

11 June 2018

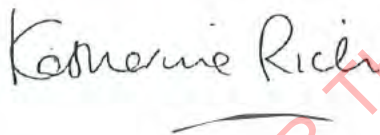
Food and Regulatory Policy
Ministry for Primary Industries
PO Box 2526
WELLINGTON 6140

Email: organicsconsultation@mpi.govt.nz

Dear Sir/Madam

Attached are the comments that the New Zealand Food & Grocery Council wishes to present on ***Would New Zealand benefit from new organic regulation? MPI Discussion paper No. 1028-09.***

Yours sincerely



Katherine Rich
Chief Executive



**Would New Zealand benefit from new
organic regulation? MPI Discussion paper
No. 1028-09**

**Submission by the New Zealand Food & Grocery
Council**

11 June 2018

NEW ZEALAND FOOD & GROCERY COUNCIL

1. The New Zealand Food & Grocery Council ("NZFGC") welcomes the opportunity to comment on *Would New Zealand benefit from new organic regulation? MPI Discussion paper No. 1028-09*.
2. NZFGC represents the major manufacturers and suppliers of food, beverage and grocery products in New Zealand. This sector generates over \$34 billion in the New Zealand domestic retail food, beverage and grocery products market, and over \$31 billion in export revenue from exports to 195 countries – some 72% of total merchandise exports. Food and beverage manufacturing is the largest manufacturing sector in New Zealand, representing 44% of total manufacturing income. Our members directly or indirectly employ more than 400,000 people – one in five of the workforce.

OVERARCHING COMMENTS

3. The organic sector represents just over half a percent of total farmed land in New Zealand and just over one percent in production value. It is very small by any standard. Comparisons with other regions/countries fails to consider the subsidisation involved overseas or indeed reasons for growth overseas (such as being paid to convert to organic production). These factors should influence any proposed regulatory regime and lead to the simplest of systems, rationalisation of costs and reassessment of assumed benefits.
4. The current voluntary system, with its range of choice and commercial decision making, is flexible, simple, trade enabling, and delivers confidence to those consumers seeking out certified product. However, to the extent that systems can be improved, some form of limited, stratified, low cost regulatory regime could provide certainty along a supply chain beyond the single producer consumer arrangement and spread costs.
5. Several alternative options/variations are suggested in relation to the voluntary and hybrid (voluntary/mandatory) systems. In a very small sector, a blanket mandated system appears to be over kill and very costly in relation to benefits. Costs are also likely to be concentrated on the producer while benefits flow across the supply chain.
6. Concerning registration/listing and verification, alternative options are discussed and models operating under both the *Animal Products Act 1999* and the *Food Act 2014* suggested. NZFGC considers it inconsistent and wasteful of scarce resources, both government and private, to greatly exceed or even match the level of food safety verification for a consumer preference.
7. If this proposal is to proceed, NZFGC favours a simple, low cost, stratified/hybrid regulatory system that makes a standard freely available but does not mandate compliance for the smallest operators such as those selling direct to the consumer. Such a stratified/hybrid system would also need to carefully accommodate a range of verification approaches and the system design would need to be cognisant of costs, resource availability, and appropriateness compared to registration and verification for food safety reasons. It would also need to accommodate a range of existing commercial systems according to a range of qualifying criteria (such as independent verification, logo use etc).

DETAILED COMMENTS

Scope

8. MPI suggests that is meant by organics are 1) produced without the routine use of artificial chemicals, without the use of genetically modified organisms and with an emphasis on animal welfare and animals being able to express natural behaviour.
9. Since New Zealand does not permit genetically modified organisms in production systems and many animals in the production sector able to express natural behaviour (increasingly also for poultry), the key issue for New Zealand would appear to be routine use of artificial chemicals.
10. MPI is proposing that the organic regime in New Zealand relate to primary and processed products including food and beverages, animal and plant products, live animals and wool.

Q1. Do you agree or disagree with the proposed scope? Are there any other products, for example aquaculture products, that should be considered? Please specify.

11. NZFGC agrees in part with the scope. We question the inclusion of live animals and wool. We also wonder what other products MPI has in mind for primary and processed products that are not listed.

The organic sector

12. Just over 12.1 million hectares of New Zealand's total land area was farmed for agriculture or horticulture in 2016¹ MPI advises that the estimated area applied to organic certification was estimated at 74,134 hectares or 0.6% of farmed land.
13. This puts the New Zealand organic sector into perspective in terms of overall production. This applies to sales as well. The paper states that in 2015 New Zealand's organic sector was worth \$0.5 bn.
14. Growth is off a very low base and while there has been growth, it remains low. The value of New Zealand's agricultural products is over \$40 bn² so organics represents just over one percent of total value. Again the comparison is valuable, particularly in terms of costs and benefits.

Q2. To what extent do you agree with the description of the current context for organics? Please explain why.

15. The context for organics does not put organics into perspective in terms of overall agricultural and horticultural production or value. It is very, very small and while there continues to be opportunity for growth, there is a question about the best mechanism for encouraging growth and whether costs imposed on a very small sector are appropriate.
16. The paper draws key comparisons with North America and Europe. What the comparison fails to describe is that these are regions characterised by subsidy regimes and considerable government assistance. There is a questions as to the extent of support that organic production has overseas and whether regulation would add costs in New Zealand that are not reflected overseas.

¹ (Statistics NZ http://archive.stats.govt.nz/browse_for_stats/environment/environmental-reporting-series/environmental-indicators/Home/Land/land-use.aspx).

² *Situation and Outlook for primary industries March 2018*. MPI: Wellington, NZ

Regulatory environment for organics

17. The paper states that 'internationally, organics are increasingly regulated' and that 23 of the world's top 25 organic markets (by value) have mandatory domestic organic standards.

Q3. To what extent do you agree with the description of the current regulatory environment for organics? Please explain why.

18. We do not agree with the description of the regulatory environment for organics. The reason for mandatory organic standards in many other countries has been environmental. Across the OECD, there has been broad support for converting to organic production for environmental reasons. This is a key driver characterised by direct payments for conversion³. In order to determine extent of conversion, permanence and payments for conversion, standards have had to be set. There is also government payment for certification and investment grants, marketing and 'organic fairs'. In that environment, where government bears the costs, there is good reason for support overseas.

19. There are also a range of international standards, most notably the International Federation of Organic Agriculture Movements (IFOAM). Many of the New Zealand certification systems are linked to IFOAM and many consumers would be aware of these.

20. In a global environment where organic standards are readily available and where many regulatory regimes and certification is funded by government, applying similar regulation in New Zealand with costs applied to the farmer/producer may well simply support the organic certifiers and reduce grower competitiveness. Clearly, the MPI Official Organic Assurance Programmes (OOAPs) already carry costs, but participation in them is not mandatory unless government certification is sought and presumably the costs are offset by export returns. These same returns may not be available for the domestic market.

Why Change how organics are regulated

21. The paper makes the case for 'an opportunity to improve' the current regime. The key reasons given are to:

- increase consumer certainty about claims and generally help consumers
- increase government oversight of the sector and provide additional tools for government to check the truthfulness of claims
- demonstrate equivalence between organic regimes from trading partners.

