

# Australian Food and Grocery Council SUBMISSION

31 MARCH 2011

**TO:**

SENATE STANDING COMMITTEE ON RURAL AND  
REGIONAL AFFAIRS

**IN RESPONSE TO:**

SCIENCE UNDERPINNING THE INABILITY TO ERADICATE  
THE ASIAN HONEY BEE



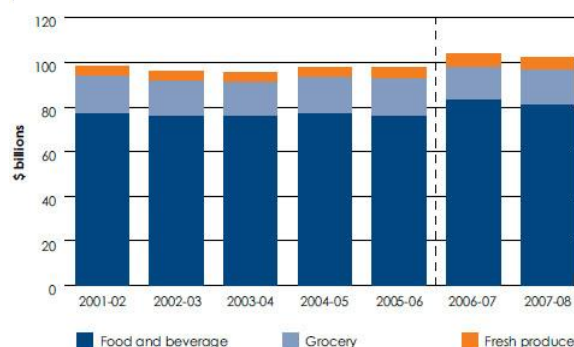
## PREFACE

The Australian Food and Grocery Council (AFGC) is the leading national organisation representing Australia's food, drink and grocery manufacturing industry. Membership of AFGC comprises more than 150 companies, subsidiaries and associates which constitutes in the order of 80 per cent of the gross dollar value of the processed food, beverage and grocery products sectors. (A full list of members is included as Appendix A.)

AFGC's aim is for the Australian food, beverage and grocery manufacturing industry to be world-class, sustainable, socially-responsible and competing profitably domestically and overseas.

With an annual turnover of \$102 billion (see chart), Australia's food and grocery manufacturing industry makes a substantial contribution to the Australian economy and is vital to the nation's future prosperity.

Figure 1. Industries turnover (2007-8)



Source: ABS, catalogue number 8221.0 and 8159.0\*

Manufacturing of food, beverages and groceries in the fast moving consumer goods sector<sup>1</sup> is Australia's largest and most important manufacturing industry, four times larger than the automotive parts sector – the food and grocery manufacturing industry is a vital contributor to the wealth and health of our nation. Representing 28 per cent of total manufacturing turnover, the sector is comparable in size to the Australian mining sector and is more than four times larger than the automotive sector.

The industry's products are in more than 24 million meals, consumed by 22 million Australians every day, every week and every year. The food and grocery manufacturing sector employs more than 288,000 people representing about 3 per cent of all employed people in Australia paying around \$13 billion a year in salaries and wages.

The growing and sustainable industry is made up of 38,000 businesses and accounts for \$44 billion of the nation's international trade. The industry's total sales and service income in 2007-08 was \$102 billion and value-added increased to nearly \$27 billion<sup>2</sup>. The industry spends about \$3.8 billion a year on capital investment and over \$500 million a year on research and development.

Many food manufacturing plants are located outside the metropolitan regions. The industry makes a large contribution to rural and regional Australia economies, with almost half of the total persons employed being in rural and regional Australia<sup>3</sup>.

It is essential for the economic and social development of Australia, and particularly rural and regional Australia, that the magnitude, significance and contribution of this industry is recognised and factored into the Government's economic, industrial and trade policies.

<sup>1</sup> Fast moving consumer goods includes all products bought almost daily by Australians through retail outlets including food, beverages, toiletries, cosmetics, household cleaning items etc..

<sup>2</sup> AFGC and KMPG. *State of the Industry 2010*. Essential information: facts and figures. Australian Food and Grocery Council. Oct 2010.

<sup>3</sup> About Australia: [www.dfat.gov.au](http://www.dfat.gov.au)

## 1. INTRODUCTION

The Australian Food and Grocery Council (AFGC) welcomes the opportunity to contribute to the Senate Standing Committees on Rural Affairs and Transport Inquiry *Science Underpinning the Inability to Eradicate the Asian Honey Bee*.

This submission is relatively brief reflecting:

- 1) AFGC does not have specific technical skills in this area. Our membership, being primarily food and grocery manufacturers, does not have expertise in the scientific disciplines relevant to insect eradication; and
- 2) the short time frame of the inquiry. AFGC recognises that the urgency of the matter demands a very rapid resolution, particularly if the inquiry concludes efforts should be made to eradicate the Asian Honey Bee infestation currently present in Queensland.

