

- iv. It is important that if new regulation is progressed it is consistent with international organic standards, especially when it comes to tolerance or threshold levels for unintended contamination by other products, such as crop protection products. The notion here being that food produced outside a laboratory environment can never be 100 percent 'pure'.
- v. One regulation for organic produce that is endorsed by MPI on behalf of the organic sector is viewed as assisting in greater recognition of New Zealand goods within our export markets.
- vi. From a manufacturer of crop protection and animal medicine products perspective, it would be anticipated that one regulation would assist in improving the current registration process for both conventional and biological based products.
- vii. With new regulation there comes the need for additional changes, for example, the labelling language for crop protection products may require an amendment to gain appropriate permission from the EPA to designate organic status for an existing product. This will add additional costs and time delays to manufacturers, which may result in approved products being withdrawn from use, which would be counterproductive to the organic industry.
- viii. It is anticipated that one regulation could result in improved transparency with how the science and risk assessment process for organic product classification and approval operates. This would be useful as currently the science behind the classification of organic produce is often uncertain.

### **3. About Agcarm**

Agcarm is the industry association for manufacturers and suppliers of crop protection and animal health products. For further information and a full list of members, see [www.agcarm.co.nz](http://www.agcarm.co.nz).

Agcarm member products protect public health, improve animal welfare and help environmental management. They:

- Play a pivotal role in growing high yield, sustainable food and fibre products;
- Help supply healthy, nutritional and affordable food;
- Keep New Zealand's agriculture, horticulture and forestry sectors internationally competitive.

Our members are committed to safety, innovation and product stewardship.

**From:** John Fairweather s 9(2)(a)  
**Sent:** Monday, 11 June 2018 3:00 PM  
**To:** Organics Consultation  
**Subject:** Submission on MPI discussion Paper NZ Organic Standard  
**Attachments:** Submission on MPI discussion Paper final 11062018.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**Categories:** To put in submission database

Please receive the attached submission from Open Country Dairy on the discussion paper on Would New Zealand Benefit from a ne organic regulation?

Best Regards,



**John Fairweather**

General Manager Quality & Food Safety | Open Country Dairy

s 9(2)(a) | F +64 9 525 0347

A 52 Highbrook Drive East Tamaki Auckland 2013 | P  
PO Box 11 159 Ellerslie Auckland 1542

s |  
[www.opencountry.co.nz](http://www.opencountry.co.nz)

This e mail, including any attachments, is a confidential communication between Open Country Dairy Limited and the intended recipient. If it has been received by you in error, please notify us by return e-mail and delete the original message. Thank you for your co operation.



11.06.2018

To : [Organicsconsultation@mpi.govt.nz](mailto:Organicsconsultation@mpi.govt.nz)

## Submission on MPI discussion Paper

Would New Zealand benefit from new organic regulation?

|                 |                            |
|-----------------|----------------------------|
| Name            | John Fairweather           |
| Position        | GM Quality and Food Safety |
| Organisation    | Open Country Dairy Ltd     |
| Contact Details | s 9(2)(a)                  |

Thank you for providing the opportunity and supporting documentation to make this submission. By way of providing some background to why we are submitting, I will briefly outline our business. Open Country Dairy started business in Waharoa in 2004 and is now New Zealand's second largest dairy with 980 farms with supply contracts with OCD for this season. We are a family owned business with 100% focus on New Zealand and working with local farmers in an interdependent working relationship covering milk harvesting to the international market place.

These dairy farmer suppliers are in the following catchments:

| Farm Catchment (Regional Council) | Processing Facility       |
|-----------------------------------|---------------------------|
| Southland/Otago                   | Awarua                    |
| Taranaki/Manawatu                 | Wanganui                  |
| Waikato/Bay of Plenty /Auckland   | Waharoa and Horotiu (New) |

Understanding the needs of our farmers is critical to our partnership with them. We are well aware that dairy farmers are moving to a dairying model that will have strong environmental outcomes woven into our success criteria along side the need for maximising

the return from the land. With this background, over the past 2 years we have been working with our farmers in Southland / Otago region developing an organic business model. We now have a significant pool of milk in this region nearly completing the conversion period. This initiative has been farmer driven and we expect to see growth as this success becomes more evident to a wider group of motivated farmers. Open Country Dairy's role is to facilitate this opportunity by supporting the farmer with processing and marketing of their milk.

When the conversion period is complete, we will have, in New Zealand terms, one of the largest concentrated pools of organic milk in the country and while we will look at local supply options, the opportunity to increase value returns through the export sector is significant.

We appreciate the conversion to organics is not something that suits every operation, but are very excited by being able to give farmers this choice on farming practices.

#### **ISSUE 1: SHOULD A NEW STANDARD BE VOLUNTARY OR MANDATORY?**

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.*

**OCD Comment:** We feel the scope should be focused on current organic sector product. Introduction of "new" sectors will only prolong the establishment of a standard if that sector does not have strong guidelines or rules currently in place. These areas should be noted and set timelines established to include them into the Standard in future.

