



# Would New Zealand benefit from new organic regulation?

## Summary of submissions

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This document provides a summary of submissions for the consultation on whether New Zealand would benefit from new organic regulation<sup>1</sup>. The consultation period ran from 14 May to 11 June 2018.

Written submissions were received by mail, email and via an online survey. This summary includes:

- views on the objectives and the scope of a new regime;
- views on whether a new organic standard should be voluntary or mandatory;
- views on how compliance could be checked;
- views on proposed legislative features; and
- other comments.

Where possible, the number of submissions supporting key themes have been provided.

Submissions were of high quality and provided detailed comments on the overall proposals, the options and their possible impacts. 25 submissions used a submission template supporting MPI's preferred options.

<b>Consultation period:</b> 14 May - 11 June 2018 <sup>2</sup>	<b>208 submissions received from:</b> Businesses, consumers, industry and consumer representatives, organic certification agencies, interest groups, consultants, scientists and other entities.
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<sup>1</sup> The discussion document "*Would New Zealand benefit from new organic regulation?*" (MPI, 2018) is available at: <https://www.mpi.govt.nz/news-and-resources/consultations/proposed-changes-to-the-way-organic-production-is-regulated>.

<sup>2</sup> All submissions received before 29 June 2018 were considered.

# Key points

## Public consultation

208 submissions were made by businesses of all sizes (139), consumers (40), industry and consumer representatives, organic certification agencies, interest groups, consultants, scientists and other entities. More than half of the submissions came from businesses that are currently certified. MPI's preferred options were supported by all different groups of stakeholders (Appendix 1).

10 public meetings were held during consultation. Overall, attendees were supportive of MPI's proposals. There were informed discussions at each of the meetings, with key themes largely reflecting those in written submissions. These included questions around how the standard itself would be developed, how a new regime could work in practice while supporting domestic sales and exports, and whether it would incur new costs for organic businesses or consumers.

Both written submissions and notes from public meetings will be considered in the next steps, should Ministers agree to proceed with work on a new regime for organics.

## Views on changing the way organics are regulated

177 submissions (85%) supported a change in the way organics are currently regulated.

Submitters who supported a change thought that increasing consumer confidence (132) and supporting trade (90) were key outcomes of a new regime. Levelling the playing field (45) and growing the sector were also identified as being key objectives.

Key risks identified in submissions included the introduction of new costs and administrative requirements.

## Should an organic standard be voluntary or mandatory?

158 (76%) submitters supported the introduction of a mandatory standard for all (1C), on the basis that, despite risks to reduce innovation and introduce new costs, it would best increase consumer confidence and level the playing field.

Submitters also stressed the importance of taking into account key organic principles and Māori values when setting the technical requirements of a new standard. There were mixed views on whether a standard should be outcome-based or process-based.

## How should government check compliance?

100 submitters (48%) supported ongoing verification with limited exemptions (2C). Submissions acknowledged the need to design a regime that would not impose high compliance costs on small businesses.

49 submitters (24%) supported ongoing verification for all businesses (2A). They noted that exempting some businesses from verification is likely to undermine consumer confidence.

Regardless of their preferred option, 134 submitters (64%) supported a flexible regime that caters to small businesses. Suggestions to reduce compliance costs included enabling group certification and reducing audit frequency. Despite wide support to design provisions specific to small businesses, there were mixed views on which criteria or threshold should be used to best identify businesses that would benefit from these provisions.

## Views on legislative features

Submitters noted that legislation should outline how the requirements of a new standard will be set and administered, and ensure that consumers and industry views are represented. It was also noted that transition measures were critical in order to enable a smooth transition into the new regime.

# 1 Status quo and objectives of a new regime

## 1.1 KEY POINTS

### What a new regime should achieve

*MPI considered that a new regime should achieve the following objectives:*

- *increase consumer confidence;*
  - *provide businesses with more certainty to invest in organics;*
  - *further enable trade;*
  - *be flexible and simple to administer; and*
  - *any costs incurred are proportional to the overall benefits.*
- Submitters who supported a change thought that increasing consumer confidence (132) and supporting trade (90) were key outcomes of a new regime.
  - Levelling the playing field (45) and growing the sector were also identified as being key objectives.

### Proposed Scope

*MPI suggested that the new regime should cover: primary and processed products, including food and beverages, animal and plant products, live animals, and wool.*

- 46 submitters (22%) supported the proposed scope.
- 49 submissions (24%) also proposed to extend the scope to other products, such as aquaculture (47) and health and body care products (27).

## 1.2 DESCRIPTION OF THE CURRENT REGIME

The description of the context of the organics market was in line with information available at a national level. It was noted that the organic sector is relatively small compared to New Zealand's overall primary productions.

- The current system is functioning well

A few submissions noted that the current voluntary system is operating adequately.

*"Our current export arrangements work and the Fair Trading Act provide surety for the domestic market, while allowing a range of scale and enterprise to develop."*

*(Individual)*

- Improvements could be made to the current regime

Weaknesses of the current systems were also identified: for example it was suggested the current regime lacks clarity, causing confusion amongst producers and consumers. Others thought the current regulatory environment is hindering the growth of the organic industry and that the sector needs further coordination.

