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- **ORGANIC PRODUCTS BILL**

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### **First Reading**

**Hon AUPITO WILLIAM SIO (Minister for Pacific Peoples)** on behalf of the **Minister of Agriculture**: I move, *That the Organic Products Bill be now read a first time*. I nominate the Primary Production Committee to consider the bill.

This is a significant bill for New Zealand's organic producers. Demand for organic products is high in New Zealand and overseas. The global market is worth \$116 billion, and as of 2017, the size of the organic industry in New Zealand had reached approximately \$600 million, an increase of 30 percent from 2015. A robust and practical framework is required to help facilitate and secure the ongoing growth of New Zealand's organic sector. The Government is committed to seeing the primary sector succeed and move away from a focus on volume to a focus on value.

The purpose of the Organic Products Bill is to increase consumer confidence in purchasing organic products, increase certainty for businesses making organic claims, and facilitate international trade in organic products. The bill achieves this by enabling the development of mandatory organic standards and ways to check that businesses selling organic products are complying with that standard.

The bill will apply to businesses who describe their product as organic, either through labelling or advertising, and where a standard for that product is in place. It creates a consistent and common approach to producing organic products, an approach that will ensure the integrity of organic producers, retain and enhance consumer confidence, and support trade. The bill is modelled in part on current practice in the domestic organic food and beverage sector as well as international practices.

The bill also increases certainty for businesses, whether by investing and innovating in the growth growing sector or by meeting a common specified set of requirements. Presently, it's unclear which practices are acceptable and what evidence is required to demonstrate compliance in the organics industry. The bill enables a national mandatory organic standard that would provide clarity and in turn help businesses be confident in making organic claims.

This bill will facilitate international trade and help us expand to new markets as it will make us more aligned with international practice. We'll be able to negotiate better more secure market access. While the current trade arrangements for organic products have been sufficient to access foreign markets to date, they will not meet the demands of our key trading partners in the future. This bill is designed to be a flexible, enduring piece of legislation. It could apply to any type of organic product, from food and drinks to cosmetics, textiles, and more.

The bill enables any New Zealand ministry to become responsible for the regulation of organic products relevant to its mandate, including the development of organic production standards and administration, monitoring and enforcement of associated requirements. This is important given the diverse and expanding range of organic products.

The bill is flexible to allow requirements to be scaled depending on an organic business's risk, size, complexity, etc. This ensures that businesses are not unreasonably burdened with compliance requirements. To make use of the sector's knowledge and expertise, third

party agencies, known as "recognised entities" in the bill, will carry out key functions under the bill, such as evaluation and verification of organic businesses.

As with allowing requirements to be scaled for organic businesses, the bill also includes flexibility to reduce costs and administration recognised entities.

That's all I have on this speech. It says I'm supposed to have another page, but, none the less, I'm happy to move that for the House to consider.

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- **TODD MULLER (National—Bay of Plenty):** The National Opposition is happy to second that speech, and we'll support it through to first reading. Before I get to the substantive bill, can I just acknowledge the fact that our rural communities certainly are doing it tough at the moment, with both drought and some real ongoing challenges with respect to the evolving COVID-19 situation, both in terms of market access and, in particular, actually, the ability to harvest crops and, one hopes still, to manufacture our key products to the world. We certainly expect the position globally to get more difficult rather than less difficult, and it is our view that we should look across the House at ways to be able to work together on issues relating to rural New Zealand to advance their cause at this pretty critical time. Any farmer listening to this will know that when the Government puts good ideas in place, with respect to responding to rural issues and rural needs, the Opposition will be supportive of them.
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This bill, the Organics Products Bill, has had a very long gestation. It has been around as a concept for almost 10 years. In fact, one of my mentors, when I was a much younger man and had hair and was in the kiwifruit industry, Doug Voss—who I'm sure Kiri Allan knows well—is a big organic grower. He does lots of organic kiwifruit, and, of course, he not only was the chair of Zespri but then became the chair of Organics, in a kiwifruit context, and then Organics, in a horticultural products context, and for many years has been advocating for a framework that provides a discipline for all those exporters who have organic as part of their provenance, to be able to align their quality product to. I'm sure we'll hear, in the various speeches, around the twists and turns of that journey, but I do want to acknowledge our Primary Production Committee chair, David Bennett, who was the Minister that started this process, and, of course, I acknowledge Damien O'Connor as the Minister that is concluding it.

As I said, we support it. The organic category in a total context of \$650 million—\$400 million of that is export product, and, at this time, we need all the export product we can get. As we all know, our primary industries will be one of the key drivers ultimately of our ability as a country and a community to get out of the situation that we find ourselves in. So anything that we can do in this House to be able to support the efforts of, in this case, our organic producers to be able to have a framework, we support.

