



AUSTRALIAN ORGANIC INDUSTRY – REGULATORY FRAMEWORK BRIEFING NOTE

Industry Opportunities

- OFC is calling on stakeholders connected with the organic industry to lobby the government to support the introduction of the *National Organic Standard Bill 2024* which was introduced by the Opposition into the Senate for consideration on 19 November 2024.
- The Bill aims to regulate the use of the terms “Organic” and “Bio-Dynamic” in Australia ensuring its use is for certified products only, as well as adopt the National Standard for Organic and Bio-Dynamic Produce as the single standard for organic certification in Australia (ie both export and domestic).
- Australia is the only OECD country without domestic regulation of the organic industry, so the adoption of this Bill would bring Australia in line with our peers around the world.
- A domestic regulatory framework with a clear definition of organic will help protect consumers from greenwashing and help ensure certified organic products are the only organic products available to consumers.
- It will be the first step in increasing opportunities for improved market access to countries such as the USA, EU and Korea through a clear definition of organic for domestic sales.
- The United States is the largest market for organics in the world, currently worth an estimated \$70b USD in sales.
- Some of the benefits of more opportunities to enter the USA market include:
 - o Greater contribution to the \$100b AUD goal for the agriculture industry and to each commodity sector that has an organic industry.
 - o Increased diversity in offerings to these markets for the agricultural sector.
- Protecting certified organic operators will benefit stakeholders because it will provide greater assurance that a product claiming to be organic is organic, allowing for greater trust and collaboration across commodity groups as anyone claiming to be organic will have to be certified organic.

Why a new Regulatory Framework is important?

- Currently the gaps in domestic regulation of the organic industry have led to certified organic operators facing hurdles concerning the authenticity of their organic products. This has led to:
- **Consumer trust issues** – A survey prepared for the 2023 Australian Organic Market Report noted that 33 percent of consumers had been misled when buying organic products.
- In a separate survey, 90 percent of consumers either agreed or strongly agreed there should be standards that need to be followed for a product to be labelled organic.
- The same survey also noted that 88 percent of consumers supported the use of certification logos, 87 percent agreed or strongly agreed with the use of independent verification for organic products and 85 percent agreed or strongly agreed with a minimum percentage requirement of organic inputs before a product could be considered organic.
- While consumers are calling for more regulation of the organic industry, operators and producers (many of them small to medium sized businesses) are forced to spend money, time and resources to explain what it means to be certified organic to potential consumers and retailers at the expense of the day-to-day operations of their business.
- **Market access issues** – Australia is currently the only country in the OECD that does not have a domestic regulatory framework for organic products.
- Countries such as the United States and Korea have already put in conformity assessments that hinder the ability of Australian organic operators and producers to enter these markets.
- These assessments often require multiple certifications for organic operators and producers which add to the cost of exporting for organic operators and producers.
- The cost of extra certification to export to markets with conformity assessment agreements is high and makes it hard to expand for larger organic operators and nearly impossible for smaller



to medium sized operators to enter overseas markets that Australian agriculture businesses otherwise has access to.

How You Can Help

- We are asking supporters to show their support for the *National Organic Standard Bill 2024* through the following ways:
 - Contacting Minister Collins and Minister Farrell on behalf of the organic industry and encouraging sector members to provide support for the bill.
 - Providing media support (through quotes to the Organic Development Group) or sector articles for the Bill. The ODG has social media, press release and letter templates available to assist.
 - Showcasing certified operators in media and highlighting the positives they provide to your sector.
- ODG members will be happy to provide you with contacts relating to your sector to help with this process.

Background – Australia’s Organic Industry

- The Australian organic industry has approximately 3000 certified businesses.
- The industry is worth approximately \$2.6 billion in direct and in-direct contributions to the Australian economy and provides approximately 22,000 direct and indirect FTE job positions.
- Australia currently holds approximately 60 percent of the world’s global organic farmland.