

14-16 Brisbane Avenue  
Barton ACT 2600  
Locked Bag 9  
Kingston ACT 2604

Telephone: (02) 6269 5610  
Facsimile: (02) 6273 4479  
Email: [sca@sheepmeatcouncil.com.au](mailto:sca@sheepmeatcouncil.com.au)  
Website: [www.sheepmeatcouncil.com.au](http://www.sheepmeatcouncil.com.au)

26 May 2017

Australian Competition and Consumer Commission  
23 Marcus Clarke Street  
Canberra ACT 2601  
Via email: [adjudication@acc.gov.au](mailto:adjudication@acc.gov.au)

Dear Sir/Madam

**RE: Pastured Proof – Pasture Raised on Open Fields – Certification Trade Mark Application No. 1784876 – interested party consultation**

I am writing to provide the Sheepmeat Council of Australia's (SCA) comment on the application from Kevin McCosker and Lee McCosker for registration of Certification Trade Mark (CTM) No. 1784876 ('the application') containing the words 'Pastured Proof – Pasture Raised on Open Fields'. SCA appreciates the opportunity to comment on the application.

SCA is the national Peak Industry Council representing and promoting the needs of Australia's lamb and sheepmeat producers. In accordance with SCA's legislative and ethical responsibilities to Australian sheepmeat producers and by extension, consumers, **SCA strongly advises the ACCC against approving the application** due to the application failing to ensure that:

- a) the attributes required of approval CTM assessors are sufficient to enable the person to competently assess whether goods and/or services meet the certification requirements and
- b) the CTM rules would not be to the detriment of the public and are satisfactory having regard to the principles of competition, unconscionable conduct and consumer protection.

Prior to outlining the structural deficiencies in each of the 10 proposed 'PROOF Meat Sheep Core Values', SCA would like to draw attention to the largely inadequate, and industry standard divergent, licensing and audit process outlined within the application. In comparison to existing livestock industry assurance programs currently providing competitive advantages to accredited Australian livestock producers, such as the Pasture Fed Cattle Assurance System and the National Feedlot Accreditation Scheme, the internal audit and self-assessment framework outlined in the application lacks adequate rigor to ensure producers sufficiently meet certification requirements. SCA is of the view that by not requiring mandatory on-site audits, in line with industry practice, a high potential for non-compliant product being marketed under the CTM exists.

Due to the duplication of existing standards, ambiguous or confounding text, and the impracticality of certain measures, SCA believe that if approved, the CTM Application will lead to confusion for both producers and consumers to the detriment of the Australian sheepmeat industry. Further, it will undermine current industry Management Systems – Requirements, designed to provide companies and organisations with a common approach to applying a Quality Management System which comply to the international standard ISO 9001:2008.

For the ACCC's consideration, SCA have provided the following comment on each of the application's 10 core values for meat sheep accreditation:

*1. All animals are able to range in open fields or paddocks*

The vast majority of Australian sheep are raised exclusively in 'open fields or paddocks' with less than 10 per cent of sheep being confined for supplementary grain feeding<sup>1</sup>. Australian sheepmeat production is largely produced 'all-natural', with stock being pasture-raised, grass-fed, and free of artificial additives and hormone growth promotants. As a result, the same impetus and justification to differentiate 'free-range' production systems that exist in more intensive livestock industries has not been reflected within the Australian sheepmeat industry.

In recognition of the increasing importance consumer's attribute to particular raising claims in other livestock industries, the sheepmeat industry has outlined in the Sheepmeat Industry Strategic Plan 2015-2020 the key activity of undertaking a comprehensive review of the meat and livestock specification language for lamb and sheepmeat that delivers recommendations for enhancements.

Similar to the Beef Language White Paper, the recommendations outlined by the review will be implemented through the Australian Meat Industry Language and Standards Committee (AMILSC). AMILSC is the industry standards body responsible for the development, approval and maintenance of standards for trade descriptions through the Australian Meat Industry Classification System (AUS-MEAT Language) and the AUS-MEAT National Accreditation Standards for AUS-MEAT Accredited Enterprises.

There is a tangible risk to both the Australian sheepmeat domestic market and international markets if the ACCC permit a CTM application to define industry raising claims. Without the necessary in-depth evaluation and industry oversight provided by the AMILSC, an ill-defined raising claim marketed through a CTM will likely have a detrimental effect upon industry through the generation of product misperceptions.

*2. All animals are kept at stocking densities that will ensure access to forage and grazing*

The application's second core value is wholly covered in the existing Australian Animal Welfare Standards and Guidelines for Sheep. The Animal Welfare Standards and Guidelines for Sheep were developed in consultation with state and territory governments, livestock industry organisations, animal welfare groups and the general public under the auspices of the Animal Welfare Committee, which is ultimately responsible to the relevant ministers for Primary Industries. For brand owners wishing to utilise a competitive advantage derived from the animal welfare standards, an avenue of accreditation exists through the Livestock Production Assurance On-Farm Quality Assurance Standards (Flockcare). The applicant fails to demonstrate how the proposed PROOF Standards are additional to existing regulatory requirements.

*3. Densely confined production systems and feed lotting are not permitted*

---

<sup>1</sup> [https://www.trueaussiebeefandlamb.com.au/globalassets/true-aussie---global/files/true\\_aussie\\_lamb\\_product\\_guide-20160929.pdf](https://www.trueaussiebeefandlamb.com.au/globalassets/true-aussie---global/files/true_aussie_lamb_product_guide-20160929.pdf)

As per the first core value, to avoid adverse industry impact, definition of production systems and raising claims need to be adopted through the AMILSC after the appropriate in-depth evaluation and industry consultation has been undertaken.