There is an issue that we would like to signal, as the Opposition—that the framework looks solid. It clearly has been, as I say, a function of many years of effort and conversations of stakeholders, exporters, and successive Governments. But the standards themselves, which will be a creature of regulation, are very important, because they ultimately will be what underpins the provenance of that organic certification in time. So we think, as we reflect as a select committee on the framework that this bill enables, we should also have line of sight on the proposed regulations with respect to the standards so we can get a sense, actually, that the sector, and the participants within the organic sector, have comfort in them, see the merit of them, and want them to be put in place and endure.

So as long as we can see that—and I have every confidence that we will be able to get a sense of that through our conversations as a select committee—I am confident that ultimately all the way through this process the National Party will support this legislation. I'll

leave it there. I think I've framed up our position, and I'm sure our team will add to that as we do the speeches this afternoon.

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- **KIRITAPU ALLAN (Labour):** It's a delight to be able to speak on this bill this afternoon. I just want to thank the member who just spoke for bringing Doug's name into the Chamber, because he has absolutely been a stalwart—
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**ASSISTANT SPEAKER (Adrian Rurawhe):** Can you give the full name?

**KIRITAPU ALLAN:** Doug Voss—Dougie Voss. The first time I met Doug was when we were having a good old debate. It was a horticultural industry event, and, my oh my, he spoke with such passion about the need for—

**Todd Muller:** Could you get a word in?

**KIRITAPU ALLAN:** I barely got a word in, but we won the debate, so that was good. But, you know, he and many others, as the spokesperson for the Opposition just mentioned, have really had their hand on the tiller in terms of being stewards to bring this bill into the House this afternoon. So first, can I commend the Minister who has played a leadership role in, I guess, galvanising, working alongside all the industry groups, the sector groups, in making sure that this legislation comes before us this afternoon, and, no doubt, in the Primary Production Committee we will enjoy some good discussions to ensure that the bill does strike the balance in terms of getting the regulations right. But I just want to acknowledge it has been a long road to get to this place today.

It was also really exciting that when the Minister made the announcement, he went up into my little patch of the world, Ōpōtiki, and met with Catriona and Mark White to make the announcement, said that this bill would be introduced into this House. We have had the privilege in the Primary Production Committee of hearing from Catriona and Mark about the significance of the organics industry our national economy and to our brand—Brand New Zealand.

I too want to echo the comments of my colleague across the Chamber. In the interesting times that we are in at the moment, it is our food producers, who have an exceptional reputation, who will be a constant source—as they always are. But they will be a constant that we will draw upon for their skills, their leadership, and their expertise. So whilst we are living in a relatively uncertain time, I want to, in advance, thank them for their leadership, which I know will be an incredible contribution as we weather the storms that flow from COVID-19—it is the likes of Mark and Catriona and Doug and many others.

I want to acknowledge the work Horticulture New Zealand and Mike Chapman and all of the team there, who have since day one, since I was put into the position on the side of the House, have been championing the introduction of these regulations. What it means is that for the term "organics" there will be a codified, regulated criteria, that those who choose to use that term must adhere to. What that does for our food producers who export our products, we believe—and the feedback that we've had—is that that will secure their brand, add value to the brand, as they market product and the international environment.

My colleagues from both sides of the House will have the opportunity to hear from the leaders within the organics industries, both exporters and shopfronts right through to food producers. And I know it's a dynamic and discussion that's occurring within the organics industry now—about all the various roles that they each play alongside each other. So I'm looking forward to that debate and those discussions. I'm looking forward to gaining their input as we as we undertake the task of ensuring that the regulations that we do introduce are fit for purpose.

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Again, I just recognise the comments that my colleague who spoke just prior made in respect of red-flagging what some of the issues may be for the Opposition. I think that we can share in our collective sense that those are concerns that will be delicately held by both sides of this House, and I trust that the way that we have tended to work in the Primary Production Committee will mean that we'll get to a suitable resolve where we're proud of the bill that enters into this House on its third reading.

So I won't take too much of the House's time. But I just acknowledge all of those that have fought for so long to ensure that the organics industry in New Zealand does become regulated. This afternoon is a proud day for all of them.

