



23 June 2020

Case Management and Administration Unit  
Australian Pesticides and Veterinary Medicines Authority  
GPO Box 3262  
SYDNEY NSW 2001

Via email: [enquiries@apvma.gov.au](mailto:enquiries@apvma.gov.au)

To whom it may concern,

**Re: Public Release Summary on the evaluation of the new active zilpaterol hydrochloride in the product Zilmax Medicated Premix**

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission on the APVMA *Public Release Summary on the evaluation of the new active zilpaterol hydrochloride in the product Zilmax Medicated Premix*.

The NFF was established in 1979 as the national peak body representing farmers and the agriculture sector more broadly across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and the length of the supply chain. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF would like to open this submission by expressing support for the submission to this consultation process made by NFF member organisation Cattle Council of Australia. Cattle Council is the peak industry organisation representing and promoting the needs of Australia's grass-fed cattle producers. Cattle Council has taken a lead role in understanding the implications of this issue for the grass-fed cattle sector, and the comments made in the Cattle Council submission are fully supported by the NFF.

The APVMA plays a critical role as Australia's independent national regulator of agricultural chemicals and veterinary medicines (agvet chemicals), ensuring that agvet chemicals sold in Australia are safe and effective. In the assessment of each chemical product, the APVMA take into account safety, efficacy, trade, and labelling. The NFF defers to the APVMA's expert scientific expertise on the matter of the safety of zilpaterol

hydrochloride (zilpaterol). We support the internationally recognised scientific principles and processes used by the APVMA in assessing the safety of agvet chemicals. The NFF has significant concerns about the trade risks associated with registration of zilpaterol in Australia, and in this submission, we provide comment on the nature and scale of those risks. It is the NFF's view that the substantial risks to our export trade in beef, offal, rendered products and live cattle far outweigh any benefits that may accrue as a result of zilpaterol being successfully registered for use in Australia.

### Trade risks

Australian farmers rely on stable and open international export markets. Out of the \$62.2 billion worth of food and fibre Australian farmers produced in 2018-19, 79 per cent was exported. The beef industry is a significant component of Australia's agricultural exports. In 2018-19 over 72 per cent of all Australian cattle production was exported (to over 78 countries), at a value of A\$9.5 billion. It is vital that Australian beef producers have unencumbered access to domestic and international markets.

Having such a significant role in the global trade of food and fibre, Australia is heavily exposed to the vagaries and geopolitical interference in markets. This interference has been well demonstrated by the Government of China through the banning of imports of canola, beef and pork from Canada; and more recently, the suspension of the licenses of our four largest beef export processing facilities and imposition of barley tariffs.

Zilpaterol is a trade-sensitive product. The APVMA has recognised that residues of zilpaterol resulting from the use of Zilmax Medicated Premix have the potential to unduly prejudice trade. The NFF stress that these risks will have immediate and detrimental impacts on our trading relations with major international markets and negatively impact domestic perception, and ultimately sales of Australian beef.

Thirty-four per cent of Australia's current trading destinations oppose the use of zilpaterol and have zero-tolerance levels for any residue. These destinations include the critical Australian export markets (rated in the top ten in both value and volume) listed below:

- China
- EU and related countries (e.g. Bosnia-Herzegovina, Norway, Switzerland)
- Russian Federation and related countries in the EEC (Armenia, Belarus, Kazakhstan, Kyrgyzstan)
- Egypt
- Indonesia
- Morocco
- Taiwan
- Thailand
- Turkey
- Vietnam.

Currently, due to the absence of beta agonists like zilpaterol in our beef production systems, Australia holds a competitive advantage in these markets over other big beef exporters, including the US and Brazil. In 2019, Australia, the US and Brazil made up the top three beef exporters by value. It would be extremely disappointing to lose the advantage our country has in gaining access to markets that our two largest competitors may struggle to hold due to their agvet chemical registration status.

It is important to recognise that for the countries listed above, the issue is not about meeting MRLs, it is the expectation that beef, offal, rendered products and live cattle have not been treated with zilpaterol at any stage of the production process.

For trade in beef to continue with these countries, the Australian system would need to provide 100 per cent confidence that they could completely satisfy the stringent and dynamic requirements demanded by these often highly sensitive countries. To the NFF's knowledge, due to the nature of zilpaterol as a feed additive it would be very challenging for Australia's beef production systems to meet these standards for product segregation, and the inadequate and underdeveloped management plan proposed by the applicant does not approach what would be required. We refer to the comments made in the Cattle Council submission regarding issues with segregation of HGP-treated beef products in Australia, which demonstrates the challenge of satisfactorily segregating beef products.

If the registration of zilpaterol were to go ahead, there would be an immediate impact on the administrative requirements to trade into the countries listed, and trade in beef, offal, rendered products and live cattle could potentially cease overnight with some of our most critical markets. Longer-term effects would be felt on the current systems used in Australia, increased tensions and precautions from importing markets, diminished premiums, and risks to our domestic consumer perception, and therefore sales of Australian beef.

The NFF supports Cattle Council's comments that no level of segregation, industry preparedness or government intervention will be sufficient if product is detected in Australian beef that is declared treatment free. In-turn, resulting in the possible complete closure of markets, and long-term repercussions on Australia's clean reputation.

#### Australian beef reputation

Australia has some of the best beef access globally due to trade reform initiatives, food safety and animal health status, underpinned by a suite of industry integrity systems. Due to this status, Australian beef has a reputation for a natural, safe product that delivers an excellent eating experience and nutritional outcome. This status differentiates Australian beef on the global market and allows it to command a premium.

Our beef producers are highly attuned to the sensitivities of importing countries, and increasingly these sensitivities are being guided by health perceptions, provenance, environmental considerations, and animal raising claims. Protection of the reputational risks to the Australian cattle industry as a supplier of high-quality product that can demonstrate provenance is of the utmost importance. The introduction of zilpaterol into the Australian market has the potential to undermine the current premiums achieved by Australian beef internationally, as well as domestic perception, by negating the natural, clean and safe image that Australian industry has promoted.

#### Impacts on eating quality

Potential impacts on eating quality are also of considerable concern. Another part of the domestic market response will depend on the impact of meat quality of treated cattle as assessed by Meat Standards Australia (MSA). The NFF understands that research by Meat and Livestock Australia found that zilpaterol is expected to result in a large decline in eating quality resulting in a fall of 4.7 points on the MLA index which, based on consumer willingness to pay data, could result in discounts of the MSA premium.

Ensuring Australia has world-leading market access and the capability to maximise economic benefits is a leading aspiration in the NFF's 2030 roadmap to making Australian agriculture a \$100 billion industry by 2030. It is essential the APVMA recognise and fully consider the trade risks associated with zilpaterol when making regulatory decisions regarding these products.

Should you require any further information in relation to this submission, please contact Adrienne Ryan, General Manager Rural Affairs at the National Farmers' Federation, on 02 6269 5666 or [aryan@nff.org.au](mailto:aryan@nff.org.au).

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Tony Mahar', with a large, stylized flourish at the end.

**TONY MAHAR**  
Chief Executive Officer