

In response to the industry's request for comments on:
A Proposed Roadmap for Australia's organic industry 2018

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Since the start of the certified organic industry in Australia (early 1990s) many efforts have been made to obtain unity in the industry, without success. The absence of unity has been experienced by many participants as holding back the industry.

We see the problems as mainly resulting from the following situation. At present, there is no one set of national domestic standards, and some private certifiers compete for clients – amongst other – by modifying their standards. Factors related to the level of standards, service of certification (efficiency, timing, requirements, advice) and cost of certification affect the choice of certifier. Competition between the certifiers has prevented them from co-operating where needed and from presenting a united front to promote the industry.

Many efforts in the past to overcome this have led to nothing, as the main players couldn't agree with one another. With more input from other players this time, and a helping hand from the government, this issue may well be resolved.

1. Standards and compliance

a. Standard development

In the early 1990s, Australia responded to the need for organic standards for export by adopting the National Standard (NS)². Each existing certifier then adjusted their own already existing standards to be compliant with those standards. This resulted in a number of similar but not identical standards. Each certifier (such as NASAA and AO) then had a certification arm (such as NCO and ACO, fully-owned subsidiaries) that did the actual checking of the operators, after which the certifier's logo was then allowed denied to be used.

It is paramount that Australia has national domestic standards to guarantee quality to its consumers, and protect its producers and traders from unfair competition. According to WTO rules, import requirements are not allowed to be stricter than those for the domestic market³. This implies that, if there are no legally-binding domestic standards, any imports labelled as organic – and produced in whatever way – can be legally imported and called 'organic'. It can be safely assumed that neither the government nor the organic industry is interested in making the domestic organic industry uncompetitive in this way.

¹ The authors thank AOIWG-members for comments.

² At the time, an export standard had become essential for market access. It was subsequently succeeded by a range of importing country standards and need for multiple certifications for exporters to access different country requirements.

³ Article 3 of GATT, relating to national treatment, requires that imported and locally-produced goods should be treated without discrimination. Countries may not impose more restrictive standards for imported goods.

The second point is that having one set of standards would get rid of the temptation for the race-to-the-bottom, with a possible effect on price differentiation and market share, and would result in simplifying the organic world as compared with the present situation. This would avoid confusion caused by competition between different service providers⁴ – which has been considered by many operators as holding the industry back in the past.

When a domestic standard in the country (such as the Australian Standard – AS 6000) has legal status, the case for an individual (private) standard is diminished or non-existent. In practice, this will result in less or no room to water down the standards – which in turn would encourage operators to use a specific certifier. In addition, with a single standard the cost of certification should fall.

It seems most logical to make the Australian Standard (AS 6000) the official domestic organic standard in Australia, with Standards Australia (SA) the single standard-setting body – with its history in setting up an expert representative body for the organic industry. As in other industries, SA can auspice another body to be the Standards Development Organisation (SDO), which could be the Organic Peak Body⁵. Note that SA is a recognised standards setting body by the Federal Government, and is also Australia's representative on the International Organization for Standardization (ISO).

It should also be noted that, while for many years our Australian export standards satisfied access to the European Union and other countries, many countries have now developed their own national standards requiring Australian exporters to seek access via approval from the importing country. Our export standard - once satisfactory for exporters - is no longer enough for the many international markets of countries with their own national standards. This is another market access complication that may only be fixed via global harmonization or mutual recognition of organic standards (equivalence) - a task that lies outside the remit of this domestic industry process. The US Department of Agriculture's National Organic Program (NOP) doesn't recognise the Australian standards system (NS). The reason is that one of NOP's requirements is that the exporting country has domestic regulations, which Australia does not have.

b. Inspection and certification

For historical reasons, each service provider (such as NASAA and AO) developed its own standards (and, when the NS was adopted, aligned them with that standard). In addition, they have had their own 'certification office' (for example, NCO and ACO) – which carries out inspection and provides certification or otherwise.

However, there is no need for each service provider to have its own 'certification office'. Indeed, such a situation could be seen as a conflict of interest - as gains from awarding organic operators the right to a logo is advantageous to the service provider. At the same time, service providers do

⁴ For reasons that will become clearer further on in this article, those organisations presently called 'certifiers' are called 'service providers' in the rest of this paper.

⁵ For more details about the history of standards and compliance systems in Australia, and processes employed by Standards Australia (SA), see <http://www.elspl.com.au/OrgAg/4-OA-Pubs/4-OA-Publications/Pub-B-MktgTrade/OA-Mktg-B18-OrgStandards-JOS-2008.pdf>.

