

## SENATE INQUIRY INTO FOOD CERTIFICATION SCHEMES

I hereby forward my submission to the Senate Standing Committees on Economics with regard to the food certification schemes. I air my concerns within the framework of the terms of reference, a - g.

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(landline)  
(mobile)

*a. the extent of food certification schemes and certifiers in Australia including, but not limited to, schemes related to organic, kosher, halal and genetically-modified food and general food safety certification schemes;*

*Types of food certification schemes*

The public needs to know about the types of food certification schemes which prevail, the extent of their market penetration and whether or not they are public/government/tax payer funded. With regard to religious food certification schemes there should be greater transparency in processes so that the public doesn't become an unwitting participant in schemes it disagree with.

*An exhaustive list of participants and products*

The public needs an exhaustive list of products, brands, companies and certifying bodies which participate in the various food certification schemes and the specific amount of money which changes hands. Then the consumer can establish whether the certification is morally acceptable, the labeling clear and conspicuous, and decide for themselves whether the players are making accurate claims regarding the benefits to the country from food certification schemes, and use such information to make informed decisions.

*The criteria by which non meat products obtain a religious certification*

There should also be a greater awareness of the criteria by which religion based food products obtain certification. We know that halal and kosher meats require animals to be killed in a specific way. With regard to halal meats the butcher needs to say an appropriate prayer. But the public also needs to know the criteria according to which non meat products are certified as kosher or halal. If there a specific religion based preparatory requirement (s) that needs to be followed and if so, they/this need(s) to be qualified.

With regard to non meat products it is important to know whether there is a distinction between the manner in which religiously certified non meat products are produced and the manner in which mainstream food products with no religious certification are prepared and processed. In other words, according to what criteria are Anzac cookies and Coon cheese certified as halal? If there isn't a significant difference then clearly some form of extortion may be taking place if non meat products require halal (and kosher) certification.

The essence of halal is that any food is forbidden to Muslims if it includes blood, pork, alcohol, the flesh of carnivores or carrion, or comes from an animal which has not been slaughtered in the correct manner, which includes having its throat slit. Halal mainly involves meat. But the public needs to understand why many non meat foods which are intrinsically halal and therefore do not require certification, are nonetheless halal certified.

I think it important that I as a consumer and tax payer am made aware of how food other than meat, meets halal or kosher requirements. For example, is there a specific manner in which, to take an example, cheese, is prepared that makes it halal compliant? Does the machinery have to be free of alcohol contamination and are there other specific religious requirements which have to be met in the production process? Are these prescriptions followed in their production? Or are they made as they always have been and the halal certification a mere matter of economics?

*b. current labeling requirements of food certification schemes;*

*Labeling and segregation of religious certified food*

Muslims and Jews are entitled to their foods as long as they do not expect non Muslims and non Jews to subscribe to their dietary laws. This does not appear to be happening because the labeling isn't clear.

I am comfortable with the manner in which kosher meat and kosher products are certified and distributed at shops and supermarkets. The labeling is clear and the shelves are segregated. I am able to make an informed decision and avoid kosher products if I choose to. However, this is not the case with all halal certified products.

At present manufacturers are not required to make the halal logo clearly visible on the shelf and supermarkets are not required to segregate halal certified products, from meats to non meats. As such the consumer is easily deceived into buying halal certified products

*Meat products*

Halal meat products are sold at halal butcheries and I can avoid them if I wish to. But I need to know whether the flesh of goats, chickens and lamb which are killed at halal compliant abattoirs are also sold at supermarkets without any labeling or unclear labeling.

Non Muslims who do not wish to consume meat from animals killed in a non humane manner have every right to be able to distinguish between halal/kosher beef and other forms of meat. In this manner they can make ethical choices.

The inquiry needs to establish whether halal meat is only sold through halal butchers. If this is the case Muslims can patronise halal butchers and non Muslims can avoid them. And the money which is exchanged for the certification of meat products is between Muslims.

Sometimes organizations run by non Muslims and patronised mainly by non Muslims use halal meats, to appeal to Muslim customers, but are quite transparent about it. For instance, the Indian eatery Pakwaan advertises the fact that they use halal meats and openly display certificates to this effect. Where Pakwaan is concerned the consumer can make an informed choice. If the consumer opposes the inhumane killing of animals, does not consider halal meats to be superior to non halal meats, and prefers that the profits go to those who labour to get the meats on to the shelf, than an organisation which gets money for no sweat, he/she can avoid Pakwaan outlets.

### *Non meat products*

The halal certification scheme is not limited to meat products and covers non meat food which is intrinsically halal, and thus does not require certification, including milk, honey, fish, vegetables, fruits, legumes, nuts and grains. I am unable to make an informed choice with regard to intrinsically halal food which is halal certified because they are not segregated on supermarket shelves and not clearly labeled.

There is a lack of transparency with regard to halal certified non meat products. I will provide two examples of unclear labeling with regard to non meat products.

