

Chair  
Cabinet Economic Growth and Infrastructure Committee

## **The sale of raw milk to consumers**

### **Proposal**

1. This paper seeks Cabinet's agreement to a new policy to regulate the sale of raw milk to consumers.

### **Executive Summary**

2. Over the last few years there has been an increase in demand from urban consumers who are seeking unprocessed foods, including raw (unpasteurised) milk. Supply has increased to meet this demand.
3. Raw milk is a high-risk food as it may contain pathogens that can cause severe illnesses and in rare cases, death. Scientific research shows that no matter how good farming practices and product handling are, illness increases as consumption of raw milk increases. There has been an increase in outbreaks of illness associated with drinking raw milk and young children have suffered the most severe illnesses.
4. These findings were recently confirmed by the Office of the Prime Minister's Chief Science Advisor. It also concluded that "claimed health benefits of raw milk compared with pasteurised milk are for the most part not backed by scientific evidence, making the risk:benefit ratio very high for this food product, particularly among the vulnerable groups".
5. The original intent of food legislation relating to raw milk consumption in the 1940's was to allow limited sales from the farm for rural consumers who could not access town (pasteurised) milk and people who wanted to purchase raw milk.
6. The law is difficult to interpret and enforce. It is necessary to consider new policy to reinstate an appropriate balance between managing the risks to public health (and an associated risk to New Zealand's food safety reputation) and recognising that there is a strong demand for raw milk from both rural and urban consumers. It is necessary to make regulatory changes before 1 March 2016, when the Food Act 2014 will replace the Food Act 1981, otherwise all sales will be permitted.
7. In 2014 Cabinet agreed to public consultation on three options for the sale of raw milk direct from farmer to consumer [Cab Min (14) 15/2]. Each option required strict production, food safety and labelling requirements and prohibited exports and on-sales. The consultation options were:

*Option 1:* Farm sales with limits on quantities sold and purchased;  
*Option 2:* Farm sales with no limits on quantities sold or purchased with two tiers of regulation depending on the amount farmers sell; and  
*Option 3:* Farm sales and home deliveries with no limits on quantities sold or purchased and two tiers of regulation depending on the amount farmers sell.

8. Consultation resulted in 1,585 submissions, with most submitters advocating positions other than the proposed options. There is no policy option that can satisfy all groups of submitters or mitigate all risks.
9. Consumers and sellers of raw milk advocated for unlimited sales from the farm and via collection points (for example from health food shops and farmers' markets). Dairy manufacturers, the wider food industry and the public health sector (e.g. medical and veterinarian bodies, academics and public health units) argued for prohibition or very restricted sales only from the farm.
10. I do not support collection points as it would be hard to control and a model similar to retail sales could evolve that would result in increased illness though increased availability and consumption. I do not support prohibition as it would likely create an illegal market and will eliminate consumer choice. Cabinet agreed in 2014 that prohibition not be included in the options for consultation [CAB Min (14) 15/2]. Limiting sales to the farm would severely limit choice for urban consumers.
11. I am seeking Cabinet's agreement to make regulations that would introduce a strengthened version of option 3 enabling sales direct from farmer to consumer both from the farm and via home deliveries with no quantity limit on supply or the amount farmers can sell to a consumer. The risks to public health would be managed as much as possible through stringent food safety controls that would apply to all farmers regardless of the amount they sold. Controls would include labelling to advise consumers of the risks of consuming raw milk. There would also be additional monitoring to ensure the new policy and requirements are working as intended and to track foodborne illness impacts (refer to paragraph 25).
12. I recommend that a review of the effectiveness of legislation related to raw milk sold to consumers be carried out two years after implementation.

## **Background**

### *The problem*

13. Raw milk is untreated milk from any milking animal (e.g. cows, sheep, goats, and buffalo). Without processing, such as pasteurisation, it may contain pathogens that can cause severe illnesses including kidney failure and in rare cases may result in death. Scientific research demonstrates that as the consumption of raw milk increases so does the number of illnesses associated with raw milk.