One area that needs to be clearly articulated in this discussion is if a New Zealand standard is agreed, does this standard apply to any and every claim for product as "organic" i.e. regulating the use of the word "organic" or will it only apply to products that claim "organic certified" and be allowed use of logo. Our view is that this should apply to all 'organic' claims on any products included within the standard.

Clarification around the use of other standards is needed. Our view is that New Zealand should have one mandatory organic standard, ensuring complete confidence to consumers when buying organic products. However we do recognise that some producer might wish to have higher or more specialised alternative accreditations as well. A mandatory standard will not prohibit dual branding with other certification.



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

**OCD Comment:** We are happy with outline of context of organics in New Zealand.

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

**OCD Comment:** We are happy with the outline of the current regulatory environment for organics.

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.*

**OCD Comment:** We fully support that there is need to change how organics are regulated in New Zealand, and that this is the opportunity to do that.

New Zealand has very strong regulatory systems and along with other legislation related to fair trade and representation of product claims, provides a good framework for both local and export product consumer protection. Internationally the New Zealand Regulatory Model is looked on with envy, so it is a significant advantage to us and logically we must position to take full advantage of this. New Zealand has many attributes as a food producing nation, two key ones are:

- a. The Regulatory framework has been fundamental to product in and from New Zealand being seen as intrinsically safe.
- b. The nature of our production systems, while understanding there are improvements to be made, are generally looked on as desirable from a food consumer perspective

These provide the perfect platform for the organic sector to leverage by having a National Standard.

With a New Zealand National standard, all consumers both local and overseas will "know what they are getting" by having one clear standard accessible through the MPI website.

With a NZ standard, and in time IFOAM recognition, overseas regulators will not only be able to have the same clarity but with this structure, it will be a familiar process to what they have been getting from NZ for our entire export product range. This clearly sets a strong platform for inter governmental agreements which are fundamental to improved trading options in the future.

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.

**OCD Comment:** Key objectives must be for the National Standard to provide all regulators, importers and their consumers to have complete confidence that the product produced, harvested and manufactured in New Zealand is safe and is true to accepted organic ideals.

Key areas that must be achieved:

- recognition local and international through accreditation with IFOAM
- maximising the "New Zealand story" through developing a strong united image
- international alignment with key markets
- clarity to producers – clear rules
- clarity for consumers so that they develop trust
- consistency
- appropriate regulatory rigor to ensure there is no reputational risk to the whole sector

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

**OCD Comment:** As we know, organic is more than just following rules. Producers fundamentally understand that the way they manage soil to produce the pasture and crops for maximum benefit for consumption. However, a system can't be based on ideals and the "way I do things", it must be more prescriptive.

We agree that the Standard should be "process" based. This is an internationally recognised format for Organic production. I suspect we would struggle with overseas recognition and IFOAM accreditation with any other system

In this section, we have identified and analysed the following options:

- ~~1A – Encourage the uptake of the current national voluntary standard,~~
- ~~1B – A mandatory standard for some operators,~~
- 1C – A mandatory standard for all organic operators (preferred option).

We fully support a mandatory standard for all organic operators. Developing an organic business does not happen easily, it takes a lot of planning and commitment. The investment in production, processing and marketing is significant and takes many years. All of this is at risk if we don't have a mandatory system. If we have a voluntary system, there could be some operators who would not follow all the prescribed rules and undermine the credibility of the New Zealand organic sector.



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

**OCD Comment:** Yes

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

**OCD Comment:** N/A

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

**OCD Comment:** This would strengthen the New Zealand organic image internationally and locally. When you see the "NZ organic Logo" on a farm gate or on a product in the supermarket it would be clear as to how the farmer operates and what the product represents.

For our business this would provide greater credibility in the market. For markets such as China a government monitored standard has enormous respect. Anything less than that is regarded with suspicion.

We anticipate that a New Zealand organic standard would also enable mutual recognition agreements to be easier to negotiate with other countries. Without a clear standard this is difficult.

We recognise that there may be costs incurred to meet the standards, be assessed at that standard and to maintain the standard. We believe these costs are worth the credibility that such a standard would provide in the international market.

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.

**OCD Comment:** A logo is absolutely required. This provides credibility in the export market, and enables consumers to research the standard we portray internationally. Leveraging NZ image is extremely important, while we are not unique, we are held in high regard as a safe, reliable, customer focused food exporter. Strong branding the recognises "New Zealand" and "Organic" will be a very strong marketing attribute for the future of this sector

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

In this section, we have identified and analysed the following options:

2A – Ongoing verification for all organic businesses,

~~2B – Spot check verification for all organic businesses,~~

~~2C – Ongoing verification, with limited exceptions (preferred option).~~

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

**OCD Comment:** We are comfortable all sensible options have been highlighted

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.*

**OCD Comment:** N/A

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?*

**OCD Comment:** We disagree with some businesses having exceptions. Any commercial enterprise that wants to use the organic branding (including logo etc) and be certified must be verified through a competent system to give consumers trust in the products they are purchasing. There is an applicable comment from the Commerce Commission that outlines if you can't validate, then you can't "claim". This must apply to organics.  
<https://www.youtube.com/watch?v=a9a2HtaeNFE>

To maximise the credibility of the sector, we recommend that ongoing verification applies to all businesses, so that we end up with a strong robust sector that will be highly regarded both locally and international. Local market failure will significantly weaken the New Zealand organic reputation.