**Notwithstanding this, AFGC wishes to leave no doubt of the utmost gravity with which it views this issue.**

This submission will address the terms of reference directly and then present some concluding remarks and recommendations.

## 2. TERMS OF REFERENCE

### 2.1. THE SCIENCE UNDERPINNING THE ASSUMPTION THAT *APIS CERANA*, THE ASIAN HONEY BEE, CANNOT BE ERADICATED IN AUSTRALIA

AFGC is not aware that any strong scientific evidence has been presented indicating that it is simply not technically feasible to eradicate the Asian Honey Bee (AHB). AFGC recognises that there are substantial technical challenges associated with:

- providing adequate surveillance to identify AHB individuals and track them to their hives for extermination;
- accessing potential hives in terrain which is difficult to penetrate on foot; and
- determining if, and when, an outbreak of infestation occurs outside quarantine areas.

AFGC understands, however, that this is essentially a logistical, rather than a, scientific issue. The corollary is, therefore, that probability of successful eradication is related to the level of resources provided rather than technical hurdles.

### 2.2. THE SCIENCE UNDERPINNING THE ASSUMPTION THAT ASIAN HONEY BEE WILL NOT SPREAD THROUGHOUT AUSTRALIA

AFGC is not aware of any strong scientific evidence which supports the proposition that AHB is unable to spread across wide areas of Australia. Certainly, it is unlikely that it will spread throughout Australia to the extent that every habitat is successfully colonised, given the diversity of Australia's topography and climate. There are, however, large areas of Australia which may be colonised by AHB with many of them important for the production of agricultural and horticultural products which will (potentially) be negatively impacted by AHB.

### 2.3. THE SCIENCE RELATING TO THE IMPACTS OF THE SPREAD OF THE ASIAN HONEY BEE ON BIODIVERSITY, POLLINATION AND THE EUROPEAN HONEY BEE

AFGC considers that most concerns relating to AHB focus on its potential to displace both wild and domesticated European Honey Bee populations diminishing substantially pollination of food crops, and pasture plants which support the grazing industry. This is based on the very aggressive behaviour displayed by AHB.

The Department of Agriculture, Fisheries and Forestry (DAFF) website states:<sup>4</sup>

*“The Asian honeybee is an invasive species which adversely impacts populations of European honeybees by competing for floral resources, robbing managed hives and transmitting disease. It can become a pest in urban areas through establishing nests in houses and by its aggressive stinging behaviour.”*

If it becomes established in Australia AHB is also a likely host for the varroa mite – a debilitating parasite of the European Honey Bee. Again DAFF states

*“Asian honeybees are a natural host for varroa mite – a parasite that attacks developing bee larvae or adult bees.”*

### 2.4. THE COST BENEFIT OF ERADICATION OF THE ASIAN HONEY BEE

There is little doubt that the AHB will have a substantial negative impact on the European Honey Bee pollination activity with “downstream” consequences for the food industry. Indeed, that quarantine and eradication measures were introduced in the first place indicates AHB is far from being considered benign, should it become endemic.

If AHB does become endemic across substantial areas of Australia the potential impacts include:

- loss of yield from a large number of plant food crops due to a decrease in pollination efficiency;
- loss of yield from important pasture crops with potential downstream effects in terms of production efficiencies in dairy and red meat production; and
- loss of honey production resulting in the need for import replacement to meet domestic market needs.

These losses will, of course, have the greatest impact in rural and regional Australia. There will, however, be negative flow-on effects to all Australians as loss of productivity in the agricultural sector flows through the economy.

There are other potential impacts detracting from the quality of life of all Australians should the AHB become widespread. It is a creature possessing aggressive habits with the potential to degrade enjoyment of outdoor living. This may have some impact on the attractiveness of Australia as a tourist destination.