Q4. Do you agree that this is a good opportunity to change the way organics are currently regulated in New Zealand? In your opinion, what needs to change? Please explain why.

22. No evidence is provided that consumers are uncertain about organic claims or, if they are, the level of that uncertainty. Many of the well known certification arrangements (AssureQuality, Bio Gro, etc) are trusted and dovetail with other systems (eg Organic Farmer NZ uses Bio Gro standards). These systems operate well without Government oversight. Most interface with the Government's OOAPs. The OOAPs have been developed where such arrangements have been identified as necessary for market access. The New Zealand OOAP for Japan was a world first and has been extended to cover the EU, Switzerland and Taiwan. These have provided the certainty for exporters but they are not mandatory to join. Therefore commercial decisions can be taken as to whether the

³ Rousset S, Deconinck K et al. (2015) Voluntary environmental and organic standards in agriculture: Policy implications. *OECD Food, Agriculture and Fisheries Papers*, No. 86. OECD Publishing: Paris, France.
<http://dx.doi.org/10.1787/5jrw8fg0rr8x-en>

additional costs are offset by export returns. A mandated system would not allow such decision making unless it was carefully constructed and stratified.

23. The paper claims that a mandated system would provide certainty for many that currently operate in the system. It is not clear what additional certainty is proposed except to other markets and we would suggest that if the OOAP can cover the EU and prospectively China, it should not be difficult to extend it to other countries/regions. Nonetheless, a low cost mandated system may take extensive cost out of future Government developed OOAPs and this should be considered a benefit after calculating the cost saving.

24. The paper sets out the objectives for a regulated system as being to:

- provide consumer confidence
- provide business regulatory certainty
- enable trade
- deliver a flexible, simple to understand and administer system; and
- deliver cost to businesses that are proportionate to overall benefits.

Q5. Do you think that the appropriate objectives of a new organic regime have been identified? What would you suggest a new regime should achieve? Please explain why.

25. No we do not think that the objectives are exclusive to "a new organic regime". The objectives are equally appropriate for the existing voluntary regime involving commercial certification systems, business regulatory certainty and trade enabling for those choosing to participate etc.

26. According to consumer research in New Zealand, 'the biggest barrier to the purchase of organic food for New Zealand consumers has been *high price*, followed by *limited availability of organic food* and *limited choice/variety of organic food options*⁴.

27. Business regulatory certainty is available under any of the voluntary systems. Trade is enabled by the current OOAPs where needed although this could be extended potentially with a part mandatory system. The voluntary system is as simple as necessary to generate uptake and competition amongst certification systems ensures competitive pricing.

Part 2: Options for how a new regime for organics could work

28. This Part considered voluntary vs mandatory organic standards, relative effectiveness, compliance, implementation and cost and benefits.

Q6. Do you think that a standard setting out requirements for production methods would be best suited to organic production? Please explain why.

29. A production method approach was the reason such a standard was not regulated in the past. In terms of practice, the consultation paper is clear that there is no viable or tangible outcome that would sustain an outcome based standard. This leaves a process based standard as the default and which is what we see in NZS 8410 and in private commercial systems.

⁴ Chamberlain H. (2016) Organics in New Zealand: consumer perception and purchase behaviour of organic food. Dissertation. Lincoln University: Christchurch, New Zealand.
https://researcharchive.lincoln.ac.nz/bitstream/handle/10182/7783/Chamberlain_BAgrSc%28Hons%29.pdf?sequence=3&isAllowed=y

Issue 1 Should a new standard be voluntary or mandatory?

30. This section explores voluntary and mandatory options described as:

- Option 1A Encourage uptake of the current national voluntary standard
- Option 1B A mandatory standard for some organic operators
- Option 1C A mandatory standard for all organic operators.

31. MPI prefers Option 1C as providing the greatest benefit despite coming with costs.

Q7. Do you think that the correct options have been identified? Are there alternative option(s) that should be considered? Please describe.

32. NZFGC believes there are no correct or incorrect options just options. We believe there are other options that have not been identified. There is no option that adequately covers the existing private commercial systems. The NZS 8410 was intended to provide a minimum standard for any products claiming to be produced organically. The private commercial systems are generally taken to cover NZS 8410 and overlay this with 1) additional requirements considered by the systems to be important and 2) provide certification surety. Some private commercial systems go well above NZS 8410 requirements. Growers contemplating a private system could use NZS8410 as a comparator to judge the value to them of what the additional costs might deliver for them.

33. An option that considered the relative merits of encouraging uptake of NZS 8410 and dovetailed with commercial systems would be useful.

34. An option that considered how compliance with a voluntary standard might be designed is also missing.

35. An option that considered other elements of a part mandatory/part voluntary system (the hybrid option) has not been described. The conditions for excluding participation was size (no discussion of what factors might determine size), direct to consumer selling or 'low risk' which was also unspecified. The paper is not clear what risk an organic producer presents. Are these food safety risks (from compost contamination and therefore microbiological) or risk of untruthfulness.

36. No option provided for a requirement that produce not under a mandatory standard but making a claim as to 'organic' might carry a warning such as 'Uncertified' or similar or be precluded from carrying the government logo. Nor was the option of 'opting in' to a mandatory system considered for small operators who want to demonstrate compliance or use a government logo considered.

37. Option 1B is claimed to be unlikely to support trade. There is no difficulty for New Zealand explaining that small organic operators that are not within the mandated system are prohibited from exporting. This seems quite a simple approach and one that many countries no doubt have themselves.

38. In any event there has been no investment in or encouragement of uptake of NZS 8410.

Q8. Are there positive or negative impacts of any options that are not described? Please describe.

39. There are a number of positive and negative impacts that have not been described. In addition to the considerations in the foregoing, there has been no attempt to quantify what the number of businesses are that might or might not be included in a hybrid option.

40. It is not clear that costs and benefits of the mandatory options have been adequately considered or that compliance in either option has been adequately addressed.

Q9. If a standard became mandatory for all organic operators, what would be the positive and/or negative impacts on you or your business?

41. NZFGC members are best placed to respond to this question. However, costs might be expected to feature in the negative impacts depending on how well a mandatory system accommodated private commercial systems. If private commercial systems were well accommodated (that is, accepted as equivalent) then those operating under them would not be impacted.

42. The most significant impact, as the consultation paper identifies, would be on the small operators or those operators currently leveraging off the organics reputation and the consumer demand without necessarily meeting the minimum requirements of NZS 8410. In a very small sector a blanket mandated system may be over-kill and very costly in relation to benefits. Costs are also likely to be concentrated on the producer while benefits flow across the supply chain.

Q10. To what extent do you support or oppose the use of a logo to help distinguishing organic products from non-organic products? Please explain why.

