

W.R. (Bill) Quinn Submission to Primary Production Select Committee

Organic Products Bill. May 28th 2020.

I strongly oppose the progression of the Organic Products Bill and subsequent regulation.

I submit that the PPSC recommend to the House that the OPB does not proceed to law.

I wish to make an oral submission.

Who am I;

Bill Quinn has had involvement in agriculture and agricultural politics and policy matters for over 40 years. Bill and family have operated as individuals and under the trading names Camelot Gardens, BioSoils and OrganicAg;

- **as producers (non-organic and organic) in the dairy, drystock and horticulture sectors.**
- **As educators/mentors to conventional producers and more so the last 30 years to organic horticulture, dairy and drystock sectors.**
- **As promoters of biological/regenerative production and certified organic production.**
- **As mentors to a number of certified input providers to the organic sector.**
- **As mentor to a range of processors and marketers both domestic and export.**
- **Involved in many aspects of current organic certification.**

I seek that the Primary Production Select Committee recommend / report back to the House that the Organic Products Bill not be advanced, or if it is to be advanced is redrafted as a Primary Act not an Enabling Act.

That an example of the degree of rewrite would be to consider the Organic Food Production Act 1990 of the USA, this provides clear boundaries and provides a clear mark and measure allowing challengeable actions of any amendment to the standards (NOP) against the OFPA.

The concerns I and others expressed in 2018 in response to the relevant discussion document are fully validated in the presentation of the Organic Products Bill. [Link here.](#)

The proposition that the current system is not functioning at a serious yet agile and flexible level is not supported by evidence. Many that submitted in 2018 were looking for a system that lowered compliance and cost---NZ is an exporting nation and organic is no different. As with all exports we do not set the rules the importing market does. Are NZ consumers neglected in this----no----in the last 50 years NZ has moved very successfully to a market economy where the state stepped back and allowed consumer choice, and they have and do! Safeguards such as the Fair Trading Act provide a safety net. Producers and manufactures have not received the central government support that many of our trading partners have seen----this is especially true around organic production and support.

In the post Covid market organic produce of standing is in demand around the globe----we need to focus on providing satisfaction to this under a system that has served us generally well---there are and will always be issues to overcome----but system redesign is one we do not need at this time of opportunity.

Post a MAF discussion document some years (decades) ago the conclusion was that organic product should be the 'flag-bearer' of NZ primary production marketing to the world. It is time for this to happen rather than looking for ways to 'tell a story better' it is time to 'tell a better story' with organics leading the way not just in market but triple bottom line.

The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Organic Products Act 2019

2 Commencement

This Act comes into force on the day after the date on which it receives the Royal assent. 5

- While the Act (should the Bill pass) becomes effective the day after the date of assent it is hugely important that the Act also provides a mandatory lead in time for any Regulations and Standards made by Order in Council. This lead in time needs to be sufficient, for those already in organic operation and those planning to commence organic operation, time to amend the primary production multiyear/season planning. I would suggest at least a 3 year transition phase be included in the Act here.

Part 1

Preliminary provisions

3 Purpose

The purpose of this Act is to—

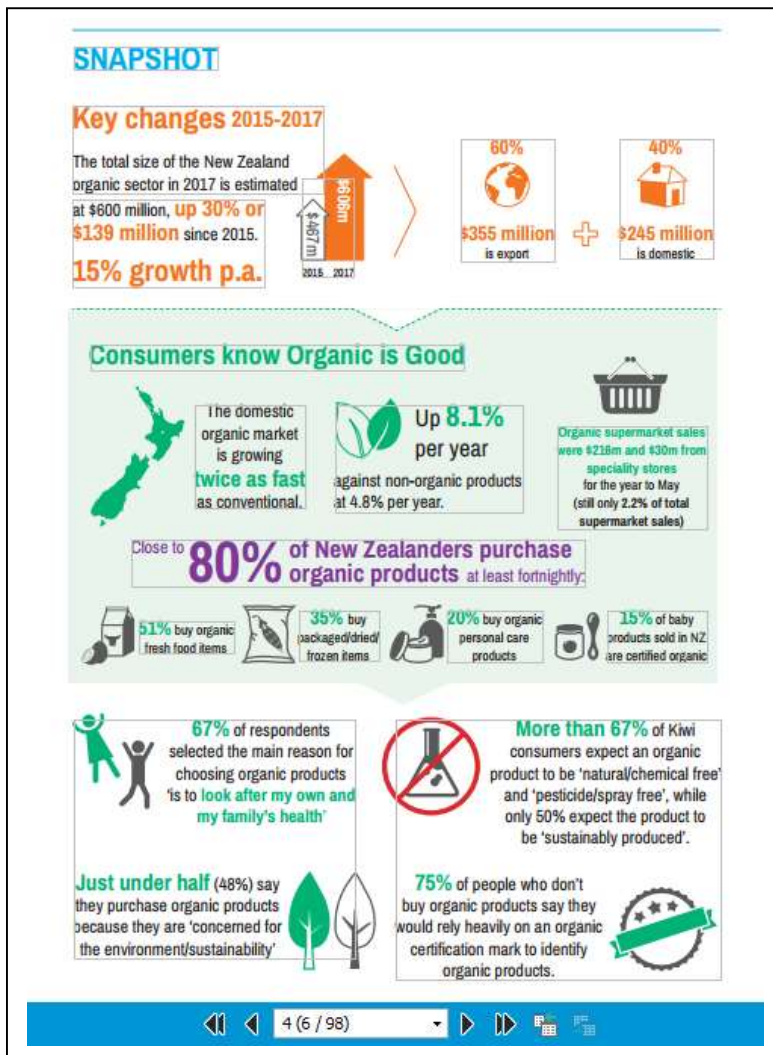
- (a) increase consumer confidence in purchasing organic products; and

I put that consumer confidence in purchasing organic products for both direct consumption and for commercial organic production is already high and thus does not require additional legislation.