While verification does provide the "watch dog" aspect to give the sector credibility, it also does become a platform to make producers aware of areas to improve in a way that does not mean they get to a point where they totally fail. Corrective measures are an important part of ongoing improvement and effecting change.

All commercial organic businesses would need to be registered and to accommodate smaller businesses, this verification programme should be "risk based" which would set the frequency, format and depth of the audit verification programme for that business.

For a small operator selling direct to consumer through local channels, this might mean they need to first register, submit their Organic Management Plan to a third party accredited agent and this could be approved based on desk top audit. This business, like all others, should be able to have a scheduled or random audit completed at any point of time.



To be able to claim organic certified, all organic operators should be listed on a formal MPI Register which would list the business scope, which risk profile group they are in and status of verification.

While we feel the cost of these programmes should sit squarely with the business being verified, if there was a government desire to support smaller producers with more community focus, some government underwrite could be put in place to cover either some of the initial set up costs or some support for the ongoing verification cost i.e. cover the first \$500 of audit cost.

*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...*

**OCD Comment:** as above, we believe all businesses need to be verified in some way. Any businesses provided exemptions could jeopardise New Zealand's organic standard reputation domestically and internationally. If New Zealand is to become a leader in organics, there should be no exemptions.

### Summary of Proposals

In this section, we have identified the preferred combination of options: – a mandatory standard for all relevant organic businesses; and – ongoing verification, with limited exceptions.

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

**OCD Comment:** we do not support this combination. We support a mandatory standard and mandatory risk based verification programme

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

**OCD Comment:** without a full mandatory verification programme, the integrity of the sector is at some degree of risk. Failure through either misrepresentation or following incorrect practices that are not addressed through a strong verification programme would potentially have international ramification. With today's modern media environment, damage can be done very quickly to a brand when that brand is fully compliant but through association with the same standard as some business which has failed through "soft" enforcement of that standard.

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

**OCD Comment:** Open Country preferred option is

1C – A mandatory standard for all organic operators (preferred option).

2A – Ongoing verification for all organic businesses.

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

**OCD Comment:** Yes.

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

**OCD Comment:** We need to make sure that MPI is well resource to run this programme. Suitably qualified TPAs will be critical to success. Strength in the overall system will be dependant on the auditing structures in place and the creditability of the auditing team.

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

**OCD Comment:** MPI need to provide resources and structures for the establishment of a new standard. Consultation on this standard has to be robust and focused on the value gains available to the sector through the international market.

While there needs to be adequate consultation, and clearly there will need to be some transition period, it is important that the new standard should established as soon as possible.

*21. if you have any other comments or suggestions please let us know.*

**OCD Comment:** no further comment

*22. What Evidence should we examine to inform further analysis of this proposal?*

**OCD Comment:** no further comment



**From:** Aquila Office <office@aquila.nz>  
**Sent:** Monday, 11 June 2018 3:05 PM  
**To:** Organics Consultation  
**Subject:** Organics Proposal Submission  
**Attachments:** ASF Submission for Organics Proposal.docx

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**Categories:** To put in submission database

Good morning,

In response to the proposed changes to New Zealand's organic regulation, please find attached our submission for consideration.

Kind regards, Jess.

**Jessica Fraser**  
Policy and Planning Manager

**Aquila Sustainable Farming Limited**  
221 Great North Road | Winton 9720 | New Zealand  
s 9(2)(a)  
Email: [office@aquila.nz](mailto:office@aquila.nz) | Web: [www.aquila-capital.com](http://www.aquila-capital.com)



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# Submission: Proposed Changes to the way Organic Production is Regulated

## Introduction

| Company Details |                                   |
|-----------------|-----------------------------------|
| Organisation    | Aquila Sustainable Farming Ltd    |
| Contact Person  | Jessica Fraser / Shaun Neeley     |
| Contact Email   | office@aquila.nz / s 9(2)(a)      |
| Office Address  | 221 Great North Road, Winton 9720 |
| Contact Phone   | s 9                               |

Aquila Sustainable Farming (ASF) is the asset management company responsible for the management of dairy farms in Southland. ASF is subsidiary of Aquila Capital, a fund management company which manages a range of investments internationally. The day to day operation of each farm is run by the Farm Manager and the on farm team, who are supported by the ASF team.

ASF have been overseeing the conversion of six conventional dairy farms, covering nine dairy sheds to organic with AsureQuality. Conversion started on 1<sup>st</sup> November 2016 and the farms will reach their full organic status on 1<sup>st</sup> November 2018. In addition to these dairy farms, ASF have supported an external grazer in their conversion to organic and are managing two additional leased run off blocks which is used for young stock and winter grazing.

