CHANGES TO NFAS RULES AND STANDARDS: SUMMARY OF CHANGES

BACKGROUND

The National Feedlot Accreditation Scheme (NFAS) is the Australian cattle feedlot industry's quality assurance scheme and is the cornerstone of eligibility for beef to be described as Grain Fed within the existing Grain Fed standards (either GF or GFYG).

The Scheme also supports industry's commitment to implement continual improvement in production, welfare and environmental management within the feedlot industry.

AUS-MEAT Ltd administers the Scheme through the Feedlot Industry Accreditation Committee (FLIAC).

The NFAS underwent an independent review that was completed in 2015. A number of recommended changes were identified for consideration by the Australian Lot Feeder's Association (ALFA) and FLIAC. The process included establishment of a working group to assess the key recommendations from the review and to suggest improvements to the Rules and Standards for consideration by ALFA's Feedlot Management Committee, the ALFA Council and finally FLIAC.

In addition to participating directly in the review process, separate consultation also took place with retailers, Coles and Woolworths, in relation to pen management and other areas of interest to their operations.

The proposed changes to be introduced to the NFAS Rules and Standards will be the most significant to the program since its inception.

To ensure accredited feedlots are prepared for introducing the new requirements into their Quality Management Systems prior to auditing of the requirements from 1 March 2018, ALFA and FLIAC have undertaken a number of communication and extension activities. This has included workshops held in September 2017 and the provision of this comprehensive information package.

This document details all the changes to the NFAS Rules and Standards, the nature of the change, its benefit and how feedlot operators will be impacted.



CHANGES TO NFAS RULES AND STANDARDS: SUMMARY OF CHANGES

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| Section | Reference | Nature of change | What has changed? | Why is this beneficial? | What is the impact to feedlots? |
| Foreword | Foreword | Clerical | Chair of the Feedlot Industry Accreditation Committee (FLIAC) has been updated. | To reflect governance best practice and accurate reflection of commitment status. | None |
| ALFA Endorsement | ALFA Endorsement | Clerical | ALFA President has been updated. | To reflect governance best practice and accurate reflection of commitment status. | None |
| 1. Introduction | 1.1 NFAS Mission 1.2 NFAS Objective changed to NFAS Purpose | Update | Both the Mission and Purpose changed to reflect the mature nature of the program. Previously the Mission had an aspirational focus, now agreed as ensuring the industry demonstrates a responsive feedlot management program that guarantees the safety and integrity of Grain Fed Beef. Objective has changed to Purpose to better reflect and align with the tighter Mission statement. | NFAS was created to provide the industry with a self- regulatory mechanism - the program has now moved beyond this scope, to provide the basis for objective standards and continual improvement for industry. Grain Fed Beef quality controls for export markets are covered under the Export Control Orders. Major Australian market purchasers (e.g. Coles and Woolworths) expect beef products from NFAS accredited feedlots. | None specifically, but does reflect on-ground continual improvement performance. AUS-MEAT Minimum Standards for Grain Fed Beef demand cattle must have been fed in an NFAS Accredited Feedlot and achieve the minimum Standards. |

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| 2. Definitions and Application of the Accreditation Rules | 2.1 Definitions | New additions | A number of additional definitions have been developed through suggestions in response to suggestions from FLIAC, and discussions between AUS-MEAT and ALFA. The new definitions added are: • Animal Welfare • Dangerous Goods • Environmental Management • Environmental Incidents • Feedlot By-products • Feedlot Refuse • Food Safety • Hazardous Substances • Product Integrity • Reportable Incident | The inclusion of these definitions was a recommendation of the NFAS Review undertaken in 2015. The additional definitions provide clarification in some areas and will further assist in the expanded scope of risk assessment and incident reporting. | The definitions provide increased clarity within the Scheme. |
| 2. Definitions and Application of the Accreditation Rules | 2.1.1 "Feedlot" definition | Update | The NFAS Review identified confusion around the term "confined yard" and recommended the definition be modified to specify a stocking density per SCU. | Clarified the definition to provide a clear stocking density, to enable feedlots to be clearly differentiated from other production systems that engage in grain feeding. | Provides specific definition of a feedlot for Grain Fed Beef production – as opposed to other variations of grain feeding that operate outside of NFAS accreditation. |
| 2. Definitions and Application of the Accreditation Rules | 2.1.1 "Management representative" changed to "Responsible person" | Update | "Management representative" changed to "Responsible person" with the remainder of the definition remaining unchanged. | "Responsible person" is an improved description of the person supervising the NFAS in the feedlot operation. | Improved description of the role on the feedlot. |