Below a number of supporting items provides background to this position.

- Organic Market Report 2018.
- Fraudulent Claims
- Commerce Commission OIA response.
- Consumer NZ claims
- NZ Standards 8410 organic standard.
- USDA organic compliance and complaints.
- Non NZ organic standards.

- Based on the 2018 Organic Market Report, [\(link here\)](#) there is **NO** lack of confidence in the NZ



consumer related to purchasing organic product. This is demonstrated on page 4 of the report with a snap shot showing general (exceptional) growth in all organic sectors.

- The report in general shows a very strong organic confidence in a range of ways from;
 - Understanding what organic is.
 - Why they purchase organic—this is varied.
 - Where to purchase.
 - There is general trust in the NZ retail system.
 - For those that do not purchase organic at all 75% stated they would look for a certification mark---this indicates a strong consumer understanding of the organic market place. Page 11.
 - The report also shows how the mainstream supermarkets are now heavily involved in the organic retail sector including house brands.

On page 15 of the report is a statement;

FRAUDULENT ORGANIC CLAIMS

Fraudulent claims for products that do not have the appropriate quality, origin or production systems certification are an ongoing issue. Organic products have third-party inspection systems and other systems to address this risk. However, fraud does occur. The value of non-certified organic product is estimated by Nielsen to be at least \$104m.

New Zealand is only one of two exporting countries in the world that does not have national standards to define organics, but it is hoped that this will change with the establishment of a single, mandatory national standard and regulatory framework, currently under discussion with government.

- This statement is not supported in the report in any way. The figure of \$104m is important as it is approx. 18% of the total sector or more importantly approx. 50% of the domestic sector value. It is unlikely to be export orientated. Clearly not a couple of cabbages at the farmers market!
- I have asked those involved in the report re this figure and after some pushing am informed it is brands like Marco because a lot of their product is not NZ certified. In asking Nielsen they were less sure and are still trying to provide some guidance on the figure.

- Either way the figure justifies reference to the Commerce Commission and probably the Serious Fraud Office. One spokesperson for the Report said this had not happened.
- The Commerce Commission has in the last 2 years received complaints relating to organic and only 3 of these were referred for investigation and **NO** prosecutions are current. . [Link here to correspondence](#). Again this does not support the lack of consumer or sector confidence in the current system.
- Consumer NZ was also approached as they have headlines stating organic fraud in top ten-----but upon looking deeper this is in the UK! Not NZ. Note that this is in a legislated market.
The "Food fraud" article that you mention (published on our website in 2016) cites findings from a European Parliament investigation on the top 10 products most at risk of food fraud (see reference to the report at the top of the list). The figures aren't specific to the New Zealand market.

Head of Research

Consumer NZ

- Fair Trading Act; some in the industry state that the CC and the FTA are held back by lack of definition relating to organic---that is where the FTA works best---where there is understanding of expectation (organic will not have urea or standard ag-chemicals in production). Once an Act defining the term organic is in place the FTA loses effect. The FTA is a powerful tool for consumers in NZ and especially in organics with strong statements from the CC in this regard.
- **NZS8410 (Organic)** This NZ Standard was created after the PPSC inquiry into organic agriculture in 2001 under the watch of then chair Damien O'Connor. It is managed under the Ministry of Business, Innovation and Employment. This standard was developed to meet the 'need' for a government supported base for organic production/ trade within NZ. The standard was developed with full organic sector engagement and others representing some 25 NZ organisations and also the Australian Quarantine and Inspection Service as we have common trade agreements. This document lays out all requirements for organic production, handling and labeling including verification in NZ. The limited material below is in respect of the copyright limitations. This standard is used currently in NZ commercial production and marketing.

NZS 8410:2003

COMMITTEE REPRESENTATION

This Standard was prepared by the Organic Production Committee (P 8410) for the Standards Council established under the Standards Act 1988.

Standards New Zealand wishes to thank the following nominating organizations for their representation on Committee P 8410:

Foreword

The objective of this Standard is to set out the minimum requirements for the production, handling, processing and labelling of organic products including plant and plant products, and animal and animal products.

Organic production relies on a holistic approach and so this Standard contains two distinct components – general principles and specific requirements. General principles that apply to organic production are outlined at the start of each section, and provide information and guidance on the section. The general principles are followed by numbered clauses that set out the requirements of the Standard.

This Standard is intended to provide consumers with an assurance that products labelled organic meet certain requirements, protect organic operators from unfair practices, facilitate trade and encourage environmentally sustainable primary production. Although voluntary, the Standard is intended to provide a framework for auditing and certification if this is required or desirable.

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- The USA has had organic legislation (Organic Food Production Act 1990) and regulations/standards (NOP) since the early 2000's and yet has still got fraud as per the graphic below ([full report USDA](#)). There is still an ongoing development of the NOP (National Organic Program---the 'rules') a slow but stable process as laid down in the OFPA 1990.