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- **Hon DAVID BENNETT (National—Hamilton East):** Thank you, Mr Speaker. I just want follow the other previous speakers and just congratulate the Minister for bringing this forward, and also for those like Doug Voss that have been advocates for reform in this area for many, many years and will be able to see that coming to fruition now. That's great news for them.
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When I was the Minister of Food Safety we had this issue arise. The nuts and bolts of it is that basically in New Zealand we don't have an international organic standard where you can say if it's organic food or organically produced food, and could actually verify that and say, "You can have confidence as a consumer in that product as being organic to that level." Now, that's not saying that organic produce food isn't done under organic mechanisms. There is a lot of auditing and procedure that goes into place.

I've got an organic dairy farm, so we go through that auditing process each year, and that's a long process as well. But it actually is part of what is needed, actually, across the whole sector to give confidence in overseas markets that everything coming out of New Zealand will have the necessary strength to it so that people can rely on their purchasing decisions. This is sort of driven out of what's been happening overseas as well. New Zealand isn't a leader in this space at all. This has been something that has happened in many other countries as they worked towards a more consistent approach. New Zealand was slow, I guess, to follow in that area, and that's why it is good to see this bill coming through to tidy that up so that New Zealand is up to speed with other countries in giving some uniformity to the organic sector.

Organics is not easy, and we had Landcorp come to our select committee and they indicated that they'd had probably a 30 percent reduction in production on those farms that were organic and they were transferring them through, and they're getting better results now as the technology and their understanding of it gets better. But, you know, this is not an easy process for anybody to go through. And it's a very delicate process as well for organic farming in the sense that if you have a shock to the system, like a drought, it can often mean that people lose that organic status because they have to break those rules of organic farming. So it is a very difficult area.

It's easy for the people in this House and in the wider community to say "We should all become organic farmers, and that's the future of New Zealand agriculture." But the reality is somewhat more difficult when you look at the scale you have to do that on for production, and also the risk that is involved in that enterprise compared with traditional farming methods. In saying that, though, we all recognise that New Zealand has to go further up the value chain, and this is part of that process to make sure that we have that support there for people to make those kinds of transitions in their businesses, to actually take advantage of potential opportunity. But that's another risk in that you might not actually get paid that much more, if anything. So it is a difficult area.

The bill itself is looking particularly good, apart from it has a large requirement that the Minister dictates the approval mechanisms for organic certification effectively. There are a

couple of parts in the bill where that happens and the National Party will be looking at that during the select committee process. We don't want to make sure that the Minister has too much power in that authorisation role. I think that it is better to devolve to the industries and to industry-type bodies. If you look at one of the major industry-type bodies you've got out there at the moment, it would be AsureQuality, a New Zealand State-owned enterprise. It does a fantastic job in New Zealand and is a very profitable business, as we saw come through the select committee.

I would challenge something like AsureQuality to actually have a role in facilitating the transfer of farmers into organics, or whatever they have to do to meet more environmentally conscious requirements. That auditing process that's going to be on every farm needs to be in a cost-effective manner so that we can encourage people to actually take those transitional changes. I think if we just use AsureQuality as a profit-making business, as it has been in the past, it could have a delaying effect on the transfer of skills and the development of our rural economies. I think there's another role for Government: rather than just this legislation but also for it to look at how that legislation is actually enforced and the mechanism to do that, to make it possible for people to make those transitions and to meet the higher environmental obligations that will no doubt come on all producers over time.

So this is a good start. I congratulate the Minister for getting it to the House. You know, it puts us on a somewhat similar footing with overseas approaches, but we are not a world leader in any sense of the imagination. We're behind the eight ball in this, and that was something that was good to see actually coming through. But we also need to be very mindful that we don't give too much power to the Minister in the direction of it and we enable enterprise business and organisations that will develop a much stronger mechanism and take into account what can be done in the best interests of farming, to take a more active role than the Minister's role in this bill as it stands.

So we look forward to some changes in that area as we go through the committee stage, but in the essence of getting New Zealand into the 21st century, I guess this is a good start.

- **MARK PATTERSON (NZ First):** Thank you, Mr Speaker. I rise on behalf of New Zealand First to offer, actually, a strong endorsement of this Organic Products Bill. But before I start that, I'd just like to echo the words of Todd Muller in terms of our farmers out there at the moment. We know there are significant issues with drought and uncertainty with the emergence of the COVID-19 situation. This is a critical time: it's peak kill in the meat industry, peak picking season for our produce. I see the first kiwifruit boat went away, and we need to keep those supply chains open. We will be doing absolutely everything we can within this House—and I'm sure as offered with cross-party support—to make sure that we support our farmers in every way that we can during this situation.

