

A Choice: Standards for Sale or Open Access?

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Background

There is an Australian National Standard for Organic and Biodynamic Produce. The first edition was issued in 1992, the second in 1998, the third in 2002 and the current revised edition, 3.3, with 71 pages, was released in July 2007, available at www.daff.gov.au. The national standard is a regulatory instrument of the government authority, the Australian Quarantine and Inspection Service (AQIS). The standard was developed for exported products, labeled organic or biodynamic. This export standard has served as a de facto domestic standard. AQIS currently serves two roles, firstly as competent authority for accreditation of



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certifiers, and secondly as secretariat and convener of the Organic Industry Export Consultation Committee (OIECC). AQIS has indicated its preference to relinquish these support roles.

Overseas experience

With organic standards in Australia under review, the way forward is less than clear because there is no overseas superior model which we might choose to emulate. Developments of organic standards elsewhere have generated cause for concern. In Europe farmers, producers and consumers are less than enchanted with the new EU standard which allows 0.9 per cent genetically modified “adventitious” content. In the US the organic standard has been relinquished to the United States Department of Agriculture (USDA). This is an issue for organic consumers worldwide since the USDA is pursuing a policy of extension of allowable inputs, and dilution of the US standard. There is now a three-tier organic labeling regime in the US under the USDA – “organic” means 95 per cent organic ingredients; “made from organic ingredients” means 70 per cent of ingredients are organic, “100 per cent organic” means all the ingredients meet the USDA definition of organic ingredients.

Standards for sale

There is a proposal to relinquish copyright in a new Australian organic standard to an Australian company, Standards Australia Limited (formerly Standards Australia International Limited and SAI Ltd.), which trades as Standards Australia. Under this proposal Standards Australia Ltd. would develop and hold the copyright of the new standard.

The modus operandi of Standards Australia Ltd. is to then license to a second company the right to sell the standard. SAI Global Ltd. is a company floated by Standards Australia Ltd. for such purposes. Standards Australia Ltd. licenses the standards which it controls to SAI Global Ltd, a public company listed on the Australian Stock Exchange (ASX Code: SAI). SAI Global then offers the standards for sale – for example a 66-page standard presently retails at \$128.70 for a PDF or \$143 for a hard copy (AS3660.1-2000). There are some issues with this proposal – the organic sector loses copyright and hence ownership and some effective control, and the standard per se is converted into a business. This creates an incentive to increase both the size of the standard and the frequency of updates to increase sales.

This pay-per-view concept creates new business of selling the standard. SAI Global generates income from the sale of standards, from their web-based shop www.saiglobal/shop, and pays a commission back to Standards Australia Ltd. In the financial year ending June 2007, SAI Global Ltd. declared revenue of \$212.8 million, a profit after tax of \$18.8 million, of which \$15.8 million was distributed as dividends to shareholders.

Open Access

The standards-for-sale proposal is the antithesis of an open access standard, where the organic standard would be freely available to all – current and potential organic consumers, school children researching their food choices and mum and dad consumers making informed choices about their family diet, health and expenditure. Many realms of information including journals, libraries and governments are now rapidly embracing the concept of open access. There is a case that the food industry, in toto, needs more openness – not more barriers to accessing information. It would be worthy of, as well as progressive for, the organic sector to champion such open access, rather than casting a credit card curtain over it.

Conclusion

From the outset organics was seen as ‘for everybody, for all farmers’. Fundamental questions are – Is the organics project a business or a philosophy? Are we defending a corporate brand or proliferating an idea to change the world? Do we want to be exclusive or inclusive? The organic project was born out of deeply held ideals, so do we now choose for such idealism to be reduced to an economic rationalist model? The answers to such questions can lead us to a future of either Fortress Organics or Open Access Organics.

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