## Response to Issue 1

“Should a national organic standard be voluntary or mandatory?”

The current situation of organics in New Zealand mean that unless a product is to be exported, there is no legal requirement to “certify” that product. This ultimately results in an unregulated domestic market, where the consumer, perhaps unknowingly has no assurance in local produce meeting its organic claims.

As a business currently operating under a regulated organic standard, ASF believes that enforcing a mandatory standard is the most effective way to regulate the market.

### Reasons for a Mandatory Standard

The introduction of a mandatory organic standard would balance the status quo between organisations exporting produce and produce that is made and sold within the domestic market, thus strengthening New Zealand’s organic market. It would provide a globally recognised basis for organic production and ensure that all products claiming to be organic meet a single national standard.

The introduction of a mandatory organic standard in New Zealand would reduce the risk of non-compliant organic products reaching the market as a standard would allow for a compliance



monitoring mechanism. A robust system that checks the organic integrity of organic produce from New Zealand would assure consumers and the international market in the products they are buying.

Businesses claiming to be organic in the current, unregulated domestic market, are required by law to comply with the Fair Trading Act 1986 and should be able to substantiate their claims. Whilst there is no single standard for auditing claims against, producers could reasonably assume that compliance with the New Zealand Standard 8410 - Organic Production would be required to substantiate their claims. As such, we do not feel it is unreasonable to expect all businesses to be required to comply with an organic standard.

### Risks of a Voluntary Standard

Without an incentive for local producers to adopt a voluntary standard, there is a risk that uptake would be low, and the issue of an unregulated domestic market would remain along with the lack of consumer assurance.

Should some organisation be required to adopt a mandatory standard, it would be expected that a definition be developed to distinguish what classes a business as "exempt". There is a risk that some businesses may deliberately make changes to their infrastructure or the way it is documented to avoid being obligated to adopt a mandatory standard.

If producers do not have a standard to which they are adhering to, there is a risk that what they claim to be organic doesn't meet even minimum requirements outlined by existing standards.

### Our Experience of Implementing a Mandatory Standard

In our experience, becoming certified to a private standard has been a well-supported process, making the transition easy to understand. The AsureQuality Organic Standard is easy to follow and requires a level of producer involvement that encourages our Farm Managers to take responsibility for the organic management of the farm, without making it cumbersome.

Part of the process involves the drafting of an Organic Management Plan which sets out the specific requirements of the standard relevant to the farm or business. This allows producers to define clear boundaries in their production, allowing for both wide and narrow scope in how much work is involved in organic production.

We have found that with the support of the ASF team, converting a large-scale dairy farming operation to organic has been an achievable process. Having taken on the challenge of converting multiple farms at once, we see no reason why any scale of operation would not be able to take on the challenge.

### Response to Issue 2

"If a mandatory standard is chosen, how should we check that relevant businesses meet the standard?"

Should a mandatory standard be imposed, all business would be expected to adopt this standard with at least an initial audit to check it is being implemented. If this is the case, and all businesses are expected to continue to comply with the standard, ongoing compliance should not be seen as a burden but a necessary mechanism to ensure consumer assurance.

If a mandatory standard were the chosen option, we feel it is important that all businesses are subject to regular and consistent auditing to ensure that the practices are being implemented.



## Reasons for Verification for all Organic Businesses

Without checks, there is a high risk that businesses may not continue to comply with the standard, which reduces consumer assurance and ultimately results in a situation not dissimilar to the current position where the domestic market is unregulated through a voluntary standard.

The timeframe from the start of land conversion to organic, for example, takes a minimum of two years. This timeframe allows for gradual learning and adoption of practices without burdening an organisation with an unrealistic expectation of taking on entirely new practices in a short period of time. It also allows an organisation to understand what works and what doesn't work for their business so that practices can be tailored before full organic certification.

Annual auditing of course comes at a cost, which if a standard fee applies would be disproportionate to small businesses. Adopting a model that costs an audit based on a number of factors, such as the size of the business, scope of organic production and staffing levels could be an effective way of ensuring the costs of ongoing compliance are proportionate to the scale of the operation. There are a number of auditing agencies that operate in this way.

Another option for accommodating for smaller businesses could be to decrease the frequency of audits, from every 12 months to every 18 or 24 months. This would help small businesses spread the cost and reduce the risk of non-compliance, thus maintaining customer assurance in the organic products they are buying within the domestic market.

## Risks of Verification for Some Organic Businesses

Should ongoing verification of compliance with a national organic standard only be required for some businesses, those exempt may be less motivated to continue to implement the requirements of the standard. This results in the risk of non-compliant produce claiming to be organic and a subsequent reduction in consumer and international assurance in the product.

