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National Standards and Certification of Organic Produce

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Overview

International trade in organic produce is now estimated to be worth around US\$40billion per annum¹. Of this, Australia produces in the vicinity of \$40m each year² and it is expected to become nearer to 10 percent of total agricultural production by the end of the decade³. The Australian Bureau of Statistics is assessing through its farm surveys the level of organic farming practiced and the results should provide a more definitive picture of the extent of organic production in Australia.

During the late 1980s niche markets for organic produce were identified by the Australian Quarantine and Inspection Service (AQIS). These markets, particularly in Europe, pay substantial premiums for Australian organic produce.

Organic Produce Advisory Committee

In January 1990 the Organic Produce Advisory Committee (OPAC) was established under the chair of AQIS by the, then, Minister for Primary Industries, John Kerin. This Committee comprises the organic industry organisations: Biodynamic Research Institute of Australia, Biological Farmers of Australia, the National Association for Sustainable Agriculture, Organic Retailers and Growers Association of Australia, and more recently the Organic Herb Growers of Australia and the Organic Vignerons of Australia. Other organisations represented on OPAC are: National Farmers Federation, Australian Consumers' Association, National Food Authority, and the Standing Committee for Agriculture and Resource Management.

¹ *Financial Times*, 14 January 1993

² Lewis, 1992

³ Hassall and Associates, 1990

OPAC was given the charter to develop national standards and to provide policy advice to the Minister and the department. The National Standard for Organic and Bio-dynamic Produce was developed by OPAC through a process of wide public consultation. On 10 February 1992, the then Minister (Simon Crean) formally released the National standard and called it up immediately for all exports.

National Standard for Organic and Bio-dynamic Produce

The Standard aims:

- to protect both the industry and consumers against deception and fraud in the market place;
- to harmonise national provisions for the production, certification, identification and labelling of organic produce;
- to ensure that all stages of production, processing and marketing are subject to inspection and meet minimum requirements; and
- to provide a guide to farmers contemplating conversion to organic farming.

The National Standard is both *complementary* and *additional* to other Commonwealth and State/Territory health and agricultural regulatory requirements. It covers:

- the minimum principles which should be complied with before agricultural products and foods are placed on the market with labelling which states or implies that they have been produced by organic farming systems;
- the mechanism for organisations to verify produce along the production and distribution chain. Monitoring compliance through regular inspection programs enhances product integrity and consumer confidence;
- the minimum inspection and certification requirements for the industry. AQIS has taken the approach that the industry is responsible for organic certification schemes including their development, implementation and management;
- the principles of organic production at farm level, including the permitted inputs for soil fertilising and conditioning, and materials for plant and animal pest and disease control;
- the labelling requirements for organic produce; and

- on completion of Annex IV, it will also provide approved ingredients and processing aids for manufactured organic foods.

The National Standard is presently being reviewed by OPAC to finalise the Annex IV and to revise the standard in the light of international developments, such as work of the European Union⁴, the International Federation of Organic Movements (IFOAM)⁵ and the United Nations Joint FAO/WHO Codex Alimentarius Commission⁶. It is anticipated that the revised national standard will be finalised by the end of 1994.

Accreditation of organic industry organisations

The National Standard sets out requirements for industry organisations to become "approved certifying organisations". These organisations will be audited under a quality assurance program by AQIS to ensure that their operations satisfy the requirements of the National Standard. This includes annual inspection of their members if exports are involved.

The administrative arrangements for the audit of organisations have been developed by industry. These arrangements will be reflected in the Export Control (Organic Certification) Orders⁷ which are being drafted by the Attorney General's Department.

Initial audits have been conducted by AQIS on five organic organisations. These have been undertaken at no cost to the industry as a result of a special funding arrangement in 1993/94 for quality assurance programs. Current government policy does, however, require AQIS to recover fully its inspection costs. The impact of such charges on the industry is recognised and discussions are presently underway with the organic industry on levels of charging to be imposed.

Export trade arrangements

The rules for the import of organic produce established by European Union (EU) legislation have been the principal force behind the export facilitation program. In January 1993 the Commission for European Communities (CEC) formally

⁴ EEC Regulation 207/93

⁵ IFOAM

⁶ ALINORM 93/30, Appendix V

⁷ These orders will fall under the requirements of the *Export Control Act 1982*

recognised the technical requirements of Australia's national standard as being equivalent to those set down in the EEC Regulation on Organic Production⁸ and granted Australia interim approval for imports to countries of the community. Other countries listed were Austria, Switzerland, Argentina and Egypt⁹.

Following a further round of negotiations with the CEC in March 1994, Australia's interim approval has been continued for a further year. Final listing with the EU is contingent on the demonstration of AQIS oversight of the industry. It is understood that the CEC is working toward granting Australia final listing.

In terms of exports to other regions, it is anticipated that regulations for the import of organic produce will come into force in the USA by the end of this year. Canada and Japan have guidelines on the labelling of organic produce which Australia could be expected to satisfy. Other countries such as Argentina, Austria, The Netherlands, France, Spain, the UK, Germany, Denmark, Italy, Israel, Sweden and Switzerland have regulations in place.

Countries in the Asian region have expressed a keen interest in Australian organic produce. We already export a range of organic products, including cotton, to Singapore, Japan, Korea and Hong Kong. There is potential for further exports to these areas although supply is the major inhibiting factor to export growth at this stage.

Conclusions

AQIS's regulatory role in the export of organic produce complements the much broader role of industry organisations in providing inspection and certification of organic operators. The audit and accreditation of organic organisations against the requirements of the National Standard underpins the existing export arrangements to Europe and will continue to facilitate negotiations with other countries as the demand for Australian organic produce increases in the future.

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The National Standard for Organic and Bio-dynamic Produce is available from the OPAC Secretariat, AQIS, GPO Box 858, Canberra City, ACT 2601, fax (06) 272 3103.

⁸ EEC Regulation 2092/91

⁹ EEC Regulation 94/92

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