

9th August 2017

Elizabeth Batten
ACCC
GPO Box 3131
Canberra ACT 2601

CTM Trademark Application 1784876

Dear Ms Batten,

Thank you for your consideration of the PROOF CTM.

We have reviewed all comments and requests for information and as a result we have refined the focus of the PROOF standards so that its purpose is clear and concise. We appreciate that the CTM rules may have given the impression to some that the CTM was also an animal welfare and/or an environmental certification in its original form. Animal welfare and management of the farm environment are still very important to our program, therefore, we have revised the standard to reflect only the on farm management of livestock and changed the language of the standards in an endeavour to address welfare and the farm environment as it directly relates to pastured animals without direct references to sustainability, ethical farming, environmental management and monitoring or animal welfare.

The focus of PROOF certification is the on farm management of livestock in a farming system that provides unrestricted daytime access to actively managed, pastured range areas in an environment that encourages purposeful use of those areas.

Responses to requests for further information

- 1. Against what criteria will an auditor assess whether a poultry producer's facilities assist birds to develop natural behaviours and accustom the birds to hours of sunlight, outdoor temperatures and perches?**

This requirement has been deleted and replaced with:

2.11. Replacement pullets must have access to perches from arrival on farm to introduce them to the laying environment.

- 2. Against what criteria will an auditor assess whether living conditions consider the needs of the livestock (including ensuring that animals are free from stress)?**

Deleted

- 3. Do the Standards require the placement of feed and water in the outdoor range? We understand this practice may breach certain biosecurity requirements (such as the NSW Biosecurity Guidelines for Free Range Poultry Farms); is this correct?**

No, this is not correct. The NSW biosecurity guidelines for free range poultry farms states:

“Because free range chickens require free access to the outdoors, bird-proofing the shed is practically impossible. Contact with wild birds – particularly wild water birds – can be minimised by making the free range enterprise less attractive to them; e.g. by placing feeders inside the shed,

rather than in the open range where wild birds will have easier access. Placement of bird netting in critical feeding areas may also reduce the risk. The netting should allow the entry of chickens but limit entry by wild birds.”¹

We have revised this standard to read as follows:

1.2.3.3. Easy access to feed and water in covered feeding/watering stations or in sheds to minimize access by wild water fowl.

4. Please describe the criteria that an accredited person or applicant must meet as part of the internal audit in order to comply with the requirement to be ‘environmentally, economically and socially responsible’

Deleted

5. Please describe what is meant by ‘good outcomes’. The rules are not currently sufficiently clear or specific to ensure that applicants and licensees are aware of necessary requirements for pasture management under the CTM Rules.

We have revised this standard to read as follows:

Objective: This standard requires that all poultry have continuous and unrestricted daytime access to paddocks and that stocking intensity is monitored to ensure that forage is always available for the birds in an actively managed rotational grazing system. Stocking densities need to be monitored and adjusted as necessary **to achieve compliance with these standards.**

6. Please consider amending the rules to remove any inconsistencies in relation to circumstances in which the disbudding of calves is permitted.

We have revised this standard to read as follows:

2.9. When calves are disbudded, the procedure must be performed prior to the horn bud attaching to the skull. Disbudding using caustic chemicals is prohibited.

7. Please indicate whether it is envisaged that audits will be completed by third parties independent of PROOF.

Audits will be carried out by third party auditors that are independent of the operator and their farm. While PROOF will engage auditors to undertake audits on our behalf, we will also use our own qualified personnel.

The Rules of the CTM have been updated to include this definition:

Independent Third Party Auditor: ‘Independent’ means that the auditor has no ownership of the farm or any of its facilities, and was not involved or contracted to contribute to the design, planning or construction of the farm or any of its facilities.

It is common practice in many livestock certification programs for auditors to be employees or under the direct instructions of the certification body. By way of example:

- the RSPCA employs their own auditors.

¹ http://www.dpi.nsw.gov.au/data/assets/pdf_file/0003/154704/nsw-biosecurity-guidelines-for-free-range-poultry-farms.pdf

- APIQ manages their audits in house for the first 3 years and then assigns farms to auditors that are required to be trained by Australian Pork Limited.
- The FREPA CTM only requires that the *“applicant has successfully completed an audit process (at its own expense) by an auditor accredited by a recognised auditing organisation.”*
- There is no requirement in the FREPA CTM for third party auditing. There is no requirement for audits to be performed by inspectors that are not internal to FREPA or the licensed farm.
- The Humane Choice CTM states:
 - *8.2 Subsequent Accreditation:*
 - *A Certified Applicant shall be audited by a completely independent, RABQSA registered Auditor every three years. Annual audits and desk audits of documentation will be carried by a RABQSA registered Auditor as nominated by Humane Choice.*
 - *The Humane Choice CTM does not define the requirements of an independent auditor neither does it make any statement that staff that are registered with RABQSA cannot perform audits.*