AFGC is not in a position to quantify the total potential monetary cost of AHB becoming endemic, or indeed the total monetary benefit of the current well organised and efficient use of the European Honey Bee in support of agricultural and horticultural production. Notwithstanding that, **AFGC and its members are critically aware of the fundamental and central role**

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<sup>4</sup> [http://www.daff.gov.au/about/media-centre/communiques/response\\_to\\_asian\\_honeybees](http://www.daff.gov.au/about/media-centre/communiques/response_to_asian_honeybees)

**efficient pollination of plants plays in food production. Any disruption to pollination has the potential to impose very large losses from reduced yields and productivity.** It should be noted that any losses will be recurrent, and not “one off” costs imposed upon the industry. Whilst industry will certainly adapt, and mitigate the loss of productivity it is unlikely that negative effects will be reversed, at least in the short to medium term.

### **3. CONCLUSIONS**

From AFGC’s understanding it is currently agreed that:

1. AHB is an aggressive bee which will displace the European Honey Bee in regions it becomes endemic;
2. in those regions, there will be a loss of pollination efficiency, particularly in food and pasture crops relying on domesticated European Honey Bees, but also in pollination by wild European Honey Bees;
3. this will lead to productivity losses in food and pasture crops; and
4. the domestic honey industry will be drastically affected.

AFGC also understands that there is disagreement on:

1. the extent to which AHB will spread throughout Australia should it become endemic; and
2. the technical feasibility of eradicating the current infestation in Queensland.

The uncertainty regarding the last two points makes determining the appropriateness of eradication extremely difficult. Certainly, AFGC does not support throwing unlimited resources at problem which may not have a technical solution. On the other hand, when potential losses of hundreds of millions of dollars ongoing are possible, it is prudent to take preventive action.

**In so far as there is never complete certainty in science, AFGC considers the only basis for terminating efforts to eradicate the AHB should be strong agreement among the scientific community that eradication was very unlikely to be possible – and that agreement does not exist.**

Shortage of resources should not be cause to cease eradication efforts in this case. All resources (within reason) should be made available to eradicate this pest. AFGC is aware that cost estimates for determined eradication program are around \$10m. This seems small compared to the potential losses which may result if AHB spreads across Australia.

#### **Recommendation**

**AFGC recommends the Commonwealth:**

- 1) **makes monies available immediately for the continuation of the Asian Honey Bee eradication program in Cairns;**
- 2) **allocate a portion of those monies to the extensive monitoring of the effectiveness of the program; and**
- 3) **set clear performance indicators for the program in consultation with industry to provide future decisions points for the continuation of the program.**

**AFGC MEMBERS LIST AS AT 25 MARCH 2011**

Arnott's Biscuits Limited  
Asia-Pacific Blending Corporation P/L  
Barilla Australia Pty Ltd  
Beak & Johnston Pty Ltd  
Beechworth Honey Pty Ltd  
Beerenberg Pty Ltd  
Bickfords Australia  
BOC Gases Australia Limited  
Bronte Industries Pty Ltd  
Bulla Dairy Foods  
Bundaberg Brewed Drinks Pty Ltd  
Bundaberg Sugar Limited  
Byford Flour Mills T/a Millers Foods  
Campbell's Soup Australia  
Cantarella Bros Pty Ltd  
Cerebos (Australia) Limited  
Cheetham Salt Ltd  
Christie Tea Pty Ltd  
Church & Dwight (Australia) Pty Ltd  
Clorox Australia Pty Ltd  
Coca-Cola Amatil (Aust) Limited  
Coca-Cola South Pacific Pty Ltd  
Colgate-Palmolive Pty Ltd  
Coopers Brewery Limited  
Danisco Australia Pty Ltd  
Devro Pty Ltd  
DSM Food Specialties Australia Pty Ltd  
Earlee Products  
Eagle Boys Pizza  
FPM Cereal Milling Systems Pty Ltd  
Ferrero Australia  
Fibrisol Services Australia Pty Ltd  
Fonterra Brands (Australia) Pty Ltd  
Food Spectrum Group  
Foster's Group Limited  
Fruco Beverages (Australia)  
General Mills Australia Pty Ltd  
George Weston Foods Limited  
GlaxoSmithKline Consumer Healthcare  
Go Natural  
Goodman Fielder Limited  
Gourmet Food Holdings  
H J Heinz Company Australia Limited  
Harvest FreshCuts Pty Ltd  
Healthy Snacks  
Hela Schwarz  
Hoyt Food Manufacturing Industries P/L  
Hungry Jack's Australia  
Jalna Dairy Foods Pty Ltd  
Johnson & Johnson Pacific Pty Ltd  
Kellogg (Australia) Pty Ltd  
Kerry Ingredients Australia Pty Ltd  
Kimberly-Clark Australia Pty Ltd  
Kraft Foods Asia Pacific  
Laucke Flour Mills  
Lion Nathan National Foods Limited