The COMPLIANCE Database, launched in March 2019, allows the NOP team to better track case progress and more quickly identify patterns and relationships across cases. The following figure describes the distribution of complaints worked on in 2019, and the outcomes of cases closed in 2019. NOP's goal is compliance, which can include an uncertified farm or business getting certified, so it can legally label product as organic; a certified farm or business correcting noncompliances; or a certified business exiting the organic market.

Overview of Complaint Case Types and Case Outcomes for 2019



Note: Administrative Actions refer to warnings or other similar notices to businesses, often those who are uncertified. These early notices are critical in establishing that violators are aware of the rules, to support future enforcement action if needed. Inquiries refer to questions about the status of an operation or comments about operations that do not provide any clear indicator or evidence of a violation.

The following figure shows investigative trends over the last ten years. In 2017, NOP began the risk-based approach of delineating incoming inquiries from complaints. This has increased the speed at which compliance specialists can pursue investigations that have a larger market impact.

- The NZ market also has a range of imported products that hold respected organic logos from the Australian Certified Organic, USDA, EU, etc. We also have hair products, personal care, clothing and more certified to NZ std. or Soil Assn UK, Global Organic Textile Standard. These standards and marks are all accepted internationally.

Part 1 (3 Purpose (a)) of the Bill is already well and truly met and thus does not support the need for this additional legislation.

(b) increase certainty for businesses making organic claims; and

Again the Organic Market Report 2018 shows good business growth and investment, the companies making claims are very clear as to the claim and the justifications of make such claims.

- NZ certification agencies have steady growth in applications to enter the organic production, processing, marketing and primary production inputs areas. This is a significant step for many businesses as the land area in NZ organic management makes up less than 1% of all agricultural land in NZ, thus the sales potential of inputs and services (processing etc.) is not huge, but we see it keep on growing.
- This is well represented here with the BioGro new approvals since January 2019 noting the cross section of the sector, further investigation would reveal the scope (product range) and the markets selected;

- New BioGro Licensees since January 2019.
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- 6051 - [J.L & J.R Southey](#) - Primary Producer
- 6072 - [Green Waadi NZ Ltd](#) - Primary Producer
- 6104 - [Avocado Oil New Zealand Limited](#) - Processor
- 6117 - [Halcyon Wines Ltd](#) - Processed Product
- 6120 - [NZ Extracts Ltd](#) - Processor
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- 6101 - [Radix Nutrition Limited](#) - Processor
- 6043 - [Benco Farm 2010 Ltd](#) - Primary Producer
- 5600 - [Apata Group Ltd T/A Apata Grow](#) - Primary Producer
- 6067 - [Ash Ridge Wines Limited](#) - Primary Producer
- 6073 - [Louise Miles](#) - Primary Producer
- 6075 - [Hume Pack-N-Cool Limited](#) - Packhouse
- 6076 - [Red Dog Farming Ltd](#) - Primary Producer
- 6019 - [Whitehaven Wine Company Limited](#) - Processor
- 6083 - [Grovettown Vineyards](#) - Primary Producer
- 6085 - [Spring Creek Family Estate Limited](#) - Primary Producer
- 6090 - [Kiwi Dreams International](#) - Processed Product
- 6096 - [Astrolabe Wines](#) - Processed Product/Exporter
- 6098 - [Fresh Solutions Group New Zealand](#) - Exporter
- 6110 - [Makers and Providers Ltd](#) - Processed Product
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- 6106 - [Intelligro](#) - Input
- 6034 - [Waitahanui Apiaries Ltd](#) - Primary Producer
- 6042 - [Wisdom International Limited](#) - Processed Product
- 6052 - [Torere 69 Investors Limited Partnership](#) - Primary Producer
- 6070 - [Twostone Organic](#) - Primary Producer
- 5966 - [Mount Riley](#) - Primary Producer
- 6078 - [Hugo's Farm](#) - Primary Producer
- 6084 - [Terra Sancta](#) - Primary Producer
- 6089 - [Willowbank Vineyard](#) - Primary Producer
- 6091 - [Blue Willow Orchard](#) - Primary Producer
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- 5683 - [Juniper Hill Limited](#) - Primary Producer
- 5972 - [Big Sky Wines](#) - Primary Producer
- 6053 - [Beevale Orchard](#) - Primary Producer
- 6056 - [SOHO Wine Company Limited](#) - Processed Product
- 6058 - [Marball Orchard Ltd](#) - Primary Producer
-
- 5984 - [Suntory Coffee](#) - Processor
- 6055 - [Ford Consulting Group](#) - Primary Producer
-
- 6005 - [Enzohealth Ltd](#) - Processor
- 5992 - [Flaveur Breads](#) - Processor
- 6014 - [Kono NZ LP](#) - Processor
- 5836 - [Maude Wines](#) - Processor
- 6010 - [Maxx Marketing Consultants Ltd](#) - Wholesaler/Distributor
- 5359 - [Nature's Beauty \(NZ\) Ltd](#) - Health and Body Care
- 5987 - [New World St Martins Butchery](#) - Processor
- 6060 - [Farmhouse Nuts](#) - Primary Producer
- 6061 - [Woodhouse Farm Organics](#) - Primary Producer
- 6071 - [South Pacific Salt NZ](#) - Input
- 6082 - [Fourth Wave Wine](#) - Processed Product
- 6086 - [Smartfoods Ltd](#) - Processed Product
- 6087 - [Kilravock Vineyards Ltd](#) - Primary Producer
-
- 5978 - [Studio Red](#) - Wholesaler/Distributor
- 5956 - [CPCP Kiwifruit Ltd](#) - Primary Producer
- 6018 - [Orakau Farm Ltd](#) - Primary Producer
- 6041 - [Ozone Coffee Ltd](#) - Processor
- 6012 - [OAT Agrio Co. Ltd](#) - Input
- 6039 - [Asahi Beverages NZ](#) - Processor
-
- 5927 - [AM - Euro Pharma Corporation](#) - Packhouse
- 6024 - [Weeding Technologies](#) - Input
- 6031 - [L&D Smith Partnership](#) - Primary Producer
- 6029 - [Redox Pty Ltd](#) - Input
- 6044 - [Robert Grice Furniture Ltd](#) - Primary Producer
- 6047 - [Organic Crop Protectants](#) - Input
- 6066 - [Edwards Heeney Consulting](#) - Input Service
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- 5897 - [Talley's Group Ltd](#) - Input
- 5955 - [Kemin Industries \(NZ\) Ltd](#) - Input
- 5997 - [S A Farming Ltd](#) - Primary Producer
- 6015 - [Agro Tech International Ltd](#) - Input
- 6025 - [Basil & Gertrud Berta Meyer](#) - Primary Producer
- 6033 - [Black Pond Farm](#) - Primary Producer
- 6035 - [Kohatu Limited](#) - Primary Producer
- 6037 - [The Organic Food Shop](#) - Processing
- 6038 - [Citrox NZ Ltd](#) - Input
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- 5707 - [Dr Meyer Trust](#) - Primary Producer
- 5775 - [Escarpment Vineyard](#) - Primary Producer
- 5919 - [Te Aranui Family Trust](#) - Primary Producer
- 5948 - [Kaituna Crops](#) - Primary Producer
- 5949 - [Paritua Vineyard Ltd](#) - Primary Producer
- 5961 - [Hastings Distillers Ltd](#) - Processing
- 5974 - [Power Farming 2015 Ltd](#) - Primary Producer
- 5980 - [Honey Ventures Ltd](#) - Primary Producer
- 5981 - [Armstrong Farming CO LTD](#) - Primary Producer
- 5977 - [Aotearoa New Zealand Fine Wine Estates Limited Partnership](#) - Primary Producer
- 6008 - [Produce.e.Central](#) - Primary Producer
- 6010 - [Maxx Marketing Consultants Ltd](#) - Processing
- 5965 - [Little Bird Organics](#) - Processed Product
- 6004 - [Meadowbank Vineyard Ltd](#) - Primary Producer
- 6027 - [Zeffer Brewing Limited](#) - Processing
- 6030 - [HempConnect Ltd](#) - Processing
- 6032 - [Living Drinks Limited](#) - Wholesaler/Distributor
-
- 5991 - [Azwood Limited](#) - Input
- 5937 - [Coffee Supreme Limited](#) - Processor
-
- 6021 - [No.1 Family Estate Limited](#) - Processor
- 5960 - [Raynham Dairies](#) - Primary Producer
- 5998 - [Rose Ag Ltd](#) - Primary Producer
- 6028 - [SkyBright Health Limited](#) - Processor
- 6026 - [Waimea Estates \(Nelson\) Limited](#) - Primary Producer/Processor
- 5958 - [Waipara Winds Limited](#) - Primary

