

Biological Farmers of Australia Group



2009 Annual Report

BIOLOGICAL
FARMERS OF
AUSTRALIA 

 AUSTRALIAN
CERTIFIED
ORGANIC

 OGA Certified
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Biological Farmers of Australia
Co-operative Ltd

Annual Report 2009

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BFA Chairman's Annual Report

Dear Fellow Members,

For those Members who have only recently become involved with or joined the Biological Farmers of Australia, BFA, this is my thirteenth Annual Report to members. During those thirteen years there have been many great gains made by the BFA Group and Industry, however I believe that this year will be remembered as one of the greater years for our Group. As your Chairman I am indeed very proud to present this report to you.

As most of you are aware I am a firm believer in commercial viability/ reality, whether for small or larger operations, and also service and integrity, however not necessarily in that order. This year has been an excellent mix of all, delivering major gains to members, clients, and the overall industry.

Firstly in early January of 2009, after the former General Manager of BFA and the Chairman of ACO had decided to move on, I took it upon myself to table a briefing paper to Board as to what I visualized as a solution to rectifying some deep rooted and systemic problems that we had within the group that former managers had not been successful in correcting. Fortunately Board accepted my action in full, this allowing me to move quickly. Before continuing my report I wish to emphasise the journey has really been very simple and the rewards harvested by BFA and its members have been significant, allowing it to lead by performance and integrity, an essential combination if BFA is to now rise to the increasing expectations placed upon it by Industry.

My first move was to establish a senior working group and place people into positions; people who I had worked with for many years and I knew would deliver in full, no matter how steep the slope. The people listed below are not listed in order of seniority or ability, all bringing their own special qualities to the team.

- Mr. Howard Rubin (Howard) was appointed to the position of Chief Financial Officer. Howard and I had worked together for many years and I therefore knew Howard was no stranger to making businesses successful. It should not be forgotten that Howard and his wife Elle were the founders of the Organic Growers of Australia and Howard until recently remained Chairman of that group until recently retiring.

- Ms. Holly Vyner, (Holly) who had worked in most areas of BFA for some six years, was appointed to the position of overall General Manager of BFA. Holly probably has the best overall knowledge of the Group and the organic industry. While being fluent in both Japanese and Spanish, having skills from overall Administration to marketing and e-commerce, to being responsible for the 500% growth in Public Relations the last three years made Holly an obvious choice. Holly's linkages with primary production go well back with her present family and prior generations being continually involved in sheep and cattle.

- Ms. Akiko Nicholls (Akiko) who had actually managed the overall certification side of ACO for some six years was another obvious choice to move up the ladder to the position of Managing Director of ACO. Akiko brings to our Group a multitude of qualifications and qualities. Previous to working for ACO Akiko worked for a USA certifier and was instrumental in that certifier becoming successfully established in Japan. Today Akiko is well known both on shore and off shore, regularly being requested to present to key industry groups and forums. Over the last four years ACO has increased its size and presence by some 65% under Akiko's stewardship. This ongoing growth is further reinforced by

the highest recorded paid application rate in the history for ACO for the first quarter of the 09/10 period. Akiko is always seeking out other streams of accreditation to benefit ACO clients. Examples of this are the recent Canadian accreditation and Freshcare.

- Mr. Graeme Stratford (Graeme) continues in his role as Company Secretary. Graeme has an unenviable position in maintaining corporate compliance, has made our role so simple and is a delight to have involved. Graeme has also been a strategic person in overseeing the movement of BFA from a Co-op registered with the OFT of NSW to a Ltd Company registered with ASIC.

- Dr. Andrew Monk (Andy) has once again worked tirelessly for the Group representing BFA at forums within Australia and overseas. Andy has worked closely with our PR section and so often now BFA is seen as the first port of call/ reference when media and others are seeking knowledge and information regarding the overall organic industry. Andy has also played a solo role in achieving a large HAL Grant that will assist the BFA Group and Industry over the next three years. After coupling with other sections within industry this will deliver benefits approaching \$400K. It is our intention to explore these opportunities further, some already being perused vigorously.

- Mr. Greg Blakeney (Greg), who has an association with the Organic Industry and BFA dating back to the mid-nineties and has conducted well in excess of some 2000 audits, was an obvious choice when seeking an Organic Client Support Officer. There are occasions when we have differing opinions between ACO and clients. An outside third party will

often resolve the issue. This service has quickly gained momentum and has been beneficial to both clients and to ACO. It should be remembered that this is a free service to clients. I believe a business that recognizes the fact that it may make the odd error of judgement with service or decisions taken, shows and demonstrates true maturity and professionalism when that business appoints and funds a client service officer to ensure that only the best of service is given to all. I was delighted when Board accepted my proposal of creating this position however I was equally delighted when Greg Blakeney accepted the position.

When coupling the support of Howard, Graeme, Greg, and Andy with the knowledge of both Holly and Akiko, I knew that I had a great formula for delivering the best results both for service and the bottom line Profit & Loss. BFA returned a profit for the 08/09 year with a differential over the 07/08 of approximately \$255K in performance. This has been without any real increases in charges and in some cases odd charges have actually been reduced - simply demonstrating what may be achieved if the Group is to stay focused, fully energized and all working for the same goals.

A full compliment of Roadshows across five states has once again been delivered to members and interested parties from Cairns to Perth. There is no doubt that these events are appreciated and give our grass roots, members and stakeholders the opportunity to listen to very informative speakers while mixing with like minded people from within industry. An emerging trend has become very clear, and that is that a large portion of non-organic farmers are seeking more knowledge of biological farming methods; I believe that there is an excellent opportunity for the BFA to take this opportunity and fill this space.