14. Food legislation relating to raw milk consumption has allowed consumers to buy limited quantities of raw milk from the farm since the 1940's. The intention was to allow for the continued supply of raw milk for rural consumers who could not easily access pasteurised town-supply milk and people who wanted to be able to purchase raw milk.
15. Sales of raw milk to consumers have increased in recent times due to:
- consumer interest in unprocessed foods, including raw milk. This is mainly driven by the belief that pasteurisation removes health benefits. Such claims are largely unsubstantiated;
  - an increase in demand from urban consumers and a supply response;
  - sales occurring via the internet with collection occurring in places other than the farm;
  - a requirement in legislation for farmers to sell raw milk that is safe for consumption but no clarity on what level of protection is acceptable;
  - a lack of specific offence provisions; and
  - labelling provisions that do not sufficiently inform consumers of risks.

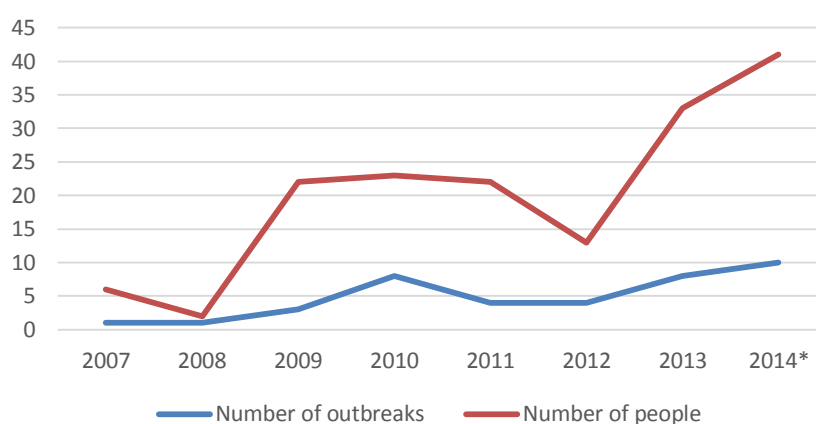
Further information and evidence on the above is provided in Appendix 1.

16. The sale of raw milk to consumers is governed under the Food Act 1981 while production and supply is managed under the Animal Products Act 1999 (APA). Under the APA, farmers must operate under individually developed and registered risk management programmes (RMPs) for raw milk sold to consumers. An RMP requires farmers to ensure the food product is safe to consume and fit for its intended purpose. The Ministry for Primary Industries (MPI) does not consider it possible to design an RMP that meets the legal requirements. Consequently, no-one selling raw milk to consumers has a RMP for this activity and practices vary widely.
17. The increase in consumption of raw milk is reflected in an associated increase in illnesses attributed<sup>1</sup> to raw milk as shown in Figure 1. Young children have been most at risk and have been impacted the most.

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<sup>1</sup> Raw milk may not be the cause of all outbreaks associated with its consumption.

Figure 1. Outbreaks<sup>2</sup> of illness associated with consumption of raw milk and the number of people who were affected in the outbreaks.<sup>3</sup>



\* 2014 data is provisional

### *Review of the science by the Prime Minister's Chief Science Advisor*

18. Given the strong views on this issue, I requested that the Prime Minister's Chief Science Advisor, Professor Sir Peter Gluckman, review the weight of scientific evidence regarding the risks and benefits of raw milk.
19. The conclusions of the review are clear and confirm the findings of MPI reviews. In a letter to me, Sir Peter Gluckman stated that "There are significant infectious disease risks associated with raw milk that are obviated by pasteurisation. While there are claimed benefits by some advocates of raw milk, these are largely unsubstantiated. The nutritional and digestive differences between raw and processed milk are not of biological significance. The claimed benefits of raw milk in allergic disease are not supported by robust evidence although it is not possible to exclude a marginal effect".

