



GREEN ORGANIC Kiwifruit grower
Leo Whittle in his orchard.

INDUSTRY

An interview with
MICHELLE GLOGAU

Standards and regulation of organic in New Zealand

DO YOU see similarities in challenges facing the NZ and Australian organic industries?

"Yes, it was clear in discussions and issues raised at the Industry Meeting in Brisbane as well as the Biological Farmers of Australia's annual general meeting that we have similar challenges in meeting export market requirements and domestically working within a non-regulated environment."





What are the certification issues facing NZ producers?

"The main issue for organic producers is meeting a plethora of international standards and export market requirements, and the associated cost of compliance."

BioGro in 2005 introduced a domestic certification system in answer to this cost issue for smaller growers. Has this worked well?

"Yes, the domestic program has been very successful. It operates on the strengths of our existing export and accreditation program but as it is a non-accredited program, we can reduce many of the bureaucratic requirements. Some of the benefits include:

- "A reduced licensee attrition — licensees are moving to the domestic program when it is no longer financially viable or necessary to be on the Export/IFOAM program rather than withdrawing from certification or moving to another cheaper certifier.
- "Licensee growth — the program offers a low-cost entry point for new organic growers.
- "It is price-competitive — costing \$650, it is competitive with certification programs offered by other certifiers.
- "It increases BioGro's branding domestically.
- "There are low overheads through being managed pre-

Private Certifiers & Standards		
	BioGro New Zealand Ltd	BioGro New Zealand Organic Standard
	AgriQuality Limited	AgriQuality Organic Standard
	OrganicFarm NZ	OrganicFarm NZ Production Standard
	Bio Dynamic Farming & Gardening Association	Demeter Standards

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dominantly by the third-party auditor.

- "The domestic program interfaces seamlessly with the Export/ IFOAM program; licensees are able to step up to the other program within approximately two months."

Has growth continued in the NZ organic sector – do you think it will continue?

"We have experienced some growth but not as rapid as in the mid- to late 1990s. Much of the growth now is from existing producers expanding, registering new properties, rather than new growth.

"A major dairy exporter is offering incentives to new farmers to convert to organics with premiums during conversion and technical support, but in spite of this, the number of conversions is disappointing.

"As growth and supply have not kept up with demand, we are experiencing high demand for product 'in conversion' – transitional product – into the United States.

"To address the shortfall of supply, Organics Aotearoa New Zealand (OANZ), the newly formed organic peak body in NZ, will be shortly launching a series of educational and support programs to encourage and assist new organic producers and processors into organic production, and also certification."

Which are the main markets for NZ organic product?

"We are predominantly an export-oriented country and most organic product is sent to Europe, USA, Japan and other Asian countries. Each of these markets requires different country or international accreditations."

In Australia there is currently discussion surrounding establishment of a domestic organic standard through Standards Australia. The NZ Government in a similar manner funded an independently produced standard for NZ. Was this successful?

"Funding to develop the standard was provided by the NZ Government. Standards New Zealand was contracted to develop a standard (NZS 8410) under SNZ, the trading arm of the Standards Council, a crown entity operating under the Standards Act 1988.

"This is a voluntary standard similar to that proposed by Standards Australia for an Australian domestic standard. Standards are generally voluntary but can be mandatory when cited in legislation or regulation.

"A standard developed by SNZ cannot mandate conformance or certification.

"However, the standard does include two statements on compliance and certification – that the systems and products should be certified as being compliant by peer review and/or third party; and 'operators who are not certified but claim compliance with NZS8410 need to maintain documents and be able to demonstrate other evidence, on request, to enable their claims to be validated.'"

Has the standard been effective?

"The standard has not received any practical use. The standards currently in use are those developed by private organisations such as BioGro. Where cases of fraudulent labelling of non-certified organic product have led to prosecution, in the absence of a NZ Standard, the BioGro Standard has been used as a reference standard."

What is the situation with regulation of the domestic organic market in NZ?

"Like in Australia, NZ has no specific regulation protecting the label 'organic'. Supermarkets and, to a lesser extent, the organic shops, are setting their own requirements that they only, or mainly, stock certified organic products. Organic retailers have formed a group and are in the process of setting guidelines.

"The commerce commission is now also actively pursuing any complaints they receive about fraudulent labelling of



Dr Michelle Glogau, chief executive, BioGro New Zealand Ltd, has been involved in the organics sector indirectly since 1993, and directly since 2002.

Before appointment as chief executive in June last year, she had been general manager of operations at BioGro from February 2004.

Before joining BioGro, Dr Glogau was a project manager at Standards New Zealand, facilitating the development of NZ and joint NZ/Australian Standards in a broad range of technical areas, including the agriculture, energy efficiency, environment and sustainability Standards.

While at SNZ, she successfully project-managed the National Organic Standard.

Dr Glogau has a Bachelor of Science degree, a BSc (Hons) in Plant Sciences and a PhD in Plant Physiology.
<www.bio-gro.co.nz>



organic products under the Fair Trading Act. Recent cases include:

- 2003 — prosecution of a wholesaler of herbal products falsely claiming organic;
- 2003 — settlement with sprout producer for falsely claiming organic;
- 2006 — butcher fined \$10,000 for falsely claiming products as certified organic; and
- 2006 — butcher fined \$3700 for falsely claiming meat products as organic/ certified organic.

"The two key clauses used in these prosecutions have been:

"**Section 10 of the Fair Trading Act 1986** says that no person shall in trade engage in conduct that is liable to mislead the public as to the nature, manufacturing process, characteristics, suitability for a purpose, or quantity of goods.

"**Section 13(a) of the Fair Trading Act** relates to false or misleading representations that goods are of a particular kind, standard, quality, grade, quantity, composition, style or model, or have had a particular history or particular previous use." ■

BRIEF TIMELINE

The following timeline tells the history of BioGro and organics in NZ.

- **1983:** The New Zealand Biological Producers & Consumers Council – known as BioGro – was formed by interested organic producers and consumers to promote the interests of organic production and to provide a credible certification system.
- **1983:** The first organic grower was certified by BioGro. Demeter certification was also taking place.
- **1984:** The first BioGro Standards were produced.
- **1993:** The European Union's labelling regulations came into force. To comply with the accreditation requirements, BioGro contracted the on-site auditing to SGS.
- **1998:** BioGro achieved IFOAM accreditation.
- **2000:** Saw establishment of a new certifier from outside

the organic movement. AgriQuality, a state-owned company, expanded their quality assurance services to offer organic certification.

- **2001:** a report of the Primary Production Committee on its inquiry into organic agriculture in NZ was published. Among its findings were two key recommendations:
 - develop a national minimal standard to ensure access to high value markets; and
 - establish a small grower certification scheme for the domestic market.
- **2002:** New Zealand Food Safety Official Organic Assurance Program was put in place for the European Union.
- **2002:** Organic Farm New Zealand certification for small growers launched by the Soil and Health Association with the assistance of government funding. A low-cost certification system for (generally) small-scale growers supplying the NZ market only.