The Organic Growers of Australia (OGA) moving into the BFA Group was an excellent decision by both BFA and



Doug Haas facilitating the BFA Cairns Organic Roadshow with presenter Paul Strike, September 2009.

OGA. OGA is actually a scheme for small growers and has continued to fill that very important gap in the supply chain recognizing the importance that the smaller grower plays both in supplying niche markets and also attracting new people to the industry. A big thanks to Howard Rubin who oversaw the successful transition. The OGA is growing equally as fast as the rapidly expanding ACO and plays a very strategic role in educating newcomers to organics at Farmers' Markets. OGA is now ISO 65 accredited to the IOAS (IFOAM) Group, once again leading the way in accredited organic certification specific for the Australian marketplace and compliant to the new base AS 6000.

My brief summary is that the BFA is performing very well, is in a strong position and has an encouraging future for its members, clients and other industry stakeholders. While BFA has a voluntary membership, and very simply works for the benefit of the overall industry, it tipped the 1500 member mark this year, at a time when other associations and nominal representative groups have lost membership or direction. Add this to our subsidiary certification service programs of some 2000 certified clients and you have Australia's largest and best networked organisation positioned well to continue to represent and promote the interests of industry and the movement. You

can be assured as your Chairman that I will continue this task actively and in alignment with the feedback and direction I receive from our members at numerous forums, Roadshows, dinners and other activities that enable myself and your Directors to hear from and understand your needs and interests.

On that note it has been very heartening that after 2 years of review, seeking feedback from members and following the discussion at two prior AGMs, a resounding 94% of voting members approved the recent roll-over of the Co-operative to a Limited by Guarantee entity. This will continue to strengthen accountability and corporate governance provisions. It is simply another step in the ongoing development and evolution of the BFA.

The important point to remember is that if you are using the "Bud", then your business has the advantage of trusted branding having nearly double the recognition of any other Australian organic certification mark and about 80% of organic products now on retail shelves carrying the logo. This is an inspiring effort for a group of farmers and their wives who had this great idea some 20 plus years ago. Since then others have nurtured, strengthened and grown the concept and view into this great Group that we have today.

I am very proud to recommend this entire document to this 2009 AGM for adoption and in doing so believe that this is one of the finer years that BFA has enjoyed in its history. The next few ahead now are years to begin reaping the rewards which will include a greater capacity to reach the mainstream consumer and media to promote our message and the objects that the BFA Co-operative was founded upon some 22 years ago. With your ongoing assistance and support this will be made all that much easier and more successful.

Doug Haas
Chairman, BFA Group



By Holly Vyner
General Manager, BFA

BFA General Manager's Annual Report

It is my pleasure as General Manager of the Group to present you with a report on BFA's performance over the 08/09 period.

I have been in the position of General Manager since February 2009 and I wish to thank the Board and in particular Chairman Doug Haas for putting in place an unyielding management structure. My job is made a lot simpler with several highly competent people in key roles; all of whom have delivered reports published in this annual report document.

Income and expenditure

Recording a large profit is not always the ultimate goal for any service business; however it is most welcome news this year, the Group having made a major turnaround from a negative balance reported in 07/08 to a record profit of over \$240K consolidated in 08/09.

The profit will allow BFA the resources to increase its efforts even further in those areas which members wish to see BFA working; in particular raising consumer awareness which BFA has been building on each year.

The major reason attributed to the record profit is ACO brought back to a profit situation with the tightening up on timeframe for audits, plus streamlining of office operations for reducing administration.

Secondly, the Co-op's income has increased to be more in line with expected figures with promotional contributions up approximately 20% from the previous financial year. Widespread drought was no doubt a major reason for reduced Promotional Contributions in the 07/08 period. As Promotional Contributions make up around three quarters of the Co-op's income, this has had a considerable effect on the bottom line.

Over 08/09, when considering that half of BFA's full-time staff are working in the area of Public Relations / Marketing, approximately 40% of the total expenses were directly allocated to the all-important area of consumer awareness campaigns, events and promotion.

Approximately \$30,000 has been spent on upgrading IT structures, office furniture and equipment. Creating a more pleasant and productive workplace for staff I believe has all contributed to increasing staff morale and overall performance.

Measuring the success of our PR & consumer recognition of the Bud Logo

Marketing and promotion is a major component of BFA's focus and energies.

The BFA PR section has grown from 1 to 5 full-time staff members in just 5 years. Staff skills range from journalism, graphic design and public relations to events management.

In order to measure the success of consumer awareness campaigns which BFA is driving, BFA contracted Mobium, a reputable independent company conducting consumer research studies, to assist. Scheduled annual surveys began in February of this year and will enable BFA to monitor consumer awareness while guiding us in our strategy for achieving the most effective campaigns

The graphs on pages 6 & 7 provide a snapshot of consumer awareness levels reported in Feb/ March '09.

Media

BFA's media monitoring service was implemented from April this year and has allowed BFA's PR section to very easily gauge the effectiveness of BFA media releases and liaison. Since its implementation a total of 252 or average of 36 articles and radio transcripts per month have been recorded. In addition a record has been taken of all media interviews and the averages presented in the table below are taken across July '08 to Oct '10.

Since my last annual report major headlines for the organic industry have been in relation to:

July 09: no 'statistically significant differences' or any 'additional public health benefits' of organic produce according to Britain's Food Standard Agency;

October 09: Standards Australia launch of the new national standard;

October 09: National Organic Week.

