
6/08/2020

The Review Secretariat
Department of Agriculture, Water, and the Environment
Canberra
Consultation Draft Export Control (Organic Goods) Rules 2020

To whom it may concern

Thank you for the opportunity to contribute to the review of the *Draft Export Control (Organic Goods) Rules 2020 for Organic Goods*.

The National Association for Sustainable Agriculture Australia (NASAA) is a leading organic industry association in Australia supporting and promoting the adoption of organic practices that lead to safer and more sustainable food production systems.

Our subsidiary business, [NASAA Certified Organic \(NCO\)](#), certifies organic commodities to meet all domestic and international export market requirements. With an estimated 21,000 individual operators certified to the NASAA Organic and Biodynamic Standard, NASAA Organic has the largest area of land licenced to the NASAA Spring Leaf Organic Label compared to any other certifier in Australia and overseas.

The NASAA Organic Spring Leaf product label is recognised here and overseas for upholding the highest standards of integrity and benchmarks for the industry.

NASAA continues to be at the forefront of organic industry development. It was the first organic industry association in Australia, the first to develop an Organic Standard, and the forerunner in establishing strong international trading ties for organic exports, which includes establishing accreditation with [IFOAM—Organics International](#). In recent years, this includes being the first organic industry association to open access to organic markets in China.

Increasingly NASAA has assumed a strong policy and advocacy role, supports the adoption of a domestic regulated standard, and advocates for reforms on behalf of the organic industry.

The following submission provides comment on the draft changes to the *Draft Organic Rules*.

Your sincerely

A handwritten signature in cursive script that reads "Glenn Schaub".

Glenn Schaub
NASAA Organic Chair

Overview

Overall, NASAA is supportive of the proposed changes.

The changes will bring improved efficiency for the benefit of Australia's organic exporter, while maintaining prosperous relations with our trading partners.

The following deals with areas of concern that have potential negative impacts for the organic industry.

Definition of the National Standard

[Linking changes to the National Standard to legislative reform](#)

The proposed legislated definition of the National Standard is limited to the version of the National Standard (NS) as of March 2021 when the new Rules are to be implemented.

The Department has indicated that when the NS is updated the legislated rules can be changed to reflect the updated version.

This process appears to be cumbersome and has the potential to delay changes to the NS.

Delays in changes or updates to the Rules will lead to confusion and frustration in the industry.

To avoid this, NASAA Organic proposes that the definition as scripted in the Part 2 Interpretation 1-6 Definitions of the draft rules, be changed to reflect the current version of the NS which will be in existence at the commencement of this instrument as follows:

'National Organic Standard means the National Standard for Organic and Bio-Dynamic Produce as published from time to time by the Department'.

Organic Goods Certificates

[Exclusion of exported organic cosmetic products from prescribed goods](#)

NASAA does not support the proposed change outlined in the draft organic rules that would allow for the exemption for organic cosmetics from obtaining an Organic Goods Certificate (OGC) if the organic cosmetics are going to an importing country that does not require an OGC.

These changes assume that there is little or no negative impact of such an allowance. This is not case.

These changes will have a direct impact on the integrity of Australian organic exports, and the perceived reliability as an exporter of bone fide organic food, fibre and cosmetic products. This has wide implications for Australia's organic sector. The first of these is false and misleading labelling, the second is creating market inequity and the third is the loss of data and the inability to monitor effectively.

1. False and misleading labelling

Label abuse and misrepresentation is already an issue of concern for the certified organic industry, requiring considerable resources and expenditure to protect the integrity of certified organic labels.

Enabling products to be called 'organic' and exported without an OGC, could lead to many products implying Organic Certification, without being Certified Organic. Many certified organic operators complain regularly about this occurring in Australia's unregulated domestic organic market because this kind of label abuse already occurs frequently in the cosmetic sector.

It occurs because the word ‘organic’ carries with it an understanding among consumers that ‘organic’ means natural, healthy, safe.

Numerous studies conducted in countries with regulated and unregulated markets attest to this and substantiate that consumers buy certified organic products for the perceived health and environmental benefits, and because they do not contain artificial chemicals and genetically modified organisms. However, many conventionally-produced products do so and yet are labelled as ‘natural’ or ‘organic’. This [confuses consumers](#) and leads to a degree of [scepticism about the reliability of organic certification](#).

Allowing exceptions that in effect create a loophole to avoid third part verification of the bone fide organic status for Australian exports will open the door for further abuse, with the potential of seriously damaging Australia’s reputation as a reliable exporter of organic produce.

2. Creating market inequity

Additionally, allowing exemption for cosmetic products going to importing countries that do not require an OGC, provides an unfair competitive cost and administrative advantage for operators that export both organic cosmetics and food products, over those that limit production to exporting food products.

Lower certification/administration, and hence production costs, especially for those with multiple products and sites, provide an unfair and artificial price advantage.

If an exemption is to be included, then to ensure the equitable application of the rules across the industry, exemptions for all organic goods being exported to those countries not requiring an OGC should be allowed.

3. Loss of data and the inability to monitor effectively

Without OGCs for all organic exports including cosmetic, the industry loses access to an important metric and the ability to monitor growth, determine areas of need, and the ability to strategically apply industry development resources.

As a relatively small industry (around 3 per cent of agricultural production in Australia), such data is crucial for the future development of the sector.

Electronic OGCs

The proposed rules assume recognition of electronic records, including OGCs.

This is welcome but it requires an acceptance by our regulated trading partners such as the USDA to accept our Australian electronic OGCs.

This requires changes to the [US National Organic Program \(US NOP\)](#) data base to enable this to occur.

Currently, Australian Certifiers are required to have two electronic certificates — one for the goods to be exported from Australia and one to be uploaded to the NOP data base.

This is an unnecessary duplication and we encourage the Department to seek this change with the USDA.