Madura Tea Estates  
Manildra Harwood Sugars  
Mars Australia  
McCain Foods (Aust) Pty Ltd  
McCormick Foods Aust. Pty Ltd  
McDonald's Australia  
Merisant Manufacturing Aust. Pty Ltd  
Nerada Tea Pty Ltd  
Nestlé Australia Limited  
Nutricia Australia Pty Ltd  
Ocean Spray International Inc  
Parmalat Australia Limited  
Patties Foods Pty Ltd  
Procter & Gamble Australia Pty Ltd  
Queen Fine Foods Pty Ltd  
QSR Holdings  
Reckitt Benckiser (Aust) Pty Ltd  
Safcol Canning Pty Ltd  
Sanitarium Health Food Company  
Sara Lee Australia  
SCA Hygiene Australasia  
Schweppes Australia  
Sensient Technologies  
Simplot Australia Pty Ltd  
Spicemasters of Australia Pty Ltd  
Stuart Alexander & Co Pty Ltd  
Subway  
Sugar Australia Pty Ltd  
SunRice  
Swift Australia Pty Ltd  
Tasmanian Flour Mills Pty Ltd  
Tate & Lyle ANZ  
The Smith's Snackfood Co.  
The Wrigley Company  
Tixana Pty Ltd  
Unilever Australasia  
Vital Health Foods (Australia) Pty Ltd  
Ward McKenzie Pty Ltd  
Wyeth Australia Pty Ltd  
Yakult Australia Pty Ltd  
Yum Restaurants International

**Associate & \*Affiliate Members**

Accenture  
Australian Pork Limited  
ACI Operations Pty Ltd  
Amcor Fibre Packaging  
\*ASMI  
AT Kearney  
BRI Australia Pty Ltd  
\*Baking Association Australia  
CAS Systems of Australia  
CHEP Asia-Pacific  
CSIRO Food and Nutritional Sciences  
CoreProcess (Australia) Pty Ltd  
CROSSMARK Asia Pacific  
Dairy Australia

Food Liaison Pty Ltd  
FoodLegal  
\*Foodservice Suppliers Ass. Aust.  
\*Food industry Association QLD  
\*Food industry Association WA  
Foodbank Australia Limited  
\*Go Grains Health & Nutrition Ltd  
Grant Thornton  
GS1  
Harris Smith  
IBM Business Cons Svcs  
innovations & solutions  
KN3W Ideas Pty Ltd  
KPMG  
Leadership Solutions  
Legal Finesse  
Linfox Australia Pty Ltd  
Logan Office of Economic Dev.  
Meat and Livestock Australia Limited  
Monsanto Australia Limited  
New Zealand Trade and Enterprise  
RQA Asia Pacific  
StayinFront Group Australia  
Strikeforce Alliance  
Swire Cold Storage  
Swisslog Australia Pty Ltd  
The Food Group Australia  
The Nielsen Company  
Touchstone Cons. Australia Pty Ltd  
Valesco Consulting FZE  
Visy Pak  
Wiley & Co Pty Ltd

**PSF Members**

Amcor Packaging Australia  
Bundaberg Brewed Drinks Pty Ltd  
Schweppes Australia Pty Ltd  
Coca-Cola Amatil (Aust) Limited  
Foster's Group Limited  
Golden Circle Limited  
Lion Nathan Limited  
Owens Illinois  
Visy Pak

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