In terms of this bill, in New Zealand First we absolutely support this bill. I think to standardise the organic certification is, as I said at the start, a long overdue and necessary step. We're one of only two out of the top 25 OECD countries that does not have a standardised system. For a country that absolutely prides itself on leading the world, particularly in our primary industries of agriculture, and horticulture, that is just not acceptable. It's a \$600 million industry as it stands, and worldwide it's \$116 billion and growing significantly. So it is an important part of our economy, but we need to give it the foundation stone and framework to reach an even higher potential. Of course, as we look to expand our free trade deals around the world—the EU and the UK are very close to being on the table, hopefully—we look at things like non-tariff barriers and the hurdles that could be thrown in our road. This is an anomaly that needs to be fixed up so it's not an own-goal of sorts as we look to work our way through those very complex negotiations.

Of course, it is part of the wider efforts for a value over volume strategy, and I guess organics is almost the exemplar of that. As David Bennett recently pointed out, you can be 30 percent less production but you can get up to a 50 percent premium. So it's all about the premium: you've got to be able to get the premium because you are trading off production. So this standardised organic certification will help with that, making sure that we're underpinning that premium that is available in the marketplace.

Actually, one of the proudest things I've done since I've been in this house is taking a very keen interest in mānuka honey and protecting the term 'mānuka' for our honey producers so that only New Zealand mānuka honey can claim that term. The Provincial Growth Fund put in about \$5 million there, and I think this is along similar lines. It's a framework. It's something we as a Government can do to underpin the commercial sector as they seek to add value for New Zealand.

There's also, of course, the regenerative farmers. There's also potential—maybe they could look to a standard. I'm not sure that that's something that is before us or in its gestation period, but it's something that we could look to do over time as well. But we have to, as a fundamental, get the organic standard sorted out first.

There is, I think it's fair to say, a little bit of farmer angst over this. I think in the submission or consultation period there was quite a majority—about three-quarters—of farmers who were quite supportive of this move. But there are different entities that do the classifications at the moment, and so there are different qualifying regimes. I think that we will hear through the select committee process that in some of those regimes with shorter qualifying times there may be a hole that some of their members fall into where they are organic, and then all of a sudden they're not, and then they need to get to the new standard. So that's something that the select committee will have to look at and I'm sure will come forward through the submission process.

So it's not universally popular, but I think, as we work through the select committee, we can make sure they get a fair hearing and make sure we land it in the right place. Of course, it's different standards. If you're exporting into the EU or the US, they have different import standards, so the different entities that are classifying at the moment can tailor their package to wherever their end market maybe is. By bringing it under one umbrella, so to speak, under one standard, we will help simplify that system for our overseas markets and our overseas consumers that need to have a good deal of confidence in our system back here.

Of course, it's not just food we're talking about: there are drinks, textiles, and cosmetics. One of the questions I'll have through the select committee process is I see that the standards will be overseen by the relevant ministry: not just the Ministry for Primary Industries, not just the Ministry of Business, Innovation and Employment; it could be one of many. I just wonder whether that's the right way to go about it or whether we should have one ministerial oversight. But that will come through, as I say, in the select committee process.

It does allow some flexibility. We will be looking for some flexibility in this in compliance costs, because I note that while we're probably focusing on the Doug Voss's of the world—the big end of town—there's also a lot of very small producers that produce to the local market, right down to road-side stalls. How are we going to bring in a standard that maybe can still reflect their organic standard without having to go through a necessity of a vast compliance process? So that'll be something that we will work through.

In terms of what the actual regulations look like, I go back to the country of origin food labelling that we did probably about 12 months ago, and that got very complex very quickly. I think Todd Muller alluded to that in his contribution. That'll be something that we as a

select committee will have to make sure that we don't allow to get too convoluted. But I have a great deal of confidence. The Primary Production Committee, as painful as it is to me to admit, under David Bennett's chairmanship has actually been working extremely well. I think the Farm Debt Mediation Bill and the dairy industry restructuring legislation that's about to be reported back were examples, actually, of what I think the public would expect our select committee process to be like. They've been very constructive, and, given the support from the Opposition for this bill, I see it being no different this time. So New Zealand First looks forward to that select committee process and supporting this bill further through the House. Thank you.

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- **IAN McKELVIE (National—Rangitikei):** I thought it was worth going back a little bit in history to outline the background to this bill, because if you go back a few years, you could drive down the road in my part of the world and you could pick an organic farm a mile away because that's what they looked like; they were so different. That just shows how far the industry has come in that time, because it's now a massive part of the New Zealand agricultural sector and a very important part.
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I also want to go back a little bit in the history of this business in this Parliament, because it's been around as long as I've been in Parliament. I suppose my first education in organics came from a very well-known former colleague of ours in Steffan Browning, who, of course, had an organic vegetable garden on the windowsill of his Bowen House office. He was so obsessed with it.