*"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."*

*(Interest group)*

*“The organic sector is not well structured and represented, it does not hold regular national conference/events and is under-resourced.”*

*(Individual)*

*“Currently, a variety of voluntary organic standards and practices and a lack of definition around the expectations of “organic” reduces the credibility of the NZ brand.”*

*(Industry organisation)*

### 1.3 SUBMITTERS GENERALLY AGREED WITH PROPOSED OBJECTIVES

- Increase consumer confidence

132 submitters agreed that a new regime should enhance consumer confidence in organic production methods and claims.

- Enable trade and support negotiations

90 submitters agreed a new regime should further support trade. A few submissions wanted equivalencies for organic producers to be clearly stated in the objectives of a new regime.

- Design a regime that is flexible and cost effective

23 submissions highlighted the importance of designing a new regime that is flexible and suitable to a variety of businesses. Submissions also stressed the importance of having compliance costs suitable to small businesses.

*“Regulation would provide consumer and producer confidence and certainty in an organic product as there would be a clear consequence should a product be falsely claimed to be having produced using organic methods and inputs.”*

*(Former grower and organic auditor)*

*“An organic standard therefore presents an opportunity to eliminate a potential weakness in New Zealand’s position when negotiating market access in the future.”*

*(Industry organisation)*

*“We see delivery of appropriate organic legislation having a positive impact upon NZ, in the form of (...) providing security and potentially encouraging investment into all aspects of the value chain (primary producers through to exporters).”*

*(Financial organisation)*

### 1.4 ADDITIONAL OBJECTIVES PROPOSED IN SUBMISSIONS

Other objectives for a new regime were also identified:

- Level the playing field

45 submitters agreed that a new regime should provide a level playing field for those selling organic products. The importance of having a fair and consistent regime was stressed: businesses making organic claims should be subject to similar constraints.

- Grow the sector and enhance the reputation of organics

A proposed objective for a new regime was to aim to grow the organic sector. A new regime should boost the recognition and reputation of New Zealand’s organic products, domestically and internationally.

- Education of consumers and businesses

Finally, another proposed objective was that a new regime should aim to further educate consumers and producers in regard to organic production methods and organic claims. Providing opportunities for training and upskilling businesses and certifiers were also mentioned as possible objectives.

*“Businesses are entering the organic environment on an equal footing and understanding, and have certainty to invest and innovate.”*

*(Certified distributor)*

*“Opportunity to rationalise other activities like auditor training, and upskilling, technical development, certification management and to develop a common national mark.”*

*(Interest group)*

*“[A new regime should] maximise the New Zealand story through developing a strong united image.”*

*(Industry organisation)*

## 1.5 SCOPE OF A NEW REGIME FOR ORGANIC PRODUCTION

46 submitters (22%) supported the proposed scope<sup>3</sup>: primary and processed products including food and beverages, animal and plant products, live animals, and wool. However 49 submitters (24%) suggested that other products be considered:

Products category	Number of submissions
Aquaculture and seaweed products	47
Health and body care products	27
Apiculture	2
Other products (including textiles, fibre, cleaning products)	8
Include any product making organic claims	10

- Suggested additions to scope

The most common rationale to extend the scope was that omitting some products could undermine consumer confidence and create confusion. International trade and certainty for producers, for example when using organic inputs, were also given as reasons to broaden the scope.

*“We think the scope should be widened. Consumers have the right to know whether the organic foods they buy are true to label.”*

*(Interest group)*

<sup>3</sup> 4 submitters (2%) opposed the proposed scope. 109 submissions (52%) did not comment on the proposed scope.

47 submitters (23%) felt that **aquaculture and seaweed products** should be included. The rationale was that several New Zealand aquaculture businesses were currently complying with organic standards and required certification to access key export markets.

27 submitters (13%) thought the scope should extend to **health and body care products**, while 10 (5%) stated that the best way to ensure consumer confidence was to include **any products** making organic claims within New Zealand.

The inclusion of **inputs** for organic production was also mentioned. For example, some organic gardening products are certified as 'input for organics'. Input manufacturers would prefer to label products as 'organic'. This would simplify labelling and reduce consumer confusion.

A few submitters suggested that **brand owners** and **contractors** who deal with organic products should be covered by a new standard.

- Suggested exclusions to scope

A few submitters opposed the inclusion of **aquaculture products** and/or **hydroponics**, on the basis that they are not soil-based productions.

One submitter felt that **biodynamic** production methods and certification should not be included.

- Other comments on the proposed scope

It was suggested that claims similar to 'organic' could also be regulated to provide clarity and certainty to consumers. For example, 'natural', 'bio' or 'eco' claims could become covered in a new standard.

Businesses and industry representatives recommended a staged approach, whereby the proposed scope could be extended at a later date if needed. For example, requirements could be set for the products listed in the proposal, and be extended to other products in the future.