- Producer
6016 - [Weingut Seifried Ltd T/A Seifried Estate](#) - Primary Producer/Processor
- 5945 - [Cerebos](#) - Input
- 5975 - [Pinnacle Drinks](#) - Primary Producer
- 5976 - [Frozen Bliss](#) - Processed Product
- 5989 - [Kahlon Farms Ltd](#) - Primary Producer
- 5993 - [Darling Orchard](#) - Primary Producer
- 5986 - [Cheviot Holdings Ltd](#) - Primary Producer
- 6007 - [Cornucopia Ltd](#) - Processor
- 5971 - [Future Post 2011 Ltd](#) - Input
- 6009 - [The Wine Group](#) - Processor
- 6011 - [Sugar Loaf Wines](#) - Processor
- 6022 - [Cuisine Market](#) - Packhouse
- 6023 - [Glover Family Vineyards](#) – Exporter
- 5901 - [Lindsay Farm HB Ltd](#) - Primary Producer
- 5306 - [Artisan Wines Ltd](#) - Primary Producer
- 6011 - [Sugar Loaf Wines](#) – Processing
- 5904 - [Sato Wines Ltd](#) - Primary Producer
- 5920 - [Sante International Inc.](#) - Wholesaler/Distributor
- 5926 - [Hizon Laboratories Inc.](#) - Processing
- 5939 - [The Boneline](#) - Primary Producer
- 5306 - [Artisan Wines Ltd](#) - Primary Producer
- 5947 - [Stefan Hajszan](#) - Primary Producer
- 5957 - [Tasman Organics Te Awanui Ltd](#) - Primary Producer
- 5983 - [The Plum Farm](#) - Primary Producer

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- AsureQuality will have seen similar growth and OrganicFarmNZ reports show a number of producers in conversion under the localised certification they offer.
- Further evidence of business confidence is the large investment by;
 - kiwifruit growers in tendering for organic gold fruit licences
 - Waiū Dairy, Bay of Plenty, a new plant focused on organic butter and high value powders.
 - Open Country Dairy with the Southland organic milk operations extending the certifications from two markets by adding China—requiring all their farms to be Chinese certified.
 - Happy Valley Nutrition Ltd floating on the ASX and raising the first round of funds—now seeking investment for the second round.
 - Durham Farms Northland, a meat processing facility to export standard and organic certification. Operational 1st June 2020.
 - Preston Taylor meat works Wellington gaining certification to process organic animals.
 - The list goes on-----are these companies investing with a lack of confidence in the marketplace, the validations required, the processes and systems that support their substantial investments? I think not---they are very confident in the short and long term opportunities.
 - From the Organic Sector Report 2018 page 25, summary of a primary sector survey;

the survey does highlight that a lot of producers within the mainstream farming community have a real interest in organic.