**Hon Member:** What was he growing?

**IAN McKELVIE:** Well—no, vegetables. I think that that just shows how obsessed he was with the organic sector. And, of course, he was the originator of one or two other bills that came into the House and one that successfully passed that Mr Patterson just talked about. But it's a very interesting sector, and it has grown a lot in those years.

I wanted to comment, as a couple of other speakers have, on Doug Voss and Brendan Hoare, who put together Organics Aotearoa New Zealand—in about 2012, I imagine; somewhere around there—and then spent the next six or seven years in Parliament, pretty much every month, telling us what a great sector it was and how it needed to have this bill put in place that's finally got to Parliament.

The reason it needed to have this bill put in place was because there were really no standards around the organic sector. There were standards, but they were everywhere and they weren't consistent and they were not consistent with world markets, and that's why this bill has come to the House. It did take a long time for them to convince the Ministry for Primary Industries and the Ministers that in fact this needed to happen, and David Bennett finally picked it up in 2017 and started some serious work on it.

It's a very important piece of work, and, of course, over the years the organic brand has been gamed by a number of people, and the most particular cases have been in the egg industry, where we've had a number of cases taken against the industry because they in fact weren't true to the brand they were using. That's quite a challenging issue for New Zealand, and this bill will put a stop to some of that, I guess, gaming of the of the organic sector, because it's most important that we have consistency in the sector. The big challenge for the organic industry has been in the international marketplace, because we haven't had a standard that's been accepted internationally where many of our competitors have, and they consequently have gained the market advantages as a result of that.

I'm not going to comment any more on the bill, because I think it's been well commented on by our previous two speakers and certainly by the other speakers that have taken part in this debate today. But I think it's a very interesting thing, and, as I said, I know how excited

Doug Voss and Brendan Hoare will be to see this thing finally get to the House. I imagine they'll be hoping it gets through the House, because not everything does. But it is a good bill, and I'll look forward to seeing where the select committee gets to with it, because there'll be some challenges as they go along the way. I just commend it to the House. Madam Speaker, thank you.

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- **Hon EUGENIE SAGE (Minister of Conservation):** Tēnā koe, Madam Speaker. Thank you. Can I thank the previous speaker, Ian McKelvie, for reminding us of the bill's history, because, in speaking for the Greens, I am delighted that the Organic Products Bill is being introduced and having its first reading, because, as Ian McKelvie noted, there has been an awful lot of work by Organics Aotearoa New Zealand (OANZ), Brendan Hoare, and Doug Voss and many others in the sector to get this bill to the place it is today going through the Parliament. I think Ian McKelvie hosted one of the Organics market reports that OANZ has, I think, done several of now—at least four of them—to highlight to politicians, to Government, and to the media the value of the organic sector in terms of both the export industry, the major growth there, growing to have a value of about \$600 million—the whole sector. It has been the work of OANZ to just highlight that it is not just a small number of growers but an important part of our agricultural sector from growing wine, horticulture, flowers, and all sorts of fruit and vegetables and the contribution that that makes both to the domestic market and to our export markets. So I really acknowledge the work of OANZ; the work of Sue Kedgley, a former Green MP; the work of Steffan Browning in promoting national organic standards; and also the work more recently of the former primary industries spokesperson Gareth Hughes.
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We are in a situation where New Zealand is unusual in not having a domestic standard—only one of two countries, I think, in that situation, and the only one without a mandatory export standard. I know that that is creating issues in terms of organic produce getting into the United States—where it commands a significant premium of anything around 53 percent on conventional produce—and their department of agriculture having difficulty with the fact that there was no Government backed mandatory standard and, similarly, the EU requiring, from 2026, countries to have organic certification that's very similar to their own rules or is recognised as an EU equivalent. So we have been constraining the ability of exporters to grow without this mandatory standard.

As Mark Patterson mentioned, the bill is a solid piece of legislation because it allows different agencies to set organic mandatory standards for their sectors. The certification in the requirements around organic cosmetics would be very different from those around organic fruit and vegetables, for example. So that's really sensible.

I would also like to pay tribute to BioGro, Demeter, and all of those involved in the existing voluntary standards and the work that they have done to develop those, the work that they have done in terms of the certification processes, which can help provide the basis for the organic standards that will be the mandatory standard that will be developed under this legislation.