43. The use of logo is strongly favoured as easily identifiable for consumers and traders alike. Considerable work has already been done in this area in relation to the Health Star Rating (HSR) system and we would recommend this be used as the basis for proceeding. However, alternate logos for relevant private commercial systems should not be lost and should not be required to be in addition to a government developed logo. Real estate on food items, especially packaged food, is limited and there are many competing systems for the consumer to consider. HSR, Halal, Gluten-free, recycling etc. Careful consideration is needed in terms of permitting alternate logos or perhaps providing a government logo was the default for product meeting a mandatory standard.

Issue 2: How should we check that relevant businesses meet the standard

44. This section considers verification options but only for the preferred option of an across the board mandatory standard and the hybrid option. The options are:

- Option 2A Ongoing verification for all organic businesses
- Option 2B Spot check verification for all organic businesses
- Option 2C Ongoing verification with limited exceptions.

Q11. Do you think that the correct options have been identified? Are there alternative option(s) that should be considered? Please describe.

45. An alternative option to those identified is a regularised sampling programme that would aim to cover a percentage of, or all, organic producers over a fixed number of years along the lines of a national programme under the Food Act 2014. It seems inconsistent and wasteful of scarce resources, both government and private, to greatly exceed food safety verification for a consumer preference.

46. A related alternative option is to determine a range of verification options current requirements for export, substantially less for domestic sale to a third party and substantially less again (or none) for direct sellers.

47. It is unclear why a mandatory standard system would require notification when currently an export registration system underpins the OOAP. The home kill system under the *Animal Products Act 1999* provides a model for listing vs registration that might be considered. The *Food Act 2014* system of national programme registrations provides another model that has not been considered for an organics programme.

Q12. Are there positive or negative impacts of any options that are not described? Please describe.

48. Again, there has been no attempt at estimating the numbers associated with the elements of the options. The paper states that there are around 1,000 farms certified as organic producers. How many would be reasonable within a sampling programme or a spot check. How many might be exempted? How many already export and are therefore covered?

49. The implementation of the *Food Act 2014* demonstrated clear resource limitations and shortages primarily in rural areas but also for certain processing arrangements. The availability and added cost of geographically distant producers, where there are no or very few operating close to urban areas, raises significant issues for all organic producers and for Government.

Q13. If ongoing verification (with limited exemptions) was used to check compliance, what would be the positive and/or negative impacts on you or your business?

50. See above

Q14 If some businesses were not required to be verified on an ongoing basis, what do you think the criteria for exemption could be? For example, method of sale, annual turnover, volume sold, others ...

51. Method of sale presents as the criterion least open to interpretation. This could be enhanced by a geographic reach global/export, national, geographic limited (to be determined), local within a geographic area.

52. Alternatively, again look to the *Food Act 2014* implementation local council areas. Operators within a single local government area might be exempt.

Q15 To what extent do you support this combination? Please explain why.

53. Variations in approach that reduce costs and target/reduce resources are worth examination at the least.

Q16 What changes or impacts would this combination of options involve for you or your organisation?

54. NZFGC membership are likely to benefit from a regulated system of some sort simply in relation to sourcing ingredients or handling products claiming to be organic. However, to the extent that costs are likely to pass through the supply chain, mechanisms to minimise costs but still maintain system integrity are important.

Q17 What would be your preferred combination of options? This can include any listed options and any other possible option not listed.

55. From the foregoing, NZFGC favours a stratified/hybrid regulatory system that makes a standard freely available but does not mandate compliance for the very smallest operators such as those selling direct to the consumer. Such a stratified/hybrid system would also carefully accommodate a range of verification approaches that was cognisant of costs, resource availability, and appropriate compared to certification for food safety reasons. It would also need to accommodate a range of existing commercial systems according to a range of qualifying criteria (such as independent verification, logo use etc).

Part 3: If needed, Proposed Features of Empowering Legislation

56. This Part summarises the elements required for a mandatory regulatory regime.

Q18 Have the powers required to implement a new regime been correctly identified? Are there any other components you think would be necessary?

57. The features identified for a mandatory regulatory regime are relevant, in part, for a stratified/hybrid system. To this extent the powers are generally appropriate.

Q19 Do you have any comments on the range of proposed compliance and enforcement tools?

58. Compliance and enforcement tools need to apply to the system selected. Generally these would be expected to already exist in the relevant food legislation administered by MPI.

Q20 Do you have any other comments about the proposed legislative settings?

59. The proposed legislative settings would need to be adjusted to match the option selected.

Q21 If you have other comments

60. No.

Q22 What evidence should we examine to inform further analysis of this proposal?

61. NZFGC suggests models for various elements in the *Food Act 2014* and the *Animal Products Act 1999* might be considered. The *Wine Act 2003* also has had a stratified levy system in place based on size of winery.

From: Accounts <accounts@organicnz.org.nz>
Sent: Monday, 11 June 2018 4:51 PM
To: Organics Consultation
Cc: Marion Thomson; Chris May
Subject: Submission on MPI Discussion Paper N0: 2018/19
Attachments: Soil & Health submission on MPI organic regulations.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: To put in submission database

Dear Sir/Madam

Please find attached a submission on behalf of the Soil & Health Association on MPI Discussion Paper regarding whether New Zealand would benefit from new organic regulation.

Kind regards

Lucy

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Soil & Health Association

Healthy Soil, Healthy Food, Healthy People

11 June 2018

Ministry for Primary Industries
PO Box 2526
Wellington 6140

Submission on MPI Discussion Paper N0: 2018/19

Background

1. The Soil & Health Association of New Zealand Inc. ("Soil & Health") is a charitable society registered under the Incorporated Societies Act 1908. It is the largest membership organization supporting organic food and farming in New Zealand and is one of the oldest organic organisations in the world, established in 1941. Soil & Health's objectives are to promote sustainable organic agricultural practices and the principles of good health based on sound nutrition and the maxim: "Healthy soil, healthy food, healthy people". Its membership is chiefly composed of home gardeners and consumers, organic farmers and growers, secondary producers, retailers and restaurateurs. Soil & Health publishes the bi-monthly 'Organic NZ' magazine – New Zealand's leading organics magazine.

Introduction

2. Soil & Health welcome the opportunity to comment on the MPI Discussion Paper "Would New Zealand benefit from new organic regulation?" ("Discussion Paper"). However, we are concerned that the consultation and submission period was both at short notice and for a relatively short time. Organisations throughout the sector will have had difficulty to have appropriate discussions

among their members and members including both consumers and organic licensees. We reserve the right at Select Committee and further consultation to further refine our position.

3. To know our food is safe, free from contamination and harmful residues is a fundamental human right. However, the right to know exactly what we are eating is often taken away and even routinely denied to us. While growing our own food remains the best way to ensure that we know what we are eating and how it is grown, we must also know what has been sprayed onto crops and soil, added to foods, and used in the processing of the food we purchase. There is a growing awareness in society of how food determines health and people are now demanding to know what is in their food and how it is grown. Safeguards to protect people and the environment are becoming more important and need greater attention as the presence of toxins in the environment become more common.
4. Soil & Health is committed to advocating for transparent and honest food labelling in New Zealand. We believe that transparent food labelling is fundamental in allowing people to make informed choices. We believe that everyone has a right to safe and nutritious food that is grown in a way that enhances the environment. This covers the right to have food free from microbial contamination, harmful organisms, pesticides, harmful chemicals and heavy metal contaminants, harmful additives, irradiation and genetic engineering. We believe in the right of people to equip themselves with the knowledge to make informed food choices. This is only achievable through clear and transparent food labelling.
5. Soil & Health as an organisation that advocates for organics, is a strong supporter of organic certification as it provides a verification system for consumers that ensures that the food product they are purchasing is produced

according to specific organic standards. Consumers can trust food or other products that are labelled as certified organic, because they are subject to rigorous audits to ensure their safety and integrity. Most importantly it helps to ensure that businesses do not deceive or mislead consumers through false representation or false information when labelling themselves as organic. We consider certification important as it supports consumers in making informed choices about organic food.