With no regular or consistent mechanism for checking compliance of some businesses, if there was a concern that a product claiming to be organic might be in breach of the initial mandatory standard, a robust reporting process must exist. If a reporting process is based on reporting concerns, it is possible that non-compliant produce will already have reached the market. This risks the integrity of the New Zealand organic domestic market.

## Our Experience of On-Going Compliance

The farms managed by ASF currently undergo an annual audit, the first of which assesses the readiness and preparedness of the farm to comply with its Organic Management Plan, followed by audits which check how the Organic Management Plan is being implemented. This involves substantiating the processes described with supporting evidence, such as data records or physical evidence.

One notable challenge we have found in complying with an organic standard is the level of record keeping required. There are a number of apps and other software programmes that make data capture an easier process than it has been previously. These programmes are accessible to all businesses as a range of large to small-scale options are available.



## Additional Comments

In order for the ASF farms to export produce outside of New Zealand, we are required to fulfil the criteria set out in the relevant Overseas Market Access Requirement. The criteria is "to meet the MPI Technical Rules for Organic Production", which is fulfilled through certification with AsureQuality under the MPI OOAP. This allows us to export to the EU.

The process we have undergone to register and certify the farms through AsureQuality has been a good experience, and one we feel works well. Working with Open Country Dairy, we have been able to ensure our certification allows export to the appropriate international regions and the organic processes implemented on farm reflect the relevant standards. ASF are in favour of a national certification and verification process aligned to the current AsureQuality practice.

Should a mandatory New Zealand organic standard be introduced, we feel it is important that this has equivalency to the overseas organic regulations. This would further strengthen the platform for New Zealand's organic market and provide a robust mechanism for exports.

## Closing Remarks

ASF is in support of option 1C- A mandatory standard for all organic operators.

ASF is in support of option 2A- Ongoing verification for all organic businesses.

s 9(2)(a)

**From:** Rick Carmont s 9(2)(a)  
**Sent:** Monday, 11 June 2018 3:03 PM  
**To:** Organics Consultation  
**Subject:** Re: Consultation on organics ends on Monday  
**Attachments:** 2018 June Organic Exporters Submission Organic Regulation.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**Categories:** To put in submission database

Dear MPI

Please see a submission on behalf of the Organic Exporters Association.

Kia Ora  
Rick

Rick Carmont  
Executive Director  
Organic Exporters Association of New Zealand  
PO Box 936, Palmerston North 4440, New Zealand

s 9(2)(a)  
29(1)(a)  
[www.organictradenz.com](http://www.organictradenz.com)

Organic New Zealand - Home

[www.organictradenz.com](http://www.organictradenz.com)

Servings over 140 NZ Companies Exporting Certified Organic Products to 90 markets around the world. Our membership network is diverse and includes a mix of New Zealand's largest exporters through to smaller family based operations as well as the New Zealand organic certifiers and regulators.

*"working with you to grow New Zealand organic exports since 1992"*

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**From:** Organics Consultation <OrganicsConsultation@mpi.govt.nz>  
**Sent:** Friday, 8 June 2018 2:38 PM  
**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

Web: [www.mpi.govt.nz](http://www.mpi.govt.nz)

**Ministry for Primary Industries**  
Manatū Ahu Matua



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Friday, 8 June 2018

**Submission "Would New Zealand Benefit from New Organic Regulations" Discussion  
Document Paper No. 2018/09**

**About Us**

The Organic Exporters Association of New Zealand was established 26 years ago in 1992 and serves over 140 New Zealand organic exporters. Organic exports are valued at \$300 million. We represent the largest stream of organic commerce in New Zealand.

The Organic Exporters are a solely member funded trade association. The Organic Exporters assist with market access for certified organic food & beverage from New Zealand. Where no organic bilateral arrangements exist, The Organic Exporters work with affiliates to provide the fastest, easiest and most economic route to market.

The Organic Exporters work closely together with the Ministry for Primary Industries to agree the prioritisation of work undertaken for the organic export sector. The Organic Exporters provide a voice to government for organic exporter and organic foreign buyer representatives. The Organic Exporters further encourage and support organic export growth by providing market knowledge, insight and guidance and networking opportunities to organic exporters.

**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.**

The Organic Exporters agree with the proposed scope and would recommend that Aquaculture is also included in the scope. New Zealand already has certified organic aquaculture exports operating today.

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

The Organic Exporters agree mostly with the overview of the New Zealand organic sector. The Organic Exporters only recognise products which are certified organic as being organic. The facts and figures provided appear a reasonable and accurate portrayal of the New Zealand organic position.

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

The Organic Exporters concur with most of the briefing. The Organic Exporters do not see evidence that the current laws are adequately serving and protecting the organic sector. The Fair Trading Act type regulations are similar in most of our trading partners. They did not work in these markets such as China, Korea, Japan, the US or the European Union. That



is why they took action and enacted specific organic production and labelling regulations. Hua Parakore is not a certification.