*"We believe that it is best to let the national standard grow incrementally, starting from food and beverages of agricultural origin, then adding aquaculture and perhaps body care and textiles in a few years' time."*

*(International body)*



## 2 Should a national standard be voluntary or mandatory?

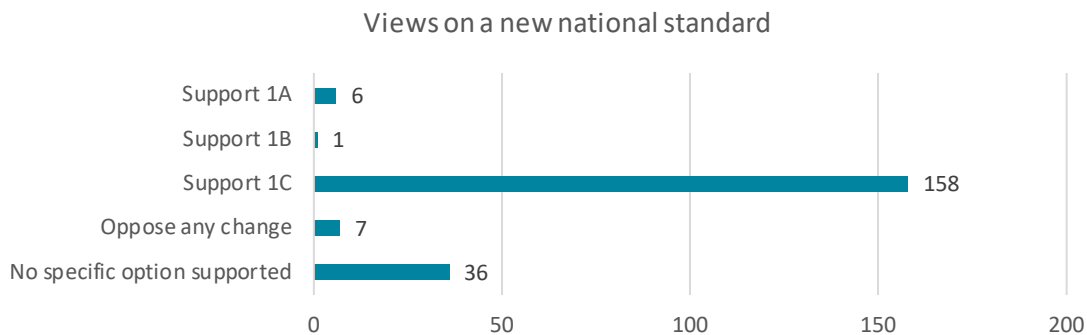
### 2.1 KEY POINTS

#### Options proposed

MPI 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).

- 158 submitters (76%) supported the introduction of a mandatory standard for all (1C), on the basis that despite risks to reduce innovation and introduce costs, it would best increase consumer confidence and level the playing field.



#### Other comments

- Submitters also stressed the importance of taking into account key organic principles and Māori values when setting the technical requirements of a new standard.
- 76 submitters (37%) supported a prescriptive standard. 4 submitters (2%) thought a standard should be outcome-based.

#### Thoughts on a new standard...

- “[With a standard that is mandatory for all], 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.”

(Interest group)

- “As a consumer, I want to see more organically grown produce, not less. Let’s encourage organic growers rather than making it difficult for them. The system is working well as it is.”

(Consumer)

## 2.2 VIEWS ON OPTIONS

- Encourage the uptake of the current national voluntary standard (1A) (6 submissions, 3%)

Submitters who supported a voluntary national standard include small and/or uncertified businesses, a couple of consumers and an industry organisation.

Having voluntary standards is seen as being adequate as it is simple and flexible. The regime enables access to key markets and provides confidence to consumers seeking out certified products. Some submissions suggested the small size of the organic sector does not warrant regulation and associated costs.

- A mandatory standard for some organic operators (1B) (1 submission, 0.5%)

One submitter felt that a mandatory standard could be useful for larger growers; but was not necessary for smaller growers.

- A mandatory standard for all organic operators (1C) (158 submissions, 76%)

Most submitters supporting option 1C were certified businesses and industry representatives.

The main reasons to support a standard that would be mandatory for all included: increasing clarity for domestic and international consumers and providing more certainty to businesses who purchase and sell organic products. Submitters also think that a mandatory standard would enhance the reputation of New Zealand's organic sector, and support market access and trade negotiations.

It was noted that option 1C would also facilitate the trade of organic products and inputs amongst businesses that are verified by different certifiers. It would level the playing field by ensuring that businesses selling products as organic are subject to similar methods and costs of production.

*Note: please refer to Appendix 1 for statistics relevant to consumers, businesses and retailers.*

*Note: 7 submitters (3%) opposed any regulatory changes, including option 1C. These submitters were small or uncertified businesses, consumers, and an industry organisation. Reasons to oppose option 1C included risks to increase costs, and changes in regulation or government involvement deemed as being unnecessary.*

## 2.3 ALTERNATIVE OPTIONS PROPOSED IN SUBMISSIONS

Submitters proposed alternative options:

- retain the status quo, that is the voluntary use of private and public standards;
- encourage the uptake of private standards and explore how these can further support commercial systems; and/or
- educate consumers and businesses on what 'certified organic' and 'organic' means.

*Note: remaining submissions were neutral (2) or did not state a preferred option (16). Some of these were incomplete survey submissions.*

## 2.4 POSSIBLE IMPACTS OF A MANDATORY STANDARD FOR ALL ORGANIC BUSINESSES

Submitters identified the following impacts of a mandatory standard for all (option 1C).

### Opportunities

- increase clarity for consumers of what organic means
- increase clarity for businesses of what is legal and/or required
- support trade and exports of organic products
- facilitate trade of inputs and supplies for organic production
- improve the way organics are produced
- strengthen the image of New Zealand organics domestically and internationally
- bring consistency across certifiers
- better policing of false organic claims
- reduce accreditation requirements for certifiers for international markets

### Risks

- introduce costs and administrative burden to meet the requirements of a new standard
- negatively impact prices and choices for New Zealand consumers
- become less competitive on the international market due to added requirements
- support big players while disadvantaging small businesses
- reduce innovation
- add costs to government

- Other comments in regards to a mandatory standard

Some stated support for a standard mandatory for all organic businesses, but with reservations or additional ideas. Key concerns included increased costs, particularly for small businesses.

*"We accept that a standard, mandatory for all relevant businesses using the term organic gives the greatest level of certainty, however there is a need to ensure the technical requirements are carefully balanced to provide the level of integrity required but minimise the cost associated with compliance."*

*(Large business)*

10 submitters specifically suggested that requirements for domestic sales and exports should be different. A common reason for this was to avoid unnecessary costs and administration requirements for domestic businesses.