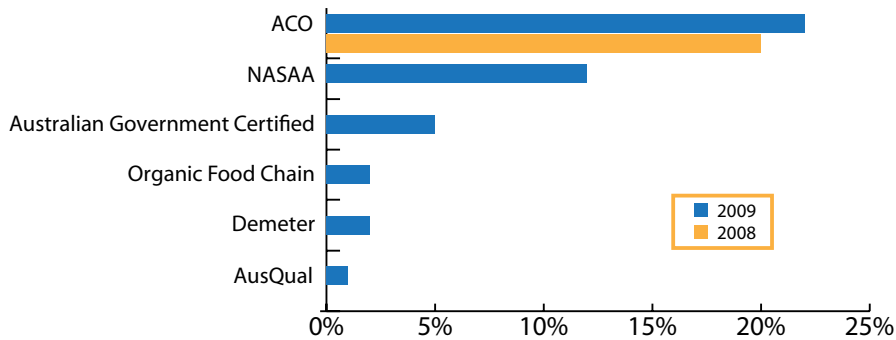
In July this year a review by the Britain's Food Standard Agency found that organic produce contains only slightly higher nutrient levels than non-organic food while indicating that more substantial research is needed. Media reports spread quickly on the controversial view that there are 'no statistically significant differences' or any 'additional public health benefits' of organic produce.

Negative press is an ongoing problem as the organic industry continues to grow quickly and the weight placed on some other industries' toes becomes

Media Monitoring Results

Media activity	Average/month
Number of media releases sent	7
Number of articles and radio transcripts published as a direct result of BFA media releases	36
Number of media interviews given by BFA representatives for either publication or radio	13
Number of articles written for BFA publications republished in other publications	1.8

Prompted Awareness – Organic Certification Logos



- To assess the prompted recognition of leading Organic Industry logos and trust marks, participants were presented with a randomised selection of six high profile Industry logos.
- The BFA's ACO logo had the highest prompted recall amongst the organic related peer group with 22% overall prior recognition, up from 20% in 2008.

"The BFA's ACO logo had the highest prompted recall amongst the organic related peer group with 22% overall prior recognition, up from 20% in 2008."



Deborah Wray, Wray Organics, receives the National Retailer Award 2009 from Queensland Minister for Primary Industries and Fisheries, the Hon. Tim Mulherin, (left) at the launch of National Organic Week in Brisbane, October 2009.

more noticeable. BFA put out three media releases in response to this particular global negative press around July this year. Not surprisingly the responses by BFA, the UK's Soil Association and other organic bodies did not receive the same coverage as the controversial press; however BFA's press releases did manage to generate 27 articles and radio transcripts being recorded by media monitoring services, quoting BFA Nutritionist Shane Heaton, Standards Convenor Dr Andrew Monk and others.

The launch of the new Standards Australia national organic standard gathered significant media attention. Unfortunately approximately half of the reports were misleading or inaccurate, indicating that consumers could now trust organic foods. BFA issued a media release to clarify the claims and media monitoring recorded 13 publications and radio transcripts quoting Dr Andrew Monk.

National Organic Week taking place between 16th and 25th October gained a significant amount of press with approximately 40 articles and radio transcripts recorded by media monitoring services.

Consumer Campaigns

Consumer campaigning this year has been concentrated on National Organic Week taking place from 16th to 25th October.

The event was founded by Centre for Organic and Resource Enterprises (CORE) in 2008 and this year BFA collaborated with CORE in what feedback and media interest indicates was a successful campaign.

The extended week of activities was designed to involve all of industry in the hosting of events, offering store promotions, organizing workshops, parties, movie nights and any other activity which would raise awareness about organics. A total of 120 events which took place nation-wide were posted on a national website (www.organicweek.net.au) and were the subject of strong media discussion for approximately three weeks.

Further to the successful campaign, BFA is looking forward to partnering once again with CORE in 2010 with many more plans to build on and make Organic Week an even greater event for industry.

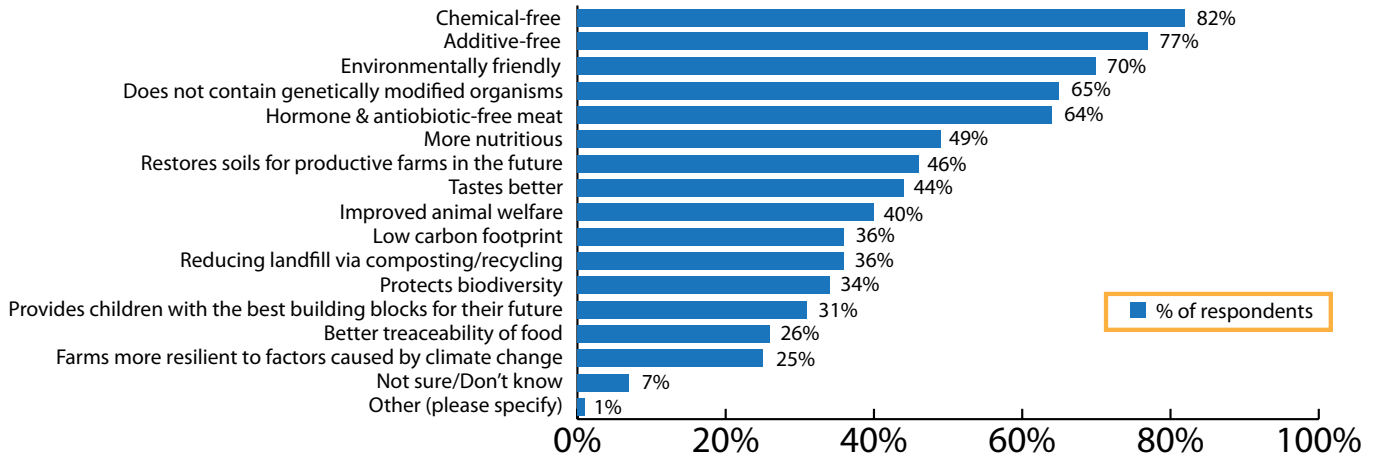
Consumer campaigns taking place in 2010 will not be limited to National Organic Week. Plans are in place for a strategic campaign developed over the past 18 months to move forward with the backing of industry funds and with the opportunity for outside funding.