### *The objective*

20. A policy is needed that appropriately balances managing the risks to public health while recognising that there is a strong demand for raw milk from consumers in both rural and urban areas. There is also a need to consider:
  - an associated risk to New Zealand's international reputation as a producer of safe food, particularly dairy; and
  - the need for regulatory certainty for consumers and farmers selling raw milk directly to consumers.

<sup>2</sup> A foodborne outbreak is when two or more people develop the same illness from the same contaminated food or drink. Not all foodborne illness is reported and there are also many cases of sporadic (one-off) illnesses.

<sup>3</sup> Data is provided from the national notifiable disease surveillance system (EpiSurv), managed by the Institute of Environmental Science and Research, on behalf of the Ministry of Health.

## Consultation

21. Consultation on options for the policy took place from May to July 2014, following Cabinet's agreement [CAB Min (14) 15/2]. Previous consultation agreed to by Cabinet in October 2011 [EGI Min (11) 22/11] had sought public input on restrictive options similar to option 1 below. The options were strongly opposed by consumers and sellers of raw milk.
22. Three options were proposed in 2014. Each option would only permit sales direct from farmer to consumer. The options would also require strict production, food safety and labelling requirements and prohibit exports and on-sales. The options were:

**Option 1:** *Farm sales with limits on quantity* – sales could be via the internet but collection would only be from the dairy farm, with restrictions on the quantity a farmer could sell each day (for example, 40 litres or less per day) and the amount a consumer could purchase (for example, six litres per day). Food safety controls, including animal health, hygiene and labelling, would be introduced. However, farmers would not be required to undertake verification checks, pathogen testing and milk harvesting training because the costs would be prohibitive for such low sale volumes.

**Option 2:** *Farm sales with no limits on quantity* – sales could be via the internet but collection would only be from the dairy farm and there would be no quantity restrictions on supply or purchase. Farmers selling more than 40 litres per day would have to meet additional production and food safety requirements, including verification checks. The control measures for those selling 40 litres or less would be the same as those in option 1.

**Option 3:** *Farm sales and home deliveries with no limits on quantity* – in addition to option 2 allowing sales on the farm, home deliveries would be permitted where farmers sold more than 40 litres per day and met additional food safety requirements around transport and delivery. Consumers would be required to pre-order their milk for themselves or their family and delivery would only be to their place of residence. There would be no requirement for the purchaser to be at home to receive the milk.

## Summary of submissions

23. The consultation resulted in 1,585 submissions with most submitters advocating approaches that are different to the three consultation options:
  - the majority of consumers and farmers selling raw milk to consumers supported delivery by the farmer to collection points and no quantity limits; and
  - dairy manufacturers, the wider food industry and the public health sector advocated either prohibition or limited sales from the farm only (option 1 as described above).

## Comment

### *Minister's option*

24. My recommended policy option is to allow farmers to sell raw milk directly to consumers, both from the farm and via home deliveries. There would be no limits on the supply of raw milk or the amount farmers can sell to a consumer and no production and food safety exemptions for farmers selling lower quantities.
25. I am seeking Cabinet's agreement to the making of new regulations which would give effect to this new option. It is a more restricted version of option 3 (outlined in paragraph 22) as regulatory measures would apply to all sellers of raw milk regardless of scale.
26. Following consultation and further consideration, I do not consider any of the options consulted on in 2014, or the two options proposed by most stakeholders, to be the best way of meeting the policy objectives. My reasons for this are detailed in Appendix 2.
27. In summary my recommended policy would:

#### **Allow choice, with restrictions**

- require sales of raw milk to be direct from the farmer to consumers (i.e. raw milk may not be exported or on-sold or used to prepare dairy products or other foods for sale);
- require purchasers to collect the raw milk from the farm that produces the milk, or require the farmer producing the milk to deliver it direct to the purchaser's place of residence;
- limit purchasers to buying raw milk only for their own consumption or that of their household;
- not restrict the amount of raw milk that can be sold or purchased;