#### Nut bars of the **"Be Natural" brand.**

On the packet which has 4 bars it states "Look no preservatives". It states that Be Natural Snacks will help fund local community projects to protect and repair our precious environment. But nowhere on the packet does it say that the item is halal certified.

However on the inside of the nut bar wrapping there is there is a halal logo. But you wouldn't detect it if you weren't searching for it.

#### **Coon cheese**

The halal symbol for Coon cheese is on the inner package. In order to find the halal logo you have to purchase the product and then open the outer packet and turn over the inner packet or packets to detect the halal logo.

There are many more items that the average Australian household consumes which are surreptitiously halal certified. In other words a good many non Muslims are practicing Islam, following the dictates of sharia, and supporting Islamic activities, without knowing it. I have no problems with an Asian takeaway or a fast food outlet advertising halal products. They are referring to the meat they use which is true halal. And they are quite transparent about it. Most probably they purchase meat from a halal butcher. The concern lies with the halal certified foods on supermarket shelves which conceal their halal status, implying sinister motives, particularly when the manufacturers go to great lengths to conceal their halal status.

I suspect that the Muslim certification authorities are practicing extortion. They are telling manufacturers that if they want Muslim custom and to also penetrate the overseas Muslim market they should certify all foods that Muslims eat (even those which are intrinsically halal) and even foods Muslims don't eat (e.g. Easter eggs). It isn't so much about religion as profiteering by Muslim organisations and bodies.

*c. the need for labeling on products produced by companies that pay certification fees;*

Clearly, companies which pay certification fees for products should label those products. But equally important is that the labeling be clear and visible on the shelves. Most halal certified products have a halal logo but it is hidden. This is very deceitful and unethical.

There is no doubt that non meat and intrinsically halal foods which are halal certified are sold at supermarkets. Manufacturers possibly pay big sums of money to get non meat food items certified as halal and in order to recoup expenses they need to sell the products to non Muslims and therefore have an incentive to mix halal products with non halal products on supermarkets shelves and to conceal the status of halal certified products. This then leads to deception either in the form of not labeling at all, or in concealing and hiding the labeling.

Manufacturers may argue that Muslims expect even intrinsically halal foods to have a halal certification. I can go along with this as long as non Muslims can distinguish between halal and non halal foods (e.g. halal only stores or halal only sections in supermarket). However, this is not the case. Manufacturers do not wish to jeopardise the non Muslim customer who appears to be their main market and who also defray the cost of halal certification payments. Hence, manufacturers go to great lengths to conceal the halal certification logo. (For instance, Cadburys chocolates have a halal sign which is hard to detect.) But this is deceitful and unethical. Manufacturers wish to corner the Muslim market (domestic and overseas) and then surreptitiously get non Muslims to subsidise their agenda.

*d. whether current schemes provide enough information for Australian consumers to make informed purchasing decisions;*

At present Australian consumers are inveigled into buying halal certified food products without their knowledge. At the very least consumers should be aware that they are purchasing halal certified products.

*Spatial segregation of halal certified food*

The halal certification scheme is so widespread that it encroaches on brands popular with non Muslim Australians. Hence, along with clear and upfront labeling, halal products should be spatially segregated, in product sections. For instance, Coon cheese should be separated from cheeses that are not halal certified in the cheese section. Cadburys chocolate should be separated from chocolate brands which are not halal certified. This will enable consumers to make informed choices without hurting themselves.

When food is segregated on shelves people can see the alternatives to halal and kosher certified products. Although consumers are conditioned to buy certain brands it is easier for them to choose other brands when the food is segregated.

Consumers should be able to make informed choices based on religious beliefs or non beliefs, and cost effectiveness. They may very well choose to go for halal certified products on the criteria of price. But whatever decision the consumer makes it should be based on the information being clearly available to them.

It is often claimed that exports to Muslim countries make prices cheaper for Australian consumers. Talking hypothetically, if Cadburys does not experience a drop in sales when its halal certification is made visible through being segregated on shelves its process are lower, then market forces would have prevailed. If on the other hand, Cadbury experiences a drop in sales and a company which produces chocolates without halal certification picks up the slack, then market forces will again prevail. Cadburys will then have to decide whether local sales are less important than export sales to Muslim countries.

Market forces will only prevail when consumers are not left in the dark, are not confused, are not mired in ignorance, and are left with clear options. Segregating halal certified products on supermarket shelves will be the best way to achieve this.

*e. details regarding certification fees paid by food producers and/or manufacturers, and the potential for these to impact on prices for consumers;*

At the moment transparency is lacking. Muslim organisations will claim that halal certification creates employment and export income for Australia. Manufacturers claim that export incomes reduce the price for Australian consumers. But none of these claims are substantiated with statistics and data. No research papers have been produced on this matter. This is because the Australian Federation of Islamic Councils (AFIC) and manufacturers are coy in releasing details.

The consumer and the Australian public need to have a precise breakdown of fees paid for halal certified food products. In addition they need to know how these fees are distributed all the way through the supply chain. From the farm and feed producers to the abattoir, the processors, the producer of spices and ingredients, the trucking company, the supermarket and all the way to the shopping bag at the check-out. Does this also include the bank that finances the farmer? Do all these players need to be sharia compliant?