6. Currently there are several different organic certification agencies in New Zealand which all have their own standards and labels. Labels however can be confusing for consumers as there can be many different ones used on food products, for example, regulated and accredited ones like the Heart Foundation tick, or some companies creating labels such as 'vegan' or '100% natural'. As stated in the Executive Summary of the Discussion Paper, consumers have a mixed understanding about what these claims mean. People want clean, safe food, and are increasingly turning to organic foods and products. Many farmers and producers are responding to demand and producing high quality, certified organic products. But there are a few producers claiming their products are organic when in fact they are not. Some producers may be unintentionally misleading consumers; others may be deliberately using the word organic as part of their marketing strategy to sell more product and/or at a higher price. While consumers are protected by the Fair Trading Act 1986, which requires producers to be able to substantiate any claims that they are making on their products, the absence of a single definition in New Zealand of what organic means makes enforcement difficult. Furthermore, with no government oversight of organic standards, and no national standard to protect the word 'organic', the integrity of the organic industry as a whole is compromised.
7. Soil & Health therefore strongly supports the proposal to introduce a mandatory National Organic Standard and associated regulatory regime for organic

production. A fundamental point for Soil & Health in developing a single National Organic Standard is to reduce consumer confusion that is created when there are multiple certification agencies. Creating a single National Organic Standard for organics in New Zealand would help to reduce consumer confusion and boost consumer confidence in organic labelled food. It would also put us in step with nearly all of the top 25 organic exporting nations. This will give comfort not only in New Zealand but to export markets as well and will make exports easier.

8. However, regulations which would follow adoption of a single National Organic Standard should not disadvantage small growers. While all relevant businesses should comply with the National Organic Standard there should be provision for a lesser burden of verification on smaller scale growers and producers where the cost would be disproportionate to the benefit. We therefore support exemptions that support smaller growers and producers who typically supply local markets and direct to their consumers. We recognise that among the myriad of reasons for supporting smaller producers is the fact that before big producers were big they generally were small, and we must support them in order to foster the growth of the organic industry. Effective exemptions must still require a claim of 'organic' to be meeting the National Organic Standard, and examples exist for on line registration, or affidavits of compliance for operators below a certain monetary threshold.

Discussion Paper Questions

Part 1: Introduction, purpose and context

1. ***Do you agree or disagree with the proposed scope? Are there any other products, for example aquaculture products, that should be considered? Please specify.***

We generally agree with the proposed scope so long as this is recognised as merely a starting point. However, some aquaculture products, both salmon and mussels, have previously been certified organic in New Zealand, so it is important that aquaculture would be covered by regulation of organics to ensure inappropriate claims are not made.

The scope is currently limited to primary and processed products and we recognise this is a good place to start from as they form a large part of New Zealand's organic production. However, as the development of the regulations progress other products might need to be included for example, it is also not clear whether cosmetics, body care products and textiles are included in the scope.

2. *To what extent do you agree with the description of the current context for organics? Please explain why.*

We agree. The market information provided is consistent with reports produced by Organics Aotearoa New Zealand. However, the description lacks any information about or acknowledgement of New Zealand's current GE-free status and the market advantages that this provides. The use of GE or GMOs is prohibited in organic products, and products cannot be labelled certified organic if they contain GMOs. The global Non-GMO market is at US\$550 billion,¹ and trends show this is only going to grow.

Of New Zealand's five key trading partners, three have non-GMO labelling regulations.² New Zealand has a market with these countries due to the perception and the fact that no GMO seeds are currently being cultivated in New

¹ <http://www.prnewswire.com/news-releases/packaged-facts-global-non-gmo-food--beverage-market-reaches550-billion-us-sales-at-200-billion-300127127.html>

² http://www.stats.govt.nz/browse_for_stats/snapshots-of-nz/nz-in-profile-2015/trading-partners.aspx

Zealand. China is the largest trading partner with dairy being the largest single export. In 2014 NZ\$5.3 billion of dairy products were exported to China.³

What is also important to mention is that organic and sustainable agriculture is the highest value added agricultural market with over US\$80 billion worldwide sold as organic in 2014.⁴ New Zealand primary industries are looking for ways to export value added products as they move away from commodity-based trading. The collapse of the dairy industry in 2015 and the rise of tourism as the largest contributor to New Zealand's GDP indicate an over reliance on a narrow range of commodities. Federated Farmers sponsored a number of speakers during their national conference on 13 July 2015 in Wellington, who shared the view that value added agriculture is important to the resilience of the industry.

3. To what extent do you agree with the description of the current regulatory environment for organics? Please explain why?

We agree with the description of the current regulatory environment for organics, namely that they are not regulated at all. One could conclude that MPI's Official Organic Assurance Programme ("OOAP") Technical Rules have by default become a national organic export standard. However, the OOAP Technical Rules is an export one and run through MPI with the Organic Export Association of New Zealand. While the process is consultative, it is hardly representative of the wider organic sector in New Zealand and is focused solely on exports.

It must also be noted that over decades the BioGro NZ standard has been run by its Society's members and licensees who have contributed to its development

³ http://www.stats.govt.nz/browse_for_stats/industry_sectors/imports_and_exports/global-nz-jun-14/keypoints.asp

⁴ <https://shop.fibl.org/fileadmin/documents/shop/1698-organic-world-2016.pdf>

through standards and certification committees. It has had significant voluntary input and provided a chance to review the impact of decisions on growers, input providers etc. Soil & Health also contributed to this largely as the consumer voice on all boards. However, this process of keeping the standard up to date is exhausting on resources and the voluntary base.

- 4. Do you agree that this is a good opportunity to change the way organics are currently regulated in New Zealand? In your opinion, what needs to change? Please explain why.**

We agree that this is a good opportunity to change the way organics are regulated in New Zealand. The current unregulated environment undermines the credibility of certified organic products produced in New Zealand and this needs to change. Organic licensees, the retail sector and the public are confused and often have a poor understanding of what organic means, or the implications of false claims. Regulation should aim to protect consumers from fraudulent claims and protect producers from unfair competition (products with false claims), thereby building the credibility of organic products produced in New Zealand. There is also an opportunity to rationalise other activities like auditor training, and upskilling, technical development, certification management and to develop a common national mark.

- 5. Do you think that the appropriate objectives for a new organic regime have been identified? What would you suggest a new regime should achieve? Please explain why.**

We agree with the objectives outlined however question whether the regulatory regime needs to be flexible.