#### **Apply stringent controls to enable the scheme to be implemented**

- remove the requirement to operate under an individual RMP (see paragraph 16) and impose a regulated control scheme (RCS);<sup>4</sup>
- require all businesses selling raw milk to register with MPI and be independently checked (verified) in a manner that is comparable to artisanal raw milk cheese makers;
- apply stringent requirements around selling and buying raw milk such as on: production, animal health (including vaccinations), hygiene, premises and equipment, training, monitoring (including herd and raw milk testing), food safety, transport, distribution, notifications and returns, suspensions, de-registrations, transitions, cost-recovery and any other relevant matters to enable the scheme to be implemented;

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<sup>4</sup> An RCS is a single prescriptive set of risk management measures intended to protect the health of consumers by reducing risk factors as much as reasonably possible. It is used when it is inappropriate or impracticable to manage risk factors under a risk management programme.

- require farmers to collect and hold records of sale to assist with traceability and monitoring quantities sold;
- require all raw milk transported off the farm to be packaged. Raw milk bought from the farm could be collected in a container brought by the consumer, provided it is cleaned and suitably sized;

### **Ensure consumers are well informed**

- for home deliveries, require purchasers to pre-order raw milk and require farmers to provide prescribed warnings on the risks and how to best manage them prior to a sale;
- require all raw milk containers and point-of-sale areas (physical and electronic) to carry prescribed warnings around the food safety risks and how best to reduce them. There would also be requirements around label placement and other specifications. Consumers who bring their own containers to the farm would be provided with written information at every purchase and asked to transfer batch information and use-by dates onto their containers;

### **Increase monitoring and compliance activity**

- monitor food safety through verification checks on individual businesses (including the results of pathogen testing on raw milk);
- conduct audits of the overall regulatory system for raw milk (against the outcomes sought);
- monitor data on foodborne illness associated with raw milk (collected by the Institute of Environmental Science and Research on behalf of the Ministry of Health (MoH));
- assist or direct farmers that are not complying to make appropriate changes; and
- apply offences and penalties for non-compliance.

28. I do not recommend exemptions or lower requirements for farmers wanting to sell smaller quantities of raw milk as described in option 2 and 3. I understand some farmers use consumer sales of raw milk to supplement their income but I consider the risks presented by raw milk do not allow for lower requirements for any business.<sup>5</sup>
29. I support consumers being able to purchase unlimited quantities of raw milk. Prohibiting on-sales and allowing purchases only for domestic consumption will limit the quantities purchased. Setting a limit that would suit all households, and monitoring and enforcing a quantity restriction, would be difficult. Records of sale will enable monitoring of the quantities purchased.
30. My approach would support New Zealand consumers in both rural and urban communities who are actively seeking out raw milk and are informed of the risks. It offers greater choice than options 1 and 2, particularly for

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<sup>5</sup> In an MPI online self-selected survey in 2014, 72% of respondents who identified themselves as sellers of raw milk stated that they sold 40 litres or less per day. By volume, they accounted for approximately 8%.

urban consumers and also allows for some access to raw milk (via home delivery) at places other than the farm.

31. There is a risk that sales and consequently the incidence of illness associated with the consumption of raw milk could increase under this approach. This potentially brings with it a risk to our trading reputation in relation to supply chain food safety in New Zealand. The risk would likely be less than that from allowing sales through collection points because people who are not actively seeking out raw milk would not be exposed to sales of raw milk.
32. Farmers who are currently providing raw milk via collection points would have to close or modify their operations. As the size of the market is not fully understood, it is hard to estimate how many operations would be affected. Affected farmers should have been aware of the policy review since 2011. They should also be aware of MPI statements that some farmers are selling raw milk to consumers in ways that were never intended and that raw milk is a high risk food.
33. Implementing this policy would require new regulations (and possibly tertiary legislation) under the Food Act 2014 and the Animal Products Act 1999. MPI will have targeted engagement with industry on the technical detail in the law to achieve this policy.