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| 3. Obligations of Accredited Feedlot Enterprises | 3.2 Reference Material | Update | "The Code of Practice for the Welfare of Animals – Cattle" has been replaced with " <u>The</u> <u>Australian Animal Welfare</u> <u>Standards & Guidelines for</u> <u>Cattle</u> ". | Update to reflect the industry endorsement of the legislated Standards & Guidelines to replace the non-enforceable Code of Practice. | Current editions of documents must be made available for feedlot operators and employees. |
| Remainder of NFAS Accreditation Rules | Remainder of NFAS Accreditation Rules | Clerical | Minor clerical changes due to changes in definitions and to update dates. | This section defines the accreditation and audit process itself, including the roles and responsibilities of the Quality Assurance Officer, the timelines and fees involved and penalties for non- compliance. | No change to processes and procedures. |

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NFAS ACCREDITATION STANDARDS

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| Module 1 – Quality Management System | Element QM2 – Internal Auditing and Corrective Actions | Removed | Performance Indicators 7 and 8 have been removed. They have been incorporated into a new Element QM7 – Notification of Non-Conforming Product/Product recall. | The requirements around non- conforming product have been expanded and strengthened. | None |
| Module 1 – Quality Management System | Element QM7 – Notification of Non- Conforming Product /Product Recall | New addition | The requirements around non- conforming product have been expanded and strengthened. Previously there was a requirement within the Quality Management System Element 2 for feedlot operators to notify buyers of non-conforming products. The details for records maintained have also been expanded. | The requirements have been clarified through an explicit element on non-conforming product. The incidents within this area have also been clarified to provide that non-conforming product relates to food safety, product integrity and also customer requirements. | Ensures feedlots have mechanism to report and address non-conforming product (either internally or externally). Protects the reputation of Grain Fed Beef in regard to Food Safety, Product Integrity and Customer Requirements. |

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| Module 1 – Quality Management System | Element QM8 - Risk Assessment and Contingency Planning | New addition | Risk assessment and contingency planning has been expanded beyond biosecurity and animal disease. An examination of past incidents revealed the importance of developing effective plans for managing potential risks. The Standards contain a non- exclusive list of potential risks that feedlot operators might consider in their planning: • water supply and suitability • feed supply and suitability • effluent discharge • electricity outages • access to site • staff levels • outbreak of disease • extreme weather conditions including storms, flooding, Excessive Heat Load events • trespassers • emergency slaughter of cattle and disposal. | The new Standards contain an element for risk assessment and contingency planning, which require feedlot operators to identify risks specific to their situation and develop contingency plans. Contingency plans include actions to mitigate the risks and allocation of responsibility to relevant personnel. | Ensures feedlots have considered the risks to their operation and identified potential contingencies to mitigate these risks. Beneficial for any emergency disease outbreak and compensation process |

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| Module 3 – Livestock Management | Element LM4 – Animal Welfare | Update | Australian Animal Welfare Standards & Guidelines for Cattle endorsed as the current National Standards. | Ensures scheme maintains currency with latest agreed <u>Australian Animal Welfare</u> <u>Standards & Guidelines for</u> <u>Cattle</u> . | Demonstrates adherence to the current <u>Animal Welfare</u> <u>Standards & Guidelines for</u> <u>Cattle.</u> |
| Module 3 – Livestock Management | Element LM4 – Animal Welfare | New addition | Addition of Performance Indicator 12. Procedures are in place to investigate, manage and record any incidents of animal cruelty. | Ensures procedures are in place to deal with any incidents of animal cruelty. | Demonstrates a proactive approach to investigating and managing any incidents of animal cruelty. |
| Module 3 – Livestock Management | Element LM6 – Biosecurity | New addition Moved | Addition of Performance Indicator 1. The feedlot has conducted a Risk Assessment addressing the biosecurity risk at the feedlot site and formulated a Biosecurity Management Plan. Inclusion of the Emergency Animal Disease (EAD) Action Plan Performance Indicators that were previously in Element LM8 – Contingency Planning. | These measures are designed to further highlight the importance of biosecurity and the need for planning. Additionally, the inclusion of EAD Action Plan within the biosecurity element focuses that it is a risk that industry must plan for and is applicable to all within the sector. | NFAS already meets the requirements of the new on farm biosecurity module required to gain or renew Livestock Producers Accreditation (effective 1 October 2017) Johnes Disease basic requirements are also met but require further verification if transferring to WA or NT for JBAS score. |

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| Module 1 – Quality Management System | Element QM9 - Calibration | New addition | Standards now include a specific additional Element – Calibration. This provides a "designated field" against which an auditor would be reporting compliance at audit. As a measurement against specific performance indicators, the outcome is defined as systems are in place to ensure that equipment used to measure and weigh are regularly cleaned and calibrated. | The Livestock Production Assurance (LPA) performance checklist contains reference to equipment calibration for veterinary and agricultural chemicals. Equipment is calibrated and checked for operational efficiency prior to use and thoroughly cleaned after use. Alignment of NFAS and Woolworths Livestock Standards. | Accurate application of veterinary and agricultural chemicals, reduced wastage. Aid in management of anti- microbial resistance. |
| Module 2 – Food Safety Management | Element FS1 – Property Risk Assessment Element FS2 – Safe and Responsible Animal Treatment Element FS3 – Fodder Crop, Grain and pasture Treatments and Stock Foods Element FS4 – Preparation for Dispatch of Livestock | Clerical | "On-farm" has been removed from the beginning of the outcome for Elements FS1, FS2, FS3 and FS4. | Removal of "on-farm" better reflects the commercial nature of the feedlot operation rather than a broad pastoral one. | Improved terminology and relevance to feedlot operations. |