Australian Pork Limited defines independent third party as:

“Independent” means that the individual auditor is NOT involved in:

- *Advisory to the specific producer being audited; AND/OR*
- *Providing management services to the producer other than the APIQ[®] audit; AND/OR*
- *Developing the Quality Assurance (QA) system that is the subject of the audit.*

In addition to the above, the individual auditor does not:

- *Hold a financial interest in the producer’s business or its associated parent company or organisation;*

AND/OR

- *APIQM may assign audits to auditors employed by companies where the company provides other services during the Pilot Program. Should Third Party Auditing be approved and implemented in full, auditors will NOT be assigned to piggeries where their companies provide other services.*
- *Advise the producer as a private or company representative. This means a company that has several auditors can rotate auditors between properties to meet the requirements of the policy, under the guidance of APIQM, but an auditor cannot audit a property where they are a primary consultant, advisor, and attendee at the site. The auditor cannot be the interface between the producer and other company representatives.²*

Auditors with the scope necessary to undertake such inspections are very specialised and require a unique understanding of the animals they are inspecting, especially when it comes to poultry and pigs and can be difficult to find. PROOF personnel that will perform farm inspections are highly specialised in livestock production and qualified as auditors.

7. We are concerned about the lack of a requirement for an independent, third party to undertake an on-site audit as part of the initial accreditation of applicants.

2

The CTM Rules have been revised as follows:

- e. Prior to certification with PROOF, the operator must:
 - i. apply for and enter into to a PROOF Licensing Agreement;
 - ii. complete a self-assessment and declaration questionnaire;
 - iii. participate in an on farm audit conducted by an inspector appointed by PROOF;
 - iv. satisfy PROOF that the applicant will comply with the PROOF standards.

Random Audits

- o. At a minimum, PROOF will carry out an on farm audit of 20% of all licensed operators in each calendar year. These audits shall be in addition to initial audits for new applicants and also additional to the annual internal audit carried out by the operator. Such Licensees will be selected at random.

9. Please consider removing or significantly reduce the notice period or provide a satisfactory explanation of the rationale for operators to be provided 7 days written notice prior to 'unscheduled' audits.

We have revised this standard to read as follows:

- p. Random audits may be carried out whenever an opportunity arises. PROOF will give at least 7 days written notice of such audit.
- q. Unscheduled audits will be carried out without notice if concerns arise about the compliance status of any licensee that may be the result a bona fide complaint or referral by a reliable third party.
- r. PROOF may employ satellite, aerial or drone photography services to monitor a Licensee's farm remotely.

10. Please consider amending the standards to remove any references to practices that are not relevant to the specific livestock species subject to the standard.

All Standards have been revised and are specific to each livestock species.

11. Please consider amending the standards to ensure the record keeping requirements under the rules are clear and not open to different interpretation by participants (particularly as they relate to traceability, food safety and environmental management).

There are no longer any direct references in the standards to traceability, food safety or 'environmental' management (soil testing, frequency of monitoring, nutrient trigger levels). A 'Records Required' section has been added to each section of the standards (when applicable) as a guide to what records need to be kept to demonstrate compliance. The Records section of the Standards has also been revised.

12. Please consider amending the rules to remove the requirement that cattle and sheep destined for slaughter must be consigned to the nearest available abattoir; and instead rely on some other measure in the rules to seek to reasonably minimise distress to animals by unnecessarily long transportation.

The Standards are now focused on 'on farm' management, therefore the Transport section has been deleted. The land transport of animals is covered in legislation and codes of practice.

13. Please address concerns that the rules in their current form are not sufficient to ensure that products bearing the mark meet the standards that the mark represents to consumers in terms of animal welfare.

Beak trimming: We wish to be very transparent about beak trimming. Discussions with two major suppliers of layer genetics, ISA and Hyline, have confirmed that they will not supply fully beaked birds unless an order is placed for an entire batch of birds (5,000 minimum). The majority of our farmers have very small flocks and consequently find it impossible to source non trimmed birds. Therefore, we have revised the standard to:

Surgical Procedures

2.12. The following procedures are not permitted:

- 2.13. De-snooding;
- 2.14. Toe trimming;
- 2.15. Secondary beak cutting/trimming.

Infra-red beak tipping is permitted. This is a one time trim of the tip of the top beak in the first few days of life that is carried out at the hatchery. No further trimming or cutting is permitted. This standard may change in the future to exclude all beak trimming as untreated birds become more readily available.

Tail docking of sheep: there is no legal requirement for the use of pain relief for this procedure.

Slaughter and slaughter house: The Standards have never covered slaughter or slaughterhouses. We are unsure what the reference to 'manufacturing process' means. The only manufacturing we may refer to is processing of meat such as sausages and smallgoods.