Member services

Membership numbers are up approximately 24% from the previous financial year.

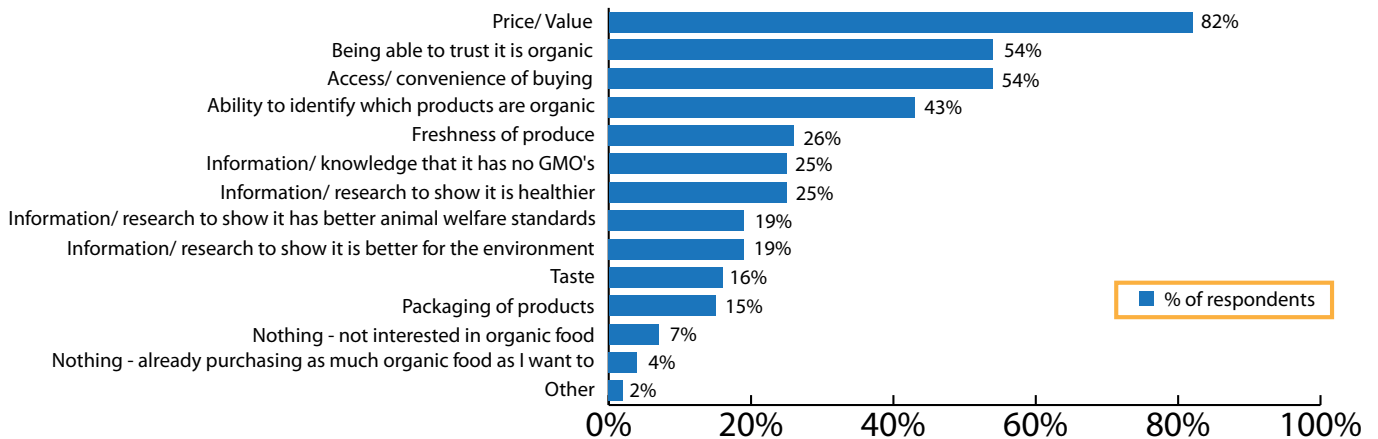
BFA's publications, events and services continue to receive positive feedback both from members and those seeking information on our industry. This is reflected in feedback surveys distributed to attendees at Roadshows and to all members at the end of each year.

Perceived Benefits – Organic Food*



* Please indicate which of the following aspects you believe to be benefits of organic food. (select all that apply)

Current Barriers – Organic Food*



* Please indicate which of the following aspects are barriers to you buying more organic food?

These surveys have assisted us to address those areas which members have identified need attention such as the upgrading of our website and a greater focus placed on consumer awareness.

At this present time a complete rebuilding of a new website is underway and consumer awareness projects are being invested in and planned for achieving greater benefits in 2010.

In summary

It may come as no surprise that BFA is often mistaken to be Australia's peak body for the organic industry and the reason for this I believe is that our Group is the most representative of industry, is highly responsive and proactive, is constantly heard promoting and lobbying for industry in the media and is the only group managing industry funds towards

ongoing industry projects both effectively and accountably.

BFA I believe has positioned itself very well to continue to lead our industry, and I am both excited and proud about playing a major role in its ongoing development in the forthcoming year.

I encourage members to please contact me any time with feedback, suggestions or if I can be of assistance at any time.



ACO Managing Director's Annual Report

Australian Certified Organic has experienced a successful and enjoyable '08-09 financial year. Though it has been challenging, ACO has benefited from diligent management and excellent performance from its staff.

In the latter part of 2008, Australia felt the effects of the global economic downturn. The economic crisis was more severe in some countries, including some of Australia's major trading partners. If we factor in the above and the fact that Australia has also experienced some extraordinary and adverse climate conditions, one can begin to understand the degree of difficulty that an emerging industry such as the organic industry is experiencing.

ACO currently has in excess of 1800 certified operators, including those in the OGA Small Producer Program and BFA Registered Products. When checking this with the data available, ACO is now responsible for approximately 50-60% of the organic operators within Australia. Also, another important fact for the industry to note is that some 80% of organic products at retail level are labelled with the Bud logo.

Certification Service

In recent years, several overseas countries have commenced establishing their own national organic standards. I believe that this is only the tip of the iceberg and, sooner or later, many countries will follow. This could make trading between these countries more difficult and act as a trade barrier. On the other hand this serves as evidence that the organic industry is growing internationally. Taiwan introduced their own national standard in 2008, Canada launched its own this year and Korea has indicated that it will implement its new organic regulations from January 2011. Further adding to these difficulties, the countries that already have their own national organic standards may change the rulings on each occasion that they review their regulations (generally every 5 years).

The process of becoming an accredited certification body for each government's requirements is unfortunately an exhausting and costly process. However, ACO has always been very much proactive in achieving such accreditations and regulatory requirements in order to serve our clients. ACO will continue to seek out and identify opportunities of

development in trade access.

In addition to ACO's current accreditations with AQIS, IFOAM, USDA NOP and JAS, we have achieved official recognition with Canada Organic Regime (COR) 2009 to provide certification for export to Canada. Also, the OGA Small Producer Program has achieved ISO65 accreditation through IOAS (International Organic Accreditation Service). ISO65 is internationally recognised and this gives OGA extra credibility as an organic certification body.