More than 50% of respondents across each of the four surveys said they were either interested in gaining full organic certification or transitioning towards organic.

- **Part 1 (3 Purpose (b)) of the Bill is already well and truly met and thus does not support the need for this additional legislation.**

(c) facilitate international trade in organic products.

Statements made to the PPSC in 2016 by OANZ; [link here](#)

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

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products.

And these views were further presented to the PPSC by MPI 17th October 2019 [link here](#) in particular the aspect of international trading partner's expectations re NZ domestic legislation.

- *Countries with mandatory domestic standards increasingly expect their trading partners to have comparable systems. In the future, this could make maintaining and growing market access with the United States and European Union challenging, and securing access to new markets difficult.*
- *Market access, particularly to the United States and European Union, is crucial to the success of our organic sector. In the year ended June 2017, the average organic premium achieved by New Zealand organic exporters to the United States was 53 percent over conventionally produced food.*

This is a very significant aspect of the requirement for the proposed legislation and a request under the OIA to MPI showed clearly that there was **NO pressure** or expectation from any trading partner to support the above propositions.

The only evidence was in answer to NZ MPI requests for organic equivalency with the USA and in those responses over many years the common theme was; [link here](#)

We consider New Zealand a strong trade partner and an advocate for organic products in the global market. Thank you for your continued commitment to maintain organic integrity for products that are exported to the U.S. under our current recognition agreement.

NZ has very good trade agreements with all our major trading partners:

International trade recognition detail is best viewed at;

[IFOAM equivalence tracker](#)

[NZ MPI OMAR arrangements](#) at base of page the Overseas Market Access Requirements (OMAR) are listed.

[MPI NZ >EU OMAR](#)

[MPI NZ > Japan](#)

[MPI NZ > Switzerland](#)

[MPI NZ > Taiwan](#)

[MPI NZ > USA](#)

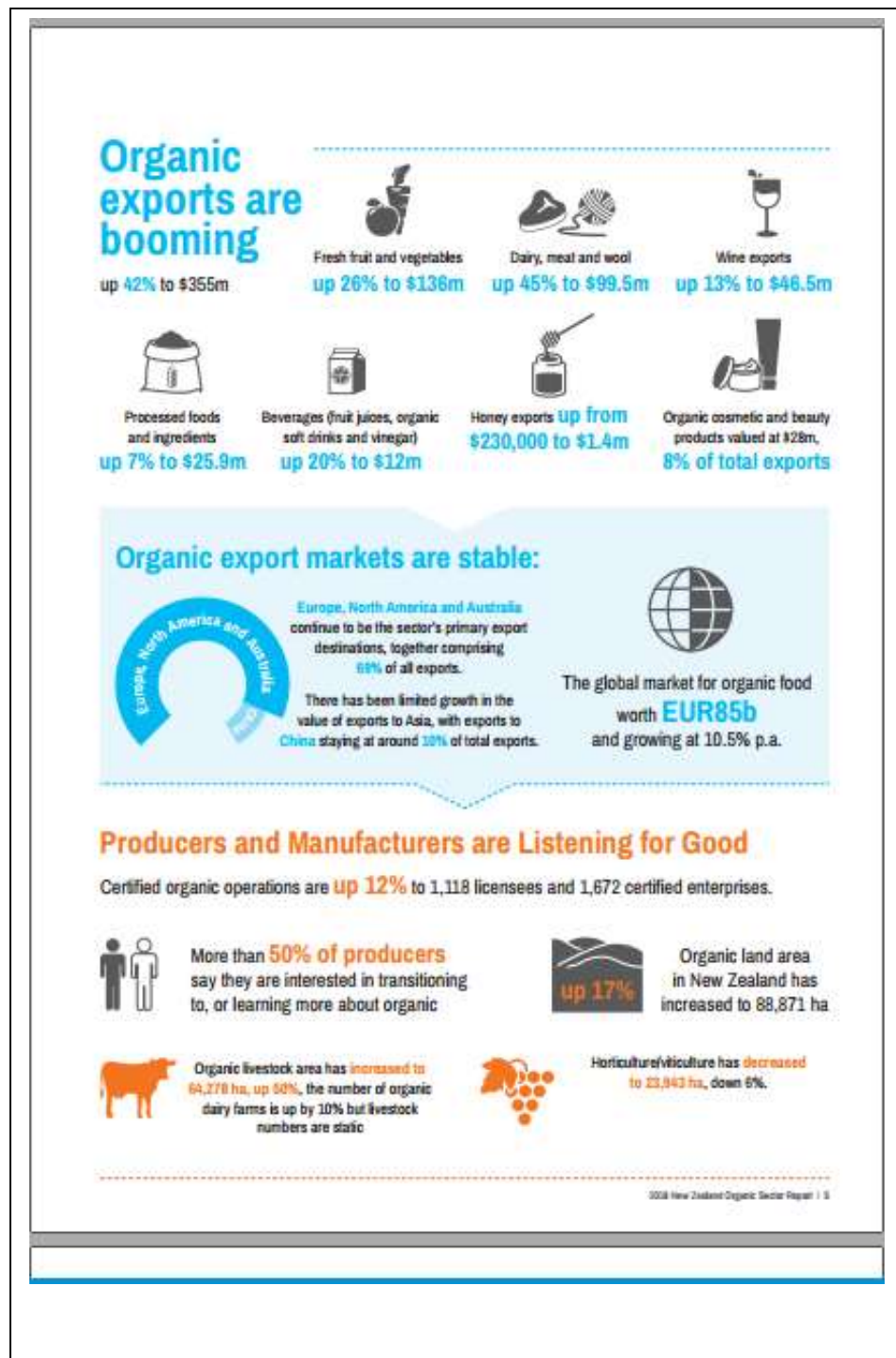
Australia.....NZ accepts all Australian certification under trade arrangements. [The National Standard is their base.](#)