There are requirements that certain species are sourced from producers who raise animals under equivalent conditions to PROOF Standards, but these requirements do not apply to all species under the CTM Rules: In relation to cattle, sheep and pigs, the standards have been revised to be very clear about sourced animals. Poultry are supplied by only a couple of companies that have full control of their genetics and producers have no control over how they are raised unless they are important clients or can place orders for full batches of birds. It is now difficult to obtain birds that have been trained to perches during rearing so this requirement has been deleted from the standard so as not to mislead consumers or disadvantage small producers.

We have revised this standard to read as follows:

2.11. Replacement pullets must have access to perches from arrival on farm to introduce them to the laying environment.

2.12. Layer chicks raised on farm must have access to perches from at least 16 weeks of age. Access to perches from an earlier age is highly recommended to help with bone and muscle development and to introduce the birds to perching in the laying environment.

The Core Value 'illness or injury will be addressed promptly so that no animal will be left to suffer' has been deleted from the poultry standard to align with the cattle, pig and sheep standard.

14. Please consider prescribing a maximum stocking density for cattle, grower pigs, meat sheep, guinea fowl, geese and turkeys in addition to the general requirement that animals will be kept at a stocking density that will ensure forage is always available would address these concerns.

The standards did not cover guinea fowl, geese or turkey. We have since added turkeys and included stocking densities for each species. (does not include guinea fowl or geese)

Stocking density for grower pigs has been defined and based on Model Code equivalents for dry sows. i.e. Dry Sow = 1.6 standard pig units (SPU), Grower Pigs = average 1 SPU. Dry Sows will spend the full 12 month period on the land whereas grower pigs will complete two growing cycles (different herds) in the same time period. $25 \times 1.6 \times 2 = 80$.

We have revised this standard to read as follows:

2.2 Stocking rates for grower pigs must not exceed 80 pigs per hectare and shall be calculated over the production cycle of the pigs.

It is not possible to prescribe a maximum stocking density for sheep or cattle. To attempt to do so could be misleading because the type of land and climate may not support consistent pasture growth if the stocking rate was too high for the class of animal produced. There are no industry guidelines for set stocking rates only guidelines for carrying capacity that are based on the variable breeds, purpose of breeds and finishing weights of animals, regions, climates, soil types and land types in Australia.

Monogastrics (pigs and chickens) do not have the variations in weights and breeds that ruminants do (sheep and cattle) and cannot rely solely on pasture as a food source therefore it is much easier to specify stocking rates. The Model Code also prescribes stocking densities for pigs and poultry unlike the codes for sheep and cattle. The dietary requirements of for monogastrics and ruminants also vary tremendously.

Stocking rates for sheep and cattle are fully dependant on available pasture.

Meat and Livestock Australia provide guidelines for carrying capacity here <http://mbfp-pastoral.mla.com.au/Managing-your-feedbase/4-Determine-carrying-capacity-and-stocking-rate>

The Standards for sheep and cattle have been revised to:

2.1 Stocking rates must be determined by the carrying capacity of the land. Long-term carrying capacity is the average number of animals that a grazing area can be expected to support over a set period.

2.2 The Licensee will provide their assessment of the carrying capacity of the land sheep will graze to the PROOF auditor.

2.3 To assess long-term carrying capacity, the following must be taken into consideration:

- 2.3.1 areas of land types on the property;
- 2.3.2 climate;
- 2.3.3 evenness of grazing (including preference of land type, plant species, and distance to water);
- 2.3.4 tree densities;
- 2.3.5 goals for animal production;
- 2.3.6 and land condition.

15. Please explain whether the maximum indoor stocking density of poultry of 10 birds per square metre (specified at subsection 5.8.2 of the Poultry Standards) is consistent with the requirement under the CTM Rules that densely confined production systems and feed lotting are not permitted.

4.8. Birds may be housed overnight for protection from predators.

When birds are housed at night (and cannot exit the structure) the minimum stocking density for indoor housing must be applied to prevent the birds from being overcrowded. The Model Code of Practices states that the indoor stocking rates for meat birds is 28kg/m² for non mechanically ventilated houses. This is equivalent to approx. 14 birds per sq metre at slaughter weights. The stocking rate would vary depending on the stage of growth of the birds. 10 birds per sq metre indoors is a lower stocking rate than required under the Model Code.

16. Please consider amending the rules to note that any variation to the CTM Rules would need to receive the prior approval of the ACCC.

We have revised this standard to read as follows:

- e. With prior approval of the ACCC, PROOF reserves the right to amend the Standards at any time in order to remain compliant with such requirements.

Please find attached the revised Standards for all livestock, and revised CTM Rules.

Yours sincerely,

Lee McCosker

PROOF – Pasture Raised On Open Fields