**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.**

The Organic Exporters believe the term or word "organic" must be regulated. The word must be exclusively used (within the scope of food and beverage and fibre) in reference to certified organic product. As the EU did with the term "Bio". The EU Commission gave trademarks, companies, brands a timeframe to remove this term from all products that were not certified organic. For example, today in New Zealand Countdown sell "Organically grown bananas". Of course, the fumigation process upon entering NZ negates any organic certification of these bananas but the consumer is either confused or tricked into thinking they are buying certified organic bananas. This is why the term organic must be strictly protected.

**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.**

The Organic Exporters believe the five bullet points outlined cover the key element sought by regulating the term organic.

**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.**

The Organic Exporters agree that a standard should prescribe the process. Organic certification is a process-based certification. While the Food Act may be better placed as an outcomes based regulation, this is due to the ability to test for compliance. Organic product is not based on something that can be tested but something that can be validated via audit. This position is also congruent with that of our trading partners organic regulations and rules.

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

The Organic Exporters believe that the standard should be mandatory for all organic operators.

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

The Organic Exporters want to ensure that the organic trade arrangements currently in force are protected or enhanced by this initiative.

Within this context The Organic Exporters also believe that the rules should exempt operators whose annual income is \$5,000 or less. This allows for the artisan and Food stall and school sales to continue which The Organic Exporters do not see as a threat to commercial businesses.

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

All positive. The Organic Exporters believe the most positive outcome from an exporters viewpoint is the stronger position our trade negotiators will have in demonstrating the rule of law and "teeth" that the New Zealand government would have in the control of organic production, sale and purchase.

**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:**

New Zealand is a small market. The Organic Exporters believe that a logo expressly designed and used for marketing New Zealand product is not necessary. There are commercial organic logos in New Zealand already. Biogro and AsureQuality have organic logos which are used as part of the marketing collateral for New Zealand based businesses. The logo would be redundant if the term organic was regulated. Another difficult issue about the logo is its use and control. For example, the USDA manage and control the use of the USDA logo. Many New Zealand companies use this logo in their marketing collateral. What would stop other countries from using the New Zealand logo. What would prevent Australian organic Manuka Honey operators from applying the New Zealand organic logo. If we restrict the use of the New Zealand logo to only New Zealand original product then would the USDA withdraw the right for New Zealand businesses to market their product with the USDA organic logo.

The Organic Exporters do not support the development of a New Zealand organic logo.

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

The Organic Exporters think that the correct options have been identified but we do not agree with the MPI preferred option. The Organic Exporters would like to see all organic businesses have on going verification (within the established rules i.e. more than \$5,000 annual revenue)



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

The Organic Exporters would like to see further investigation in to alternative ways to manage the certification in New Zealand. International procedures demonstrate that for international trade, ISO17065 accreditation to a national standard is best practice. Our trading partners do not issue export verifications and do not require them between each other.

ISO17065 is the accreditation standard that our trading partners use to accredit certification bodies. Both BioGro and AsureQuality use the International Organic Accreditation Service (IOAS) for their EU and Canadian government accreditations, which require ISO17065 accreditation. These are direct accreditations with these governments. The proposed scheme would accredit certifiers to ISO17065 and remove the need to comply with additional requirements.

The Organic Exporters would like to see a review of the Official Organic Assurance Programme (OOAP) against alternative models used by our trading partners.

The Organic Exporters are extremely grateful with the work that MPI have done in operating the OOAP to date. During this work the New Zealand government has also managed to secure organic arrangements with 35 countries and markets.

The Organic Exporters would like MPI to focus more on maintaining and extending these organic trade arrangements and less on managing the OOAP or removing the OOAP (over a 3-year transition period) for an operating system more simplified, efficient and in line with those of our major trading partners.

**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?**

The Organic Exporters would see little difference to activity conducted today.

The Organic Exporters would not be comfortable with some organic operators slipping through the verification net.

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

The Organic Exporters are aware that there are a considerable number of operators who grow and sell products as organic without certification. The Organic Exporters believe that by including the OFNZ Participatory Guarantee System (PGS) into a New Zealand national scheme, as well as a 5,000 exemption for very small growers who wish to sell from their farm or at a local market or retailer. There are many opportunities for non certified producers to get certified within one of these schemes. With a national standard, all



certifiers will be able to provide certification to one standard, simplifying the process for producers.

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

The Organic Exporters support a mandatory standard for all organic operators.

The Organic Exporters support ongoing verification for all organic operators.

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

The Organic Exporters see little change for organic exporters from these changes but The Organic Exporters see significant benefits for trade negotiators for new and renewed organic trade arrangements.

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

The Organic Exporters support a mandatory standard for all organic operators.

The Organic Exporters support ongoing verification for all organic operators.

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

The Organic Exporters believe that the powers have been adequately identified.

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

The Organic Exporters would like to see a summary of complaints, transgressions and enforcement measures published one a year by MPI – these can simply be numerical reports not detailed reports.

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

The Organic Exporters would like the Organic Standard to sit outside of the regulations and have the regulation refer to the Standard. This would allow the sector's governing board over the standard to make changes as and when required without changes in law. The Canadian Organic Regime (COR) is a model that The Organic Exporters strongly recommend for this framework.