So given the support across the House, I hope that it proceeds through the Primary Production Committee with any adjustments in response to submissions but that it makes rapid progress because it has been too long without a mandatory standard. I really acknowledge all of those who've put so much work into getting the bill and commend the Minister the Hon Damien O'Connor for actually bringing legislation to the House. It will benefit businesses and it will benefit consumers, as others have said, by giving them the assurance that where they are paying a premium for organic produce, it has been produced in that way. I think the diversity of the organic sector will increase, and this bill is providing, through that mandatory standard, opportunities for business and also for our consumers. So I do commend the bill.

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- **BARBARA KURIGER (National—Taranaki - King Country):** Thank you, Madam Speaker. I would say that this is a bill which the time has come for, and it's a bill that's been quite a while in the making. I do want to commend the Minister for Food Safety, Damien O'Connor for bringing it to the House, but I would also like to make mention of the Hon David Bennett, who started the process when he was the Minister.
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Now, Ian McKelvie spoke a few minutes ago about people's perceptions of what an organic farmer actually looked like, and that perception has changed over the years. Let me just ask you today, do we know what an organic farmer looks like, because, actually, in the House this afternoon, you're looking at one who's standing up, speaking. I can't take the credit for the organic transition, but I can give the credit to our daughter, Rachel, and her husband, Kenneth, who have led this process. So in declaring my conflict of interest in speaking to this bill, it is that I do have quite a strong interest in it.

But what's interesting for me also is the process that we've gone through. We've always run a pasture-based system, and the system itself hasn't changed, but we just have a whole new set of products. I have to say the organic industry has come a very long way in a short period of time, and I do see the excited look on our daughter's face when new products are certified for organics. The time has really come when there is no place for people calling products organic when they are not certified organic.

Now, Mark Patterson spoke before about the compliance cost, and with any piece of legislation there is always the worry about compliance cost. I am probably less worried, although we have to be mindful of it, but right now the compliance that our farm has to go through is compliant to the US, compliant to the EU, compliance to Korea, and compliance to wherever the product is going to, and as the country of New Zealand, she has that many compliance audits. I think it's time that we had a New Zealand standard that built into these other countries' compliance. There would be less compliance for exporting organic farmers than what they currently have now, and it would be a great alignment. I also think that the time has come to build the pride in the New Zealand product. It's one thing to say that we're an organic farming business, but if we could say we were a New Zealand - certified organic farming business, the pride in that would be so much greater than what it is now.

So I'm really pleased to say that National supports this piece of legislation. It's a good piece of legislation, and I commend the team. I know there's been a lot of work gone into getting it to this point, because I've had a number of conversations with people. So I'm not going to speak any further this afternoon, because I think it's important that this first reading gets passed so that we can start working on the next part of the process. Thank you, Madam Speaker.

**DEPUTY SPEAKER:** So this is a split call.

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- **GREG O'CONNOR (Labour—Ōhāriu):** Thank you, Madam Speaker. I think that if one stands in this House, one will see everything. I notice that my cousin the Minister for Food Safety, the Hon Damien O'Connor, brought in this bill, and the previous speaker was talking about compliance. I know that his father had probably one of the least compliant cowsheds on the West Coast, and I know that my own father had probably one of the second-least compliant. There were many yellow stickers.
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So it's a great irony that we see Mark Patterson and Ian McKelvie standing here waxing lyrical about organic farming. Things do progress.

So as I read through this, I actually have to say that I didn't realise that we didn't have a national organic—certainly, every time I've picked up organic products, I've looked for the certification. So it will be great news to many New Zealanders watching to see that we will now have faith that we are now going to what clearly is an idea that has it's day. To know

how overdue it is, the fact that we can see some of the people who are agreeing with this just gives some idea of how overdue it is. I commend this bill to the House.

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- **Hon NATHAN GUY (National—Ōtaki):** Just before I comment on the Organic Products Bill that we've got in front of us this afternoon, I just want to acknowledge that this week we've been talking a lot about COVID-19. I just want to take just a small moment to acknowledge the people in my electorate who, right now, in Kāpiti and Horowhenua are quite worried about it. I've got mates in the supermarket business up there on the coast, and they tell me that the shelves are being hit pretty hard. So I guess my message through to my constituents is to keep calm, as much as they can. The Government has announced a package, and there's a lot of resources available. I guess we need to stand, within reason, shoulder to shoulder—it might be a metre or two apart nowadays—but try and support one another to get through this.
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That brings me on to my next comment, which is when we think about COVID-19 and we think about this organics bill that we are debating this afternoon, it comes back to the fundamental, which is what is New Zealand's economy based on, and that's food. We are a great producer of food, whether it's organic food or not, and one thing that is going to be significant through this period of recession that we now find ourselves in is that farmers are going to drag this economy forward and out of recession. It is going to be very, very important for the Government and for this Parliament to acknowledge that food is vitally important to the New Zealand economy.