We consider that the new regime should endorse and protect the status of existing New Zealand certifiers. The regime should enable certifiers to set higher standards (above the regulation) should they want to. It should also allow for equivalency between New Zealand produced and certified imported organic products provided the certification standards are at least equivalent to the New Zealand regulation. Soil & Health strongly supports the Participatory Guarantee Systems such as OrganicFarmNZ to be recognised as a credible certification pathway.

Part 2: Options for how a new regime for organics could work

- 6. Do you think that a standard setting out requirements for production methods would be best suited to organic production? Please explain why.**

Yes, because organics also has environmental and sustainability outcomes, not just food safety outcomes. Production methods are important because of the benefits to the environment as well as end product qualities.

Issue 1: Should a new standard be voluntary?

- 7. Do you think that the correct options have been identified? Are there alternative option(s) that should be considered? Please describe.**

Yes, we agree that the correct options have been identified. We do not propose any other alternatives.

- 8. Are there positive or negative impacts of any options that are not described? Please describe any impacts that we've missed.**

Cost is a significant concern to all organic growers and producers but most especially to small scale growers and producers supplying local markets direct to the consumers. Small-scale growers and producers are important for the support of fresh organic products to New Zealand consumers and therefore any new regulations which would follow adoption of a single standard must not penalise them through unnecessary compliance costs.

The importance of genuine organic consumers expectations needs to be considered in the structure of Standards setting/maintenance body, and stakeholders groups. The importance of the consumer guarantee aspect of organic regulation must be reflected in significant organic consumer representation, which Soil & Health has experience of.

There are a number of overseas examples of standards maintenance groups that have been dominated by business interests that have not reflected genuine organic consumers and licensees' interests, for example USDA now includes an option for 'organic' hydroponic production, although hydroponics by design does not meet New Zealand organic requirements, nor organic consumer expectations that organic production is soil based.

At one consultation, it was suggested that legislation for organic regulation would be likely be ahead of standards group representation being consulted on. It is therefore necessary to ensure that a minimum representation outline is included in the primary legislation to ensure organic consumers will be an effective part of standards setting and maintenance.

- 9. *If a standard became mandatory for all organic operations, what would be the positive and/or negative impacts on you or your business?***

If mandatory the system should not be designed so that it constrains or prevents alternative certification systems being developed and recognised. A mandatory standard would be acceptable if it allowed for small scale growers and producers to continue to function without unfair constraints and allowed the opportunity of lower cost Participatory Guarantee System certification.

For an organic consumer guarantee with integrity, the degree of organic consumer representation on the standards setting/maintenance group will potentially dictate either positive or negative outcomes. Soil & Health is probably the most visible advocate for New Zealand organic consumers.

10. To what extent do you support or oppose the use of a logo to help distinguish organic products from non-organic products? Please explain why.

We support the development of a national logo provided it can be accessed by local and small scale market growers and producers, not just larger scale operators that export.

Issue 2: How should we check that relevant businesses meet the standard?

11. Do you think that the correct options have been identified? Are there alternative option(s) that should be considered? Please describe.

We consider that the correct options have been identified.

12. Are there positive or negative impacts of any options that are not described in the above section? Please describe any impacts that we've missed.

No other positive or negative options are suggested.

13. If ongoing verification (with limited exemptions) was used to check compliance, what would be the positive and/or negative impacts on you or your business?

As stated previously local and small-scale operators should not be disadvantaged. Costs relating to MPI regulatory requirements in other sectors have frequently been described as prohibitive to small businesses, and although some changes have been made for example raw milk cheeses, there is a strong cost recovery model in existence using high salary and travel fees. Regulation and compliance in that context threatens small producers if exemptions are not set sensitively.

Home gardeners that garden organically and would meet the National Organic Standard, should they be commercial, must also be able to describe their home grown produce as organic, whether sold or not. Such situations could include A&P Show vegetable competitions or descriptions in a newspaper article. Compliance could be by external interests checking against an affidavit or online registration if necessary, and complaints lodged with MPI or the accredited agency.

14. If some businesses were not required to be verified on an ongoing basis, what do you think the criteria for exemption could be? For example, method of sale, annual turnover, volume sold, others...

If exemptions are to be allowed, then conditions on which they are based should be clearly defined, for example if there are multiple companies held by a single owner they should not be allowed to all be exempt (all should be verified).

Summary of proposals

15. To what extent do you support this combination? Please explain why.

We strongly support the combination of Option 1C: mandatory compliance for all relevant businesses, and Option 2C: ongoing verification, with limited exceptions.

We support Option 1C due to the level of certainty and transparency that it provides to both businesses and consumers about what the definition of organic means. Under this option, whether or not a product is certified, consumers can be sure that if it is labelled organic then it means the same as certified organic as both terms must meet the National Organic Standard. This is significant for consumers who are too often sold products as organic, even though the grower/producer is not subject to any checks that their claim is authentic. If a producer uses the term organic to sell their system should be able to be verified in some way.

However, many of our members are small scale organic growers and producers who only sell their products locally, direct to their consumers. Their growing and production standards meet that of certification standards, yet they choose not to become certified due to the costs and effort involved. Some growers and producers prefer to remain small scale and want to keep their costs down in order to keep their products affordable. Certification would be an extra cost that they may not be able to meet unless they scaled up. For them to have to change their labels from "organic" to "spray free" simply because they are not certified, despite meeting a certification standard, would not be fair on them. We consider that the integrity of certified organic is not compromised by these types of growers using the term organic.

Therefore, we also support Option 2C in that while all businesses that label their products organic would need to comply with the standard, not all businesses would be required to have their activities independently verified on an ongoing basis, or certified. The integrity of organics would still be maintained as any grower/producer, small or large, that defines their product as organic would be subject to enforcement action if it was shown that they were not meeting the standard. We also support the proposal to introduce measures that reduce compliance costs for small scale businesses if and when needed through for example group certification or by adjusting the audit frequency.

16. What changes or impacts would this combination of options involve for you and/or your organisation?

For our members and for consumers of organic products there will be benefits as the baseline standards will be clearly defined.

17. What would be your preferred combination of options? This can include any listed options and any other possible option not listed.

We have already stated our preferred option – that being Option 1C and Option 2C.

Part 3: If needed, proposed features of empowering legislation

18. Have the powers required to implement a new regime been correctly identified? Are there any other components you think would be necessary?

Those already certified (BioGro NZ/Asure Quality/OFNZ/Demeter) we consider are already following what will become the National Organic Standard – the

process for how they become integrated needs to be clear and separate to those not already certified. We consider that MPI should recognise agencies not individuals.

As commented in Q8; At one consultation, it was suggested that legislation for organic regulation would be likely ahead of standards group representation being consulted on. It is therefore necessary to ensure that a minimum representation outline is included in the primary legislation to ensure organic consumers will be an effective part of standards setting and maintenance.

19. Do you have any comments on the range of proposed compliance and enforcement tools?

We consider that minor non compliances should be handled appropriately and be dependent on the level of the organic integrity of their products and the risk to consumer expectations and health.