#### *International policies and practices*

34. Internationally there is no consensus on how to regulate the sale of raw milk to consumers. My approach is similar to regulations in England, Wales and Northern Ireland. It is more restrictive than France and Germany where sales occur in a limited number of retail outlets. However, it allows more choice than the prohibitions in Scotland, Canada, Australia,<sup>6</sup> nearly half the states in the United States of America and several European countries.
35. All countries have outbreaks of illness associated with raw milk consumption, regardless of the policy. For example, recently a three-year-old child died in Melbourne after drinking raw cows' milk sold in a health food store as 'bath milk'.
36. Directly comparing outbreaks of associated illness against regulatory measures is difficult as many factors contribute to outbreaks (for example, the specific control measures that apply and the degree to which they are monitored, complied with and enforced).

#### *Review*

37. I recommend a review of the effectiveness of the legislation (secondary and tertiary) related to raw milk sales to consumers commence two years after implementation, no matter which approach is decided upon. This is necessary given there is no option that will mitigate all risks.

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<sup>6</sup> In Australia, the sale of raw cows' milk is prohibited. Four Australian states permit the sale of raw goats' milk.

## **Consultation**

38. The following government departments were consulted in the development of this paper: the Ministries of Health (MoH), Foreign Affairs and Trade, Business, Innovation and Employment, the Department of Prime Minister and Cabinet, New Zealand Trade and Enterprise, and the Treasury.
39. Comments were provided by most government agencies. MoH stated that it considers the recommended policy likely to increase the illnesses associated with the consumption of raw milk regardless of proposed controls. The Cabinet paper acknowledges this risk. There will be monitoring of the proposed controls and public health outcomes. MoH and MPI have agreed to work together on the controls to best mitigate risks to public health. Other departments were broadly comfortable with the paper and made useful suggestions to improve it.
40. Food labelling generally comes within the scope of the Food Treaty between Australia and New Zealand.<sup>7</sup> However, in March and April 2014 an exchange of letters between the Australian Assistant Minister of Health and the then Minister for Food Safety formalised a mutual understanding that risk-related labelling requirements for the consumption of raw milk sold directly to consumers in New Zealand do not fall within the scope of the Agreement.

## **Financial Implications**

41. There are no direct financial implications associated with the proposed amendments. The cost of administering any of the options presented would be met within MPI's baseline.

## **Legislative Implications**

42. Regulations are required under the Food Act 2014 and the Animal Products Act 1999 to implement my recommended policy for the sale of raw milk to consumers. Regulations under the Food Act 2014 must be in place by 1 March 2016 when it comes fully into effect otherwise all sales will be permissible.
43. I am seeking Cabinet's agreement for MPI to issue instructions, and for the Parliamentary Counsel Office to draft the necessary regulations.
44. I also intend to develop specifications under the Acts for technical aspects of the policy. These specifications would be developed after further targeted consultation and be issued by the Director-General of MPI via notice. For the effective implementation of this policy, the specifications will also need to be in place by 1 March 2016.

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<sup>7</sup> *The Agreement Between the Government of Australia and the Government of New Zealand Concerning a Joint Food Standards System* (1995).

## Regulatory Impact Analysis

45. The MPI Regulatory Impact Analysis Panel has reviewed the RIS prepared by MPI and considers that the information and analysis summarised in the RIS meets the quality assurance criteria.

