

12/11/2019

RE: EUROPE'S GEOGRAPHICAL INDICATIONS DETRIMENTAL TO AUSTRALIA'S CHEESE INDUSTRY

Melbourne's North Food Group, an industry organisation representing over 400 food and beverage businesses in Melbourne's north, wish to express our strong objection and concerns about the implications of the proposed Australia and European Union Free Trade Agreement.

Specifically, we wish to bring to your attention the significant negative impact that protection of European food names (known as Geographical Indications) would have on Australian cheese businesses. This would mean that names such as feta, parmesan, halloumi, taleggio and others may no longer be able to be used.

Details about the issue can be found at
dairyaustralia.com.au/industry/exports-and-trade/geographical-indications

This issue is of great concern to our Melbourne's North Food Group partner businesses. Implementing GIs will force Australian cheese exporters to change product names and re-brand, resulting in significant financial expenses and an uncertain future.

The Australian Dairy Industry Council has warned that locally produced cheese varieties with a value of production worth \$180 million and export sales averaging \$55 million each year would face extinction if the EU succeeds in forcing Australia to accept and implement strict labelling rules.

Local jobs would be lost

Melbourne's north is home to many cheese producers and the inclusion of GIs will place many jobs in the region at stake. We ask as a matter of urgency that you consider the ramifications GIs will have and to strongly contest the inclusion of GIs in the trade agreement.

Hundreds of jobs in our region, and potentially thousands across Australia, could be threatened if these GIs come into force, banning our producers from using popular European cheese names and country colours. This action would force them to rename, rebrand and remarket.

Most of our producers are family businesses that have been handed down through the generations. The substantial financial impact this will have on those businesses will be too much for them to sustain. The loss of revenue and rebrand costs will force many (if not most) small businesses to close, resulting in significant job loss and a severe impact on our region's economy.

For example, it would be very difficult and costly to communicate to the consumer about products if common food names were unable to be used. All menus, recipes and related documents that carry these names would have to be renamed and reprinted, and businesses would likely have to make a significant investment in informing customers about the benefits and special characteristics of their products. They would also face reduced consumer demand and sales, if they adjust at all, to new names and new branding.

The loss of revenue would also adversely affect supply chain businesses including dairy farmers, local contractors (trades, design, security, pest control and more), local businesses (waste collection, chemical suppliers, packaging and ingredient suppliers), logistics companies and the local community.

Exports will fall

Cheese producers in Melbourne's north often sell up to 50 per cent of their products across to markets such as Sri Lanka, Japan, the Philippines, China, Malaysia, Singapore, Thailand, Hong Kong, Qatar, Bahrain and Kuwait. This could be endangered.

Imports would have a market advantage

Imports will take market share from our local producers as customers will continue to purchase familiar cheese names. This gives imports an extreme and unfair advantage over local goods.

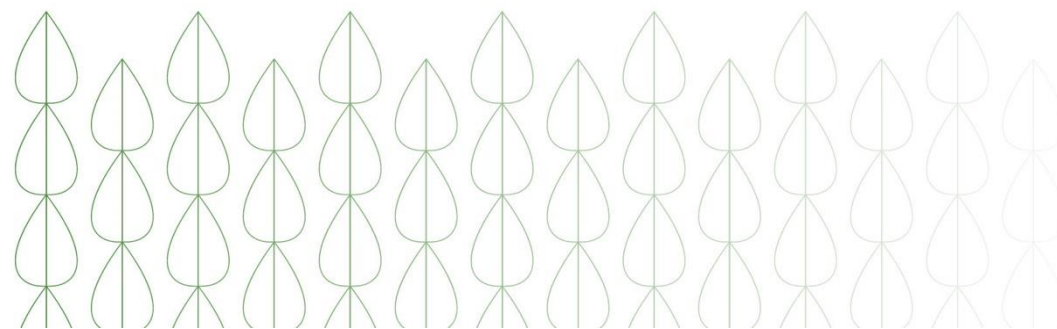
It is especially relevant in the case of recipes, which list ingredients in common terms and are used for decades. When someone is buying items to make a dish, they will be much more likely to purchase the product named in the list – not the local, differently-labelled equivalent.

Imports could flood the market

There is the potential for significant sales losses to importer competition in Australia from European brands that have the advantage of no tariffs and significant subsidies that do not apply to local producers. They can potentially flood the market using common names that consumers are used to seeing. This would create unwelcome uncertainty for our business in terms of planning and investment decisions. Restricting Australian producers while imports are flooding in creates a 'reverse trade barrier'.

Detrimental impact on our local economy

Since Ford's closure at Broadmeadows and the cessation of traditional manufacturing, Melbourne's north has faced great employment challenges. The food and beverage industry can potentially add



7000 new jobs to the region over 10 years, but if GIs are included it would be a huge blow to employment.

We understand that while some major food exporters will benefit significantly from a free Trade Agreement between the European Union and Australia, any gains need to be balanced by this vital and growing sector of our regional economy. That is, local food manufacturers who use traditional terms to indicate a style of product that the general public has come to trust. Cheese producers are also part of the local visitor economy, with delicatessens and retail cheese sales a popular attraction.

Australia is proudly multicultural (and has been for generations)

Australia is a proudly multicultural society and our food culture has been enriched by generations of migrants. Years ago, many of the brands under threat from GIs were established by families who were immigrants from Europe, bringing their knowledge, skills and passion to Melbourne. With a lot of hard work and capital investment, they built name and product recognition here. These names are now familiar to customers. If GIs come into effect, everything they worked for – including significant intellectual property – will be to the benefit of companies overseas. This is an unreasonable and unfair undermining of well-established local businesses. These products have become just as much a part of our heritage and businesses as for anyone else who makes them.

Where do you draw the line?

There is no line drawn as to when terms become generic. There are many more examples of this, such as Swiss cheese, Scotch whiskey and more. Many of these products have long-standing international standards of identity and there is acknowledgement that many of the products for which the EU is seeking GI protection have been made for generations outside their original production areas.

The focus should be on quality

These are names that are in the public domain. It would be logical in the future for foods to be labelled so that customers can choose to buy, for example, a parmesan from Italy, from Canada or from Australia. The focus should be on the quality of the product and the ability of the consumer to choose.

It's also about what's fair

We believe that our food manufacturers should be allowed to continue production of high-quality products, under the names that have been associated with those products or style for decades. The issue of protecting generic names fits absolutely into that mandate of fairness, so that everyone can use these names for products that many people have made, shared and enjoyed over decades.

This is not just an economic issue, although that is vitally important. It is also about what is right, what is fair and what is best for our economy and jobs – locally, statewide and nationally.

We ask that you consider our objection as a priority initiative given the potential impact on our businesses, jobs and Australia's cheese industry.

More information regarding the issue can be found at

<http://www.australiandairyfarmers.com.au/LiteratureRetrieve.aspx?ID=214867>