Existing standards could be used as a basis, including existing private standards, the technical rules of MPI's Official Organic Assurance Programme and/or the New Zealand Standard 8410. It was also stated that new technical requirements would need to be suitable to New Zealand context and practices. An industry group insisted that requirements be science based.

*"Any new regulation must be based on sound science, rather than a 'feel good factor' for consumers and/or growers/farmers."*

*(Industry organisation)*

A mandatory national standard could provide an accepted benchmark against which organic claims could be assessed. It was also noted that any organic products not covered by a new organic standard would continue to fall under the provisions of the Fair Trading Act 1986.

*Note: Some comments were made on specific technical requirements for a new national standard. For example: which inputs should be permitted under organic productions, or specific requirements applying to non-organic neighbouring facilities. These will be considered in the next steps, should Ministers agree to proceed with work on a national standard.*

## 2.5 CONTENT OF A NEW NATIONAL STANDARD

Some submitters spontaneously suggested that environmental objectives (66 submitters) and views on genetically modified organisms (34 submitters) should be taken into account when designing a new national standard for organic production.

An industry organisation recommended consideration of:

- indigenous culture;
- human rights;
- food and nutritional security;
- adaptation to climate disruptions;
- adapted biodiversity integration in agro-systems; and
- preferential use of low-till practices, erosion control and perennial crops.

*“To be claiming to be organic must be based on how the product is produced, which includes environmental and welfare considerations, not just residue levels in the final product.”*

*(Certified grower)*

*“In our view, [the wording of key organic principles] needs to be strengthened to convey that the New Zealand organic standards not only do not allow the “use” of Genetically Modified Organisms (GMOs/GE), but that the standards do not accept even trace contamination/% threshold of GE/GMOs.”*

*(Interest group)*

## 2.6 MĀORI VALUES

A few submitters called for an emphasis on Māori values when considering the content for a national organic standard.

*“Worthwhile considering the values captured in Hua Parakore, and considering the alignment of Māori values in general. The intention being that it is ensured that a NZ organic standard is inclusive of Māori values insofar as there is no barrier to entry for them, given the over-arching values of organics, and Māori, have significant synergies.”*

*(Research centre)*

## 2.7 WHETHER A NEW STANDARD SHOULD BE PROCESS OR OUTCOME-BASED

While a majority of submissions<sup>4</sup> did not comment on the suitable approach for a new standard, 76 submitters (37%) supported a prescriptive, process-based standard, in line with international practices. 4 submitters (2%) disagreed: flexibility and innovation were the primary reasons for supporting an outcome-based standard.

*“A standard setting out requirements for production methods would be best suited to organic production. Organic is defined by particular production methods or contexts rather than the ultimate product. Further, organic standards used globally are process-based rather than outcome-based. Aligning with the international approach is likely to facilitate trade in New Zealand’s organic products.”*

*(Industry organisation)*

*“The new standard should not be process-based (i.e. prescriptive), but rather an outcome based standard. Outcome-based regulation offers more flexibility in the approaches to compliance as it allows businesses to use different methods to reach a similar output. Further it rewards innovation and can reduce costs for businesses. (...) Māori landowners, in particular, risk being marginalised and disadvantaged by such approach.”*

*(Certified input supplier)*

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<sup>4</sup> 128 submitters (61%) did not express an opinion on whether a new standard should be prescriptive or outcome-based.

### 3 How should government check that relevant businesses comply?

#### 3.1 KEY POINTS

##### Options proposed

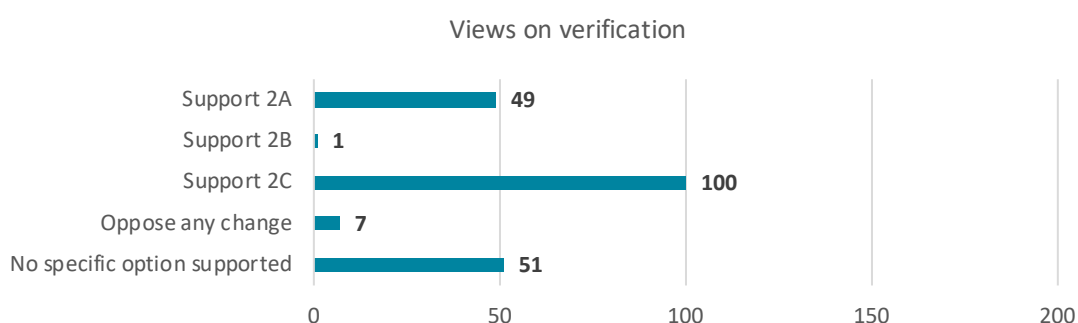
MPI identified and analysed the following options:

2A – Ongoing verification for all organic businesses;

2B – Spot check verification for all organic businesses;

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

- 100 submitters (48%) supported ongoing verification, with limited exemptions (2C). Submissions acknowledged the need to design a regime that would not impose high compliance costs on small businesses.
- 49 submitters (24%) supported ongoing verification for all businesses (2A). They noted that exempting some businesses from verification is likely to undermine consumer confidence.