- China; while NZ has good trade with China and many producers providing for this ever growing market the [NZ China Recognition Agreement signed in 2016](#) is still not operational. Much of the certification required by China is based around a form of 'group' or 'product' validation which includes all aspects of the product including primary production, transport, processing and packaging---the current form of this does not give a certification to the individual farm or processor but to the processors/marketers product encompassing all aspects in one

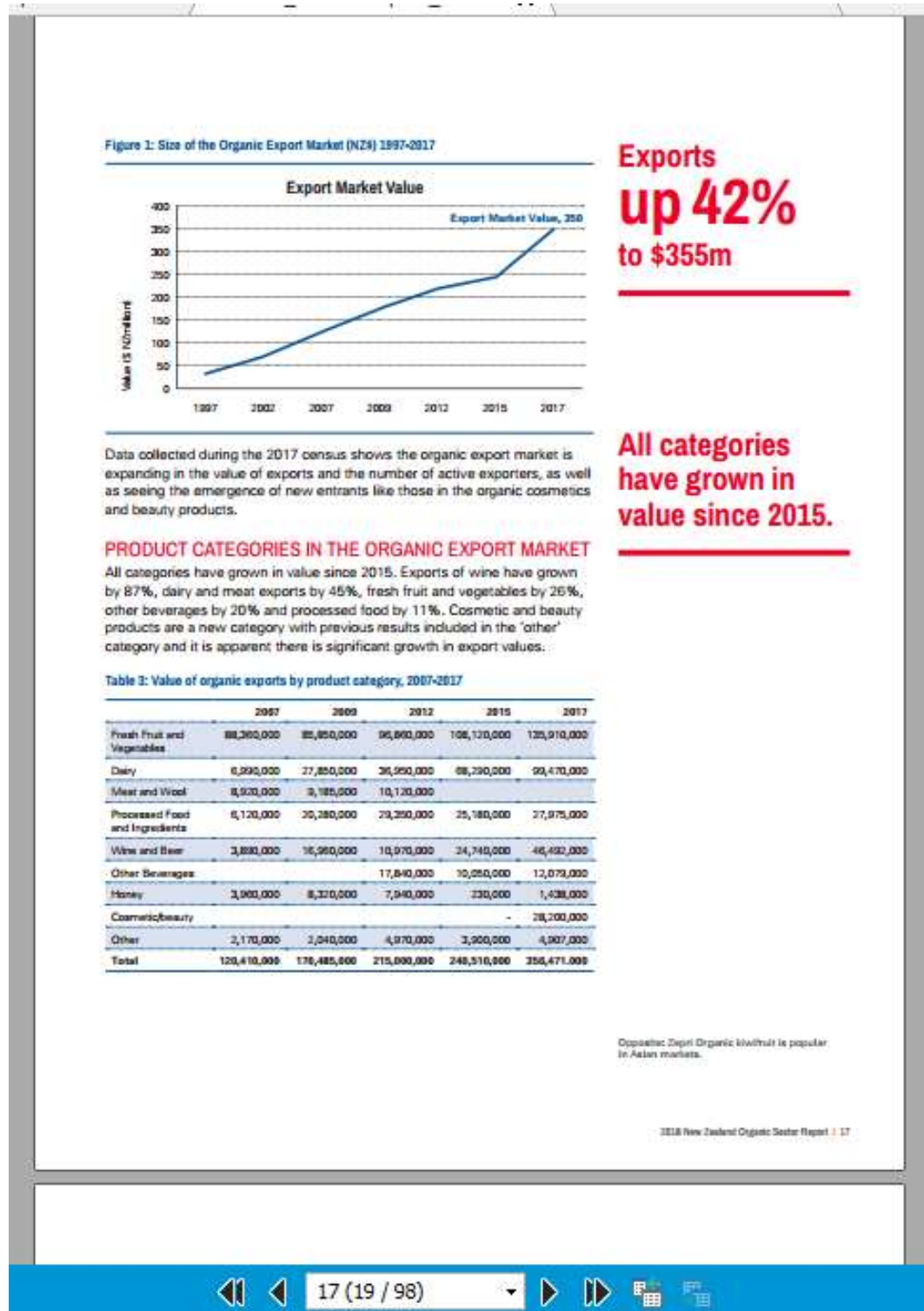
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certification number/document-----this works and has for many years.

- Korea; Under the Environmentally Friendly Food Products Act South Korea sends auditors to NZ and apply much the same system as China does currently. The system is working.
- While the bulk of NZ organic exports goes to only 3 markets we do export to some 90 markets at present ([Organic Exporters website](#))
- The growth of the export sector is well presented in the Organic Market report 2018 showing exceptionally good growth of both short and long term.