Currently, ACO is accredited for providing the following certifications:

AQIS

National Standard for Organic and Biodynamic Produce (also equivalent to EU regulations and Taiwan organic regulations)

IFOAM

International Federation of Organic Agricultural Movements

USDANop

US National Organic Program

COR

Canadian Organic Regime

JAS organic

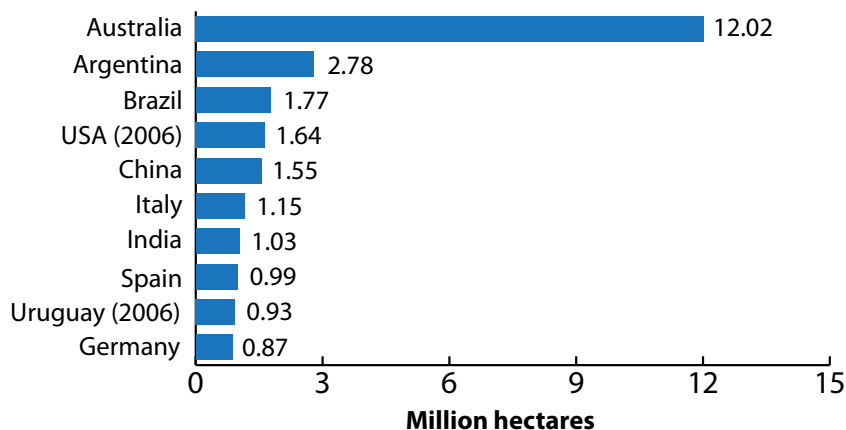
Japanese Agricultural Standard for Organic

Freshcare

On-farm food safety certification

Freshcare has now become essential for those producers who wish to have access to larger supermarket chains and processing operations. This was identified by ACO some years ago and subsequently ACO has been accredited to deliver this program. This is beneficial in terms of cost and time saving as organic and Freshcare audits can be conducted at the same time.

The ten countries with most organic agricultural land 2007



Global Information

There are 481 organic certification bodies across the world as at 2008. The country with the highest number of certification bodies is Japan with about 60, followed by the US with approximately 50. Though Australia is not listed in the top 10 countries of the most certification bodies, Australia is the pre-eminent country for having the most organically managed land.

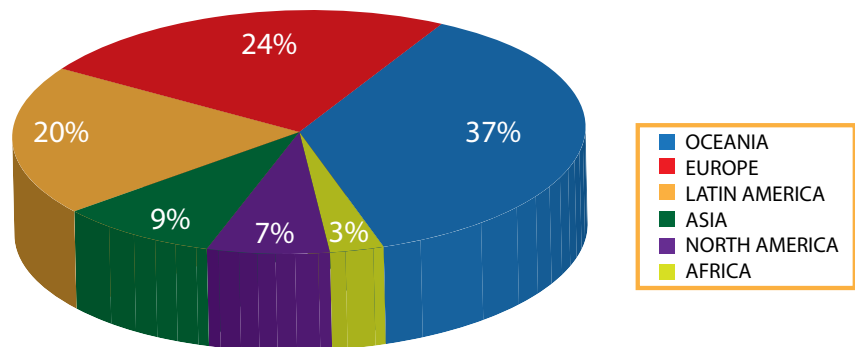
Ninety six per cent of the organic agricultural land in Oceania is permanent grassland (FiBL Survey 2009). Organic agriculture in Australia is about 2.5% (from 2007). This figure is about double compared to 2001 (AQIS and Ecolanduse Systems 2009).

Rapid growth of organic sales has been identified in the Asian market in recent years. Organic cosmetic and skincare products growth has been significant. The awareness of the Bud logo in the Asian market has also been increasing for non-food products because of the "clean and green" image Australia has in Asian countries as well as the popularity of the ACO logo. The ACO cosmetic standard is now well known as one of the best and most genuine organic standards in the world; this in turn can provide an excellent premium on cosmetic products.

Office administration

ACO currently has 4 competent technical officers: Cheryl Thomas (Certification Manager), Daniel Phipps, Michael Baker and Patricia Devereux (Certification Officers). In addition to their technical skills, ACO's selection criteria when employing ensures that employees are able to understand and work with clients while providing effective and speedy customer service. Kellie Lewis, Administration Manager and Audit Coordinator, has been working with ACO for more than 4 years. She

Organically managed agricultural land by geographical region 2007



has been ensuring that audits (BFA/ ACO/OGA) are effectively conducted within the acceptable time frame and is always contributing to the overall ACO management team. Contract officers have continued to reduce the turnaround time frame of the certification period from audit through to certificates being issued. This year I have been able to assemble a team that can deliver within certification time frames on most occasions and always work hard to provide a service that is best for both the client and ACO.

ACO is currently enjoying an unprecedented growth (this is actually in paid applications, not enquires). During this time, under my management, I genuinely believe that our service has improved significantly. BFA has stepped forward and supported ACO with the recent appointment of Mr. Greg Blakeney to the position of Customer Support Service to assist clients and customers in those areas where they believe they may be further assisted.

ACO continues to grow domestically and internationally and there is no doubt that 2009-2010 will be an even more successful year and we will endeavour to provide a better and a more professional service.

"ACO is now responsible for approximately 50-60% of the organic operators within Australia. Also... some 80% of organic products at retail level are labelled with the Bud logo."



Chief Financial Officer's Annual Report

Upon the resignation of Lee Coats, the previous General Manager in December of 2008, the Chair of the overall BFA Group Doug Haas decided that it was time to take a good look at how the Management of the Group should move forward. Part of his plan placed before Board involved me exercising my financial skills in taking up the role of the newly created position of "Chief Financial Officer of the BFA Group".

At that time, the Group had just suffered a financial loss for the 07/08 period and was facing another serious financial loss the coming financial year. This unfortunately was accompanied by low office morale and a general lack of

direction. This year our organization is in a far stronger position. Thanks to the dedication and co-operation of the Chair, Doug Haas, BFA manager Holly Vyner and ACO manager Akiko Nicholls, plus staff members, we have successfully reversed the financial situation and can now proudly and optimistically look to the future.