##### Other comments

- Regardless of their preferred option, 134 submitters (64%) support a flexible regime that caters for small businesses.
- Suggestions to reduce compliance costs included enabling group certification and reducing audit frequency.
- Despite wide support to design provisions specific to small businesses, there were mixed views on which criteria or threshold should be used to best identify businesses that would benefit from these provisions.

##### Thoughts on verification...

- “[A mandatory standard and ongoing verification] would involve more costs, paper work and administration, but nothing significant that’s not worth doing.”

(Certified business)

- “For small operations where the relationship is more about partnering, journeying, connecting, then certification is a waste of time, money and effort.”

(Uncertified producer)

## 3.2 VIEWS ON OPTIONS

- **Ongoing verification for all organic businesses (2A or 2C without exemptions)** (49 submissions, 24%)

Key reasons to support ongoing verification for all businesses were to increase consumer confidence in organic claims and to level the playing field.

These submitters consisted of businesses (29 certified, 2 uncertified, 1 unidentified) and consumers.

- **Spot check verification for all organic businesses (2B)** (1 submission, 0.5%)

A small certified producer supported option 2B. However, no rationale was provided.

- **Ongoing verification, with limited exceptions (2C)** (100 submissions, 48%)

Submissions that supported 2C acknowledged the need for ongoing verification and agreed that verification costs may not be justified for small businesses. Some submissions specified that they were only supporting option 2C on the basis that it would introduce zero or low cost for operators who are currently certified.

63 submitters supporting this option were certified businesses. Some consumers and industry representatives were also in support of option 2C.

A few submissions oppose 2C and describe the option as being too similar to the status quo as small businesses would continue to self-monitor their practices and claims.

*Note: please refer to Appendix 1 for statistics relevant to consumers, businesses and retailers.*

## 3.3 ALTERNATIVE OPTIONS PROPOSED IN SUBMISSIONS

Alternative options proposed in submissions included:

- retaining the status quo, where verification is optional for all businesses;
- retaining the status quo, but educating consumers and businesses on the differences between 'organic' and 'certified organic' claims;
- using ongoing verification with limited exemptions (2C) but adding requirements for exempted businesses. For example:
  - being subject to spot checks;
  - being required, if asked, to describe to potential buyers how they comply with organic requirements; or
  - being required to conduct regular open days for the public where their systems can be observed.
- adjusting verification fees based on the size or turnover of the business (as opposed to simply exempting smaller businesses from verification); and
- requiring verification for businesses who make 'certified organic' claims only, (businesses making 'organic' claims only would be exempted from verification).

### 3.4 POSSIBLE IMPACTS OF ONGOING VERIFICATION, WITH LIMITED EXCEPTIONS

Submitters identified the following impacts of ongoing verification (with limited exceptions) (option 2C):

#### Opportunities

- level the playing field – fair competition amongst organic businesses
- facilitate sourcing inputs and ingredients from other businesses
- reduce certification fees (if less accreditations costs for certifiers, or if more businesses certify)
- increase supply/demand for consultant and support services for organics
- facilitate the identification of compliance businesses thanks to a register
- enable data collection and a better understanding of the sector
- improve the way organic produce will be produced and certified

#### Risks

- over regulate or add unnecessary levels of compliance
- introduce new certification costs for producers/businesses
- undermine consumer confidence due to some businesses being exempted from verification
- some operators may abuse exemptions if they wish to avoid compliance
- deter some exempted businesses from expanding beyond the threshold, due to increased costs for a potentially small increase in sales
- reduced choice and possible increased prices for consumers
- give a commercial advantage to exempted parties, by not having to comply with certification requirements and all attendant costs
- introduce unnecessary requirements for exporters who trade with countries with different requirements

### 3.5 A NEW REGIME SHOULD CATER FOR BUSINESSES OF ALL SIZES

Regardless of the option they support, 134 submissions supported a regime that would enable several ways of checking compliance to provide verification options with costs that are proportional to the size of a business.

*“A stratified/hybrid system would (...) carefully accommodate a range of verification approaches that was cognisant of costs, resource availability, and appropriate compared to certification for food safety reasons.”*

*(Industry organisation)*

Submitters suggested that a new regime should provide options that are practical and affordable for small businesses, and support them as they grow into bigger operations.



*“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.”*

*(Interest group)*

*“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.”*

*(Interest group)*

*“This verification programme should be “risk based” which would set the frequency, format and depth of the audit verification programme for that business.”*

*(Industry organisation)*

- **Suggestions to mitigate verification costs**

Submissions proposed the following measures to reduce compliance costs:

- enabling groups of producers to share compliance costs (34 submissions), for example through Participatory Group Schemes where producers peer review each other’s practices, and an external auditor also overviews the group (similar to the existing OFNZ<sup>5</sup> pod scheme); or
- reducing the verification frequency (12 submissions) based on the size of the business or the risk to the credibility of the New Zealand’s organic sector; or
- having different requirements for domestic sales and exports (10 submissions).