20. Do you have any other comments about the proposed legislation settings?

We consider that the legislation must allow for new certifiers and other certification systems (that can demonstrate compliance to the National Organic Standard) to be recognised. Legislation must include minimum requirements of the structure of standards groups and representation and include an expectation of GMO free food and production.

Part 4: General comments and next steps

21. What evidence should be examined to inform further analysis of this proposal?

We consider that the affordability of the 'product' in terms of the comparative costings from similar situations should be considered from both export and local market certification options.

Options from overseas, particularly around exemptions, affidavits and online registrations, what financial thresholds or other measures are used.

22. If you have any other comments or suggestions, please let us know.

For an organic supply chain there can be several steps (actors handling product)
– organic oversight should be sustained along with the whole supply chain.

Yours sincerely

Name: Lucy Blackburn

Position: Acting General Manager

The Soil & Health Association

PO Box 9693

Marion Square

Wellington, 6141

Website: www.organicnz.org.nz

From: Jeff Gordon s 9(2)(a)
Sent: Monday, 11 June 2018 4:54 PM
To: Organics Consultation
Subject: RE: Consultation on organics ends on Monday
Attachments: Submission doc MPI Organic Regulation June18.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: To put in submission database

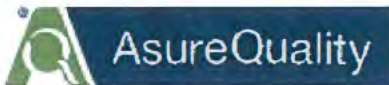
Dear Food Policy Team

Please find attached submission document for the public consultation for organic regulation, on behalf of AsureQuality Ltd.

Please feel free to contact me if you have any questions.

Kind regards,
Jeff

Jeff Gordon Organics Technical Manager
s 9(2)(a)
AsureQuality Limited
DHL Building, 6 Manu Tapu Drive, Auckland Airport, Auckland
PO Box 107037, Auckland Airport, Auckland 2150, New Zealand
Global Experts in Food Assurance www.asurequality.com



From: Organics Consultation <OrganicsConsultation@mpi.govt.nz>
Sent: Friday, 8 June 2018 3:06 p.m.
Subject: Consultation on organics ends on Monday

Good afternoon,

This is a friendly reminder that public consultation on whether New Zealand should have new organic regulation closes on Monday.

Submissions can be made until 5pm on Monday 11 June 2018.

Further information regarding the proposal and how to make a submission is available on our website:
<https://www.mpi.govt.nz/news-and-resources/consultations/proposed-changes-to-the-way-organic-production-is-regulated>

We look forward to hearing from you. Please forward this link to anyone who may be interested.

Kind regards,

Organics consultation
Food Policy Team
Ministry for Primary Industries | Pastoral House 25 The Terrace | PO Box 2526 | Wellington | New Zealand

11th June 2018

Re: Submission – “Would New Zealand Benefit from New Organic Regulation?”

Thank you for the opportunity to provide a submission on Organic Regulation. AsureQuality supplies certification services to organic producers, processors and retailers in the dairy, meat, seafood, horticulture, wine, arable and pharmaceutical sectors, and we currently have our own Organic Standard. We work closely with MPI on all aspects of food assurance, including Organics, and present our submission based on our extensive knowledge, experience and expertise in this area.

Part 1: Introduction, purpose and context

1. Do you agree or disagree with the proposed scope? Are there any other products, for example aquaculture products, that should be considered? Please specify.

AsureQuality agrees with the proposed scope. However, we also recommend the proposed scope be expanded as below, to add value to these primary products.

We recommend that aquaculture is included in the scope. The New Zealand Aquaculture industry has certified organic aquaculture products already being exported.

We also recommend that health and body care products also be considered in the proposed scope. Worldwide there is growing demand for organic health and body care products, and while there are a few private standards such as COSMOS Standard and Soil Association organic standards health and beauty products, New Zealand should be innovative enough to include this scope into the National Standard.

2. To what extent do you agree with the description of the current context for organics? Please explain why.

AsureQuality agree with the overview of the New Zealand organic sector. The AsureQuality Organic Programme certifies organic products which are destined for both domestic and export markets. AsureQuality provide data for the annual New Zealand Organic Market report and agree the information provided in the Organic Sector summary is a reasonable and accurate portrayal of the current New Zealand organic position.

3. To what extent do you agree with the description of the current regulatory environment for organics? Please explain why.

AsureQuality agree with the description for the framework of the current regulatory system in New Zealand. However, AsureQuality do not entirely agree that the current laws are adequately serving and protecting the organic sector or consumer confidence. The Fair-Trading Act regulations are similar in most countries including those of our organic trading partners. These types of regulations did not work in markets such as China, Korea, Japan, the US or the European Union. Those trading partners identified deficiencies in regulation so therefore enacted specific organic production and labelling regulations.

Domestically New Zealand has a system where verification of some organic standards can be deemed compliant through self certification. Self-certification does not protect the organic sector or consumer confidence. Certification should be done by Third Party Assessment, and all organisations offering Third Party Assessment should meet the same accreditation requirements.

4. Do you agree this is a good opportunity to change the way organics are currently regulated in New Zealand? In your opinion, what needs to change? Please explain why.

AsureQuality agrees with creating an opportunity to improve the way organic production and claims to the use of the term organic is regulated.

The word "Organic" should be exclusively used with reference to organic product that is certified to a distinct set of rules. Verification that the rules have been applied should always be validated by an independent Third Party Agency. For example, you can purchase fruit from a roadside stall that is labelled "Organically grown". There is no assurance the fruit is grown to a distinct set of rules.

Buying imported organic product at the local supermarket also has its issues. Of course, the fumigation process of imported product entering NZ potentially negates any organic certification, and the consumer is either confused or tricked into thinking they are buying certified organic product that potentially has not maintained organic integrity. Yet labelling as "Organically grown" or "Organically raised" portrays some form of confidence to the consumer.

By strictly protecting the term "Organic" all New Zealand producers, processors and retailers of organic certified product would be required to maintain consumer confidence by maintaining and following regulation.

5. Do you think that the appropriate objectives for a new organic regime have been identified? What would you suggest a new regime should achieve? Please explain why.

AsureQuality agrees the new organic regime should meet the objectives of the five bullet points as outlined in the discussion document.

- Consumers have confidence in the way organic products are produced, and a variety of products to choose from;
- Businesses have regulatory certainty to invest and innovate in organic products;
- New Zealand's regulatory regime is effective at enabling domestic and export trade in organic products;
- The regulatory regime has flexibility and is simple to understand and administer; and
- The costs to businesses and consumers are proportionate to the overall benefits.

Each point should be carefully considered during the process of regulation, consumer confidence should be considered as a priority. A regulatory regime will offer some assurances.

The cost of a regulatory regime to businesses should be proportionate but not to the extent that it would discourage the maintenance and growth of small businesses, or organic production, and where possible should align with other regulatory programmes.

Part 2: Options for how a new regime for organics could work

6. Do you agree or disagree that a standard setting out requirements for production methods would be best suited to organic production? Please explain why.

AsureQuality fully agree that a New Zealand National Standard for Organic Production should be a processed based standard, following the approach commonly used in other countries.