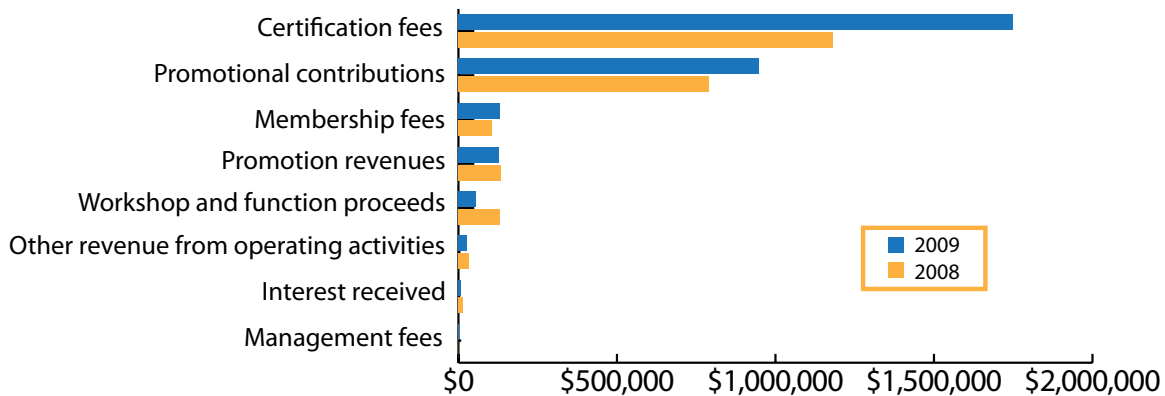
At the previous AGM in 2008, the Group reported a consolidated loss of -\$18,659.00. This year I am pleased to submit to our members a combined group profit of \$240,866.00. Once again I have to reiterate this is a remarkable turn around when one considers that overall charges have not been increased, unless being increases that we have passed on.

All of our indicators (audits undertaken, memberships, and promotional contributions) point to a favourable year ahead. Best of all, vastly improved staff morale has turned our Brisbane office into a work place that is conducive to productivity and service, being a pleasure to visit.

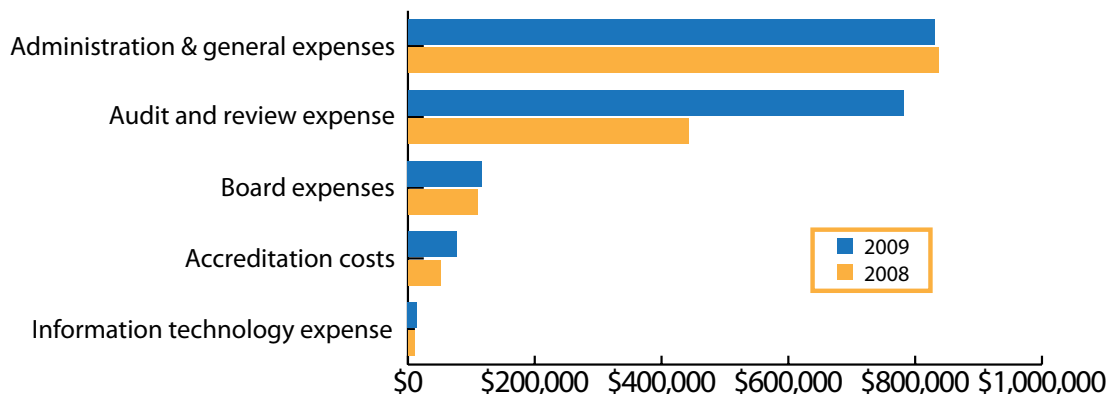
Next year's budget has been approved by the outgoing Board, and it is forecast to retain 10% of turnover.

The incoming Board will be faced with new challenges. High on the agenda will be "how to grow the business further" and at the same time offer increased value to members. I believe that the year ahead will be successful and one that I look forward to being able to contribute to.

Revenue for the year ended 30 June 2009 - Consolidated BFA Group



Significant expense items relevant in explaining financial performance





Biological Farmers of Australia Co-op Ltd Restructure Report

The Board of BFA had been discussing the need for a corporate restructure for some years and this has been presented and thoroughly discussed at the past two Annual General Meetings, on both occasions receiving almost unanimous support. The restructure was to move from a Co-operative to a Company Limited by Guarantee. The details of this move and the advantages and disadvantages were clearly set out in the documents provided to members in August of 2009.

The package presented to members was approved by the NSW Registrar of Co-operatives & Associations and was accompanied by a voting form. This vote was finalised on Friday 4 September 2009; members overwhelmingly supported the special resolution with a resounding 94% acceptance, subsequently favouring the restructure. Directors are encouraged by this clear and strong support to modernise the corporate structure and move forward.

As indicated in correspondence, the actual process of conversion will take several months as we go through the legal compliance and conversion process. This process is still continuing and it is expected that it may not be finalised until the end of the current calendar year.

There have been a number of roadblocks, hurdles and personality issues to address and we are progressively addressing these issues as we move towards our final goal. The significant (94%) members' support is the very clear driver to proceed with and finalise the conversion.

It is important to note that this is a seamless process and members will not notice any change in the way they interact with BFA. Business carries on as normal. Ultimately there will be some change of the legal name and the opportunity may be taken to redesign some of the BFA

forms used in its business processes. As set out in the documents sent to members, the rights of members to vote and participate in Annual General Meetings remain unchanged.

The challenge of delivering in this area has been of some significance and

I have enjoyed working as the Company Secretary with Board during this process while also ensuring that corporate compliance is always treated with the utmost importance.

I wish BFA and its members all the very best for the future.