*“The current costs of certification through OFNZ is kept affordable through its participatory guarantee scheme and this should be the base-line for any mandatory standard.”*

*(Small certified business)*

- **Proposed criteria to identify businesses subject to exemptions or tailored verification requirements**

The following criteria were mentioned in submissions (numbers are indicated in brackets):

- **annual turnover** of organic and/or non-organic production (30 submissions). Suggestions for a threshold range from \$5,000 to \$200,000 per annum.
- **method of sale** (23). For example, exemptions for direct sale, gate sales and/or sales in farmers markets.
- **number of employees** (8).
- **annual volumes** (7). However, it was raised that it could be difficult to apply consistently across commodities.
- **ownership** (4). For example, multiple companies held by a single owner should not be allowed to all be exempt.
- **risk based**. Level of damage that non-compliances could cause to the sector.
- **distance** from production site. For example, exemptions for sales within 50km.
- **land area** in production. For example, exemptions for operations farming less than 1 ha.

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<sup>5</sup> OFNZ: Organic Farm New Zealand.

- Other comments on exemptions

If some businesses are exempted from verification, submitters suggested that:

- exemption criteria need to be clearly defined so that businesses know where they fit in the new regime;
- exempted businesses should still be subject to enforcement action if they sell products that do not meet the standard; and
- exemptions were justified for local sales as the organic integrity of a product could be verified thanks to a trustworthy relationship between businesses and consumers.

*“Local networks of trust (our local organic shop) can take the place of certification.”*

*(Consumer)*

### 3.6 OTHER COMMENTS ON VERIFICATION

A few submissions also noted the importance of retaining the ability for the Hua Parakore initiative to continue being used in parallel with the new regime for organic production.

*“Hua Parakore cannot be regulated (...). We see ourselves as a korowai to existing standards and support dual certification / verification which is reflected in our practices, behaviour and support for other certifying bodies that share the values that we share.”*

*(Interest group)*

Certifiers and certified businesses suggested that third parties providing certification should continue to do so, and that MPI should continue to accredit these private agencies. Retaining existing systems would help mitigate costs for businesses who are already certified.

*“The new regime must ensure the survival of the existing certifying agencies, and that by doing this, the new regime can achieve these objectives without imposing extra costs on consumers or businesses.”*

*(Organic certifier)*

A few submitters suggested that **one regulatory body** be established to provide certification across the country, as this would provide more clarity and consistency for consumers, industry and trading partners. It could also help reduce overhead costs.

It was suggested that a **new regime should align with other verification systems** administrated by the Ministry for Primary Industries, such as National Programmes under the Food Act 2014 or Risk Management Plans required for the dairy industry.

The need for a **register** of organic businesses was also raised. This would allow certifiers and consumers to easily check if a business complies with the requirement of the new regime.

A couple of submissions suggested that verification be not only audit and process based, but also include chemical and isotope **testing** on final products.

*Note: Additional comments were made on specific requirements for verification – these will be considered in the next steps, should Ministers agree to proceed with work on a national standard. For example, whether certifier and/or the person should be recognised by MPI, what kind of accreditation is required or what process is required before an export assurance is issued.*

## 4 Views on proposed legislative features of a new organic regime

### 4.1 KEY POINTS

#### Powers needed to implement a new regime

*MPI noted that a new piece of legislation would need to be developed if compliance and verification became mandatory.*

- Submitters noted that legislation should outline how the requirements of a new standard will be set and administered, and ensure that consumers and industry views are represented.
- It was also noted that transition measures were critical in order to enable a smooth transition into the new regime.

### 4.2 SUGGESTIONS OF FEATURES TO BE INCLUDED IN LEGISLATION

Submissions providing comments on the proposed legislative framework suggested that legislation includes:

- A clear vision or purpose

A few submissions specifically stated the importance of setting key organic principles in legislation, such as the expectation that organic products would be free of genetically modified organisms and produced in a sustainable manner.

- How the new standard would be set and administered

It was suggested that government set technical requirements in partnership with industry and/or consumer representatives. Some submissions proposed that a separate committee or agency be set up to develop and administer the standard, quoting Australia as an example.

- How certifiers would be accredited

Submissions stressed the importance for legislation to allow new certifiers and their systems to become recognised. One certifier made specific comments on accreditation requirements.

- What processes would be used to recognise foreign standards

Some submitters wanted legislation to include features that will clarify how foreign standards and verification systems would be assessed. The importance of setting up a regime that would facilitate imports and exports was particularly emphasised.

- Reporting requirements

A certifier stated the need for legislation to require reporting duties for the enforcement agency. This could include information such as on suspensions or complaints made against a business, in order to enable verification agencies to make an informed decision if an operator transfers from one verification agency to another.

*“Policy without an accompanying vision means that issues of scale, focus and direction are not clear and might not be sufficiently accommodated and planned for. Therefore, as part of this consultation process I would suggest MPI also develops a vision for organics in New Zealand. Matauranga Māori principles should also be encouraged and promoted.”*

*(Consumer)*

*“Legislation must include minimum requirements of the structure of standards groups and representation and include an expectation of GMO free food and production.”*

*(Interest group)*

*“Minimum representation outline is included in leg to ensure organic consumers will be an effective part of standards setting and maintenance.”*

*(Interest group)*

### 4.3 TRANSITION PROVISIONS

Submissions included comments on parameters to be taken into account if the way organics are regulated change:

- Timeframe

It was noted that legislation should allow for sufficient time to transition to the new regime. Suggested timeframes ranged from 2 to 5 years.