## Recommendations

46. The Minister for Food Safety recommends that the committee:
1. **Note** that it is necessary to change existing policy on the sale of raw milk to consumers because the current policy is resulting in an increase in the outbreaks of illness associated with drinking raw milk due to increased consumption;
  2. **Note** that changes to regulations and tertiary notices for raw milk sales to consumers must be in place when the Food Act 2014 comes fully into effect from 1 March 2016 (as the current legislation restricting sales to the farm will be revoked);
  3. **Note** that the Minister for Food Safety has considered a range of policies from prohibition to retail sales, and the Ministry for Primary Industries has consulted on possible options that would allow sales direct from farmer to consumer, with and without limits on quantities sold and able to be purchased;
  4. **Note** that the policy must balance managing the risks to public health (and an associated risk to New Zealand's food safety reputation) with the strong demand for raw drinking milk from consumers in both rural and urban areas;
  5. **Note** that the Minister for Food Safety supports the sale of raw milk to consumers from both the farm and via home deliveries because it would allow urban and rural consumers to continue to access raw milk, and risks to public health will be mitigated as much as possible through strict requirements and enforcement;
  6. **Note** that under the new policy farmers will have to modify their operations or cease supplying raw milk to consumers;
  7. **Agree** to the following policy on the sale of raw milk to consumers:
    - a. sales of raw milk to consumers may only be direct from the dairy farmer to the consumer (that is, raw milk may not be on-sold or exported by any purchaser);
    - b. purchasers may only buy raw milk for their own consumption or that of their household;
    - c. purchasers must collect the raw milk from the farm that produces the milk, or the farmer must deliver it direct to the purchaser's place of residence;
    - d. there would be no limit on the supply of raw milk or the amount farmers can sell to a consumer;
    - e. regulations and specifications will impose appropriate standards, obligations and requirements around selling and buying raw milk

such as for: production, registration, monitoring (including herd and raw milk testing), verification, labelling, record keeping, farmer training, animal health (including vaccinations), hygiene, premises and equipment, packaging, transport, distribution, food safety, notifications and returns, suspensions, de-registrations, transitions, cost recovery, offences, and any other relevant matters to enable the scheme to be implemented;

- f. there will not be exemptions or lower requirements for farmers selling small quantities of raw milk to consumers;
8. **Authorise** the Ministry for Primary Industries to issue drafting instructions to the Parliamentary Counsel Office for the regulations necessary to implement the policy in recommendation 7 above;
9. **Agree** that the Minister for Food Safety will report to the Cabinet Legislation Committee with draft regulations by 18 November 2015 in order to align with the implementation schedule for the Food Act 2014;
10. **Direct** the Ministry for Primary Industries to review the effectiveness of legislation relating to raw milk sold to consumers two years after it is fully implemented.

Hon Jo Goodhew  
Minister for Food Safety

/ / 2015

## Appendix 1: Further information on the sale of raw milk to consumers

### Reasons for increased sales of raw milk

1. Sales of raw milk to consumers have increased in recent times due to:
  - **consumer interest in unprocessed foods**, including raw milk. A random telephone survey commissioned by MPI in April 2014 found that 5% of 1010 adult respondents were currently consuming raw milk. An estimate of consumption from the 2008-2009 Adult Nutrition Surveys was 1% for adults<sup>8</sup>. The interest in raw milk is mainly driven by the belief that pasteurisation of milk removes health benefits. Such claims are largely unsubstantiated;
  - **an increase in demand from urban communities**. A self-selected online survey by MPI in 2014 revealed that 70% of consumers were from urban areas. Raw milk has traditionally been consumed by rural people;
  - **a supply response to the increased demand**, including operators who solely supply raw milk to consumers. Although the size of the market is not fully understood, there were 54 members in the Raw Milk Producers' Association in 2014 and the Chairman estimated there were at least an equivalent number of sellers who were not members. Seventy four respondents in the 2014 MPI self-selected survey identified themselves as current sellers of raw milk to consumers;
  - **sales occurring via the internet with collection occurring in places other than the farm**, often referred to as 'collection points' (when legislation was drafted in 1981 internet sales were not available. The intent was for collection to be on the farm);
  - **a requirement in legislation for farmers to sell raw milk that is safe for consumption but no clarity on what level of protection is acceptable** (and therefore what controls they must follow to achieve this) given there is no process to kill the pathogens in the milk. This has resulted in farmers developing and expanding operations without incurring the costs of more stringent regulatory control;
  - **a lack of specific offence provisions** to enforce the current provisions or to enable the legality of collection points to be tested in courts; and
  - **inadequate labelling provisions** that do not sufficiently inform consumers of the risks.