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

The Organic Exporters would like to continue to engage with MPI on this project through to its final reading.

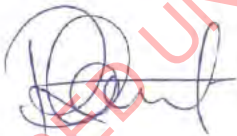
Development of the proposed New Zealand Organic Trade Standard has been voluntarily developed by all key players in the sector. Going forward the Organic Exporters believe it is proper that this Standards Development is not branded or purported to be "owned" by any single organic entity. It has been labelled by OANZ as the "OANZ" Standards Working Group. Members of the Organic Exporters Executive have sat on this Group since its inception. Currently participation of the Standards Working Group is limited to an invitation from OANZ. The group had not met in 2017 and at its last meeting in February 2018 the only recommendation from the day was to review key stakeholder groups that could be on the Standards Working Group. The Organic Exporters would like to ensure that a wider representation is achievable, particularly having more commercial composition around the table. The Standards Working Group should be referred to as the Industry Standards Expert Panel and ideally led by MPI or a delegated person.

**22. What evidence should The Organic Exporters examine to inform further analysis of this proposal? Feel free to attach documents or links to your submission.**

The Organic Exporters have no more at this time.

Contact Rick Carmont. s 9(2)(a)

Yours faithfully



Rick Carmont  
Executive Director

**From:** Rachel Lynch s 9(2)(a)  
**Sent:** Monday, 11 June 2018 3:11 PM  
**To:** Organics Consultation  
**Cc:** Catherine Richardson Zespri; Alice Moore; Kate McDermott  
**Subject:** Zespri International submission on organic registration  
**Attachments:** MPI National Organic Standard Zespri submission.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**Categories:** To put in submission database

Good afternoon

Please find attached our submission on MPI's organic registration consultation.

Please don't hesitate to contact me with any questions – we look forward to working with you on the next stage of this process.

Best regards,  
Rachel

**Rachel Lynch** | Senior Communications Advisor

[Zespri International Limited](#)

400 Maunganui Rd, Mt Maunganui 3149, New Zealand | PO Box 4043, Mt Maunganui 3149



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## SUBMISSION ON ORGANIC REGULATION: ZESPRI INTERNATIONAL LTD

11 June 2018

Thank you for the opportunity to submit to MPI's consultation on whether New Zealand would benefit from an organic regulation.

### Zespri support for MPI preferred options – 1C and 2C

Zespri fully support MPI's preferred options which will lead to the development of an Organic Act and supporting regulations. We look forward to the introduction of a mandatory national standard that includes domestic, import and exports as outlined in 1C.

Implementing a mandatory standard would align New Zealand with international best practice for protecting organic products, provide assurances for customers and consumers, and allow greater leverage of our national position in international trade negotiations. We consider for the standard to be meaningful, it needs to apply to all operators in this industry.

We support option 2C for ongoing verification with limited exceptions and are confident the regime can be designed in a way that means all operators who wish to become organically certified can do so, regardless of scale.

### Background

Zespri's 159 organic growers have 632ha of orchards and are forecast to supply around 4.5 million trays of fruit this season (2018/19), around 3 percent of Zespri's overall production. Zespri is forecasting organic demand to double to nearly 10 million trays by 2025.

Zespri is New Zealand's largest exporter of organic produce. The decision to allocate 50ha of SunGold licence specifically for organic in the latest 2018 round of licence release shows our commitment to the category and our confidence in the strong consumer demand for this product.

### Areas for further consideration

There are a couple of areas for further consideration which we would like to raise as part of this process.

1. The importance of including a **broad cross-section** of the organic industry in drafting the new standard. This is key to gaining the buy-in of industry partners.
2. The **cost implications for a new standard** – new standards can only work if the cost structure acknowledges the small scale of many organic operations and maintains the existing organic audit programmes which meet required standards. We expect there to be opportunities for cost efficiencies in introducing the new standard and look forward to working with MPI in Stage 2 of this proposal on this.
3. **Transparency of funds** raised through the administration of the new national standard is an important consideration. No accounts have been presented for the OOAPP scheme for the 2017/18 and our preference is for regular reporting on the funds raised and spent to be presented to a group representing organic growers and exporters.

4. We look forward to working with MPI in Stage 2 to help determine the important details around logos, which organisations would be responsible for auditing the new standard and the implications for the OOAPP scheme – would this cease to exist with the introduction of the national standard? Reducing any potential for doubling up on NZ organic certification is a key priority for us.

#### Rationale

As a consumer-led export business with over \$60 million of organic export earnings in the past season, Zespri understands the importance of consumer certainty about organic products. Zespri markets and distributes premium Zespri Kiwifruit to 59 countries around the world and we note that we do not run sales programmes in New Zealand, although Zespri Kiwifruit is sold here in small volumes.

A mandatory standard will bring NZ into closer alignment with key international markets, and has the potential to enhance trade in New Zealand's organic products.