- Long shelf life products

Submissions also pointed out that legislation should provide for products with a long shelf life that have been produced and labelled before the new regime. For example, submitters argued that certified wine from the 2010 vintage should remain eligible for organic claims into the future. This would mitigate costs associated with relabelling or repackaging products that were already certified.

- Existing trading agreements

Submitters also noted that current equivalency and trade agreements for organic products should be taken into account when drafting legislation to allow imports and exports to continue. Risks associated with this include discontinuity of supply or loss of access to specific markets.

*“It needs to be ensured that current organic trading agreements already in place due to the existing framework are not compromised by a change to the framework.”*

*(Large exporter)*

### 4.4 OTHER COMMENTS ON LEGISLATION

A certifier suggested that repeated breaches of the new organic regime could be dealt with by local authorities or the Commerce Commission, rather than establishing a new enforcement agency.

An industry organisation suggested that legislation be similar to the Canadian model. That is, to enable a new standard to be set in regulation, rather than set technical requirements in the law.

## 5 Other comments

### 5.1 CONSULTATION PERIOD

Some submitters thought the consultation period was too short and insufficient to provide thorough feedback.

### 5.2 LABELLING

Comments were made on labelling and the development of a national organic mark:

- A national organic mark

Some submitters opposed the development of a national logo. They think it is unnecessary and would be costly to print on packaging. A new logo could increase consumer confusion while existing private logos are well recognised. It was also mentioned that overseas consumers are likely to be familiar with the local organic mark (for example the green leaf used to identify organic products in the European Union) rather than the New Zealand logo.

Other submitters supported the development of a national logo for organic products. An official logo could boost consumer confidence and provide clarity by offering an easy way for consumers to identify organic products.

If a national logo was developed, submitters suggest its use remains voluntary.

- Organic claims

Some submitters had views on which claims should be regulated. For example:

- 'organic' versus 'certified organic';
- 'organic' versus 'made with organic ingredients';
- 'inputs for organic production'; and
- "in conversion to organic production". Supporters of this claim argue that it was a way of supporting producers in transition to organic farming.

## APPENDIX 1: Views on MPI's preferred options (summary table)

	Consumers		Businesses				Retailers		Total submissions			
	All		All	Less than 5 FTE <sup>6</sup>	More than 6 FTE <sup>6</sup> / exporters	All		Total				
<b>Should a standard be voluntary or mandatory?</b>												
1A - voluntary	1	3%	4	3%	2	3%	2	3%	0	0%	6	3%
1B - mandatory for some	0	0%	1	1%	1	2%	0	0%	0	0%	1	0%
<b>1C* - mandatory for all</b>	<b>26</b>	<b>65%</b>	<b>112</b>	<b>81%</b>	<b>48</b>	<b>76%</b>	<b>64</b>	<b>84%</b>	<b>6</b>	<b>100%</b>	<b>158</b>	<b>76%</b>
Other or not stated	13	33%	22	16%	12	19%	10	13%	0	0%	43	21%
<b>Total</b>	<b>40</b>	<b>100%</b>	<b>139</b>	<b>100%</b>	<b>63</b>	<b>100%</b>	<b>76</b>	<b>100%</b>	<b>6</b>	<b>100%</b>	<b>208</b>	<b>100%</b>
<b>How should compliance be checked?</b>												
2A - ongoing verif. for all	8	20%	35	25%	18	29%	17	22%	0	0%	49	24%
2B - spot checks for all	0	0%	1	1%	1	2%	0	0%	0	0%	1	0%
<b>2C* - ongoing verif. for some</b>	<b>13</b>	<b>33%</b>	<b>73</b>	<b>53%</b>	<b>30</b>	<b>48%</b>	<b>43</b>	<b>57%</b>	<b>5</b>	<b>83%</b>	<b>100</b>	<b>48%</b>
Other or not stated	19	48%	30	22%	14	22%	16	21%	1	17%	58	28%
<b>Total</b>	<b>40</b>	<b>100%</b>	<b>139</b>	<b>100%</b>	<b>63</b>	<b>100%</b>	<b>76</b>	<b>100%</b>	<b>6</b>	<b>100%</b>	<b>208</b>	<b>100%</b>

\*MPI's preferred options

<sup>6</sup> Estimations based on information provided or basic research.

## APPENDIX 2: List of submitters

Agcarm  
AJ McHardy  
Alec Mackay  
Alex McGarth  
Andrew Hickson  
Andrew Warren  
Anne Shorten  
Anne-Maree Michael  
Anton ten Houten  
ANZ  
Apiculture New Zealand  
Aquaculture New Zealand  
Aquila Sustainable Farming Ltd  
Arcadia Orchard  
Arnstead Organic Farm  
AsureQuality  
Avalon Farming  
Bakels Edible Oils  
Barb Warren  
Bayleaf Organics Ltd  
Bhudevi Estate Ltd  
Bill Brett  
Bill Quinn  
Bio Dynamic Farming & Gardening Association (in N.Z.) Incorporated  
BioGro NZ  
Biological Husbandry Unit Organics Trust (BHU)  
Board of Growing Organics Inc  
Bob Crowder  
Bostock NZ  
Botryzen 2010 Ltd  
Bread & Butter Bakery  
Breezemere farms Ltd  
Brent Barrett  
Bridget Myers