Currently in New Zealand organic certification to various international and private organic standards is process-based certification. Organic product certification is not always based on product testing, such as other outcome based regulatory programmes that might cover the Food Act, but rather a process that can be verified and validated by way of audit.

7. Do you think that the correct options have been identified? Are there alternative option(s) that should be considered? Please describe.

AsureQuality believe that a New Zealand National Standard for Organic Production should be mandatory for all organic operators.

We have considered other options, such as having a National Organic logo that is linked to a mandatory National Organic Standard and a verification system that is mandatory only for those wanting to use the logo, however due to the complexity of this option we do not recommend it.

8. Are there any positive or negative impacts of any options that are not described? Please describe any impacts that we've missed.

AsureQuality believe that the rules should be mandatory for all organic operators, with some form of exemption or reduced frequency of verification to operators whose annual income from organic product sales is \$5,000 or less.

This would allow for the road side food stalls and local market sales to continue, and still give a level of consumer confidence without the significant cost of verification to the producer.

AsureQuality also believe that any form of group certification should also meet the mandatory requirements of a New Zealand National Standard for Organic Production. Group certification should follow the requirements as outlined in the IFOAM Standard.

9. If a standard became mandatory for all organic operators, what would be the positive and/or negative impacts on you or your business?

The impacts on AsureQuality would be positive. If a New Zealand National Standard for Organic Production became mandatory there will be more businesses seeking Third Party Agency verification. AsureQuality is an organisation is Global Experts in Food Assurance, including the delivery of Third Party Agency verification. If any negative impact to our business is considered it would be if a decision was made the AsureQuality Organic Standard was no longer required in all or part, reducing the value of the AsureQuality branding.

10. To what extent do you support or oppose the use of a logo to help distinguishing organic products from non-organic products? Please explain why:

AsureQuality does not support the use of a New Zealand organic logo. New Zealand is a small market and we believe that a logo that is expressly designed and used for marketing of New Zealand organic products is not necessary. There are commercial organic logos in New Zealand already, such as the AsureQuality and Biogro logos. Both logos are recognised in New Zealand and internationally.

AsureQuality have a commercial organic logo which is used as part of the marketing collateral for New Zealand based businesses certified to organic standards by our organisation. The AsureQuality organic logo would be redundant if the term organic was regulated and a New Zealand organic logo was mandatory with the regulation.

There is difficulty around how a logo is used and controlled. Many countries manage the use and control of their organic logo through regulation. What would prevent other countries from the mis-use of a New Zealand organic logo? What would the impact of any restrictions to the use of a New Zealand organic logo likely to be? If we restricted the use of the New Zealand logo to only New Zealand original product could that jeopardise in New Zealand the use of organic logos that are regulated by our trade partners, such as the USDA organic logo?

As a minimum AsureQuality believe all product represented or labelled as organic should bear the certification mark/logo of the certification body or verification agency.

11. Do you think that the correct options have been identified? Are there alternative option(s) that should be considered? Please describe.

AsureQuality agree that the correct options have been identified. We agree with the MPI preferred option; however, we believe the limited exception should also be included for small businesses whose annual income from organic product sales is \$5,000 or less. These organic businesses should still have some form of on going verification, either by some form of group certification or reduced audit frequency.

12. Are there any positive or negative impacts of any options that are not described? Please describe any impacts that we've missed.

ISO17065 is the accreditation standard that many of New Zealand's trading partners use to accredit certification bodies. For example, AsureQuality use the International Organic Accreditation Service (IOAS) for our Canadian government accreditation, which require ISO17065 accreditation.

AsureQuality believe the proposed scheme should acknowledge the accreditation of existing certifiers to ISO17065 and remove the need to comply with additional requirements.

AsureQuality recommend that all certifiers that would offer services in the proposed scheme should be accredited to ISO17065.

13. If ongoing verification (with limited exemptions) was used to check compliance, what would be the positive and/or negative impacts on you or your business?

AsureQuality would see very little difference to the verification activities that we conduct today, with the exception for the potential increase of verification work that regulating organics could bring. Any increase to the verification capacity could also create staff training and resourcing issues to verification agencies.

14. If some businesses were not required to be verified on an ongoing basis, what do you think the criteria for exemption could be?

AsureQuality understands that there are a considerable number of businesses in New Zealand who produce, import, or sell products as organic without certification. We believe any exemptions to meeting the criteria should be limited in time and scope.

AsureQuality believe that there should be some inclusion of schemes such as group certification like the OFNZ Participatory Guarantee System (PGS) into a New Zealand National Standard for Organic Production, as well as a limited exemption for small growers who wish to sell from their farm or at a local market direct to the consumer.

There should be opportunities for non certified businesses to gain certification within a New Zealand National Standard for Organic Production. A New Zealand National Standard for Organic Production, should allow for all certifiers to be able to provide certification to the standard, simplifying the process for businesses.

15. To what extent do you support or oppose this combination? Please explain why.

AsureQuality support option 1C - A mandatory standard for all organic operators.

AsureQuality support option 2C - Ongoing verification, with limited exceptions.

AsureQuality supports these options, provided that the conformity assessment level for the differentiated options are available to small businesses, preserving any existing functioning guarantee systems (e.g. PGS such as OFNZ), and to avoid small businesses suffering from disproportionate costs.

AsureQuality believe that all relevant businesses should be required to be independently verified, the term "independently verified" should include both Third Party Agency and PGS type verification.

AsureQuality recommend that all certifiers that would offer services in the proposed scheme should be accredited to ISO17065. However, if ISO17065 accreditation is not considered in the proposed scheme then criteria could be developed for what type of production systems should be verified through PGS, and to which level of assurance a PGS audit would be considered as offering an acceptable outcome.

16. What changes or impacts would this combination of options involve for you and/or your organisation?

AsureQuality will see little change on how we perform verification activities. The use of a New Zealand National Standard for Organic Production may have an impact on the requirement for the need of our own private standard, including the use of the AsureQuality Organic logo. A National logo would negate the need to use a certification body logo, which in turn will ultimately impact on the marketing profile of our organisation nationally and internationally. The AsureQuality logo already has market recognition that raises the assurance to consumers.

AsureQuality see the benefit of a New Zealand National Standard for Organic Production regarding international trade negotiations and renewed trade agreements. A single National Standard should have benefit by removing some of the complexity of market access to multiple nations.

17. What would be your preferred combination of options? This can include any listed options and any other possible option not listed.

AsureQuality support option 1C - A mandatory standard for all organic operators.

AsureQuality support option 2C Ongoing verification, with limited exceptions.

18. Have the powers required to implement a new regime been correctly identified? Are there any other components you think would be necessary?

AsureQuality believe that the powers required to implement a new regime have been adequately identified.

19. Do you have any comments on the range of proposed compliance and enforcement tools?

AsureQuality support the range of proposed compliance and enforcement tools. We would also like to see in the tools an annual report summary from MPI covering suspensions, complaints, and enforcement measures that would enable any verification agency to make an informed decision if an operator proposes certification transference between agencies. We recommend a National register of certified businesses that is updated on a regular basis, and confirms operator continued compliance to the New Zealand National Standard for Organic Production.