*4. All animals are able to interact with their herd or flock and to carry out natural behaviours*

As per the second core value, all articles within this value are already outlined in the existing Livestock Production Assurance On-Farm Quality Assurance Standards (Flockcare) and Australian Animal Welfare Standards and Guidelines for Sheep.

*5. Animals will not be kept in cages, stalls or crates*

A number of existing, third party audited, certified assurance programs already provide an avenue for brand owners wishing to be accredited in line with the articles contained in the fifth core value. SCA note that these commercially operated assurance programs provide effective underpinning of an array of brands without the need for CTM regulation.

*6. All animals will be protected from predation*

As previously referenced, all articles within this value are already outlined in the existing Livestock Production Assurance On-Farm Quality Assurance Standards (Flockcare) and Australian Animal Welfare Standards and Guidelines for Sheep.

*7. Animals will be fed to meet their welfare needs as well as production requirements*

As previously referenced, all articles within this value are already outlined in the existing Livestock Production Assurance On-Farm Quality Assurance Standards (Flockcare) and Australian Animal Welfare Standards and Guidelines for Sheep.

*8. Surgical treatments that inflict unnecessary pain are not permitted*

As previously referenced, all articles within this value are already outlined in the existing Livestock Production Assurance On-Farm Quality Assurance Standards (Flockcare) and Australian Animal Welfare Standards and Guidelines for Sheep.

*9. All animals will be inspected by the producer on a daily basis*

The requirement of daily inspection of all animals demonstrates the complete absence of sheepmeat industry consultation prior to formulating the application. Without particular instance of disease or certain production periods such as lambing, few, if any, commercial sheep production enterprises would conduct daily animal inspections. Aside from the substantial negative impact upon business productivity, there is little evidence to suggest the onus of daily inspection of animals within the Australian sheepmeat production system provides any beneficial animal welfare outcome.

The Australian Animal Welfare Standards and Guidelines for Sheep outlines, a person in charge must ensure the inspection of sheep at intervals, and at a level appropriate to the production system and the risks to the welfare of sheep. Unlike the application, the Animal Welfare Standards and Guidelines were

developed after extensive consultation process, with a final public consultation highlighting ethical and practical issues, which were then incorporated into the development of robust standards.

In addition to the impracticality of daily stock inspection, article 9.5 stipulates that all sheep destined for slaughter are consigned to the nearest available abattoir. Article 9.5 is a clear anti-competitive measure that restricts certified producer's available marketing avenues to the closest geographically located abattoir.

*10. Pastured production should be environmentally, economically and socially sustainable*

The sole guiding article of 10.1 *each producer will complete an internal audit of their operation prior to approval of license and at annual renewal of license*, provides no detail as to what measures a certified producer needs to meet to be environmentally, economically and socially sustainable. The ambiguity of core value 10 is confounding and raises alarm as to the potential for indeterminate judgements being passed on a sheep producer's environmental, economic, and social sustainability credentials.

From analysis of the proposal's 10 core values for meat sheep accreditation, aside from those relating to raising or production system claims, articles are either already covered in existing industry assurance programs and standards or are nonsensical for Australian sheep production enterprises. These existing industry standards and assurance programs are currently available to all sheepmeat brand owners to utilise in a componentry manner to produce flexible and representative product propositions. In response to the development of sheepmeat industry language that defines the raising and production system claims referenced in the application, SCA would welcome Kevin McCosker and Lee McCosker's input into the sheepmeat language review during the public consultation phase.

SCA is concerned that the introduction of duplicative standards and accreditations, such as the ones contained within the application, will only serve to create confusion and generate product mistrust amongst both sheepmeat consumers and producers.

If you would like any more information please do not hesitate to contact Kat Giles, SCA CEO, on (02) 62695610.

Yours sincerely  
Jeff Murray

A handwritten signature in black ink, appearing to read 'Jeff Murray', written in a cursive style.

President  
Sheepmeat Council of Australia

### **Sheepmeat Council of Australia:**

SCA represents sheepmeat producers in Australia and provides a mechanism to bring a diverse range of issues and needs to the policy making process. The Council draws on many formal and informal processes to achieve this. Principal amongst these is input from the state farming organisations, which have extensive networks within their jurisdictions.

As the recognised peak body for the sheepmeat industry under the *Australian Meat and Live-stock Industry Act 1997*, SCA sets the strategic objectives to be pursued by the levy funded organisations Meat & Livestock Australia (MLA), Animal Health Australia (AHA), and the National Residue Survey (NRS), examining and approving their programs and budgets. We are involved in priority setting for industry R&D and marketing activities both domestically and internationally as set out in the Red Meat Industry Memorandum of Understanding (MoU). Under the MoU SCA assesses the performance of services delivered by expenditure of lamb and sheep levies.

The objects of SCA are;

- to represent and promote the interests of Australian sheepmeat producers;
- to carry out activities necessary for the advancement of the sheepmeat and live sheep export industries;
- to collect and disseminate information concerning the sheepmeat and live sheep export industries;
- to co-operate with industry stakeholders and organisations at the state and national level and overseas;
- to maintain interaction and co-operation with its Members, relevant Government departments and authorities at Federal, State, and local government levels, and with other relevant industry organisations;
- to promote the development and resourcing of the agricultural and pastoral industries of Australia;
- to act as the Prescribed Body for the sheepmeat industry in Australia within the Red Meat Industry Memorandum of Understanding (MoU) under the *Australian Meat and Live-stock Industry Act 1997*;
- to oversee the implementation of the Sheepmeat Industry Strategic Plan (SISP).

The industry vision developed by Sheepmeat Council of Australia (SCA), as the custodian of the SISP 2020, outlines the goal of the industry in the coming years. However, it also draws attention to a number of challenges in ensuring the sheepmeat supply chain remains competitive and delivers profitable farm-gate returns to producers. In many instances these challenges align with the beef industry.