We can feed about 40 million people around the world, whether that's organic food or other food. But, fundamentally, our farmers and growers are going to be the ones that pay the bills for this Government and for the New Zealand economy through this. They won't be able to get us out of recession, but I just want to spend a moment and acknowledge the good work that our farmers and growers do.

What is important about this bill is that it's been around for a while. David Bennett kicked it off in 2017. I want to acknowledge him. I want to acknowledge Damien O'Connor, as well, for bringing this bill into the Parliament today and for the work that he and his officials have done.

I was thinking back that it was not that long ago that we were debating the country-of-origin bill. That took a while to get through. The Primary Production Committee worked across the Parliament, through that select committee, to get that bill through, and I think, listening to the speeches this afternoon, there is widespread support for this bill.

So I won't spend a lot of time talking about it, but I do have a little bit of an anecdote that's worthwhile telling about one of our neighbours not too far away from our farm—a couple of kilometres away. One of the local tributary streams that flows into the Manawatū River burst its banks and overtopped, and his whole organic farm was under water, more or less. I thought, "Gosh, what on earth can I do to try and support this organic farmer?", who is a good neighbour. So I picked up the phone and said, "How can we help? I've got a whole lot of supplementary feed on hand. You can take all that.". He said, "Unfortunately, it's not organic.", and I said, "Well, we can take some of your cows to help you out a bit." He said, "Unfortunately, you can't, or that'll mean our certification is ruined and we'll lose our licence to be a certified organic farmer."

So those that make a commitment to move into organics, they make it knowingly, and they know that it takes a hell of a long time to get there. It takes, on average, three to five years to get to the point where you can get certification. Part of this bill is going to mean that there are regulations that are transparent. There's going to be an audit process and there's going to be an enforcement—having lived through the mānuka honey situation, where there were all sorts of fun and games going on in there, and indeed some of that product that was

exported wasn't mānuka honey—so this bill is important. It's going to mean that we're going to move the food that we produce up the value chain. It's easy for politicians to talk about it, but quite hard to deliver.

It's interesting. When we think back to COVID-19, you know, there's been a lot of talk about adding value. The Government talk about it in every speech. I've listened to the Minister. What's going to be interesting with COVID-19 is there'll be a whole lot of people around the world that just want to consume food from New Zealand, whether it's milk powder—which some say is not value-add. But they'll want to consume it because we produce some of the best and safest food in the world, and I support this bill.

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- **GINNY ANDERSEN (Labour):** Thank you very much, Madam Speaker. How lovely and refreshing on a Thursday afternoon it is to have the Greens and National both supporting the same bill—must be a great idea. So we're the last country among many of our trading partners who do not have a mandatory standard in terms of organic products, and the sooner that we can fix this, the sooner we can capitalise on those benefits. I think there is agreement in general about that.
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One of the purposes of this bill is to give confidence to those businesses to invest in organic production. As already mentioned, the sooner this bill is passed, the sooner those organic businesses can make those decisions and make a valuable contribution to our economic resilience—and how important that is at a time right now when we face a high level of uncertainty in terms of those businesses.

So currently New Zealand's organic export products to the US must be certified to the US standard, and this means that if New Zealand organic businesses want to export a product to our two biggest organic markets, they would need to meet two different sets of rules. It's about time that we sorted that out. This is a good bill. It helps New Zealand businesses do what they're already good at doing in a more certain area, and I commend it to the House.

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- **TIM VAN DE MOLEN (National—Waikato):** Thank you, Madam Speaker. It's a pleasure to rise and take the last call on behalf of the National Party on the Organic Products Bill. Before I delve into that though, I also want to just make a couple of acknowledgements. We are in uncertain times, and certainly in the Waikato we've just had our first two cases of COVID-19. So there's a lot of concern around where that might be and the implications of that. So my thoughts are with those constituents. But actually, on top of that, whilst this is terrible, there's still a drought as well. And we haven't seen that so much in the media this week, but it is still very much impacting on farmers across the country. And I'd just like to remind the House and the public of that as well.
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So this bill provides a good opportunity. When we think about the challenges ahead of us—agriculture has always underpinned the economy; I'm confident that it will continue to—having a strong platform to operate from is crucial to minimising the depth of the recession that we end up in. This particular bill can help play a part in that in terms of having a more structured regulatory environment that's consistent across the board for all organic operators in New Zealand to meet those same criteria so that everyone's on the same page. It helps in terms of market access internationally, which is going to be vital for us when we're looking at maximising our return for the economy. But actually, from a domestic perspective, it helps encourage people to perhaps look at getting into organic farming, if they hadn't considered it previously.

