

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2014 - 2015

Department/Agency:ACCC

Question: SBT 4337

Topic: Beef standards

Reference: Hansard page no. 33-34 - 31 October 2014

Senator: Canavan, Matthew

Question:

Mr Sims: What has come to us is a complaint about people calling the beef 'wagyu' when it is both 100 per cent and 50 per cent crossbred. The concern is that it could amount to a misrepresentation. That is the issue we are looking at. The question of whether there needs to be a standard or a regulation—if I could put it this way—in part a policy issue. But if we can deal with it through—

Senator CANAVAN: Misleading a—

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Mr Sims: Then it sets the standard. If I could segue quickly: for example, free range eggs.

The courts have now set a standard. There is no need for government to act; the courts have done it, and I imagine that is where the wagyu beef matter will come to. I think there is some understanding in industry that they would like this to be clarified.

Senator CANAVAN: That is true. There is a proposal out there at the moment that goes to those breeding percentages. When do you think that will be concluded by?

Mr Sims: That I am not sure of, but I do not think it is going to take that long. It is a reasonably straightforward issue. The trouble with these things is that you go and seek a bit of information and you get a lot more information, and it takes you down different pathways. But I do not think that will take very long. We will get back to you on that.

Answer:

4337.

The ACCC is not aware of a current industry proposal. In 2013, the Australian Wagyu Association developed trade descriptions for the different types of Wagyu beef and recommended that members use the descriptions at all levels of Wagyu marketing.

These descriptions require a full statement of the Wagyu genetic content in an animal, or the meat from an animal, for example, 'Wagyu Fullblood 100%' refers to an animal whose ancestors can all be traced back to Japan, whereas 'Crossbred Wagyu F1 50%' refers to an animal resulting from a cross between a fullblood Wagyu animal and an animal of another breed, e.g. Angus or Holstein.

While not mandatory, the trade descriptions have been endorsed by the Australian Meat Industry Language and Standards Committee of AUS-MEAT Limited. AUS-MEAT Limited is the 'Standards Body' responsible for setting standards for meat for export under the Australian Meat and Livestock Industry (Export Licensing) Regulations 1998.

While it appears that the Australian Wagyu Association trade descriptions are widely used within the industry, the consumer facing material of producers and retailers often utilises the unqualified term 'Wagyu' to refer to the meat from both fullblood Wagyu breed cattle and

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crossbred beef that includes some Wagyu genetic content. This may result in retailers offering crossbred Wagyu beef as unqualified 'Wagyu' without realising the true nature of the product.

The ACCC has received information from Wagyu industry participants in response to information requests. The information provided is currently under assessment.