For more details about SA requirements and costs, see <http://www.standards.org.au/StandardsDevelopment/accreditation/Pages/Documents-and-Forms.aspx>; http://www.standards.org.au/StandardsDevelopment/accreditation/SDO_responsibilities/Pages/Fees.aspx.

already recognise that other inspectors than those from the 'mother organisation' can carry out inspections, as their own certification offices have carried out inspections for other than their own organisation in the past (by which they are accredited), and still do so (such as o/s standards).

In other words, it is imperative that the inspections are carried out by totally independent organisations or individuals. Of course, the present 'certification offices' (such as ACO and NCO and others) may want to continue in their roles of inspection and certification of operators, but they will be allowed to do so only if they are legally totally independent from organisations that benefit from the outcome of the inspections and certification.

Businesses and individuals that want to be involved with inspections and certification in the organic industry will need to be trained and audited for professional competence and suitability.

c. Certification and logo

A logo showing which inspection/certification office has carried out the assessment can be shown on the product.

A logo showing that the product has been produced/ processed according to organic standards set by the Australian national standard-setting body is obligatory - if the product is to be sold as organic. It seems logical that the existing National Organic Mark⁶ is used for this purpose. The Peak Body could be the holder of the national logo, the proceeds of which could be used towards payment of the maintenance of the national standard and logo.

2. Industry development

To get an industry growing and competent in its practices, an organisation is needed to focus on activities that support the aspiring and current operators. This to help them to get to a point where they are ready to apply for organic certification, or can keep informed about changes and innovations in the industry.

At present, a number of these tasks are already undertaken by the service providers, such as AO and NASAA. Other tasks would include information in any area in which organic operators are interested, such as networking and domestic market access. Communication and promotion would be a major area of assistance.

Amalgamation of these parts of industry organisations seems logical but is by no means essential.

3. Research and Education

The organic industry will need to be underpinned by research and education.

Organic Trust Australia – Research and Education is a charitable Trust registered with the Registry for Environmental Organisation of the Department of Environment, and is in a prime position to take on this task.

One of its present projects concentrates on providing reliable data to the organic industry⁷.

⁶ Currently held by the Organic Industry Standards and Certification Council (OISCC).

⁷ See <http://www.organictrustaustralia.org.au/node/43>.

4. Advocacy

The previous sections covered the following organisations and tasks:

- a nationally acceptable organisation to help develop and hold the national Australian standards or its designated SDO (Standards Australia?);
- a group of totally independent organisations to inspect aspiring and current organic operators, and to decide on approval or refusal regarding certification;
- a national organisation – with perhaps several dispersed offices – or a number of regional organisations that cater for support and development of aspiring and established organic farmers and other operators related to the organic industry;
- a national organisation that underpins advice to consumers and operators through research and education (OTARE?).

Such a situation would diminish the pressure on a national organic organisation that can concentrate on standing up nationally and internationally for the organic industry.

These tasks should include – but are not limited to:

- being the SDO – being responsibility for developing organic standards
- being the ‘keeper’ of the national logo
- engaging with industry
- lobbying on behalf of the whole organic sector
- overseeing/advising re: work by OTARE on Research, Development and Education
- working with government in international fora to solve problems of access in the international market place.

We have summarised the situation described above in the next section.

5. Summary

<i>Standards and certification</i>	<i>National Services</i>	<i>National + International co-ordination + services</i>
<p>Organic Standards</p> <p>Standards Australia – AS6000. SA can auspice the Organic Peak Body to develop standard for the organic industry.</p>	<p>Industry Services</p> <p>Providing:</p> <ul style="list-style-type: none"> • technical advice • networking • communication • promotion • market access 	<p>Organic Peak Body</p> <ul style="list-style-type: none"> • develops standards as designated Standards Development Organisation for AS6000 • oversees contact between industry and standard-setting body • keeps the national logo • lobbies on behalf of the sector • responsible for, e.g. <ul style="list-style-type: none"> ▪ liaises with govt at all levels ▪ industry engagement and commitments • oversees/advises re: work by Trust on R&D and Education • works with government in fora to solve access problems in international market place
<p>Inspectorate + certification</p> <ul style="list-style-type: none"> • Independent and trained inspectors • Independent review committee 	<p>Research and Education</p> <p>OTARE: Facilitating RDE in organic agriculture</p>	