20. Do you have any other comments about the proposed legislative settings?

AsureQuality requests that the New Zealand National Standard for Organic Production is placed outside of the National Regulation and have the regulation include reference to the Standard. In doing so an Organic Sector governing board would have control over the standard and would be able to make changes as and when required without having to make changes in law. The Canadian Organic Regime (COR) is a model with this type of framework.

21. What evidence should be examined to inform further analysis of this proposal?

AsureQuality currently do not have a request of evidence for further analysis.

22. If you have any other comments or suggestions please let us know.

AsureQuality believe that by continuing to engage with MPI on this project, including involvement in the development of a New Zealand National Standard for Organic Production, through to its final reading, we can provide accurate information to MPI, our staff, our clients, and to the wider organic industry to help make informed decisions.

Thank you again for the opportunity to provide a submission. Please feel free to make contact for any clarification relating to this submission.

Yours faithfully



Jeff Gordon Organics Technical Manager

s 9(2)(a)

AsureQuality Limited

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PO Box 107037, Auckland Airport, Auckland 2150, New Zealand
Global Experts in Food Assurance www.asurequality.com

AsureQuality: About Us

The AsureQuality story started out over 100 years ago when we were part of the New Zealand government's Department of Agriculture. Our job back then was to provide farmers with expert scientific advice to improve both the quality and quantity of their production.

As these customers also wanted to export their food products, we fast became experts in understanding market access standards.

We worked alongside our customers in the food and agricultural sectors to ensure their products met both domestic and overseas market access requirements, and we continue to do this today for customers all over the world.

In 1998 the part of the Ministry of Agriculture & Forestry we worked for was replaced by two state-owned enterprises (or S.O.Es), AgriQuality and ASURE, which merged in 2007 to form AsureQuality. Being an SOE means that we are still owned by the New Zealand government, but we operate as a commercial business.

Our Vision Global Experts in Food Assurance

Our Purpose Together we Build & Protect Consumer Confidence

Today AsureQuality plays a vital role in making sure the food our customers produce is safe for millions of people worldwide.

We are unique in our end to end focus on the food supply chain through a combination of auditing, inspection, farm assurance, and laboratory testing capabilities.

Our team has specialist quality assurance knowledge and an extensive range of domestic and international accreditations and approvals.

This makes us the trusted partner for food companies serious about their brand and their reputation.

There are five key parts to our business:

- Food & Contaminants Testing
- Audit, Inspection, Verification and Certification
- AsureQuality Academy
- Biosecurity preparedness and response
- Manufacturing and distribution of veterinary diagnostics kits

Our international accreditations and the services we provide for national and international regulatory programmes enables our customers to access the world's largest markets.

In summary, we ensure that the food people eat is safe right along the food supply chain, from the farm where it is grown, all the way to the supermarket shelf.

s 9(2)(a)

From: Rebecca Reider s 9(2)(a)
Sent: Monday, 11 June 2018 4:56 PM
To: Organics Consultation
Subject: Submission on organic regulations
Attachments: Submission to MPI on organic regulations discussion document R Reider.pdf

Follow Up Flag: Follow up
Flag Status: Completed

Categories: In database

Kia ora

Please find attached my submission on organic regulations for NZ.

You may note that I also sent one other submission on behalf of my employer (Organic Winegrowers New Zealand) representing that organisation's position. However, this is a separate submission representing my personal views.

Kind regards
Rebecca Reider

s 9(2)(a)

Submission to MPI on organic regulations discussion document

Rebecca Reider

s 9(2)(a)

I have worked in the New Zealand organic industry for the last ten years, employed as an project coordinator, writer and editor for a variety of organic producer and consumer organisations. Thus, I am very familiar with the issues surrounding organic regulation and certification. However, this is my personal submission as an organic food consumer, as I believe consumers' voices need to be heard in the regulation-making process.

The need for mandatory independent certification

I would like to draw to MPI's attention a specific example of fraudulent organic labelling, in order to illustrate why it is so important for consumers that organic regulations require mandatory certification by an independently accredited third party certifier.

I attach a photo of the packaging of s 9(2)(b)(ii). These eggs are labelled as organic. The label is cleverly designed to give the appearance of independent certification. However, more research reveals that this is not the case. s 9(2)(b) are not certified with any of the four well known, reputable third party organic certifiers in New Zealand. Instead, s 9(2)(b) egg carton shows a green tick mark logo that says "Pure Organics Certified"; presumably this is intended to appear as an organic certification mark. However, a past search of the NZ Companies register showed that the physical address of s 9(2)(b)(ii) were the same. That is, the producers of s 9(2)(b)(ii) appear to have created their own certification company, calling it s 9(2)(b)(ii) and used it to certify themselves. They have created their own certification logo which looks very similar to a trusted known certification mark – the blue tick mark used by the SPCA to certify animal welfare claims.

Several years ago, I looked into this situation as a journalist, while covering organic labelling issues for Organic NZ magazine. The producers of s 9(2)(b)(ii) refused to speak to me about their certification situation at the time.

At the end of this submission, I attach the resulting article that I wrote for Organic NZ magazine, published in 2011, which details this and various other cases of potentially fraudulent or dubiously credible organic labelling.

When I tell consumers about the s 9(2)(b) situation they tend to be horrified that someone could simply create their own certification company and certify themselves as organic. After hearing this story, most organic consumers don't want to buy these eggs. Regardless of whether s 9(2)(b) actually meets organic standards, self-certification is not what consumers are envisioning when they purchase a commercial organic product.

Exemptions from certification for small local producers

However, I do believe that it is important for local producers with very low turnover to be allowed to call themselves 'organic' without certification. I live in Golden Bay, where many small producers supply fruit to our local Takaka organic shop, s 9(2)(b)(ii). The volumes of organic fruit and vegetables sold in our small town are tiny. Because of the volumes involved and the cost and infrequency of freight, it would be difficult for our organic shop to stay continuously well stocked with fresh produce if they only sold the produce of large commercial organic growers, who are generally located outside our region. Therefore, the organic shop has its own informal but locally trusted organic verification programme; the shop owners ensure that if they are, for example, selling the excess persimmons from a local person's tree, that those persimmons are really being grown organically. For small volumes like this, it would make no sense for the persimmon tree's owner to become certified organic. Organic certification might cost the producer more than the income that the person is earning from selling the fruit.

If our organic shop was no longer able to sell such fruit as 'organic' under new regulations, then we as local consumers would lose an important source of organic produce in our community. If a producer's financial turnover is high enough to cover the cost of certification, then of course that producer should be required to be certified. However, if someone is just selling a bit of extra fruit from their tree, it makes no sense to require certification. Local networks of trust – in this case, our local organic shop – in such cases can take the place of certification. The exemption from certification should only apply to producers who sell small amounts of produce to their local communities.

Illustrations:

1. Photo of s 9(2)(b)(ii) egg carton, featuring s 9(2)(b)(ii) " logo in lower left corner

s 9(2)(b)(ii)