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- [link here](#) for the Organic Market Report 2018

The NZ situation in global organic trade is also akin to the non-organic exports---we export what we produce---often with value added onshore in NZ---of note in this aspect is NZ is second to Denmark in exports of organic product per capita, this is hugely important when we

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consider we have less than 1% of agricultural land under organic management compared to

Country	Land Area under Organic Certification (ha)	% of Agricultural Area under Organic Certification	Total Popn (m)	Organic Area by population – (ha organic per person)	Total Organic Retail Sales \$USm	Organic retail sales per capita \$US	Value of Organic Exports US\$m	Value of organic exports by Popn (US\$m)
Australia	27,145,021	6.70%	24	1.13	1084.00	45	542	22.58
China	2,281,215	0.40%	1,409	0.002	6805.000	5	2,280	1.62
USA	2,031,318	0.60%	323	0.01	44912.00	139	547	1.69
Spain	2,018,802	8.70%	46	0.04	1943.00	42	1,042	22.65
Italy	1,796,363	14.30%	59	0.03	3049.00	52	2,242	38.00
France	1,538,047	5.50%	65	0.02	7769.00	120	736	11.32
Canada	1,251,320	7.50%	82	0.02	3461.00	42	472	5.76
Denmark	201,000	7.69%	5.7	0.04	1497.00	263	384	67.37
New Zealand	88,871	0.5%	4.7	0.02	142.00	30	242	51.49

Source Data from FiBL Statistics and is for 2016

2018 New Zealand Organic Sector Report | 85

Remarks almost 8%.

For the size of the organic sector in NZ the exports are impressive, the comments around the cost of validation and accreditation to export markets is best addressed by increasing exports to spread the cost over more product.

- USA market access. Will this legislation (OPB) and the subsequent regulations and standards meet the Organic Food Production Act 1990 (USA) criteria for equivalency? I seek clarity on this as MPI has asked USDA re equivalency repeatedly ---the OFPA contains much content relating to production practice and decision boundaries and guidance that the OPB appears to leave for the proposed regulations and standards which are subject to lesser scrutiny than the Act is.
- Is the OPB and the OFPA similar, equivalence or vastly different?
-

- **Part 1 (3 Purpose (c)) of the Bill is already well and truly met and thus does not support the need for this additional legislation.**

The above points re the Purpose of the Act are very important in context of the NZ legislative process and in particular Chapter 26; [link here](#)

The term “legislative process” denotes the process by which legislation passes through the House and receives the Royal assent. The legislative process “can be seen as a series of hurdles or tests that a proposal for legislation (a bill) must negotiate if it is to survive and become law”.^[1] The test is essentially in two parts.^[2]

- *First, whether the bill is needed as an addition to the body of law.*

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- *Second, if a bill is deemed to be needed, whether it is fit for purpose. The question is whether the manner in which a bill seeks to affect change is effective and without adverse consequences—or, if unavoidable, minimal adverse consequences.*

The New Zealand Parliament was said in 1979 to make the fastest law in the west.^[3] Not only was Parliament seen as passing too many laws, but it also was observed that it was passing them too quickly in an “end of session rush” at the behest of the Government of the day

I put very strongly that the Organic Products Bill is **NOT NEEDED** as there is no evidence of a failure of the current system as put forward by the OPB. The organic primary producer and secondary processors are required to meet all standard production laws/regulations/standards (Animal Products Act, ACVM, Food Act, Fair Trading Act, etc.) and add to their product marketability by applying the market requirements/expectations pertaining to organic.

Adding value inside the farm gate. Fonterra has forecast \$9.80 kg Ms organic and \$7.30 Non-organic for the 2019/20 season--\$2.50 per kg of value add.

It is essential that NZ maintain a large degree of agility and flexibility as a significant exporter in meeting while not over meeting the import country requirements.

Examples are aplenty:

- Some countries have a 24 month conversion some 36 months---if a producer can get to market in 24 why limit this by having domestic law that require 36 months.
- USA allows full back date (there are stringent requirements) for compliant farms, others require 12 months under supervision prior to allowing backdating.
- Mammal rearing has a range of timeframes relating to milk for young-stock rearing.
- Slaughter animals born organic or converted at a young age or timeframe prior to slaughter.
- Input allowance is different in many market entry requirements.

The current flexibility farmers have in this market chose see some farms supplying product from separate herds on the same farm to the EU market and the USA market, both compliant to the relevant OMAR.

I put that the OPB fails both the first and second hurdles above and the risk we run is that the OPB will be rushed through as per the ‘end of session rush’ noted above.

Part 2

Approval and recognition

Subpart 1—Describing product as organic

8 Restriction on describing product as organic product

A person must not describe a product to which an organic standard relates as an 5 organic product unless the product complies with the standard.

9 Describing product as organic product

A product is **described** as an organic product if its labelling or advertising uses

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words such as “organic”, “organically grown”, “organically produced”, or “organic standards” that would suggest to a reasonable person that it is an organic product

- I find the ‘application’ here very narrow in compass to the Fair Trading Act prospect of making a credence claim. The OFPA for instance has the following;
- (A) *a person may sell or label an agricultural product as organically produced only if such product is produced and handled in accordance with this chapter; and*
- (B) *no person may affix a label to, or provide other market information concerning, an agricultural product if such label or information implies, directly or indirectly, that such product is produced and handled using organic methods, except in accordance with this chapter.*
- This aspect gives a wider application, in NZ we have plenty of producers ‘suggesting’ organic or natural or similar while still using globally non-allowed inputs to production or processing. An example is the now common use of the phrase ‘*healthy soil, healthy food, healthy people*’ Very much a Soil & Health Assn. line and applied to organic for decades.
- The directness of the word ‘organic’ and uses as identified in clause 9 I ask do they cover terms that have already had use in marketing of products wishing to benefit from the ‘organic’ connection such as;
 - Organza
 - Organix
 - Awe-ganic

I believe the defining aspect needs to be included in the Act not just in the standards at a later date. This can apply to a wide range of products as is the intent of the OPB, but not be so board as to deal with only philosophical ideals.