Benefits of change

The advantages of the change from a Co-op structure to a Company Limited by Guarantee include but are not limited to:

- BFA will be recognised nationally and internationally and will be controlled by a national government body rather than state government bodies;
- Administration costs will be reduced as registration in every state would be no longer required;
- BFA will be recognised as a company for operational purposes and supplier recognition; and
- The use of a Company Limited by Guarantee will provide assistance in operating BFA on a not-for-profit basis.





Australian Certified Organic Standard and Standards Advisory Group Annual Report 2009

BFA's newly named Australian Certified Organic Standard 2010 (ACOS 2010) will be released following a year of review, recent base standards updates and consultation with industry members and stakeholders. It remains leading the industry, both in its innovations while being the main document to which the majority of product in Australia is certified. The current document: Australian Organic Standard 2006 (AOS 2006) has been built on a two decade long tradition of industry standards setting and ownership of

The BFA's resourcing of the "Organic Crusader" ..., regular communication and responses to consumers, retailers, government and others on standards and regulatory matters, and a strong presence in the media with information and messages on looking for the logo and only buying certified organic product, are paying good dividends for industry.

organic standards.

BFA has increased the resourcing and administration of its sectoral Advisory Groups to deliver increased consultation and liaison with industry members. In turn, the Groups are able to deliver transparent and equitable representation on standards and regulatory matters to other forums including AQIS and related base standards groups.

BFA has invested considerably in time and resources behind the scenes over the past year/s to ensure that base standards setting arrangements and related trade matters are as optimal as possible in what is otherwise a complex and challenging international trade environment and a voluntary, self-regulated industry environment. BFA work has included ensuring that discrepancies in the current AQIS National Standard have been corrected, or are currently being corrected to reflect both Australian realities while remaining compliant with overseas standards and market requirements. This is an ongoing process.

The ACOS 2010 will maintain the tradition of comprehensively covering

both mature as well as emerging market segments, and now will include new additions of Farmers' Markets, Organic Services and R&D, and more recently EU specific market requirements (for those wishing access to that market in 2010 and beyond). This is in line with prior editions which have pioneered and then improved segments such as cosmetics, aquaculture, greenhouse production, retail certification and even forestry, in response to market developments and requests from members.

BFA Groups' policy and actions for enabling choice in the marketplace is seeing the growing popularity of the domestic market, keeping cost and bureaucracy to a minimum while maintaining integrity, and ensuring the widest possible choice and access, on a user pays basis, to the markets of the world. The AOS is the linking document that makes this both practical and achievable. It will remain an ongoing balancing act to continue to deliver this.

This year's accreditation of OGA to ISO 65 by the IOAS (IFOAM), confirming professional independent certification for smaller operators for the domestic market, has underscored this program's ongoing success and popularity and is reflective of the broad based utility of the AOS 2006.

The BFA's resourcing of the "Organic Crusader" (crusading a reduction in the number of misleading "organic" labels in the marketplace), regular communication and responses to consumers, retailers, government and others on standards and regulatory matters, and a strong presence in the media with information and messages on looking for the logo and only buying certified organic product, are paying good dividends for industry. BFA is increasingly being recognized as the point of contact for authoritative views on industry matters.

The perpetual message to members is to remain engaged and watch for updates or be involved in the sector representative BFA Advisory Groups to ensure that the standards that affect your sector remain relevant and maintain the organic integrity we all expect. Members are encouraged to give their feedback to the BFA, via the Organic Crusader (theorganiccrusader@bfa.com.au) or other avenues, where there may be concern about a given product, operator or practices in the marketplace.

The ongoing focus for the BFA Group in relation to standards and technical/trade matters this past year has been in liaising regularly with the retail chains to ensure that certified organic is the only organic-labeled product being carried; liaising with governments to ensure there is understanding of the needs of industry; and building on our relationship with the media to deliver credible and interesting stories and research data. BFA continues to be the authoritative and professional reference point for media on all things organic.

These ongoing focus points will continue to be built upon in the year ahead, consolidating BFA's place in the minds of the media, government and the public, to in turn expand the promotion and education on all things organic.

The Standards Australia AS 6000: Most asked questions of certified operators

Do I need a copy?

No, though you are free to purchase one for \$113. As a certified operator you will continue to be certified to the more comprehensive requirements of the BFA's Australian Certified Organic Standard which will remain a free download for members, clients and the public in the interests of promoting the organic movement. Updates to this are sent as part of your certification service to all certified operators and posted for free and open access on the BFA website www.bfa.com.au.

I have heard it is mandatory, that everyone has to be certified to it, and that it will stop imports not complying with it?

No, regrettably, on all counts. It is a voluntary standard, just like all other Australian organic standards currently are. Imports will continue to come in complying with the family of recognized international standards at play. Indeed if an Australian product is produced to another standard and clearly states this on labeling, this too can be sold within Australia. Of course because Australia has such a well self-regulated organic industry, consumers in the main now understand that if you buy certified organic product you are protected by common Law right now. This message will need to continue to be promoted by our industry.

I have heard that it could be called into legislation?

While some have argued for this, and are suggesting this should happen, BFA is not



Australian Certified Organic Standard 2010

Further to 3 years of input from industry members, the BFA sectoral advisory groups, consumers and other stakeholders, the 2009 edition of the Australian Organic Standard is soon to be launched under the new title Australian Certified Organic Standard (ACOS 2009). A final edited version is available on the BFA website by end November 2009 for industry and BFA member comment.

If you would like further information please email standards@bfa.com.au or phone 07 3350 5716.

currently in support of such a move. The reason is that experience overseas has shown that this approach can in fact be detrimental to industry, add costs (both for government and for operators) and add additional layers of red tape that are not needed nor desired by industry. Our industry is a paragon of self-regulation and far better regulated and controlled than many if not all other food industry areas from marketing claims (heart healthy, halal, etc) to food safety. We believe we should celebrate this and continue on our path of promoting the benefits of organic and educate consumers to look for certified product.

