



Soil & Health Association (Est. 1941)

Healthy Soil, Healthy Food, Healthy People

To: Members of the Primary Production Select Committee

Submission on the Organic Products Bill

From: The Soil & Health Association 27 May 2020

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Thank you for taking the time to read our submission. We support the intent of the bill however we have reservations about several aspects; reservations which we share with other members of the organics sector. We have focused our submission on 10 key points which are summarised in the following few pages.

About Soil & Health

The Soil and Health Association of New Zealand (Soil & Health) is the largest membership organisation supporting organic food and farming in New Zealand, and one of the oldest organic organisations in the world, established in 1941. Soil & Health is essentially the parent organisation for organics in New Zealand. We own BioGro New Zealand Limited, New Zealand's leading organic certifier, and we were involved in founding Organic Farm New Zealand Incorporated, New Zealand's only domestic certifier offering a low-cost Participatory Guarantee System for small-scale producers and processors.

Soil & Health has held the vision of an organic New Zealand for longer than any organisation (almost 80 years) and we are committed to advocating our maxim "Oranga Nuku – Oranga Kai – Oranga Tāngata: Healthy Soil – Healthy Food – Healthy People". Our bimonthly magazine is entitled *Organic NZ*. We represent both organic consumers and producers.

Support for National Organic Standards and Regulation

Along with the other established organic sector bodies, Soil & Health has long supported the push for national organic standards and corresponding regulations, in order to increase consumer confidence, promote better organic practice in New Zealand at all levels, decrease fraudulent claims and allow for equivalence with international standards in order to facilitate trade. Therefore we support the intent of the Bill and would like to see it progress into a form that the organic sector will accept, and which will underpin the expansion of organics in Aotearoa New Zealand.

However we do have several reservations about the way the Bill is written, the assumptions it makes and recommend changes to the Bill so that organic regulation is structured to minimise costs and increase international equivalence. The points below outline our reservations and recommendations for improvement.

Summary of our points on the Organic Products Bill

1. 'Organic' is not defined in the Bill and is therefore open to misinterpretation. This Bill is essentially authorising commercial trade based on a philosophy with a number of principles, but none of them are mentioned. The definition of the subject of the Bill needs to be included in the Bill, not relegated to a potentially changing definition in the national standard. Other Acts of Parliament define the key terms about which they are written. We propose that the full IFOAM [definition](#) and [principles](#) of organic agriculture be written into the Bill, as below.

"Organic Agriculture is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic Agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved.

***The Principle of Health** - Organic agriculture should sustain and enhance the health of soil, plant, animal and human as one and indivisible.*

***The Principle of Ecology** - Organic agriculture should be based on living ecological systems and cycles, work with them, emulate them and help sustain them.*

***The Principle of Fairness** - Organic agriculture should build on relationships that ensure fairness with regard to the common environment and life opportunities.*

***The Principle of Care** - Organic agriculture should be managed in a precautionary and responsible manner to protect the health and well-being of current and future generations and the environment."*

2. Exclusion of GMOs: Additionally we submit that exclusion of genetically engineered organisms (or genetically modified organisms, GMOs) be added to the above definition of organic, in order that this important principle of organics cannot be changed without consultation or legal recourse to retain it. The use of genetic modification is not in accordance with organic practice. If GMOs were to be allowed in organic production systems in New Zealand this would be at odds with the expectation of consumers that organic products are GMO-free and would therefore go against one of the stated objectives of the Bill, namely a) to increase consumer confidence in purchasing organic products.
3. We recommend that the title of the Bill be 'Organic Production and Products Bill' to reflect the importance of the connection between the production system and the product. Organic products are derived from certified organic production systems.
4. We recommend that the general policy statement at the beginning of the Bill be amended to recognise the role that organic production plays in achieving other important public good outcomes for New Zealand, such as climate change mitigation, improvement of water quality and protection and enhancement of biodiversity. With less than 1% of the land in NZ currently certified organic, and with such potential for multiple beneficial outcomes from organic production to increase, it is a sector that deserves more support to grow.
5. We would like to see the Purpose of the Act expanded to reflect the priorities of the organic sector both in Aotearoa New Zealand and internationally. We propose the following changes:

3 Purpose

The purpose of this Act is to—

- (a) increase consumer confidence in purchasing organic products; and
- (b) increase certainty for businesses making organic claims; and
- (c) facilitate domestic and international trade in organic products; and
- (d) facilitate the growth of domestic organic sector; and
- (e) maintain and support the established principles of organic agriculture.

