiding documents to be specific with provision of worked examples and/or case studies to clarify the requirements in the Standards. References/links to templates and legislation where relevant would also be beneficial to ensure expectations are understood and met. E.g. E2, E3, E4.
 - b. Note: a simple request warrants a simple response. If Freshcare are looking for detail, this should be prompted in the way the requirements are worded and explained.
- 21. There is a large contingent of growers where English is not their first language and so they have difficulty interpreting the guidelines. ABGC notes the upgrades to the Freshcare website in multiple languages and offers congratulations on this move.

Recommendations:

- a. Freshcare to consider making a Punjabi version available of the forms (and/or Guidelines).
- 22. M4.2 – Many growers are unclear about how to complete their own CARs for any non-compliance. Additionally, not all growers think of these things as CARs at the time. For example, a flood damages a drain and road; The grower fixes it. This is a CAR because the grower fixed a temporary non-compliance.

Recommendation:

- a. Ensure there is a clear and concise 'how-to' guide available. Examples and/or case studies would be useful.
- 23. FCE training is general and not as impactful as it could be in supporting growers' understanding and application of the requirements.

Recommendations:

- a. Rather than covering information on how to fill out a form, content to focus on explaining the meaning of the requirements at a practical grower-level. Examples/case studies would be useful here.

- b. More prompts included to foster discussion in training sessions such as ‘what are you doing to achieve healthy land and soil?’
- c. Keeping in mind time and cost to growers, this inclusion should be prioritised over instructions on how to complete forms.

24. F11 – Not specific or clear.

Recommendations:

- a. It would be helpful for example to add under F11.1 #1 Have an annual meeting; #2 Get your HACCP Certificate.
- b. This applies across several sections – where ways of meeting the requirement could be suggested to help the grower.

UNANNOUNCED AUDITS

25. Growers can only choose a small number of days for blackout dates and there are times when the necessary staff are unavailable due to outside commitments. Unannounced audits are very disruptive and therefore stressful. In real terms, a grower cannot leave work early, or organise a project with trades or contractors for a month in case the auditor arrives. Issues will arise when a small grower is expected to pay high travel costs for an audit that does not go ahead due to the grower leaving the farm for non-negotiable commitments such as collecting children from school or care. Regarding farms in remote areas (like WA), growers know when auditors are coming as there will be other audits on at the same time so they can “guess” at least to a week if not a time, so the value of these audits is questionable.

Recommendation:

- a. Farms in remote regions and/below a certain size (with fewer than a certain number of permanent employees), be exempt from unannounced audits.

Summary

Based on the issues and proposed solutions addressed, key recommendations for change cover:

- Reducing audit costs for growers
- Recognising and minimising duplication across Standards
- Ensuring requirements are relevant to bananas and consider introducing exemptions as a work around
- Increase accountability of Certification Bodies and auditors around areas such as billing, consistency
- Improve communications with growers in ways that work for them
- Incentivise compliance to reward repeated high standards.

Conclusion

ABGC recognises that growers have a responsibility to meet the food safety and environmental obligations as defined by law and the market, and that the Standards facilitate that, which is important and valued by industry.

Reducing duplication and making the Standards more relevant to the banana industry will contribute to reducing cost of audit to growers. Communications with growers and holding Certification Bodies accountable for their approach and interpretation of the Standards are key factors to improving grower experience and uptake of the program. We acknowledge that Freshcare has reasons for

maintaining separation from contracted Certification Bodies, however we believe some changes are necessary to ensure quality control and accountability of auditors. This is important to allow growers to engage more positively in the program and justify the cost.

ABGC continues to seek a positive working relationship with Freshcare and welcomes further dialogue on the points raised in this submission. We seek to understand Freshcare's position on the suggested changes in due course.

As Freshcare is owned by industry, it is crucial that consultation and communication between Freshcare and ABGC continues to improve. Having a strong relationship and regular updates will help facilitate a smoother, positive and constructive implementation and audit process for growers and auditors alike.

ABGC looks forward to Freshcare's response specific to the issues and recommendations outlined in this submission. The contacts below are available to discuss and ABGC welcomes ongoing dialogue to collaborate and continue improving the Standards.

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