So what use is it then?

There has remained a gap in the marketplace where if a product is not claiming a certified status, there is no one single base requirement or standard that can be legally relied upon to resolve a dispute (not withstanding some overt cases of fraud over the years). Common

law protects consumers buying certified organic products, but the hope is that the ACCC may be able to, in concert with industry, prosecute a non-certified operator who can't demonstrate that their product is in fact produced in accord with a base organic standard and/or other relevant industry standards such as the Australian Organic Standard. One example of this (luckily one of a dwindling number of cases) is a juice product that has blatantly had a preservative in it not permitted by any known organic standard in the world. There have been similar cases for cosmetic products. Hopefully examples like these, if pursued and prosecuted will create a deterrent in the market for others. The BFA will be aiding and abetting the ACCC to achieve such outcomes.

For further questions and answers relating to the new Standards Australia organic standard, keep watch for articles being published in BFA's coming summer edition magazines.



Organic Client Support Service Report

"This service... will enable the company to continue to deliver the highest possible service to its clients and one which their clients believe meets the highest level of client satisfaction"

In September 2009 the Board of BFA Group established a new service for clients to supply to ACO, BFA and OGA clients and associated persons and entities, an independent third party vehicle to advise, mediate and resolve concerns and issues between the parties. These concerns are either long standing or those which appear to be unresolvable through the normal administrative and certification channels.

The Board determined that the service would be available free to members and operators and auditors within the industry and would be accessed through a dedicated phone number and email address.

I was delighted that the Board approached me to supply this service and it has now been operating for approximately 6 weeks. In that time a number of clients have taken advantage of the service and it is gratifying that in all instances, with the support of the ACO/BFA team and clients, we have resolved the issues to all parties' satisfaction.

It is envisaged that the service will also be utilised by clients and others where they consider that support of an independent third party would be beneficial for all concerned.

The Board appreciates that despite the best endeavours of all there will be occasions when clients believe that the service delivery that has been provided to them is not up to their expectations and it is hoped that through this service the feedback will enable the company to continue to deliver the highest possible service to its clients and one which their clients believe meets the highest level of client satisfaction.

As the programmes to which clients are accredited expand in number, with such programmes as IFOAM, COR, NOP, JAS and Freshcare now being available, there is the potential for confusion or misunderstanding as regards to requirements for compliance. There is also the need to have certainty and transparency of decisions for business and production planning. The support service offers an avenue for clients to have the benefit of a third party in their dealings with the certifier in these types of situations.

Currently we are working closely with clients and the certifier on areas of clarification and simplification of some of the compliance requirements of the various programmes. Once finalised, the outcomes will be conveyed to clients and so enable them to plan with greater certainty their operations.

The contact details for the service have been publicised through industry publications and I look forward to clients and associated entities utilising the service and hopefully assisting where possible.



STAHMANN FARMS



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Biological Farmers of Australia Vision, Mission & Goals

Vision 2020 for the Australian Organic Industry

By 2020 the organic industry will have:

- 10% of primary producer numbers certified organic in Australia.
- 25% of primary producers utilizing biological farming methods
- 10% of the gross value of food and fibre production in Australia.
- 10% of the retail food market within Australia.
- Seen 50% reduction in 2000 levels of synthetic agrichemical use per tonne of product produced by agriculture

Vision for industry certified numbers (% of total primary producer numbers)

CURRENT	
2004	1.5%
2009	1.8%
PROJECTED	
2010	3%
2015	5%
2020	10%

Challenges ahead for industry achieving vision 2020:

Value of certified organic products (% of Australian Retail dollar)

CURRENT	
2004	0.3%
2009	0.9%
PROJECTED	
2010	1.5%
2015	5%
2020	10%

Mission & Goals

BFA Group Mission

The BFA Group will work with our members, clients and stakeholders, to lift the value and profitability of the organic industry and ensure the supply of safe, nutritious, high quality products from certified producers to a growing number of discerning and well informed consumers.

BFA Group Goals through to June 2013

- Goal 1.** Australian Certified Organic and the Bud logo are recognised as the organic “heart tick” maintaining the number one position in organic certification and trusted by Australian consumers as the standard in organics.
- Goal 2.** To ensure the term “certified organic” is properly and fundamentally understood and respected by the consumer with top of mind recall being Australian Certified Organic.
- Goal 3.** Mainstream retailers and wholesalers recognise Australian Certified Organic as the certifier of choice; the Bud as the primary consumer mark of sustainable farming and quality foods and fibres.
- Goal 4.** BFA Group is the preferred contact point for all commercial industry matters and information about organics from industry, government, media and the mainstream public.
- Goal 5.** Certification services: Certification market share of at least 70%, while having good working relationships and MOUs in place with other compliant and equivalent certifiers. Feedback surveys confirm 95% of clients gave positive responses in relation to their certification experience. BFA membership services: Group memberships to be >3,000. Feedback surveys confirm 95% positive responses in relation to BFA activities of promotion and protection of the organic sector.
- Goal 6.** BFA Group organisational capacity and systems able to deliver accurate and timely responses to clients, members, directors and management, while showing leadership in compliance and regulatory systems.
- Goal 7.** BFA Group funding from charitable and other sources invested in consumer promotions, education, capacity building and selected R&D investment projects for defined community outcomes.
- Goal 8.** BFA will have a strong working relationship with Government to do with environment, health, agriculture and food regulations. What is the strategy? To simplify the choice for consumers, by consolidating the point of sale market place with the Bud logo, and building consumer awareness and understanding of what is organic to a point where the Bud Logo is synonymous with, and their guarantee of, organic integrity.