



# Would New Zealand benefit from new organic regulation?

May 2018

*Growing and Protecting New Zealand*



[www.mpi.govt.nz](http://www.mpi.govt.nz)



# We use 'organics' to broadly describe products produced:

- without routine use of artificial chemicals
- without genetically-modified organisms
- with an emphasis on animal welfare

Organic production can also include adherence to ethical principles relating to health, ecology, fairness

# Demand is growing for organic products

Demand for organic products is increasing globally. Between 2001 and 2016, the total value of organic food and beverages sold increased by

330

percent, reaching NZ\$124 billion.



By 2015, New Zealand's organic sector was worth around

\$500

million annually

\$217

million domestic sales and almost

\$280

million in exports.

# Organics are increasingly regulated internationally

- Many countries have rules relating to organic production.
- Of the top 25 organic trading countries, New Zealand and Australia are the only ones without a single set of rules for organic production.



# In New Zealand:

- No law specific to organic products
- Existing laws mean that organic claims must be true and not misleading, and organic food must be safe and suitable for sale
- MPI runs a programme that allows organic products to be exported to specific markets that require Government assurance

# Why should New Zealand consider change?

- New Zealand has no one set of rules for what organic means. This can cause uncertainty for international and domestic consumers.
- It also means Government has limited ability to oversee the sector.
- Overseas countries may be reluctant to import our organic products until our regulations are strengthened.

# Which organic products are we interested in?

- Organic:
  - ✓ food and beverages
  - ✓ animal and plant products
  - ✓ live animals
  - ✓ wool
  - ? What else? Farmed fish?



# What do we mean by 'relevant businesses'?

- In the discussion document we describe 'relevant businesses' as people or businesses who:

- **commercially grow**

- **process**

- **pack**

- **import**

- **export**

- **label**

organic products for sale

# What we think an organic regime should achieve

- Consumer confidence and choice
- Clarity for businesses, but also incentives to invest and innovate.
- Trade in organic products supported.
- Costs proportionate to benefits.
- Regulations are flexible and appropriate for New Zealand.

## Key questions we are asking in this consultation ...

1. Should any standard be voluntary or mandatory?
2. If mandatory, how should we check that businesses meet the rules?

# Key question 1: should any standard be voluntary or mandatory?

**Option 1A:  
Encourage  
businesses  
to use a  
voluntary set  
of rules**

**Option 1B:  
Most  
businesses  
must meet  
an agreed  
set of rules**

**Option 1C:  
Everyone  
must meet  
an agreed  
set of rules**

# We recommend that everyone should meet one set of rules

- Certainty for businesses and consumers about what Government considers organic production to be.
- Would better support trade in New Zealand's organic products.
- **But:** could impose costs, because businesses may have to:
  - change production methods, or
  - stop labelling their products as organic, to comply with the rules.

## Key question 2: if standard mandatory, how should we check compliance?

**Option 2A:**  
All businesses have to regularly prove they are meeting the rules

**Option 2B:**  
We check from time to time that businesses are meeting the rules

**Option 2C:**  
All but the smallest businesses have to regularly prove they are meeting the rules

# We recommend that all but the smallest businesses regularly prove they are meeting the rules

- Most businesses would need to pay to be checked or audited against the rules.
- Some very small businesses could be exempt from check, because costs would be disproportionate.
- We could still check small businesses if concerns raised, and they would need to demonstrate they were following the rules
- Possible cost reduction measures could be taken.

# Next steps

- Tell us what you think!
- A summary of submissions will be published.
- Ministers will then decide how they would like to proceed.
- Further chances to provide input on any actual standard when that is developed and consulted on.



# Submissions close 11 June – there are 3 ways to submit

**Submit through our website**

<https://www.mpi.govt.nz>

**Email us at**

[organicsconsultation@mpi.govt.nz](mailto:organicsconsultation@mpi.govt.nz)

**Write to us at:**

Food and Regulatory Policy

Ministry for Primary Industries

PO Box 2526

Wellington 6140

Submissions are public information