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<sup>8</sup> <http://www.foodsafety.govt.nz/elibrary/industry/raw-milk-sales-2014/2014-12-microbiological-risks-assessment-consumption-of-raw-milk.pdf>

## **Appendix 2: Options and approaches not supported following consultation**

### Option 1: Farm sales with limits on quantities sold and purchased

2. Option 1 would likely reduce illnesses associated with drinking raw milk but provides almost no choice for consumers. Given the strong demand, illnesses would still occur either through legal consumption (raw milk will always be a high risk product and the requirements that apply to this option are not as extensive as they could be), or by consumers circumventing the law or acting illegally. A lack of verification checks could exacerbate further the risk to public health.
3. Option 1 would allow farmers only to sell limited quantities of raw milk making it likely that farmers (for example, hobby farmers and those that primarily supply to processors) would have to supplement their incomes from other sources.<sup>9</sup> Those who are currently selling more than limited quantities of raw milk from the farm only and all farmers who deliver to collection points would have to either close or modify their operations.

### Option 2: Farm sales with no limits on quantities sold or purchased

4. As with option 1, option 2 would likely decrease the incidence of illness associated with raw milk consumption. Government oversight, including verification checks, would ensure the milk supplied by those selling over 40 litres is as safe as possible at the point-of-sale. Consumers may prefer to purchase raw milk from those who are known to comply with the strict requirements for over 40 litres.
5. Option 2, however, provides limited choice for consumers by requiring them to collect milk from farms. This will not be practical for many urban people. Also some level of ongoing illness would continue due to the inherent risks associated with raw milk, lower requirements for those selling small amounts of raw milk and illegal consumption. Farmers currently delivering via collection points would have to close or modify their operations.

### Option 3: Farm sales and home deliveries with no limits on quantities sold or purchased (but lower requirements for those selling under 40 litres)

6. This option provides greater choice for consumers, particularly urban consumers, than options 1 and 2. Stringent controls for farmers selling more than 40 litres with additional requirements for home delivery, will ensure risks are managed as much as possible.
7. Lower requirements for farmers selling small amounts of raw milk will, however, expose these consumers to greater risk of foodborne illness. Wider access through home deliveries could also increase the incidence of illness associated with raw milk consumption. Farmers who are currently

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<sup>9</sup> Lower controls were proposed in option 1 to take into account economic viability.

providing raw milk via collection points would have to close or modify their operations.

### Prohibition

8. Dairy manufacturers, the wider food industry and the public health sector (e.g. medical and veterinarian bodies, academics and public health units) favoured a prohibition on raw milk sales to consumers.
9. Under prohibition illegal sales would almost certainly occur, given New Zealand's history of allowing limited sales and a strong consumer demand. Outbreaks of related illnesses would likely occur without regulated control measures. Experience overseas illustrates that prohibition does not guarantee protection of public health.
10. No other food in New Zealand is prohibited from sale<sup>10</sup>, including high risk foods such as raw shellfish, reflecting our risk-based approach to regulation and strong commitment to consumer choice.
11. In 2014, Cabinet "agreed that the option of prohibition of raw milk sales to consumers not be included in the options for consultation, but that the option be referred to in the general discussion of the options that were considered" [CAB Min (14) 15/2].