As a basis of comparison, details of the costs involved in kosher certification schemes should be provided. We need to know who bears these costs, the end user, the Jewish community or the Australian tax payer.

Ideally, the user pay principle should prevail with the appropriate religious community bearing the costs. My understanding is that this is the case with kosher certification. But with regard to halal the producer, supplier and non Muslim consumer (unwittingly) appear to bear the costs.

We need to know of price differentials, if any, between halal certified meat products at a halal butchery and halal certified meat products at a supermarket, wherever the latter prevails. In brief, are Muslim consumers being subsidised at the expense of non Muslim consumers?

Finally, we need to know whether certification fees increase or reduce the price of products. In other words, we need to know what the price of a product with religious or non religious certification would be in the absence of fees of whatever sort. Will the price go down if fees are not paid to certifying bodies? Or will prices go up because by exporting to overseas markets sufficient profits are made to keep prices down?

**f. the importance of food certification schemes in relation to export market access and returns to producers;**

Meat and meat products should be considered separately. And where meat is concerned a distinction should be made between live exports and beef processed in Australia.

*Export market for meat products*

The public needs to know the proportion of live exports to Muslim countries to halal certified processed meats? The public needs to know the relative importance of live exports to processed meats (which require halal certification). The public needs to know what proportion of meat that originates in halal certified abattoirs in Australia serve the overseas Muslim market versus the domestic Muslim market.

If it is the case that halal certified abattoirs produce meat mainly for the Australian market it would make a mockery of the claim that halal certified meat enables Australian producers to penetrate foreign markets. The public needs further clarity on this matter.

If the halal meat (from animals killed in Australian abattoirs according to Muslim rites) exceeds the trade in live animals, Australian consumers will not be affected as long as the meat is sold through recognised outlets (halal butchers) and advertised clearly as being halal.

The issue here is whether or not the producers bear the costs of halal processing and certification and not pass on the costs to the general consumer or the government, and therefore the tax payer. If producers wish to tap the Muslim market, in Australia and overseas, they should ensure that non Muslims do not bear the cost.

*Export market for non meat products (intrinsically halal)*

This is an area where producers need to come clean. Is the Muslim market, local and overseas, more important to manufacturers than the non Muslim market, local and overseas? If it is, then there will no reason to introduce halal by stealth. They would make the labeling of halal certified products more conspicuous and have less incentive to conceal the halal logo. But the fact that they go to great lengths to conceal the halal logo suggests that they do not wish to alienate the non Muslim consumer who is their main customer.

Problems arise when major manufacturers and supermarket chains get involved in halal for financial reasons. The manufacturers pay big sums of money to get non meat food items certified as halal and they cannot afford to segregate halal products from non halal products in supermarkets. The lack of transparency gives the appearance of some sort of collusion between the Australian Federation of Islamic Councils (AFIC), manufacturers, suppliers and supermarket chains.

So we need to know the volume of sales of all types of halal certified products, overseas and domestic. Then it will become clear whether halal certification increases overseas market penetration to the extent that it makes the domestic market irrelevant, or whether the domestic market is the main source of sales. If the latter is the case clear labeling and segregation on supermarket shelves is of paramount importance if the bulk of consumers are to make informed choices.

*g. the extent and adequacy of information available to the public about certifiers including, but not limited to, certification processes, fees and financial records; and any related matters."*

The crux of the entire controversy and public suspicions with regard to food certification schemes is the distinct lack of transparency. The public or lawyers representing the public and appointed by the government should have access to all records pertaining to not just halal and kosher certification, but all forms of food certification schemes. Requests made by the public should be responded to by the relevant parties. Manufacturers and certifying bodies should reveal at request, monies paid and received, and the cost of certifying each and every product which receives a certification. The estimated 300 companies involved in halal certification should open their books.

This will also provide an incentive for manufacturers to verify their claim that halal certification reduces prices for the Australian consumer. Also, the Halal Certification Authority Australia (HCAA) can use this opportunity to verify its claim that halal business generates \$8 billion for the economy of this country through exports and has created 30,000 jobs directly and about 400,000 jobs indirectly.

Halal certification is not regulated by the Federal Government through the Australian Quarantine and Inspection Service (AQIS). The AQIS limits itself to quarantine matters. It regulates the quality of halal certified meat food but has no involvement in non meat halal products, or in the monitoring of fees charged for halal certification.

What is needed is a federal regulatory body which oversees all food certification schemes, particularly halal and kosher. All financial records pertaining to food certification payments should be lodged with this body which produces an annual report based on the complete financial records of manufacturers involved in paying food certification fees, and that of the HCAA, Kashrut and other certification authorities. It should also be responsible for the proper labeling of products that have been certified. It should field inquiries from consumers regarding any aspect of food certification schemes, including an exhausting list of products which are certified by whom for whom, and the funds that are exchanged in each particular case.