Once New Zealand has appropriate organic legislation, it would have a positive impact for all of New Zealand by:

- protecting the term "organic" for consumers
- providing security for those who have invested in organic production or plan to invest
- adding to New Zealand's trading reputation as a country that provides value to quality primary products.

We look forward to working with you to develop this important work.

Yours sincerely,



Catherine Richardson  
Zespri Quality Manager



**From:** Caines s 9(2)(a)  
**Sent:** Monday, 11 June 2018 3:21 PM  
**To:** Organics Consultation  
**Subject:** Organic Standard

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**Categories:** To put in submission database

It's really necessary for the NZ Government to back organic production now there is a growing interest in safe food worldwide. The future for NZ is as a reliable supplier of safe food, endorsed by the NZ government. When overseas investors want to buy existing large kiwifruit and avocado orchards to convert to organics it shows the need for support.

Trevor Caines  
Kiwifruit grower

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**From:** Simstal Macadamia s 9(2)(a)  
**Sent:** Monday, 11 June 2018 3:17 PM  
**To:** Organics Consultation  
**Subject:** Submission on MPI Discussion Paper No: 2018/09  
**Attachments:** Submission MPI Organic Production.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**Categories:** To put in submission database

Please find attached my submission on the MPI discussion Paper - Would New Zealand benefit from new organic regulation?

Thank you.

Simon Griffiths

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*South Kaipara Head, NZ*  
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*Organic Farm NZ Fully Certified*  
[www.simstal.kiwi](http://www.simstal.kiwi)



Simon Griffiths  
Sou<sub>s</sub> Head Road  
9(  
2)

11 June, 2018

TO: organicsconsultation@mpi.govt.nz

**RE: Would New Zealand benefit from new organic regulation?**

**MPI Discussion Paper No: 2018/09 ISBN No: 978-1-77665-834-3 (online)**

**ISSN No: 2253-3907 (online) May 2018**

I am an Organic Farm NZ (OFNZ) Certified Organic macadamia nut grower in the Auckland region that sells directly to customers. I am also a committee member of the OFNZ National Coordinating Committee but this is a personal submission.

I am also a committed organic gardener and purchaser of certified organic products including food, house hold products, health care products and farm, orchard and garden inputs.

a. How many employees do you have? . 0-5 .

b. What activities, if any, does your business carry out in relation to organic products? produce organics and sell organics in New Zealand

c. What kind of products do you deal with? certified organic products

d. What type of products do you currently handle?

Plant products - certified organic macadamia nuts and other organically grown fruit and vegetables.

e. Do you sell organic products... Yes

directly to consumers (e.g. farmers markets, gate sales)

to a retailer or distributor (e.g. speciality shops, supermarkets)

**and a consumer...**

a. Do you purchase organic products? Yes, all the time

b. To what extent do you consider the certification status of organic products that you buy and use? We always buy food that has a clearly indicated organic certification label.

**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.**

It has been a good opportunity for a long time but not the will by those in power to follow through and create the required regulations. Organics in NZ needs to be regulated so that when claims about organic production are made it is easily verifiable. Any claim about being "certified organic" needs to be backed up by a verification process as currently done by existing certifiers like OFNZ, BioGro and Asure Quality. Labels should read "Certified Organic" and have a logo from a



certifying body accompanying that statement. Verification should be done on an annual basis. Products containing certified organic ingredients should meet a mandatory minimum level of organic inputs in order to be able to be called "certified organic" otherwise labels should read "contains x% certified organic ingredients".

### **General Comments on the MPI Document**

Certification needs to be held by the producer and be current.

A **single national standard** defining organic processes, that conforms with IFOAM principles and is recognised by IFOAM, should be used.

It is imperative that all the existing certifiers that conform to the National Standard remain viable under the new "certified organic" regime.

Participatory Guarantee Systems (PGS) should still be able to provide organic certification for the local market (not for export).

Compliance with the national standard needs to be mandatory for all producers who sell products with a "certified organic" label and compliance must be verified annually. Smaller growers could use terms like "naturally grown" if they can not afford certification. Unverified producers of any size should not be allowed to use the term "certified organic".

The new regulations can not commandeer the use of the word "organic" for our exclusive use - it must be "certified organic" or something along those lines

The certification system could be self-policed by the already established organic certification bodies who are in turn policed by MPI.

Producers will need to supply evidence of their certification to their customers even if it is just via a certification logo and number.

I support the establishment of a National (NZ-MPI) logo to identify products which have been verified as compliant with the national organic standard.

### **Part 2 - Issue 1: Should a national organic standard be voluntary or mandatory?**

My preferred option is for a mandatory standard with ongoing verification for all businesses, without exceptions or exemptions.

It is essential that methods of verification established include group verification as currently practiced by OFNZ which is an IFOAM recognized PGS especially since this will be a good lower cost option for smaller producers that don't export.

I do not agree that small businesses which sell products directly to the public should be exempted from the requirement to be verified "certified organic" - they can use other terms.