Buy Pure New Zealand  
Carl Mather  
Caroline Blewitt  
Catherine Goodrick  
Ceres Organics Ltd  
Certified Organic Kiwifruit Association  
Chantal Organics  
Chantal Shop  
Charles Merfield  
Christine O'Connell  
Claire Bleakley  
Clos Henri  
Coastal Kiwis Limited  
Commerce Commission  
Consumer NZ  
Countdown  
Daniel O'Carroll  
Delwyn Ward  
Dirke Lewe  
Doug McLeod  
Eco Eggs Co Ltd  
Ecoseeds Ltd  
Far North Organic Growers  
Farm Fresh Organic  
Felton Road Wines  
FFIT Ltd  
Field to Feast Organics Ltd  
Fonterra  
Foodstuffs  
Franmarc orchard  
Fraser Cranston  
FRENZ  
Fromm Winery  
Functional Whole Foods Ltd  
GE Free Northland  
GE Free NZ  
Geoff Barnett



Glenn Mead  
Global Infection Control Consultants LLC  
Gordon Skipage  
Goulter's Vinegar  
Graeme Crawshaw  
Grainne Patterson  
Grant Ridings  
Hannelore Geuther-Heidacher and Werner Geuther  
Happy Chickens Ltd  
Hartland Estate  
Harts Creek Farm  
Harvey Till  
Helix Organics  
Henry Manufacturing Limited  
Hohepa Homes  
Horndon Nuts  
Horticulture New Zealand, Vegetables NZ, Blackcurrants New Zealand Ltd  
Hua Parakore  
Huckleberry  
Ian Rodger  
IFOAM Organics International  
James Drury  
Janelle Bennett  
Janna Fitzsimmons  
Jeanne Larkin  
Jeff Roderick  
Jenny Mills  
Jeremy Ironside  
Jessica de Heij  
JM&SJ Russel LTD  
Joe Paans  
John and Sue Lawry  
John Stanley  
Judith Chrystall  
Jura Farm  
K M Organics  
Kairanga Orchard

Karma Cola  
Karren Cameron  
Karyne Rogers  
Kauri New Zealand  
Kiwipollen  
Kokako Organic Coffee Roasters  
Kokalito Fine Foods Ltd  
Koklando Ltd  
Lauren Hunter  
Leilas Garden  
Lisa Zane  
Lothlorien Winery  
Mahana Estates Limited  
Malcolm White  
Manaia Orchards  
Margaret McQuillan  
Mark Levick  
Mick  
Moa Valley Olive Grove  
Monavale Organic Blueberries Ltd  
Monique Macfarlane  
Mr Agnidevananda  
Mt Cook Alpine Salmon  
NatureZone Gardens  
Nelson Bays Mycorrhizas  
Nelson Organic Co-operative  
New Zealand Apples and Pears  
New Zealand Food & Grocery Council  
New Zealand Winegrowers  
NZKGI (New Zealand Kiwifruit Growers)  
Oakura Organics  
OFNZ Waikato  
Open Country Dairy Ltd  
Ora Ora Retreat  
Organic Aotearoa New Zealand  
Organic Dairy Hub Co-operative NZ Ltd  
Organic Exporters

Organic Farm Holding  
Organic Farm New Zealand  
Organic Fruit Adair  
Organic Initiative Ltd  
Organic Management Committee (Kiwifruit)  
Organic Traders Association of New Zealand  
Organic Winegrowers New Zealand  
Pacific Organic and Ethical Trade Community  
Pakaraka Farm and Pakaraka Permaculture  
Paraoa Bakehouse Ltd  
Parapara Farm  
Paula Therese Allen  
Permaki Ltd  
Peter Downard  
PGG Wrightston  
Pukaututu Trading  
Puraty Ltd  
Purefresh Organic  
Rachael & William Rogers  
Ray Ridings  
Raymond Lawton  
Rebecca Reider  
Renata King  
Retail NZ  
Robert Murray  
Rural Women NZ  
Sarah Heard  
Sarah Oliver  
Seafood New Zealand  
Seeka  
Serious Food Co Ltd  
Simon Griffiths  
Small Scale Market Gardeners Aotearoa  
Soil & Health Association  
Southern Organic Group  
SPCA  
Stefan Browning

Stephen McTurk  
Te Pare Farm Ltd  
The Darling Wines  
The GD Taylor trust  
Tikorangi Trading  
Tracey Marvin  
Tranzalpine Honey NZ Ltd  
Treveylan's  
Trevor Caines  
Ursula Bil-teitink  
Villa Maria New Zealand  
Waikouaiti Gardens  
Wayne Parsonson  
Wedderspoon Organic NZ Ltd  
Weleda  
Weleda gardens  
Wellington Chocolate Factory  
Wendy Lee  
Whakatane Organics  
Willem  
Yates NZ  
Zach  
Zack Domike  
Zealong Tea Estate Ltd  
Zelka Linder Grammer  
Zespri  
Zestos