Having a more consistent framework will support that, but also it will give the banks a bit more confidence to lend to the sector. Banks are always cautious with lending decisions, and I spent a number of years in rural banking myself. When you think about a sector that doesn't have a clear set of guidelines or a consistent framework across the country, of course the banks will exhibit a bit more caution when they come to considering lending

decisions in relation to a business proposal for such a sector. So this will help in that regard as well.

But it is a growing market, and we've heard the numbers already: \$116 billion internationally. That is a massive opportunity; we're only capturing \$600 million of that so far in New Zealand, but with growing markets in organic wine, as well as our standard dairy, meat, and wool products, and, of course, a whole range of other areas that are starting to come through now as well. We've got \$140 million from fresh fruit and vegetables, which are leading the charge for us. So there are some good opportunities here. I'd just like to acknowledge a little win in the horticulture space up in our area. Again, plan change 1 going through at the moment, a bit of an easing for horticulture, some additional opportunities for them there, which is crucial, again, when we think about food production and the value and importance of that to our economy.

So look, I think, overall this is good. It's great to see it here now. It's taken a few years to get to this point, but I'm encouraged by it and encourage anyone with an interest in this area to submit on that, to get involved in the select committee process so that we can ensure this piece of legislation comes out in the best possible form to provide the most advantageous platform for our existing organic industry and those who may also wish to join it to help us get through this impact of COVID-19.

I'd also just like to finish by encouraging the Government to consider the importance of the food production industries in New Zealand, and especially that in relation to the impetus and support it might provide to the economy in these trying times, and therefore what potential impositions or changes to regulations might be imposed on them over the coming months. Agriculture is going to stand up and support this country yet again, and this bill will help to play a little part in that. So I commend it to the House.

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- **Hon DAMIEN O'CONNOR (Minister of Agriculture):** Thank you, Madam Speaker, and I felt a little disappointed that I wasn't able to introduce the bill, but I'm sure my ministerial colleague did a great job of introducing a bill that I have to say, thankfully, is supported, I think, by all parties in the House. It is wonderful after what has been a very challenging time for Parliament, for New Zealand, I guess, to bring to the House a piece of legislation that is supported by all.
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I have to say, look, I'm not going to take too much time other than to say it wouldn't have always been like this. Organics were seen as a bit of a fringe thing for quite a long time, and we could probably go back even 15 years, 20 years. I have to say, there are people I would like to acknowledge. When we came into Government in 1999, we initiated an inquiry into the organics industry and its potential, and we identified that. There were a couple of people who were—one was consistent, and that was Jeanette Fitzsimons. I'd like to acknowledge her. It's sad to see her passing. I'm sure she would have enjoyed seeing the passage of this legislation. She was consistent in her advocacy for organics. The other person who was perhaps persistent was Steffan Browning. I think he's been acknowledged in this House. He did always, always push, push, push, and still does, and we welcome that kind of advocacy.

Of course, he has been followed by people like Brendan Hoare in the industry, who, I guess, have been knocking on our door saying, "We desperately need this single standard." to give consistency, to give certainty, and, ultimately, to give extra benefit to New Zealanders. We have, as I think Barbara Kuriger said, people in this House who are managing kind of organic farming systems. The vast majority of New Zealand farming systems, with a little bit of tweaking, could probably be called organic. There is a premium in the market. I have to say, with COVID-19, there will be more focus on healthy food, safe food as we go forward.

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So ensuring that organic—which has been perceived as safer—has to be safer because of the production systems that we're going to use, and this is what this legislation's about. We did ask the question whether our export standards should be consistent with our domestic standards. The feedback was, "Yes, they should be.", and so we are pushing ahead with that one consistent standard.

So I'm not going to take any more time. I think members prior to me have said about the potential for organics to grow. It is consistently outstripping the growth of almost all other consumption food markets around the world. So if we're going to seize the opportunity to get more from what farmers do, not asked them to do more, then we have to push ahead in niche markets like organics that are growing. We don't have enough product to feed the people or supply that demand, so we've just got to get on and do what we can. We have, as a Government, a commitment to try and turn our farmers into the best farmers for the world. And the organic standard that has integrity, that is consistent, and that backs up their efforts is one major step forward in the process to become not just the best farmers in the world, but the best farmers for the world, and make sure that they have an enduring and sustainable farming systems that give them the returns for their efforts, protect our environment, and ensure that we can do our part in feeding the world. Kia ora.

Bill read a first time.

Bill referred to the Primary Production Committee.

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