Subpart 2—Approval as operator

Who must be approved

(2) this favours large retail and disadvantages the many current organic retail outlets who buy directly and meet the consumer expectation of less packaging, this is part of the trust relationship between the local retail and consumer, a part of the retail experience where the consumer picks the items they chose rather than taking the packaged. This also increases the risk of waste as one perishable (fruit/vege) in a pack of six and the pack is discarded.

The costs associated with this will see current organic retailers of fresh produce looking for loopholes or ways the OPB would not apply to them opening the opportunity for less trust and thus less confidence in the market place.

In general I see too much discretion in the hands of the Minister or CEO to decide who is suitable.

The organic dynamic is commercial---this whole OPB put a large amount of control re business in someone else’s hands.

General;

There is much open power in this section, granting powers to classes of people that have not even applied and could have even less knowledge of organic base lines. This then leads to an audit box ticking system---this will lower the people willing to commit to the organic program.

[Type here]

Part 3

Imports and exports

45 Chief executive approval of foreign organic products regimes for importation into New Zealand

(2) the word similar here gives a very wide scope as all organic standards/codes of practice internationally are very similar in that they apply base principles. The points of difference are often as simple as does the certification allow 24 or 36 month conversion, what is the withholding period on a particular input, etc.

The USA and EU equivalency agreement has the EU supplier needing to provide evidence that no antibiotic's have been used on the animal supplying product---this is because the OFPA clearly provides this as a base.

The idea of this legislation is to remove any variances that may cause confusion or lack of confidence---we currently look at an imported product and check on line the certification production requirements if we are in doubt.

Will this discretion of the CEO improve the current situation---I think not.

46 (2) b(1) states that the base is the export must meet the NZ organic standard; this is limiting commercial agility and flexibility in marketing. To a degree this is catered for in cl.50.

50 One of the aims of the OPB is to assist trade---but does this add to our current system in any way other than added cost.

Part 4

Cost recovery

It is reasonable that costs have to be recovered---but are they costs that are improving a system already function or is it simply a cost plus opportunity.

Of particular concern is 55(3) with a retrospective 4year aspect.

The reality as indicated in various government documents related to the OPB is the cost will increase-----and this will be more than matched by the drop in organic production application.

Part 5

Enforcement

Subpart 1—Organic products officers and chief executives

Should the OPB come into law yes it will need enforcement, but in relation to the aims/purpose of the OPB will this provide confidence and thus growth in the organic sector.

I put very strongly that the opposite will occur.

The enforcement provisions will be a commercial tipping point for many producers and operators that will simply not go ahead with organic products.

This will lead them to look for other marketing opportunities outside the OPB and cause greater confusion and reduce confidence in the domestic marketplace.

It will reduce the ability of NZ to meet the growing demand from off-shore and bring into question many aspects of the general NZ marketing claims.

[Type here]

It is not a question of is warrantless entry required it is more how is this provision perceived by the potential operator.

Part 6

Regulations and notices

Subpart 1—Regulations

Organic standards

(1) the approval of standards by Order in Council is not of great concern in many cases as the Primary Act gives detailed boundaries of what can and cannot be included and who is involved in the process.

In the case of the OPB it appears **as not a Primary Act** but an Enabling Act which when applied to a purely commercial situation seems totally inappropriate.

I use the Sharemilking Agreements Act 1937 and the Order in Council provision therein as an example. The SM Act is clear as to who is covered by the Act and what can be and cannot be altered and on the recommendation of whom. The process involves the stakeholders.

The OPB does not place any degree of influence or control in the hands of the stakeholders.

It could be argued that clause 106 provides for this, but there is huge opportunity in the words '*(d) Minister considers appropriate*'.

Any Act is intended to prevail for a long period of time with strength in the boundaries it provides to the faster and simpler Order in Council provisions, this is not the case here.

General;

In NZ we currently have a range of production and marketing opportunities to add value to products as per the end consumer's requirements, NZ is an exporter and currently meets many importing requirements and has done so for many years.

The 'standards' we currently work under allow trade to 90 + markets, our producers and processors have the agility and flexibility to meet the operational restriction of farm or plant and tailor these to a given market.

To realise the organic opportunity.

Conclusion;

I seek that the Primary Production Select Committee recommend / report back to the House that the Organic Products Bill **not be advanced**, or if it is to be advanced is redrafted as a Primary Act not an Enabling Act.

That an example of the degree of rewrite would be to consider the Organic Food Production Act 1990 of the USA, this provides clear boundaries and provides a clear mark and measure allowing challengeable actions of any amendment to the standards (NOP) against the OFPA.

The concerns I and others expressed in 2018 in response to the relevant discussion document are fully validated in the presentation of the Organic Products Bill. [Link here.](#)

[Type here]

I strongly oppose the progression of the Organic Products Bill and subsequent regulation.

I submit that the PPSC recommend to the House that the OPB does not proceed to law.

I wish to make an oral submission.

W.R. (Bill) Quinn.

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