6. The administrative structure and language of NZ's regulatory system should mirror the best functioning organic regulatory systems in other jurisdictions such as Canada and the EU. We recommend a continuation of 'licensees' being 'certified' annually, rather than 'operators' being 'approved' at different intervals. We recommend the use of the clearly understood term 'third party certifier' rather than 'recognised entity'. In the proposed system, the Ministry will be responsible for both accrediting the entities (third party certifiers) that verify compliance, and for giving final approval to individual operators (licensees), but this is not how it is done in the rest of the world, and it adds an unnecessary extra level of administration and cost.

Soil & Health submits that third party certifiers should have the power to give final approval to licensees (i.e. to issue certificates), and the relevant Ministry should restrict itself to accrediting those third party certifiers, keeping a register of the approved operators (certified licensees) and carrying out enforcement in the case of breaches.

7. The organic standards referred to in Section 105 should be overseen by an Organic Authority comprising members of the relevant Ministry and members of the organic sector which are appointed by an overall sector body, such as OANZ. The organic sector representation on such an authority should include producers, processors, consumers, traders, certifiers, organic scientific representatives and Māori (who must be present as the Crown's partner in the Treaty of Waitangi). Noting the first purpose of this Act is: to increase consumer confidence in purchasing organic products, and considering that organic certification is as much a consumer guarantee system as it is a market access tool, organic consumers should have a significant proportion of representation on the Organic Authority. This body should be more than a technical advisory board; it must have the power to decide on, develop and monitor the content of the standards rather than simply recommend it to the Ministry. The Organic Authority could also have the role of working collaboratively to achieve the other purposes of the Bill (facilitate domestic and international trade; facilitate the growth of the domestic organic sector), such as advising the government on areas where research and funding are needed.
8. The Bill, as drafted, seems to have left out the needs of small to medium sized organic operators in the domestic market. There is no specific provision in the Bill, nor in draft regulations released on 22 April 2020, for a Participatory Guarantee System (PGS), which is an IFOAM-recognised, low-cost, peer-review system for verifying the compliance with organic standards. Under the system proposed by this Bill there will be higher costs to register entities such as Organic Farm New Zealand (our only current PGS provider). The Organic Farm NZ PGS currently enables small-scale producers to become certified organic at around \$350 per year, plus volunteer time to be involved in the peer reviews. This makes it affordable and accessible to small-scale producers who produce solely for the domestic market, such as via farmers' markets, local organic shops and box schemes. However the Bill adds extra layers of administration by the Ministry which will inevitably increase costs for smaller operators, with the likely result being either that they will become excluded from being able to make organic claims due to prohibitive costs, or that they pass on the cost to consumers, making products more expensive. We support a very low threshold of turnover below which no approval/certification is required, and would also like to see a PGS made available to NZ domestic operators so that they can become certified/approved at low cost.

9. We consider there is a risk that any increased cost involved in approval will be passed onto the consumer. This will have the effect of putting organic products outside the budget of many domestic consumers, and will therefore have a chilling effect on domestic trade in organic products overall. The result could be an increase of cheaper imported organic products from jurisdictions that do not impose such fees on organic producers. Domestic producers would find it hard to compete. It is in the interest of building food resilience in Aotearoa New Zealand for domestic consumers to have affordable locally produced organic products of all types available to them.

10. We recommend that the national organic standards documents be freely available to the public as a resource for learning about organic practice and to inform consumers.

Final Note

Consultation with the organic sector in 2019 does not match what we are seeing in this Bill. In the majority of countries with national organic standards the process of certification is carried out by independent third party certifiers who are approved and audited by the government. It is very unclear why the government intends to deviate from this model by requiring an additional 'approval' system for organic producers. This will not improve negotiations of equivalency with our international trading partners. We recommend that the Ministry is not involved in the final approval of all organic operators in New Zealand, in order to avoid an unnecessary extra layer of cost and administration to the system. The depth of knowledge, experience and expertise is in the organic sector, and the sector's expertise and recommendations should be carefully considered in the deliberations of the Select Committee.

Yours faithfully

Jenny Lux and Marion Wood