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| Module 3 – Livestock Management | Element LM7 – Livestock Incident Reporting | Update | The livestock incident reporting requirements within NFAS have been revised and more information provided on required actions. The time period for an unusual number of sick animals or deaths has been clarified to 'any' 24 hour period. The revised "Table 1 - Morbidity and mortality within any 24-hour period" has additional 'cattle on feed' categories and has moved from percentages to numbers. This is designed to account for the capacity expansion within the industry and ensure that feedlots of various sizes have appropriate trigger levels for reporting. The Level 1 trigger is designed for the feedlot to consult a veterinarian and activate internal reviews. Level 2 and 3 triggers are for more significant incidents that require ALFA to be notified. | The levels are designed to illustrate that incident reporting is a useful tool for self- examination and if sufficiently significant then an examination by ALFA to provide assistance. The changes provide greater clarity of when events triggered the reporting function within the use of 24 hrs. Under the new incident reporting there are three levels and for simplicity these are based on clear numbers of incidents rather than percentages. The inclusion of additional categories was to ensure that feedlots, not matter the size, were required to report on an appropriate basis. | Shared responsibilities and actions during an incident involving an unusual number of sick animals or deaths. Inclusions provide increased clarity for feedlot operators for incidents involving livestock. Staff to be aware of procedures and relevant trigger levels that apply to the feedlot. 24hr definition clarifies timeframe as relevant. |

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| Module 3 – Livestock Management | Element LM8 – Contingency Planning | Removed | Contingency Planning has been incorporated into Module 1 – Quality Management System, Element QM8 - Risk Assessment and Contingency Planning and Module 3 – Livestock Management, Element LM6 – Biosecurity. | Incorporated into the revised elements specifically dealing with risk assessments and contingency planning across the entire feedlot and biosecurity in regard to Emergency Animal Disease (EAD) planning. | Provides improved clarity of responsibilities for risk management and EAD planning. |
| Module 4 – Environmental Management | Element EM1 – Environmental Management | Update | Performance Indicator 5 has been broadened to include environmental nuisance and/or harm from the storage, use and disposal of Feedlot By-Products, Feedlot Refuse, Hazardous Substances and Dangerous Goods. The existing general statements under Surface Water, Ground Water, Community and Ecology in relation to the storage and use of hazardous materials have been updated and collated into the single Performance Indicator 11. Performance Indicator 12 added to deal with the facilities for the containment of Feedlot By- products, Feedlot Refuse, Hazardous Substances and Dangerous Goods. | In terms of proactive environmental management, environmental nuisance further recognised as an issue that needs to be addressed and managed. Broadened range of potential sources of environmental nuisance and/or harm to ensure all areas are addressed. The requirements in relation to Hazardous Substances and Dangerous Goods have been updated and streamlined into the single Environmental Management element. | Provides feedlots with a broadened range of potential sources of environmental nuisance and/or harm. These storage, use, containment and disposal of each can be considered and dealt with in a logical process. Streamlined processes to deal with Hazardous Substances and Dangerous Goods. |

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| Module 4 – Environmental Management | Element EM6 – Environmental Incident Reporting | New addition | Updated to specifically include environmental incident reporting to relevant stakeholders. Records of any incidents are to be maintained including: • Nature of incident • Time/date • Stakeholders notified • Actions to rectify | An environmental incident reporting element has been added to highlight the importance of the issue. Environmental Incident Reporting also complements the Environmental Incident Response Management Plans that are required by some environmental authorities. | Provides improved clarity of responsibilities for environmental incident reporting. |

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| Appendix 4 AUS-MEAT Minimum Standards for Grain Fed Beef | 1. Grain Fed <i>Symbol</i> GF 2. Grain Fed <i>Symbol</i> GFYG | Update | Industry adopted (through the Australian Meat Industry Standards and Language Committee (AMILSC) in Nov 2016) changes to the Australian Beef Language (AUS-MEAT) in relation to meat colour. These changes have been reflected in both GF and GFYG Standards within NFAS. Specifically, the Meat Colour score notation if meat colour score exceeds MC 3, beef product is eligible to be labelled as GF / GFYG where: a) Feeding requirements and other GF / GFYG quality attributes are met; b) Carcases meet all Meat Standards Australia (MSA) requirements and are labelled accordingly prior to boning; and c) No portion of the carcase is destined for the EU GF-HQB quota or any other markets with regulations that include meat colour criteria. | Provides greater flexibility for processors of Grain Fed Beef. This will provide greater alignment with the Certified Trade Mark System which is currently planned. | Keeps feedlots informed of the changes evolving in the beef language following a comprehensive review in 2016 undertaken by AUS-MEAT and AMILSC. |