



Briefing from Organics Aotearoa New Zealand

Report of the Primary Production
Committee

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Briefing from Organics Aotearoa New Zealand

Recommendation

The Primary Production Committee has considered the Briefing from Organics Aotearoa New Zealand and recommends that the House take note of its report.

Introduction

On 7 April 2016, we received a briefing from representatives of Organics Aotearoa New Zealand (OANZ), including Brendan Hoare, the Chief Executive, and Doug Voss, the Chair. We discussed challenges in the organic sector, including developing an organic certification standard in New Zealand, implementing and regulating this standard, integration between different primary sectors and within the organic supply chain, and increasing public engagement and transparency of OANZ.

Organics Aotearoa New Zealand overview

OANZ was established in 2006 and is New Zealand's representative for the organic sector. It works with producers, exporters, processors, and consumers to promote organic products in New Zealand and overseas.

Organic standards

We heard that New Zealand is one of the few remaining countries to not have a universal regulated organic certification standard. OANZ told us that this creates several problems in the organic market, including

- misuse of the term “organic” to describe non-organic products
- issues with equivalency negotiations in international trade, such as the kiwifruit market in the United States
- a lack of consumer confidence in the domestic and international organic market
- confusion in the market arising from multiple certifications
- multiple, expensive export levies required to export organic products.

OANZ told us that it is currently undertaking a project to create a national organic standard that integrates and consolidates the multiple existing standards throughout New Zealand and that is informed by international organic standards. Multiple standards already exist: the Ministry for Primary Industries currently has its own standards (which are required for export certification), as doASUREQuality, Hua Parakore, and BioGrow.

We were told that there are significant costs associated with maintaining and implementing organic standards, so consolidation would reduce overall costs. A universally recognisable “mark” would also help consumers identify genuine organic products. A universal regulated standard would also help other sectors, such as the meat, dairy, and wine industries, to access international organic markets.

OANZ intends to work with the ministry, existing organic certifiers, and the New Zealand Sustainability Dashboard to consolidate and unpack existing standards, so that new standards can be informed by existing practices. OANZ told us that it has set up a Standards Working Group to do this and will eventually enter dialogue with the ministry to obtain governmental support of, and protection for, the new standard. We support the work OANZ is doing and agree that a universal regulated standard should be developed and implemented as soon as possible.

Application for a Compulsory Commodity Levy Order

There was varied discussion about the opportunity for OANZ to seek a compulsory levy on its products to fund its future development. OANZ said that its working group is pursuing avenues such as this to try to support itself as much as it can. OANZ recognises the importance of how the levy is managed throughout the supply chain, to ensure fair and profitable outcomes for each part of the chain.

Decline of certified organic land in New Zealand

The total land area in New Zealand under organic certification in 2015 was 74,134 hectares. This is a 30.5 percent decline from the 106,753 hectares under certification in 2012. We understand that this statistic was affected by some large farms losing certification when they were compelled to use non-organic products during a drought period. At the same time we note an increase in horticultural land.

OANZ is encouraging organic-certified farms and sectors to integrate their systems with other organic-certified farms and sectors, so that they can benefit from other industries' organic supply chains.

Changes within the organisation

OANZ told us that it is currently going through a restructuring process. This involves developing a wider support and membership base that includes major supermarket chains and other retailers. We were interested to hear that this restructuring may create an opportunity for integration among multiple primary organisations, such as Horticulture New Zealand, Wine New Zealand, Dairy New Zealand, Beef and Lamb New Zealand, and others.

OANZ told us that it wishes to become attractive to businesses and producers by emphasising how it can add value as an organisation. It has developed a working party to look at creating a workable OANZ structure that is self-funding, and has already seen success in involving its wide base of sponsors in producing its market report.

We note the importance of incorporating all sizes of businesses into OANZ, not solely the largest producers. We acknowledge the value that smaller, more innovative businesses can add and encourage OANZ to maintain its diverse support base. We also note the importance of incorporating Māori growers and that the existing Hua Parakore verification system is costly for some of these small growers to maintain.

OANZ told us that it has lowered the barriers of entry to its organisation in many ways—for example, it now intends to allow businesses that are only partially organic to join and

has involved stakeholders in many of its discussions. We support OANZ developing an open, participative, and inclusive structure, and will follow any progress with interest.

We congratulated OANZ on the progress that it has made and encouraged OANZ to return to speak with us about its progress on these matters.

Appendix

Committee procedure

The committee heard evidence from Organics Aotearoa New Zealand on 7 April 2016 and considered it on 16 June 2016.

Committee members

Ian McKelvie (Chairperson)
Todd Barclay
Hon Chester Borrows
Steffan Browning
Barbara Kuriger
Hon Damien O'Connor
Richard Prosser
Rino Tirikatene
Stuart Smith