### Farm sales and collection points with no limits on quantities sold and purchased

12. This approach was strongly advocated by most consumers and farmers selling raw milk.
13. However, it would be very hard to control as it would be difficult to define collection points in a way that:
  - clearly distinguishes them from general retail outlets; and
  - is not anti-competitive (i.e. it does not arbitrarily restrict sales to one type of retail outlet, to the detriment of others).
14. If collection points were made explicitly legal, there would be an increase in sales and resulting illnesses. Farmers operating to the intent of the law would extend their operations and new operators would likely enter the market, given the financial attractiveness of this approach.
15. Collection points could easily result in a model similar to retail sales where most New Zealand consumers, whether actively seeking it or not, would be exposed to raw milk via a range of retail outlets (this could include for example gourmet supermarkets, organic shops and gyms). Already farmers are travelling long distances to sell raw milk in New Zealand's largest cities and this is likely to increase if such an approach were adopted<sup>11</sup>. The increased availability and consumption would increase the public health risk

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<sup>10</sup> With the exception of certain toxic plants and fungi. Kava is also not permitted as a food ingredient.

<sup>11</sup> Information obtained via MPI compliance activities

and the associated risk to New Zealand's reputation as a supplier of safe food.

## Consultation on Cabinet and Cabinet Committee Submissions

|   |                  |
|---|------------------|
| <b>Certification by Department:</b>   |                  |
| Guidance on consultation requirements for Cabinet/Cabinet committee papers is provided in the CabGuide (see Procedures: Consultation): <a href="http://www.cabguide.cabinetoffice.govt.nz/procedures/consultation">http://www.cabguide.cabinetoffice.govt.nz/procedures/consultation</a>  |                  |
| <b>Departments/agencies consulted:</b> The attached submission has implications for the following departments/agencies whose views have been sought and are accurately reflected in the submission:<br>The Ministry of Health, Ministry of Foreign Affairs and Trade, the Ministry of Business, Innovation and Employment, New Zealand Trade and Enterprise, The Department of Prime Minister and Cabinet and the Treasury. |                  |
| <b>Departments/agencies informed:</b> In addition to those listed above, the following departments/agencies have an interest in the submission and have been informed:<br>.   |                  |
| <b>Name, Title, Department:</b> Deborah Roche, Deputy Director-General Policy and Trade, Ministry for Primary Industries  |                  |
| <b>Date:</b> /        /   | <b>Signature</b> |

| Certification by Minister:   |  |           |
|--|--|-----------|
| Ministers should be prepared to update and amplify the advice below when the submission is discussed at Cabinet/Cabinet committee. |  |           |
| The attached proposal:   |  |           |
| <i>Consultation at Ministerial level</i>   | <input type="checkbox"/> <b>has been</b> consulted with the Minister of Finance<br><i>[required for all submissions seeking new funding]</i><br><input type="checkbox"/> <b>has been</b> consulted with the following portfolio Ministers:<br><input type="checkbox"/> <b>did not need</b> consultation with other Ministers   |           |
| <i>Discussion with National caucus</i>   | <input type="checkbox"/> <b>has been</b> or <input type="checkbox"/> <b>will be</b> discussed with the government caucus<br><input type="checkbox"/> <b>does not need</b> discussion with the government caucus  |           |
| <i>Discussion with other parties</i>   | <input type="checkbox"/> <b>has been</b> discussed with the following other parties represented in Parliament:<br><input type="checkbox"/> Act Party <input type="checkbox"/> Maori Party <input type="checkbox"/> United Future Party<br><input type="checkbox"/> Other [specify]<br><input type="checkbox"/> <b>will be</b> discussed with the following other parties represented in Parliament:<br><input type="checkbox"/> Act Party <input type="checkbox"/> Maori Party <input type="checkbox"/> United Future Party<br><input type="checkbox"/> Other [specify]<br><input type="checkbox"/> <b>does not need</b> discussion with other parties represented in Parliament |           |
| Portfolio  | Date   | Signature |
|  | / /  |           |